

Translation

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## Summary of Consolidated Financial Results for the Year Ended May 31, 2022 (Based on Japanese GAAP)

July 14, 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 of ordinary general meeting of shareholders: August 26, 2022  
 Scheduled date to file Securities Report: August 26, 2022  
 Scheduled date to commence dividend payments: August 29, 2022  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended May 31, 2022 (from June 1, 2021 to May 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	%
Year ended May 31, 2022	15,933	0.4	1,582	18.6	1,654	19.9	1,085	27.3
Year ended May 31, 2021	15,862	4.3	1,334	16.6	1,380	17.3	852	3.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 31, 2022	66.98	64.17	11.4	11.7	9.9
Year ended May 31, 2021	52.04	50.15	10.0	10.4	8.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	14,426	10,229	68.2	610.30
As of May 31, 2021	13,674	9,299	65.7	551.48

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 31, 2022	(345)	(178)	(521)	1,955
Year ended May 31, 2021	1,994	(847)	(481)	3,002

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 31, 2021	—	7.00	—	8.00	15.00	244	28.8	2.9
Year ended May 31, 2022	—	8.00	—	15.00	23.00	371	34.3	4.0
Year ending May 31, 2023 (Forecast)	—	11.00	—	11.00	22.00		32.2	

3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

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	4.2	1,600	1.1	1,650	(0.3)	1,100	1.3	68.23

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of May 31, 2022	17,500,000 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 May 31, 2022	1,378,147 shares	As of May 31, 2021	1,708,716 shares
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Average number of shares during the period

Year ended May 31, 2022	16,206,688 shares	Year ended May 31, 2021	16,381,954 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2021	As of May 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,002,039	1,955,831
Notes and accounts receivable - trade	2,763,978	–
Notes and accounts receivable - trade, and contract assets	–	4,833,386
Costs on service contracts in progress	1,002,566	252,424
Real estate for sale	5,634	5,634
Other	119,834	575,523
Allowance for doubtful accounts	(513)	–
Total current assets	6,893,540	7,622,800
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,983,570	1,990,384
Accumulated depreciation	(774,219)	(826,709)
Buildings and structures, net	1,209,350	1,163,675
Machinery, equipment and vehicles	752,310	770,888
Accumulated depreciation	(460,571)	(500,470)
Machinery, equipment and vehicles, net	291,739	270,417
Land	2,657,285	2,659,018
Other	848,414	900,370
Accumulated depreciation	(638,843)	(727,714)
Other, net	209,570	172,655
Total property, plant and equipment	4,367,946	4,265,766
Intangible assets		
Software	137,161	111,784
Other	1,781	1,658
Total intangible assets	138,942	113,443
Investments and other assets		
Investment securities	1,174,022	1,120,223
Long-term lease and deposits on golf	319,280	324,195
Long-term accounts receivable - other	224,002	–
Distressed receivables	38,168	38,168
Retirement benefit asset	600,737	945,759
Deferred tax assets	14,784	10,771
Other	53,513	23,887
Allowance for doubtful accounts	(150,170)	(38,168)
Total investments and other assets	2,274,339	2,424,838
Total non-current assets	6,781,229	6,804,047
Total assets	13,674,769	14,426,848

(Thousands of yen)

