



Financial Results for the Three-Month Period Ended June 30, 2024

August 5, 2024

Oricon Inc.

(Securities Code: 4800)

Corporate Philosophy

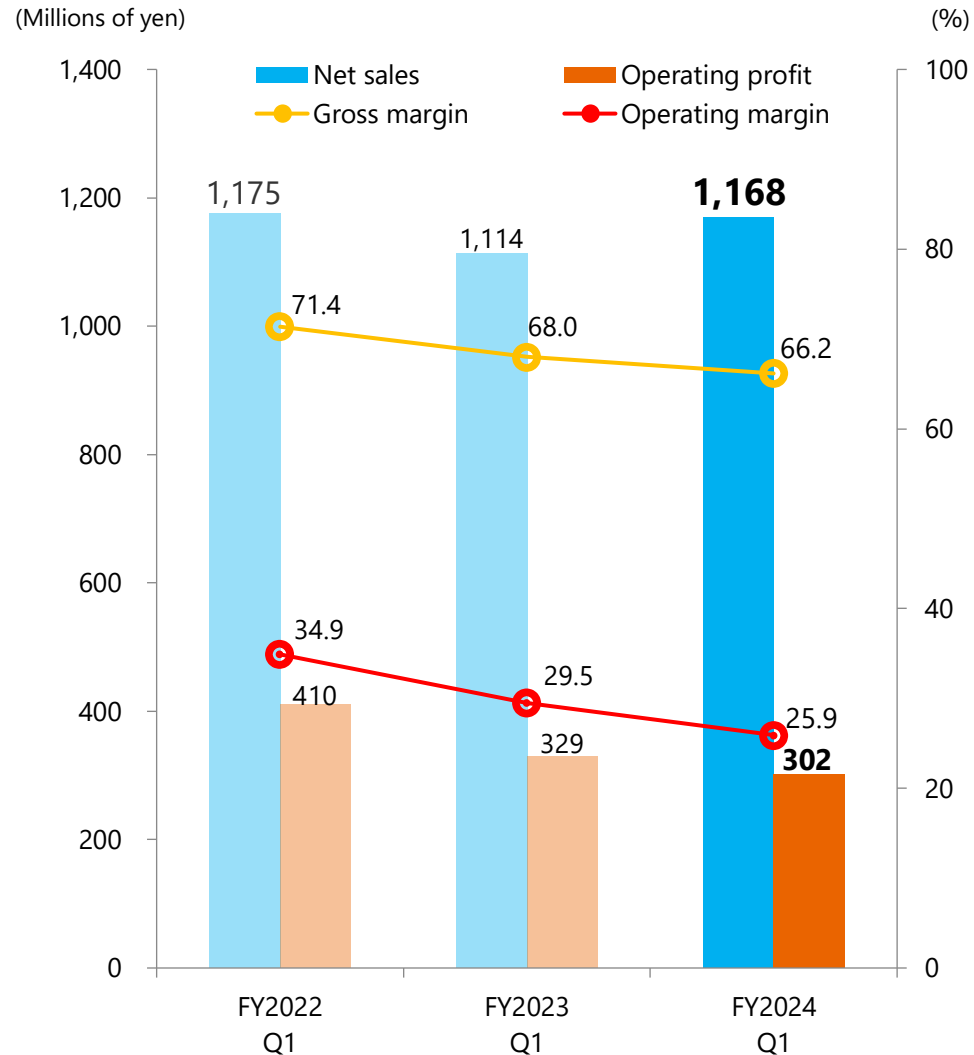
Turning facts into intelligence

Management Policy

In a society where information makes things complicated because, for example, of the scourge of fake news, Oricon will earn the trust of society by turning facts into intelligence from an objective and fair standpoint and disseminating it widely.

By doing so, we aspire to be a company of high social value that contributes to the realization of affluent lifestyles and the development of various industries.

1-1 Overview of Financial Results for FY24Q1



● Consolidated financial results (YoY change)

Net sales **¥1,168 mn** **+4.9 %**

Gross margin 66.2% (1.8) pts

Operating profit **¥302 mn** (8.2) %

Operating margin 25.9% (3.6) pts

Although we achieved increased revenue, increases in upfront investments and human resource investments have caused operating profit to decrease year on year.

1-2 Consolidated Statement of Income

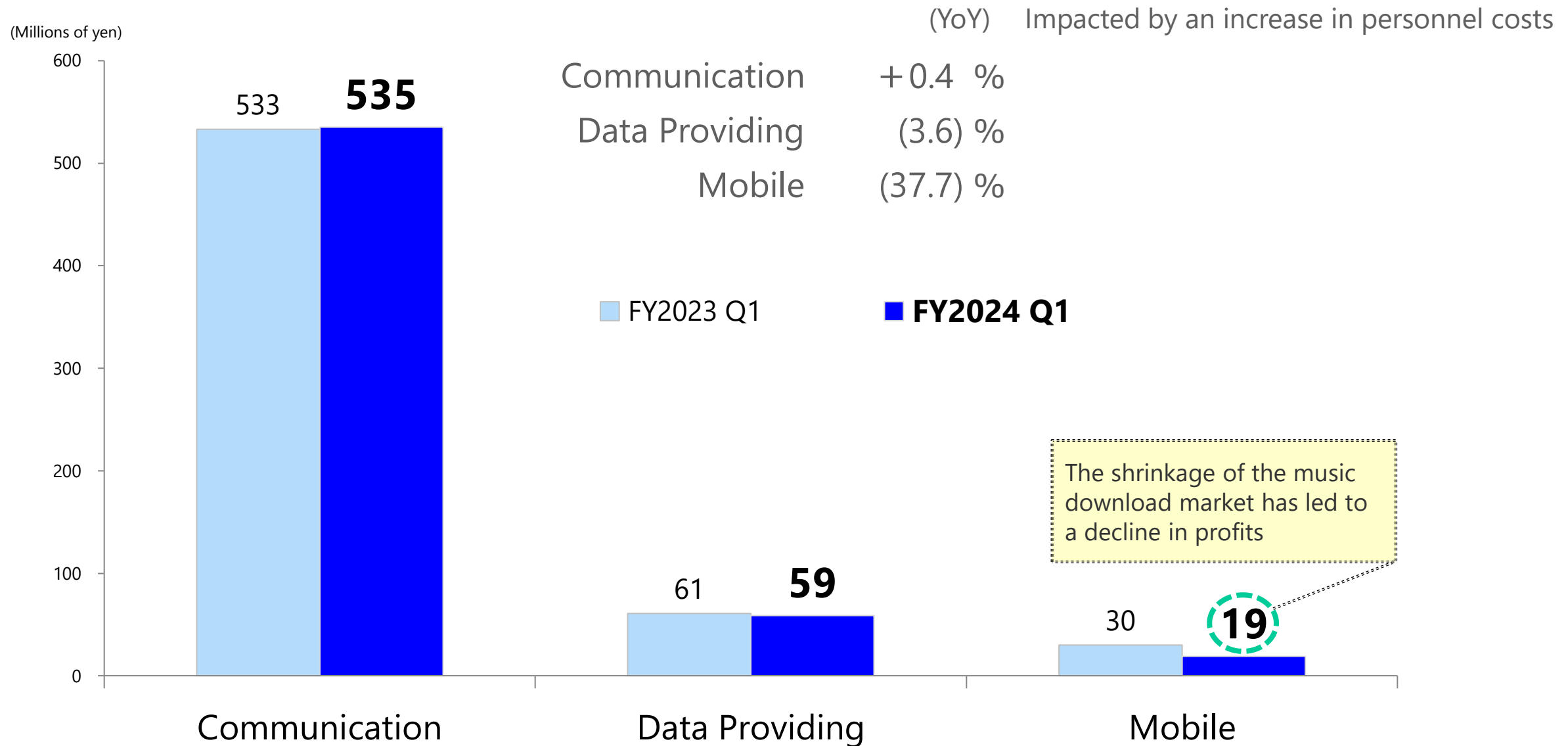
(Millions of yen)	FY2023 Q1	FY2024 Q1	YoY		
			Amount	%	
Net Sales	1,114	1,168	+54	+4.9%	→ See next slide for the breakdown by segment
Cost of sales	356	395	+38	+10.9%	
(Cost of sales margin)	(32.0%)	(33.8%)			← { Upfront investments for SEO enhancement & investment for human resources
Gross Profit	757	772	+15	+2.0%	
(Gross margin)	(68.0%)	(66.2%)			
SG&A expenses	428	470	+42	+9.8%	←
(SG&A margin)	(38.5%)	(40.3%)			
Operating profit	329	302	(27)	(8.2)%	
(Operating margin)	(29.5%)	(25.9%)			
Ordinary profit	371	347	(24)	(6.5)%	
(Ordinary margin)	(33.3%)	(29.7%)			
Net income before income taxes	371	441	+70	+18.8%	← Impacted primarily by gain on sale of investment securities
(Pretax profit margin)	(33.3%)	(37.8%)			
Net income attributable to owners of the parent	238	294	+55	+23.4%	
(Net margin)	(21.4%)	(25.2%)			

1-3 Breakdown of Sales by Segment

Sales of the Communication Business increased by 7.7% YoY

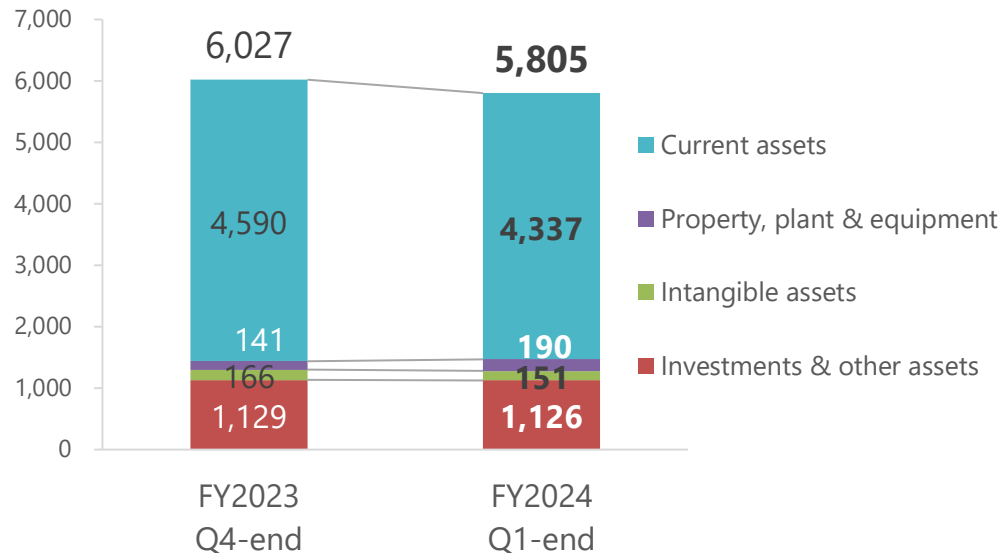
(Millions of yen)		FY2023	FY2024	YoY	
		Q1	Q1	Amount	%
Communication		858	924	+65	+7.7%
	Customer Satisfaction Research	474	552	+77	+16.3%
	News & Media	383	372	(11)	(3.0)%
Data Providing		166	167	+0	+0.6%
Mobile		89	76	(12)	(14.2)%
Total		1,114	1,168	+54	+4.9%

