

Consolidated Financial Results for the Fiscal Year Ended June 30, 2022 [Japanese GAAP]



August 9, 2022

Company name: OLBA HEALTHCARE HOLDINGS, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2689
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 Scheduled date of general meeting of shareholders: September 21, 2022
 Scheduled date of commencing dividend payments: September 22, 2022
 Scheduled date of filing securities report: September 22, 2022
 Availability of supplementary briefing material on financial results: Unavailable
 Schedule of financial results briefing session: Scheduled (for securities analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2022 (July 1, 2021 to June 30, 2022)

(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	%
Fiscal year ended June 30, 2022	107,959	5.8	2,073	34.6	2,119	37.4	1,535	55.2
June 30, 2021	102,072	–	1,540	66.2	1,542	70.3	989	203.1

(Note) Comprehensive income: Fiscal year ended June 30, 2022: ¥1,432 million [26.9 %]

Fiscal year ended June 30, 2021: ¥1,128 million [314.1 %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2022	252.80	–	17.8	5.5	1.9
June 30, 2021	162.66	–	12.8	4.4	1.5

(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 fiscal year ended June 30, 2021 are, therefore, not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2022	39,968	9,093	22.8	1,513.91
As of June 30, 2021	36,562	8,131	22.2	1,336.91

(Reference) Equity: As of June 30, 2022: ¥9,093 million

As of June 30, 2021: ¥8,131 million

(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
	Million yen	Million yen	Million yen	Million yen
As of June 30, 2022	2,420	(211)	(1,169)	3,149
As of June 30, 2021	3,126	(630)	(2,262)	2,110

2 Dividends

	Annual dividends					Total annual dividends	Payout ratio	Ratio of dividends to shareholders' equity
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended June 30, 2021	–	0.00	–	50.00	50.00	309	30.7	3.9
Fiscal year ended June 30, 2022	–	0.00	–	60.00	60.00	367	23.7	4.2
Fiscal year ending June 30, 2023 (Forecast)	–	0.00	–	60.00	60.00		–	

3 Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)

(% 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	53,980	1.8	753	(4.2)	753	(6.2)	486	(8.7)	80.01
Full year	109,479	1.4	2,000	(3.5)	1,998	(5.7)	1,309	(14.7)	215.27

Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Newly consolidated: One (1) (Company Name: Kawanishi BarcMed Co.,Ltd);

Removed from consolidation: None (Company Name: –)

(2) 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

(3) Total number of issued shares (common stock)

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

June 30, 2022: 6,250,000 shares

June 30, 2021: 6,250,000 shares

2) Total number of treasury stock at the end of the period:

June 30, 2022: 243,515 shares

June 30, 2021: 167,676 shares

3) Average number of shares during the period:

Fiscal year ended June 30, 2022: 6,073,244 shares

Fiscal year ended June 30, 2021: 6,082,368 shares

As of the end of the consolidated fiscal year ended June 30, 2022, 112,400 shares of the Company's stock held by the Board Benefit Trust were included in treasury stock.

(Reference) Summary of non-consolidated financial results

Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2022 (July 1, 2021 to June 30, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2022	2,183	30.7	1,022	111.1	1,019	113.9	998	159.9
June 30, 2021	1,670	6.2	484	4.0	476	99.7	384	—

Fiscal year ended	Basic earnings per share	Diluted earnings
	Yen	Yen
June 30, 2022	164.46	—
June 30, 2021	63.17	—

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2022	8,937	4,658	52.1	775.62
June 30, 2021	7,838	4,099	52.3	673.94

(Reference) Equity: As of June 30, 2022: ¥4,658 million

As of June 30, 2021: ¥4,099 million

* These financial results are outside the scope of audit 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 were prepared based on information that is available as of the date of publication of this document. Actual results may differ from these forecast figures due to various factors in the future.

2. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of June 30, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,158,875	3,189,805
Notes and accounts receivable - trade	18,719,596	-
Notes and accounts receivable - trade, and contract assets	-	21,023,400
Electronically recorded monetary claims - operating	2,247,595	2,558,742
Merchandise	5,431,149	5,590,095
Other	557,800	556,063
Allowance for doubtful accounts	(10,025)	(9,898)
Total current assets	29,104,992	32,908,208
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,859,835	2,928,309
Accumulated depreciation	(1,478,164)	(1,328,837)
Buildings and structures, net	1,381,670	1,599,471
Machinery, equipment and vehicles	108,483	108,483
Accumulated depreciation	(69,631)	(74,215)
Machinery, equipment and vehicles, net	38,852	34,267
Tools, furniture and fixtures	1,169,110	1,177,227
Accumulated depreciation	(1,009,674)	(990,794)
Tools, furniture and fixtures, net	159,436	186,432
Land	1,726,505	1,554,139
Leased assets	1,476,291	1,492,686
Accumulated depreciation	(400,975)	(562,943)
Leased assets, net	1,075,315	929,743
Construction in progress	271,800	379
Total property, plant and equipment	4,653,580	4,304,433
Intangible assets		
Goodwill	-	22,997
Other	698,501	791,977
Total intangible assets	698,501	814,974
Investments and other assets		
Investment securities	237,608	223,803
Retirement benefit asset	1,089,390	992,218
Deferred tax assets	294,734	342,456
Other	842,383	386,388
Allowance for doubtful accounts	(359,124)	(3,812)
Total investments and other assets	2,104,991	1,941,055
Total non-current assets	7,457,073	7,060,464
Total assets	36,562,066	39,968,672

