

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 15, 2024

Company name: Fabrica Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4193 URL <https://www.fabrica-hd.co.jp/>
 Representative: Representative Director & President CEO Masahito Taniguchi
 Inquiries: Director CFO Toru Iwadate TEL 03-5544-9102
 Scheduled date of ordinary general meeting of shareholders: June 24, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 25, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	8,162	7.4	1,070	(16.5)	1,087	(13.8)	673	(16.9)
Year ended March 31, 2023	7,600	29.7	1,282	38.9	1,262	34.3	810	41.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	125.86	123.28	19.9	21.7	13.1
Year ended March 31, 2023	159.44	148.49	29.1	29.8	16.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	5,303	3,597	67.5	660.82
As of March 31, 2023	4,702	3,178	67.5	595.57

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	602	(451)	(204)	2,259
Year ended March 31, 2023	1,038	(753)	(240)	2,312

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	—	0.00	—	35.00	35.00	186	22.0	6.5
Year ended March 31, 2024	—	0.00	—	36.00	36.00	195	28.6	5.7
Year ending March 31, 2025 (Forecast)	—	0.00	—	37.00	37.00		28.6	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,700	6.6	1,100	2.7	1,100	1.2	700	3.9	129.22

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	5,458,200 shares	As of March 31, 2023	5,327,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	41,278 shares	As of March 31, 2023	78 shares
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Average number of shares during the period

Year ended March 31, 2024	5,351,603 shares	Year ended March 31, 2023	5,081,004 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	2,265,070	2,102,329
Accounts receivable - trade	714,070	858,966
Merchandise and finished goods	91,600	86,539
Work in process	203	225
Raw materials and supplies	3,275	2,631
Other	238,198	396,386
Allowance for doubtful accounts	(3,186)	(3,903)
Total current assets	3,309,231	3,443,176
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	59,404	159,979
Machinery, equipment and vehicles, net	4,528	633
Tools, furniture and fixtures, net	26,680	51,380
Land	158,429	158,429
Leased assets, net	67,231	127,509
Total property, plant and equipment	316,274	497,933
Intangible assets		
Goodwill	23,051	25,039
Software	117,277	161,053
Software in progress	103,762	131,735
Other	770	664
Total intangible assets	244,861	318,492
Investments and other assets		
Investment securities	196,378	814,773
Shares of subsidiaries and associates	389,419	–
Distressed receivables	1,319	1,191
Insurance funds	42,337	26,871
Deferred tax assets	78,445	94,636
Other	124,527	107,703
Allowance for doubtful accounts	(1,342)	(1,215)
Total investments and other assets	831,085	1,043,962
Total non-current assets	1,392,220	1,860,388
Deferred assets		
Bond issuance costs	822	186
Total deferred assets	822	186
Total assets	4,702,275	5,303,751

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	443,076	508,493
Current portion of bonds payable	50,000	30,000
Current portion of long-term borrowings	86,300	112,996
Accounts payable - other	216,184	214,846
Accrued expenses	92,587	113,133
Income taxes payable	310,006	209,132
Contract liabilities	36,553	41,800
Lease liabilities	18,522	27,017
Provision for bonuses	9,825	27,597
Provision for point card certificates	74,969	87,174
Other	15,076	25,311
Total current liabilities	1,353,103	1,397,502
Non-current liabilities		
Bonds payable	30,000	–
Long-term borrowings	60,368	139,596
Lease liabilities	52,836	109,879
Asset retirement obligations	23,151	55,182
Other	4,149	4,189
Total non-current liabilities	170,505	308,847
Total liabilities	1,523,608	1,706,350
Net assets		
Shareholders' equity		
Share capital	645,106	655,785
Capital surplus	584,126	594,805
Retained earnings	1,907,692	2,425,493
Treasury shares	(316)	(73,834)
Total shareholders' equity	3,136,609	3,602,250
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	36,396	(22,636)
Total accumulated other comprehensive income	36,396	(22,636)
Share acquisition rights	5,660	17,786
Total net assets	3,178,666	3,597,400
Total liabilities and net assets	4,702,275	5,303,751

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	7,600,296	8,162,693
Cost of sales	3,736,658	4,160,877
Gross profit	3,863,637	4,001,815
Selling, general and administrative expenses	2,581,049	2,931,249
Operating profit	1,282,587	1,070,565
Non-operating income		
Interest income	15	156
Dividend income	5	5
Rental income from buildings	7,221	7,221
Gain on sale of non-current assets	6,104	5,190
Gain on sale of investment securities	2,500	–
Insurance claim income	3,777	4,622
Surrender value of insurance policies	–	2,594
Compensation income	800	–
Other	1,600	5,910
Total non-operating income	22,026	25,701
Non-operating expenses		
Interest expenses	1,855	1,222
Share of loss of entities accounted for using equity method	32,713	–
Rental expenses	2,251	2,251
Loss on accidents	3,588	2,906
Other	2,180	2,466
Total non-operating expenses	42,589	8,846
Ordinary profit	1,262,024	1,087,420
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	785
Total extraordinary income	–	785
Extraordinary losses		
Impairment losses	39,322	3,053
Total extraordinary losses	39,322	3,053
Profit before income taxes	1,222,701	1,085,153
Income taxes - current	449,014	413,048
Income taxes - deferred	(36,415)	(1,423)
Total income taxes	412,598	411,625
Profit	810,102	673,527
Profit attributable to owners of parent	810,102	673,527

