Walden Research Japan

URL: www.walden.co.jp

Written by Yoshiyuki Muroya / Yusuke Maeda

E-mail: <u>info@walden.co.jp</u> Phone: +81 3 3553 3769

Startia Holdings (3393)

Consolidated Fiscal Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
FY03/2018		11,058	358	376	613	60.74	12.00	478.21
FY03/2019		11,907	517	573	323	32.15	9.00	473.95
FY03/2020CoE		12,822	506	504	290	28.32	9.00	
FY03/2019	YoY	7.7%	44.4%	52.3%	(47.3%)	-	-	-
FY03/2020CoE	YoY	7.7%	(2.2%)	(12.1%)	(10.3%)	-	-	
Consolidated Q1 to Q3		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q3 FY03/2019		8,624	378	415	264	-	-	-
Q1 to Q3 FY03/2020		9,240	355	383	193	-	-	
Q1 to Q3 FY03/2019	YoY	6.6%	34.7%	41.6%	(45.1%)	-	-	-
Q1 to Q3 FY03/2020	YoY	7.1%	(6.0%)	(7.7%)	(26.9%)	-	-	

Source: Company Data, WRJ Calculation

1.0 Results Update (12 February 2019)

Changeover

On 7 February 2020, Startia Holdings focusing on digital marketing released its Q1 to Q3 FY03/2020 results. It has been revealed that recent trading is in line with assumptions of initial Company forecasts. On the Digital Marketing Business side, which helps customers to make money by means of optimizing their information through own IT services, subscription sales came in at ¥1,030m (up 15.6% YoY) and flow sales ¥510m (down 13.6%), implying a remarkable changeover to operations based on subscription-type business model to realize maximization of earnings in a long-term view from that of outright sales. Given decreased flow sales to contribute to short-term earnings and increased subscription sales, in the process of taking off on a full-fledged basis, to postpone the timing of contributing to earnings short-term when compared with those of flow sales, earnings in this business segment is coming down. However, more importantly, we have an impression that the Company is seeing higher potential to drive long-term earnings with a stability to the same extent. Meanwhile, on the IT Infrastructure side, i.e., traditional source of earnings with the Company, earnings are still surging. Thus, earnings as a whole for the Company has not come down very much. We are to interview with management to discuss the issues more in depth so that we should be able to update Startia Holdings (3393) Investment Phase (14 January 2020) and release anew.

IR Representative: Takao Uematsu, Director (+81 3 5339 2109/tk.uematsu@startiaholdings.com)

2.0 Company Profile

IT Infrastructure to Digital Marketing

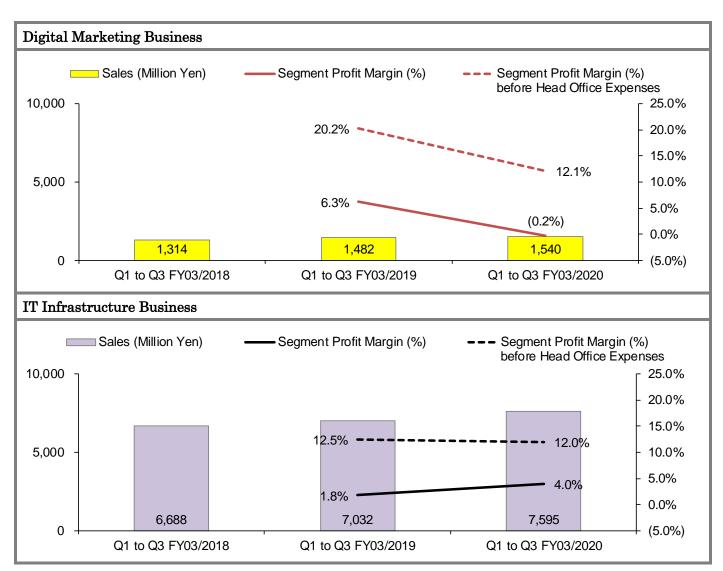
Company Name	Startia Holdings, Inc.
	Company Website
	IR Information Startia holdings
	Share Price (Japanese)
Established	21 February 1996
Listing	28 February 2014: Tokyo Stock Exchange 1st section (ticker: 3393)
	20 December 2005: Tokyo Stock Exchange Mothers section
Capital	¥824m (as of the end of December 2019)
No. of Shares	10,240,400 shares, including 421,811 treasury shares (as of the end of Dec. 2019)
Main Features	Focus on digital marketing to see high growth
	• Freemium plan to beef up opportunities for sales and earnings for the future
	Steady growth for building of IT infrastructure for smaller business
Businesses	I . Digital Marketing Business
	II. IT Infrastructure Business
	III. CVC Business
	IV. Overseas Business
Top Management	Representative Director, President and Group CEO: Hideyuki Hongo
Shareholders	Hideyuki Hongo 40.3%, Hikari Tsushin 8.1%, Akira Saiga 4.8% (as of the end of
	September 2019)
Headquarters	Shinjuku-ku, Tokyo, JAPAN
No. of Employees	Consolidated: 668, Unconsolidated: 49 (as of the end of December 2019)

