

February 2, 2024

Consolidated Financial Results for the Nine-Month Period Ended December 31, 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: February 5, 2024
 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 nine-month period ended December 31, 2023 (April 1, 2023–December 31, 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	%
Nine-month period ended December 31, 2023	3,471	(4.0)	1,085	(18.7)	1,114	(12.1)	730	(11.6)
December 31, 2022	3,615	9.3	1,334	24.8	1,267	20.0	826	15.4

Note: Comprehensive income
 Nine-month period ended December 31, 2023: 754 million yen (down 10.0%)
 Nine-month period ended December 31, 2022: 838 million yen (up 18.1%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine-month period ended December 31, 2023	55.16	–
December 31, 2022	61.39	–

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2023	5,391	4,840	89.8	371.48
March 31, 2023	5,531	4,653	84.1	350.05

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
 As of December 31, 2023: 4,840 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 December 31, 2023 15,123,200 shares

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

2) Number of treasury shares:

As of December 31, 2023 2,091,678 shares

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

3) Average number of shares outstanding during the period:

Six-month period ended December 31, 2023 13,249,762 shares

Six-month period ended December 31, 2022 13,458,712 shares

The number of treasury shares as of December 31, 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.

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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 December 31, 2023)
Assets		
Current assets		
Cash and deposits	3,058,126	2,998,056
Notes and accounts receivable–trade, and contract assets	584,511	598,413
Merchandise and finished goods	4,936	3,745
Work in process	488	488
Other	524,039	419,583
Allowance for doubtful accounts	(130)	(150)
Total current assets	4,171,971	4,020,136
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,396	59,420
Tools, furniture and fixtures, net	76,268	90,622
Land	1,973	1,973
Total property, plant and equipment	138,638	152,017
Intangible assets		
Goodwill	14,090	10,000
Software	122,283	103,287
Other	3,209	26,754
Total intangible assets	139,583	140,041
Investments and other assets		
Investment securities	566,613	611,899
Deferred tax assets	56,634	920
Other	467,985	481,315
Allowance for investment loss	(4,900)	(4,900)
Allowance for doubtful accounts	(4,956)	(9,639)
Total investments and other assets	1,081,375	1,079,596
Total non-current assets	1,359,597	1,371,656
Total assets	5,531,569	5,391,792
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,646	9,502
Short-term borrowings	100,000	100,000
Income taxes payable	284,892	46,234
Other	459,577	371,116
Total current liabilities	854,116	526,853
Non-current liabilities		
Provision for share-based payments	24,017	24,017
Total non-current liabilities	24,017	24,017
Total liabilities	878,134	550,870

	(Thousands of yen)	
	Previous fiscal year (As of March 31, 2023)	Current quarter (As of December 31, 2023)
Net assets		
Shareholders' equity		
Share capital	1,092,450	1,092,450
Capital surplus	57,960	57,960
Retained earnings	4,610,992	4,978,006
Treasury shares	(1,155,570)	(1,358,651)
Total shareholders' equity	4,605,832	4,769,765
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,603	71,156
Total accumulated other comprehensive income	47,603	71,156
Total net assets	4,653,435	4,840,921
Total liabilities and net assets	5,531,569	5,391,792

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

(Thousands of yen)

	Nine-month period ended December 31, 2022	Nine-month period ended December 31, 2023
Net sales	3,615,110	3,471,963
Cost of sales	1,035,848	1,109,361
Gross profit	2,579,261	2,362,602
Selling, general and administrative expenses	1,244,859	1,277,492
Operating profit	1,334,402	1,085,109
Non-operating income		
Interest income	5,034	17,808
Dividend income	1,328	3,757
Foreign exchange gains	—	32,836
Other	1,080	3,414
Total non-operating income	7,443	57,816
Non-operating expenses		
Interest expenses	581	548
Share related expenses	9,717	10,385
Commission expenses	3,525	3,468
Foreign exchange losses	45,521	—
Share of loss of entities accounted for using the equity method	14,521	14,196
Other	332	37
Total non-operating expenses	74,198	28,635
Ordinary profit	1,267,647	1,114,290
Extraordinary losses		
Loss on retirement of non-current assets	9	10
Total extraordinary losses	9	10
Net income before income taxes	1,267,637	1,114,279
Income taxes—current	403,142	338,695
Income taxes—deferred	38,259	44,783
Total income taxes	441,402	383,479
Net income	826,235	730,799
Net income attributable to owners of the parent	826,235	730,799

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

	(Thousands of yen)	
	Nine-month period ended December 31, 2022	Nine-month period ended December 31, 2023
Net income	826,235	730,799
Other comprehensive income		
Valuation difference on available-for-sale securities	11,880	23,553
Total other comprehensive income	11,880	23,553
Comprehensive income	838,116	754,352
Comprehensive income attributable to		
Owners of the parent	838,116	754,352
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable

Significant Changes in Shareholders' Equity

The Company bought back 262,000 treasury shares in accordance with a resolution at a meeting of the Board of Directors held on November 6, 2023. Consequently, treasury shares increased by 203,080,000 yen during the nine-month period ended December 31, 2023, resulting in treasury shares of 1,358,651,000 yen at the end of the period.

Segment Information

I. For the nine-month period ended December 31, 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	2,822,208	502,341	290,559	3,615,110	3,615,110
Intersegment sales or transfers	63,000	–	–	63,000	63,000
Total	2,885,208	502,341	290,559	3,678,110	3,678,110
Segment profit	1,894,616	179,617	107,520	2,181,753	2,181,753

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	2,181,753
Amortization of goodwill	(4,090)
Corporate expenses (Note)	(843,260)
Operating profit on the quarterly consolidated statement of income	1,334,402

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

II. For the nine-month period ended December 31, 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	2,705,823	505,811	260,327	3,471,963	3,471,963
Intersegment sales or transfers	63,000	–	–	63,000	63,000
Total	2,768,823	505,811	260,327	3,534,963	3,534,963
Segment profit	1,684,298	189,570	76,063	1,949,932	1,949,932

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	1,949,932
Amortization of goodwill	(4,090)
Corporate expenses (Note)	(860,732)
Operating profit on the quarterly consolidated statement of income	1,085,109

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 nine-month period ended December 31, 2022

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	1,548,611	–	–	1,548,611	1,548,611
News & Media	1,273,597	–	–	1,273,597	1,273,597
Data Providing	–	502,341	–	502,341	502,341
Mobile Content Subscription Services	–	–	290,559	290,559	290,559
Revenue from contracts with customers	2,822,208	502,341	290,559	3,615,110	3,615,110
Other revenue	–	–	–	–	–
Sales to external customers	2,822,208	502,341	290,559	3,615,110	3,615,110

II. For the nine-month period ended December 31, 2023

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	1,463,874	–	–	1,463,874	1,463,874
News & Media	1,241,948	–	–	1,241,948	1,241,948
Data Providing	–	505,811	–	505,811	505,811
Mobile Content Subscription Services	–	–	260,327	260,327	260,327
Revenue from contracts with customers	2,705,823	505,811	260,327	3,471,963	3,471,963
Other revenue	–	–	–	–	–
Sales to external customers	2,705,823	505,811	260,327	3,471,963	3,471,963

Significant Subsequent Events

Not applicable