

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2023 (Based on Japanese GAAP)

January 12, 2024

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: Managing Executive Officer Hirofumi Katayama TEL 03-5931-5888
 Scheduled date to file Quarterly Securities Report: January 12, 2024
 Scheduled date to commence dividend payments: February 2, 2024
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2023 (from June 1, 2023 to November 30, 2023)

(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, 2023	7,089	15.1	564	31.9	598	26.4	387	32.8
Six months ended November 30, 2022	6,161	(1.4)	428	59.4	473	56.9	291	89.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended November 30, 2023	24.24		23.69	
Six months ended November 30, 2022	18.12		17.73	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	16,103	11,253	67.3
As of May 31, 2023	16,117	10,930	65.4

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, 2023	–	11.00	–	13.00	24.00
Year ending May 31, 2024	–	17.00			
Year ending May 31, 2024 (Forecast)			–	17.00	34.00

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 31, 2024)

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	17,000	8.6	1,800	5.0	1,850	3.5	1,150	6.9	71.75

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2023
(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: No
- 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, 2023	17,250,000 shares	As of May 31, 2023	17,250,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	1,232,412 shares	As of May 31, 2023	1,222,012 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, 2023	15,994,739 shares	Six months ended November 30, 2022	16,107,430 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	4,205,305	1,395,826
Notes and accounts receivable - trade, and contract assets	4,802,853	7,071,512
Costs on service contracts in progress	503,299	475,969
Real estate for sale	5,634	5,634
Other	170,458	387,115
Allowance for doubtful accounts	(44,824)	(44,974)
Total current assets	9,642,727	9,291,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,229,006	1,229,006
Accumulated depreciation	(247,836)	(279,468)
Buildings and structures, net	981,170	949,538
Machinery, equipment and vehicles	771,446	758,063
Accumulated depreciation	(542,307)	(544,397)
Machinery, equipment and vehicles, net	229,139	213,666
Land	1,961,889	1,961,889
Other	819,911	802,184
Accumulated depreciation	(680,461)	(683,016)
Other, net	139,450	119,167
Construction in progress	–	1,785
Total property, plant and equipment	3,311,649	3,246,046
Intangible assets		
Software	79,775	69,040
Other	1,885	1,824
Total intangible assets	81,660	70,864
Investments and other assets		
Investment securities	1,208,021	1,440,886
Retirement benefit asset	1,373,352	1,549,231
Deferred tax assets	9,472	12,006
Other	490,379	493,385
Total investments and other assets	3,081,226	3,495,510
Total non-current assets	6,474,536	6,812,421
Total assets	16,117,264	16,103,505

(Thousands of yen)

	As of May 31, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,257,393	1,111,514
Short-term borrowings	–	600,000
Income taxes payable	92,537	226,824
Advances received on service contracts in progress	1,428,187	1,511,768
Provision for bonuses	551,675	112,192
Provision for loss on orders received	3,116	574
Provision for shareholder benefit program	19,061	–
Other	919,774	315,656
Total current liabilities	4,271,746	3,878,530
Non-current liabilities		
Retirement benefit liability	33,200	29,436
Asset retirement obligations	280,572	281,226
Deferred tax liabilities	596,556	656,668
Other	4,381	4,381
Total non-current liabilities	914,710	971,712
Total liabilities	5,186,457	4,850,243
Net assets		
Shareholders' equity		
Share capital	2,131,733	2,131,733
Capital surplus	532,933	532,933
Retained earnings	7,940,953	8,113,812
Treasury shares	(746,407)	(771,709)
Total shareholders' equity	9,859,212	10,006,768
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	448,410	612,414
Remeasurements of defined benefit plans	237,583	218,417
Total accumulated other comprehensive income	685,993	830,831
Share acquisition rights	385,600	415,662
Total net assets	10,930,806	11,253,262
Total liabilities and net assets	16,117,264	16,103,505

