

Transaction Media Networks | 5258 (TSE Growth)

Company Report

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Strong Q1 FY3/27 Results; Further Stock Price Upside Supported by Earnings Prospects & Undervalued Valuation

Transaction Media Networks ("TMN") got off to a strong start in Q1 FY3/27, reporting total revenue of ¥4,345 million (+43.8% YoY) and operating income of ¥394 million (compared to a loss of ¥196 million in Q1 FY3/26). Operating income turned positive due to increased revenue driven primarily by terminal sales and elimination of data center relocation expenses. Terminal sales—which had originally been scheduled for recognition in H2 FY3/26—rose 325.2% YoY, driving overall revenue growth. Recurring revenue also increased 8.8% YoY, supported by growth in QR/Barcode service fees.

The number of operating terminals stood at 1.24 million as of the end of Q1 FY3/27 (an increase of 120,000 units compared to the end of Q1 FY3/26). Factors contributing to this increase included measures to expand the merchant base through the company's direct sales efforts (+26,000 units), collaborative initiatives with other payment service providers (+86,000 units), and growth in the vending machine and payment machine market (+8,000 units).

Although Q1 results appear to have slightly exceeded the company's expectations, the company's plan for FY3/27 remains unchanged. In the revenue forecast for FY3/27, strong growth is expected in terminal sales and QR/Barcode service fees. In addition, a significant improvement in the operating income margin is planned due to the following factors: 1) increased recurring and one-time revenue; 2) the elimination of ¥345 million in data center relocation expenses; 3) reduced operating costs resulting from the launch of the new data center; and 4) lower depreciation expenses due to a decrease in capital expenditures.

Although TMN's stock price has outperformed those of its peers in recent months, its valuation—currently at a PBR of 2.0x, a projected EV/EBITDA of 4.6x, and a projected PER of 23x—remains at a lower level compared to its competitors. Looking ahead, the stock price is likely to test higher levels, driven by expectations of a significant improvement in the operating income margin for FY3/27 and the company's currently undervalued valuation. Additionally, the paid stock options issued to management in August could have a positive impact on the stock price over the medium to long term.

Stock Price and Trading Volume (Past 1 Year)



Source: Strategy Advisors.

Key Indicators

Stock Price (9/16/26)	432
52-Week High (11/17/25)	515
52-Week Low (3/23/26)	293
All-Time High (7/4/23)	1,946
All-Time Low (7/4/25)	213
Shares on Issue (mn)	29.7
Market Capitalization (¥bn)	12.8
EV (¥bn)	16.2
Equity ratio (3/265 Actual, %)	22.8
PER (3/27 CoE, x)	22.7
PBR (3/26 Actual, x)	2.0
Dividend Yield (3/27 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 Income (¥mn)	YoY Change (%)	Ordinary Income (¥mn)	YoY Change (%)	Net Income (¥mn)	YoY Change (%)	EPS (¥)	DPS (¥)
Q1 3/26	3,022	10.6	-196	-	-198	-	-198	-	-5.4	-
Q1 3/27	4,345	43.8	394	-	344	-	304	-	10.3	-
3/23	7,831	9.7	561	-21.1	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	13,276	7.9	0	-	-73	-	-60	-	-1.9	0.0
3/27 CoE	16,535	24.5	831	-	737	-	600	-	19.1	0.0

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

Net income refers to net income attributable to owners of the parent.

Source: Company Materials. Compiled by Strategy Advisors.

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1. Q1 FY3/27 Financial Results Overview

Operating Income Turned Positive

TMN got off to a strong start in Q1 FY3/27, with total revenue of ¥4,345 million (+43.8% YoY) and operating income of ¥394 million (compared to a loss of ¥196 million in Q1 FY3/26). Operating income turned positive due to increased revenue driven primarily by terminal sales and the elimination of data center relocation expenses. The data center relocation was completed on September 16, 2025.

Figure 1. Summary of Q1 FY3/27 Financial Results

	Q1 FY3/26	Q1 FY3/27 (A)	YoY	Progress Rate (A)/(B)	FY3/27 CoE (B)
Total Revenue (Consolidated)	3,022	4,345	43.8%	26.3%	16,535
Gateway Service Fees	1,263	1,313	3.9%	22.7%	5,792
QR/Barcode Service Fees	869	991	14.0%	22.3%	4,439
Registration Fees	104	129	23.9%	22.5%	575
Terminal Sales	270	1,149	325.2%	41.0%	2,800
SI Development Sales	92	157	71.4%	31.5%	501
Certification Fee	23	21	-8.9%	23.6%	91
New Business	48	60	23.1%	23.3%	257
Consolidated subsidiaries	349	522	49.4%	25.1%	2,077
WebSpace	349	392	12.4%	24.9%	1,577
Four-J Corporation	-	129	-	25.9%	499
Gross Profit	846	1,393	64.5%	27.1%	5,149
Gross Profit Margin	28.0%	32.1%	-	-	31.1%
SG&A Expenses	1,043	999	-4.2%	23.1%	4,317
SG&A Expenses Ratio	34.5%	23.0%	-	-	26.1%
Operating Income	-196	394	-	47.4%	831
Operating Margin	-6.5%	9.1%	-	-	5.0%
Ordinary Income	-198	344	-	46.7%	737
Ordinary Income Margin	-6.6%	7.9%	-	-	4.5%
Net Income Attributable to Owners of the Parent	-198	304	-	50.6%	600
Ratio to Total Revenue	-6.6%	7.0%	-	-	3.6%
EBITDA	340	1,045	207.4%	29.9%	3,491

Note: Starting in FY3/27, "nextore" revenue has been reclassified from one-time revenue (currently "New Businesses") to gateway service fees, registration fees, and terminal sales to reflect actual conditions; Q1 FY3/26 figures are retroactively adjusted.

New businesses were separated from one-time revenue starting in FY3/27. These include prepaid, cloud POS, information distribution, and other businesses.

Source: Company Materials. Compiled by Strategy Advisors.

EBITDA Tripled YoY

EBITDA, a metric the company prioritizes (calculated by adding interest expense, depreciation, goodwill amortization, and amortization of customer-related assets to ordinary income/losses), was ¥1,045 million (+207.4% YoY). Of this amount, the total of depreciation, goodwill amortization, and amortization of customer-related assets was ¥669 million (+25.9% YoY).

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Quarterly EBITDA had been declining YoY from Q1 FY3/25 through Q1 FY3/26. However, due to an improvement in operating income and an increase in depreciation expenses associated with the start of operations at the data center, EBITDA for Q2 FY3/26 reached ¥636 million (+79% YoY). Since then, it has continued to increase QoQ.

Both Gross Profit Margin & SG&A Ratio Improved

Despite an increase in depreciation and amortization expenses, the gross profit margin rose from 28.0% in the same period of the previous fiscal year to 32.1%, driven by the exclusion of data center relocation expenses from cost of goods sold and improved profit margins on one-time revenue. Note that data center relocation expenses of ¥148 million were recorded in the same period of the previous fiscal year, and it is believed that a significant portion of this amount was recorded as cost of goods sold.

Meanwhile, selling, general, and administrative expenses totaled ¥999 million, a decrease of ¥43 million compared to the same period last year. Outsourcing expenses fell from ¥102 million in the same period last year to ¥51 million, primarily due to a reduction in PMO expenses following the completion of the data center relocation. On the other hand, due to the acquisition of Four-J Corporation and other factors, personnel expenses increased from ¥557 million in the same period of the previous year to ¥561 million, and goodwill amortization also increased from ¥15 million to ¥22 million. As a result, driven by the revenue growth and cost containment on a stand-alone basis, the SG&A ratio improved significantly from 34.5% in the same period of the previous year to 23.0%.

