

FURYU | 6238

TSE (1st Section)

INITIATION

Precious days, always

Overcoming COVID-19 pandemic with a Double-Barrel Business and Sights on Record Earnings

Although famous for its photo sticker business, FURYU has built a business model for capturing popular IP goods and generating strong earnings from character goods. With an overwhelming network among young women, the company has leveraged the foundation of its photo sticker booth business to launch new businesses, including one offering programmatic ads. Considering that current earnings are close to historic highs despite the COVID-19 pandemic's major blow to its core photo sticker business, one can argue that the company has a first-class double-barrel business.

	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Net profit	YoY	EPS	DPS
	(¥ mn)	%	(¥ mn)	%	(¥ mn)	%	(¥ mn)	%	(¥)	(¥)
FY3/18 (C)	25,383	2.0	2,453	-37.4	2,474	-36.9	1,725	-38.3	61	30
FY3/19 (C)	27,134	6.9	3,543	44.4	3,531	42.7	1,882	9.1	66.5	30
FY3/20 (NC)	27,431	1.1	3,637	2.7	3,656	3.5	3,020	60.5	108.5 (CD)	40
FY3/21 (NC)	24,777	-9.7	2,736	-24.8	2,716	-25.7	1,844	-38.9	67.4	36
FY3/22 CE (C)	36,000	45.3	3,900	42.5	3,900	43.6	2,700	46.4	98.68	37

Summary

Recent Earnings Trends (2Q FY3/22)

FURYU started to release consolidated earnings in FY3/22 after bringing an affiliated company that operates a new business within the scope of consolidation. For 2Q FY3/22, consolidated net sales totaled ¥16,728 mn (+57.0% YoY), and operating profit hit ¥2,687 mn (+190% YoY), record profit for 2Q. In addition to the rebound from the impact of the COVID-19 pandemic last year, earnings were driven by a massive increase in both net sales and profit from the character MD business on account of popular IP arcade prizes related to *Kimetsu No Yaiba*, *Jujutsu Kaisen*, and other content.

Girls' Trend Business

For photo sticker booths, the number of plays was stagnant at 90% of that for the previous fiscal year and about 65% of that for pre-pandemic FY3/20 because the declaration of a state of emergency dragged on. Despite recording a 1H loss, FURYU is aiming to engineer a V-shaped recovery in FY3/23, assuming the world rebounds from the COVID-19 pandemic. The company projects a similar recovery in paid members for the content and media business, but the number of paid members tends to lag the trend in number of plays.

Sekaikan Business

Arcade prize sales, overseas product sales, and expensive hobby goods sales are firm because of popular IP, such as *Kimetsu No Yaiba* and *Jujutsu Kaisen*, and the business continues to record strong growth in sales. For 2Q FY3/22, the business recorded net sales of ¥7,916 mn (+140% YoY) and segment operating profit of ¥1,776 mn (+450% YoY). Therefore, both net sales and operating profit from the segment surpassed that from the content and media business for the first time, transforming the segment into the company's earnings growth engine.

Focus Point

FURYU has captured an overwhelming share of the market with its photo sticker booth business and possesses a network of young women, particularly female high school students. Its IP-based character MD business is growing and driving earnings growth. Its abundant cash flows are aggressively being poured into new businesses

Key Indicators

Share price (1/11)	1261
YH (21/9/22)	1,966
YL (21/3/13)	946
10 YH (21/9/22)	1,966
10 YL (16/6/6)	747
Shrs out. (mn., shrs)	28.296
EV (¥ bn)	34.66
Equity ratio (21.3)	82.31%
21.3 ROE (act)	9.5%
21.3 P/B (act)	1.7x
22.3 Forward PER	21.2x
22.3 Expected DY	3.02%

Stock Price Chart (52 weeks)



Bull

FURYU's strength is its ability to capture IP. Its popular IP goods boost earnings. The company also leverages its photo sticker business's customer base of young women to actively create in new businesses.

Bear

There are concerns that if the COVID-19 pandemic grows more serious, losses from the photo sticker business could continue into the future. There are also worries that planned power outages in China, which supplies FURYU's merchandise, could impact shipments.