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q3 FY03/2020 Results

In Q1 to Q3 FY03/2020, sales came in at ¥9,240m (up 7.1% YoY), operating profit ¥355m (down 6.0%), recurring profit ¥383m (down 7.7%) and profit attributable to owners of parent ¥193m (down 26.9%), while operating profit margin 3.8% (down 0.5% points).



Source: Company Data, WRJ Calculation

On the Digital Marketing Business side, sales came in at ¥1,540m (up 3.9%), segment profit minus ¥3m (versus ¥92m during the same period of the previous year) and segment profit margin minus 0.2% (down 6.5% points). Prior to the allocation of head office expenses, segment profit margin came in at 12.1% (down 8.1% points). In line with the transition to holding company structure started on 1 April 2018, the Company discloses profit and loss of each business segment after allocating head office expenses since Q1 FY03/2019.

In Q1 to Q3 FY03/2020, sales on the Digital Marketing side have failed to increase rapidly over the same period of the previous year, while segment profit margin came down sharply and also before allocation of head office expenses. As far as we could gather, this has a lot to do with the fact that changeover is progressing faster than initially expected to subscription sales booked by collecting fees of granting rights to use products and/or services for each contract period from flow sales booked by outright sales.

For example, outright sales of COCOAR or AR (augmented reality) creation software should see high gross profit margin, given that it is packaged software developed by the Company. Still, most recently, there are increasing needs to take advantage of subscription-type services. The Company, actively coping with all those needs, are currently seeing delayed timing of booking sales when compared with that of outright sales, resulting in a difficulty to compensate for SG&A expenses in a short-term view. More importantly, however, this shows nothing but the fact that the Company is in the process of accumulating stock to generate stable earnings over the long term. As far as we are concerned, an aspect that the Company is steady accumulating stable source of earnings is most noteworthy.

Meanwhile, on the IT Infrastructure Business side to build IT infrastructure for smaller business, the Company has continued to see surging earnings. Sales came in at \(\frac{\pmathbf{x}}{7}\),959m (up 8.0%), segment profit \(\frac{\pmathbf{x}}{302m}\) (up 134.0%) and segment profit margin 4.0% (up 2.1% points). Prior to the allocation of head office expenses, segment profit margin came in at 12.0% (down 0.5% points). In Q2, the Company saw frontloaded delivery on UTMs (United Threat Management), networking equipment and MFPs (MultiFunctional Peripherals) ahead of consumption tax hike and reactionary decreases of sales stemming from here appear to have been limited in Q3.

FY03/2020 Company Forecasts

FY03/2020 initial Company forecasts have remained unchanged, going for prospective sales of ¥12,822m (up 7.7% YoY), operating profit of ¥506m (down 2.2%), recurring profit of ¥504m (down 12.1%) and profit attributable to owners of parent of ¥290m (down 10.3%), while operating profit margin of 3.9% (down 0.4% points). At the same time, Company forecasts have remained unchanged also for prospective annual dividend, going for ¥9.00 per share, implying payout ratio of 31.8%.

