

Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 [Japanese GAAP]



August 9, 2023

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 28, 2023
 Scheduled date of commencing dividend payments: September 29, 2023
 Scheduled date of filing securities report: September 29, 2023
 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, 2023 (July 1, 2022 to June 30, 2023)

(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, 2023	110,472	2.3	2,151	3.8	2,158	1.8	1,414	(7.9)
June 30, 2022	107,959	5.8	2,073	34.6	2,119	37.4	1,535	55.2

(Note) Comprehensive income: Fiscal year ended June 30, 2023: ¥1,561 million [9.0%]

Fiscal year ended June 30, 2022: ¥1,432 million [26.9%]

	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, 2023	234.90	—	14.6	5.3	1.9
June 30, 2022	252.80	—	17.8	5.5	1.9

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	40,878	10,327	25.3	1,712.19
As of June 30, 2022	39,968	9,093	22.8	1,513.91

(Reference) Equity: As of June 30, 2023: ¥10,327 million

As of June 30, 2022: ¥9,093 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, 2023	(659)	(306)	175	2,359
As of June 30, 2022	2,420	(211)	(1,169)	3,149

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, 2022	–	0.00	–	60.00	60.00	367	23.7	4.2
Fiscal year ended June 30, 2023	–	0.00	–	70.00	70.00	436	29.8	4.3
Fiscal year ending June 30, 2024 (Forecast)	–	0.00	–	70.00	70.00		–	

3 Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(% 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	57,757	7.5	752	(11.8)	758	(11.8)	486	(11.1)	80.73
Full year	118,386	7.2	2,200	2.3	2,209	2.4	1,451	2.7	240.69

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) 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, 2023: 6,250,000 shares

June 30, 2022: 6,250,000 shares

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

June 30, 2023: 218,150 shares

June 30, 2022: 243,515 shares

3) Average number of shares during the period:

Fiscal year ended June 30, 2023: 6,020,520 shares

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

As of June 30, 2023, 197,000 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, 2023 (July 1, 2022 to June 30, 2023)

(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, 2023	1,917	(12.2)	630	(38.3)	631	(38.1)	549	(45.0)
June 30, 2022	2,183	30.7	1,022	111.1	1,019	113.9	998	159.9

Fiscal year ended	Basic earnings per share	Diluted earnings
	Yen	Yen
June 30, 2023	91.25	—
June 30, 2022	164.46	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	8,127	4,880	60.1	809.18
As of June 30, 2022	8,937	4,658	52.1	775.62

(Reference) Equity: As of June 30, 2023: ¥4,880 million

As of June 30, 2022: ¥4,658 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, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,189,805	2,399,977
Notes and accounts receivable - trade, and contract assets	21,023,400	21,761,217
Electronically recorded monetary claims - operating	2,558,742	2,758,678
Merchandise	5,590,095	6,160,897
Other	556,063	671,080
Allowance for doubtful accounts	(9,898)	(11,119)
Total current assets	32,908,208	33,740,731
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,928,309	2,971,656
Accumulated depreciation	(1,328,837)	(1,417,333)
Buildings and structures, net	1,599,471	1,554,323
Machinery, equipment and vehicles	108,483	108,483
Accumulated depreciation	(74,215)	(78,259)
Machinery, equipment and vehicles, net	34,267	30,223
Tools, furniture and fixtures	1,177,227	1,298,675
Accumulated depreciation	(990,794)	(1,081,873)
Tools, furniture and fixtures, net	186,432	216,802
Land	1,554,139	1,554,139
Leased assets	1,492,686	1,502,808
Accumulated depreciation	(562,943)	(610,170)
Leased assets, net	929,743	892,638
Construction in progress	379	—
Total property, plant and equipment	4,304,433	4,248,127
Intangible assets		
Goodwill	22,997	15,331
Other	791,977	689,361
Total intangible assets	814,974	704,693
Investments and other assets		
Investment securities	223,803	285,227
Retirement benefit asset	992,218	1,198,360
Deferred tax assets	342,456	297,923
Other	386,388	422,079
Allowance for doubtful accounts	(3,812)	(18,960)
Total investments and other assets	1,941,055	2,184,629
Total non-current assets	7,060,464	7,137,450
Total assets	39,968,672	40,878,181

