

Consolidated Financial Results for the Three Months Ended September 30, 2021 [Japanese GAAP]



October 29, 2021

Company name: OLBA HEALTHCARE HOLDINGS, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2689
 URL: <https://www.olba.co.jp/>
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 Scheduled date of filing quarterly securities report: November 15, 2021
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Unavailable
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1 Consolidated Financial Results for the Three Months Ended September 30, 2021 (July 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended September 30, 2021	25,013	7.5	249	130.7	257	145.7	175	221.1
September 30, 2020	23,260	—	108	(71.0)	104	(72.0)	54	(77.6)

(Note) Comprehensive income: Three months ended September 30, 2021: ¥196 million [277.1%]
 Three months ended September 30, 2020: ¥52 million [(79.1)%]

	Basic earnings per share	Diluted earnings per share
Three months ended September 30, 2021	Yen 28.81	Yen —
September 30, 2020	8.97	—

(Note) Effective the beginning of the fiscal year ending June 30, 2022, the Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards. In accordance with the principle-based treatment of the standards, the consolidated operating results for the fiscal year ended June 30, 2021 have been restated retroactively. The change in net sales for the three months ended September 30, 2020 are, therefore, not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2021	38,261	7,993	20.9
As of June 30, 2020	36,562	8,131	22.2

(Reference) Equity: As of September 30, 2021: ¥7,993 million
 As of June 30, 2021: ¥8,131 million

2 Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended June 30, 2021	Yen —	Yen 0.00	Yen —	Yen 50.00	Yen 50.00
Fiscal year ending June 30, 2022	—				
Fiscal year ending June 30, 2022 (Forecast)		0.00	—	50.00	50.00

(Note) Revision to the forecast for dividends announced most recently: None

3 Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	51,774	4.0	564	(9.0)	571	(7.1)	360	(7.3)	59.29
Full year	105,049	3.0	1,597	3.7	1,615	4.7	1,052	6.4	173.01

(Note) Revision to the financial results forecast announced most recently: None

(Note) Effective the beginning of the fiscal year ending June 30, 2022, the Company began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards. Those standards have been reflected in the figures of the consolidated financial results forecast above. The changes in net sales from the previous corresponding periods have been calculated by retroactively applying those standards to the figures for the fiscal year ended June 30, 2021.

Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None
Newly consolidated: None (Company Name); Removed from consolidation: None (Company Name)
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury stock):
September 30, 2021: 6,250,000 shares
June 30, 2021: 6,250,000 shares
 - 2) Total number of treasury stock at the end of the period:
September 30, 2021: 163,476 shares
June 30, 2021: 167,676 shares
 - 3) Average number of shares during the period:
Three months ended September 30, 2021: 6,083,374 shares
Three months ended September 30, 2020: 6,082,395 shares

As of September 30, 2021, 112,400 shares of the Company's stock held by the Board Benefit Trust were included in treasury stock.

* Quarterly financial results are outside the scope of the quarterly review procedures conducted by a certified public accountant or audit corporation.

* Explanation of the proper use of financial results forecast and other notes

The figures forecasted above are based on information that is available as of the date of publication of this document, and contain a wide range of uncertain factors. Actual results may differ significantly from these figures due to factors such as changes in the business environment.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,158,875	2,105,341
Notes and accounts receivable - trade	18,710,644	—
Notes and accounts receivable - trade, and contract assets	—	19,857,996
Electronically recorded monetary claims - operating	2,246,521	2,124,496
Merchandise	5,431,149	6,148,741
Other	557,800	522,317
Total current assets	29,104,992	30,758,891
Non-current assets		
Property, plant and equipment	4,653,580	4,730,091
Intangible assets		
Other	698,501	705,209
Total intangible assets	698,501	705,209
Investments and other assets	2,104,991	2,067,021
Total non-current assets	7,457,073	7,502,322
Total assets	36,562,066	38,261,214
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,304,571	17,243,771
Electronically recorded obligations - operating	6,824,412	5,870,211
Short-term borrowings	520,000	3,220,000
Income taxes payable	524,874	40,873
Provision for bonuses for directors (and other officers)	—	4,188
Provision for bonuses	35,290	70,605
Other	1,909,551	1,501,004
Total current liabilities	26,118,699	27,950,655
Non-current liabilities		
Long-term borrowings	275,000	220,000
Provision for share awards for directors (and other officers)	155,222	171,340
Retirement benefit liability	398,652	408,235
Long-term accounts payable - other	279,927	279,927
Other	1,203,040	1,238,028
Total non-current liabilities	2,311,843	2,317,532
Total liabilities	28,430,543	30,268,188
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	346,954	315,704
Retained earnings	7,143,982	7,009,316
Treasury shares	(246,635)	(240,155)
Total shareholders' equity	7,852,050	7,692,615
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,964	161,085
Remeasurements of defined benefit plans	144,507	139,325
Total accumulated other comprehensive income	279,472	300,410
Non-controlling interests	-	-
Total net assets	8,131,522	7,993,026
Total liabilities and net assets	36,562,066	38,261,214

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended September 30

(Thousand yen)

	For the three months ended September 30, 2020	For the three months ended September 30, 2021
Net sales	23,260,184	25,013,186
Cost of sales	20,635,665	22,199,192
Gross profit	2,624,518	2,813,993
Selling, general and administrative expenses	2,516,397	2,564,514
Operating profit	108,120	249,479
Non-operating income		
Interest income	104	107
Dividend income	227	-
Insurance claim income	456	6,830
Commission income	4,359	4,763
Electricity sale income	2,910	2,143
Subsidy income	-	1,422
Other	2,574	1,496
Total non-operating income	10,633	16,764
Non-operating expenses		
Interest expenses	5,790	5,108
Share of loss of entities accounted for using equity method	5,830	699
Electricity sale expenses	1,547	1,529
Other	781	1,452
Total non-operating expenses	13,950	8,790
Ordinary profit	104,803	257,453
Extraordinary income		
Gain on sale of property, plant and equipment	84	3,834
Total extraordinary income	84	3,834
Extraordinary losses		
Loss on retirement of property, plant and equipment	636	2,286
Loss on sale of property, plant and equipment	-	2,675
Impairment losses	-	14,000
Total extraordinary losses	636	18,962
Profit before income taxes	104,251	242,325
Income taxes - current	55,407	32,660
Income taxes - deferred	(5,741)	34,383
Total income taxes	49,666	67,044
Profit	54,585	175,280
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	54,585	175,280

Quarterly Consolidated Statements of Comprehensive Income
 Three Months Ended September 30

(Thousand yen)

	For the three months ended September 30, 2020	For the three months ended September 30, 2021
Profit	54,585	175,280
Other comprehensive income		
Valuation difference on available-for-sale securities	3,302	26,120
Remeasurements of defined benefit plans, net of tax	(5,849)	(5,182)
Total other comprehensive income	(2,546)	20,938
Comprehensive income	52,038	196,219
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	52,038	196,219
Comprehensive income attributable to non-controlling interests	-	-