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ASTRIS CORPORATE ADVISORY JAPAN

AS ONE (7476)

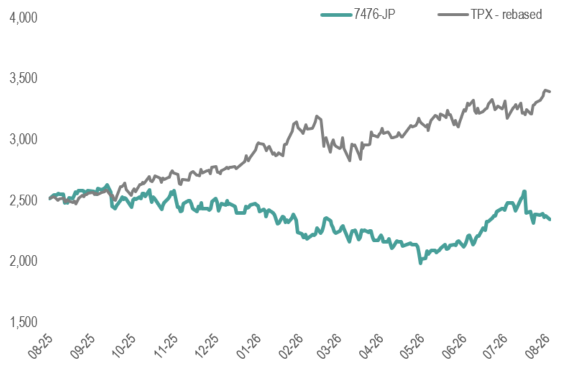
Resilient supply chain, durable margins

18 August 2026

Q1 FY3/27 results update

- **Solid execution amid a supply chain crunch –** AS ONE flexed its procurement muscles and kept plastic consumables on the shelf through a geopolitics-driven shortage, which allowed them to capture a rapid ramp in customer demand, improving engagement with existing customers and drawing in new customers. Higher input costs were passed through to customers in a timely manner and demonstrating gross margin durability, which we believe matters more than the record earnings. We note particular strength in the Industrial segment, where AS ONE benefited from semiconductor sector demand for cleanroom consumables. Importantly, we view this as an encouraging signal for future growth as new fabs come online after the current wave of capex and provide AS ONE a long tail of recurring revenue from cleanroom supply sales.

Share price: ¥2,359 Market cap: ¥168.1bn



Source: Bloomberg

Supply chain resilience drove record Q1

- **Record Q1 results across every key financial metric –** AS ONE delivered Q1 FY3/27 net sales of ¥30.0bn (+17.0% YoY), gross profit of ¥9.27bn (+17.6% YoY), operating profit of ¥3.98bn (+27.3% YoY), ordinary profit of ¥4.14bn (+26.3% YoY) and EPS of ¥40.04 (+25.9% YoY), all reaching new Q1 record. Operating margin of 13.3% (+110bp YoY) is also a record, with operating profit growth well ahead of revenue growth and demonstrating the operating leverage in its model. All three divisions grew double digits, led by Industrial at +18.5% YoY on semiconductor-related cleanroom demand, with Scientific +17.3% and Medical +14.2%. Gross margin rose +20bp YoY to 30.9% despite higher procurement costs, the SG&A ratio improved -90bp to 17.6%, and e-commerce sales grew +28.2% YoY to ¥11.17bn, or 37.2% of consolidated sales.
- **Tender offer for own shares at a 10% discount –** AS ONE will acquire up to 2,750,100 shares, or 3.86% of shares outstanding, at ¥2,151, in response to Iuchi Seieido's intention to sell down 2,500,000 shares. AS ONE estimates the buyback adds ¥2.2 to FY3/27 EPS and +40bp to ROE.
- **Valuations –** On our earnings estimates, the shares are trading on an estimated PER FY3/27 of 18.7x (on -2.0% EPS growth YoY) and a free cash flow yield of 6.8%.

Year-end	3/25	3/26	3/27E	3/28E	3/29E
Sales (¥bn)	103.75	110.70	117.89	127.40	137.70
OP (¥bn)	11.59	12.84	12.97	14.65	15.70
NI (¥bn)	8.23	9.18	8.97	10.47	11.18
EPS (¥)	114.89	128.35	125.84	147.31	157.77
DPS (¥)	62.00	65.00	66.00	72.00	78.00
Sales growth YoY (%)	+8.6	+6.7	+6.5	+8.1	+8.1
OP growth YoY (%)	+11.1	+10.7	+1.0	+13.0	+7.1
NP growth YoY (%)	+9.7	+11.5	-2.3	+16.7	+6.8
EPS growth YoY (%)	+10.8	+11.7	-2.0	+17.1	+7.1
PER (x)	20.5	18.4	18.7	16.0	14.9
EV/EBITDA (x)	11.4	10.4	10.0	8.9	8.3
EV/Sales (x)	1.5	1.4	1.3	1.2	1.1
PBR (x)	2.5	2.4	2.2	2.0	1.8
ROE (%)	12.5	13.3	12.0	12.7	12.4
ROCE (%)	15.7	16.7	15.5	16.0	15.7
FCF yield (%)	4.5	2.2	6.8	4.6	5.0
Dividend yield (%)	2.6	2.8	2.8	3.1	3.3

Source: Company, Astris Advisory (estimates)

Price Performance

	YTD	1M	3M	12M
Abs (%)	-1.9	-5.0	+16.1	-7.4
Rel (%)	-23.4	-10.7	+7.9	-40.1

Company sector

Medical Distributors
Health Care Equipment & Suppliers (GICS)

Stock data

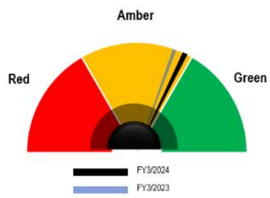
Price (¥)	2,359
Mkt cap (¥bn)	168.1
Mkt cap ($m)	1,055.2
52-week range (¥)	1,959 – 2,651.5
Shares O/S (m)	71.3
Average daily value ($m)	2.9
Free float (%)	78.6
Foreign shareholding (%)	35.4
Ticker	7476
Exchange	Tokyo Prime
Net Debt/Equity (x)	N/A
BBG BUY│HOLD│SELL	2│0│0

Source: Bloomberg

Business Overview

AS ONE is a wholesaler and distributor of equipment and consumable products used in the scientific and medical field.

