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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 14, 2022

Company name OPTiM CORPORATION Stock exchange listing Tokyo  
Code number 3694 URL <https://www.optim.co.jp/>  
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Scheduled date of filing quarterly securities report November 14, 2022 Scheduled date of commencing – dividend payments

Availability of supplementary briefing materials on quarterly financial results : Yes

Schedule of quarterly financial results briefing session : Yes ( For institutional investors and securities analysts)  
(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	4,151	17.9	573	0.3	516	0.1	298	(6.6)
Six months ended September 30, 2021	3,521	15.4	571	75.6	516	0.4	319	(0.5)

(Note) Comprehensive income Six months ended September 30, 2022 298 Million yen (-6.4%) Six months ended September 30, 2021 319 Million yen (-0.8%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	5.43	5.39
Six months ended September 30, 2021	5.81	5.77

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	7,145	5,547	76.4
As of March 31, 2022	7,387	5,248	69.8

(Reference) Equity As of September 30, 2022 5,456 Million yen As of March 31, 2022 5,157 Million yen

### 2. Dividends

	Annual dividends				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2023	–	0.00			
Fiscal year ending March 31, 2023 (Forecast)			–	–	–

(Note) Revision to the forecast for dividends announced most recently : No

### 3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	9,140	10.0	1,690	10.1	1,590	7.1	947	0.4	17.20

(Note) Revision to the financial results forecast announced most recently : No

\* Notes

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 : No  
 (Changes in specified subsidiaries resulting in changes in the scope of consolidation)  
 New: – (Company name:), Exclusion: – (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: : No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements  
 1) Changes in accounting policies due to the revision of accounting standards : No  
 2) Changes in accounting policies other than due to 1) above : No  
 3) Changes in accounting estimates : No  
 4) Retrospective restatement : No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	September 30, 2022	55,141,024 shares	March 31, 2022	55,139,520 shares
2) Total number of treasury shares at the end of the period	September 30, 2022	91,948 shares	March 31, 2022	89,348 shares
3) Average number of shares during the period	September 30, 2022	55,050,669 shares	September 30, 2021	55,040,711 shares

\* The quarterly financial statements are not subject to a quarterly review by a certified public accountant or audit firm.

\* Proper use of the financial results forecasts and other special notes

The forward-looking statements, including the financial results forecasts contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and are not intended as a promise by the Company that these will be achieved. Actual results may differ materially due to a variety of factors.

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## 1. Qualitative Information on the Consolidated Quarterly Financial Results

### (1) Explanation of Operating Results

During the first half of the consolidated fiscal year, the Japanese economy showed signs of a gradual recovery, partly due to the effects of various policies, as the measures to combat the spread of the novel coronavirus infection (hereinafter referred to as COVID-19) progressed and the transition to a new phase of living with the coronavirus began.

In this market environment, the Group is performing well as initially planned, mainly through license sales of Optimal Biz and other products. In addition, the Group is focusing on license customization (\*1) while expanding its existing businesses, launching new services, and improving its sales structure in order to increase license revenue in the next fiscal year and beyond.

Below are specific explanations of the progress made by the Group during the first half of the consolidated fiscal year.

The Group has been engaged in business by promoting two types of DX (\*2), classified as Corporate DX for digitalization to improve and streamline internal operations and Industrial DX for digitalization to create businesses using digital technology, and by continuing to make aggressive investments for growth to develop new markets.

First, we would like to report on the status of Corporate DX during the first half of the consolidated fiscal year.

With regard to Optimal Biz, the number of licenses for Optimal Biz has been steadily increasing as the introduction of teleworking has spread across all industries and companies of all sizes in response to the spread of COVID-19, and in addition needs for management and security measures for PCs and smartphones used for work have increased.