	As of May 31, 2021	As of May 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	869,267	1,026,721
Current portion of long-term borrowings	60,000	–
Income taxes payable	462,354	330,154
Advances received on service contracts in progress	1,103,036	1,116,404
Provision for bonuses	392,136	501,080
Provision for loss on orders received	–	30
Provision for shareholder benefit program	15,955	17,349
Other	769,519	497,601
<b>Total current liabilities</b>	<b>3,672,270</b>	<b>3,489,341</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	11,495	14,536
Asset retirement obligations	250,538	251,647
Deferred tax liabilities	430,635	435,804
Other	9,847	5,712
<b>Total non-current liabilities</b>	<b>702,516</b>	<b>707,701</b>
<b>Total liabilities</b>	<b>4,374,787</b>	<b>4,197,043</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,131,733	2,131,733
Capital surplus	771,471	532,933
Retained earnings	6,475,454	7,448,995
Treasury shares	(939,040)	(798,125)
<b>Total shareholders' equity</b>	<b>8,439,619</b>	<b>9,315,536</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	385,765	349,041
Remeasurements of defined benefit plans	158,875	174,600
<b>Total accumulated other comprehensive income</b>	<b>544,640</b>	<b>523,642</b>
Share acquisition rights	315,722	390,626
<b>Total net assets</b>	<b>9,299,982</b>	<b>10,229,804</b>
<b>Total liabilities and net assets</b>	<b>13,674,769</b>	<b>14,426,848</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Net sales	15,862,054	15,933,022
Cost of sales	11,157,956	11,095,417
Gross profit	4,704,098	4,837,605
Selling, general and administrative expenses	3,370,004	3,254,784
Operating profit	1,334,093	1,582,821
Non-operating income		
Interest income	17	20
Dividend income	34,440	40,913
Insurance claim and dividend income	8,879	12,063
Gain on sale of securities	4,675	10,767
Penalty income	27,000	–
Other	16,144	18,408
Total non-operating income	91,157	82,173
Non-operating expenses		
Interest expenses	5,764	5,114
Guarantee commission	1,479	2,335
Corrective Construction Expenses	21,843	–
Delinquency charges	14,058	3,227
Other	2,081	11
Total non-operating expenses	45,227	10,689
Ordinary profit	1,380,023	1,654,304
Extraordinary income		
Gain on sale of non-current assets	240	–
Total extraordinary income	240	–
Extraordinary losses		
Loss on sale of non-current assets	–	1,405
Loss on retirement of non-current assets	14,834	1,006
Loss on valuation of investment securities	2,910	–
Loss on valuation of golf club membership	–	10,960
Expenses related to the 100th anniversary of foundation	–	46,454
Other	1,449	–
Total extraordinary losses	19,193	59,827
Profit before income taxes	1,361,070	1,594,477
Income taxes - current	566,022	577,463
Income taxes - deferred	(57,425)	(68,498)
Total income taxes	508,596	508,964
Profit	852,473	1,085,512
Profit attributable to owners of parent	852,473	1,085,512

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Profit	852,473	1,085,512
Other comprehensive income		
Valuation difference on available-for-sale securities	84,385	(36,724)
Remeasurements of defined benefit plans, net of tax	404,200	15,725
Total other comprehensive income	488,585	(20,998)
Comprehensive income	1,341,059	1,064,514
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,341,059	1,064,514
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended May 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,131,733	905,821	5,853,075	(891,233)	7,999,396
Cumulative effects of changes in accounting policies					
Restated balance	2,131,733	905,821	5,853,075	(891,233)	7,999,396
Changes during period					
Dividends of surplus			(230,093)		(230,093)
Profit attributable to owners of parent			852,473		852,473
Purchase of treasury shares				(190,376)	(190,376)
Disposal of treasury shares		407		7,812	8,220
Cancellation of treasury shares		(134,757)		134,757	–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity					
Total changes during period	–	(134,349)	622,379	(47,807)	440,222
Balance at end of period	2,131,733	771,471	6,475,454	(939,040)	8,439,619

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	301,380	(245,325)	56,054	230,615	8,286,066
Cumulative effects of changes in accounting policies					–
Restated balance	301,380	(245,325)	56,054	230,615	8,286,066
Changes during period					
Dividends of surplus					(230,093)
Profit attributable to owners of parent					852,473
Purchase of treasury shares					(190,376)
Disposal of treasury shares					8,220
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity	84,385	404,200	488,585	85,107	573,692
Total changes during period	84,385	404,200	488,585	85,107	1,013,915
Balance at end of period	385,765	158,875	544,640	315,722	9,299,982

