

## Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

### Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 2023 (Based on IFRS)

February 14, 2023

Company name: Hybrid Technologies Co., Ltd. Listing exchange: Tokyo Stock Exchange  
 Securities code: 4260 URL: <https://hybrid-technologies.co.jp/>  
 Representative: Tran Van Minh, CEO  
 Contact for inquiries: Kazuma Hirakawa, CFO Phone: +81-3-6222-9506  
 Scheduled date for filing quarterly securities report: February 14, 2023  
 Scheduled date for commencing dividend payments: -  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results briefing session: No

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

#### 1. Consolidated financial results for the three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

##### (1) Consolidated Operating Results (Cumulative)

(Percentage figures indicate year-on-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended												
December 31, 2022	694	38.1	66	35.4	39	(21.8)	37	(10.4)	37	(10.4)	44	(0.8)
December 31, 2021	502	45.0	49	-	50	-	42	-	42	-	44	467.4

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2022	3.40	3.09
December 31, 2021	4.99	4.94

(Note) The rate of Year-on-year change in operating profit for the three months ended December 31, 2021, is indicated as “-” because it exceeds 1,000%.

##### (2) Consolidated Financial Position

	Total assets	Net assets	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
December 31, 2022	3,100	2,173	2,173	70.1
September 30, 2022	2,965	2,125	2,125	71.7

#### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	-	0.00	-	0.00	0.00
Fiscal year ending September 30, 2023	-				
Fiscal year ending September 30, 2023 (forecast)		0.00	-	0.00	0.00

(Note) Revisions to the forecast of dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023  
(from October 1, 2022, to September 30, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	3,219	33.7	400	39.0	389	25.4	339	36.0	339	36.0	30.91

(Note) Revisions to the forecast of earnings most recently announced: None

\*Notes

(1) Changes in significant subsidiaries during the three months ended December 31, 2022 (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies other than (i) above: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of December 31, 2022	10,979,648 Shares	As of September 30, 2022	10,979,648 shares
As of December 31, 2022	76 Shares	As of September 30, 2022	- shares
The three months ended December 31, 2022	10,979,597 Shares	The three months ended December 31, 2021	8,334,844 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors. For the conditions forming the assumptions on which earnings forecasts are based and explanatory notes for use of earnings forecasts, refer to "1. Qualitative Information on the Quarterly Financial Results, (3) Explanations on Consolidated Earnings Forecast and Other Forecast Information" on page 3 of the Attachment.

## Table of Contents of the Attachment

1. Qualitative Information on the Quarterly Financial Results .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	2
(3) Explanations on Consolidated Earnings Forecast and Other Forecast Information.....	3
2. Quarterly Consolidated Financial Statement and Primary Notes .....	4
(1) Quarterly Consolidated Statement of Financial Position .....	4
(2) Quarterly Consolidated Statement of Profit or Loss and Quarterly Consolidated Statement of Comprehensive Income .....	5
(3) Quarterly Consolidated Statement of Changes in Net assets.....	7
(4) Quarterly Consolidated Statement of Cash Flows.....	9
(5) Notes to Consolidated Financial Statement .....	10
(Notes on Going Concern Assumption) .....	10
(Changes in Accounting Policies) .....	10
(Changes in Accounting Estimates).....	10
(Segment Information) .....	10

## 1. Qualitative Information on the Quarterly Financial Results

### (1) Explanation of Operating Results

During the three months ended December 31, 2022, the Japanese economy showed signs of gradual recovery as economic activities resumed, partly due to advances in vaccination against the spread of COVID-19 and the effects of infection prevention measures. On the other hand, the economic outlook remains uncertain, as economic risks continue to rise, including the impact of increasing prices due to growing geopolitical risks and increasing U.S. interest rates, the ongoing depreciation of the yen against the backdrop of global monetary tightening and other factors, and concerns about the spread of infection caused by new variants of COVID-19.

Amid this environment, as for the information service industry, in which the group is engaged, the digital transformation market for Japanese companies is expected to grow to 3 trillion yen by 2030, offering expectations for ongoing market expansion, according to the forecast for FY2030 in the 2020 Outlook for Digital Transformation Market by Fuji Chimera Research Institute.

The Group provides services to clients in two categories: stock services (quasi-mandate contract) and flow services (service contract), according to the market and client needs. Under these circumstances, the Group's main service, stock services, generated revenue of 1,511 million yen in the fiscal year ended September 2021 and 2,263 million yen in the fiscal year ended September 2022, and revenue of 2,861 million yen in the fiscal year ending September 2023, higher year-on-year as a whole group.

Furthermore, during the first three months of the fiscal year, we have decided the 8th investee for the Hybrid Technologies Capital startup support program, responsible for digital transformation support and business expansion. By expanding investment and development into various industries and business areas, we are promoting growth and expansion of existing businesses while supporting a wide range of partners that offer business growth synergies.

As a result, the Group's revenue for the three months ended December 31, 2022, was 693,618 thousand yen (up 38.1% year-on-year), operating profit was 65,739 thousand yen (up 35.4% year-on-year), profit before tax was 39,369 thousand yen (down 21.8% year-on-year) and profit attributable to owners of parent was 37,291 thousand yen (down 10.4% year-on-year). Descriptions by segment are omitted as the Group has a single operating segment of hybrid-type services.

