

Financial Results Presentation

for the Second Quarter of

Fiscal Year Ending March 31,2022

OBIC Co.,Ltd.

October 27, 2021

Organization for **B**usiness **I**nnovation and **C**ommunication

Overview of Group Companies

(As of September 30, 2021)

Established Paid-in capital Number of employees

OBIC Co., Ltd.

Apr. 1968

¥19.17 billion

1,918

Consolidated subsidiaries

OBIC Office Automation Co., Ltd.

Nov. 1979

¥320 million

204

Number of employees (consolidated) : 2,122

Equity-method affiliates

OBIC Business Consultant Co., Ltd.

Dec. 1980

¥10.51 billion

940

Overview of the Group's Business Operations

【 System Integration Services 】	OBIC Co., Ltd.
【 System Support Services 】	
【 Office Automation Services 】	OBIC Office Automation Co., Ltd.
【 Business-use Package SoftwareServices 】	OBIC Business Consultant Co., Ltd.

OBIC Group

Consolidated Financial Results

for the Second Quarter of

Fiscal Year Ending March 31,2022

Consolidated Balance Sheet

(¥ million)

Assets	2021/3	2021/9	Change
Current assets	163,046	163,855	809
Cash and deposits	150,745	150,621	△124
Notes and accounts receivable - trade, and contract assets	11,035	11,816	781
Others	1,265	1,417	△152
Fixed assets	135,211	140,046	4,834
Tangible fixed assets	56,265	56,354	88
Intangible fixed assets	133	129	△3
Investments and other assets	78,811	83,561	4,749
Investment securities	74,816	80,030	5,214
Deferred tax assets	2,296	1,407	△888
Others	1,698	2,123	424
Total assets	298,257	303,901	5,643

Consolidated Balance Sheet

(¥ million)

Liabilities	2021/3	2021/9	Change
Current liabilities	23,931	19,562	△4,369
Fixed liabilities	8,300	8,237	△63
Total liabilities	32,231	27,799	△4,432
Net assets			
Shareholders' equity	256,596	263,112	6,515
Capital stock and capital surplus	38,708	38,708	-
Retained earnings	240,028	251,966	11,938
Treasury shares	△22,140	△27,562	△5,422
Accumulated other comprehensive income	9,428	12,990	3,561
Valuation differences on other securities	10,162	13,490	3,327
Revaluation reserve for land	△694	△481	213
Total net assets	266,025	276,102	10,076
Total liabilities and net assets	298,257	303,901	5,643

Equity ratio

90.9%

Financial Results (consolidated)

(¥ million)

	2020/9	2021/9	YoY
Net sales	41,015	43,559	-%
Operating income	23,887	26,371	110.4%
Ordinary income	26,144	28,935	110.7%
Net income	19,107	21,277	111.4%
Earnings per share (EPS) (yen)	214.81	239.38	111.4%
Average number of total shares outstanding(thousands)	88,950	88,887	—

