

# Financial Results Presentation

## for the Six Months

### Ended September 30, 2024

**OBIC Co.,Ltd.**

**October 30, 2024**

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

# Overview of Group Companies

(As of September 30, 2024)

Established      Paid-in capital      Number of employees

## OBIC Co., Ltd.

Apr. 1968

¥19.17 billion

2,016

Consolidated subsidiaries

## OBIC Office Automation Co., Ltd.

Nov. 1979

¥320 million

224

**Number of employees (consolidated) : 2,240**

Equity-method affiliates

## OBIC Business Consultant Co., Ltd.

Dec. 1980

¥10.51 billion

1,005

# 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 31,2025**

# Consolidated Balance Sheet

(¥ million)

| <b>Assets</b>  | <b>2024/3</b>  | <b>2024/9</b>  | <b>Change</b> |
|--|----------------|----------------|---------------|
| <b>Current assets</b>                                      | <b>187,132</b> | <b>198,203</b> | <b>11,071</b> |
| Cash and deposits  | 170,244        | 180,134        | 9,889         |
| Notes and accounts receivable - trade, and contract assets | 15,316         | 16,330         | 1,014         |
| Others   | 1,571          | 1,739          | 167           |
| <b>Fixed assets</b>  | <b>275,032</b> | <b>274,009</b> | <b>△1,023</b> |
| Tangible fixed assets                                      | 56,809         | 56,170         | △639          |
| Intangible fixed assets                                    | 122            | 104            | △17           |
| Investments and other assets                               | 218,101        | 217,734        | △366          |
| Investment securities                                      | 215,787        | 215,354        | △432          |
| Deferred tax assets  | 463            | 443            | △20           |
| Others   | 1,850          | 1,936          | 86            |
| <b>Total assets</b>  | <b>462,165</b> | <b>472,212</b> | <b>10,047</b> |

# Consolidated Balance Sheet

(¥ million)

| <b>Liabilities</b>                            | <b>2024/3</b>  | <b>2024/9</b>  | <b>Change</b> |
|---|----------------|----------------|---------------|
| <b>Current liabilities</b>                    | <b>28,534</b>  | <b>26,061</b>  | <b>△2,472</b> |
| <b>Fixed liabilities</b>                      | <b>34,938</b>  | <b>33,556</b>  | <b>△1,382</b> |
| <b>Total liabilities</b>                      | <b>63,473</b>  | <b>59,618</b>  | <b>3,854</b>  |
| <b>Net assets</b>                             |                |                |               |
| <b>Shareholders' equity</b>                   | <b>325,077</b> | <b>342,270</b> | <b>17,192</b> |
| Capital stock and capital surplus             | 38,835         | 38,911         | 75            |
| Retained earnings                             | 329,547        | 346,651        | 17,103        |
| Treasury shares                               | △43,305        | △43,292        | 13            |
| <b>Accumulated other comprehensive income</b> | <b>73,614</b>  | <b>70,324</b>  | <b>△3,290</b> |
| Valuation differences on other securities     | 74,011         | 70,763         | △3,248        |
| Revaluation reserve for land                  | △481           | △481           | -             |
| <b>Total net assets</b>                       | <b>398,692</b> | <b>412,594</b> | <b>13,901</b> |
| <b>Total liabilities and net assets</b>       | <b>462,165</b> | <b>472,212</b> | <b>10,047</b> |

