

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Six Months Ended April 30, 2022 [Japanese GAAP]

June 09, 2022

Company name: TBCSCAT Inc.
 Stock exchange listing: Tokyo
 Code number: 3974
 URL: <http://www.tbcsat.jp/>
 Representative: Nagashima Hideo
 Contact: Nishio Shinobu
 Phone: 03(5623)9670
 Scheduled date of filing quarterly securities report: June 10, 2022
 Scheduled date of commencing dividend payments: July 11, 2022
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

President and CEO

Director, General Manager of Accounting and Finance Division

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

1. Consolidated Financial Results for the Six Months Ended April 30, 2022 (November 01, 2021 to April 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended April 30, 2022	1,302	5.4	137	28.5	136	27.7	43	(46.2)
April 30, 2021	1,236	(5.9)	106	31.5	106	28.8	81	60.1

(Note) Comprehensive income: Six months ended April 30, 2022: ¥ 45 million [(45.6)%]
 Six months ended April 30, 2021: ¥ 83 million [64.3%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended April 30, 2022	10.05		-	
April 30, 2021	18.75		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Million yen		Million yen		%	
As of April 30, 2022	3,596		2,141		59.5	
October 31, 2021	3,714		2,316		62.4	

(Reference) Equity: As of April 30, 2022: ¥ 2,141 million
 As of October 31, 2021: ¥ 2,316 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 October 31, 2021	-	0.00	-	7.00	7.00
Fiscal year ending October 31, 2022	-	4.00			
Fiscal year ending October 31, 2022 (Forecast)			-	4.00	8.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending October 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2022(November 01, 2021 to October 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	2,546	2.5	198	10.0	198	9.6	129	6.9	29.57

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended April 30, 2022

(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: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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):

April 30, 2022: 5,240,000 shares

October 31, 2021: 5,240,000 shares

2) Total number of treasury shares at the end of the period:

April 30, 2022: 1,321,254 shares

October 31, 2021: 822,929 shares

3) Average number of shares during the period:

Six months ended April 30, 2022: 4,370,662 shares

Six months ended April 30, 2021: 4,358,728 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2021	As of April 30,2022
Assets		
Current assets		
Cash and deposits	1,726,985	1,526,449
Accounts receivable - trade	185,693	260,370
Merchandise	39,983	36,177
Work in process	3,726	3,334
Other	28,428	88,524
Allowance for doubtful accounts	(171)	(287)
Total current assets	1,984,645	1,914,568
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,890,902	1,835,170
Accumulated depreciation	(1,070,803)	(1,087,437)
Buildings and structures, net	820,099	747,732
Land	319,248	319,248
Other	163,914	166,224
Accumulated depreciation	(137,904)	(143,099)
Other, net	26,010	23,124
Total property, plant and equipment	1,165,358	1,090,106
Intangible assets		
Software	62,167	232,147
Software in progress	205,884	51,954
Goodwill	66,689	59,279
Other	494	5,199
Total intangible assets	335,237	348,582
Investments and other assets		
Deferred tax assets	155,435	167,982
Other	90,538	91,411
Allowance for doubtful accounts	(16,693)	(16,148)
Total investments and other assets	229,280	243,245
Total non-current assets	1,729,876	1,681,934
Total assets	3,714,521	3,596,502

(Thousand yen)

	As of October 31,2021	As of April 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	42,828	53,986
Short-term borrowings	200,000	200,000
Current portion of long-term borrowings	85,680	75,680
Accrued expenses	135,318	132,551
Income taxes payable	52,419	45,461
Provision for bonuses	79,654	65,927
Other	96,761	201,188
Total current liabilities	692,661	774,795
Non-current liabilities		
Long-term borrowings	303,880	271,040
Provision for retirement benefits for directors (and other officers)	18,365	18,365
Provision for share awards	10,548	14,973
Retirement benefit liability	340,426	340,156
Other	31,855	35,878
Total non-current liabilities	705,075	680,413
Total liabilities	1,397,737	1,455,208
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	338,339	338,339
Retained earnings	1,996,498	2,007,969
Treasury shares	(214,716)	(403,346)
Total shareholders' equity	2,320,122	2,142,963
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,337)	(1,668)
Total accumulated other comprehensive income	(3,337)	(1,668)
Total net assets	2,316,784	2,141,294
Total liabilities and net assets	3,714,521	3,596,502

