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ASTRIS CORPORATE ADVISORY JAPAN

MIXI Inc. (2121)

Stronger-than-expected quarter

17 August 2026

Q1 FY3/27 results update

- **Digital Entertainment shining through** – With OP growth at 102.8% YoY, Q1 FY3/27 results were a positive surprise underpinned by a highly robust performance at the Digital Entertainment segment. This was driven by an increase in the paying-user ratio and a rise in ARPU from successful initiatives such as events and IP collaborations for the core 'MONSTER STRIKE' title, which appear repeatable in our view. All business segments recorded positive EBITDA, and the Sports segment sustained underlying double-digit growth, driven by the domestic Betting business. The focal social betting business, TIPSTARS, is navigating a changed market environment but demonstrated its competitiveness with 12.8% YoY sales growth; the trajectory here remains positive.

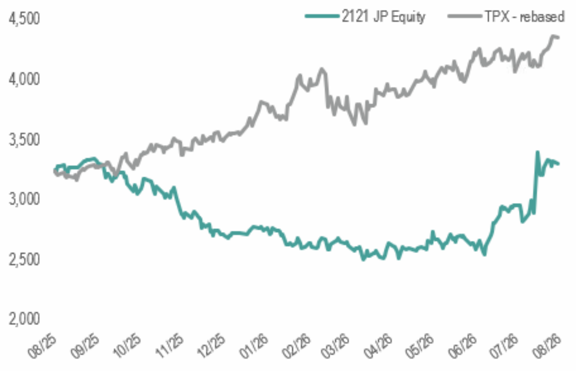
Earnings visibility improved

- **Estimating further upside** – The company has upwardly revised FY3/27 guidance at the net income level, recognizing the extraordinary gain expected from the disposal of its stake in cryptocurrency exchange bitbank. DPS was raised from ¥125, based on a 5% DOE, to ¥155, based on a 40% payout ratio. We have raised our earnings estimates for FY3/27 and beyond, primarily to reflect 1) flat sales YoY at the Digital Entertainment segment, while previously we expected an 8% decline YoY, and 2) higher profitability from the Investment segment given the increase in invested capital.
- **Valuations** – Based on our revised earnings estimates, the shares are trading at a FY3/27 PER of 7.9x, an FCF yield of 11.4%, and a dividend yield of 4.7%. The balance sheet remains cash-rich, with net cash and securities making up 47.9% of current market capitalization.

Year-end	3/25	3/26	3/27E	3/28E	3/29E
Sales (¥bn)	154.85	171.37	193.88	206.84	218.74
OP (¥bn)	26.60	22.26	22.43	24.44	26.73
NI (¥bn)	17.60	17.27	27.72	18.26	19.62
EPS (¥)	255.43	260.72	418.50	275.67	296.21
DPS (¥)	120.00	120.00	155.00	155.00	155.00
Sales growth YoY (%)	+5.4	+10.7	+13.1	+6.7	+5.8
OP growth YoY (%)	+38.7	-16.3	+0.8	+8.9	+9.4
NP growth YoY (%)	+148.5	-1.9	+60.5	-34.1	+7.5
EPS growth YoY (%)	+156.2	+2.1	+60.5	-34.1	+7.5
PER (x)	12.9	12.7	7.9	12.0	11.2
EV/EBITDA (x)	4.8	4.9	4.4	4.0	3.7
EV/Sales (x)	1.0	0.9	0.8	0.7	0.7
PBR (x)	1.3	1.2	1.1	1.1	1.0
ROE (%)	10.0	9.6	14.6	8.9	9.0
ROCE (%)	13.7	9.3	8.7	9.0	9.3
FCF yield (%)	9.3	4.2	11.4	7.5	8.1
Dividend yield (%)	3.6	3.6	4.7	4.7	4.7
Total shareholder returns (%)	6.9	7.8	4.7	4.7	4.7

Source: Company, Astris Advisory (estimates)

