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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 9, 2023

Company name: Ubicom Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 3937

URL: <https://www.ubicom-hd.com/>

Representative: Masayuki Aoki, CEO

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Scheduled date of filing quarterly securities report: November 9, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	2,929	12.6	541	7.9	466	(5.7)	300	(10.9)
September 30, 2022	2,602	14.7	501	15.1	494	3.5	337	(3.7)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 399 million [(14.2)%]
Six months ended September 30, 2022: ¥ 465 million [48.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	25.57	25.10
September 30, 2022	28.58	27.88

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	6,448	4,370	67.8
March 31, 2023	5,797	4,090	70.6

(Reference) Equity: As of September 30, 2023: ¥ 4,370 million
As of March 31, 2023: ¥ 4,090 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	11.00	11.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,400	22.0	1,350	33.5	1,369	36.4	963	67.9	81.95

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2023: 11,891,440 shares

March 31, 2023: 11,873,840 shares

2) Number of treasury shares at the end of the period:

September 30, 2023: 126,638 shares

March 31, 2023: 126,638 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 11,752,068 shares

Six months ended September 30, 2022: 11,797,135 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,671,780	3,865,227
Notes and accounts receivable - trade, and contract assets	877,352	1,185,905
Other	310,509	212,000
Allowance for doubtful accounts	(21,494)	(16,433)
Total current assets	4,838,148	5,246,700
Non-current assets		
Property, plant and equipment	58,781	156,012
Intangible assets		
Software	20,323	13,963
Right of use assets	148,468	172,519
Total intangible assets	168,791	186,483
Investments and other assets		
Deferred tax assets	302,741	308,444
Other	428,756	551,081
Total investments and other assets	731,497	859,525
Total non-current assets	959,071	1,202,021
Total assets	5,797,219	6,448,721

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	56,302	115,530
Short-term borrowings	100,000	100,000
Lease liabilities	83,081	113,107
Income taxes payable	78,311	144,749
Contract liabilities	695,707	741,989
Provision for bonuses	54,412	150,750
Other	268,740	321,230
Total current liabilities	1,336,555	1,687,357
Non-current liabilities		
Lease liabilities	61,872	54,746
Deferred tax liabilities	183,528	193,977
Retirement benefit liability	108,596	123,223
Asset retirement obligations	16,256	19,074
Total non-current liabilities	370,253	391,022
Total liabilities	1,706,809	2,078,380
Net assets		
Shareholders' equity		
Share capital	799,706	804,585
Capital surplus	704,322	709,201
Retained earnings	2,737,681	2,908,975
Treasury shares	(295,612)	(295,612)
Total shareholders' equity	3,946,098	4,127,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,248	58,393
Foreign currency translation adjustment	128,156	249,319
Remeasurements of defined benefit plans	(55,262)	(64,685)
Total accumulated other comprehensive income	144,142	243,027
Share acquisition rights	168	162
Total net assets	4,090,409	4,370,340
Total liabilities and net assets	5,797,219	6,448,721

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	2,602,662	2,929,925
Cost of sales	1,576,853	1,812,528
Gross profit	1,025,809	1,117,396
Selling, general and administrative expenses	524,231	576,233
Operating profit	501,577	541,162
Non-operating income		
Interest income	153	1,535
Share of profit of entities accounted for using equity method	4,874	2,856
Surrender value of insurance policies	21,837	-
Other	2,594	935
Total non-operating income	29,460	5,327
Non-operating expenses		
Interest expenses	792	3,401
Interest expenses of rental payments	6,755	4,340
Foreign exchange losses	25,592	65,310
Other	3,141	6,811
Total non-operating expenses	36,281	79,863
Ordinary profit	494,756	466,626
Extraordinary income		
Gain on sale of non-current assets	-	9
Total extraordinary income	-	9
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	494,756	466,636
Income taxes	157,539	166,123
Profit	337,216	300,512
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	337,216	300,512

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	337,216	300,512
Other comprehensive income		
Valuation difference on available-for-sale securities	34,045	(12,855)
Foreign currency translation adjustment	96,726	121,163
Remeasurements of defined benefit plans, net of tax	(2,742)	(9,423)
Total other comprehensive income	128,029	98,885
Comprehensive income	465,245	399,398
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	465,245	399,398
Comprehensive income attributable to non-controlling interests	-	-