1-4 Breakdown of Operating Profit by Segment



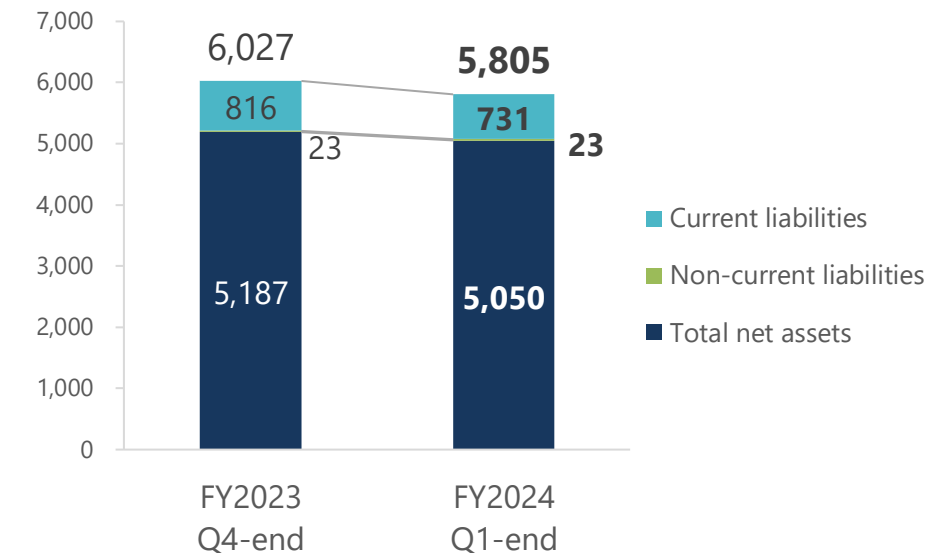
1-5 Consolidated Balance Sheet

(Millions of yen)



(Millions of yen)	FY2023 Q4-end	FY2024 Q1-end	Change
Current assets	4,590	4,337	(252)
Property, plant and equipment	141	190	+48
Intangible assets	166	151	(15)
Investments and other assets	1,129	1,126	(2)
Total assets	6,027	5,805	(222)

(Millions of yen)

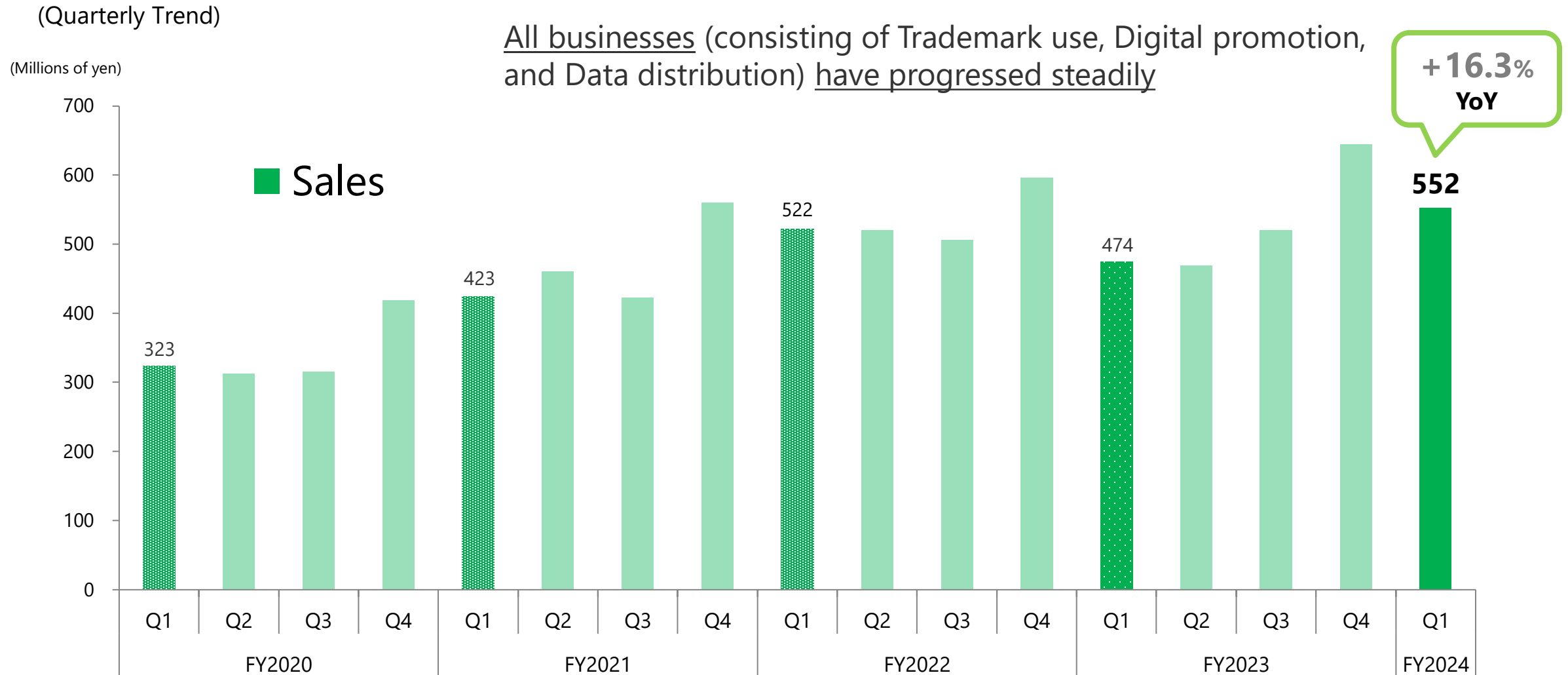


(Millions of yen)	FY2023 Q4-end	FY2024 Q1-end	Change
Current liabilities	816	731	(85)
Non-current liabilities	23	23	+0
Total liabilities	840	755	(85)
Total net assets	5,187	5,050	(137)
Total liabilities and net assets	6,027	5,805	(222)

The equity ratio stood at 87.0% (up 0.9 pts from FY2023 Q4-end)

2. Overview of Communication Business (1)

◆ Customer Satisfaction (CS) Research Business



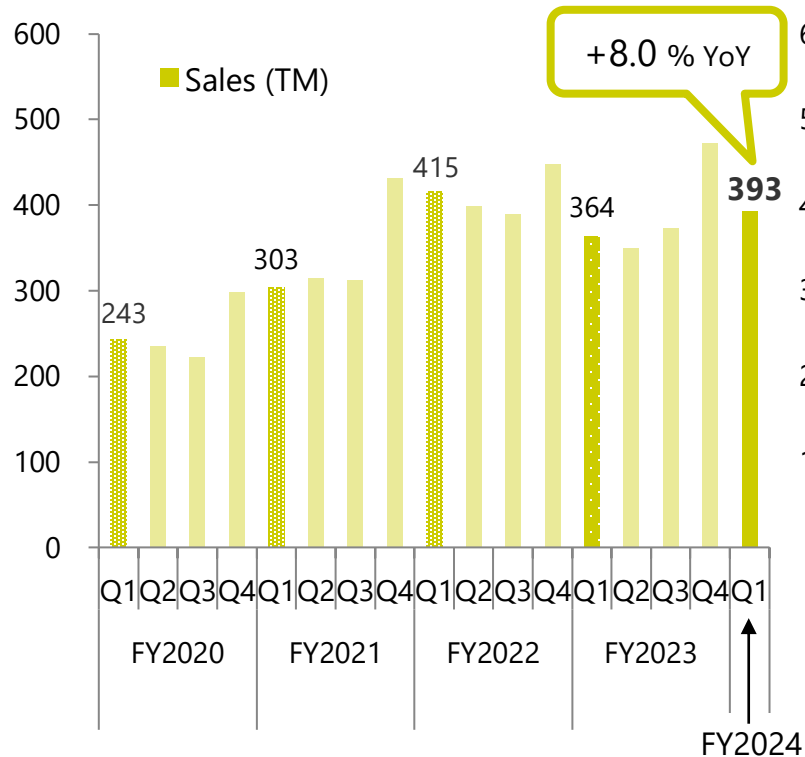
2. Overview of Communication Business (2)

◆ Customer Satisfaction (CS) Research Business

(Quarterly Trend)

Trademark use

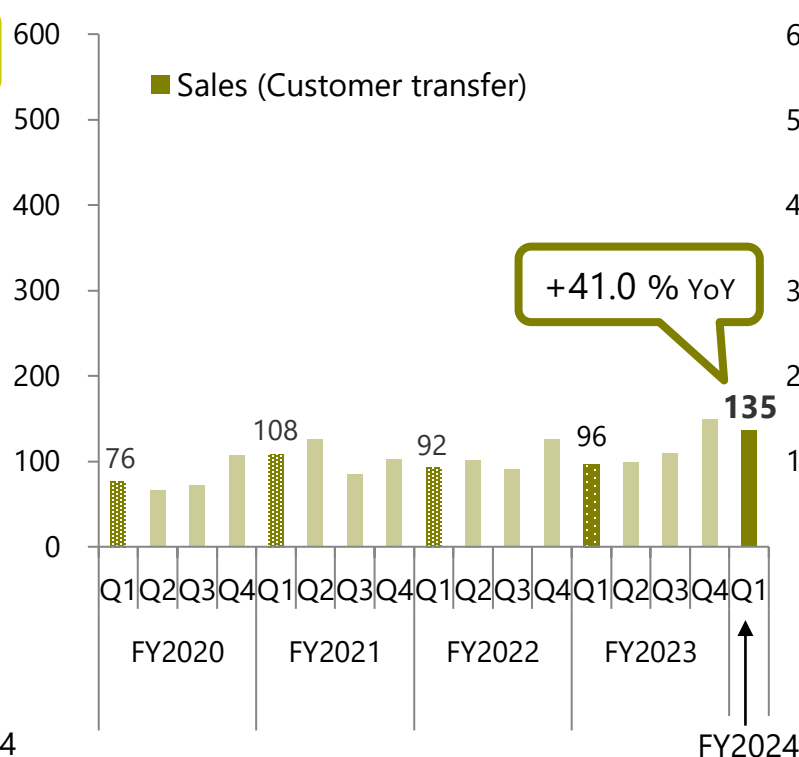
(Millions of yen)



The number of contracts increased in terms of all the rankings: Overall, Item and Category.

Digital promotion (Customer transfer)

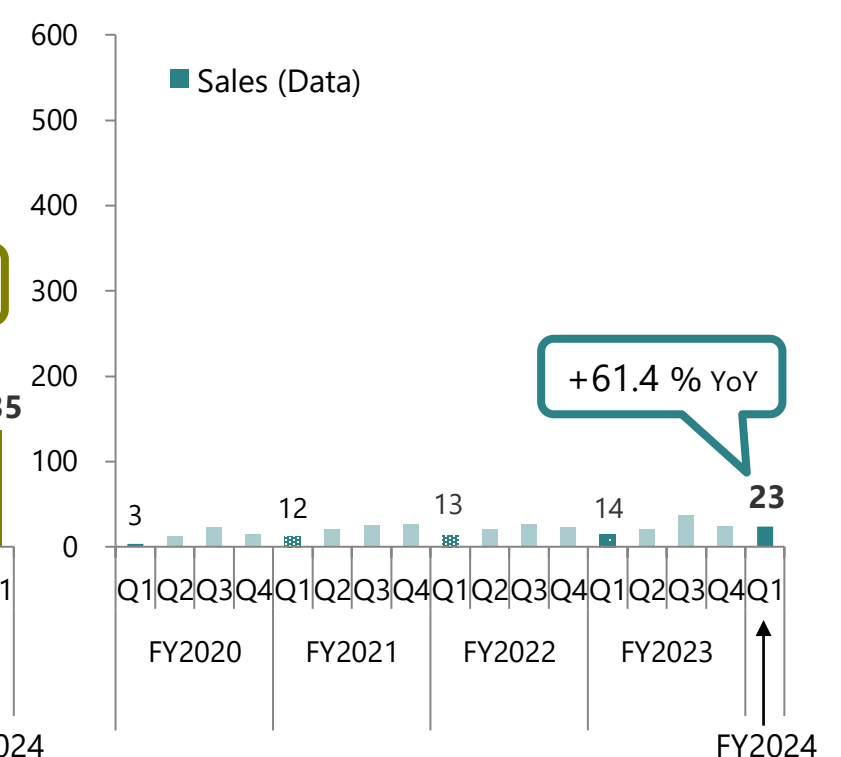
(Millions of yen)



Traffic to the CS website increased due to operational adjustments and improvements in content quality, resulting in increases in advertising revenue and the number of contracts.