Team coverage

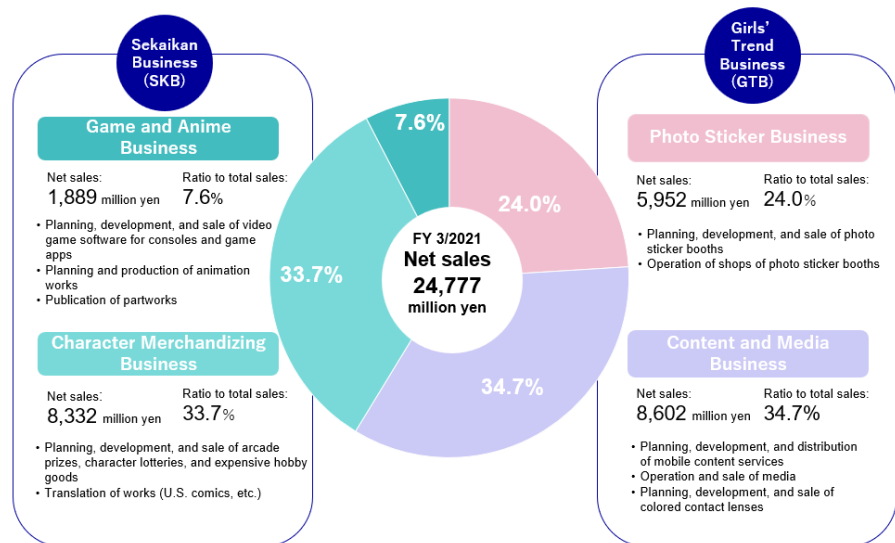
research@sessapartners.co.jp

1. Corporate Profile

FURYU offers various products and services, primarily character merchandise and photo stickers, and its businesses are divided into two segments, the sekaikan business and girls' trend business. With roots as a business division of Omron, the company touts a corporate philosophy of creating quality entertainment and bringing fulfillment to consumers.

As for services for young people, whose fads quickly change, FURYU has adopted a recurring use model and built a stable earnings base, including 1.5 mn paid members (monthly fee) (as of March 2021).

Net Sales by Service (FY3/21)



Source: FURYU presentation material

2. Services

a) Girls' trends business (GTB)

• Photo sticker business

FURYU operates a photo sticker business that targets young women and boasts about a 95% share of the market for photo sticker booths. In addition to manufacturing and selling photo sticker booths and operating directly-managed shops, the company sells supplies and equipment (sticker paper and booths) to amusement arcades and operates directly-managed shops. Despite it being an era in which it is possible to freely process and send photos taken with smartphones, there has been no change in the number of photo sticker booth users, indicating their continuing popularity. According to the company, smartphones are a tool for taking everyday photos, but photo sticker booths meet the demand for commemorative photos and thus do not compete against smartphones.

Impact of the COVID-19 pandemic



Source: FURYU presentation material



Ratio of female high school students in Japan who have used a photo sticker booth:

98.3%

* Survey outsourced to: MACROMILL, INC. (survey in June 2019)

Total number of plays per year

Results for FY3/2020

45.49 million yen

Results for FY3/2021

30.00 million yen

Source: FURYU presentation material

• **Content and media business**

The business not only operates Pictlink, a service for obtaining and browsing photo stickers, but also plans and sells color contact lenses. In FY3/21, the content and media business was the core business, generating 34.7% of net sales. The segment’s main business is operating Pictlink and offers a website where users can obtain preprocessed images taken by the company’s photo sticker booths. There were about 1.5 mn paid members of this service as of March 30, 2021. For a monthly fee of ¥300–¥500, it is possible to download photos taken with the booth and obtain processed images. The business is expected to generate stable earnings and supports the company.



Source: FURYU presentation material

b) Sekaikan business (SKB)

• **Character merchandising (MD) business**

The business primarily plans, produces, and sells arcade prizes and expensive hobby goods. Sales of popular character goods, such as those related to *Kimetsu no Yaiba* and *Jujutsu Kaisen*, have recently been firm. Sales of expensive hobby goods, which are mostly produced after orders are received from overseas customers and cost between thirty thousand and several million yen for life-size figures of anime characters, are growing as the business expands overseas. The large Chinese toy company Bilibili serves as agent for the business. The segment posted record net sales and profit in 2Q FY3/22, transforming it into a pillar of the company’s earnings.

FURYU’s strengths are its skill at capturing IP and design capabilities related to transforming characters into products. As for capturing IP, the company’s advantage comes from its strong sales skills and network within the industry, but it also appears that its neutrality—the company does not belong to a particular corporate group—is also a positive factor.

• **Game business**

FURYU plans and sells console game software, game apps, and anime. The segment accounts for a relatively small percentage of net sales, only 7.6% (for FY3/21). Although the business posted a loss in FY3/21, the company is aiming to make it profitable in FY3/22. CoreEdge Inc., a game development company, was transformed into a consolidated subsidiary in 2018, and We’ve Inc., which is involved in planning anime, was absorbed in 2019. The company is focusing on creating its own IP.

