

May 8, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (under Japanese GAAP)

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Scheduled date of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence payment of dividends: June 27, 2024
 Scheduled date of filing annual securities report: June 26, 2024
 Preparation of supplementary briefing materials on financial results: Yes
 Holding of 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 fiscal year ended March 31, 2024 (April 1, 2023–March 31, 2024)

(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	%
Fiscal year ended March 31, 2024	4,800	(1.5)	1,556	(11.8)	1,588	(6.5)	1,055	(4.7)
March 31, 2023	4,875	8.3	1,765	16.2	1,699	12.7	1,106	9.4

Note: Comprehensive income Fiscal year ended March 31, 2024: 1,130 million yen (up 1.3%)
 Fiscal year ended March 31, 2023: 1,115 million yen (up 13.7%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	79.99	—	21.4	27.5	32.4
March 31, 2023	82.48	—	25.2	32.2	36.2

Reference: Share of profit (loss) of entities accounted for using equity method: Fiscal year ended March 31, 2024: (40) million yen
 Fiscal year ended March 31, 2023: (19) million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	6,027	5,187	86.1	399.22
March 31, 2023	5,531	4,653	84.1	350.05

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)
 As of March 31, 2024: 5,187 million yen
 As of March 31, 2023: 4,653 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	%	Million yen
March 31, 2024	1,310	(164)	(596)	3,072
March 31, 2023	899	(1,106)	(576)	2,524

2. Dividends

	Annual dividends per share					Total dividend payment	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	Q1-end	Q2-end	Q3-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	—	0.00	—	27.00	27.00	363	32.7	8.2
Fiscal year ended March 31, 2024	—	0.00	—	29.00	29.00	382	36.3	7.7
Fiscal year ending March 31, 2025 (forecasted)	—	—	—	36.00	36.00		40.0	

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025
(April 1, 2024–March 31, 2025)**

(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	5,200	8.3	1,720	10.5	1,710	7.6	1,170	10.9	90.04

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): None

Newly consolidated: – Excluded from consolidation: –

(2) 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

(3) Number of shares issued (ordinary shares)

1) Number of shares issued (including treasury shares):

As of March 31, 2024 15,123,200 shares
As of March 31, 2023 15,123,200 shares

2) Number of treasury shares:

As of March 31, 2024 2,129,478 shares
As of March 31, 2023 1,829,678 shares

3) Average number of shares outstanding during the period:

For the fiscal year ended March 31, 2024 13,190,645 shares
For the fiscal year ended March 31, 2023 13,420,591 shares

The number of treasury shares as of March 31, 2024 includes 179,800 shares of the Company held by the Board Benefit Trust and Employee Benefit Trust.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages are shown as year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	1,911	(34.5)	1,139	(46.6)	1,210	(42.0)	1,038	(47.8)
March 31, 2023	2,917	212.2	2,135	758.1	2,086	796.1	1,989	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2024	78.74	–
March 31, 2023	148.24	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2024	7,023	3,692	52.6	284.15
March 31, 2023	6,426	3,174	49.4	238.82

Reference: Equity

As of March 31, 2024: 3,692 million yen
As of March 31, 2023: 3,174 million yen

* This consolidated financial report is not subject to 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. Consolidated Financial Statements and Major Notes**(1) Consolidated Balance Sheet**

	(Thousands of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	3,058,126	3,693,903
Notes receivable	—	3,831
Accounts receivable—trade	584,511	608,526
Merchandise and finished goods	4,936	4,927
Work in process	488	—
Prepaid expenses	190,098	173,576
Income taxes refund receivable	322,839	87,363
Other	11,101	19,779
Allowance for doubtful accounts	(130)	(1,779)
Total current assets	4,171,971	4,590,129
Non-current assets		
Property, plant and equipment		
Buildings and structures	116,372	117,437
Accumulated depreciation	(55,976)	(59,143)
Buildings and structures, net	60,396	58,294
Tools, furniture and fixtures	448,014	483,949
Accumulated depreciation	(371,745)	(402,594)
Tools, furniture and fixtures, net	76,268	81,355
Land	1,973	1,973
Total property, plant and equipment	138,638	141,623
Intangible assets		
Goodwill	14,090	8,636
Software	122,283	141,877
Other	3,209	16,482
Total intangible assets	139,583	166,997
Investments and other assets		
Investment securities	566,613	642,566
Deferred tax assets	56,634	17,086
Insurance funds	301,868	313,399
Other	166,116	162,773
Allowance for investment loss	(4,900)	—
Allowance for doubtful accounts	(4,956)	(6,603)
Total investments and other assets	1,081,375	1,129,222
Total non-current assets	1,359,597	1,437,843
Total assets	5,531,569	6,027,972