Data distribution

(Millions of yen)

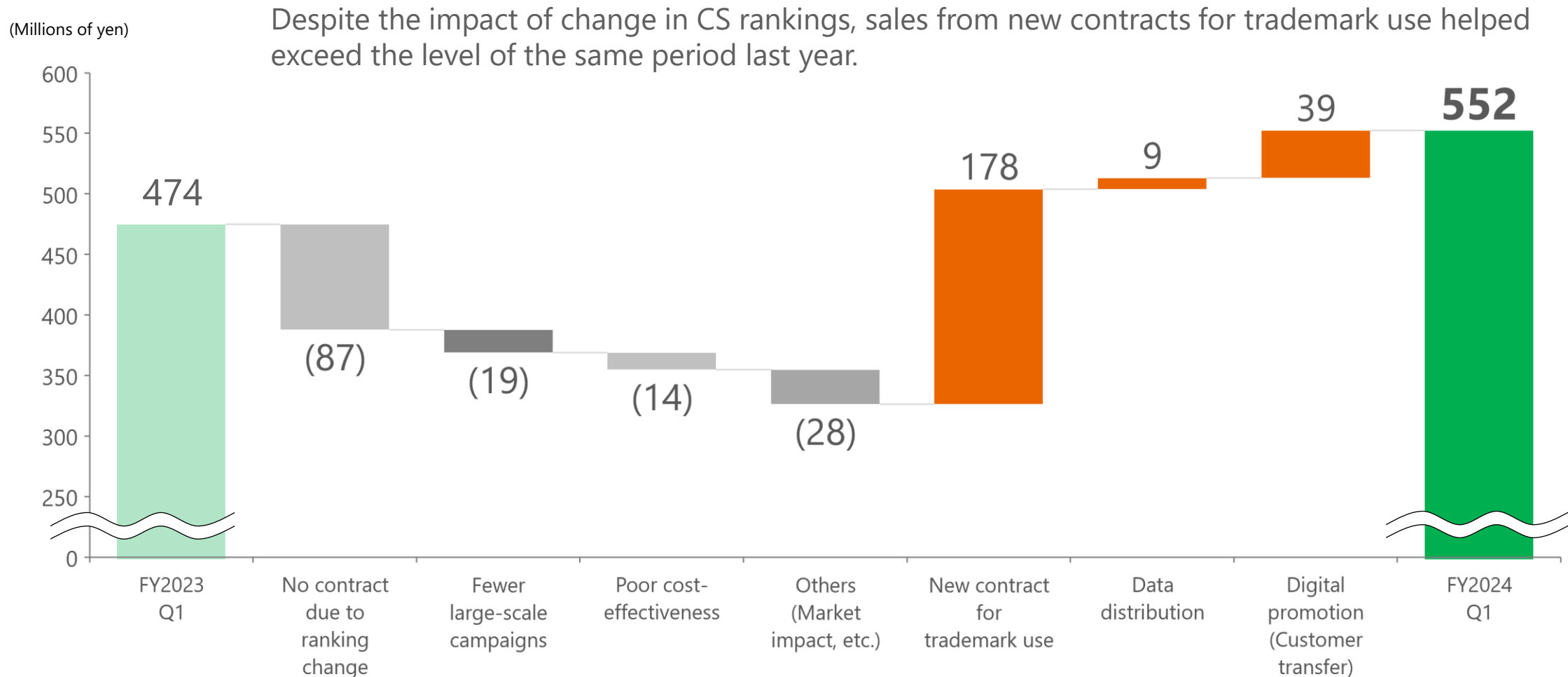


Q1 sales reached a record high with contracts building up successfully not only from repeat business but also from new clients.

2. Overview of Communication Business (3)

◆ Customer Satisfaction (CS) Research Business

(Analysis of YoY Change in Sales)



2. Overview of Communication Business (4)

◆ Customer Satisfaction (CS) Research Business

Ranking lists by category

■ Insurance Industry

Car (Direct/Agent)/Bike (Direct/Agent)/Bicycle/Fire/Pets/Life/Medical/Cancer/Insurance consultation shop/Educational

■ Insurance Industry (Financial Planner (FP)'s Evaluation)

Car (Direct/Agent)/Fire/Pets/Pets (small dogs)/Pets (cats)/Medical (whole life/term)/Medical with relaxed underwriting criteria/Life (whole life/term)/Income protection/Cancer (whole life/term)/Disability/Dementia/Long-term care/Comprehensive protection/Individual pension/Foreign currency-denominated

■ Financial Industry

Internet securities/iDeCo Securities Company/Internet bank/Net banking/Foreign currency deposits/Housing loan/FX trading/Bank card loan/Non-bank card loan/Smartphone payment service/Cryptocurrency Exchange(Spot trading)/Cryptocurrency Exchange(Margin trading)/Robo advisor/Credit card(No annual fee/Standard/Gold)

■ Cram School

College entrance exam (Group guidance for senior high school students/Personal coaching for senior high school students/Topnotch universities for senior high school students)/Senior high school entrance exam (Group/Personal)/Junior high school entrance exam (Group/Personal)/Publicly-run integrated junior and senior high school (Group) /Elementary school students (Group/Personal)/Correspondence study(for elementary school/junior high school/senior high school)/Intellectual education for infants

■ School

English conversation school/Children's English (Infant/Elementary)/Online English Conversation/ Correspondence study/Programming classroom for kids

■ Life related

Hometown Tax Donation Program Website/Water server/Purified water server/House cleaning/Moving firm/Food delivery service(Metropolitan area/Tokai/Kinki)/Meal kit(Metropolitan area/Tokai/Kinki)/Subscription video distribution/Car purchase traders/Digital comics(Comprehensive/Original works only)/Used car seller/Vehicle inspection/Children photo studio/GPS tracker for kids/Bike seller/Manufacturer type bike seller

■ Telecommunications Industry

Low-cost SIM(Subscriber Identity Module)/Low-cost smartphone/Internet connection/Mobile carrier/Low-cost mobile carrier

■ Housing Industry

Real Estate Brokerage for Sales (Condominiums/Houses/Land) /Real Estate Brokerage for Purchases (Condominiums/Houses)Condominium Management Companies /Rental Information Stores/Rental Information Websites /House Manufacturers for Custom Home Renovations (Full/Houses/Condominiums)/New Condominium Developments/ Built-for-Sale Houses (Builders)/Companies for Large-Scale Condominium Repairs

■ Beauty Industry

Beauty salon(Facial/Lose weight • Body)

■ Sports & Health

Fitness club/Kid's swimming school(Infants/Elementary school)/24-hour gyms

■ Wedding Industry

House wedding/Marriage agency/Wedding hall consultation counter/Wedding hall information website/Dating • Marriage matching apps/Low-cost wedding

■ Human resources

Job hunting agency/Job hunting website/Employment information service/Changing job website/Changing job agency/Reverse job application service/Nurse changing job/High-class • Middle-class changing job/ Temporary staffing agency/Manufacturing temp/Temporary staffing job website/Changing job scout service/ Carer for the elderly changing job

■ Travel

Hotel comparison website/Airline ticket comparison website

■ Business Solutions

Internet printing online order/Corporate training

Additional ranking lists announced in April through June

- Car insurance (Direct/Agent) (FP's Evaluation)
- Fire insurance (FP's Evaluation)
- Pets insurance/Pets (small dogs)/Pets (cats) (FP's Evaluation)

Total **189** ranking lists

(As of Jun. 2024)
YoY 6 rankings decreased.

Not only the rankings by "Overall" also "Item" & "Category"
The number of contracts increased.

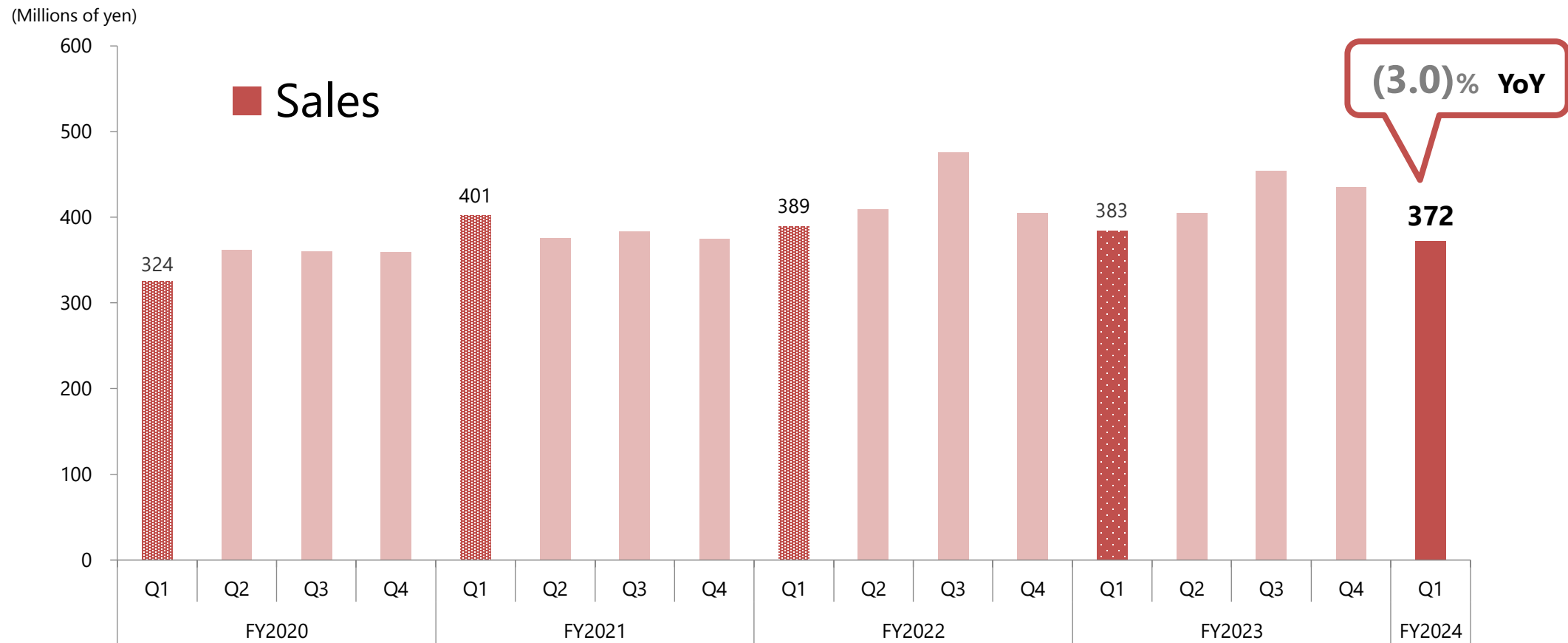
2. Overview of Communication Business (5)

◆ News & Media Business

(Quarterly Trend)

