

Proto Corporation (4298 JP) – Sponsored Research

A PLATFORMER OF AUTOMOBILE-RELATED INFORMATION SERVICE

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Summary – From Paper to Mobile App

Proto Corporation (4298 JP) is an information platform specialising in the sale of new and used automobile in Japan. The Japanese used car advertisement market is an oligopoly – there are two main players; Proto and Carsensor owned by Recruit Marketing, a 100% subsidiary of Recruit Holdings (6098 JP). Similar business model is run by Auto Trader Group (AUTO LN) in the UK and Carsales.com (CAR AU) in Australia.

The history of the firm dates back to 1977, when the current Chairman Hiroichi Yokoyama first published a used car information magazine in Nagoya. Two years later, he founded a publishing company which specialised in used car sales information called *Project Eight* – later changed (1991) to the current name, Proto Corporation.

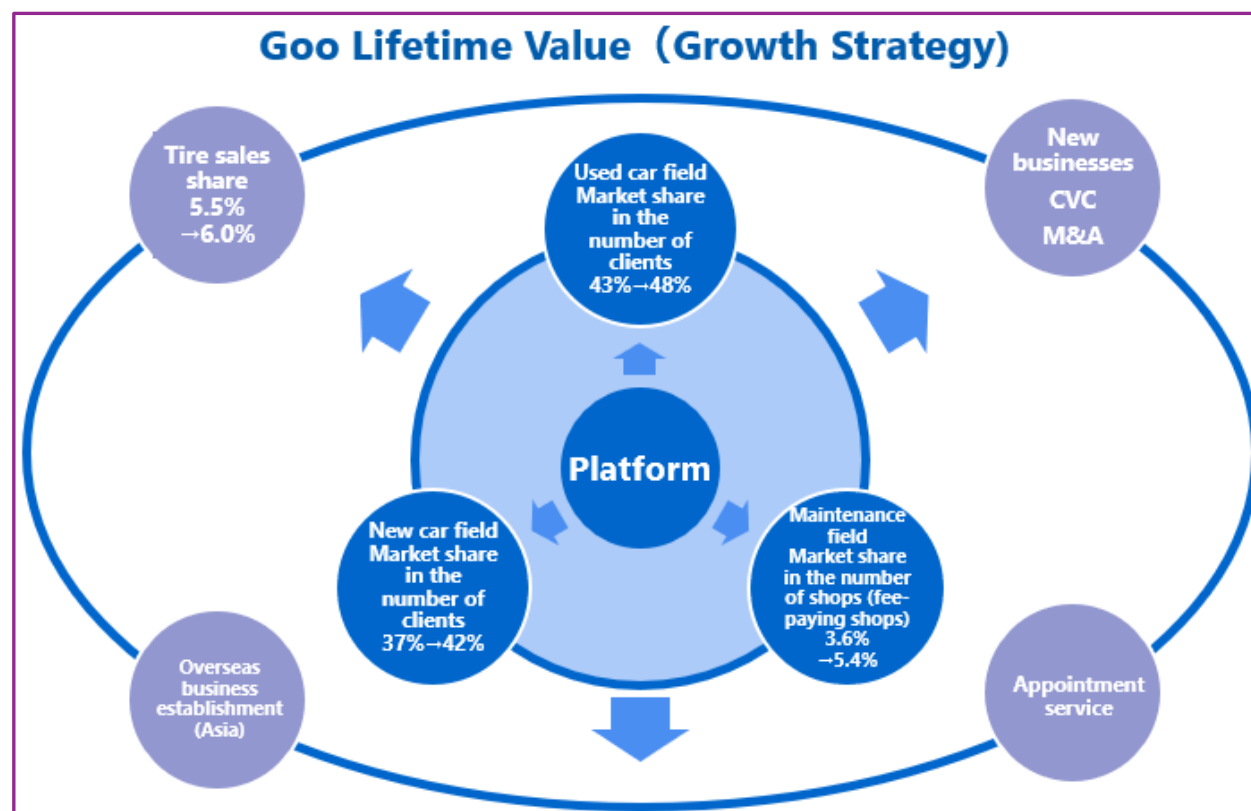
90% of the revenue is earned through the Automobile-related information segment, of which 39% (or 35% of the total sales) is from the Advertisement-related subsegment revenue on a used car information magazine “Goo” which was first published in Oct 1996. There is also an online & mobile version of it called “Goo-net” / MOTOR GATE. *Goo-net* has the largest numbers of used car listings in Japan today. In addition to advertisements on used cars, the firm also lists automobile garages under the platform called “Goo-pit”.

