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April 22, 2021

Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (Under Japanese GAAP)

Company name: OBIC Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4684
 URL: <https://www.obic.co.jp/>
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 Scheduled date of annual general meeting of shareholders: June 29, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 Scheduled date to file annual securities report: June 30, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 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	%
Fiscal year ended								
March 31, 2021	83,862	4.2	48,077	11.2	52,600	14.3	38,001	8.3
March 31, 2020	80,488	8.5	43,238	14.0	46,012	9.7	35,096	8.9

Note: Comprehensive income For the fiscal year ended March 31, 2021: ¥43,765 million [32.5%]
 For the fiscal year ended March 31, 2020: ¥33,036 million [2.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	427.22	—	15.1	18.7	57.3
March 31, 2020	394.56	—	15.4	18.1	53.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2021: ¥3,348 million
 For the fiscal year ended March 31, 2020: ¥3,455 million

(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
March 31, 2021	298,257	266,025	89.2	2,990.72
March 31, 2020	264,596	238,392	90.1	2,680.06

Reference: Equity
 As of March 31, 2021: ¥266,025 million
 As of March 31, 2020: ¥238,392 million

(3) 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	41,677	(5,422)	(15,121)	150,745
March 31, 2020	31,999	(9,238)	(13,120)	129,612

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2020	–	70.00	–	90.00	160.00	14,232	40.6	6.2
Fiscal year ended March 31, 2021	–	80.00	–	105.00	185.00	16,455	43.3	6.5
Fiscal year ending March 31, 2022 (Forecast)	–	92.50	–	92.50	185.00		41.1	

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	449.69

Note: Because “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 31, 2022, the above consolidated earnings forecasts represent the amounts based on the said accounting standard, etc. and the percentages indicating year-on-year changes were calculated as if the said accounting standard, etc. had been applied for the fiscal year ended March 31, 2021.

* **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) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	99,600,000 shares
As of March 31, 2020	99,600,000 shares

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

As of March 31, 2021	10,649,548 shares
As of March 31, 2020	10,649,548 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2021	88,950,452 shares
Fiscal year ended March 31, 2020	88,950,476 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	74,720	5.5	46,574	12.0	49,146	16.3	35,005	9.9
March 31, 2020	70,811	8.8	41,599	14.2	42,275	11.4	31,854	11.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	393.54	–
March 31, 2020	358.11	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	244,189	215,575	88.3	2,423.55
March 31, 2020	215,058	192,229	89.4	2,161.08

Reference: Equity

As of March 31, 2021: ¥215,575 million
As of March 31, 2020: ¥192,229 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to OBIC Co., Ltd. (hereinafter “the Company”) and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to the section of “(4) Future outlook” of “1. Review of operating results and others” on page 3 of [Attached Material] for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	129,612	150,745
Notes and accounts receivable - trade	10,110	11,035
Merchandise and finished goods	102	103
Work in process	198	232
Raw materials and supplies	0	0
Other	1,138	930
Allowance for doubtful accounts	(2)	(1)
Total current assets	141,160	163,046
Non-current assets		
Property, plant and equipment		
Buildings and structures	30,945	31,093
Accumulated depreciation	(3,317)	(4,607)
Buildings and structures, net	27,628	26,485
Land	28,193	27,636
Other	4,452	5,326
Accumulated depreciation	(2,425)	(3,183)
Other, net	2,026	2,143
Total property, plant and equipment	57,847	56,265
Intangible assets		
Other	122	133
Total intangible assets	122	133
Investments and other assets		
Investment securities	60,501	74,816
Deferred tax assets	3,577	2,296
Other	1,390	1,701
Allowance for doubtful accounts	(4)	(2)
Total investments and other assets	65,465	78,811
Total non-current assets	123,435	135,211
Total assets	264,596	298,257

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	3,708	3,523
Income taxes payable	7,393	9,706
Unearned revenue	1,237	1,138
Provision for bonuses	2,372	2,372
Provision for bonuses for directors (and other officers)	116	105
Other	3,616	7,086
Total current liabilities	18,444	23,931
Non-current liabilities		
Retirement benefit liability	5,942	6,046
Asset retirement obligations	156	240
Deferred tax liabilities for land revaluation	1	1
Other	1,657	2,012
Total non-current liabilities	7,758	8,300
Total liabilities	26,203	32,231
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,530	19,530
Retained earnings	218,159	240,028
Treasury shares	(22,140)	(22,140)
Total shareholders' equity	234,728	256,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,177	10,162
Revaluation reserve for land	(1,705)	(694)
Remeasurements of defined benefit plans	192	(39)
Total accumulated other comprehensive income	3,663	9,428
Total net assets	238,392	266,025
Total liabilities and net assets	264,596	298,257

(2) Consolidated statement of income and consolidated statement of comprehensive income**(Consolidated statement of income)**

