



ORICON

Financial Results for the Fiscal Year Ended March 31, 2024

May 8, 2024

Oricon Inc.

(Securities Code: 4800)

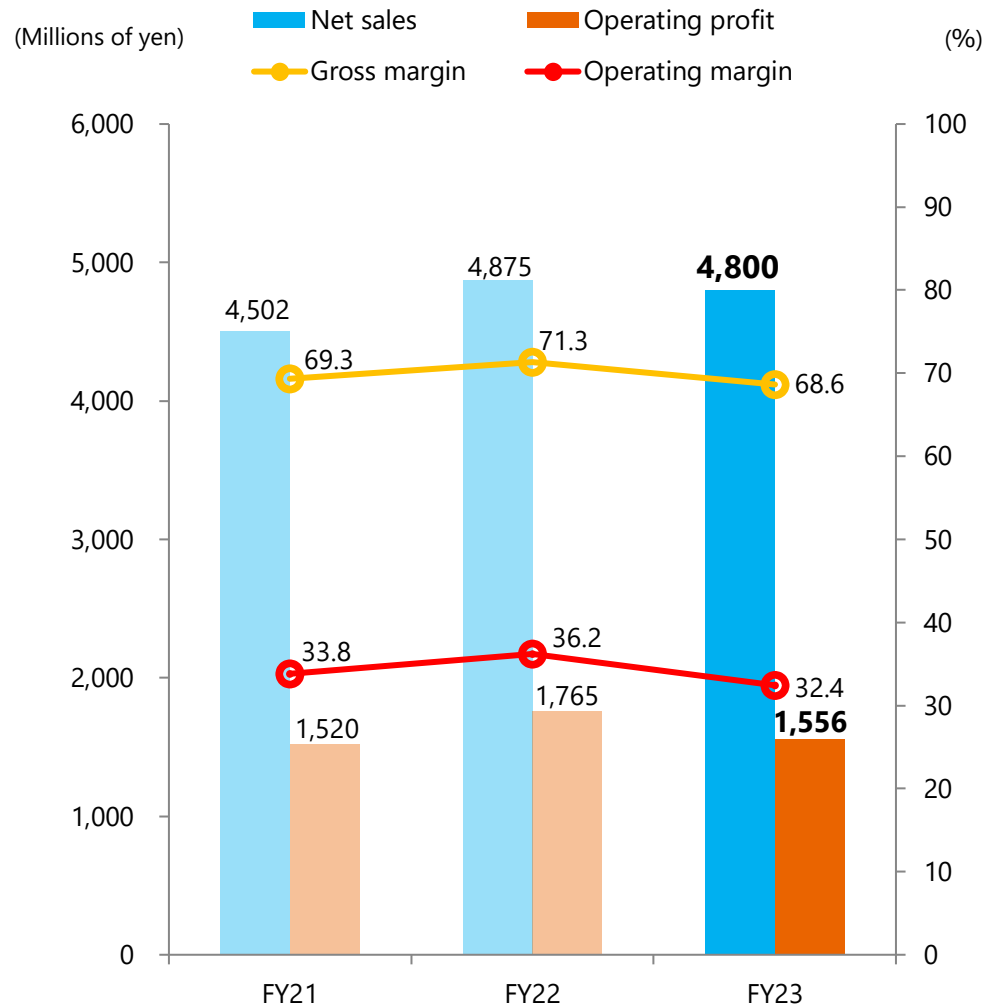
Corporate Philosophy

Turning facts into intelligence

Management Policy

In a society where information makes things complicated because, for example, of the scourge of fake news, Oricon will earn the trust of society by turning facts into intelligence from an objective and fair standpoint and disseminating it widely.

By doing so, we aspire to be a company of high social value that contributes to the realization of affluent lifestyles and the development of various industries.

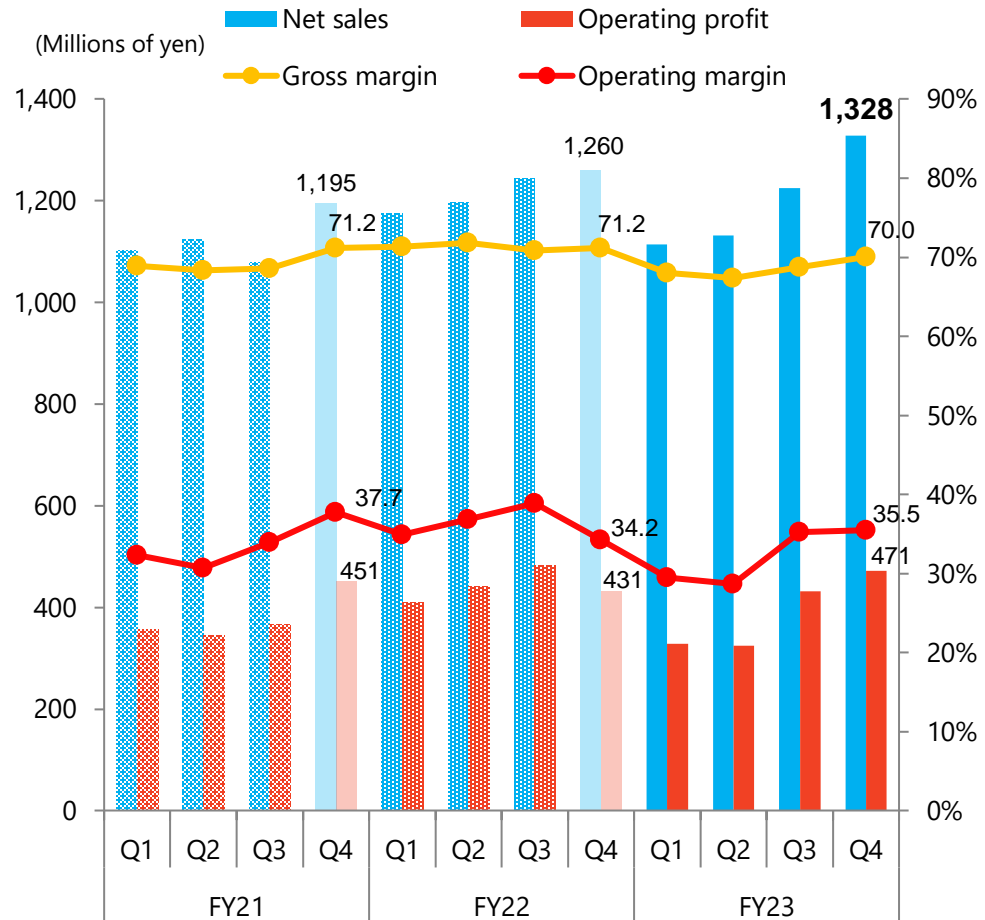


● Consolidated financial results

		(YoY change)
Net sales	¥4,800 mn	(1.5) %
Gross margin	68.6 %	(2.7) pts
Operating profit	¥1,556 mn	(11.8) %
Operating margin	32.4 %	(3.8) pts

1-1 Overview of Financial Results for FY23

(Quarterly Trend)



● Consolidated financial results Q4 (Jan.–Mar.)

(YoY change)

Net sales	¥1,328 mn	+5.4 %
Gross margin	70.0 %	(1.2) pts
Operating profit	¥471 mn	+9.3 %
Operating margin	35.5 %	+ 1.3 pts

1-2 Consolidated Statement of Income

(Millions of yen)	FY22	FY23	YoY	
			Amount	%
Net sales	4,875	4,800	(75)	(1.5)%
Cost of sales	1,398	1,507	+109	+7.8%
(Cost of sales margin)	(28.7%)	(31.4%)		
Gross profit	3,476	3,292	(184)	(5.3)%
(Gross margin)	(71.3%)	(68.6%)		
SG&A expenses	1,710	1,735	+24	+1.5%
(SG&A margin)	(35.1%)	(36.2%)		
Operating profit	1,765	1,556	(209)	(11.8)%
(Operating margin)	(36.2%)	(32.4%)		
Ordinary profit	1,699	1,588	(110)	(6.5)%
(Ordinary margin)	(34.9%)	(33.1%)		
Net income before income taxes	1,699	1,587	(111)	(6.6)%
(Pretax profit margin)	(34.9%)	(33.1%)		
Net income attributable to owners of the parent	1,106	1,055	(51)	(4.7)%
(Net margin)	(22.7%)	(22.0%)		

→ See next slide for the breakdown by segment

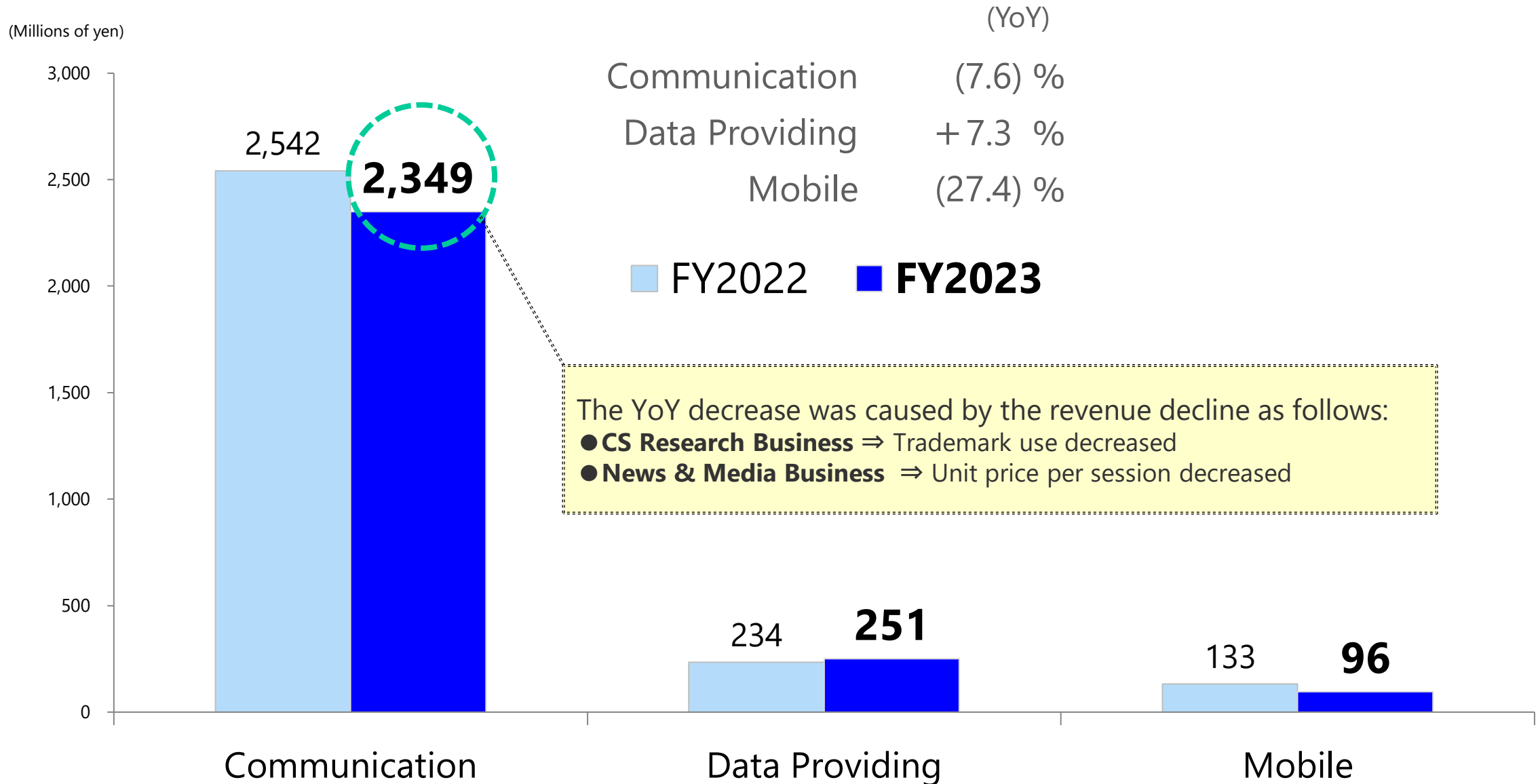
← Investment in human resources (The cost of acquiring skills, etc.)

← Due to the posting of foreign exchange gains, etc.