Own media → Tie-up ads decreased

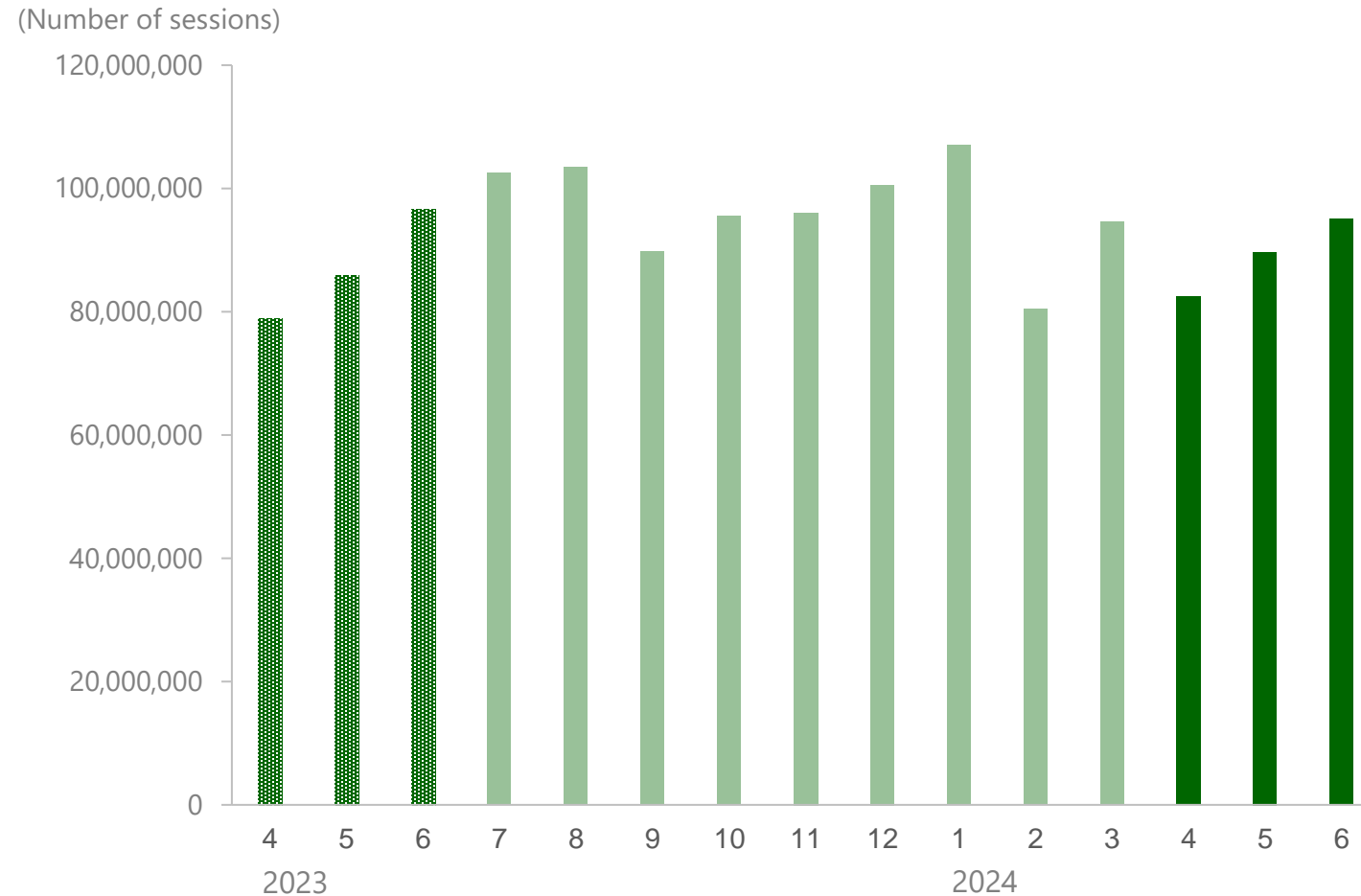
Content for third-party media → Revenue from videos has decreased.



2. Overview of Communication Business (6)

◆ News & Media Business

Own Media "ORICON NEWS" Trends in the number of sessions



FY2024 Q1 (Apr.–Jun.)

[The number of sessions]
increased by approx.
2% YoY

[Per session value]
decreased by approx.
5% YoY

2. Overview of Communication Business (7)

◆ News & Media Business

[Measures for increasing unit price per session]

(Started a test run in June 2024 and went fully operational in July 2024)

Changed the route leading to the photo page, which had previously been a major factor for low unit price



Direct users to **"text-rich"** article pages, which are informative enough to earn high unit price.



Inflow



"Photo-rich" pages

[Effect of measures]
YoY change in
unit price per session
for July 2024

Up 11%
for articles in all
categories

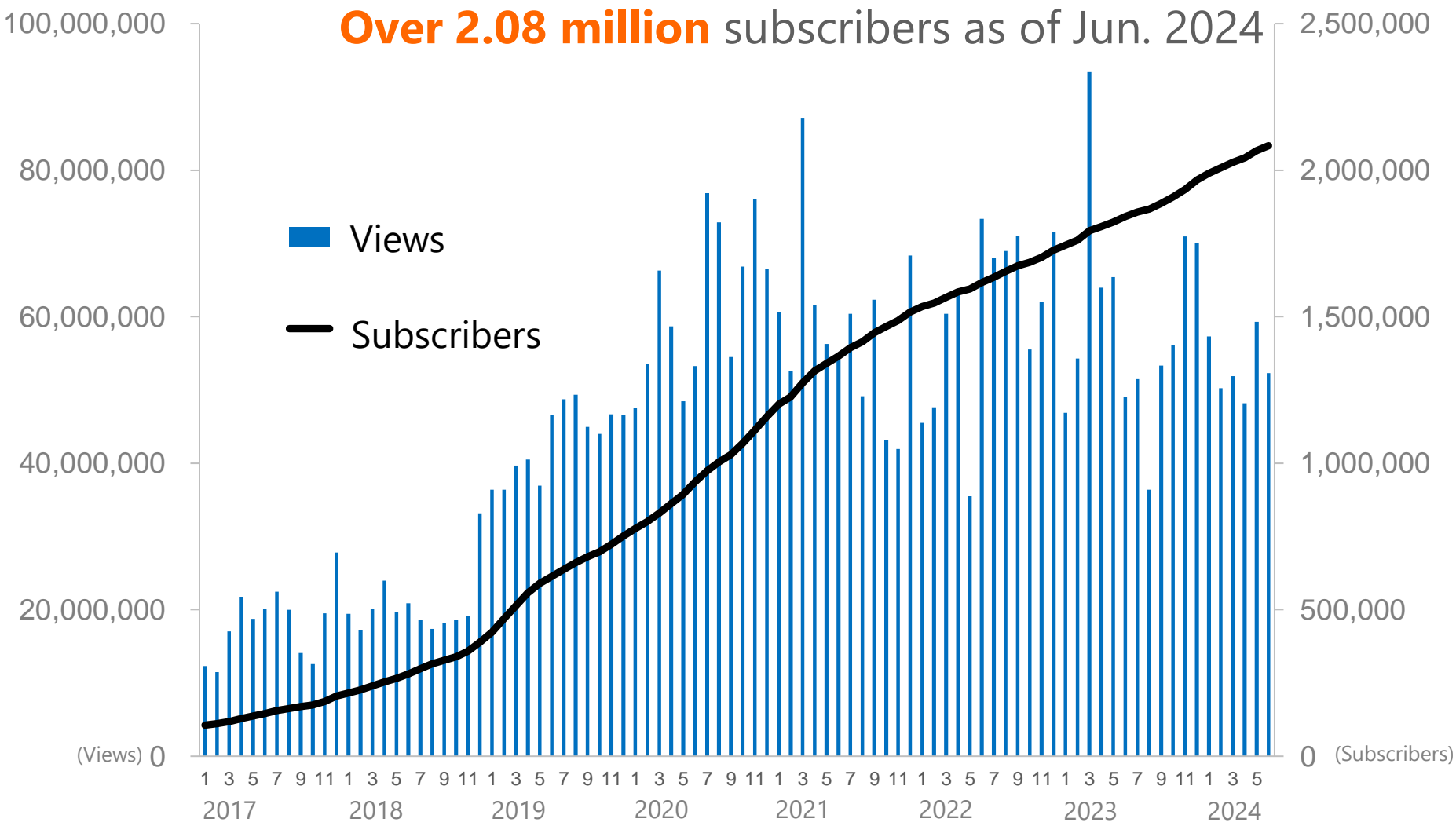
Up 54%
for social media
sourced articles*

Increase the number of inflows from third-party media, time on page, read rates, and the number of visit pages
Obtain high unit price by currently making efforts to increase opportunities to post information that users seek with an aim for the top search position

* Social media sourced article: An article based on social media messages updated by actors, TV personalities, and other celebrities

2. Overview of Communication Business (8)

◆ News & Media Business “ORICON NEWS” The Official YouTube Channel



3. Full-Year Forecast for FY2024

The forecast of consolidated financial results announced on May 8, 2024
remains unchanged

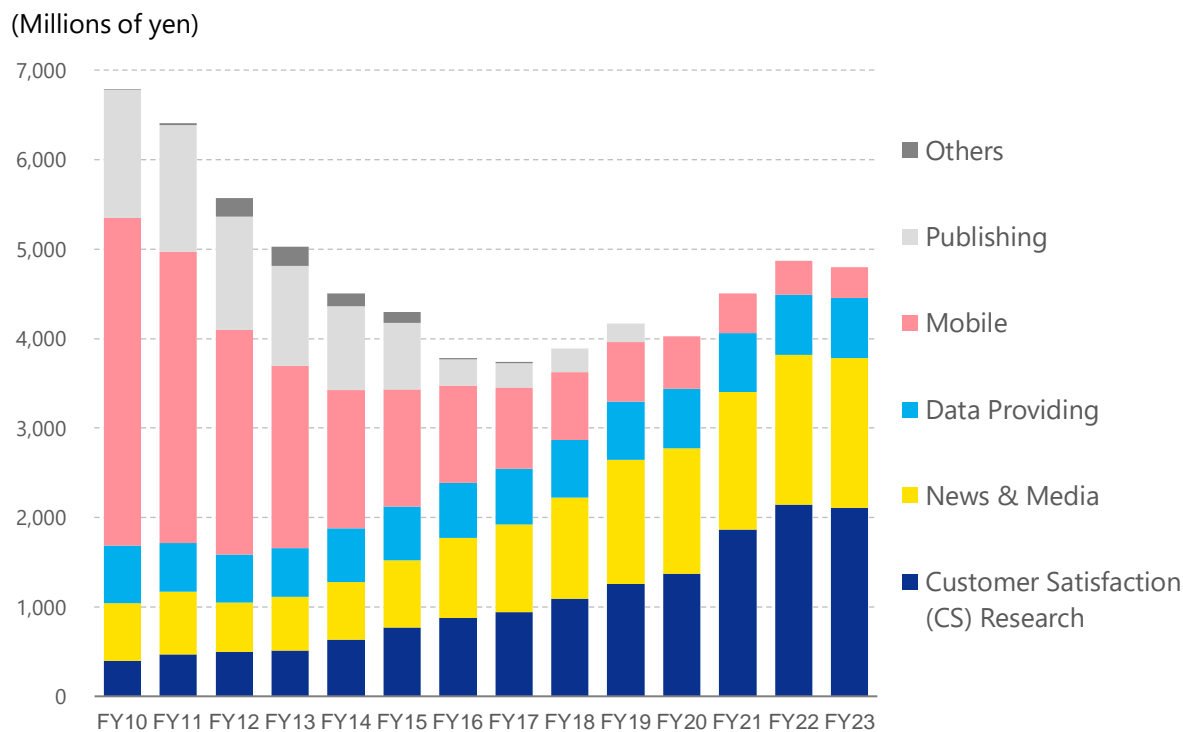
Both net sales and profits are expected to increase year on year even with the upfront investments for SEO enhancement (with the aim for employees to acquire SEO skills) continuing up to the end of FY24 H1

(Millions of yen)	FY2023 Results	FY2024 Forecast	YoY		FY2024 Q1 Results	Q1 Progress against full-year forecast
			Amount	%		
Net sales	4,800	5,200	+399	+8.3%	1,168	22.5%
Operating profit	1,556	1,720	+163	+10.5%	302	17.6%
Ordinary profit	1,588	1,710	+121	+7.6%	347	20.3%
Net income attributable to owners of the parent	1,055	1,170	+114	+10.9%	294	25.2%

