

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 28, 2020

Company name: OBIC BUSINESS CONSULTANTS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4733 URL <https://www.obc.co.jp>
 Representative: President and Representative Director Shigefumi Wada
 Senior Managing Director, General Manager
 Inquiries: of Administrative Headquarters and Manager Hiroko Wada TEL 03-3342-1881
 of Administrative Division
 Scheduled date to file Quarterly Securities Report: February 5, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2019	22,826	7.4	9,704	3.2	10,327	2.4	7,254	(8.0)
Nine months ended December 31, 2018	21,244	25.0	9,400	43.7	10,084	29.7	7,885	43.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	96.51		–	
Nine months ended December 31, 2018	104.92		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2019	143,868		120,778		84.0	
As of March 31, 2019	139,863		115,438		82.5	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	40.00	–	25.00	65.00
Year ending March 31, 2020	–	25.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	25.00	50.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	32,000	8.4	14,500	10.6	15,500	10.3	10,700	6.3	142.35

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2019	80,704,000 shares	As of March 31, 2019	80,704,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	5,537,986 shares	As of March 31, 2019	5,539,986 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2019	75,165,120 shares	Nine months ended December 31, 2018	75,164,085 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	97,839,792	101,570,107
Notes receivable - trade	2,363,287	2,193,165
Accounts receivable - trade	7,724,886	5,789,837
Merchandise and finished goods	127,222	126,206
Work in process	1,674	1,521
Raw materials and supplies	62,341	63,053
Prepaid expenses	178,238	149,289
Accounts receivable - other	6,211	7,541
Other	13,415	17,213
Allowance for doubtful accounts	(16,094)	(11,873)
Total current assets	108,300,975	109,906,065
Non-current assets		
Property, plant and equipment	447,895	480,607
Intangible assets	456,387	255,841
Investments and other assets		
Investment securities	29,900,252	32,410,399
Shares of subsidiaries and associates	16,093	9,196
Long-term accounts receivable - other	65,880	62,680
Leasehold and guarantee deposits	713,756	778,215
Membership	32,380	32,380
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,905	3,226
Allowance for doubtful accounts	(71,935)	(70,056)
Total investments and other assets	30,658,332	33,226,040
Total non-current assets	31,562,615	33,962,490
Total assets	139,863,590	143,868,555

(Thousands of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	316,438	193,950
Accounts payable - other	800,098	912,982
Accrued expenses	994,739	832,758
Income taxes payable	3,014,753	726,964
Accrued consumption taxes	607,112	355,835
Deposits received	83,298	176,307
Unearned revenue	12,546,251	12,447,946
Provision for bonuses for directors (and other officers)	80,000	40,000
Other	2,506	4,836
Total current liabilities	18,445,199	15,691,582
Non-current liabilities		
Deferred tax liabilities	2,727,740	3,930,113
Provision for retirement benefits	2,153,706	2,368,445
Provision for retirement benefits for directors (and other officers)	952,172	–
Long-term accounts payable - other	–	952,172
Asset retirement obligations	146,374	147,266
Total non-current liabilities	5,979,993	7,397,997
Total liabilities	24,425,193	23,089,580
Net assets		
Shareholders' equity		
Share capital	10,519,000	10,519,000
Capital surplus	18,949,268	18,957,416
Retained earnings	78,621,595	82,117,824
Treasury shares	(5,349,571)	(5,347,640)
Total shareholders' equity	102,740,292	106,246,601
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,698,105	14,532,374
Total valuation and translation adjustments	12,698,105	14,532,374
Total net assets	115,438,397	120,778,975
Total liabilities and net assets	139,863,590	143,868,555

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	21,244,446	22,826,764
Cost of sales	3,289,548	4,001,756
Gross profit	17,954,898	18,825,007
Selling, general and administrative expenses	8,554,748	9,120,982
Operating profit	9,400,149	9,704,024
Non-operating income		
Interest income	136	182
Dividend income	660,220	639,141
Gain on investments in investment partnerships	6,300	–
Gain on sales of investment securities	–	7
Other	25,408	14,825
Total non-operating income	692,066	654,155
Non-operating expenses		
Loss on sales of investment securities	817	583
Loss on investments in investment partnerships	–	27,139
Other	6,682	3,341
Total non-operating expenses	7,500	31,064
Ordinary profit	10,084,715	10,327,116
Extraordinary income		
Gain on sales of investment securities	1,408,415	378,722
Gain on sales of memberships	1,200	–
Gain on sales of shares of subsidiaries and associates	–	12,279
Total extraordinary income	1,409,615	391,002
Extraordinary losses		
Loss on retirement of non-current assets	–	110,070
Loss on valuation of investment securities	328	–
Total extraordinary losses	328	110,070
Profit before income taxes	11,494,002	10,608,048
Income taxes - current	3,027,129	2,959,965
Income taxes - deferred	580,987	393,603
Total income taxes	3,608,117	3,353,569
Profit	7,885,885	7,254,479

Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	11,494,002	10,608,048
Depreciation	331,342	445,653
Increase (decrease) in provision for retirement benefits	204,512	214,739
Increase (decrease) in provision for bonuses for directors (and other officers)	(24,000)	(40,000)
Increase (decrease) in allowance for doubtful accounts	(10,740)	(6,100)
Interest and dividend income	(660,357)	(639,323)
Loss (gain) on sales of investment securities	(1,407,597)	(378,146)
Loss (gain) on valuation of investment securities	328	–
Loss (gain) on sales of shares of subsidiaries and associates	–	(12,279)
Loss (gain) on sales of membership	(1,200)	–
Loss on retirement of non-current assets	–	110,070
Loss (gain) on investments in investment partnerships	(6,300)	27,139
Decrease (increase) in trade receivables	(223,861)	2,105,171
Decrease (increase) in inventories	(18,493)	456
Decrease (increase) in prepaid expenses	51,434	28,948
Increase (decrease) in trade payables	(6,984)	(122,487)
Increase (decrease) in accrued consumption taxes	232,878	(251,277)
Increase (decrease) in accrued expenses	(6,070)	(161,980)
Increase (decrease) in unearned revenue	(577,126)	(98,304)
Other, net	118,233	6,405
Subtotal	9,490,002	11,836,733
Interest and dividends received	660,357	639,323
Income taxes paid	(3,889,542)	(5,126,726)
Net cash provided by (used in) operating activities	6,260,817	7,349,330
Cash flows from investing activities		
Proceeds from sales of investment securities	2,004,308	483,898
Proceeds from sales of shares of subsidiaries and associates	–	19,176
Purchase of property, plant and equipment	(45,041)	(87,625)
Purchase of intangible assets	(164,369)	(211,817)
Proceeds from sales of membership	6,600	–
Payments of leasehold and guarantee deposits	(2,492)	(65,967)
Proceeds from refund of leasehold and guarantee deposits	1,287	1,509
Net cash provided by (used in) investing activities	1,800,291	139,173
Cash flows from financing activities		
Dividends paid	(3,006,840)	(3,758,188)
Purchase of treasury shares	(180)	–
Net cash provided by (used in) financing activities	(3,007,021)	(3,758,188)
Net increase (decrease) in cash and cash equivalents	5,054,087	3,730,315
Cash and cash equivalents at beginning of period	87,113,504	97,829,792
Cash and cash equivalents at end of period	92,167,591	101,560,107