JINUSHI | 3252 (TSE Prime)

Company Report

May 23, 2024

Strategy Advisors, Inc.
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Q1 Results Show Speedy Sales and Profit Progress, Compared to Full-Year Forecasts

JINUSHI (hereafter "the company") reported their Q1 FY12/2024 results with a 265.7% YoY rise in net sales and a 104.3% YoY rise in net income attributable to owners of the parent entity, due in part to the sale of a large property. Although the gross profit margin declined, this was more than offset by the increase in sales, resulting in a significant increase in net income for the period.

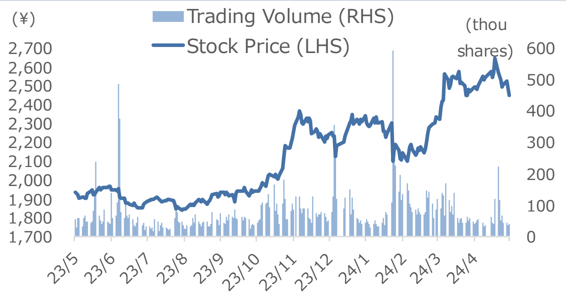
What is more commendable than the significant YoY growth in sales and profit is the strong progress toward the full-year forecasts, at 54.1% for sales and 55.2% for net income attributable to owners of the parent company.

Purchases, which are important in predicting future trends in earnings, are expected to increase in terms of agreement value. Compared to the same period last year, when there was a particular purchase of large-scale property, the value of agreements decreased; however, the number of agreements in Q1 was 24, a quarterly record. So, the company's situation is considered to remain solid. One of the company's growth strategies is to diversify its business sectors of its clients and it has recently increased the number of tenants from businesses that play a role in social infrastructure. As a result of this strategy, more than 60% of its agreements are with social infrastructure companies.

JINUSHI REIT's assets under management increased to ¥221.6 billion in the 8th offering in January 2024, showing steady expansion and strong demand on the part of investors.

The company's full-year forecasts for FY12/2024 remain unchanged. Since the company's forecasts call for a significant increase in both sales and profit over the previous year, the probability of achieving the full-year forecasts, on which we have focused, has been increased. The stock price is also expected to rise, reflecting the company's performance.

Stock Price and Volumes



Source: Strategy Advisors

Key Indicators

Stock Price (2024/5/22)	2,551
Year-to-Date High (2024/5/9)	2,648
Year-to-Date Low (2024/2/13)	2,102
52-Week High (2024/5/9)	2,648
52-Week Low (2023/8/20)	1,842
Number of Shares Issued (mn)	18.2
Market Capitalization (¥bn)	40.2
EV (¥bn)	75.7
Equity Ratio (12/2023, %)	30.9
ROE (FY12/2023 Actual, %)	15.1

Source: Strategy Advisors

Japanese GAAP - Consolidated

FY End	Sales (¥ mn)	YoY (%)	OP (¥ mn)	YoY (%)	RP (¥ mn)	YoY (%)	NP (¥ mn)	YoY (%)	EPS (¥)	DPS (¥)
FY12/2023 Q1	8,130	-58.6	914	-72.2	879	-72.8	1,350	-35.3	73.9	-
FY12/2023 Q1	29,729	265.7	4,126	351.3	4,292	388.2	2,758	104.3	167.8	-
FY12/2021	56,177	-	5,475	-	5,002	-	3,124	-	170.9	50.0
FY12/2022	49,887	-11.2	6,411	17.1	5,943	18.8	3,641	16.5	199.2	55.0
FY12/2023	31,597	-36.7	6,154	-4.0	5,718	-3.8	4,709	29.3	267.8	55.0
FY12/2024 CoE	55,000	74.1	8,200	33.2	7,300	27.7	5,000	6.2	302.8	85.0

Note: Due to a change in fiscal year end, FY12/2020 is a nine-month period, so YoY comparisons for FY12/2021 are not available.

Source: Strategy Advisors . Based on Company Data.

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1. Q1 FY12/2024 Results Show Speedy Sales & Profits are Progress, Compared to The Company's Full-Year Forecasts

Speedy Progress in Both Sales & Profits Compared to the Company's Full-Year Forecasts

In Q1 FY12/2024, sales increased 265.7% YoY to ¥29.72 billion, operating income increased 351.3% YoY to ¥4.12 billion and net income attributable to owners of the parent increased 104.3% YoY to ¥2.75 billion. The percentage of progress toward the company's full-year forecasts for FY12/2024 was 54.1%, 50.3% and 55.2% respectively, showing strong progress in both sales and profits.

