

Digital Hearts Holdings (TYO: 3676)

Despite strategic investments, profit growth continues
The share price is under adjustment, but the growth story remains intact

◆ **Summary of financial results: 27% YoY increase in sales and significant growth in EBITDA, partly due to M&A benefits.**

Enterprise Business, the company's focus, continued to grow at a high rate, with sales up 50% YoY, with a tailwind of accelerating DX. Also, Entertainment Business posted double-digit revenue growth due to robust sales of debugging for console games. Despite strategic investments in the first half of the year mainly in Enterprise Business, operating profit increased thanks to the effect of increased sales for domestic debugging. On an EBITDA basis, excluding the impact of goodwill amortisation and other factors, profits increased by 16.2% YoY.

AGEST, the core company of Enterprise Business, has gradually established a tech-related brand and is expanding the number of clients placing orders and hiring of engineers. Meanwhile, in Entertainment Business, the company is reinforcing its business base globally, such as by bolstering the marketing business in South Korea.

◆ **Share price trend: Adjustment after the result announcement, but revaluation is expected**

On February 10, the day after the February 9 result announcement, the company's share price fell 11.4% over the previous day. The adjustment has continued since then. Various factors are conceivable, but the share price almost returned to the level of a year ago. In the first half of the current fiscal year, strategic investments in line with the start-up of AGEST weighed on profits. Still, investment benefits are steadily beginning to materialise in the short term. We expect the share price to be revalued as the market reaffirms that the company is well on track for its medium-term growth story.

◆ **Results for the first nine months of FY2023/3: Both businesses performed well, and profits increased despite strategic investments.**

Digital Hearts Holdings reported double-digit YoY sales growth in Enterprise Business and Entertainment Business in the cumulative Q3 results for FY2023/3. Enterprise Business saw a turnaround in profit growth in Q3 alone, despite strategic investments in AGEST. In Entertainment Business, both Domestic debugging and Global and others posted double-digit revenue growth, generating segment profit of 3.2 billion yen. As a result, the company's cumulative Q3 sales were 26,879 million yen (+26.5%), operating profit was 2,140 million yen (+0.8%), and EBITDA increased to 2,984 million yen or +16.2%. Non-operating/extraordinary gains and losses were recorded concerning exchange rate fluctuations and the liquidation of overseas operations.

By segment, sales in Enterprise Business increased by 52.0%, due to continued double-digit sales growth in the existing business and the benefits of M&As. The segment profit declined by 22.1% due to aggressive strategic investment, but the segment managed a 2.8% YoY increase in profit for Q3 alone. EBITDA grew significantly by 29.6%, partly supported by M&A benefits. Meanwhile, in Entertainment Business, sales of debugging for console games were strong. Global and others also recorded double-digit sales growth, resulting in a 12.2% rise in segment sales and an 11.1% increase in profit.

◆ **Progress during FY2023/3: No change in the initial guidance. Sales could swing upward.**

The progress ratio at the end of Q3 against the company's full-year forecast was 76% for sales, 65% for operating profit and 70% for EBITDA. Although profit is behind, it aims to achieve its full-year targets by boosting sales above forecasts.

JPY, mn, %	Net sales	YoY %	Oper. profit	YoY %	Ord. profit	YoY %	Profit ATOP	YoY %	EPS (¥)	DPS (¥)
2019/3	19,254	11.0	1,605	-7.5	1,651	-7.4	1,575	31.3	72.13	13.00
2020/3	21,138	9.8	1,394	-13.2	1,372	-16.9	792	-49.7	36.31	14.00
2021/3	22,669	7.2	1,908	36.9	1,975	43.9	974	23.0	45.15	14.00
2022/3	29,178	28.7	2,701	41.5	2,778	40.7	1,780	82.7	82.35	15.00
2023/3 (CE)	35,500	21.7	3,290	21.8	3,290	18.4	2,250	26.4	104.02	21.00
2022/3 Q3 (cumulative)	21,246	30.2	2,123	79.5	2,192	76.0	1,363	71.6	63.05	7.50
2023/3 Q3 (cumulative)	26,879	26.5	2,140	0.8	2,351	7.3	1,400	2.7	64.26	10.50

Q3 results update

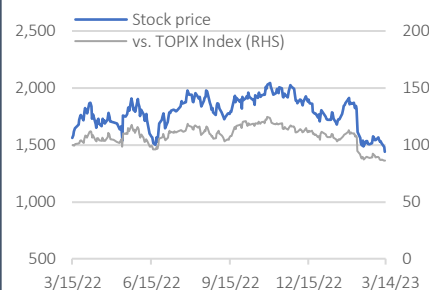
Information Technology

As of Mar. 15, 2023

Share price (3/14) **1,438 Yen**

52weeks high/low	¥2,053/1,402
Avg Vol (3 month)	77.1 thou shrs
Market Cap	¥34.3 bn
Enterprise Value	¥32.1 bn
PER (23/3 CE)	13.9 X
PBR (22/3 act)	3.33 X
Dividend Yield (23/3 CE)	1.46 %
ROE (TTM)	22.54 %
Operating margin (TTM)	7.81 %
Beta (5Y Monthly)	0.88
Shares Outstanding	23.890 mn shrs
Listed market	TSE Prime section

