

## Company Report

March 11, 2026

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## Cumulative FY3/26 Q3 Results: Operating Loss Narrowed, with Full-Year Forecast Revised Downward. Stock Price Poised to Test Upside, Anticipating FY3/27 Profit Levels

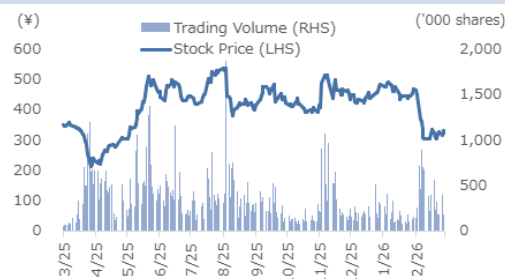
Transaction Media Networks (TMN) reported cumulative results for Q3 FY3/26, with total revenues reaching ¥9.586 billion (+7.8% YoY), with an operating loss of ¥255 million (compared to a ¥364 million loss YoY). The operating loss narrowed due to reduced data center relocation expenses and revenue growth effects. Regarding total revenue by business model (stand-alone), recurring revenue increased to ¥6.906 billion (+15.3% YoY), driven by growth in QR/Barcode service fees and other sources. Conversely, one-time revenues were weak at ¥1.641 billion (-10.9% YoY), impacted by declines in terminal sales (affected by the absence of a large project recorded in the same period last year) and other revenues.

TMN revised its company forecast downward for FY3/26, reflecting factors such as total revenue falling below the initial plan due to delays in multiple large-scale projects anticipated for 2H. The revised FY3/26 plan projects total revenue of ¥13.144 billion, down ¥1.935 billion from the initial plan (+6.9% YoY) and an operating loss of ¥63 million, down ¥576 million from the initial plan (compared to a loss of ¥504 million in the previous fiscal year).

For FY3/27, profitability improvement is expected due to multiple factors: 1) increased revenue from expanding the current payment services business, 2) the expiration of data center relocation expenses, 3) reduced operating costs from the new data center's operation, 4) revenue recognition for large projects delayed from the previous period, 5) full-fledged contribution from the new UT-P11 terminal, 6) commencement of contributions from the latest UT-X11 terminal, 7) revenue contribution from the new corporate settlement service business and 8) expansion of recurring revenue from the increased number of operating terminals in the vending machine and payment terminal market.

In the stock market, TMN's projected net loss for the current period has led to a stock valuation focused on a PBR of 1x. Looking ahead, the stock price is likely to test upside potential, considering the expected improvement in profitability for the FY3/27 period and the undervalued EV/EBITDA level. Key factors in this scenario will be the acquisition of large-scale projects across each service and the pace of growth in QR/Barcode service fees.

### Stock Price & Trading Volume



Source: Strategy Advisors.

### Key Indicators

Stock Price (3/11/26)	324
52-Week High (8/14/25)	537
52-Week Low (4/7/25)	213
All-Time High (7/4/23)	1,946
All-Time Low (7/4/25)	213
Shares on Issue (mn)	29.7
Market Capitalization (¥bn)	9.6
EV (¥bn)	13.0
Equity ratio (3/25 Actual, %)	37.3
PER (3/26 CoE, x)	NM
PBR (3/25 Actual, x)	1.2
Dividend Yield (3/26 CoE, %)	0.0

Note: EV = Market Capitalization + Interest-Bearing Debt - (Cash and Deposits - Deposits Held)

Source: Strategy Advisors.

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## Japanese GAAP - Consolidated

FY	Sales (¥mn)	YoY Change (%)	Operating Profit (¥mn)	YoY Change (%)	Ordinary Income (¥mn)	YoY Change (%)	Net Income (¥mn)	YoY Change (%)	EPS (¥)	DPS (¥)
3/25 Q1-Q3	8,889	18.1	-364	-	-374	-	-480	-	-13.0	-
<b>3/26 Q1-Q3</b>	<b>9,586</b>	<b>-7.8</b>	<b>-255</b>	-	<b>-293</b>	-	<b>-309</b>	-	<b>-9.6</b>	-
3/23	7,831	9.7	560	-21.2	535	-24.8	672	-	21.2	0.0
3/24	10,370	-	777	-	765	-	585	-	15.9	0.0
3/25	12,300	18.6	-504	-	-513	-	-682	-	-18.5	0.0
3/26 CoE Old	15,079	22.6	512	-	464	-	349	-	9.5	0.0
3/26 CoE New	13,144	6.9	-63	-	-128	-	-124	-	-4.0	0.0

Note: FY3/24 YoY change rate is not shown due to the change to consolidated basis from FY3/24.

Source: Company Materials. Prepared by Strategy Advisors.

## 1. FY3/26 Q3 Financial Results Overview

### Cumulative Q3 Operating Loss Narrowed YoY

TMN's Cumulative results for FY3/26 Q3 showed total revenue of ¥9.586 billion (+7.8% YoY) and an operating loss of ¥255 million (compared to a loss of ¥364 million in the same period last year). The operating loss narrowed due to reduced data center (DC) relocation expenses and increased recurring revenue such as gateway service fees and QR/Barcode service fees. The DC relocation was completed on September 16, 2025.

### EBITDA Increased 45% YoY

Meanwhile, EBITDA (calculated by adding interest expenses, depreciation and amortization, goodwill amortization, and customer-related asset amortization to ordinary income), which the company prioritizes, was ¥1.622 billion (+45.0% YoY). While quarterly EBITDA had continued to decline YoY from FY3/25 Q1 to FY3/26 Q1, FY3/26 Q2 reached ¥636 million (+79% YoY) due to improved operating profit and increased depreciation expenses associated with the DC operation. And Q3 reached ¥645 million (+77% YoY), showing significant recent growth.

### Decline in Gross Profit Margin Was Offset by an Improvement in the SG&A Ratio Driven by Higher Sales

The cumulative Q3 gross profit margin declined to 27.3% from 28.1% in the same period last year. This decline was due to increased depreciation expenses, despite a decrease in data center relocation expenses recorded in cost of sales. Data center relocation expenses decreased to ¥345 million (of which ¥313 million was recorded in cost of sales) from ¥414 million in the same period last year.

On the other hand, SG&A expenses increased to ¥2.873 billion (+¥9 million). Other expenses rose to ¥596 million (+¥478 million YoY) due to the recognition of consulting fees associated with the acquisition of treasury stock during the interim period and various expenses related to the acquisition of a subsidiary, as described later. Additionally, depreciation expenses increased to ¥153 million (+¥146 million YoY) due to the commencement of operations at the new distribution center. Furthermore, personnel expenses increased from ¥1.561 billion in the same period of the previous year to ¥1.573 billion due to upfront investments in human resources.

Conversely, outsourcing expenses decreased from ¥394 million in the same period of the previous year to ¥267 million due to reduced data center relocation expenses following the completion of the relocation. As a result, the SG&A ratio improved from 32.2% in the same period of the previous year to 30% due to the revenue growth effect.

On a stand-alone basis, SG&A expenses decreased to ¥2.239 billion (-¥60 million YoY). The difference between consolidated and stand-alone SG&A expenses consisted of: WebSpace SG&A expenses of ¥540 million (+37 million YoY); WebSpace-related goodwill amortization and customer-related asset amortization of ¥61 million (>-¥1 million YoY); and the acquisition cost of shares related to Four-J Corporation, described later, of ¥32 million.

On September 30, 2025, TMN made Four-J Corporation (Shinjuku-Ward, Tokyo), whose core businesses are system engineering services and software contract development firms, a wholly owned subsidiary. By bringing some of the temporary staff and contractors in-house that were previously used by TMN, the company aims to reduce external expenditures and improve profitability. Simultaneously, by acquiring personnel with diverse skill sets, it seeks to accelerate business expansion through securing large-scale projects and other initiatives.

The goodwill arising from the acquisition of Four-J Corporation amounted to ¥269 million, while share acquisition-related expenses totaled ¥32 million. Four-J Corporation's performance for the fiscal year ended December 2024 was ¥605 million in total revenue and ¥5 million in operating profit.

Total assets at the end of Q3 expanded to ¥19.876 billion from ¥16.669 billion at the end of Q2. Cash and deposits increased by ¥2.930 billion compared to the end of Q2, while software in progress increased by ¥499 million and merchandise increased by ¥168 million. On the other hand, software decreased by ¥298 million.