On a stand-alone basis, SG&A expenses decreased by ¥92 million YoY to ¥744 million. The breakdown of the difference between consolidated and stand-alone SG&A expenses was as follows: SG&A expenses for the consolidated subsidiaries WebSpace ("WS") and Four-J Corporation, after consolidation adjustments, totaled ¥227 million, while amortization of goodwill and customer-related assets related to both companies totaled ¥27 million.

Acquisition of Four-J as a Wholly Owned Subsidiary

On September 30, 2025, TMN made Four-J Corporation (Shinjuku-ku, 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 currently utilized by TMN in-house, the company aims to reduce external expenses and improve profitability. At the same time, by acquiring personnel with diverse skill sets, it seeks to accelerate business expansion through securing large-scale projects and other initiatives. The amount of goodwill arising from the acquisition of Four-J Corporation was ¥269 million.

Non-Operating Expenses Increased Significantly

Regarding non-operating expenses, interest expense increased from ¥7 million in the same period of the previous fiscal year to ¥31 million due to an increase in borrowings. In addition, TMN recorded an equity-method investment loss of ¥24 million related to GC Planning (4073 TSE Growth), which became an equity-method affiliate. As a result, non-operating expenses rose from ¥7 million in the same period of the previous fiscal year to ¥55 million.

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It should be noted that while GC Planning has a fiscal year-end in June, TMN's equity method investment loss for Q1 FY3/27 reflects the net loss for the July–September 2025 quarter, which corresponds to GC Planning's Q1 FY3/26.

Corporate Tax Burden Is Low

Income taxes amounted to ¥40 million in Q1 FY3/27, compared to –¥1 million in the same period of the previous fiscal year, as income before income taxes turned positive. The effective income tax rate was 11.6%, significantly below the normal level, due to the availability of tax loss carryforwards.

The Equity Ratio Rose Due to a Decrease in Deposits Held

Total assets at the end of Q1 FY3/27 fell sharply to ¥19,223 million from ¥28,547 million at the end of the previous fiscal year. While software increased by ¥154 million compared to the end of the previous fiscal year, cash and deposits decreased by ¥9,154 million, and tangible fixed assets decreased by ¥249 million. Total liabilities at the end of Q1 decreased by ¥9,628 million to ¥12,353 million. Due to the nature of WS's business, as described below, deposits held decreased by ¥9,259 million. In addition, long-term borrowings (including those due within one year) decreased by ¥381 million. On the other hand, total shareholders' equity at the end of Q1 increased by ¥304 million from the end of the previous fiscal year to ¥6,819 million, driven by profit accumulation.

As a result, the equity ratio at the end of Q1 rose to 35.5% from 22.8% at the end of the previous fiscal year. Furthermore, the net D/E ratio (calculated by adding deposits held to interest-bearing debt) stood at 0.50x, indicating that financial soundness has been maintained.

Furthermore, WS, which operates convenience store payment collection services for public utility bills and other payments, experiences a characteristic increase in deposits held on bank holidays. Since TMN's consolidated financial statements reflect figures from WS—a company with a December fiscal year-end—from three months prior, the balance of deposits held at the end of the fourth quarter (hereinafter “Q4”) reflects figures from the year-end (a bank holiday) and is typically high. Deposits held as of the end of FY3/26 also increased from ¥1,228 million at the end of the third quarter to ¥10,384 million. Since changes in deposits largely correspond to changes in cash and deposits, Strategy Advisors (hereinafter, “the Company”) includes deposits held in interest-bearing debt when calculating TMN's net interest-bearing debt.

2. Major Business Trends

Growth in Recurring Revenue Slowed Slightly as of Q1

Recurring revenue generated from merchants' use of electronic payment services consists of gateway service fees, QR/Barcode service fees, and registration fees. An increase in the number of operating terminals leads to growth in recurring revenue, primarily through higher gateway service fees—which are charged as a fixed monthly fee—and higher QR/Barcode service fees, which are charged on a pay-per-use basis; therefore, the number of operating terminals is a particularly important KPI for TMN. As of the end of Q1 FY3/27, the number of operating terminals stood at 1.24 million (+120,000 compared to the end of the same period last year). Factors contributing to this increase

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include measures to expand the merchant base through the company's direct sales efforts (+26,000), collaborative initiatives with other payment service providers such as Square (+86,000), and growth in the vending machine and payment machine market (+8,000).

On the other hand, in Q1 FY3/27, the gross merchandise value (GMV) of payment transactions processed was ¥1.4 trillion (+1.8% YoY), and the number of transactions processed was 720 million (+2.0% YoY), marking a slowdown in the growth rate compared to previous periods, which had seen growth exceeding 10%. Although QR/Barcode payments continue to show strong growth, the slowdown in the growth rate is attributed to the fact that the impact of the new introduction of credit card payment services for Welcia Holdings (3141 TSE Prime) has run its course, and the number of E-Cash transactions continues to stagnate. As a result, recurring revenue increased by 8.8% YoY to ¥2,434 million, marking a slight slowdown from the 13.9% growth recorded in FY3/26. However, growth in gross merchandise value (GMV) and the number of transactions is expected to accelerate again in the future, driven by factors such as the increase in terminal sales, as discussed below.

QR/Barcode Service Fees Rose 14%

Regarding the main breakdown of recurring revenue, gateway service fees totaled ¥1,313 million (+3.9% YoY). Although revenue from transaction-based fees for E-Cash payments amounted to ¥98 million (+0.7% YoY) due to sluggish growth in new contracts, subscription revenue increased steadily thanks to a rise in the number of operating terminals. QR/Barcode service fees, which are based on pay-per-use revenue generated by the gross merchandise value (GMV) processed, totaled ¥991 million (+14.0% YoY). This increase was driven by the expansion of the QR/Barcode market, which led to an increase in both new merchant sign-ups and transaction volumes from existing merchants.

Registration fees (fees charged for registering and setting up accounts at the TMN Center when customers begin using the service) totaled ¥129 million (+23.9% YoY), driven by contributions from large-scale projects.

Policy to Expand Customer Base to Transportation Operators

In July 2026, TMN began providing transit E-Cash and WAON payment services for the "MOBIRY DAYS" ticket system operated by Hiroshima Electric Railway (9033 TSE Standard). Since last year, the company has been successively providing various services to regional transportation operators, and it plans to continue expanding horizontally to public transportation operators nationwide, broadening its customer base—which has primarily consisted of retailers—to include transportation operators as well.

Expectations for Accelerated Growth in the Number of Operating Terminals through Contributions to the Vending Machine and Payment Machine Markets

The connected terminal market targeted by TMN consists of the POS and CCT (credit card terminal) market, with approximately 4 million units, and the vending machine and payment machine market, with approximately 4 million units, for a total of approximately 8 million units. TMN recently calculated the number of operating terminals in both markets as of the end of Q1 FY3/27 using a method different from the conventional one, finding that the figure for the POS and CCT market was approximately 1.2 million units, while that for the vending machine and payment machine market was approximately 36,000 units. Since the number of units for the vending machine and payment machine

market calculated using the conventional method was approximately 20,000 as of the end FY3/26, this represents nearly double that figure; however, its market share remains at only about 3%, indicating significant room for future growth.