Equity ratio

**87.4%**

# Financial Results (consolidated)

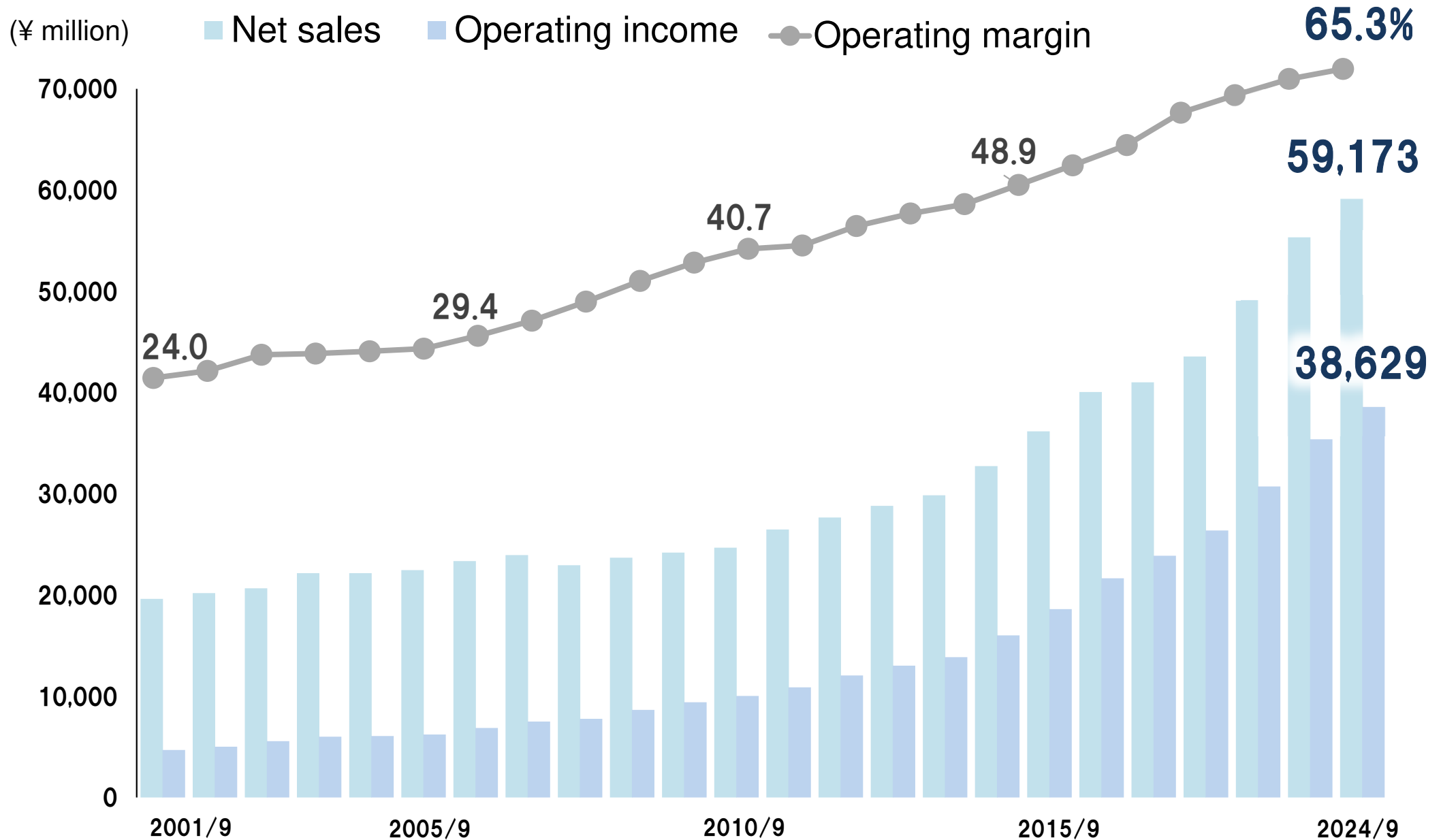
(¥ million)

|  | 2023/9         | 2024/9         | YoY           |
|--|----------------|----------------|---------------|
| <b>Net sales</b>   | <b>55,334</b>  | <b>59,173</b>  | <b>106.9%</b> |
| <b>Operating income</b>                                      | <b>35,381</b>  | <b>38,629</b>  | <b>109.2%</b> |
| <b>Ordinary income</b>                                       | <b>40,062</b>  | <b>44,530</b>  | <b>111.2%</b> |
| <b>Net income</b>  | <b>28,397</b>  | <b>32,059</b>  | <b>112.9%</b> |
| <b>Earnings per share (EPS) (yen)</b>                        | <b>64.04</b>   | <b>72.88</b>   | <b>113.8%</b> |
| <b>Average number of total shares outstanding(thousands)</b> | <b>443,408</b> | <b>439,881</b> | <b>-</b>      |

Note: On October 1, 2024, the Company conducted a 5-for-1 share split of its common shares.

