

## Financial Statements(under Japanese GAAP)

February 10, 2023

Company name	IFIS JAPAN LTD.	Stock Exchange listing	TSE
Code number	7833	URL	<a href="http://www.ifis.co.jp">http://www.ifis.co.jp</a>
Representative	President	Hiroki Osawa	
Contact	Director	Katsuhito Watanabe	TEL 81-(3)6825-1250
Scheduled date of annual shareholder's meeting		March 24, 2023	
Scheduled start date of dividend		March 27, 2023	
Scheduled submission date of annual security report		March 27, 2023	
Preparation of supplementary material on earnings		: Yes	
Holding of earnings performance review		: Yes (for analysts)	

(Fractions less than ¥1 million have been omitted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

#### (1) Consolidated Operating Results

(Percentages figure represent changes from same period of previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal year ended December 2022	5,380	1.9	826	11.9	834	11.3	587	21.1
Fiscal year ended December 2021	5,280	-1.4	738	6.6	749	7.1	484	8.0

(Note) Comprehensive income (loss)

Fiscal year ended December 2022      ¥591 million ( 19.8%)

Fiscal year ended December 2021      ¥493 million ( 9.6%)

	Net income per share	Diluted net income per share	Return on Equity	Return on assets	Profit margin on sales
	¥	¥	%	%	%
Fiscal year ended December 2022	60.80	—	11.9	14.6	15.4
Fiscal year ended December 2021	50.20	—	10.7	14.1	14.0

(Reference) Earnings on investments in equity-method affiliates

Fiscal year ended December 2022      ¥0 million

Fiscal year ended December 2021      ¥0 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2022	5,967	5,160	86.5	534.25
Fiscal year ended December 2021	5,481	4,714	86.0	488.07

(Reference) Equity      Fiscal year ended December 2022      ¥5,160 million

Fiscal year ended December 2021      ¥4,714 million

#### (3) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Closing balance of cash and cash equivalents
	¥ million	¥ million	¥ million	¥ million
Fiscal year ended December 2022	760	-49	-144	4,890
Fiscal year ended December 2021	573	-49	-130	4,324

## 2. Dividends

	Annual dividends					Total cash dividends	Dividend payout ratio(consolidated)	Dividends on equity (consolidated)
	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	Year-end	Total			
	¥	¥	¥	¥	¥	¥million	%	%
Fiscal year ended December 2021	—	0.00	—	15.00	15.00	144	29.9	3.2
Fiscal year ended December 2022	—	0.00	—	18.50	18.50	178	30.4	3.6
Fiscal year ending December 2023 (Estimated)	—	0.00	—	18.50	18.50	—	41.2	—

## 3. Projected Results for Fiscal year 2023(January 1 to December 31, 2023)

(Percentages figure represent changes from same period of previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
First half ending Jun. 2023	2,800	1.3	330	-24.1	330	-25.6	213	-27.9	22.14
Fiscal year ending Dec. 2023	5,600	4.1	670	-18.9	670	-19.8	434	-26.1	44.95

### \* Notes

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in consolidation scope): None

(2) Changes in accounting policies, estimates, and restatements:

- 1) Changes in accounting policies in accordance with revisions of accounting standards: None
- 2) Changes other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at term end (including treasury stock)	Fiscal year ended December 2022	10,242,000 shares	Fiscal year ended December 2021	10,242,000 shares
2) Number of shares of treasury stock at term end	Fiscal year ended December 2022	582,305 shares	Fiscal year ended December 2021	582,305 shares
3) Average number of shares during the period	Fiscal year ended December 2022	9,659,695 shares	Fiscal year ended December 2021	9,659,695 shares

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2022  
(January 1 to December 31, 2022)

(1) Non-Consolidated Operating Results

(Percentages figure represent changes from same period of previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal year ended December 2022	3,500	3.3	502	2.1	511	2.7	360	12.1
Fiscal year ended December 2021	3,388	0.6	492	-5.9	498	-5.0	321	-11.1

	Net income per share		Diluted net income per share	
	¥	¥	¥	¥
Fiscal year ended December 2022	37.29	—	—	—
Fiscal year ended December 2021	33.25	—	—	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2022	4,380	3,906	89.2	404.43
Fiscal year ended December 2021	4,128	3,691	89.4	382.13

(Reference) Equity Fiscal year ended December 2022 ¥3,906 million  
Fiscal year ended December 2021 ¥3,691 million

2. Non-Consolidated earnings forecasts for Fiscal year 2023(January 1 to December 31, 2023)

(Percentages figure represent changes from same period of previous year.)

	Net sales		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥
First half ending Jun. 2023	1,800	-2.1	175	-41.8	121	-41.5	12.57
Fiscal year ending Dec. 2023	3,600	2.9	350	-31.6	242	-32.6	25.14

\* Disclosure regarding execution of audit procedures

At the time of disclosure of this earnings report, audit procedures in accordance with the Financial Instruments and Exchange Act are in progress.

Note to ensure appropriate use of forecasts, and other noteworthy items

(Cautionary note on forward-looking statements and other information)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

(Means of contents of supplementary material on earnings and earnings performance review)

The Company holds presentations for analysts regarding the six-month and year-end results. Distributed presentation materials and audio recordings from performance reviews are available on the Company's website.

