

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2021 (Based on Japanese GAAP)

January 13, 2022

Company name: OHBA CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 9765 URL <http://www.k-ohba.co.jp>
 Representative: Representative Director,President Shigeru Tsujimoto
 Inquiries: Senior Executive Officer Hirofumi Katayama TEL 03-5931-5888
 Scheduled date to file Quarterly Securities Report: January 13, 2022
 Scheduled date to commence dividend payments: February 2, 2022
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2021 (from June 1, 2021 to November 30, 2021)

(1) Consolidated operating results (cumulative)

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 November 30, 2021	6,245	47.0	268	–	301	–	154	–
Six months ended November 30, 2020	4,247	2.4	(203)	–	(176)	–	(132)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended November 30, 2021	9.51		9.32	
Six months ended November 30, 2020	(8.05)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	14,023	9,480	64.8
As of May 31, 2021	13,674	9,299	65.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended May 31, 2021	–	7.00	–	8.00	15.00
Year ending May 31, 2022	–	8.00			
Year ending May 31, 2022 (Forecast)			–	12.00	20.00

3. Forecast of consolidated financial results for the year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	16,000	0.9	1,400	4.9	1,450	5.1	950	11.4	58.31

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2021	18,000,000 shares	As of May 31, 2021	18,000,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2021	1,798,647 shares	As of May 31, 2021	1,708,716 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 30, 2021	16,224,938 shares	Six months ended November 30, 2020	16,425,482 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	3,002,039	1,062,683
Notes and accounts receivable - trade	2,763,978	–
Notes and accounts receivable - trade, and contract assets	–	5,171,373
Costs on service contracts in progress	1,002,566	631,920
Real estate for sale	5,634	5,634
Other	119,834	478,128
Allowance for doubtful accounts	(513)	(212)
Total current assets	6,893,540	7,349,527
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,983,570	1,970,089
Accumulated depreciation	(774,219)	(793,215)
Buildings and structures, net	1,209,350	1,176,874
Machinery, equipment and vehicles	752,310	752,310
Accumulated depreciation	(460,571)	(480,649)
Machinery, equipment and vehicles, net	291,739	271,661
Land	2,657,285	2,659,013
Other	848,414	853,291
Accumulated depreciation	(638,843)	(678,361)
Other, net	209,570	174,929
Total property, plant and equipment	4,367,946	4,282,479
Intangible assets		
Software	137,161	124,639
Other	1,781	1,720
Total intangible assets	138,942	126,359
Investments and other assets		
Investment securities	1,174,022	1,128,274
Long-term accounts receivable - other	224,002	–
Retirement benefit asset	600,737	769,266
Deferred tax assets	14,784	15,534
Other	410,962	390,602
Allowance for doubtful accounts	(150,170)	(38,168)
Total investments and other assets	2,274,339	2,265,509
Total non-current assets	6,781,229	6,674,347
Total assets	13,674,769	14,023,875

(Thousands of yen)

	As of May 31, 2021	As of November 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	869,267	882,659
Short-term borrowings	–	1,150,000
Current portion of long-term borrowings	60,000	30,000
Income taxes payable	462,354	127,772
Advances received on service contracts in progress	1,103,036	1,207,184
Provision for bonuses	392,136	80,396
Provision for loss on order received	–	1,040
Provision for shareholder benefit program	15,955	–
Other	769,519	293,202
Total current liabilities	3,672,270	3,772,256
Non-current liabilities		
Retirement benefit liability	11,495	13,190
Asset retirement obligations	250,538	251,093
Deferred tax liabilities	430,635	497,689
Other	9,847	8,916
Total non-current liabilities	702,516	770,889
Total liabilities	4,374,787	4,543,146
Net assets		
Shareholders' equity		
Share capital	2,131,733	2,131,733
Capital surplus	771,471	773,170
Retained earnings	6,475,454	6,690,773
Treasury shares	(939,040)	(1,020,148)
Total shareholders' equity	8,439,619	8,575,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	385,765	364,014
Remeasurements of defined benefit plans	158,875	150,559
Total accumulated other comprehensive income	544,640	514,574
Share acquisition rights	315,722	390,626
Total net assets	9,299,982	9,480,729
Total liabilities and net assets	13,674,769	14,023,875

