

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2023 (Based on Japanese GAAP)

April 13, 2023

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 to file Quarterly Securities Report: April 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended February 28, 2023 (from June 1, 2022 to February 28, 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	%
Nine months ended February 28, 2023	9,774	(5.1)	871	(0.2)	933	0.4	298	(47.6)
Nine months ended February 28, 2022	10,294	82.2	873	–	929	–	570	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2023	18.54		17.95	
Nine months ended February 28, 2022	35.17		34.07	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2023	17,107	10,122	56.9
As of May 31, 2022	14,426	10,229	68.2

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, 2022	–	8.00	–	15.00	23.00
Year ending May 31, 2023	–	11.00	–		
Year ending May 31, 2023 (Forecast)				13.00	24.00

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	68.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 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 February 28, 2023	17,250,000 shares	As of May 31, 2022	17,500,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	1,125,147 shares	As of May 31, 2022	1,378,147 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2023	16,122,726 shares	Nine months ended February 28, 2022	16,217,163 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	1,955,831	1,245,217
Notes and accounts receivable - trade, and contract assets	4,833,386	8,119,677
Costs on service contracts in progress	252,424	597,471
Real estate for sale	5,634	5,634
Other	575,523	547,151
Total current assets	7,622,800	10,515,152
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,990,384	2,008,120
Accumulated depreciation	(826,709)	(877,004)
Buildings and structures, net	1,163,675	1,131,116
Machinery, equipment and vehicles	770,888	771,181
Accumulated depreciation	(500,470)	(532,291)
Machinery, equipment and vehicles, net	270,417	238,890
Land	2,659,018	2,246,274
Other	900,370	857,170
Accumulated depreciation	(727,714)	(722,841)
Other, net	172,655	134,328
Total property, plant and equipment	4,265,766	3,750,609
Intangible assets		
Software	111,784	84,879
Other	1,658	1,916
Total intangible assets	113,443	86,795
Investments and other assets		
Investment securities	1,120,223	1,153,726
Retirement benefit asset	945,759	1,172,607
Deferred tax assets	10,771	12,353
Other	386,252	454,252
Allowance for doubtful accounts	(38,168)	(38,168)
Total investments and other assets	2,424,838	2,754,772
Total non-current assets	6,804,047	6,592,176
Total assets	14,426,848	17,107,329

(Thousands of yen)

	As of May 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,026,721	632,835
Short-term borrowings	–	3,900,000
Income taxes payable	330,154	472
Advances received on service contracts in progress	1,116,404	1,244,906
Provision for bonuses	501,080	114,704
Provision for loss on orders received	30	189
Provision for shareholder benefit program	17,349	–
Other	497,601	360,115
Total current liabilities	3,489,341	6,253,224
Non-current liabilities		
Retirement benefit liability	14,536	15,628
Asset retirement obligations	251,647	252,286
Deferred tax liabilities	435,804	458,969
Other	5,712	4,381
Total non-current liabilities	707,701	731,266
Total liabilities	4,197,043	6,984,490
Net assets		
Shareholders' equity		
Share capital	2,131,733	2,131,733
Capital surplus	532,933	532,933
Retained earnings	7,448,995	7,164,454
Treasury shares	(798,125)	(671,522)
Total shareholders' equity	9,315,536	9,157,598
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	349,041	418,768
Remeasurements of defined benefit plans	174,600	160,871
Total accumulated other comprehensive income	523,642	579,640
Share acquisition rights	390,626	385,600
Total net assets	10,229,804	10,122,839
Total liabilities and net assets	14,426,848	17,107,329

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Net sales	10,294,697	9,774,055
Cost of sales	7,298,798	6,714,847
Gross profit	2,995,899	3,059,208
Selling, general and administrative expenses	2,122,625	2,187,424
Operating profit	873,273	871,784
Non-operating income		
Interest income	18	14
Dividend income	32,486	35,919
Insurance claim and dividend income	12,063	16,848
Gain on sale of securities	5,273	2,201
Other	14,083	19,116
Total non-operating income	63,925	74,100
Non-operating expenses		
Interest expenses	2,670	3,119
Guarantee commission	1,892	1,111
Delinquency charges	3,227	8,360
Other	11	0
Total non-operating expenses	7,802	12,590
Ordinary profit	929,397	933,293
Extraordinary income		
Gain on sale of non-current assets	–	90
Total extraordinary income	–	90
Extraordinary losses		
Loss on sale of non-current assets	1,405	–
Loss on retirement of non-current assets	1,006	1,282
Impairment losses	–	432,040
Loss on valuation of investment securities	–	12,576
Expenses related to the 100th anniversary of foundation	46,454	37,229
Total extraordinary losses	48,867	483,128
Profit before income taxes	880,529	450,255
Income taxes	310,129	151,364
Profit	570,400	298,890
Profit attributable to owners of parent	570,400	298,890

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Profit	570,400	298,890
Other comprehensive income		
Valuation difference on available-for-sale securities	(43,582)	69,726
Remeasurements of defined benefit plans, net of tax	(12,473)	(13,728)
Total other comprehensive income	(56,055)	55,998
Comprehensive income	514,345	354,889
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	514,345	354,889
Comprehensive income attributable to non-controlling interests	—	—