TMN partnered with NEC (6701 TSE Prime) in March 2026 and began introducing E-Cash to beverage vending machines. As a result, the number of operating terminals in the vending machine and payment machine market at the end of Q1 FY3/27 increased by 8,000 units compared to the end of the same period the previous year. Going forward, the pace of growth in the number of operating terminals is expected to accelerate due to expansion in the vending machine and payment machine market.

Expanding Collaboration with Toyota Finance on Terminal Sales

In addition, in May 2026, the company announced two major projects expected to contribute to terminal sales and other revenue starting in FY3/27. One of these is the expansion of collaboration with Toyota Finance in terminal sales. The company has collaborated since its founding with Toyota Finance, a wholly owned subsidiary of its major shareholder, Toyota Financial Services.

While Toyota Finance previously offered only E-Cash services, the company began providing QR/Barcode payment gateway services following the delivery of the "UT-P11" all-in-one mobile payment terminal to Toyota dealerships nationwide through Toyota Finance in the first quarter FY3/27. With the sale of this terminal, the number of QR/Barcode service fees transactions and the gross merchandise value (GMV) are expected to increase significantly, leading to higher revenue per operating terminal.

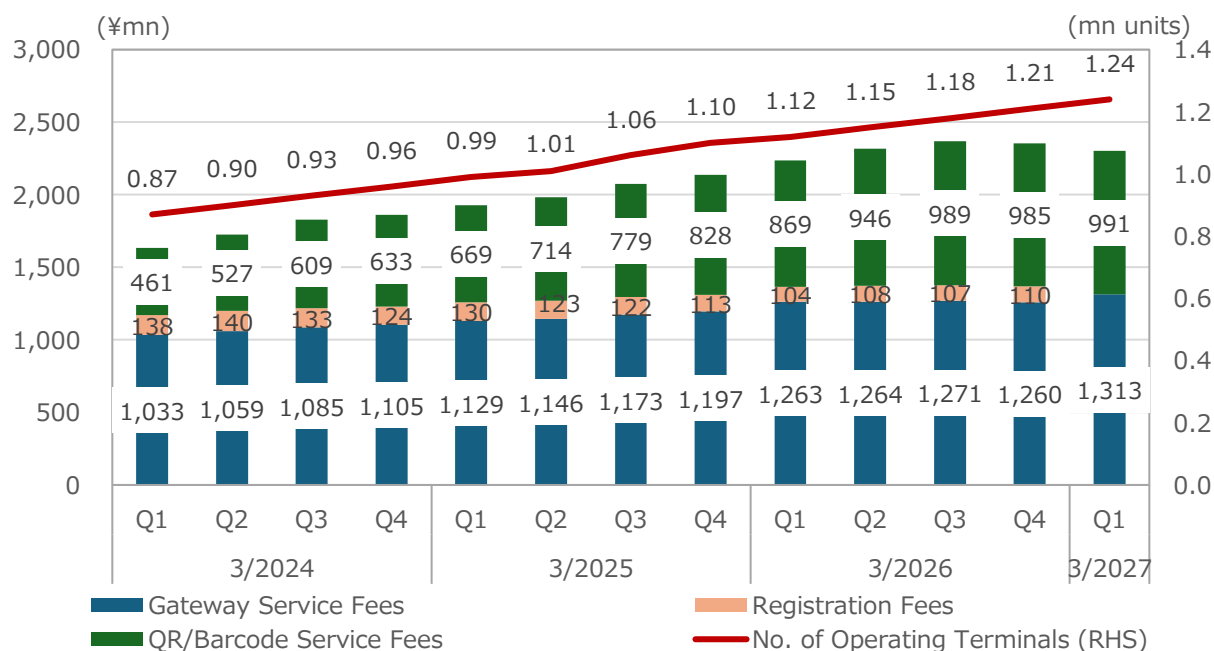
Additionally, the company plans to sell third-party fixed-type terminals to Toyota Rent-A-Car locations and begin offering E-Cash and QR/Barcode payment services starting in the second half of the fiscal year; the contribution from this initiative is also drawing attention.

Start of Orders for New Terminals for Large-Scale Chain Stores

Another development is the start of accepting orders for new terminals for large-scale chain stores (January 2026). While this customer had previously been using the "UT-X10," a decision has been made to upgrade to its successor, the "UT-X11." Given the high volume of inquiries already received, this is expected to contribute to terminal sales starting in the H2 FY3/27.

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Figure 2. Trends in Recurring Revenue and Number of Connected Devices in Operation



Source: Company Materials. Compiled by Strategy Advisors.

Approximately Two-Thirds of Operating Terminals Are Connected through Other Payment Service Providers

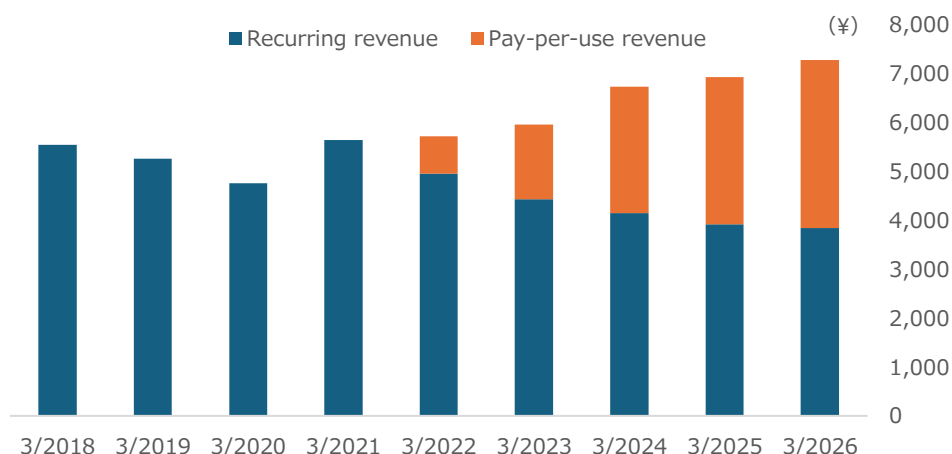
Since the end of FY3/26, the company has begun disclosing the breakdown of the number of operating terminals by sales channel and the breakdown by industry for terminals acquired through direct sales. As of the end of Q1 FY3/27, approximately two-thirds of the number of operating terminals were acquired through third-party payment service providers, while approximately one-third were acquired through direct sales. The breakdown of terminals by industry sector for direct sales is as follows: Supermarkets 18%, Gas Stations 16%, Drugstores 16%, Vending machines and Payment machines 9%, Banks 9%, Convenience Stores 9%, Department Stores 5%, Automotive Retailers 4%, Mobility (Public Transportation, etc.) 3%, Restaurants 2%, and Others 7%.

Revenue Per Terminal Is on an Upward Trend

Recurring revenue can be broken down into the number of operating terminals and annual sales per terminal. Annual sales per terminal ranged from ¥5,000 to ¥6,000 in FY3/18, but fell below ¥5,000 in FY3/20 due to a sharp increase in the number of operating terminals driven by cashless payment promotion policies. By FY3/21, as the number of operating terminals returned to a steady pace, annual revenue per terminal recovered to a level comparable to that of the FY3/18.

Subsequently, while the fixed-fee revenue portion—which mainly comprises gateway service fees—gradually declined, the usage-based revenue portion—which includes QR/Barcode service fees—expanded rapidly, causing annual revenue per terminal to rise to a level exceeding ¥7,000 in FY3/26.

Figure 3. Trends in Annual Revenue Per Number of Operating Terminals



Source: Company Materials. Compiled by Strategy Advisors.