	(Thousands of yen)	
	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,646	9,476
Short-term borrowings	100,000	100,000
Accounts payable - other	129,533	199,004
Income taxes payable	284,892	200,817
Other	330,043	307,485
Total current liabilities	854,116	816,783
Non-current liabilities		
Provision for share-based payments	24,017	23,845
Total non-current liabilities	24,017	23,845
Total liabilities	878,134	840,629
Net assets		
Shareholders' equity		
Share capital	1,092,450	1,092,450
Capital surplus	57,960	57,960
Retained earnings	4,610,992	5,302,344
Treasury shares	(1,155,570)	(1,387,917)
Total shareholders' equity	4,605,832	5,064,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47,603	122,506
Total accumulated other comprehensive income	47,603	122,506
Total net assets	4,653,435	5,187,343
Total liabilities and net assets	5,531,569	6,027,972

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

	(Thousands of yen)	
	Previous fiscal year (April 1, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Net sales	4,875,169	4,800,097
Cost of sales	1,398,544	1,507,651
Gross profit	3,476,625	3,292,445
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	193,647	207,672
Payroll and allowances	427,076	423,506
Promotion expenses	249,574	282,066
Rent expenses on land and buildings	155,304	155,304
Other	685,172	667,202
Total selling, general and administrative expenses	1,710,774	1,735,752
Operating profit	1,765,851	1,556,693
Non-operating income		
Interest income	9,082	26,279
Dividend income	2,631	5,335
Foreign exchange gains	—	72,144
Other	1,107	3,457
Total non-operating income	12,820	107,216
Non-operating expenses		
Interest expenses	753	723
Commission expenses	4,940	4,905
Share related expenses	11,646	12,542
Foreign exchange losses	42,214	—
Share of loss of entities accounted for using the equity method	19,433	40,961
Loss on investments in investment partnerships	—	16,046
Other	332	38
Total non-operating expenses	79,320	75,217
Ordinary profit	1,699,351	1,588,692
Extraordinary losses		
Loss on retirement of non-current assets	17	837
Total extraordinary losses	17	837
Net income before income taxes	1,699,333	1,587,854
Income taxes—current	593,359	526,227
Income taxes—deferred	(1,022)	6,489
Total income taxes	592,337	532,717
Net income	1,106,996	1,055,137
Net income attributable to owners of the parent	1,106,996	1,055,137

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	Previous fiscal year (April 1, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Net income	1,106,996	1,055,137
Other comprehensive income		
Valuation difference on available-for-sale securities	8,088	74,903
Total other comprehensive income	8,088	74,903
Comprehensive income	1,115,084	1,130,040
Comprehensive income attributable to Owners of the parent	1,115,084	1,130,040

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,092,450	—	3,816,182	(832,094)	4,076,538
Changes of items during period					
Dividends of surplus			(312,186)		(312,186)
Net income attributable to owners of the parent			1,106,996		1,106,996
Purchase of treasury shares				(265,515)	(265,515)
Purchase of treasury shares by Board Benefit Trust (BBT)				(154,440)	(154,440)
Dispose of treasury shares by Board Benefit Trust (BBT)		57,960		96,480	154,440
Net changes of items other than shareholders' equity					
Total changes of items during period	—	57,960	794,809	(323,475)	529,293
Balance at end of period	1,092,450	57,960	4,610,992	(1,155,570)	4,605,832

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	39,515	39,515	4,116,053
Changes of items during period			
Dividends of surplus			(312,186)
Net income attributable to owners of the parent			1,106,996
Purchase of treasury shares			(265,515)
Purchase of treasury shares by Board Benefit Trust (BBT)			(154,440)
Dispose of treasury shares by Board Benefit Trust (BBT)			154,440
Net changes of items other than shareholders' equity	8,088	8,088	8,088
Total changes of items during period	8,088	8,088	537,381
Balance at end of period	47,603	47,603	4,653,435

