

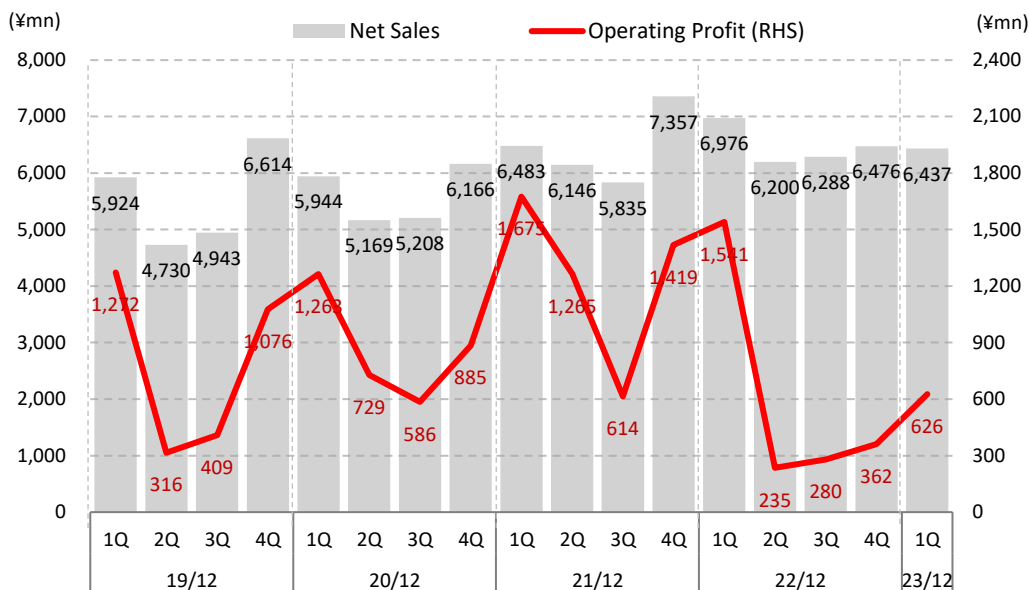
Careful review of turnaround indicators and timing is crucial - Share price has underperformed against the advertising sector -

Identifying the smooth turnaround phase is key to getting in on the rebound

In 1Q FY23/12, CARTA Holdings posted a 23.3% YoY increase in transaction volume for programmatic TV commercial service TELECY, and a 2.8-fold increase in gross sales in the retail domain, showing steady performance in the mass retail domain, which the company has positioned as a priority area in its medium-term management plan. On the other hand, the weak macro environment continued to weigh on double-digit sales declines in reservation-based ads, resulting in a 7.7% YoY drop in sales and a 59.3% drop in operating profit overall. YoY comparisons will ease off from the next quarter, but with 2Q usually being a slow period for advertising and the lack of activity from advertisers in the new fiscal year from April onward, earnings are expected to recovery smoothly rather than sharply. Accordingly, now is the time to identify the factors and determine the timing for a full-fledged earnings turnaround. The company's share price has lagged the advertising sector since the beginning of 2023, and is ripe for a rebound should the company show signs of a turnaround.

Many turnaround indicators: Look out for news flow as well as quarterly results

In terms of turnaround efforts, investors can look forward to progress in defensive measures such as CCI business restructuring and withdrawal from unprofitable Internet-related services, as well as full-fledged proactive measures such as continued growth in the mass retail sector and progress in M&A, collaboration, and synergy creation. In addition to quarterly results, news flow that reveals the status of these measures could be a catalyst for share price performance, and investors should closely monitor the company's disclosures. In addition, CARTA stepped up its human capital disclosure from its latest earnings announcement, revealing new information on quarterly turnover rates and eNPS. Its turnover rate and eNPS had temporarily dropped following the introduction of a new HR system in January 2022 and the Group reorganization, but the temporary negative effects have now run their course. Since the middle of 2022, the company has been expanding its workforce and it will be interesting to see whether the company can maintain and improve employee engagement and link its human capital to renewed earnings growth.



Source: compiled by SIR from the company material.

1Q FOLLOW-UP



Focus Points: VOYAGE Group and Dentsu Group's Cyber Communications merged in Jan. 2019. In addition to serving as a media rep., CARTA HD conducts various businesses related to digital advertising, such as ad platforms and internet media.

Key indicators (yy/mm/dd)

Share price (6/6)	1,344
YH (2/6)	1,722
YL (6/1)	1,299
10YH (14/7/7)	4,335
10YL (20/3/23)	662
Shrs. out (mn, shr)	25.164
Mrk cap (¥bn)	33.8
EV (¥bn)	16.9
Shr. equity ratio (12/31)	53.2%
23/12 PER (CE)	338.2x
22/12 PBR (act)	1.33x
23/12 DY (CE)	4.00%

Share Price Chart (1Y)



Source: SPEEDA

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This report was prepared by Sessa Partners on behalf of CARTA Holdings. Please refer to the legal disclaimer at the end for details.