Astris-Sustainability ESG rating



Reference Ratings	
MSCI	AA
Sustainalytics	16.9
Refinitiv	D+
S&P Global	74.0
Bloomberg	3.65
CDP	B

Next events

Q2 FY3/27 results 30 October 2026

Tel: +81 3 6868 8797
Email: Corporateresearch@astrisadvisory.com

This report has been commissioned and paid for by the company

Q1 FY3/27 results

Consolidated Results

AS ONE delivered Q1 FY3/27 EPS of ¥40.04 (+25.9% YoY), with net sales, operating profit, ordinary profit and net income all growing YoY to reach record Q1 highs. Customers stockpiling plastic consumables in response to the Middle East geopolitical tension were the primary driver of the strong growth.

Despite the strong Q1 results, AS ONE maintained its FY3/27 guidance and expects growth to moderate from current levels. AS ONE noted that customer purchasing patterns are normalizing based on recent monthly sales data and supply of plastic consumables is stabilizing and improving. On the other hand, the Company notes customers' R&D capex spend is ramping after initial disruptions related to Middle East tensions, which should benefit H2 FY3/27 performance.

Q1 FY3/27 operating profit was up +27.3% YoY on revenue growth of +17.0%, reflecting the operating leverage inherent in the business.

Key financials

(¥bn)	Q1 FY3/26	Q1 FY3/27	YoY (%)	FY3/27 Guidance	Progress vs guidance (%)
Sales	**25.64**	**30.00**	**+17.0**	**117.85**	**25.5**
Gross profit/(loss)	7.88	9.27	+17.6	35.68	26.0
Gross margins (%)	***30.7***	***30.9***	***+20bp***	***30.3***	**-**
SG&A costs	4.75	5.29	+11.3	22.78	23.2
Operating profit/(loss)	**3.13**	**3.98**	**+27.3**	**12.90**	**30.9**
Operating margins (%)	***12.2***	***13.3***	***+110bp***	***10.9***	**-**
Ordinary profit	3.28	4.14	+26.3	13.35	31.0
Net income	2.28	2.85	+25.2	8.97	31.8
EPS, basic (¥)	**31.81**	**40.04**	**+25.9**	**125.86**	**31.8**

Source: Company

Key highlights

The key takeaways for Q1 FY3/27 results were as follows:

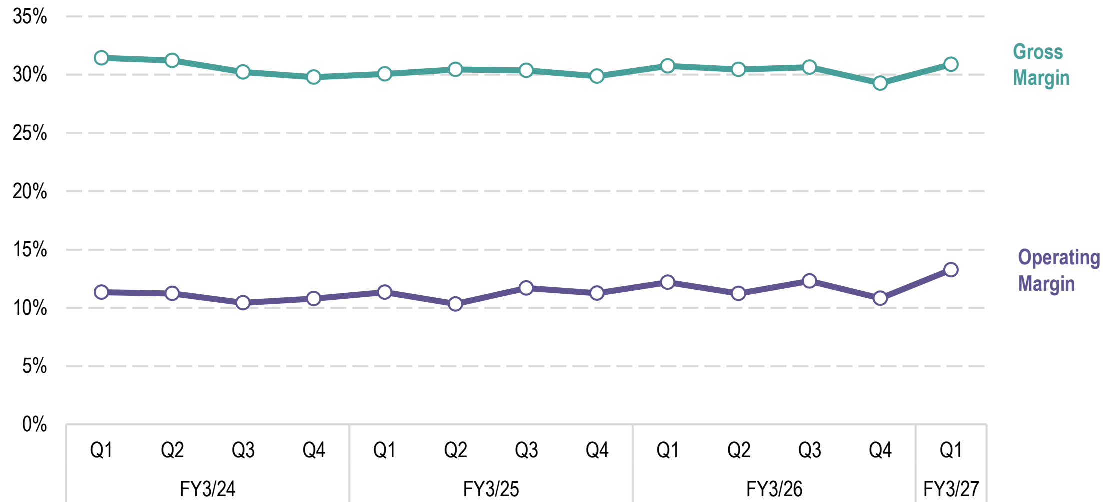
- **Q1 FY3/27 results demonstrated that AS ONE's customers prioritize availability and supply chain resilience over price.** AS ONE was able to fully pass through higher plastic consumables costs to customers in a timely matter, with AS ONE defending its ~30% gross margin despite the significant supply chain challenges. **We think this demonstrates the durability of AS ONE's margins, and the potential operating leverage upside in an inflationary environment.**

- **E-commerce sales grew +28.2% YoY to ¥11.17bn, reaching 37.2% of consolidated sales, up from 34.0% a year ago.** Ocean platform accounts rose +46.1% YoY to 675 and Ocean sales +25.9%, benefiting from increased customer engagement due to convenience and operational efficiency. Wave sales grew +30.6%, AXEL +26.5%, and EC sales to online retailers +30.7%. **Sales growth accelerated across every channel.**

- **AS ONE drew ¥5.0bn of new borrowings in the quarter, but remains in a net cash position of ¥14.9bn.** We think the borrowing is driven by AS ONE's ¥5.9bn tender offer.