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,092,450	57,960	4,610,992	(1,155,570)	4,605,832
Changes of items during period					
Dividends of surplus			(363,785)		(363,785)
Net income attributable to owners of the parent			1,055,137		1,055,137
Purchase of treasury shares				(232,519)	(232,519)
Dispose of treasury shares				171	171
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	691,352	(232,347)	459,004
Balance at end of period	1,092,450	57,960	5,302,344	△1,387,917	5,064,837

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	47,603	47,603	4,653,435
Changes of items during period			
Dividends of surplus			(363,785)
Net income attributable to owners of the parent			1,055,137
Purchase of treasury shares			(232,519)
Dispose of treasury shares			171
Net changes of items other than shareholders' equity	74,903	74,903	74,903
Total changes of items during period	74,903	74,903	533,908
Balance at end of period	122,506	122,506	5,187,343

(4) Consolidated statements of Cash Flows

(Thousands of yen)

	Previous fiscal year (April 1, 2022 to March 31, 2023)	Current fiscal year (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income before income taxes	1,699,333	1,587,854
Depreciation	97,567	94,509
Amortization of goodwill	5,454	5,454
Increase (decrease) in allowance for doubtful accounts	2,340	3,295
Interest and dividend income	(11,713)	(31,614)
Interest expenses	753	723
Share of loss (profit) of entities accounted for using the equity method	19,433	40,961
Loss on retirement of non-current assets	17	837
Decrease (increase) in trade receivables	(18,992)	(27,846)
Decrease (increase) in inventories	101	496
Increase (decrease) in trade payables	(338)	(170)
Increase (decrease) in accrued consumption taxes	(12,421)	(45,836)
Other	84,270	29,818
Subtotal	1,865,807	1,658,485
Interest and dividends received	2,663	23,279
Interest paid	(752)	(729)
Income taxes paid	(968,353)	(697,856)
Income taxes refunded	—	326,949
Net cash provided by (used in) operating activities	899,364	1,310,128
Cash flows from investing activities		
Payments into time deposits	(576,320)	(15,123)
Purchase of property, plant and equipment	(70,054)	(50,799)
Purchase of intangible assets	(29,510)	(60,890)
Purchase of investment securities	(426,254)	(25,000)
Proceeds from collection of loans receivable	10,000	—
Other	(14,152)	(13,087)
Net cash provided by (used in) investing activities	(1,106,291)	(164,900)
Cash flows from financing activities		
Purchase of treasury shares	(265,515)	(232,519)
Cash dividends paid	(310,913)	(364,138)
Net cash provided by (used in) financing activities	(576,429)	(596,657)
Increase (decrease) in cash and cash equivalents	(783,356)	548,570
Cash and cash equivalents at the beginning of the period	3,307,363	2,524,006
Cash and cash equivalents at the end of the period	2,524,006	3,072,577

(5) Notes to Quarterly Consolidated Financial Statements**Segment Information**

1. Overview of reporting segments

The Company's reporting segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group consists of the Company, the pure holding company, and operating companies. Each operating company develops comprehensive strategies for the products and services it handles to conduct business activities. Accordingly, the Group is comprised of segments grouped by products and services based on those operating companies. The Company has three reporting segments: Communication Business, Data Providing Business, and Mobile Business.

The Communication Business segment conducts Customer Satisfaction (CS) Research Business and News & Media Business. The CS Research Business provides services including trademark use, digital promotion (customer transfer), and data distribution. The News & Media Business is mainly engaged in advertising and the provision of news articles by using ORICON NEWS, the Company's own media. The Data Providing Business segment provides music software, video software, book marketing data, and other data. The Mobile Business segment mainly provides services to distribute music, books, and other content for mobile devices.

2. Calculation of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods used for reportable segments are generally the same as those described in "Important basic matters for preparation of the consolidated financial statements."

The profit of the reportable segments is based on operating profit (before amortization of goodwill).

