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ASTRIS CORPORATE ADVISORY JAPAN

Ceres Inc. (3696)

A +20% gross IRR exit and a simpler growth story

30 June 2026

Disposition of bitbank, Inc.

- **Realizing a successful investment and a strategic refocus -** The sale of Ceres' 22.39% bitbank stake to the SBI Group for ~¥8.6bn signals a reallocation of the Company's management resources towards its core business and growth areas. We estimate Ceres generated a ~4.7x return (~20% gross IRR) on the ~¥1.8bn invested since 2017, an impressive outcome given the volatility of bitbank's earnings and the rapidly shifting crypto landscape. Post-completion, Ceres' cryptocurrency exposure shrinks meaningfully to just Mercury, which we think removes a significant overhang on the Company's earnings outlook and simplifies the Company's growth strategy. The strong returns on the bitbank investment, and the disciplined recycling of ~¥7.4bn of net proceeds into shareholder returns and growth investments further build on Ceres' track record of value creation.

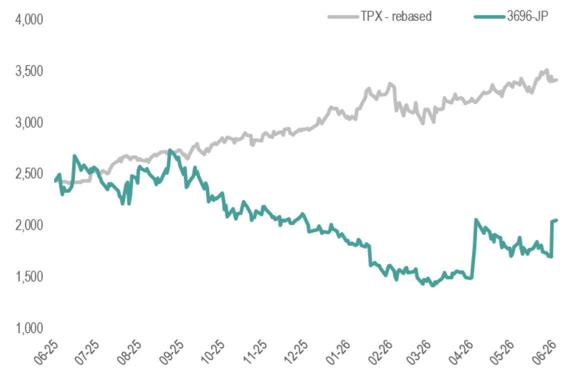
Exiting bitbank at a 4.7x MOIC

- **bitbank generated a ~4.7x return over an eight-year hold -** We estimate Ceres invested ~¥1.8bn for its 22.39% stake in bitbank since its 2017 alliance and is exiting at ~¥8.6bn (~¥7.4bn net of taxes) for a ~¥6.8bn gross gain. The investment generated an impressive ~+20% gross IRR, after accounting for equity earnings over the eight-year investment period.
- **Proceeds recycled into shareholder returns and growth -** Ceres has allocated the ~¥7.4bn of net proceeds from the transaction for shareholder returns and growth investments. Ceres plans to buy back up to ¥2.5bn of shares (on top of the ~¥0.5bn completed 17 June), increase the dividend +50% to ¥90 (~¥0.35bn), and reserve ~¥4.5bn for organic and inorganic growth investments.
- **Guidance revised for the gain only, leaving room for more** - FY12/26 guidance was upwardly revised to reflect the gains from the bitbank transaction. However, the revision does not yet incorporate the Squiz acquisition or the strong Q1 results, which we believe leaves room for a further, operations-driven upward revision.
- **For further details on our analysis, please see our recently published initiation report here**
- **Valuations** – On our earnings estimates, the shares are trading on an estimated PER FY12/26 of 4.1x, and a SOTP multiple of 0.66x.

Year-end	12/24	12/25	12/26E	12/27E	12/28E
Sales (¥bn)	27.71	29.66	35.76	41.81	47.75
OP (¥bn)	2.23	2.33	2.78	4.00	5.14
NI (¥bn)	1.48	2.50	5.84	2.45	3.20
EPS (¥)	128.96	216.61	506.53	212.19	277.34
DPS (¥)	60.00	80.00	90.00	66.00	66.00
Sales growth YoY (%)	+15.1	+7.1	+20.6	+16.9	+14.2
OP growth YoY (%)	+99.2	+4.8	+19.1	+43.9	+28.6
NI growth YoY (%)	+228.2	+68.6	+133.8	-58.1	+30.7
EPS growth YoY (%)	+225.9	+68.0	+133.8	-58.1	+30.7
PER (x)	16.2	9.7	4.1	9.9	7.5
EV/EBITDA (x)	7.5	7.1	5.8	4.3	3.5
EV/Sales (x)	0.7	0.7	0.6	0.5	0.4
PBR (x)	2.2	1.8	1.4	1.3	1.1
ROE (%)	14.6	20.4	38.9	13.8	15.8
ROCE (%)	13.8	13.7	13.5	17.5	20.0
FCF yield (%)	0.1	4.9	2.8	15.1	14.7
Dividend yield (%)	2.9	3.8	4.3	3.2	3.2

