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ASTRIS CORPORATE ADVISORY JAPAN

Itoki (7972)

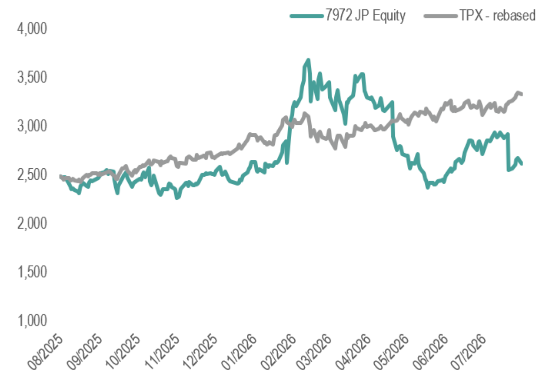
Solid execution will be key

17 August 2026

Q2 FY12/26 results update

- **Positive traction at Dalton** – Q1-2 FY12/26 results were somewhat softer than expected, with sales and OP up 8.9% and 9.5% YoY, respectively. The Workplace segment recorded a temporary margin dip owing to a higher allocation of shared corporate expenses, primarily ERP integration, DX/R&D (Office 3.0), and logistics. In contrast, the Equipment segment, anchored by Dalton, delivered a positive earnings surprise, with OP +43.1% YoY, driven by robust demand across research facilities and semiconductor-related solutions. Structural tailwinds in human capital investment continue to expand the addressable market and margin headroom for the Workplace segment. Itoki's strategy aligns with its MTP, but sustained execution is key.

Share price: ¥2,620 **Market cap: ¥139.9bn**



Source: Bloomberg

Tracking well versus FY OP

- **Expecting a stronger Workplace segment in H2 FY12/26** – Driven by favorable seasonality, a robust project pipeline growing 109% YoY, and the realization of July price increases starting in Q4 FY12/26, we expect momentum in Itoki's Workplace business to accelerate in H2. Having already achieved 72.7% of its FY OP guidance in H1, visibility on reaching FY targets remains high. We maintain our FY12/26–FY12/28 estimates while monitoring execution ahead of the upcoming Medium-Term Management Plan (MTP) announcement.
- **Valuations** – On our earnings estimates, the shares are trading on a PER FY12/27 of 9.9x, FCF yield of 6.9%, dividend yield of 4.0%, and at a PBR of 1.8x. On the back of a strengthening track record, an increasing DOE, and a favorable shift in the sales mix, we see the shares as undervalued, with clear potential for a re-rating as the company's transformation progresses.

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Year-end	12/24	12/25	12/26E	12/27E	12/28E
Sales (¥bn)	138.46	153.68	169.72	185.63	203.08
OP (¥bn)	10.08	13.69	16.92	19.49	21.93
NI (¥bn)	7.18	9.38	11.59	13.10	14.89
EPS (¥)	147.02	190.17	234.97	265.53	301.76
DPS (¥)	55.00	75.00	93.99	105.47	120.28
Sales growth YoY (%)	+4.1	+11.0	+10.4	+9.4	+9.4
OP growth YoY (%)	+18.2	+35.8	+23.6	+15.2	+12.5
NP growth YoY (%)	+21.6	+30.6	+23.6	+13.0	+13.6
EPS growth YoY (%)	+12.8	+29.3	+23.6	+13.0	+13.6
PER (x)	17.8	13.8	11.2	9.9	8.7
EV/EBITDA (x)	11.8	8.7	7.2	6.3	5.7
EV/Sales (x)	1.1	1.0	0.9	0.8	0.8
PBR (x)	2.8	2.5	2.1	1.8	1.6
ROE (%)	13.8	17.7	19.0	18.5	18.0
ROCE (%)	15.5	16.9	18.8	19.3	19.3
FCF yield (%)	(5.0)	2.1	3.6	6.9	6.4
Dividend yield (%)	2.1	2.9	3.6	4.0	4.6
Total shareholder return (%)	10.6	2.9	3.6	4.0	3.9

Source: Company, Astris Advisory (estimates)