Original IP Games



Caligula2



Monark

Use of Other Company’s IP

Games	Doraemon: Nobita’s New Dinosaur Cardfight!! Vanguard EX
Anime	Laid-Back Camp Season 2 Maou-jou de Yasumi

3. Recent Earnings Trends

FY3/22 Results Review

In FY3/21, the company recorded non-consolidated net sales of ¥24,777 mn (-19.7% YoY) and operating profit of ¥2,376 mn (-24.8 YoY). The photo sticker business posted an operating loss of ¥512 mn due to the COVID-19 pandemic, and this weighed down overall earnings. Because of firm sales of expensive hobby goods and arcade prizes based on popular IP, operating profit from the character MD business, however, rose about 18-fold year on year to ¥1,092 mn, providing major support.

2Q FY3/22 Actual

FURYU brought an affiliated company that operates a new business into the scope of consolidation and started to release consolidated earnings in FY3/22. In 1H FY3/22, consolidated net sales totaled ¥16,728 mn (+57.0% YoY), and operating profit hit ¥2,687 mn (+190% YoY), historic high profit for 1H. The dramatic increase in both sales and profit from the character MD business due to arcade prizes based on popular IP such as *Kimetsu No Yaiba* and *Jujutsu Kaisen* drove earnings growth just like in the previous fiscal year.

Yen, mn	1Q			2Q			1H		
	April-June			July-September					
	FY3/2020 NC	FY3/2021 C	YoY	FY3/2020 NC	FY3/2021 C	YoY	FY3/2021 NC	FY3/2022 C	YoY
Net Sales	4,390	7,999	182%	6,267	8,729	139.3%	10,657	16,728	157.0%
Operating Profit	145	1,190	720%	765	1,497	100%	911	2,687	109%
Ordinary Profit	140	1,179	740%	753	1,514	100%	893	2,694	200%
Extraordinary profit	-	-	-	0	-	-	0	-	-
Extraordinary loss	1	0	0.0%	1	0	0.0%	2	0	0.0%
Profit before tax	138	1,179	750%	751	1,514	100%	890	2,694	200%
Tax	44	375	750%	236	483	100%	280	859	210%
Profit (ATOP)	94	812	760%	515	1,049	100%	609	1,861	210%

Source: compiled by SRI from company material

4. Outlook for FY3/2022

On August 12, 2021, FURYU announced an upward revision to its initial full fiscal year earnings projections and now expects net sales of ¥36,000 mn (+45.2% YoY*) and operating profit of ¥3,900 mn (+42.5%). As of the end of 2Q, the company had reached 46.5% of its net sales target and 68.7% of its operating profit targets. The company, however, does expect earnings to fall off to a certain degree in 2H and FY3/23 because it thinks that amusement arcades, which sell its products, have accumulated inventory of domestic arcade prizes, sales of which were firm in 1H. On the other hand, overseas product sales and sales of expensive hobby goods are expected to grow further for various reasons including the end-of-year shopping season. The company also expects both the photo sticker business and content and media business to gradually recover in 2H and, if the COVID-19 pandemic is gotten control, to improve dramatically in FY3/23.

* Provided for reference because FY3/21 figures are non-consolidated but FY3/22 figures are consolidated.

Yen mn	FY3/2022 1st CE	FY2022/3 revised CE	Amount Change	% Change	1H	1H/CE
Net sales	32,000	36,000	4,000	112.5%	16,728	46.5%
Operating profit	3,200	3,900	700	121.9%	2,687	68.9%
Ordinary profit	3,200	3,900	700	121.9%	2,694	69.1%
Profit(ATOP)	2,200	2,700	500	122.7%	1,861	68.9%

Source: compiled by SIR from company materials, Note: the Company notices that the forecast may be changed by the pandemic situation

5. Segment Trends

a) Girls' trend business

• Photo sticker business

For photo sticker booths, the number of plays was stagnant at 90% of that for the previous year and about 65% of that for pre-pandemic FY3/20 because the declaration of a state of emergency was extended. This was even though there was strong demand during summer. Although 2Q profit was profit as same as previous year, the segment posted a 1H loss. FURYU is working to engineer a V-shaped recovery in FY3/23, assuming the world rebounds from the COVID-19 pandemic. In 2Q FY3/22, the segment posted net sales of ¥3,216 mn (+33.2% YoY) but an operating loss of ¥78 mn (compared to an operating loss of ¥467 mn for 2Q FY3/21).

Some analysts are cautious of the company's projection of a V-shaped recovery in FY3/22 earnings to FY3/20 levels. It is difficult to see a rapid increase in the number of plays as people are slowly returning to amusement arcades on account of repeated extensions of the declaration of a state of emergency in FY3/22. Furthermore, while there was a temporary increase in net sales as Halloween fell on a holiday this year, it will be necessary to focus on how net sales do during various events, including the end of the year and coming-of-age ceremony, as concerns about the Omicron variant spread.