Figure1 . Summary of Q1 Results for FY12/2024

(¥ mn)	**FY12/2024 Q1 (A)**	YoY	QoQ	Progress (A)/(B)	FY12/2024 Full-Year CoE (B)
Sales	**29,729**	265.7%	365.5%	54.1%	55,000
Operating Income	**4,126**	351.3%	3,583.9%	50.3%	8,200
Recurring Income	**4,292**	388.3%	-	58.8%	7,300
Net Income Attributable to Owners of the Parent	**2,758**	104.3%	8,796.8%	55.2%	5,000

Source: Strategy Advisors. Based on Company Data.

Significant YoY Increase Due in Part to the Sale of Large-Scale Real Estate

The strong progress in sales was due to an increase in the volume of sales projects. This was result of the steady progress of sales to JINUSHI REIT and the sale of real estate for sale held in Sapporo to outside parties.

Decline in Gross Profit Margin was Mainly Due to an Increase in Sales of Leased Land

Gross profit increased 2.66 times YoY to ¥5.35 billion, but the gross profit margin declined 6.8 percentage points YoY to 18.0%.

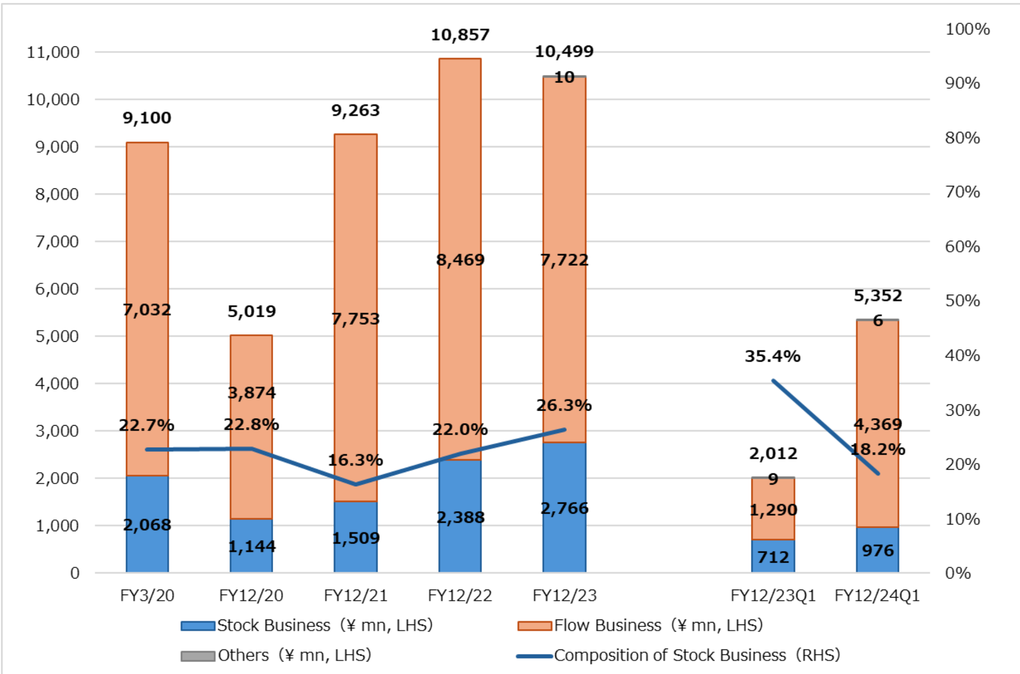
The company's revenues can be categorized into flow business, stock business and others. The size of others is exceedingly small, so the flow business and the stock business account for the majority of the company's total revenue.

There is a significant difference between the gross profit margin of flow business and stock business, and the change in the composition of gross profits has a significant impact on the overall gross profit margin. 81.6% of gross profits in Q1 FY12/2024 was derived from the flow business, while 18.2% was from the stock business and just 0.2% was from others. The main reason for the overall decline in gross profit margin was the increase in revenues from the flow business, which has a relatively low gross profit margin, due to the significant increase in sales of leased land.

Flow business revenues are equal to real estate sales revenues. They are highly variable, depending on status of sales of leased land and the profitability of individual properties that are sold. The profit margin of the flow business in Q1 was lower than in Q1 FY12/2023, but according to the company, this was due to the uniqueness of the individual properties sold and the progress in Q1 was in line with the company’s forecasts. From Q2 onward, the profit margin is expected to rise as the sales mix of properties gradually increases.