Share price performance



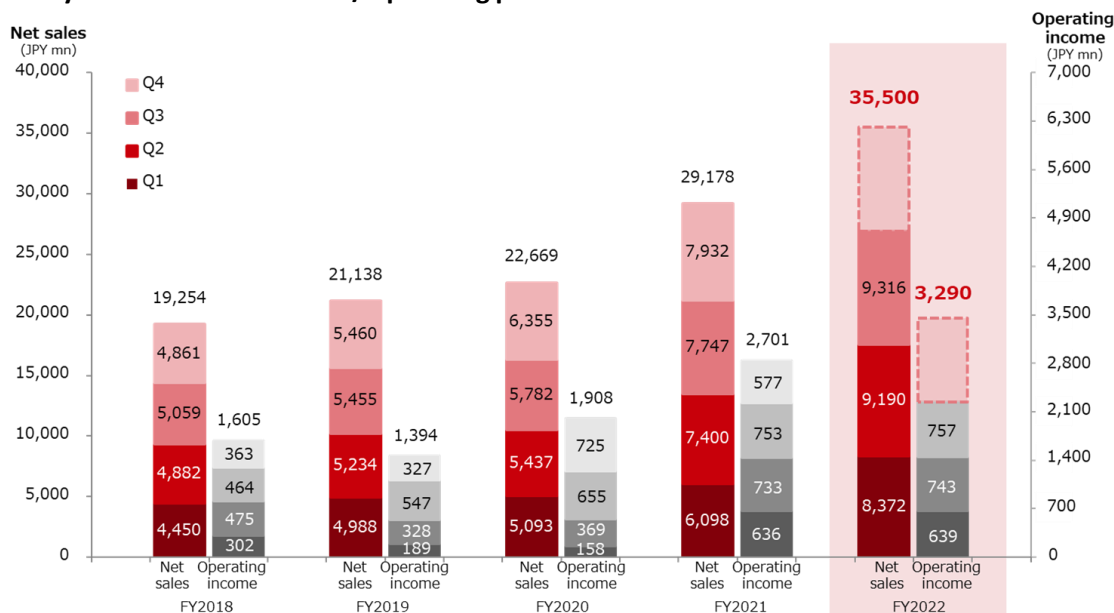
% of	1mo.	3mo.	12mo.
Share prices	-5.4%	-23.4%	-8.1%
Relative share price	-3.2%	-22.3%	-13.8%

Points of interest

Expanding from game debugging to enterprise software testing. Enterprise Business is growing rapidly, driven by DX. Focus on global expansion in entertainment. The new management aims to generate sales of 50 billion yen in FY2024/3.

This report (financial update) has been prepared at the request of Digital Hearts Holdings. For details, please refer to the Disclaimer on the last page.

Full year consolidated sales / operating profit trend



Source: The company handout for the 3rd quarter results for FY2023/3 (published on February 9, 2023)

◇ Trends by segment: (See also a graph on p.3 and table on p.6)

1) Enterprise Business: sales up 52.0% (12,066 million yen), EBITDA up 29.6%

Strategic investment has been exercised to strengthen the growth foundation of this business, centred on AGESt, which was formed as the core company of Enterprise Business following the reorganisation of the corporate group in April 2022. The company focused on establishing a 'tech' brand by securing the engineers needed for business expansion, developing an exclusively-set environment for engineers and holding various IT seminars. The effect of this investment led to a steady increase in the number of customers placing orders. Since Q1, sales have grown at +10% QoQ. As a result, in Q3 alone, Enterprise Business grew by almost half to 47.8% of all company sales. On top of the existing businesses continuing to record double-digit sales growth, driven by the progress of DX and the expansion of test outsourcing needs, the benefits of the recent M&As kicked in and the overall segment sales increased by over 50%. On the other hand, the gross profit margin in Q3 alone declined, affected by deterioration due to sales declines at overseas subsidiaries in Q3. Segment profit was 313 million yen, or -22.1%, but EBITDA increased by 29.6% to 835 million yen.

QA Solution: sales of 7,314 million yen (+54.3%). The scale of transactions per company was raised by strengthening cross-selling in areas such as security testing and test automation, based on manual software testing, where the company's strength lies. In addition, the company is expanding services that utilise its specialist knowledge, such as mutation testing*, while increasing the number of test engineers in the QA business it succeeded from Sobal Corporation. The performance of CEGB, acquired through M&A, has contributed from Q1. Sales growth of 32.7% was achieved, even excluding the impact of newly consolidated subsidiaries such as CEGB.

Sales fell at overseas subsidiaries due to a temporary drop in orders. This inflicted profits negatively, resulting in a lower gross profit margin in Q3 (Q1 32.2% → Q2 35.3% → Q3 30.1%). The company aims to maintain a gross profit margin of around 32% and expects it to improve in Q4 as sales increase due to the busy season and other factors.