The firm has also expanded its information business to other industries such as medical, nursing care and welfare in Aug 2002.

Proto has gradually shifted its media platform from paper magazine to digital formats and into the cloud. As of March 2019, more than 50% of its advertisement sales was generated from subscription fees for *MOTOR GATE*, a mandatory system for advertisers who wish to advertise on *Goo-net*.

Proto Corporation was promoted to the Tokyo Stock Exchange Section I in March 2019.

CREATING A SERVICE PLATFORM



Source: Proto Corporation FY19 IQ results material

Business Model

Proto Corporation has 16 consolidated subsidiaries. The core of its business model is in its ability to gather automobile-related and life-related information, process them into a database and create various content and services from that information. Through the firm's media and platform, content is provided to both consumers and corporates. The firm generates revenue from advertisement fees from advertisements placed on its publication, internet site and mobile app, as well as from subscription fees for its services made available through its platform.

The firm has three main business segments:

1. Automotive-related,
2. Life-related, and
3. Real Estate.

The Automotive-related business earns 90% of the firm's revenue and can be further divided into three subsegments:

- I. Advertisement,
- II. Information & Service, and
- III. Merchandise Sales.

The firm also categorises the Automotive-related business into three business domains:

- a. Used Cars,
- b. New Cars, and
- c. Service & Repair.

How the business segments and business domains interlink with each other is shown in the table below;

Automobile-Related Business Segment: Subsegments & Domains

Service Name	Service Details	Sub-Segment	Domain	Customers	Users	FY3/19 Sales (¥mil)
Goo-net	Used car search engine	Advertisement	Used Car	Dealers	Used car buyers	21,278
MOTOR GATE	Goo-net's background system	Advertisement	Used Car	Dealers	Dealers	
Goo-pit	Search engine for garages	Advertisement	Service & Repair	Garages	Car owners	
Goo Inspection (condition-check)	Disclose used cars' conditions online	Information & Service	Used Car	Dealers	Buyers	5,041
DataLine Sales Guide	Marketing tool for new car dealers	Information & Service	New Car	New car dealers	New car dealers	
Goo Check-up	Introducing customers for mandatory check-up and services	Information & Service	Service & Repair	Car owners	Car owners	
Autoway Loop Tyre World Best	E-Commerce for imported tyres, wheel and used cars	Merchandise sales	EC	Consumers	Consumers	29,847

Source: Nippon-IBR based on Proto Corporation's FY18 earnings presentation

Automobile-Related Business Segment

Automobile-Related Segment is the core of Proto's business. The firm reported ¥1,793mil (+15.4% YoY) OP on ¥13,219mil sales (-7.6% YoY) in FY19 IQ for the entire segment. OP overshoot the company's original forecast by ¥238mil, thanks to better than expected profit from the parent business (*MOTOR GATE / Goo-net, Goo-pit and DataLine Sales Guide [DLSG]*) and a ¥134mil reduction in SG&A after having terminated the unprofitable Bike Bros business. OPM improved to 13.6% in IQ compared to 10.9% in the same period last year. The segment earns nearly 95% of OP (before adjusting for HQ cost) and 90% of consolidated sales.