Intersegment sales and transfers are based on prevailing market prices.

The Company does not allocate assets to reportable segments.

3. Net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	3,822,599	670,573	381,996	4,875,169	4,875,169
Intersegment sales or transfers	84,000	—	—	84,000	84,000
Total	3,906,599	670,573	381,996	4,959,169	4,959,169
Segment profit	2,542,225	234,622	133,145	2,909,994	2,909,994
Other items					
Depreciation	16,007	19,156	11,392	46,555	46,555

Current fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Net sales					
Sales to external customers	3,785,464	673,989	340,643	4,800,097	4,800,097
Intersegment sales or transfers	84,000	—	—	84,000	84,000
Total	3,869,464	673,989	340,643	4,884,097	4,884,097
Segment profit	2,349,270	251,665	96,707	2,697,643	2,697,643
Other items					
Depreciation	15,404	20,926	12,084	48,416	48,416

4. Reconciliation between the total amount of reportable segments and the amount recorded in the consolidated financial statements

(Thousands of yen)

Net sales	Previous fiscal year	Current fiscal year
Total of reportable segments	4,959,169	4,884,097
Elimination of intersegment transactions	(84,000)	(84,000)
Net sales in the consolidated financial statements	4,875,169	4,800,097

(Thousands of yen)

Profit	Previous fiscal year	Current fiscal year
Total of reportable segments	2,909,994	2,697,643
Elimination of intersegment transactions	—	—
Amortization of goodwill	(5,454)	(5,454)
Corporate expenses (Note)	(1,138,689)	(1,135,496)
Operating profit in the consolidated financial statements	1,765,851	1,556,693

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

Other items	Total of reportable segments		Adjustments		Amount recorded in consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	46,555	48,416	51,011	46,093	97,567	94,509

Note: The adjustments for depreciation mainly consist of amortization related to the administration division.

Revenue Recognition

1. Disaggregation of revenue from contracts with customers

Previous fiscal year (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	2,144,640	—	—	2,144,640	2,144,640
News & Media	1,677,959	—	—	1,677,959	1,677,959
Data Providing	—	670,573	—	670,573	670,573
Mobile Content Services	—	—	381,996	381,996	381,996
Revenue from contracts with customers	3,822,599	670,573	381,996	4,875,169	4,875,169
Other revenue	—	—	—	—	—
Sales to external customers	3,822,599	670,573	381,996	4,875,169	4,875,169

Current fiscal year (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Reportable segments				Total
	Communication Business	Data Providing Business	Mobile Business	Subtotal	
Customer Satisfaction Research	2,108,647	—	—	2,108,647	2,108,647
News & Media	1,676,816	—	—	1,676,816	1,676,816
Data Providing	—	673,989	—	673,989	673,989
Mobile Content Services	—	—	340,643	340,643	340,643
Revenue from contracts with customers	3,785,464	673,989	340,643	4,800,097	4,800,097
Other revenue	—	—	—	—	—
Sales to external customers	3,785,464	673,989	340,643	4,800,097	4,800,097

2. Basic information to understand revenue from contracts with customers

The details are described in “Basic information to understand revenue from contracts with customers 4. Accounting policies (4) Basis for recognition of significant revenue and expense.”

3. Information related to the relationship between the satisfaction of performance obligations based on contracts with customers and the cash flows arising from such contracts, and the amounts and timing of revenue expected to be recognized in or after the next fiscal year from contracts with customers that existed at end of the current fiscal year

(1) Balances, etc. of contract liabilities

(Thousands of yen)

	Previous fiscal year	Current fiscal year
Receivables arising from contracts with customers (Beginning balance)	569,690	584,511
Receivables arising from contracts with customers (Ending balance)	584,511	612,357
Contract liabilities (Beginning balance)	41,637	37,465
Contract liabilities (Ending balance)	37,465	54,087

Contract liabilities are mainly advances received from customers for the CS Research Business, and included in “Other” in “Current liabilities” in the consolidated balance sheet.

(2) Transaction price allocated to the remaining performance obligations

The Company and its consolidated subsidiaries have no material contracts with an initially expected contract term of more than one year. In addition, there are no material amounts of consideration arising

from contracts with customers that are not included in the transaction price.