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, 2022	Six months ended November 30, 2023
Net sales	6,161,055	7,089,879
Cost of sales	4,266,108	4,875,852
Gross profit	1,894,946	2,214,027
Selling, general and administrative expenses	1,466,804	1,649,369
Operating profit	428,141	564,657
Non-operating income		
Interest income	9	16
Dividend income	23,992	22,806
Insurance claim and dividend income	15,840	981
Gain on sale of securities	1,611	–
Other	14,226	11,620
Total non-operating income	55,680	35,424
Non-operating expenses		
Interest expenses	942	378
Guarantee commission	888	930
Restoration expenses on facilities	8,360	–
Other	0	175
Total non-operating expenses	10,191	1,484
Ordinary profit	473,630	598,597
Extraordinary income		
Gain on sale of non-current assets	90	–
Total extraordinary income	90	–
Extraordinary losses		
Loss on retirement of non-current assets	0	1,660
Expenses related to the 100th anniversary of foundation	35,554	19,446
Total extraordinary losses	35,554	21,107
Profit before income taxes	438,166	577,490
Income taxes	146,268	189,855
Profit	291,897	387,635
Profit attributable to owners of parent	291,897	387,635

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Profit	291,897	387,635
Other comprehensive income		
Valuation difference on available-for-sale securities	48,424	164,003
Remeasurements of defined benefit plans, net of tax	6,572	(19,166)
Total other comprehensive income	54,997	144,837
Comprehensive income	346,895	532,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	346,895	532,472
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended November 30, 2022	Six months ended November 30, 2023
Cash flows from operating activities		
Profit before income taxes	438,166	577,490
Depreciation	109,254	97,343
Loss on retirement of non-current assets	0	1,660
Loss (gain) on sale of non-current assets	(90)	–
Expenses related to the 100th anniversary of foundation	35,554	19,446
Share-based payment expenses	82,200	90,400
Increase (decrease) in provision for bonuses	(410,293)	(439,483)
Increase (decrease) in provision for shareholder benefit program	(17,349)	(19,061)
Increase (decrease) in provision for loss on orders received	739	(2,541)
Increase (decrease) in allowance for doubtful accounts	–	150
Increase/Decrease/In/Net/Defined/Benefit/Asset/And/Liability	(156,667)	(207,267)
Interest and dividend income	(24,000)	(22,822)
Interest expenses	942	378
Loss (gain) on sale of securities	(1,611)	–
Decrease (increase) in trade receivables	(1,442,663)	(2,268,658)
Increase (decrease) in advances received on service contracts in progress	(98,963)	83,580
Decrease (increase) in inventories	14,752	30,878
Increase (decrease) in trade payables	(230,794)	(145,878)
Increase (decrease) in accrued consumption taxes	285,238	(648,148)
Other, net	(172,982)	(135,668)
Subtotal	(1,588,568)	(2,988,201)
Interest and dividends received	15,968	14,042
Interest paid	(1,094)	(450)
Income taxes paid	(290,237)	(61,913)
Net cash provided by (used in) operating activities	(1,863,930)	(3,036,522)
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,362)	(99,807)
Proceeds from sale of property, plant and equipment	90	–
Purchase of intangible assets	(550)	(6,430)
Purchase of investment securities	(1,693)	(493)
Proceeds from sale of securities	55,875	–
Payments of leasehold deposits	(7,636)	(19,556)
Proceeds from refund of leasehold deposits	855	749
Other, net	(5,122)	13,385
Net cash provided by (used in) investing activities	17,455	(112,152)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,600,000	600,000
Purchase of treasury shares	(50,101)	(50,239)
Proceeds from disposal of treasury shares	172	102
Dividends paid	(241,695)	(210,666)
Net cash provided by (used in) financing activities	1,308,375	339,196
Net increase (decrease) in cash and cash equivalents	(538,099)	(2,809,478)
Cash and cash equivalents at beginning of period	1,955,831	4,205,305
Cash and cash equivalents at end of period	1,417,732	1,395,826