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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 11, 2023

Company name: Ubicom Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 3937

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

Representative: Masayuki Aoki

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 28, 2023

Scheduled date of filing annual securities report: June 27, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

, CEO

, Executive Officer, Director of Corporate Planning Division

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 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	%
Fiscal year ended March 31, 2023	5,246	11.0	1,011	(2.1)	1,004	(4.8)	573	(31.0)
March 31, 2022	4,726	12.6	1,033	12.4	1,055	20.3	832	33.4

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 632 million [ (34.1)%]  
Fiscal year ended March 31, 2022: ¥ 960 million [ 36.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2023	Yen 48.68	Yen 47.57	14.5%	17.5%	19.3%
March 31, 2022	70.38	68.49	24.6%	21.0%	21.9%

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 7 million  
Fiscal year ended March 31, 2022: ¥ (0) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2023	Millions of yen 5,875	Millions of yen 4,090	69.6%	Yen 348.19
March 31, 2022	5,624	3,812	67.8%	322.44

(Reference) Equity: As of March 31, 2023: ¥ 4,090 million  
As of March 31, 2022: ¥ 3,812 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2023	Millions of yen 820	Millions of yen (110)	Millions of yen (447)	Millions of yen 3,636
March 31, 2022	874	(202)	(151)	3,342

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	0.00	-	9.00	9.00	106	12.8	2.9
March 31, 2023	-	0.00	-	11.00	11.00	129	22.6	3.3
Fiscal year ending March 31, 2024 (Forecast)	-	-	-	-	-		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

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	82.02

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) 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: Yes

4) Retrospective restatement: No

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

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

March 31, 2023: 11,873,840 shares

March 31, 2022: 11,834,000 shares

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

March 31, 2023: 126,638 shares

March 31, 2022: 10,690 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 11,787,788 shares

Fiscal Year ended March 31, 2022: 11,823,608 shares

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,377,526	3,671,780
Notes receivable - trade	20,612	19,837
Accounts receivable - trade	907,075	846,178
Contract assets	11,091	11,336
Merchandise	1,170	-
Accounts receivable - other	84,960	160,749
Other	121,399	149,760
Allowance for doubtful accounts	(13,996)	(21,494)
<b>Total current assets</b>	<b>4,509,839</b>	<b>4,838,148</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	80,685	92,573
Accumulated depreciation	(69,728)	(84,723)
Buildings, net	10,957	7,850
Vehicles	11,210	11,685
Accumulated depreciation	(7,278)	(11,116)
Vehicles, net	3,931	568
Tools, furniture and fixtures	123,620	171,663
Accumulated depreciation	(85,471)	(121,300)
Tools, furniture and fixtures, net	38,149	50,363
<b>Total property, plant and equipment</b>	<b>53,037</b>	<b>58,781</b>
<b>Intangible assets</b>		
Software	2,554	20,323
Software in progress	19,989	-
Right of use assets	238,437	148,468
<b>Total intangible assets</b>	<b>260,981</b>	<b>168,791</b>
<b>Investments and other assets</b>		
Investment securities	287,966	269,335
Investments in capital of subsidiaries and associates	63,295	63,599
Retirement benefit asset	221	-
Deferred tax assets	375,233	380,769
Other	73,591	95,820
<b>Total investments and other assets</b>	<b>800,308</b>	<b>809,525</b>
<b>Total non-current assets</b>	<b>1,114,327</b>	<b>1,037,098</b>
<b>Total assets</b>	<b>5,624,167</b>	<b>5,875,246</b>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	74,297	56,302
Short-term borrowings	100,007	100,000
Lease liabilities	90,409	83,081
Income taxes payable	129,174	78,311
Contract liabilities	691,984	695,707
Provision for bonuses	50,791	54,412
Other	327,866	268,740
Total current liabilities	1,464,532	1,336,555
Non-current liabilities		
Lease liabilities	137,566	61,872
Deferred tax liabilities	169,847	261,555
Retirement benefit liability	32,173	108,596
Asset retirement obligations	7,522	16,256
Total non-current liabilities	347,110	448,281
<b>Total liabilities</b>	<b>1,811,642</b>	<b>1,784,836</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	788,949	799,706
Capital surplus	693,565	704,322
Retained earnings	2,270,297	2,737,681
Treasury shares	(25,588)	(295,612)
Total shareholders' equity	3,727,224	3,946,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,936	71,248
Foreign currency translation adjustment	62,731	128,156
Remeasurements of defined benefit plans	9,451	(55,262)
Total accumulated other comprehensive income	85,118	144,142
Share acquisition rights	182	168
<b>Total net assets</b>	<b>3,812,525</b>	<b>4,090,409</b>
<b>Total liabilities and net assets</b>	<b>5,624,167</b>	<b>5,875,246</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	4,726,359	5,246,671
Cost of sales	2,722,884	3,195,981
Gross profit	2,003,474	2,050,690
Selling, general and administrative expenses	970,239	1,039,099
Operating profit	1,033,235	1,011,591
Non-operating income		
Interest income	338	1,030
Share of profit of entities accounted for using equity method	-	7,583
Gain on investments in investment partnerships	38,378	-
Surrender value of insurance policies	3,833	21,837
Subsidy income	2,140	1,650
Contract termination gains	10,000	-
Other	1,533	2,682
Total non-operating income	56,223	34,784
Non-operating expenses		
Interest expenses	3,145	1,579
Interest expenses of rental payments	4,133	11,931
Share of loss of entities accounted for using equity method	495	-
Loss on investments in investment partnerships	-	5,987
Foreign exchange losses	26,277	19,458
Other	328	3,393
Total non-operating expenses	34,381	42,351
Ordinary profit	1,055,077	1,004,024
Extraordinary income		
Gain on sale of non-current assets	-	28,000
Total extraordinary income	-	28,000
Extraordinary losses		
Loss on valuation of investment securities	4,034	106,332
Provision of allowance for doubtful accounts	11,649	-
Total extraordinary losses	15,683	106,332
Profit before income taxes	1,039,393	925,691
Income taxes - current	302,955	261,915
Income taxes - deferred	(95,706)	89,981
Total income taxes	207,248	351,897
Profit	832,144	573,793
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	832,144	573,793