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

(Thousand yen)

	For the six months ended April 30,2021	For the six months ended April 30,2022
Net sales	1,236,607	1,302,944
Cost of sales	709,033	736,478
Gross profit	527,573	566,465
Selling, general and administrative expenses	420,654	429,050
Operating profit	106,919	137,415
Non-operating income		
Interest income	6	6
Dividend income	0	-
Gain on sale of investment securities	25	-
Facility rental fee	886	846
Subsidy income	643	100
Other	542	209
Total non-operating income	2,104	1,162
Non-operating expenses		
Interest expenses	1,813	1,563
Other	264	440
Total non-operating expenses	2,077	2,003
Ordinary profit	106,945	136,574
Extraordinary income		
Subsidies income	24,993	10,648
Gain on sale of non-current assets	7,641	-
Total extraordinary income	32,634	10,648
Extraordinary losses		
Loss on COVID19	26,858	19,805
Loss on sale of non-current assets	28	-
Loss on retirement of non-current assets	132	-
Impairment losses	-	56,061
Total extraordinary losses	27,018	75,866
Profit before income taxes	112,561	71,356
Income taxes - current	30,858	40,704
Income taxes - deferred	(25)	(13,277)
Total income taxes	30,832	27,426
Profit	81,729	43,930
Profit attributable to owners of parent	81,729	43,930

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

(Thousand yen)

	For the six months ended April 30,2021	For the six months ended April 30,2022
Profit	81,729	43,930
Other comprehensive income		
Valuation difference on available-for-sale securities	2,114	1,668
Total other comprehensive income	2,114	1,668
Comprehensive income	83,843	45,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	83,843	45,599

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended April 30,2021	For the six months ended April 30,2022
Cash flows from operating activities		
Profit before income taxes	112,561	71,356
Depreciation	49,908	59,065
Impairment losses	-	56,061
Amortization of goodwill	7,409	7,409
Increase (decrease) in allowance for doubtful accounts	(16)	(428)
Interest and dividend income	(6)	(6)
Loss (gain) on sale of investment securities	(25)	-
Interest expenses	1,813	1,563
Loss (gain) on sale of property, plant and equipment	(7,613)	-
Loss on retirement of non-current assets	132	-
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(22,950)	-
Increase (decrease) in retirement benefit liability	1,696	(269)
Increase (decrease) in provision for share awards	-	4,424
Increase (decrease) in provision for bonuses	(5,378)	(13,727)
Decrease (increase) in trade receivables	32,601	(74,677)
Decrease (increase) in inventories	(19,341)	4,542
Increase (decrease) in trade payables	2,233	11,158
Increase (decrease) in accrued expenses	(81,670)	(2,766)
Increase (decrease) in advances received	4,707	2,856
Other, net	(24,242)	(53,575)
Subtotal	51,820	72,986
Interest and dividends received	6	6
Interest paid	(1,855)	(1,519)
Income taxes refund	25,027	1,504
Income taxes paid	(22,175)	(47,502)
Net cash provided by (used in) operating activities	52,823	25,476
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,432)	(6,879)
Proceeds from sale of property, plant and equipment	31,130	100,000
Purchase of intangible assets	(40,136)	(53,106)
Purchase of investment securities	(34,080)	-
Proceeds from sale of investment securities	35	-
Other, net	120	120
Net cash provided by (used in) investing activities	(46,362)	40,133
Cash flows from financing activities		
Repayments of long-term borrowings	(40,840)	(42,840)
Repayments of lease obligations	(1,286)	(1,285)
Purchase of treasury shares	-	(189,665)
Proceeds from sale of treasury shares	34,127	-
Dividends paid	(28,882)	(32,354)
Net cash provided by (used in) financing activities	(36,880)	(266,145)
Net increase (decrease) in cash and cash equivalents	(30,420)	(200,535)
Cash and cash equivalents at beginning of period	1,574,769	1,726,985
Cash and cash equivalents at end of period	1,544,349	1,526,449