The Disclosure Category for "Other" Revenue, Which Previously Constituted Part of One-Time Revenue, Has Been Reclassified

TMN had previously classified "Other" revenue—comprising primarily transaction platform services—as part of its Breakdown of one-Time Revenue, alongside terminal sales and SI development sales. Starting in FY3/27, the company changed its method to allocate a portion of "nextore" revenue—which had been included in "Other" revenue—to gateway service fees, registration fees, and terminal sales, in line with actual conditions. Additionally, "Certification Fee" related to brand certification services contracted from providers of E-Cash payment services—which had also been included in "Other" revenue—was separated and classified as a component of one-time revenue.

The remaining "Other" revenue was renamed "New Businesses" and classified separately from recurring revenue and one-time revenue. As a result, "New Businesses" now consists solely of transaction platform services, such as In-House Prepaid/ID integration, cloud POS, and information distribution services.

One-Time Revenue Sees Significant Increases in both Terminal Sales and SI Development Sales

Q1 one-time revenue reached ¥1,328 million (+244.1% YoY). Of this, terminal sales surged to ¥1,149 million (+325.2% YoY), driven by a timing shift in a major project originally scheduled to be recognized in the second half FY3/26. From October 2019 through June of the following year, terminal sales surged, driven by the government's "Cashless Consumer Rebate Program." The payment terminals introduced during that period are now reaching their replacement cycle, and high levels of replacement demand are expected over the next two to three years.

Meanwhile, although SI development sales are subject to seasonal fluctuations that typically result in lower sales in Q1, they got off to a strong start, rising to ¥157 million (+71.4% YoY).

Certification Fees Declined Slightly

Certification fees fluctuate depending on the number and scale of new E-Cash payment service projects. Since Q1 FY3/25, quarterly revenue from certification fees has generally ranged from ¥15 million to ¥30 million. certification fees in Q1 were ¥21 million (-8.9% YoY), but this is considered to be within expectations.

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New Business Got off to a Solid Start

Revenue from new businesses related to transaction platform services increased to ¥60 million (+23.1% YoY). Although “other” revenue for FY3/26 declined due to delays in the launch of various services, FY3/27 got off to a solid start.

Webspace Revenue Increased by 12%

Total revenue at WS, a consolidated subsidiary, was ¥392 million (+12.4% YoY). Q1 progress toward the full-year target reached 24.9%, indicating a strong start to the year.

Four-J Corporation’s Progress Rate against Its Full-Year Total Revenue Target Was 26%

Four-J Corporation’s Q1 total revenue, which has been reflected in the income statement since Q4 FY3/26, was ¥129 million. Although this represents a decrease from the ¥142 million recorded in Q4 FY3/26, there is no need for excessive concern, as the company plans to increase total revenue from sales to its stand-alone entity—which is eliminated as intercompany revenue in the consolidated financial statements. In fact, the Q1 progress rate against the full-year plan reached 25.9%.

Subsidiaries’ Earnings Also Improve

The company discloses quarterly operating income and loss not only on a consolidated basis but also on a stand-alone basis. For Q1 FY3/27, consolidated operating income was ¥394 million, while stand-alone operating income was ¥401 million. After adjusting for consolidated items—which eliminate internal transactions and amortize goodwill and customer-related assets, the operating income/loss of consolidated subsidiaries was a loss of ¥7 million. In contrast, the figure for Q1 FY3/26 was a loss of ¥21 million. Although the subsidiaries’ operating income/losses on a post-goodwill amortization basis still show a loss due to the burden of goodwill amortization and other factors, this improvement in their results is commendable.

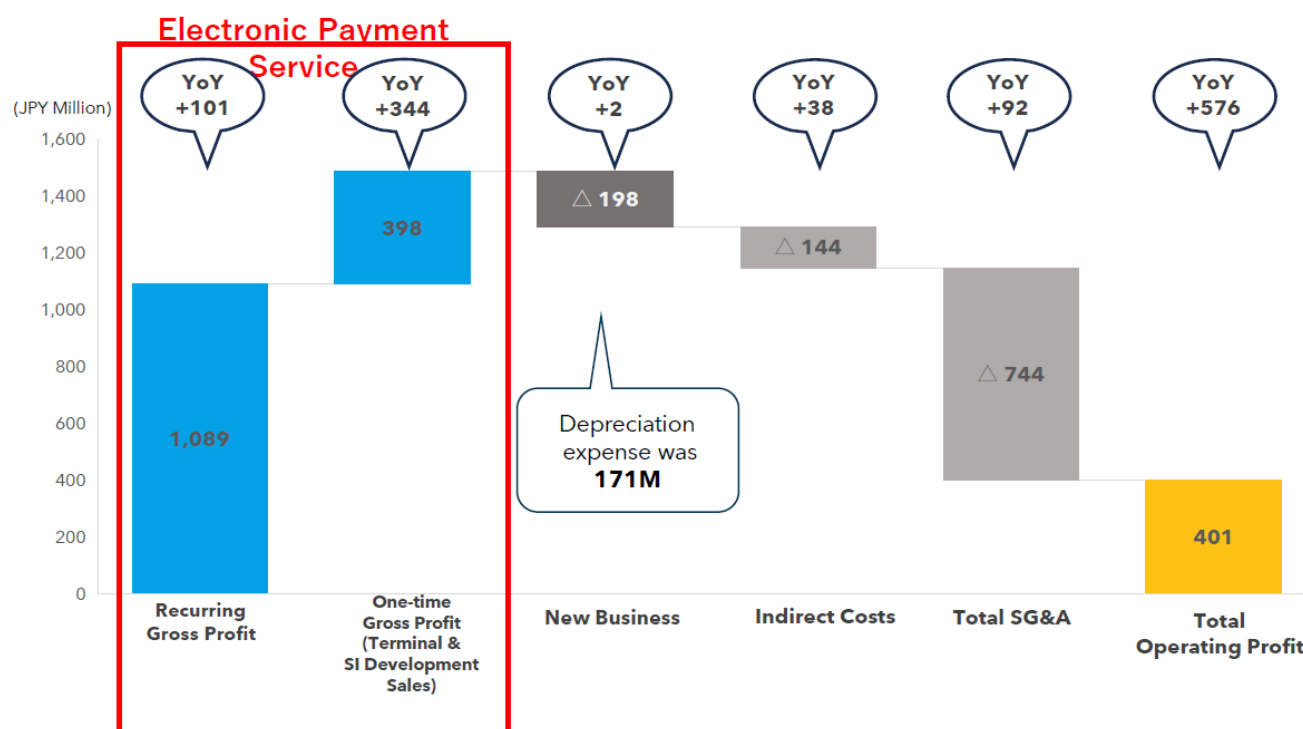
Increased Profit from One-Time Revenue Drives Growth in Operating Income

In Q1 FY3/27, stand-alone gross profit by revenue model was as follows: recurring revenue was ¥1,089 million (+¥101 million YoY); one-time revenue (terminal sales, SI development sales, and certification fees) was ¥398 million (+¥344 million YoY); and new business recorded a gross loss of ¥198 million, an improvement of ¥2 million YoY. While recurring revenue—which has a high profit margin—remains the primary earnings source, in Q1 the increase in operating income was driven by higher profit from one-time revenue, reflecting increased total revenue and an improvement in gross profit margin due to higher sales of the company’s own terminals.

On the other hand, the new business segment, which bears a heavy depreciation burden, continues to post a loss at the gross profit level; however, due to increased revenue and cost containment, the loss—which had been widening—has begun to narrow YoY.