(Thousand yen)

	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,170,804	17,898,649
Electronically recorded obligations - operating	7,856,732	7,473,337
Short-term borrowings	—	900,000
Current portion of long-term borrowings	220,000	55,000
Lease liabilities	154,154	143,263
Income taxes payable	602,342	572,516
Provision for bonuses	35,391	36,594
Other	1,826,681	1,513,452
Total current liabilities	28,866,106	28,592,812
Non-current liabilities		
Long-term borrowings	55,000	—
Long-term accounts payable - other	278,127	175,077
Lease liabilities	855,227	822,904
Deferred tax liabilities	113,725	228,481
Provision for share awards for directors (and other officers)	212,628	228,142
Retirement benefit liability	435,912	444,149
Other	58,637	58,969
Total non-current liabilities	2,009,258	1,957,725
Total liabilities	30,875,365	30,550,538
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	315,704	321,534
Retained earnings	8,369,369	9,416,474
Treasury shares	(375,903)	(342,042)
Total shareholders' equity	8,916,919	10,003,715
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,157	137,135
Remeasurements of defined benefit plans	55,229	186,792
Total accumulated other comprehensive income	176,387	323,927
Non-controlling interests	—	—
Total net assets	9,093,306	10,327,643
Total liabilities and net assets	39,968,672	40,878,181

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

	(Thousand yen)	
	For the year ended June 30, 2022	For the year ended June 30, 2023
Net sales	107,959,426	110,472,640
Cost of sales	95,455,447	97,518,100
Gross profit	12,503,978	12,954,540
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	388,386	366,370
Salaries and allowances	4,659,355	4,804,605
Bonuses	1,221,101	1,116,457
Retirement benefit expenses	199,303	245,061
Provision for share awards for directors (and other officers)	65,168	53,561
Provision of allowance for doubtful accounts	604	9,232
Other	3,896,913	4,208,070
Total selling, general and administrative expenses	10,430,832	10,803,358
Operating profit	2,073,146	2,151,181
Non-operating income		
Interest income	315	463
Dividend income	1,882	2,170
Insurance claim income	8,306	8,214
Commission income	21,070	1,491
Electricity sale income	9,400	10,190
Subsidy income	3,956	9,231
Share of profit of entities accounted for using equity method	26,776	—
Other	8,029	9,425
Total non-operating income	79,737	41,186
Non-operating expenses		
Interest expenses	20,519	17,845
Provision of allowance for doubtful accounts	—	7,142
Electricity sale expenses	5,631	4,907
Other	6,888	4,432
Total non-operating expenses	33,039	34,326
Ordinary profit	2,119,844	2,158,041

(Thousand yen)

	For the year ended June 30, 2022	For the year ended June 30, 2023
Extraordinary income		
Gain on sale of property, plant and equipment	29,930	1,752
Subsidy income	102,465	—
Gain on step acquisitions	13,798	—
Total extraordinary income	146,195	1,752
Extraordinary losses		
Loss on valuation of investment securities	1,265	294
Loss on sale of property, plant and equipment	2,915	—
Loss on retirement of property, plant and equipment	3,802	335
Loss on retirement of intangible	—	2,621
Impairment losses	18,770	—
Loss on tax purpose reduction entry of non-current assets	102,465	—
Total extraordinary losses	129,218	3,251
Profit before income taxes	2,136,821	2,156,542
Income taxes - current	667,077	649,766
Income taxes - deferred	(65,589)	92,537
Total income taxes	601,487	742,304
Profit	1,535,333	1,414,238
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,535,333	1,414,238

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the year ended June 30, 2022	For the year ended June 30, 2023
Profit	1,535,333	1,414,238
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,807)	15,978
Remeasurements of defined benefit plans, net of tax	(89,278)	131,562
Total other comprehensive income	(103,085)	147,540
Comprehensive income	1,432,248	1,561,779
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,432,248	1,561,779
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity
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