Q1 FY3/27 operating margin of 13.3% is a record high, up +110bp YoY, with gross margin stable through Q1's supply chain shock

Quarterly consolidated gross margin and operating margin since FY3/24

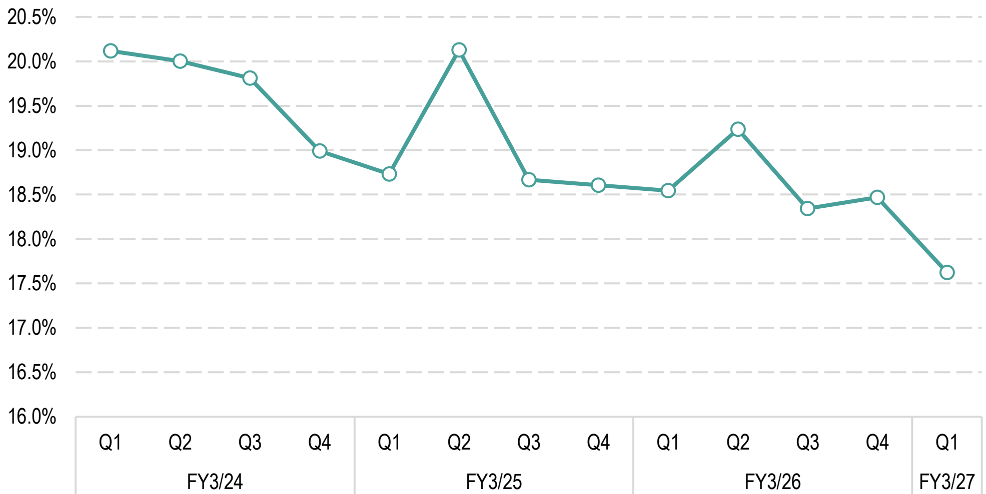


Source: Company

SG&A grew +11.3% YoY to ¥5.29bn and the SG&A ratio improved -90bp to 17.6%. Key expenses, such as logistics charges and personnel costs, grew slower than revenue except for "Other" expenses, which grew +20.3% YoY and is largely driven by server and cloud computing expenses and payment processing fees, which scales with e-commerce volume growth.

AS ONE's SG&A ratio continued to trend lower, improving QoQ to 17.6%, the lowest level in recent years

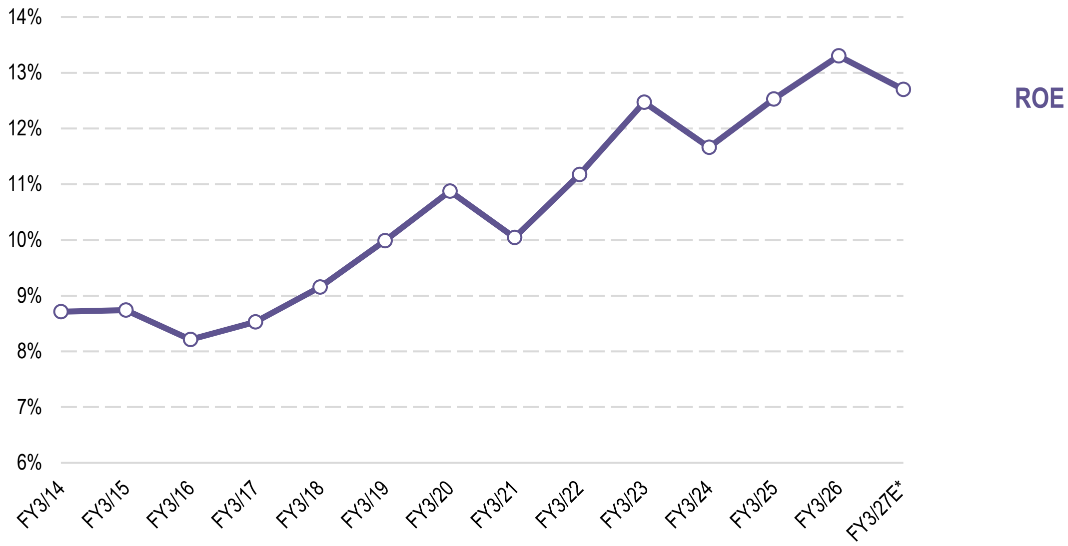
Quarterly consolidated SG&A ratio (lower is better) since FY3/24



Source: Company

Operating leverage was substantial in Q1, with operating profit up +27.3% YoY on revenue growth of +17.0%. Although **we expect AS ONE's SG&A ratio to trend higher in subsequent quarters as plastics consumable demand normalizes.**

AS ONE's FY3/27 ROE is expected to decline YoY, but the announced tender offer offsets half of that decline
Annual consolidated ROE since FY3/14



Note: FY3/27 ROE are AS ONE's forecasts following the completion of its announced tender offer
Source: Company, Astris Advisory

¥5.92bn share buyback via tender offer for own shares

On 7 August 2026, AS ONE announced a tender offer for up to 2,750,100 of its own shares, or 3.86% of shares outstanding, for a maximum of ¥5.92bn at ¥2,151 per share. **The price is a 10.0% discount to the ¥2,390 close on 6 August 2026.** The offer runs from 10 August to 7 September 2026, with settlement on 6 October, and is funded entirely from cash on the balance sheet, which has a net cash of ¥14.9bn.