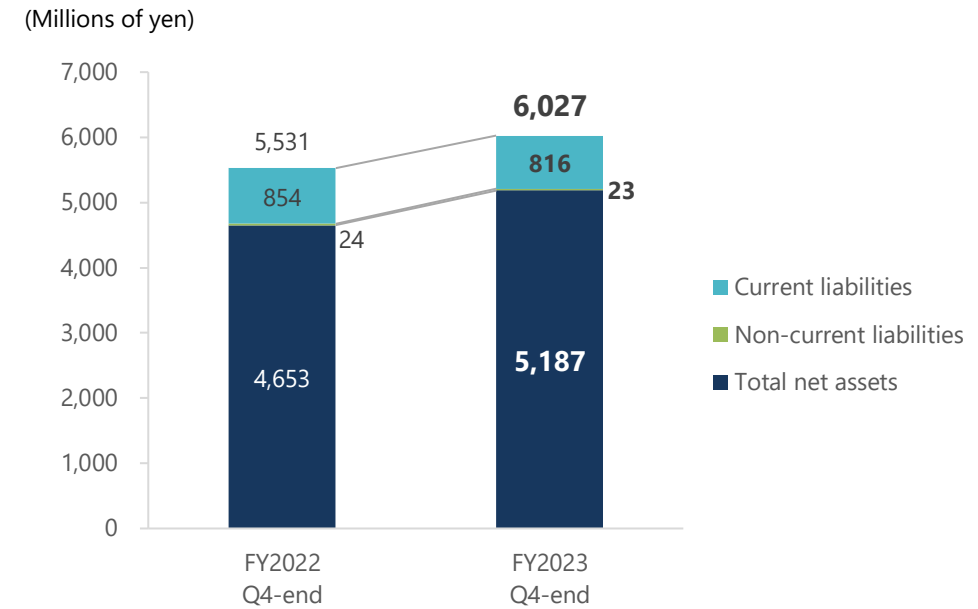
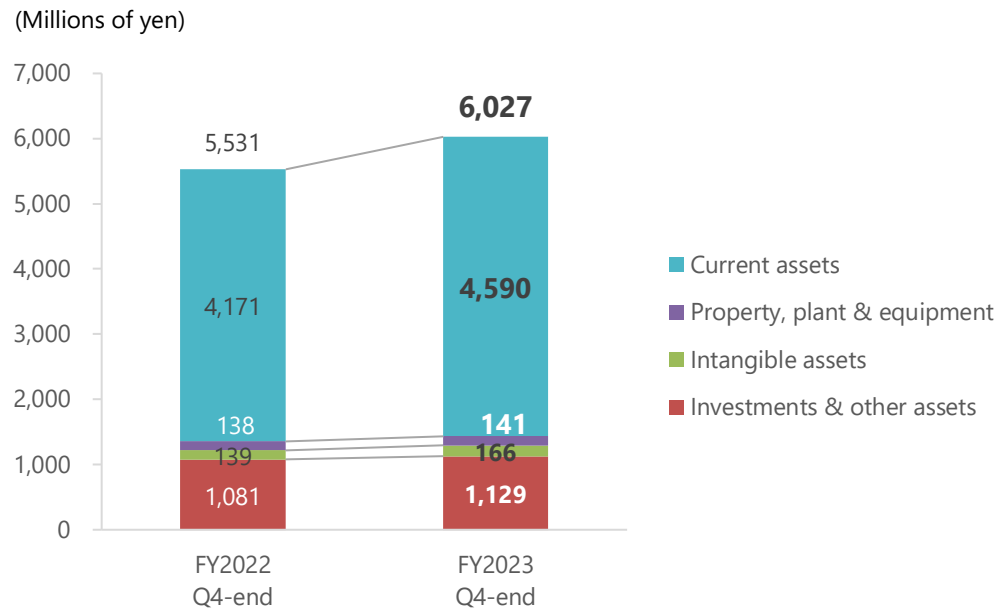
Sales of the Communication Business decreased by 1.0% YoY

(Millions of yen)	FY2022	FY2023	YoY	
			Amount	%
Communication	3,822	3,785	(37)	(1.0)%
Customer Satisfaction Research	2,144	2,108	(35)	(1.7)%
News & Media	1,677	1,676	(1)	(0.1)%
Data Providing	670	673	+3	+0.5%
Mobile	381	340	(41)	(10.8)%
Total	4,875	4,800	(75)	(1.5)%

1-4 Breakdown of Operating Profit by Segment



1-5 Consolidated Balance Sheet



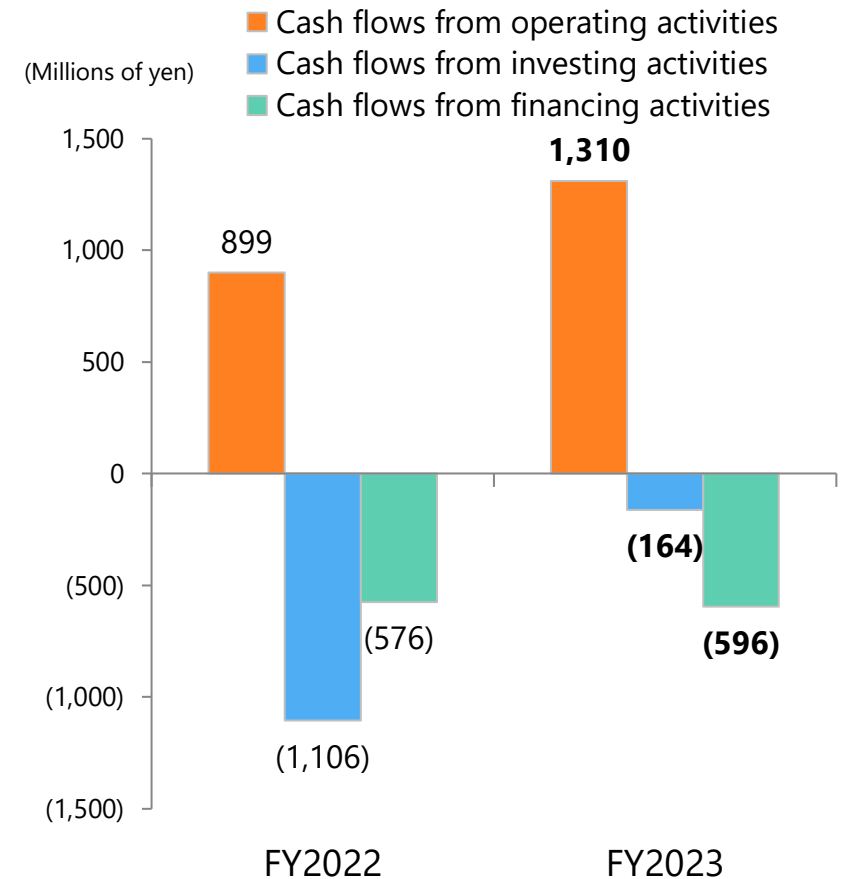
(Millions of yen)	FY2022 Q4-end	FY2023 Q4-end	Change
Current assets	4,171	4,590	+418
Property, plant and equipment	138	141	+2
Intangible assets	139	166	+27
Investments and other assets	1,081	1,129	+47
Total assets	5,531	6,027	+496

(Millions of yen)	FY2022 Q4-end	FY2023 Q4-end	Change
Current liabilities	854	816	(37)
Non-current liabilities	24	23	-
Total liabilities	878	840	(37)
Total net assets	4,653	5,187	+533
Total liabilities and net assets	5,531	6,027	+496

Net assets went up, and the Return on Equity (ROE) stands at 21.4%.

1-6 Consolidated Statement of Cash Flows

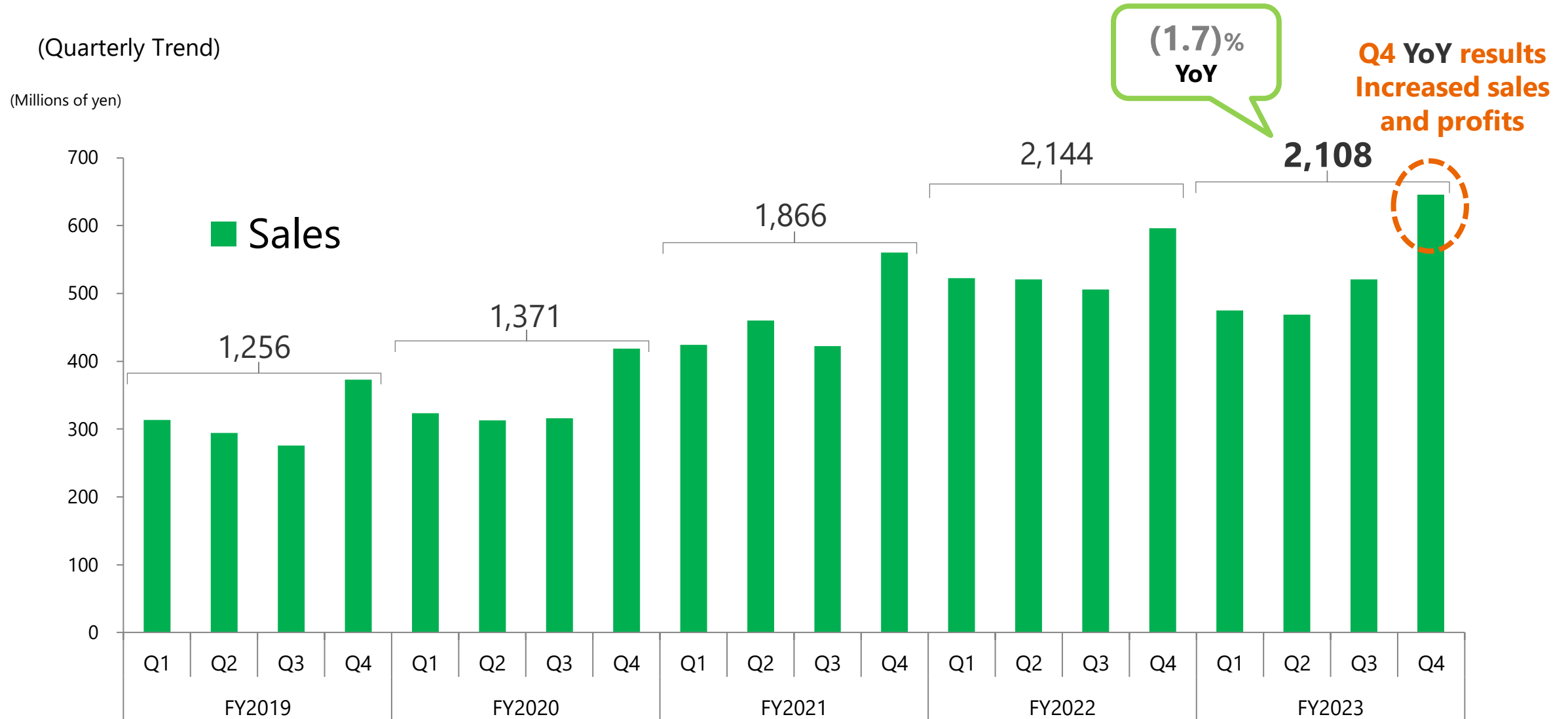
(Millions of yen)	FY2022	FY2023	YoY
Cash flows from operating activities	899	1,310	(247)
Cash flows from investing activities	(1,106)	(164)	(987)
Cash flows from financing activities	(576)	(596)	(72)
Net change in cash and cash equivalents	(783)	548	(1,306)
Cash and cash equivalents at the beginning of the year	3,307	2,524	+523
Cash and cash equivalents at the end of the year	2,524	3,072	(783)



Positive factors ⇒ Posting of net income before income taxes of ¥1,587 mn, income taxes refund of ¥326 mn
 Negative factors ⇒ Income taxes paid of ¥697 mn, purchase of treasury shares of ¥232 mn,
 and cash dividends paid of ¥364 mn

2. Overview of Communication Business (1)

◆ Customer Satisfaction (CS) Research Business



2. Overview of Communication Business (2)

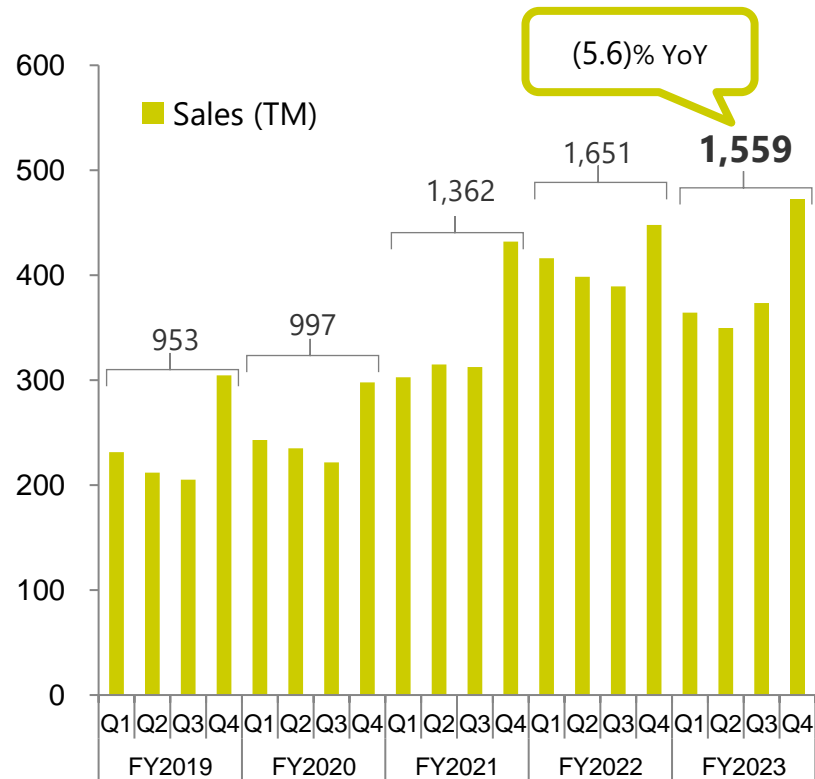
◆ Customer Satisfaction (CS) Research Business

① SEO efforts are paying off
 ② Got more valuable clicks by personalizing the rankings

(Quarterly Trend)

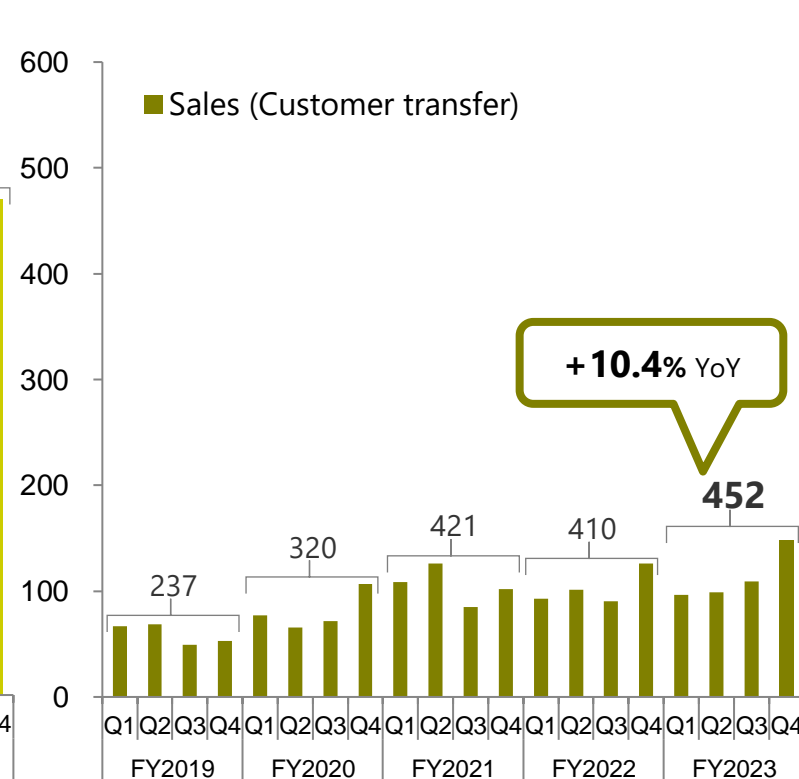
Trademark use

(Millions of yen)