“Basic earnings per share” and “total shares outstanding” are calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

# First half operating income increases for 24<sup>th</sup> consecutive period





# Financial Results (consolidated)

(¥ million)

|                         | 2023/9 | 2024/9 | Change |
|-------------------------|--------|--------|--------|
| <b>Net sales</b>        | 55,334 | 59,173 | 3,838  |
| Cost of goods sold      | 12,258 | 12,668 | 410    |
| <b>Gross profit</b>     | 43,076 | 46,504 | 3,428  |
| SG&A expenses           | 7,694  | 7,874  | 180    |
| <b>Operating income</b> | 35,381 | 38,629 | 3,248  |
| Non-operating profits   | 3,274  | 3,894  | 620    |
| Equity-method gains     | 2,151  | 2,771  | 619    |
| Non-operating expenses  | 745    | 764    | 19     |
| <b>Ordinary income</b>  | 40,062 | 44,530 | 4,468  |
| Extraordinary income    | -      | 321    | 321    |
| Extraordinary losses    | 71     | 0      | △71    |
| Income taxes, etc.      | 11,593 | 12,792 | 1,199  |
| <b>Net income</b>       | 28,397 | 32,059 | 3,661  |

Operating income YoY

**109.2%**

Ordinary income YoY

**111.2%**

Net income YoY

**112.9%**

# Business Results by Segment

(¥ million)

|       |                  | 2023/9 | 2024/9 | YoY    |
|-------|------------------|--------|--------|--------|
| SI    | Sales            | 24,175 | 24,807 | 102.6% |
|       | Operating income | 14,520 | 15,121 | 104.1% |
|       | Operating margin | 60.1%  | 61.0%  |        |
| SS    | Sales            | 27,277 | 30,560 | 112.0% |
|       | Operating income | 19,721 | 22,237 | 112.8% |
|       | Operating margin | 72.3%  | 72.8%  |        |
| OA    | Sales            | 3,881  | 3,804  | 98.0%  |
|       | Operating income | 1,139  | 1,271  | 111.6% |
|       | Operating margin | 29.4%  | 33.4%  |        |
| Total | Sales            | 55,334 | 59,173 | 116.9% |
|       | Operating income | 35,381 | 38,629 | 109.2% |
|       | Operating margin | 63.9%  | 65.3%  |        |

# Sales

| Segments                          | YoY           |
|-----------------------------------|---------------|
| <b>SI</b>                         | <b>102.6%</b> |
| Software                          | 103.0%        |
| Hardware                          | 84.6%         |
| <b>SS</b>                         | <b>112.0%</b> |
| Software system operation support | 112.6%        |
| Hardware maintenance              | 70.7%         |
| <b>OA</b>                         | <b>98.0%</b>  |
| <b>Total</b>                      | <b>106.9%</b> |

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

# Profitability

|                        | 2023/9 | 2024/9 |             |
|------------------------|--------|--------|-------------|
| Operating margin       | 63.9%  | 65.3%  | 1.4points ↑ |
| Ordinary income margin | 72.4%  | 75.3%  | 2.9points ↑ |
| Net income margin      | 51.3%  | 54.2%  | 2.9points ↑ |