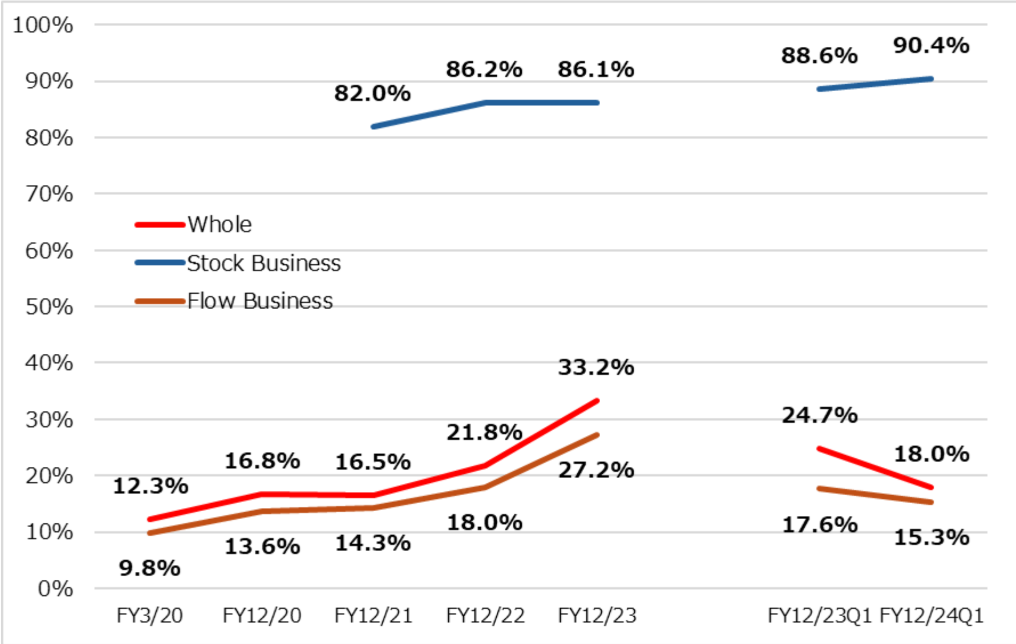
Stock business are categorized by business segment into leasing income from Real Estate Investment Business (leasing income while holding), Real Estate Leasing Business and Asset Management Business. The composition of stock business revenues also rises and falls as they are affected by increases and decreases in ones of flow business. However, the company's long-term policy is to improve earnings stability by using stable stock revenues to cover fixed costs and it is significant that the amount of stock business revenues continues to increase.

Figure 2. Gross Profit by Business Type



Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Segment classifications have been changed from FY12/24; figures for FY12/23 are based on the new classifications.
Prior to FY12/22, "Others" in the new classification is included in "Flow Business".
Source: Strategy Advisors. Based on Company Data.

Figure 3. Gross Profit Margin Trends



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Segment classifications have been changed from FY12/24; figures for FY12/23 are based on the new classifications.
Prior to FY12/22, "Others" in the new classification is included in "Flow Business".
Source: Strategy Advisors. Based on Company Data.

Operating Profit Margin Increased Due to an Increase in Total Revenues

Selling, General and Administrative ("SG&A") expenses increased 11.6% YoY to ¥1.22 billion, but the SG&A-to-sales ratio declined 9.4 percentage points YoY to 4.1%, due largely to higher gross profit and the operating profit margin rose 2.7 percentage points YoY to 13.9%.

In addition, there was no corresponding extraordinary profit in Q1 FY12/2024, while an extraordinary profit of ¥1.2 billion was posted in Q1 FY12/2023. As a result, the net profit margin fell 7.3 percentage points YoY to 9.3%, but net income attributable to owners of the parent rose 104.3% YoY.

2. Recent Trends in the JINUSHI Business

The JINUSHI Business is a model for increasing real estate holdings while maintaining a continuous turnover of funds by taking the following four steps: buying (purchasing) land, leasing land, selling leased land and managing investors' funds.

Of the four steps, the "managing investors' funds" process is handled by JINUSHI REIT which JINUSHI Asset Management, a wholly owned subsidiary, manages and will be described in the following chapter, "Recent Trends of JINUSHI REIT.