Year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	607,750	315,704	8,369,369	(375,903)	8,916,919
Changes during period					
Dividends of surplus			(367,133)		(367,133)
Profit attributable to owners of parent			1,414,238		1,414,238
Purchase of treasury shares				(175,728)	(175,728)
Disposal of treasury shares		5,830		169,840	175,670
Disposal of treasury stock by ownership plan trust				39,749	39,749
Net changes in items other than shareholders' equity					
Total changes during period	—	5,830	1,047,105	33,860	1,086,796
Balance at end of period	607,750	321,534	9,416,474	(342,042)	10,003,715

	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	121,157	55,229	176,387	—	9,093,306
Changes during period					
Dividends of surplus					(367,133)
Profit attributable to owners of parent					1,414,238
Purchase of treasury shares					(175,728)
Disposal of treasury shares					175,670
Disposal of treasury stock by ownership plan trust					39,749
Net changes in items other than shareholders' equity	15,978	131,562	147,540	—	147,540
Total changes during period	15,978	131,562	147,540	—	1,234,336
Balance at end of period	137,135	186,792	323,927	—	10,327,643

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the year ended June 30, 2022	For the year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,136,821	2,156,542
Depreciation	403,448	502,452
Amortization of goodwill	—	7,665
Impairment losses	18,770	—
Loss on tax purpose reduction entry of non-current assets	102,465	—
Increase (decrease) in allowance for doubtful accounts	(1,608)	16,369
Increase (decrease) in provision for bonuses	100	1,202
Decrease (increase) in retirement benefit asset	(31,518)	(14,838)
Increase (decrease) in retirement benefit liability	37,259	8,237
Increase (decrease) in provision for share awards for directors (and other officers)	57,405	15,514
Loss (gain) on step acquisitions	(13,798)	—
Interest and dividend income	(2,197)	(2,633)
Subsidy income	(102,465)	—
Interest expenses	20,519	17,845
Loss (gain) on valuation of investment securities	1,265	294
Share of loss (profit) of entities accounted for using equity method	(26,776)	—
Gain on sales of property, plant and equipment	(29,930)	(1,752)
Loss on sale of tangible fixed assets	2,915	—
Loss on retirement of property, plant and equipment	3,802	335
Loss on retirement of intangible assets	—	2,621
Decrease (increase) in trade receivables	(2,595,434)	(937,753)
Decrease (increase) in inventories	(158,945)	(570,802)
Increase (decrease) in trade payables	2,886,489	(655,549)
Increase (decrease) in long-term accounts payable - other	(1,800)	(103,050)
Other, net	325,394	(496,996)
Subtotal	3,032,181	(54,296)
Interest and dividends received	2,217	2,510
Interest paid	(20,200)	(17,861)
Subsidies received	102,465	—
Income taxes paid	(725,441)	(727,496)
Income taxes refund	29,420	137,624
Net cash provided by (used in) operating activities	2,420,642	(659,519)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	8,000	—
Purchase of property, plant and equipment	(298,348)	(161,139)
Proceeds from sale of property, plant and equipment	227,789	5,522
Purchase of intangible assets	(155,008)	(89,863)
Purchase of investment securities	(30,000)	(37,065)
Loan advances to subsidiaries and associates	—	(19,800)
Purchase of shares of subsidiaries and associates	—	(3,900)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	35,750	—
Other, net	10	—
Net cash provided by (used in) investing activities	(211,806)	(306,247)

(Thousand yen)

	For the year ended June 30, 2022	For the year ended June 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(300,000)	900,000
Repayments of long-term borrowings	(220,000)	(220,000)
Repayments of lease liabilities	(174,098)	(163,492)
Proceeds from sale and leaseback transactions	1,738	—
Purchase of treasury shares	(135,748)	(175,728)
Proceeds from disposal of treasury shares	—	202,357
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(31,250)	—
Dividends paid	(310,547)	(367,198)
Net cash provided by (used in) financing activities	(1,169,906)	175,938
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	1,038,929	(789,827)
Cash and cash equivalents at beginning of period	2,110,675	3,149,605
Cash and cash equivalents at end of period	3,149,605	2,359,777