Share price: ¥3,305 Market cap: ¥226.5bn



Source: Bloomberg

Price Performance

	YTD	1M	3M	12M
Abs (%)	+21.2	+11.7	+24.2	+3.6
Rel (%)	-1.3	+4.7	+14.7	-23.0

Company sector

Entertainment Software
Entertainment (GICS)

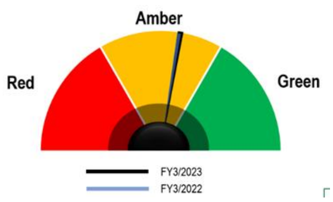
Stock data

Price (¥)	3,305
Mkt cap (¥bn)	226.5
Mkt cap ($m)	1,424.4
52-week range (¥)	2,449-3,400
Shares O/S (m)	68.5
Average daily value ($m)	5.4
Free float (%)	44.8
Foreign shareholding (%)	16.1
Ticker	2121
Exchange	Tokyo Prime
Net Debt/Equity (x)	N/A
FFO leverage (x)	N/A
BBG BUY│HOLD│SELL	0│1│0

Business Overview

MIXI Inc. is a digital content company with the 'MONSTER STRIKE' mobile gaming franchise, the 'FamilyAlbum' video and photo-sharing app, and sports interests ranging from professional sports clubs to sports betting services.

Astris-Sustainability ESG rating



Reference ratings	
MSCI	AA
Sustainalytics	24.4
Refinitiv	C
S&P Global	69.0
Bloomberg	3.05
CDP	B

Next events

Q2 FY3/27 results October 2026

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This report has been commissioned and paid for by the company

Recent results

Q1 FY3/27 results

Unexpectedly robust start to the FY

Key financials

(¥bn)	Q1 FY3/26	Q1 FY3/27	YoY (%)	FY3/27 revised guidance	YoY (%)
Sales	**31.32**	**47.07**	**+50.3**	**185.00**	**+8.0**
Gross profit/(loss)	20.02	30.06	+50.2	-	
Gross margins (%)	***63.9***	***63.9***		-	
SG&A costs	17.34	24.63	+42.1	-	
Operating profit/(loss)	**2.68**	**5.43**	**+102.8**	**19.50**	**-12.4**
Operating margins (%)	***8.5***	***11.5***		***10.5***	
EBITDA	**3.84**	**8.64**	**+125.0**	**31.50**	**+1.0**
EBITDA margin (%)	*12.3*	*18.3*		17.0	
Recurring profit	2.02	5.65	+179.3	20.00	-19.0
Net income attributable to the parent	1.41	5.83	+311.7	25.00	+44.8

Source: Company

Strong sales growth and profitability improvement YoY at Digital Entertainment

Per business segment (pre-elimination)

(¥bn)	Q1 FY3/26	Q1 FY3/27	YoY (%)
Sales			
Digital Entertainment	16.08	19.53	+21.5
Sports	11.14	21.67	+94.5
Lifestyle	3.51	4.36	+24.5
Investment	0.58	1.50	+158.1
Segment profit/(loss)			
Digital Entertainment	7.80	10.88	+39.5
Sports	0.60	1.26	+108.0
Lifestyle	(0.07)	0.26	N/A
Investment	(0.04)	0.86	N/A
Segment profit margins (%)			
Digital Entertainment	48.5	55.7	
Sports	5.4	5.8	
Lifestyle	-2.0	6.0	
Investment	-6.7	57.3	

Source: Company

Key highlights

Q1 FY3/27 results were ahead of expectations in our view, with 102.8% OP growth YoY driven by a combination of 1) strong ARPU growth at the Digital Entertainment segment with successful events and IP collaborations, and 2) positive EBITDA growth at the Sports segment driven by the domestic betting business. All four business segments recorded positive EBITDA.

