

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on IFRS)

October 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
 Senior Executive Officer
 Inquiries: General Manager Hitoshi Uehara TEL 03-3507-1302
 Administration Division
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 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, 2022 (from April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	17,626	17.2	1,533	31.3	1,534	27.3	891	12.8	794	5.6	919	13.8
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

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	66.48		64.90	
Six months ended September 30, 2021	63.56		62.09	

(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, 2022	28,575	14,682	13,801	48.3
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 six months ended September 30, 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 September 30, 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 September 30, 2022	740,716 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)

Six months ended September 30, 2022	11,948,283 shares	Six months ended September 30, 2021	11,837,939 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 September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	8,638,501	9,163,072
Trade and other receivables	5,618,471	5,759,842
Contract assets	2,285,913	1,556,825
Other financial assets	403,411	408,435
Inventories	133,804	217,032
Other current assets	1,372,443	1,384,764
Total current assets	18,452,543	18,489,970
Non-current assets		
Property, plant and equipment	953,856	925,308
Right-of-use assets	3,726,122	3,527,941
Goodwill	311,214	527,380
Intangible assets	453,061	468,491
Investments accounted for using equity method	115,141	137,791
Other financial assets	2,494,721	2,689,896
Deferred tax assets	1,773,261	1,789,911
Retirement benefit asset	8,921	8,979
Other non-current assets	7,062	9,117
Total non-current assets	9,843,359	10,084,814
Total assets	28,295,902	28,574,784

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	56,024	104,746
Lease liabilities	687,952	721,043
Trade and other payables	2,328,388	1,969,538
Other financial liabilities	325,648	321,288
Income taxes payable	905,507	624,079
Provisions	80,225	191,106
Contract liabilities	1,185,536	1,377,213
Other current liabilities	3,117,247	3,103,568
Total current liabilities	8,686,527	8,412,581
Non-current liabilities		
Borrowings	308,522	241,070
Lease liabilities	3,076,269	2,845,680
Other financial liabilities	68,131	112,651
Retirement benefit liability	1,303,792	1,388,508
Provisions	238,931	278,333
Non-Current liability for stock benefit	234,942	260,433
Other non-current liabilities	337,099	353,122
Total non-current liabilities	5,567,686	5,479,797
Total liabilities	14,254,213	13,892,378
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	2,835,065	2,908,881
Retained earnings	8,249,956	8,700,714
Treasury shares	(196,795)	(168,971)
Other components of equity	98,589	127,331
Total equity attributable to owners of parent	13,220,305	13,801,445
Non-controlling interests	821,383	880,960
Total equity	14,041,689	14,682,406
Total liabilities and equity	28,295,902	28,574,784

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, 2021	Six months ended September 30, 2022
Revenue	15,036,929	17,626,170
Cost of sales	11,485,317	13,331,498
Gross profit	3,551,612	4,294,672
Selling, general and administrative expenses	2,401,674	2,775,382
Other income	17,440	13,734
Other expenses	240	478
Operating profit	1,167,138	1,532,546
Finance income	43,169	41,020
Finance costs	12,578	61,966
Share of profit (loss) of investments accounted for using equity method	7,442	22,650
Profit before tax	1,205,171	1,534,250
Income tax expense	415,070	643,236
Profit	790,101	891,014
Profit attributable to		
Owners of parent	752,397	794,350
Non-controlling interests	37,704	96,664
Profit	790,101	891,014
Earnings per share		
Basic earnings per share	63.56	66.48
Diluted earnings per share	62.09	64.90

Condensed quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	790,101	891,014
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	19,371	22,926
Total of items that will not be reclassified to profit or loss	19,371	22,926
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,515)	5,349
Total of items that may be reclassified to profit or loss	(1,515)	5,349
Other comprehensive income, net of tax	17,856	28,275
Comprehensive income	807,957	919,289
Comprehensive income attributable to		
Owners of parent	770,465	823,092
Non-controlling interests	37,492	96,197
Comprehensive income	807,957	919,289

Condensed quarterly consolidated statement of changes in equity

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

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 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			794,350			
Other comprehensive income					5,687	23,055
Comprehensive income	–	–	794,350	–	5,687	23,055
Purchase of treasury shares				(63)		
Disposal of treasury shares		7,454		58,594		
Dividends			(345,417)			
Share-based payment transactions		30,552		(30,707)		
Changes in ownership interest in subsidiaries		37,522				
Other		(1,712)	1,825			
Total transactions with owners	–	73,816	(343,592)	27,824	–	–
Balance at September 30, 2022	2,233,490	2,908,881	8,700,714	(168,971)	9,050	118,282

	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	–	794,350	96,664	891,014
Other comprehensive income	28,742	28,742	(467)	28,275
Comprehensive income	28,742	823,092	96,197	919,289
Purchase of treasury shares	–	(63)		(63)
Disposal of treasury shares	–	66,048		66,048
Dividends	–	(345,417)	(22,868)	(368,285)
Share-based payment transactions	–	(155)	(365)	(520)
Changes in ownership interest in subsidiaries	–	37,522	(14,652)	22,870
Other	–	113	1,265	1,378
Total transactions with owners	–	(241,952)	(36,620)	(278,572)
Balance at September 30, 2022	127,331	13,801,445	880,960	14,682,406