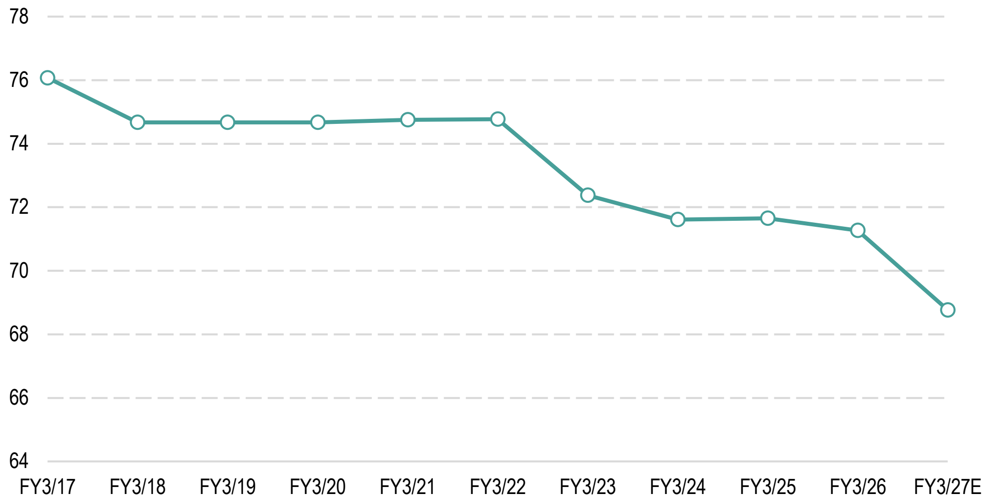
AS ONE announced the tender offer in response to Iuchi Seieido Co., Ltd., the founder family vehicle, notifying the Company of its intent to sell a meaningful portion of its shares. Subsequent to negotiations, **Iuchi Seieido Co., Ltd. has agreed to tender 2,500,000 shares,** reducing its ownership in the Company from 10.61% to 7.11%. Given the tender offer's 10% discount to the Company's share price on August 6, the Company does not expect other shareholders to participate in the tender offer.

We note that repurchasing 2.5mn shares at 10% below the market price transfers value to continuing shareholders. **At a ¥239 per share discount on 2.5mn shares, AS ONE retains approximately ¥0.60bn of value relative to a market purchase.** Following the completion of the tender offer, AS ONE's FY3/27 total return ratio is expected to be 112%, which we view as accelerated execution toward the medium-term plan's cumulative payout target of 60-75%. **Further, the Company estimates the share repurchase would contribute ¥2.2 to FY3/27 EPS and +40bp to ROE.**

We note that share buybacks have become a significant part of AS ONE's shareholder return program. **The Company has been consistently repurchasing shares and has reduced outstanding share counts by 8% (6.0mn shares) since FY3/22, including the tender offer.**

AS ONE has been quietly reducing its share count from 76.1mn to an expected 68.8mn following the completion of the tender offer

Shares issued net of shares held in treasury, split-adjusted, since FY3/17



Source: Company, Astris Advisory

Segment results

On a segmented basis, all three divisions accelerated in Q1, with Industrial the fastest growing and Medical delivering double-digit growth.

Revenue growth across all segments was helped by customers stockpiling plastic consumables, which has now moderated

Revenue per business segment (pre-elimination)

(¥bn)	FY3/26 Q1	FY3/27 Q1	YoY (%)	FY3/27 Guidance	Progress vs guidance (%)
Scientific	**15.87**	**18.61**	**+17.3**	**74.56**	**24.9**
Industrial	5.65	6.70	+18.5	25.58	26.2
Medical	3.98	4.54	+14.2	17.10	26.5
Other	0.14	0.15	+9.5	0.62	24.2

Source: Company

- **The Industrial segment posted Q1 sales of ¥6.70bn (+18.5% YoY).** In addition to stockpiling of plastic consumables, the Company highlighted a notable increase in demand from semiconductor customers, with cleanroom consumables performing strongly.

  We highlight that AS ONE's exposure to the Japanese semiconductor sector extends beyond device makers to semiconductor equipment manufacturers and counts the majority of Japan's semiconductor and WFE firms as customers. **Importantly, cleanroom consumable demand grows as new semiconductor fabs come into operation, which we believe provides AS ONE a long tail of recurring revenue as the current Japanese fab capex cycle completes.**

- **The Scientific segment reported Q1 sales of ¥18.61bn (+17.3% YoY),** as corporate R&D spending remained firm and helped by customers stockpiling essential plastic consumables in response to Middle East geopolitical tensions. AS ONE noted customers were receptive to pricing adjustments in response to higher costs, which is an encouraging sign on margin durability.