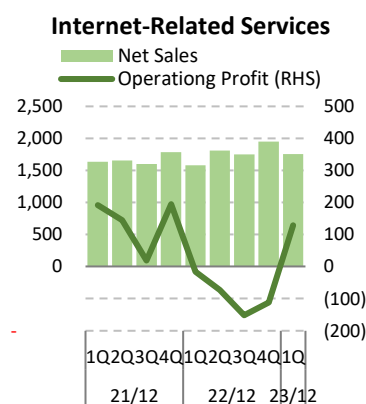
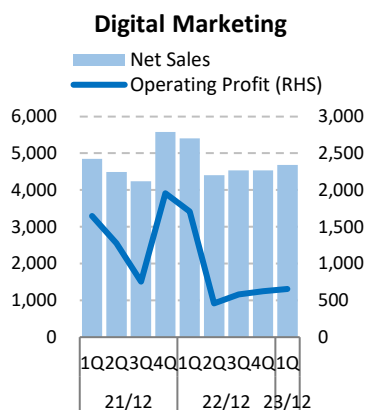
FY2023/12 1Q
Results Summary

Recent earnings has been weak, but it's time to identify when the turnaround will happen

On May 12, 2023, the company disclosed its financial results for 1Q FY 23/12, and held a financial results meeting on the same day. Sales declined 7.7% YoY to ¥6.44 bn, and operating profit fell 59.3% YoY to ¥630 mn. 10.9% rise in sales of Internet-related Business, mainly due to the strong performance of the D2C business “Yomite,” resulted in a segment profit of ¥130 mn, the first quarterly profit in a year. On the other hand, in the mainstay Digital Marketing Business, segment profit fell 61.7%, to ¥650 mn, driven by an 18.3% YoY revenue decline in reservation-based ads. All segment figures are adjusted (Please see note on left for definitions).

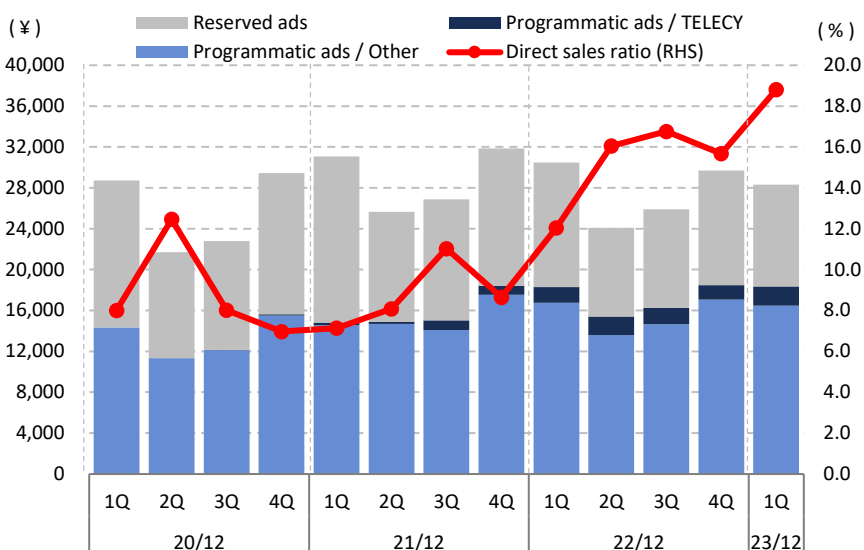
With the cost structure of operating companies deteriorating as a result of the war in Ukraine, the weak yen, and higher resource prices, clients reevaluated budgets for reservation-based ads, which does not necessarily translate to results in the short term, and transaction volume has continued to drop by just under 20% YoY as a result. The inability to secure sufficient volume and limited incentives from media platforms are also weighing down earnings. Furthermore, programmatic ads have also been weak. While sales rose 0.4% YoY for the sub-segment as a whole, excluding the 23.3% YoY growth in programmatic TV commercial service TELECY, this figure drops to -1.7% YoY. While small and medium-sized clients are steadily using the service, US tech companies are moving toward cost optimization, which is affecting overall growth.

Although 1Q results were lackluster, the bottom is beginning to appear in the quarterly momentum. The past year has been a headwind due to macro environmental changes. However, another way to look at this is that YoY comparisons will ease off from the next quarter, and the worst of the market downturn is coming to an end. CARTA COMMUNICATIONS Inc., which handles reservation-based ads, is working to change its business structure to one that focuses on the customer's perspective, and an improvement in earnings as an individual company can be expected in the short to medium term. As the April-June period is usually a quiet period for advertising, excessive expectations for 2Q results are probably not warranted, but the company is entering a phase when turnaround should become more likely. In addition, the company is considering withdrawing from several unprofitable Internet-related service businesses, which can be seen as a measure to establish a muscular profit structure. This could serve as a catalyst for an earnings recovery, and investors should keep an eye on news flow as well as earnings results.



Source: compiled by SIR from the company IR material.
Note: Sales figures are before consolidation offsetting. Operating profit is adjusted to exclude amortization of intangible assets and goodwill and closing incentives.

Digital Marketing Business : Transaction Volume



Source: compiled by SIR from the company material.
Note: Other/adjustments are not shown in the transaction volume.

Cost movements is another point of interest. Sales have remained generally flat, but outsourcing expenses are on the rise. This appears to mainly be expenses related to outsourcing regular work, and given the fact that labor costs have continued to increase, it is an area where the company should be able to control costs by bringing the work in-house. It will be interesting to see if cost optimization progresses in the short- to medium-term. On the other hand, advertising expenses were lower than in FY2022/12, but this is mainly attributable to the leveling off of a one-time increase in expenses related to the release of a new game in the previous year, and further cost reductions are unlikely.