Indirect costs not allocated to the three services totaled ¥144 million (-¥38 million YoY). Company-wide SG&A expenses totaled ¥744 million (-¥92 million YoY) due to a reduction in outsourcing costs and other expenses. As a result, stand-alone operating income/losses increased by ¥576 million YoY.

Figure 4. Revenue Structure on a Stand-Alone Basis (Q1 FY3/27)



Source: Company Materials.

3. Earnings Outlook

Significant Revenue and Profit Growth Expected for FY3/27

Based on Q1 FY3/27 results, operating income is believed to have slightly exceeded the plan due to steady total revenue growth and SG&A expenses that were kept lower than planned. However, TMN maintained its FY3/27 forecast for total revenue, citing a significant timing shift from the previous fiscal year in terminal sales. The overview FY3/27 company forecasts is as follows: total revenue of ¥16,535 million (+24.5% YoY), operating income of ¥831 million (compared to a profit of ¥0.6 million in FY3/26), ordinary income of ¥737 million (compared to a loss of ¥73 million in FY3/26), and net income attributable to owners of the parent of ¥600 million (compared to a loss of ¥60 million in FY3/26). Operating income is expected to exceed the level of FY3/24 (¥777 million)—before the data center relocation—due to factors such as the elimination of data center relocation expenses and the effect of increased revenue.

EBITDA is projected to be ¥3,491 million (+34.7% YoY). Compared to the YoY increase in total revenue of ¥3,258 million, operating income is expected to rise by ¥831 million, and EBITDA by ¥899 million.

Figure 5 . Overview FY3/27 Company Forecasts

(¥mn)	FY3/26	FY3/27 CoE	YoY
Total Revenue	13,276	16,535	24.5%
Gateway Service Fees	5,040	5,792	-
QR/Barcode Service Fees	3,790	4,439	17.1%
Registration Fees	430	575	-
Terminal Sales	1,375	2,800	-
SI Development Sales	656	501	-
Others	408	-	-
Certification Fees	-	91	-
New Business	-	257	-
WebSpace	1,431	1,577	10.2%
Four-J Corporation	142	499	249.7%
Gross Profit	3,796	5,149	35.6%
Gross Profit Margin	28.6%	31.1%	-
SG&A Expenses	3,795	4,317	13.8%
SG&A Ratio	28.6%	26.1%	-
Operating Income	0.6	831	-
Operating Margin	0.0%	5.0%	-
Ordinary Income	-73	737	-
Net Income Attributable to Owners of the Parent	-60	600	-
EBITDA	2,591	3,491	34.7%

Note: The breakdown of total revenue for FY3/26 has not been retroactively adjusted.
Source: Company Materials. Compiled by Strategy Advisors.

Strong Growth Is Expected in Terminal Sales and QR/Barcode Service Fees

TMN has disclosed its FY3/27 plans for total revenue, gross profit, and SG&A expenses by service. The breakdown of recurring revenue is as follows: gateway service fees of ¥5,792 million, QR/Barcode service fees of ¥4,439 million, and registration fees of ¥575 million. Meanwhile, the breakdown of projected one-time revenue is as follows: terminal sales of ¥2,800 million, SI development sales of ¥501 million, and Certification Fee of ¥91 million. The projection for new business initiatives is ¥257 million. While strong growth is expected for terminal sales and QR/Barcode service fees (+17.1% YoY), SI development sales, which performed well in FY3/26 with a 22.3% YoY increase, are projected to decline by 23.7% YoY.

As mentioned earlier, the projections for gateway service fees, registration fees, and terminal sales include a portion of nextore's revenue; however, since the figures for FY3/26 have not been retroactively adjusted, and the figures for the Certification Fee and new business for that period are unknown, YoY growth rates for these five items cannot be calculated at this time.

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Webspace Expects a 10% Increase in Revenue

For the two consolidated subsidiaries, growth in existing businesses and synergy effects are anticipated. WS is projected to generate ¥1,577 million (+10% YoY), while Four-J Corporation is projected to generate ¥499 million (compared to ¥142 million in the previous fiscal year; reflects only Q4). Additionally, for Four-J Corporation, an expansion of intra-group transactions for stand-alone operations is anticipated.

Significant Improvement in Margin Operating Income Expected for FY3/27

For FY3/27, a significant improvement in the operating income margin is expected due to the following factors: 1) increased recurring revenue and one-time revenue; 2) the elimination of ¥345 million in data center relocation expenses; 3) reduced operating costs resulting from the launch of the new data center; and 4) lower depreciation expenses due to a decrease in capital expenditures.

4. Stock Price Trends and Valuations

Stock Price to Rise from Spring to Summer in 2025, Then Fell toward Year-End

TMN's stock price continued its downward trend through early April 2025, driven by a downward revision to the FY3/25 forecast and a stock market correction, hitting a low of ¥207 on April 7. Subsequently, spurred by a recovery in the stock market, TMN shares rebounded and returned to the 300-yen range in 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. Although the stock price subsequently entered a period of consolidation, it rose again in July as the TSE Growth Index surged, reaching a high of ¥537 on August 14. The Q1 results for FY3/26, released after the close on August 14, were generally in line with the company's expectations; however, the market reacted negatively to factors such as the revenue growth rate being lower than the full-year plan of 22.6%, causing the stock price to fall below ¥500 on the following day. By November, the stock price range had shifted to between ¥380 and ¥440.

In the interim earnings report released on November 13, Q2 operating results turned to a profit, contrary to market participants' expectations. As a result, the stock price rose to the daily upper limit of 487 yen on the following day, November 14, and broke through the ¥500 mark on November 15. Subsequently, the stock price fell back toward the end of the year.

Revisions or Announcements of Earnings Forecasts Affect Stock Prices

TMN's stock price fluctuated between ¥430 and ¥490 in January 2026. After the company announced a downward revision to its earnings forecast for FY3/26 following the close of trading on February 13, 2026, the stock price plummeted starting on the following business day, February 16, and temporarily fell below ¥300. Subsequently, the stock price rebounded and fluctuated between ¥300 and ¥340 until early May.

As the financial results for FY3/26, released on May 14, exceeded the company's projections, and the company's overview of FY3/27 company forecasts called for a significant increase in profits, the company's stock price range rose to ¥350–¥370. In June, the stock price range narrowed to ¥320–¥350, but in July,

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it rose again on buying by investors who viewed the stock as undervalued, shifting to a range of ¥400–¥450.

The current stock price range is ¥410–¥450

When strong Q1 results for FY3/27 were announced on August 14, the stock price briefly hit ¥483 on the following business day, August 17, but closed at ¥448, up 10 yen from the previous business day. The current stock price range is fluctuating between ¥410 and ¥450.

Outperforming Domestic Peers

When compared to domestic peers in the electronic payment sector, TMN's stock price outperformed those of other companies from May through December 2025. Subsequently, in February 2026—when the company revised its earnings forecast for FY3/26 downward—it significantly underperformed its peers. However, it has been outperforming again since March and has been the top performer among the benchmark stocks from the end of March 2025 to the present.

Valuation Remains Low

Looking at the valuations of electronic payment-related stocks, against the backdrop of high growth expectations for the electronic payment market, peers in the same industry have PBRs (based on prior-year results) ranging from 1.6 to 8.2x, EV/EBITDA ratios (based on prior-year results) ranging from 12 to 20x, and forward PERs ranging from 19 to 28x—generally exceeding the TSE Prime average of 1.7x for PBR and 17x for forward PER. On the other hand, while TMN stock has outperformed its peers in recent months, its current valuation—with a PBR of 2.0x, an EV/EBITDA (based on the previous fiscal year's results) of 6.3x, and a forward PER of 23x—remains at a lower level compared to its peers.

