

## Substantial increase in sales and profit from buildup of work in Business Solutions segment

### Earnings Result Summary

• According to OHBA's Q1 FY2025/5 results announced on October 10, 2024, sales rose 45.2% YoY to JPY3,959 mn and operating profit jumped 9.6 times YoY to JPY274 mn. Q1 sales in the mainstay Construction Consultant segment are usually limited compared to other quarters due to seasonal factors. In Q1 FY2025/5, sales in this segment were steady, rising 5.8% YoY to JPY2,572 mn.

• On the other hand, the Company recorded a sizeable amount of sales in Q1 in the Business Solutions segment, where it leverages its balance sheet to act as a business agent in rezoning land. Sales rose sharply by 5.0 times YoY to JPY1,364 mn, boosting overall results. This impact will need to be leveled out in order to assess the Company's capabilities. However, the strong prospect that the Company's higher-than-usual progress rate will continue into the next quarterly results provides some reassurance in terms of earnings appeal.

• Some investors may be concerned about the decline in companywide gross profit margin from 31.6% in Q1 FY2024/5 to 26.9% in Q1 FY2025/5. However, there is no need for alarm, as the decline is mainly attributable to a change in the mix of the Business Solutions segment, and not to a drop in the gross profit margin of the mainstay Construction Consultant segment. By segment, gross profit margins in Q1 came to 31.5% for the Construction Consultant segment and 18.3% for the Business Solutions segment.

• Companywide orders in Q1 FY2025/5 were up 1.5% YoY to JPY6,448 mn. Given the solid performance in Q1 FY2024/5, it is fitting to describe the results as commendable. As the Company is projecting sales to rise 6.2% YoY for the full year, it will be worth keeping a close eye on progress in orders from Q2 FY2025/5 onward.

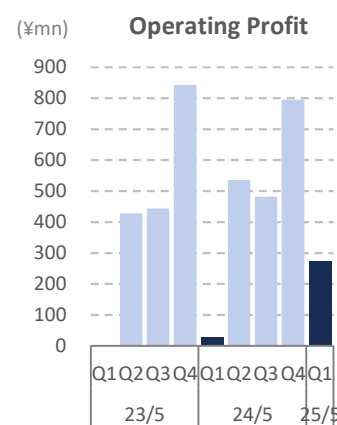
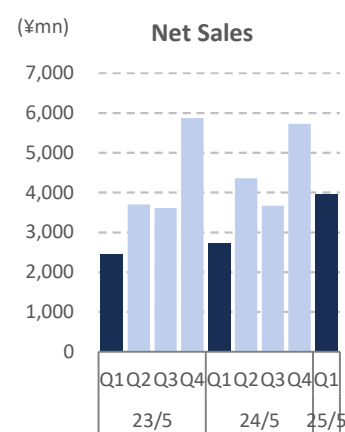
FY	Net Sales (¥mn)	YoY (%)	Oper. Profit (¥mn)	YoY (%)	Profit ATOP (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
2022/5	15,933	0.4	1,583	18.6	1,086	27.3	67.0	23.0
2023/5	15,648	(1.8)	1,715	8.3	1,075	(0.9)	66.7	24.0
2024/5	16,486	5.4	1,843	7.4	1,339	24.6	83.7	37.0
2025/5 CE	17,500	6.1	1,950	5.8	1,400	4.5	87.5	40.0
2024/5 Q1	2,727	10.8	28	-	22	91.8	1.4	-
2025/5 Q1	3,959	45.2	274	860.2	190	736.1	12.0	-

Item	Unit	23/5 Q1	Q2	Q3	Q4	24/5 Q1	Q2	Q3	Q4	25/5 Q1
Sales	¥mn	2,463	3,698	3,613	5,873	2,727	4,362	3,669	5,727	3,959
	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	5,580	2,572
	YoY	%	(6.8)	3.7	(9.4)	9.5	5.9	18.9	3.4	(0.7)
Orders Received	¥mn	5,573	3,758	2,587	3,713	6,114	3,632	2,489	4,028	6,245
	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	11,980
	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	123	1,364
	YoY	%	78.7	(39.5)	(26.8)	(79.9)	91.7	2.6	(24.9)	(46.3)
Lease Rental Income, etc.	¥mn	26	26	24	25	23	24	24	24	24
Cost of Sales	¥mn	1,734	2,532	2,449	3,753	1,864	3,012	2,413	3,674	2,895
	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	1,064
	sales ratio	%	29.6	31.5	32.2	36.1	31.6	31.0	34.2	35.8
SG&A Expenses	¥mn	728	739	721	1,278	835	815	774	1,257	790
	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	275
	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.

## Q1 Flash

URBAN DEVELOPMENT &  
CIVIL ENGINEERING, CONSULTANTS  
**OHBA & CO.**



**Shohei Hasegawa**  
Analyst

[research@sessapartners.co.jp](mailto:research@sessapartners.co.jp)



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### **Sessa Partners Inc.**

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#5a i-o Azabu, 2-8-14  
Azabujyuban, Minato-ku, Tokyo  
**info@sessapartners.co.jp**