Source: Company, Astris Advisory (estimates)

Share price: ¥2,091 Market cap: ¥24.1bn



Source: Bloomberg

Price Performance

	YTD	1M	3M	12M
Abs (%)	+5.7	+14.2	+37.9	-15.9
Rel (%)	-11.1	+13.6	+28.8	-56.0

Company sector

Business Services | Specialty Finance and Services
Other Marketing and Advertising Services (GICS)

Stock data

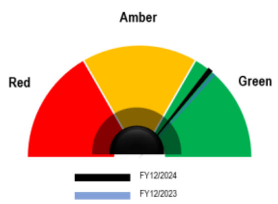
Price (¥)	2,091
Mkt cap (¥bn)	24.1
Mkt cap ($mn)	148.9
52-week range (¥)	1,393 – 2,850
Shares O/S (m)	11.5
Average daily value ($mn)	2.5
Free float (%)	66.7
Foreign shareholding (%)	8.9
Ticker	3696
Exchange	Tokyo Prime
Net Debt/Equity (x)	Net Cash
BBG BUY | HOLD | SELL	0 | 0 | 0

Source: Bloomberg

Business Overview

Ceres Inc. is a Tokyo-based digital platform operator founded in 2005, with Moppy, Japan's leading point rewards site, as the core of its business.

Astris-Sustainability ESG rating



Reference Ratings	
MSCI	-
Sustainalytics	-
Refinitiv	-
S&P Global	-
Bloomberg	-
CDP	B

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This report has been commissioned and paid for by the company

Sale of bitbank, Inc.

Transaction details

On 25 June 2026, Ceres entered into a memorandum of understanding to sell its entire 22.39% holding in bitbank, Inc., its cryptocurrency exchange equity-method affiliate, for a gross consideration of approximately ¥8.6bn. The ultimate acquirer of the Ceres' stake in bitbank is the SBI Holdings group, which is acquiring 100% of bitbank. The transaction is expected to close in October 2026, conditional on regulatory clearance from the Japan Fair Trade Commission and other customary closing conditions.

Upon the completion of the transaction, Ceres is expected to receive ¥7.4bn of net proceeds after tax and recognize ~¥5.5bn of gains from the sale of its 22.39% stake in bitbank.

Ceres is expected to receive net proceeds of ¥7.4bn in cash from the sale of its 22.4% stake in bitbank to SBI Holdings, which is acquiring 100% of bitbank, pending regulatory approval

Transaction details

Key transaction terms	Details
Asset sold	bitbank, Inc. (unlisted)
Change in Ceres' ownership	22.39% (21,480 shares) → 0%
Counterparty to the basic agreement	SBI Holdings, Inc. (TYO: 8473), etc.
Consideration	**¥8.60bn in cash (net proceeds of ¥7.40bn after tax)**
Implied Valuation of the acquisition target	**approximately ¥46.70bn**
Key closing condition	Regulatory approval from Japan Fair Trade Commission
Expected completion	**October, 2026**

Source: Company

Investment return on bitbank

We estimate Ceres generated a ~4.7x return on its bitbank investment, an approximate +20% IRR over an eight-year holding period. By our calculation, the Company invested ~¥1.8bn for its 22.4% stake in bitbank and is now exiting at ~¥8.6bn, a gross gain of ~¥6.8bn on the original outlay, which we think is impressive considering the volatile nature of bitbank's earnings and the rapidly shifting cryptocurrency industry landscape.