On the funding side, total liabilities at the end of Q3 increased to ¥13.537 billion from ¥10.217 billion at the end of Q2. To secure working capital, long-term borrowings (including those due within one year) increased by ¥2.798 billion compared to the end of Q2. Total shareholders' equity at the end of Q3 decreased to ¥6.267 billion from ¥6.379 billion at the end of Q2, due to the recording of a net loss attributable to owners of the parent for the quarter. As a result, the equity ratio decreased from 38.3% at the end of Q2 to 31.5%. However, the net D/E ratio at the end of Q2 was 0.34x (or 0.54x even when deposits held are added to interest-bearing debt), indicating that financial soundness is maintained.

## **Making Four-J Made a Wholly Owned Subsidiary**

## **Although the Equity Ratio Decreased Due to Increased Borrowings, Financial Soundness Was Maintained**

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## Launch of New High-Performance DC

The new data center, which began operations in September, has achieved Tier 4 certification, the highest level under the Data Center Facility Standard established by the Japan Data Center Council (JDCC). It also complies with the international standard for business continuity management systems, ISO 22301.

The new DC achieves enhanced scalability, availability and maintainability. Specifically, it secures a flexible foundation and capacity for future service additions and processing power expansion. It also minimizes the impact scope during system failures, preventing operational downtime. Furthermore, automated monitoring and the introduction of state-of-the-art equipment have improved maintainability and successfully reduced power consumption and operational costs.

**Figure 1. Summary of Cumulative FY3/26 Q3 Financial Results**

(¥mn)

	3/25 Cumulative Q3	3/26 Cumulative Q3 (A)	Progress Rate (A)/(B)	3/26 Company Previous Forecast	3/26 Company New Forecast (B)
<b>Total Revenue (Consolidated)</b>	8,889	<b>9,586</b>	72.9%	15,079	<b>13,144</b>
<b>Recurring Revenue</b>	5,989	<b>6,906</b>	74.9%	9,802	<b>9,223</b>
Gateway Service Fees	3,449	<b>3,780</b>	75.1%	5,163	<b>5,036</b>
QR/Barcode Service Fees	2,163	<b>2,805</b>	74.4%	4,189	<b>3,770</b>
Registration Fees	376	<b>320</b>	77.0%	449	<b>416</b>
<b>One-Time Revenue</b>	1,842	<b>1,641</b>	69.6%	3,627	<b>2,360</b>
Terminal Sales	1,173	<b>994</b>	73.7%	1,860	<b>1,348</b>
SI Development Sales	303	<b>344</b>	56.9%	857	<b>605</b>
Others*	365	<b>302</b>	74.6%	909	<b>406</b>
<b>WebSpace</b>	1,057	<b>1,038</b>	73.3%	1,650	<b>1,417</b>
<b>Four-J</b>	-	-	-	-	<b>142</b>
<b>Gross Profit</b>	2,499	<b>2,617</b>	69.4%	4,642	<b>3,769</b>
<b>Gross Profit Margin</b>	28.1%	<b>27.3%</b>	-	30.8%	<b>28.7%</b>
<b>SG&amp;A Expenses</b>	2,864	<b>2,873</b>	74.9%	4,130	<b>3,833</b>
<b>SG&amp;A Expenses Ratio</b>	32.2%	<b>30.0%</b>	-	27.4%	<b>29.2%</b>
<b>Operating Profit</b>	-364	<b>-255</b>	-	512	<b>-63</b>
<b>Ordinary Income</b>	-374	<b>-293</b>	-	464	<b>-128</b>
<b>Net Income</b>	-480	<b>-309</b>	-	349	<b>-124</b>
<b>EBITDA</b>	1,118	<b>1,622</b>	66.5%	2,863	<b>2,441</b>

\*Others: Nextore, In-house Prepaid, Cloud POS, Data Distribution Business, etc.

Note: Company forecast for SG&A expenses for FY3/26 is estimated by Strategy Advisors.

Source: Company Materials. Prepared by Strategy Advisors.

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Figure 2. Consolidated Income Statement and Key Indicators (¥mn, Quarterly)

FY	3/25				3/26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 CoE
<b>Total Revenue</b>	2,732	3,006	3,150	3,411	3,022	3,322	3,241	3,557
(YoY)	NM	NM	NM	NM	10.6%	10.5%	2.9%	4.3%
<b>&lt;Recurring Revenue&gt;</b>	1,930	1,983	2,075	2,139	2,218	2,319	2,368	2,317
(YoY)	18.1%	14.8%	13.5%	14.7%	14.9%	16.9%	14.1%	8.3%
•Gateway Service Fees	1,129	1,146	1,173	1,197	1,245	1,264	1,271	1,255
(YoY)	9.3%	8.2%	8.1%	8.3%	10.2%	10.3%	8.3%	4.9%
•QR/Barcode Service Fees	669	714	779	828	869	946	989	965
(YoY)	45.1%	35.5%	27.9%	30.8%	29.8%	32.5%	26.9%	16.5%
•Registration Fees	130	123	122	113	104	108	107	95
(YoY)	-5.4%	-12.2%	-8.1%	-9.5%	-20.5%	-11.6%	-12.3%	-15.2%
<b>&lt;One-Time Revenue&gt;</b>	423	662	756	966	454	634	552	718
(YoY)	-36.9%	14.9%	-30.5%	-1.2%	7.2%	-4.2%	-26.9%	-25.6%
•Terminal Sales	245	381	546	556	269	386	338	354
(YoY)	-39.0%	5.4%	11.6%	16.8%	9.5%	1.4%	-38.1%	-36.3%
•SI Development Sales	90	108	104	233	91	143	109	260
(YoY)	-51.9%	-18.3%	-22.6%	-42.4%	1.4%	32.7%	4.7%	11.5%
•Others	87	172	105	176	93	104	104	103
(YoY)	7.9%	109.4%	-77.3%	84.3%	6.7%	-39.5%	-0.3%	-41.3%
<b>WebSpace</b>	377	360	318	305	349	368	320	378
(YoY)	NM	NM	NM	NM	-7.5%	2.2%	0.6%	24.1%
<b>Four-J</b>	-	-	-	-	-	-	-	142
(YoY)	-	-	-	-	-	-	-	-
<b>Gross Profit</b>	841	837	820	902	846	949	820	1,151
(Gross Profit Margin)	30.8%	27.8%	26.0%	26.4%	28.0%	28.6%	25.3%	32.4%
SG&A Expenses	899	963	1,001	1,041	1,043	922	907	960
<b>Operating Profit</b>	-57	-126	-180	-139	-196	26	-86	191
(YoY)	NM	NM	NM	NM	NM	NM	NM	NM
(OP Margin)	-2.1%	-4.2%	-5.7%	-4.1%	-6.5%	0.8%	-2.7%	5.4%
Non-Operating Profit/Loss	-2	-5	-4	1	-2	-10	-24	-27
<b>Ordinary Income</b>	-59	-130	-184	-138	-198	16	-110	164
(YoY)	NM	NM	NM	NM	NM	NM	NM	NM
(Ordinary Income Margin)	-2.2%	-4.4%	-5.9%	-4.1%	-6.6%	0.5%	-3.4%	4.6%
<b>Net Income</b>	-71	-131	-277	-202	-198	4	-115	184
(YoY)	NM	NM	NM	NM	NM	NM	NM	NM
<b>EBITDA</b>	398	354	364	379	340	636	645	818
<b>Number of Operating Terminals (As of End of Period, mn)</b>	0.99	1.01	1.06	1.10	1.12	1.15	1.18	-
<b>Payment Processing Amount (GMV, ¥trn)</b>	1.1	1.2	1.3	1.3	1.4	1.4	1.4	-
<b>Number of Transactions (bn)</b>	0.6	0.6	0.7	0.6	0.7	0.7	0.7	-

Note: WebSpace will be consolidated as a subsidiary starting from FY3/24 Q3. However, for FY3/24 Q3&Q4, it will only be reflected on the balance sheet and not included in the income statement. Operating terminal volume is rounded down to the nearest 10,000 units, gross merchandise value (GMV) is rounded to the nearest ¥mn, and the number of transactions is rounded to the nearest ¥10bn.

Source: Company Materials. Prepared by Strategy Advisors.

## 2. Major Business Trends

### Recurring Revenue Continues Strong Growth

Recurring revenue derived from merchants' use of electronic payment services consists of gateway service fees, QR/Barcode service fees and registration fees. Increases in the number of operating terminals drive recurring revenue growth primarily through higher gateway service fees (received as monthly fixed charges) and higher QR/Barcode service fees (charged on a pay-per-use basis). Consequently, this metric is particularly important among TMN's KPIs.