For our AI-based contract management service OPTiM Contract, Kinko's Japan Co., Ltd. has become our new sales partner. As a result, we expect to expand sales of OPTiM Contract through Kinko's Japan Co., Ltd. In addition, development is underway to further promote the use of licenses while we have started to connect OPTiM Contract with WAN-Sign, a cloud-based electronic contract service provided by NX Wanbishi Archives Co., Ltd., and with DocuSign eSignature, a cloud-based electronic signature service provided by DocuSign Japan K.K.

In parallel with these efforts, we have newly launched OPTiM Asset. OPTiM Asset is a cloud service for managing goods that utilizes the IT device management technology developed for Optimal Biz. The service has an intuitive user interface and is available at a low monthly cost starting at 30,000 yen (excluding tax) with no initial cost. In addition to the introduction of the service independently, we expect to introduce it to users of Optimal Biz and OPTiM Contract.

Next, we would like to report on the status of Industrial DX during the first half of the consolidated fiscal year.

In the construction field, the number of licenses for OPTiM Geo Scan, a smartphone 3D surveying application that enables anyone to perform 3D surveying quickly and accurately, is steadily increasing. In addition, we started providing OPTiM Geo Design, an application for creating graphic data, as a free option for OPTiM Geo Scan. By using OPTiM Geo Design, anyone can easily create the graphic data they need from survey data without the need to purchase expensive software or to train personnel whose expertise is required to utilize the software. We expect the number of licenses to further increase, because anyone can easily and inexpensively perform everything from surveying with OPTiM Geo Scan to creating drawings with OPTiM Geo Design.

In the field of agriculture, Pinpoint Pesticide Spraying service, which enables pest control at the right time by digitally analyzing each field, has been launched in earnest and has made a steady start. In addition, Smart Rice cultivation activities are also going well as usual and the harvesting of new rice for the 2022 harvest has started.

In the medical field, developments of large projects for which orders have been received are progressing step by step, and sales of license customization are steadily increasing.

As a result of these efforts, consolidated operating results for the first half of the current consolidated fiscal year were as follows: net sales of 4,151,770,000 yen (up 17.9% year-on-year), operating profit of 573,340,000 yen (up 0.3% year-on-year), ordinary profit of 516,891,000 yen (up 0.1% year-on-year), and profit attributable to owners of parent of 298,890,000 yen (down 6.6% year-on-year).

On the other hand, if there is another spread of COVID-19, currently it is unclear how much of an impact this would have on the Group. In the unlikely event that COVID-19 continues to spread further, the impact this would have on the economy is unknown and may affect the Group.

As for the Group's sales structure, sales are heavily weighted toward the second half of the fiscal year primarily due to the fact

that stock-type license income is mainly generated through sales on a monthly billing basis and that the acceptance period for flow-type customized sales tends to be concentrated in the second half of the fiscal year.

- \*1 License customization: Customized development based on a license of the part of the services that we have researched and developed. Development leading to the issuance of licenses in the future.
- \*2 DX: Digital transformation. The concept is that the penetration of IT will change people's lives for the better in all aspects, meaning that companies will use technology to fundamentally change the performance and scope of their business.

## (2) Explanation of Financial Position

Status of assets, liabilities and net assets

(Assets)

The balance of assets at the end of the second quarter of the current consolidated fiscal year was 7,145,623,000 yen, a decrease of 241,853,000 yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 231,997,000 yen in software and 165,754,000 yen in cash and deposits, whereas there was a decrease of 620,341,000 yen in notes and accounts receivable-trade.

(Liabilities)

The balance of total liabilities at the end of the second quarter of the current consolidated fiscal year was 1,597,821,000 yen, a decrease of 540,853,000 yen from the end of the previous consolidated fiscal year. This was mainly due to decreases of 500,000,000 yen in short-term borrowings.

(Net assets)

The balance of net assets at the end of the second quarter of the current consolidated fiscal year was 5,547,801,000 yen, an increase of 298,999,000 yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 298,890,000 yen in retained earnings resulting from profit attributable to owners of parent.

