

# **Financial Results Presentation**

## **for the Second Quarter of**

### **Fiscal Year Ending March 31,2023**

**OBIC Co.,Ltd.**

**October 26, 2022**

**O**rganization for **B**usiness **I**nnovation and **C**ommunication

# Overview of Group Companies

(As of September 30, 2022)

Established      Paid-in capital      Number of employees

## OBIC Co., Ltd.

Apr. 1968

¥19.17 billion

1,942

Consolidated subsidiaries

## OBIC Office Automation Co., Ltd.

Nov. 1979

¥320 million

201

## Number of employees (consolidated) : 2,143

Equity-method affiliates

## OBIC Business Consultant Co., Ltd.

Dec. 1980

¥10.51 billion

954

# 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 31,2023**

# Consolidated Balance Sheet

(¥ million)

<b>Assets</b>	<b>2022/3</b>	<b>2022/9</b>	<b>Change</b>
<b>Current assets</b>	<b>136,150</b>	<b>162,408</b>	<b>26,257</b>
Cash and deposits	122,699	146,944	24,245
Notes and accounts receivable - trade, and contract assets	12,025	13,731	1,706
Others	1,425	1,732	306
<b>Fixed assets</b>	<b>187,776</b>	<b>171,266</b>	<b>△16,509</b>
Tangible fixed assets	56,121	55,299	△821
Intangible fixed assets	154	141	△12
Investments and other assets	131,500	115,825	△15,675
Investment securities	118,570	113,052	△5,517
Deferred tax assets	433	901	467
Long-term time deposits	10,658	-	△10,658
Others	1,838	1,871	32
<b>Total assets</b>	<b>323,927</b>	<b>333,675</b>	<b>9,748</b>

# Consolidated Balance Sheet

(¥ million)

<b>Liabilities</b>	<b>2022/3</b>	<b>2022/9</b>	<b>Change</b>
<b>Current liabilities</b>	<b>21,066</b>	<b>22,157</b>	<b>1,091</b>
<b>Fixed liabilities</b>	<b>9,293</b>	<b>8,446</b>	<b>△846</b>
<b>Total liabilities</b>	<b>30,359</b>	<b>30,604</b>	<b>244</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>	<b>277,131</b>	<b>291,215</b>	<b>14,083</b>
Capital stock and capital surplus	38,708	38,745	36
Retained earnings	265,985	280,027	14,041
Treasury shares	△27,562	△27,557	5
<b>Accumulated other comprehensive income</b>	<b>16,435</b>	<b>11,854</b>	<b>△4,580</b>
Valuation differences on other securities	16,877	12,316	△4,560
Revaluation reserve for land	△481	△481	-
<b>Total net assets</b>	<b>293,567</b>	<b>303,070</b>	<b>9,503</b>
<b>Total liabilities and net assets</b>	<b>323,927</b>	<b>333,675</b>	<b>9,748</b>