Guidance was upwardly revised at the net income level to reflect the disposal of the 26.2% stake in cryptocurrency exchange bitbank; this is planned to be recognized in Q3 FY3/27. To reflect this change, **DPS was raised from ¥125, based on a 5% DOE, to ¥155, based on a 40% payout ratio.**

Per segment, we believe these are the key takeaways:

- **Digital Entertainment** – Whilst the first quarter tends to be seasonally less active, the company energized this period by conducting a ’12.5-year anniversary’ event for the ‘MONSTER STRIKE’ franchise, as well as successful IP collaborations that became major hits. This increased the paying-user ratio and raised ARPU, driving sales up 21.5% YoY. Profitability improved YoY, driven by sales volume and continued growth in web portal usage for payment processing, which reduced carrier commission costs.

- **Sports** – Sales increased 94.5% YoY; underlying sales growth from the betting business remained in double digits at 26.9% YoY (+117.9% YoY, including the impact of consolidated PointsBet Holdings). EBITDA growth of 108.0% was driven by 1) robust velodrome management fees at Chariloto, and 2) growing betting revenues at NET DREAMERS, which commenced last FY. The social betting site TIPSTAR saw sales growth of 12.8%, significantly outperforming an estimated market growth of 3% YoY, which was respectable given the new business environment from regulatory changes introducing limited reward schemes. Consequently, the domestic betting business saw advertising expenses fall 19.1% QoQ, while company-wide total advertising expenses fell 15.0% QoQ.

- **Lifestyle** – This segment registered a positive EBITDA quarter, driven by 1) price revisions at the ‘minimo’, the beauty services booking marketplace, and 2) increased sales of GPS trackers and advertising sales on the FamilyAlbum site.

- **Investment** – Recognition of gains and losses from investee funds and the sale of shareholdings resulted in positive EBITDA; additional disclosure shows that net invested capital stood at ¥23.79bn, with NAV at ¥59.67bn – equivalent to a 2.5x multiple on net invested capital. The company has also acquired an investment fund management business from GREE Holdings and assumed a portion of the LP interest in its managed funds.

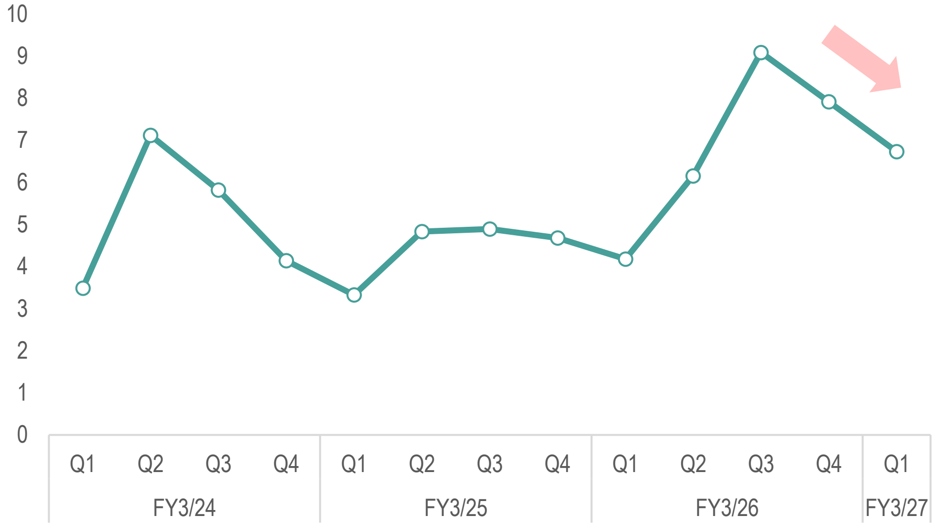
Outlook

We maintain our view that the **Sports segment’s Betting business continues to gain momentum as a core earnings driver, and provides growth opportunities both domestically and internationally.** However, in the short term, the TIPSTAR social betting service will experience a temporary slowdown in growth as the company navigates the changed market environment.

The marked growth seen in the Digital Entertainment segment has been a positive surprise and raises questions about its sustainability. However, initiatives conducted in Q1 FY3/27 appear repeatable (eg anniversary events and character refreshes), and with stronger seasonal activity to come, we believe the earnings outlook for this segment remains positive.