### (2) Explanation of Financial Position

#### (i) Assets, Liabilities, and Net Assets

##### (Assets)

Total assets as of December 31, 2022, increased by 135,405 thousand yen from the end of the previous fiscal year to 3,100,470 thousand yen. This was mainly attributable to right-of-use assets increasing by 107,202 thousand yen and trade and other receivables increasing by 44,721 thousand yen, while cash and cash equivalents decreased by 41,084 thousand yen.

##### (Liabilities)

Total liabilities as of December 31, 2022, increased by 87,594 thousand yen from the end of the previous fiscal year to 927,186 thousand yen. This was mainly attributable to trade and other payables increasing by 44,028 thousand yen and lease liabilities increasing by 104,331 thousand yen.

##### (Net assets)

Net assets as of December 31, 2022, increased by 47,811 thousand yen from the end of the previous fiscal year to 2,173,284 thousand yen. This was mainly attributable to retained earnings increasing by 37,291 thousand yen and other components of assets increasing by 10,600 thousand yen.

#### (ii) Cash Flows

The balance of cash and cash equivalents ("net cash") as of December 31, 2022, decreased by 41,084 thousand yen from the end of the previous fiscal year to 1,767,878 thousand yen. The status of cash flows and their contributing factors are as follows.

##### (Cash flows from operating activities)

Net cash provided by operating activities during the three months ended December 31, 2022, was 23,931 thousand yen (108,887 thousand yen was provided for the same period of the previous year). This was mainly attributable to the recording of quarterly profit before tax of 39,369 thousand yen, depreciation and amortization of 32,663 thousand yen, and trade and other payables increasing by 53,671 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities during the three months ended December 31, 2022, was 27,389 thousand yen (1,989 thousand yen used for the same period of the previous year). This was mainly attributable to purchase of property, plant and equipment of 30,764 thousand yen.

(Cash flows from financing activities)

Net cash used in financing activities during the three months ended December 31, 2022, was 24,929 thousand yen (1,175,448 thousand yen provided for the same period of the previous year). This was mainly attributable to repayments of lease liabilities of 25,312 thousand yen.

(3) Explanations on Consolidated Earnings Forecast and Other Forecast Information

Regarding the full-year earnings forecast, there is no change to the full-year consolidated earnings forecast announced in the “Consolidated Financial Results for the Fiscal Year Ended September 2022” document dated November 14, 2022. The current consolidated earnings forecast is calculated based on the information available as of the date of the filing of this summary of financial results. However, the Company will promptly announce revisions if they are deemed necessary.

## 2. Quarterly Consolidated Financial Statement and Primary Notes

### (1) Quarterly Consolidated Statement of Financial Position

(Unit: Thousand yen)

	As of September 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,808,962	1,767,878
Trade and other receivables	302,175	346,896
Other financial assets	34,184	515
Other current assets	148,778	159,416
Total current assets	2,294,099	2,274,706
Non-current assets		
Property, plant, and equipment	41,983	63,758
Right-of-use assets	359,757	466,959
Intangible assets	20,150	17,277
Investment securities	177,840	208,919
Other financial assets	59,372	56,603
Deferred tax assets	858	2,600
Other non-current assets	11,005	9,647
Total non-current assets	670,966	825,764
Total assets	2,965,065	3,100,470
<b>Liabilities and net assets</b>		
Liabilities		
Current liabilities		
Trade and other payables	206,836	250,864
Borrowings	20,000	20,000
Lease liabilities	102,401	95,642
Other financial liabilities	42,953	66,049
Income taxes payable	33,457	4,672
Provisions	6,423	6,759
Other current liabilities	115,510	52,615
Total current liabilities	527,581	496,600
Non-current liabilities		
Lease liabilities	304,624	415,714
Provisions	7,387	11,291
Deferred tax liabilities	-	3,581
Total non-current liabilities	312,011	430,586
Total liabilities	839,592	927,186
Net assets		
Share capital	893,343	893,343
Capital surplus	883,732	883,732
Retained earnings	311,147	348,438
Treasury shares	-	(80)
Other components of equity	37,250	47,850
Total equity attributable to owners of parent	2,125,473	2,173,284
Total net assets	2,125,473	2,173,284
Total liabilities and net assets	2,965,065	3,100,470

(2) Quarterly Consolidated Statement of Profit or Loss and Quarterly Consolidated Statement of Comprehensive Income  
 (Quarterly Consolidated Statement of Profit or Loss)

(Unit: Thousand yen)

	The three months ended December 31, 2021	The three months ended December 31, 2022
Revenue	502,145	693,618
Cost of sales	(323,778)	(437,504)
Gross profit	178,367	256,114
Selling, general and administrative expenses	(128,187)	(193,729)
Other income	7,571	3,355
Other expenses	(9,183)	-
Operating profit	48,567	65,739
Finance income	5,045	1,776
Finance expenses	(3,255)	(28,146)
Profit before tax	50,357	39,369
Income taxes	(8,754)	(2,078)
Profit	41,603	37,291
Profit attributable to		
Owners of parent	41,603	37,291
Profit	41,603	37,291
Earnings per share		
Basic earnings per share (yen)	4.99	3.40
Diluted earnings per share (yen)	4.94	3.09