Advertisement Revenue: Providing Information Platform for the Used Car Market

GOO-NET / MOTOR GATE: USED CAR SEARCH ENGINE

Proto's core business is an information platform for the used car market. The firm gathers information of used car inventories from car dealers nationwide and advertises those used cars on its search engine *Goo-net* (online and mobile app) and in its *Goo Magazine* (issued monthly and available at bookstores at a cost of ¥260 per magazine. *Goo Magazine* is also available on digital formats such as Kindle at a cost of ¥85/publication, but the company will be moving it to a fully digital format as part of its plan to improve profitability – we discuss further below). The firm's direct customers are used car dealers: They pay an advertisement fee which is charged on the per-page basis. Currently, the entire *Goo* platform advertises circa 450,000 used cars and is the main way the firm generates advertising revenue.

Goo-net & MOTOR GATE – a combined business model

	Goo-net	MOTOR GATE
Products	Advertisement package - Online, Mobile App and Magazine	System that runs behind Goo Net (Used car dealer management system) Integrated solution that combines inventory management system and webpage update function
Functions	Advertising	Sales management Data analysis Documentation (quotation, car registration, logistics arrangement etc.) CRM
Fee System	Advertisement fee per page	Monthly subscription fee (mandatory)

Source: Nippon-IBR based on Proto Corporation's Medium-Term Management Plan Presentation


More than 50% of revenue in the Advertisement business is generated through a subscription fee for *MOTOR GATE*, a backbone system to *Goo-net*. For the dealers to advertise their stock on the *Goo* platform, a subscription to the firm's background system *MOTOR GATE* is mandatory. Dealers are charged the monthly fixed platform subscription fee for the system on top of the *Goo* advertisement fee. *MOTOR GATE* is a cloud-based system that combines ERP and CRM solutions, which specialised in the used car market. The monthly system subscription fee (including that for *MOTOR GATE*) per used car dealer is ¥100,000.

There are circa 34,335 used car dealerships, of which *Goo-net*'s market share is 41.1% as of IQ FY19 – its customer base is, therefore, 14,128 dealerships who in total placed 450,000 advertisements. Its competitor, Carsensor, also has 400,000+ advertisements. Although the two companies dominate the used car advertisement market, Proto reckons its advertisement service is differentiated because of *Goo Inspection*, an optional service that adds information on the cars' condition.

Used car buyers typically sort and check cars according to their purchase criteria via the internet or on mobile apps before visiting the dealers. Readily visible information on a car's condition on the website or on a mobile app improves the success rate of selling the used cars. Goo-net has more than 175,000 out of 450,000 cars with car condition evaluation – that compared to 47,914 out of ca. 400,000 cars with condition evaluations on Carsensor. Furthermore, the firm has an inspection specialist subsidiary, Car Credo, which hires circa 100 inspectors.

The firm started the condition evaluation service in Oct 2008. It is an optional service charged to the dealers on the per-car basis. The evaluation fee is only ¥3,000/vehicle and can be passed on to the selling price – while Proto hardly makes any profit from the Goo Inspection, however, it believes it adds value to the Goo-net platform – and this revenue is included in the Information & Service subsegment.

- Fee system: Charged per vehicle
- The service commenced in Oct 08 nationwide
(Below are the example of the evaluation page)







Goo鑑定の概要と図解 (一例)

Goo-inspection – 3 Key Points

1. Used cars are inspected based on the criteria of Japan automobile appraisal association (JAAA), a third-party organization.
2. Inspection are performed for exterior, interior, engine, and repair history.
3. Evaluation results of exterior, interior, engine, and repair history are set and then disclosed.

Source: Proto Corporation IQ FY19 presentation material (modified by Nippon-IBR)

■ Differentiation from competing media: Improvement of order success rate through the disclosure of vehicle status info

<p>カーズ 7-ネット No. of used cars listed: 453,652</p>	<p>あんしん、iD まる見え。 車両</p> <p>No. of cars with car evaluation results: 175,298</p> 	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>Goo-inspected cars</p>  </div> <div style="text-align: center;"> <p>Vehicle status /condition info became available on Goo-net after Goo Inspection.</p> </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin: 10px 0;">  </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p>Manufacturer-certified used cars</p>  </div> <div style="text-align: center;"> <p>Vehicle status/condition info made available on Goo-net.</p> </div> </div>
<p>Without car evaluation results</p>		