Financial Results (consolidated) : reference

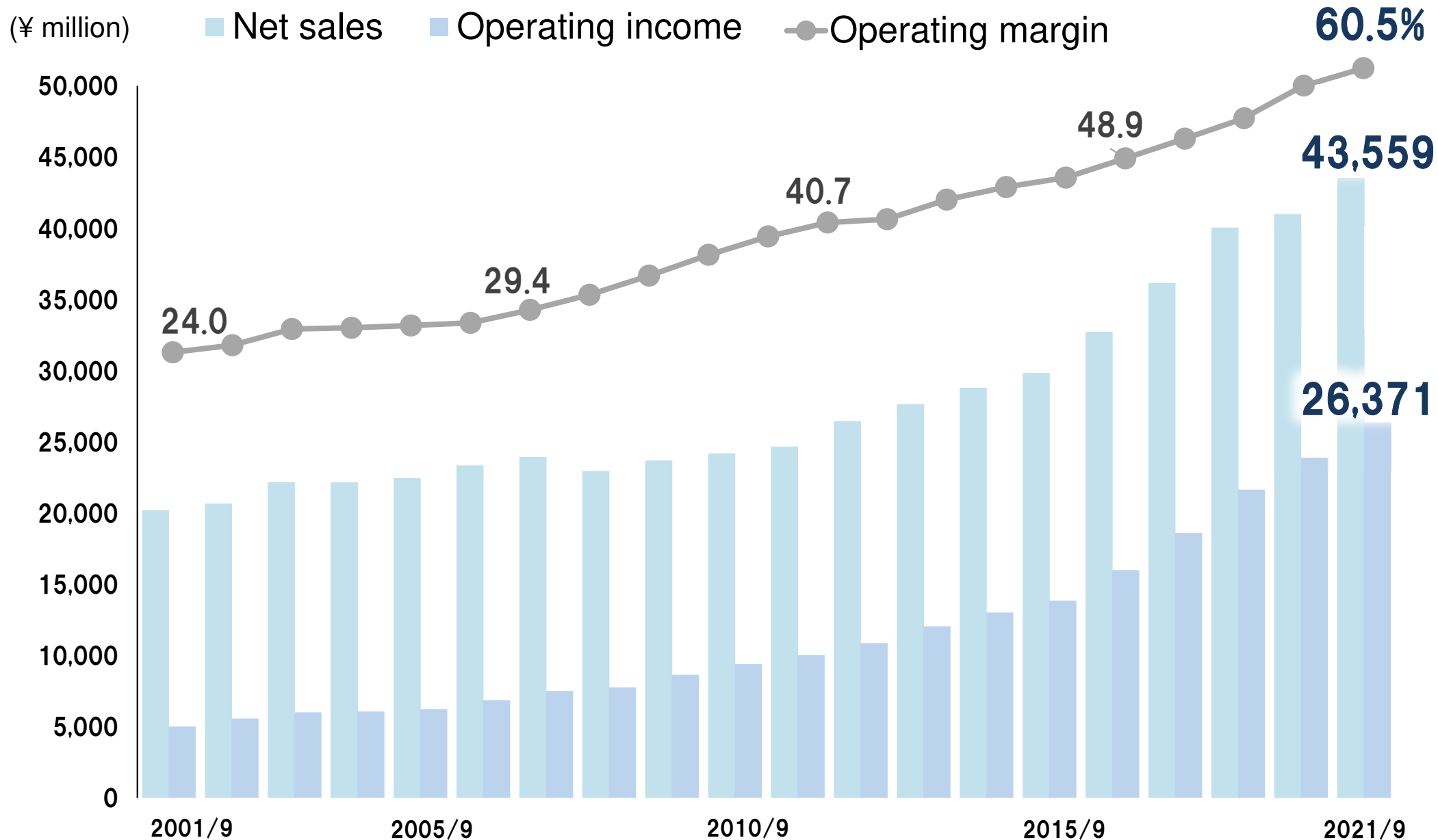
(¥ million)

	2020/9	2021/9	YoY
Net sales	40,008	43,559	108.9%
Operating income	23,887	26,371	110.4%
Ordinary income	26,144	28,935	110.7%
Net income	19,107	21,277	111.4%
Earnings per share (EPS) (yen)	214.81	239.38	111.4%
Average number of total shares outstanding(thousands)	88,950	88,887	—

OBIC Co., Ltd. has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter ended June 30, 2021.

The numbers above are calculated under the assumption that the accounting standard, etc. had been applied in the fiscal year ended March 31, 2021,

First half operating income increases for 21th consecutive period



Financial Results (consolidated)

(¥ million)

	2021/9	2021/9	Change
Net sales	41,015	43,559	2,544
Cost of goods sold	10,860	10,251	△609
Gross profit	30,154	33,308	3,154
SG&A expenses	6,266	6,937	670
Operating income	23,887	26,371	2,484
Non-operating profits	1,424	1,512	87
Equity-method gains	1,481	1,820	338
Non-operating expenses	649	768	119
Ordinary income	26,144	28,935	2,790
Extraordinary income	288	2	△286
Extraordinary losses	1	0	△1
Income taxes, etc.	7,324	7,659	335
Net income	19,107	21,277	2,170

Operating income YoY

110.4%

Ordinary income YoY

110.7%

Net income YoY

111.4%

Business Results by Segment

(¥ million)

		2020/9	2021/9	YoY
SI	Sales	19,308	19,937	103.3%
	Operating income	10,778	11,289	104.7%
	Operating margin	55.8%	56.6%	
SS	Sales	17,652	20,357	115.3%
	Operating income	12,482	14,318	114.7%
	Operating margin	70.7%	70.3%	
OA	Sales	4,053	3,264	-%
	Operating income	626	763	121.9%
	Operating margin	15.5%	23.4%	
Total	Sales	41,015	43,559	-%
	Operating income	23,887	26,371	110.4%
	Operating margin	58.2%	60.5%	