In particular, the EV/EBITDA Ratio Is Significantly Lower Than That of Its Peers

Since TMN owns its own data centers and has relatively high depreciation expenses, it is considered appropriate to evaluate the company with a focus on EV/EBITDA. Among the compared valuation metrics, TMN is particularly undervalued relative to its peers in terms of EV/EBITDA; however, it is worth noting that the stock would be even more undervalued if data center relocation expenses had not been incurred in FY3/26. Furthermore, when calculating the EV/EBITDA using TMN's projected EBITDA for FY3/27, the ratio stands at just 4.6x, indicating an even greater degree of undervaluation.

Regarding TMN's valuation, because the company posted net losses in both FY3/25 and FY3/26, the stock market likely viewed a PBR of 1x as the lower bound until March 2026. However, As the quarterly net income attributable to owners of the parent returned to profitability in Q1 FY3/27, the risk of equity impairment has decreased; consequently, valuation criteria are likely to gradually shift toward focusing on the low PER and EV/EBITDA.

Note that in calculating the EV for stocks related to electronic payment shown in Figure 7, we treat the amount obtained by subtracting deposits held by customers from cash and deposits as "cash," taking into account the impact of the level of deposits held by customers on cash and deposits.

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Looking Ahead, the Stock Price Is Expected to Test Higher Levels, driven by the Profit Levels Projected for FY3/27 and the Stock's Undervalued Valuation

Looking ahead, the stock price is likely to test higher levels, driven by the FY3/27 earnings outlook, which incorporates a significant improvement in the operating income margin, and the stock's currently undervalued valuation. Key factors to watch will include the acquisition of major projects in one-time revenue—which significantly affects total revenue—and the pace of growth in QR/Barcode service fees.

Aiming to Expand Recurring Revenue in New Businesses as Well

Our Equity Story for TMN is “stable growth in recurring revenue from the electronic payment services business as the effects of data center relocation materialize, coupled with improved profit margins driven by the rapid expansion of recurring revenue in new businesses (transaction platform services).” This is because we believe that the growth of recurring revenue—which is expected to increase steadily through the accumulation of contracts—rather than one-time revenue, which is subject to significant short-term fluctuations, will lead to the long-term expansion of corporate value.

During the “Data Aggregation” phase—which corresponded to the business launch period over the past few years—one-time revenue, such as equipment sales, was recorded first. However, as services are now gradually transitioning to the “Data Utilization” phase, TMN aims to expand recurring revenue in its new businesses starting in FY3/27.

We believe that the expansion of recurring revenue in new businesses has the potential to significantly impact TMN's valuation through improved profit margins, and we are closely monitoring this situation.

Continued Focus on Mid-Term Growth Potential

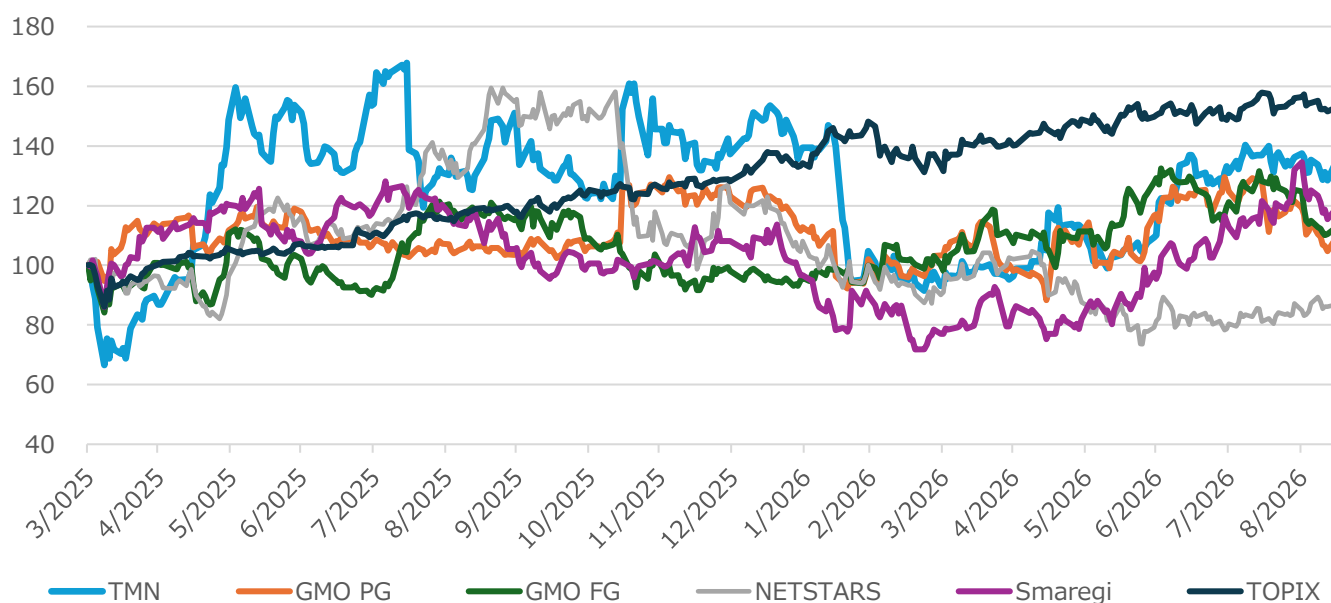
Furthermore, the entry into the B2B payment services business (FY3/26) and the expansion of the number of operating terminals in the Vending machine and Payment machine markets are expected to boost the growth rate of recurring revenue in the electronic payment services business. If TMN's Equity Story gains credibility in the future, the stock price is likely to rise as expectations for medium- to long-term earnings growth increase.

Management Aligns with Shareholders

Furthermore, to more clearly demonstrate its commitment to enhancing corporate value over the medium to long term, TMN issued paid stock options to four directors in August 2026. If all of these stock options are exercised, executive directors will collectively hold approximately 1% of the company's shares; however, the company aims for at least one of them to hold approximately 2% and rank among the top 10 shareholders. This decision signals that TMN's management is aligning its interests with those of shareholders and could have a positive impact on the stock price over the medium to long term.

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Figure 6. Stock Price Trends of TMN & Competitors (End of 2025 = 100)



Source: Strategy Advisors.

Figure 7. Valuation Comparison with Peer Companies

	Code	Curr.	FY	Price (9/16)	Market Cap. bn	EV bn	PER CoE x	PBR Actual x	EV/ EBITDA x	Yield CoE %	ROE CoE %
TMN	5258	JPY	3/26	432	12.8	16.2	22.7	2.0	6.3	0.0	8.8
GMO PG	3769	JPY	9/25	8,678	659.0	696.8	28.1	5.8	19.8	2.0	18.7
GMO FG	4051	JPY	9/25	6,210	51.3	50.5	26.9	8.2	17.7	2.0	27.4
Smaregi	4431	JPY	4/26	3,310	63.8	57.3	22.9	6.6	15.3	0.9	28.3
NETSTARS	5590	JPY	12/25	730	12.4	6.3	24.9	1.6	11.7	0.0	6.2
Block	XYZ	USD	12/25	76.6	46.0	40.9	18.9	2.1	19.9	0.0	11.2
Adyen	ADYEN	Euro	12/25	914.7	28.9	17.2	23.5	5.5	13.7	0.0	21.0

Note:

1) The EBITDA used for EV/EBITDA is calculated as operating income for the previous fiscal year plus depreciation, amortization of goodwill, and amortization of customer-related assets. EV is calculated by adding the market capitalization as of September 16 to net interest-bearing debt (net debt), which is calculated as interest-bearing debt as of the end of the most recent quarter minus (cash and deposits held minus deposits received).