Quarterly results

Item	unit	21/12 1Q	2Q	3Q	4Q	22/12 1Q	2Q	3Q	4Q	23/12 1Q	22/12 Full year	23/12CE Full year
Number of employees	p	1,434	1,465	1,453	1,434	1,435	1,477	1,501	1,526	1,492	1,526	-
Directors and regular employees	p	1,340	1,361	1,341	1,320	1,332	1,357	1,376	1,387	1,397	1,387	-
Part-timer	p	94	104	112	114	103	120	125	139	95	139	-
Annual turnover rate	%	6.3	7.8	8.6	10.2	10.8	11.1	10.4	9.1	8.5	9.1	-
Sales volume												
Digital Marketing Business	¥mn	31,928	26,084	26,537	31,377	30,408	23,386	25,323	28,436	26,749	107,554	-
YoY	%	5.3	13.8	11.1	3.4	(4.8)	(10.3)	(4.6)	(9.4)	(12.0)	(7.2)	-
Programmatic ads	¥mn	14,814	14,861	15,032	18,399	18,279	15,390	16,250	18,461	18,346	68,380	-
YoY	%	3.4	31.2	23.9	17.8	23.4	3.6	8.1	0.3	0.4	8.4	-
within TELECY	¥mn	261	167	929	859	1,534	1,792	1,600	1,403	1,891	6,329	-
YoY	%	-	-	7,046.2	647.0	487.7	973.1	72.2	63.3	23.3	185.6	-
Reservation-based ads	¥mn	16,260	10,789	11,834	13,455	12,190	8,684	9,666	11,223	9,960	41,763	-
YoY	%	12.9	4.1	11.0	(2.8)	(25.0)	(19.5)	(18.3)	(16.6)	(18.3)	(20.2)	-
Other / Segment offset	¥mn	854	434	(329)	(477)	(61)	(688)	(593)	(1,248)	(1,557)	-	-
Direct sales	¥mn	2,277	2,109	2,926	2,713	3,662	3,754	4,244	4,456	5,031	16,116	-
YoY	%	(6.2)	(26.1)	52.9	28.2	60.8	78.0	45.0	64.2	37.4	60.8	-
Agency	¥mn	29,341	24,026	23,366	28,334	26,676	19,592	20,912	23,828	21,754	91,008	-
YoY	%	4.8	19.4	7.7	1.0	(9.1)	(18.5)	(10.5)	(15.9)	(18.5)	(13.4)	-
Other / Segment offset	¥mn	310	(51)	245	330	70	40	167	152	(36)	-	-
Direct sales ratio	%	7.1	8.1	11.0	8.6	12.0	16.1	16.8	15.7	18.8	15.0	-
Net Sales	¥mn	6,483	6,146	5,835	7,357	6,976	6,200	6,288	6,476	6,437	25,940	26,600
YoY	%	9.1	18.9	12.0	19.3	7.6	0.9	7.8	(12.0)	(7.7)	0.5	2.5
Digital Marketing Business	¥mn	4,849	4,490	4,241	5,575	5,401	4,407	4,532	4,537	4,685	18,877	-
YoY	%	14.6	21.9	17.7	24.3	11.4	(1.8)	6.9	(18.6)	(13.3)	(1.5)	-
Take rate	%	15.2	17.2	16.0	17.8	17.8	18.8	17.9	16.0	17.5	-	-
Internet-related Business	¥mn	1,636	1,658	1,603	1,785	1,583	1,810	1,752	1,953	1,755	7,098	-
YoY	%	(4.9)	11.0	0.5	6.1	(3.2)	9.2	9.3	9.4	10.9	6.2	-
Adjustments	¥mn	(3)	(3)	(10)	(4)	(7)	(18)	3	(14)	(3)	(36)	-
Cost of sales	¥mn	800	577	622	621	735	615	681	720	715	2,751	2,501
% of Sales	%	12.3	9.4	10.7	8.4	10.5	9.9	10.8	11.1	11.1	10.6	9.4
Gross profit	¥mn	5,682	5,569	5,213	6,736	6,241	5,584	5,608	5,756	5,722	23,189	24,099
% of Sales	%	87.6	90.6	89.3	91.6	89.5	90.1	89.2	88.9	88.9	89.4	90.6
SG&A expenses	¥mn	4,007	4,303	4,600	5,317	4,699	5,350	5,328	5,394	5,095	20,771	21,799
% of Gross profit	%	70.5	77.3	88.2	78.9	75.3	95.8	95.0	93.7	89.0	89.6	90.5
Personnel expenses	¥mn	2,272	2,431	2,455	2,231	2,339	2,512	2,545	2,538	2,605	9,935	10,872
% of Gross profit	%	40.0	43.7	47.1	33.1	37.5	45.0	45.4	44.1	45.5	42.8	45.1
Advertising and promotion expenses	¥mn	271	337	454	512	522	787	734	697	397	2,741	2,188
% of Gross profit	%	4.8	6.1	8.7	7.6	8.4	14.1	13.1	12.1	6.9	11.8	9.1
Digital Marketing Business, etc.	¥mn	158	275	336	182	327	500	454	542	205	1,823	-
Internet-related Business	¥mn	113	62	118	330	195	287	280	155	192	917	-
System-related expenses	¥mn	453	491	577	636	650	662	705	751	680	2,770	2,953
% of Gross profit	%	8.0	8.8	11.1	9.4	10.4	11.9	12.6	13.0	11.9	11.9	12.3
Outsourcing expenses	¥mn	188	214	248	331	350	417	462	516	493	1,746	1,588
% of Gross profit	%	3.3	3.8	4.8	4.9	5.6	7.5	8.2	9.0	8.6	7.5	6.6
Earnings-linked incentives	¥mn	0	0	0	575	0	0	0	0	0	0	-
% of Gross profit	%	0.0	0.0	0.0	8.5	0.0	0.0	0.0	0.0	0.0	0.0	-
Other expenses	¥mn	823	830	866	1,032	838	972	882	892	920	3,579	4,198
% of Gross profit	%	14.5	14.9	16.6	15.3	13.4	17.4	15.7	15.5	16.1	15.4	17.4
Operating Profit	¥mn	1,675	1,265	614	1,419	1,541	235	280	362	626	2,418	2,300
% of Sales	%	25.8	20.6	10.5	19.3	22.1	3.8	4.5	5.6	9.7	9.3	8.6
Digital Marketing Business	¥mn	1,645	1,278	752	1,957	1,708	457	580	622	654	5,338	-
% of Segment sales	%	33.9	28.5	17.7	35.1	31.6	10.4	12.8	13.7	14.0	28.3	-
Internet-related Business	¥mn	192	145	19	195	(16)	(73)	(152)	(112)	129	(341)	-
% of Segment sales	%	11.7	8.7	1.2	10.9	(1.0)	(4.0)	(8.7)	(5.7)	7.4	(4.8)	-
Intangible assets and amortization of goodwill	¥mn	(162)	(158)	(157)	(158)	(151)	(149)	(148)	(148)	(157)	(594)	-
Earnings-linked incentives	¥mn	0	0	0	(575)	0	0	0	0	0	0	-
EBITDA*	¥mn	2,478	1,556	960	1,708	3,174	896	748	1,273	84	6,091	-
% of Sales	%	38.2	25.3	16.5	23.2	45.5	14.5	11.9	19.7	1.3	23.5	-