Business Results by Segment :reference

(¥ million)

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SI	Sales	19,308	19,937	103.3%
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SS	Sales	17,652	20,357	115.3%
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OA	Sales	3,047	3,264	107.1%
	Operating income	626	763	121.9%
	Operating margin	20.5%	23.4%	
Total	Sales	40,008	43,559	108.9%
	Operating income	23,887	26,371	110.4%
	Operating margin	59.7%	60.5%	

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Sales

Segments	YoY
SI	103%
Software	106%
Hardware	61%
SS	115%
Software system operation support	117%
Hardware maintenance	81%
OA	-%
Total	-%

The core software-related sales And Cloud-related systems were strong

Sales :reference

Segments	YoY
SI	103%
Software	106%
Hardware	61%
SS	115%
Software system operation support	117%
Hardware maintenance	81%
OA	107%
Total	109%

The core software-related sales And Cloud-related systems were strong

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Profitability

	2020/9	2021/9	
Operating margin	58.2%	60.5%	2.3points ↑
Ordinary income margin	63.7%	66.4%	2.7points ↑
Net income margin	46.6%	48.8%	2.2points ↓

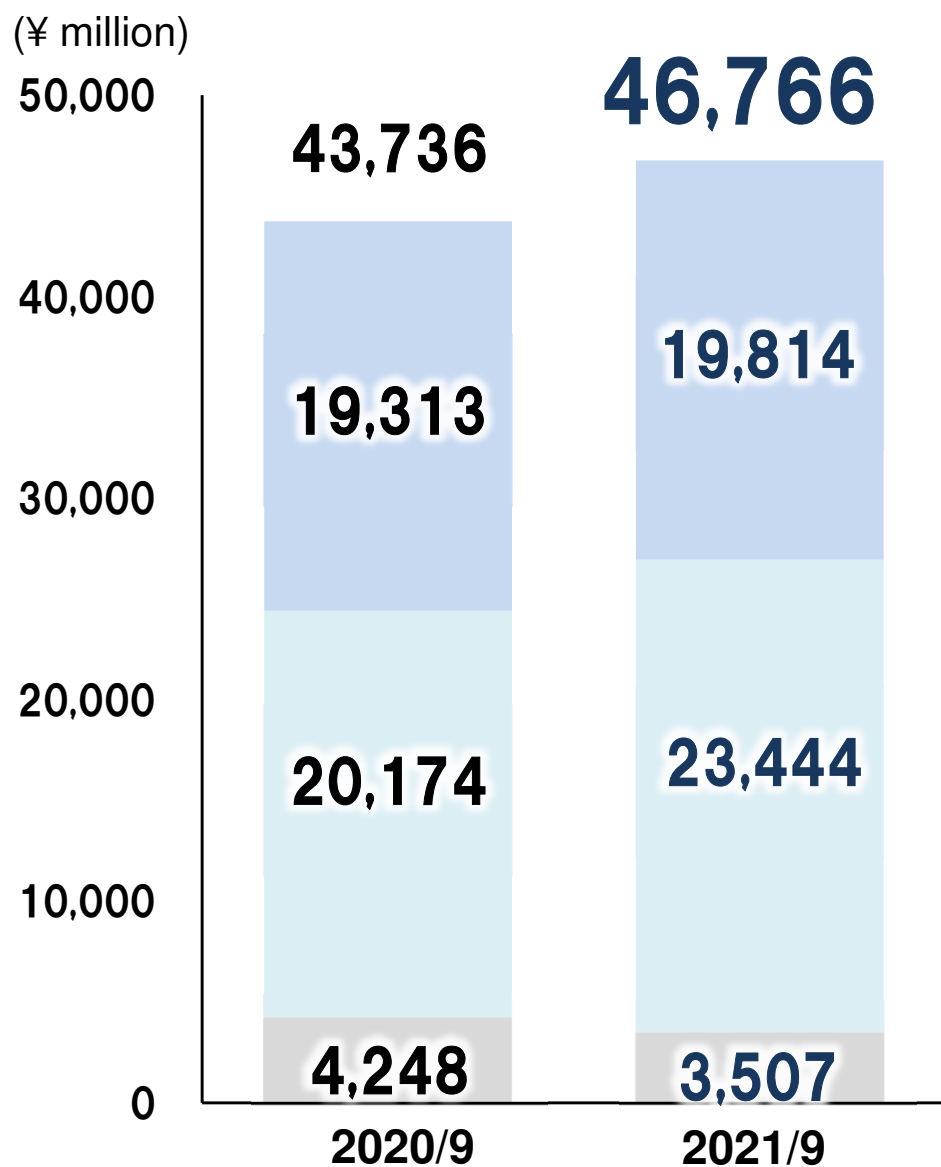
Absorbed R&D expenses of about ¥0.8billion