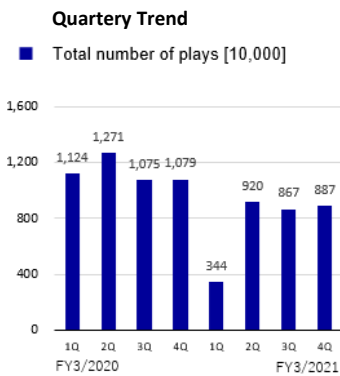
• Content and media business

The number of paid members of Pictlink shrank 7.3% YoY to 1.42 mn in 1H, but the percentage of paid members who are premium members rose slightly to 10.3% (9.5% at the end of the previous fiscal year). The number of paid members in FY3/22 is projected to recover at an extremely gradual pace compared to photo sticker booth number of plays. FURYU is working to boost per-customer spending by raising the percentage of paid customers who are premium customers and strengthen its earnings power. In 1H FY3/22, the business recorded net sales of ¥4,055 mn (-3.0 YoY) and operating profit of ¥1,686 mn (-3.8% YoY).

b) Sekaikan business

• Character MD business

Because of popular IP, such as *Kimetsu No Yaiba* and *Jujutsu Kaisen*, arcade prize sales, overseas product sales, and expensive hobby good sales were firm and continued to record strong growth, which resulted in a substantial increase in both net sales and profit. In 1H FY3/22, the business recorded net sales of ¥7,916 mn (+142% YoY) and segment operating profit of ¥1,776 mn (+446% YoY). Therefore, both segment net sales and operating profit surpassed that from the content and media business for the first time, making it the segment with the greatest earnings. Arcade prize sales, however, are expected to temporarily decline because of delays in product shipments due to planned power outages in China and excess inventory of goods related to popular IP, such as *Kimetsu No Yaiba* and *Jujutsu Kaisen*. Even so, claw crane games themselves remain popular, and these are the main products for amusement arcades (see graph to the left). In fact, Round One has installed claw crane games, and game centers are switching from "medal games" to claw crane games.



Source: FURYU presentation material

Amusement Arcades

Net Sales by Service

(Apr. 2020–Mar. 2020) (¥100 mn)



Source: Created by SIR based on Japan Amusement Industry Association data.

• **Game business**

No new DVDs or Blu-ray disks have been introduced since “*Laid-Back Camping Season 2*”, anime that contributed to 1Q growth in sales and profit, went off the air. The business recorded a 2Q loss just like for 2Q FY3/21 but was profitable for 1H due to the strong 1Q results. For 1H FY3/22, the business posted net sales of ¥1,538 mn (+93.5% YoY) and segment operating profit of ¥74 mn (compared to an operating loss of ¥24 mn for 2Q FY3/21). It has been decided to produce a movie version of the anime in FY3/23, and the segment is projected to be profitable for the full fiscal year.

Quarterly Earnings Trend By Business

Yen, mn	FY3/2020 NC				FY3/2022 C		1H	YoY
	1Q	2Q	3Q	4Q	1Q	2Q		
Net sales	4,390	6,267	7,151	6,968	7,999	8,729	16,728	57.0%
Photo stickers	525	1,889	2,006	1,531	1,500	1,715	3,215	33.2%
Revenue form amusement arcades	456	1,649	1,747	1,284	1,296	1,466	2,762	31.2%
Revenue from direct managed shops	68	239	259	247	204	249	453	47.6%
Others	1,997	2,185	2,215	2,203	2,024	2,031	4,055	-3.0%
Content and media	1,518	1,547	1,573	1,564	1,499	1,494	2,993	-2.3%
Revenue from Pictlink charges	287	366	381	337	311	317	628	-3.8%
Sales if colored contact lenses	191	271	260	301	213	220	433	-6.3%
Others	1,435	1,829	2,424	2,642	3,574	4,342	7,916	142.5%
Character MD	1,155	1,272	2,031	1,688	2,759	3,677	6,436	165.2%
Clow crane prize etc.	46	82	138	217	129	380	509	297.7%
Expensive hobby goods	203	212	202	641	459	264	723	74.2%
Publication *	29	262	51	95	225	19	244	-16.2%
Games and anime	432	362	504	589	899	639	1,538	93.7%
Console game software	48	39	78	46	288	127	415	377.0%
Game apps	226	232	212	229	186	210	396	-13.5%
Anime	157	90	213	313	424	300	724	193.1%
Operating profit	145	765	757	1,067	1,190	1,497	2,687	195.3%
Print stickers	-608	140	-111	66	-211	133	-78	-
Content and media	870	882	949	906	872	813	1,685	-3.8%
Character MD *1	229	96	274	492	829	946	1,775	446.2%
Game and anime	17	-42	-5	-51	102	-28	74	黒転
Company-wide expenses	-363	-311	-348	-346	-402	-368	-770	-

Source: compiled by SIR from company material

6. Future Strategy and Issues

• **Growth strategy**

FURYU has not released a mid-term management plan. Even so, in addition to operating profit margin by business, FURYU has adopted ROE as a KPI related to efforts to generate company-wide growth and achieve high capital efficiency and is aiming to reach an ROE of 15% by FY3/24. Considering the company’s balance sheet, which has no borrowings, this is a challenging target. The company has also adopted a stance that continuing to pay a stable dividend is an important management measure related to shareholder return and that it will undertake M&As that generate synergies with existing businesses because of its abundant cash on hand.