Ceres generated a ~4.7x return on its bitbank investment, approximately a +20% IRR over an eight-year holding period

Analysis of bitbank investment returns

	Value (¥bn)	Note
Original investment (cash in)	1.8	Parent affiliate-shares carrying value on balance sheet during initial investment
Book-value accretion over the holding period as an equity-method affiliate	+1.3	Cumulative equity-method earnings, including operating losses in FY12/25 Consolidated carrying value increased to ~¥3.2bn
Gain on sale vs. consolidated carrying value	+5.5	Acquisition price less the ~¥3.2bn equity-method carrying value
Gross proceeds	**8.6**	

Source: Company, Astris Advisory

Strategic implications

Although Ceres continues to believe in the potential of cryptocurrencies, **we believe the transaction signals a reallocation of the Company's management resources towards its core business and growth areas.** Following the completion of the transaction, Ceres' exposure to cryptocurrencies declines meaningfully, with the Company's wholly-owned subsidiary Mercury, a staking-focused cryptocurrency asset management platform, being the only meaningful exposure to the cryptocurrency industry.

Importantly, we think the sale of bitbank removes a significant overhang on the Company's earnings outlook and simplifies the accounting of the Company's earnings. Historically, bitbank has complicated the analysis of the Company's earnings due to the accounting treatment of income from equity-method affiliates.

Use of proceeds

Concurrent with the announcement of the sale of bitbank, Ceres announced capital allocation plans for the ¥7.4bn of net proceeds from the transaction for shareholder returns and growth investments. Capital allocation plan includes:

- **Share buyback** – up to ¥2.5bn of incremental repurchases funded by the proceeds, on top of the ~¥0.5bn programme completed 17 June 2026.
- **Dividend** – ¥0.35bn allocated to raising FY12/26 dividend +50% (+¥30) to ¥90 from ¥60.
- **Organic and Inorganic Growth Investments** – Ceres has reserved the remaining ¥4.5bn of the proceeds for growth investments in its existing businesses, including strategic M&A, with the aim of achieving the Company's medium-term plan (MTP) 2030 targets of ¥60bn net sales, ¥12bn EBITDA and 15% ROE.

We note that the rapid pace of capital deployment comes on the back of the Company's April 2026 ¥3.6bn acquisition of 90% of SQUIZ Co. Ltd., an online telemedicine platform.

Upward guidance revision

Ceres has upwardly revised its FY12/26 guidance to reflect the gains from the sale of bitbank. Notably, **the revised guidance has yet to incorporate the earnings contribution from the recently acquired Squiz online telemedicine platform and the Company's strong Q1 performance, which makes us believe there is room for further upward revision.**

Revised FY12/26 guidance reflects the sale of bitbank, but does not incorporate the Squiz acquisition or strong Q1 results

Revised FY12/26 financial guidance

(¥bn)	Prior FY12/26 Guidance	Revised FY12/26 Guidance	Change	Change (%)
Net sales	35.70	35.70	—	—
EBITDA	**3.45**	**8.85**	**+5.40**	**+156.5**
Operating profit	2.80	2.80	—	—
Ordinary profit	2.80	2.80	—	—
Net profit attributable to owners	1.60	5.90	+4.30	+268.8
EPS (¥)	**138.66**	**509.71**	**+371.05**	**+267.6**
DPS (¥)	**60.00**	**90.00**	**+30.00**	**+50.0**

Source: Company

Sum-of-the-parts valuation

To better assess the value of Ceres, we believe it would be helpful to value the Company on a sum-of-the-parts basis, reflecting the underlying value of its portfolio of businesses, and to assign value to its growth-stage businesses that are not yet contributing to earnings.

We have revised our SOTP analysis to incorporate the sale of bitbank but not the redeployment of capital towards shareholder returns and growth investments.

Shares trade at a meaningful discount to SOTP valuation, likely reflecting minimal value being assigned to the Company's D2C or Financial Services business