Consolidated Cash Flow

(¥ million)

	2021/9
Cash flows from operating activities	16,090
Cash flows from investing activities	△1,452
Cash flows from financing activities	△14,762
Change in cash and cash equivalents	△124
Balance at the beginning of the year	150,745
Balance at the end of the year	150,621

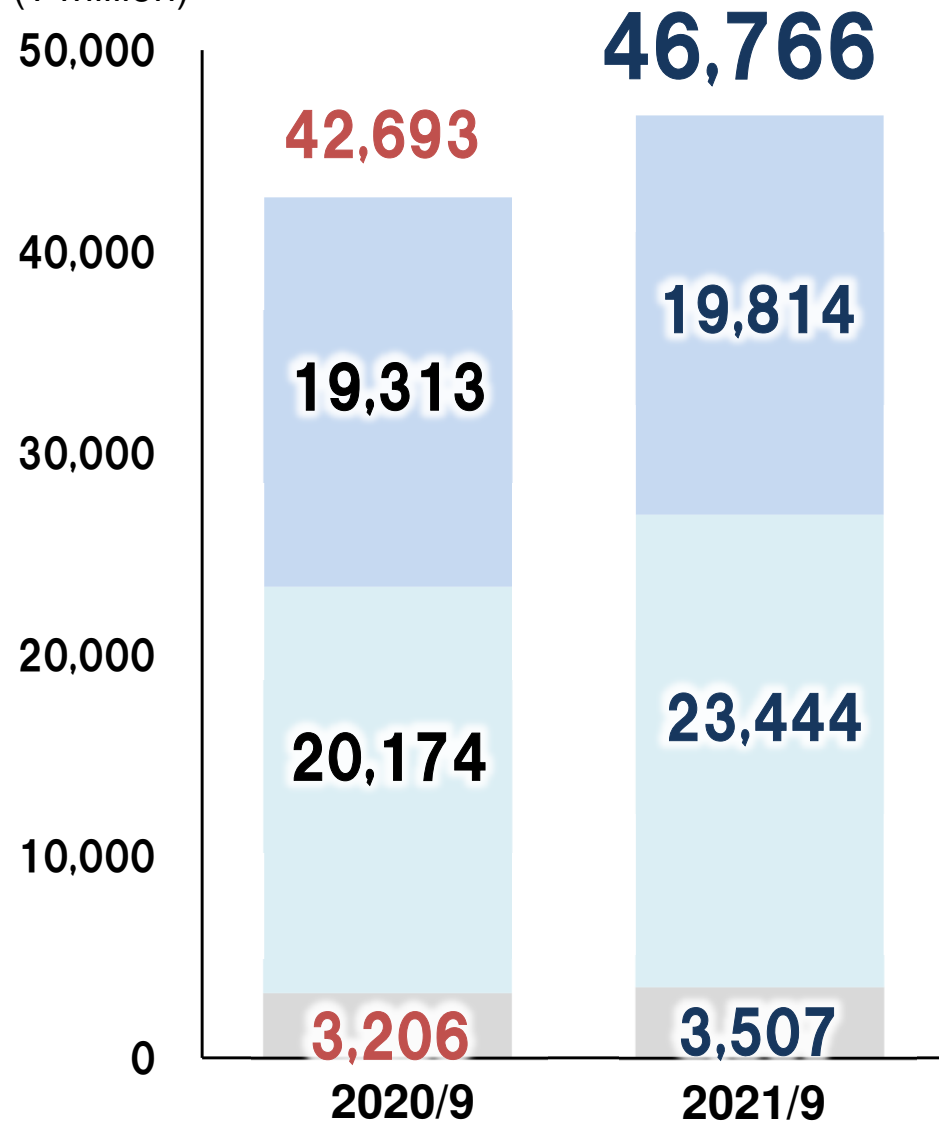
Orders Received



	YoY
SI	103%
SS	116%
OA	-%
Total	-%

Orders Received :reference

(¥ million)