Equity ratio

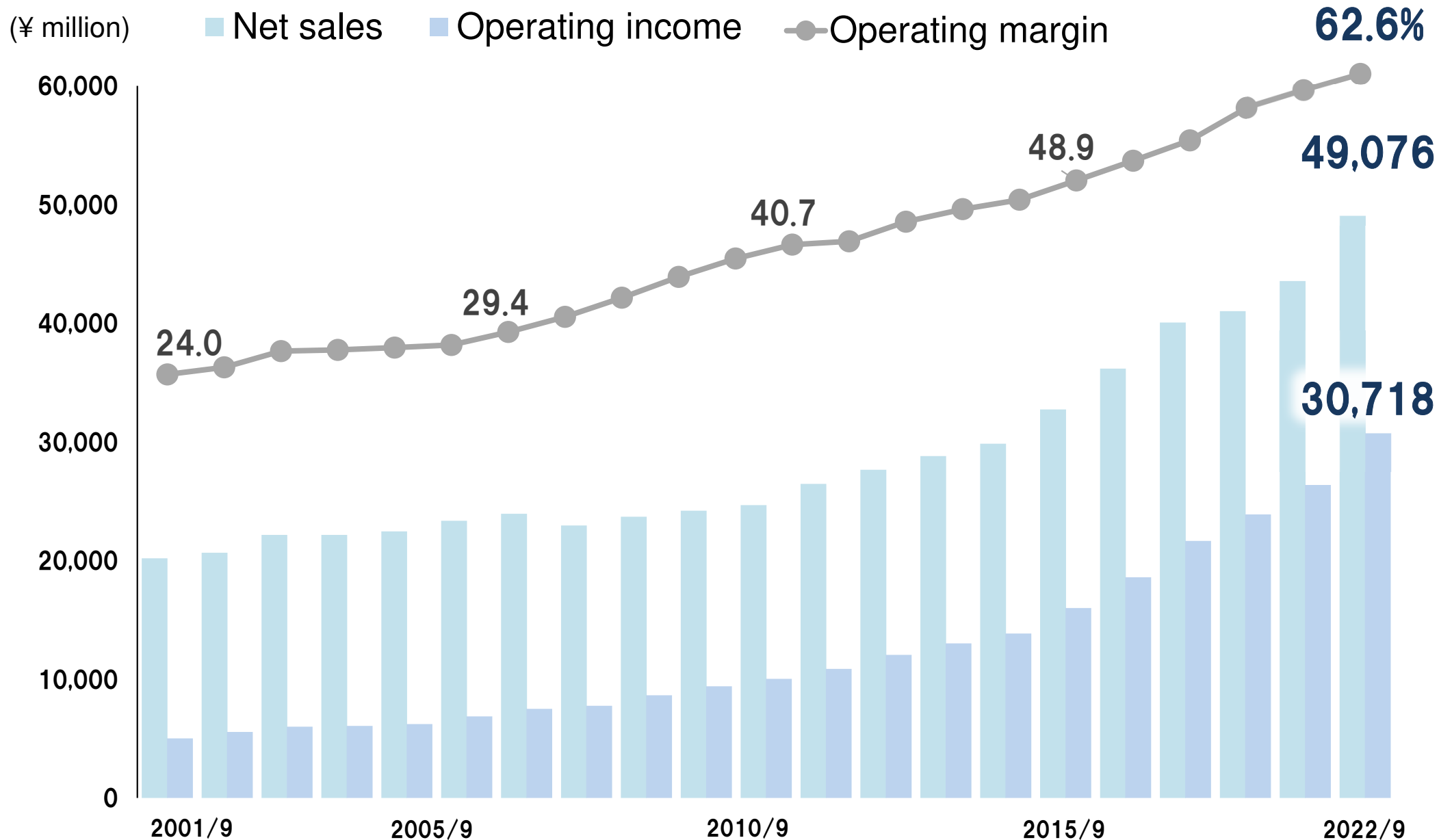
**90.8%**

# Financial Results (consolidated)

(¥ million)

	2021/9	2022/9	YoY
Net sales	43,559	49,076	112.7%
Operating income	26,371	30,718	116.5%
Ordinary income	28,935	35,062	121.2%
Net income	21,277	24,904	117.0%
Earnings per share (EPS) (yen)	239.38	280.84	117.3%
Average number of total shares outstanding(thousands)	88,887	88,678	—

# First half operating income increases for 22<sup>th</sup> consecutive period





# Financial Results (consolidated)

(¥ million)

	2021/9	2022/9	Change
<b>Net sales</b>	43,559	49,076	5,516
Cost of goods sold	10,251	11,071	820
<b>Gross profit</b>	33,308	38,005	4,696
SG&A expenses	6,937	7,287	349
<b>Operating income</b>	26,371	30,718	4,346
Non-operating profits	1,512	3,983	2,470
Equity-method gains	1,820	1,813	△6
Non-operating expenses	768	1,453	684
<b>Ordinary income</b>	28,935	35,062	6,126
Extraordinary income	2	-	△2
Extraordinary losses	0	0	△0
Income taxes, etc.	7,659	10,157	2,497
<b>Net income</b>	21,277	24,904	3,626

Operating income YoY

**116.5%**

Ordinary income YoY

**121.2%**

Net income YoY

**117.0%**

# Business Results by Segment

(¥ million)

		2021/9	2022/9	YoY
SI	Sales	19,937	22,247	111.6%
	Operating income	11,289	13,052	115.6%
	Operating margin	56.6%	58.7%	
SS	Sales	20,357	23,567	115.8%
	Operating income	14,318	16,906	118.1%
	Operating margin	70.3%	71.7%	
OA	Sales	3,264	3,261	99.9%
	Operating income	763	759	99.5%
	Operating margin	23.4%	23.3%	
Total	Sales	43,559	49,076	112.7%
	Operating income	26,371	30,718	116.5%
	Operating margin	60.5%	62.6%	

