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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 10, 2023

Company name: Ubicom Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 3937

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

Representative: Masayuki Aoki, CEO

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Scheduled date of filing quarterly securities report: August 10, 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	1,404	7.0	253	(13.3)	180	(32.4)	105	(45.4)
June 30, 2022	1,312	17.5	291	41.9	266	20.4	192	18.0

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 182 million [(40.9)%]
Three months ended June 30, 2022: ¥ 308 million [82.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended June 30, 2023	Yen 8.96	Yen 8.78
June 30, 2022	16.34	15.92

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of June 30, 2023	Millions of yen 6,037	Millions of yen 4,144	68.6
March 31, 2023	5,797	4,090	70.6

(Reference) Equity: As of June 30, 2023: ¥ 4,144 million
As of March 31, 2023: ¥ 4,090 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, 2023	-	0.00	-	11.00	11.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		-	-	-	-

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

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending March 31, 2024 :

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	82.01

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(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: No

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):

June 30, 2023: 11,877,040 shares

March 31, 2023: 11,873,840 shares

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

June 30, 2023: 126,638 shares

March 31, 2023: 126,638 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 11,748,028 shares

Three months ended June 30, 2022: 11,791,238 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,671,780	3,695,299
Notes and accounts receivable - trade, and contract assets	877,352	993,162
Other	310,509	303,733
Allowance for doubtful accounts	(21,494)	(15,540)
Total current assets	4,838,148	4,976,653
Non-current assets		
Property, plant and equipment	58,781	144,819
Intangible assets		
Software	20,323	16,953
Right of use assets	148,468	134,301
Total intangible assets	168,791	151,255
Investments and other assets		
Deferred tax assets	302,741	307,701
Other	428,756	456,830
Total investments and other assets	731,497	764,532
Total non-current assets	959,071	1,060,607
Total assets	5,797,219	6,037,261

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	56,302	106,865
Short-term borrowings	100,000	100,000
Lease liabilities	83,081	90,605
Income taxes payable	78,311	87,133
Contract liabilities	695,707	760,203
Provision for bonuses	54,412	59,673
Other	268,740	322,180
Total current liabilities	1,336,555	1,526,661
Non-current liabilities		
Lease liabilities	61,872	42,196
Deferred tax liabilities	183,528	187,766
Retirement benefit liability	108,596	120,062
Asset retirement obligations	16,256	16,276
Total non-current liabilities	370,253	366,302
Total liabilities	1,706,809	1,892,963
Net assets		
Shareholders' equity		
Share capital	799,706	800,142
Capital surplus	704,322	704,758
Retained earnings	2,737,681	2,713,766
Treasury shares	(295,612)	(295,612)
Total shareholders' equity	3,946,098	3,923,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,248	66,653
Foreign currency translation adjustment	128,156	223,178
Remeasurements of defined benefit plans	(55,262)	(68,758)
Total accumulated other comprehensive income	144,142	221,073
Share acquisition rights	168	168
Total net assets	4,090,409	4,144,297
Total liabilities and net assets	5,797,219	6,037,261

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

(Thousands of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	1,312,922	1,404,377
Cost of sales	761,337	873,439
Gross profit	551,584	530,937
Selling, general and administrative expenses	259,680	277,887
Operating profit	291,904	253,050
Non-operating income		
Interest income	67	159
Share of profit of entities accounted for using equity method	2,408	1,702
Surrender value of insurance policies	21,837	-
Other	2,078	597
Total non-operating income	26,392	2,459
Non-operating expenses		
Interest expenses	395	1,664
Interest expenses of rental payments	3,564	2,094
Foreign exchange losses	44,589	64,856
Other	3,272	6,828
Total non-operating expenses	51,821	75,444
Ordinary profit	266,474	180,066
Extraordinary income		
Gain on sale of non-current assets	-	9
Total extraordinary income	-	9
Profit before income taxes	266,474	180,075
Income taxes	73,777	74,771
Profit	192,697	105,304
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	192,697	105,304

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

(Thousands of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	192,697	105,304
Other comprehensive income		
Valuation difference on available-for-sale securities	22,510	(4,595)
Foreign currency translation adjustment	96,412	95,022
Remeasurements of defined benefit plans, net of tax	(3,084)	(13,496)
Total other comprehensive income	115,838	76,930
Comprehensive income	308,535	182,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	308,535	182,234
Comprehensive income attributable to non-controlling interests	-	-