**Absorbed R&D expenses of about ¥1.0billion**

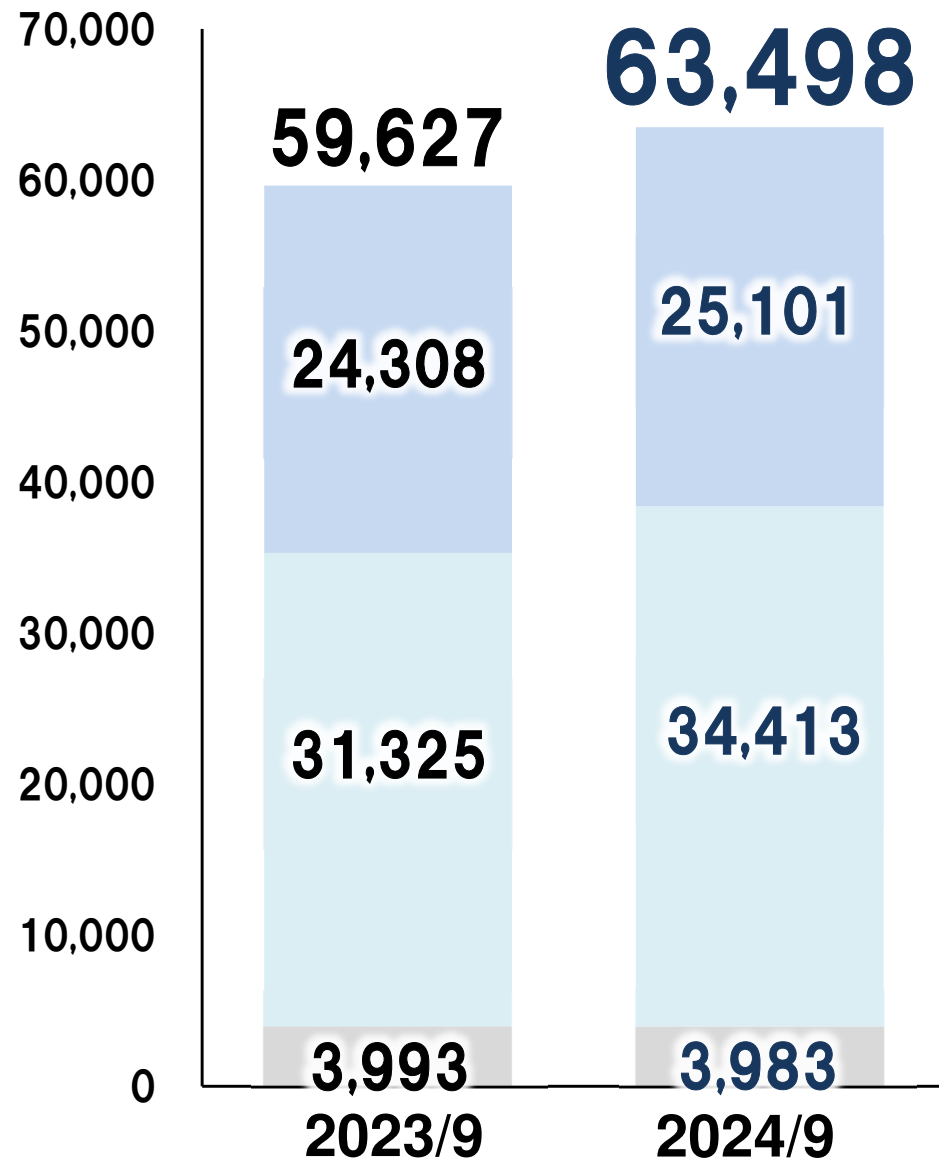
# Consolidated Cash Flow

(¥ million)

|                                      | 2024/9  |
|--------------------------------------|---------|
| Cash flows from operating activities | 28,555  |
| Cash flows from investing activities | △3,706  |
| Cash flows from financing activities | △14,958 |
| Change in cash and cash equivalents  | 9,889   |
| Balance at the beginning of the year | 170,244 |
| Balance at the end of the year       | 180,134 |

# Orders Received

(¥ million)



YoY

SI

103.3%

SS

109.9%

OA

99.7%

Total

106.5%

# Earnings Forecasts

## Fiscal Year Ending March 31,2025

# Fiscal Year Ending March 31, 2025(Full-year)

(¥ million)

