

Consolidated Financial Results
for the Six Months Ended December 31, 2023
[Japanese GAAP]



January 31, 2024

Company name: OLBA HEALTHCARE HOLDINGS, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 2689
 URL: <https://www.olba.co.jp/>
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 Scheduled date of filing quarterly securities report: February 14, 2024
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Unavailable
 Schedule of quarterly financial results briefing session: Scheduled (for securities analysts)

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

1. Consolidated Financial Results for the Six Months Ended December 31, 2023 (July 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2023	57,466	7.0	746	(12.5)	746	(13.2)	486	(11.2)
December 31, 2022	53,718	1.3	854	8.6	859	7.1	547	2.8

(Note) Comprehensive income: Six months ended December 31, 2023: ¥478 million [(10.0)%]
 Six months ended December 31, 2022: ¥531 million [(0.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2023	81.01	—
December 31, 2022	91.09	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	43,446	10,155	23.4
As of June 30, 2023	40,878	10,327	25.3

(Reference) Equity: As of December 31, 2023: ¥10,155 million
 As of June 30, 2023: ¥10,327 million

2 Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended June 30, 2023	Yen –	Yen 0.00	Yen –	Yen 70.00	Yen 70.00
Fiscal year ending June 30, 2024	–	0.00			
Fiscal year ending June 30, 2024 (Forecast)			–	70.00	70.00

(Note) Revision to the forecast for dividends announced most recently: None

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 profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	118,386	7.2	2,200	2.3	2,209	2.4	1,451	2.7	243.53

(Note) Revision to the financial results forecast announced most recently: None

(Note) Basic earnings per share has been revised due to the acquisition of 120,000 shares of treasury stock on November 1, 2023.

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) None; Removed from consolidation: None (Company Name) None
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common stock)
 - 1) Total number of issued shares at the end of the period (including treasury stock):
December 31, 2023: 6,250,000 shares
June 30, 2023: 6,250,000 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2023: 334,145 shares
June 30, 2023: 218,150 shares
 - 3) Average number of shares during the period:
Six months ended December 31, 2023: 6,000,432 shares
Six months ended December 31, 2022: 6,012,671 shares

As of December 31, 2023, 192,900 shares of the Company's stock held by the Board Benefit Trust were included in treasury stock.

* Quarterly financial results are outside the scope of the quarterly review 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 are based on information that is available as of the date of publication of this document, and contain a wide range of uncertain factors. Actual results may differ significantly from these figures due to factors such as changes in the business environment.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of June 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,399,977	2,921,634
Notes and accounts receivable - trade, and contract assets	21,751,354	22,825,066
Electronically recorded monetary claims - operating	2,757,422	3,310,522
Merchandise	6,160,897	6,590,361
Other	671,080	697,097
Total current assets	33,740,731	36,344,682
Non-current assets		
Property, plant and equipment	4,248,127	4,253,846
Intangible assets		
Goodwill	15,331	12,776
Other	689,361	691,759
Total intangible assets	704,693	704,535
Investments and other assets	2,184,629	2,143,814
Total non-current assets	7,137,450	7,102,197
Total assets	40,878,181	43,446,880
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,898,649	19,284,026
Electronically recorded obligations - operating	7,473,337	7,562,375
Short-term borrowings	955,000	2,700,000
Income taxes payable	572,516	134,854
Provision for bonuses	36,594	38,154
Other	1,656,716	1,565,558
Total current liabilities	28,592,812	31,284,969
Non-current liabilities		
Provision for share awards for directors (and other officers)	228,142	253,461
Retirement benefit liability	444,149	472,044
Long-term accounts payable - other	175,077	148,000
Other	1,110,355	1,133,113
Total non-current liabilities	1,957,725	2,006,618
Total liabilities	30,550,538	33,291,588
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	321,534	321,534
Retained earnings	9,416,474	9,466,521
Treasury shares	(342,042)	(557,173)
Total shareholders' equity	10,003,715	9,838,632
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	137,135	139,744
Remeasurements of defined benefit plans	186,792	176,914
Total accumulated other comprehensive income	323,927	316,659
Non-controlling interests	—	—
Total net assets	10,327,643	10,155,291
Total liabilities and net assets	40,878,181	43,446,880

