

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2021 (Based on Japanese GAAP)

October 14, 2021

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: October 14, 2021
 Scheduled date to commence dividend payments: –
 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 three months ended August 31, 2021 (from June 1, 2021 to August 31, 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	%
Three months ended August 31, 2021	2,568	59.0	8	–	10	–	6	–
Three months ended August 31, 2020	1,615	68.0	(202)	–	(196)	–	(142)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2021	0.42		0.42	
Three months ended August 31, 2020	(8.62)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2021	12,396	9,305	72.6
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	Yen	Yen	Yen	Yen
Year ended May 31, 2021	–	7.00	–	8.00	15.00
Year ending May 31, 2022	–				
Year ending May 31, 2022 (Forecast)		8.00	–	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 three months ended August 31, 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 August 31, 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 August 31, 2021	1,795,447 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)

Three months ended August 31, 2021	16,244,908 shares	Three months ended August 31, 2020	16,475,736 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2021	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	3,002,039	1,594,149
Notes and accounts receivable - trade	2,763,978	–
Notes and accounts receivable - trade, and contract assets	–	3,148,750
Costs on service contracts in progress	1,002,566	538,166
Real estate for sale	5,634	5,634
Other	119,834	260,633
Allowance for doubtful accounts	(513)	(210)
Total current assets	6,893,540	5,547,124
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,983,570	1,983,907
Accumulated depreciation	(774,219)	(790,721)
Buildings and structures, net	1,209,350	1,193,186
Machinery, equipment and vehicles	752,310	752,310
Accumulated depreciation	(460,571)	(470,631)
Machinery, equipment and vehicles, net	291,739	281,679
Land	2,657,285	2,657,285
Other	848,414	846,762
Accumulated depreciation	(638,843)	(656,309)
Other, net	209,570	190,453
Construction in progress	–	4,000
Total property, plant and equipment	4,367,946	4,326,604
Intangible assets		
Software	137,161	126,523
Other	1,781	1,750
Total intangible assets	138,942	128,273
Investments and other assets		
Investment securities	1,174,022	1,202,109
Long-term accounts receivable - other	224,002	224,002
Retirement benefit asset	600,737	685,181
Deferred tax assets	14,784	16,512
Other	410,962	417,252
Allowance for doubtful accounts	(150,170)	(150,170)
Total investments and other assets	2,274,339	2,394,887
Total non-current assets	6,781,229	6,849,765
Total assets	13,674,769	12,396,890

(Thousands of yen)

	As of May 31, 2021	As of August 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	869,267	347,322
Short-term borrowings	–	150,000
Current portion of long-term borrowings	60,000	45,000
Income taxes payable	462,354	21,172
Advances received on service contracts in progress	1,103,036	1,265,599
Provision for bonuses	392,136	63,684
Provision for loss on order received	–	3,374
Provision for shareholder benefit program	15,955	–
Other	769,519	397,435
Total current liabilities	3,672,270	2,293,589
Non-current liabilities		
Retirement benefit liability	11,495	12,912
Asset retirement obligations	250,538	250,815
Deferred tax liabilities	430,635	525,469
Other	9,847	9,087
Total non-current liabilities	702,516	798,284
Total liabilities	4,374,787	3,091,874
Net assets		
Shareholders' equity		
Share capital	2,131,733	2,131,733
Capital surplus	771,471	772,075
Retained earnings	6,475,454	6,543,266
Treasury shares	(939,040)	(1,010,567)
Total shareholders' equity	8,439,619	8,436,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	385,765	405,260
Remeasurements of defined benefit plans	158,875	154,717
Total accumulated other comprehensive income	544,640	559,977
Share acquisition rights	315,722	308,530
Total net assets	9,299,982	9,305,015
Total liabilities and net assets	13,674,769	12,396,890

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended August 31, 2020	Three months ended August 31, 2021
Net sales	1,615,466	2,568,707
Cost of sales	1,134,827	1,862,046
Gross profit	480,638	706,660
Selling, general and administrative expenses	683,507	697,792
Operating profit (loss)	(202,868)	8,867
Non-operating income		
Interest income	8	11
Dividend income	361	1,216
Insurance claim and dividend income	177	197
Gain on sale of securities	2,649	1,027
Other	3,724	3,546
Total non-operating income	6,920	5,998
Non-operating expenses		
Interest expenses	258	73
Delinquency charges	–	3,227
Other	440	907
Total non-operating expenses	698	4,207
Ordinary profit (loss)	(196,646)	10,659
Extraordinary losses		
Loss on retirement of non-current assets	246	0
Loss on valuation of investment securities	20,363	–
Total extraordinary losses	20,609	0
Profit (loss) before income taxes	(217,256)	10,659
Income taxes	(75,169)	3,836
Profit (loss)	(142,086)	6,822
Profit (loss) attributable to owners of parent	(142,086)	6,822

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended August 31, 2020	Three months ended August 31, 2021
Profit (loss)	(142,086)	6,822
Other comprehensive income		
Valuation difference on available-for-sale securities	48,597	19,494
Remeasurements of defined benefit plans, net of tax	5,467	(4,157)
Total other comprehensive income	54,065	15,336
Comprehensive income	(88,021)	22,159
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(88,021)	22,159
Comprehensive income attributable to non-controlling interests	—	—