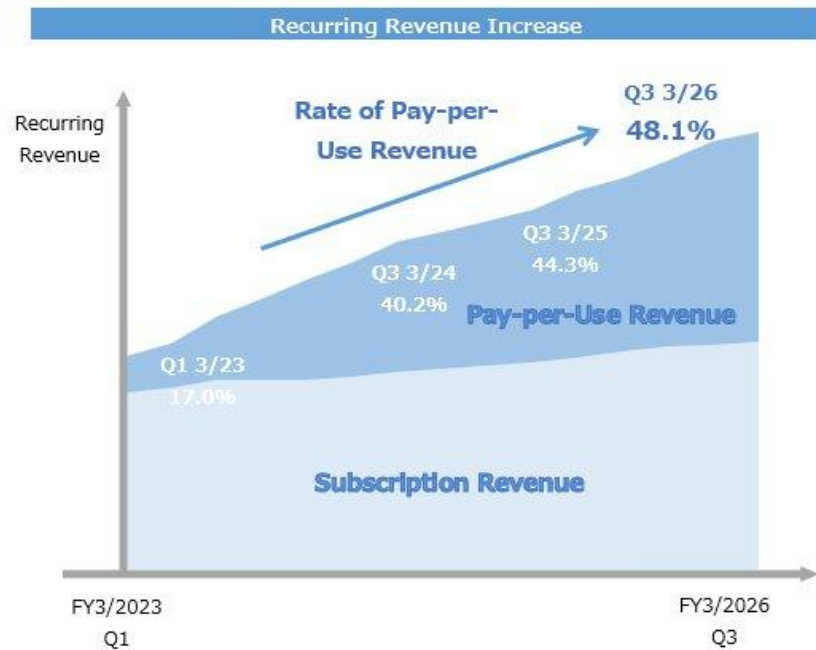
TMN's number of operating terminals reached 1.18 million units at the end of FY3/26 Q3 (+120,000 units YoY, +80,000 units QoQ). In addition to the increase in the number of operating terminals, the cumulative gross merchandise value (GMV) for FY3/26 Q3 reached ¥4.2 trillion (+16% YoY). This growth was driven by a surge in credit card transactions following the adoption of 13,000 new "UT-X20" payment terminals by Welcia Holdings (3141, TSE Prime), as well as expanded usage of QR/Barcode payments. The cumulative number of transactions for FY3/26 Q3 also increased significantly to 2.1 billion transactions (+13.6% YoY). As a result, cumulative recurring revenue (stand-alone) for FY 3/26 Q3 increased by 15.3% YoY, continuing the high growth rate seen in FY3/25 (+15.2% YoY).

### QR/Barcode Service Fees Increased by 30%

The main breakdown of recurring revenue is as follows: Gateway service fees increased to ¥3.780 billion (+9.6% YoY) due to expanded subscription revenue from the increase in the number of operating terminals and pay-per-use billing revenue from E-Cash payments rising to ¥300 million (+21% YoY) as the number of contracted clients grew. Fees for QR/Barcode services, which are pay-per-use revenue to the gross merchandise value (GMV) processed, reached ¥2.805 billion (+29.7% YoY). This increase was driven by the expansion of the QR/Barcode market, which led to new merchant sign-ups and increased settlement volumes from existing merchants.

As a result, the ratio of pay-per-use revenue within gateway service fees and QR/Barcode service fees rose to 48.1% in FY3/26 Q3 (+44.3% YoY). TMN aims to raise the growth curve of its recurring revenue by increasing the pay-per-use revenue ratio.

**Figure 3. Changes in the Ratio of Subscription Revenue and Pay-Per-Use Revenue**



Note: Recurring revenue does not include registration fees.

Source: Company Materials.

## Expanding Payment Brands

TMN added West Japan Railway Company's (9021 TSE Prime) new smartphone payment service "Wesmo!" to its gateway service brands in September 2025. In November, it introduced the Sapporo-area regional E-Cash "SAPIA" to all Lawson stores in Hokkaido.

## Expanding Customer Base to Transportation Operators

In June 2025, TMN began providing QR/Barcode payment services to Akiha Bus Service (Shuchi-gun, Shizuoka Prefecture) and Tokachi Bus (Obihiro-city, Hokkaido). In September, it added transportation E-Cash as a payment method for the Bun Bus community bus routes in Kokubunji City. In November, it provided credit card and QR/Barcode services for the Cashless Bus Proof of Concept (PoC) conducted by Sotetsu Bus. Going forward, TMN plans to expand horizontally to public transportation operators nationwide, broadening its customer base beyond primarily retailers to include transportation operators.

## Commencing Transactions with Large Supermarkets

In October 2025, the company began providing transportation E-Cash services to large supermarkets, contributing over 5,000 units to the number of operating terminals.

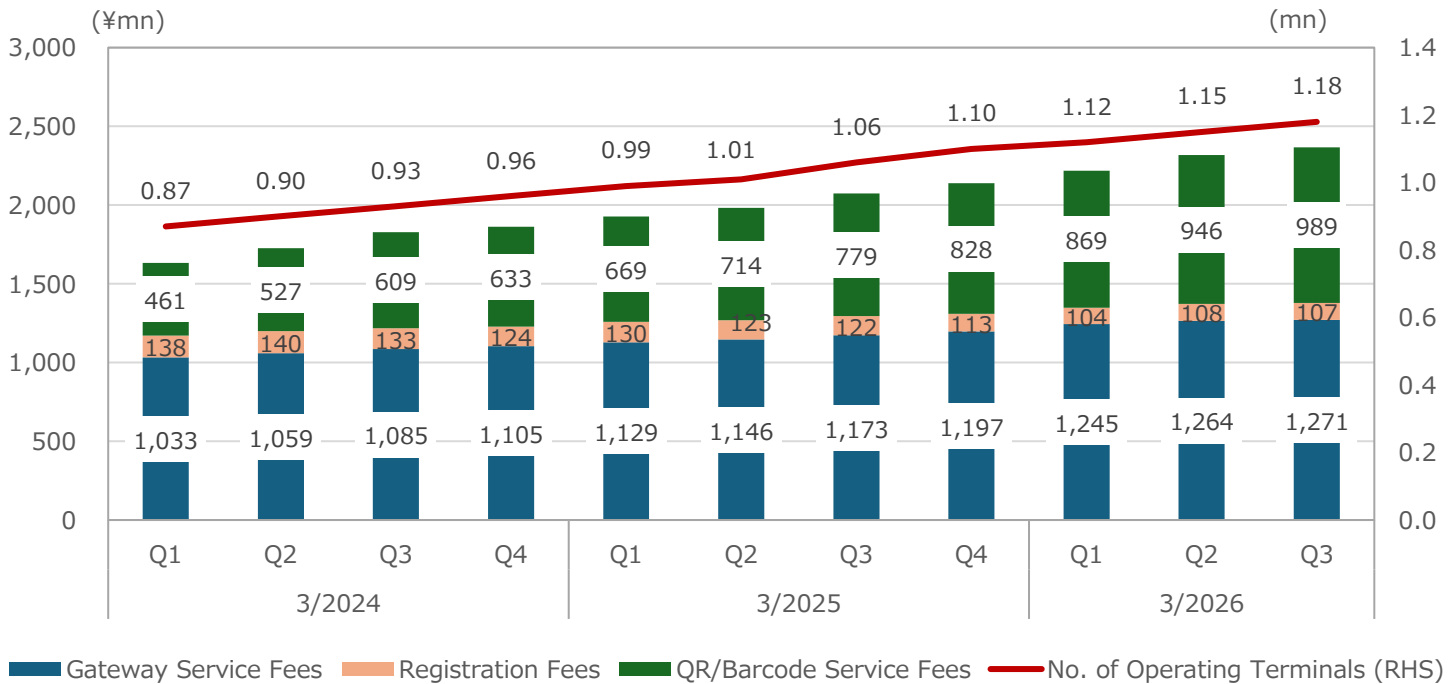
## Contribution to the Vending Machine and Payment Terminal Market

TMN has primarily expanded its operational connected terminals in the POS/CCT market, which has approximately 4 million units nationwide. However, despite aiming for full-scale entry into the vending machine and payment terminal market, also estimated at around 4 million units, penetration has been slow. As of the end of FY3/26 Q3, TMN's number of operating terminals numbered approximately 1.16 million for the POS/CCT market, compared to only about 20,000 for the vending machine and payment terminal market.

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However, it is important to note that business negotiations for the vending machine and payment terminal market are currently active. Consequently, the growth pace for the number of operating terminals may accelerate from the current annual rate of 120,000 to 140,000 units.

**Figure 4. Trends in Recurring Revenue and Number of Connected Devices in Operation**



Source: Company Materials. Prepared by Strategy Advisors.