※For reference: No. of cars whose status info has been disclosed by competing media: **47,914** (as of July 25, 2019)

Source: Proto Corporation IQ FY19 presentation material (modified by Nippon-IBR)

GOO-PIT: AUTO GARAGE SEARCH ENGINE

In the Advertisement business, the firm also offers both an online and mobile app search engine service, *Goo-pit*, for automobile garages, on which it services between garages and car owners are matched. The firm earns a monthly fee of ¥16,000 from the paying garages. Car owners who needs their cars serviced can search for nearby approved or appointed garages and sort them by the services they require on the *Goo-pit* app.

Differences between paying and non-paying garages are:

1. Amount of information available on the *Goo-pit* listings
2. Availability of a FREEPHONE number
3. Links with other e-commerce sites such as Amazon
4. Priority listing

According to the Ministry of Land, Infrastructure and Transport (MLIT), there are 92,044 garages in Japan. As of 1Q, the firm has 3,397 fee-paying garages (+15.5% YoY) and 7,824 non-fee paying garages listed on *Goo-pit*. From July 19, the garage booking service *Goo-pit Smart Booking* system has been added as one of the features.

The firm aims to become the leader in the online garage booking service. Winners in the market for services such as online booking for hotels and golf clubs are those that had first mover advantage. The firm would like to establish itself as the front runner in the garage booking market – ensuring it makes the first move in this field – because once the position is established, the barrier to entry is high. Proto reckons that the online reviews on garages gathered on *Goo-pit* is the largest in the market. The number of unique users per month reached 2.4mil in FY18 but management believes there is still upside for growth given *Goo-net* has stabilised with 10mil unique users per month.

It soft-launched the online booking service for *Goo-pit*. The firm plans to roll out the full-fledged online booking service from Oct 19 – for the garage booking service – charging per transaction on top of the monthly subscription fee to the garages that are currently paying the monthly fee. The advertisement business of *Goo-pit* is expected to become profitable in FY19. As for the online booking system, the firm will continue to make upfront investments in FY19, therefore, it is still expected to remain loss making.

Information & Service : The Next Growth Pillar

DATALINE SALESGUIDE (DLSG): A NEW CAR SALES SUPPORT SOLUTION

DataLine SalesGuide (DLSG) is a digital sales support solution that the firm provides to new car dealers.

The uniqueness of the Japanese car market is that circa 2/3rds of the annual car sales are new cars and 1/3rd are used cars. New car dealers are mostly affiliated to specific automakers. However, customers who come to buy new cars at dealerships are often looking to trade-in their existing car, therefore, dealers affiliated to specific automakers are not well equipped to assess the value of other makers' cars to be traded in.

Proto's solution – the *DLSG* platform – provides the sales staff information to offer customers an accurate trade-in value which can be readily shown on a tablet. By being able to promptly provide a fair trade-in price, dealers can improve their success rate of new car sales. The firm's *DLSG* solution was developed based on a vast amount of used car information built up over years in the ***Goo-net*** business and **provides evaluation capabilities** across the board, **for any model and any brand** – unlike its rival who are limited to providing information on cars solely from their affiliated automaker.

CY18 new car sales in Japan were 5.27mil units (+0.7% YoY). Registered vehicle sales units were down 1.3% YoY to 3.35mil units, which was offset by stable increase in mini car sales, 1.92mil units (+4.4% YoY). Due to sluggish sales growth overall, car dealers are eager to improve their productivity. Furthermore, changes in the work environment, such as the Work-Style Reform, also encourages the sales personnel in dealerships to improve their productivity. Since car sales is labour-intensive and customer service-related tasks tend to be concentrated on the weekends, it is of paramount importance for the sales staff to achieve success in selling cars within the limited time

frame – i.e. while the buyers are visiting the dealership. *DLSG* seems to appeal to those dealers eager to improve their sales efficiency.

