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January 24, 2023

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023 (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 6, 2023
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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	74,521	11.8	46,826	15.8	53,235	19.6	37,824	16.7
Nine months ended December 31, 2021	66,654	–	40,439	11.6	44,510	12.5	32,412	13.1

Note: Comprehensive income
Nine months ended December 31, 2022: ¥40,599 million [14.5%]
Nine months ended December 31, 2021: ¥35,469 million [13.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	426.53	–
Nine months ended December 31, 2021	364.93	–

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
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	345,142	313,590	90.9	3,536.20
March 31, 2022	323,927	293,567	90.6	3,310.49

Reference: Equity

As of December 31, 2022: ¥313,590 million

As of March 31, 2022: ¥293,567 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, 2022	–	92.50	–	122.50	215.00
Fiscal year ending March 31, 2023	–	110.00	–		
Fiscal year ending March 31, 2023 (Forecast)				140.00	250.00

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, 2023 (Dividend Increase)” announced today (January 24, 2023).

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	98,500	10.1	59,600	10.1	65,600	9.0	47,000	8.0	530.01

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 December 31, 2022	99,600,000 shares
As of March 31, 2022	99,600,000 shares

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

As of December 31, 2022	10,919,877 shares
As of March 31, 2022	10,922,048 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2022	88,679,204 shares
Nine months ended December 31, 2021	88,817,670 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 21, 2022. 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, 2022” on page 3 of [Attached Material] for details.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	122,699	148,619
Notes and accounts receivable - trade, and contract assets	12,025	14,212
Merchandise and finished goods	68	93
Work in process	233	203
Raw materials and supplies	7	0
Other	1,118	1,141
Allowance for doubtful accounts	(1)	(2)
Total current assets	136,150	164,267
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,823	25,008
Land	27,636	27,636
Other, net	2,661	2,212
Total property, plant and equipment	56,121	54,857
Intangible assets		
Other	154	140
Total intangible assets	154	140
Investments and other assets		
Investment securities	118,570	123,632
Long-term time deposits	10,658	-
Other	2,274	2,246
Allowance for doubtful accounts	(2)	(0)
Total investments and other assets	131,500	125,877
Total non-current assets	187,776	180,875
Total assets	323,927	345,142

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	3,606	4,031
Income taxes payable	8,552	7,087
Provision for bonuses	2,372	1,336
Other	6,535	7,367
Total current liabilities	21,066	19,823
Non-current liabilities		
Retirement benefit liability	5,942	6,037
Asset retirement obligations	358	398
Other	2,992	5,292
Total non-current liabilities	9,293	11,728
Total liabilities	30,359	31,551
Net assets		
Shareholders' equity		
Share capital	19,178	19,178
Capital surplus	19,530	19,567
Retained earnings	265,985	283,192
Treasury shares	(27,562)	(27,558)
Total shareholders' equity	277,131	294,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,877	19,681
Revaluation reserve for land	(481)	(481)
Remeasurements of defined benefit plans	39	9
Total accumulated other comprehensive income	16,435	19,210
Total net assets	293,567	313,590
Total liabilities and net assets	323,927	345,142

(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, 2021	Nine months ended December 31, 2022
Net sales	66,654	74,521
Cost of sales	15,931	16,921
Gross profit	50,722	57,600
Selling, general and administrative expenses	10,282	10,773
Operating profit	40,439	46,826
Non-operating income		
Interest income	1	69
Dividend income	844	2,258
Gain on sale of investment securities	3	-
Share of profit of entities accounted for using equity method	2,892	2,668
Rental income	1,190	1,270
Foreign exchange gains	-	1,906
Other	290	64
Total non-operating income	5,223	8,238
Non-operating expenses		
Rental expenses	1,150	1,129
Cancellation fee	-	696
Other	2	3
Total non-operating expenses	1,152	1,829
Ordinary profit	44,510	53,235
Extraordinary income		
Gain on sale of non-current assets	1	-
Gain on sale of shares of subsidiaries and associates	1	-
Total extraordinary income	2	-
Extraordinary losses		
Loss on sale of non-current assets	0	-
Loss on retirement of non-current assets	5	0
Loss on valuation of membership	19	-
Total extraordinary losses	24	0
Profit before income taxes	44,488	53,235
Income taxes - current	11,850	14,898
Income taxes - deferred	226	512
Total income taxes	12,076	15,410
Profit	32,412	37,824
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	32,412	37,824

(Quarterly consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	32,412	37,824
Other comprehensive income		
Valuation difference on available-for-sale securities	2,541	3,510
Revaluation reserve for land	213	–
Remeasurements of defined benefit plans, net of tax	40	(11)
Share of other comprehensive income of entities accounted for using equity method	262	(723)
Total other comprehensive income	3,057	2,775
Comprehensive income	35,469	40,599
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	35,469	40,599
Comprehensive income attributable to non-controlling interests	–	–

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	44,488	53,235
Depreciation	1,771	1,837
Share of loss (profit) of entities accounted for using equity method	(2,892)	(2,668)
Loss (gain) on sale of investment securities	(3)	–
Increase (decrease) in provision for bonuses	(1,036)	(1,036)
Increase (decrease) in provision for bonuses for directors (and other officers)	(105)	(129)
Increase (decrease) in allowance for doubtful accounts	0	(1)
Increase (decrease) in retirement benefit liability	(26)	78
Interest and dividend income	(845)	(2,327)
Loss (gain) on sale of non-current assets	(1)	–
Loss on retirement of non-current assets	5	0
Decrease (increase) in trade receivables	(730)	(2,186)
Decrease (increase) in inventories	100	12
Increase (decrease) in trade payables	282	425
Other, net	(1,208)	195
Subtotal	39,798	47,433
Interest and dividends received	2,646	4,280
Income taxes paid	(16,991)	(16,275)
Net cash provided by (used in) operating activities	25,454	35,438
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	11,865
Purchase of property, plant and equipment	(1,613)	(846)
Proceeds from sale of property, plant and equipment	3	–
Purchase of intangible assets	(57)	(29)
Purchase of investment securities	(1)	(2)
Proceeds from sale of investment securities	9	–
Proceeds from sale of shares of subsidiaries and associates	234	–
Other, net	(262)	110
Net cash provided by (used in) investing activities	(1,689)	11,097
Cash flows from financing activities		
Dividends paid	(17,542)	(20,617)
Purchase of treasury shares	(5,422)	(0)
Net cash provided by (used in) financing activities	(22,965)	(20,618)
Effect of exchange rate change on cash and cash equivalents	–	2
Net increase (decrease) in cash and cash equivalents	799	25,920
Cash and cash equivalents at beginning of period	150,745	122,699
Cash and cash equivalents at end of period	151,545	148,619