4.0 Financial Statements

Income Statement (Cumulative, Quarterly)

Income Statement	Cons.Act	Cana Aat	Cana Aat	Cons Ast	Cons Ast	Conc Act	Cons Ast	Cons Ast	
income Statement		Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	VaV
(Million Yen)	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	YoY Net Chg.
Sales	2,782	5,731	8,624	11,907	2,873	6,240	9,240	03/2020	+616
Cost of Sales	1,582	•	4,760	•	1,641	3,469	5,168		+408
Gross Profit	1,199	3,145 2,585	3,864	6,582 5,325	1,041	2,770	4,071	-	+406
SG&A Expenses	1,162	2,383	3,485	4,807	1,235	2,450	3,716		+207
Operating Profit	37	2,290 294	3,465 378	4,607 517	(2)	2,430 320	3,710 355		(22)
Non Operating Balance	12	35	36	55		15	27	1	
, ,	49	330	415	573	(9) (12)	335	383	-	(9)
Recurring Profit Extraordinary Balance	49 18	23	23	25	0	2	2		(32) (20)
•									
Profit before Income Taxes	67	353	438	598	(12)	338	385	-	(52)
Total Income Taxes	13	135	186	289	20	159	193	-	+7
NP Belonging to Non-Controlling SHs	(8)	(9)	(12)	(13)	(1)	(1)	(1)	-	+11
Profit Attributable to Owners of Parent	62	228	264	323	(31)	180	193	-	(71)
Sales YoY	+6.2%	+6.7%	+6.6%	+7.7%	+3.3%	+8.9%	+7.1%	-	-
Operating Profit YoY	-	+33.0%	+34.7%	+44.4%	-	+8.6%	(6.0%)	-	-
Recurring Profit YoY		+40.6%	+41.6%	+52.3%	-	+1.5%	(7.7%)	-	-
Profit Attributable to Owners of Parent YoY	+52.8%	+8.6%	(45.1%)	(47.3%)		(21.1%)	(26.9%)	-	-
Gross Profit Margin	43.1%	45.1%	44.8%	44.7%	42.9%	44.4%	44.1%	-	(0.7%)
Sales to SG&A Expenses Ratio	41.8%	40.0%	40.4%	40.4%	43.0%	39.3%	40.2%	-	(0.2%)
Operating Profit Margin	1.3%	5.1%	4.4%	4.3%	(0.1%)	5.1%	3.8%	-	(0.5%)
Recurring Profit Margin	1.8%	5.8%	4.8%	4.8%	(0.4%)	5.4%	4.1%	-	(0.7%)
Profit Attributable to Owners of Parent Margin	2.2%	4.0%	3.1%	2.7%	(1.1%)	2.9%	2.1%	-	(1.0%)
Total Income Taxes / Profit before Income Taxes	20.3%	38.2%	42.6%	48.3%	(166.6%)	47.3%	50.3%	-	+7.7%
Income Statement	Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	Q1 03/2019	Q2 03/2019	Q3 03/2019	Q4 03/2019	Q1 03/2020	Q2 03/2020	Q3 03/2020		Net Chg.
(Million Yen) Sales	Q1 03/2019 2,782	Q2 03/2019 2,948	Q3 03/2019 2,893	Q4 03/2019 3,283	Q1 03/2020 2,873	Q2 03/2020 3,366	Q3 03/2020 3,000	Q4	Net Chg. +107
(Million Yen) Sales Cost of Sales	Q1 03/2019 2,782 1,582	Q2 03/2019 2,948 1,562	Q3 03/2019 2,893 1,614	Q4 03/2019 3,283 1,821	Q1 03/2020 2,873 1,641	Q2 03/2020 3,366 1,828	Q3 03/2020 3,000 1,698	Q4	Net Chg. +107 +84
(Million Yen) Sales Cost of Sales Gross Profit	Q1 03/2019 2,782 1,582 1,199	Q2 03/2019 2,948 1,562 1,385	Q3 03/2019 2,893 1,614 1,278	Q4 03/2019 3,283 1,821 1,461	Q1 03/2020 2,873 1,641 1,232	Q2 03/2020 3,366 1,828 1,538	Q3 03/2020 3,000 1,698 1,301	Q4	Net Chg. +107 +84 +22
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 03/2019 2,782 1,582 1,199 1,162	Q2 03/2019 2,948 1,562 1,385 1,128	Q3 03/2019 2,893 1,614 1,278 1,195	Q4 03/2019 3,283 1,821 1,461 1,321	Q1 03/2020 2,873 1,641 1,232 1,235	Q2 03/2020 3,366 1,828 1,538 1,214	Q3 03/2020 3,000 1,698 1,301 1,266	Q4	Net Chg. +107 +84 +22 +71
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 03/2019 2,782 1,582 1,199 1,162 37	Q2 03/2019 2,948 1,562 1,385 1,128 257	Q3 03/2019 2,893 1,614 1,278 1,195 83	Q4 03/2019 3,283 1,821 1,461 1,321 139	Q1 03/2020 2,873 1,641 1,232 1,235 (2)	Q2 03/2020 3,366 1,828 1,538 1,214 323	Q3 03/2020 3,000 1,698 1,301 1,266 35	Q4	Net Chg. +107 +84 +22 +71 (48)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 03/2019 2,782 1,582 1,199 1,162 37	Q2 03/2019 2,948 1,562 1,385 1,128 257 23	Q3 03/2019 2,893 1,614 1,278 1,195 83	Q4 03/2019 3,283 1,821 1,461 1,321 139	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24	Q3 03/2020 3,000 1,698 1,301 1,266 35 12	Q4	Net Chg. +107 +84 +22 +71 (48) +10
