

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 25, 2022

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 3, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	25,444	–	11,560	33.9	12,070	29.0	8,257	28.5
Nine months ended December 31, 2020	21,195	(7.1)	8,631	(11.1)	9,353	(9.4)	6,424	(11.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	109.85		–	
Nine months ended December 31, 2020	85.47		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2021	163,077		132,630		81.3	
As of March 31, 2021	158,362		128,562		81.2	

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, 2021	–	25.00	–	30.00	55.00
Year ending March 31, 2022	–	35.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	35.00	70.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	34,000	–	15,390	–	16,190	–	11,200	–	149.00

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: Yes

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, 2021	75,404,000 shares	As of March 31, 2021	80,704,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	236,074 shares	As of March 31, 2021	5,536,074 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, 2021	75,167,926 shares	Nine months ended December 31, 2020	75,167,070 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	114,105,127	117,351,288
Notes receivable - trade	1,911,111	2,819,681
Accounts receivable - trade	8,444,348	7,883,485
Merchandise and finished goods	130,094	123,241
Work in process	1,004	1,282
Raw materials and supplies	58,614	58,998
Prepaid expenses	195,567	129,704
Accounts receivable - other	6,768	6,118
Other	5,189	9,002
Allowance for doubtful accounts	(8,606)	(18,051)
Total current assets	124,849,217	128,364,753
Non-current assets		
Property, plant and equipment	1,097,578	1,146,629
Intangible assets	434,831	485,240
Investments and other assets		
Investment securities	31,026,053	32,104,465
Shares of subsidiaries and associates	9,196	9,196
Long-term accounts receivable - other	67,360	72,240
Leasehold and guarantee deposits	917,296	940,593
Membership	32,380	27,300
Distressed receivables	1,493	1,448
Allowance for doubtful accounts	(73,003)	(74,038)
Total investments and other assets	31,980,775	33,081,205
Total non-current assets	33,513,185	34,713,075
Total assets	158,362,403	163,077,828

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	280,893	251,928
Accounts payable - other	766,888	1,029,032
Accrued expenses	950,077	960,269
Income taxes payable	3,004,688	786,511
Accrued consumption taxes	508,435	587,443
Deposits received	103,402	198,675
Unearned revenue	17,444,033	18,766,249
Provision for bonuses for directors (and other officers)	60,000	40,000
Other	5,262	16,118
Total current liabilities	23,123,682	22,636,229
Non-current liabilities		
Deferred tax liabilities	2,627,537	3,614,437
Provision for retirement benefits	2,788,934	3,102,120
Long-term accounts payable - other	952,172	786,693
Asset retirement obligations	307,216	307,370
Total non-current liabilities	6,675,860	7,810,622
Total liabilities	29,799,543	30,446,851
Net assets		
Shareholders' equity		
Share capital	10,519,000	10,519,000
Capital surplus	18,966,705	18,415,000
Retained earnings	90,733,281	89,538,398
Treasury shares	(5,346,191)	(227,976)
Total shareholders' equity	114,872,795	118,244,421
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,690,064	14,386,555
Total valuation and translation adjustments	13,690,064	14,386,555
Total net assets	128,562,860	132,630,976
Total liabilities and net assets	158,362,403	163,077,828

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	21,195,438	25,444,357
Cost of sales	3,470,553	4,119,318
Gross profit	17,724,885	21,325,038
Selling, general and administrative expenses	9,093,355	9,764,269
Operating profit	8,631,530	11,560,769
Non-operating income		
Interest income	227	284
Dividend income	666,906	709,023
Gain on sale of investment securities	558	–
Other	101,344	31,706
Total non-operating income	769,036	741,014
Non-operating expenses		
Commission expenses	–	216,436
Loss on sale of investment securities	–	654
Loss on investments in investment partnerships	44,442	9,325
Provision of allowance for doubtful accounts	–	4,880
Other	2,858	410
Total non-operating expenses	47,301	231,707
Ordinary profit	9,353,265	12,070,076
Extraordinary income		
Gain on sale of membership	–	220
Total extraordinary income	–	220
Extraordinary losses		
Loss on retirement of non-current assets	102	7,613
Office relocation expenses	–	9,678
Total extraordinary losses	102	17,291
Profit before income taxes	9,353,163	12,053,004
Income taxes - current	2,788,183	3,115,661
Income taxes - deferred	140,763	679,801
Total income taxes	2,928,946	3,795,463
Profit	6,424,216	8,257,541

Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	9,353,163	12,053,004
Depreciation	425,334	420,266
Increase (decrease) in provision for retirement benefits	336,570	313,186
Increase (decrease) in provision for bonuses for directors (and other officers)	(32,000)	(20,000)
Increase (decrease) in allowance for doubtful accounts	3,580	14,280
Interest and dividend income	(667,133)	(709,307)
Loss (gain) on sale of investment securities	(558)	654
Loss (gain) on sale of membership	–	(220)
Loss on retirement of non-current assets	102	7,613
Loss (gain) on investments in investment partnerships	44,442	9,325
Decrease (increase) in trade receivables	959,517	(347,706)
Decrease (increase) in inventories	(7,197)	6,189
Decrease (increase) in prepaid expenses	(1,727)	65,862
Increase (decrease) in trade payables	(91,137)	(28,965)
Increase (decrease) in accrued consumption taxes	(50,034)	79,007
Increase (decrease) in accrued expenses	(72,839)	10,191
Increase (decrease) in unearned revenue	(364,266)	1,322,216
Other, net	92,053	(75)
Subtotal	9,927,870	13,195,523
Interest and dividends received	667,133	709,307
Income taxes paid	(3,970,568)	(5,229,129)
Net cash provided by (used in) operating activities	6,624,435	8,675,701
Cash flows from investing activities		
Purchase of investment securities	–	(99,170)
Proceeds from sale of investment securities	109,129	14,366
Purchase of property, plant and equipment	(59,740)	(270,305)
Purchase of intangible assets	(121,346)	(166,762)
Proceeds from sale of membership	–	1,500
Payments of leasehold and guarantee deposits	(163,992)	(26,247)
Proceeds from refund of leasehold and guarantee deposits	1,281	2,949
Net cash provided by (used in) investing activities	(234,667)	(543,669)
Cash flows from financing activities		
Dividends paid	(3,759,900)	(4,885,869)
Purchase of treasury shares	(482)	–
Net cash provided by (used in) financing activities	(3,760,382)	(4,885,869)
Net increase (decrease) in cash and cash equivalents	2,629,384	3,246,161
Cash and cash equivalents at beginning of period	106,690,778	114,095,127
Cash and cash equivalents at end of period	109,320,163	117,341,288