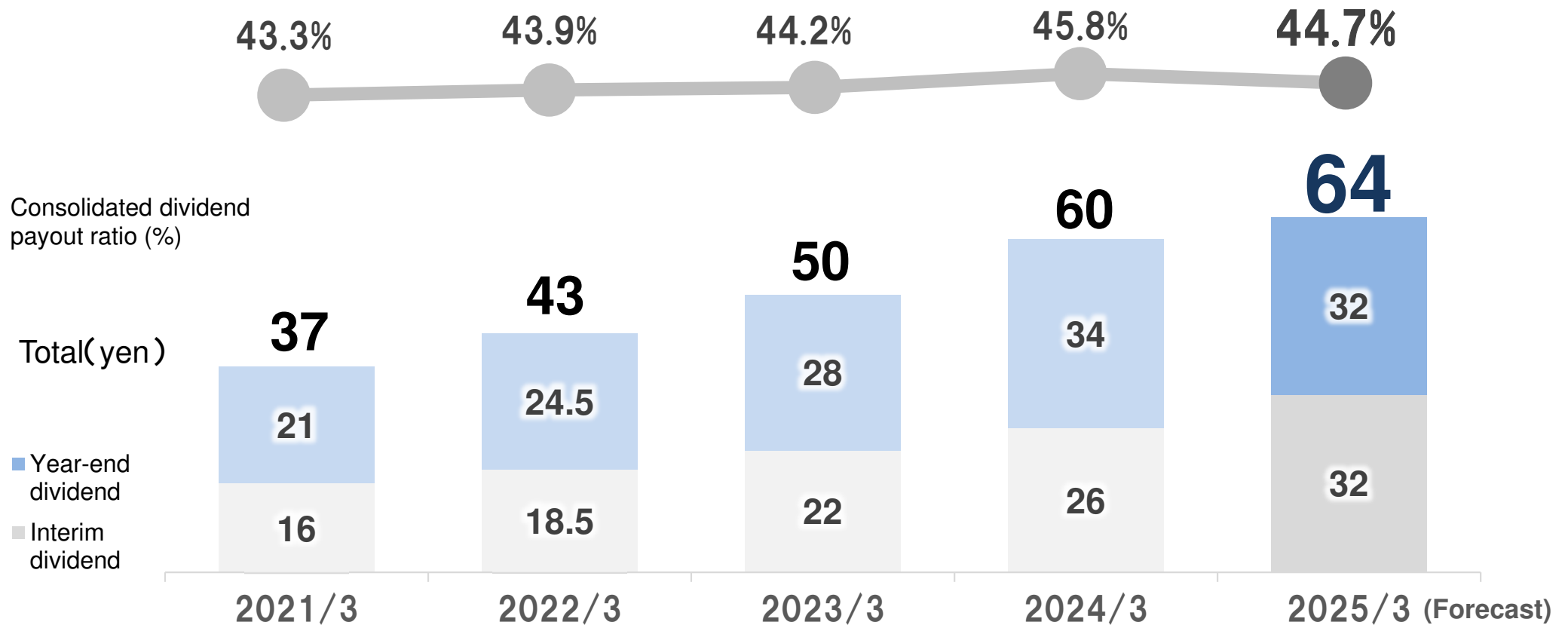
|                         | Earnings forecasts | YoY          |
|-------------------------|--------------------|--------------|
| <b>Net sales</b>        | <b>122,800</b>     | <b>10.0%</b> |
| <b>Operating income</b> | <b>78,000</b>      | <b>10.0%</b> |
| <b>Ordinary income</b>  | <b>88,000</b>      | <b>8.4%</b>  |
| <b>Net income</b>       | <b>63,000</b>      | <b>8.6%</b>  |



# Profit-sharing With Shareholders

**FY2024** Annual dividend : **64yen** (Forecast)

interim dividend: **32.0yen** Year-end dividend: **32.0yen**



Note: On October 1, 2024, the Company conducted a 5-for-1 share split of its common shares.

“Dividends” is calculated assuming that the share split was conducted at the beginning of the FY2020 - FY2024.

# 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.

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.