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281	Q3 03/2019 2,893 1,614 1,278 1,195 83	Q4 03/2019 3,283 1,821 1,461 1,321 139 19	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347	Q3 03/2020 3,000 1,698 1,301 1,266 35	Q4	Net Chg. +107 +84 +22 +71 (48)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281	Q3 03/2019 2,893 1,614 1,278 1,195 83 1	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0)	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0)	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7%	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3
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(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1%	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3) 36	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7%	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8)	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0%	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3) 36 +6.4% +41.2%	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%)	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% - +52.8%	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7%	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 84 51 (3) 36 +6.4% +41.2% (86.6%)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31) +3.3% - - -	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%)	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3 (23) - (0.8%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2%	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 84 51 (3) 36 +6.4% +41.2% (86.6%)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%)	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31) +3.3%	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%)	Q4	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3 (23)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% - +52.8%	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% (2.0%)	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 84 51 (3) 36 +6.4% +41.2% (86.6%)	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31) +3.3% - - -	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%)	Q4 03/2020	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3 (23) - (0.8%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% - +52.8% 43.1% 41.8%	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3%	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3) 36 +6.4% +41.2% (86.6%) 44.2% 41.3%	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31) +3.3% - - - 42.9% 43.0%	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0% 45.7% 36.1%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2%	Q4 03/2020	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3 (23) - (0.8%) +0.9%
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Q1 03/2019 2,782 1,582 1,199 1,162 37 12 49 18 67 13 (8) 62 +6.2% +52.8% 43.1% 41.8% 1.3%	Q2 03/2019 2,948 1,562 1,385 1,128 257 23 281 5 286 121 (1) 166 +7.1% +13.0% +18.7% (2.0%) 47.0% 38.3% 8.7%	Q3 03/2019 2,893 1,614 1,278 1,195 83 1 84 - 84 51 (3) 36 +6.4% +41.2% (86.6%) 44.2% 41.3% 2.9%	Q4 03/2019 3,283 1,821 1,461 1,321 139 19 158 1 160 102 (0) 58 +10.7% +79.2% +89.6% (55.3%) 44.5% 40.3% 4.2%	Q1 03/2020 2,873 1,641 1,232 1,235 (2) (9) (12) - (12) 20 (1) (31) +3.3% - - - 42.9% 43.0% (0.1%)	Q2 03/2020 3,366 1,828 1,538 1,214 323 24 347 2 350 139 0 211 +14.2% +25.4% +23.7% +27.0% 45.7% 36.1% 9.6%	Q3 03/2020 3,000 1,698 1,301 1,266 35 12 47 - 47 34 0 13 +3.7% (57.7%) (44.0%) (63.3%) 43.4% 42.2% 1.2%	Q4 03/2020	Net Chg. +107 +84 +22 +71 (48) +10 (37) - (37) (17) +3 (23) - (0.8%) +0.9% (1.7%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative, Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Segmented Information									V-V
(Million Yen)	Q1 03/2019	Q1 to Q2 03/2019	Q1 to Q3 03/2019	Q1 to Q4 03/2019	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	YoY Net Chg.