(Thousand yen)

	As of June 30, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,304,571	18,170,804
Electronically recorded obligations - operating	6,824,412	7,856,732
Short-term borrowings	300,000	-
Current portion of long-term borrowings	220,000	220,000
Lease liabilities	169,290	154,154
Income taxes payable	524,874	602,342
Provision for bonuses	35,290	35,391
Other	1,740,260	1,826,681
Total current liabilities	26,118,699	28,866,106
Non-current liabilities		
Long-term borrowings	275,000	55,000
Lease liabilities	996,155	855,227
Deferred tax liabilities	187,507	113,725
Provision for share awards for directors (and other officers)	155,222	212,628
Retirement benefit liability	398,652	435,912
Long-term accounts payable - other	279,927	278,127
Other	19,377	58,637
Total non-current liabilities	2,311,843	2,009,258
Total liabilities	28,430,543	30,875,365
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	346,954	315,704
Retained earnings	7,143,982	8,369,369
Treasury shares	(246,635)	(375,903)
Total shareholders' equity	7,852,050	8,916,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,964	121,157
Remeasurements of defined benefit plans	144,507	55,229
Total accumulated other comprehensive income	279,472	176,387
Non-controlling interests	-	-
Total net assets	8,131,522	9,093,306
Total liabilities and net assets	36,562,066	39,968,672

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousand yen)

	For the year ended June 30, 2021	For the year ended June 30, 2022
Net sales	102,072,033	107,959,426
Cost of sales	90,472,626	95,455,447
Gross profit	11,599,407	12,503,978
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	389,208	388,386
Salaries and allowances	4,571,975	4,659,355
Bonuses	1,098,991	1,221,101
Retirement benefit expenses	223,554	199,303
Provision for share awards for directors (and other officers)	61,316	65,168
Provision of allowance for doubtful accounts	(1,968)	604
Other	3,715,567	3,896,913
Total selling, general and administrative expenses	10,058,645	10,430,832
Operating profit	1,540,761	2,073,146
Non-operating income		
Interest income	401	315
Dividend income	1,869	1,882
Insurance claim income	2,083	8,306
Electricity sale income	10,159	9,400
Commission income	29,394	21,070
Share of profit of entities accounted for using equity method	-	26,776
Other	14,937	11,986
Total non-operating income	58,844	79,737
Non-operating expenses		
Interest expenses	22,097	20,519
Share of loss of entities accounted for using equity method	18,319	-
Electricity sale expenses	6,149	5,631
Consumption tax loss	5,825	-
Other	4,889	6,888
Total non-operating expenses	57,281	33,039
Ordinary profit	1,542,325	2,119,844

(Thousand yen)

	For the year ended June 30, 2021	For the year ended June 30, 2022
Extraordinary income		
Gain on sale of property, plant and equipment	1,419	29,930
Subsidy income	-	102,465
Gain on step acquisitions	-	13,798
Total extraordinary income	1,419	146,195
Extraordinary losses		
Loss on valuation of investment securities	28,440	1,265
Loss on sale of property, plant and equipment	-	2,915
Loss on retirement of property, plant and equipment	824	3,802
Loss on retirement of intangible	1,076	-
Impairment losses	-	18,770
Loss on tax purpose reduction entry of non-current assets	-	102,465
Total extraordinary losses	30,341	129,218
Profit before income taxes	1,513,403	2,136,821
Income taxes - current	627,610	667,077
Income taxes - deferred	(103,575)	(65,589)
Total income taxes	524,035	601,487
Profit	989,368	1,535,333
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	989,368	1,535,333

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the year ended June 30, 2021	For the year ended June 30, 2022
Profit	989,368	1,535,333
Other comprehensive income		
Valuation difference on available-for-sale securities	14,044	(13,807)
Remeasurements of defined benefit plans, net of tax	125,500	(89,278)
Total other comprehensive income	139,544	(103,085)
Comprehensive income	1,128,913	1,432,248
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,128,913	1,432,248
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Changes in Equity
Year ended June 30, 2021 (from July 1, 2020 to June 30, 2021)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	607,750	346,954	6,433,568	(246,526)	7,141,746
Changes during period					
Dividends of surplus			(278,954)		(278,954)
Profit attributable to owners of parent			989,368		989,368
Purchase of treasury shares				(109)	(109)
Purchase of shares of consolidated subsidiaries					-
Disposal of Treasury stock by ownership plan trust					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	710,413	(109)	710,303
Balance at end of period	607,750	346,954	7,143,982	(246,635)	7,852,050

