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October 24, 2023

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024 (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: November 6, 2023
 Scheduled date to commence dividend payments: November 22, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	55,334	12.8	35,381	15.2	40,062	14.3	28,397	14.0
Six months ended September 30, 2022	49,076	12.7	30,718	16.5	35,062	21.2	24,904	17.0

Note: Comprehensive income Six months ended September 30, 2023: ¥51,914 million [155.4%]
 Six months ended September 30, 2022: ¥20,323 million [(18.2)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	320.22	—
Six months ended September 30, 2022	280.84	—

(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
September 30, 2023	415,426	367,464	88.5	4,143.51
March 31, 2023	366,708	327,864	89.4	3,697.16

Reference: Equity
 As of September 30, 2023: ¥367,464 million
 As of March 31, 2023: ¥327,864 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, 2023	–	110.00	–	140.00	250.00
Fiscal year ending March 31, 2024	–	130.00			
Fiscal year ending March 31, 2024 (Forecast)			–	130.00	260.00

Note: Revision to the most recently announced forecast of dividends: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	111,000	10.8	70,000	12.0	76,500	8.9	54,500	8.7	614.57

Note: Revision to the most recently announced earnings forecasts: None

*** 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: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2023	99,600,000 shares
As of March 31, 2023	99,600,000 shares

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

As of September 30, 2023	10,915,507 shares
As of March 31, 2023	10,919,907 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2023	88,681,655 shares
Six months ended September 30, 2022	88,678,733 shares

* Quarterly consolidated financial statements are exempt from quarterly review 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 25, 2023. 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 six months ended September 30, 2023” on page 3 of [Attached Material] for details.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	156,321	169,178
Notes and accounts receivable - trade, and contract assets	13,855	14,480
Merchandise and finished goods	103	101
Work in process	263	200
Raw materials and supplies	–	13
Other	1,205	1,468
Allowance for doubtful accounts	(2)	(3)
Total current assets	171,746	185,440
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,765	24,191
Land	27,636	27,636
Other, net	2,876	2,396
Total property, plant and equipment	55,279	54,224
Intangible assets		
Other	144	126
Total intangible assets	144	126
Investments and other assets		
Investment securities	137,226	173,400
Other	2,317	2,238
Allowance for doubtful accounts	(5)	(3)
Total investments and other assets	139,538	175,635
Total non-current assets	194,962	229,986
Total assets	366,708	415,426

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	4,186	4,126
Income taxes payable	12,941	11,623
Unearned revenue	1,300	1,860
Provision for bonuses	2,402	2,402
Other	6,235	5,598
Total current liabilities	27,067	25,610
Non-current liabilities		
Retirement benefit liability	5,940	5,947
Asset retirement obligations	398	398
Deferred tax liabilities	3,389	13,923
Other	2,047	2,081
Total non-current liabilities	11,776	22,350
Total liabilities	38,843	47,961
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,567	19,656
Retained earnings	295,484	311,467
Treasury shares	(27,558)	(27,547)
Total shareholders' equity	306,671	322,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,567	45,137
Revaluation reserve for land	(481)	(481)
Remeasurements of defined benefit plans	106	53
Total accumulated other comprehensive income	21,192	44,709
Total net assets	327,864	367,464
Total liabilities and net assets	366,708	415,426

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	49,076	55,334
Cost of sales	11,071	12,258
Gross profit	38,005	43,076
Selling, general and administrative expenses	7,287	7,694
Operating profit	30,718	35,381
Non-operating income		
Interest income	69	1
Dividend income	1,120	1,572
Gain on sale of investment securities	–	793
Share of profit of entities accounted for using equity method	1,813	2,151
Rental income	843	889
Foreign exchange gains	1,906	–
Other	42	16
Total non-operating income	5,796	5,425
Non-operating expenses		
Rental expenses	753	745
Cancellation fee	696	–
Other	3	0
Total non-operating expenses	1,453	745
Ordinary profit	35,062	40,062
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on sale of investment securities	–	11
Loss on valuation of investment securities	–	21
Loss on sale of shares of subsidiaries and associates	–	37
Total extraordinary losses	0	71
Profit before income taxes	35,062	39,990
Income taxes - current	10,066	11,316
Income taxes - deferred	91	277
Total income taxes	10,157	11,593
Profit	24,904	28,397
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	24,904	28,397

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	24,904	28,397
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,001)	23,315
Remeasurements of defined benefit plans, net of tax	(7)	(29)
Share of other comprehensive income of entities accounted for using equity method	(571)	230
Total other comprehensive income	(4,580)	23,516
Comprehensive income	20,323	51,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,323	51,914
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	35,062	39,990
Depreciation	1,235	1,246
Share of loss (profit) of entities accounted for using equity method	(1,813)	(2,151)
Loss (gain) on sale of investment securities	–	(782)
Increase (decrease) in provision for bonuses for directors (and other officers)	(129)	(182)
Increase (decrease) in allowance for doubtful accounts	(1)	(1)
Increase (decrease) in retirement benefit liability	25	(35)
Interest and dividend income	(1,190)	(1,574)
Decrease (increase) in trade receivables	(1,706)	(625)
Decrease (increase) in inventories	(42)	51
Increase (decrease) in trade payables	(131)	(60)
Other, net	(1,252)	1,038
Subtotal	30,057	36,912
Interest and dividends received	2,191	2,565
Income taxes paid	(8,342)	(12,581)
Net cash provided by (used in) operating activities	23,906	26,896
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	11,865	–
Purchase of property, plant and equipment	(746)	(1,217)
Purchase of intangible assets	(27)	(22)
Purchase of investment securities	(2)	(2,724)
Proceeds from sale of investment securities	–	2,050
Proceeds from sale of shares of subsidiaries and associates	–	220
Other, net	110	69
Net cash provided by (used in) investing activities	11,199	(1,624)
Cash flows from financing activities		
Dividends paid	(10,863)	(12,415)
Net cash provided by (used in) financing activities	(10,863)	(12,415)
Effect of exchange rate change on cash and cash equivalents	2	–
Net increase (decrease) in cash and cash equivalents	24,245	12,856
Cash and cash equivalents at beginning of period	122,699	156,321
Cash and cash equivalents at end of period	146,944	169,178