Consolidated Financial Statements  
(1)Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
(Assets)		
Current assets		
Cash and deposits	4,339,771	4,907,218
Notes and accounts receivable-trade	526,185	
Notes and accounts receivable-trade and contract assets		492,068
Work in process	20,850	
Other	41,911	45,942
Total current assets	4,928,719	5,445,228
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities	45,999	46,697
Accumulated depreciation	-25,645	-27,614
Buildings and accompanying facilities, Net	20,353	19,082
Machinery, equipment and vehicles	1,590	1,590
Accumulated depreciation	-265	-927
Machinery, equipment and vehicles, net	1,325	662
Tools, furniture and fixtures	173,897	186,755
Accumulated depreciation	-142,610	-155,356
Tools, furniture and fixtures, Net	31,287	31,398
Total Property, plant and equipment	52,966	51,143
Intangible assets		
Goodwill	165,189	130,412
Software	104,659	114,613
Software in progress	2,970	
Other	1,469	1,469
Total intangible assets	274,288	246,496
Investments and other assets		
Investment securities	22,591	2,373
Stock of affiliated company	2,360	2,360
Affiliated company investments	68,960	73,557
Guarantee deposits	82,302	81,061
Deferred tax assets	44,509	59,863
Other	5,222	5,523
Total investment and other assets	225,945	224,739
Total noncurrent assets	553,200	522,379
Total assets	5,481,920	5,967,608

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	200,923	185,839
Accounts payable-other	137,023	106,931
Income taxes payable	131,948	161,056
Advances received	116,533	131,958
Provision for bonuses	18,941	19,358
Other	84,154	121,414
Total current liabilities	<u>689,525</u>	<u>726,559</u>
Noncurrent liabilities		
Net defined benefit liability	23,083	25,617
Other	54,664	54,664
Total noncurrent liabilities	<u>77,748</u>	<u>80,282</u>
Total liabilities	<u>767,273</u>	<u>806,841</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	382,510	382,510
Capital surplus	438,310	438,310
Retained earnings	3,956,768	4,399,186
Treasury stock	-77,975	-77,975
Total shareholders' equity	<u>4,699,612</u>	<u>5,142,031</u>
Accumulated other comprehensive income		
Valuation difference on securities (other than subsidiaries and affiliated companies)	-231	-140
Currency adjustment account	15,265	18,875
Total accumulated other comprehensive income	<u>15,034</u>	<u>18,735</u>
Total net assets	<u>4,714,646</u>	<u>5,160,766</u>
Total net liabilities	<u>5,481,920</u>	<u>5,967,608</u>

(2) Consolidated statements of income and consolidated statements of comprehensive income  
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net sales	5,280,244	5,380,767
Cost of sales	3,122,344	3,068,951
Gross profit	2,157,900	2,311,815
Selling, general and administrative expenses	1,419,005	1,485,288
Operating income	738,894	826,527
Non-operating income		
Interest income	707	418
Dividends income	126	195
Investment gain by equity method	827	986
Foreign exchange gains	2,159	6,315
Insurance income	3,859	
Insurance premiums refunded cancellation	2,098	
Other	1,415	572
Total non-operating income	11,195	8,489
Non-operating expenses		
Foreign exchange losses		
Other	108	102
Total non-operating expenses	108	102
Ordinary income	749,981	834,913
Extraordinary income		
Subsidy income	2,925	
Total extraordinary income	2,925	
Extraordinary loss		
Loss on retirement of noncurrent assets	1,969	524
Loss on reduction of noncurrent assets	2,925	
Impairment loss	19,835	
Total extraordinary loss	24,730	524
Income before income taxes	728,176	834,389
Income taxes-current	240,296	262,469
Income taxes-deferred	3,001	-15,394
Total income taxes	243,298	247,075
Net income	484,877	587,314
Profit attributable to owners of parent	484,877	587,314

## (3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net cash provided by (used in) operating activities		
Income before income taxes	728,176	834,389
Depreciation and amortization	55,995	55,836
Impairment loss	19,835	
Amortization of goodwill	42,594	34,776
Increase (decrease) in provision for bonuses	3,526	417
Increase (decrease) in net defined benefit liability	5,150	2,533
Interest and dividends income	-834	-614
Investment gain(loss) by equity method	-827	-986
Loss on retirement of noncurrent assets	1,969	524
Subsidy income	-2,925	
Loss on reduction of noncurrent assets	2,925	
Decrease (increase) in notes and accounts receivable-trade	31,710	49,540
Decrease (increase) in inventories	11,132	20,850
Increase (decrease) in notes and accounts payable-trade	-13,341	-13,570
Increase (decrease) in accrued consumption taxes	-20,693	12,055
Other	-48,110	-1,572
Subtotal	816,284	994,182
Interest and dividends income received	1,205	788
Proceeds from subsidy income	2,925	
Income taxes paid	-250,077	-234,554
Refund of income taxes	2,870	373
Net cash provided by (used in) operating activities	573,207	760,789

(Thousands of yen)

	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-16,660	-15,561
Purchase of intangible assets	-33,204	-53,052
Proceeds from redemption of securities	38	20,174
Payments for insurance premium reserve	-301	-301
Proceeds from cancellation of insurance funds	1,808	
Payments into time deposits	-1,200	-1,200
Net cash provided by (used in) investment activities	-49,520	-49,647
Net cash provided by (used in) financing activities		
Cash dividends paid	-130,405	-144,895
Net cash provided by (used in) financing activities	-130,405	-144,895
Increase (decrease) in cash and cash equivalents	393,281	566,246
Opening balance of cash and cash equivalents	3,931,273	4,324,555
Closing balance of cash and cash equivalents	4,324,555	4,890,801