Advertising costs fell 15% QoQ

Total advertising spend (¥bn)



Source: Company

Balance sheet

In Q1 FY3/27, MIXI has net cash of ¥62.43bn, investment securities of ¥37.94bn, marketable securities of ¥2.76bn, and long-term investments of ¥5.41bn, totaling ¥108.54bn (47.9% of current market capitalization).

Revision of FY3/27 guidance

The company has revised its net income guidance assumption for FY3/27, with the other targets remaining unchanged.

Lifestyle and Sports segments to maintain growth momentum

FY3/27 company guidance revision (in green)

(¥bn)	FY3/26	Revised FY3/27 CE	YoY (%)
Sales	**171.37**	**185.00**	**+8.0**
Digital Entertainment	83.89	77.50	-7.6
Lifestyle	17.16	19.50	+13.6
Sports	65.85	86.00	+30.6
Betting Sports	*52.64*	*73.50*	*+39.6*
Spectator Sports	*13.21*	*12.50*	*-5.4*
Investment	4.44	2.00	-55.0
EBITDA	**31.18**	**31.50**	**+1.0**
EBITDA margin (%)	***18.2***	***17.0***	
OP	**22.26**	**19.50**	**-12.4**
OPM (%)	***13.0***	***10.5***	
Segment profit			
Digital Entertainment	43.05	38.50	-10.6
Lifestyle	0.88	2.50	+185.4
Sports	5.09	9.00	+76.9
Investment	1.00	-	N/A
*Eliminations	(18.84)	(18.50)	
Segment margin (%)			
Digital Entertainment	*51.3*	*49.7*	
Lifestyle	*5.1*	*12.8*	
Sports	*7.7*	*10.5*	
Investment	*22.5*	-	
Recurring profit	**24.70**	**20.00**	**-19.0**
Net income attributable to the owners of the Parent	**17.27**	**25.00 (13.50)**	**+44.8 (-21.8)**
EPS (¥)	260.72	383.99 (207.35)	+47.3 (-20.5)
DPS (¥)	120.00	155.00 (125.00)	+29.2 (+4.2)

Source: Company
*Note: Eliminations are calculated by deducting total segment profit from guidance EBITDA

Shareholder returns

The current dividend payout policy is a payout ratio of 40% or a dividend-on-equity (DOE) ratio of 5%.

FY3/27 DPS has been raised from ¥125 (4.2% YoY growth) to ¥155 (29.2% YoY growth); we estimate the resulting DOE ratio at 5.5%, with the payout ratio at 40%.

Astris earnings estimates and key assumptions

We have revised our earnings estimates for FY3/27 and beyond, primarily to reflect the following:

- **Digital Entertainment segment** – We expect flat sales YoY in FY3/27, given the strong performance seen in Q1 FY3/27, versus our previous assumption of 8% sales decline YoY.
- **Investment** – We estimate higher OP contribution given Q1 FY3/27 results, as well as increased net invested capital.
- **FY3/27 effective tax rate** – To align with the company's revised guidance, we have lowered our effective tax rate from 33.7% to 24.9%.