As of 1Q FY19, 5,462 dealers out of a targeted 14,670 dealers have subscribed to the *DLSG* service. Proto's market share in the new car market reached 37.2% compared to 20.3% back in FY15 (year to March 16). The firm aims to further boost the sales from *DLSG* by increasing the service options, such as to include the *Trade-in Proposal* service (since the introduction of the service in March 19, 950 dealers have already subscribed for the option) and an AI-based evaluation service (which is even more precise because of more data reflected on the solution), as well as increasing new customers / subscribers. New car dealerships are typically much larger in size and scale, and financially sound, compared to used car dealerships. The firm's FY22 goal is to achieve ¥100,000/month per dealer in this business by adding several new services, compared to the current ¥11,000~30,000/month.

The *DLSG* earns most of the Information & Service segment sales, which was ¥1,259mil (+0.3% YoY).

DATALINE SALESGUIDE PLATFORM – THE MARKETS UNDER TARGET



※1 & 2 Estimates by Proto Corporation
Source: Proto Corporation Medium-Term Plan Presentation

Merchandise Sales Tyre and Wheel eCommerce Business

In the Merchandise Sales business, the firm sells car accessories, mainly imported tyres and wheels via e-commerce channels. The business started through the acquisition of two car accessories e-commerce merchants, Autoway Loop (acquired in 2013) and Tyre World Best (acquired in 2015), in addition to Proto's own EC (e-commerce business). Its direct customers are consumers. The comparative company for this business is Delticom AG (DEX GR) in Germany.

The segment reported revenues of ¥6,798mil (-13.5% YoY) in FY19 1Q and generated a GPM of ca. 18%. In FY18, ¥18,200mil (39%) of the ¥29,847mil in sales came from tyres and wheels. Since the firm carries inventory, profitability is lower in this business, however, OP moved to the black in FY18.

The uniqueness of its business lies in the fact that it imports and sells so-called Asian tyres (made in countries such as Korea, Taiwan, Indonesia and China) in Japan. The Japanese tyre makers have a vertically integrated value chain; therefore, the retail price is well controlled for the manufacturers. After-market tyres are split into two markets based on price – premium and low cost. The low cost tyre market has been growing at CAGR 10% for the past 10 years while the entire tyre sales has been flat at around 52 million units over that period. The firm's imported Asian tyres have proven quality – it imports tyres from makers such as Hyundai Motors' OEM tyre suppliers and subcontractors of Bridgestone. Asian tyres typically cost consumers ¥4,000/tyre plus labour cost (ca. ¥2,000~3,000/job), compared to ¥7,000~8,000/tyre plus the same labour cost in Japan.

The firm sells ca. 55% of tyres and wheels (on the unit basis) to used car dealers, garages, petrol stations and tyre fitting retailers. For used car dealers and garages, the cost to procure tyres and wheels is the second largest cost item. Since Proto already does business with many used car dealers and garages through *Goo-net* and *Goo-pit*, this business offers good synergies.

In addition to tyres, wheels and the other car accessories, the firm exports used cars that could not be sold by its customers in Japan. It is basically a Brokerage Business; hence the firm makes little margin on used car exports. Almost all profit from the segment is earned from tyres and wheel sales.

Other Businesses

Proto also engages with information business in the non-automobile fields, what it calls The Life Information. For example, in the Cultural Information business that offers information on training for various licenses, skills, hobbies and lessons on a platform called *Goo-School*. As in the automobile information business, it offers a platform on which users can find the information they want. The fee is paid by the advertising clients.

In the Real Estate Information business, the firm's subsidiary Proto Solution publishes a real estate information magazine *Goo-Home* which specialises in providing details on property lettings and sales in Okinawa. The firm receives fees for advertising properties as well as for data input, design and web solution.

In the Medical and Nursing Care field, another subsidiary Proto Medical Care operates a nursing portal site, publishes a guidebook for nursing insurance, job information and nursing staff dispatching services.

The Life Information business earned ¥14 million (+27.3% YoY) OP on ¥1,044 million sales (-3.8% YoY).

Proto also has a real estate division that generates ¥47 million (-3.5% YoY) OP on ¥46 million sales (-2% YoY).

