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

November 10, 2022

Company name: Ubicom Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 3937

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

Representative: Masayuki Aoki, CEO

Contact: Masashi Hatta, Executive Officer, Director of Corporate Planning Division

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Scheduled date of filing quarterly securities report: November 10, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 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 September 30, 2022	2,602	14.7	501	15.1	494	3.5	337	Δ3.7
September 30, 2021	2,268	8.4	435	10.7	478	26.7	350	37.4

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 465 million [48.9%]
Six months ended September 30, 2021: ¥ 312 million [9.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	28.58	27.88
September 30, 2021	29.63	28.81

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	5,866	4,088	69.7
March 31, 2022	5,624	3,812	67.8

(Reference) Equity: As of September 30, 2022: ¥ 4,088 million
As of March 31, 2022: ¥ 3,812 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, 2022	-	0.00	-	9.00	9.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (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, 2023 :

Commemorative dividend - yen

Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	5,446	15.2	1,254	21.4	1,271	20.5	925	11.2	78.41

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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: 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: 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):

September 30, 2022: 11,856,480 shares

March 31, 2022: 11,834,000 shares

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

September 30, 2022: 46,638 shares

March 31, 2022: 10,690 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2021: 11,814,771 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	3,377,526	3,665,135
Notes and accounts receivable - trade, and contract assets	938,780	862,266
Other	207,529	247,425
Allowance for doubtful accounts	(13,996)	(14,149)
Total current assets	4,509,839	4,760,677
Non-current assets		
Property, plant and equipment	53,037	59,223
Intangible assets		
Software	2,554	18,948
Software in progress	19,989	-
Right of use assets	238,437	199,243
Total intangible assets	260,981	218,191
Investments and other assets		
Retirement benefit asset	221	-
Deferred tax assets	375,233	363,343
Other	424,853	464,860
Total investments and other assets	800,308	828,203
Total non-current assets	1,114,327	1,105,618
Total assets	5,624,167	5,866,296

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	74,297	59,664
Short-term borrowings	100,007	100,000
Lease liabilities	90,409	88,194
Income taxes payable	129,174	119,835
Contract liabilities	691,984	706,297
Provision for bonuses	50,791	136,533
Other	327,866	224,877
Total current liabilities	1,464,532	1,435,403
Non-current liabilities		
Lease liabilities	137,566	104,408
Deferred tax liabilities	169,847	194,195
Retirement benefit liability	32,173	35,884
Asset retirement obligations	7,522	7,563
Total non-current liabilities	347,110	342,051
Total liabilities	1,811,642	1,777,455
Net assets		
Shareholders' equity		
Share capital	788,949	795,078
Capital surplus	693,565	699,694
Retained earnings	2,270,297	2,501,104
Treasury shares	(25,588)	(120,359)
Total shareholders' equity	3,727,224	3,875,517
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,936	46,981
Foreign currency translation adjustment	62,731	159,457
Remeasurements of defined benefit plans	9,451	6,708
Total accumulated other comprehensive income	85,118	213,147
Share acquisition rights	182	174
Total net assets	3,812,525	4,088,840
Total liabilities and net assets	5,624,167	5,866,296

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	2,268,639	2,602,662
Cost of sales	1,347,642	1,576,853
Gross profit	920,997	1,025,809
Selling, general and administrative expenses	485,042	524,231
Operating profit	435,954	501,577
Non-operating income		
Interest income	195	153
Share of profit of entities accounted for using equity method	-	4,874
Surrender value of insurance policies	3,833	21,837
Contract termination gains	10,000	-
Foreign exchange gains	34,816	-
Other	2,258	2,594
Total non-operating income	51,103	29,460
Non-operating expenses		
Interest expenses	1,847	792
Interest expenses of rental payments	1,241	6,755
Share of loss of entities accounted for using equity method	5,724	-
Foreign exchange losses	-	25,592
Other	147	3,141
Total non-operating expenses	8,960	36,281
Ordinary profit	478,096	494,756
Extraordinary losses		
Provision of allowance for doubtful accounts	11,649	-
Total extraordinary losses	11,649	-
Profit before income taxes	466,447	494,756
Income taxes	116,333	157,539
Profit	350,113	337,216
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	350,113	337,216

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	350,113	337,216
Other comprehensive income		
Valuation difference on available-for-sale securities	(724)	34,045
Foreign currency translation adjustment	(41,049)	96,726
Remeasurements of defined benefit plans, net of tax	4,173	(2,742)
Total other comprehensive income	(37,600)	128,029
Comprehensive income	312,513	465,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	312,513	465,245
Comprehensive income attributable to non-controlling interests	-	-