

OHBA Projects a Fourteenth Consecutive Year of Operating Profit Growth in FY2025/5

Earnings Result Summary

On July 11, 2024, OHBA (hereafter, the Company) announced its full-year results for FY2024/5. In the 4Q results, net sales increased to ¥16.49 bn (+5.4% YoY), and operating profit rose to ¥1.84 bn (+7.4% YoY). The previously disclosed company plan was ¥17.0 bn in sales and ¥1.8 bn in operating profit, and thus the results were broadly aligned with the plan. As the growth rate for the first three-quarters of FY24/5 was stronger than in previous years, some investors may be concerned that sales in the peak season of March-May 2024 fell 2.5% YoY to ¥5.73 bn and operating profit fell 5.6% YoY to ¥800 mn. However, momentum has not worsened, with orders for the period Mar-May 2024 up 7.3% YoY to ¥4.10 bn and order backlogs up 8.2% YoY to ¥10.21bn. A breakdown shows that orders in the field of urban development grew significantly by 45.7% to ¥2.53 bn, and it can be said that the Company is steadily expanding its competitive edge business.

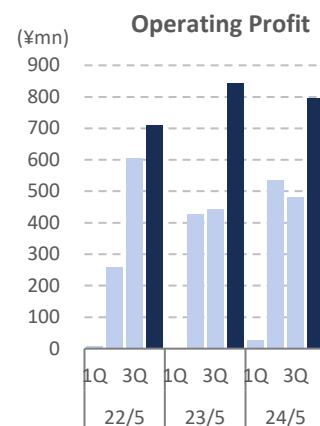
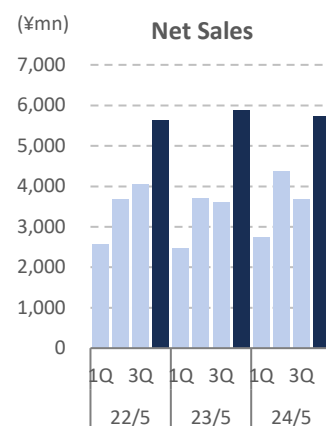
The Company's FY2025/5 forecast, announced on the same day, calls for a 6.1% YoY increase in sales to ¥17.50bn and a 5.8% YoY increase in operating profit to ¥1.95bn, indicating that the Company aims to achieve its 14th consecutive year of operating profit growth. As mentioned above, the order situation is favorable. Furthermore, SIR believes that the guidance is realistic in view of the improved profitability resulting from the continuous increase in design unit prices and the promotion of business in focused domains such as disaster prevention/mitigation and defense engineering. The disclosed dividend plan and payout ratio for FY25/5 is 45.7%, but as the Company has a return policy that aims for a payout ratio of 50% and a total return ratio of 60%, additional returns may be announced at some point. This should be considered a future catalyst.

FY	Net Sales (¥mn)	YoY (%)	Oper. Profit (¥mn)	YoY (%)	Profit ATOP (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
2019/5	15,581	(3.1)	1,104	7.1	1,715	130.3	99.5	18.0
2020/5	15,203	(2.4)	1,145	3.6	824	(52.0)	49.3	14.0
2021/5	15,862	4.3	1,334	16.6	852	3.5	52.0	15.0
2022/5	15,933	0.4	1,583	18.6	1,086	27.3	67.0	23.0
2023/5	15,648	(1.8)	1,715	8.3	1,075	(0.9)	66.7	24.0
2024/5	16,486	5.4	1,843	7.4	1,339	24.6	83.7	37.0
2025/5 CE	17,500	6.1	1,950	5.8	1,400	4.5	87.5	40.0

Source: Compiled by SIR from the Company's IR materials.

4Q Flash

 URBAN DEVELOPMENT & CIVIL ENGINEERING, CONSULTANTS
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Item	Unit	23/5				24/5			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	¥mn	2,463	3,698	3,613	5,873	2,727	4,362	3,669	5,727
YoY	%	(4.1)	0.6	(10.8)	4.2	10.8	18.0	1.6	(2.5)
Construction Consultant	¥mn	2,294	3,505	3,347	5,619	2,431	4,167	3,462	-
YoY	%	(6.8)	3.7	(9.4)	9.5	5.9	18.9	3.4	-
Orders Received	¥mn	5,573	3,758	2,587	3,713	6,114	3,632	2,489	4,028
YoY	%	12.5	11.8	7.3	15.7	9.7	-3.3	(3.8)	8.5
Order Backlog	¥mn	10,035	10,286	9,526	7,622	11,309	10,770	9,796	8,244
YoY	%	(21.3)	(30.4)	(40.7)	12.8	12.7	4.7	2.8	8.2
Business Solutions	¥mn	143	167	242	92	273	171	182	-
YoY	%	78.7	(39.5)	(26.8)	(79.9)	91.7	2.6	(24.9)	-
Orders Received	¥mn	379	133	428	109	240	147	539	72
YoY	%	129.9	(91.3)	328.4	(44.8)	(36.6)	10.4	25.9	(34.2)
Order Backlog	¥mn	1,855	1,798	1,960	1,812	1,752	1,708	2,041	1,966
YoY	%	78.1	(23.1)	(17.6)	10.3	(5.5)	-5.0	4.1	8.5
Lease Rental Income, etc.	¥mn	26	26	24	25	23	24	24	-
Cost of Sales	¥mn	1,734	2,532	2,449	3,753	1,864	3,012	2,413	3,674
sales ratio	%	70.4	68.5	67.8	63.9	68.4	69.0	65.8	64.2
Gross Profit	¥mn	728	1,167	1,164	2,121	863	1,351	1,257	2,053
sales ratio	%	29.6	31.5	32.2	36.1	31.6	31.0	34.2	
SG&A Expenses	¥mn	728	739	721	1,278	835	815	774	22
sales ratio	%	29.6	20.0	19.9	21.8	30.6	18.7	21.1	22.0
Operating Profit	¥mn	0	428	444	843	29	536	482	796
sales ratio	%	0.0	11.6	12.3	14.4	1.0	12.3	13.1	13.9

Source: Compiled by SIR from the Company's IR materials.

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