- **Short-term (3–5 years) growth strategy**

In the short term, the expensive hobby good and overseas product sales within the character MD business will drive FURYU's growth. The company is now selling figures and other items in China through the large Chinese toy company Bilibili, but it will work to strengthen sales in North America, establish a local subsidiary, and conduct EC and other businesses itself. The key to the strategy is FURYU's strong ability to capture IP. This strength comes from its ability to find IP, maintain relations with IP holders, and grow its network. The company not only possesses abundant experience but also has an advantage in capturing IP because of its neutral position as it does not rely on a particular corporate group.

- **Long-term (5 years and after) growth strategy**

FURYU is aiming to expand its programmatic ad business, which uses the personal information of Pictlink members it has accumulated as a resource. Because it possesses a customer base of women in their 10s and 20s due to its photo sticker booths and services including Pictlink, the company can use the personal information of those customers. The number of Pictlink members, including free trial members, totals 20 mn. Its overwhelming ability to reach young women is a strength that other companies lack, and one can argue that it has established a dominant position in the industry for ads targeting young women. However, it is expected that it will take several years for the business to start contributing to profit even though sales are steadily rising due to the growing number of clients.

In addition to programmatic ads, FURYU plans to invest ¥500 mn annually in creating and providing new businesses, such as restaurants and fashion D2C. In April 2021, FURYU established the joint venture Olu. K.K. and launched a fashion D2C business targeting young women. Even here, the company has the strength of its girls' trend business and will leverage its ability to reach young women, marketing abilities, and creative abilities.



7. Noteworthy External Environment

- **Positive**

Despite concerns about the Omicron variant, infections are being brought under control in recent months. As society learns to manage COVID-19, the number of customers visiting amusement arcades can be expected to grow, and the number of photo sticker booth plays to increase. If its core photo sticker business recovers, that and the firm character MD business will likely make it possible for FURYU to post record profit.

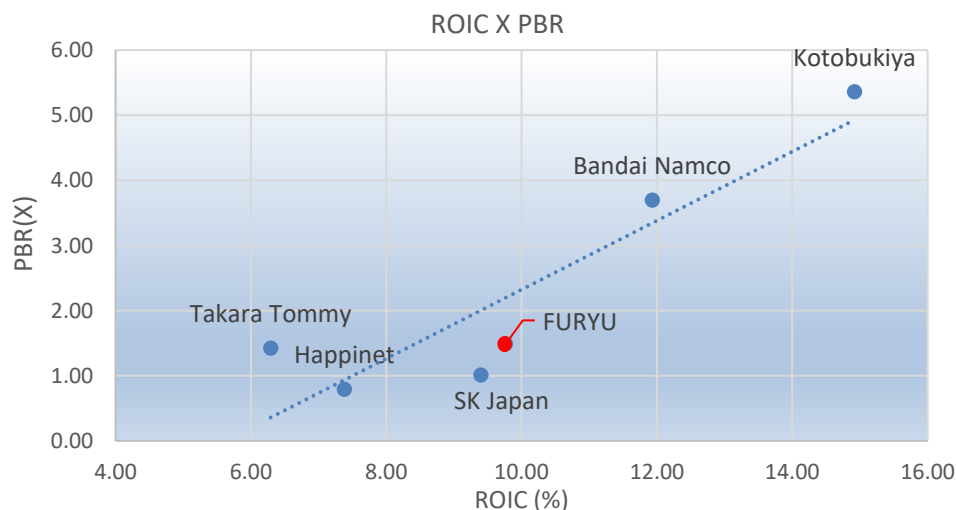
The character MD business, which has recently been highly profitable, can be expected to see further growth. The company possesses leading IP, including *Kimetsu No Yaiba* and *Jujutsu Kaisen*, and if that IP grows even more popular because of future anime broadcasts, etc., it could serve as a tail wind for the company's expansion.

- **Negative**

Costs may increase for several reasons, including suspended production in China, where some of FURYU's arcade prizes are manufactured, and delays in shipment. China restricts operation of coal-fired power plants as one of its environment-related measures and has halted imports of coal from Australia because of a political confrontation between the two countries, which has resulted in a coal shortage. There are concerns that this could slow operation at factories and impact shipments. While the company is moving forward with diversifying procurement within Asia, shipping costs are rapidly increasing as the cost of oil rises globally, and this could impact the company's purchasing costs.