Financials

FY19

Proto reported FY19 IQ results on 31 July – OP hit ¥1,448 million (+14.6% YoY) on sales of ¥14,698 million (-7.1% YoY). The YoY decline in sales came from used car export sales at King Auto – a used car exporting subsidiary – due to import restrictions in Sri Lanka, and the withdrawal of the Bike Bros business (included in both Merchandise Sales and Advertisement). However, the closure of Bike Bros did result in a reduction in SG&A by almost ¥134 million. OP overshot the initial guidance by ¥388 million (36.6% above the forecast).

Of the ¥185 million YoY increase in IQ OP, ¥169 million came from a better performance at the parent OP. Parent businesses such as *MOTOR GATE* (*Goo-net*), *Goo-pit* and *DLSG* all reported an improvement in customer numbers. For example, in the Used Car Domain, *MOTOR GATE* / *Goo-Net* customer numbers went up 0.4% YoY to 14,128 dealers. *Goo-Pit*'s fee-paying customers rose 15.5% YoY to 3,397 garages. In the New Car Domain, *DLSG* subscribers rose 9.4% YoY to 5,462 dealerships. Moreover, new services – such as *MOTOR GATE Calendar* and *DLSG Trade-in Proposal Document* service – added to the existing platforms contributed to OP growth.

Proto is guiding for of OP of ¥2,105mil (-5.1% YoY) on sales of ¥29,516mil (-3.5% YoY) for 1H and OP ¥4,916mil (+7.7% YoY) on sales ¥62,431mil (+0.3% YoY) for the full year. The YoY drop in 1H sales was expected because of the withdrawal from the unprofitable Bike Bros business while negative growth estimated in OP was because the firm anticipated increase in logistics cost of imported tyres. The firm announced an upward revision at the net profit level for both the 1H and FY19 due to an extraordinary profit (¥1,238mil) from the sale of fixed assets (offices in Tokyo) prior to move to the new Tokyo HQ. Although 1Q OP overshoot the initial forecast and achieved 69% of 1H guidance (29% of the full-year OP guidance), the firm has maintained the original earnings estimates for both 1H and full-year because it plans to spend on advertising in 2Q.

Sales and OP by Segment: Proto Corporation (4298)

(¥mil)		FY15	FY16	FY17	1Q	FY18	1Q	YoY (%)	FY19CE	YoY (%)
Automobile-related information	Sales	49,486	51,025	56,100	14,303	56,167	13,254	-7.3	56,293	0.2
	Advertisement	21,006	21,231	21,618	5,187	21,278	5,192	0.1	21,639	1.7
	Info & Service	5,087	4,893	5,053	1,255	5,053	1,212	-3.4	5,074	0.4
	Merchandise Sales	23,392	24,899	29,429	7,860	29,429	6,849	-12.9	29,579	0.5
	OP	5,277	3,939	4,933	1,554	5,758	1,793	15.4	6,524	13.3
	OPM (%)	10.7	7.7	8.8	10.9	10.3	13.5	+2.6ppt	11.6	+1.3ppt
Life-Related Information	Sales	3,467	4,236	4,370	1,085	4,335	1,044	-3.8	4,331	-0.1
	OP	307	478	370	71	249	51	-28.2	138	-44.6
	OPM (%)	8.9	11.3	8.5	6.5	5.7	4.9	-1.6ppt	3.2	-2.5ppt
Real Estate	Sales	162	187	213	108	195	105	-2.8	137	-29.7
	OP	109	147	170	48	193	47	-2.1	34	-82.4
	OPM (%)	67.3	78.6	79.8	44.4	99.0	44.8	+0.4ppt	24.8	-74.2ppt
Others	Sales	1,182	1,268	1,426	537	1,553	612	14.0	1,668	7.4
	OP	-66	-136	-71	11	57	14	27.3	36	-36.8
	OPM (%)	n/a	n/a	n/a	2.0	3.7	2.3	+0.3ppt	2.2	-1.5ppt
Total (adjusted)	Sales	54,297	56,717	62,111	15,816	62,251	14,698	-7.1	62,431	0.3
	OP	4,071	2,795	3,674	1,263	4,565	1,448	14.6	4,916	7.7
	OPM (%)	7.5	4.9	5.9	8.0	7.3	9.9	+1.9ppt	7.9	+0.2ppt

