

**Translation**

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**Summary of Non-Consolidated Financial Results  
for the Year Ended March 31, 2020  
(Based on Japanese GAAP)**

April 23, 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  
 Vice President and Representative Director ,  
 Inquiries: General Manager of Administrative Hiroko Wada TEL 03-3342-1881  
 Headquarters  
 Scheduled date of ordinary general meeting of shareholders: June 22, 2020  
 Scheduled date to file Securities Report: June 23, 2020  
 Scheduled date to commence dividend payments: June 23, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(1) Non-consolidated operating results

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	%
Year ended March 31, 2020	30,068	1.8	12,979	(1.0)	14,030	(0.1)	9,957	(1.1)
Year ended March 31, 2019	29,525	25.6	13,113	34.7	14,051	25.5	10,070	23.2

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	132.48	–	8.5	9.9	43.2
Year ended March 31, 2019	133.98	–	9.1	10.7	44.4

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	143,129	118,525	82.8	1,576.85
As of March 31, 2019	139,863	115,438	82.5	1,535.82

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	12,488	129	(3,756)	106,690
Year ended March 31, 2019	11,823	1,900	(3,007)	97,829

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	–	40.00	–	25.00	65.00	3,382	33.6	3.1
Year ended March 31, 2020	–	25.00	–	25.00	50.00	3,758	37.7	3.2
Year ending March 31, 2021 (Forecast)	–	25.00	–	25.00	50.00		41.0	

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
Six months ending September 30, 2020	14,310	(8.6)	5,810	(18.0)	6,210	(18.2)	4,300	(19.6)	57.21
Full year	30,500	1.4	12,700	(2.2)	13,500	(3.8)	9,160	(8.0)	121.86

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2020	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 March 31, 2020	5,537,986 shares	As of March 31, 2019	5,539,986 shares
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Average number of shares during the period

Year ended March 31, 2020	75,165,342 shares	Year ended March 31, 2019	75,164,069 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	97,839,792	106,700,778
Notes receivable - trade	2,363,287	1,724,108
Accounts receivable - trade	7,724,886	7,356,458
Merchandise and finished goods	127,222	135,663
Work in process	1,674	1,168
Raw materials and supplies	62,341	71,661
Prepaid expenses	178,238	147,926
Accounts receivable - other	6,211	8,044
Other	13,415	10,643
Allowance for doubtful accounts	(16,094)	(3,664)
Total current assets	108,300,975	116,152,789
Non-current assets		
Property, plant and equipment		
Buildings	614,795	660,476
Accumulated depreciation	(327,745)	(353,419)
Buildings, net	287,050	307,056
Vehicles	12,837	12,837
Accumulated depreciation	(8,290)	(9,804)
Vehicles, net	4,547	3,033
Tools, furniture and fixtures	851,909	840,349
Accumulated depreciation	(695,611)	(644,813)
Tools, furniture and fixtures, net	156,297	195,535
Total property, plant and equipment	447,895	505,625
Intangible assets		
Telephone subscription right	13,003	13,003
Software	443,384	400,273
Software in progress	–	4,125
Total intangible assets	456,387	417,402
Investments and other assets		
Investment securities	29,900,252	25,265,079
Shares of subsidiaries and associates	16,093	9,196
Long-term accounts receivable - other	65,880	61,240
Leasehold and guarantee deposits	713,756	751,125
Membership	32,380	32,380
Distressed receivables	1,905	4,335
Allowance for doubtful accounts	(71,935)	(69,725)
Total investments and other assets	30,658,332	26,053,630
Total non-current assets	31,562,615	26,976,658
Total assets	139,863,590	143,129,448

