

Consolidated Financial Results
for the Six Months Ended December 31, 2021
[Japanese GAAP]



January 31, 2022

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, 2022
 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, 2021 (July 1, 2021 to December 31, 2021)

(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	%
Six months ended December 31, 2021	53,030	6.4	786	26.7	802	30.5	532	36.9
December 31, 2020	49,861	—	620	85.2	615	86.6	389	129.7

(Note) Comprehensive income: Six months ended December 31, 2021: ¥534 million [37.2%]
 Six months ended December 31, 2020: ¥389 million [246.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2021	87.57	—
December 31, 2020	63.98	—

(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 six months ended December 31, 2020 are, therefore, not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	41,582	8,331	20.0
As of June 30, 2021	36,562	8,131	22.2

(Reference) Equity: As of December 31, 2021: ¥8,331 million
 As of June 30, 2021: ¥8,131 million

2 Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended June 30, 2021	Yen —	Yen 0.00	Yen —	Yen 50.00	Yen 50.00
Fiscal year ending June 30, 2022	—	0.00			
Fiscal year ending June 30, 2022 (Forecast)			—	50.00	50.00

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

3 Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	105,049	2.9	1,597	3.7	1,615	4.7	1,052	6.4	173.01

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

(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. Those standards have been reflected in the figures of the consolidated financial results forecast above. The changes in net sales from the previous corresponding periods have been calculated by retroactively applying those standards to the figures for the fiscal year ended June 30, 2021.

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) 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: Yes
 - 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, 2021: 6,250,000 shares
June 30, 2021: 6,250,000 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2021: 163,476 shares
June 30, 2021: 167,676 shares
 - 3) Average number of shares during the period:
Six months ended December 31, 2021: 6,084,724 shares
Six months ended December 31, 2020: 6,082,395 shares

As of December 31, 2021, 112,400 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	2,158,875	3,178,754
Notes and accounts receivable - trade	18,710,644	-
Notes and accounts receivable - trade, and contract assets	-	21,938,334
Electronically recorded monetary claims - operating	2,246,521	2,705,180
Merchandise	5,431,149	5,868,825
Other	557,800	510,596
Total current assets	29,104,992	34,201,690
Non-current assets		
Property, plant and equipment	4,653,580	4,663,632
Intangible assets		
Other	698,501	747,904
Total intangible assets	698,501	747,904
Investments and other assets	2,104,991	1,969,221
Total non-current assets	7,457,073	7,380,758
Total assets	36,562,066	41,582,449
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,304,571	19,628,834
Electronically recorded obligations - operating	6,824,412	6,736,401
Short-term borrowings	520,000	3,220,000
Income taxes payable	524,874	102,812
Provision for bonuses for directors (and other officers)	-	8,376
Provision for bonuses	35,290	35,314
Other	1,909,551	1,226,342
Total current liabilities	26,118,699	30,958,081
Non-current liabilities		
Long-term borrowings	275,000	165,000
Provision for share awards for directors (and other officers)	155,222	186,483
Retirement benefit liability	398,652	417,722
Long-term accounts payable - other	279,927	278,127
Other	1,203,040	1,245,805
Total non-current liabilities	2,311,843	2,293,138
Total liabilities	28,430,543	33,251,220
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	346,954	315,704
Retained earnings	7,143,982	7,366,879
Treasury shares	(246,635)	(240,155)
Total shareholders' equity	7,852,050	8,050,178
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,964	146,907
Remeasurements of defined benefit plans	144,507	134,143
Total accumulated other comprehensive income	279,472	281,050
Non-controlling interests	-	-
Total net assets	8,131,522	8,331,228
Total liabilities and net assets	36,562,066	41,582,449

(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, 2020	For the six months ended December 31, 2021
Net sales	49,861,455	53,030,262
Cost of sales	44,222,338	47,119,022
Gross profit	5,639,116	5,911,239
Selling, general and administrative expenses	5,018,304	5,124,434
Operating profit	620,812	786,804
Non-operating income		
Interest income	240	181
Dividend income	899	768
Insurance claim income	1,944	7,415
Commission income	10,225	10,337
Electricity sale income	4,823	4,201
Subsidy income	-	2,335
Share of profit of entities accounted for using equity method	-	3,127
Other	5,703	3,385
Total non-operating income	23,836	31,752
Non-operating expenses		
Interest expenses	11,970	10,656
Share of loss of entities accounted for using equity method	11,022	-
Electricity sale expenses	3,074	2,890
Other	3,338	2,368
Total non-operating expenses	29,406	15,916
Ordinary profit	615,242	802,641
Extraordinary income		
Gain on sale of property, plant and equipment	784	3,834
Total extraordinary income	784	3,834
Extraordinary losses		
Loss on retirement of property, plant and equipment	824	2,379
Loss on sale of property, plant and equipment	-	2,675
Impairment losses	-	18,770
Total extraordinary losses	824	23,825
Profit before income taxes	615,202	782,649
Income taxes - current	128,058	78,236
Income taxes - deferred	97,968	171,570
Total income taxes	226,026	249,806
Profit	389,176	532,843
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	389,176	532,843

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Profit	389,176	532,843
Other comprehensive income		
Valuation difference on available-for-sale securities	7,706	11,942
Remeasurements of defined benefit plans, net of tax	(7,284)	(10,364)
Total other comprehensive income	421	1,578
Comprehensive income	389,597	534,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	389,597	534,421
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	615,202	782,649
Depreciation	199,189	198,790
Impairment losses	-	18,770
Increase (decrease) in allowance for doubtful accounts	607	1,012
Decrease (increase) in retirement benefit asset	(2,202)	(13,895)
Increase (decrease) in retirement benefit liability	23,613	19,070
Increase (decrease) in provision for share awards for directors (and other officers)	30,886	31,260
Interest and dividend income	(1,140)	(949)
Interest expenses	11,970	10,656
Share of loss (profit) of entities accounted for using equity method	11,022	(3,127)
Loss (gain) on sale of property, plant and equipment	(784)	(1,158)
Loss on retirement of property, plant and equipment	824	2,379
Decrease (increase) in trade receivables	(4,331,279)	(3,688,086)
Decrease (increase) in inventories	(665,334)	(437,675)
Increase (decrease) in trade payables	4,939,391	3,236,251
Increase (decrease) in long-term accounts payable - other	(19,879)	(1,800)
Other, net	(225,403)	(394,345)
Subtotal	586,685	(240,196)
Interest and dividends received	1,715	1,555
Interest paid	(12,847)	(12,006)
Income taxes paid	(360,625)	(645,492)
Income taxes refund	22,410	29,420
Net cash provided by (used in) operating activities	237,339	(866,719)
Cash flows from investing activities		
Purchase of property, plant and equipment	(76,354)	(235,072)
Proceeds from sale of property, plant and equipment	850	37,600
Purchase of intangible assets	(217,234)	(65,812)
Purchase of investment securities	-	(15,000)
Other, net	1	-
Net cash provided by (used in) investing activities	(292,737)	(278,285)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,800,000	2,700,000
Repayments of long-term borrowings	(195,000)	(110,000)
Dividends paid	(278,453)	(309,387)
Repayments of lease obligations	(84,264)	(86,216)
Proceeds from sale and leaseback transactions	-	1,738
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(31,250)
Net cash provided by (used in) financing activities	1,242,282	2,164,883
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	1,186,884	1,019,878
Cash and cash equivalents at beginning of period	1,877,288	2,110,675
Cash and cash equivalents at end of period	3,064,172	3,130,554