## Entry into B2B Payment Services

TMN announced its entry into the B2B payment services market, which boasts a market size of approximately ¥780 trillion, significantly exceeding the B2C payment market size of approximately ¥330 trillion.

In the BtoC payment market, the electronic payment settlement amount in 2024 reached approximately ¥141 trillion, with an electronic payment settlement rate of 42.8%. In contrast, the electronic (credit card) payment settlement amount in the corporate payment market is approximately ¥5 trillion, with an electronic payment settlement rate remaining below 1%. Due to legal revisions, bills and checks are scheduled to be abolished by the end of March 2027, leading to expectations for expanded electronic payment adoption in corporate payments.

## Launching Services for Small and Medium-Sized Enterprises in March

Amidst this, TMN launched its new service "Shiharai Kakumei" on March 3, 2026. Rather than targeting large corporations where competitors already lead, TMN focuses on the approximately ¥280 trillion market of startups, SMEs and sole proprietors. Collaborating with shareholder companies and partners, the service enables invoice payments via credit card.

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## **One-Time Revenue Decreased Due to Lower Terminal Sales**

One-time revenue (stand-alone) amounted to ¥1.641 billion (-10.9% YoY). Regarding the breakdown of one-time revenue, terminal sales reached ¥994 million (-15.3% YoY). While the mobile multi-payment terminal "UT-P11" (shipping commenced in July) contributed, there were no large-scale projects recorded as in the same period last year. On the other hand, SI development sales, which typically exhibit seasonality with a concentration of revenue recognition in Q4, reached ¥344 million in the cumulative total for Q3 (+13.7% YoY).

## **Other Revenue Related to Transaction Platform Services Also Declined**

Other revenue recorded on a stand-alone basis, such as those related to nextore and other transaction platform services, include recurring revenue. However, the proportion of recurring revenue is currently low, so all other revenue is recorded as one-time revenue. Other revenue decreased to ¥302 million (-17.2% YoY). This decline was due to the absence of spot projects recorded in the same period last year for nextore and other services, as well as delays in the launch of various services.

## **Xinfony Datahub Transitioned to Actual Operation**

In November 2025, TMN began providing the data hub service "Xinfony DataHub" to Kobe Coop, a consumers' cooperative with 1.71 million members, to promote the utilization of big data. This service, previously limited to data platform construction, has now transitioned to actual operation. Specifically, TMN organizes and processes data entrusted by Kobe Coop through Xinfony DataHub, outputting it in formats tailored to needs. This enables Kobe Coop to utilize the data internally for business operations. Additionally, external use by Mitsubishi Foods, a partner under a collaboration agreement, has commenced.

While monetization in the transaction platform service has generally been slow, this service launch provides an opportunity. We look forward to continued future developments leveraging the customer base built through payment-related businesses and initiatives across various services.

## **WebSpace Revenue Declined Slightly, but Operating Profit Increased Before Goodwill Amortization**

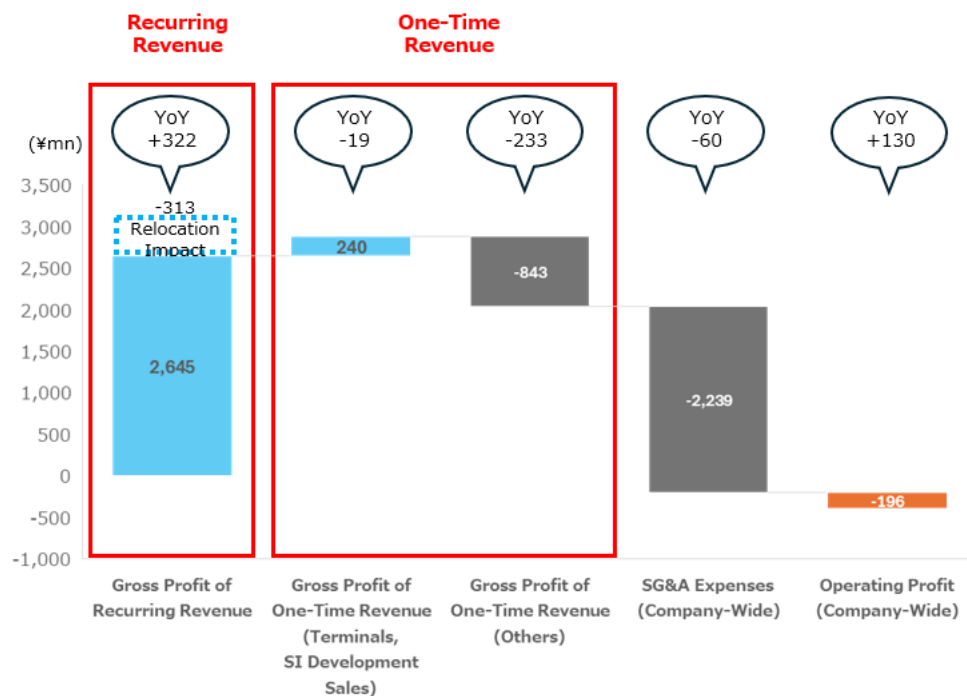
Regarding the consolidated subsidiary's WebSpace business, total revenue was sluggish at ¥1.038 billion (-1.8% YoY). This was due to strong performance in the same period last year and delays in equipment replacement projects, which were postponed to FY3/26 Q4. However, operating profit before goodwill amortization and customer-related asset amortization is estimated to have increased from ¥24 million in the same period last year to ¥34 million, driven by an improvement in gross profit margin. While operating profit after goodwill and customer-related asset amortization still shows a loss, it is expected to contribute to the group's profits once total revenue begins to expand significantly.

## **Losses from One-Time Revenue Have Expanded**

TMN disclosed for the first time the breakdown of gross profit by revenue model on a stand-alone basis. Cumulative gross profit by revenue model for FY3/26 Q3 was: Recurring revenue at ¥2.645 billion (+¥322 million YoY), one-time revenue (terminal sales and SI development sales) at ¥240 million (-¥19 million YoY) and one-time revenue (Others) from the transaction platform service at a loss of ¥843 million (the loss widened by ¥233 million YoY).

The gross profit margin for recurring revenue was 38.3%. Adding the one-time expense of ¥313 million recorded in cost of sales as data center relocation expenses, the margin calculated was 42.8%, clearly demonstrating that recurring revenue is TMN's primary revenue source. The gross profit margin for one-time revenue (terminal sales and SI development sales) was 17.9%. On the other hand, for one-time revenue (other), while total revenue decreased to ¥302 million (-¥62 million YoY), cost of sales, primarily depreciation and amortization, increased to ¥1.145 billion (+¥170 million YoY), resulting in a significant expansion of the loss.

**Figure 5. Revenue Structure on a Stand-alone Basis (Cumulative FY3/26 Q3)**



Note: The figures for Other are revenue from nextore, In-house Prepaid, Cloud POS and Data Distribution Business, etc

Source: Company Materials.

### 3. Earnings Outlook

#### Revised Downward Company Forecast for FY3/26 Due to Shortfall in Total Revenue

TMN revised its FY3/26 forecasts downward, reflecting expectations that total revenue will fall short of the initial plan due to factors such as delays in multiple large-scale projects anticipated for 2H. The revised plan also incorporates the following adjustments: a decrease in variable cost of sales compared to the initial plan, partial containment of SG&A expenses below the initial plan and the impact of consolidating Four-J as a subsidiary, which was not included in the initial plan.

The revised FY3/26 plan projects total revenue of ¥13.144 billion, -¥1.935 billion from the initial plan (+6.9% YoY), an operating loss of ¥63 million, -¥576 million from the initial plan (compared to a ¥504 million loss YoY), ordinary loss of ¥128 million (-¥593 million from the initial plan; prior year; as well as a loss of ¥513 million) and net loss attributable to owners of parent of ¥124 million (-¥473 million from the initial plan; prior year: loss of ¥682 million). Additionally, interest expense of ¥85 million, a gain on reversal of stock acquisition rights (extraordinary income) of ¥22 million and income taxes of ¥16 million are expected to be recorded.

The revised EBITDA plan is ¥2.441 billion, -¥422 million from the initial plan (+63% YoY). While total revenue is expected to increase by ¥844 million compared to the previous fiscal year, operating profit is projected to increase by ¥441 million and EBITDA by ¥944 million.