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	316,438	289,651
Accounts payable - other	800,098	763,723
Accrued expenses	994,739	934,508
Income taxes payable	3,014,753	2,212,835
Accrued consumption taxes	607,112	434,595
Deposits received	83,298	89,909
Unearned revenue	12,546,251	14,909,934
Provision for bonuses for directors (and other officers)	80,000	72,000
Other	2,506	6,173
<b>Total current liabilities</b>	<b>18,445,199</b>	<b>19,713,331</b>
<b>Non-current liabilities</b>		
Long-term accounts payable - other	–	952,172
Deferred tax liabilities	2,727,740	1,296,917
Provision for retirement benefits	2,153,706	2,493,694
Provision for retirement benefits for directors (and other officers)	952,172	–
Asset retirement obligations	146,374	147,563
<b>Total non-current liabilities</b>	<b>5,979,993</b>	<b>4,890,347</b>
<b>Total liabilities</b>	<b>24,425,193</b>	<b>24,603,679</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,519,000	10,519,000
<b>Capital surplus</b>		
Legal capital surplus	18,415,000	18,415,000
Other capital surplus	534,268	542,416
<b>Total capital surpluses</b>	<b>18,949,268</b>	<b>18,957,416</b>
<b>Retained earnings</b>		
Legal retained earnings	140,610	140,610
<b>Other retained earnings</b>		
General reserve	62,100,000	69,100,000
Retained earnings brought forward	16,380,985	15,580,404
<b>Total retained earnings</b>	<b>78,621,595</b>	<b>84,821,015</b>
Treasury shares	(5,349,571)	(5,347,640)
<b>Total shareholders' equity</b>	<b>102,740,292</b>	<b>108,949,791</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	12,698,105	9,575,977
<b>Total valuation and translation adjustments</b>	<b>12,698,105</b>	<b>9,575,977</b>
<b>Total net assets</b>	<b>115,438,397</b>	<b>118,525,769</b>
<b>Total liabilities and net assets</b>	<b>139,863,590</b>	<b>143,129,448</b>

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales		
Total net sales	29,525,109	30,068,682
Cost of sales		
Total cost of sales	4,721,932	5,267,361
Gross profit	24,803,176	24,801,320
Selling, general and administrative expenses	11,689,937	11,822,045
Operating profit	13,113,239	12,979,274
Non-operating income		
Interest income	305	386
Dividend income	895,673	886,088
Gain on sales of investment securities	–	151,071
Other	77,458	42,411
Total non-operating income	973,438	1,079,957
Non-operating expenses		
Loss on sales of investment securities	817	–
Loss on investments in investment partnerships	24,673	23,886
Other	10,132	5,083
Total non-operating expenses	35,623	28,969
Ordinary profit	14,051,054	14,030,263
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	0	131,421
Loss on valuation of investment securities	3,696	98
Provision for retirement benefits for directors (and other officers)	952,172	–
Total extraordinary losses	955,868	131,520
Profit before income taxes	14,504,800	14,289,746
Income taxes - current	4,677,971	4,386,283
Income taxes - deferred	(243,677)	(54,207)
Total income taxes	4,434,293	4,332,075
Profit	10,070,506	9,957,670

## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	10,519,000	18,415,000	534,268	18,949,268	140,610	57,100,000	14,317,041	71,557,652	(5,349,143)	95,676,776
Changes during period										
Provision of general reserve						5,000,000	(5,000,000)	–		–
Dividends of surplus							(3,006,563)	(3,006,563)		(3,006,563)
Profit							10,070,506	10,070,506		10,070,506
Purchase of treasury shares									(427)	(427)
Disposal of treasury shares										–
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	–	–	5,000,000	2,063,943	7,063,943	(427)	7,063,515
Balance at end of period	10,519,000	18,415,000	534,268	18,949,268	140,610	62,100,000	16,380,985	78,621,595	(5,349,571)	102,740,292

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	9,587,851	9,587,851	105,264,628
Changes during period			
Provision of general reserve			–
Dividends of surplus			(3,006,563)
Profit			10,070,506
Purchase of treasury shares			(427)
Disposal of treasury shares			–
Net changes in items other than shareholders' equity	3,110,253	3,110,253	3,110,253
Total changes during period	3,110,253	3,110,253	10,173,769
Balance at end of period	12,698,105	12,698,105	115,438,397