The number of customers** with orders at the end of Q3 was 693 (target for the end of Q4 FY2023/3: 830. However, when the numbers for subsidiaries operating for less than 12 months are included, approximately 800). The number of engineers at the end of Q3 was 993 (Q4 target 1,100; while the number of engineers decreased at the Vietnamese subsidiary to improve operating efficiency and utilization ratio, the number of engineers in Japan is steadily expanding). Advanced test and next-generation QA accounted for 35.1% (Q4 target 45.0%) of sales.

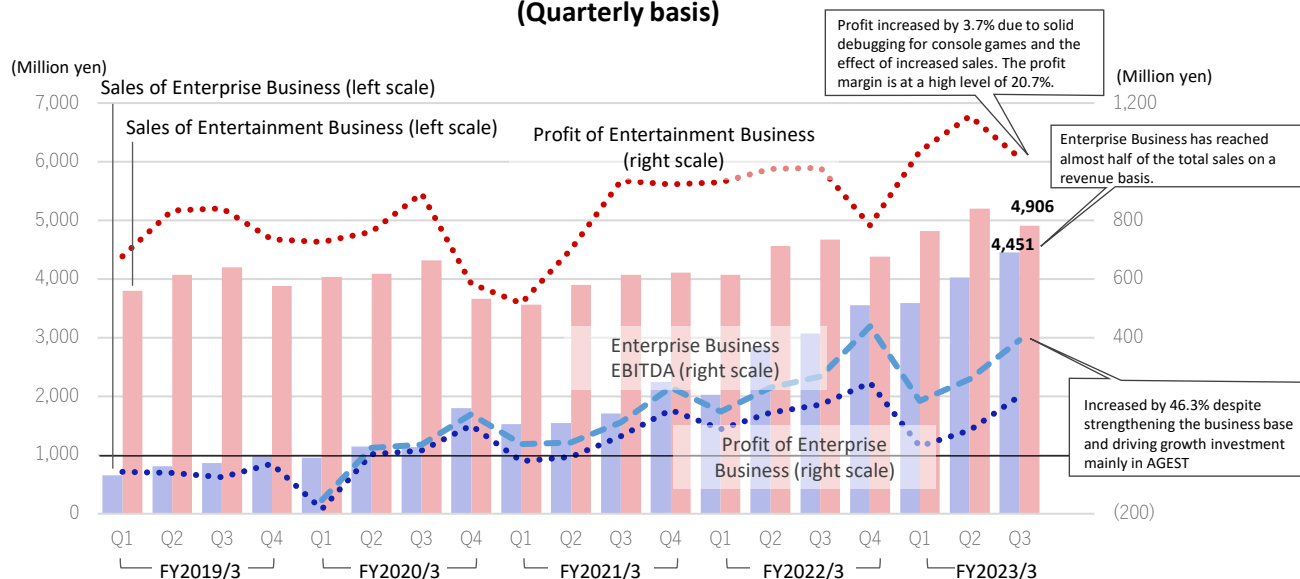
IT services and others: sales: 4,751 million yen (+48.6%); the number of registered engineers at identity Inc., which became a subsidiary in June 2021, grew to 25,000, contributing to sales growth. Security monitoring services are also expanding steadily against the introduction of remote working following the spread of COVID-19.

Note: Notation of quarterly figures; in this report, the financial figures are basically the cumulative total of the quarters. The cumulative Q3 means the total for the first three quarters. Wherever events and figures for the third quarter only are referred to, they are shown as Q3 or Q3 alone.

*Mutation testing: a method of visualising test code quality by artificially inserting error codes into source code using tools. In cases where there are no problems, the test will fail if a bug is planted, but in cases where there are problems, the test will succeed even though a bug is planted.

** Number of customers and the average order value per customer is calculated based on the most recent 12 months. Subsidiaries that have been consolidated for less than 12 months are excluded.

Sales/Profit by Segment (Quarterly basis)



Source: Omega Investment, based on company data

2) Entertainment Business: 12.2% increase in sales (14,926 million yen) and 11.1% increase in segment profit

The company steadily captured increasing demand, which is being driven by the booming console games market and accelerated overseas development of content. Sales of both Domestic debugging and Global and others increased by more than 10%. Segment profit increased by 11.1% thanks to higher Domestic debugging sales and improved gross margins. The profit margin remained high at 21.5%.

Domestic debugging: sales: 10,116 million yen (+11.1%). The development of new titles in the console game market has been active. Sales to console games increased significantly, up 1.4 times YoY. New titles are becoming larger in size, and the scale of debugging projects is therefore expanding. In Q3, sales remained high, despite the backlash from the busy first half of the year. Gross profit margins also remained above 30%, despite the impact of minimum wage increases. The company plans to increase the hourly rate of part-timers by 100 yen from April 2023, which is aimed at attracting the best talent in an inflationary environment. It intends to realise price increases by improving service quality through recruitment and minimising the impact of lower profits due to higher costs.

