

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 26, 2021

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
 Vice President and Representative Director,
 Inquiries: General Manager of Administrative Hiroko Wada TEL 03-3342-1881
 Headquarters
 Scheduled date to file Quarterly Securities Report: February 5, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	21,195	(7.1)	8,631	(11.1)	9,353	(9.4)	6,424	(11.4)
Nine months ended December 31, 2019	22,826	7.4	9,704	3.2	10,327	2.4	7,254	(8.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	85.47		–	
Nine months ended December 31, 2019	96.51		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2020	148,250		123,349		83.2	
As of March 31, 2020	143,129		118,525		82.8	

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, 2020	–	25.00	–	25.00	50.00
Year ending March 31, 2021	–	25.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	25.00	50.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	30,500	1.4	12,700	(2.2)	13,500	(3.8)	9,160	(8.0)	121.86

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, 2020	80,704,000 shares	As of March 31, 2020	80,704,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	5,536,074 shares	As of March 31, 2020	5,537,986 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, 2020	75,167,070 shares	Nine months ended December 31, 2019	75,165,120 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	106,700,778	109,330,163
Notes receivable - trade	1,724,108	1,881,923
Accounts receivable - trade	7,356,458	6,239,125
Merchandise and finished goods	135,663	148,172
Work in process	1,168	606
Raw materials and supplies	71,661	66,911
Prepaid expenses	147,926	149,653
Accounts receivable - other	8,044	6,804
Other	10,643	7,260
Allowance for doubtful accounts	(3,664)	(6,542)
Total current assets	116,152,789	117,824,079
Non-current assets		
Property, plant and equipment	505,625	1,000,611
Intangible assets	417,402	268,318
Investments and other assets		
Investment securities	25,265,079	28,205,739
Shares of subsidiaries and associates	9,196	9,196
Long-term accounts receivable - other	61,240	63,520
Leasehold and guarantee deposits	751,125	913,835
Membership	32,380	32,380
Distressed receivables	4,335	2,757
Allowance for doubtful accounts	(69,725)	(70,427)
Total investments and other assets	26,053,630	29,157,001
Total non-current assets	26,976,658	30,425,931
Total assets	143,129,448	148,250,010

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	289,651	198,513
Accounts payable - other	763,723	1,278,857
Accrued expenses	934,508	861,669
Income taxes payable	2,212,835	922,700
Accrued consumption taxes	434,595	384,561
Deposits received	89,909	189,150
Unearned revenue	14,909,934	14,545,667
Provision for bonuses for directors (and other officers)	72,000	40,000
Other	6,173	5,041
Total current liabilities	19,713,331	18,426,161
Non-current liabilities		
Deferred tax liabilities	1,296,917	2,384,106
Provision for retirement benefits	2,493,694	2,830,264
Long-term accounts payable - other	952,172	952,172
Asset retirement obligations	147,563	307,682
Total non-current liabilities	4,890,347	6,474,226
Total liabilities	24,603,679	24,900,388
Net assets		
Shareholders' equity		
Share capital	10,519,000	10,519,000
Capital surplus	18,957,416	18,966,705
Retained earnings	84,821,015	87,486,883
Treasury shares	(5,347,640)	(5,346,191)
Total shareholders' equity	108,949,791	111,626,398
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,575,977	11,723,224
Total valuation and translation adjustments	9,575,977	11,723,224
Total net assets	118,525,769	123,349,622
Total liabilities and net assets	143,129,448	148,250,010

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	22,826,764	21,195,438
Cost of sales	4,001,756	3,470,553
Gross profit	18,825,007	17,724,885
Selling, general and administrative expenses	9,120,982	9,093,355
Operating profit	9,704,024	8,631,530
Non-operating income		
Interest income	182	227
Dividend income	639,141	666,906
Gain on sales of investment securities	7	558
Other	14,825	101,344
Total non-operating income	654,155	769,036
Non-operating expenses		
Loss on sales of investment securities	583	–
Loss on investments in investment partnerships	27,139	44,442
Other	3,341	2,858
Total non-operating expenses	31,064	47,301
Ordinary profit	10,327,116	9,353,265
Extraordinary income		
Gain on sales of investment securities	378,722	–
Gain on sales of shares of subsidiaries and associates	12,279	–
Total extraordinary income	391,002	–
Extraordinary losses		
Loss on retirement of non-current assets	110,070	102
Total extraordinary losses	110,070	102
Profit before income taxes	10,608,048	9,353,163
Income taxes - current	2,959,965	2,788,183
Income taxes - deferred	393,603	140,763
Total income taxes	3,353,569	2,928,946
Profit	7,254,479	6,424,216

Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	10,608,048	9,353,163
Depreciation	445,653	425,334
Increase (decrease) in provision for retirement benefits	214,739	336,570
Increase (decrease) in provision for bonuses for directors (and other officers)	(40,000)	(32,000)
Increase (decrease) in allowance for doubtful accounts	(6,100)	3,580
Interest and dividend income	(639,323)	(667,133)
Loss (gain) on sales of investment securities	(378,146)	(558)
Loss (gain) on sales of shares of subsidiaries and associates	(12,279)	–
Loss on retirement of non-current assets	110,070	102
Loss (gain) on investments in investment partnerships	27,139	44,442
Decrease (increase) in trade receivables	2,105,171	959,517
Decrease (increase) in inventories	456	(7,197)
Decrease (increase) in prepaid expenses	28,948	(1,727)
Increase (decrease) in trade payables	(122,487)	(91,137)
Increase (decrease) in accrued consumption taxes	(251,277)	(50,034)
Increase (decrease) in accrued expenses	(161,980)	(72,839)
Increase (decrease) in unearned revenue	(98,304)	(364,266)
Other, net	6,405	92,053
Subtotal	11,836,733	9,927,870
Interest and dividends received	639,323	667,133
Income taxes paid	(5,126,726)	(3,970,568)
Net cash provided by (used in) operating activities	7,349,330	6,624,435
Cash flows from investing activities		
Proceeds from sales of investment securities	483,898	109,129
Proceeds from sales of shares of subsidiaries and associates	19,176	–
Purchase of property, plant and equipment	(87,625)	(59,740)
Purchase of intangible assets	(211,817)	(121,346)
Payments of leasehold and guarantee deposits	(65,967)	(163,992)
Proceeds from refund of leasehold and guarantee deposits	1,509	1,281
Net cash provided by (used in) investing activities	139,173	(234,667)
Cash flows from financing activities		
Dividends paid	(3,758,188)	(3,759,900)
Purchase of treasury shares	–	(482)
Net cash provided by (used in) financing activities	(3,758,188)	(3,760,382)
Net increase (decrease) in cash and cash equivalents	3,730,315	2,629,384
Cash and cash equivalents at beginning of period	97,829,792	106,690,778
Cash and cash equivalents at end of period	101,560,107	109,320,163