

## Financial Statements(under Japanese GAAP)

February 13, 2024

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	Jyunpei Kouno	TEL 81-(3)6824-6440
Scheduled date of annual shareholder's meeting		March 22, 2024	
Scheduled start date of dividend		March 25, 2024	
Scheduled submission date of annual security report		March 25, 2024	
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, 2023 (January 1, 2023 to December 31, 2023)

#### (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 2023	5,554	3.2	698	-15.4	703	-15.8	448	-23.6
Fiscal year ended December 2022	5,380	1.9	826	11.9	834	11.3	587	21.1

(Note) Comprehensive income (loss)

Fiscal year ended December 2023      ¥452 million ( -23.5%)

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

	Net income per share	Diluted net income per share	Return on Equity	Return on assets	Profit margin on sales
	¥	¥	%	%	%
Fiscal year ended December 2023	46.49	—	8.5	11.6	12.6
Fiscal year ended December 2022	60.80	—	11.9	14.6	15.4

(Reference) Earnings on investments in equity-method affiliates

Fiscal year ended December 2023      ¥0 million

Fiscal year ended December 2022      ¥0 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2023	6,191	5,419	87.5	562.54
Fiscal year ended December 2022	5,967	5,160	86.5	534.25

(Reference) Equity      Fiscal year ended December 2023      ¥5,419 million

Fiscal year ended December 2022      ¥5,160 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 2023	606	-233	-193	5,070
Fiscal year ended December 2022	760	-49	-144	4,890

## 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 2022	—	0.00	—	18.50	18.50	178	30.4	3.6
Fiscal year ended December 2023	—	0.00	—	18.50	18.50	178	39.8	3.4
Fiscal year ending December 2024 (Estimated)	—	0.00	—	19.50	19.50	—	40.4	—

## 3. Projected Results for Fiscal year 2024(January 1 to December 31, 2024)

(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	2,700	-6.9	290	-31.7	290	-32.2	187	-33.5	19.41
Fiscal year ending Dec. 2023	5,700	2.6	720	3.0	720	2.4	465	3.6	48.26

### \* 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: Yes
- 2) Changes other than 1) above: None
- 3) Changes in accounting estimates: Yes
- 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 2023	10,242,000 shares	Fiscal year ended December 2022	10,242,000 shares
2)	Number of shares of treasury stock at term end	Fiscal year ended December 2023	607,305 shares	Fiscal year ended December 2022	582,305 shares
3)	Average number of shares during the period	Fiscal year ended December 2023	9,650,106 shares	Fiscal year ended December 2022	9,659,695 shares

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2023  
(January 1 to December 31, 2023)

(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 2023	3,480	-0.5	328	-34.7	350	-31.5	229	-36.3
Fiscal year ended December 2022	3,500	3.3	502	2.1	511	2.7	360	12.1

	Net income per share		Diluted net income per share	
	¥	¥	¥	¥
Fiscal year ended December 2023	23.77	—	—	—
Fiscal year ended December 2022	37.29	—	—	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2023	4,370	3,942	90.2	409.25
Fiscal year ended December 2022	4,380	3,906	89.2	404.43

(Reference) Equity Fiscal year ended December 2023 ¥3,942 million  
Fiscal year ended December 2022 ¥3,906 million

2. Non-Consolidated earnings forecasts for Fiscal year 2024(January 1 to December 31, 2024)

(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. 2024	1,650	-8.1	150	-31.9	104	-32.4	10.79
Fiscal year ending Dec. 2024	3,500	0.5	410	17.1	284	23.8	29.48

\* 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, 2022	Fiscal year ended December 31, 2023
(Assets)		
Current assets		
Cash and deposits	4,907,218	5,088,365
Notes and accounts receivable-trade and contract assets	492,068	457,238
Other	45,942	50,351
Total current assets	5,445,228	5,595,954
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities	46,697	57,558
Accumulated depreciation	-27,614	-4,579
Buildings and accompanying facilities, Net	19,082	52,978
Machinery, equipment and vehicles	1,590	1,590
Accumulated depreciation	-927	-1,258
Machinery, equipment and vehicles, net	662	331
Tools, furniture and fixtures	186,755	199,904
Accumulated depreciation	-155,356	-135,125
Tools, furniture and fixtures, Net	31,398	64,778
Total Property, plant and equipment	51,143	118,088
Intangible assets		
Goodwill	130,412	95,636
Software	114,613	117,855
Software in progress		4,460
Other	1,469	1,469
Total intangible assets	246,496	219,421
Investments and other assets		
Investment securities	2,373	2,637
Stock of affiliated company	2,360	21,071
Affiliated company investments	73,557	77,538
Guarantee deposits	81,061	115,417
Deferred tax assets	59,863	35,939
Other	5,523	5,824
Total investment and other assets	224,739	258,429
Total noncurrent assets	522,379	595,939
Total assets	5,967,608	6,191,893