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Net sales	53,718,093	57,466,305
Cost of sales	47,535,917	51,035,427
Gross profit	6,182,175	6,430,878
Selling, general and administrative expenses	5,328,089	5,683,979
Operating profit	854,086	746,899
Non-operating income		
Interest income	191	1,119
Dividend income	912	1,056
Insurance claim income	376	483
Commission income	2,495	841
Electricity sale income	5,087	5,130
Subsidy income	6,320	2,895
Other	3,042	7,720
Total non-operating income	18,425	19,246
Non-operating expenses		
Interest expenses	9,222	9,798
Electricity sale expenses	2,465	2,287
Other	1,494	7,921
Total non-operating expenses	13,181	20,006
Ordinary profit	859,330	746,138
Extraordinary income		
Gain on sale of property, plant and equipment	85	49
Total extraordinary income	85	49
Extraordinary losses		
Loss on retirement of property, plant and equipment	335	751
Loss on retirement of intangible	2,464	–
Total extraordinary losses	2,799	751
Profit before income taxes	856,616	745,437
Income taxes - current	69,961	108,608
Income taxes - deferred	238,986	150,762
Total income taxes	308,947	259,370
Profit	547,668	486,066
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	547,668	486,066

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Profit	547,668	486,066
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,072)	2,609
Remeasurements of defined benefit plans, net of tax	(4,713)	(9,877)
Total other comprehensive income	(15,785)	(7,268)
Comprehensive income	531,883	478,798
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	531,883	478,798
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended December 31, 2022	For the six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	856,616	745,437
Depreciation	234,310	259,008
Amortization of goodwill	3,832	2,555
Increase (decrease) in allowance for doubtful accounts	5,140	3,097
Decrease (increase) in retirement benefit asset	(7,872)	(15,370)
Increase (decrease) in retirement benefit liability	(4,424)	27,894
Increase (decrease) in provision for share awards for directors (and other officers)	15,854	25,318
Interest and dividend income	(1,103)	(2,175)
Interest expenses	9,222	9,798
Loss (gain) on sale of property, plant and equipment	(85)	(49)
Loss on retirement of property, plant and equipment	335	751
Loss on retirement of intangible assets	2,464	–
Decrease (increase) in trade receivables	(834,333)	(1,629,705)
Decrease (increase) in inventories	(560,192)	(429,463)
Increase (decrease) in trade payables	(281,004)	1,474,415
Increase (decrease) in long-term accounts payable - other	(74,625)	(27,077)
Other, net	(767,496)	(91,218)
Subtotal	(1,403,360)	353,216
Interest and dividends received	1,693	1,936
Interest paid	(10,333)	(10,908)
Income taxes paid	(660,000)	(537,078)
Income taxes refund	137,624	47,277
Net cash provided by (used in) operating activities	(1,934,375)	(145,555)
Cash flows from investing activities		
Purchase of property, plant and equipment	(98,132)	(154,209)
Proceeds from sale of property, plant and equipment	250	50
Purchase of intangible assets	(41,055)	(87,034)
Purchase of investment securities	(4,000)	(5,000)
Loan advances to subsidiaries and associates	–	(100,975)
Net cash provided by (used in) investing activities	(142,937)	(347,169)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100,000	1,800,000
Repayments of long-term borrowings	(110,000)	(55,000)
Purchase of treasury shares	(181,291)	(221,569)
Proceeds from disposal of treasury shares	175,670	1,884
Dividends paid	(367,068)	(435,736)
Repayments of lease liabilities	(83,276)	(75,196)
Net cash provided by (used in) financing activities	1,534,033	1,014,382
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	(543,279)	521,657
Cash and cash equivalents at beginning of period	3,149,605	2,359,777
Cash and cash equivalents at end of period	2,606,325	2,881,434