Fiscal year ended May 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,131,733	771,471	6,475,454	(939,040)	8,439,619
Cumulative effects of changes in accounting policies			191,319		191,319
Restated balance	2,131,733	771,471	6,666,774	(939,040)	8,630,939
Changes during period					
Dividends of surplus			(259,941)		(259,941)
Profit attributable to owners of parent			1,085,512		1,085,512
Purchase of treasury shares				(162,224)	(162,224)
Disposal of treasury shares		1,698		19,551	21,250
Cancellation of treasury shares		(283,587)		283,587	–
Transfer from retained earnings to capital surplus		43,350	(43,350)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(238,538)	782,220	140,914	684,597
Balance at end of period	2,131,733	532,933	7,448,995	(798,125)	9,315,536

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	385,765	158,875	544,640	315,722	9,299,982
Cumulative effects of changes in accounting policies					191,319
Restated balance	385,765	158,875	544,640	315,722	9,491,302
Changes during period					
Dividends of surplus					(259,941)
Profit attributable to owners of parent					1,085,512
Purchase of treasury shares					(162,224)
Disposal of treasury shares					21,250
Cancellation of treasury shares					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity	(36,724)	15,725	(20,998)	74,904	53,905
Total changes during period	(36,724)	15,725	(20,998)	74,904	738,502
Balance at end of period	349,041	174,600	523,642	390,626	10,229,804



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,361,070	1,594,477
Depreciation	266,916	256,083
Loss on retirement of non-current assets	14,834	1,006
Loss (gain) on sale of non-current assets	(240)	1,405
Loss on valuation of golf club membership	–	10,960
Expenses related to the 100th anniversary of foundation	–	46,454
Share-based payment expenses	93,312	96,119
Increase (decrease) in provision for loss on orders received	(35,340)	30
Increase (decrease) in allowance for doubtful accounts	112,027	(513)
Increase (decrease) in retirement benefit liability	(334,147)	(319,315)
Increase (decrease) in provision for bonuses	311,570	108,944
Increase (decrease) in provision for shareholder benefit program	(6,076)	1,393
Interest and dividend income	(34,458)	(58,941)
Interest expenses	5,764	5,114
Loss (gain) on sale of securities	(4,675)	(10,767)
Loss (gain) on valuation of investment securities	2,910	–
Decrease (increase) in trade receivables	(106,948)	(937,083)
Increase (decrease) in advances received on service contracts in progress	(394,270)	222,982
Decrease (increase) in inventories	1,122,207	(202,946)
Increase (decrease) in trade payables	(75,084)	157,453
Increase (decrease) in accrued consumption taxes	164,871	(659,136)
Other, net	(251,655)	(2,491)
Subtotal	2,212,586	311,231
Interest and dividends received	34,686	57,446
Interest paid	(5,714)	(5,063)
Income taxes paid	(247,390)	(709,505)
Net cash provided by (used in) operating activities	1,994,168	(345,891)
Cash flows from investing activities		
Purchase of property, plant and equipment	(765,144)	(129,974)
Proceeds from sale of property, plant and equipment	–	1,915
Purchase of intangible assets	(30,068)	(29,057)
Purchase of investment securities	(23,381)	(14,168)
Proceeds from sale of securities	18,838	27,223
Payments of leasehold deposits	(12,865)	(1,959)
Proceeds from refund of leasehold deposits	–	1,764
Other, net	(34,923)	(34,634)
Net cash provided by (used in) investing activities	(847,544)	(178,891)
Cash flows from financing activities		
Repayments of long-term borrowings	(60,000)	(60,000)
Proceeds from disposal of treasury shares	15	35
Purchase of treasury shares	(190,376)	(200,523)
Dividends paid	(230,780)	(260,935)
Net cash provided by (used in) financing activities	(481,142)	(521,424)
Net increase (decrease) in cash and cash equivalents	665,481	(1,046,207)
Cash and cash equivalents at beginning of period	2,336,557	3,002,039
Cash and cash equivalents at end of period	3,002,039	1,955,831