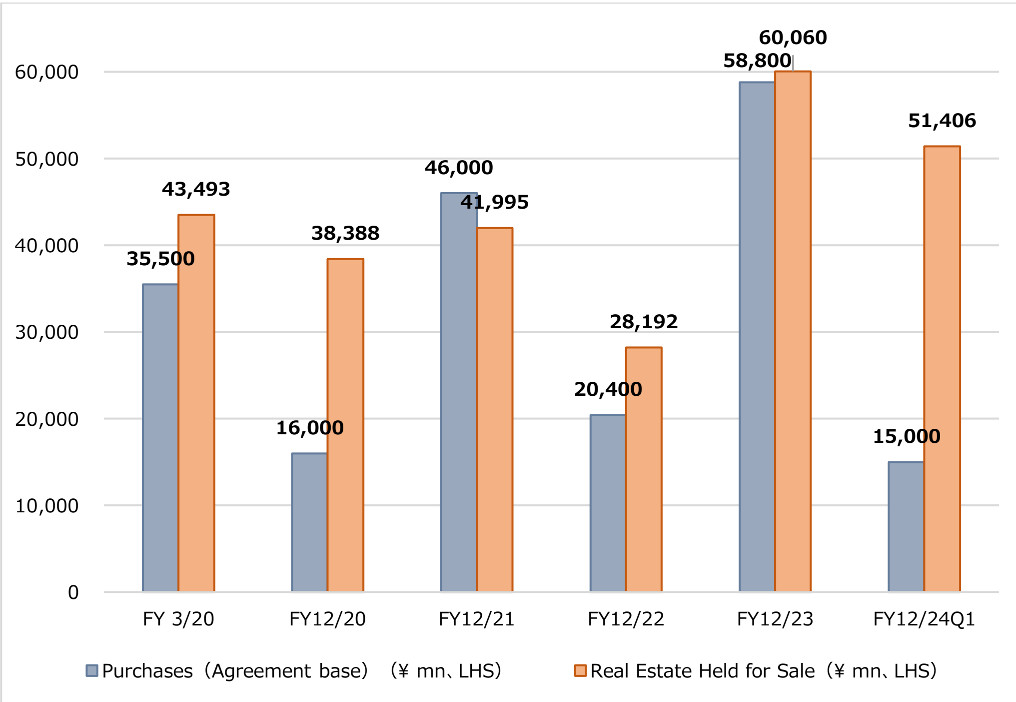
(1) Buying (Purchasing) Land

Purchases in the Volume Was Down YoY. But the Number of Purchases Reached a Record High on a Quarterly Basis and Judged to be Steady

Purchases (agreement basis) in Q1 fell 20.6% YoY to ¥15.0 billion, while the balance of real estate for sale at the end of Q1 was ¥51.4 billion, 1.45 times that of the end of Q1 previous year.

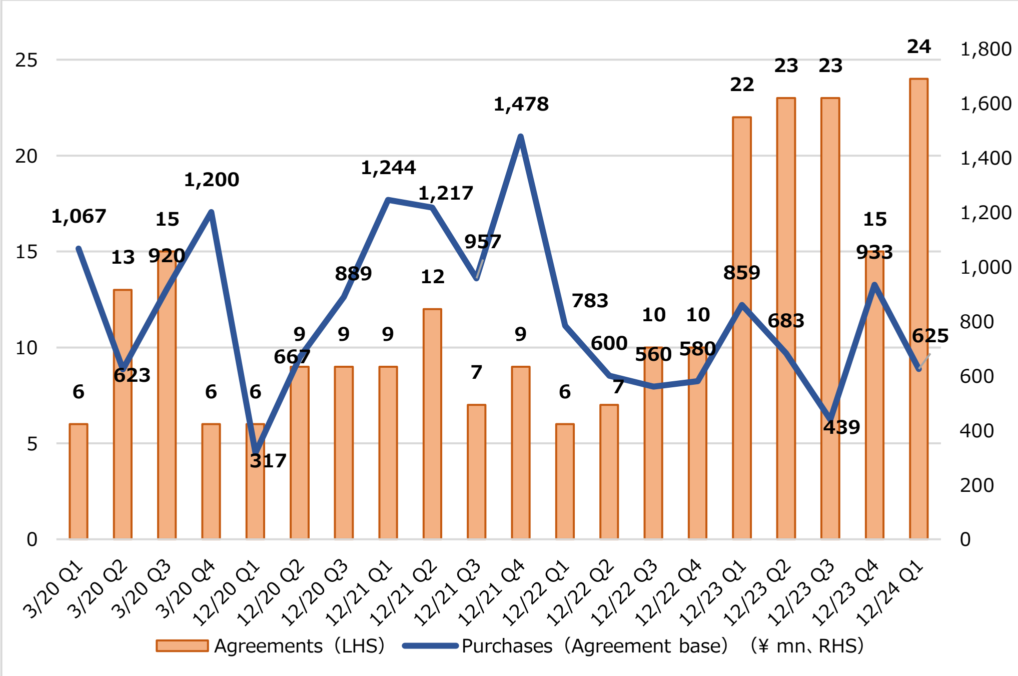
The decrease in purchases from Q1 previous year was due to the large purchase in Q1 previous year, and if this purchase is excluded, purchases would have increased by around 30% YoY in real terms. In addition, the number of purchases, 24, was a record high on a quarterly basis, and is considered to have been strong in terms of purchases.