Price Performance

	YTD	1M	3M	12M
Abs (%)	+7.4	-3.7	-3.5	+7.4
Rel (%)	-12.5	-9.8	-10.9	-20.2

Company sector

Office Furnishings
Commercial Services & Supplies (GICS)

Stock data

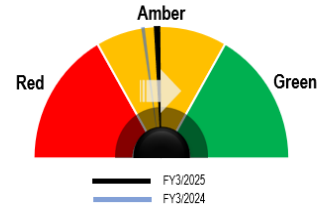
Price (¥)	2,620
Mkt cap (¥bn)	139.9
Mkt cap ($m)	879.7
52-week range (¥)	2,201-3,695
Shares O/S (m)	53.4
Average daily value ($m)	4.7
Free float (%)	82.8
Foreign shareholding (%)	18.6
Ticker	7972
Exchange	Tokyo Prime
Net Debt/Equity (x)	0.3
FFO leverage (x)	4.2
BBG BUY│HOLD│SELL	2│0│0

Source: Bloomberg

Business Overview

Itoki is the third-largest office equipment supplier in Japan and provides equipment for research laboratories and warehouses.

Astris-Sustainability ESG rating



Reference ratings	
MSCI	BBB
Sustainalytics	11.16
Refinitiv	N/A
S&P Global	91.00
Bloomberg	3.14
CDP	N/A

Next events

Q3 FY12/26 results November 2026

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This report has been commissioned and paid for by the company

Recent results

Q1-2 FY12/26 results

High visibility in achieving FY OP

Key financials

(¥bn)	Q1-2 FY12/25	Q1-2 FY12/26	YoY (%)	FY12/26 guidance	Run rate (%)
Sales	**79.24**	**86.32**	**+8.9**	**167.50**	**51.5**
COGS	45.37	48.95	+7.9	N/A	
Gross profit	**33.87**	**37.36**	**+10.3**	N/A	
GPM (%)	***42.7***	***43.3***			
SG&A costs	23.24	25.73	+10.7	N/A	
Operating profit/(loss)	**10.63**	**11.63**	**+9.5**	**16.00**	**72.7**
OPM (%)	***13.4***	***13.5***		***9.6***	
Recurring profit	10.50	11.58	+10.3	16.00	72.4
Net income attributable to the parent	6.96	7.75	+11.3	11.20	69.2

Source: Company

Solid Equipment segment sales fueled by strong research facility and semiconductor demand

Per business segment (pre-elimination)

(¥bn)	Q1-2 FY12/25	Q1-2 FY12/26	YoY (%)
Sales			
Workplace	58.57	62.37	+6.5
Equipment and Public Works-Related Business	19.90	23.20	+16.6
Segment profit/(loss)			
Workplace	8.32	8.02	-3.6
Equipment and Public Works-Related Business	2.22	3.54	+59.6
Segment profit margins (%)			
Workplace	14.2	12.9	
Equipment and Public Works-Related Business	11.2	15.3	

Source: Company

Key highlights

H1 FY12/26 performance was driven by upside in the Equipment and Public Works segment, while cost burdens weighed on the Workplace segment.

We highlight per business segment:

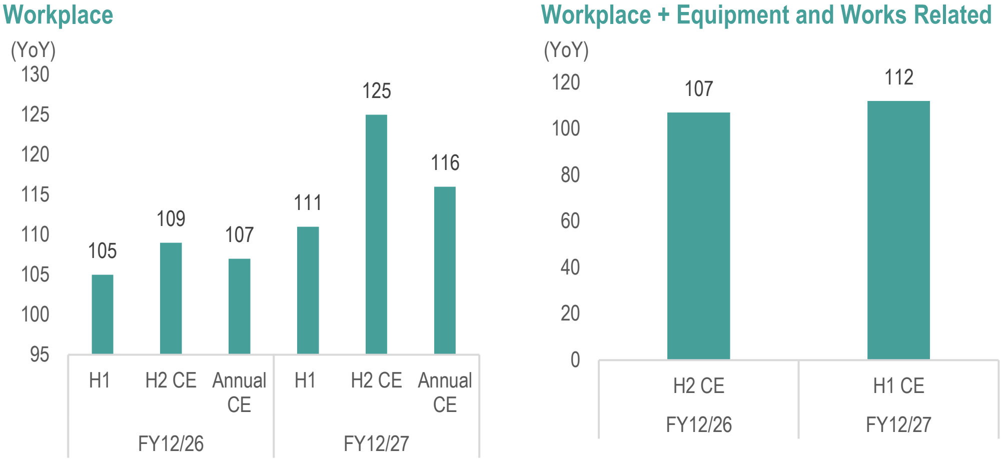
- **Workplace**: While the 6.5% YoY revenue growth appears a bit modest, the robust deal pipeline reinforces our confidence in achieving FY targets. Growth drivers are actively diversifying beyond conventional office environments into factories, logistics centers, and research facilities, sectors that saw a 1.4x YoY surge in business inquiries. Concurrently, deepening market recognition of human capital investment is expanding demand beyond major metropolitan hubs into regional and mid-sized cities. To capture this regional momentum outside Tokyo, Itoki is expanding its footprint by opening new ITOKI DESIGN HOUSE facilities in Fukuoka and Osaka.
- **Equipment and Public Works-Related Business**: This segment delivered a significant positive surprise, with sales climbing 16.6% YoY and OP surging 59.6% YoY. This outperformance was primarily driven by robust demand for research facilities and semiconductor equipment. Notably, the Dalton subsidiary, which accounts for 60.2% of segment revenue, was a standout contributor, reporting an 18.6% YoY increase in sales and a 43.1% YoY increase in OP.

Reclassified Workplace's pipeline stress more on deal certainty

Itoki refined its deal pipeline methodology to prioritize conversion certainty. While this reclassification appears to have lowered Workplace's H2 FY12/26 pipeline figure from 130% to 109%, the decline is non-fundamental. The updated criteria screen for higher-visibility, committed projects; thus, the lower percentage reflects stricter reporting standards rather than any deceleration in underlying order volume or market demand.

Itoki also introduced a new metric, "Basic amount" (comprising Actually ordered amount (Order backlog) plus Informally ordered amount). Across the "Basic amount", Workplace and Equipment & Public Works segments, this committed value surged to 130% YoY for H2 FY12/26, providing exceptional earnings visibility as finalized contracts already represent 60% of total pipeline value.

Current pipeline value as a percentage of the prior year's period (indexed at 100%)



Source: Company
Note*: Incl. Dalton, excl. Tarkus (Right)

Dalton – bolstered by semiconductor demand

Dalton posted stellar H1 FY12/26 results (Sales +18.6% YoY, OP +43.1% YoY, OPM at 18.6%). Growth is set to accelerate as secular tailwinds in AI/Data Center capex, Panel-Level Packaging (PLP), and CMP post-cleaning drive multi-year demand for wet-process equipment. Furthermore, tightening environmental standards (PFAS, wastewater regulations) favor Dalton's eco-friendly cleaning technology.

Under its "Semiconductor 2.0" roadmap, Dalton is evolving from an equipment vendor into an integrated process solutions provider via in-house production (AD Technologies), test center expansion, and alliance-driven maintenance. High forward pipeline visibility (FY12/27 index at 114, FY12/28 at 120) and the rollout of its "Lab 1.0–3.0" framework position Dalton for sustained long-term earnings expansion.