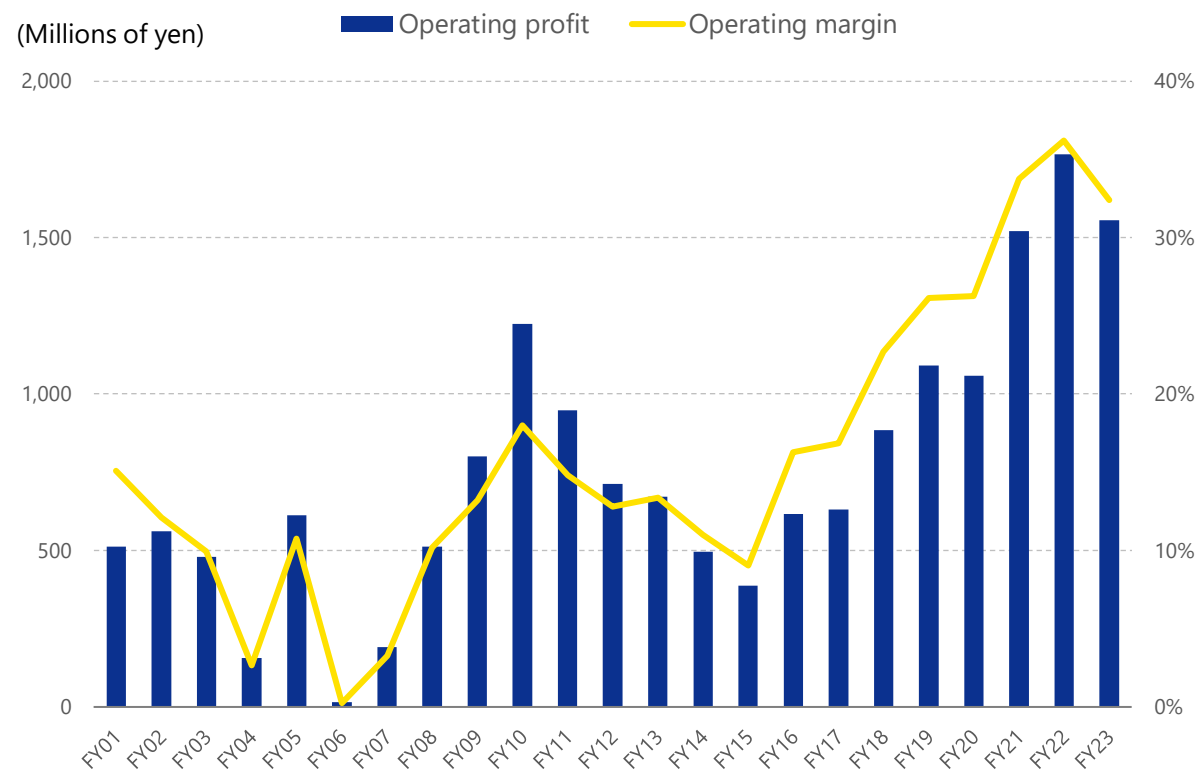
Appendix

- Previously, the Mobile Business and Publishing Business had been the main contributors to net sales, but proactive business restructuring has made the Customer Satisfaction (CS) Research Business and News & Media Business into major revenue supporters
- As a result of promoting business restructuring, we have dramatically increased our operating margin and recently transformed ourselves into a highly profitable company maintaining an operating margin around 35%.

Net Sales Trends by Segment



Operating Profit and Operating Margin Trends



Business Description and Main Revenue Sources of Each Segment

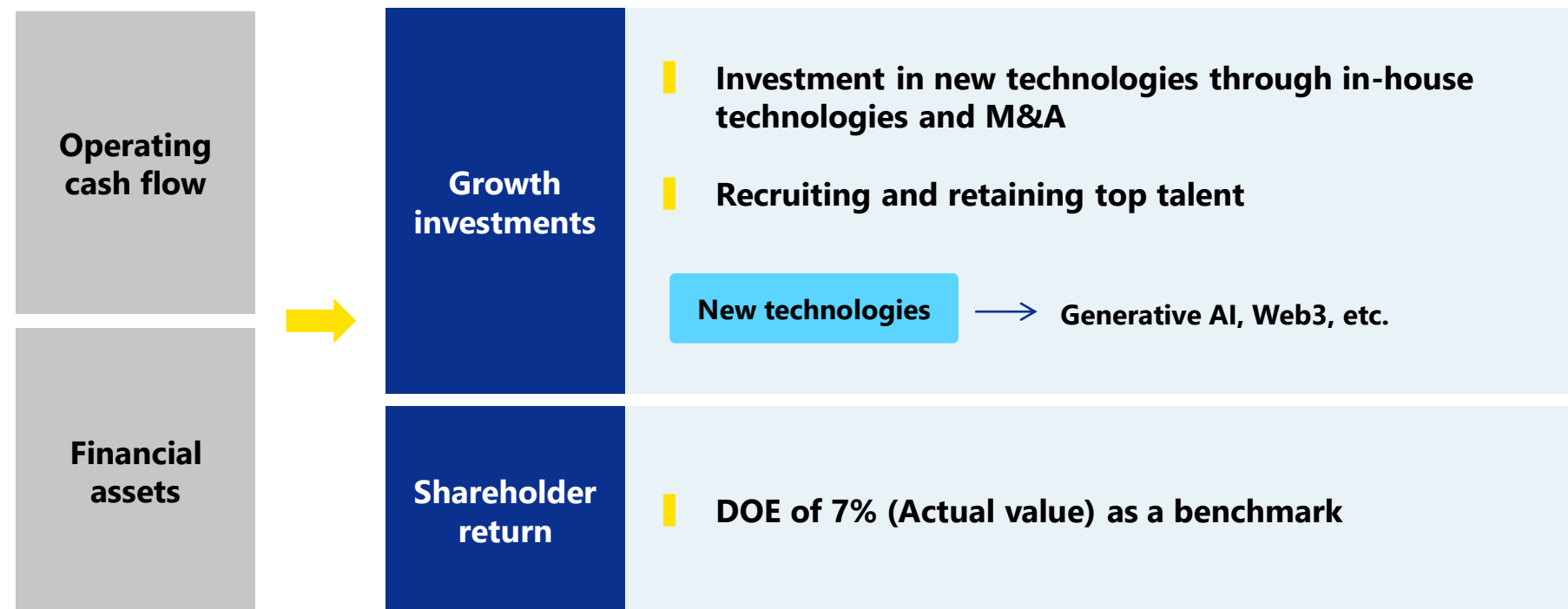
Segment	Business description	Main revenue sources
Communication Business Customer Satisfaction (CS) Research	<ul style="list-style-type: none"> ■ Conducts internet surveys for users of various services and ranks and announces the results annually from an independent position that is fair and unbiased ■ As of December 2023, has surveyed a total of 3.53 million people across 168 categories 	<ul style="list-style-type: none"> ■ The largest revenue source is "Trademark use," in which companies pay a fee for a license to use the ranking results marked with Oricon's trademark logo for their own advertising and promotion ■ "Digital promotion," in which customers are transferred to client company websites from search engines and Oricon's own media ■ "Data distribution," which provides broad-ranging analyses of survey results ■ "Consulting," which provides details and additional surveys to individual companies
News & Media	<ul style="list-style-type: none"> ■ Creates over 3,500 news/feature articles and video contents per month, focusing on entertainment ■ Acts as a news agency to distribute news to Yahoo! News and other major online media sites and apps ■ The official YouTube channel of Oricon's own media "ORICON NEWS" has amassed 2 million subscribers 	<ul style="list-style-type: none"> ■ Ad revenue from the number of page views and sessions on Oricon's own media and distribution partner platforms ■ Revenue from sponsored advertising and PR consulting for companies ■ Fees received for providing content to distribution partner media outlets ■ Creation and promotion/management of online ads
Data Providing Business	<ul style="list-style-type: none"> ■ Collects sales data and creates rankings for music, videos, and books 	<ul style="list-style-type: none"> ■ Revenue from broadcasters and e-commerce sites, etc. for providing music databases and ranking data
Mobile Business	<ul style="list-style-type: none"> ■ Paid streaming service for mobile devices and PCs ■ Music streaming site "Oricon Music Store" ■ eBook site "Yomulun" 	<ul style="list-style-type: none"> ■ Pay-as-you-go billing for member downloads

Asset Allocation Approach

Policy to Proactively Invest Management Resources in Technologies and Seeds of Future Business Opportunities

- In addition to shareholder return, cash and deposits and free cash flow will be used to actively invest management resources in technologies and seeds of future business opportunities
- In addition to our recent demonstration test efforts involving generative AI and other technologies, we will develop approaches to promising technologies and seeds of future business opportunities through various methods, including in-house technology investment and M&A

Cash allocation approach



Recent investments



- Continue to achieve one of the highest DOE among TSE listed companies, backed by ROE levels exceeding 20%
- Dividend per share has increased 3.6 times that of 8 years ago

Accounting period	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
ROE	16.4%	17.6%	18.9%	24.1%	27.1%	25.9%	26.1%	25.2%	21.4%
Dividend per share (yen)	8.0	10.0	10.0	12.0	17.0	17.0	23.0	27.0	29.0
DOE	6.0%	7.4%	6.8%	7.0%	8.3%	7.1%	8.1%	8.2%	7.7%

Customer Satisfaction (CS) Research Business Model and Strengths



Oricon Customer Satisfaction Research Trademark Use and Trends in the Number of Annual Rankings Announced



- The Oricon Customer Satisfaction Research trademark logo can be used in various media by signing a contract by plan
- Although the number of services covered by the rankings has increased and trademark use sales are growing, there is still great potential for further use of the Oricon trademark logo as trust in the rankings grows even further

Main trademark logos



Rank logo by industry and business type

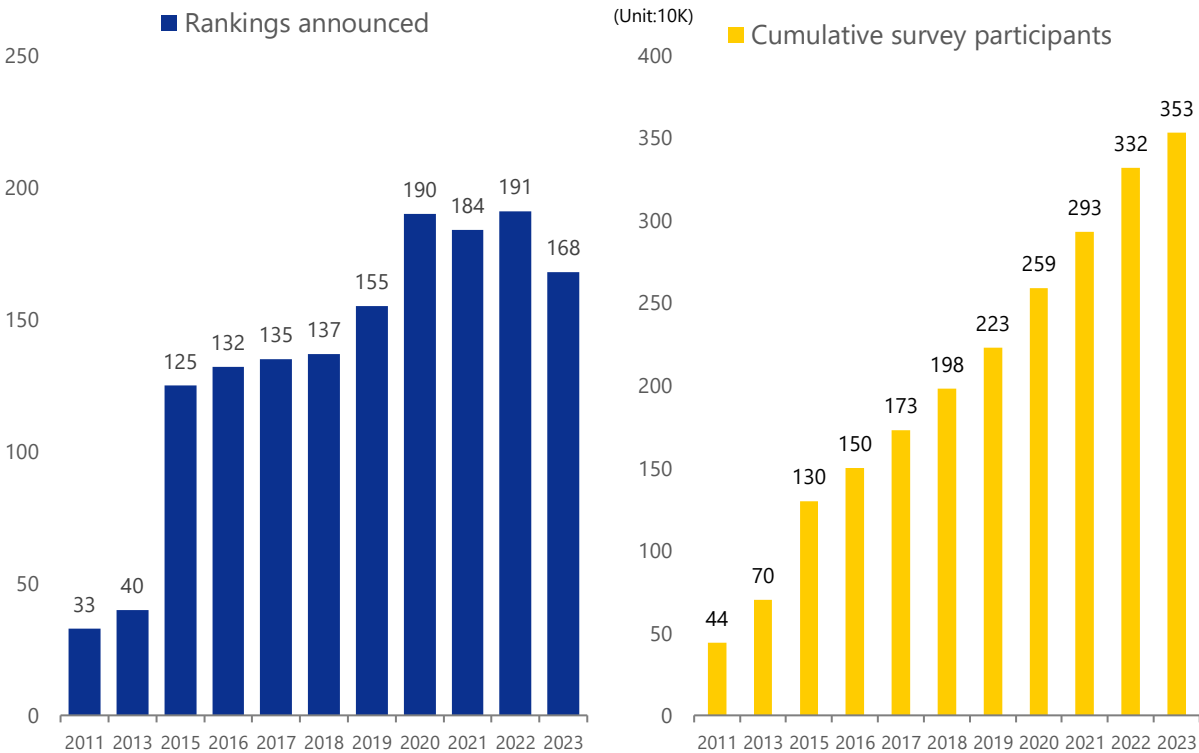


Item or sector rank logo by industry and business type

Main media in which logo can be used (range varies by plan)

