

November 6, 2023

Consolidated Financial Results for the Six-Month Period Ended September 30, 2023 (under Japanese GAAP)

Company name: Oricon Inc. Listing: Tokyo Stock Exchange
 Security code: 4800 URL: <https://www.oricon.jp/>
 Representative: Koh Koike, President and Representative Director
 Contact: Kosaku Yamaguchi, General Manager of IR
 Tel: +81-(0)3-3405-5252

Scheduled date to file Quarterly Securities Report: November 7, 2023
 Scheduled date to commence payment of dividends: –
 Preparation of supplementary briefing materials on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts less than a million yen are rounded down to the nearest million yen.)

1. Consolidated financial results for the six-month period ended September 30, 2023 (April 1, 2023–September 30, 2023)

(1) Results of operations (Percentages are shown as year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six-month period ended September 30, 2023	2,246	(5.3)	653	(23.2)	713	(14.5)	468	(14.1)
September 30, 2022	2,371	6.5	850	21.1	835	20.5	545	14.0

Note: Comprehensive income
 Six-month period ended September 30, 2023: 485 million yen (down 11.5%)
 Six-month period ended September 30, 2022: 549 million yen (up 21.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six-month period ended September 30, 2023	35.21	–
September 30, 2022	40.30	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2023	5,574	4,775	85.7	359.22
March 31, 2023	5,531	4,653	84.1	350.05

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
 As of September 30, 2023: 4,775 million yen
 As of March 31, 2023: 4,653 million yen

2. Dividends

	Annual dividends per share				
	Q1-end	Q2-end	Q3-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	27.00	27.00
Fiscal year ending March 31, 2024	–	0.00			
Fiscal year ending March 31, 2024 (forecasted)			–	27.00	27.00

Note: Revisions to the dividends forecast most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (April 1, 2023–March 31, 2024)

(Percentages are shown as year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	5,100	4.6	1,830	3.6	1,800	5.9	1,180	6.6	88.77

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None

Newly consolidated: – Excluded from consolidation: –

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, etc.: None

2) Changes in accounting policies other than those in 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares):

As of September 30, 2023	15,123,200 shares
As of March 31, 2023	15,123,200 shares

2) Number of treasury shares:

As of September 30, 2023	1,829,678 shares
As of March 31, 2023	1,829,678 shares

3) Average number of shares outstanding during the period:

Six-month period ended September 30, 2023	13,293,522 shares
Six-month period ended September 30, 2022	13,529,508 shares

The number of treasury shares as of September 30, 2023, includes 180,000 shares of the Company held by the Board Benefit Trust and Employee Benefit Trust.

* This interim consolidated financial report is not subject to interim review procedures by certified public accountants or an audit firm.

* Explanation of appropriate use of earnings forecasts and other special notes

The forward-looking statements, including the earnings forecasts, contained in this report are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, please be advised that we do not guarantee the achievement of the forecasts, and the actual results may differ significantly from the forecasts due to a variety of factors.

Contents of Attachments

1. Quarterly Consolidated Financial Statements and Major Notes	P. 2
(1) Quarterly Consolidated Balance Sheet	P. 2
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	P. 4
Quarterly Consolidated Statement of Income	
For the Six-month period	P. 4
Quarterly Consolidated Statement of Comprehensive Income	
For the Six-month period	P. 5
(3) Quarterly Consolidated Statements of Cash Flows	P. 6
(4) Notes to Quarterly Consolidated Financial Statements	P. 7
Segment Information	P. 7
Revenue Recognition	P. 8
Significant Subsequent Events	P. 9

