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January 25, 2022

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 (Under Japanese GAAP)

Company name: OBIC Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4684
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 Scheduled date to file quarterly securities report: February 4, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	66,654	–	40,439	11.6	44,510	12.5	32,412	13.1
Nine months ended December 31, 2020	62,542	4.0	36,242	11.3	39,564	11.2	28,653	4.1

Note: Comprehensive income Nine months ended December 31, 2021: ¥35,469 million [13.2%]
 Nine months ended December 31, 2020: ¥31,324 million [5.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	364.93	–
Nine months ended December 31, 2020	322.13	–

Note: OBIC Co., Ltd. (hereinafter “the Company”) has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter ended June 30, 2021. The percentages indicating year-on-year changes are not presented as the figures for net sales for the nine months ended December 31, 2021, are the figures after the application of this accounting standard. The year-on-year change, when calculated under the assumption that the accounting standard, etc. had been applied in the fiscal year ended March 31, 2021, was an increase of 9.7%.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	303,456	278,530	91.8	3,140.92
March 31, 2021	298,257	266,025	89.2	2,990.72

Reference: Equity
 As of December 31, 2021: ¥278,530 million
 As of March 31, 2021: ¥266,025 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	80.00	–	105.00	185.00
Fiscal year ending March 31, 2022	–	92.50	–		
Fiscal year ending March 31, 2022 (Forecast)				122.50	215.00

Notes: 1. Revision to the most recently announced forecast of dividends: Yes

2. For details regarding the revision to the forecast of dividends, please refer to the “Notice Regarding Revision to Forecast of Year-End Dividends for the Fiscal Year Ending March 31, 2022 (Dividend Increase)” announced today (January 25, 2022).

3. Consolidated earnings forecasts for the fiscal 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 attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	90,000	10.7	52,000	8.2	56,000	6.5	40,000	5.3	450.54

Notes: 1. Revision to the most recently announced earnings forecasts: None

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was applied from the beginning of the first quarter ended June 30, 2021 and the above consolidated earnings forecasts represent the figures after the application of the said accounting standard, etc. The percentages indicating year-on-year changes were calculated under the assumption that the said accounting standard, etc. had been applied for the fiscal year ended March 31, 2021.
3. The Company revised basic earnings per share due to the acquisition of treasury shares during the period.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: –

Excluded: –

(2) Application of special accounting treatments for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to “(4) Notes to quarterly consolidated financial statements, Changes in accounting policies” under “2. Quarterly consolidated financial statements” of the attached materials on page 9.

(4) Number of issued shares (common shares)

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

As of December 31, 2021	99,600,000 shares
As of March 31, 2021	99,600,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2021	10,922,048 shares
As of March 31, 2021	10,649,548 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2021	88,817,670 shares
Nine months ended December 31, 2020	88,950,452 shares

* Quarterly consolidated financial statements are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

There have been no revisions to the consolidated earnings forecasts for the full year that were announced on April 22, 2021. The above forecasts were prepared based on information currently available to the Company, and any statements herein do not constitute assurances regarding actual results by the Company. Moreover, actual business and other results may differ from the forecast due to various factors in the future. Please refer to the section of “(4) Explanation of consolidated earnings forecasts and other forward-looking statements” of “1. Qualitative information regarding financial results for the nine months ended December 31, 2021” on page 3 of [Attached Material] for details.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	150,745	151,545
Notes and accounts receivable - trade	11,035	–
Notes and accounts receivable - trade, and contract assets	–	11,765
Merchandise and finished goods	103	80
Work in process	232	150
Raw materials and supplies	0	4
Other	930	975
Allowance for doubtful accounts	(1)	(1)
Total current assets	163,046	164,521
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,485	26,128
Land	27,636	27,636
Other, net	2,143	2,389
Total property, plant and equipment	56,265	56,155
Intangible assets		
Other	133	153
Total intangible assets	133	153
Investments and other assets		
Investment securities	74,816	79,595
Other	3,997	3,033
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	78,811	82,626
Total non-current assets	135,211	138,934
Total assets	298,257	303,456

