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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 9, 2024

Company name: Ubicom Holdings, Inc.

Stock exchange listing: Tokyo

Code number: 3937

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

Representative: Masayuki Aoki, CEO

Contact: Akisato Kitaoka, Executive Officer, Director of Corporate Strategy Division

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Scheduled date of Annual General Meeting of Shareholders: June 26, 2024

Scheduled date of commencing dividend payments: June 27, 2024

Scheduled date of filing annual securities report: June 26, 2024

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(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, 2024	5,942	13.3	1,072	6.0	935	(6.8)	526	(8.3)
March 31, 2023	5,246	11.0	1,011	(2.1)	1,004	(4.8)	573	(31.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 654 million [3.4%]
Fiscal year ended March 31, 2023: ¥ 632 million [(34.1)%]

	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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	44.73	44.15	12.0	14.8	18.0
March 31, 2023	48.68	47.57	14.5	17.6	19.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ 3 million
Fiscal year ended March 31, 2023: ¥ 7 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	6,883	4,719	68.2	395.82
March 31, 2023	5,797	4,090	70.6	348.19

(Reference) Equity: As of March 31, 2024: ¥ 4,696 million
As of March 31, 2023: ¥ 4,090 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	726	(272)	(155)	4,026
March 31, 2023	820	(110)	(447)	3,636

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, 2023	-	0.00	-	11.00	11.00	129	22.6	3.3
March 31, 2024	-	0.00	-	13.00	13.00	154	29.1	3.5
Fiscal year ending March 31, 2025 (Forecast)	-	-	-	-	-		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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	6,700	12.7	1,500	39.9	1,518	62.2	1,000	90.1	82.97

* 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: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

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, 2024: 11,991,120 shares

March 31, 2023: 11,873,840 shares

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

March 31, 2024: 126,638 shares

March 31, 2023: 126,638 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 11,761,484 shares

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,671,780	4,026,101
Notes receivable - trade	19,837	20,430
Accounts receivable - trade	846,178	1,268,489
Contract assets	11,336	128,639
Accounts receivable - other	77,190	85,598
Income taxes refund receivable	82,974	1,602
Other	150,344	147,895
Allowance for doubtful accounts	(21,494)	(18,581)
Total current assets	4,838,148	5,660,175
Non-current assets		
Property, plant and equipment		
Buildings	92,573	137,669
Accumulated depreciation	(84,723)	(63,841)
Buildings, net	7,850	73,827
Vehicles	11,685	12,777
Accumulated depreciation	(11,116)	(12,777)
Vehicles, net	568	-
Tools, furniture and fixtures	171,663	234,188
Accumulated depreciation	(121,300)	(167,669)
Tools, furniture and fixtures, net	50,363	66,519
Total property, plant and equipment	58,781	140,347
Intangible assets		
Software	20,323	13,425
Right of use assets	148,468	199,795
Total intangible assets	168,791	213,221
Investments and other assets		
Investment securities	269,335	421,988
Investments in capital of subsidiaries and associates	63,599	62,939
Deferred tax assets	302,741	298,808
Other	95,820	86,334
Total investments and other assets	731,497	870,071
Total non-current assets	959,071	1,223,640
Total assets	5,797,219	6,883,815

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	56,302	121,618
Short-term borrowings	100,000	100,000
Lease liabilities	83,081	113,389
Income taxes payable	78,311	240,646
Contract liabilities	695,707	763,261
Provision for bonuses	54,412	56,313
Other	268,740	330,728
Total current liabilities	1,336,555	1,725,958
Non-current liabilities		
Lease liabilities	61,872	75,222
Deferred tax liabilities	183,528	180,364
Retirement benefit liability	108,596	163,360
Asset retirement obligations	16,256	19,115
Total non-current liabilities	370,253	438,063
Total liabilities	1,706,809	2,164,021
Net assets		
Shareholders' equity		
Share capital	799,706	840,104
Capital surplus	704,322	744,720
Retained earnings	2,737,681	3,134,605
Treasury shares	(295,612)	(295,612)
Total shareholders' equity	3,946,098	4,423,818
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	71,248	79,666
Foreign currency translation adjustment	128,156	278,878
Remeasurements of defined benefit plans	(55,262)	(86,104)
Total accumulated other comprehensive income	144,142	272,439
Share acquisition rights	168	23,535
Total net assets	4,090,409	4,719,793
Total liabilities and net assets	5,797,219	6,883,815

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	5,246,671	5,942,642
Cost of sales	3,195,981	3,694,093
Gross profit	2,050,690	2,248,548
Selling, general and administrative expenses	1,039,099	1,176,245
Operating profit	1,011,591	1,072,302
Non-operating income		
Interest income	1,030	4,937
Share of profit of entities accounted for using equity method	7,583	3,755
Surrender value of insurance policies	21,837	31
Subsidy income	1,650	1,000
Other	2,682	1,160
Total non-operating income	34,784	10,885
Non-operating expenses		
Interest expenses	1,579	6,946
Interest expenses of rental payments	11,931	9,617
Loss on investments in investment partnerships	5,987	32,502
Foreign exchange losses	19,458	92,634
Other	3,393	5,630
Total non-operating expenses	42,351	147,331
Ordinary profit	1,004,024	935,856
Extraordinary income		
Gain on sale of non-current assets	28,000	9
Total extraordinary income	28,000	9
Extraordinary losses		
Loss on retirement of non-current assets	-	142
Loss on valuation of investment securities	106,332	17,150
Total extraordinary losses	106,332	17,293
Profit before income taxes	925,691	918,572
Income taxes - current	261,915	396,831
Income taxes - deferred	89,981	(4,401)
Total income taxes	351,897	392,429
Profit	573,793	526,143
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	573,793	526,143