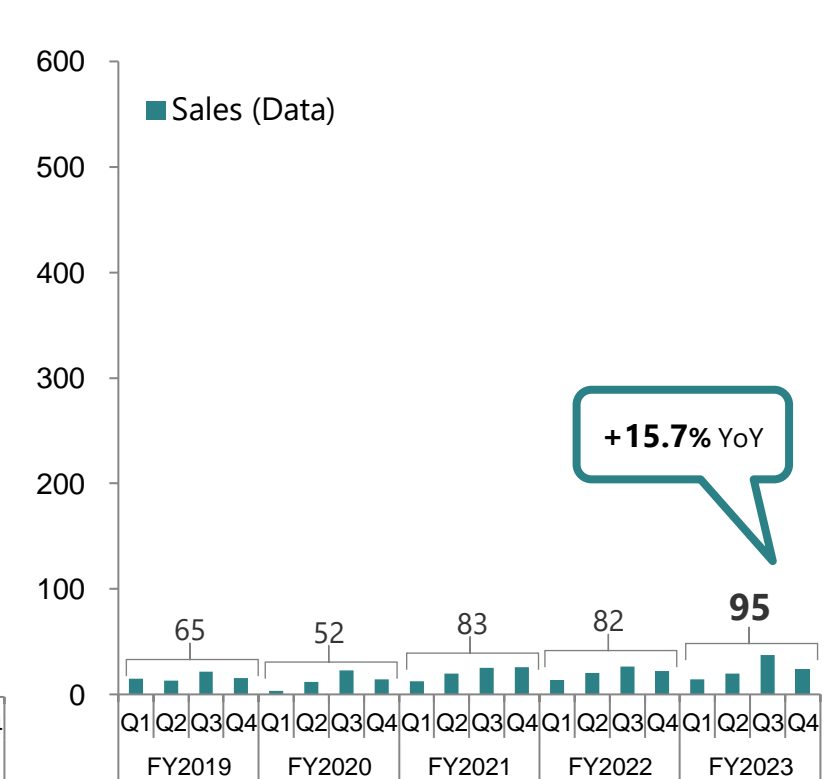
Digital promotion (Customer transfer)

(Millions of yen)



Data distribution

(Millions of yen)



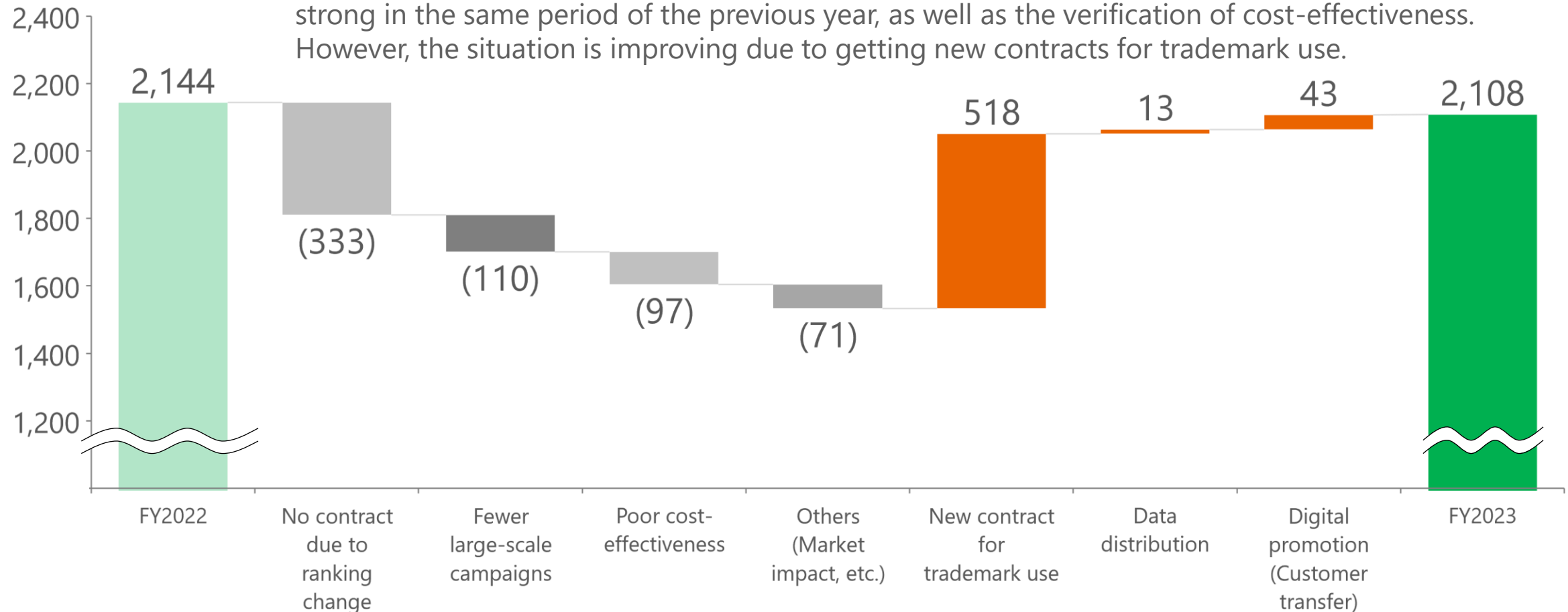
2. Overview of Communication Business (3)

◆ Customer Satisfaction (CS) Research Business

(Analysis of YoY Change in Sales)

The main reason for the YoY decrease in sales was a change in the ranking due to the update of the CS rankings, and there was also a rebound from corporate promotion activities that were strong in the same period of the previous year, as well as the verification of cost-effectiveness. However, the situation is improving due to getting new contracts for trademark use.

(Millions of yen)



2. Overview of Communication Business (4)

◆ Customer Satisfaction (CS) Research Business

Ranking lists by category

■ Insurance Industry

Car(Direct/Agent)/Bike (Direct/Agent)/Bicycle/Fire/Pets/Life/Medical/Cancer/Insurance consultation shop/Educational insurance

■ Financial Industry

Internet securities/iDeCo Securities Company/Internet bank/Net banking/
Foreign currency deposits/Housing loan/FX trading/Bank card loan/
Non-bank card loan/Smartphone payment service/Cryptocurrency Exchange(Spot trading)/
Cryptocurrency Exchange(Margin trading)/Robo advisor/Smartphone securities/
Credit card(No annual fee/Standard/Gold)

■ Cram School

College entrance exam (Group guidance for senior high school students/Personal coaching for senior high school students/Topnotch universities for senior high school students)/Senior high school entrance exam (Group/Personal)/Junior high school entrance exam (Group/Personal)/
Publicly-run integrated junior and senior high school (Group) /Elementary school students (Group/Personal)/Correspondence study(for elementary school/junior high school/senior high school)/Intellectual education for infants

■ School

English conversation school/Children's English (Infant/Elementary)/Online English Conversation/
Correspondence study/Programming classroom for kids

■ Life related

Hometown Tax Donation Program Website/Water server/Purified water server/House cleaning/
Moving firm/Food delivery service(Metropolitan area/Tokai/Kinki)/Meal kit(Metropolitan area/Tokai/Kinki)/
Subscription video distribution/Car purchase traders/Digital comics(Comprehensive/Original works only)/
Specializing in used car seller/Manufacturer type used car seller/Vehicle inspection/Children photo studio/
Bike seller/Manufacturer type bike seller/GPS tracker for kids

■ Telecommunications Industry

Low-cost SIM(Subscriber Identity Module)/Low-cost smartphone/Internet connection/
Mobile carrier/Low-cost mobile carrier

■ Housing Industry

Estate agency Selling(Condominium/Detached/Land)/Estate agency Buying(Condominium/Detached)/
Condominium management company/Rental information shop/Rental information website/
Renovation (Full/Detached/Condominium)/New condominium/House builder Custom-built Ready-built (Builder)/Large-scale condominium repair

■ Beauty Industry

Beauty salon(Facial/Lose weight,/Body)

■ Sports & Health

Fitness club/Kid's swimming school(Infants/Elementary school)/24-hour gyms

■ Wedding Industry

House wedding/Marriage agency/Wedding hall consultation counter/Wedding hall information website/Dating•Marriage matching apps/Low-cost wedding

■ Human resources

Job hunting agency/Job hunting website/Employment information service/Changing job website/Changing job agency/
Reverse job application service/Nurse changing job/High-class•Middle-class changing job/
Temp agency/Manufacturing temp/Temp information website/Changing job scout service/
Carer for the elderly changing job

■ Travel

Hotel comparison website/Airline ticket comparison website

■ Business Solutions

Internet printing online order/Corporate training

Additional ranking lists announced in January through March

- Car insurance(Direct/Agent)
- Bike insurance(Direct/Agent)
- Meal kit(Metropolitan area/Tokai region/Kinki region)
- Kid's swimming school(Infants/Elementary school)
- Credit card(No annual fee/Standard/Gold)
- Carer for the elderly changing job

Total **170** ranking lists

(As of Mar. 2024) YoY 22 rankings decreased.
The appeal of the ranking has been strengthened through stocktaking.

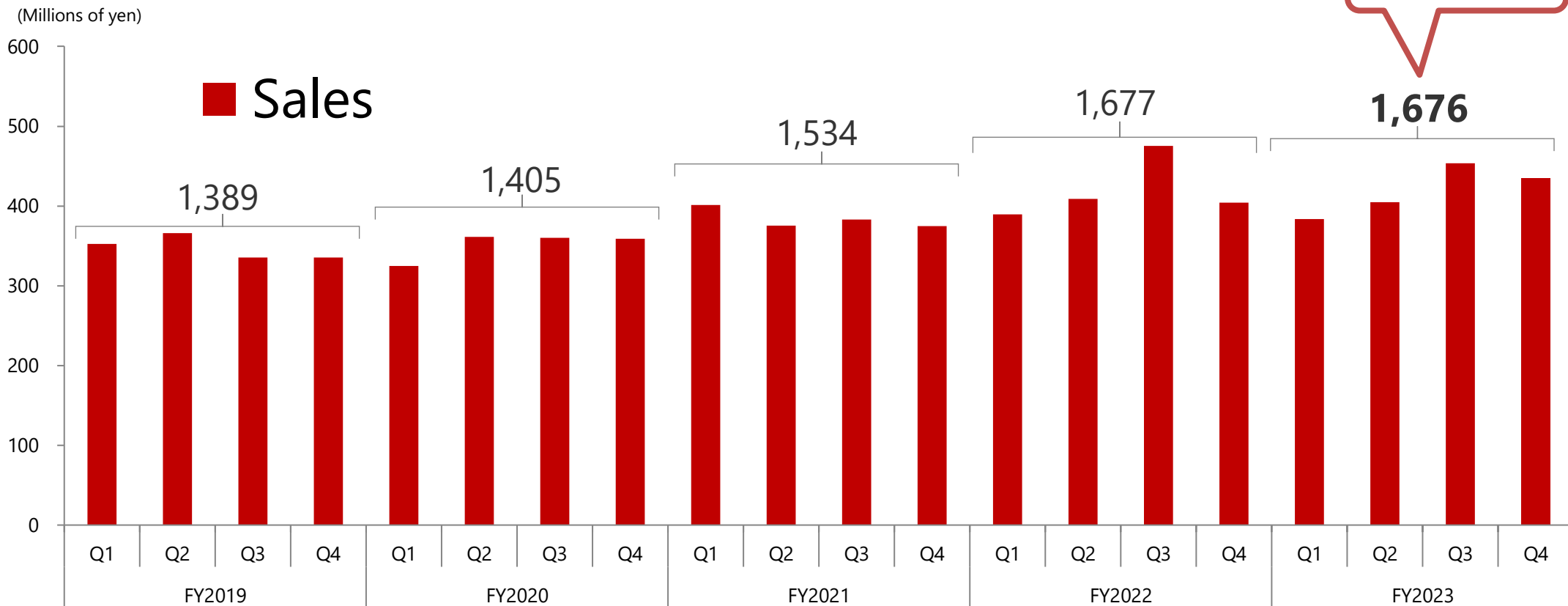
2. Overview of Communication Business (5)

◆ News & Media Business

(Quarterly Trend)