Source: compiled by SIR from the company material.

Note: The company complies with the new segment standards that began to be disclosed from the results of FY23/12 Q1.

Progress of med-term plan

Keep an eye on DX promotion in the mass retail domain, as well as new business and M&A activity

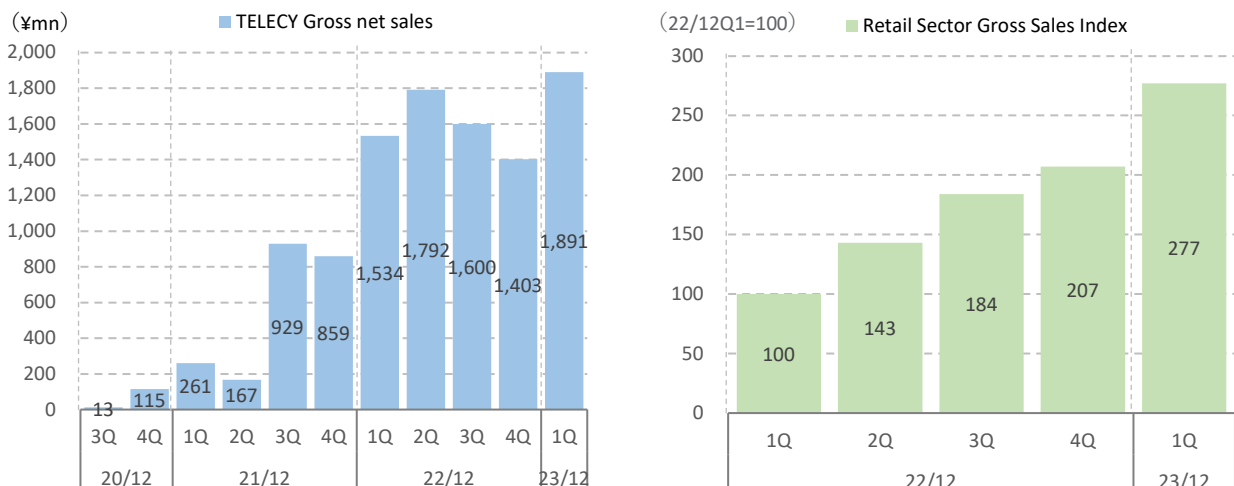
CARTA delivered growth in focus areas in line with its new medium-term management plan. The company is focusing on "DX support in the advertising sector" and "DX support in the retail sector," with the aim of creating next-generation advertising solutions that fuel sustainable growth by promoting DX not only in internet advertising, but also in mass advertising, sales promotion, and other areas.

1Q gross sales of programmatic TV commercial service TELECY rose 23.3% YoY to ¥1.89 bn. There have been major swings in quarterly sales and this has been the first QoQ increase in three quarters as the service has some seasonality and does not have a well-diversified clientele or stable earnings. However, it should be noted that while the Novasell service by competitor Raksul (4384) has had a few quarters with YoY declines over the past year, the company has achieved sustained growth by leveraging its collaboration with Dentsu.

In addition, CARTA has begun disclosing a new retail sector gross sales index, and it appears to have grown about 2.8x YoY. According to the company's own research, the retail media market, which includes advertising platforms such as in-store digital signage and the e-commerce sites and mobile apps of stores and chain stores, is expected to grow from ¥9 bn in 2021 and ¥13.5 bn in 2022 to over ¥80 bn by 2026, and the company intends to take a proactive approach to this high-growth market. It is also worth keeping an eye on developments in the collaboration with Arara (4015), announced in March 2023, which provides proprietary digital money and payment functions that can be used at specific chains and stores, as well as the medium- to long-term potential for earnings contribution.

