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July 21, 2021

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (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 to file quarterly securities report: August 6, 2021
 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	21,098	—	12,731	9.3	14,266	9.0	10,792	10.2
Three months ended June 30, 2020	20,106	3.6	11,653	12.0	13,089	13.5	9,797	(6.0)

Note: Comprehensive income Three months ended June 30, 2021: ¥13,159 million [22.6%]
 Three months ended June 30, 2020: ¥10,732 million [2.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	121.33	—
Three months ended June 30, 2020	110.14	—

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 three months ended June 30, 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 7.3%.

(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
June 30, 2021	296,324	269,845	91.1	3,033.66
March 31, 2021	298,257	266,025	89.2	2,990.72

Reference: Equity

As of June 30, 2021: ¥269,845 million

As of March 31, 2021: ¥266,025 million

Note: 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 figures for the first quarter ended June 30, 2021, are the figures after the application of this accounting standard, etc.

2. Cash dividends

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

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

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

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

*** 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 June 30, 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 June 30, 2021	10,649,548 shares
As of March 31, 2021	10,649,548 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2021	88,950,452 shares
Three months ended June 30, 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 three months ended June 30, 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 June 30, 2021
Assets		
Current assets		
Cash and deposits	150,745	145,499
Notes and accounts receivable - trade	11,035	–
Notes and accounts receivable - trade, and contract assets	–	11,168
Merchandise and finished goods	103	69
Work in process	232	208
Raw materials and supplies	0	22
Other	930	1,005
Allowance for doubtful accounts	(1)	(1)
Total current assets	163,046	157,972
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,485	26,437
Land	27,636	27,636
Other, net	2,143	2,342
Total property, plant and equipment	56,265	56,416
Intangible assets		
Other	133	132
Total intangible assets	133	132
Investments and other assets		
Investment securities	74,816	77,539
Other	3,997	4,265
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	78,811	81,802
Total non-current assets	135,211	138,351
Total assets	298,257	296,324

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	3,523	2,975
Income taxes payable	9,706	4,067
Provision for bonuses	2,372	3,372
Other	8,329	7,714
Total current liabilities	23,931	18,130
Non-current liabilities		
Retirement benefit liability	6,046	6,050
Asset retirement obligations	240	313
Other	2,014	1,984
Total non-current liabilities	8,300	8,348
Total liabilities	32,231	26,478
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,530	19,530
Retained earnings	240,028	241,480
Treasury shares	(22,140)	(22,140)
Total shareholders' equity	256,596	258,049
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,162	12,306
Revaluation reserve for land	(694)	(481)
Remeasurements of defined benefit plans	(39)	(29)
Total accumulated other comprehensive income	9,428	11,796
Total net assets	266,025	269,845
Total liabilities and net assets	298,257	296,324

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	20,106	21,098
Cost of sales	5,322	4,934
Gross profit	14,784	16,163
Selling, general and administrative expenses	3,130	3,431
Operating profit	11,653	12,731
Non-operating income		
Interest income	0	0
Dividend income	306	430
Share of profit of entities accounted for using equity method	636	811
Rental income	199	394
Other	615	282
Total non-operating income	1,758	1,919
Non-operating expenses		
Rental expenses	322	383
Other	0	2
Total non-operating expenses	322	385
Ordinary profit	13,089	14,266
Extraordinary income		
Gain on sale of non-current assets	288	0
Total extraordinary income	288	0
Extraordinary losses		
Loss on sale of non-current assets	1	0
Loss on retirement of non-current assets	-	0
Total extraordinary losses	1	0
Profit before income taxes	13,376	14,266
Income taxes - current	3,639	3,968
Income taxes - deferred	(60)	(494)
Total income taxes	3,579	3,473
Profit	9,797	10,792
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	9,797	10,792

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	9,797	10,792
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	1,407
Revaluation reserve for land	1,010	213
Remeasurements of defined benefit plans, net of tax	(50)	13
Share of other comprehensive income of entities accounted for using equity method	172	732
Total other comprehensive income	935	2,367
Comprehensive income	10,732	13,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,732	13,159
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	13,376	14,266
Depreciation	512	548
Share of loss (profit) of entities accounted for using equity method	(636)	(811)
Increase (decrease) in provision for bonuses	978	1,000
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	(84)	23
Interest and dividend income	(307)	(431)
Loss (gain) on sale of non-current assets	(287)	(0)
Loss on retirement of non-current assets	–	0
Decrease (increase) in trade receivables	(938)	(133)
Decrease (increase) in inventories	44	35
Increase (decrease) in trade payables	(585)	(548)
Other, net	1,830	(764)
Subtotal	13,787	13,081
Interest and dividends received	1,013	1,280
Income taxes paid	(7,048)	(9,387)
Net cash provided by (used in) operating activities	7,752	4,974
Cash flows from investing activities		
Purchase of property, plant and equipment	(460)	(677)
Proceeds from sale of property, plant and equipment	845	1
Purchase of intangible assets	(10)	(33)
Purchase of investment securities	(2,690)	(0)
Proceeds from sale of investment securities	3,600	–
Other, net	209	(169)
Net cash provided by (used in) investing activities	1,493	(880)
Cash flows from financing activities		
Dividends paid	(8,005)	(9,339)
Net cash provided by (used in) financing activities	(8,005)	(9,339)
Net increase (decrease) in cash and cash equivalents	1,240	(5,245)
Cash and cash equivalents at beginning of period	129,612	150,745
Cash and cash equivalents at end of period	130,852	145,499