Sum-of-the-parts build for Ceres

	Value (¥bn)	Notes
Cash	21.35	As of Q1 FY12/26 Adjusted for the sale of bitbank
Investment Securities	1.10	As of Q4 FY12/25
Investment in Affiliates	0.10	As of Q1 FY12/26 Adjusted for the sale of bitbank
Debt	-9.99	As of Q1 FY12/26
Hard Assets	**12.56**	
Point	20.08	Derived from applying a 1.0x EV/Sales multiple to the segment's FY12/25 revenue of ¥20.1bn.The multiple is in line with the listed domestic peers
D2C	1.95	Derived from applying a 0.4x EV/Sales multiple to the segment's FY12/25 revenue of ¥4.87bn.The multiple is at a discount to the listed domestic peer, reflecting operating challenges at the segment's flagship brand
Financial Services	1.69	Derived from applying a 1.0x EV/Sales multiple to the segment's FY12/25 revenue of ¥1.69bn. This is at a discount to listed peers, reflecting lower scale and profitability.
Sum-of-the-parts Value	**36.28**	
SOTP Value/Share	3,146.71	
Current Share Price	2,091.00	
P/SOTP Value (x)	**0.66x**	

Source: Company, Astris Advisory

Ceres trades at a discount relative to domestic peers despite an established track record of strong ROE and revenue growth, which we think is partly driven by the complexity of the Company's diverse business operations.

Peer analysis of key profitability and valuation metrics

Ticker	Company	Mkt Cap US$ (mn)	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)
3696 JP	**CERES INC.**	**149**	**7.9**	**9.4**	**20.4**	**6.8**	**4.8**	**0.5**	**3.1**	**11.6**	**1.8**
Domestic peers											
Online marketing platforms and infrastructure											
2491 JP	ValueCommerce Co., Ltd.	62	3.6	16.3	-6.4	22.3	-	-	-	-	0.9
6562 JP	Geniee, Inc.	67	14.0	6.6	14.1	-4.4	-	-	-	-	1.1
4819 JP	Digital Garage, Inc.	499	-4.5	-1.4	1.7	3.4	4.2	1.2	3.0	19.4	1.1
4751 JP	CyberAgent Incorporated	4,074	10.2	8.3	23.6	13.2	5.3	0.5	1.8	14.1	3.3
D2C operators											
4933 JP	I-ne CO., LTD.	136	7.4	7.2	10.7	14.6	9.0	0.4	1.2	13.3	1.2
Cryptocurrency platforms											
CNCK US	Coincheck Group N.V.	304	-0.3	0.6	-12.6	-1.2	-	-	-	-	3.2
Median			**5.5**	**6.9**	**6.2**	**8.3**	**5.3**	**0.5**	**1.8**	**14.1**	**1.1**
Overseas peers											
D2C operators											
ELF US	e.l.f. Beauty, Inc.	4,008	8.5	9.9	2.8	9.9	12.1	2.4	0.0	19.9	3.5
HIMS US	Hims & Hers Health, Inc. Class A	7,856	2.0	-9.9	-2.7	-	24.2	2.6	0.0	206.7	17.5
Cryptocurrency platforms			39,271	5.4	8.1	6.7					
COIN US	Coinbase Global, Inc. Class A	499	-270.6	-237.4	-556.0	7.5	14.4	5.3	0.0	53.4	2.9
GEMI US	Gemini Space Station, Inc. Class A	5,749	23.7	20.2	25.1	-	-	1.7	0.0	-	1.1
Online SME lending			4,008	8.5	9.9	2.8					
ENVA US	Enova International Inc	7,856	2.0	-9.9	-2.7	11.9	9.5	2.5	0.0	12.7	4.1
Median			**6.9**	**9.0**	**4.7**	**8.5**	**13.2**	**2.5**	**0.0**	**36.6**	**3.5**

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

Astris earnings estimates and key assumptions

We have revised our earnings estimates following the announced sale of bitbank and the upwardly revised financial guidance, but our estimates continue to reflect the following key factors:

- Successful execution of the Company's MTP, including steady growth of the Point business, rebound of the D2C business, and acceleration in the Financial Services business.
- We have not factored in shifts in the trajectory of the interest rate environment and the subsequent impact on ad-spend, consumer demand and credit performance.
- We have not factored in any additional M&A activity.