Astris Advisory earnings estimates

Year-end	FY3/27 Revised guidance	FY3/27E (old)	FY3/27E (new)	FY3/28E (old)	FY3/28E (new)	FY3/29E) (old)	FY3/29E (new)
Sales	**185.0**	**187.17**	**193.88**	**200.66**	**206.84**	**213.06**	**218.74**
Growth YoY (%)	+8.0	+9.2	+13.1	+7.2	+6.7	+6.2	+5.8
OP	**19.50**	**19.71**	**22.43**	**22.37**	**24.44**	**24.86**	**26.73**
OPM (%)	10.5	10.5	11.6	11.1	11.8	11.7	12.2
EBITDA (¥bn)	**31.50**	**31.87**	**35.03**	**35.41**	**37.88**	**38.70**	**40.95**
EBITDA margins (%)	17.0	17.0	18.1	17.6	18.3	18.2	18.7
Recurring profit	**20.00**	**20.88**	**23.61**	**24.18**	**26.25**	**26.35**	**28.23**
Net income attributable to the owners of the Parent	25.00	**22.73**	**27.72**	**16.86**	**18.26**	**18.35**	**19.62**
EPS (¥)	383.99	343.1	418.5	254.6	275.7	277.1	296.2
FCF (¥bn)	**-**	**21.92**	**25.82**	**15.42**	**16.94**	**17.08**	**18.45**
FCF margin (%)	-	11.7	13.3	7.7	8.2	8.0	8.4
FCF conversion (%)	-	66.2	63.6	63.8	64.5	64.8	65.4
FCF yield (%) (undiluted)	**-**		**11.7**	**6.8**	**7.5**	**7.5**	**8.1**
DPS (¥)	155.0	**125.0**	**155.0**	**130.0**	**155.0**	**135.0**	**155.0**
Dividend yield (%)	**4.7**	**3.8**	**4.7**	**3.9**	**4.7**	**4.1**	**4.7**
Total shareholder returns (%)	**N/A**	**3.8**	**4.7**	**3.9**	**4.7**	**4.1**	**4.7**
ROE (%)	**-**	**12.1**	**14.6**	**8.4**	**8.9**	**8.5**	**9.0**

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

The core assumptions of our estimates are as follows:

- **Sales growth** – Double-digit growth in Sports and Lifestyle will be offset by an annual 8% decline in Digital Entertainment from FY3/28 and FY3/29.
- **Profitability** – Paced margin expansion at the OP level, given amortization costs related to PointsBet Holdings.

- **Free cash flow generation** – We estimate the company will sustain free cash flow generation, with FCF margins in the high single-digits.

For total shareholder returns, we estimate flat DPS for FY3/28 and FY3/29, given the major dividend hike in FY3/27.

The combination of higher net income and dividends has led to higher ROE estimates relative to our previous assumptions; the trajectory is more positive toward the medium-term vision of 15.0%.

Summary

Leading domestic mobile game developer with key title 'MONSTER STRIKE'

MIXI Inc. is a digital content company with mobile gaming as a key driver of earnings, built around its 'MONSTER STRIKE' IP. The title has **over 65 million downloads** to date and celebrated its 10th anniversary in FY3/24. However, operating in a mature domestic gaming market limits the company's growth and visibility into future earnings.

The company has set out initiatives to drive business growth and enhance corporate value. We believe the key areas to be 1) scaling Betting Sports with the TIPSTAR service, 2) strengthening monetization efforts for children's private video and photo-sharing app FamilyAlbum, 3) the global release of 'STRIKE WORLD' (the global version of 'MONSTER STRIKE'), and 4) a continued positive stance on shareholder returns. The 66.4% acquisition of PointsBet Holdings in September 2025 signals overseas expansion and potential accretive earnings.

Instigating a positive lifecycle change via accelerating monetization in Lifestyle, and overseas expansion

We view the company as embarking on a **transformative change**, aiming to address the following:

- **Aligning the business toward growth** by accelerating monetization efforts in the Lifestyle segment with the video and photo-sharing app 'FamilyAlbum'.
- **Overseas market expansion**, gaining exposure to larger addressable markets in Lifestyle, Digital Entertainment, and Sports (betting) business segments.
- **Raising headline returns** such as ROE through a combination of margin improvement and balance sheet optimization.

The key financial target is to raise ROE above the cost of equity.

Astris Advisory estimates MIXI Inc. will drive medium-term growth via the following factors:

- Sales – High single-digit sales growth expectations as the Lifestyle and Sports businesses contribute more to the top line.
- Profitability – Stable margins as Lifestyle and Sports segments contribute positive OP despite changing the sales mix.

Scope to optimize the balance sheet, and increase total shareholder returns

The shares are trading at an estimated FY3/27 PER of 7.9x, a FCF yield of 11.4%, and a dividend yield of 4.7%.