Own media → Banner ad unit price decreased

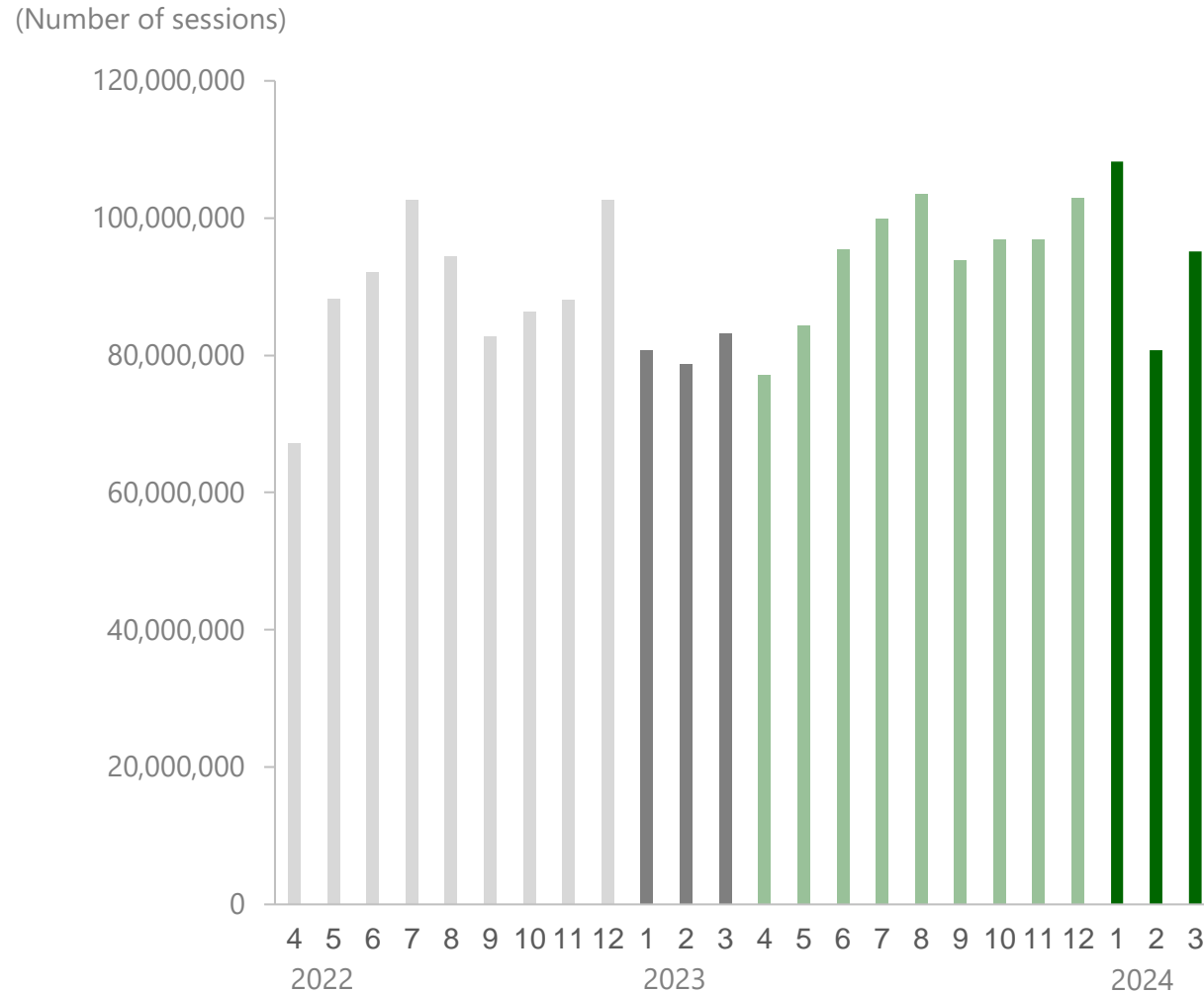
Tie-up ads & Contents for third-party media → Substantial



2. Overview of Communication Business (6)

◆ News & Media Business

Own Media "ORICON NEWS" Trends in the number of sessions



Number of sessions

FY23 Q1-Q4
increased by approx.
8% YoY

FY23 Q4 (Jan.–Mar.)
increased by approx.
17% YoY

decreased by approx. **4% QoQ**

Per session value

FY23 Q1-Q4
decreased by approx.
18% YoY

FY23 Q4 (Jan.–Mar.)
decreased by approx.
11% YoY

decreased by approx. **3% QoQ**

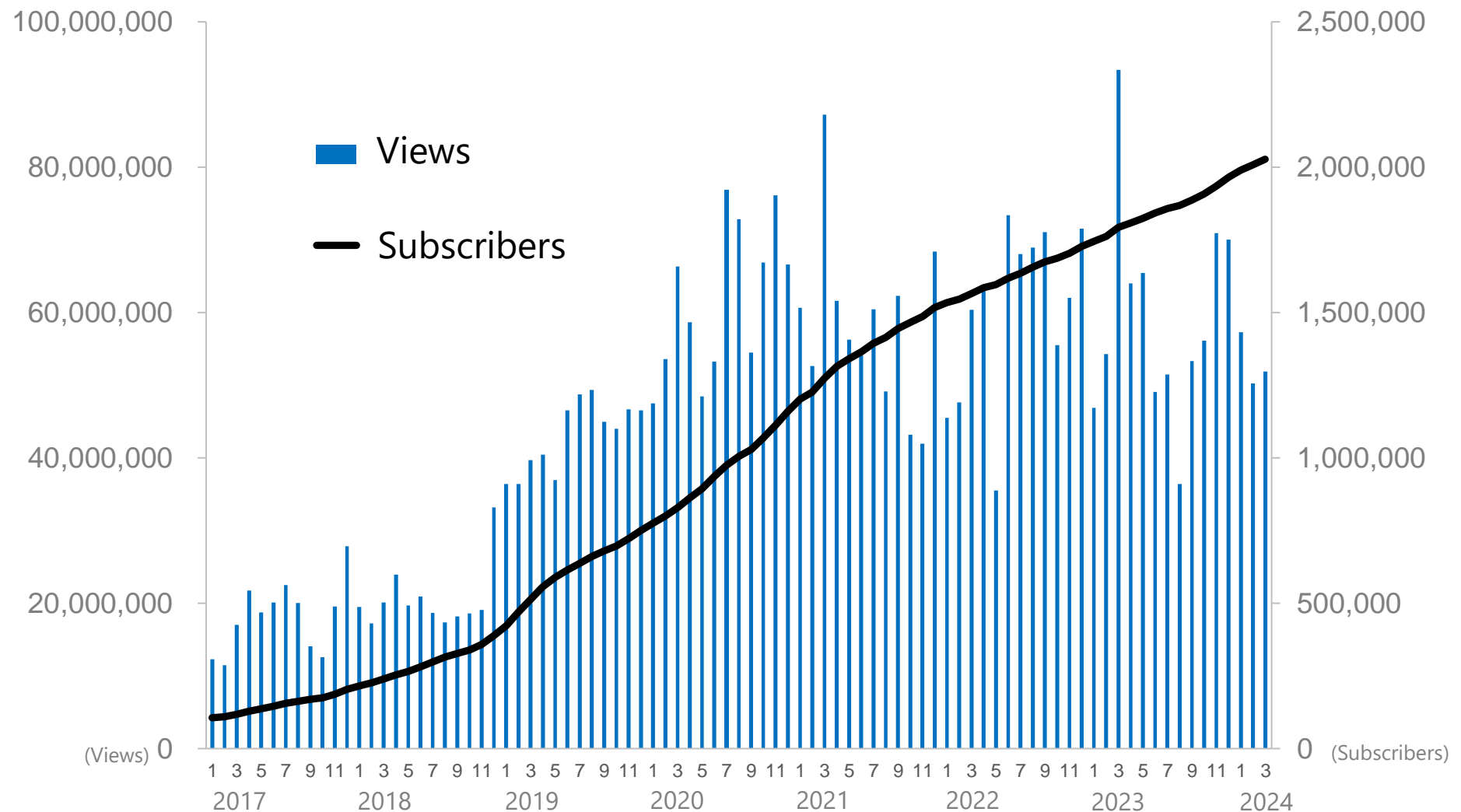
(Unit prices for banner ads decreased due to market factors, etc.)

2. Overview of Communication Business (7)

◆ News & Media Business

“ORICON NEWS” The Official YouTube Channel

Over 2.02 million subscribers as of Mar. 2024

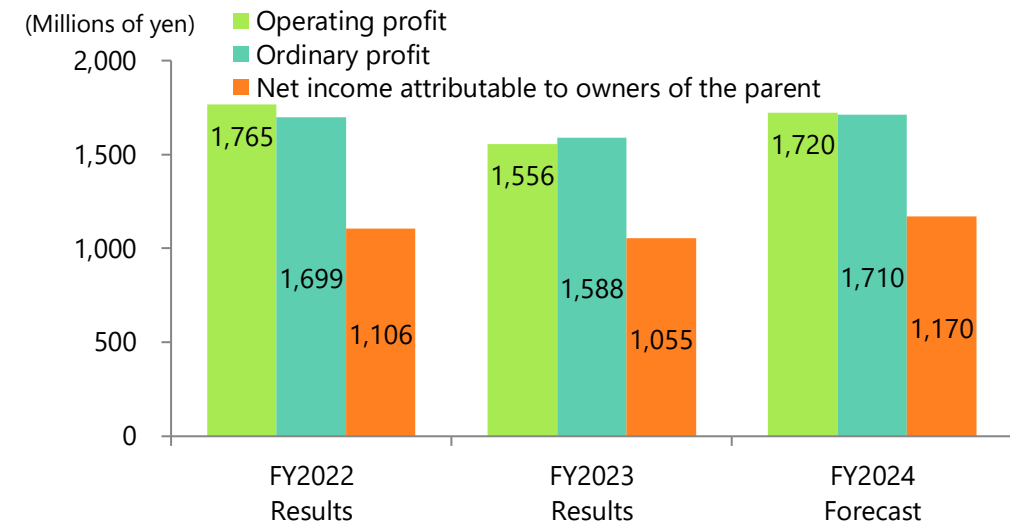
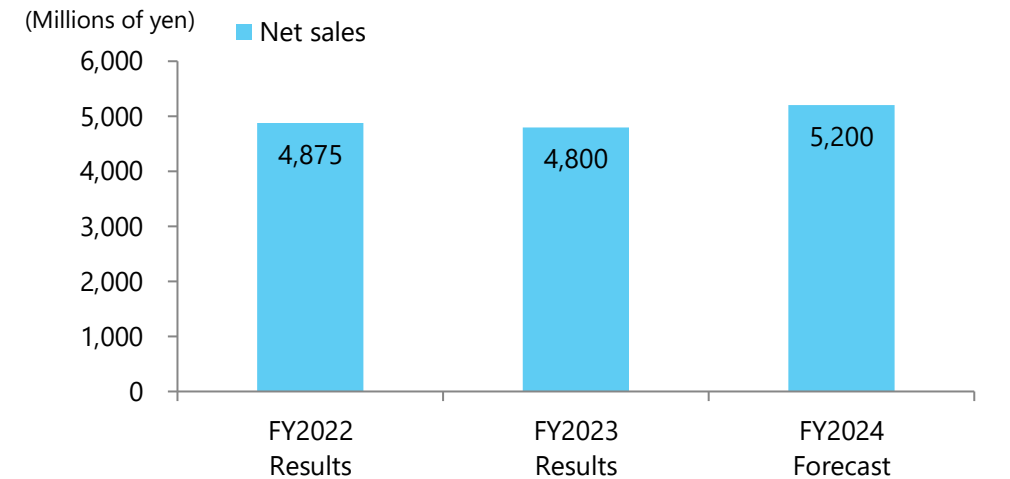


3. Full-Year Forecast for FY2024

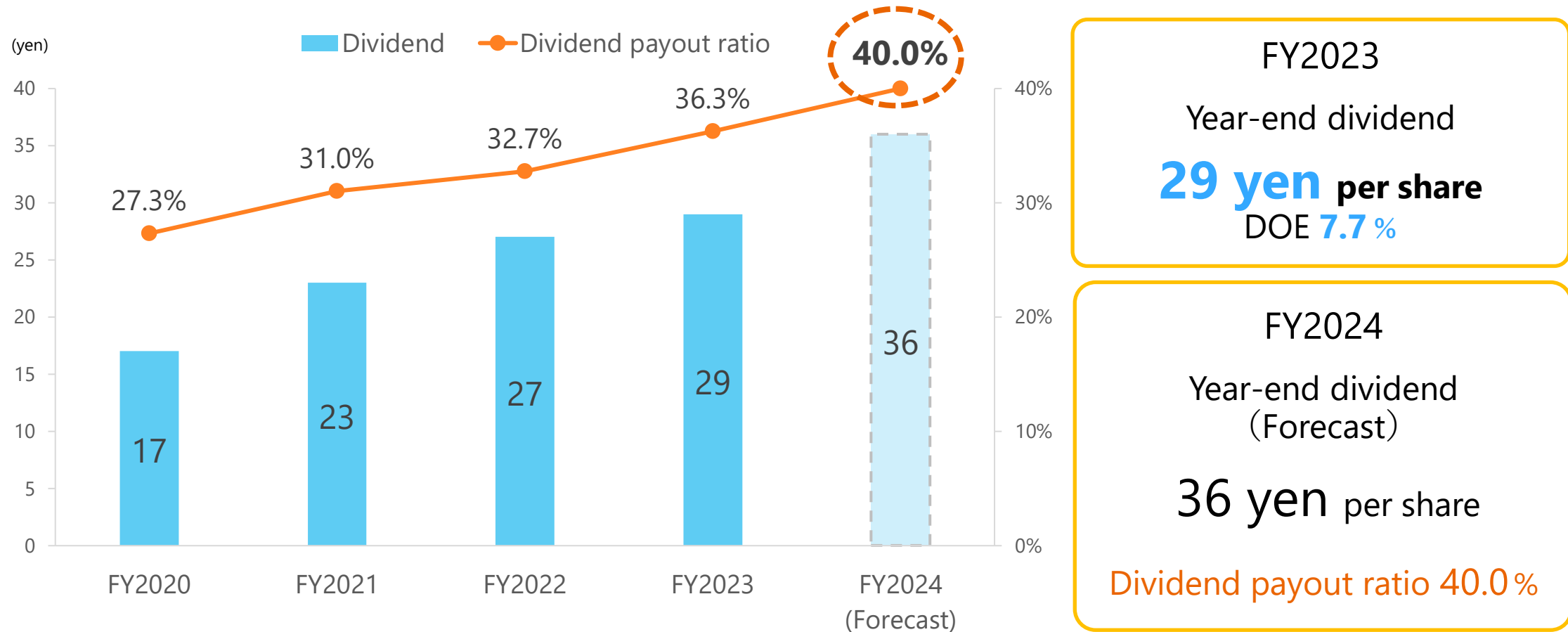
Consolidated financial results are expected to
increase in sales and profits

(Millions of yen)	FY2022 Results	FY2023 Results	FY2024 Forecast	YoY
Net sales	4,875	4,800	5,200	+8.3%
Operating profit	1,765	1,556	1,720	+10.5%
Ordinary profit	1,699	1,588	1,710	+7.6%
Net income attributable to owners of the parent	1,106	1,055	1,170	+10.9%

“Upfront investments (up to the first half of the FY2024) for SEO enhancement (Employees will acquire SEO skills)” and “Proactive human investments such as wage increases” are factored in.