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	832,144	573,793
Other comprehensive income		
Valuation difference on available-for-sale securities	12,442	58,312
Foreign currency translation adjustment	77,656	65,424
Remeasurements of defined benefit plans, net of tax	38,630	(64,758)
Share of other comprehensive income of entities accounted for using equity method	(235)	44
Total other comprehensive income	128,494	59,024
Comprehensive income	960,639	632,818
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	960,639	632,818
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	781,099	685,715	1,518,920	(106)	2,985,628
Cumulative effects of changes in accounting policies			1,851		1,851
Restated balance	781,099	685,715	1,520,772	(106)	2,987,480
Changes during period					
Issuance of new shares - exercise of share acquisition rights	7,850	7,850			15,700
Dividends of surplus			(82,619)		(82,619)
Profit attributable to owners of parent			832,144		832,144
Purchase of treasury shares				(25,481)	(25,481)
Net changes in items other than shareholders' equity					
Total changes during period	7,850	7,850	749,525	(25,481)	739,743
Balance at end of period	788,949	693,565	2,270,297	(25,588)	3,727,224

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	493	(14,925)	(28,944)	(43,375)	192	2,942,445
Cumulative effects of changes in accounting policies						1,851
Restated balance	493	(14,925)	(28,944)	(43,375)	192	2,944,297
Changes during period						
Issuance of new shares - exercise of share acquisition rights						15,700
Dividends of surplus						(82,619)
Profit attributable to owners of parent						832,144
Purchase of treasury shares						(25,481)
Net changes in items other than shareholders' equity	12,442	77,656	38,395	128,494	(10)	128,484
Total changes during period	12,442	77,656	38,395	128,494	(10)	868,227
Balance at end of period	12,936	62,731	9,451	85,118	182	3,812,525