## **Recurring Revenue Was Reduced**

Regarding plans by service and company, recurring revenue was reduced from the initial forecast of ¥9.802 billion to ¥9.223 billion (+13.5% YoY). Although the number of operating terminals increased largely as expected, the start of some new projects was postponed to the next fiscal year. Consequently, gateway service fees were reduced from the initial forecast of ¥5.163 billion to ¥5.036 billion (+8.4% YoY). QR/Barcode service fees were reduced from the initial forecast of ¥4.189 billion to ¥3.770 billion (+26.0% YoY) due to the loss of a large merchant acquisition project that had been factored into the plan. Registration fees were also reduced from the initial forecast of ¥449 million to ¥416 million (-15.0% YoY).

## **One-Time Revenue Was Significantly Reduced**

One-time revenue was significantly reduced from the initial forecast of ¥3.627 billion to ¥2.360 billion (-16.0% YoY). Terminal sales were reduced from the initial forecast of ¥1.860 billion to ¥1.348 billion (-22.1% YoY) due to a large project being carried over to the next fiscal year. SI development sales were reduced from the initial forecast of ¥857 million to ¥605 million (-12.8% YoY) due to another large-scale project being delayed to the next fiscal year.

## **Transaction Platform Service Also Significantly Reduced**

Transaction platform service (other revenue in the stand-alone segment) was also significantly reduced from the initial forecast of ¥909 million to ¥406 million (-25.0% YoY). This was due to the launch of new services being postponed to the next fiscal year and the total revenue from nextore and the In-House Prepaid/ID integration falling below the initial plan.

## **WebSpace Total Revenue Also Reduced**

WebSpace sales were reduced from the initial forecast of ¥1.650 billion to ¥1.417 billion (+4% YoY) because the expected expansion driven by group synergies did not materialize as anticipated.

## **Newly Incorporated Total Revenue for Four-J**

October-December results of Four-J, a company with a December fiscal year-end, will be reflected in TMN's consolidated Q4 results. Four-J's Q4 total revenue of ¥142 million has been newly incorporated into the forecast.

# Transaction Media Networks | 5258 (TSE Growth)

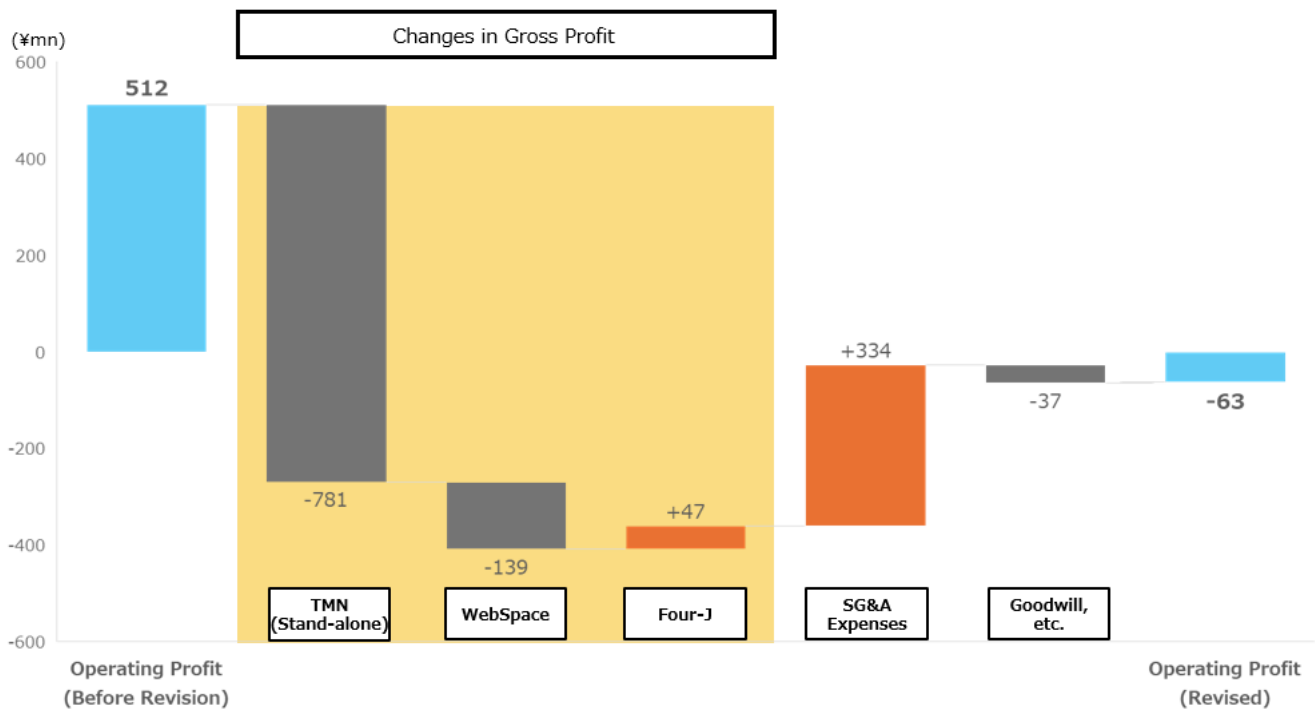
## The Downward Revision to the Consolidated Operating Profit Forecast

TMN disclosed an analysis of factors affecting the downward revision of the FY3/26 operating profit forecast on both a consolidated and stand-alone basis. Factors contributing to the reduction in consolidated operating profit include: a ¥781 million decrease in stand-alone gross profit, a ¥139 million decrease in WebSpace gross profit and ¥37 million in goodwill amortization and SG&A expenses for Four-J (¥6 million goodwill amortization and ¥30 million SG&A expenses).

On the other hand, factors contributing to an increase in the consolidated operating profit forecast include a ¥334 million decrease in SG&A expenses and the recognition of ¥47 million in gross profit from Four-J.

Four-J's Q4 earnings outlook shows total revenue of ¥142 million, gross profit of ¥47 million, SG&A expenses of ¥30 million and operating profit before goodwill amortization of ¥17 million, indicating sound profitability. Although the acquisition cost (¥32 million) contributed negatively to FY3/26 profits, Q4 secured an operating profit of ¥9 million after goodwill amortization and a positive contribution to profits is expected for FY3/27.

**Figure 6. Analysis of Factors Affecting Revised Operating Profit Forecast (Consolidated Basis)**



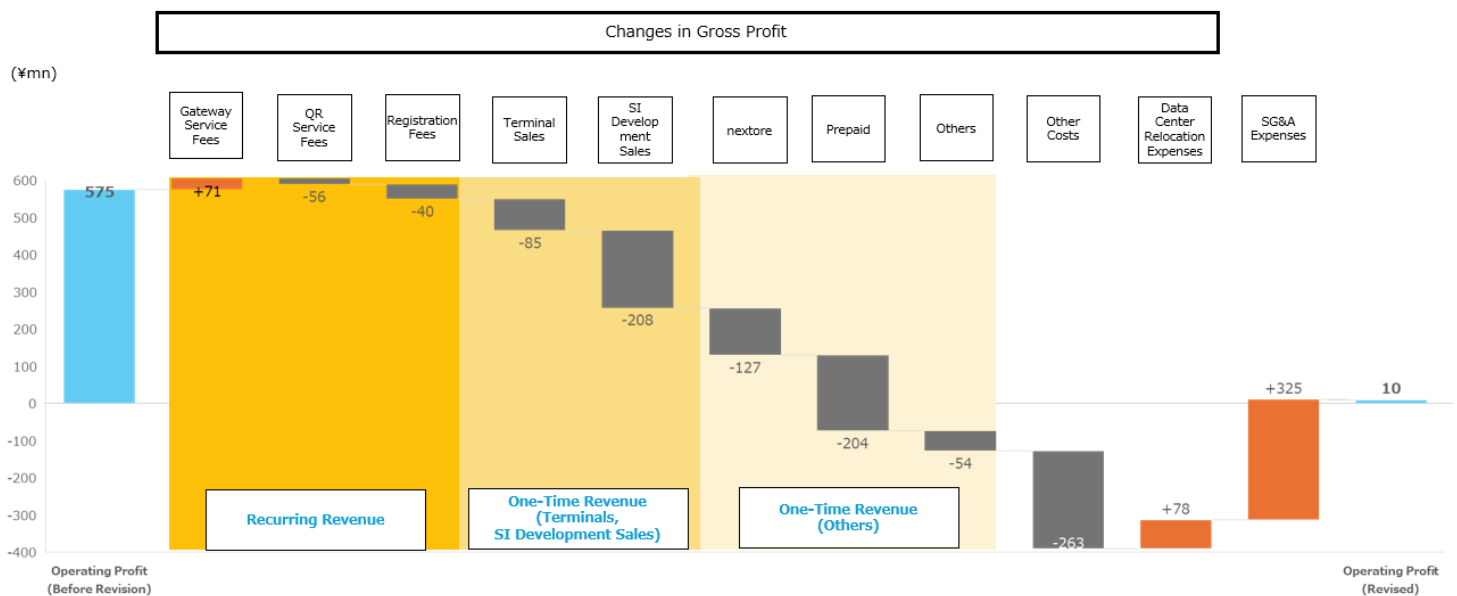
Note: The figures for "Goodwill, etc." refer to the total amount of goodwill amortization and SG&A expenses related to Four-J. "SG&A expenses" refer to the decrease from the initial plan in the total amount of TMN standalone and WebSpace SG&A expenses.