- **The Medical segment recorded Q1 sales of ¥4.54bn (+14.2% YoY),** a sharp turn from -8.9% in the same quarter last year, driven by a surge in orders for plastic medical gloves and related products. Despite the strong Q1 performance, AS ONE remains focused on delivering sustainable growth for the segment as purchasing patterns normalize.

AS ONE trades at a premium valuation vs domestic peers, which reflects its industry-leading margins, ROE, and consistency

Peer analysis of key profitability and valuation metrics

Ticker	Company	Mkt Cap US$ (mm)	Profitability OPM LTM (%)	OPM 10-yr average (%)	ROE LTM (%)	ROIC 10-yr average (%)	Valuation EV/EBITDA 12M Fwd (x)	EV/Sales 12M Fwd (x)	Div yield 12M Fwd (%)	PER 12M Fwd (x)	PBR (x)
7476 JP	**AS ONE Corporation**	**1,055**	**11.9**	**11.4**	**13.9**	**9.8**	**9.6**	**1.3**	**2.9**	**17.3**	**2.3**
Domestic companies											
7459 JP	MEDIPAL HOLDINGS	3,639	1.4	1.4	7.4	4.8	4.6	0.1	2.4	13.1	0.9
3360 JP	Ship Healthcare Holdings, Inc.	1,359	3.3	3.9	9.2	7.2	4.8	0.2	2.8	12.8	1.5
9987 JP	Suzuken Co., Ltd.	2,126	1.4	1.1	9.2	3.9	4.8	0.1	2.3	13.8	0.8
8129 JP	TOHO HOLDINGS CO., LTD.	1,570	1.0	1.1	6.3	4.1	6.7	0.1	4.8	20.5	0.9
3154 JP	Medius Holdings Co., Ltd.	109	0.6	0.7	4.6	2.7	-	-	-	-	0.8
3064 JP	MonotaRO Co., Ltd.	5,756	14.1	12.7	30.4	26.1	13.9	2.2	2.2	22.8	7.6
2678 JP	ASKUL Corporation	715	-4.7	1.9	-35.3	7.4	7.5	0.3	1.8	25.5	2.4
9830 JP	Trusco Nakayama Corporation	993	6.9	6.6	8.8	6.4	-	-	-	-	0.8
Median			**1.4**	**1.7**	**8.1**	**5.6**	**5.8**	**0.2**	**2.4**	**17.2**	**0.9**
Overseas companies											
TMO US	Thermo Fisher Scientific Inc.	217,518	19.1	18.8	13.5	9.1	19.7	5.2	0.3	22.2	4.1
AVTR US	Avantor, Inc.	9,239	8.2	9.6	-9.7	5.4	12.4	1.9	0.0	16.0	1.6
SRT GE	Sartorius AG	15,194	17.7	20.2	7.2	9.1	14.1	4.3	0.5	31.8	4.6
BRKR US	Bruker Corporation	8,791	8.5	14.2	-3.4	9.7	14.8	2.9	0.4	25.1	3.7
BNZL LN	Bunzl plc	11,999	6.4	6.2	17.2	9.8	9.4	0.9	2.9	14.8	3.2
GWW US	W.W. Grainger, Inc.	62,298	15.6	12.9	47.9	23.5	18.2	3.1	0.8	26.9	15.1
MSM US	MSC Industrial Direct Co., Inc.	6,915	8.8	11.8	16.6	14.4	13.7	1.7	2.9	23.0	4.9
GPC US	Genuine Parts Company	18,615	4.9	6.5	0.7	11.1	11.2	0.9	3.2	16.7	4.1
CDW US	CDW Corporation	17,430	7.2	6.8	44.0	16.5	10.2	0.9	1.9	12.1	7.2
Median			**8.5**	**11.8**	**13.5**	**9.8**	**13.7**	**1.9**	**0.8**	**22.2**	**4.1**

Source: FactSet, Bloomberg, Astris Advisory
Note: LTM is the last 12 months

Astris earnings estimates and key assumptions

We maintain our earnings estimates for FY3/27, FY3/28 and FY3/29, which reflects:

- Q1 outperformance that we believe is largely attributable to a temporary spike in plastic consumables demand.
- Longer term growth that continues to be driven by sustained market share gain and product shelf expansion.
- Earnings growth and margin outlook that reflect AS ONE's established track record of financial and margin discipline.
- We have not factored in any M&A activity.