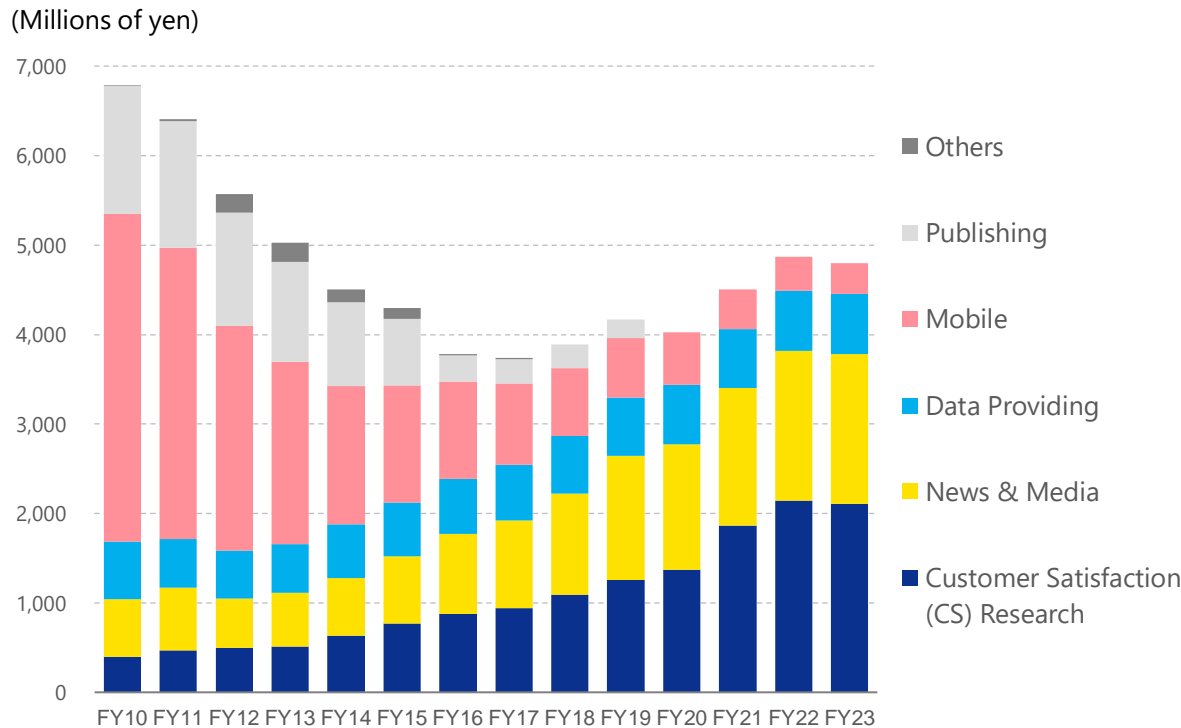
We place the highest priority on shareholder returns,
and will continue to pay stable dividends.



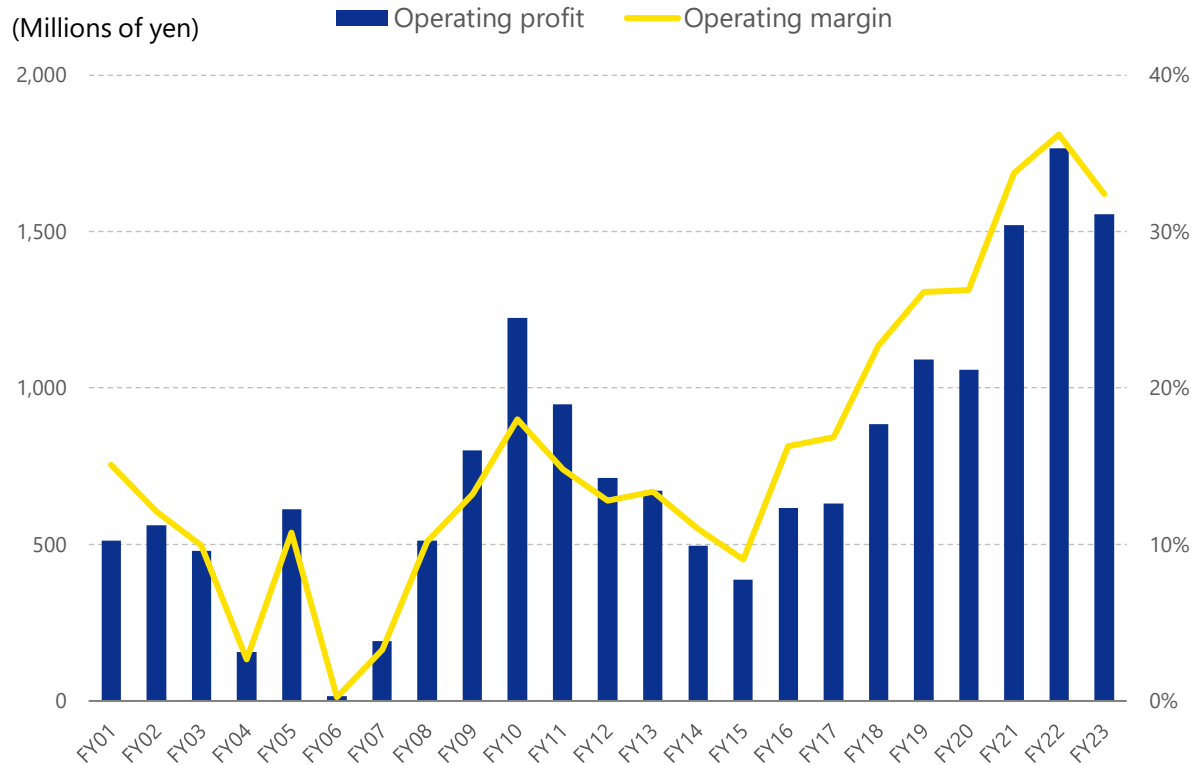
Appendix

- Previously, the Mobile Business and Publishing Business had been the main contributors to net sales, but proactive business restructuring has made the Customer Satisfaction (CS) Research Business and News & Media Business into major revenue supporters
- As a result of promoting business restructuring, we have dramatically increased our operating margin and recently transformed ourselves into a highly profitable company maintaining an operating margin around 35%.

Net Sales Trends by Segment



Operating Profit and Operating Margin Trends



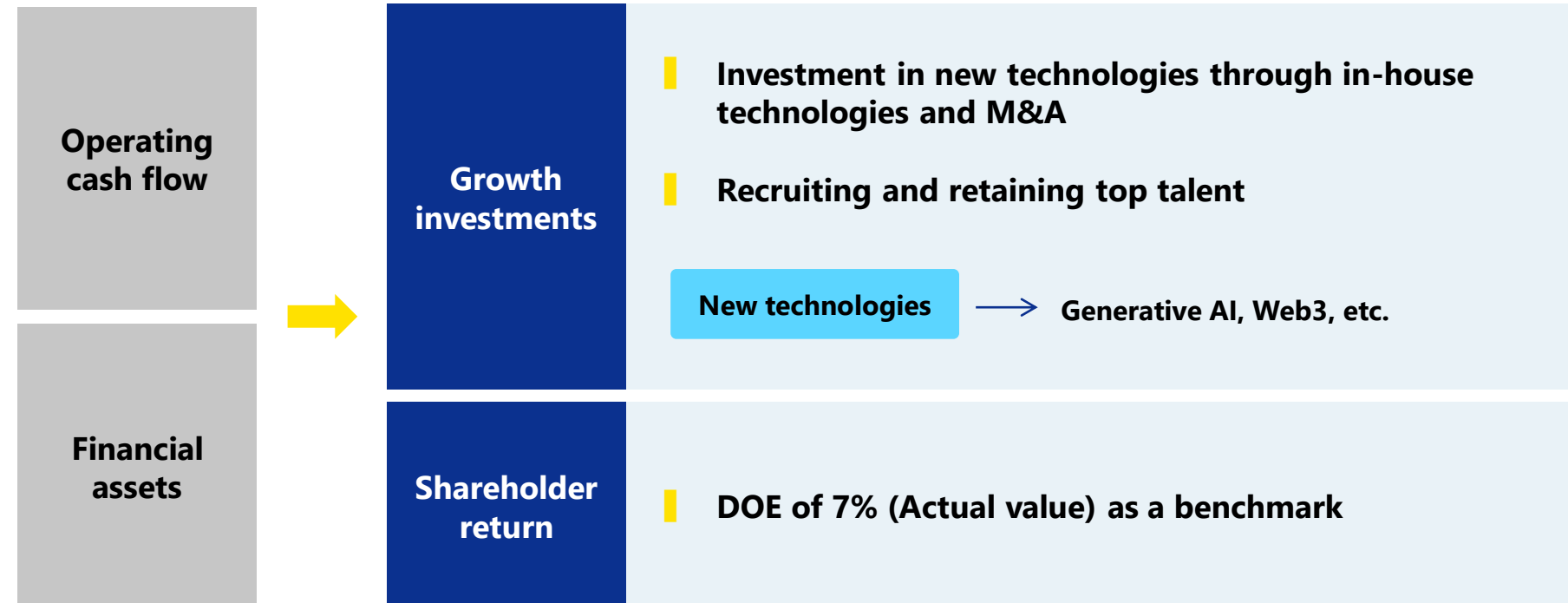
Business Description and Main Revenue Sources of Each Segment

Segment	Business description	Main revenue sources
<p>Communication Business</p> <p>Customer Satisfaction (CS) Research</p>	<ul style="list-style-type: none"> ■ Conducts internet surveys for users of various services and ranks and announces the results annually from an independent position that is fair and unbiased ■ As of December 2023, has surveyed a total of 3.53 million people across 168 categories 	<ul style="list-style-type: none"> ■ The largest revenue source is “Trademark use,” in which companies pay a fee for a license to use the ranking results marked with Oricon’s trademark logo for their own advertising and promotion ■ “Digital promotion,” in which customers are transferred to client company websites from search engines and Oricon’s own media ■ “Data distribution,” which provides broad-ranging analyses of survey results ■ “Consulting,” which provides details and additional surveys to individual companies
<p>News & Media</p>	<ul style="list-style-type: none"> ■ Creates over 3,500 news/feature articles and video contents per month, focusing on entertainment ■ Acts as a news agency to distribute news to Yahoo! News and other major online media sites and apps ■ The official YouTube channel of Oricon’s own media “ORICON NEWS” has amassed 2 million subscribers 	<ul style="list-style-type: none"> ■ Ad revenue from the number of page views and sessions on Oricon’s own media and distribution partner platforms ■ Revenue from sponsored advertising and PR consulting for companies ■ Fees received for providing content to distribution partner media outlets ■ Creation and promotion/management of online ads
<p>Data Providing Business</p>	<ul style="list-style-type: none"> ■ Collects sales data and creates rankings for music, videos, and books 	<ul style="list-style-type: none"> ■ Revenue from broadcasters and e-commerce sites, etc. for providing music databases and ranking data
<p>Mobile Business</p>	<ul style="list-style-type: none"> ■ Paid streaming service for mobile devices and PCs ■ Music streaming site “Oricon Music Store” ■ eBook site “Yomulun” 	<ul style="list-style-type: none"> ■ Pay-as-you-go billing for member downloads

Asset Allocation Approach

- In addition to shareholder return, cash and deposits and free cash flow will be used to actively invest management resources in technologies and seeds of future business opportunities
- In addition to our recent demonstration test efforts involving generative AI and other technologies, we will develop approaches to promising technologies and seeds of future business opportunities through various methods, including in-house technology investment and M&A

Cash allocation approach



Recent investments



- Continue to achieve one of the highest DOE among TSE listed companies, backed by ROE levels exceeding 20%
- Dividend per share has increased 3.6 times that of 8 years ago

Accounting period	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
ROE	16.4%	17.6%	18.9%	24.1%	27.1%	25.9%	26.1%	25.2%	21.4%
Dividend per share (yen)	8.0	10.0	10.0	12.0	17.0	17.0	23.0	27.0	29.0
DOE	6.0%	7.4%	6.8%	7.0%	8.3%	7.1%	8.1%	8.2%	7.7%

Customer Satisfaction (CS) Research Business Model and Strengths



- The Oricon Customer Satisfaction Research trademark logo can be used in various media by signing a contract by plan
- Although the number of services covered by the rankings has increased and trademark use sales are growing, there is still great potential for further use of the Oricon trademark logo as trust in the rankings grows even further