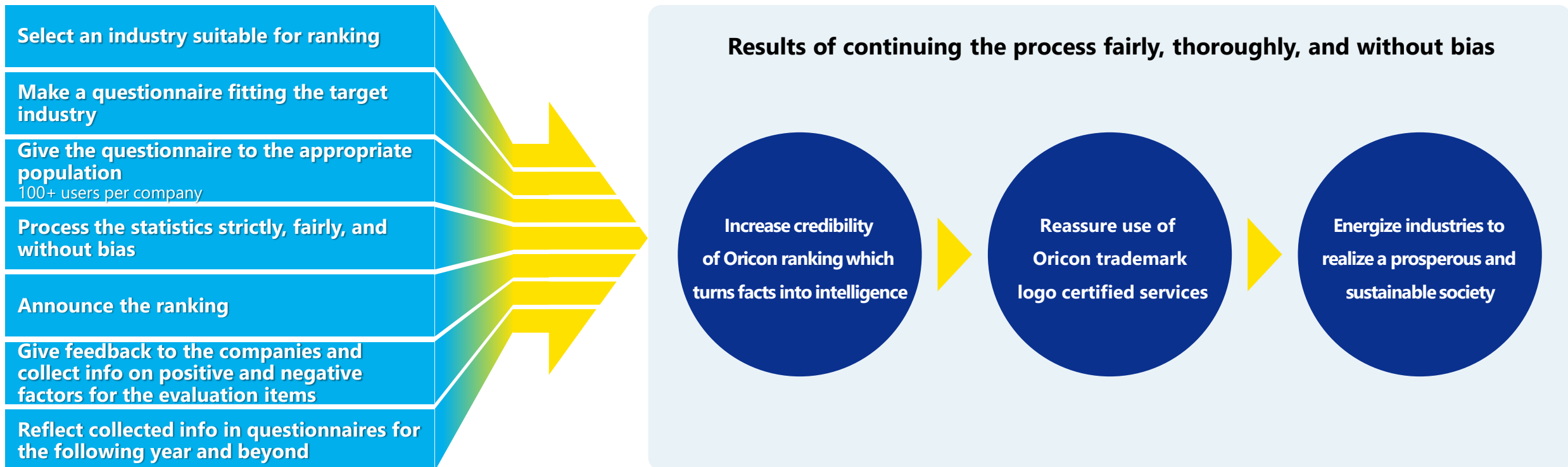
TV commercials / Externally-distributed ads (GDN, YDA, listing ads) / YouTube ads / Social media ads / Transit ads (in taxis, trains, etc.) / Outdoor ads (board posters, large screens, etc.) / Direct ads (DMs, mail magazines, newspaper inserts, free newspapers, etc.) / In-store sales promotional materials (catalogs, novelty items, etc.) / Newspaper and magazine ads / Company websites (corporate sites)

Trends in the Number of Annual Rankings Announced and Number of Survey Participants (Cumulative)

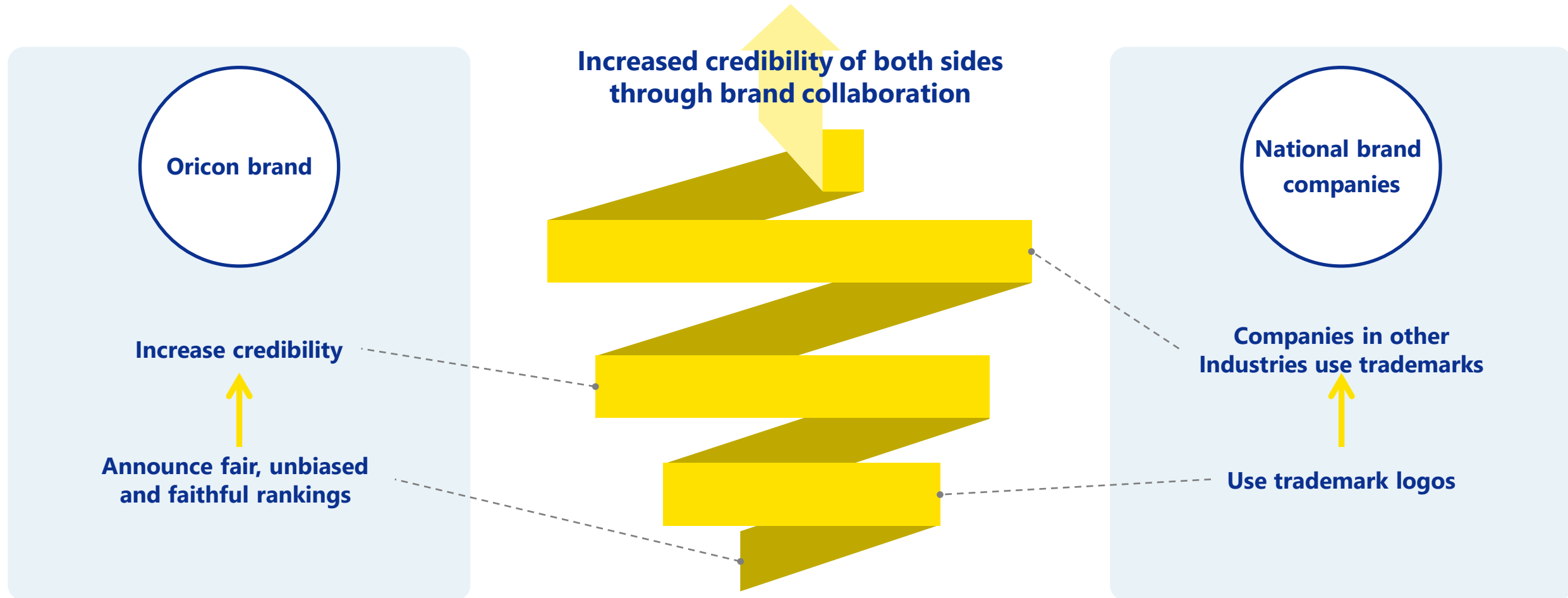


- **Select target industries independently as a third party that takes neither consumers' nor companies' sides, conduct fair and unbiased research, and strictly process data and statistics to create rankings**
- **Leverage our brand power built through the music rankings which we have continuously provided to consumers from a fair and unbiased standpoint to steadily build credibility of Oricon rankings in industries besides music**

Customer Satisfaction (CS) Research Process: "Turning Satisfaction into Intelligence"



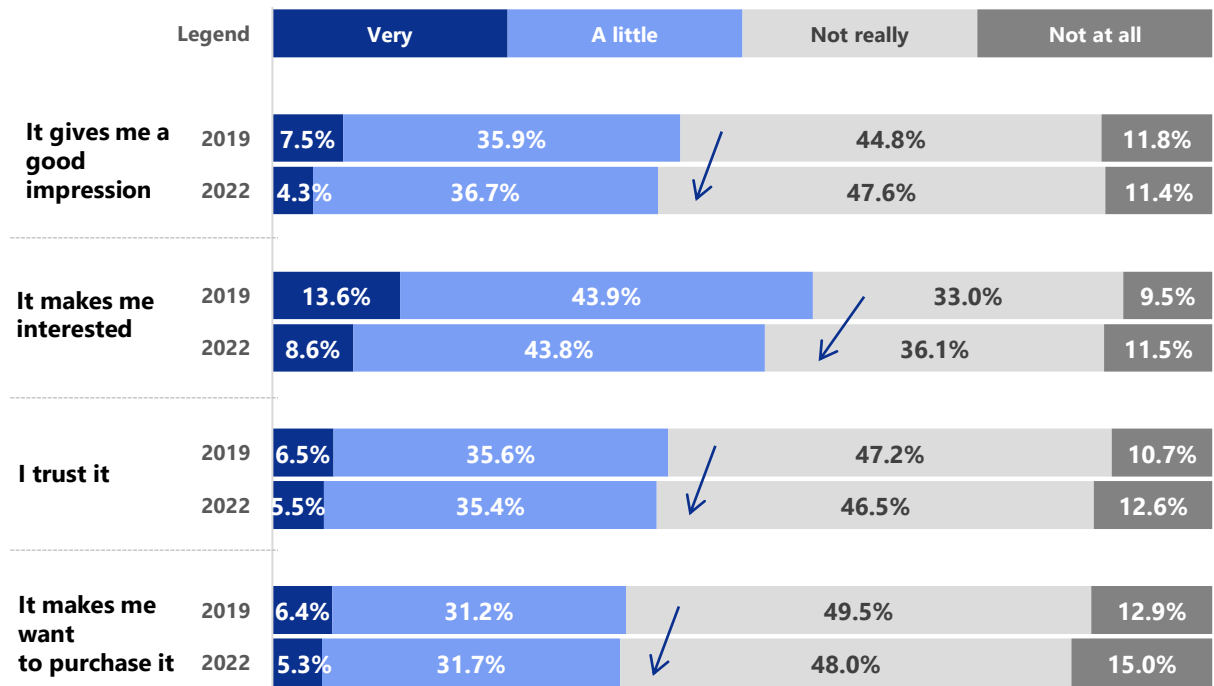
- Oricon brand credibility is further increased when renowned national brand companies use Oricon trademark logos backed by fair, unbiased, and faithful Oricon rankings, which in turn encourages other national brand companies in different business industries to use our trademark logos. This brand collaboration eventually leads to increased credibility of both the Oricon brand and Oricon trademark logo certified services



Questioning the Credibility of No. 1 Labeling Turns Out to Be a Tailwind

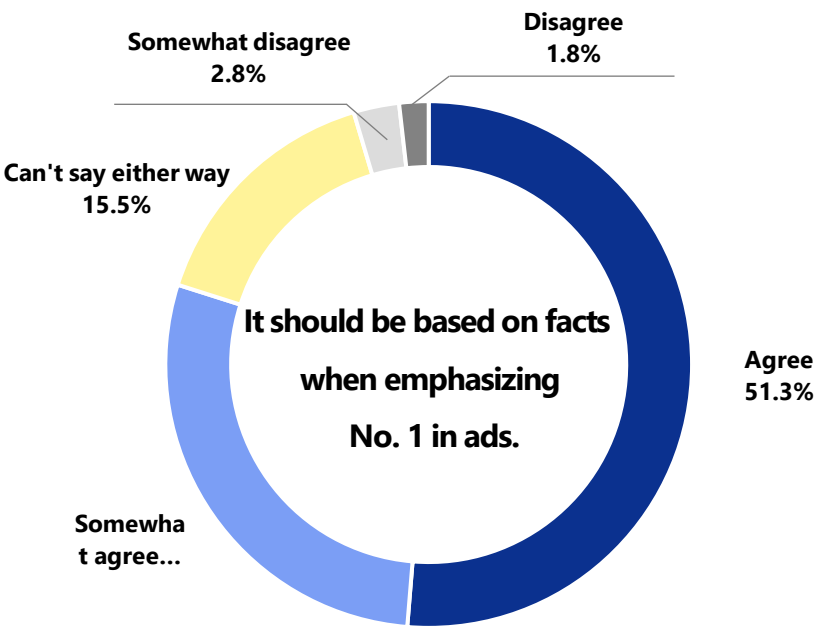
- Due to the increased No.1 labeled ads without legitimate evidence, the image of such advertised products and services have been slightly tarnished from 2019 to 2022
- Many people think No.1 labeled ads should be based on facts (nearly 80%). Therefore, this situation is a tailwind for a fair and unbiased third party institution like us which prioritizes improving customer satisfaction, as it will help increase the credibility of our rankings

Impression of No. 1 Labeled Products & Services
(Based on 1,000 respondents / Individual answers)