Source: Nippon-IBR based on data available on Nikkei Value Search

MEDIUM-TERM MANAGEMENT PLAN (FY19 – 21)

This year is the first year of the new medium-term management plan (FY19~FY21). The firm aims to achieve CAGR 6.4% in sales and 9.4% in OP respectively, compared to ¥238mil sales and ¥45.6mil OP achieved in FY18. The firm also plans to achieve an EPS of ¥100 and ROE of 12% or more in the final year of the plan (FY21, ending March 22).

The plan is based on a slower rate of growth assumed in the core *MOTOR GATE / Goo-net* business as the market is already an oligopoly, with Proto enjoying a 43% market share. The firm is guiding for CAGR of 4% in the *MOTOR GATE / Goo-net* business, yet by the end of the 3-year plan, Proto is looking to increase its market share to 48% and plans to further improve profitability.

Over the next three years, Proto will work towards completely winding down the physical publication of *Goo Magazine* (less than 1% of the Advertisement revenue) and only offer it in digital format via *Goo-net*. The benefits of this are two-fold. Firstly, hard magazine sales do not effectively provide much customer data for *MOTOR GATE*, and secondly, it will reduce SG&A by some ¥1,000mil – essentially the cost of paper that it pays to Tokyo Pulp & Paper Corporation. The firm is shifting the advertisement business from one with 3 sources of revenue (advertisement + publication sales + subscription for the system usage) to that with 2 sources (advertisement + subscription for the system usage).

Goo-pit's assumed CAGR is a healthy 15% over the course of the plan. The firm has two clear goals; 1) to establish an online booking service for auto garages that can be accessed via the internet (online) or mobile app; 2) to increase advertisement fee-paying customers from the current 3.7% of total 92,044 garages to 4.5%. Longer term, the firm would like to reach 10,000 fee-paying customers.

Proto's CAGR assumption for *DataLine Sales Guide* during the 3-year plan is 4.6% and aims to expand the customer base to 6,200 stores, giving the firm a 42% market share based on numbers of dealer stores. Due to lacklustre growth in new car sales in Japan, it is unlikely that the dealership numbers will increase much in the future. Still, the market size of the new car sales is as large as ¥10trn per annum, according to Proto's estimate. The firm's strategy is to raise the number of customers as well as the monthly fee paid by the existing customers by offering multiple sales support solutions on the *DLSG* platform, such as sales support, trade-in evaluations (estimated market size of ¥2trn, targeted by *DataLine AI* assessment service), support and assistance, in an effort to draw in customers. The firm wants to make the *DLSG* platform the next pillar of profit generation.

The firm plans to pay out ¥27.5/share dividend in FY19 but has not disclosed plans for the next 2 years. Its shareholder return policy is to pay a continuous and stable dividend but also to retain funds for growth. For FY19, the dividend pay-out ratio is ca. 24.5% and includes a commemorative dividend ¥2.5/share (note the 1:2 stock split on 1 July 2019). Excluding the special dividend, FY19 dividend growth would be flat YoY.

Important risks that can affect the firm's growth strategy could be considered below;

1. Risks associated with M&A – since a part of the firm's growth was achieved through M&A and there may be more M&A, there is always an impairment risk.
2. Regulatory headwinds – as observed in the used car export subsidiary King's Auto, any change in regulation related to the automobile distribution could affect its growth strategy
3. Risks in handling individuals' data – the firm pays extra attention on data security, however, if there were any leak of such information, the firm's reputation and trust could be damaged.

Corporate Governance

The firm has 15 BoD members (9 directors and 6 auditors). It has 2 independent external directors (both female). In addition, the firm appoints 4 external auditors. One management risk that the firm acknowledges is the lack of successor to the founder and the current chairman Mr. Yokoyama, and the Board continues to discuss the best practice to detail out the successor plan.