## (3) Analysis of Cash Flow Status

Cash and cash equivalents (hereinafter referred to as cash) at the end of the second quarter of the current consolidated fiscal year increased by 165,754,000 yen on the end of the previous consolidated fiscal year to 1,145,153,000 yen.

The status of each cash flow and their factors during the first half of the current consolidated fiscal year are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities amounted to 1,255,540,000 yen (compared to 566,164,000 yen provided in the same period of the previous fiscal year). This was mainly due to profit before income taxes amounting to 508,813,000 yen and a decrease of 620,341,000 yen in trade receivables.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities amounted to 589,858,000 yen (compared to 867,887,000 yen used in the same period of the previous fiscal year). This was mainly due to the purchase of intangible assets amounting to 541,235,000 yen.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities amounted to 499,927,000 yen (compared to 4,084,000 yen provided in the same period of the previous fiscal year). This was mainly due to the repayments of short-term borrowings amounting to 500,000,000 yen.

## (4) Notes on the Consolidated Financial Results Forecast and Other Forward-looking Information

For the consolidated financial results forecast for the fiscal year ending March 31, 2023, there is no change from the figures of the consolidated financial results forecast announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 dated May 13, 2022.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(1,000 yen)

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Six months ended September 30, 2022 (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	979,399	1,145,153
Notes and accounts receivable - trade, and contract assets	2,277,485	1,657,143
Inventories	94,002	232,283
Other	181,199	181,780
<b>Total current assets</b>	<b>3,532,087</b>	<b>3,216,361</b>
Non-current assets		
Property, plant and equipment	404,754	477,070
Intangible assets		
Software	1,537,909	1,769,906
Software in progress	112,437	215,395
Other	10,578	7,288
<b>Total intangible assets</b>	<b>1,660,924</b>	<b>1,992,591</b>
Investments and other assets		
Leasehold and guarantee deposits	560,888	345,403
Deferred tax assets	512,688	471,049
Other	716,133	643,147
<b>Total investments and other assets</b>	<b>1,789,710</b>	<b>1,459,599</b>
<b>Total non-current assets</b>	<b>3,855,390</b>	<b>3,929,261</b>
<b>Total assets</b>	<b>7,387,477</b>	<b>7,145,623</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	599,575	578,150
Short-term borrowings	514,550	14,550
Income taxes payable	88,783	171,290
Provision for bonuses	140,957	109,386
Other provisions	23,552	11,701
Other	632,773	573,990
<b>Total current liabilities</b>	<b>2,000,191</b>	<b>1,459,070</b>
Non-current liabilities		
Asset retirement obligations	138,482	138,750
<b>Total non-current liabilities</b>	<b>138,482</b>	<b>138,750</b>
<b>Total liabilities</b>	<b>2,138,674</b>	<b>1,597,821</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	444,018	444,054
Capital surplus	728,150	728,186
Retained earnings	4,054,056	4,352,946
Treasury shares	(75,272)	(75,272)
<b>Total shareholders' equity</b>	<b>5,150,952</b>	<b>5,449,915</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,184	6,184
<b>Total accumulated other comprehensive income</b>	<b>6,184</b>	<b>6,184</b>
Non-controlling interests	91,665	91,702
<b>Total net assets</b>	<b>5,248,802</b>	<b>5,547,801</b>
<b>Total liabilities and net assets</b>	<b>7,387,477</b>	<b>7,145,623</b>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(For the six months)

