

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 21, 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 Hiroko Wada TEL 03-3342-1881
 of Administrative Headquarters
 Scheduled date to file Quarterly Securities Report: August 3, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	7,688	–	3,221	26.3	3,437	26.7	2,368	26.4
Three months ended June 30, 2020	6,597	(12.8)	2,550	(24.1)	2,713	(23.8)	1,873	(23.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	31.51		–	
Three months ended June 30, 2020	24.92		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2021	158,510		130,646		82.4	
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	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	35.00	–	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
Six months ending September 30, 2021	15,770	–	6,700	–	7,100	–	4,890	–	65.05
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 June 30, 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 June 30, 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)

Three months ended June 30, 2021	75,167,925 shares	Three months ended June 30, 2020	75,165,984 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	114,105,127	114,331,853
Notes receivable - trade	1,911,111	2,001,188
Accounts receivable - trade	8,444,348	5,487,279
Merchandise and finished goods	130,094	125,050
Work in process	1,004	917
Raw materials and supplies	58,614	51,781
Prepaid expenses	195,567	143,707
Accounts receivable - other	6,768	7,276
Other	5,189	6,842
Allowance for doubtful accounts	(8,606)	(21,121)
Total current assets	124,849,217	122,134,773
Non-current assets		
Property, plant and equipment	1,097,578	1,118,472
Intangible assets	434,831	445,222
Investments and other assets		
Investment securities	31,026,053	33,859,487
Shares of subsidiaries and associates	9,196	9,196
Leasehold and guarantee deposits	917,296	915,418
Long-term accounts receivable - other	67,360	68,440
Membership	32,380	28,580
Distressed receivables	1,493	1,478
Allowance for doubtful accounts	(73,003)	(70,268)
Total investments and other assets	31,980,775	34,812,331
Total non-current assets	33,513,185	36,376,026
Total assets	158,362,403	158,510,800

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	280,893	160,618
Accounts payable - other	766,888	634,932
Accrued expenses	950,077	1,296,651
Income taxes payable	3,004,688	1,080,074
Accrued consumption taxes	508,435	532,229
Deposits received	103,402	264,419
Unearned revenue	17,444,033	16,133,920
Provision for bonuses for directors (and other officers)	60,000	60,000
Other	5,262	4,759
Total current liabilities	23,123,682	20,167,606
Non-current liabilities		
Deferred tax liabilities	2,627,537	3,546,069
Provision for retirement benefits	2,788,934	2,891,125
Long-term accounts payable - other	952,172	952,172
Asset retirement obligations	307,216	307,267
Total non-current liabilities	6,675,860	7,696,635
Total liabilities	29,799,543	27,864,241
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	86,279,938
Treasury shares	(5,346,191)	(227,976)
Total shareholders' equity	114,872,795	114,985,961
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	13,690,064	15,660,597
Total valuation and translation adjustments	13,690,064	15,660,597
Total net assets	128,562,860	130,646,558
Total liabilities and net assets	158,362,403	158,510,800

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	6,597,187	7,688,322
Cost of sales	1,030,132	1,217,325
Gross profit	5,567,055	6,470,996
Selling, general and administrative expenses	3,016,814	3,249,259
Operating profit	2,550,241	3,221,736
Non-operating income		
Interest income	1	0
Dividend income	204,920	218,374
Gain on sale of investment securities	572	–
Other	4,143	2,890
Total non-operating income	209,638	221,265
Non-operating expenses		
Loss on sale of investment securities	–	195
Loss on investments in investment partnerships	45,642	4,596
Provision of allowance for doubtful accounts	–	1,080
Other	487	110
Total non-operating expenses	46,129	5,982
Ordinary profit	2,713,749	3,437,020
Extraordinary income		
Total extraordinary income	–	–
Extraordinary losses		
Office relocation expenses	–	9,678
Total extraordinary losses	–	9,678
Profit before income taxes	2,713,749	3,427,342
Income taxes - current	833,538	1,009,458
Income taxes - deferred	7,206	49,680
Total income taxes	840,744	1,059,138
Profit	1,873,005	2,368,203

Non-consolidated statements of cash flows

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,713,749	3,427,342
Depreciation	141,778	140,088
Increase (decrease) in provision for retirement benefits	115,841	102,191
Increase (decrease) in allowance for doubtful accounts	9,080	13,580
Interest and dividend income	(204,921)	(218,375)
Loss (gain) on sale of investment securities	(572)	195
Increase (decrease) in provision for bonuses for directors (and other officers)	(72,000)	–
Loss (gain) on investments in investment partnerships	45,642	4,596
Decrease (increase) in trade receivables	2,949,339	2,866,992
Decrease (increase) in inventories	7,255	11,963
Decrease (increase) in prepaid expenses	(1,389)	51,859
Increase (decrease) in trade payables	(143,648)	(120,274)
Increase (decrease) in accrued consumption taxes	29,726	23,793
Increase (decrease) in accrued expenses	331,421	346,573
Increase (decrease) in unearned revenue	(1,442,344)	(1,310,112)
Other, net	(131,083)	(76,618)
Subtotal	4,347,874	5,263,795
Interest and dividends received	204,921	218,375
Income taxes paid	(2,047,690)	(2,829,360)
Net cash provided by (used in) operating activities	2,505,105	2,652,810
Cash flows from investing activities		
Proceeds from sale of investment securities	3,200	1,158
Purchase of property, plant and equipment	(2,954)	(94,345)
Purchase of intangible assets	(95,807)	(79,658)
Payments of leasehold and guarantee deposits	(424)	(113)
Proceeds from refund of leasehold and guarantee deposits	409	1,990
Net cash provided by (used in) investing activities	(95,576)	(170,967)
Cash flows from financing activities		
Dividends paid	(1,880,733)	(2,255,116)
Purchase of treasury shares	(251)	–
Net cash provided by (used in) financing activities	(1,880,985)	(2,255,116)
Net increase (decrease) in cash and cash equivalents	528,543	226,726
Cash and cash equivalents at beginning of period	106,690,778	114,095,127
Cash and cash equivalents at end of period	107,219,322	114,321,853