	Accumulated other comprehensive income			Non-controlling interests	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	120,919	19,007	139,927	-	7,281,674
Changes during period					
Dividends of surplus					(278,954)
Profit attributable to owners of parent					989,368
Purchase of treasury shares					(109)
Purchase of shares of consolidated subsidiaries					-
Disposal of Treasury stock by ownership plan trust					-
Net changes in items other than shareholders' equity	14,044	125,500	139,544	-	139,544
Total changes during period	14,044	125,500	139,544	-	849,848
Balance at end of period	134,964	144,507	279,472	-	8,131,522

Year ended June 30, 2022 (from July 1, 2021 to June 30, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	607,750	346,954	7,143,982	(246,635)	7,852,050
Changes during period					
Dividends of surplus			(309,946)		(309,946)
Profit attributable to owners of parent			1,535,333		1,535,333
Purchase of treasury shares				(135,748)	(135,748)
Purchase of shares of consolidated subsidiaries		(31,250)			(31,250)
Disposal of Treasury stock by ownership plan trust				6,480	6,480
Net changes in items other than shareholders' equity					
Total changes during period	-	(31,250)	1,225,387	(129,268)	1,064,869
Balance at end of period	607,750	315,704	8,369,369	(375,903)	8,916,919

	Accumulated other comprehensive income			Non-controlling interests	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	134,964	144,507	279,472	-	8,131,522
Changes during period					
Dividends of surplus					(309,946)
Profit attributable to owners of parent					1,535,333
Purchase of treasury shares					(135,748)
Purchase of shares of consolidated subsidiaries					(31,250)
Disposal of Treasury stock by ownership plan trust					6,480
Net changes in items other than shareholders' equity	(13,807)	(89,278)	(103,085)	-	(103,085)
Total changes during period	(13,807)	(89,278)	(103,085)	-	961,783
Balance at end of period	121,157	55,229	176,387	-	9,093,306

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the year ended June 30, 2021	For the year ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	1,513,403	2,136,821
Depreciation	402,083	403,448
Impairment losses	-	18,770
Loss on tax purpose reduction entry of non-current assets	-	102,465
Increase (decrease) in allowance for doubtful accounts	(2,206)	(1,608)
Increase (decrease) in provision for bonuses	(1,255)	100
Decrease (increase) in retirement benefit asset	(4,053)	(31,518)
Increase (decrease) in retirement benefit liability	21,859	37,259
Increase (decrease) in provision for share awards for directors (and other officers)	54,823	57,405
Loss (gain) on step acquisitions	-	(13,798)
Interest and dividend income	(2,270)	(2,197)
Subsidy income	-	(102,465)
Interest expenses	22,097	20,519
Loss (gain) on valuation of investment securities	28,440	1,265
Share of loss (profit) of entities accounted for using equity method	18,319	(26,776)
Gain on sales of property, plant and equipment	(1,419)	(29,930)
Loss on sale of tangible fixed assets	-	2,915
Loss on retirement of property, plant and equipment	824	3,802
Loss on retirement of intangible assets	1,076	-
Decrease (increase) in trade receivables	(1,921,289)	(2,595,434)
Decrease (increase) in inventories	(13,219)	(158,945)
Increase (decrease) in trade payables	3,193,235	2,886,489
Increase (decrease) in long-term accounts payable - other	(30,016)	(1,800)
Other, net	297,668	325,394
Subtotal	3,578,100	3,032,181
Interest and dividends received	2,278	2,217
Interest paid	(21,296)	(20,200)
Subsidies received	-	102,465
Income taxes paid	(455,184)	(725,441)
Income taxes refund	22,410	29,420
Net cash provided by (used in) operating activities	3,126,307	2,420,642
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	500	8,000
Purchase of property, plant and equipment	(379,230)	(298,348)
Proceeds from sale of property, plant and equipment	2,118	227,789
Purchase of intangible assets	(253,769)	(155,008)
Purchase of investment securities	-	(30,000)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	35,750
Other, net	1	10
Net cash provided by (used in) investing activities	(630,379)	(211,806)

(Thousand yen)

	For the year ended June 30, 2021	For the year ended June 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,500,000)	(300,000)
Repayments of long-term borrowings	(320,000)	(220,000)
Repayments of lease liabilities	(169,190)	(174,098)
Proceeds from sale and leaseback transactions	5,984	1,738
Purchase of treasury shares	(109)	(135,748)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(31,250)
Dividends paid	(278,680)	(310,547)
Other, net	(544)	-
Net cash provided by (used in) financing activities	(2,262,540)	(1,169,906)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	233,387	1,038,929
Cash and cash equivalents at beginning of period	1,877,288	2,110,675
Cash and cash equivalents at end of period	2,110,675	3,149,605