Digital Marketing Business	482	967	1,482	2,054	465	1,006	1,540	03/2020	+58
IT Infrastructure Business	2,273	4,700	7,032	9,709	2,356	5,156	7,595		+562
CVC Business	2,273	-4,700	7,032	3,703	2,330	3,130	0		+0
Overseas Business	26	62	107	141	48	73	99	_	(7)
Other	0	0	0	1	2	3	3	_	+2
Adjustments	0	0	0	· -	-	-	0	_	(0)
Sales	2,782	5,731	8,624	11,907	2,873	6,240	9,240		+616
Digital Marketing Business	14	54	92	154	(50)	(13)	(3)	-	(96)
IT Infrastructure Business	(0)	150	129	241	(1)	291	302	_	+173
CVC Business	(1)	(2)	(3)	(30)	(0)	(0)	(0)		+2
Overseas Business	(28)	(38)	(38)	(11)	20	9	7		+45
Other	(1)	(3)	(4)	(4)	(7)	(13)	(14)	-	(10)
Segment Profit	(16)	161	176	350	(39)	272	290	-	+114
Adjustments	53	133	202	167	36	47	64	-	(137)
Operating Profit	37	294	378	517	(2)	320	355	-	(22)
Digital Marketing Business	3.1%	5.7%	6.3%	7.5%	(10.9%)	(1.4%)	(0.2%)	-	(6.5%)
IT Infrastructure Business	(0.0%)	3.2%	1.8%	2.5%	(0.0%)	5.6%	4.0%	-	+2.1%
CVC Business	-	-	-	-	-	-	(178.4%)	-	-
Overseas Business	(110.6%)	(61.6%)	(35.3%)	(8.2%)	41.6%	12.7%	7.5%	-	+42.9%
Other	-	(1,161.3%)	(548.3%)	(291.7%)	(290.4%)	(398.1%)	(396.8%)	-	+151.4%
Adjustments	1.9%	2.3%	2.3%	1.4%	1.3%	0.8%	0.7%	-	(1.6%)
One retine Duefit Maurite	1.3%	F 40/	4 40/	4.00/	(0.40/)	5.1%	3.8%	_	(0.5%)
Operating Profit Margin	1.376	5.1%	4.4%	4.3%	(0.1%)	J. 1 /0	3.0 /6		(0.579)
Segmented Information	Cons.Act	Cons.Act	4.4% Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	(0.376)
								Cons.Act Q4	YoY
	Cons.Act	Cons.Act	Cons. Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act		
Segmented Information	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Q4	YoY
Segmented Information (Million Yen)	Cons. Act Q1 03/2019	Cons.Act Q2 03/2019	Cons.Act Q3 03/2019	Cons.Act Q4 03/2019	Cons.Act Q1 03/2020	Cons.Act Q2 03/2020	Cons.Act Q3 03/2020	Q4	YoY Net Chg.
Segmented Information (Million Yen) Digital Marketing Business	Cons.Act Q1 03/2019 482	Cons.Act Q2 03/2019 484	Cons.Act Q3 03/2019 515	Cons. Act Q4 03/2019 572	Q1 03/2020 465	Cons.Act Q2 03/2020 540	Q3 03/2020 534	Q4	YoY Net Chg. +19
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business	Cons.Act Q1 03/2019 482	Cons.Act Q2 03/2019 484 2,427	Cons.Act Q3 03/2019 515	Cons. Act Q4 03/2019 572	Q1 03/2020 465	Cons.Act Q2 03/2020 540	Cons.Act Q3 03/2020 534 2,439	Q4	YoY Net Chg. +19 +107 +0 (19)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business	Cons.Act Q1 03/2019 482 2,273 - 26	Cons.Act Q2 03/2019 484 2,427 - 36 0	Cons.Act Q3 03/2019 515 2,331	Cons. Act Q4 03/2019 572 2,676	Cons.Act Q1 03/2020 465 2,356	Cons.Act Q2 03/2020 540 2,799	Cons.Act Q3 03/2020 534 2,439 0	Q4	YoY Net Chg. +19 +107 +0 (19)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business	Cons.Act Q1 03/2019 482 2,273	Cons.Act Q2 03/2019 484 2,427 -	Cons.Act Q3 03/2019 515 2,331	Cons.Act Q4 03/2019 572 2,676	Cons.Act Q1 03/2020 465 2,356 - 48	Cons.Act Q2 03/2020 540 2,799 - 25	Cons.Act Q3 03/2020 534 2,439 0 25 0	Q4	YoY Net Chg. +19 +107 +0 (19) (0)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782	Cons.Act Q2 03/2019 484 2,427 - 36 0 0	Cons. Act Q3 03/2019 515 2,331 - 45 0 0 2,893	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782	Cons.Act Q2 03/2019 484 2,427 - 36 0 0 2,948	Cons. Act Q3 03/2019 515 2,331 - 45 0 0 2,893	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283	Cons.Act	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0)	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21)	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112	Cons.Act	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1)	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1)	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27)	Cons.Act	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0)	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28)	