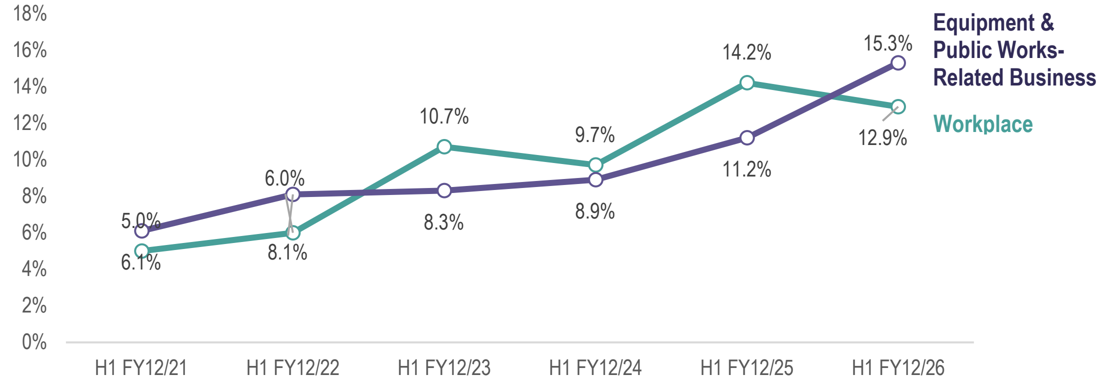
"BOUNCEBACK" – underground shelters secured the first order for public facilities

Building on a track record of delivering approximately 3,000 specialized doors to nuclear power facilities nationwide, Itoki is expanding its sales pipeline across early-adopting local municipalities in partnership with the Japan Nuclear Shelter Association. Across Japan's network of over 61,000 emergency temporary evacuation facilities, including 4,233 underground locations, Itoki estimates a total addressable market potential of ¥60bn to ¥100bn assuming a 10% adoption rate, presenting a sizable structural growth driver for the Equipment & Public Works segment.

Itoki has achieved a notable commercial milestone by securing its first domestic order for the BOUNCEBACK disaster prevention underground shelter door tailored for public facilities. The transaction is valued at several hundred million yen, with revenue recognition slated for around FY12/28 as the project progresses to completion.

Margin expansion trend intact, and a big jump in the Equipment segment

Quarterly segment profit margin



Source: Company, Astris Advisory

In H1 FY12/26, Itoki's segment margins diverged: Equipment & Public Works expanded to 15.30% (vs. 11.20% in H1 FY12/25), while Workplace contracted to 12.90% (vs. 14.20% prior year).

This temporary margin dip in Workplace was planned and driven by a disproportionate allocation of shared corporate costs, primarily post-ERP system expenses, DX/R&D (Office 3.0), and logistics, rather than any fundamental weakness.

Profitability is poised to rebound in H2 as three catalysts converge. First, year-on-year cost headwinds will largely offset since post-ERP depreciation was already reflected in the prior-year base. Second, external cost pressures from Middle East tensions have stabilized. Finally, the 1 July list price increases will flow through to new project revenue starting in Q4, providing a meaningful margin lift into year-end.

Unchanged FY12/26 guidance

FY guidance remains unchanged as management expects seasonal fluctuations across segments to balance out over the year. Specifically, the Workplace segment typically skews toward H2, whereas Equipment & Public Works remains front-loaded in H1.

Itoki company guidance

Year-end	FY12/26 target (MTP)	FY12/26 guidance	Guidance versus Target (%)
Sales			
Workplace	106.0	121.5	
Equipment and Public Works-Related Business	42.0	44.3	
Others	2.0	1.7	
Total sales (¥bn)	**150.0**	**167.5**	**+11.7**
YoY (%)		+9.0	
OP (¥bn)	**14.0**	**16.0**	**+14.3**
OPM (%)	9.0	9.6	
Recurring profit (¥bn)		**16.0**	
RPM (%)		9.6	
Net income attributable to the parent (¥bn)		**11.2**	
NPM (%)		6.7	

Source: Company

Astris earnings estimates and key assumptions

Astris' unchanged key earnings forecasts are as follows:

Astris Advisory earnings estimates

Year-end	FY12/25 results	FY12/26 guidance	FY12/26E (MTP Target)	FY12/26E	FY12/27E	FY12/28E
Sales						
Workplace	111.5	121.50		122.65	134.92	148.41
YoY (%)	*+9.1*	*+9.0*		*+10.0*	*+10.0*	*+10.0*
Equipment and Public Works-Related Business	40.5	44.30		45.36	48.99	52.91
YoY (%)	*+17.3*	*+9.4*		*+12.0*	*+8.0*	*+8.0*
Other	1.7	1.7		1.71	1.73	1.77
YoY (%)				*+1.5*	*+1.5*	*+2.0*
Total sales (¥bn)	**153.68**	**167.50**	**150.00**	**169.72**	**185.63**	**203.08**
YoY (%)	*+11.0*	*+9.0*		*+10.4*	*+9.4*	*+9.4*
OP (¥bn)						
Workplace	10.9	13.6		13.98	15.92	18.55
Equipment and Public Works-Related Business	2.4	2.2		2.40	3.18	3.70
Other	0.4	0.2		-0.34	-0.37	-0.41
Total OP (¥bn)	**13.69**	**16.00**	**14.00**	**16.92**	**19.49**	**21.93**
YoY (%)	*+35.8*	*+16.9*		*+23.6*	*+15.2*	*+12.5*
OPM (%)	**8.9**	**9.6**	**9.0**	**10.0**	**10.5**	**10.8**
Workplace OPM	10.9	11.2		11.4	11.8	12.5
Equipment and Public Works-Related Business	6.1	5.1		5.3	6.5	7.0
Other				-0.2	-0.2	-0.2
RP (¥bn)	**13.74**	**16.00**	-	**16.91**	**19.51**	**21.94**
YoY (%)	*+37.3*	*+16.5*		*+23.1*	+15.4	+12.4
NI (¥bn)	**9.38**	**11.20**	-	**11.59**	**13.10**	**14.89**
YoY (%)	*+30.6*	*+19.4*		*+23.6*	*+13.0*	*+13.6*
EBITDA (¥bn)			**-**	**21.52**	**24.53**	**27.44**
YoY (%)				*+20.6*	*+14.0*	*+11.9*
EBITDA margin (%)				12.7	13.2	13.5
FCF (¥bn)			**-**	**4.82**	**9.85**	**8.92**
FCF margin (%)				2.8	5.3	4.4
FCF conversion (%)				28.5	50.5	40.7
FCF yield (%)			**-**	**3.6**	**6.9**	**6.4**
ROE (%)	**17.7**		**15.0**	**19.0**	**18.5**	**18.0**
DPS (¥)			**N/A**	**94.0**	**105.5**	**120.3**
Dividend yield (%)			**-**	3.6	**4.0**	4.6
Payout ratio (%)	**39.4**		**-**	40.0	39.7	39.9

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

The core assumptions of our estimates are as follows:

- **Sales growth** – We have maintained our FY12/26–FY12/28 estimates to account for sustained tailwinds within the office equipment industry. Itoki's market leadership, coupled with its differentiated design and consulting expertise, remains a core competitive advantage. Furthermore, the **Equipment and Public Works** segment is poised for solid growth as persistent labor shortages drive demand for automation solutions across the laboratory and industrial sectors.

- **Profitability** – A shift toward high-margin upstream business will improve the overall sales mix. When combined with organizational reforms and AI-driven cost optimizations, specifically within manufacturing and logistics, we project the OP margin to expand to 10.8% by FY12/28, up from 8.9% in FY12/25.

- **Free cash flow generation** – Robust earnings growth and a normalization of working capital are expected to bolster operating cash flow. While an increase in growth-oriented Capex may create a temporary headwind, Free Cash Flow (FCF) is expected to remain at a healthy, sustainable level.

Summary

The third-largest player in the office furniture industry in Japan, founded in 1890

Founded in 1890, Itoki Corporation is the third-largest player in the Japanese office equipment industry with 12% market share, and a provider of workplace and spatial solutions. The company designs, manufactures, and delivers office furniture and comprehensive work environment solutions, integrating expertise in ergonomics, design, and digital technologies. Itoki's core mission is to enhance productivity and well-being by creating efficient, flexible, and human-centered workspaces that adapt to evolving workstyles and sustainability goals.

We believe Itoki will benefit from a structural trend, driven by a fundamental shift in the role of the office—now centered on talent attraction, hybrid work, wellness and technology—underpinned by enduring drivers such as demographic change, labor scarcity and rising employee expectations. **Long-term demand is expected from the office renovation cycle, which has lower macro sensitivity than new office builds.**

The medium-term plan aims to sustain growth and reinforce profitability.