Source: Company Materials.

## The Downward Revision of the Stand-Alone Operating Profit Forecast

The analysis of factors affecting the revision of the stand-alone projected operating profit is shown in Figure 7. While SG&A expenses and data center relocation expenses recorded in cost of sales are expected to be lower than the initial plan, gross profit from one-time revenue is projected to be significantly below the initial plan. Additionally, other costs within cost of sales (common expenses not allocable to individual services) are expected to be significantly higher than the initial plan. Furthermore, SG&A expenses appear to have been restrained compared to the initial plan, particularly in personnel expenses and recruitment costs. The gross profit for In-House Prepaid/ID integration was significantly revised downward, not only due to reduced total revenue but also increased depreciation and amortization expenses.

**Figure 7. Analysis of Factors Affecting Revised Operating Profit Forecast (Stand-alone Basis)**



Source: Company Materials.

## Improved Profitability Expected for FY3/27

As described above, TMN was forced to revise its earnings forecast downward for FY3/26 due to factors such as delays in multiple large-scale projects. However, for FY3/27, profitability is expected to improve due to several factors. Specifically: 1) Increased revenue from expanding the current payment services business, 2) Declining data center relocation expenses, 3) Reduced operating costs from new DC operations, 4) Revenue recognition for delayed large-scale projects, 5) the full contribution of the new UT-P11 terminal, which began shipping in July 2025, 6) the contribution of the latest UT-X11 terminal, for which orders commenced in January 2026, 7) revenue contribution from the new corporate settlement service business and 8) expansion of recurring revenue from the increased number of operating terminals in the vending machine and payment terminal market.

If this is coupled with profit improvement in the transaction platform service business, which is a major management challenge, expectations for medium-to-long-term profit growth will also rise.

## 4. Stock Price Trends and Valuations

### The Stock Price Rose from Spring to Summer 2025 Before Declining Toward Year-End

Following downward revisions to the FY3/25 forecast and stock market adjustments, TMN's stock price continued its downward trend until early April 2025, hitting a low of ¥207 on April 7. However, TMN shares rebounded on the back of the stock market recovery, returning to the ¥300 range by early May.

The company's forecast for FY3/26, announced on May 14, was well received, causing the stock price to surge to ¥511 on June 2. After that, the stock price entered a temporary correction phase. However, when the TSE Growth Market Index surged in July, TMN stock also rose, reaching a high of ¥537 on August 14. The Q1 earnings released after the close on August 14 were largely in line with company expectations. However, factors such as the revenue growth rate being lower than the full-year plan of 22.6% weighed on sentiment, causing the stock price to dip below ¥500 the following day. Entering November, the stock price range shifted to ¥380-¥440.

Following the announcement of interim results on November 13, which showed a turnaround to an operating profit in Q2 contrary to market participants' expectations, the stock price surged to a limit-up high of ¥487 on the 14th and broke through ¥500 on the 15th. Although the stock price retreated towards year-end, it traded between ¥430 and ¥490 in January 2026.

### The Current Stock Price is Trading in the ¥300-¥340 Range

Following the downward revision of the FY3/26 earnings forecast announced after the close on February 13th, the stock price plummeted from the 16th, temporarily dipping below ¥300. Although it rebounded slightly afterward, it is currently trading within a range of roughly ¥300 to ¥340.

### Valuation Remains Low

Looking at the valuations of electronic payment-related stocks, driven by high growth expectations for the electronic payment market, peer companies show PBR (based on previous year's results) ranging from 1.7x to 7.5x, EV/EBITDA (based on previous year's results) from 13x to 18x and forward PER from 18x to 27x. These metrics exceed the TSE Prime Market average PBR of 1.7x and forward PER of 19x. Meanwhile, TMN's projected PER cannot be calculated due to an expected net loss for FY3/26. However, following the stock price decline, its PBR fell to 1.2x and EV/EBITDA to 9x, keeping its valuation significantly lower than peers.

### EV/EBITDA is Significantly Lower Than its Peers

TMN owns its own data centers, resulting in relatively large depreciation expenses. Therefore, evaluating it based on EV/EBITDA is considered appropriate. Among the valuation metrics compared, TMN is particularly undervalued relative to its peers in terms of EV/EBITDA. It should be noted that if the data center relocation expenses and disaster response expenses incurred in FY3/25 had not occurred, TMN would have been even more undervalued.

Furthermore, calculating EV/EBITDA using TMN's projected FY3/26 EBITDA yields a multiple of just 5x, indicating an increased degree of undervaluation.

Regarding TMN's valuation in the stock market, the projected net loss for the current period led to a valuation focused on a PBR of 1x. However, if net income

turns positive and the risk of equity impairment decreases, the valuation benchmark may shift to reflect the low EV/EBITDA.

Note that Strategy Advisors, in calculating the EV for stocks related to electronic payment in Figure 9, treats the amount obtained by subtracting deposits held from cash and deposits as cash, taking into account the impact of deposits held on cash and deposits.

Future stock prices are likely to test higher levels, with an eye on the profit levels expected for FY3/27, where improved profitability is anticipated. Key points in this context will be the acquisition status of large-scale projects affecting one-time revenue, which significantly impacts total revenue, and the pace of growth in QR/Barcode service fees.

Strategy Advisors' equity story for TMN centers on "stable growth in recurring revenue in the electronic payment service business as a result of the effects of the data center relocation, and improved profit margins due to rapid expansion of recurring revenue in the transaction platform service business". This perspective stems from the belief that increasing recurring revenue, which is expected to grow steadily through accumulated contracts, rather than volatile one-time revenue, is key to long-term corporate value expansion.

As mentioned earlier, while transaction platform service sales include recurring revenue, its proportion is currently low. Consequently, all other stand-alone sales are currently recorded as one-time revenue. During the "Data Aggregation" phase, which corresponded to the business launch period over the past few years, one-time revenues such as equipment sales were recorded first. However, as services are gradually transitioning to the "Data Utilization" phase, TMN aims to expand recurring revenue in its transaction platform service starting from FY3/27.

Strategy Advisors believes that expanding recurring revenue in the transaction platform service business could significantly impact TMN's valuation through improved profit margins and is monitoring this situation closely.

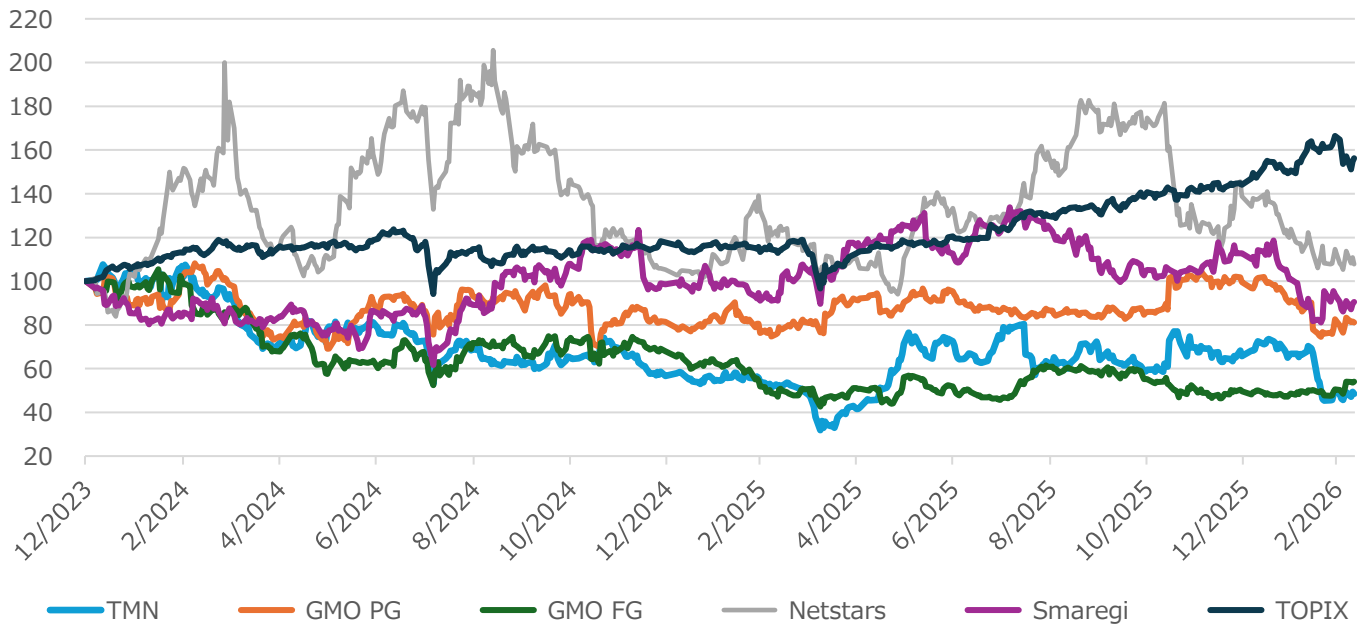
TMN's announced entry into the corporate settlement services business and the potential increase in the number of operating terminals for the vending machine and payment terminal market are expected to boost the growth rate of recurring revenue in the electronic payment services business. Should TMN's equity story gain traction in the future, its stock price could rise, reflecting heightened expectations for medium to-long-term profit growth.