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit	573,793	526,143
Other comprehensive income		
Valuation difference on available-for-sale securities	58,312	8,417
Foreign currency translation adjustment	65,424	150,722
Remeasurements of defined benefit plans, net of tax	(64,758)	(31,311)
Share of other comprehensive income of entities accounted for using equity method	44	468
Total other comprehensive income	59,024	128,297
Comprehensive income	632,818	654,440
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	632,818	654,440
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

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
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
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

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	799,706	704,322	2,737,681	(295,612)	3,946,098
Changes during period					
Issuance of new shares - exercise of share acquisition rights	40,398	40,398			80,796
Dividends of surplus			(129,219)		(129,219)
Profit attributable to owners of parent			526,143		526,143
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	40,398	40,398	396,923	-	477,719
Balance at end of period	840,104	744,720	3,134,605	(295,612)	4,423,818

	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	71,248	128,156	(55,262)	144,142	168	4,090,409
Changes during period						
Issuance of new shares - exercise of share acquisition rights						80,796
Dividends of surplus						(129,219)
Profit attributable to owners of parent						526,143
Purchase of treasury shares						-
Net changes in items other than shareholders' equity	8,417	150,722	(30,842)	128,297	23,366	151,664
Total changes during period	8,417	150,722	(30,842)	128,297	23,366	629,384
Balance at end of period	79,666	278,878	(86,104)	272,439	23,535	4,719,793

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	925,691	918,572
Depreciation	156,981	176,154
Gain on sale of non-current assets	(28,000)	(9)
Loss on retirement of non-current assets	-	142
Loss (gain) on valuation of investment securities	106,332	17,150
Increase (decrease) in allowance for doubtful accounts	7,458	(2,975)
Increase (decrease) in provision for bonuses	2,879	(196)
Retirement benefit expenses	(723)	17,010
Increase (decrease) in retirement benefit liability	8,290	4,922
Interest income	(1,030)	(4,937)
Surrender value of insurance policies	(21,837)	(31)
Subsidy income	(1,650)	(1,000)
Share-based payment expenses	-	17,014
Interest expenses	13,511	16,564
Share of loss (profit) of entities accounted for using equity method	(7,583)	(3,755)
Loss (gain) on investments in investment partnerships	5,987	32,502
Decrease (increase) in trade receivables	94,501	(490,253)
Decrease (increase) in inventories	1,333	16
Decrease (increase) in accounts receivable - other	10,813	(712)
Increase (decrease) in trade payables	(19,966)	63,559
Increase (decrease) in contract liabilities	3,722	67,554
Decrease (increase) in other current assets	(20,817)	(8,850)
Decrease (increase) in other non-current assets	4,895	(4,069)
Increase (decrease) in other current liabilities	(70,629)	50,290
Other, net	6,675	347
Subtotal	1,176,835	865,012
Interest and dividends received	1,030	15,632
Proceeds from surrender value of insurance policies	46,880	31
Subsidies received	1,650	1,000
Interest paid	(13,511)	(15,392)
Income taxes paid	(392,227)	(218,259)
Income taxes refund	-	78,875
Net cash provided by (used in) operating activities	820,657	726,899
Cash flows from investing activities		
Payments into time deposits	(35,000)	-
Proceeds from withdrawal of time deposits	35,000	35,020
Purchase of property, plant and equipment	(45,427)	(117,472)
Purchase of intangible assets	(5,400)	(5,153)
Proceeds from sale of property, plant and equipment	-	9
Proceeds from sale of intangible assets	28,000	-
Purchase of investment securities	(36,453)	(184,711)
Payments of leasehold and guarantee deposits	(51,229)	(40)
Payments for asset retirement obligations	-	(16,276)
Other, net	-	15,862
Net cash provided by (used in) investing activities	(110,510)	(272,761)

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	100,000	100,000
Repayments of short-term borrowings	(100,008)	(100,000)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	21,500	80,740
Proceeds from issuance of share acquisition rights	-	6,408
Purchase of treasury shares	(270,023)	-
Repayments of lease liabilities	(92,445)	(112,996)
Dividends paid	(106,511)	(129,167)
Net cash provided by (used in) financing activities	(447,488)	(155,016)
Effect of exchange rate change on cash and cash equivalents	31,595	90,199
Net increase (decrease) in cash and cash equivalents	294,253	389,320
Cash and cash equivalents at beginning of period	3,342,526	3,636,780
Cash and cash equivalents at end of period	3,636,780	4,026,101