Being in the advancement phase, the company will practically break even on the bottom line owing to one-time extraordinary losses related to office relocations, etc. However, its business model does not require substantial investment in assets for business expansion, and is structurally designed to accumulate cash. The company's shareholders' equity ratio was healthy at 53.2% as of March 31, 2023. In terms of shareholder returns, the company has a dividend policy of paying out 5% DOE and a share buyback policy that does not interfere with the listing maintenance criteria for the Prime Market. Meanwhile, it plans to ensure that ROE and ROIC exceed 9% while WACC remains below 9%, and intends to proactively look into business investment and M&A. The current medium-term management plan does not provide specific quantitative targets as the short-term outlook is difficult to forecast, but investors should pay close attention to the company's future management actions, including its balance sheet.

Performance in Mass Advertising and Sales Promotion



Source: compiled by SIR from the company material.

Note: Figures represent gross sales, which differ from sales in the company's financial statements

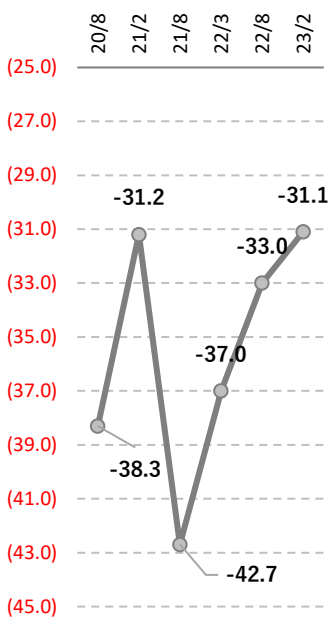
Topic

Expanded human capital disclosure

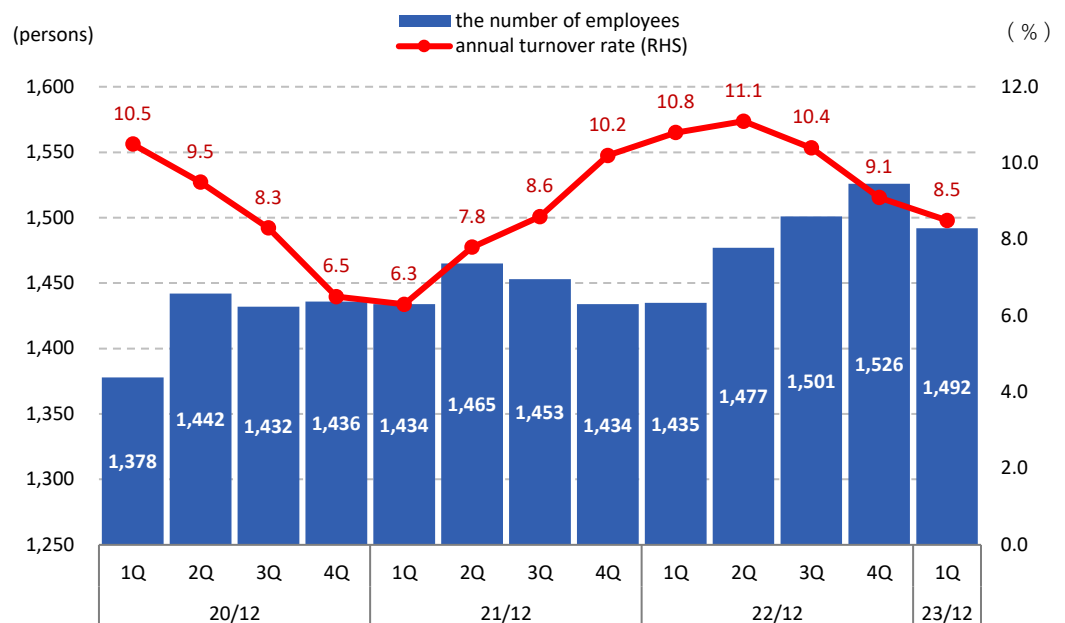
CARTA has made some changes to the contents of its earnings presentation materials since 1Q FY2023/12, most notably by stepping up its human capital disclosure. In addition to the quarterly turnover rate, the company has begun disclosing a time series of eNPS (Employee Net Promoter Score: Quantified workplace recommendation level based on employee questionnaire asking how much they would recommend their workplace to their close acquaintances and friends). For CARTA, which ends its fiscal period in December, human capital disclosure in the annual securities report becomes mandatory beginning with the fiscal year ending December 31, 2023. While the company is not required to disclose human capital at this time, it appears that it has decided to continue its human capital disclosure starting with the current earnings announcement, given the importance of human capital in light of the company's business model.

Both the annual turnover rate and eNPS worsened from the second half of 2021 to the first half of 2022, but have been improving recently. The company had been operating under the personnel systems of the two former companies until December 2021, but from January 2022, it integrated them into a new personnel system under CARTA HOLDINGS and reorganized the group, which resulted in a temporary drop in employee engagement. The negative impact has largely run its course, and it will be interesting to see whether the company can maintain or improve its solid figures as it expands its workforce again.

Trend of eNPS



Quarterly changes in number of employees and annual turnover



Source: compiled by SIR from the company material.