8. Share Price Insight

A regression analysis of various combinations of share price valuation and financial indicators by SIR reveals that ROIC and P/B are highly correlated. Although it is difficult to uniformly categorize standards for comparable companies because of differences in business portfolios, we selected companies that handle IP material and whose business portfolios are weighted toward entertainment and toys.



Because each company has a different fiscal year, we used LTM data to level earnings data. What drew our attention is the high valuation and profitability of Kotobukiya Co., Ltd. (7809). Kotobukiya specializes in manufacturing figures and plastic models and sells not only *Kimetsu No Yaiba* and *Jujutsu Kaisen* figures, just as FURYU does, but also its own IP plastic model products. In the previous fiscal year, FY6/21, Kotobukiya’s net sales rose 29%, and growth has recently accelerated to 84% for 1Q (Jul.–Sep.). On the other hand, FURYU’s character MD business reported net sales growth of 140% and operating profit growth of 450% for 2Q (Mar.–Sept.), dramatically surpassing Kotobukiya’s growth. If Kotobukiya’s forward PER of 16.7x is applied to FURYU’s character MD business’s projected net profit of ¥3.2 bn (simply twice the after tax profit amount of 1H OP), the business’s enterprise value would be ¥41.3 bn. This surpasses FURYU’s enterprise value of ¥34.6 bn year by 19%.

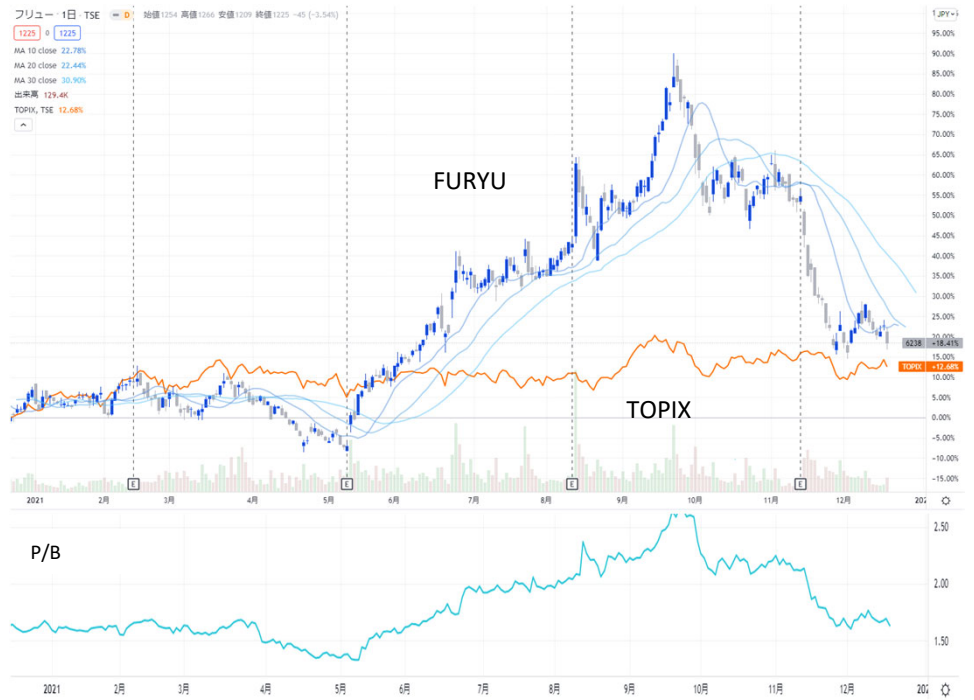
If the photo sticker business can generate its original earnings (FY3/20 operating profit of about ¥1.5 bn) after the COVID-19 pandemic subsidies, achieving the target ROE of 15% will be merely a point on a path to higher ROE. The above graph uses ROIC for comparative financial data, but it is important to remember that FURYU has no debt and ROIC is about the same as ROE.