Astris Advisory earnings estimates

Year-end	FY12/26E (OLD)	FY12/27E (OLD)	FY12/28E (OLD)	FY12/26E (NEW)	FY12/27E (NEW)	FY12/28E (NEW)
Point	25.50	29.33	32.55	25.50	29.33	32.55
D2C	6.81	8.18	9.81	6.81	8.18	9.81
Financial Services	3.45	4.31	5.38	3.45	4.31	5.38
Sales(¥bn)	**35.76**	**41.81**	**47.75**	**35.76**	**41.81**	**47.75**
Growth YoY (%)	+20.6	+16.9	+14.2	+20.6	+16.9	+14.2
Net income (¥bn)	**1.83**	**2.58**	**3.39**	**6.00**	**2.63**	**3.41**
Net income margin (%)	4.7	5.7	6.7	16.3	5.9	6.7
ROE (%)	**12.0**	**15.4**	**17.7**	**38.9**	**13.8**	**15.8**
ROA (%)	4.2	5.4	6.4	14.4	5.3	6.2
DPS (¥)	**60.0**	**66.0**	**66.0**	**90.0**	**66.0**	**66.0**
Dividend yield (%)	3.1	3.2	3.2	4.3	3.2	3.2

Source: Astris Advisory

The core assumptions of our estimates are as follows:

- **Sales growth** – We believe the Company's sales growth will be driven by continued expansion of the Point segment, reflecting both organic advertising market growth and the first full-year consolidation of Point Income. This is supplemented by recovery in D2C revenue as Pitsole headwinds dissipate and recently acquired brands begin to contribute, and progressive revenue growth in Financial Services as labol scales its GMV base.
- **Profitability** – We forecast gradual improvement in consolidated operating margins over the forecast period, driven by D2C recovery toward normalized margin levels, progressive narrowing of Financial Services losses as labol scales and Mercury's cost base matures, and Point segment margin expansion as Point Income PMI progresses and AD.TRACK internalization increases.

Summary

Ceres has refocused its portfolio around three growth pillars: the Point business, D2C brand roll-up, and Financial Services centered on labol and Mercury.

Ceres Inc. is a Tokyo-based digital platform operator founded in 2005, with Moppy, Japan's leading online points rewards site, at its core. Over two decades, the Company has grown revenue from ¥64mn to ¥29.7bn through a combination of organic growth and M&A, while systematically redeploying cashflow from the core Point business to incubate and scale adjacent ventures in D2C and Financial Services. Following the FY12/25 divestiture of YUMEMI for ~¥3.7bn, Ceres has refocused its portfolio around three growth pillars: the Point business, D2C brand roll-up, and Financial Services centered on labol and Mercury.

We believe Ceres offers an attractive and underappreciated way to gain exposure to Japan's digital advertising and fintech ecosystems through a platform operator with a demonstrated track record of value creation from internally incubated businesses.

The following findings from our report underpin the thesis:

- **The market has not given Ceres credit for its track record of building businesses from scratch.** The Company incubated D2C from ¥10mn to ¥4.9bn in revenue, grew labol's GMV approximately 70x in four years, and generated a post-tax MOIC of 6.6x and ~31% IRR on the YUMEMI investment.
- **labol is the most visible near-term catalyst and the critical driver for MTP delivery.** Incubated internally since December 2021, labol is now the primary revenue driver within Financial Services and is on track to reach full-year profitability in FY12/26. A stated management objective to pursue an independent IPO for labol would be the most significant value crystallization event since the YUMEMI divestiture.
- **The core Point business continues to scale, and Point Income integration is a direct, low-risk margin uplift opportunity.** Point segment revenue grew 39.4% YoY to ¥20.1bn in FY12/25, with membership and ARPU expanding simultaneously, signaling that fundamentals remain strong.

Astris Advisory estimates Ceres will drive medium-term growth through:

Ceres' MTP outlined aggressive growth targets, which if achieved, would be transformative for the Company.

- Continued expansion of the Point segment, reflecting both organic advertising market growth and the first full-year consolidation of Point Income. This is supplemented by recovery in D2C revenue as Pitsole headwinds dissipate and recently acquired brands begin to contribute, and progressive revenue growth in Financial Services as labol scales its GMV base.
- Gradual improvement in consolidated operating margins over the forecast period, driven by D2C recovery toward normalized margin levels, and progressive narrowing of Financial Services losses.