Global and others: sales: 4,809 million yen (+14.6%). The outlook for the Asian gaming market is becoming increasingly uncertain, particularly in China. Despite this environment, the company grew revenue in Global, Creative, Media and others services by strengthening group cooperation. Overall, the company achieved a 14.6% increase in revenue. In addition to pursuing synergies amongst DIGITAL HEARTS CROSS group and overseas subsidiaries, the company plans to expand its business in Asia and create new value by strengthening initiatives with alliance partners, including GameWith, with whom the company has newly formed a capital and business alliance.

◆ Topics in Q3 FY2023/3

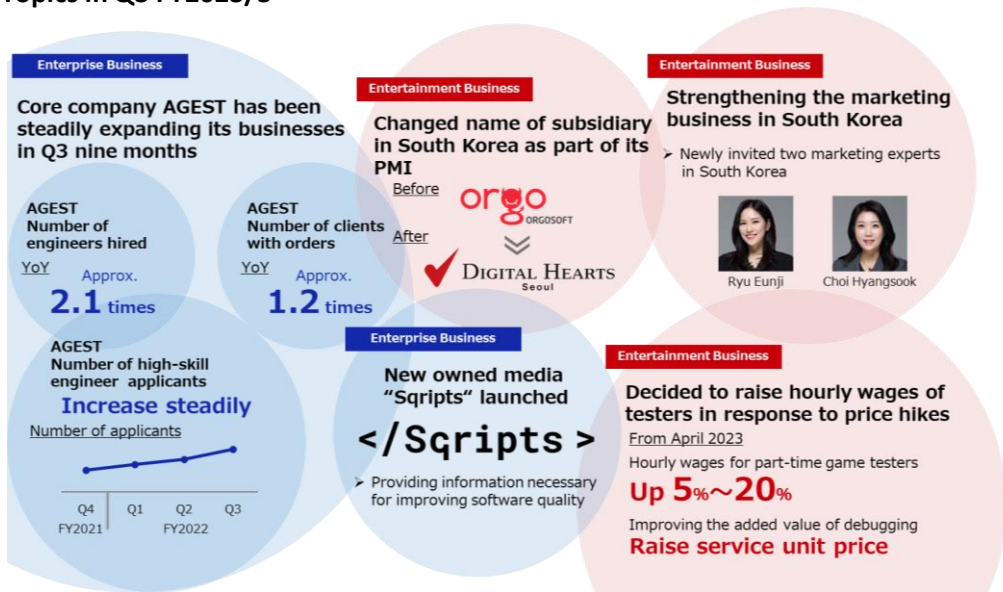
See the chart on the next page for Q3 topics.

Firstly, in Enterprise Business, which will drive the company's growth, strategic investment was concentrated in the 1H of the year to establish the business foundation of AGESt. The results of the effort are showing up in profits. In addition to the "Digital Hearts" brand, which is well established in the debugging market, the company is also aiming to firmly build up the "AGESt" brand in the field of software testing as well. In recent years it appears to have positively affected the hiring of high-skilled engineers.

Meanwhile, in Entertainment Business, the company continues to promote strengthening its business base, particularly in the global market. In addition to changing the trade name of its Korean subsidiary, the company has invited Ms Ryu Eunji and Ms Choi Hyangsook, who have extensive experience and achievements in the field, to strengthen its marketing business in South Korea.

In the domestic debugging business, in response to the current inflationary trend, an increase in hourly wages for part-time workers is scheduled to be implemented in April 2023. On an hourly wage basis, the company plans to increase the hourly wage by 100 yen for some of part-time game testers and 50 yen up as a minimum raise. The company intends to absorb the cost increase by raising the unit price of orders by proposing plans to optimise operational efficiency and costs for the entire project and by increasing the added value of services through the continued employment of excellent testers.