Comparable Company Stock Price Valuation and Financial Performance

Company code	Company	EV (¥ bn)	PER	P/B	ROIC	ROE	ROA
7809	Kotobukiya	19.8	18.2	5.36	14.92	32.93	12.26
7832	BANDAI NAMCO Holdings	2,019.0	36.6	3.70	11.93	11.00	7.66
6238	FURYU	34.6	16.0	1.49	9.76	9.52	7.68
7608	SK Japan	3.7	10.8	1.01	9.40	9.63	8.36
7552	Happinet	36.0	10.9	0.79	7.38	7.43	3.70
7867	Tomy Company	105.8	10.3	1.42	6.29	14.65	6.70

Source: Created by SRI using SPEED data, financial indicator LTM

FURYU & TOPIX Relative Price Chart (52 weeks)



Source: Trading View [E] Earnings announcement date

Profit & Loss Statement

JGAAP	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
Yen mn, %	C	C	C	C	C	C	NC	NC
Total Revenue	24,915	23,912	24,168	24,891	25,383	27,135	27,432	24,777
Cost of Sales	12,211	11,677	11,276	11,010	11,740	12,395	12,736	11,542
Gross Profit	12,704	12,235	12,892	13,881	13,643	14,740	14,696	13,236
<i>Gross Margin</i>	51	51.2	53.3	55.8	53.7	54.3	53.6	53.4
SG & A	9,289	9,202	9,240	9,960	11,190	11,196	11,058	10,500
Operating Profit	3,415	3,033	3,651	3,921	2,453	3,544	3,638	2,736
<i>Operating Profit Margin</i>	13.7	12.7	15.1	15.8	9.7	13.1	13.3	11
Non-Operating Income	183	272	53	14	29	21	53	20
Interest and Dividends Income					21	5	35	
Non-Operating Expenses	62	27	40	14	7	33	34	39
Interest Expenses	53	19	2	0	1	2	0	0
Income from Equity Method - Non-Operating	2	2	8	-7	3	-10		
Ordinary Profit	3,537	3,278	3,664	3,921	2,475	3,532	3,657	2,717
<i>Ordinary Profit Margin</i>	14.2	13.7	15.2	15.8	9.8	13.0	13.3	11.0
Extraordinary Gains/Losses	-53	-54	-33	-20	-8	-688	99	-46
Extraordinary Gain		1	1	0	0	10	224	0
Extraordinary Loss	53	55	34	20	8	698	125	46
Pretax Profit	3,484	3,224	3,631	3,901	2,467	2,844	3,756	2,671
<i>Pretax Profit Margin</i>	14.0	13.5	15.0	15.7	9.7	10.5	13.7	10.8
Income Taxes	1,426	1,314	1,168	1,103	742	1,031	735	827
Income Taxes - Current	1,864	1,245	1,240	1,109	821	1,220	564	722
Income Taxes - Deferred	-439	70	-72	-6	-79	-188	171	105
Net Profit (ATOP)	2,058	1,910	2,463	2,798	1,726	1,883	3,021	1,845
Net Profit	2,058	1,910	2,463	2,798	1,726	1,812		

Source: compiled by SIR from SPEEDA

Balance Sheet

JGAAP	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
Yen mn, %	C	C	C	C	C	C	NC	NC
Total Assets	15,661	16,557	20,208	22,325	22,858	25,022	24,025	24,013
Current Assets	12,349	12,785	16,231	18,517	18,866	20,907	19,863	19,574
Cash, Cash Equivalents and Short-term Investments	5,101	6,074	10,197	11,694	11,471	13,794	12,706	12,256
Cash & Cash Equivalents	5,101	6,074	10,197	11,694	11,471	13,794	12,706	12,256
Accounts Receivables	3,760	3,714	3,578	3,995	4,046	3,891	3,376	4,005
Accounts Receivable - Other and Accrued Income	543	536	307	349	425	389	431	38
Other Short-Term Financial Assets	439	480	572	600	766	993	942	653
Inventories	1,498	1,349	978	1,062	1,248	1,220	1,593	1,810
Finished Goods and Merchandise	1,250	1,164	805	892	1,072	1,008	1,357	1,396
Other Inventories	249	185	173	170	176	212	236	414
Advance Paymentss							302	371
Prepaid Expenses							266	271
Deferred Tax Assets - Current	295	184	306	266	296			
Allowance for Doubtful Accounts - Assets	-11	-13	-10	-14	-4	-3	-4	-6
Non-Current Assets	3,312	3,772	3,977	3,808	3,992	4,114	4,162	4,439
Property, Plant & Equipment (PPE)	1,716	2,169	2,359	2,466	2,471	2,217	2,348	2,575
Intangible Assets	200	197	182	230	260	221	254	492
Investments and Other Assets	1,397	1,406	1,436	1,112	1,261	1,677	1,560	1,372
Investment Securities (inc. Subsidiaries)	160	132	136	142	138	61	50	25
Investment Securities	160	132	136	142	138	61	50	25
Long-Term Trade Receivables							19	28
Long-term Prepaid Expenses							130	80
Deferred Tax Assets - Non-Current	513	529	568	561	648	1,148	926	812
Allowance for Doubtful Accounts - Fixed	-11	-21	-16	-13	-13	-14	-19	-28
Total Liabilities	7,737	6,894	6,327	6,235	5,975	7,073	5,031	4,248
Current Liabilities	6,973	6,274	5,589	5,546	5,174	6,013	5,024	4,242
Trade Payables	3,274	2,977	2,394	2,268	2,265	2,387	2,186	1,410
Accounts Payable - Other and Accrued Expenses	1,268	1,603	1,531	1,871	1,783	1,692	1,727	1,851
Short-Term Debt	979	623	253	320	336	353	334	6
Short-Term Borrowings	87	0	0	0	0	0	0	0
Current Portion of Long-term Debt	892	623	253	320	336	353	334	6
Current Portion of Long-Term Borrowings	892	623	253	320	336	353	334	6
Non-Current Liabilities	764	620	737	689	801	1,061	7	7
Long-Term Debt	231	7	4	6	4	151		
Long-Term Borrowings	231	7	4	6	4	151		
Provision for Retirement Benefits	363	460	581	676	790	903		
Total Net Assets	7,924	9,664	13,881	16,090	16,883	17,948	18,994	19,765
Total Shareholders' Equity	7,924	9,664	13,881	16,090	16,883	17,922	18,994	19,765
Shareholders' Equity	7,924	9,614	14,025	16,115	16,992	18,026	18,999	19,749
Capital Stock	550	550	1,639	1,639	1,639	1,639	1,639	1,639
Capital Surplus	550	550	1,639	1,639	1,639	1,639	1,639	1,639
Retained Earnings	6,824	8,514	10,746	12,837	13,714	14,748	16,721	17,471
Treasury Stock				0	0	0	-1,000	-1,000
Accumulated Other Comprehensive Income	0	50	-143	-25	-109	-104	-5	16
Valuation Difference On Securities	0							
Net Unrealized Gains/Loss on Derivatives		74	-82	52	-19	-6	-5	16
Non-controlling interest						26		