Company description

Overview

Digital content company with historical legacy in social platforms, shifting onto other services such as games and photosharing

Established in 1999 as E-Mercury, **MIXI Inc. is a digital content company** known for its social networking services and mobile gaming platforms. Founded in 1997 by Kenji Kasahara, MIXI launched a web-based community platform in 2004 and later expanded into mobile gaming. The release of MONSTER STRIKE in 2013 was a watershed moment, **propelling the company into a major mobile gaming powerhouse** – to date, the title has garnered over 65 million downloads globally (as of December 2025).

Business expansion efforts have continued, including the establishment of the Lifestyle business segment and the launch of the private photo and video-sharing service FamilyAlbum in 2015. To date, there have been over 30 million downloads, with approximately 40% from overseas. Since 2019, the company has built up a Sports business segment primarily by M&A, with a two-pronged focus to 1) create synergies between spectator sports and digital content with the company's professional teams, F.C. Tokyo (football) and Chiba Jets (basketball), and 2) operate in the publicly-managed betting sports market for keirin (cycling), operating velodromes and developing an online community.

In September 2025, the company acquired a 66.4% stake in PointsBet Holdings, an online bookmaker focused on sports and racing betting and iGaming (online casino) operations.

Long-term vision to transform the business, on a path towards a positive lifecycle change

The basic business strategy has been to effectively use cash flow generated by the Digital Entertainment business and pursue M&A and organic growth to create new earnings pillars. Q1-4 FY3/26 results demonstrated that MIXI's strategy to develop new earnings pillars is bearing fruit, with the Sports and Lifestyle segments delivering high double-digit sales growth and improvements in profitability YoY.

We view the company as on a path towards a constructive lifecycle shift, maintaining its cash-cow mobile game business whilst developing new earnings pillars in the Sports and Lifestyle segments.

The company has four core segments:

- **Digital Entertainment segment** – The core game title is MONSTER STRIKE, a F2P multiplayer action RPG. The company aims to increase its IP's economic footprint through various media and merchandising channels.
- **Lifestyle segment** – The key service is FamilyAlbum, a private photo and video-sharing app.
- **Sports segment** – Operating professional football and basketball teams as spectator sports businesses, combined with social platforms like TIPSTAR and managing publicly-managed betting for cycling and the operation of velodromes. The acquisition of PointsBet Holdings will spearhead overseas expansion in the Sports Betting business.
- **Investment segment** – Classified as a reportable segment from FY3/23, investments are made in start-ups and venture capital funds.

Focus on the sports business segment commenced in 2019 via M&A

Timeline summary

Key dates	Details
June 1999	Established as E-Mercury, Y.K. running a recruitment site 'Find Job'.
February 2004	The official launch of the social network 'mixi'.
September 2006	Listed on the Mothers section of the Tokyo Stock Exchange
October 2013	**The official launch of the mobile game 'MONSTER STRIKE'.**
April 2015	The official launch of 'FamilyAlbum'.
February 2019	Acquired 100% of Chari Loto Co., Ltd., which provides internet services for cycle race sports betting.
October 2019	Acquired 100% of Chiba Jets Funabashi Co., Ltd., the operator of the Chiba Jets professional basketball team.
November 2019	Acquired 100% of Net Dreamers Co., Ltd., which operates comprehensive horse racing information media "netkeiba.com".
June 2020	The official launch of the sports betting service TIPSTAR allows users to bet together. Transferred to the First section of the Tokyo Stock Exchange.
April 2022	Transferred to the Prime section of the Tokyo Stock Exchange.
September 2025	**66.4% acquisition of PointsBet Holdings**
April 2026	**Commenced full-scale rollout of 'STRIKE WORLD' in India.**