Topics in Q3 FY2023/3



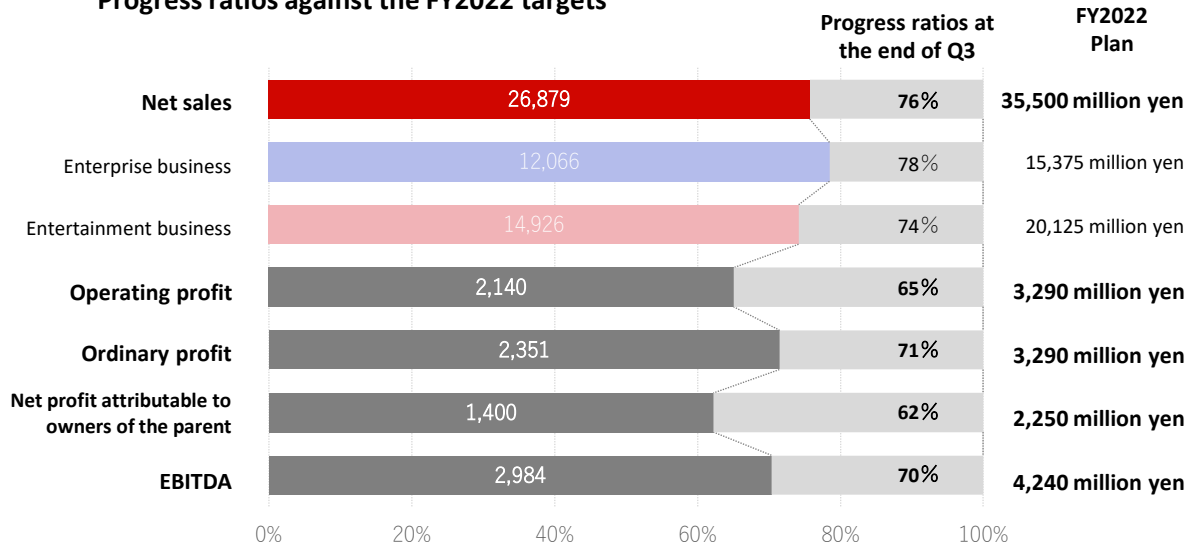
Source: The company handout for the 3rd quarter results for FY2023/3 (published on February 9, 2023)

◇ FY2023/3 full-year forecasts: initial guidance is left unchanged.

The progress ratios against the full-year company forecast as at the end of Q3 are shown in the chart below; Sales 76%, operating profit 65%, net profit attributable to owners of the parent 62%, EBITDA 70%. Progress of sales in Enterprise Business is 78%, and as solid growth is expected to continue in Q4, sales are likely to come in on the upside.

SG&A expenses have risen due to an increase in the number of newly consolidated subsidiaries as a consequence of M&As and strategic investments made in Enterprise Business. However, in 2H, while strategic investments will continue in AGEST, rigid cost control is planned in other subsidiaries. Furthermore, an improvement in profit margins is expected in line with the increase in sales. The sales shortfall at overseas subsidiaries in Q3 is considered temporary, and recovery is anticipated from Q4 onwards. With all these factors, although operating profit in the cumulative Q3 appears to have been slightly weaker than the initial forecasts, there is still potential for improving profitability in Q4, partly due to sales expansion in the solid domestic Enterprise Business. Against this background, the company appears to have left its initial full-year forecasts unchanged.

Progress ratios against the FY2022 targets



Source: Omega Investment, based on company data

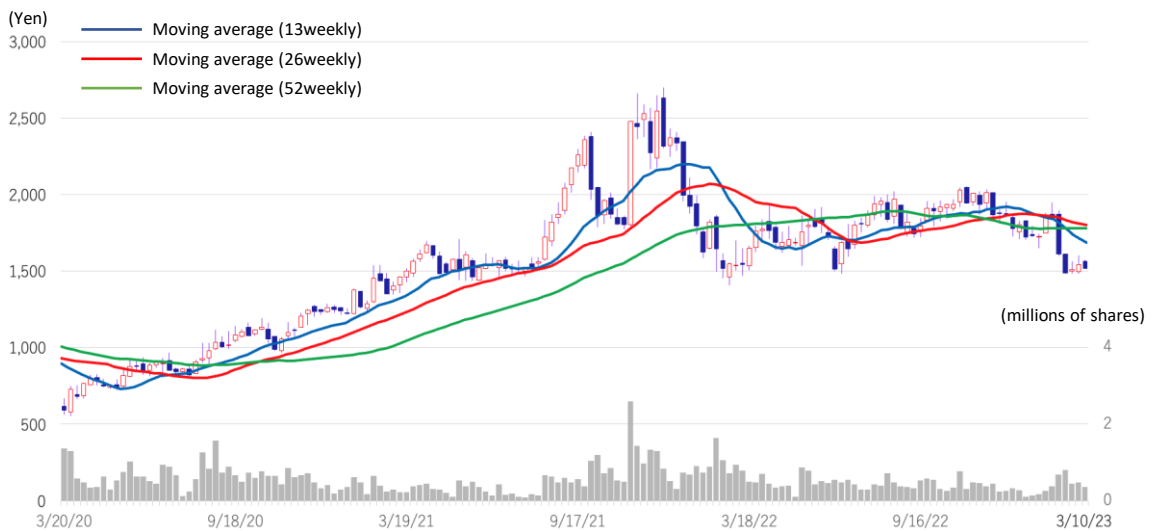
◇ Share price: Under adjustment, but a reappraisal is expected

On February 10, the day after the February 9 results announcement, the company's share price fell 11.4%. The share price subsequently continued to adjust, reaching the level almost a year ago. The share price adjustment is thought to have been caused by the fact that the progress in operating profit was not as good as other indicators and that the profit margin on Enterprise Business was only 4.5% (Q3 alone). These were below market expectations.

However, as per the medium to long term, in Enterprise Business, a growth driver, sales are growing consistently, mainly in the core domestic market, so the measures implemented in the current fiscal year are steadily producing results. In light of this, the current share price level should be attractive for investors with a medium- to long-term stance, as shown below.