Figure 4. Purchases



Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Source: Strategy Advisors. Based on Company Data.

Figure 5. Number of Agreements for Purchases and Value of Purchases Per Agreement (Quarterly)

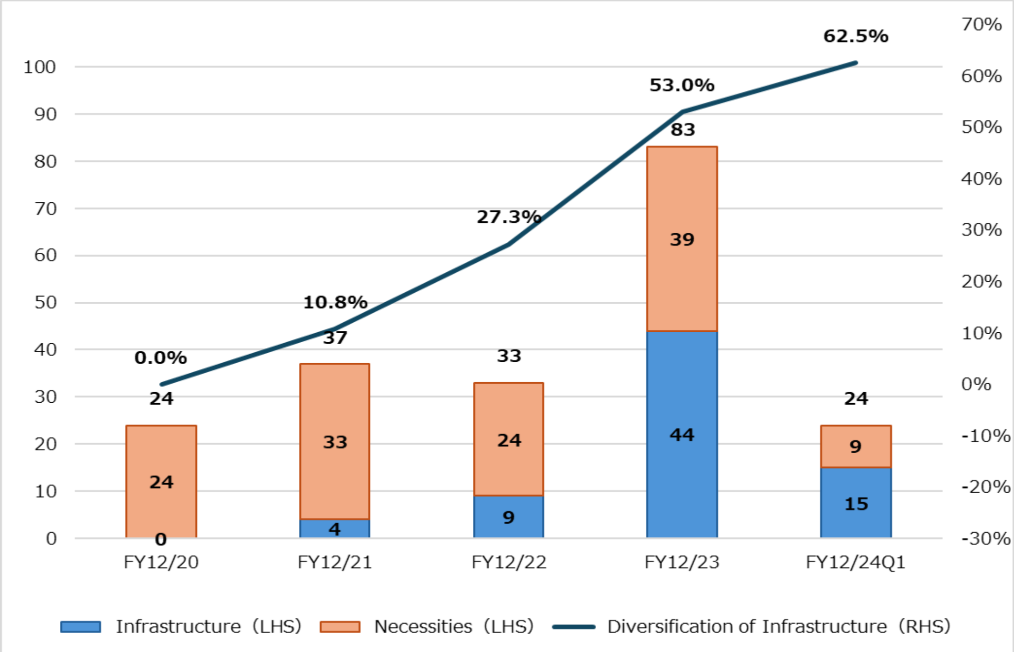


Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Source: Strategy Advisors. Based on Company Data.

