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



November 14, 2022

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3925
 URL: <https://double-std.com>
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 Phone: +81-3-6384-5411
 Scheduled date of filing quarterly securities report: November 14, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary explanatory materials on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Scheduled (for analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 - September 30, 2022)

(1) Consolidated Operating Results (cumulative) (% 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	3,469	(14.9)	1,091	10.2	1,069	9.6	747	12.0
September 30, 2021	4,076	119.6	989	138.0	975	140.3	667	151.2

(Note) Comprehensive income: Six months ended September 30, 2022: ¥703 million [5.3%]

Six months ended September 30, 2021: ¥668 million [154.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	55.06	-
September 30, 2021	49.18	-

(Note) The Company implemented a two-for-one stock split of its common stock on October 1, 2021. Basic earnings per share are calculated based on the assumption that the stock split was implemented at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2022	4,534	3,694	81.5
As of March 31, 2022	4,455	3,533	79.3

(Reference) Equity: As of September 30, 2022: ¥3,694 million

As of March 31, 2022: ¥3,533 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	-	40.00	40.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	50.00	50.00

(Note) Revision to the dividends forecast announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - 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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,080	0.0	2,120	20.6	2,126	21.4	1,381	27.6	101.76

(Note) Revision to the financial results forecast announced most recently: None

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1. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,136,796	3,464,655
Accounts receivable - trade	599,154	710,349
Work in process	155,673	5,159
Prepaid expenses	8,410	17,324
Other	51,671	131
Total current assets	3,951,707	4,197,620
Non-current assets		
Property, plant and equipment		
Buildings, net	59,309	58,167
Tools, furniture and fixtures, net	24,378	21,587
Total property, plant and equipment	83,687	79,754
Intangible assets		
Software	47,333	41,574
Trademark right	210	184
Total intangible assets	47,544	41,758
Investments and other assets		
Investment securities	249,593	90,263
Deferred tax assets	28,719	30,763
Leasehold and guarantee deposits	94,669	94,299
Total investments and other assets	372,982	215,326
Total non-current assets	504,214	336,840
Total assets	4,455,921	4,534,461

(Thousand yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	357,946	342,704
Accounts payable - other	77,129	66,612
Accrued expenses	6,779	6,687
Income taxes payable	389,229	356,295
Accrued consumption taxes	83,984	60,760
Advances received	2,376	1,188
Other	5,078	6,206
Total current liabilities	922,522	840,455
Total liabilities	922,522	840,455
Net assets		
Shareholders' equity		
Share capital	263,778	263,778
Capital surplus	253,298	253,298
Retained earnings	2,974,487	3,179,026
Treasury shares	(1,997)	(2,096)
Total shareholders' equity	3,489,566	3,694,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43,832	-
Total accumulated other comprehensive income	43,832	-
Total net assets	3,533,398	3,694,006
Total liabilities and net assets	4,455,921	4,534,461

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Net sales	4,076,250	3,469,640
Cost of sales	2,720,428	1,979,562
Gross profit	1,355,821	1,490,077
Selling, general and administrative expenses	365,993	398,904
Operating profit	989,828	1,091,172
Non-operating income		
Other	523	14
Total non-operating income	523	14
Non-operating expenses		
Share of loss of entities accounted for using equity method	11,297	21,170
Donations	3,080	50
Total non-operating expenses	14,377	21,220
Ordinary profit	975,974	1,069,966
Extraordinary income		
Gain on sale of investment securities	-	36,141
Total extraordinary income	-	36,141
Extraordinary losses		
Other	722	-
Total extraordinary losses	722	-
Profit before income taxes	975,251	1,106,108
Income taxes - current	317,700	341,105
Income taxes - deferred	(10,247)	17,300
Total income taxes	307,452	358,406
Profit	667,799	747,702
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	667,799	747,702

Quarterly Consolidated Statement of Comprehensive Income

Six Months Ended September 30

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Profit	667,799	747,702
Other comprehensive income		
Valuation difference on available-for-sale securities	838	(43,832)
Total other comprehensive income	838	(43,832)
Comprehensive income	668,638	703,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	668,638	703,870
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statement of Cash Flows

(Thousand yen)

	For the six months ended September 30, 2021	For the six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	975,251	1,106,108
Depreciation	11,708	15,659
Interest and dividend income	(6)	(10)
Loss (gain) on sale of investment securities	-	(36,141)
Share of loss (profit) of entities accounted for using equity method	11,297	21,170
Decrease (increase) in trade receivables	(130,968)	(111,194)
(Decrease) increase in work in process	(140,002)	150,514
Decrease (increase) in prepaid expenses	(1,841)	(8,914)
Increase (decrease) in trade payables	(42,273)	(15,241)
Increase (decrease) in accounts payable - other	(6,047)	4,225
Increase (decrease) in accrued expenses	(307)	(91)
Increase (decrease) in advances received	(1,494)	(1,188)
Increase (decrease) in accrued consumption taxes	24,348	(23,223)
Other, net	6,466	(2,241)
Subtotal	706,129	1,099,429
Interest and dividends received	6	10
Income taxes paid	(168,087)	(372,804)
Net cash provided by (used in) operating activities	538,047	726,635
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,668)	(14,893)
Purchase of intangible assets	(29,345)	(3,749)
Proceeds from sale of investment securities	-	111,124
Payments of leasehold and guarantee deposits	-	(330)
Proceeds from refund of leasehold and guarantee deposits	-	51,647
Net cash provided by (used in) investing activities	(31,013)	143,798
Cash flows from financing activities		
Purchase of treasury shares	(797)	(99)
Dividends paid	(373,772)	(542,475)
Net cash provided by (used in) financing activities	(374,569)	(542,575)
Net increase (decrease) in cash and cash equivalents	132,464	327,859
Cash and cash equivalents at beginning of period	2,629,959	3,136,796
Cash and cash equivalents at end of period	2,762,423	3,464,655

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.