	YoY
SI	103%
SS	116%
OA	109%
Total	110%

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Earnings Forecasts

Fiscal Year Ending March 31,2022

Fiscal Year Ending March 31, 2022(Full-year)

(¥ million)

	Earnings forecasts	YoY
Net sales	90,000	10.7%
Operating income	52,000	8.2%
Ordinary income	56,000	6.5%
Net income	40,000	5.3%

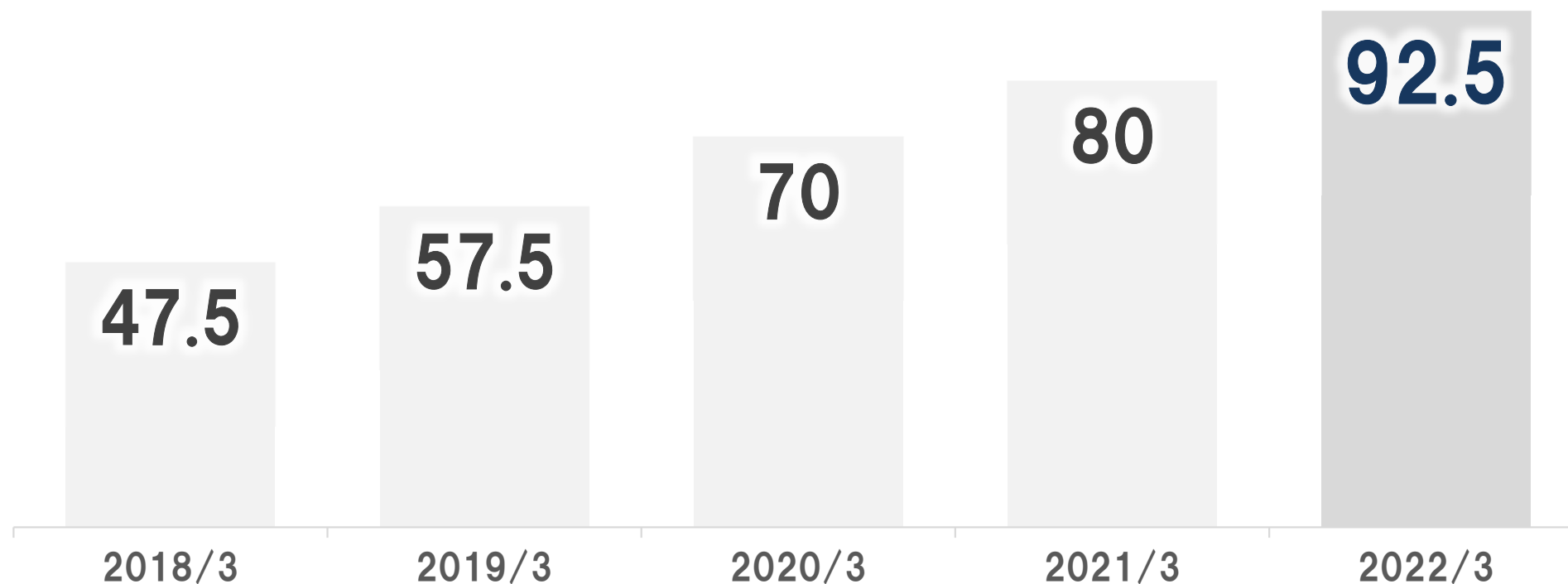
Note: Because “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. will be applied from the beginning of the fiscal year ending March 31, 2022, the above consolidated earnings forecasts represent the amounts based on the said accounting standard, etc. and the percentages indicating year-on-year changes were calculated as if the said accounting standard, etc. had been applied for the fiscal year ended March 31, 2021.

