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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 09, 2023

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: February 09, 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 Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 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	%
Nine months ended December 31, 2022	3,910	13.3	733	4.9	746	4.5	413	(20.7)
December 31, 2021	3,452	11.1	699	11.0	714	14.7	521	18.6

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 397 million [(22.8)%]
 Nine months ended December 31, 2021: ¥ 515 million [18.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	35.05	34.20
December 31, 2021	44.10	42.89

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	5,669	3,973	70.1
March 31, 2022	5,624	3,812	67.8

(Reference) Equity: As of December 31, 2022: ¥ 3,973 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 3rd 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	78.52

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2022: 11,856,480 shares

March 31, 2022: 11,834,000 shares

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

December 31, 2022: 69,438 shares

March 31, 2022: 10,690 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 11,800,449 shares

Nine months ended December 31, 2021: 11,820,682 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	3,377,526	3,599,592
Notes and accounts receivable - trade, and contract assets	938,780	832,047
Other	207,529	239,800
Allowance for doubtful accounts	(13,996)	(14,217)
Total current assets	4,509,839	4,657,222
Non-current assets		
Property, plant and equipment	53,037	70,153
Intangible assets		
Software	2,554	16,770
Software in progress	19,989	-
Right of use assets	238,437	167,745
Total intangible assets	260,981	184,515
Investments and other assets		
Retirement benefit asset	221	-
Deferred tax assets	375,233	376,241
Other	424,853	381,738
Total investments and other assets	800,308	757,980
Total non-current assets	1,114,327	1,012,648
Total assets	5,624,167	5,669,871

(Thousand yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	74,297	59,607
Short-term borrowings	100,007	100,000
Lease liabilities	90,409	81,749
Income taxes payable	129,174	10,575
Contract liabilities	691,984	710,216
Provision for bonuses	50,791	11,943
Other	327,866	312,227
Total current liabilities	1,464,532	1,286,319
Non-current liabilities		
Lease liabilities	137,566	81,068
Deferred tax liabilities	169,847	197,534
Retirement benefit liability	32,173	110,062
Asset retirement obligations	7,522	21,625
Total non-current liabilities	347,110	410,290
Total liabilities	1,811,642	1,696,610
Net assets		
Shareholders' equity		
Share capital	788,949	795,078
Capital surplus	693,565	699,694
Retained earnings	2,270,297	2,577,470
Treasury shares	(25,588)	(168,649)
Total shareholders' equity	3,727,224	3,903,593
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,936	35,504
Foreign currency translation adjustment	62,731	92,443
Remeasurements of defined benefit plans	9,451	(58,454)
Total accumulated other comprehensive income	85,118	69,492
Share acquisition rights	182	174
Total net assets	3,812,525	3,973,261
Total liabilities and net assets	5,624,167	5,669,871

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	3,452,771	3,910,774
Cost of sales	2,029,354	2,391,920
Gross profit	1,423,417	1,518,853
Selling, general and administrative expenses	723,517	784,898
Operating profit	699,899	733,954
Non-operating income		
Interest income	269	861
Share of profit of entities accounted for using equity method	-	6,126
Surrender value of insurance policies	3,833	21,837
Contract termination gains	10,000	-
Foreign exchange gains	4,035	-
Other	2,699	3,828
Total non-operating income	20,837	32,653
Non-operating expenses		
Interest expenses	2,351	1,187
Interest expenses of rental payments	1,635	9,551
Share of loss of entities accounted for using equity method	2,337	-
Foreign exchange losses	-	6,070
Other	48	3,325
Total non-operating expenses	6,372	20,134
Ordinary profit	714,364	746,473
Extraordinary losses		
Provision of allowance for doubtful accounts	11,649	-
Loss on valuation of investment securities	-	106,332
Total extraordinary losses	11,649	106,332
Profit before income taxes	702,714	640,140
Income taxes	181,426	226,558
Profit	521,288	413,582
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	521,288	413,582

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

(Thousand yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	521,288	413,582
Other comprehensive income		
Valuation difference on available-for-sale securities	614	22,568
Foreign currency translation adjustment	(6,082)	29,711
Remeasurements of defined benefit plans, net of tax	(472)	(67,905)
Total other comprehensive income	(5,940)	(15,625)
Comprehensive income	515,347	397,957
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	515,347	397,957
Comprehensive income attributable to non-controlling interests	-	-