(1,000 yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net sales	3,521,478	4,151,770
Cost of sales	1,525,333	2,091,821
Gross profit	1,996,145	2,059,948
Selling, general and administrative expenses	1,424,266	1,486,608
Operating profit	571,878	573,340
Non-operating income		
Interest income	3	3
Subsidy income	269	3,062
Gain on investments in investment partnerships	748	–
Consumption tax gain	14,410	273
Miscellaneous income	3,746	7,208
Total non-operating income	19,179	10,548
Non-operating expenses		
Interest expenses	98	479
Foreign exchange losses	5	102
Share of loss of entities accounted for using equity method	71,630	63,172
Loss on investments in investment partnerships	–	3,196
Loss on retirement of non-current assets	2,772	0
Miscellaneous losses	–	44
Total non-operating expenses	74,507	66,996
Ordinary profit	516,550	516,891
Extraordinary losses		
Loss on valuation of investment securities	–	8,078
Total extraordinary losses	–	8,078
Profit before income taxes	516,550	508,813
Income taxes - current	156,412	153,856
Income taxes - deferred	40,722	41,638
Income taxes for prior periods	–	14,390
Total income taxes	197,134	209,886
Profit	319,416	298,927
Profit (loss) attributable to non-controlling interests	(467)	36
Profit attributable to owners of parent	319,884	298,890

(Quarterly Consolidated Statements of Comprehensive Income)

(For the six months)

(1,000 yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Profit	319,416	298,927
Comprehensive income	319,416	298,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	319,884	298,890
Comprehensive income attributable to non-controlling interests	(467)	36

## (3) Quarterly Consolidated Statements of Cash Flows

(1,000 yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net cash provided by (used in) operating activities		
Profit before income taxes	516,550	508,813
Depreciation and amortization expenses	159,351	301,203
Amortization of goodwill	3,289	3,289
Increase (decrease) in provision for bonuses for board directors (and other officers)	(11,090)	(12,250)
Increase (decrease) in provision for bonuses	(32,388)	(31,570)
Increase (decrease) in provision loss on orders received	—	399
Interest and dividend income	(3)	(3)
Interest expenses	98	479
Loss (gain) on investments in investment partnerships	(748)	3,196
Share of loss (profit) of entities accounted for using equity method	71,630	63,172
Decrease (increase) in trade receivables	651,282	620,341
Decrease (increase) in inventories	32,398	(138,280)
Increase (decrease) in trade payables	(252,252)	(29,060)
Loss (gain) on valuation of investment securities	—	8,078
Loss on retirement of non-current assets	2,772	0
Decrease (increase) in accounts receivable - other	(5,975)	1,793
Increase (decrease) in accounts payable - other	3,643	(31,964)
Increase (decrease) in accrued expenses	4,111	(6,175)
Increase (decrease) in accrued consumption taxes	(126,386)	(11,863)
Increase (decrease) in contract liabilities	66,571	137,557
Increase (decrease) in deposits received	(4,383)	(129)
Other	(8,025)	(40,320)
Subtotal	1,070,446	1,346,708
Interest and dividends received	3	3
Interest paid	(98)	(357)
Income taxes paid	(504,186)	(76,423)
Income taxes paid for prior periods	—	(14,390)
Net cash provided by (used in) operating activities	566,164	1,255,540
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(15,048)	(265,475)
Purchase of intangible assets	(613,531)	(541,235)
Payments for asset retirement obligations	(800)	—
Purchase of shares of subsidiaries and associates	(98,000)	—
Proceeds from distributions from investment partnerships	9,200	—
Payments of leasehold and guarantee deposits	(151,169)	—
Proceeds from refund of leasehold and guarantee deposits	1,264	216,654
Other	198	198
Net cash provided by (used in) investing activities	(867,887)	(589,858)
Net cash provided by (used in) financing activities		
Repayments of short-term borrowings	—	(500,000)
Dividends paid to non-controlling interests	(4,200)	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	115	72
Net cash provided by (used in) financing activities	(4,084)	(499,927)
Effect of exchange rate change on cash and cash equivalents	—	—

	(1,000 yen)	
	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Net increase (decrease) in cash and cash equivalents	(305,807)	165,754
Cash and cash equivalents at beginning of period	1,453,676	979,399
Cash and cash equivalents at end of period	1,147,869	1,145,153

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Note in the event of a significant change in the amount of shareholders' equity)

Not applicable.

(Segment information, etc.)

[Segment information]

I For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.

II For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

Since the Group's only business is the license sales and maintenance support service (Optimal) business, this information is omitted.