Under its Medium-Term Management Plan "RISE to GROWTH 2026" (FY12/24–FY12/26), Itoki aims to establish a solid foundation for sustainable growth by advancing workplace innovation, strengthening logistics and operational efficiency, and achieving stable earnings through disciplined capital management.

- Sales: ¥150.0bn (vs. ¥138.5bn in FY12/24)
- OP: ¥14.0bn (vs. ¥10.1bn in FY12/24)
- OPM: 9.0% (vs. 7.3% in FY12/24)
- ROE: 15% (vs. 13.8% in FY12/24)

The next medium-term plan is scheduled for release in February 2027.

Astris Advisory expects that Itoki will drive medium-term growth through the following factors:

- **Sustained demand in Workplace** – The company is well-positioned to benefit from ongoing domestic office renovations and workplace transformation trends, supported by human-capital investment and changing workstyles.
- **Margin expansion across segments** – Profitability should improve through value-added sales mix (greater consulting and design contribution), continued cost control, and operational restructuring at Dalton and other group companies. Itoki's LTM OPM of 8.9% has surpassed those of leading peers, including Kokuyo and Okamura. We estimate Itoki's OPM at 10.0% by FY12/26.
- **Higher capital efficiency and lower cost of equity** – Ongoing initiatives to enhance ROE, including disciplined capital allocation, improved asset efficiency, and reduction in cross-shareholdings.

The current medium-term plan indicates a phase focused on sustaining growth while further reinforcing its profitability profile. With a positive growth outlook and improving earnings quality, we believe Itoki has the potential to be a long-term compounder.

Company description

Overview

Leading player in Japanese office furniture industry with more than 135 years' experience.

Itoki Corporation was founded in 1890 as a manufacturer of office furnishings and has evolved into a comprehensive provider of workplace and spatial solutions. Today, the company operates as a **total office space designer**, combining expertise in furniture, spatial design, logistics systems, and digital technology to provide end-to-end solutions that support clients' workstyle transformation.

- **Workplace** – The Workplace segment is the core business, offering integrated solutions ranging from consulting and space planning to the manufacturing and installation of office furniture and interior systems. With the evolution from Office 1.0 to Office 3.0, the company supports clients in creating flexible, activity-based, and human-centered work environments that enhance employee well-being and organizational productivity while aligning with sustainability.

Workplace and Equipment and Public Works-Related Business are the earnings pillars of the group.

- **Equipment and Public Works-Related Business** – This segment provides equipment and systems for research laboratories, logistics facilities, and public institutions. Its offerings include laboratory furniture, cleanroom and environmental control equipment, shuttle-type automated warehouse systems, and large display/storage systems for museums and libraries. By strengthening product development and enhancing maintenance and support services, the segment serves as the company's second growth pillar alongside Workplace.

Itoki differentiates itself through its dual capabilities as **a manufacturer and a space-solution provider**. Leveraging its in-house design, R&D, and manufacturing expertise, the company develops proprietary products while offering integrated project management, from workplace concept planning to on-site construction and maintenance. Backed by its long history, nationwide network, and commitment to ESG-driven innovation, Itoki continues to support next-generation work environments.

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Link to video stream

Timeline summary

Year	Details
1890	Itoki Shoten was founded in Higashi-ku, Osaka City
1961	Listed on the Second Section of the Osaka Securities Exchange
1962	**Listed on the Second Section of the Tokyo Stock Exchange**
1987	**Changed to the First Section of the Tokyo and Osaka Stock Exchange**
2011	Acquired a 25.7% stake of DALTON Corporation, and started the manufacturing and sale of research equipment, devices, and powder machinery
2016	Acquired an 80.0% stake in Tarkus Interiors Pte Ltd, located in Singapore
2017	Raised the stake in DALTON Corporation to 58.0%
2020	Itoki China Holding Co., Ltd. was founded in China
2020	**Entered a consulting agreement with Advantage Advisors**
2022	**Changed from the First Section to the Prime Market of the Tokyo Stock Exchange**
2024	**Terminated the business alliance with Advantage Advisors**

