

Translation

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**Summary of Non-Consolidated Financial Results  
for the Nine Months Ended December 31, 2017  
(Based on Japanese GAAP)**

January 25, 2018

Company name: OBIC BUSINESS CONSULTANTS CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4733 URL <http://www.obc.co.jp>  
 Representative: President and Representative Director Shigefumi Wada  
 Senior Managing Director, General Manager  
 Inquiries: of Administrative Headquarters and Manager Hiroko Wada TEL 03-3342-1881  
 of Administrative Division  
 Scheduled date to file Quarterly Securities Report: February 6, 2018  
 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. Non-consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	16,995	0.1	6,540	(9.0)	7,772	(0.7)	5,495	0.8
Nine months ended December 31, 2016	16,970	7.2	7,187	10.9	7,828	3.6	5,450	10.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	146.24		-	
Nine months ended December 31, 2016	145.04		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of December 31, 2017	117,559		102,192		86.9		2,719.18	
As of March 31, 2017	117,930		100,042		84.8		2,661.96	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	-	35.00	-	35.00	70.00
Year ending March 31, 2018	-	40.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	40.00	80.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	24,000	3.0	10,080	1.3	11,080	0.8	7,656	(0.2)	203.71

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2017	40,352,000 shares	As of March 31, 2017	40,352,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	2,769,940 shares	As of March 31, 2017	2,769,893 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	37,582,072 shares	Nine months ended December 31, 2016	37,582,142 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	81,310,586	83,570,572
Notes receivable - trade	1,355,660	1,351,873
Accounts receivable - trade	6,154,738	4,790,891
Merchandise and finished goods	132,528	131,383
Work in process	998	1,337
Raw materials and supplies	64,110	58,087
Prepaid expenses	206,007	126,725
Deferred tax assets	331,890	138,691
Accounts receivable - other	6,846	4,970
Other	6,926	11,581
Allowance for doubtful accounts	(10,067)	(9,045)
Total current assets	89,560,226	90,177,069
Non-current assets		
Property, plant and equipment	477,488	526,068
Intangible assets	418,059	401,361
Investments and other assets		
Investment securities	26,802,115	25,709,564
Shares of subsidiaries and associates	16,093	16,093
Long-term accounts receivable - other	114,030	86,450
Lease and guarantee deposits	623,002	695,635
Membership	37,780	37,780
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,632	2,954
Allowance for doubtful accounts	(121,812)	(93,554)
Total investments and other assets	27,474,840	26,454,923
Total non-current assets	28,370,388	27,382,353
Total assets	117,930,615	117,559,422

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	233,771	141,548
Accounts payable - other	529,131	556,200
Accrued expenses	769,860	668,639
Income taxes payable	1,920,409	694,374
Accrued consumption taxes	281,957	166,595
Deposits received	70,339	137,554
Unearned revenue	9,962,491	8,882,357
Provision for directors' bonuses	64,000	32,000
Other	4,035	5,002
<b>Total current liabilities</b>	<b>13,835,996</b>	<b>11,284,272</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,461,461	2,309,075
Provision for retirement benefits	1,467,430	1,632,507
Asset retirement obligations	123,581	141,356
<b>Total non-current liabilities</b>	<b>4,052,473</b>	<b>4,082,939</b>
<b>Total liabilities</b>	<b>17,888,470</b>	<b>15,367,211</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,519,000	10,519,000
Capital surplus	18,949,268	18,949,268
Retained earnings	66,204,172	68,881,345
Treasury shares	(5,348,878)	(5,349,143)
<b>Total shareholders' equity</b>	<b>90,323,562</b>	<b>93,000,470</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	9,718,582	9,191,740
<b>Total valuation and translation adjustments</b>	<b>9,718,582</b>	<b>9,191,740</b>
<b>Total net assets</b>	<b>100,042,145</b>	<b>102,192,211</b>
<b>Total liabilities and net assets</b>	<b>117,930,615</b>	<b>117,559,422</b>

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	16,970,838	16,995,283
Cost of sales	2,526,401	2,643,969
Gross profit	14,444,436	14,351,314
Selling, general and administrative expenses	7,256,998	7,810,434
Operating profit	7,187,438	6,540,879
Non-operating income		
Interest income	181	94
Interest on securities	19,001	–
Dividend income	622,649	600,528
Gain on sales of investment securities	42,769	–
Gain on investments in partnership	41,889	572,145
Other	34,777	59,348
Total non-operating income	761,269	1,232,116
Non-operating expenses		
Provision of allowance for doubtful accounts	117,320	–
Loss on sales of investment securities	–	228
Other	3,346	234
Total non-operating expenses	120,666	462
Ordinary profit	7,828,041	7,772,534
Extraordinary income		
Gain on sales of non-current assets	1,638	–
Gain on sales of investment securities	5,038	–
Total extraordinary income	6,677	–
Extraordinary losses		
Loss on retirement of non-current assets	2,654	–
Loss on valuation of investment securities	667	–
Total extraordinary losses	3,321	–
Profit before income taxes	7,831,397	7,772,534
Income taxes - current	2,080,798	2,003,606
Income taxes - deferred	299,714	273,098
Total income taxes	2,380,513	2,276,705
Profit	5,450,883	5,495,829

## Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Cash flows from operating activities		
Profit before income taxes	7,831,397	7,772,534
Depreciation	207,076	297,076
Increase (decrease) in provision for retirement benefits	94,765	165,077
Increase (decrease) in provision for directors' bonuses	(25,450)	(32,000)
Increase (decrease) in allowance for doubtful accounts	112,120	(29,280)
Interest and dividend income	(641,832)	(600,622)
Loss (gain) on sales of investment securities	(47,808)	228
Loss (gain) on valuation of investment securities	667	–
Loss (gain) on sales of non-current assets	(1,638)	–
Loss on retirement of non-current assets	2,654	–
Loss (gain) on investments in partnership	(41,889)	(572,145)
Decrease (increase) in notes and accounts receivable - trade	1,115,008	1,367,634
Decrease (increase) in inventories	18,624	6,830
Decrease (increase) in prepaid expenses	(32,073)	79,282
Increase (decrease) in notes and accounts payable - trade	(98,952)	(92,223)
Increase (decrease) in accrued consumption taxes	(40,933)	(115,362)
Increase (decrease) in accrued expenses	(43,236)	(101,221)
Increase (decrease) in unearned revenue	(1,367,094)	(1,080,133)
Other, net	143,871	55,595
Subtotal	7,185,276	7,121,269
Interest and dividend income received	649,503	600,622
Income taxes paid	(2,886,749)	(3,229,641)
Net cash provided by (used in) operating activities	4,948,030	4,492,250
Cash flows from investing activities		
Proceeds from sales of investment securities	5,801,189	905,339
Decrease (increase) in long-term Accounts receivable-other	–	32,340
Purchase of property, plant and equipment	(268,509)	(124,310)
Proceeds from sales of property, plant and equipment	1,638	–
Purchase of intangible assets	(100,010)	(153,884)
Payments for lease and guarantee deposits	(25,550)	(73,991)
Proceeds from collection of lease and guarantee deposits	4,332	1,359
Net cash provided by (used in) investing activities	5,413,089	586,851
Cash flows from financing activities		
Cash dividends paid	(2,630,972)	(2,818,851)
Purchase of treasury shares	(539)	(265)
Net cash provided by (used in) financing activities	(2,631,511)	(2,819,116)
Net increase (decrease) in cash and cash equivalents	7,729,608	2,259,986
Cash and cash equivalents at beginning of period	69,689,288	81,300,586
Cash and cash equivalents at end of period	77,418,897	83,560,572