Social Infrastructure Tenants Supporting Robust Procurement Agreements

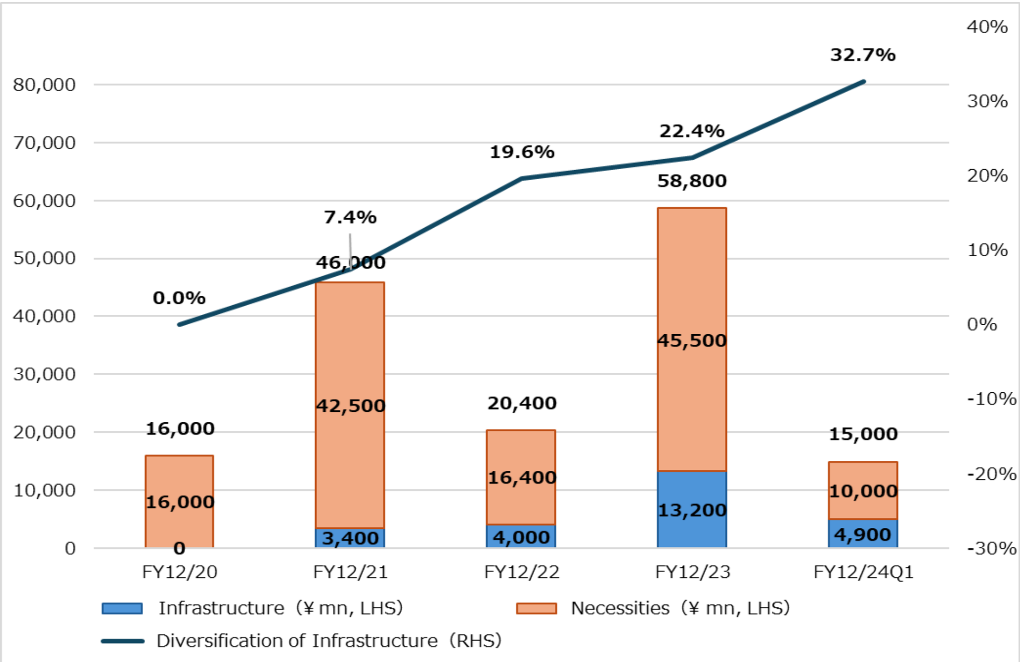
The company's solid procurement is largely supported by an increase in the number of properties dealing with social infrastructure tenants. The company has been working to diversify the business sectors of its tenants and has been steadily converting the ardent desire of social infrastructure tenants to open new stores. The company has already acquired an increasing number of tenants in the fields of hospice facilities, nursing homes and funeral halls. In Q1 FY12/2024, of the 24 agreements purchased, with a purchase amount of ¥15.0 billion, 15 were from tenants that play a role in social infrastructure, accounting for ¥4.9 billion. This represents 62.5% of the total number of agreements and 32.7% of the total value of agreements purchased.

Figure 6. Percentage of Deals for Social Infrastructure Tenants in Procurement: By Number of Agreements



Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Source: Strategy Advisors. Based on Company Data.

Figure 7. Percentage of Social Infrastructure Tenant Deals in Procurement: Based on Purchase Price



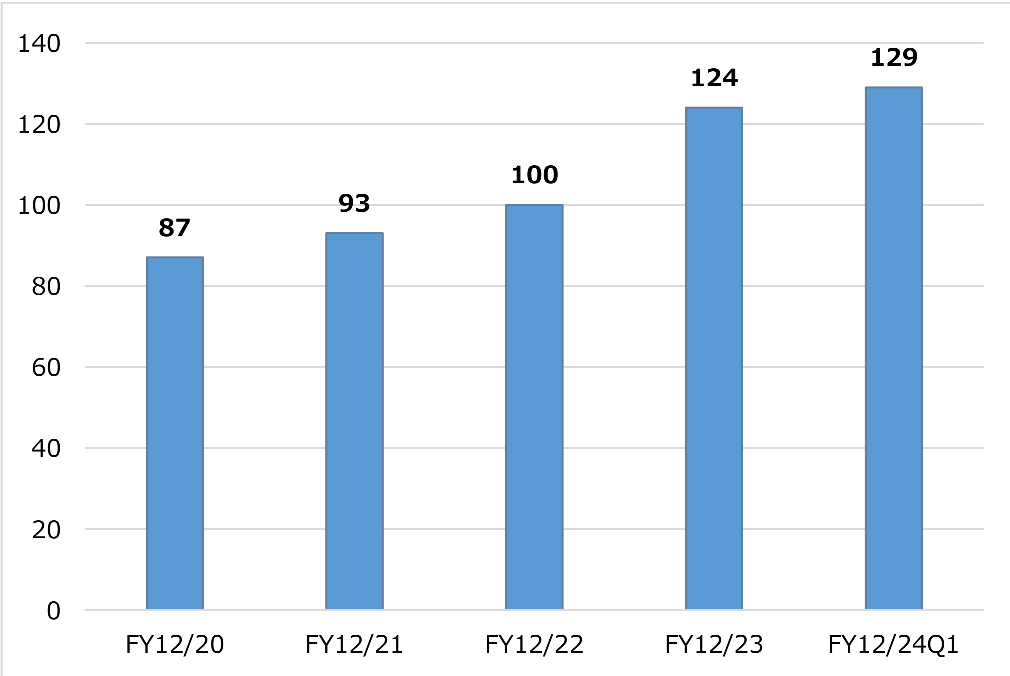
Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Total amounts do not match due to rounding.
Source: Strategy Advisors. Based on Company Data.