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	3,523	3,805
Income taxes payable	9,706	4,360
Provision for bonuses	2,372	1,336
Other	8,329	7,119
Total current liabilities	23,931	16,621
Non-current liabilities		
Retirement benefit liability	6,046	5,961
Asset retirement obligations	240	382
Other	2,014	1,960
Total non-current liabilities	8,300	8,304
Total liabilities	32,231	24,925
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,530	19,530
Retained earnings	240,028	254,897
Treasury shares	(22,140)	(27,562)
Total shareholders' equity	256,596	266,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,162	12,977
Revaluation reserve for land	(694)	(481)
Remeasurements of defined benefit plans	(39)	(9)
Total accumulated other comprehensive income	9,428	12,486
Total net assets	266,025	278,530
Total liabilities and net assets	298,257	303,456

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
(Quarterly consolidated statement of income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	62,542	66,654
Cost of sales	16,973	15,931
Gross profit	45,569	50,722
Selling, general and administrative expenses	9,327	10,282
Operating profit	36,242	40,439
Non-operating income		
Interest income	1	1
Dividend income	556	844
Gain on sale of investment securities	573	3
Share of profit of entities accounted for using equity method	2,233	2,892
Rental income	880	1,190
Other	54	290
Total non-operating income	4,299	5,223
Non-operating expenses		
Rental expenses	977	1,150
Other	0	2
Total non-operating expenses	977	1,152
Ordinary profit	39,564	44,510
Extraordinary income		
Gain on sale of non-current assets	288	1
Gain on sale of shares of subsidiaries and associates	-	1
Total extraordinary income	288	2
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	1	5
Loss on valuation of membership	-	19
Total extraordinary losses	3	24
Profit before income taxes	39,849	44,488
Income taxes - current	10,756	11,850
Income taxes - deferred	439	226
Total income taxes	11,196	12,076
Profit	28,653	32,412
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	28,653	32,412

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	28,653	32,412
Other comprehensive income		
Valuation difference on available-for-sale securities	1,011	2,541
Revaluation reserve for land	1,010	213
Remeasurements of defined benefit plans, net of tax	(152)	40
Share of other comprehensive income of entities accounted for using equity method	801	262
Total other comprehensive income	2,671	3,057
Comprehensive income	31,324	35,469
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	31,324	35,469
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	39,849	44,488
Depreciation	1,618	1,771
Share of loss (profit) of entities accounted for using equity method	(2,233)	(2,892)
Loss (gain) on sale of investment securities	(573)	(3)
Increase (decrease) in provision for bonuses	(1,036)	(1,036)
Increase (decrease) in provision for bonuses for directors (and other officers)	(116)	(105)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in retirement benefit liability	(180)	(26)
Interest and dividend income	(558)	(845)
Loss (gain) on sale of non-current assets	(287)	(1)
Loss on retirement of non-current assets	–	5
Decrease (increase) in trade receivables	(1,195)	(730)
Decrease (increase) in inventories	45	100
Increase (decrease) in trade payables	(148)	282
Other, net	3,609	(1,208)
Subtotal	38,794	39,798
Interest and dividends received	1,943	2,646
Income taxes paid	(12,720)	(16,991)
Net cash provided by (used in) operating activities	28,016	25,454
Cash flows from investing activities		
Purchase of property, plant and equipment	(990)	(1,613)
Proceeds from sale of property, plant and equipment	845	3
Purchase of intangible assets	(23)	(57)
Purchase of investment securities	(3,737)	(1)
Proceeds from sale of investment securities	3,600	9
Proceeds from sale of shares of subsidiaries and associates	–	234
Other, net	381	(262)
Net cash provided by (used in) investing activities	75	(1,689)
Cash flows from financing activities		
Dividends paid	(15,121)	(17,542)
Purchase of treasury shares	–	(5,422)
Net cash provided by (used in) financing activities	(15,121)	(22,965)
Net increase (decrease) in cash and cash equivalents	12,971	799
Cash and cash equivalents at beginning of period	129,612	150,745
Cash and cash equivalents at end of period	142,583	151,545