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	788,949	693,565	2,270,297	(25,588)	3,727,224
Cumulative effects of changes in accounting policies					-
Restated balance	788,949	693,565	2,270,297	(25,588)	3,727,224
Changes during period					
Issuance of new shares - exercise of share acquisition rights	10,757	10,757			21,514
Dividends of surplus			(106,409)		(106,409)
Profit attributable to owners of parent			573,793		573,793
Purchase of treasury shares				(270,023)	(270,023)
Net changes in items other than shareholders' equity					
Total changes during period	10,757	10,757	467,384	(270,023)	218,874
Balance at end of period	799,706	704,322	2,737,681	(295,612)	3,946,098

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,936	62,731	9,451	85,118	182	3,812,525
Cumulative effects of changes in accounting policies						-
Restated balance	12,936	62,731	9,451	85,118	182	3,812,525
Changes during period						
Issuance of new shares - exercise of share acquisition rights						21,514
Dividends of surplus						(106,409)
Profit attributable to owners of parent						573,793
Purchase of treasury shares						(270,023)
Net changes in items other than shareholders' equity	58,312	65,424	(64,713)	59,024	(14)	59,010
Total changes during period	58,312	65,424	(64,713)	59,024	(14)	277,884
Balance at end of period	71,248	128,156	(55,262)	144,142	168	4,090,409



## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,039,393	925,691
Depreciation	113,996	156,981
Gain on sale of non-current assets	-	(28,000)
Loss (gain) on valuation of investment securities	4,034	106,332
Increase (decrease) in allowance for doubtful accounts	9,660	7,458
Increase (decrease) in provision for bonuses	1,707	2,879
Retirement benefit expenses	8,920	(723)
Increase (decrease) in retirement benefit liability	(12,702)	8,290
Interest income	(338)	(1,030)
Surrender value of insurance policies	(3,833)	(21,837)
Subsidy income	(2,140)	(1,650)
Contract termination gains	(10,000)	-
Interest expenses	7,279	13,511
Share of loss (profit) of entities accounted for using equity method	495	(7,583)
Loss (gain) on investments in investment partnerships	(38,378)	5,987
Decrease (increase) in trade receivables	(230,467)	94,501
Decrease (increase) in inventories	(2,441)	1,333
Decrease (increase) in accounts receivable - other	109,296	10,813
Increase (decrease) in trade payables	4,143	(19,966)
Increase (decrease) in contract liabilities	9,345	3,722
Decrease (increase) in other current assets	(15,635)	(20,817)
Decrease (increase) in other non-current assets	608	4,895
Increase (decrease) in other current liabilities	98,461	(70,629)
Other, net	139	6,675
Subtotal	1,091,544	1,176,835
Interest and dividends received	338	1,030
Proceeds from surrender value of insurance policies	3,833	46,880
Subsidies received	2,140	1,650
Proceeds from contract termination gains	10,000	-
Interest paid	(7,279)	(13,511)
Income taxes paid	(244,041)	(392,227)
Income taxes refund	17,602	-
Net cash provided by (used in) operating activities	874,138	820,657
<b>Cash flows from investing activities</b>		
Payments into time deposits	(35,000)	(35,000)
Proceeds from withdrawal of time deposits	35,000	35,000
Purchase of property, plant and equipment	(31,775)	(45,427)
Purchase of intangible assets	(22,474)	(5,400)
Proceeds from sale of intangible assets	-	28,000
Purchase of investment securities	(148,539)	(36,453)
Payments of leasehold and guarantee deposits	-	(51,229)
Other, net	(87)	-
Net cash provided by (used in) investing activities	(202,877)	(110,510)

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short-term borrowings	100,006	100,000
Repayments of short-term borrowings	(100,000)	(100,008)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	15,690	21,500
Purchase of treasury shares	(25,481)	(270,023)
Repayments of lease liabilities	(59,312)	(92,445)
Dividends paid	(82,440)	(106,511)
Net cash provided by (used in) financing activities	(151,537)	(447,488)
Effect of exchange rate change on cash and cash equivalents	49,467	31,595
Net increase (decrease) in cash and cash equivalents	569,191	294,253
Cash and cash equivalents at beginning of period	2,773,335	3,342,526
Cash and cash equivalents at end of period	3,342,526	3,636,780