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Consolidated Financial Results for the Six Months Ended April 30, 2021 [Japanese GAAP]

June 11, 2021

Company name: TBCSCAT Inc.
 Stock exchange listing: Tokyo
 Code number: 3974
 URL: <http://www.tbcsat.jp/>
 Representative: Nagashima Hideo
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 Scheduled date of filing quarterly securities report: June 11, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

President and CEO
 Director and General Manager of Business Administration
 Division

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

1. Consolidated Financial Results for the Six Months Ended April 30, 2021 (November 01, 2020 to April 30, 2021)

(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	%
Six months ended April 30, 2021	1,236	(5.9)	106	31.5	106	28.8	81	60.1
April 30, 2020	1,314	2.5	81	18.8	83	20.9	51	13.6

(Note) Comprehensive income: Six months ended April 30, 2021: ¥ 83 million [64.3%]
 Six months ended April 30, 2020: ¥ 51 million [13.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2021	18.75	-
April 30, 2020	11.78	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of April 30, 2021	3,622	2,283	63.0
October 31, 2020	3,657	2,193	60.0

(Reference) Equity: As of April 30, 2021: ¥ 2,283 million
 As of October 31, 2020: ¥ 2,193 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 October 31, 2020	-	0.00	-	20.00	20.00
Fiscal year ending October 31, 2021	-	0.00			
Fiscal year ending October 31, 2021 (Forecast)			-	7.00	7.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending October 31, 2021 :

Commemorative dividend - yen
 Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending October 31, 2021(November 01, 2020 to October 31, 2021)

(% 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	2,647	7.5	160	24.4	160	22.1	95	32.6	21.93

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended April 30, 2021

(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: No

(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):

April 30, 2021: 5,460,000 shares

October 31, 2020: 5,460,000 shares

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

April 30, 2021: 1,042,929 shares

October 31, 2020: 1,125,429 shares

3) Average number of shares during the period:

Six months ended April 30, 2021: 4,358,728 shares

Six months ended April 30, 2020: 4,334,676 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of October 31,2020	As of April 30,2021
Assets		
Current assets		
Cash and deposits	1,574,769	1,544,349
Accounts receivable - trade	236,320	203,719
Merchandise	24,171	41,095
Work in process	51,426	53,726
Other	55,931	65,522
Allowance for doubtful accounts	(280)	(240)
Total current assets	1,942,340	1,908,173
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,885,064	1,884,272
Accumulated depreciation	(1,038,304)	(1,053,701)
Buildings and structures, net	846,759	830,570
Land	342,737	319,248
Other	162,255	161,138
Accumulated depreciation	(134,445)	(134,857)
Other, net	27,809	26,281
Total property, plant and equipment	1,217,307	1,176,100
Intangible assets		
Software	95,715	77,183
Software in progress	126,443	159,037
Goodwill	81,509	74,099
Other	1,668	1,117
Total intangible assets	305,336	311,438
Investments and other assets		
Deferred tax assets	145,052	144,152
Other	63,800	99,614
Allowance for doubtful accounts	(16,790)	(16,813)
Total investments and other assets	192,062	226,953
Total non-current assets	1,714,706	1,714,492
Total assets	3,657,046	3,622,665

(Thousand yen)

	As of October 31,2020	As of April 30,2021
Liabilities		
Current liabilities		
Accounts payable - trade	49,197	51,430
Short-term borrowings	200,000	200,000
Current portion of long-term borrowings	83,680	85,680
Accrued expenses	138,081	56,411
Provision for bonuses	70,763	65,384
Income taxes payable	24,693	35,270
Provision for loss on order received	11,354	13,235
Other	96,344	107,592
Total current liabilities	674,115	615,006
Non-current liabilities		
Long-term borrowings	389,560	346,720
Provision for retirement benefits for directors (and other officers)	41,315	18,365
Retirement benefit liability	325,689	327,386
Other	32,408	32,156
Total non-current liabilities	788,973	724,627
Total liabilities	1,463,088	1,339,634
Net assets		
Shareholders' equity		
Share capital	200,000	200,000
Capital surplus	277,158	297,529
Retained earnings	1,904,461	1,957,293
Treasury shares	(187,662)	(173,906)
Total shareholders' equity	2,193,957	2,280,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	2,114
Total accumulated other comprehensive income	-	2,114
Total net assets	2,193,957	2,283,031
Total liabilities and net assets	3,657,046	3,622,665

