

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

July 25, 2017

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: August 7, 2017
 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 three months ended June 30, 2017 (from April 1, 2017 to June 30, 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	%
Three months ended June 30, 2017	5,311	1.2	1,958	(7.7)	2,599	20.0	1,962	29.7
Three months ended June 30, 2016	5,247	11.9	2,121	22.1	2,166	(0.7)	1,513	4.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	52.22		–	
Three months ended June 30, 2016	40.28		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of June 30, 2017	115,771		100,211		86.6		2,666.47	
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				
Year ended March 31, 2017	–	35.00	–	35.00	70.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	40.00	–	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
Six months ending September 30, 2017	11,300	2.7	4,530	0.2	5,030	3.0	3,476	0.0	92.49
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 June 30, 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 June 30, 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)

Three months ended June 30, 2017	‡	37,582,096 shares	Three months ended June 30, 2016	‡	37,582,197 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	81,310,586	82,638,075
Notes receivable - trade	1,355,660	1,346,720
Accounts receivable - trade	6,154,738	3,478,311
Merchandise and finished goods	132,528	133,316
Work in process	998	1,224
Raw materials and supplies	64,110	65,474
Prepaid expenses	206,007	166,547
Deferred tax assets	331,890	307,152
Accounts receivable - other	6,846	5,750
Other	6,926	9,098
Allowance for doubtful accounts	(10,067)	(9,091)
Total current assets	89,560,226	88,142,579
Non-current assets		
Property, plant and equipment	477,488	447,854
Intangible assets	418,059	423,208
Investments and other assets		
Investment securities	26,802,115	26,067,472
Shares of subsidiaries and associates	16,093	16,093
Lease and guarantee deposits	623,002	640,999
Long-term accounts receivable - other	114,030	82,450
Membership	37,780	37,780
Claims provable in bankruptcy, claims provable in rehabilitation and other	3,632	3,108
Allowance for doubtful accounts	(121,812)	(89,708)
Total investments and other assets	27,474,840	26,758,194
Total non-current assets	28,370,388	27,629,257
Total assets	117,930,615	115,771,837

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	233,771	142,362
Accounts payable - other	529,131	341,976
Accrued expenses	769,860	1,048,094
Income taxes payable	1,920,409	784,890
Accrued consumption taxes	281,957	289,138
Deposits received	70,339	168,065
Unearned revenue	9,962,491	8,781,960
Provision for directors' bonuses	64,000	64,000
Other	4,035	3,114
Total current liabilities	13,835,996	11,623,603
Non-current liabilities		
Deferred tax liabilities	2,461,461	2,282,046
Provision for retirement benefits	1,467,430	1,530,928
Asset retirement obligations	123,581	123,866
Total non-current liabilities	4,052,473	3,936,842
Total liabilities	17,888,470	15,560,445
Net assets		
Shareholders' equity		
Capital stock	10,519,000	10,519,000
Capital surplus	18,949,268	18,949,268
Retained earnings	66,204,172	66,851,491
Treasury shares	(5,348,878)	(5,349,143)
Total shareholders' equity	90,323,562	90,970,616
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,718,582	9,240,775
Total valuation and translation adjustments	9,718,582	9,240,775
Total net assets	100,042,145	100,211,391
Total liabilities and net assets	117,930,615	115,771,837

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	5,247,313	5,311,186
Cost of sales	773,908	829,155
Gross profit	4,473,405	4,482,031
Selling, general and administrative expenses	2,351,433	2,523,509
Operating profit	2,121,971	1,958,521
Non-operating income		
Interest income	2	1
Interest on securities	7,837	–
Dividend income	206,665	188,617
Gain on sales of investment securities	27,001	–
Gain on investments in partnership	–	419,019
Other	7,974	35,916
Total non-operating income	249,481	643,554
Non-operating expenses		
Loss on investments in partnership	134,240	–
Foreign exchange losses	68,435	–
Loss on sales of investment securities	–	228
Other	1,920	2,652
Total non-operating expenses	204,596	2,881
Ordinary profit	2,166,856	2,599,194
Extraordinary losses		
Loss on valuation of investment securities	667	–
Total extraordinary losses	667	–
Profit before income taxes	2,166,189	2,599,194
Income taxes - current	571,682	580,500
Income taxes - deferred	80,790	56,001
Total income taxes	652,472	636,502
Profit	1,513,716	1,962,692

Non-consolidated statements of cash flows

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	2,166,189	2,599,194
Depreciation	69,025	99,025
Increase (decrease) in provision for retirement benefits	30,404	63,498
Increase (decrease) in allowance for doubtful accounts	(10,500)	(33,080)
Interest and dividend income	(214,506)	(188,618)
Loss (gain) on sales of investment securities	(27,001)	228
Loss (gain) on valuation of investment securities	667	–
Loss (gain) on investments in partnership	134,240	(419,019)
Decrease (increase) in notes and accounts receivable - trade	2,344,917	2,685,366
Decrease (increase) in inventories	12,395	(2,376)
Decrease (increase) in prepaid expenses	4,484	39,459
Increase (decrease) in notes and accounts payable - trade	(103,249)	(91,409)
Increase (decrease) in accrued consumption taxes	22,848	7,181
Increase (decrease) in accrued expenses	(18,501)	278,234
Increase (decrease) in unearned revenue	(1,182,986)	(1,180,531)
Other, net	262,104	(72,943)
Subtotal	3,490,531	3,784,209
Interest and dividend income received	222,177	188,618
Income taxes paid	(1,434,991)	(1,716,019)
Net cash provided by (used in) operating activities	2,277,717	2,256,808
Cash flows from investing activities		
Proceeds from sales of investment securities	2,317,478	464,949
Purchase of property, plant and equipment	(104,236)	(10,549)
Purchase of intangible assets	(56,396)	(50,007)
Payments for lease and guarantee deposits	(96)	(18,547)
Proceeds from collection of lease and guarantee deposits	1,311	551
Net cash provided by (used in) investing activities	2,158,059	386,395
Cash flows from financing activities		
Cash dividends paid	(1,315,455)	(1,315,449)
Purchase of treasury shares	(219)	(265)
Net cash provided by (used in) financing activities	(1,315,674)	(1,315,714)
Net increase (decrease) in cash and cash equivalents	3,120,102	1,327,489
Cash and cash equivalents at beginning of period	69,689,288	81,300,586
Cash and cash equivalents at end of period	72,809,391	82,628,075