1. Quarterly Consolidated Financial Statements and Major Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	3,058,126	3,361,163
Notes and accounts receivable–trade, and contract assets	584,511	527,803
Merchandise and finished goods	4,936	4,098
Work in process	488	488
Other	524,039	320,003
Allowance for doubtful accounts	(130)	(133)
Total current assets	4,171,971	4,213,423
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,396	60,547
Tools, furniture and fixtures, net	76,268	67,584
Land	1,973	1,973
Total property, plant and equipment	138,638	130,105
Intangible assets		
Goodwill	14,090	11,363
Software	122,283	113,714
Other	3,209	15,804
Total intangible assets	139,583	140,882
Investments and other assets		
Investment securities	566,613	582,014
Deferred tax assets	56,634	44,172
Other	467,985	478,433
Allowance for investment loss	(4,900)	(4,900)
Allowance for doubtful accounts	(4,956)	(9,639)
Total investments and other assets	1,081,375	1,090,080
Total non-current assets	1,359,597	1,361,069
Total assets	5,531,569	5,574,492
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,646	9,597
Short-term borrowings	100,000	100,000
Income taxes payable	284,892	202,121
Other	459,577	463,485
Total current liabilities	854,116	775,204
Non-current liabilities		
Provision for share-based payments	24,017	24,017
Total non-current liabilities	24,017	24,017
Total liabilities	878,134	799,221

	(Thousands of yen)	
	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Net assets		
Shareholders' equity		
Share capital	1,092,450	1,092,450
Capital surplus	57,960	57,960
Retained earnings	4,610,992	4,715,336
Treasury shares	(1,155,570)	(1,155,570)
Total shareholders' equity	4,605,832	4,710,175
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,603	65,095
Total accumulated other comprehensive income	47,603	65,095
Total net assets	4,653,435	4,775,271
Total liabilities and net assets	5,531,569	5,574,492

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
For the Six-month period**

(Thousands of yen)

	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023
Net sales	2,371,509	2,246,588
Cost of sales	673,626	726,038
Gross profit	1,697,883	1,520,549
Selling, general and administrative expenses	847,247	866,909
Operating profit	850,636	653,640
Non-operating income		
Interest income	1,050	10,454
Dividend income	–	2,428
Foreign exchange gains	2,920	64,626
Other	1,059	2,660
Total non-operating income	5,029	80,170
Non-operating expenses		
Interest expenses	384	350
Share related expenses	6,726	6,799
Commission expenses	3,042	2,845
Share of loss of entities accounted for using the equity method	9,753	9,811
Other	323	25
Total non-operating expenses	20,231	19,832
Ordinary profit	835,434	713,978
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Net income before income taxes	835,434	713,978
Income taxes—current	285,294	241,108
Income taxes—deferred	4,966	4,741
Total income taxes	290,260	245,849
Net income	545,174	468,128
Net income attributable to owners of the parent	545,174	468,128

Quarterly Consolidated Statement of Comprehensive Income
For the Six-month period

	(Thousands of yen)	
	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023
Net income	545,174	468,128
Other comprehensive income		
Valuation difference on available-for-sale securities	3,837	17,492
Total other comprehensive income	3,837	17,492
Comprehensive income	549,012	485,621
Comprehensive income attributable to		
Owners of the parent	549,012	485,621
Non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

	(Thousands of yen)	
	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023
Cash flows from operating activities		
Net income before income taxes	835,434	713,978
Depreciation	48,036	43,611
Amortization of goodwill	2,727	2,727
Increase (decrease) in allowance for doubtful accounts	3,072	4,685
Interest and dividend income	(1,050)	(12,883)
Interest expenses	384	350
Share of loss (profit) of entities accounted for using the equity method	9,753	9,811
Decrease (increase) in trade receivables	18,578	69,697
Decrease (increase) in inventories	890	837
Increase (decrease) in trade payables	(368)	(49)
Other	(69,148)	(77,790)
Subtotal	848,310	754,978
Interest and dividends received	36	20,352
Interest paid	(288)	(256)
Income taxes paid	(695,771)	(443,954)
Income taxes refund	–	326,949
Net cash provided by (used in) operating activities	152,287	658,069
Cash flows from investing activities		
Payments into time deposits	(579,240)	(15,123)
Purchase of property, plant and equipment	(19,000)	(14,686)
Purchase of intangible assets	(19,226)	(30,829)
Purchase of investment securities	(351,254)	–
Other	1,516	(10,448)
Net cash provided by (used in) investing activities	(967,205)	(71,087)
Cash flows from financing activities		
Purchase of treasury shares	(202,857)	–
Cash dividends paid	(310,748)	(363,641)
Net cash provided by (used in) financing activities	(513,606)	(363,641)
Effect of exchange rate change on cash and cash equivalents	2,920	–
Increase (decrease) in cash and cash equivalents	(1,325,604)	223,340
Cash and cash equivalents at the beginning of the period	3,307,363	2,524,006
Cash and cash equivalents at the end of the period	1,981,758	2,747,347