Trends in Interim Dividends

FY2021 interim dividend

increased to **¥92.5**

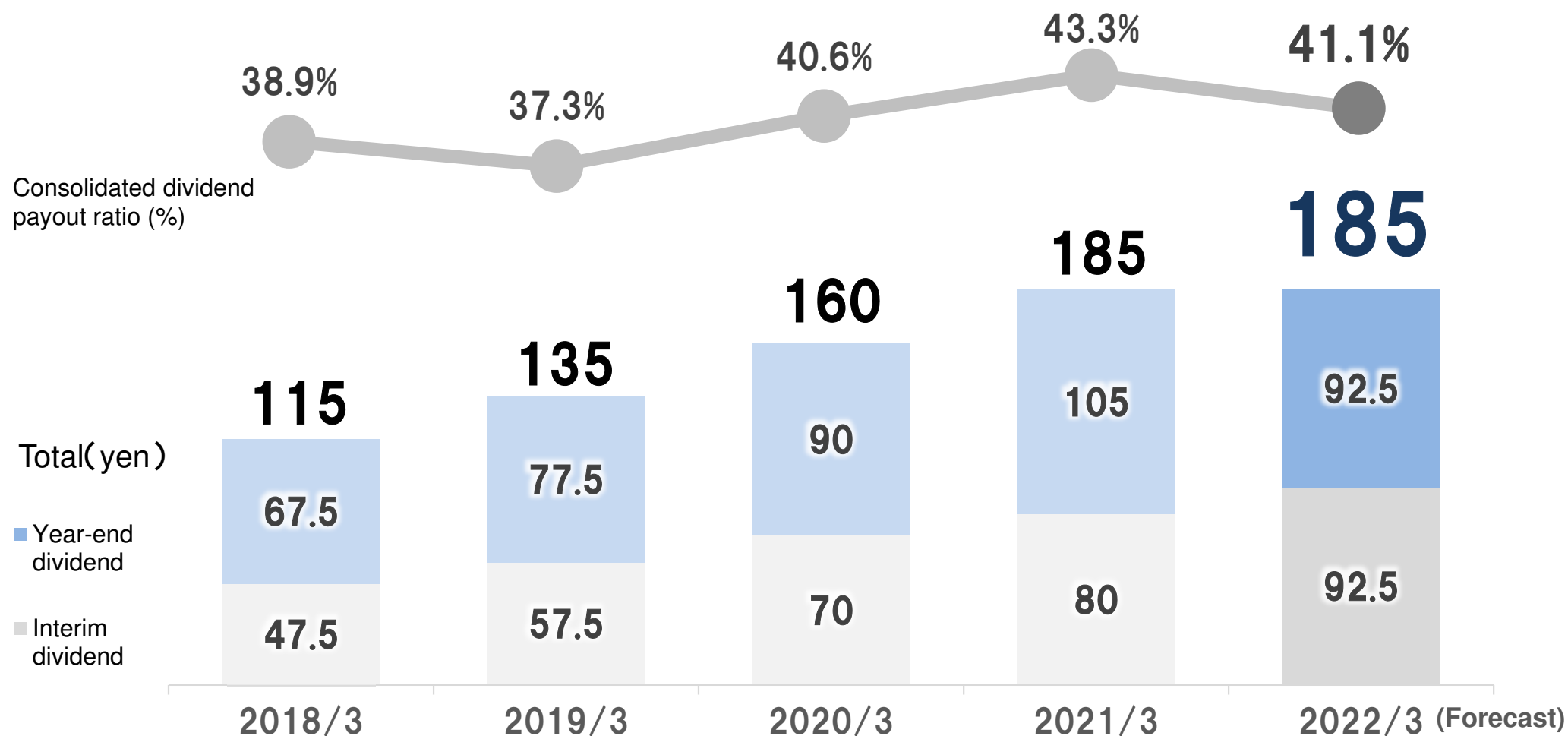
(yen)



Profit-sharing With Shareholders

FY2021 Annual dividend : **185**yen (Forecast)

interim dividend: **92.5**yen Year-end dividend: **92.5**yen



Basic Management Policies

Management focus on both quantity and quality

Emphasis on compliance

Efficient management

Promotion of innovation management

Selection and concentration

Persistence is the key to achieve corporate growth

OBIC Co.,Ltd.

www.obic.co.jp

This document contains forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties.

Actual results may differ from those in the forward-looking statements as a result of various factors.

These materials were prepared for the sole purpose of providing information to use as reference in making investment decisions, and are not intended as a solicitation for investment.