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended April 30,2020	For the six months ended April 30,2021
Net sales	1,314,467	1,236,607
Cost of sales	771,711	709,033
Gross profit	542,756	527,573
Selling, general and administrative expenses	461,465	420,654
Operating profit	81,290	106,919
Non-operating income		
Interest income	7	6
Dividend income	0	0
Gain on sales of investment securities	1,046	25
Facility rental fee	906	886
Subsidy income	600	643
Other	830	542
Total non-operating income	3,392	2,104
Non-operating expenses		
Interest expenses	1,411	1,813
Other	265	264
Total non-operating expenses	1,676	2,077
Ordinary profit	83,005	106,945
Extraordinary income		
Subsidies income	-	24,993
Gain on sales of non-current assets	-	7,641
Total extraordinary income	-	32,634
Extraordinary losses		
Loss on COVID19	-	26,858
Loss on sales of non-current assets	-	28
Loss on retirement of non-current assets	24	132
Total extraordinary losses	24	27,018
Profit before income taxes	82,981	112,561
Income taxes - current	22,577	30,858
Income taxes - deferred	9,360	(25)
Total income taxes	31,937	30,832
Profit	51,044	81,729
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	51,044	81,729

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

(Thousand yen)

	For the six months ended April 30,2020	For the six months ended April 30,2021
Profit	51,044	81,729
Other comprehensive income		
Valuation difference on available-for-sale securities	-	2,114
Total other comprehensive income	-	2,114
Comprehensive income	51,044	83,843
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	51,044	83,843

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended April 30,2020	For the six months ended April 30,2021
Cash flows from operating activities		
Profit before income taxes	82,981	112,561
Depreciation	49,049	49,908
Amortization of goodwill	7,409	7,409
Increase (decrease) in allowance for doubtful accounts	5	(16)
Interest and dividend income	(7)	(6)
Loss (gain) on sales of investment securities	(1,046)	(25)
Interest expenses	1,411	1,813
Loss (gain) on sales of property, plant and equipment	-	(7,613)
Loss on retirement of non-current assets	24	132
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(22,950)
Increase (decrease) in retirement benefit liability	(15,828)	1,696
Decrease (increase) in trade receivables	(24,621)	32,601
Decrease (increase) in inventories	(17,744)	(19,341)
Increase (decrease) in trade payables	3,523	2,233
Increase (decrease) in provision for bonuses	(12,688)	(5,378)
Increase (decrease) in advances received	(135)	4,707
Increase (decrease) in accrued expenses	(5,091)	(81,670)
Other, net	(23,241)	(24,242)
Subtotal	43,998	51,820
Interest and dividends received	7	6
Interest paid	(1,418)	(1,855)
Income taxes refund	369	25,027
Income taxes paid	(55,698)	(22,175)
Net cash provided by (used in) operating activities	(12,739)	52,823
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,940)	(3,432)
Proceeds from sales of property, plant and equipment	-	31,130
Purchase of intangible assets	(44,034)	(40,136)
Purchase of investment securities	-	(34,080)
Proceeds from sales of investment securities	1,400	35
Other, net	120	120
Net cash provided by (used in) investing activities	(46,455)	(46,362)
Cash flows from financing activities		
Repayments of long-term borrowings	(30,840)	(40,840)
Purchase of treasury shares	(40)	-
Repayments of lease obligations	(1,286)	(1,286)
Dividends paid	(37,351)	(28,882)
Proceeds from sales of treasury shares	-	34,127
Net cash provided by (used in) financing activities	(69,518)	(36,880)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(128,713)	(30,420)
Cash and cash equivalents at beginning of period	1,492,832	1,574,769
Cash and cash equivalents at end of period	1,364,118	1,544,349