Source: Company

JGAAP Financial Summary

Income statement (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Sales	**138.46**	**153.68**	**169.72**	**185.63**	**203.08**
COGS	83.26	88.87	96.74	104.88	114.13
Gross profit	**55.20**	**64.81**	**72.98**	**80.75**	**88.95**
Gross profit margin (%)	39.9	42.2	43.0	43.5	43.8
Total OP	**10.08**	**13.69**	**16.92**	**19.49**	**21.93**
OP margin (%)	7.3	8.9	10.0	10.5	10.8
Non-operating income	0.62	0.83	0.73	0.78	0.75
Non-operating expenses	(0.70)	(0.78)	(0.74)	(0.76)	(0.75)
Recurring profit	**10.00**	**13.74**	**16.91**	**19.51**	**21.94**
Extraordinary gain	1.18	0.92	-	-	-
Extraordinary loss	(1.11)	(0.56)	-	-	-
Pre-tax profit	**10.08**	**14.10**	**16.91**	**19.51**	**21.94**
Tax	(2.85)	(4.70)	(5.30)	(6.39)	(7.03)
Effective tax rate (%)	28.5	34.2	31.3	32.8	32.1
Net income	**7.22**	**9.40**	**11.61**	**13.12**	**14.91**
Non-controlling NI	0.04	0.02	0.02	0.02	0.02
Parent attributable NI	**7.18**	**9.38**	**11.59**	**13.10**	**14.89**
Sales growth YoY (%)	+4.1	+11.0	+10.4	+9.4	+9.4
OP growth YoY (%)	+18.2	+35.8	+23.6	+15.2	+12.5
Pre-tax profit YoY (%)	+20.3	+39.9	+19.9	+15.4	+12.4
NI growth YoY (%)	+21.6	+30.6	+23.6	+13.0	+13.6

Cash flow statement (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Profit before tax	**10.08**	**14.10**	**16.91**	**19.51**	**21.94**
Depreciation/amortization	3.11	4.17	4.60	5.03	5.51
Changes in working capital	(10.89)	(6.68)	(3.47)	(0.69)	(2.69)
Other non-cash items	(2.42)	0.63	(0.89)	(0.13)	(0.51)
Tax paid	(0.87)	(3.28)	(5.30)	(6.39)	(7.03)
Cash from Operating Activities	**-1.00**	**8.94**	**11.85**	**17.33**	**17.21**
Capex	(6.04)	(6.02)	(7.02)	(7.47)	(8.29)
Acquisitions/increase stakes	(0.93)	0.11	-	-	-
Other investing cash flow	(0.31)	2.00	0.84	1.42	1.13
Cash from Investing Activities	**(7.28)**	**(3.90)**	**(6.18)**	**(6.05)**	**(7.16)**
Total cash dividends paid	(1.90)	(2.70)	(4.64)	(5.20)	(5.93)
Debt issuance/(retirement)	20.49	(2.85)	-	-	-
Equity financing/(buybacks)	(11.83)	(0.00)	-	-	1.00
Other	(0.85)	(0.38)	(0.38)	(0.38)	(0.38)
Cash from Financing Activities	**5.91**	**(5.94)**	**(5.02)**	**(5.58)**	**(5.31)**
FX impact	0.03	0.06	0.05	0.05	0.05
Net cash flow	**(2.35)**	**(0.85)**	**0.70**	**5.74**	**4.79**
Free cash flow	**(7.04)**	**2.93**	**4.82**	**9.85**	**8.92**
EBITDA	**13.18**	**17.85**	**21.52**	**24.53**	**27.44**
EBITDA margins (%)	9.5	11.6	12.7	13.2	13.5
Free cash flow margin (%)	-5.1	1.9	2.8	5.3	4.4
Free cash flow conversion (%)	N/A	20.7	28.5	50.5	40.7
Capex/sales (%)	4.4	3.9	4.1	4.0	4.1
Capex/depreciation (%)	194.3	144.4	152.6	148.5	150.5
CFO margin (%)	-0.7	5.8	7.0	9.3	8.5