Note: Employee headcount is the average number of employees at the end of the fiscal year, and turnover is calculated based on the number of employees during the past year. Employee Net Promoter Score (eNPS) is a quantified workplace recommendation level based on employee questionnaire asking how much they would recommend their workplace to their close acquaintances and friends. A score closer to 0 is considered good, with average values ranging from -50 to -55.

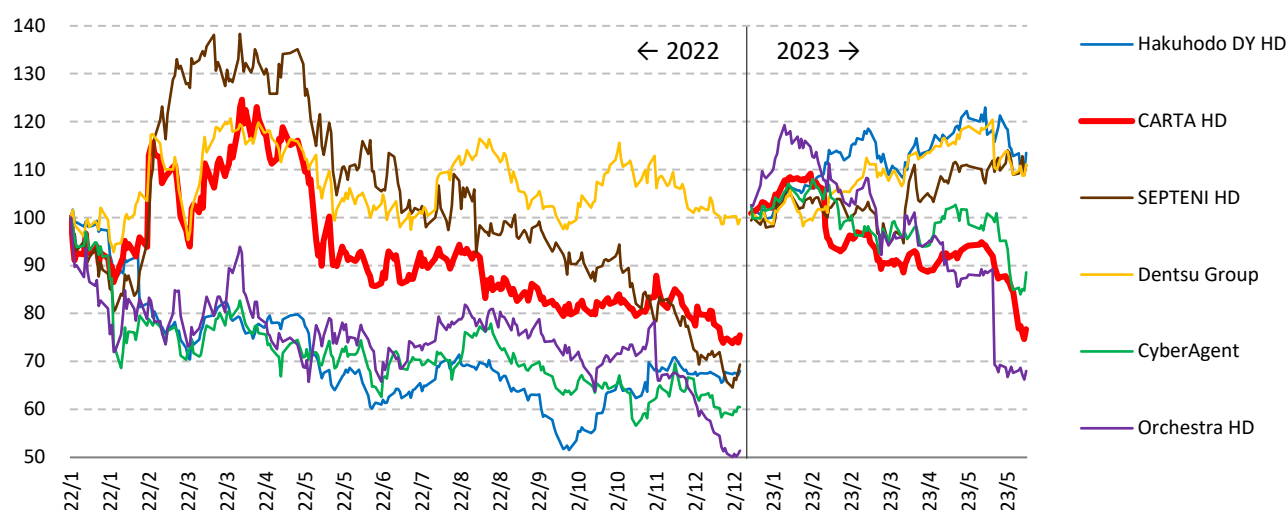
Valuation

Share price continued to fall in 2023, with low valuation even among the weak advertising sector

Over the past year or so, the company's share price has undergone a major correction. Since March 2022, when the macro environment began to change, advertising stocks have fallen almost uniformly through the end of the year, but some stocks have shown signs of a rebound since the beginning of 2023, and the disparity within the sector has begun to widen. The company falls into a group of companies seeing their share prices fall even further partly due to weak guidance, but another way to look at this is that as long as there are signs of a turnaround in performance, its shares are in prime position for a re-rate. The P/E ratio of the company in its current period is an anomaly, but it remains relatively low at around 11x based on the results of the latest fiscal year. Investors should keep a close eye on the company to time the turnaround.

Price Trends of Advertising Stocks and valuation table

(22/1/4or23/1/4=100)



Code	Company	EOFY	Stock price	Market value	P/E			PBR	Net Cash	Ordinary profit	Ordinary profit margin		
			(6/2)	(6/2)	FY21	FY22	FY23E	Most recent FY	Most recent FY	FY21	FY21	FY22	FY23E
-	-	-	yen	¥mn			X	X	¥mn				%
3688	CARTA HOLDINGS	12	1,321	33,242	10.8	11.1	332.7	1.22	15,954	5,614	68.3	(45.9)	(24.2)
-	Ad Industry	-	-	-	13.6	17.2	19.5	2.00	-	-	29.0	(8.4)	(0.6)
2433	Hakuodo DY HD	3	1,498	583,560	10.1	18.0	20.7	1.52	38,707	75,740	52.7	(20.3)	(15.5)
4293	SEPTENI HD	9→12	373	78,733	18.1	12.2	-	1.25	18,254	3,796	66.9	54.2	-
4324	Dentsu Group	12	4,580	1,237,357	11.8	20.5	15.7	1.38	(152,848)	241,841	(272.0)	(51.4)	31.2
4751	CyberAgent	9	1,028	520,244	12.5	21.5	29.7	3.61	119,652	104,694	209.2	(33.7)	(35.2)
6533	Orchestra Holdings	12	1,192	11,703	15.4	13.7	11.7	2.26	1,308	1,286	88.3	8.9	17.1
7095	Macbee Planet	4	16,080	57,342	67.1	37.3	-	19.13	1,053	1,233	57.1	66.3	-

Code	Company	EOFY	ROE		Ordinary profit margin		Asset turnover		Equity ratio		Payout ratio		Dividend return
			FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	FY21	FY22	current period
-	-	-		%		%		times		%		%	%
3688	CARTA HOLDINGS	12	12.0	11.1	21.7	11.7	0.49	0.49	49.6	53.9	41.6	45.3	4.09
-	Ad Industry	-	23.4	19.5	13.4	11.7	1.52	1.29	36.9	42.5	15.4	27.1	1.57
2433	Hakuodo DY HD	3	16.0	8.6	8.5	6.1	0.90	0.95	34.0	35.5	21.7	38.5	2.14
4293	SEPTENI HD	9→12	15.2	14.1	17.8	20.3	0.56	0.44	43.9	70.7	16.5	15.1	TBD
4324	Dentsu Group	12	13.1	6.9	22.3	9.5	0.31	0.33	22.7	23.5	30.2	69.5	3.43
4751	CyberAgent	9	38.1	17.7	15.7	9.8	2.07	1.85	33.7	37.6	13.4	29.2	1.46
6533	Orchestra Holdings	12	24.7	18.0	7.7	13.5	2.18	0.94	40.9	45.4	10.3	10.3	0.84
7095	Macbee Planet	4	33.5	51.4	8.5	10.8	3.12	3.22	46.2	-	0.0	0.0	0.00

Source: compiled by SIR from the company material.