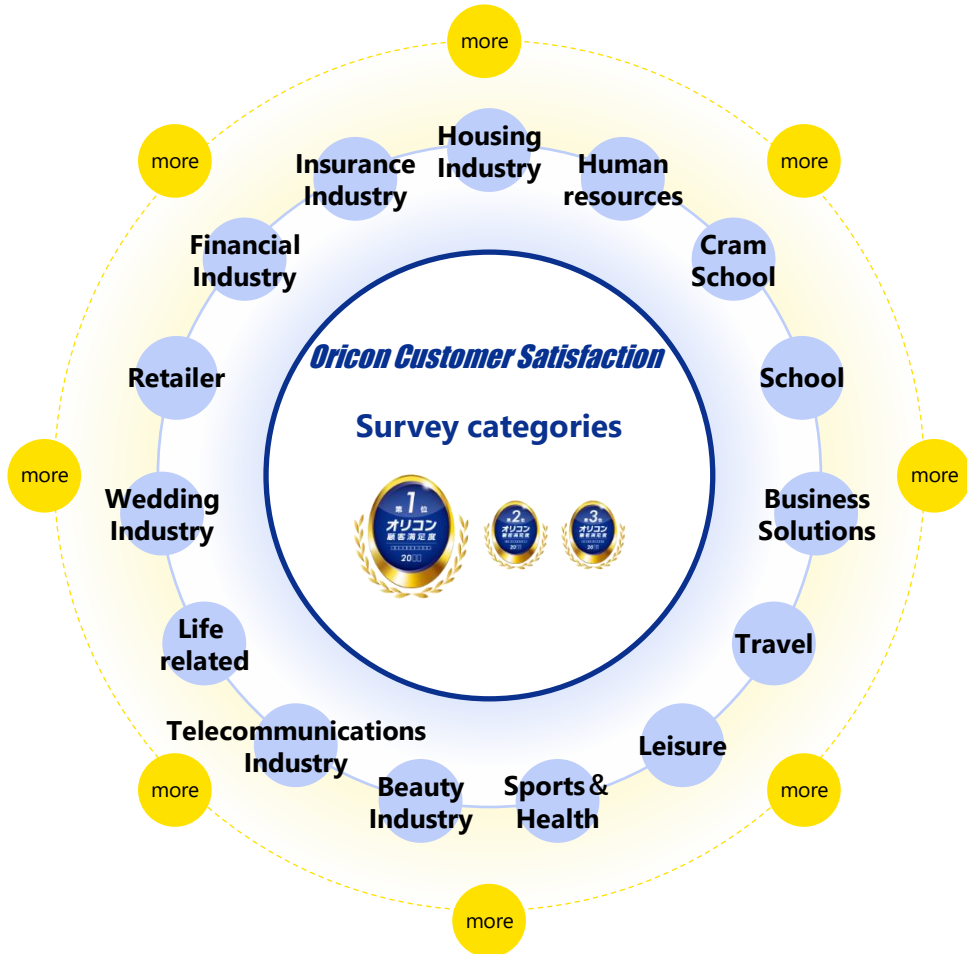
(Source) Research conducted by Macromill, Inc. from July 27th to 28th, 2022

Opinions on No. 1 Labeled Ads
(Based on 1,000 respondents / Individual answers)

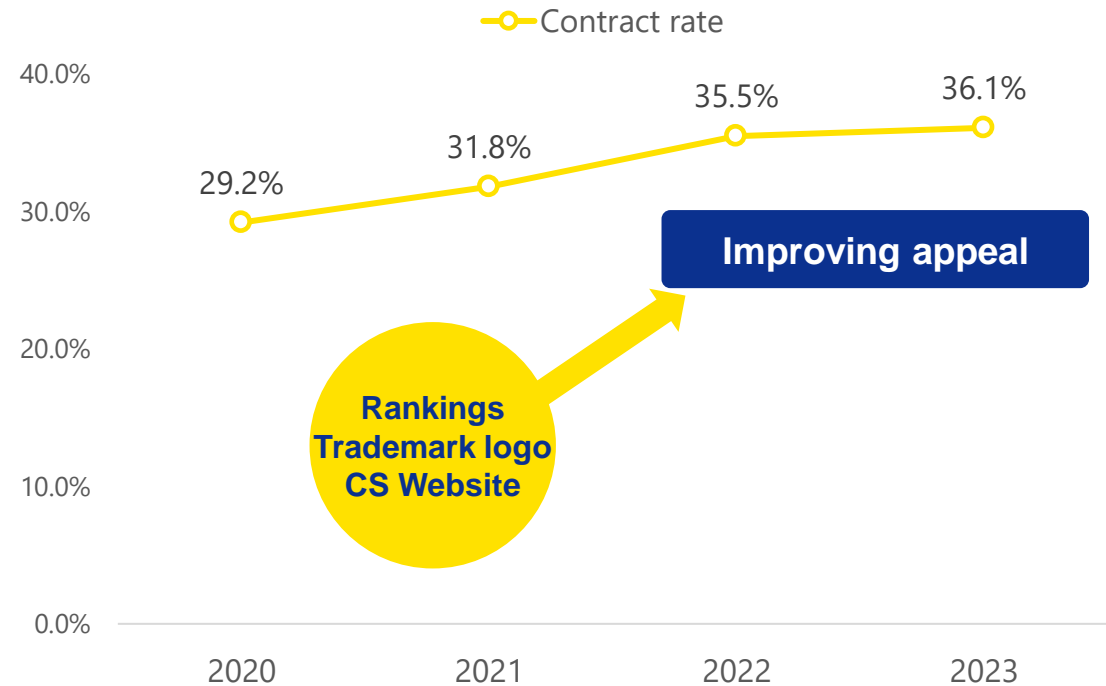


(Source) Research conducted by Macromill, Inc. from July 27th to 28th, 2022

- Oricon Customer Satisfaction Research still has room to expand the number of categories covered, as well as potential for growth in terms of personalized rankings based on factors such as region, age, and gender. Additionally, there is room for growth in contract rates.
- Continue to conduct fair and accurate surveys and announce rankings to further enhance its credibility as an index established in society that connects consumers and companies



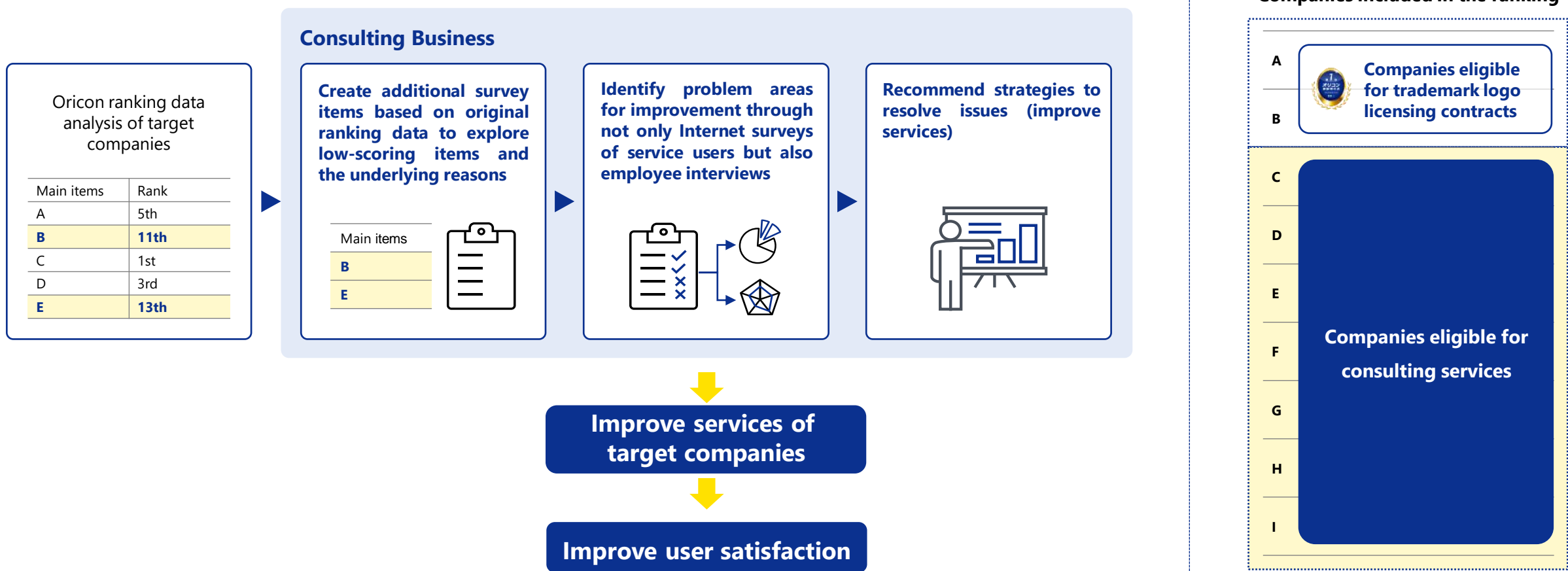
Trends in Contract Rates

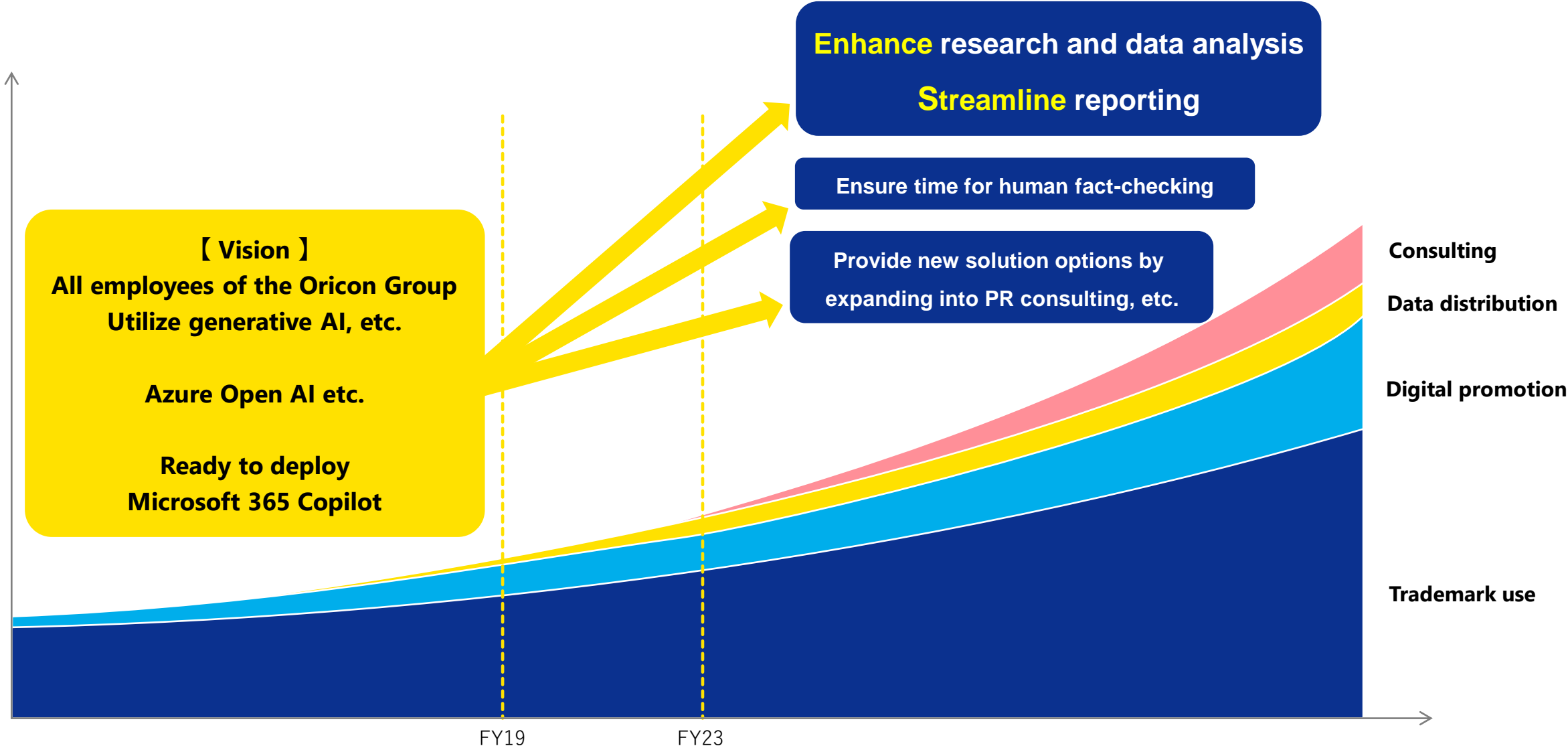


- The business focuses on organic customer transfer from search engines and Oricon's own media to client company websites. The conversion rate from Oricon rankings to client company websites is high due to trust in the Oricon brand
- Strengthen initiatives to boost revenue by further refining search engine algorithm analysis, particularly that of Google