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Net sales	4,247,745	6,245,919
Cost of sales	3,022,416	4,552,823
Gross profit	1,225,329	1,693,095
Selling, general and administrative expenses	1,428,490	1,424,521
Operating profit (loss)	(203,161)	268,574
Non-operating income		
Interest income	10	13
Dividend income	15,313	21,663
Insurance claim and dividend income	186	2,874
Gain on sale of securities	4,675	5,017
Other	8,529	9,031
Total non-operating income	28,715	38,600
Non-operating expenses		
Interest expenses	1,440	665
Guarantee commission	901	1,493
Delinquency charges	–	3,227
Other	96	11
Total non-operating expenses	2,439	5,397
Ordinary profit (loss)	(176,885)	301,777
Extraordinary losses		
Loss on sale of non-current assets	–	1,405
Loss on retirement of non-current assets	379	1,006
Loss on valuation of investment securities	24,085	14,795
Expenses related to the 100th anniversary of foundation	–	45,000
Other	1,449	–
Total extraordinary losses	25,913	62,207
Profit (loss) before income taxes	(202,799)	239,569
Income taxes	(70,639)	85,240
Profit (loss)	(132,159)	154,328
Profit (loss) attributable to owners of parent	(132,159)	154,328

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Profit (loss)	(132,159)	154,328
Other comprehensive income		
Valuation difference on available-for-sale securities	45,899	(21,751)
Remeasurements of defined benefit plans, net of tax	10,934	(8,315)
Total other comprehensive income	56,834	(30,066)
Comprehensive income	(75,324)	124,262
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(75,324)	124,262
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(202,799)	239,569
Depreciation	123,465	117,820
Loss on retirement of non-current assets	379	1,006
Loss (gain) on sale of non-current assets	–	1,405
Expenses related to the 100th anniversary of foundation	–	45,000
Share-based payment expenses	93,312	96,119
Increase (decrease) in provision for bonuses	(71,053)	(311,739)
Increase (decrease) in provision for shareholder benefit program	(22,032)	(15,955)
Increase (decrease) in provision for loss on order received	(35,340)	1,040
Increase (decrease) in allowance for doubtful accounts	(82)	(300)
Increase (decrease) in retirement benefit liability	(194,212)	(178,819)
Interest and dividend income	(15,323)	(21,676)
Interest expenses	1,440	665
Loss (gain) on sale of securities	(4,675)	(5,017)
Loss (gain) on valuation of investment securities	24,085	14,795
Decrease (increase) in trade receivables	677,349	(1,065,455)
Increase (decrease) in advances received on service contracts in progress	(214,288)	104,148
Decrease (increase) in inventories	(1,116,277)	(582,442)
Increase (decrease) in trade payables	(395,114)	13,392
Increase (decrease) in accrued consumption taxes	(233,890)	(677,681)
Other, net	(280,043)	(130,945)
Subtotal	(1,865,100)	(2,355,071)
Interest and dividends received	12,351	14,382
Interest paid	(1,785)	(784)
Income taxes paid	(104,867)	(423,759)
Net cash provided by (used in) operating activities	(1,959,402)	(2,765,233)
Cash flows from investing activities		
Purchase of property, plant and equipment	(256,410)	(36,673)
Proceeds from sale of property, plant and equipment	–	1,915
Purchase of intangible assets	(3,854)	(22,266)
Purchase of investment securities	(23,079)	(12,942)
Proceeds from sale of securities	18,838	17,612
Payments of leasehold deposits	(577)	(967)
Proceeds from refund of leasehold deposits	–	1,242
Other, net	(2,974)	(10,685)
Net cash provided by (used in) investing activities	(268,058)	(62,765)

(Thousands of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,500,000	1,150,000
Repayments of long-term borrowings	(30,000)	(30,000)
Purchase of treasury shares	(140,988)	(100,659)
Proceeds from disposal of treasury shares	14	35
Dividends paid	(117,433)	(130,732)
Net cash provided by (used in) financing activities	1,211,592	888,643
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(1,015,868)	(1,939,355)
Cash and cash equivalents at beginning of period	2,336,557	3,002,039
Cash and cash equivalents at end of period	1,320,688	1,062,683