As we have seen, valuations of the company's shares remain below the historical average (see chart below). As mentioned, the company's Enterprise Business has grown to almost 50% of sales in Q3, and the business transformation that the company has been undertaking over the past few years is showing clear results. The business is also making a noticeable contribution to profits, and the company's earnings power is expected to increase further. Hence, we expect the share price to be revalued.

Digital Hearts Holdings (3676) Share Price Trend (3Year-to-date)



Historical PER/PBR (five years)



Note: PER is based on company forecasts; as company forecasts for May 19, 2020, to August 10, 2020, were undetermined due to the outbreak of COVID-19, figures announced on August 11, 2020, have been applied retrospectively. PBR is based on LTM and may therefore differ from the figures in the table on P1.

Financial data I

	2020/3				2021/3				2022/3				2023/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
[Sales by segment]															
Net sales	4,988	5,234	5,455	5,460	5,093	5,437	5,782	6,355	6,098	7,400	7,747	7,932	8,372	9,190	9,316
YoY	12.1%	7.2%	7.8%	15.0%	2.1%	3.9%	6.0%	16.4%	19.7%	36.1%	34.0%	24.8%	37.3%	24.2%	20.3%
Enterprise business	954	1,140	1,133	1,794	1,523	1,540	1,710	2,246	2,029	2,833	3,074	3,553	3,589	4,025	4,451
YoY	46.3%	41.5%	32.0%	82.5%	59.6%	35.1%	50.9%	25.2%	33.2%	83.9%	79.7%	58.2%	76.8%	42.0%	44.8%
Composition of sales	19.1%	21.8%	20.8%	32.9%	29.9%	28.3%	29.6%	35.3%	33.3%	38.3%	39.7%	44.8%	42.9%	43.8%	47.8%
New sub-segments															
QA solutions					1,129	1,127	1,267	1,633	1,395	1,572	1,772	2,121	2,102	2,481	2,730
YoY					-	-	-	-	23.6%	39.5%	39.9%	29.9%	50.7%	57.8%	54.1%
Composition of sales					22.2%	20.7%	21.9%	25.7%	22.9%	21.2%	22.9%	26.7%	25.1%	27.0%	29.3%
IT services and others					393	413	442	613	634	1,260	1,301	1,432	1,486	1,543	1,721
YoY					-	-	-	-	61.3%	205.1%	194.3%	133.6%	134.3%	22.4%	32.3%
Composition of sales					7.7%	7.6%	7.6%	9.6%	10.4%	17.0%	16.8%	18.1%	17.7%	16.8%	18.5%
Old sub-segments															
System testing	430	570	488	924	788	777	937	1,078	1,018	1,144	1,233	1,558	-	-	-
YoY	65.8%	99.5%	33.5%	91.4%	83.1%	36.2%	92.0%	16.7%	29.2%	47.2%	31.5%	44.5%	-	-	-
Composition of sales	8.6%	10.9%	8.9%	16.9%	15.5%	14.3%	16.2%	17.0%	16.7%	15.5%	15.9%	19.6%	-	-	-
IT services / Security	523	569	645	869	735	763	772	1,167	1,011	1,688	1,841	1,995	-	-	-
YoY	33.4%	9.5%	30.9%	73.9%	40.4%	34.1%	19.8%	34.3%	37.5%	121.2%	138.2%	70.9%	-	-	-
Composition of sales	10.5%	10.9%	11.8%	15.9%	14.4%	14.0%	13.4%	18.4%	16.6%	22.8%	23.8%	25.2%	-	-	-
Entertainment business	4,033	4,093	4,321	3,666	3,566	3,900	4,072	4,109	4,069	4,566	4,672	4,378	4,818	5,201	4,906
YoY	6.2%	0.5%	2.9%	-5.4%	-11.6%	-4.7%	-5.8%	12.1%	14.0%	17.1%	14.7%	6.6%	18.4%	13.9%	5.0%