Main trademark logos



Rank logo by industry and business type

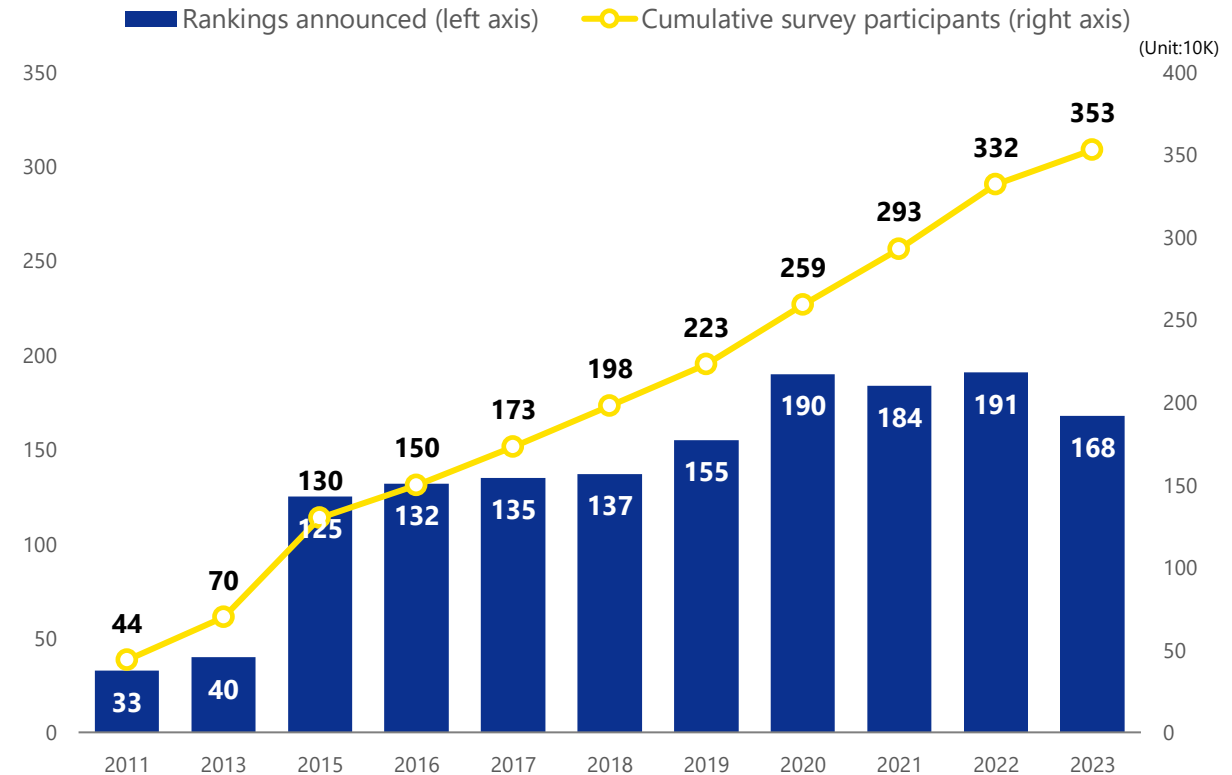


Item or sector rank logo by industry and business type

Main media in which logo can be used (range varies by plan)

TV commercials / Externally-distributed ads (GDN, YDA, listing ads) / YouTube ads / Social media ads / Transit ads (in taxis, trains, etc.) / Outdoor ads (board posters, large screens, etc.) / Direct ads (DMs, mail magazines, newspaper inserts, free newspapers, etc.) / In-store sales promotional materials (catalogs, novelty items, etc.) / Newspaper and magazine ads / Company websites (corporate sites)

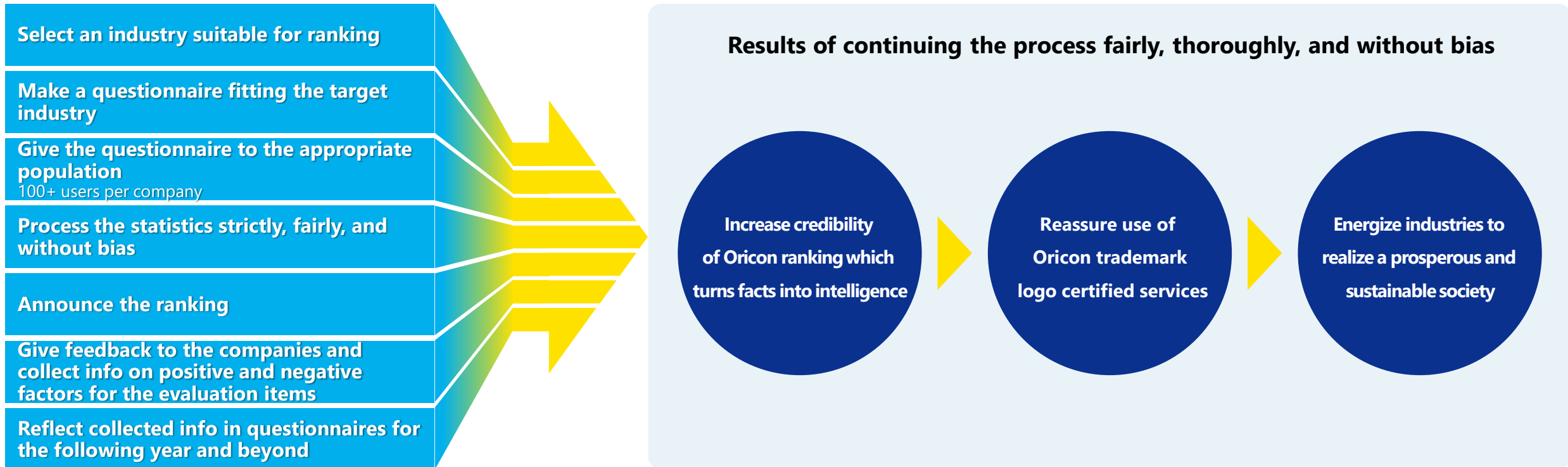
Trends in the Number of Annual Rankings Announced and Number of Survey Participants (Cumulative)



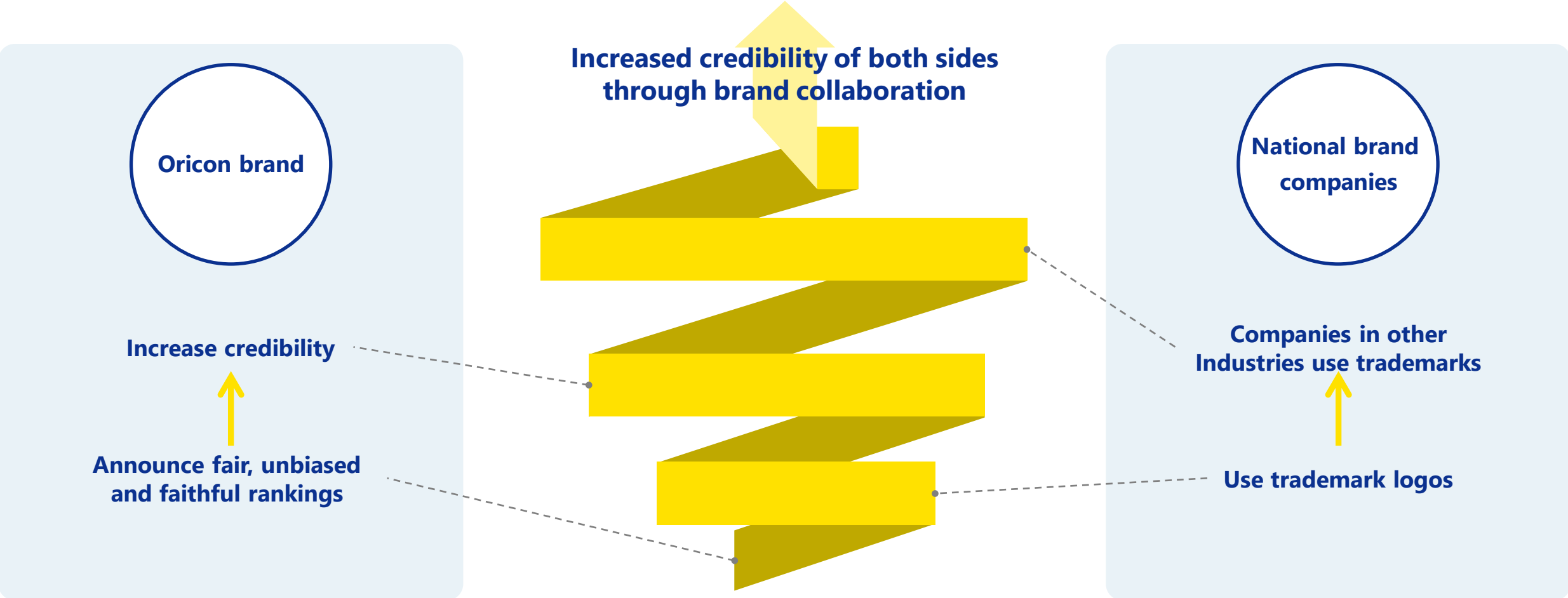
Customer Satisfaction (CS) Research Process and Oricon's Strengths

- **Select target industries independently as a third party that takes neither consumers' nor companies' sides, conduct fair and unbiased research, and strictly process data and statistics to create rankings**
- **Leverage our brand power built through the music rankings which we have continuously provided to consumers from a fair and unbiased standpoint to steadily build credibility of Oricon rankings in industries besides music**

Customer Satisfaction (CS) Research Process: "Turning Satisfaction into Intelligence"

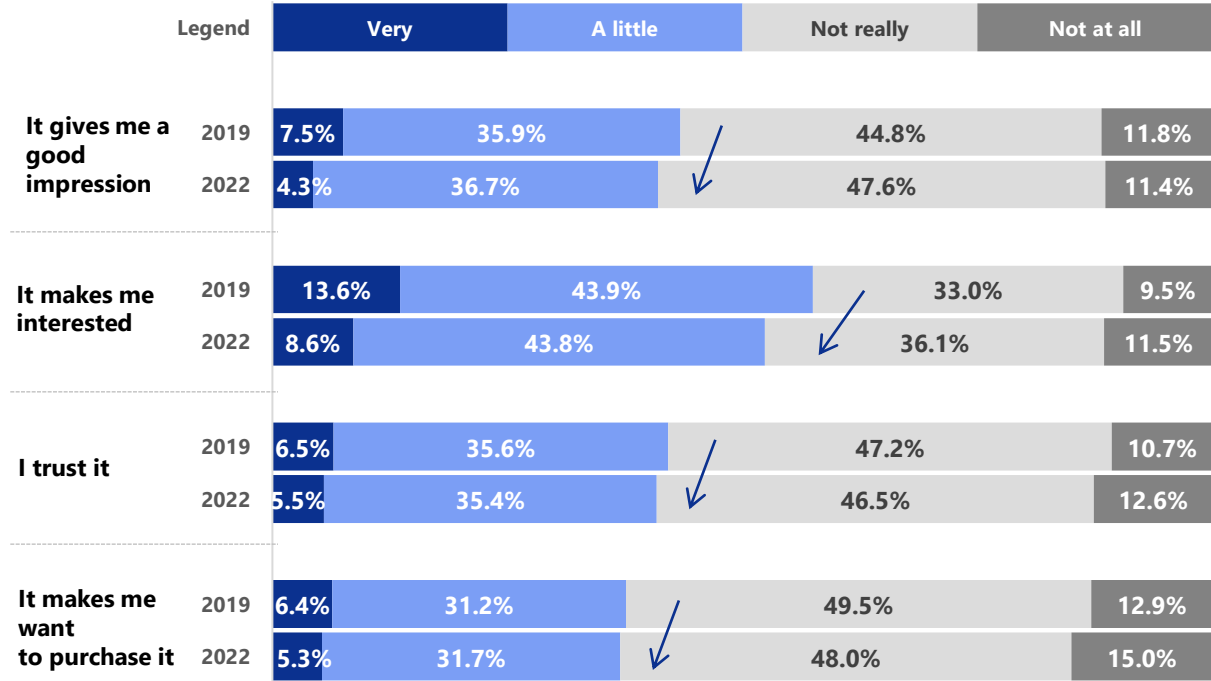


- Oricon brand credibility is further increased when renowned national brand companies use Oricon trademark logos backed by fair, unbiased, and faithful Oricon rankings, which in turn encourages other national brand companies in different business industries to use our trademark logos. This brand collaboration eventually leads to increased credibility of both the Oricon brand and Oricon trademark logo certified services



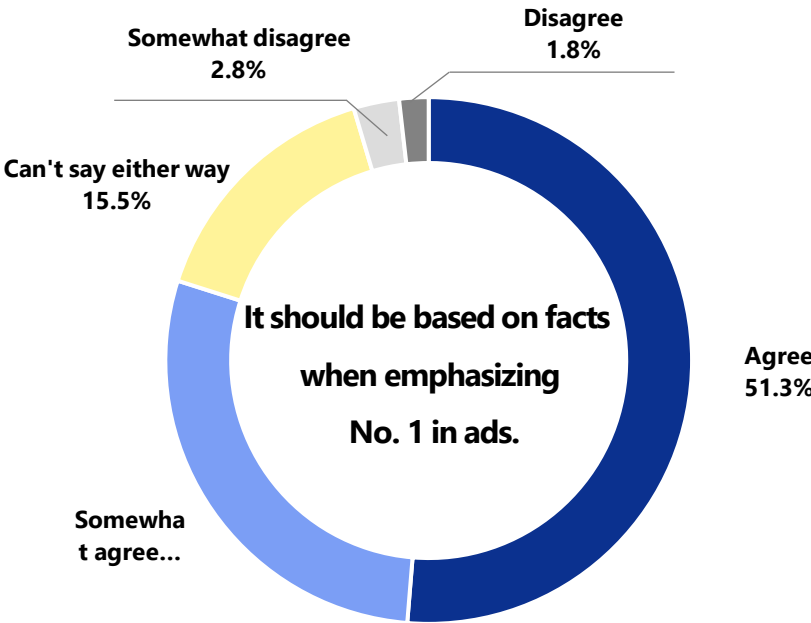
- Due to the increased No.1 labeled ads without legitimate evidence, the image of such advertised products and services have been slightly tarnished from 2019 to 2022
- Many people think No.1 labeled ads should be based on facts (nearly 80%). Therefore, this situation is a tailwind for a fair and unbiased third party institution like us which prioritizes improving customer satisfaction, as it will help increase the credibility of our rankings

Impression of No. 1 Labeled Products & Services
(Based on 1,000 respondents / Individual answers)