The shares are trading on an estimated PER FY12/26 of 4.1x, a PBR of 1.8x, and a Sum-of-the-parts multiple of 0.66x. We believe investors should also value the shares on a SOTP basis given the Company's broad business portfolio.

JGAAP financial summary

Income statement (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Sales	**27.71**	**29.66**	**35.76**	**41.81**	**47.75**
COGS	(14.37)	(16.64)	(20.38)	(23.83)	(27.22)
Gross profit	**13.34**	**13.02**	**15.38**	**17.98**	**20.53**
Gross profit margin (%)	48.1	43.9	43.0	43.0	43.0
Operating profit	**2.23**	**2.33**	**2.78**	**4.00**	**5.14**
OP margin (%)	8.0	7.9	7.8	9.6	10.8
Non-operating income	0.51	0.05	0.10	0.01	0.01
Non-operating expenses	(0.06)	(0.28)	(0.30)	(0.05)	(0.05)
Ordinary profit	**2.68**	**2.11**	**2.49**	**3.87**	**5.01**
Extraordinary gains	0.02	2.76	5.40	-	-
Extraordinary losses	(0.31)	(0.25)	-	-	-
Pre-tax profit	**2.38**	**4.62**	**7.89**	**3.87**	**5.01**
Tax	(0.86)	(1.99)	(1.89)	(1.24)	(1.60)
Effective tax rate (%)	35.9	43.1	35.0	32.0	32.0
Net income	**1.53**	**2.63**	**6.00**	**2.63**	**3.41**
Non-controlling NI	0.05	0.13	0.16	0.18	0.21
Parent attributable NI	**1.48**	**2.50**	**5.84**	**2.45**	**3.20**
Sales growth YoY (%)	+15.1	+7.1	+20.6	+16.9	+14.2
OP growth YoY (%)	+99.2	+4.8	+19.1	+43.9	+28.6
Pre-tax profit YoY (%)	+187.3	+93.8	+70.7	-51.0	+29.6
NI growth YoY (%)	+228.2	+68.6	+133.8	-58.1	+30.7

Cash flow statement (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Profit before tax	**2.38**	**4.62**	**7.89**	**3.87**	**5.01**
Depreciation/amortization	0.46	0.49	0.65	0.65	0.66
Changes in working capital	(1.36)	1.18	(0.17)	0.75	(0.11)
Other non-cash items	(0.25)	(3.49)	(5.40)	-	-
Tax paid	(0.52)	(1.13)	(1.89)	(1.24)	(1.60)
Cash from Operating Activities	**0.72**	**1.67**	**1.08**	**4.03**	**3.95**
Capex	(0.71)	(0.49)	(0.40)	(0.40)	(0.40)
Acquisitions/increase stakes	(0.13)	1.75	7.40	-	-
Other investing cash flow	0.32	(0.52)	-	-	-
Cash from Investing Activities	**(0.52)**	**0.74**	**7.00**	**(0.40)**	**(0.40)**
Total cash dividends paid	(0.23)	(0.69)	(1.04)	(0.76)	(0.76)
Debt issuance/(retirement)	2.10	(0.37)	-	-	-
Equity financing/(buybacks)	0.11	-	-	-	-
Other	1.28	0.24	0.24	0.24	0.24
Cash from Financing Activities	**3.27**	**(0.82)**	**(0.80)**	**(0.52)**	**(0.52)**
FX impact	-	-	-	-	-
Net cash flow	**3.47**	**1.59**	**7.28**	**3.11**	**3.03**
Free cash flow	**0.02**	**1.18**	0.68	3.63	3.55
EBITDA	**2.68**	**2.83**	3.43	4.66	5.80
EBITDA margins (%)	9.7	9.5	9.6	11.1	12.1
Free cash flow margin (%)	0.1	4.0	1.9	8.7	7.4
Free cash flow conversion (%)	0.7	25.6	8.6	93.9	70.9
Capex/sales (%)	2.5	1.6	1.1	1.0	0.8
Capex/depreciation (%)	154.8	98.7	61.2	61.1	61.0
CFO margin (%)	2.6	5.6	3.0	9.6	8.3