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	80,488	83,862
Cost of sales	24,159	23,021
Gross profit	56,328	60,840
Selling, general and administrative expenses	13,090	12,762
Operating profit	43,238	48,077
Non-operating income		
Interest income	3	1
Dividend income	562	566
Gain on sale of investment securities	–	577
Share of profit of entities accounted for using equity method	3,455	3,348
Rental income	42	1,272
Other	57	62
Total non-operating income	4,120	5,829
Non-operating expenses		
Loss on valuation of investment securities	273	–
Rental expenses	1,068	1,306
Other	4	0
Total non-operating expenses	1,346	1,306
Ordinary profit	46,012	52,600
Extraordinary income		
Recoveries of written off receivables	2,498	–
Other	1	288
Total extraordinary income	2,499	288
Extraordinary losses		
Loss on bad debts recovered	500	–
Loss on sale of non-current assets	–	1
Loss on retirement of non-current assets	3	2
Loss on valuation of investment securities	103	–
Other	0	–
Total extraordinary losses	606	4
Profit before income taxes	47,905	52,884
Income taxes - current	13,004	15,017
Income taxes - deferred	(194)	(134)
Total income taxes	12,809	14,883
Profit	35,096	38,001
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	35,096	38,001

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	35,096	38,001
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,237)	3,464
Revaluation reserve for land	–	1,010
Remeasurements of defined benefit plans, net of tax	269	(257)
Share of other comprehensive income of entities accounted for using equity method	(1,091)	1,546
Total other comprehensive income	(2,059)	5,764
Comprehensive income	33,036	43,765
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,036	43,765
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,178	19,530	196,183	(22,139)	212,752
Changes during period					
Dividends of surplus			(13,120)		(13,120)
Profit attributable to owners of parent			35,096		35,096
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	21,976	(0)	21,975
Balance at end of period	19,178	19,530	218,159	(22,140)	234,728

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	7,553	(1,705)	(124)	5,723	218,476
Changes during period					
Dividends of surplus					(13,120)
Profit attributable to owners of parent					35,096
Purchase of treasury shares					(0)
Reversal of revaluation reserve for land					-
Net changes in items other than shareholders' equity	(2,376)		316	(2,059)	(2,059)
Total changes during period	(2,376)	-	316	(2,059)	19,915
Balance at end of period	5,177	(1,705)	192	3,663	238,392

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	19,178	19,530	218,159	(22,140)	234,728
Changes during period					
Dividends of surplus			(15,121)		(15,121)
Profit attributable to owners of parent			38,001		38,001
Purchase of treasury shares					-
Reversal of revaluation reserve for land			(1,010)		(1,010)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	21,868	-	21,868
Balance at end of period	19,178	19,530	240,028	(22,140)	256,596

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,177	(1,705)	192	3,663	238,392
Changes during period					
Dividends of surplus					(15,121)
Profit attributable to owners of parent					38,001
Purchase of treasury shares					-
Reversal of revaluation reserve for land		1,010		1,010	-
Net changes in items other than shareholders' equity	4,985		(231)	4,753	4,753
Total changes during period	4,985	1,010	(231)	5,764	27,633
Balance at end of period	10,162	(694)	(39)	9,428	266,025

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	47,905	52,884
Depreciation	907	2,240
Share of loss (profit) of entities accounted for using equity method	(3,455)	(3,348)
Loss (gain) on sale of investment securities	–	(577)
Loss (gain) on valuation of investment securities	376	–
Gain on bad debts recovered	(2,498)	–
Increase (decrease) in provision for bonuses for directors (and other officers)	16	(11)
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Increase (decrease) in retirement benefit liability	41	(268)
Interest and dividend income	(565)	(568)
Loss (gain) on sale of non-current assets	(1)	(287)
Loss on retirement of non-current assets	3	2
Decrease (increase) in trade receivables	(484)	(924)
Decrease (increase) in inventories	91	(34)
Increase (decrease) in trade payables	(321)	(184)
Other, net	837	3,523
Subtotal	42,852	52,443
Interest and dividends received	1,932	1,953
Income taxes paid	(12,786)	(12,720)
Net cash provided by (used in) operating activities	31,999	41,677
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,490)	(1,085)
Proceeds from sale of property, plant and equipment	3	845
Purchase of intangible assets	(39)	(27)
Purchase of investment securities	(1)	(8,841)
Proceeds from sale of investment securities	200	3,607
Collection of bad debts recovered	2,498	–
Other, net	592	78
Net cash provided by (used in) investing activities	(9,238)	(5,422)
Cash flows from financing activities		
Dividends paid	(13,120)	(15,121)
Other, net	(0)	–
Net cash provided by (used in) financing activities	(13,120)	(15,121)
Net increase (decrease) in cash and cash equivalents	9,640	21,133
Cash and cash equivalents at beginning of period	119,972	129,612
Cash and cash equivalents at end of period	129,612	150,745