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	185,839	200,141
Accounts payable-other	106,931	116,645
Income taxes payable	161,056	83,431
Consumption taxes payable	62,009	37,720
Advances received	131,958	120,529
Provision for bonuses	19,358	25,937
Other	59,404	70,361
Total current liabilities	<u>726,559</u>	<u>654,767</u>
Noncurrent liabilities		
Net defined benefit liability	25,617	29,029
Other	54,664	88,243
Total noncurrent liabilities	<u>80,282</u>	<u>117,272</u>
Total liabilities	<u>806,841</u>	<u>772,039</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	382,510	382,510
Capital surplus	438,310	438,310
Retained earnings	4,399,186	4,669,127
Treasury stock	-77,975	-92,600
Total shareholders' equity	<u>5,142,031</u>	<u>5,397,346</u>
Accumulated other comprehensive income		
Valuation difference on securities (other than subsidiaries and affiliated companies)	-140	68
Foreign currency translation adjustment	18,875	22,438
Total accumulated other comprehensive income	<u>18,735</u>	<u>22,507</u>
Total net assets	<u>5,160,766</u>	<u>5,419,854</u>
Total net liabilities	<u>5,967,608</u>	<u>6,191,893</u>

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

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales	5,380,767	5,554,383
Cost of sales	3,068,951	3,202,405
Gross profit	2,311,815	2,351,977
Selling, general and administrative expenses	1,485,288	1,653,095
Operating income	826,527	698,882
Non-operating income		
Interest income	418	37
Dividends income	195	157
Investment gain by equity method	986	418
Foreign exchange gains	6,315	1,656
Defined contribution refund		1,656
Other	572	340
Total non-operating income	8,489	4,265
Non-operating expenses		
Foreign exchange losses		
Other	102	42
Total non-operating expenses	102	42
Ordinary income	834,913	703,105
Extraordinary income		
Gain on sale of property, plant and equipment and intangible assets		15
Total extraordinary income		15
Extraordinary loss		
Loss on retirement of noncurrent assets	524	1,840
Head office transfer cost		20,531
Other		79
Total extraordinary loss	524	22,451
Income before income taxes	834,389	680,669
Income taxes-current	262,469	208,087
Income taxes-deferred	-15,394	23,936
Total income taxes	247,075	232,024
Net income	587,314	448,645
Profit attributable to owners of parent	587,314	448,645

## (3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Income before income taxes	834,389	680,669
Depreciation and amortization	55,836	81,366
Amortization of goodwill	34,776	34,776
Increase (decrease) in provision for bonuses	417	6,578
Increase (decrease) in net defined benefit liability	2,533	3,411
Interest and dividends income	-614	-194
Investment gain(loss) by equity method	-986	-418
Loss on retirement of noncurrent assets	524	1,840
Gain on sale of property, plant and equipment and intangible assets		-15
Decrease (increase) in notes and accounts receivable-trade	49,540	23,401
Decrease (increase) in inventories	20,850	
Increase (decrease) in notes and accounts payable-trade	-13,570	14,301
Increase (decrease) in accrued consumption taxes	12,055	-27,771
Other	-1,572	65,699
Subtotal	994,182	883,646
Interest and dividends income received	788	194
Proceeds from subsidy income		
Income taxes paid	-234,554	-277,437
Refund of income taxes	373	
Net cash provided by (used in) operating activities	760,789	606,403

(Thousands of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-15,561	-109,721
Gain on sales of property, plant and equipment		669
Purchase of intangible assets	-53,052	-52,078
Proceeds from redemption of securities	20,174	37
Payments for asset retirement obligations		-41,100
Purchase of insurance funds	-301	-301
Payments into time deposits	-1,200	-1,200
Payments for guarantee deposits		-104,834
Proceeds from collection of guarantee deposits	294	94,113
Purchase of shares of subsidiaries and associates		-18,711
Net cash provided by (used in) investing activities	-49,647	-233,126
Cash flows from financing activities		
Purchase of treasury shares		-14,625
Cash dividends paid	-144,895	-178,704
Net cash provided by (used in) financing activities	-144,895	-193,329
Net increase (decrease) in cash and cash equivalents	566,246	179,946
Cash and cash equivalents at beginning of period	4,324,555	4,890,801
Cash and cash equivalents at end of period	4,890,801	5,070,748