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: Company Materials. Compiled by Strategy Advisors.

Figure 8. Profitability Comparison with Peer Companies

	Code	FY	Operating Margin %	ROE %	ROIC %	EBITDA Margin %	Equity Ratio %
TMN	5258	3/26	0.00	-0.7	-0.1	19.5	22.8
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	4/26	24.1	25.8	61.7	28.1	68.3
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	117.2	47.5	43.1

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

Source: Company Materials. Compiled by Strategy Advisors.

5. Equity Story

A Strategy Is a “Story” You Can’t Wait to Share with Others

An Equity Story is a long-term scenario for growing a company’s stock price and earnings. From the perspective of long-term stock price appreciation, an Equity Story is generally considered to consist primarily of (1) a “feasible and well-thought-out business strategy” and (2) an “exciting vision.”

Ken Kusunoki, a distinguished Japanese management scholar and Specially Appointed Professor at the Graduate School of Business Administration, Hitotsubashi University, states in his book **Competitive Strategy as a Story: The Conditions for an Excellent Strategy**: “Companies that have achieved great success and sustained that success share a common trait: their strategies are structured as ‘stories’ with a flow and a sense of movement. Strategy is not something you are forced to endure with a grim expression out of necessity; rather, it is about creating an interesting ‘story’ that you can’t wait to share with others.” The concept of an “Equity Story” is closely related to this.

Recurring Revenue from the Electronic Payment Service Business Continues to Grow

As mentioned earlier, since launching Japan’s first cloud-based E-Cash payment service in 2011, TMN has expanded its payment offerings to include credit cards, QR/Barcode, and other payment brands. As of the end of June 2026, the company supports 43 payment brands and has grown into one of Japan’s largest electronic payment gateway providers, with 1.24 million active connected devices. Recurring revenue—a key performance indicator for analyzing the company’s business—has continued to grow, rising from ¥2,082 million in FY3/19 to ¥9,262 million in FY3/26.

Growth in Recurring Revenue from New Businesses Is Also Anticipated

It is important to note that the recurring revenue currently disclosed covers only the electronic payment services business. As the new businesses are still in the start-up phase, their sales volumes are small, and the breakdown of stock revenue and one-time revenue has not been disclosed at this time. However, since TMN has built a robust customer base and partner network, if it succeeds in acquiring customers for the new businesses through cross-selling, recurring revenue is expected to grow significantly in the future.

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Stable Growth in Recurring Revenue from Electronic Payment Services Is Also Expected as the Benefits of the Data Center Relocation Take Effect

In FY3/25, TMN was forced to report an operating loss due to increased data center relocation expenses, as well as expenses for incident response and maintenance, and its stock price remained sluggish. On the other hand, the data center relocation was completed in September 2025, and the company returned to profitability in the second half FY3/26, indicating that it has already emerged from its worst period.

However, a full-fledged rise in the stock price cannot be expected merely from the elimination of negative factors. Positive factors resulting from the data center relocation include the ability to focus on business expansion thanks to the renewal of core infrastructure, the strengthening of sales efforts toward large-scale customers, the reduction of operating costs, and the securing of capacity in anticipation of long-term growth in the number of electronic payment transactions. As the benefits of this data center relocation gradually materialize, they are expected to lead to stable growth in recurring revenue within the electronic payment services business.

If recurring revenue grows significantly in both the electronic payment services business and new business ventures, we can expect not only an increase in total revenue driven by higher average revenue per customer but also an improvement in profit margins resulting from reduced customer management costs.

“Stable Growth in Recurring Revenue From the Electronic Payment Services Business and Improved Profit Margins Driven by Rapid Expansion of Recurring Revenue in New Businesses”

For these reasons, the Company is optimistic about the Equity Story of “improved profit margins driven by stable growth in recurring revenue from the electronic payment services business as the effects of the data center relocation materialize, and by the rapid expansion of recurring revenue in new businesses.”

In the past, TMN experienced profit declines due to decrease in one-time revenue and increases in costs, and the high volatility of its profits has contributed to a lower valuation. If the stable growth in recurring revenue from the electronic payment services business—driven by the effects of the data center relocation—is complemented by contributions from recurring revenue in new businesses, we can expect not only an increase in profits due to improved profit margins but also a rise in valuation resulting from reduced profit volatility. Therefore, we intend to closely monitor the realization of the data center relocation’s effects and the trends in recurring revenue from new businesses going forward.

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Figure 9. Income Statement (¥mn)

FY	Stand-Alone 3/22	Stand-Alone 3/23	Stand-Alone 3/24	Consolidated 3/24	Consolidated 3/25	Consolidated 3/26	Consolidated 3/27 CoE
Total Revenue	7,139	7,831	10,370	10,370	12,300	13,276	16,535
(YoY)	10.7%	9.7%	32.4%	NA	18.6%	7.9%	24.5%
• Gateway Service Fees	3,496	3,822	4,285	4,285	4,646	5,040	5,792
(YoY)	11.6%	9.3%	12.1%	12.1%	8.4%	8.5%	NA
• QR/Barcode Service Fees	486	1,147	2,231	2,231	2,992	3,790	4,439
(YoY)	157.7%	135.8%	94.5%	94.5%	34.1%	26.7%	17.1%
• Registration Fees	728	647	537	537	489	430	575
(YoY)	15.3%	-11.1%	-17.1%	-17.1%	-8.8%	-12.1%	NA
• Terminal Sales	1,364	1,360	1,730	1,730	1,730	1,375	2,800
(YoY)	-6.5%	-0.3%	27.2%	27.2%	0.0%	-20.5%	NA
• SI Development Sales	897	636	861	861	536	656	501
(YoY)	9.3%	-29.1%	35.4%	35.4%	-37.7%	22.3%	NA
• Stand-alone, Others	165	216	723	723	541	408	-
(YoY)	-23.2%	30.6%	233.8%	233.8%	-25.1%	-24.7%	-
• Certification Fee	-	-	-	-	-	-	91
• New Business	-	-	-	-	-	-	257
WebSpace	-	-	-	-	1,362	1,431	1,577
(YoY)	-	-	-	-	-	5.1%	10.2%
Four-J	-	-	-	-	-	142	499
(YoY)	-	-	-	-	-	-	249.7%
Gross Profit	2,279	2,562	3,321	3,321	3,401	3,796	5,149
(Gross Profit Margin)	31.9%	32.7%	32.0%	32.0%	27.7%	28.6%	31.1%
SG&A Expenses	1,568	2,001	2,492	2,544	3,905	3,795	4,317
Operating Income	711	561	829	777	-504	0	831
(YoY)	358.8	-21.1%	47.8%	NA	-	-	-
(Operating Margin)	10.0%	7.2%	8.0%	7.5%	-4.1%	0.0%	5.0%
Non-Operating Income/Expenses	1	-24	-11	-11	-8	-73	-94
Ordinary Income	712	535	818	765	-513	-73	737
(YoY)	348.9%	-24.8%	52.8%	NA	-	-	-
(Ordinary Income Margin)	10.0%	6.8%	7.9%	7.4%	-4.2%	-0.6%	4.5%
Net Income Attributable to Owners of the Parent	-385	672	637	585	-682	-60	600
(YoY)	NM	NM	-5.2%	NA	-	-	-
EPS (¥)	-12.2	21.2	17.3	15.9	-18.5	-1.9	19.1
Depreciation and Amortization	1,463	1,601	1,615	1,615	1,983	2,573	-
EBITDA	2,180	2,137	2,441	2,389	1,497	2,591	3,491
(YoY)	59.5%	-2.0%	14.2%	11.8%	-37.3%	73.0%	34.7%

Note: Starts from FY3/24, consolidated basis, therefore YoY comparison is not available. The figures for depreciation and amortization are sum of depreciation and amortization, goodwill amortization and customer-related asset amortization. Since the breakdown of total revenue for FY3/26 and earlier has not been retroactively adjusted, and therefore YoY comparisons for FY3/27 are partially NA.

