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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

February 8, 2024

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: February 8, 2024

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 Nine Months Ended December 31, 2023 (April 1, 2023 to December 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	%
Nine months ended December 31, 2023	4,397	12.5	773	5.3	716	(4.0)	461	11.6
December 31, 2022	3,910	13.3	733	4.9	746	4.5	413	(20.7)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 400 million [0.7%]

Nine months ended December 31, 2022: ¥ 397 million [(22.8)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	39.25	38.55
December 31, 2022	35.05	34.20

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	6,385	4,384	68.5
March 31, 2023	5,797	4,090	70.6

(Reference) Equity: As of December 31, 2023: ¥ 4,371 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	-	0.00	-		
Fiscal year ending March 31, 2024 (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, 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	81.95

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

* Notes:

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

December 31, 2023: 11,891,920 shares

March 31, 2023: 11,873,840 shares

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

December 31, 2023: 126,638 shares

March 31, 2023: 126,638 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 11,756,436 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,671,780	3,845,649
Notes and accounts receivable - trade, and contract assets	877,352	1,218,762
Other	310,509	199,437
Allowance for doubtful accounts	(21,494)	(17,493)
Total current assets	4,838,148	5,246,357
Non-current assets		
Property, plant and equipment	58,781	147,208
Intangible assets		
Software	20,323	10,909
Right of use assets	148,468	140,534
Total intangible assets	168,791	151,443
Investments and other assets		
Deferred tax assets	302,741	316,375
Other	428,756	524,148
Total investments and other assets	731,497	840,523
Total non-current assets	959,071	1,139,175
Total assets	5,797,219	6,385,532

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	56,302	122,613
Short-term borrowings	100,000	100,000
Lease liabilities	83,081	97,175
Income taxes payable	78,311	105,602
Contract liabilities	695,707	719,949
Provision for bonuses	54,412	11,306
Other	268,740	366,059
Total current liabilities	1,336,555	1,522,706
Non-current liabilities		
Lease liabilities	61,872	36,959
Deferred tax liabilities	183,528	190,378
Retirement benefit liability	108,596	231,523
Asset retirement obligations	16,256	19,095
Total non-current liabilities	370,253	477,955
Total liabilities	1,706,809	2,000,662
Net assets		
Shareholders' equity		
Share capital	799,706	804,615
Capital surplus	704,322	709,231
Retained earnings	2,737,681	3,069,900
Treasury shares	(295,612)	(295,612)
Total shareholders' equity	3,946,098	4,288,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,248	36,060
Foreign currency translation adjustment	128,156	203,897
Remeasurements of defined benefit plans	(55,262)	(156,599)
Total accumulated other comprehensive income	144,142	83,358
Share acquisition rights	168	13,376
Total net assets	4,090,409	4,384,870
Total liabilities and net assets	5,797,219	6,385,532

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	3,910,774	4,397,927
Cost of sales	2,391,920	2,741,595
Gross profit	1,518,853	1,656,332
Selling, general and administrative expenses	784,898	883,121
Operating profit	733,954	773,211
Non-operating income		
Interest income	861	3,074
Share of profit of entities accounted for using equity method	6,126	3,696
Surrender value of insurance policies	21,837	-
Other	3,828	1,493
Total non-operating income	32,653	8,263
Non-operating expenses		
Interest expenses	1,187	5,155
Interest expenses of rental payments	9,551	6,952
Foreign exchange losses	6,070	45,456
Other	3,325	7,253
Total non-operating expenses	20,134	64,819
Ordinary profit	746,473	716,655
Extraordinary income		
Gain on sale of non-current assets	-	9
Total extraordinary income	-	9
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Loss on valuation of investment securities	106,332	-
Total extraordinary losses	106,332	0
Profit before income taxes	640,140	716,665
Income taxes	226,558	255,227
Profit	413,582	461,437
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	413,582	461,437

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

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	413,582	461,437
Other comprehensive income		
Valuation difference on available-for-sale securities	22,568	(35,188)
Foreign currency translation adjustment	29,711	75,741
Remeasurements of defined benefit plans, net of tax	(67,905)	(101,337)
Total other comprehensive income	(15,625)	(60,784)
Comprehensive income	397,957	400,653
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	397,957	400,653
Comprehensive income attributable to non-controlling interests	-	-