At the last AGM held in June 19, apart from a vote against the proposal to pay retirement bonus to a retiring full-time statutory auditor who had been serving to the firm since June 2011, though the firm did not disclose how much the retirement bonus will be (left to be discussed and agreed by the Board of Auditors), all of Proto's plans were approved..

Financial Summary

Proto Corporation (4298)

(¥mil)	2016/03	2017/03	2018/03	1Q	2019/03	1Q	2020/03
Sales	54,297	56,717	62,111	15,816	62,251	14,698	62,431
Operating Profit	4,071	2,795	3,674	1,263	4,565	1,448	4,916
Recurring Profit	4,190	2,883	3,735	1,421	5,004	1,436	4,942
Net Profit	-390	1,506	519	914	3,159	1,035	4,512
EPS (JPY)	-19.28	75.02	25.89	45.61	157.51	-	112.49
Adjusted EPS (JPY)	-	-	-	-	-	-	-
Cash flow from operation (CFO)	3,523	3,179	3,999	1,304	3,807	1,180	-
Cash flow from investment (CFI)	-3,373	-1,197	-1,576	-315	-1,352	-1,154	-
Cash flow from finance (CFF)	-839	-886	898	-1,481	-2,846	-979	-
Cash and cash equivalent	11,286	12,383	15,729	15,242	15,356	14,402	-
Free cash flow (FCF)	150	1,982	2,423	989	2,455	26	-
CFO per share (JPY)	173.98	158.29	199.37	260.04	189.80	225.41	-
FCF per share (JPY)	7.41	98.69	120.80	197.22	122.39	4.97	-
Total asset	40,885	41,934	44,393	43,213	43,879	43,751	-
Liabilities	14,884	15,533	18,416	16,819	15,850	15,227	-
Net asset	26,001	26,401	25,977	26,393	28,029	28,524	-
Capital	1,824	1,824	1,824	1,824	1,824	1,824	-
Shareholders' equity	26,001	26,401	25,948	26,364	27,995	28,497	-
BPS (JPY)	1,286.93	1,316.22	1,293.62	-	1,395.69	-	-
OPM (%)	7.50	4.93	5.92	7.99	7.33	9.85	7.87
ROE (%)	-1.45	5.75	1.98	13.98	11.71	14.66	-
ROA (%)	9.84	6.73	8.50	11.55	10.32	13.22	-
Shareholders Equity Ratio (%)	63.60	62.96	58.45	61.01	63.80	65.13	-
D/E ratio (%)	57.24	58.83	70.97	63.80	56.62	53.43	-
Total asset turnover (X)	1.31	1.37	1.44	1.44	1.41	1.34	-
Interest coverage (x)	89.11	68.59	127.03	180.71	169.33	289.60	-
Current ratio (%)	186.98	187.94	171.44	180.81	193.00	190.66	-
Interest-bearing debt	6,617	6,678	8,589	7,613	6,799	6,330	-
EBIT	4,236	2,924	3,764	1,428	5,031	1,441	-
EBIT Margin (%)	7.80	5.16	6.06	9.03	8.08	9.80	-
EBITDA	5,282	4,036	4,852	1,680	5,947	1,645	6,255
EBITDA margin (%)	9.73	7.12	7.81	10.62	9.55	11.19	10.02
Dividend (JPY)	39.00	50.00	50.00	-	50.00	-	27.50
Total dividend payment from retained earnings	787	1,002	1,002	-	1,002	-	1,002
Dividend pay-out ratio (%)	-	66.60	193.10	-	31.70	-	24.45
DOE (%)	2.90	3.80	3.80	-	3.70	-	-
Shares outstanding (shares)	20,940,000	20,940,000	20,940,000	20,940,000	20,940,000	20,940,000	41,880,000
Treasury (shares)	735,930	881,430	881,530	881,530	881,530	-	-

Source: Nikkei Value Search

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