

Translation

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

October 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: November 4, 2021  
 Scheduled date to commence dividend payments: November 22, 2021  
 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 six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	16,265	–	7,189	28.4	7,553	22.6	5,216	22.4
Six months ended September 30, 2020	13,780	(12.0)	5,597	(21.0)	6,161	(18.8)	4,262	(20.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	69.40		–	
Six months ended September 30, 2020	56.71		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2021	163,210		133,371		81.7	
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 September 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 September 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)

Six months ended September 30, 2021	75,167,926 shares	Six months ended September 30, 2020	75,166,639 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	114,105,127	118,330,070
Notes receivable - trade	1,911,111	1,755,114
Accounts receivable - trade	8,444,348	6,592,790
Merchandise and finished goods	130,094	133,201
Work in process	1,004	1,077
Raw materials and supplies	58,614	61,829
Prepaid expenses	195,567	154,047
Accounts receivable - other	6,768	6,581
Other	5,189	2,670
Allowance for doubtful accounts	(8,606)	(33,836)
Total current assets	124,849,217	127,003,546
Non-current assets		
Property, plant and equipment	1,097,578	1,139,211
Intangible assets	434,831	441,662
Investments and other assets		
Investment securities	31,026,053	33,674,994
Shares of subsidiaries and associates	9,196	9,196
Long-term accounts receivable - other	67,360	69,200
Leasehold and guarantee deposits	917,296	915,403
Membership	32,380	27,300
Distressed receivables	1,493	1,463
Allowance for doubtful accounts	(73,003)	(71,013)
Total investments and other assets	31,980,775	34,626,544
Total non-current assets	33,513,185	36,207,418
Total assets	158,362,403	163,210,965

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	280,893	318,292
Accounts payable - other	766,888	1,047,703
Accrued expenses	950,077	1,163,964
Income taxes payable	3,004,688	2,334,148
Accrued consumption taxes	508,435	448,192
Deposits received	103,402	148,556
Unearned revenue	17,444,033	16,695,687
Provision for bonuses for directors (and other officers)	60,000	40,000
Other	5,262	6,612
<b>Total current liabilities</b>	<b>23,123,682</b>	<b>22,203,157</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,627,537	3,548,645
Provision for retirement benefits	2,788,934	2,993,668
Long-term accounts payable - other	952,172	786,693
Asset retirement obligations	307,216	307,319
<b>Total non-current liabilities</b>	<b>6,675,860</b>	<b>7,636,326</b>
<b>Total liabilities</b>	<b>29,799,543</b>	<b>29,839,483</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,519,000	10,519,000
Capital surplus	18,966,705	18,415,000
Retained earnings	90,733,281	89,128,054
Treasury shares	(5,346,191)	(227,976)
<b>Total shareholders' equity</b>	<b>114,872,795</b>	<b>117,834,077</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	13,690,064	15,537,404
<b>Total valuation and translation adjustments</b>	<b>13,690,064</b>	<b>15,537,404</b>
<b>Total net assets</b>	<b>128,562,860</b>	<b>133,371,481</b>
<b>Total liabilities and net assets</b>	<b>158,362,403</b>	<b>163,210,965</b>

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	13,780,376	16,265,531
Cost of sales	2,215,007	2,616,922
Gross profit	11,565,369	13,648,608
Selling, general and administrative expenses	5,967,470	6,459,040
Operating profit	5,597,899	7,189,568
Non-operating income		
Interest income	227	284
Dividend income	537,801	575,955
Gain on sale of investment securities	572	–
Other	76,549	18,437
Total non-operating income	615,151	594,677
Non-operating expenses		
Commission expenses	–	216,436
Loss on sale of investment securities	–	195
Loss on investments in investment partnerships	49,810	11,554
Provision of allowance for doubtful accounts	–	1,840
Other	1,334	248
Total non-operating expenses	51,145	230,275
Ordinary profit	6,161,905	7,553,969
Extraordinary income		
Gain on sale of membership	–	220
Total extraordinary income	–	220
Extraordinary losses		
Loss on retirement of non-current assets	–	7,335
Office relocation expenses	–	9,678
Total extraordinary losses	–	17,013
Profit before income taxes	6,161,905	7,537,176
Income taxes - current	1,903,584	2,214,282
Income taxes - deferred	(4,377)	106,575
Total income taxes	1,899,206	2,320,857
Profit	4,262,699	5,216,319

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	6,161,905	7,537,176
Depreciation	283,556	280,177
Increase (decrease) in provision for retirement benefits	233,203	204,733
Increase (decrease) in provision for bonuses for directors (and other officers)	(32,000)	(20,000)
Increase (decrease) in allowance for doubtful accounts	24,520	27,040
Interest and dividend income	(538,028)	(576,239)
Loss (gain) on sale of investment securities	(572)	195
Loss (gain) on sale of membership	–	(220)
Loss on retirement of non-current assets	–	7,335
Loss (gain) on investments in investment partnerships	49,810	11,554
Decrease (increase) in trade receivables	2,698,136	2,007,554
Decrease (increase) in inventories	(5,791)	(6,396)
Decrease (increase) in prepaid expenses	(13,378)	41,519
Increase (decrease) in trade payables	(75,371)	37,398
Increase (decrease) in accrued consumption taxes	(61,261)	(60,243)
Increase (decrease) in accrued expenses	186,310	213,886
Increase (decrease) in unearned revenue	(1,775,182)	(748,346)
Other, net	(70,667)	103,052
Subtotal	7,065,187	9,060,181
Interest and dividends received	538,028	576,239
Income taxes paid	(2,098,736)	(2,884,184)
Net cash provided by (used in) operating activities	5,504,480	6,752,236
Cash flows from investing activities		
Proceeds from sale of investment securities	32,435	1,181
Purchase of property, plant and equipment	(32,709)	(177,898)
Purchase of intangible assets	(109,351)	(99,228)
Proceeds from sale of membership	–	1,500
Payments of leasehold and guarantee deposits	(163,527)	(653)
Proceeds from refund of leasehold and guarantee deposits	737	2,545
Net cash provided by (used in) investing activities	(272,415)	(272,553)
Cash flows from financing activities		
Dividends paid	(1,880,506)	(2,254,739)
Purchase of treasury shares	(482)	–
Net cash provided by (used in) financing activities	(1,880,988)	(2,254,739)
Net increase (decrease) in cash and cash equivalents	3,351,076	4,224,943
Cash and cash equivalents at beginning of period	106,690,778	114,095,127
Cash and cash equivalents at end of period	110,041,855	118,320,070