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10)	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1)	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1)	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0)	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0)	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6)	Cons.Act Q3 03/2020 534 2,439 0 25 0 3,000 9 11 0 (1) (1)	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other Segment Profit	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16)	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1) 178	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311	Cons.Act Q3 03/2020 534 2,439 0 25 0 3,000 9 11 0 (1) (1) 18	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business CVC Business Overseas Business Other Segment Profit Adjustments	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1) 178 79	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68	Cons. Act Q4 03/2019 572 2,676 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34)	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11	Cons.Act Q3 03/2020 534 2,439 0 25 0 3,000 9 11 0 (1) (1) 18 17	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51)
Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business CVC Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1) 178 79 257	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323	Cons.Act Q3 03/2020 534 2,439 0 25 0 3,000 9 11 0 (1) (1) 18 17 35	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1) 178 79 257	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3%	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139	Cons.Act Q1 03/2020 465 2,356 48 2 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9%	Cons.Act Q3 03/2020 534 2,439 0 25 0 3,000 9 11 0 (1) (1) 18 17 35	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Cons.Act Q2 03/2019 484 2,427 - 36 0 2,948 40 150 (1) (9) (1) 178 79 257	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139	Cons.Act Q1 03/2020 465 2,356 - 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5%	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business CVC Business	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%)	Cons.Act Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2%	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%)	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139 10.9% 4.2%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (77) (39) 36 (2) (10.9%) (0.0%)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4%	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1%	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48) (5.5%) +1.4%
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Other	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37	Cons.Act Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) - 0.9%	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139 10.9% 4.2% - 78.8%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%) (0.0%) - 41.6%	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%)	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%)	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48) (5.5%) +1.4% - (8.0%)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Other	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%) - (110.6%)	Cons.Act Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%) (559.0%)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) - 0.9% (184.8%)	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139 10.9% 4.2% - 78.8% (20.9%)	Cons.Act Q1 03/2020 465 2,356 48 2 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%) (0.0%) - 41.6% (290.4%)	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%) (656.6%)	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%) (382.4%)	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48) (5.5%) +1.4% - (8.0%) (197.6%)