## (Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousand yen)

	The three months ended December 31, 2021	The three months ended December 31, 2022
Profit	41,603	37,291
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences on translation of foreign operations	2,369	6,348
Total of items that may be reclassified to profit and loss	2,369	6,348
Other comprehensive income, net of tax	2,369	6,348
Comprehensive income	43,971	43,639
Comprehensive income attributable to		
Owners of parent	43,971	43,639
Comprehensive income	43,971	43,639



(3) Quarterly Consolidated Statement of Changes in Net assets  
The three months ended December 31, 2021

(Unit: Thousand yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Other components of equity			Total	Total
				Exchange differences on translation of foreign operations	Share acquisition rights	Total		
Balance as of October 1, 2021	225,297	227,772	61,533	396	55,852	56,248	570,850	570,850
Profit	-	-	41,603	-	-	-	41,603	41,603
Other comprehensive income	-	-	-	2,369	-	2,369	2,369	2,369
Total comprehensive income	-	-	41,603	2,369	-	2,369	43,971	43,971
Issuance of new shares	598,000	590,420	-	-	-	-	1,188,420	1,188,420
Share-based payment transactions	-	-	-	-	6,973	6,973	6,973	6,973
Forfeiture of share acquisition rights	21,896	12,466	-	-	(12,466)	(12,466)	21,896	21,896
Total transactions with owners	619,896	602,887	-	-	(5,493)	(5,493)	1,217,290	1,217,290
Balance as of December 31, 2021	845,193	830,659	103,135	2,765	50,360	53,124	1,832,112	1,832,112

The three months ended December 31, 2022

(Unit: Thousand yen)

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total
					Exchange differences on translation of foreign operations	Share acquisition rights	Financial assets measured at fair value through other comprehensive income	
Balance as of October 1, 2022	893,343	883,732	311,147	-	(10,829)	56,674	(8,595)	37,250
Profit	-	-	37,291	-	-	-	-	-
Other comprehensive income	-	-	-	-	6,348	-	-	6,348
Total comprehensive income	-	-	37,291	-	6,348	-	-	6,348
Share-based payment transactions	-	-	-	-	-	3,868	-	3,868
Purchase of treasury shares	-	-	-	(80)	-	-	-	-
Other	-	-	-	-	-	383	-	383
Total transactions with owners	-	-	-	(80)	-	4,251	-	4,251
Balance as of December 31, 2022	893,343	883,732	348,438	(80)	(4,481)	60,925	(8,595)	47,850

(Unit: Thousand yen)

	Equity attributable to owners of parent	
	Equity attributable to owners of parent	Total
	Total	
Balance as of October 1, 2022	2,125,473	2,125,473
Profit	37,291	37,291
Other comprehensive income	6,348	6,348
Total comprehensive income	43,639	43,639
Share-based payment transactions	3,868	3,868
Purchase of treasury shares	(80)	(80)
Other	383	383
Total transactions with owners	4,172	4,172
Balance as of December 31, 2022	2,173,284	2,173,284

## (4) Quarterly Consolidated Statement of Cash Flows

(Unit: Thousand yen)

	The three months ended December 31, 2021	The three months ended December 31, 2022
Cash flows from operating activities		
Profit before tax	50,357	39,369
Depreciation and amortization	29,807	32,663
Share-based payment expenses	6,973	3,868
Finance income	(1,104)	(698)
Finance expenses	3,255	26,677
Decrease (increase) in trade and other receivables	13,996	(50,568)
Increase (decrease) in trade and other payables	73,504	53,671
Increase (decrease) in provisions	(98)	336
Other	(41,204)	(44,399)
Subtotal	135,488	60,919
Interest and dividends received	271	93
Interest paid	(3,199)	(3,717)
Income taxes paid	(23,673)	(33,365)
Net cash provided by (used in) operating activities	108,887	23,931
Cash flows from investing activities		
Payments into time deposits	-	33,376
Purchase of property, plant, and equipment	(2,190)	(30,764)
Purchase of investment securities	-	(30,001)
Other	201	-
Net cash provided by (used in) investing activities	(1,989)	(27,389)
Cash flows from financing activities		
Repayments of lease liabilities	(22,340)	(25,312)
Proceeds from issuance of new shares	1,175,892	-
Proceeds from exercise of share acquisition rights	21,896	-
Other	-	383
Net cash provided by (used in) financing activities	1,175,448	(24,929)
Net increase (decrease) in cash and cash equivalents	1,282,346	(28,388)
Cash and cash equivalents at beginning of period	500,061	1,808,962
Effect of exchange rate changes on cash and cash equivalents	4,787	(12,696)
Cash and cash equivalents at end of period	1,787,194	1,767,878

(5) Notes to Consolidated Financial Statement

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

Not applicable.

(Changes in Accounting Estimates)

Not applicable.

(Segment Information)

The descriptions are omitted as the Group has a single operating segment.