Note: Figures for Septeni Holdings show non-GAAP operating profit instead of recurring profit and figures for the Dentsu Group show operating profit instead of recurring profit. No FY2023 estimates are shown for Septeni Holdings owing to an irregular 15-month accounting period for the current fiscal year. In addition, CyberAgent's FY2023 estimate shows the average of the upper and lower range of the company estimate. Furthermore, Macbee Planet, which had several corporate activities such as M&A deals and capital raises in the recent past, was excluded from the calculation of the average for the advertising industry.

Item	Unit	Actual			Co's 23/12 CE	21/12				22/12				23/12 1Q
		20/12	21/12	22/12		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Net sales	¥mn	22,487	25,821	25,940	26,600	6,483	6,146	5,835	7,357	6,976	6,200	6,288	6,476	6,437
YoY	%	1.2	14.8	0.5	2.5	9.1	18.9	12.0	19.3	7.6	0.9	7.8	-12.0	-7.7
Cost of sales	¥mn	2,852	2,620	2,751	2,501	800	577	622	621	735	615	681	720	715
% of Sales	%	12.7	10.1	10.6	9.4	12.3	9.4	10.7	8.4	10.5	9.9	10.8	11.1	11.1
Gross profit	¥mn	19,635	23,200	23,189	24,099	5,682	5,569	5,213	6,736	6,241	5,584	5,608	5,756	5,722
% of Sales	%	87.3	89.8	89.4	90.6	87.6	90.6	89.3	91.6	89.5	90.1	89.2	88.9	88.9
SG&A expenses	¥mn	16,172	18,227	20,771	21,799	4,007	4,303	4,600	5,317	4,699	5,350	5,328	5,394	5,095
% of Sales	%	71.9	70.6	80.1	82.0	61.8	70.0	78.8	72.3	67.4	86.3	84.7	83.3	79.2
Operating profit	¥mn	3,463	4,973	2,418	2,300	1,675	1,265	614	1,419	1,541	235	280	362	626
% of Sales	%	15.4	19.3	9.3	8.6	25.8	20.6	10.5	19.3	22.1	3.8	4.5	5.6	9.7
Non-operating income	¥mn	149	691	698	-	327	59	113	192	374	339	110	(125)	75
Non-operating expenses	¥mn	277	49	79	-	14	11	9	15	31	(2)	28	22	154
Ordinary profit	¥mn	3,335	5,614	3,036	2,300	1,988	1,313	718	1,595	1,884	576	362	214	548
% of Sales	%	14.8	21.7	11.7	8.6	30.7	21.4	12.3	21.7	27.0	9	6	3	9
Extraordinary income	¥mn	231	259	2,017	-	248	10	0	1	1,022	68	117	810	12
Extraordinary losses	¥mn	511	723	355	-	131	31	65	496	11	39	0	305	1,975
Profit before income taxes	¥mn	3,055	5,151	4,698	-	2,104	1,294	652	1,101	2,896	604	479	719	(1,414)
Income taxes	¥mn	1,190	2,027	1,596	-	760	446	289	532	941	285	149	221	(223)
Effective tax rate	%	39	39	34	-	36	34	44	48	32	47	31	31	-
Profit	¥mn	1,865	3,124	3,102	-	1,344	848	362	570	1,954	319	331	498	(1,191)
Non-controlling interests	¥mn	83	19	66	-	0	(23)	4	38	-20	(64)	73	77	58
Net Profit Attribute to parent company shareholders	¥mn	1,782	3,105	3,036	100	1,344	871	358	532	1,974	383	258	421	(1,249)
EPS	¥	70.6	122.7	119.2	4.0	-	-	-	-	-	-	-	-	-
Diluted EPS	¥	70.6	121.3	118.6	-	-	-	-	-	-	-	-	-	-
BPS	¥	70.6	1,070.4	1,080.5	-	-	-	-	-	-	-	-	-	-
DPS	¥	70.6	51.0	54.0	54.0	-	-	-	-	-	-	-	-	-
Payout ratio	%	68.0	41.6	45.3	-	-	-	-	-	-	-	-	-	-
ROE	%	7.5	12.0	11.1	-	-	-	-	-	-	-	-	-	-
Equity ratio	%	49.5	49.6	53.9	-	-	-	-	-	-	-	-	-	-