Segmented Information (Million Yen) Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Adjustments Sales Digital Marketing Business IT Infrastructure Business CVC Business Overseas Business Other Segment Profit Adjustments Operating Profit Digital Marketing Business IT Infrastructure Business Overseas Business Other	Cons.Act Q1 03/2019 482 2,273 - 26 - 0 2,782 14 (0) (1) (28) (1) (16) 53 37 3.1% (0.0%)	Cons.Act Q2 03/2019 484 2,427 - 36 0 0 2,948 40 150 (1) (9) (1) 178 79 257 8.3% 6.2% - (26.7%)	Cons.Act Q3 03/2019 515 2,331 - 45 0 0 2,893 37 (21) (1) 0 (0) 15 68 83 7.3% (0.9%) - 0.9%	Cons. Act Q4 03/2019 572 2,676 - 33 0 (0) 3,283 62 112 (27) 26 (0) 173 (34) 139 10.9% 4.2% - 78.8%	Cons.Act Q1 03/2020 465 2,356 48 2 - 2,873 (50) (1) (0) 20 (7) (39) 36 (2) (10.9%) (0.0%) - 41.6%	Cons.Act Q2 03/2020 540 2,799 - 25 1 - 3,366 37 292 (0) (10) (6) 311 11 323 6.9% 10.4% - (43.1%)	Cons.Act Q3 03/2020 534 2,439 0 25 0 0 3,000 9 11 0 (1) (1) 18 17 35 1.9% 0.5% 7.1% (7.1%)	Q4	YoY Net Chg. +19 +107 +0 (19) (0) (0) +107 (27) +32 +1 (2) (0) +3 (51) (48) (5.5%) +1.4% - (8.0%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Cash and Deposit	3,164	3,117	3,395	3,293	2,983	2,855	2,976	-	(418)
Accounts Receivables	1,523	1,605	1,517	1,918	1,615	1,984	1,671	-	+153
Inventory	134	131	118	106	131	112	143	-	+24
Other	370	480	598	801	487	523	395	-	(202)
Current Assets	5,192	5,334	5,629	6,119	5,218	5,476	5,186	-	(443)
Tangible Assets	101	133	124	116	124	118	111	-	(12)
Intangible Assets	388	400	424	499	476	503	502	-	+78
Investments and Other Assets	1,384	1,276	1,394	1,482	1,437	1,420	1,372	-	(21)
Fixed Assets	1,874	1,810	1,942	2,098	2,038	2,043	1,986	-	+44
Total Assets	7,066	7,145	7,572	8,218	7,256	7,519	7,173	-	(399)
Accounts Payables	672	669	618	810	685	725	684	-	+65
Short Term Debt	316	233	466	466	466	466	466	-	0
Other	740	872	916	1,465	879	999	837	-	(79)
Current Liabilities	1,729	1,775	2,002	2,742	2,031	2,191	1,988	-	(14)
Long Term Debt	408	350	879	751	626	498	373	-	(505)
Other	131	78	71	93	70	77	83	-	+12
Fixed Liabilities	539	428	950	845	697	575	457	-	(493)
Total Liabilities	2,268	2,203	2,953	3,588	2,728	2,767	2,445	-	(507)
Shareholders' Equity	4,408	4,670	4,428	4,431	4,354	4,578	4,569	-	+141
Other	389	270	191	198	173	172	157	-	(33)
Net Assets	4,798	4,941	4,619	4,629	4,528	4,751	4,727	-	+108
Total Liabilities and Net Assets	7,066	7,145	7,572	8,218	7,256	7,519	7,173	-	(399)
Equity Capital	4,768	4,913	4,595	4,628	4,528	4,751	4,727	-	+132
Interest Bearing Debt	725	583	1,346	1,218	1,093	965	840	-	(505)
Net Debt	(2,439)	(2,534)	(2,048)	(2,075)	(1,889)	(1,890)	(2,135)	-	(86)
Equity Ratio	67.5%	68.8%	60.7%	56.3%	62.4%	63.2%	65.9%	-	-
Net Debt Equity Ratio	(51.2%)	(51.6%)	(44.6%)	(44.8%)	(41.7%)	(39.8%)	(45.2%)	-	-
ROE (12 months)	14.6%	14.0%	8.5%	6.8%	5.0%	5.7%	5.4%	-	-
ROA (12 months)	6.8%	7.1%	7.0%	7.2%	7.1%	7.9%	7.3%	-	-
Quick Ratio	271%	266%	245%	190%	226%	221%	234%	-	-
Current Ratio	300%	300%	281%	223%	257%	250%	261%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2019	03/2019	03/2019	03/2019	03/2020	03/2020	03/2020	03/2020	Net Chg.
Operating Cash Flow	=	(108)	-	194	-	49	-	-	-
Investing Cash Flow	=	(113)	-	(537)	-	(178)	-	-	-
Operating CF and Investing CF	-	(222)	-	(343)	-	(128)	-	-	-
Financing Cash Flow	-	(372)	-	(73)	-	(294)	_	-	_

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of "IR Information" of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. "IR Information" of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

Company name: Walden Research Japan Incorporated

Head office: 4F Hulic Ginza 1-chome Building, 1-13-1 Ginza, Chuo-ku, Tokyo 104-0061 JAPAN

URL: www.walden.co.jp
E-mail: info@walden.co.jp
Phone: +81 3 3553 3769