

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on IFRS)

October 29, 2021

Company name: BUSINESS BRAIN SHOWA・OTA INC.
 Stock exchange listing: Tokyo
 Securities code: 9658 URL <https://www.bbs.co.jp>
 Representative: President Kazuhiro Komiya
 Director and Management Executive
 Inquiries: Officer Management Department Hitoshi Uehara TEL 03-3507-1302
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 Scheduled date to commence dividend payments: November 30, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	15,037	6.4	1,167	5.8	1,205	4.6	790	15.2	752	12.3	808	11.4
Six months ended September 30, 2020	14,133	–	1,103	–	1,152	–	686	–	670	–	725	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	63.56		62.09	
Six months ended September 30, 2020	57.02		–	

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2021	25,357	11,746	11,305	44.6
As of March 31, 2021	22,786	11,043	10,630	46.7

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, 2021	–	15.00	–	15.00	30.00
Year ending March 31, 2022	–	16.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	18.00	34.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	32,000	9.7	2,500	13.6	2,500	8.1	1,660	3.8	1,600	3.0	135.16

4. Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates
 Changes in accounting policies required by IFRS: No
 Changes in accounting policies due to other reasons: No
 Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

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

As of September 30, 2021	16,000,000 shares	As of March 31, 2021	16,000,000 shares
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Number of treasury shares at end of period

As of September 30, 2021	4,128,582 shares	As of March 31, 2021	4,194,948 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	11,837,939 shares	Six months ended September 30, 2020	11,754,140 shares
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Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	8,262,408	6,941,424
Trade and other receivables	4,310,966	3,580,345
Contract assets	1,545,148	2,999,787
Other financial assets	703,415	703,470
Inventories	151,330	209,255
Other current assets	993,024	1,361,503
Total current assets	15,966,291	15,795,784
Non-current assets		
Property, plant and equipment	347,884	401,261
Right-of-use assets	1,698,118	3,875,610
Goodwill	106,500	311,214
Intangible assets	424,092	469,311
Investments accounted for using equity method	101,853	109,295
Other financial assets	2,366,598	2,599,955
Deferred tax assets	1,754,325	1,773,690
Retirement benefit asset	13,942	14,033
Other non-current assets	6,057	6,837
Total non-current assets	6,819,369	9,561,206
Total assets	22,785,660	25,356,990

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	42,900	42,900
Lease liabilities	369,341	693,392
Trade and other payables	1,777,621	1,561,346
Other financial liabilities	198,979	215,644
Income taxes payable	743,450	464,856
Provisions	56,375	31,234
Contract liabilities	951,263	1,042,698
Other current liabilities	2,828,191	2,911,326
Total current liabilities	6,968,120	6,963,396
Non-current liabilities		
Borrowings	314,770	244,820
Lease liabilities	1,357,385	3,205,550
Other financial liabilities	62,976	69,065
Retirement benefit liability	2,348,876	2,336,514
Provisions	147,396	211,680
Non-Current liability for stock benefit	208,047	230,624
Other non-current liabilities	335,472	349,672
Total non-current liabilities	4,774,922	6,647,925
Total liabilities	11,743,042	13,611,321
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	2,567,169	2,617,304
Retained earnings	6,836,104	7,410,704
Treasury shares	(1,092,091)	(1,060,346)
Other components of equity	85,352	103,420
Total equity attributable to owners of parent	10,630,024	11,304,572
Non-controlling interests	412,594	441,098
Total equity	11,042,618	11,745,669
Total liabilities and equity	22,785,660	25,356,990

Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income

Condensed quarterly consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenue	14,132,547	15,036,929
Cost of sales	11,110,402	11,485,317
Gross profit	3,022,145	3,551,612
Selling, general and administrative expenses	1,930,934	2,401,674
Other income	12,347	17,440
Other expenses	188	240
Operating profit	1,103,370	1,167,138
Finance income	41,802	43,169
Finance costs	6,567	12,578
Share of profit (loss) of investments accounted for using equity method	13,108	7,442
Profit before tax	1,151,713	1,205,171
Income tax expense	465,981	415,070
Profit	685,732	790,101
Profit attributable to		
Owners of parent	670,265	752,397
Non-controlling interests	15,467	37,704
Profit	685,732	790,101
Earnings per share		
Basic earnings per share	57.02	63.56
Diluted earnings per share	—	62.09

Condensed quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	685,732	790,101
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	46,331	19,371
Total of items that will not be reclassified to profit or loss	46,331	19,371
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(7,006)	(1,515)
Total of items that may be reclassified to profit or loss	(7,006)	(1,515)
Other comprehensive income, net of tax	39,325	17,856
Comprehensive income	725,057	807,957
Comprehensive income attributable to		
Owners of parent	709,120	770,465
Non-controlling interests	15,937	37,492
Comprehensive income	725,057	807,957

Condensed quarterly consolidated statement of changes in equity

Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at April 1, 2020	2,233,490	2,470,366	5,627,212	(1,111,177)	3,801	42,047
Profit			670,265			
Other comprehensive income					(6,672)	45,527
Comprehensive income	–	–	670,265	–	(6,672)	45,527
Purchase of treasury shares				(28)		
Disposal of treasury shares				37,808		
Dividends			(165,850)			
Share-based payment transactions		45,277		(27,650)		
Other			(206)			
Total transactions with owners	–	45,277	(166,056)	10,130	–	–
Balance at September 30, 2020	2,233,490	2,515,643	6,131,421	(1,101,047)	(2,871)	87,574

	Equity attributable to owners of parent		Non-controlling interests	Total
	Other components of equity	Total		
	Total			
Balance at April 1, 2020	45,848	9,265,739	325,203	9,590,942
Profit	–	670,265	15,467	685,732
Other comprehensive income	38,855	38,855	470	39,325
Comprehensive income	38,855	709,120	15,937	725,057
Purchase of treasury shares	–	(28)		(28)
Disposal of treasury shares	–	37,808		37,808
Dividends	–	(165,850)	(7,040)	(172,890)
Share-based payment transactions	–	17,627	77	17,704
Other	–	(206)	159	(46)
Total transactions with owners	–	(110,649)	(6,804)	(117,452)
Balance at September 30, 2020	84,703	9,864,210	334,336	10,198,547

Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(Thousands of yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at April 1, 2021	2,233,490	2,567,169	6,836,104	(1,092,091)	(712)	86,065
Profit			752,397			
Other comprehensive income					(1,289)	19,357
Comprehensive income	–	–	752,397	–	(1,289)	19,357
Purchase of treasury shares				(104)		
Disposal of treasury shares				48,831		
Dividends			(177,076)			
Share-based payment transactions		50,007		(16,982)		
Other		128	(721)			
Total transactions with owners	–	50,135	(177,797)	31,745	–	–
Balance at September 30, 2021	2,233,490	2,617,304	7,410,704	(1,060,346)	(2,001)	105,422

	Equity attributable to owners of parent		Non-controlling interests	Total
	Other components of equity	Total		
	Total			
Balance at April 1, 2021	85,352	10,630,024	412,594	11,042,618
Profit	–	752,397	37,704	790,101
Other comprehensive income	18,068	18,068	(212)	17,856
Comprehensive income	18,068	770,465	37,492	807,957
Purchase of treasury shares	–	(104)		(104)
Disposal of treasury shares	–	48,831		48,831
Dividends	–	(177,076)	(11,151)	(188,227)
Share-based payment transactions	–	33,025	228	33,252
Other	–	(593)	1,935	1,342
Total transactions with owners	–	(95,917)	(8,988)	(104,906)
Balance at September 30, 2021	103,420	11,304,572	441,098	11,745,669