# Sales

Segments	YoY
<b>SI</b>	<b>111.6%</b>
Software	111.5%
Hardware	113.8%
<b>SS</b>	<b>115.8%</b>
Software system operation support	116.9%
Hardware maintenance	80.4%
<b>OA</b>	<b>99.9%</b>
<b>Total</b>	<b>112.7%</b>

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

# Profitability

	2021/9	2022/9	
Operating margin	60.5%	62.6%	2.1points ↑
Ordinary income margin	66.4%	71.4%	5.0points ↑
Net income margin	48.8%	50.7%	1.9points ↑

**Absorbed R&D expenses of about ¥0.85billion**

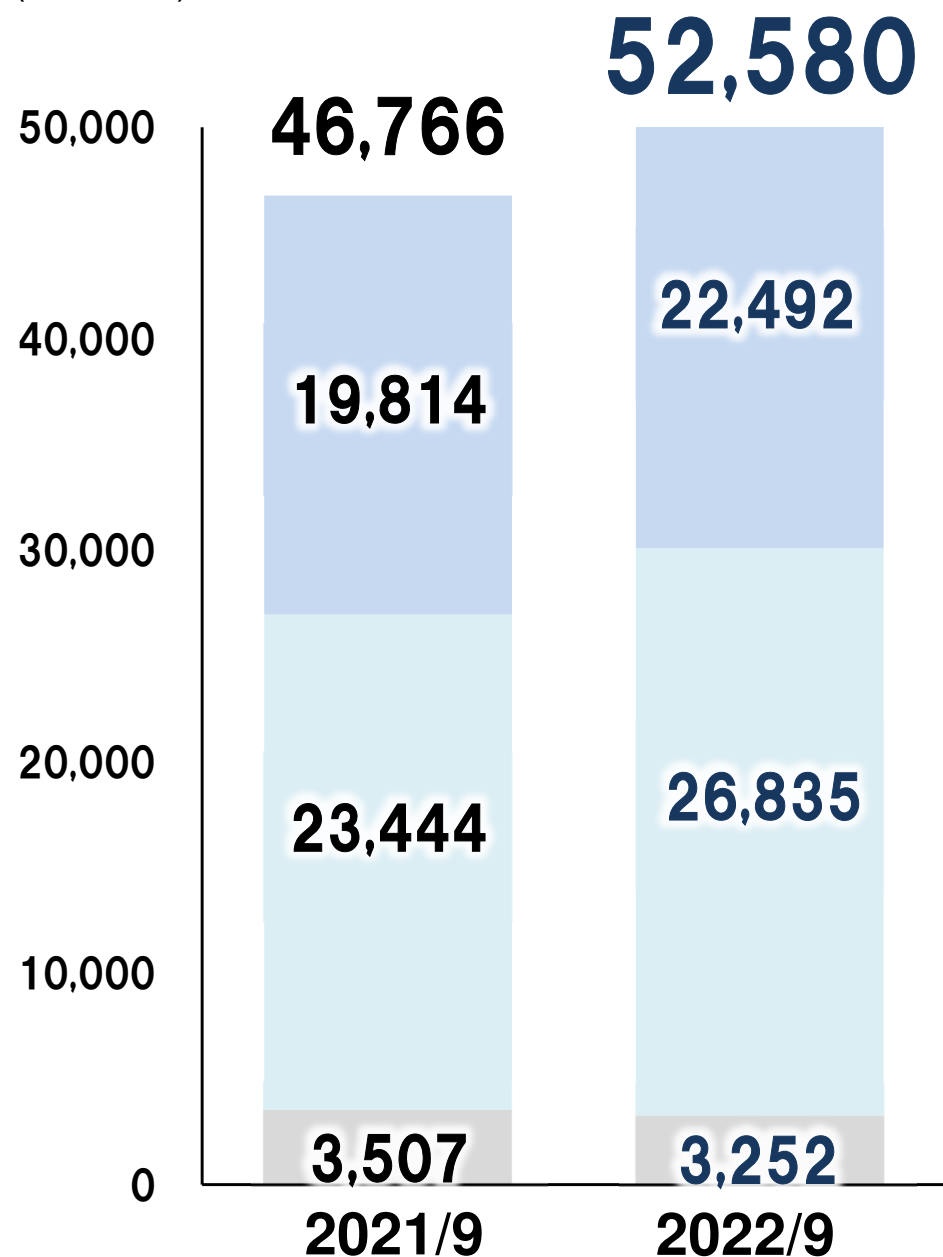
# Consolidated Cash Flow

(¥ million)