Source: Company, Refinitiv

JGAAP Financial Summary

Income statement (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Sales	**154.85**	**171.37**	**193.88**	**206.84**	**218.74**
COGS	48.80	57.78	65.92	70.32	74.37
Gross profit	**106.04**	**113.59**	**127.96**	**136.51**	**144.37**
Gross profit margin (%)	68.5	66.3	66.0	66.0	66.0
Operating profit	**26.60**	**22.26**	**22.43**	**24.44**	**26.73**
OP margin (%)	17.2	13.0	11.6	11.8	12.2
Non-operating income	0.68	3.88	2.28	3.08	2.68
Non-operating expenses	(0.77)	(1.43)	(1.10)	(1.27)	(1.18)
Recurring profit	**26.51**	**24.70**	**23.61**	**26.25**	**28.23**
Extraordinary gains	0.49	0.54	12.23	-	-
Extraordinary losses	(0.57)	(0.35)	-	-	-
Pre-tax profit	**26.44**	**24.89**	**35.84**	**26.25**	**28.23**
Tax	(8.79)	(8.33)	(8.93)	(8.85)	(9.52)
Effective tax rate (%)	33.1	33.7	24.9	33.7	33.7
Net income	**17.64**	**16.55**	**26.91**	**17.39**	**18.70**
Non-controlling NI	0.04	(0.72)	(0.81)	(0.87)	(0.92)
Parent attributable NI	**17.60**	**17.27**	**27.72**	**18.26**	**19.62**
Sales growth YoY (%)	+5.4	+10.7	+13.1	+6.7	+5.8
OP growth YoY (%)	+38.7	-16.3	+0.8	+8.9	+9.4
Pre-tax profit YoY (%)	+109.3	-5.9	+44.0	-26.8	+7.5
NI growth YoY (%)	+148.5	-1.9	+60.5	-34.1	+7.5

Cash flow statement (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Profit before tax	**26.44**	**24.89**	**35.84**	**26.25**	**28.23**
Depreciation/amortization	5.09	8.92	12.60	13.44	14.22
Changes in working capital	(4.93)	(3.12)	(2.64)	(2.11)	(2.01)
Other non-cash items	2.82	0.44	-	-	-
Tax paid	(1.94)	(11.84)	(8.93)	(8.85)	(9.52)
Cash from Operating Activities	**27.48**	**19.29**	**36.87**	**28.73**	**30.92**
Capex	(6.48)	(9.79)	(11.05)	(11.79)	(12.47)
Sale/(Acquisition) of Affiliates and Subsidiaries	(0.07)	(24.92)	-	-	-
Other investing cash flow	(7.93)	3.16	(2.38)	0.39	(1.00)
Cash from Investing Activities	**(14.49)**	**(31.55)**	**(13.44)**	**(11.40)**	**(13.47)**
Total cash dividends paid	(7.65)	(8.38)	(10.27)	(10.27)	(10.27)
Debt issuance/(retirement)	4.95	32.70	-	-	-
Equity financing/(Share buybacks)	(7.48)	(9.50)	-	-	-
Other	(0.20)	(0.66)	(0.66)	(0.66)	(0.66)
Cash from Financing Activities	**(10.38)**	**14.16**	**(10.92)**	**(10.92)**	**(10.92)**
FX impact	(0.12)	1.12	0.50	0.81	0.65
Net cash flow	**2.49**	**3.02**	**13.01**	**7.21**	**7.18**
Free cash flow	**20.99**	**9.50**	**25.82**	**16.94**	**18.45**
EBITDA	**31.69**	**31.18**	**35.03**	**37.88**	**40.95**
EBITDA margins (%)	20.5	18.2	18.1	18.3	18.7
Free cash flow margin (%)	13.6	5.5	13.3	8.2	8.4
Free cash flow conversion (%)	79.4	38.2	72.0	64.5	65.4
Capex/sales (%)	4.2	5.7	5.7	5.7	5.7
Capex/depreciation (%)	127.3	109.8	87.7	87.7	87.7
CFO margin (%)	17.7	11.3	19.0	13.9	14.1