Source: compiled by SIR from SPEEDA

Cashflow Statement

JGAAP	FY3/2014	FY3/2015	FY3/2016	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021
Yen mn, %	C	C	C	C	C	C	NC	NC
Cash Flows from Operating Activities	3,617	3,683	4,097	3,770	2,609	5,288	2,952	2,795
Depreciation and Amortization - CF	2,117	1,525	1,486	1,621	1,878	2,055	1,607	1,650
Depreciation - CF	1,373	1,525	1,486	1,621	1,878	2,015	1,607	1,650
Amortization of Goodwill - CF	744					40		
Gain/Loss on Valuation of Securities and Investment Securities	52							
Gain/Loss on Valuation of Stocks of Subsidiaries and Affiliates							93	
Gain/Loss on Sale of PPE	103	5	9	7	8	25	31	8
Interest and Dividends Received - Operating CF	0	0	0	0	0	0	0	0
Interest Paid - Operating CF	-71	-54	-2	0	-1	-2	0	0
Cash Flows from Investing Activities	-1,531	-1,987	-1,798	-1,551	-1,977	-2,091	-1,855	-2,146
Payments for Purchases of Securities and Investment Securities	-30							
Payments for Purchases of Investment Securities	-30							
Proceeds from Sales of Securities and Investment Securities		21						
Proceeds from Sales of Investment Securities		21						
Purchases/Sales of PPE	-1,334	-1,673	-1,548	-1,568	-1,677	-1,928	-1,568	-1,823
Payments for Purchases of PPE	-1,359	-1,678	-1,561	-1,572	-1,679	-1,930	-1,570	-1,825
Proceeds from Sales of PPE	25	5	13	4	2	2	2	2
Purchases/Sales of Intangible Assets	-149	-257	-226	-253	-263	-361	-262	-315
Payments for Purchases of Intangible Assets	-149	-257	-226	-253	-263	-361	-262	-315
Cash Flows from Financial Activities	-1,622	-726	1,831	-711	-852	-880	-1,858	-1,100
Repayments of Short-Term Borrowings	-712	-87				-2		
Repayments of Long-Term Debt	-167	-167	-41			-25		
Repayments of Long-Term Borrowings	-167	-167	-41			-25		
Proceeds from Issuance of Stock			2,178					
Redemption/Retirement of Stock				0		0	-1,000	0
Cash Dividends Paid	-192	-220	-231	-707	-849	-849	-849	-1,094
Foreign exchange adjustment	31	4	-8	-11	-3	1	1	1
Changes in Cash Flow	495	974	4,122	1,497	-223	2,319	-70	-451
Cash & Cash Equivalent - Beginning	4,606	5,101	6,074	10,197	11,694	11,471	12,776	12,706
Cash & Cash Equivalent - Ending	5,101	6,074	10,197	11,694	11,471	13,789	12,706	12,256
Free Cash Flow (FCF)	2,086	1,696	2,299	2,219	632	3,197	1,097	649

Source: compiled by SIR from SPEEDA

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