

Consolidated Financial Results for the Six Months Ended December 31, 2022 [Japanese GAAP]



January 31, 2023

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, 2023
 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, 2022 (July 1, 2022 to December 31, 2022)

(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, 2022	53,718	1.3	854	8.6	859	7.1	547	2.8
December 31, 2021	53,030	6.4	786	26.7	802	30.5	532	36.9

(Note) Comprehensive income: Six months ended December 31, 2022: ¥531 million [(0.5)%]
 Six months ended December 31, 2021: ¥534 million [37.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2022	91.09	—
December 31, 2021	87.57	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	40,562	9,277	22.9
As of June 30, 2022	39,968	9,093	22.8

(Reference) Equity: As of December 31, 2022: ¥9,277 million
 As of June 30, 2022: ¥9,093 million

2 Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2022	–	0.00	–	60.00	60.00
Fiscal year ending June 30, 2023	–	0.00			
Fiscal year ending June 30, 2023 (Forecast)			–	60.00	60.00

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

3 Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)

(% 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
	109,479	1.4	2,000	(3.5)	1,998	(5.7)	1,309	(14.7)	215.27

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

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, 2022: 6,250,000 shares
June 30, 2022: 6,250,000 shares
 - 2) Total number of treasury stock at the end of the period:
December 31, 2022: 231,215 shares
June 30, 2022: 243,515 shares
 - 3) Average number of shares during the period:
Six months ended December 31, 2022: 6,012,671 shares
Six months ended December 31, 2021: 6,084,724 shares

As of December 31, 2022, 210,100 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,189,805	2,646,525
Notes and accounts receivable - trade, and contract assets	21,014,587	21,572,685
Electronically recorded monetary claims - operating	2,557,657	2,833,581
Merchandise	5,590,095	6,150,287
Other	556,063	549,066
Total current assets	32,908,208	33,752,146
Non-current assets		
Property, plant and equipment	4,304,433	4,254,252
Intangible assets		
Goodwill	22,997	19,164
Other	791,977	727,674
Total intangible assets	814,974	746,838
Investments and other assets	1,941,055	1,809,026
Total non-current assets	7,060,464	6,810,117
Total assets	39,968,672	40,562,264
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,170,804	18,279,966
Electronically recorded obligations - operating	7,856,732	7,466,565
Short-term borrowings	220,000	2,265,000
Income taxes payable	602,342	88,756
Provision for bonuses for directors (and other officers)	—	6,658
Provision for bonuses	35,391	36,056
Other	1,980,835	1,208,270
Total current liabilities	28,866,106	29,351,274
Non-current liabilities		
Long-term borrowings	55,000	—
Provision for share awards for directors (and other officers)	212,628	228,483
Retirement benefit liability	435,912	431,487
Long-term accounts payable - other	278,127	203,502
Other	1,027,590	1,070,281
Total non-current liabilities	2,009,258	1,933,754
Total liabilities	30,875,365	31,285,029
Net assets		
Shareholders' equity		
Share capital	607,750	607,750
Capital surplus	315,704	321,534
Retained earnings	8,369,369	8,549,905
Treasury shares	(375,903)	(362,555)
Total shareholders' equity	8,916,919	9,116,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	121,157	110,085
Remeasurements of defined benefit plans	55,229	50,516
Total accumulated other comprehensive income	176,387	160,601
Non-controlling interests	—	—
Total net assets	9,093,306	9,277,235
Total liabilities and net assets	39,968,672	40,562,264

(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, 2021	For the six months ended December 31, 2022
Net sales	53,030,262	53,718,093
Cost of sales	47,119,022	47,535,917
Gross profit	5,911,239	6,182,175
Selling, general and administrative expenses	5,124,434	5,328,089
Operating profit	786,804	854,086
Non-operating income		
Interest income	181	191
Dividend income	768	912
Insurance claim income	7,415	376
Commission income	10,337	2,495
Electricity sale income	4,201	5,087
Subsidy income	2,335	6,320
Share of profit of entities accounted for using equity method	3,127	—
Other	3,385	3,042
Total non-operating income	31,752	18,425
Non-operating expenses		
Interest expenses	10,656	9,222
Electricity sale expenses	2,890	2,465
Other	2,368	1,494
Total non-operating expenses	15,916	13,181
Ordinary profit	802,641	859,330
Extraordinary income		
Gain on sale of property, plant and equipment	3,834	85
Total extraordinary income	3,834	85
Extraordinary losses		
Loss on retirement of property, plant and equipment	2,379	335
Loss on sale of property, plant and equipment	2,675	—
Loss on retirement of intangible	—	2,464
Impairment losses	18,770	—
Total extraordinary losses	23,825	2,799
Profit before income taxes	782,649	856,616
Income taxes - current	78,236	69,961
Income taxes - deferred	171,570	238,986
Total income taxes	249,806	308,947
Profit	532,843	547,668
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	532,843	547,668

Quarterly Consolidated Statements of Comprehensive Income
Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2021	For the six months ended December 31, 2022
Profit	532,843	547,668
Other comprehensive income		
Valuation difference on available-for-sale securities	11,942	(11,072)
Remeasurements of defined benefit plans, net of tax	(10,364)	(4,713)
Total other comprehensive income	1,578	(15,785)
Comprehensive income	534,421	531,883
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	534,421	531,883
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended December 31, 2021	For the six months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	782,649	856,616
Depreciation	198,790	234,310
Amortization of goodwill	—	3,832
Impairment losses	18,770	—
Increase (decrease) in allowance for doubtful accounts	1,012	5,140
Decrease (increase) in retirement benefit asset	(13,895)	(7,872)
Increase (decrease) in retirement benefit liability	19,070	(4,424)
Increase (decrease) in provision for share awards for directors (and other officers)	31,260	15,854
Interest and dividend income	(949)	(1,103)
Interest expenses	10,656	9,222
Share of loss (profit) of entities accounted for using equity method	(3,127)	—
Loss (gain) on sale of property, plant and equipment	(1,158)	(85)
Loss on retirement of property, plant and equipment	2,379	335
Loss on retirement of intangible assets	—	2,464
Decrease (increase) in trade receivables	(3,688,086)	(834,333)
Decrease (increase) in inventories	(437,675)	(560,192)
Increase (decrease) in trade payables	3,236,251	(281,004)
Increase (decrease) in long-term accounts payable - other	(1,800)	(74,625)
Other, net	(394,345)	(767,496)
Subtotal	(240,196)	(1,403,360)
Interest and dividends received	1,555	1,693
Interest paid	(12,006)	(10,333)
Income taxes paid	(645,492)	(660,000)
Income taxes refund	29,420	137,624
Net cash provided by (used in) operating activities	(866,719)	(1,934,375)
Cash flows from investing activities		
Purchase of property, plant and equipment	(235,072)	(98,132)
Proceeds from sale of property, plant and equipment	37,600	250
Purchase of intangible assets	(65,812)	(41,055)
Purchase of investment securities	(15,000)	(4,000)
Net cash provided by (used in) investing activities	(278,285)	(142,937)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,700,000	2,100,000
Repayments of long-term borrowings	(110,000)	(110,000)
Purchase of treasury shares	—	(181,291)
Proceeds from disposal of treasury shares	—	175,670
Dividends paid	(309,387)	(367,068)
Repayments of lease liabilities	(86,216)	(83,276)
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	2,164,883	1,534,033
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	1,019,878	(543,279)
Cash and cash equivalents at beginning of period	2,110,675	3,149,605
Cash and cash equivalents at end of period	3,130,554	2,606,325