EBITDA is calculated based on the company's definition, which includes ordinary income, depreciation and amortization, goodwill amortization, customer-related asset amortization, and interest expenses.

Source: Company Materials. Compiled by Strategy Advisors.

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Figure 10. Balance Sheet (¥mn)

FY	Stand-Alone 3/22	Stand-Alone 3/23	Consolidated 3/24	Consolidated 3/25	Consolidated 3/26
Cash and Deposits	3,419	2,861	13,173	14,069	14,007
Accounts Receivable	1,034	1,044	1,344	1,566	1,702
Inventory	549	504	621	449	742
Others	219	204	1,042	1,160	1,413
Current Assets	5,223	4,614	16,182	17,246	17,866
Tangible Fixed Assets	791	642	1,864	2,113	2,097
Intangible Fixed Assets	4,001	4,070	6,755	6,930	7,444
Goodwill	0	0	430	368	569
Investments and Other Assets	355	481	756	699	1,139
Total Fixed Assets	5,148	5,194	9,376	9,743	10,681
Total Assets	10,372	9,808	25,558	26,989	28,547
Trade Payables	149	67	205	83	231
Short-Term Borrowings	507	4	167	369	1,807
Contractual Obligations	2,527	2,008	1,763	1,767	1,838
Deposit Received	661	1,684	8,777	10,994	10,384
Other Current Liabilities	651	968	1,647	1,813	1,504
Current Liabilities	4,496	4,733	12,561	15,028	15,765
Long-Term Debt	8	3	1,560	1,268	5,752
Retirement Benefits/Salary Reserves	100	115	178	200	182
Other Fixed Liabilities	0	0	428	365	282
Fixed Liabilities	108	118	2,167	1,835	6,217
Total Liabilities	4,605	4,852	14,728	16,863	21,982
Capital	3,553	3,553	6,150	6,165	6,166
Capital Surplus	3,553	708	3,305	3,319	3,319
Retained Earnings	-1,345	672	1,257	575	514
Treasury stocks	-	-	-	-	-3,485
Shareholders' Equity	5,761	4,933	10,714	10,060	6,515
Stock Acquisition Rights	-	-	75	-	-
Unrealized Gains on Other Securities	5	22	39	65	50
Total Net Assets	5,766	4,956	10,829	10,126	6,565
Liabilities and Net Assets	10,372	9,808	25,558	26,989	28,547
Equity Capital	5,761	4,933	10,790	10,060	6,515
BPS (¥)	179.2	159.7	292.1	272.0	219.6

Source: Company Materials. Compiled by Strategy Advisors.

Figure 11. Cash Flow Statement (¥mn)

FY	Stand-Alone 3/22	Stand-Alone 3/23	Consolidated 3/24	Consolidated 3/25	Consolidated 3/26
Net Income Before Taxes and Other Adjustments	711	540	765	-581	-52
Depreciation	1,463	1,601	1,615	1,901	2,484
Amortization of Goodwill	-	-	-	61	68
Amortization of Customer-Related Assets	-	-	-	21	20
Changes in Contract Liabilities	-602	-519	-244	4	70
Increase or Decrease in Deposit	298	1,022	-1,177	2,216	-613
Other Operating Cash Flows	239	158	-425	0	-810
Cash Flows from Operating Activities	2,109	2,803	533	3,624	1,167
Purchase of Tangible Fixed Assets	-166	-100	-475	-599	-676
Purchase of Intangible Fixed Assets	-1,177	-1,276	-2,455	-1,918	-2,222
Purchase of Investment Securities	-	-	-200	-	0
Purchase of Shares in a Subsidiary Resulting in a Change in the Scope of Consolidation	-	-	7,710	-	0
Cash flows from Other Investing Activities	-	-	9	-127	-685
Cash Flows from Investing Activities	-1,344	-1,377	4,588	-2,644	-3,584
Proceeds from Short-Term Borrowings	-500	-500	-	-8	-
Proceeds from Long-Term Borrowings	-	-	-	80	7,080
Repayment of Long-Term Borrowings	-	-	-	-76	-936
Issuance of Shares	999	-	5,164	6	2
Redemption and Cancellation of Shares	-	-1,500	-	-	-3,499
Other Financial Cash Flows	-13	15	25	-85	-291
Cash Flows from Financing Activities	485	-1,984	5,190	-83	2,354
Free Cash Flow	765	1,426	5,121	979	-2,416

Source: Company Materials. Compiled by Strategy Advisors.

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Figure 12. Stock Price Indicators, ROE and KPIs

FY	Stand-Alone 3/22	Stand-Alone 3/23	Consolidated 3/24	Consolidated 3/25	Consolidated 3/26	Consolidated 3/27 CoE
EPS (¥)	-12.2	21.2	15.9	-18.5	-1.9	19.1
EPS (¥)	179.2	159.7	292.1	272.0	219.6	-
DPS (¥)	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Payout Ratio	0.0%	0.0%	0.0%	-	-	-
Closing Price (¥)	NA	NA	628	320	299	-
PER (x)	NA	NA	39.6	NM	NM	-
PBR (x)	NA	NA	2.1	1.2	1.4	-
No. of Shares Issued at End of Period (Shares mn)	NA	NA	36.9	37.0	37.0	-
No. of Treasury Shares (Shares mn)	NA	NA	-	-	7.3	-
Treasury Stock Deduction (Shares mn)	NA	NA	36.9	37.0	29.7	-
Market Capitalization (¥mn)	NA	NA	23,196	11,837	8,873	-
Equity Ratio	55.5%	50.3%	42.2%	37.3%	22.8%	-
Interest-Bearing Debt	515	8	1,727	1,638	7,559	-
D/E Ratio	0.09	0.00	0.16	0.16	1.16	-
EV (Enterprise Value)	NA	NA	20,528	10,400	12,809	-
EBITDA (¥mn)	2,180	2,137	2,389	1,497	2,591	3,491
EV/EBITDA Multiple	NA	NA	8.6	6.9	4.9	-
ROE	-6.7%	12.6%	5.4%	-6.5%	-0.7%	-
ROIC (Business Assets)	-9.9%	15.9%	7.0%	-6.7%	-0.1%	-
No. of Employees	249	254	362	372	491	-
No. of Operating Terminals ('000)	695	833	968	1,102	1,213	-
Annual Settlement Processing Transaction Value (GMV) (¥trn)	3.0	3.7	4.4	4.9	5.5	-
Annual No. of Settlements Processed (Bn of Times)	1.7	1.9	2.3	2.5	2.8	-

Note: EBITDA is calculated based on the company's definition, which includes operating income, depreciation and amortization, goodwill amortization, customer-related asset amortization, and interest expenses.

EV is calculated by adding net interest-bearing debt and deposits held by customers to market capitalization

Source: Company Materials. Compiled by Strategy Advisors.

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