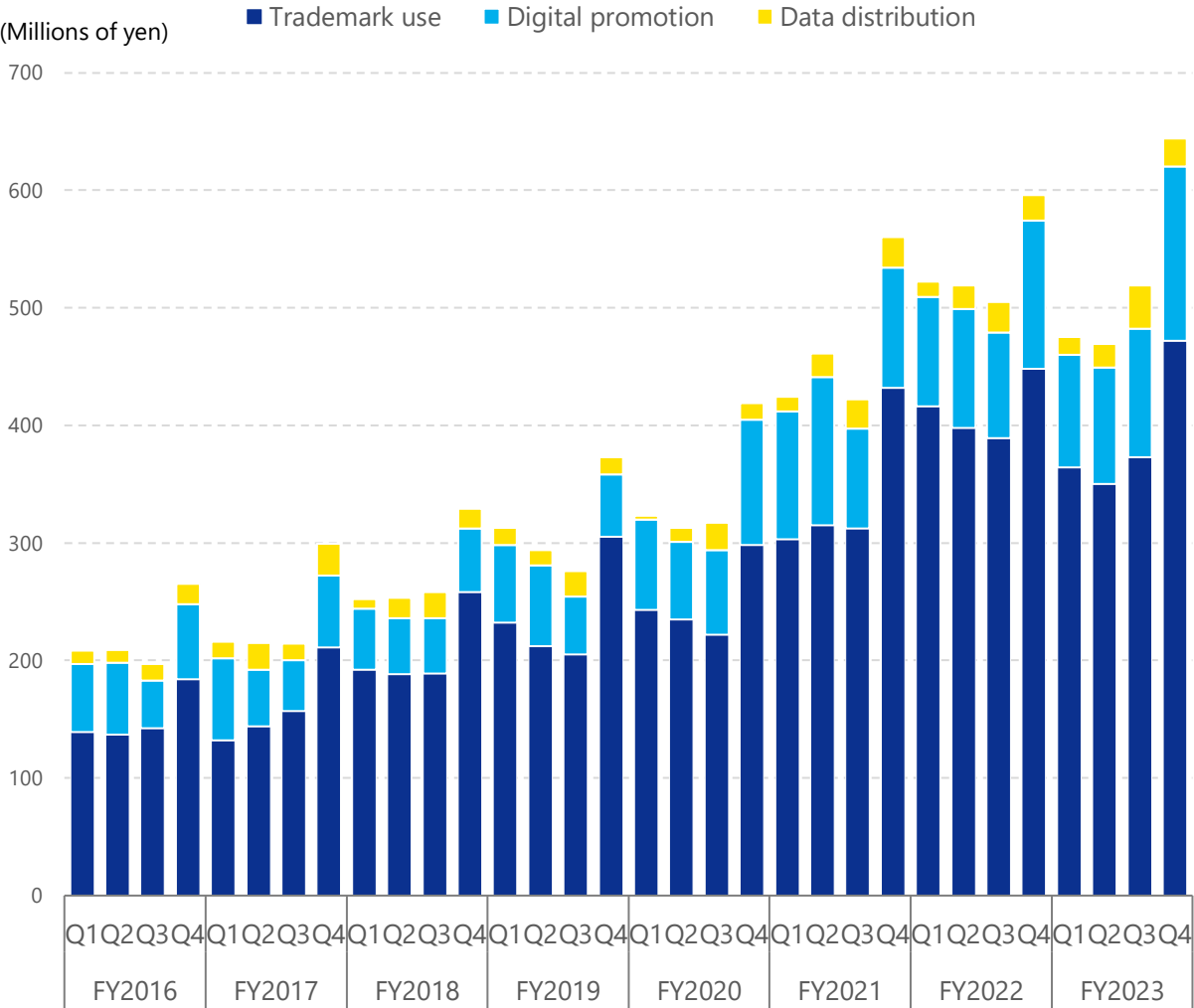


- By identifying low-scoring items in Oricon ranking data and conducting additional user surveys and employee interviews, we can locate specific areas of dissatisfaction among service users and propose measures to solve issues
- We intend to expand the Consulting Business to companies that have not yet concluded trademark logo licensing contracts because we can apply our accumulated expertise without a large increase in personnel





Customer Satisfaction (CS) Research Business Quarterly Net Sales Trends



Customer Satisfaction (CS) Business Net Sales Trends

(Millions of yen)	Trademark use	Digital promotion	Data distribution
FY2016	601	224	54
FY2017	644	222	78
FY2018	828	201	63
FY2019	953	237	65
FY2020	997	320	52
FY2021	1,362	421	83
FY2022	1,651	410	82
FY2023	1,559	452	95

News & Media Business Model and Strengths



- Distributes reliable news backed by strong connections in the entertainment industry
- Captured the top market share in the entertainment category of major portal sites for over 10 years
- Established status as an entertainment news agency, including being used by Kyodo News to distribute articles to local newspapers



Established status as a news agency focused on entertainment

- Distribution network to major news sites and news apps backed by high credibility
- Provision of news to local newspapers and content to major media such as national newspapers and TV stations, in addition to online media
- The official YouTube channel with over 2 million subscribers, as well as many views from non-subscribers, which consistently provides content that reaches over a million views

- Be the first to focus on the potential of short videos (Less than 1 minute or 3 to 5 minutes long) in entertainment news distribution
- Capture new user demographics through short videos that take advantage of Oricon's strengths and appeal to the lifestyles and tastes of the younger generation

1

Solid foundation built on strong connections in the entertainment industry

2

Corporate strength capable of original news and video creation

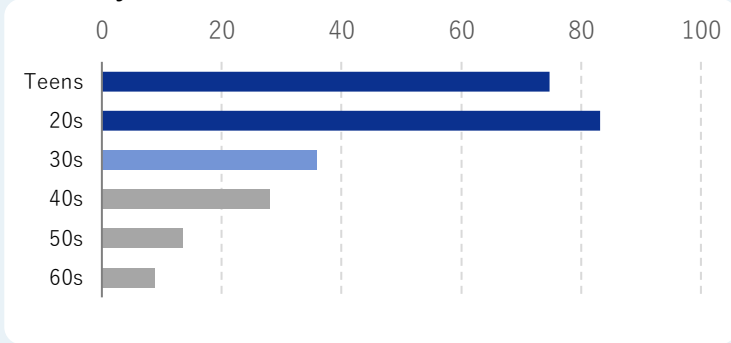
Be the first to focus on the potential of entertainment short videos

芸能動画を毎日配信!
ORICON NEWS



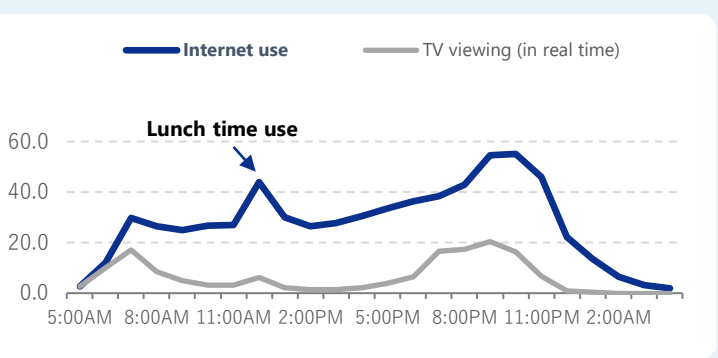
Capture new user demographics

Video Site Viewing Time on Mobile Devices by Age Group: Weekdays (Minutes)



Source: Ministry of Internal Affairs and Communications FY2021 Survey Report on Usage Time of Information and Communications Media and Information Behavior

Users in their 20s by Media Type: Weekdays (%)



Source: Ministry of Internal Affairs and Communications FY2021 Survey Report on Usage Time of Information and Communications Media and Information Behavior

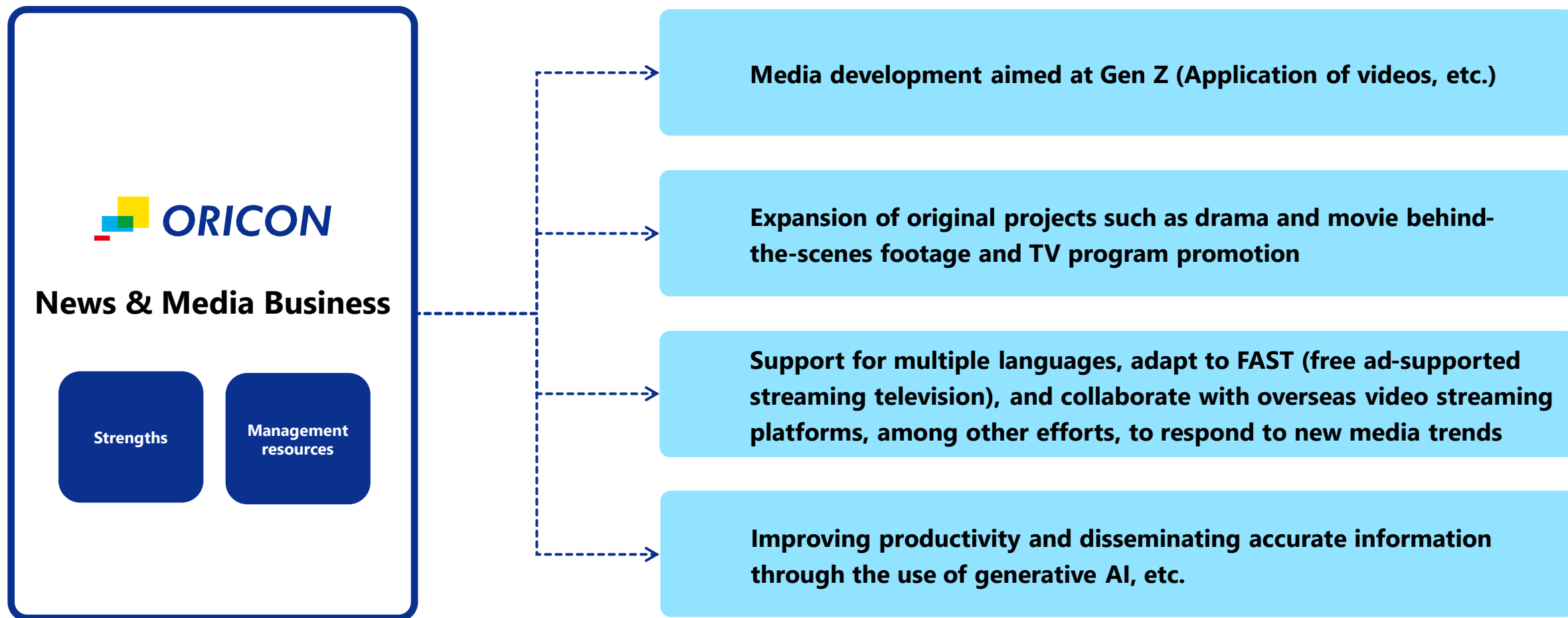
YouTube Ranking by the Number of Gen Z Viewers


Rank	Channel name	Viewers	Video category
1	THE FIRST TAKE	2.27 million	Music
2	oricon	1.78 million	Entertainment / variety shows
3	Hyakumantenbara Salome	1.51 million	VTuber
4	Nintendo official channel	1.41 million	Gameplay and game-related content
5	Ayase / YOASOBI	1.40 million	Music

Notes: ・ Gen Z is defined as viewers aged 16-26 as of December 2022. ・ Data collection period: June 2022 - Dec. 2022 (target devices: PCs and smartphones) ・ It is counted as one viewer if a video is played at least once during the data collection period. ・ The number of views is the number of views per month.

Source: VALUES, Inc. "Ranking of YouTube Channels by the Number of Gen Z Viewers"

- Policy to promote multifaceted business expansion based on the strengths and management resources cultivated to date in the News & Media Business
- Take on new and unique challenges without being reliant on a specific platform





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.

Oricon Inc.
<https://www.oricon.jp/>