	2022/9
Cash flows from operating activities	23,906
Cash flows from investing activities	11,199
Cash flows from financing activities	△10,863
Change in cash and cash equivalents	24,245
Balance at the beginning of the year	122,699
Balance at the end of the year	146,944

# Orders Received

(¥ million)



YoY

SI

113.5%

SS

114.5%

OA

92.7%

Total

112.4%

# Earnings Forecasts

## Fiscal Year Ending March 31,2023

# Fiscal Year Ending March 31, 2023(Full-year)

(¥ million)

	Earnings forecasts	YoY
<b>Net sales</b>	<b>98,500</b>	<b>10.1%</b>
<b>Operating income</b>	<b>59,600</b>	<b>10.1%</b>
<b>Ordinary income</b>	<b>65,600</b>	<b>9.0%</b>
<b>Net income</b>	<b>47,000</b>	<b>8.0%</b>

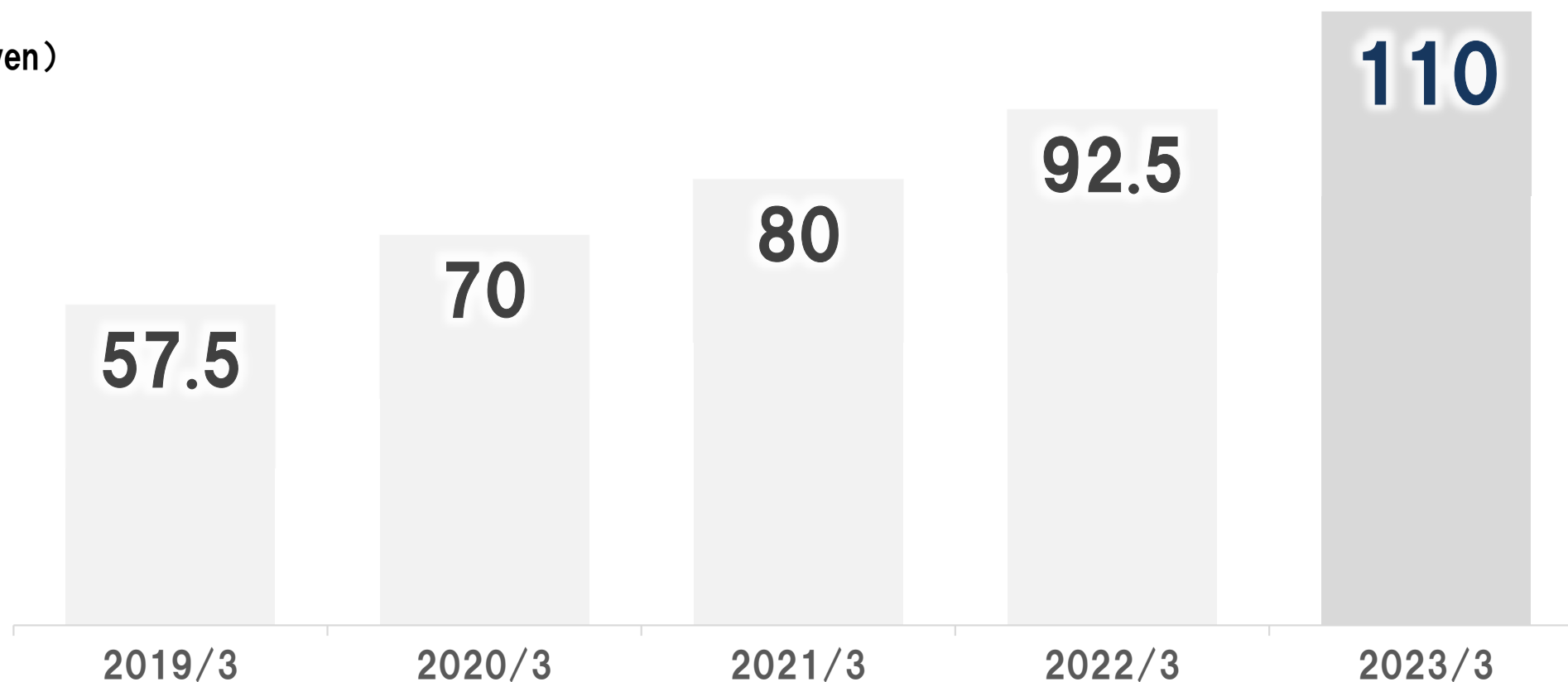


# Trends in Interim Dividends

FY2022 interim dividend

increased to **¥110.0**

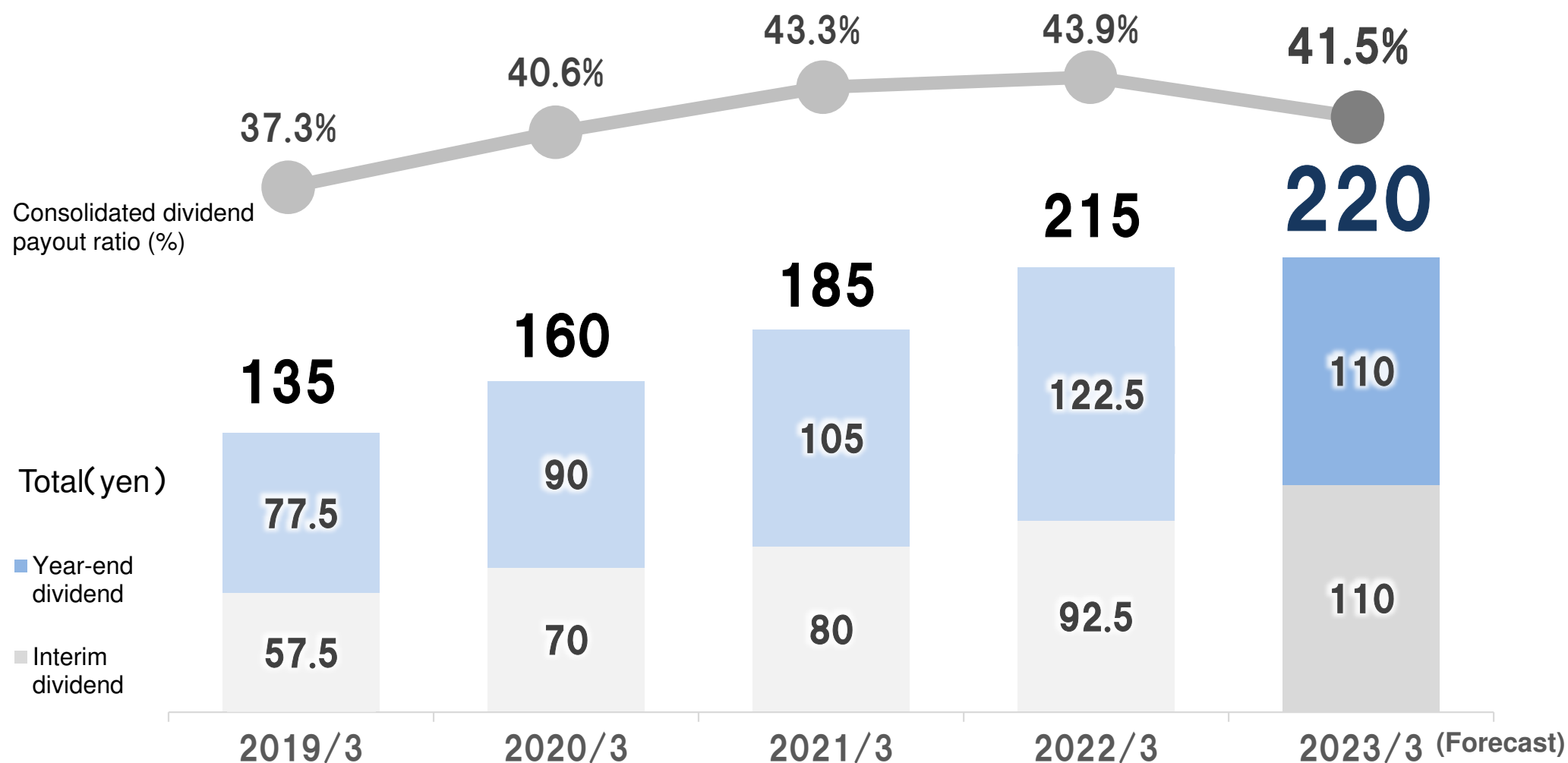
(yen)



# Profit-sharing With Shareholders

**FY2022** Annual dividend : **220**yen (Forecast)

interim dividend: **110.0**yen Year-end dividend: **110.0**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](http://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.

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