(4) Notes to Quarterly Consolidated Financial Statements**Segment Information**

I. For the six-month period ended September 30, 2022

1. Disclosure of net sales and profit (loss) for each reportable segment

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	1,841,031	334,490	195,987	2,371,509	2,371,509
Intersegment sales or transfers	42,000	–	–	42,000	42,000
Total	1,883,031	334,490	195,987	2,413,509	2,413,509
Segment profit	1,235,900	120,810	72,172	1,428,883	1,428,883

2. Reconciliation of total segment profit of reportable segments with operating profit on the quarterly consolidated statement of income

(Thousands of yen)

Profit	Amount
Total segment profit of reportable segments	1,428,883
Amortization of goodwill	(2,727)
Corporate expenses (Note)	(575,519)
Operating profit on the quarterly consolidated statement of income	850,636

Note: Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

II. For the six-month period ended September 30, 2023

1. Disclosure of net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	1,731,833	337,729	177,025	2,246,588	2,246,588
Intersegment sales or transfers	42,000	–	–	42,000	42,000
Total	1,773,833	337,729	177,025	2,288,588	2,288,588
Segment profit	1,070,588	126,174	51,033	1,247,796	1,247,796

2. Reconciliation of total segment profit of reportable segments with operating profit on the quarterly consolidated statement of income

(Thousands of yen)

Profit	Amount
Total segment profit of reportable segments	1,247,796
Amortization of goodwill	(2,727)
Corporate expenses (Note)	(591,428)
Operating profit on the quarterly consolidated statement of income	653,640

Note: Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segments.

Revenue Recognition

Disaggregation of revenue from contracts with customers

I. For the six-month period ended September 30, 2022

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	1,042,833	–	–	1,042,833	1,042,833
News & Media	798,197	–	–	798,197	798,197
Data Providing	–	334,490	–	334,490	334,490
Mobile Content Subscription Services	–	–	195,987	195,987	195,987
Revenue from contracts with customers	1,841,031	334,490	195,987	2,371,509	2,371,509
Other revenue	–	–	–	–	–
Sales to external customers	1,841,031	334,490	195,987	2,371,509	2,371,509

II. For the six-month period ended September 30, 2023

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	943,467	–	–	943,467	943,467
News & Media	788,366	–	–	788,366	788,366
Data Providing	–	337,729	–	337,729	337,729
Mobile Content Subscription Services	–	–	177,025	177,025	177,025
Revenue from contracts with customers	1,731,833	337,729	177,025	2,246,588	2,246,588
Other revenue	–	–	–	–	–
Sales to external customers	1,731,833	337,729	177,025	2,246,588	2,246,588

Significant Subsequent Events

Share buyback

At a meeting of the Board of Directors held on November 6, 2023, the Company resolved to implement share buyback in accordance with Article 459, paragraph (1) of the Companies Act and Article 46 of the Company's Articles of Incorporation.

1. Reasons for share buyback

To enhance shareholder return and to facilitate flexible implementation of capital policy in response to changes in the business environment.

2. Details of share buyback

(1) Class of shares to be bought back

Ordinary shares of the Company

(2) Total number of shares to be bought back

Up to 300,000 shares (Equal to 2.23% of total outstanding shares)

Note: The number of such treasury shares does not include 180,000 shares of the Company held by the Board Benefit Trust and Employees Benefit Trust established by the Company.

(3) Total buyback price of shares

Up to 300 million yen

(4) Buyback period

From November 7, 2023 to January 31, 2024

(5) Buyback method

Purchase on the Tokyo Stock Exchange market