## **Future Stock Prices Are Expected to Test Upside Levels While Anticipating the Profit Levels for FY3/27**

## **The Transaction Platform Service Also Aims to Expand Recurring Revenue Streams**

## **Continued Focus on Mid-Term Growth Potential**

**Figure 8. Stock Price Trends of TMN & Competitors (End of 2023 = 100)**



Source: Strategy Advisors.

**Figure 9. Valuation Comparison with Peer Companies**

	Code	Curr.	FY	Price (3/11)	Market Cap. bn	EV bn	PER CoE x	PBR Actual x	EV/ EBITDA x	Yield CoE %	ROE CoE %
<b>TMN</b>	<b>5258</b>	<b>JPY</b>	<b>3/25</b>	<b>324</b>	<b>9.6</b>	<b>13.0</b>	<b>NM</b>	<b>1.2</b>	<b>8.8</b>	<b>0.0</b>	<b>-2.0</b>
GMO PG	3769	JPY	9/25	7,956	604.6	641.3	25.8	5.3	18.2	2.1	21.2
GMO FG	4051	JPY	9/25	5,660	46.7	46.7	25.0	7.5	16.3	2.2	30.7
Smaregi	4431	JPY	4/25	2,450	47.2	40.5	23.4	6.2	14.8	0.8	24.4
Netstars	5590	JPY	12/25	781	13.1	7.1	26.6	1.7	13.1	0.0	6.5
Block	XYZ	USD	12/25	65.60	39.3	36.3	18.4	1.8	17.6	0.0	9.8
Adyen	ADYEN	Euro	12/25	935.00	29.5	19.3	24.2	5.6	15.3	0.0	23.3

Note:

1) EBITDA used in EV/EBITDA is calculated as the previous fiscal year's operating profit + depreciation + amortization of goodwill + amortization of customer-related assets. EV is calculated by adding the market capitalization as of Mar. 11 (for overseas companies, Mar. 10) to net interest-bearing debt (net debt), which is determined as interest-bearing debt at the end of the most recent quarter minus (cash and deposits - deposits held).

2) CoE: Japanese companies use company forecasts, while overseas companies use FactSet consensus forecasts.

3) ROE is calculated by dividing the net income from company forecasts or consensus forecasts by shareholders' equity at the end of the most recent quarter.

Source: Strategy Advisors. Based on Speeda Data.

**Figure 10. Profitability Comparison with Peer Companies**

	Code	FY	OP Margin %	ROE %	ROIC %	EBITDA Margin %	Equity Ratio %
<b>TMN</b>	<b>5258</b>	<b>3/25</b>	<b>-4.1</b>	<b>-6.5</b>	<b>-6.8</b>	<b>12.0</b>	<b>37.3</b>
GMO PG	3769	9/25	38.0	20.2	22.8	42.7	27.8
GMO FG	4051	9/25	12.4	27.5	25.0	16.0	45.2
Smaregi	4431	4/25	21.5	21.4	74.0	24.8	71.8
Netstars	5590	12/25	6.1	6.6	38.0	11.2	19.9
Block	XYZ	12/25	12.6	6.0	7.5	8.5	56.1
Adyen	ADYEN	12/25	41.4	22.3	143.8	47.5	43.1

Note: Based on the most recent full-year results.

Source: Strategy Advisors. Based on Speeda Data.

# Transaction Media Networks | 5258 (TSE Growth)

**Figure 11. Income Statement (¥mn)**

FY	Stand-Alone	Stand-Alone	Stand-Alone	Stand-Alone	Consolidated	Consolidated	Consolidated
	3/21	3/22	3/23	3/24	3/24	3/25	3/26 CoE
<b>Total Revenue</b>	<b>6,451</b>	<b>7,139</b>	<b>7,831</b>	<b>10,370</b>	<b>10,370</b>	<b>12,300</b>	<b>13,144</b>
(YoY)	-21.0%	10.7%	9.7%	32.4%	-	18.6%	6.9%
<b>&lt;Recurring Revenue&gt;</b>	<b>3,953</b>	<b>4,711</b>	<b>5,617</b>	<b>7,054</b>	<b>7,054</b>	<b>8,129</b>	<b>9,223</b>
(YoY)	9.9%	19.2%	19.2%	25.6%	25.6%	15.2%	13.5%
• <b>Gateway Service Fees</b>	<b>3,133</b>	<b>3,496</b>	<b>3,822</b>	<b>4,285</b>	<b>4,285</b>	<b>4,646</b>	<b>5,036</b>
(YoY)	32.4%	11.6%	9.3%	12.1%	12.1%	8.4%	8.4%
• <b>QR/Barcode Service Fees</b>	<b>188</b>	<b>486</b>	<b>1,147</b>	<b>2,231</b>	<b>2,231</b>	<b>2,992</b>	<b>3,770</b>
(YoY)	743.2%	157.7%	135.8%	94.5%	94.5%	34.1%	26.0%
• <b>Registration Fees</b>	<b>631</b>	<b>728</b>	<b>647</b>	<b>537</b>	<b>537</b>	<b>489</b>	<b>416</b>
(YoY)	-47.8%	15.3%	-11.1%	-17.1%	-17.1%	-8.8%	-15.0%
<b>&lt;One-Time Revenue&gt;</b>	<b>2,496</b>	<b>2,427</b>	<b>2,213</b>	<b>3,315</b>	<b>3,315</b>	<b>2,809</b>	<b>2,360</b>
(YoY)	-45.4%	-2.8%	-8.8%	49.8%	49.8%	-15.3%	-16.0%
• <b>Device Sales Revenue</b>	<b>1,459</b>	<b>1,364</b>	<b>1,360</b>	<b>1,730</b>	<b>1,730</b>	<b>1,730</b>	<b>1,348</b>
(YoY)	-55.3%	-6.5%	-0.3%	27.2%	27.2%	0.0%	-22.1%
• <b>SI Development Sales</b>	<b>820</b>	<b>897</b>	<b>636</b>	<b>861</b>	<b>861</b>	<b>536</b>	<b>605</b>
(YoY)	-26.5%	9.3%	-29.1%	35.4%	35.4%	-37.7%	12.8%
• <b>Others</b>	<b>215</b>	<b>165</b>	<b>216</b>	<b>723</b>	<b>723</b>	<b>541</b>	<b>406</b>
(YoY)	14.7%	-23.2%	30.6%	233.8%	233.8%	-25.1%	-25.0%
<b>WebSpace</b>	-	-	-	-	-	<b>1,362</b>	<b>1,417</b>
(YoY)	-	-	-	-	-	-	4.0%
<b>Four-J</b>	-	-	-	-	-	-	<b>142</b>
(YoY)	-	-	-	-	-	-	-
<b>Gross Profit</b>	<b>1,915</b>	<b>2,279</b>	<b>2,562</b>	<b>3,321</b>	<b>3,321</b>	<b>3,401</b>	<b>3,769</b>
(Gross Profit Margin)	29.7%	31.9%	32.7%	32.0%	32.0%	27.7%	28.7%
SG&A Expenses	1,760	1,568	2,001	2,492	2,544	3,905	3,833
<b>Operating Profit</b>	<b>154</b>	<b>711</b>	<b>561</b>	<b>829</b>	<b>777</b>	<b>-504</b>	<b>-63</b>
(YoY)	-90.6%	358.8	-21.1%	47.8%	-	NM	NM
(Operating Margin)	2.4%	10.0%	7.2%	8.0%	7.5%	-4.1%	-0.5%
Non-Operating Profit/Loss	4	1	-24	-11	-11	-8	-65
<b>Ordinary Income</b>	<b>158</b>	<b>712</b>	<b>535</b>	<b>818</b>	<b>765</b>	<b>-513</b>	<b>-128</b>
(YoY)	-90.4%	348.9%	-24.8%	52.8%	-	NM	NM
(Ordinary Income Margin)	2.5%	10.0%	6.8%	7.9%	7.4%	-4.2%	-1.0%
<b>Net Income</b>	<b>98</b>	<b>-385</b>	<b>672</b>	<b>637</b>	<b>585</b>	<b>-682</b>	<b>-124</b>
(YoY)	-91.1%	NM	NM	-5.2%	-	NM	NM
EPS (¥)	3.1	-12.2	21.2	17.3	15.9	-18.5	-4.0
Depreciation	1,206	1,463	1,601	1,615	1,615	1,921	-
EBITDA	1,367	2,180	2,137	2,441	2,389	1,497	2,441
(YoY)		59.5%	-2.0%	14.2%	11.8%	-37.3%	63.0%