(Source) Research conducted by Macromill, Inc. from July 27th to 28th, 2022

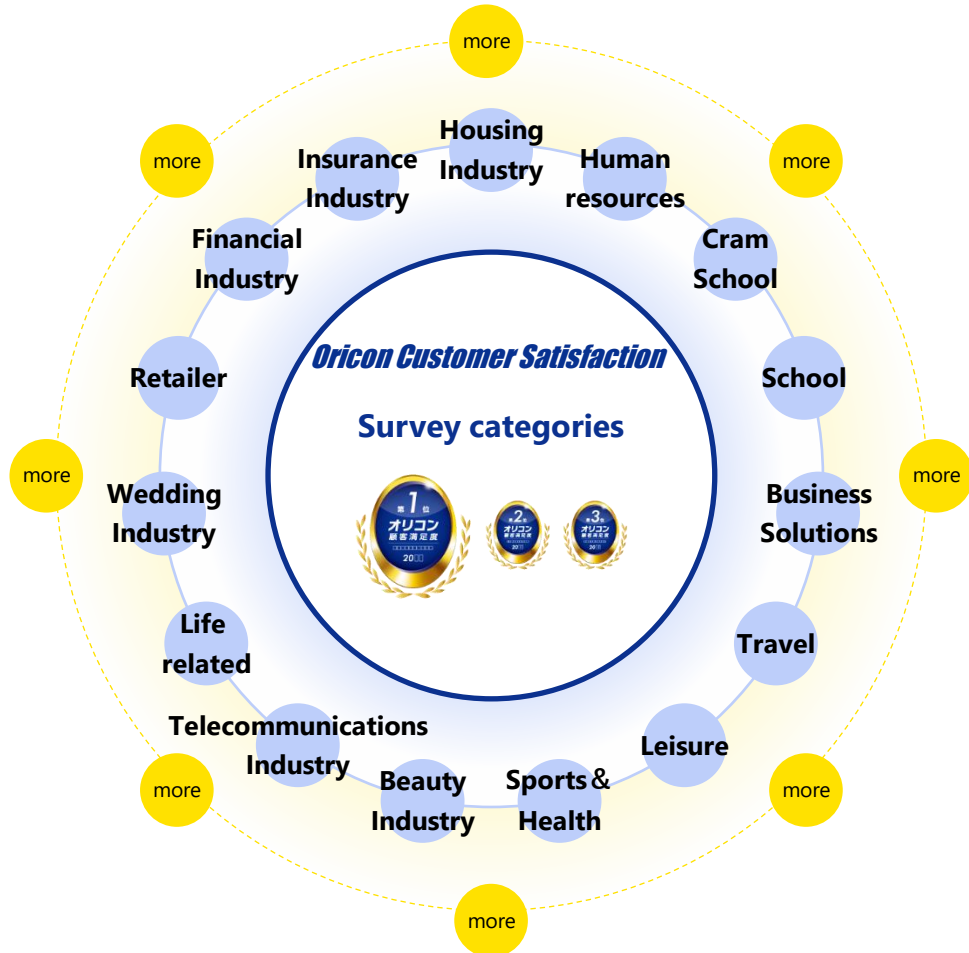
Opinions on No. 1 Labeled Ads
(Based on 1,000 respondents / Individual answers)



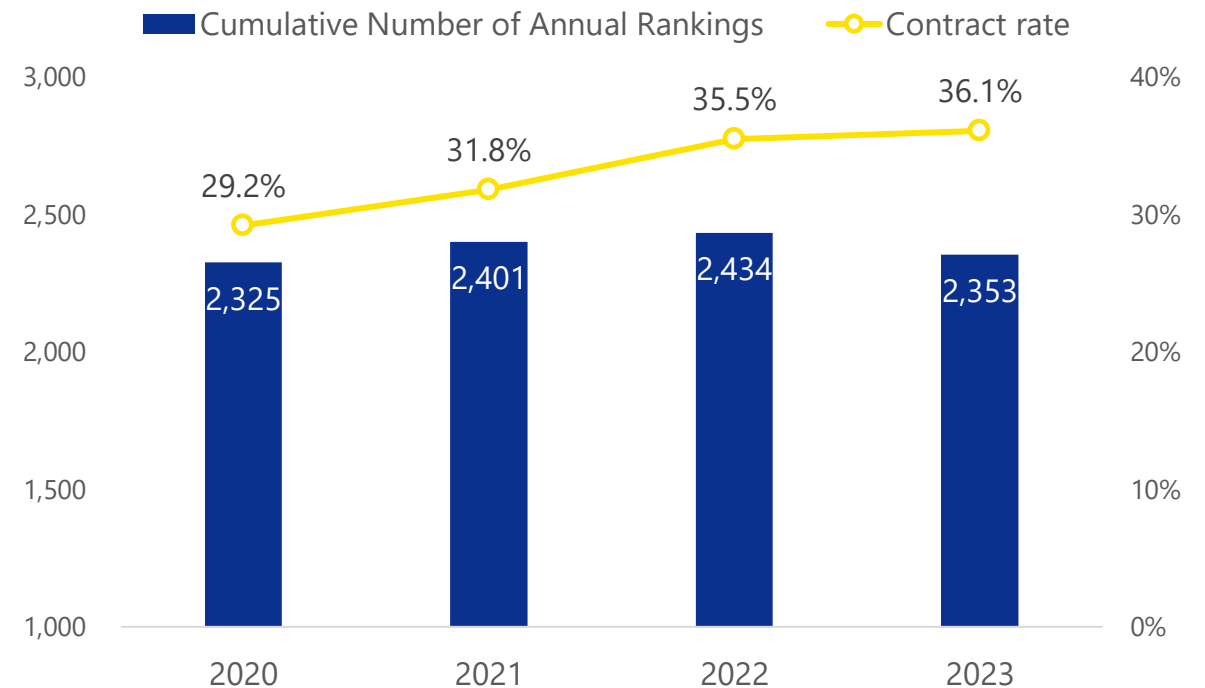
(Source) Research conducted by Macromill, Inc. from July 27th to 28th, 2022

Two Approaches to Expand Oricon Trademark Logo Usage

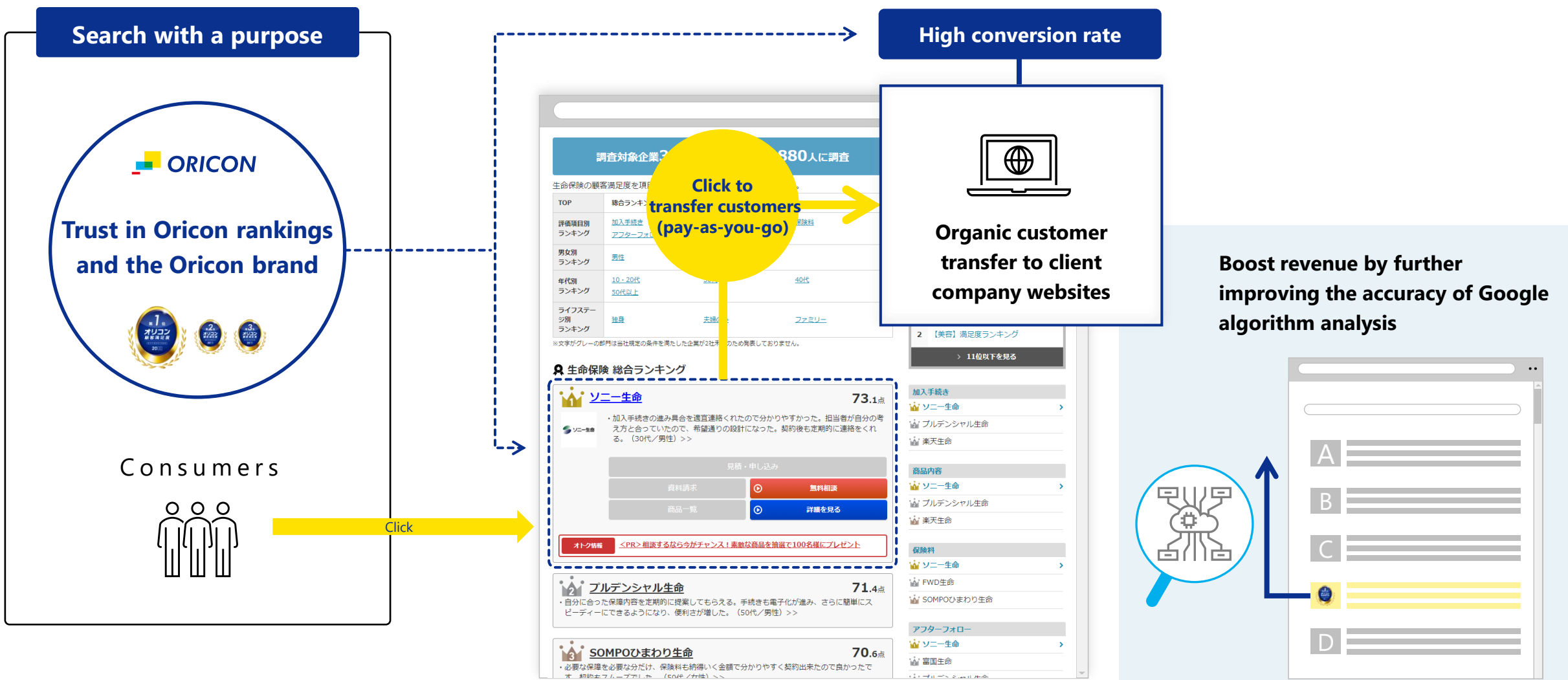
- Oricon Customer Satisfaction Research still has room to expand the number of categories covered, as well as potential for growth in terms of personalized rankings based on factors such as region, age, and gender. Additionally, there is room for growth in contract rates.
- Continue to conduct fair and accurate surveys and announce rankings to further enhance its credibility as an index established in society that connects consumers and companies



Trends in the Number of Annual Rankings and Contract Rates

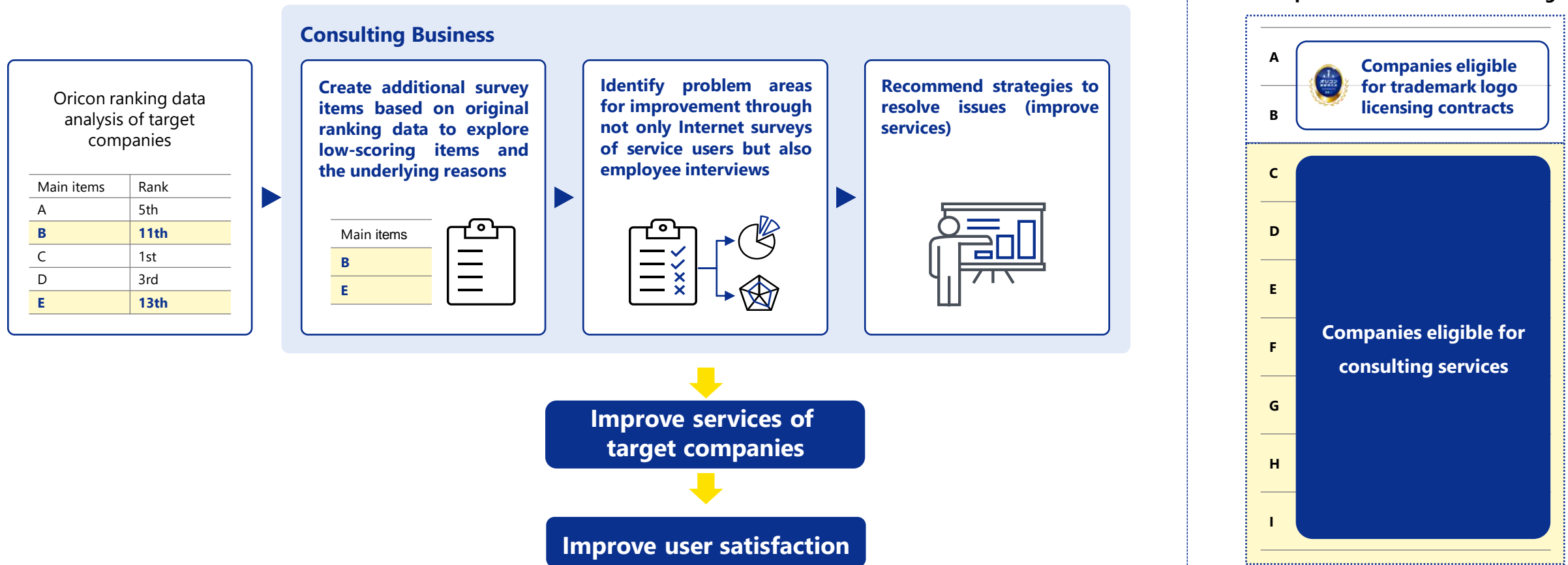


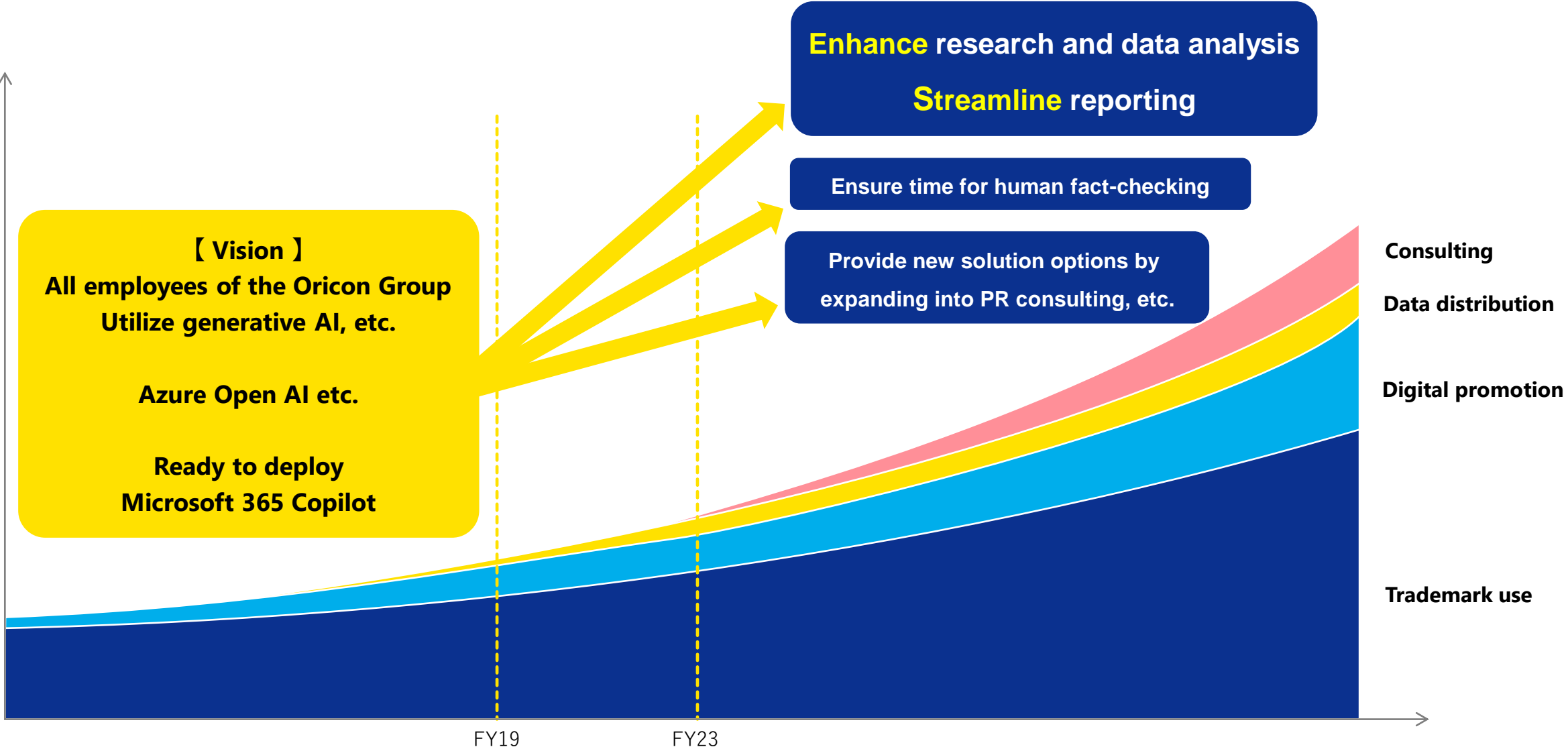
- The business focuses on organic customer transfer from search engines and Oricon's own media to client company websites. The conversion rate from Oricon rankings to client company websites is high due to trust in the Oricon brand
- Strengthen initiatives to boost revenue by further refining search engine algorithm analysis, particularly that of Google