Composition of sales	80.9%	78.2%	79.2%	67.1%	70.0%	71.7%	70.4%	64.7%	66.7%	61.7%	60.3%	55.2%	57.6%	56.6%	52.7%
New sub-segments															
Domestic debugging					2,681	2,846	2,953	3,054	2,931	3,030	3,149	3,011	3,334	3,561	3,220
YoY					-	-	-	-	9.3%	6.4%	6.7%	-1.4%	13.7%	17.5%	2.2%
Composition of sales					52.7%	52.4%	51.1%	48.1%	48.1%	41.0%	40.7%	38.0%	39.8%	38.8%	34.6%
Global and others					887	1,050	1,118	1,054	1,137	1,536	1,522	1,366	1,484	1,640	1,685
YoY					-	-	-	-	28.2%	46.3%	36.1%	29.6%	30.4%	6.8%	10.7%
Composition of sales					17.4%	19.3%	19.3%	16.6%	18.7%	20.8%	19.7%	17.2%	17.7%	17.8%	18.1%
Old sub-segments															
Debugging	3,444	3,480	3,730	3,167	3,023	3,235	3,375	3,424	-	-	-	-	-	-	-
YoY	10.8%	6.0%	6.8%	-1.5%	-12.2%	-7.0%	-9.5%	8.1%	-	-	-	-	-	-	-
Composition of sales	69.1%	66.5%	68.4%	58.0%	59.4%	59.5%	58.4%	53.9%	-	-	-	-	-	-	-
Game Consoles	1,186	1,056	1,341	1,126	1,023	1,147	1,258	1,402	-	-	-	-	-	-	-
YoY	21.1%	5.4%	15.9%	10.7%	-13.7%	8.6%	-6.2%	24.5%	-	-	-	-	-	-	-
Composition of sales	23.8%	20.2%	24.6%	20.6%	20.1%	21.1%	21.8%	22.1%	-	-	-	-	-	-	-
Mobile solutions	2,013	2,171	2,141	1,848	1,819	1,959	2,005	1,870	-	-	-	-	-	-	-
YoY	1.0%	1.7%	2.0%	-4.9%	-9.6%	-9.8%	-6.4%	1.2%	-	-	-	-	-	-	-
Composition of sales	40.4%	41.5%	39.2%	33.8%	35.7%	36.0%	34.7%	29.4%	-	-	-	-	-	-	-
Amusement	245	253	248	193	179	130	111	153	-	-	-	-	-	-	-
YoY	77.5%	75.7%	4.6%	-24.3%	-26.9%	-48.6%	-55.2%	-20.7%	-	-	-	-	-	-	-
Composition of sales	4.9%	4.8%	4.5%	3.5%	3.5%	2.4%	1.9%	2.4%	-	-	-	-	-	-	-
Creative	350	307	282	285	311	367	372	398	-	-	-	-	-	-	-
YoY	-31.4%	-45.2%	-33.1%	-27.6%	-11.2%	19.6%	32.0%	39.2%	-	-	-	-	-	-	-
Composition of sales	7.0%	5.9%	5.2%	5.2%	6.1%	6.8%	6.4%	6.3%	-	-	-	-	-	-	-
Media and others	238	306	308	212	234	294	324	286	-	-	-	-	-	-	-
YoY	35.5%	32.6%	8.7%	-19.4%	-1.5%	-3.9%	5.0%	34.5%	-	-	-	-	-	-	-
Composition of sales	4.8%	5.9%	5.7%	3.9%	4.6%	5.4%	5.6%	4.5%	-	-	-	-	-	-	-
Operating profit	189	328	547	327	158	369	655	725	636	733	753	577	639	743	757
YoY	-37.2%	-30.9%	18.0%	-9.9%	-16.4%	12.4%	19.7%	121.3%	301.3%	98.5%	14.9%	-20.4%	0.5%	1.3%	0.6%
Operating profit margin	3.8%	6.3%	10.0%	6.0%	3.1%	6.8%	11.3%	11.4%	10.4%	9.9%	9.7%	7.3%	7.6%	8.1%	8.1%
Enterprise business	-184	2	14	100	-21	-7	64	152	87	144	171	246	29	84	199
YoY	-	-	-	-	-	-	363.5%	52.4%	-	-	163.8%	61.9%	-66.2%	-41.5%	16.8%
Segment profit margin	-19.4%	0.3%	1.2%	5.6%	-1.4%	-0.5%	3.8%	6.8%	4.3%	5.1%	5.6%	6.9%	0.8%	2.1%	4.5%
Entertainment business	727	760	891	585	517	700	936	923	930	975	978	783	1,036	1,155	1,014
YoY	7.3%	-8.8%	6.1%	-20.3%	-28.9%	-8.0%	5.0%	57.9%	79.9%	39.3%	4.5%	-15.2%	11.4%	18.5%	3.7%
Segment profit margin	18.0%	18.6%	20.6%	16.0%	14.5%	18.0%	23.0%	22.5%	22.9%	21.4%	20.9%	17.9%	21.5%	22.2%	20.7%

