

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on IFRS)

January 31, 2023

Company name: BUSINESS BRAIN SHOWA・OTA INC.
 Stock exchange listing: Tokyo
 Securities code: 9658 URL <https://www.bbs.co.jp>
 Representative: President Kazuhiro Komiya
 Senior Executive Officer
 Inquiries: General Manager Hitoshi Uehara TEL 03-3507-1302
 Administration Division
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	26,952	15.4	2,466	33.3	2,475	29.9	1,527	21.0	1,367	11.8	1,556	20.6
Nine months ended December 31, 2021	23,354	9.8	1,850	3.0	1,905	1.8	1,262	8.8	1,223	8.6	1,290	8.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	114.73		113.33	
Nine months ended December 31, 2021	103.21		101.00	

(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, 2022	30,108	15,956	14,900	49.5
As of March 31, 2022	28,296	14,042	13,220	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, 2022	–	16.00	–	29.00	45.00
Year ending March 31, 2023	–	22.00	–		
Year ending March 31, 2023 (Forecast)				23.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	36,000	11.3	3,000	9.3	3,000	7.4	2,000	10.5	1,800	2.0	151.70

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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:	Yes
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, 2022	12,725,000 shares	As of March 31, 2022	12,725,000 shares
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Number of treasury shares at end of period

As of December 31, 2022	995,275 shares	As of March 31, 2022	814,066 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	11,918,662 shares	Nine months ended December 31, 2021	11,853,399 shares
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Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	8,638,501	10,484,126
Trade and other receivables	5,618,471	4,956,900
Contract assets	2,285,913	2,123,252
Other financial assets	403,411	1,108,292
Inventories	133,804	421,685
Other current assets	1,372,443	1,427,679
Total current assets	18,452,543	20,521,934
Non-current assets		
Property, plant and equipment	953,856	844,913
Right-of-use assets	3,726,122	3,353,675
Goodwill	311,214	521,694
Intangible assets	453,061	460,853
Investments accounted for using equity method	115,141	136,064
Other financial assets	2,494,721	2,409,147
Deferred tax assets	1,773,261	1,841,766
Retirement benefit asset	8,921	8,874
Other non-current assets	7,062	8,730
Total non-current assets	9,843,359	9,585,716
Total assets	28,295,902	30,107,650

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	56,024	99,546
Lease liabilities	687,952	722,444
Trade and other payables	2,328,388	2,240,831
Other financial liabilities	325,648	655,601
Income taxes payable	905,507	982,405
Provisions	80,225	92,226
Contract liabilities	1,185,536	1,228,170
Other current liabilities	3,117,247	2,848,785
Total current liabilities	8,686,527	8,870,008
Non-current liabilities		
Borrowings	308,522	222,099
Lease liabilities	3,076,269	2,674,126
Other financial liabilities	68,131	112,229
Retirement benefit liability	1,303,792	1,386,775
Provisions	238,931	248,311
Non-Current liability for stock benefit	234,942	278,272
Other non-current liabilities	337,099	359,996
Total non-current liabilities	5,567,686	5,281,808
Total liabilities	14,254,213	14,151,816
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	2,835,065	4,214,134
Retained earnings	8,249,956	9,008,325
Treasury shares	(196,795)	(687,058)
Other components of equity	98,589	131,334
Total equity attributable to owners of parent	13,220,305	14,900,225
Non-controlling interests	821,383	1,055,609
Total equity	14,041,689	15,955,834
Total liabilities and equity	28,295,902	30,107,650

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, 2021	Nine months ended December 31, 2022
Revenue	23,354,408	26,952,113
Cost of sales	17,701,647	20,280,458
Gross profit	5,652,761	6,671,655
Selling, general and administrative expenses	3,820,864	4,233,711
Other income	33,354	28,583
Other expenses	14,870	535
Operating profit	1,850,381	2,465,992
Finance income	72,600	41,011
Finance costs	31,243	67,830
Share of profit (loss) of investments accounted for using equity method	13,544	35,723
Profit before tax	1,905,282	2,474,896
Income tax expense	643,080	947,622
Profit	1,262,202	1,527,274
Profit attributable to		
Owners of parent	1,223,421	1,367,431
Non-controlling interests	38,781	159,843
Profit	1,262,202	1,527,274
Earnings per share		
Basic earnings per share	103.21	114.73
Diluted earnings per share	101.00	113.33

Condensed quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,262,202	1,527,274
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	27,298	26,827
Total of items that will not be reclassified to profit or loss	27,298	26,827
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	210	1,875
Total of items that may be reclassified to profit or loss	210	1,875
Other comprehensive income, net of tax	27,508	28,702
Comprehensive income	1,289,710	1,555,976
Comprehensive income attributable to		
Owners of parent	1,251,307	1,400,176
Non-controlling interests	38,403	155,800
Comprehensive income	1,289,710	1,555,976

Condensed quarterly consolidated statement of changes in equity

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			1,223,421			
Other comprehensive income					276	27,610
Comprehensive income	–	–	1,223,421	–	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		933,813				
Other		468	(1,083)			
Total transactions with owners	–	1,015,408	(368,101)	41,636	–	–
Balance at December 31, 2021	2,233,490	3,582,577	7,691,424	(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	–	1,223,421	38,781	1,262,202
Other comprehensive income	27,886	27,886	(378)	27,508
Comprehensive income	27,886	1,251,307	38,403	1,289,710
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	–	933,813	319,378	1,253,192
Other	–	(615)	1,738	1,123
Total transactions with owners	–	688,943	327,861	1,016,805
Balance at December 31, 2021	113,238	12,570,274	778,858	13,349,133

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	2,233,490	2,835,065	8,249,956	(196,795)	3,363	95,227
Profit			1,367,431			
Other comprehensive income					2,760	29,985
Comprehensive income	–	–	1,367,431	–	2,760	29,985
Purchase of treasury shares		(2,716)		(525,113)		
Dividends			(609,071)			
Share-based payment transactions		62,899		34,850		
Changes in ownership interest in subsidiaries		1,317,202				
Other		1,684	9			
Total transactions with owners	–	1,379,069	(609,062)	(490,263)	–	–
Balance at December 31, 2022	2,233,490	4,214,134	9,008,325	(687,058)	6,123	125,212

	Equity attributable to owners of parent		Non-controlling interests	Total
	Other components of equity	Total		
	Total			
Balance at April 1, 2022	98,589	13,220,305	821,383	14,041,689
Profit	–	1,367,431	159,843	1,527,274
Other comprehensive income	32,745	32,745	(4,043)	28,702
Comprehensive income	32,745	1,400,176	155,800	1,555,976
Purchase of treasury shares	–	(527,829)		(527,829)
Dividends	–	(609,071)	(22,868)	(631,939)
Share-based payment transactions	–	97,749	19,184	116,933
Changes in ownership interest in subsidiaries	–	1,317,202	81,894	1,399,096
Other	–	1,693	216	1,908
Total transactions with owners	–	279,744	78,426	358,169
Balance at December 31, 2022	131,334	14,900,225	1,055,609	15,955,834