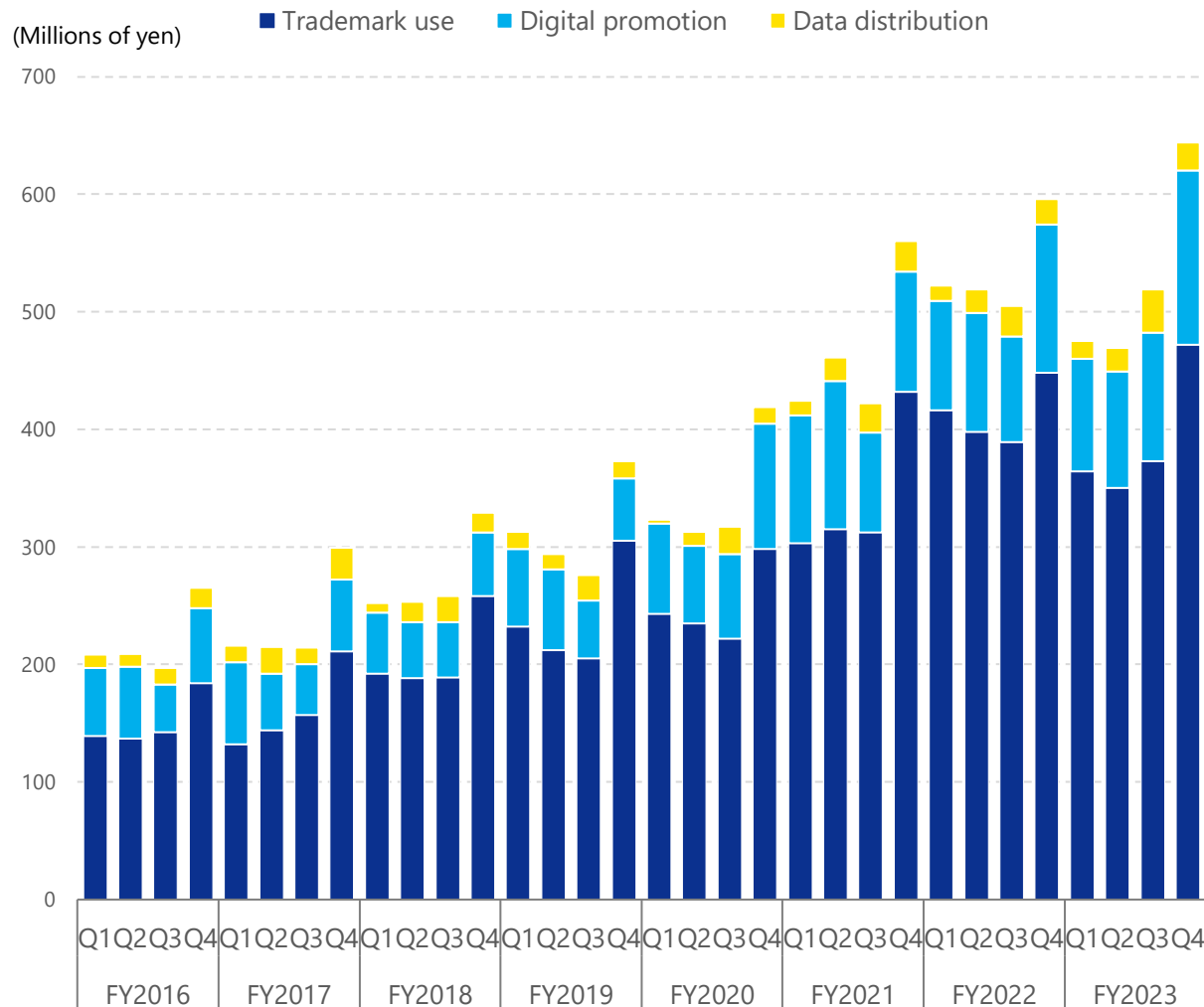
Consulting Business Initiatives

- By identifying low-scoring items in Oricon ranking data and conducting additional user surveys and employee interviews, we can locate specific areas of dissatisfaction among service users and propose measures to solve issues
- We intend to expand the Consulting Business to companies that have not yet concluded trademark logo licensing contracts because we can apply our accumulated expertise without a large increase in personnel





Customer Satisfaction (CS) Research Business Quarterly Net Sales Trends



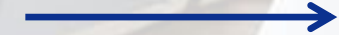
Customer Satisfaction (CS) Business Net Sales Trends

(Millions of yen)	Trademark use	Digital promotion	Data distribution
FY2016	601	224	54
FY2017	644	222	78
FY2018	828	201	63
FY2019	953	237	65
FY2020	997	320	52
FY2021	1,362	421	83
FY2022	1,651	410	82
FY2023	1,559	452	95

News & Media Business Model and Strengths

Entertainment industry companies

- Entertainment production
- Record labels
- TV and radio stations
- Film distribution companies
- Publishers
- Event planners, etc.



Provide news materials



Reports news

Package distributors

- CD stores, electronics retailers
- E-commerce sites, convenience stores
- Bookstores, etc.



Provide sales data



Reports news

Content distributors

- Download stores
- Subscription streaming services
- Video streaming services

News distribution revenue

Own Web Media

User inflow from distribution partners

About 100 distribution partners

News & Media Business Strengths

- Distributes reliable news backed by strong connections in the entertainment industry
- Captured the top market share in the entertainment category of major portal sites for over 10 years
- Established status as an entertainment news agency, including being used by Kyodo News to distribute articles to local newspapers



Established status as a news agency focused on entertainment

- Distribution network to major news sites and news apps backed by high credibility
- Provision of news to local newspapers and content to major media such as national newspapers and TV stations, in addition to online media
- The official YouTube channel with over 2 million subscribers, as well as many views from non-subscribers, which consistently provides content that reaches over a million views

Capturing New User Demographics by Implementing Short Videos

- Be the first to focus on the potential of short videos (Less than 1 minute or 3 to 5 minutes long) in entertainment news distribution
- Capture new user demographics through short videos that take advantage of Oricon's strengths and appeal to the lifestyles and tastes of the younger generation

1

Solid foundation built on strong connections in the entertainment industry

2

Corporate strength capable of original news and video creation

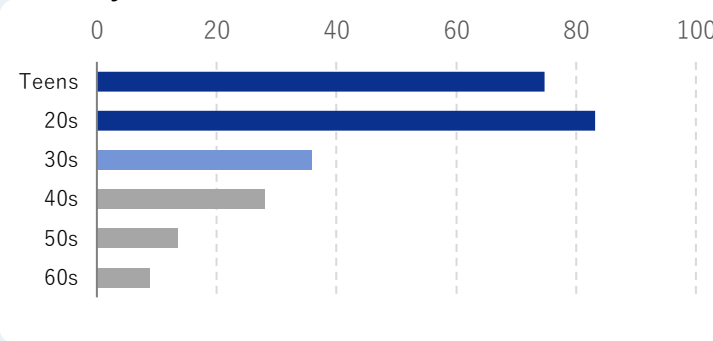
Be the first to focus on the potential of entertainment short videos

芸能動画を毎日配信!
ORICON NEWS



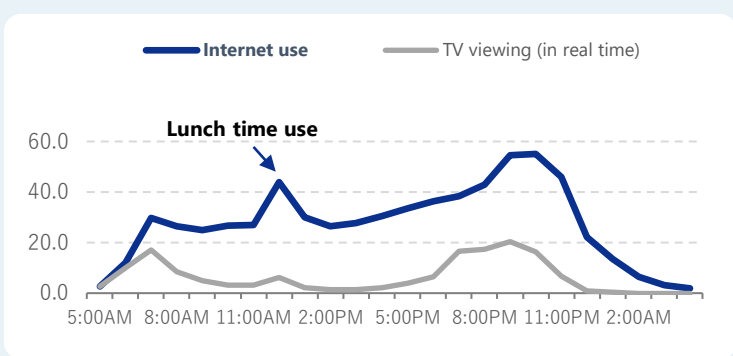
Capture new user demographics

Video Site Viewing Time on Mobile Devices by Age Group: Weekdays (Minutes)



Source: Ministry of Internal Affairs and Communications FY2021 Survey Report on Usage Time of Information and Communications Media and Information Behavior

Users in their 20s by Media Type: Weekdays (%)



Source: Ministry of Internal Affairs and Communications FY2021 Survey Report on Usage Time of Information and Communications Media and Information Behavior

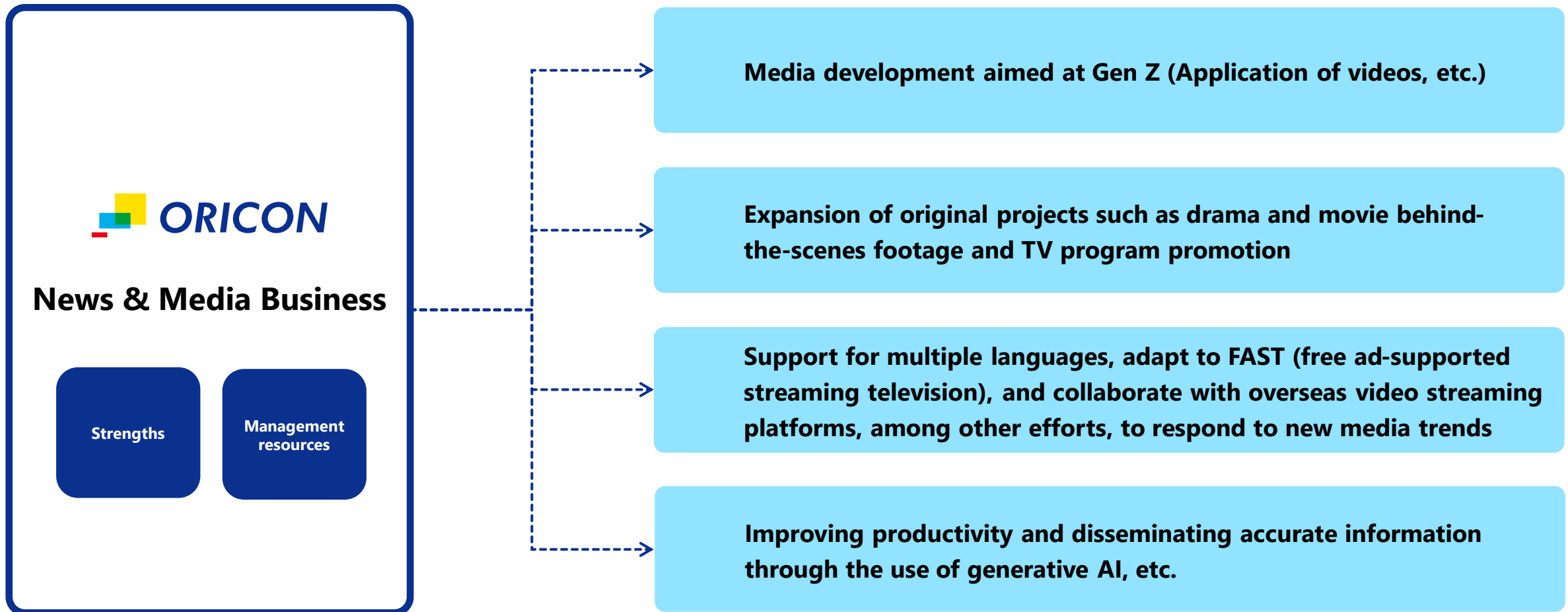
YouTube Ranking by the Number of Gen Z Viewers


Rank	Channel name	Viewers	Video category
1	THE FIRST TAKE	2.27 million	Music
2	oricon	1.78 million	Entertainment / variety shows
3	Hyakumantenbara Salome	1.51 million	VTuber
4	Nintendo official channel	1.41 million	Gameplay and game-related content
5	Ayase / YOASOBI	1.40 million	Music

Notes: · Gen Z is defined as viewers aged 16-26 as of December 2022. · Data collection period: June 2022 - Dec. 2022 (target devices: PCs and smartphones) · It is counted as one viewer if a video is played at least once during the data collection period. · The number of views is the number of views per month.

Source: VALUES, Inc. "Ranking of YouTube Channels by the Number of Gen Z Viewers"

- Policy to promote multifaceted business expansion based on the strengths and management resources cultivated to date in the News & Media Business
- Take on new and unique challenges without being reliant on a specific platform





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.



Oricon Inc.
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