Item	Unit	Actual			Co's 23/12 CE	21/12				22/12				23/12 1Q
		20/12	21/12	22/12		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Total Assets	¥mn	49,259	55,376	50,440	-	50,567	47,651	47,485	55,376	52,254	46,570	46,434	50,440	47,696
Current Assets	¥mn	37,004	42,513	38,364	-	37,979	34,754	34,332	42,513	40,943	34,732	34,380	38,364	36,470
Cash & Cash Equivalents	¥mn	15,600	21,031	16,101	-	15,169	17,949	17,925	21,031	19,100	18,402	17,361	16,101	16,350
Accounts Receivables	¥mn	17,697	18,349	15,796	-	19,832	14,234	13,611	18,349	18,480	11,879	12,818	15,796	15,357
Inventories	¥mn	564	338	660	-	694	660	866	50	858	1,008	880	83	680
Other Current Assets	¥mn	3,143	2,795	5,807	-	2,284	1,911	1,930	3,083	2,505	3,443	3,321	6,384	4,083
Noncurrent assets	¥mn	12,255	12,863	12,075	-	12,58	12,896	13,152	12,863	11,311	11,838	12,054	12,075	11,225
Property, Plant & Equipment	¥mn	1,276	1,290	1,515	-	1,446	1,553	1,522	1,290	1,374	1,444	1,462	1,515	624
Intangible Assets	¥mn	5,462	4,689	3,975	-	5,219	5,079	4,917	4,689	4,509	4,358	4,209	3,975	4,080
Investments and Other Assets	¥mn	5,516	6,883	6,584	-	5,920	6,263	6,713	6,883	5,426	6,036	6,382	6,584	6,520
Total Liabilities	¥mn	24,705	27,619	22,969	-	25,324	21,282	21,050	27,619	24,008	18,520	19,210	22,969	22,006
Current liabilities	¥mn	23,287	26,280	21,841	-	23,815	19,740	19,383	26,280	23,194	17,803	18,528	21,841	21,292
Trade Payables	¥mn	16,655	16,899	14,855	-	17,487	12,429	12,119	16,899	15,864	10,627	12,089	14,855	14,022
Short term Interest-bearing Debt	¥mn	19	0	147	-	137	118	117	0	100	15	147	147	0
Income taxes	¥mn	-	1,356	0	-	-	720	644	1,356	192	542	-	0	0
Other liabilities	¥mn	6,613	8,025	6,839	-	6,191	6,473	6,503	8,025	7,038	6,619	6,292	6,839	7,270
Non-current liabilities	¥mn	1,417	1,339	1,127	-	1,508	1,542	1,666	1,339	814	716	682	1,127	714
Long-term liabilities	¥mn	180	63	0	-	149	120	91	63	49	45	0	0	0
Other liabilities	¥mn	1,237	1,276	1,127	-	1,359	1,422	1,575	1,276	765	671	682	1,127	714
Total net assets	¥mn	24,553	27,757	27,471	-	25,242	26,369	26,434	27,757	28,246	28,050	27,224	27,471	25,689
Shareholders' equity	¥mn	23,924	26,002	26,689	-	24,278	25,227	25,043	26,002	27,316	27,372	26,357	26,689	24,739
Accumulated other comprehensive income	¥mn	452	1,441	498	-	786	988	1,234	1,441	687	545	660	498	613
Share acquisition rights	¥mn	7	122	75	-	7	7	6	122	122	75	75	75	75
Non-controlling interests	¥mn	170	190	207	-	169	146	150	190	120	56	129	207	260
Cash Flows from Operating Activities	¥mn	1,883	7,102	(1,886)	-	-	-	-	-	-	-	-	-	-
Pretax profit	¥mn	3,055	5,151	4,698	-	-	-	-	-	-	-	-	-	-
Depreciation	¥mn	1,073	1,173	1,077	-	-	-	-	-	-	-	-	-	-
increase of working capital	¥mn	(849)	(182)	187	-	-	-	-	-	-	-	-	-	-
Other working capital	¥mn	506	1,457	(4,548)	-	-	-	-	-	-	-	-	-	-
Income tax paid	¥mn	(1,902)	(497)	(3,300)	-	-	-	-	-	-	-	-	-	-
Cash flows from investing activities	¥mn	197	(765)	(698)	-	-	-	-	-	-	-	-	-	-
Increase of property, plant and equipment	¥mn	(97)	(436)	(490)	-	-	-	-	-	-	-	-	-	-
Increase of intangible assets	¥mn	(219)	(330)	(246)	-	-	-	-	-	-	-	-	-	-
Others	¥mn	513	1	38	-	-	-	-	-	-	-	-	-	-
Free cash flow	¥mn	2,080	6,337	(2,584)	-	-	-	-	-	-	-	-	-	-
Cash flows from financing activities	¥mn	(892)	(1,215)	(2,504)	-	-	-	-	-	-	-	-	-	-
Interest-bearing Debt	¥mn	(243)	(171)	(46)	-	-	-	-	-	-	-	-	-	-
Dividends paid	¥mn	(404)	(1,639)	(1,355)	-	-	-	-	-	-	-	-	-	-
Increase in Equity	¥mn	(251)	596	(1,054)	-	-	-	-	-	-	-	-	-	-
Others	¥mn	6	(1)	(49)	-	-	-	-	-	-	-	-	-	-
Effect of exchange rate change on cash equivalents	¥mn	(134)	308	160	-	-	-	-	-	-	-	-	-	-
Increase in cash equivalents	¥mn	1,054	5,430	(4,929)	-	-	-	-	-	-	-	-	-	-
Cash equivalents at beginning of period	¥mn	14,546	15,600	21,031	-	-	-	-	-	-	-	-	-	-
Cash equivalents at end of period	¥mn	15,600	21,031	16,101	-	-	-	-	-	-	-	-	-	-

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