Astris Advisory earnings estimates

Year-end	FY3/27E	FY3/28E	FY3/29E
Scientific	74.59	80.93	87.81
Industrial	25.58	27.89	30.39
Medical	17.09	17.95	18.85
Other	0.62	0.63	0.64
Sales	**117.89**	**127.40**	**137.70**
Growth YoY (%)	+6.5	+8.1	+8.1
OP (¥bn)	**12.97**	**14.65**	**15.70**
OPM (%)	11.0	11.5	11.4
FCF (¥bn)	**11.50**	**7.76**	**8.45**
FCF margin (%)	9.8	6.1	6.1
FCF conversion (%)	88.2	51.5	52.5
FCF yield (%) (undiluted)	**6.9**	**4.6**	**5.1**
DPS (¥)	**66**	**72**	**78**
Dividend yield (%)	2.8	3.1	3.3

Source: Astris Advisory
Note: FCF conversion is FCF/Pre-tax Profit

The core assumptions of our estimates are as follows:

- **Sales growth** – We believe the Company will be able to sustain high single digit revenue growth in the medium term underpinned by an expanding product portfolio, increased e-commerce penetration, and investment into the dealer network to enhance market reach and customer retention.
- **Profitability** – We forecast AS ONE will see gradual expansion to 12% operating margin, reflecting the Company's deliberate strategy to balance profitability with ongoing investments in growth initiatives such as e-commerce expansion, private brand development, and logistics optimization.

Summary

AS ONE is a wholesaler and distributor of equipment and consumable products in the scientific and medical fields. The Company has a broad product catalogue, ranging from gloves and beakers to scientific freezers and electron microscopes. These are sold to end customers (universities, corporate R&D labs, and healthcare institutions) through a dealer model. AS ONE also has a growing portfolio of private brand products.

We view the Company as a royalty on Japan's scientific advancement. It rides on the secular trend of rising scientific R&D capex, as incremental gains in scientific advancement require increasingly complex equipment and instruments. The thesis is underpinned by the following:

- Accelerating growth in the high-end scientific equipment and instrument segments, signalling success in expanding into a new market segment;
- AS ONE's growth has consistently remained faster than and not correlated with Japan's R&D spend;
- Established track record of financial discipline, reflected in very stable margins and continuous investment in organic growth; and
- There is potential for growth to accelerate as e-commerce penetration and investment in logistics capabilities drive an increase in customer wallet share.

Further, we believe the Company is a high-quality franchise, demonstrating many of the characteristics outlined on our high-quality franchise checklist.

Astris Advisory estimates AS ONE will drive medium-term growth through:

- Steady sales growth underpinned by an expanding product portfolio, increased e-commerce penetration, and investment into logistics capabilities and automation to enhance market reach and customer retention; and
- Gradual expansion to a 12% operating margin, reflecting AS ONE's deliberate strategy to balance profitability with ongoing investments in growth initiatives such as e-commerce expansion, private brand development, and logistics optimization.

The shares are trading on an estimated PER FY3/27 of 18.7x (on -2.0% EPS growth YoY) and a free cash flow yield of 6.8%.

Company description

Overview

Since its founding 1933, AS ONE has focused solely on serving the scientific and medical industries

The Company was founded in 1933 as "Iuchi Seieido Shōho" by Seiichi Iuchi in Kita-ku, Osaka, which was then incorporated as Iuchi Seieido Co., Ltd. in 1962. Since the beginning, the Company has focused on the scientific and medical field, initially acting as a wholesaler of glass products for medical use. In time, the Company has become a leading wholesaler and distributor of medical and scientific products and equipment in Japan. The Company renamed itself from Iuchi Seieido to AS ONE in 2001.

AS ONE has digitalized its warehouse operations in 1990 and continues to invest in technology

In 1963, AS ONE started publishing catalogues of its products, which grew to become its primary sales channel and remains a hallmark of the Company. However, AS ONE recognized the importance of digitalization for its business and in 1990 implemented an integrated inventory, order processing, and warehouse management system, making it an early adopter of digital technology. In recent years, AS ONE has made a concerted effort to grow its e-commerce sales channel, which now accounts for 34.0% of revenue as of FY3/26.

AS ONE also provides ancillary services, such as equipment rental and equipment calibration, and sells certain, primarily consumable and general purpose instruments and tools, products under its own private brand and has made small acquisitions to grow its private brand product offering in recent years. Although currently not meaningfully contributing to earnings, AS ONE believes there is potential for significant growth for its services business in the longer term and to become a core earnings pillar.

Core business segments

AS ONE categorizes its business into three core segments:

Current segment details

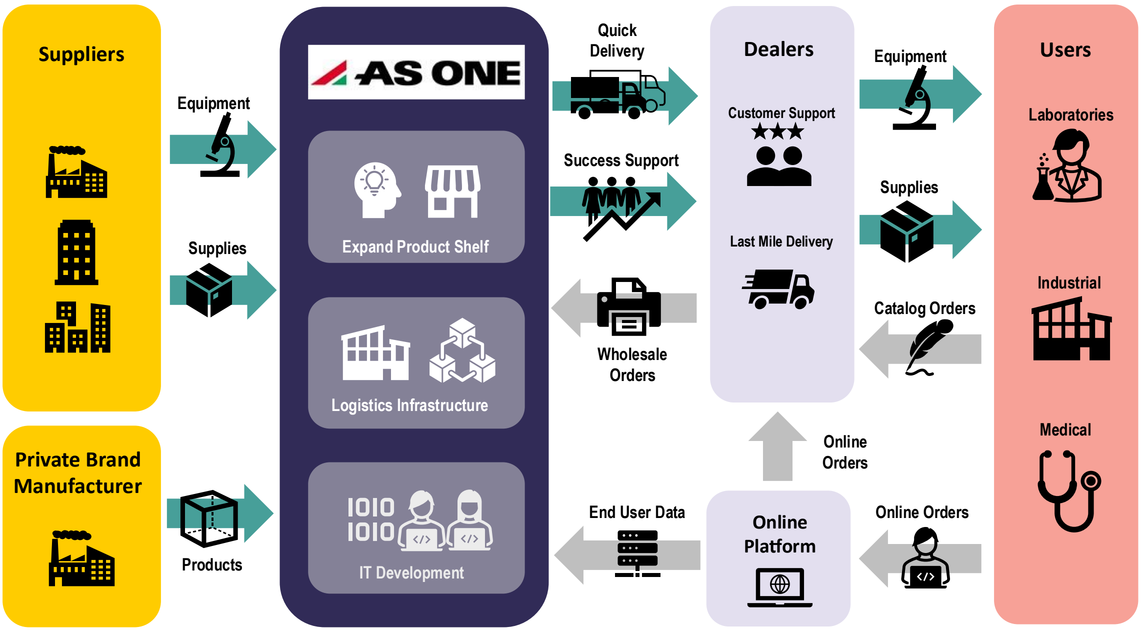
Business segment	Description	Products
Scientific	Sales of scientific equipment and supplies via retailers to universities, corporate R&D departments, and other STEM-related research institutions.	- General-purpose research equipment (eg, stirrers, temperature control devices) - Analytical instruments - Scientific measuring instruments - Beakers, flasks, pipettes - Safety protective equipment - Cleanroom supplies
Industrial	Sales of scientific equipment and supplies via retailers to the manufacturing department within manufacturing companies in the semiconductor, chemical, machinery, food products, and other STEM-related sectors.	- Same as above, AS ONE offers the same broad catalogue to all customers.
Medical	Sales of medical and scientific supplies via retailers to hospitals, clinics, nursing homes and other medical institutions.	- Thermometer and other consumables - Storage cabinets and workbenches - Medication carts - Nursing chairs and tables - Medical diagnostic equipment and supplies

Source: Company

We note that although the Company segments its business based on the end user of the products, the Company does not directly sell products to the end user and instead sells its products to a retailer that caters to customers in the specific segment.

AS ONE has strategically involved Dealers in its workflow

High-level workflow overview



Source: Company, Astris Advisory

JGAAP Financial Summary

Income statement (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Sales	**103.75**	**110.70**	**117.89**	**127.40**	**137.70**
COGS	(72.44)	(77.23)	(82.17)	(88.67)	(95.70)
Gross profit	**31.32**	**33.47**	**35.72**	**38.73**	**42.00**
Gross profit margin (%)	30.2	30.2	30.3	30.4	30.5
Operating profit	**11.59**	**12.84**	**12.97**	**14.65**	**15.70**
OP margin (%)	11.2	11.6	11.0	11.5	11.4
Non-operating income	0.71	0.75	0.72	0.73	0.72
Non-operating expenses	(0.23)	(0.36)	(0.35)	(0.31)	(0.33)
Pre-tax profit	**11.83**	**13.18**	**13.04**	**15.06**	**16.09**
Tax	(3.60)	(4.00)	(4.07)	(4.59)	(4.91)
Effective tax rate (%)	30.4	30.4	30.5	30.5	30.5
Net income	**8.23**	**9.18**	**8.97**	**10.47**	**11.18**
Non-controlling NI	-	-	-	-	-
Parent attributable NI	**8.23**	**9.18**	**8.97**	**10.47**	**11.18**
Sales growth YoY (%)	+8.6	+6.7	+6.5	+8.1	+8.1
OP growth YoY (%)	+11.1	+10.7	+1.0	+13.0	+7.1
Pre-tax profit YoY (%)	+9.3	+11.5	-1.1	+15.6	+6.8
NI growth YoY (%)	+9.7	+11.5	-2.3	+16.7	+6.8

Cash flow statement (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Profit before tax	**11.83**	**13.18**	**13.04**	**15.06**	**16.09**
Depreciation/amortization	1.80	1.83	2.36	2.55	2.75
Changes in working capital	(1.33)	(5.07)	1.67	(2.25)	(2.49)
Other non-cash items	0.17	0.50	-	-	-
Tax paid	(3.16)	(3.98)	(4.07)	(4.59)	(4.91)
Cash from Operating Activities	**9.31**	**6.47**	**13.00**	**10.76**	**11.45**
capex	(1.78)	(2.75)	(1.50)	(3.00)	(3.00)
Acquisitions/increase stakes	-	-	-	-	-
Other investing cash flow	2.63	0.28	0.99	1.30	1.15
Cash from Investing Activities	**0.85**	**(2.47)**	**(0.51)**	**(1.70)**	**(1.85)**
Total cash dividends paid	(4.23)	(4.67)	(4.70)	(5.12)	(5.53)
Debt issuance/(retirement)	3.59	(2.44)	-	-	-
Equity financing/(buybacks)	-	(1.25)	-	(0.50)	(0.50)
Other	(0.01)	0.30	0.30	0.30	0.30
Cash from Financing Activities	**(0.66)**	**(8.06)**	**(4.40)**	**(5.32)**	**(5.73)**
FX impact	0.12	0.02	0.07	0.07	0.07
Net cash flow	**9.62**	**(4.04)**	**8.16**	**3.82**	**3.93**
Free cash flow	**7.53**	**3.72**	**11.50**	**7.76**	**8.45**
EBITDA	**13.39**	**14.66**	**15.33**	**17.20**	**18.45**
EBITDA margins (%)	12.9	13.2	13.0	13.5	13.4
Free cash flow margin (%)	7.3	3.4	9.8	6.1	6.1
Free cash flow conversion (%)	63.6	28.2	88.2	51.5	52.5
capex/sales (%)	1.7	2.5	1.3	2.4	2.2
capex/depreciation (%)	99.0	150.7	63.6	117.7	108.9
CFO margin (%)	9.0	5.8	11.0	8.4	8.3