Balance sheet (¥bn)	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Cash & equivalents	110.67	111.56	124.57	131.78	138.96
Inventory	0.62	0.99	1.11	1.19	1.26
Accounts receivables	15.57	15.56	17.60	18.78	19.86
Other	43.07	48.24	54.57	58.22	61.57
Current assets	**169.93**	**176.34**	**197.86**	**209.97**	**221.65**
Tangible assets	20.02	25.18	28.19	31.39	34.78
Goodwill	7.27	23.83	22.43	21.03	19.63
Intangible assets	7.53	36.72	39.73	42.93	46.32
Investment	6.02	4.62	1.26	1.26	1.26
Other	14.78	13.72	13.72	13.72	13.72
Fixed assets	**55.61**	**104.06**	**105.31**	**110.33**	**115.71**
Total assets	**225.54**	**280.40**	**303.17**	**320.30**	**337.36**
Short-term borrowing	1.87	4.93	4.93	4.93	4.93
Trade creditors	-	-	-	-	-
Other	29.52	35.10	40.96	43.75	46.24
Current liabilities	**31.38**	**40.02**	**45.89**	**48.67**	**51.17**
Long-term borrowing	10.59	40.22	40.22	40.22	40.22
Other LT liabilities	2.24	10.69	10.69	10.69	10.69
Long-term liabilities	**12.83**	**50.92**	**50.92**	**50.92**	**50.92**
Shareholder's equity	**178.98**	**181.49**	**197.47**	**211.27**	**225.35**
Share acquisition rights	1.08	0.90	0.90	0.90	0.90
Non-controlling interests	1.27	7.08	8.01	8.54	9.03
Total net assets	**181.33**	**189.47**	**206.37**	**220.71**	**235.27**
Total liabilities & net assets	**225.54**	**280.40**	**303.17**	**320.30**	**337.36**

Source: Company, Astris Advisory (estimates)

Key metrics	FY 3/25	FY 3/26	FY 3/27E	FY 3/28E	FY 3/29E
Profitability					
Gross margin (%)	68.5	66.3	66.0	66.0	66.0
Operating margin (%)	17.2	13.0	11.6	11.8	12.2
Net margin (%)	11.4	10.1	14.3	8.8	9.0
ROA (%)	8.1	6.8	9.5	5.9	6.0
ROE (%)	10.0	9.6	14.6	8.9	9.0
ROCE (%)	13.7	9.3	8.7	9.0	9.3
ROIC (%)	9.6	7.1	7.2	6.5	6.7
Liquidity					
Current ratio (x)	5.4	4.4	4.3	4.3	4.3
Quick ratio (x)	5.4	4.4	4.3	4.3	4.3
Leverage					
Debt/Equity ratio (x)	0.1	0.2	0.2	0.2	0.2
Net Debt/Equity ratio (x)	net cash	net cash	net cash	net cash	net cash
Equity ratio (x)	79.4	64.7	65.1	66.0	66.8
Interest cover (x)	239.6	49.7	62.1	30.1	21.1
Net Debt/EBITDA (x)	N/A	N/A	N/A	N/A	N/A
Valuation					
EPS reported (¥)	255.4	260.7	418.5	275.7	296.2
PER (x)	**12.9**	**12.7**	**7.9**	**12.0**	**11.2**
Diluted PER (x)	**13.0**	**12.7**	**7.9**	**12.0**	**11.2**
DPS (¥)	120.0	120.0	155.0	155.0	155.0
Dividend payout ratio (%)	47.0	46.0	37.0	56.2	52.3
Dividend yield (%)	**3.6**	**3.6**	**4.7**	**4.7**	**4.7**
Total shareholder return (%)	**6.9**	**7.8**	**4.7**	**4.7**	**4.7**
Free cash flow yield (%)	**9.3**	**4.2**	**11.4**	**7.5**	**8.1**
Diluted free cash flow yield (%)	**9.3**	**4.2**	**11.4**	**7.5**	**8.1**
PBR (x)	**1.3**	**1.2**	**1.1**	**1.1**	**1.0**
EV/sales (x)	1.0	0.9	0.8	0.7	0.7
EV/EBITDA (x)	4.8	4.9	4.4	4.0	3.7
EV/EBIT (x)	5.8	6.9	6.8	6.3	5.7
EV/FCF (x)	7.3	16.1	5.9	9.0	8.3

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