Note: From FY3/24, consolidated basis; therefore, YoY comparison is NA. EBITDA is based on company definition: ordinary profit, depreciation and amortization, goodwill amortization, customer-related asset amortization and interest expense.

Source: Company Materials. Prepared by Strategy Advisors.

**Figure 12. Balance Sheet (¥mn)**

FY	Stand-Alone	Stand-Alone	Consolidated	Consolidated
	3/22	3/23	3/24	3/25
Cash and Deposits	3,419	2,861	13,173	14,069
Accounts Receivable	1,034	1,044	1,344	1,566
Inventory	549	504	621	449
Others	219	204	1,042	1,160
<b>Current Assets</b>	<b>5,223</b>	<b>4,614</b>	<b>16,182</b>	<b>17,246</b>
Tangible Fixed Assets	791	642	1,864	2,113
Intangible Fixed Assets	4,001	4,070	6,755	6,930
Goodwill	0	0	430	368
Investments and Other Assets	355	481	756	699
<b>Total Fixed Assets</b>	<b>5,148</b>	<b>5,194</b>	<b>9,376</b>	<b>9,743</b>
<b>Total Assets</b>	<b>10,372</b>	<b>9,808</b>	<b>25,558</b>	<b>26,989</b>
Trade Payables	149	67	205	83
Accounts Payable and Accrued Expenses	389	778	1,239	1,344
Short-Term Borrowings	507	4	167	369
Contractual Obligations	2,527	2,008	1,763	1,767
Deposit Received	661	1,684	8,777	10,994
Other Current Liabilities	261	189	407	468
<b>Current Liabilities</b>	<b>4,496</b>	<b>4,733</b>	<b>12,561</b>	<b>15,028</b>
Long-Term Debt	8	3	1,560	1,268
Retirement Benefits/Salary Reserves	100	115	178	200
Other Fixed Liabilities	0	0	429	365
<b>Fixed Liabilities</b>	<b>108</b>	<b>118</b>	<b>2,167</b>	<b>1,835</b>
<b>Total Liabilities</b>	<b>4,605</b>	<b>4,852</b>	<b>14,729</b>	<b>16,863</b>
Capital	3,553	3,553	6,150	6,165
Capital Surplus	3,553	708	3,305	3,319
Retained Earnings	-1,345	672	1,257	575
<b>Shareholders' Equity</b>	<b>5,761</b>	<b>4,933</b>	<b>10,714</b>	<b>10,060</b>
Stock Acquisition Rights	0	0	75	0
Unrealized Gains on Other Securities	5	22	39	65
<b>Total Net Assets</b>	<b>5,766</b>	<b>4,956</b>	<b>10,829</b>	<b>10,126</b>
<b>Liabilities and Net Assets</b>	<b>10,372</b>	<b>9,808</b>	<b>25,558</b>	<b>26,989</b>
Equity Capital	5,761	4,933	10,790	10,060
BPS (¥)	179.2	159.7	292.1	272.0

Source: Company Materials. Prepared by Strategy Advisors.

**Figure 13. Cash Flow Statement (¥mn)**

FY	Stand-Alone	Stand-Alone	Stand-Alone	Consolidated	Consolidated
	3/21	3/22	3/23	3/24	3/25
Net Income Before Taxes and Other Adjustments	158	711	540	765	-581
Depreciation	1,206	1,463	1,601	1,615	1,901
Amortization of Goodwill					61
Amortization of Customer-Related Assets					21
Changes in Contract Liabilities	-	-602	-519	-244	4
Increase or Decrease in Deposit	226	298	1,022	-1,177	2,216
Other Operating Cash Flows	-552	239	158	-425	0
<b>Cash Flows from Operating Activities</b>	<b>1,039</b>	<b>2,109</b>	<b>2,803</b>	<b>533</b>	<b>3,624</b>
Purchase of Tangible Fixed Assets	-450	-166	-100	-475	-599
Purchase of Intangible Fixed Assets	-1,859	-1,177	-1,276	-2,455	-1,918
Purchase of Investment Securities				-200	
Purchase of Shares in a Subsidiary Resulting in a Change in the Scope of Consolidation				7,710	
Cash flows from Other Investing Activities				9	-127
<b>Cash Flows from Investing Activities</b>	<b>-2,310</b>	<b>-1,344</b>	<b>-1,377</b>	<b>4,588</b>	<b>-2,644</b>
Proceeds from Short-Term Borrowings	970	-500	-500		-8
Proceeds from Long-Term Borrowings					80
Repayment of Long-Term Borrowings					-76
Issuance of Shares		999		5,164	
Redemption and Cancellation of Shares			-1,500		
Other Financial Cash Flows	-64	-13	15	25	-79
<b>Cash Flows from Financing Activities</b>	<b>905</b>	<b>485</b>	<b>-1,984</b>	<b>5,190</b>	<b>-83</b>
Free Cash Flow	-1,270	765	1,426	5,121	979

Source: Company Materials. Prepared by Strategy Advisors.

**Figure 14. Stock Price Indicators, ROE and KPIs**

FY	Stand-Alone	Stand-Alone	Stand-Alone	Consolidated	Consolidated	Consolidated
	3/21	3/22	3/23	3/24	3/25	3/26 CoE
<b>EPS (¥)</b>	<b>3.1</b>	<b>-12.2</b>	<b>21.2</b>	<b>15.9</b>	<b>-18.5</b>	<b>-4.0</b>
<b>BPS (¥)</b>	<b>231.9</b>	<b>179.2</b>	<b>159.7</b>	<b>292.1</b>	<b>272.0</b>	-
<b>Dividend per Share (¥)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Closing Price (¥)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>628</b>	<b>320</b>	-
<b>PER (x)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>39.6</b>	<b>NM</b>	-
<b>PBR (x)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>2.1</b>	<b>1.2</b>	-
No. of Shares Issued at End of Period (Shares mn)	NA	NA	NA	36.9	37.0	-
No. of Treasury Shares (Shares mn)	NA	NA	NA	0.0	0.0	-
Treasury Stock Deduction (Shares mn)	NA	NA	NA	36.9	37.0	-
<b>Market Capitalization (¥mn)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>23,196</b>	<b>11,837</b>	-
Equity Ratio	75.7%	55.5%	50.3%	42.2%	37.3%	-
Interest-Bearing Debt	1,029	515	8	1,727	1,638	-
D/E Ratio	0.14	0.09	0.00	0.16	0.16	-
EV (Enterprise Value)	NA	NA	NA	20,528	10,400	-
EBITDA (¥mn)	1,367	2,180	2,137	2,389	1,497	2,441
EV/EBITDA Multiple	NA	NA	NA	8.6	6.9	-
<b>ROE</b>	<b>1.4%</b>	<b>-6.7%</b>	<b>12.6%</b>	<b>5.4%</b>	<b>-6.5%</b>	
ROIC (Business Assets)	1.5%	-9.9%	15.9%	7.0%	-6.7%	
<b>No. of Employees</b>	<b>275</b>	<b>249</b>	<b>254</b>	<b>362</b>	<b>372</b>	
No. of Operating Terminals ('000)	588	695	833	968	1,102	
Annual Settlement Processing Transaction Value (GMV) (¥trn)	2.6	3.0	3.7	4.4	4.9	
Annual No. of Settlements Processed (Bn of Times)	1.4	1.7	1.9	2.3	2.5	

Source: Company Materials. Prepared by Strategy Advisors.

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