

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on IFRS)

January 31, 2022

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: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	23,354	9.8	1,850	3.0	1,905	1.8	1,244	7.3	1,206	7.1	1,272	7.1
Nine months ended December 31, 2020	21,275	–	1,796	–	1,871	–	1,160	–	1,126	–	1,188	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	101.72		99.51	
Nine months ended December 31, 2020	95.73		–	

(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 December 31, 2021	27,340	13,349	12,242	44.8
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)	–	–	–	22.00	38.00

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 nine months ended December 31, 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 December 31, 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 December 31, 2021	4,100,502 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)

Nine months ended December 31, 2021	11,853,399 shares	Nine months ended December 31, 2020	11,763,765 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 December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	8,262,408	7,962,429
Trade and other receivables	4,310,966	3,675,730
Contract assets	1,545,148	3,478,440
Other financial assets	703,415	703,142
Inventories	151,330	414,497
Other current assets	993,024	1,426,796
Total current assets	15,966,291	17,661,034
Non-current assets		
Property, plant and equipment	347,884	982,958
Right-of-use assets	1,698,118	3,684,222
Goodwill	106,500	311,214
Intangible assets	424,092	458,201
Investments accounted for using equity method	101,853	102,398
Other financial assets	2,366,598	2,331,508
Deferred tax assets	1,754,325	1,787,455
Retirement benefit asset	13,942	13,928
Other non-current assets	6,057	6,732
Total non-current assets	6,819,369	9,678,616
Total assets	22,785,660	27,339,650

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	42,900	—
Lease liabilities	369,341	662,678
Trade and other payables	1,777,621	2,300,635
Other financial liabilities	198,979	248,994
Income taxes payable	743,450	574,481
Provisions	56,375	53,199
Contract liabilities	951,263	1,085,666
Other current liabilities	2,828,191	2,481,750
Total current liabilities	6,968,120	7,407,403
Non-current liabilities		
Borrowings	314,770	137,732
Lease liabilities	1,357,385	3,045,402
Other financial liabilities	62,976	68,483
Retirement benefit liability	2,348,876	2,326,339
Provisions	147,396	408,373
Non-Current liability for stock benefit	208,047	245,652
Other non-current liabilities	335,472	351,133
Total non-current liabilities	4,774,922	6,583,114
Total liabilities	11,743,042	13,990,517
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	2,567,169	3,271,908
Retained earnings	6,836,104	7,673,708
Treasury shares	(1,092,091)	(1,050,455)
Other components of equity	85,352	113,238
Total equity attributable to owners of parent	10,630,024	12,241,889
Non-controlling interests	412,594	1,107,244
Total equity	11,042,618	13,349,133
Total liabilities and equity	22,785,660	27,339,650

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

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	21,275,274	23,354,408
Cost of sales	16,534,412	17,701,647
Gross profit	4,740,862	5,652,761
Selling, general and administrative expenses	2,972,852	3,820,864
Other income	28,293	33,354
Other expenses	308	14,870
Operating profit	1,795,995	1,850,381
Finance income	62,202	72,600
Finance costs	9,595	31,243
Share of profit (loss) of investments accounted for using equity method	22,196	13,544
Profit before tax	1,870,798	1,905,282
Income tax expense	710,769	660,796
Profit	1,160,029	1,244,486
Profit attributable to		
Owners of parent	1,126,114	1,205,705
Non-controlling interests	33,915	38,781
Profit	1,160,029	1,244,486
Earnings per share		
Basic earnings per share	95.73	101.72
Diluted earnings per share	—	99.51

Condensed quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,160,029	1,244,486
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	35,234	27,298
Total of items that will not be reclassified to profit or loss	35,234	27,298
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(7,080)	210
Total of items that may be reclassified to profit or loss	(7,080)	210
Other comprehensive income, net of tax	28,154	27,508
Comprehensive income	1,188,183	1,271,994
Comprehensive income attributable to		
Owners of parent	1,153,989	1,233,591
Non-controlling interests	34,194	38,403
Comprehensive income	1,188,183	1,271,994

Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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			1,126,114			
Other comprehensive income					(6,370)	34,245
Comprehensive income	–	–	1,126,114	–	(6,370)	34,245
Purchase of treasury shares				(28)		
Disposal of treasury shares				57,297		
Dividends			(342,477)			
Share-based payment transactions		68,471		(42,026)		
Changes in ownership interest in subsidiaries			1,582			
Other			(213)			
Total transactions with owners	–	68,471	(341,108)	15,243	–	–
Balance at December 31, 2020	2,233,490	2,538,837	6,412,218	(1,095,934)	(2,569)	76,292

	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	–	1,126,114	33,915	1,160,029
Other comprehensive income	27,875	27,875	279	28,154
Comprehensive income	27,875	1,153,989	34,194	1,188,183
Purchase of treasury shares	–	(28)		(28)
Disposal of treasury shares	–	57,297		57,297
Dividends	–	(342,477)	(7,040)	(349,517)
Share-based payment transactions	–	26,445	115	26,560
Changes in ownership interest in subsidiaries	–	1,582	42,192	43,774
Other	–	(213)	192	(22)
Total transactions with owners	–	(257,394)	35,459	(221,936)
Balance at December 31, 2020	73,723	10,162,334	394,856	10,557,189

Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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			1,205,705			
Other comprehensive income					276	27,610
Comprehensive income	–	–	1,205,705	–	276	27,610
Purchase of treasury shares				(618)		
Disposal of treasury shares				72,522		
Dividends			(367,018)			
Share-based payment transactions		81,127		(30,268)		
Changes in ownership interest in subsidiaries		623,144				
Other		468	(1,083)			
Total transactions with owners	–	704,739	(368,101)	41,636	–	–
Balance at December 31, 2021	2,233,490	3,271,908	7,673,708	(1,050,455)	(436)	113,675

	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	–	1,205,705	38,781	1,244,486
Other comprehensive income	27,886	27,886	(378)	27,508
Comprehensive income	27,886	1,233,591	38,403	1,271,994
Purchase of treasury shares	–	(618)		(618)
Disposal of treasury shares	–	72,522		72,522
Dividends	–	(367,018)	(11,151)	(378,169)
Share-based payment transactions	–	50,860	17,896	68,756
Changes in ownership interest in subsidiaries	–	623,144	647,764	1,270,908
Other	–	(615)	1,738	1,123
Total transactions with owners	–	378,274	656,247	1,034,521
Balance at December 31, 2021	113,238	12,241,889	1,107,244	13,349,133