Note) The sum of this table's segment sales and operating profit may not match the consolidated results, as there are some sales and operating profit adjustments.

Source: Omega Investment, based on company data

Financial data II

	2020/3				2021/3				2022/3				2023/3		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
[Statements of income]															
Net sales	4,988	5,234	5,455	5,460	5,093	5,437	5,782	6,355	6,098	7,400	7,747	7,932	8,372	9,190	9,316
Cost of sales	3,772	3,830	3,949	3,953	3,819	4,002	4,001	4,700	4,271	5,290	5,579	5,645	5,899	6,478	6,690
Gross profit	1,216	1,403	1,506	1,507	1,273	1,437	1,781	1,655	1,827	2,109	2,167	2,287	2,472	2,713	2,625
SG&A expenses	1,026	1,074	958	959	1,115	1,067	1,126	1,150	1,191	1,375	1,414	1,709	1,832	1,970	1,868
Operating profit	189	328	547	327	158	369	655	725	636	733	753	577	639	743	757
Non-operating income	3	2	1	1	38	10	24	5	38	31	12	30	5	150	78
Non-operating expenses	3	7	7	7	2	3	4	10	4	4	5	21	7	4	11
Ordinary profit	189	323	542	542	194	376	675	720	670	760	759	587	637	889	824
Extraordinary income		0	0	0		19	32		13	66	1	1	-	-	41
Extraordinary expenses		0	0	75	82	13	16	415	2	42	32	35	-	6	171
Net profit before income taxes	189	323	542	240	113	381	691	318	681	785	730	552	637	882	694
Total income taxes	77	159	162	99	38	122	224	145	189	281	233	38	201	306	216
Net profit attributable to owners of the parent	112	165	375	139	99	256	438	180	487	429	445	417	416	533	450
[Balance Sheets]															
Current assets	6,717	7,574	7,710	7,453	6,648	7,291	8,017	9,744	9,604	9,848	10,658	10,392	10,874	12,182	11,569
Cash and deposits	3,650	3,849	3,882	3,739	3,027	3,482	4,085	5,076	4,911	5,435	5,746	5,208	5,573	6,850	5,948
Notes and accounts receivable	2,677	3,017	3,013	2,985	2,889	3,099	3,201	4,097							
Notes, accounts receivable and contract assets									4,161	3,872	4,372	4,411	4,614	4,672	4,930
Non-current assets	2,481	3,252	3,227	3,184	3,205	3,167	3,160	4,593	6,321	6,178	6,342	7,172	8,158	8,505	8,343
Tangible fixed assets	545	646	627	579	560	549	565	598	602	623	621	693	1,067	1,077	1,100
Intangible fixed assets	793	1,404	1,390	1,379	1,445	1,424	1,433	2,670	4,389	4,244	4,225	5,094	5,206	5,750	5,593
Goodwill	491	1,066	1,033	1,027	1,032	991	950	2,467	4,175	4,042	3,945	4,763	4,812	5,301	5,082
Investments and other assets	1,142	1,202	1,209	1,225	1,199	1,193	1,161	1,324	1,330	1,309	1,495	1,384	1,883	1,678	1,649
Total assets	9,199	10,827	10,938	10,637	9,854	10,459	11,177	14,338	15,925	16,026	17,001	17,565	19,033	20,688	19,913
Current liabilities	3,621	4,679	4,863	5,135	4,450	4,655	5,061	7,904	8,954	8,775	9,354	9,679	10,759	11,330	9,495
Short-term borrowings	1,704	2,504	2,506	2,546	2,546	2,551	2,552	4,728	5,534	5,406	5,406	5,421	6,806	-	5,106
Non-current liabilities	622	624	629	63	62	132	135	119	294	55	58	309	162	154	113
Long-term debt	48	46	48	-	-	66	65	63	236	-	-	169	-	-	-
Total liabilities	4,243	5,304	5,493	5,198	4,513	4,788	5,196	8,024	9,249	8,830	9,413	9,989	10,921	11,485	9,608
Total net assets	4,955	5,523	5,445	5,438	5,340	5,670	5,980	6,314	6,677	7,196	7,588	7,576	8,111	9,202	10,304
Shareholders' equity	4,734	5,039	4,919	4,898	4,841	5,172	5,460	5,642	5,983	6,436	6,719	6,776	7,030	7,779	8,838
Capital	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
Legal capital reserve	366	357	357	355	355	331	331	331	331	338	338	-	-	60	375
Retained earnings	6,378	6,543	6,765	6,904	6,848	7,105	7,393	7,575	7,916	8,342	8,626	9,021	9,275	9,809	10,031
Treasury shares	-2,311	-2,162	-2,503	-2,662	-2,662	-2,565	-2,565	-2,565	-2,565	-2,545	-2,546	-2,545	-2,545	-2,391	-1,868
Stock acquisition right	13	13	13	13	13	13	13	13	-	-	-	-	-	10	6
Total liabilities and net assets	9,199	10,827	10,938	10,637	9,854	10,459	11,177	14,338	15,925	16,026	17,001	17,565	19,033	20,688	19,913
[Statements of cash flows]															
Cash flow from operating activities		-5		1,086		101		1,416		1,703		3,077		1,430	
Net profit before tax and other adjustments		513		1,296		494		1,504		1,466		2,749		1,520	
Cash flow from investing activities		-963		1,018		-261		-1,813		-1,682		-2,537		-1,496	
Cash flow from financing activities		637		-515		-90		1,730		316		-546		1,488	
Free cash flow		958		68		362		3,229		3,385		5,614		2,926	
Net increase (decrease) in cash and cash equivalents		-347		-458		-252		1,341		359		132		1,676	
Cash and cash equivalents at beginning of period		4,162		4,162		3,704		3,704		5,041		5,041		5,173	
Cash and cash equivalents at end of period		3,814		3,704		3,447		5,041		5,400		5,173		6,850	

Source: Omega Investment, based on company data.



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