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	10,519,000	18,415,000	534,268	18,949,268	140,610	62,100,000	16,380,985	78,621,595	(5,349,571)	102,740,292
Changes during period										
Provision of general reserve						7,000,000	(7,000,000)	-		-
Dividends of surplus							(3,758,250)	(3,758,250)		(3,758,250)
Profit							9,957,670	9,957,670		9,957,670
Purchase of treasury shares										-
Disposal of treasury shares			8,148	8,148					1,931	10,080
Net changes in items other than shareholders' equity										
Total changes during period	-	-	8,148	8,148	-	7,000,000	(800,580)	6,199,419	1,931	6,209,499
Balance at end of period	10,519,000	18,415,000	542,416	18,957,416	140,610	69,100,000	15,580,404	84,821,015	(5,347,640)	108,949,791

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	12,698,105	12,698,105	115,438,397
Changes during period			
Provision of general reserve			-
Dividends of surplus			(3,758,250)
Profit			9,957,670
Purchase of treasury shares			-
Disposal of treasury shares			10,080
Net changes in items other than shareholders' equity	(3,122,128)	(3,122,128)	(3,122,128)
Total changes during period	(3,122,128)	(3,122,128)	3,087,371
Balance at end of period	9,575,977	9,575,977	118,525,769

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	14,504,800	14,289,746
Depreciation	346,549	327,491
Increase (decrease) in provision for retirement benefits	502,416	339,988
Increase (decrease) in provision for bonuses for directors (and other officers)	16,000	(8,000)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	952,172	–
Increase (decrease) in allowance for doubtful accounts	200	(14,640)
Interest and dividends income received	(895,979)	(886,474)
Loss (gain) on sales of investment securities	(1,407,597)	(529,794)
Loss (gain) on valuation of investment securities	3,696	98
Loss (gain) on sales of membership	(1,200)	–
Loss (gain) on sales of shares of subsidiaries and associates	–	(12,279)
Loss on retirement of non-current assets	0	131,421
Loss (gain) on investments in investment partnerships	24,673	23,886
Decrease (increase) in trade receivables	(1,909,240)	1,007,607
Decrease (increase) in inventories	(4,529)	(17,255)
Decrease (increase) in prepaid expenses	4,914	30,311
Increase (decrease) in trade payables	72,895	(26,787)
Increase (decrease) in accrued consumption taxes	389,724	(172,517)
Increase (decrease) in accrued expenses	236,963	(60,231)
Increase (decrease) in unearned revenue	1,688,291	2,363,683
Other, net	328,158	(19,376)
Subtotal	14,852,909	16,766,878
Interest and dividends received	895,979	886,474
Income taxes paid	(3,925,628)	(5,164,577)
Net cash provided by (used in) operating activities	11,823,261	12,488,774
Cash flows from investing activities		
Proceeds from sales of investment securities	2,150,553	642,238
Proceeds from sales of shares of subsidiaries and associates	–	19,176
Purchase of property, plant and equipment	(56,718)	(221,974)
Purchase of intangible assets	(196,337)	(273,063)
Proceeds from sales of membership	6,600	–
Payments of leasehold and guarantee deposits	(5,693)	(66,561)
Proceeds from refund of leasehold and guarantee deposits	1,652	29,193
Net cash provided by (used in) investing activities	1,900,056	129,009
Cash flows from financing activities		
Dividends paid	(3,006,602)	(3,756,797)
Purchase of treasury shares	(427)	–
Net cash provided by (used in) financing activities	(3,007,030)	(3,756,797)
Net increase (decrease) in cash and cash equivalents	10,716,287	8,860,986
Cash and cash equivalents at beginning of period	87,113,504	97,829,792
Cash and cash equivalents at end of period	97,829,792	106,690,778