Balance sheet (¥bn)	FY 12/24	FY 12/25	FY 12/26E	FY 12/27E	FY 12/28E
Cash & equivalents	11.57	13.08	20.36	23.46	26.49
Inventory	2.05	1.69	2.03	2.38	2.71
Accounts receivables	3.90	3.83	4.62	5.40	6.17
Other	6.32	7.18	8.66	10.13	11.56
Current assets	**23.85**	**25.78**	**35.67**	**41.37**	**46.93**
Tangible assets	0.78	0.76	0.51	0.26	0.00
Intangible assets	1.49	3.01	3.01	3.01	3.01
Investment in affiliates	3.60	3.92	0.29	0.36	0.43
Investment	1.14	1.10	1.10	1.10	1.10
Other	2.11	2.93	2.93	2.93	2.93
Fixed assets	**9.13**	**11.73**	**7.84**	**7.66**	**7.47**
Total assets	**32.98**	**37.50**	**43.51**	**49.02**	**54.40**
Short-term borrowing	6.42	6.67	6.67	6.67	6.67
Trade creditors	0.87	1.04	1.26	1.47	1.68
Other	9.56	12.71	14.93	18.06	20.28
Current liabilities	**16.85**	**20.42**	**22.86**	**26.20**	**28.63**
Long-term borrowing	3.09	2.75	2.75	2.75	2.75
Other LT liabilities	0.31	0.37	0.37	0.37	0.37
Long-term liabilities	**3.40**	**3.12**	**3.12**	**3.12**	**3.12**
Shareholder's equity	**11.15**	**13.30**	**16.73**	**18.77**	**21.58**
Share acquisitions rights	-	-	-	-	-
Non-controlling interests	1.57	0.66	0.80	0.94	1.07
Total net assets	**12.72**	**13.96**	**17.53**	**19.70**	**22.65**
Total liabilities & net assets	**32.98**	**37.50**	**43.51**	**49.02**	**54.40**

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 (%)	48.1	43.9	43.0	43.0	43.0
Operating margin (%)	8.0	7.9	7.8	9.6	10.8
Net margin (%)	5.3	8.4	16.3	5.9	6.7
ROA (%)	5.0	7.1	14.4	5.3	6.2
ROE (%)	14.6	20.4	38.9	13.8	15.8
ROCE (%)	13.8	13.7	13.5	17.5	20.0
ROIC (%)	7.7	6.1	7.4	10.0	11.8
Liquidity					
Current ratio (x)	1.4	1.3	1.6	1.6	1.6
Quick ratio (x)	1.3	1.2	1.5	1.5	1.5
Leverage					
Debt/Equity ratio (x)	0.9	0.7	0.6	0.5	0.4
Net Debt/Equity ratio (x)	net cash	net cash	net cash	net cash	net cash
Equity ratio (x)	0.34	0.4	0.4	0.4	0.4
Interest cover (x)	N/A	N/A	29.5	42.5	54.6
Net Debt/EBITDA (x)	N/A	N/A	N/A	N/A	N/A
Valuation					
EPS reported (¥)	129.0	216.6	506.5	212.2	277.3
PER (x)	**16.2**	**9.7**	**4.1**	**9.9**	**7.5**
Diluted PER (x)	**16.2**	**9.7**	**4.1**	**9.9**	**7.5**
DPS (¥)	60.0	80.0	90.0	66.0	66.0
Dividend payout ratio (%)	46.5	36.9	17.8	31.1	23.8
Dividend yield (%)	**2.9**	**3.8**	**4.3**	**3.2**	**3.2**
Total shareholder return (%)	**2.9**	**3.8**	**4.3**	**3.2**	**3.2**
Free cash flow yield (%)	0.1	4.9	2.8	15.1	14.7
Diluted free cash flow yield (%)	0.1	4.9	2.8	15.1	14.7
PBR (x)	**2.2**	**1.8**	**1.4**	**1.3**	**1.1**
EV/sales (x)	0.7	0.7	0.6	0.5	0.4
EV/EBITDA (x)	7.5	7.1	5.8	4.3	3.5
EV/EBIT (x)	9.0	8.6	7.2	5.0	3.9

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