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	810,102	673,527
Other comprehensive income		
Valuation difference on available-for-sale securities	36,396	(59,032)
Total other comprehensive income	36,396	(59,032)
Comprehensive income	846,499	614,494
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	846,499	614,494

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	617,442	556,462	1,222,114	(167)	2,395,851	–	–	–	2,395,851
Changes during period									
Issuance of new shares - exercise of share acquisition rights	27,664	27,664			55,328		–		55,328
Dividends of surplus			(124,524)		(124,524)		–		(124,524)
Profit attributable to owners of parent			810,102		810,102		–		810,102
Purchase of treasury shares				(149)	(149)		–		(149)
Net changes in items other than shareholders' equity					–	36,396	36,396	5,660	42,057
Total changes during period	27,664	27,664	685,578	(149)	740,757	36,396	36,396	5,660	782,815
Balance at end of period	645,106	584,126	1,907,692	(316)	3,136,609	36,396	36,396	5,660	3,178,666

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	645,106	584,126	1,907,692	(316)	3,136,609	36,396	36,396	5,660	3,178,666
Changes during period									
Issuance of new shares - exercise of share acquisition rights	10,679	10,679			21,359				21,359
Dividends of surplus			(186,470)		(186,470)				(186,470)
Profit attributable to owners of parent			673,527		673,527				673,527
Purchase of treasury shares				(73,518)	(73,518)				(73,518)
The increase in retained earnings due to the decrease in profits of an equity-method			30,742		30,742				30,742
Net changes in items other than shareholders' equity					–	(59,032)	(59,032)	12,125	(46,907)
Total changes during period	10,679	10,679	517,800	(73,518)	465,641	(59,032)	(59,032)	12,125	418,734
Balance at end of period	655,785	594,805	2,425,493	(73,834)	3,602,250	(22,636)	(22,636)	17,786	3,597,400

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,222,701	1,085,153
Depreciation	68,145	98,729
Amortization of goodwill	390	5,430
Increase (decrease) in allowance for doubtful accounts	250	589
Increase (decrease) in provision for bonuses	(135)	17,772
Increase (decrease) in provision for point card certificates	11,581	12,205
Interest and dividend income	(21)	(162)
Insurance claim income	(3,777)	(4,622)
Surrender value of insurance policies	–	(2,594)
Interest expenses	1,855	1,222
Share of loss (profit) of entities accounted for using equity method	32,713	–
Loss (gain) on sale of non-current assets	(6,104)	(5,190)
Impairment losses	39,322	3,053
Loss (gain) on sale of investment securities	(2,500)	–
Loss (gain) on sale of shares of subsidiaries and associates	–	(785)
Decrease (increase) in trade receivables	(115,970)	(144,896)
Decrease (increase) in inventories	(54,445)	5,682
Increase (decrease) in trade payables	86,222	65,416
Increase (decrease) in accrued expenses	11,505	20,545
Increase (decrease) in accounts payable - other	47,368	(2,778)
Other, net	18,089	28,348
Subtotal	1,357,191	1,183,118
Interest and dividends received	21	162
Interest paid	(1,831)	(1,229)
Income taxes paid	(320,624)	(584,488)
Proceeds from insurance income	3,276	4,930
Net cash provided by (used in) operating activities	1,038,034	602,492
Cash flows from investing activities		
Purchase of property, plant and equipment	(90,805)	(232,990)
Proceeds from sale of property, plant and equipment	78,783	134,378
Purchase of intangible assets	(100,352)	(122,867)
Payments for acquisition of businesses	(47,913)	(7,418)
Purchase of investment securities	(127,229)	(295,492)
Proceeds from sale of investment securities	12,500	–
Proceeds from sale of shares of subsidiaries and associates	–	24,245
Purchase of shares of subsidiaries and associates	(422,133)	–
Proceeds from cancellation of insurance funds	–	18,060
Other, net	(56,377)	30,394
Net cash provided by (used in) investing activities	(753,529)	(451,689)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	–	200,000
Repayments of long-term borrowings	(94,064)	(94,076)
Repayments of lease liabilities	(11,752)	(20,744)
Redemption of bonds	(65,000)	(50,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	55,328	21,359
Purchase of treasury shares	(149)	(74,088)
Dividends paid	(124,524)	(186,470)
Net cash provided by (used in) financing activities	(240,161)	(204,019)
Net increase (decrease) in cash and cash equivalents	44,343	(53,216)
Cash and cash equivalents at beginning of period	2,268,305	2,312,649
Cash and cash equivalents at end of period	2,312,649	2,259,433