(2) Leasing Land

Number of Tenants Increased by 5x, Versus the End of FY 12/2023

The number of tenants with long-term fixed-term lease agreements with the company increased by 5 companies from the end of FY12/2023 to 129 at the end of Q1. The company's tenants include supermarkets, which accounted for 25 of the 129 tenants at the end of Q1, then followed by drugstores, automobile dealers, restaurants, funeral halls and home improvement stores. The company is currently expanding its tenant base to include businesses that serve social infrastructure and with the number of tenants of funeral halls category increasing by 2 companies from the end of FY12/2023, expanding that category’s presence.

Figure 8. Number of Tenants (Companies)



Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Source: Strategy Advisors. Based on Company Data.

(3) Sales

The company has been relentlessly buying land and then leasing it out to tenants, turning it into a real estate financial product that generates long-term stable cash flows, which it then sells to funds such as JINUSHI REIT and other investors. At the end of Q1 FY12/24, the company has cumulatively been involved in 384 projects worth roughly ¥483.1bn. Although many tenants have historically come from the retail industry, esp. supermarkets, who have been the most common type of tenant, they still account for less than 30% of the total tenant base. In terms of region, about 85% of the company's development projects are in the Tokyo, Nagoya and Osaka areas, but there is no concentration of development in any one area.

The percentage of sales by JINUSHI REIT and group companies (sponsor pipeline support ratio) is 64.1%. Of these, 32.2% were directly incorporated into JINUSHI REIT and 31.9% were sold through bridge schemes. A bridge scheme is a "sale of properties by JINUSHI and group companies where the buyer is a third party designated by JINUSHI Asset Management (usually JINUSHI REIT, but not always)" and it grants preferential negotiation rights for acquisition to a third party designated by JINUSHI asset management (in effect, presumably the JINUSHI REIT).

Leasing companies such as SMFL Mirai Partners, a wholly owned subsidiary of Sumitomo Mitsui Finance and Leasing and M.L. Estate, a wholly owned subsidiary of Mizuho Lease, stand in between.

In addition, the company sets the approximate time from land purchase to sale at 1 to 1.5 years, emphasizing the extent of the turnover of the funds.