Balance sheet (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Cash & equivalents	22.48	21.63	22.32	28.07	32.86
Accounts receivables	34.86	41.58	45.91	50.22	54.94
Inventory	10.67	13.20	14.37	15.58	16.95
Other	2.61	3.00	3.31	3.62	3.97
Current assets	**70.62**	**79.41**	**85.92**	**97.49**	**108.71**
Tangible assets	26.13	26.53	29.38	32.34	35.67
Goodwill	0.67	0.71	0.71	0.71	0.71
Intangible assets	4.44	5.36	5.84	6.33	6.89
Long-term investments	6.55	6.66	6.66	6.66	6.66
Other	12.11	12.03	12.03	12.03	12.03
Fixed assets	**49.90**	**51.29**	**54.63**	**58.08**	**61.96**
Total assets	**120.52**	**130.72**	**140.55**	**155.57**	**170.67**
Short-term borrowing	30.68	18.90	18.90	18.90	18.90
Trade payables	10.62	11.34	12.66	13.72	14.93
Other	14.13	19.34	19.20	22.11	23.36
Current liabilities	**55.43**	**49.58**	**50.76**	**54.74**	**57.19**
Long-term borrowing	9.34	15.09	15.09	15.09	15.09
Other LT liabilities	6.41	9.24	9.24	9.24	9.24
Long-term liabilities	**15.75**	**24.33**	**24.33**	**24.33**	**24.33**
Shareholder's equity	**49.26**	**56.71**	**65.36**	**76.40**	**89.05**
Share acquisition rights	-	-	-	-	-
Non-controlling interests	0.08	0.10	0.09	0.10	0.10
Total net assets	**49.34**	**56.81**	**65.45**	**76.50**	**89.15**
Total liabilities & net assets	**120.52**	**130.72**	**140.55**	**155.57**	**170.67**

Source: Company, Astris Advisory (estimates)

Key metrics	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Profitability					
Gross margin (%)	39.9	42.2	43.0	43.5	43.8
Operating margin (%)	7.3	8.9	10.0	10.5	10.8
Net margin (%)	5.2	6.1	6.8	7.1	7.3
ROA (%)	6.0	7.5	8.5	8.8	9.1
ROE (%)	13.8	17.7	19.0	18.5	18.0
ROCE (%)	15.5	16.9	18.8	19.3	19.3
ROIC (%)	8.8	10.0	12.2	12.5	12.8
Liquidity					
Current ratio (x)	1.3	1.6	1.7	1.8	1.9
Quick ratio (x)	1.1	1.3	1.4	1.5	1.6
Leverage					
Debt/Equity ratio (x)	0.8	0.6	0.5	0.4	0.4
Net Debt/Equity ratio (x)	0.4	0.2	0.2	0.1	0.0
Equity ratio (x)	0.4	0.4	0.5	0.5	0.5
Interest cover (x)	32.9	26.4	43.4	50.0	56.3
Net Debt/EBITDA (x)	1.3	0.7	0.5	0.2	0.0
Valuation					
EPS reported (¥)	147.02	190.17	234.97	265.53	301.76
PER (x)	**17.8**	**13.8**	**11.2**	**9.9**	**8.7**
Diluted PER (x)	**17.8**	**13.8**	**11.2**	**9.9**	**8.7**
DPS (¥)	55.0	75.0	94.0	105.5	120.3
Dividend payout ratio (%)	37.4	39.4	40.0	39.7	39.9
Dividend yield (%)	**2.1**	**2.9**	**3.6**	**4.0**	**4.6**
Free cash flow yield (%)	**(5.0)**	**2.1**	**3.6**	**6.9**	**6.4**
Diluted FCF yield (%)	**(5.0)**	**2.1**	**3.6**	**6.9**	**6.4**
PBR (x)	**2.8**	**2.5**	**2.1**	**1.8**	**1.6**
EV/sales (x)	1.1	1.0	0.9	0.8	0.8
EV/EBITDA (x)	11.8	8.7	7.2	6.3	5.7
EV/EBIT (x)	15.4	11.4	9.2	8.0	7.1
EV/FCF (x)	(22.1)	53.2	31.0	16.0	17.4

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