Balance sheet (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Cash & equivalents	22.57	20.04	28.19	32.01	35.94
Marketable securities	11.72	12.07	13.37	14.44	15.61
Accounts receivables	34.55	37.93	44.00	47.55	51.40
Other	1.12	2.98	1.91	2.07	2.24
Current assets	**69.96**	**73.02**	**87.48**	**96.08**	**105.19**
Tangible assets	8.17	10.47	10.75	11.74	12.69
Goodwill	-	-	-	-	-
Intangible assets	1.59	1.72	1.99	2.98	3.93
Investment	19.12	17.21	17.21	17.21	17.21
Other	1.31	-	-	-	-
Fixed assets	**30.18**	**29.40**	**29.95**	**31.93**	**33.83**
Total assets	**100.14**	**102.42**	**117.43**	**128.01**	**139.02**
Short term borrowing	2.44	2.12	2.12	2.12	2.12
Trade creditors	18.32	16.96	25.34	27.35	29.51
Other	5.74	6.68	6.27	6.80	7.32
Current liabilities	**26.49**	**25.76**	**33.74**	**36.27**	**38.96**
Long term borrowing	4.75	2.63	2.63	2.63	2.63
Other LT liabilities	2.18	2.85	2.85	2.85	2.85
Long term liabilities	**6.94**	**5.48**	**5.48**	**5.48**	**5.48**
Shareholder's equity	**66.60**	**71.07**	**78.11**	**86.16**	**94.48**
Share acquisitions rights	0.11	0.11	0.11	0.11	0.11
Non-controlling interests	-	-	-	-	-
Total net assets	**66.71**	**71.18**	**78.22**	**86.27**	**94.59**
Total liabilities & net assets	**100.14**	**102.42**	**117.43**	**128.01**	**139.02**

Key metrics	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Profitability					
Gross margin (%)	30.2	30.2	30.3	30.4	30.5
Operating margin (%)	11.2	11.6	11.0	11.5	11.4
Net margin (%)	7.9	8.3	7.6	8.2	8.1
ROA (%)	8.4	9.1	8.2	8.5	8.4
ROE (%)	12.5	13.3	12.0	12.7	12.4
ROCE (%)	15.7	16.7	15.5	16.0	15.7
ROIC (%)	11.4	11.5	11.5	11.7	11.5
Liquidity					
Current ratio (x)	2.6	2.8	2.6	2.6	2.7
Quick ratio (x)	2.2	2.4	2.2	2.3	2.3
Leverage					
Debt/Equity ratio (x)	0.1	0.1	0.1	0.1	0.1
Net Debt/Equity ratio (x)	net cash	net cash	net cash	net cash	net cash
Equity ratio (x)	0.7	0.7	0.7	0.7	0.7
Interest cover (x)	N/A	347.0	272.9	308.3	330.3
Net Debt/EBITDA (x)	N/A	N/A	N/A	N/A	N/A
Valuation					
EPS reported (¥)	114.9	128.4	125.8	147.3	157.8
PER (x)	**20.5**	**18.4**	**18.7**	**16.0**	**14.9**
Diluted PER (x)	**20.6**	**18.4**	**18.8**	**16.0**	**15.0**
DPS (¥)	62.0	65.0	66.0	72.0	78.0
Dividend payout ratio (%)	54.0	50.6	52.4	48.9	49.4
Dividend yield (%)	**2.6**	**2.8**	**2.8**	**3.1**	**3.3**
Total shareholder return (%)	**2.6**	**3.5**	**2.8**	**3.4**	**3.6**
Free cash flow yield (%)	**4.5**	**2.2**	**6.8**	**4.6**	**5.0**
Diluted free cash flow yield (%)	**4.5**	**2.2**	**6.8**	**4.6**	**5.0**
PBR (x)	**2.5**	**2.4**	**2.2**	**2.0**	**1.8**
EV/sales (x)	1.5	1.4	1.3	1.2	1.1
EV/EBITDA (x)	11.4	10.4	10.0	8.9	8.3
EV/EBIT (x)	13.2	11.9	11.8	10.4	9.7
EV/FCF (x)	20.3	41.0	13.3	19.6	18.1

Source: Company, Astris Advisory (estimates)

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