3. Recent Trends of JINUSHI REIT

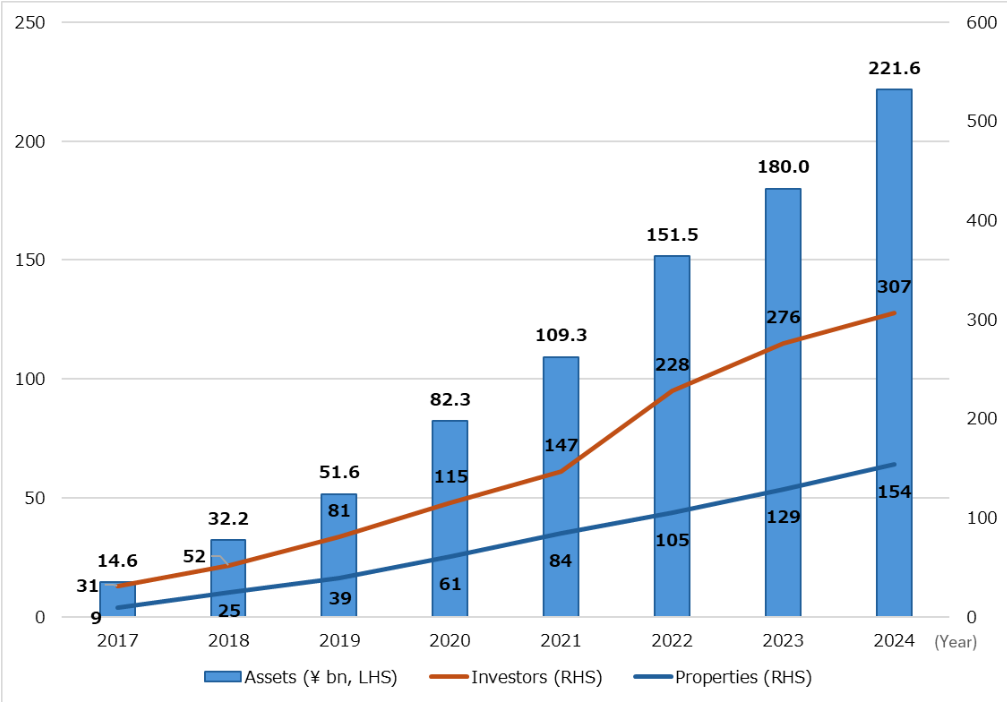
JINUSHI REIT Low-Risk, Low-Volatility

JINUSHI REIT, managed by wholly owned subsidiary JINUSHI Asset Management, is only private REIT in Japan specializing in leased land. The product concept is based on an LTV level of approximately 20-40%, with an emphasis on financial stability and a distribution yield of approximately 3.5% per annum. As for its track record, since the start of operations, the fund has operated at an LTV level of about 30% and a distribution yield of about 4.0% per annum, and as of January 10, 2024, after the 8th offering, both the LTV and distribution yield have remained at these levels. As of the same date, the fixed loan ratio was 100%, and the average remaining loan term was 5.3 years.

JINUSHI REIT's AUM Expands to ¥221.6 bn

No other REITs, both listed and privately, specializing in leased land exist. As of January 10, 2024, after the completion of the 8th capital increase, the balance of assets under management (AUM) increased to ¥221.6 billion.

Figure 9. JINUSHI REIT (Private REIT for leased land) AUM Growth



Note: Due to a change in the fiscal year end, FY12/20 is a 9-month accounting period.
Source: Strategy Advisors. Based on Company Data.

As of January 10, 2024, after the completion of the 8th capital increase, the number of properties under management is 154 and 76.0% of the portfolio in AUM is derived from business sectors of tenant as follows: supermarkets (31.2%), home improvement stores (27.4%) and drugstores (17.4%). The portfolio is highly concentrated in the top three sectors.

4. Outlook for FY12/2024

Company's Forecasts for FY12/2024 Remain Unchanged

For FY12/2024, the company projects sales of ¥55.0 billion (+74.1% YoY), operating profit of ¥8.2 billion (+33.2% YoY) and net income attributable to owners of the parent of ¥5.0 billion (+6.2% YoY).

Expect a Large Increase in Profit in FY12/2024, But a Decline in Profit Margin

As shown in Figure 4, the balance of real estate for sale at the beginning of FY12/2024 is expected to increase 113.0% from the beginning of the previous period and the strong purchasing conditions of the previous period are expected to continue into FY12/2024, resulting in a significant increase in revenue. On the other hand, the gross profit margin is expected to decline from the previous year due to the absence of property purchased around 2018 that correspond to high-margin, large-scale transactions, which occurred in the previous year and operating profit margins for FY12/2024 are projected to decline 4.6 percentage points YoY to 14.9%.

Net Income is Expected to Increase Despite the Absence of Extraordinary Gains from the Previous Fiscal Year

Furthermore, the company expects to lose the extraordinary gains from the sale of fixed assets in the previous fiscal year, but still expects to secure an increase in net income attributable to owners of the parent, driven by a significant increase in sales. Even considering the above factors, the company expects to maintain high profit margins compared to the fiscal years prior to FY12/2023.

In our previous report, we verified the certainty of a significant increase in sales, which will be the focus of FY12/2024 results, by simulating the ratio of the sum of the amount of real estate for sale at the end of the previous period and purchases (on a recorded basis) in the current period to the cost of sales in the current period. As a result, Strategy Advisors judged that ¥55.0 billion in net sales for FY12/2024 is fully achievable and our judgment is maintained based on the high rate of progress in Q1.

In addition, Strategy Advisors expects SG&A expenses to increase 8.2% YoY to about ¥4.7 billion in FY12/2024. But to achieve the company's forecasts of ¥8.2 billion in operating income, it is necessary for sales to exceed the level of the simulation calculated using conservative conditions, or for the cost of sales ratio to decline. We believe that the recent favorable procurement situation will be sufficient to achieve the company's operating income forecasts.

5. Stock Trends and Valuations

To see how the company's stock price has changed over the years, Figure 10 shows an index of the stock prices of major real estate finance companies and the TOPIX (Tokyo Stock Exchange Stock Price Index) when the stock price at the end of 2022 is set at 100.

TOPIX Dominance After 2023

Since 2023, the Japanese stock market has continued to be a liquidity stock market, mainly for large-cap stocks led by foreign investors, as exemplified by the Nikkei Stock Average reaching the ¥40,000 level for the first time in history in February 2024. As a result, TOPIX has generally outperformed the company's share price since 2023. In addition, the company's share price has not been particularly overshooting that of other real estate finance companies.

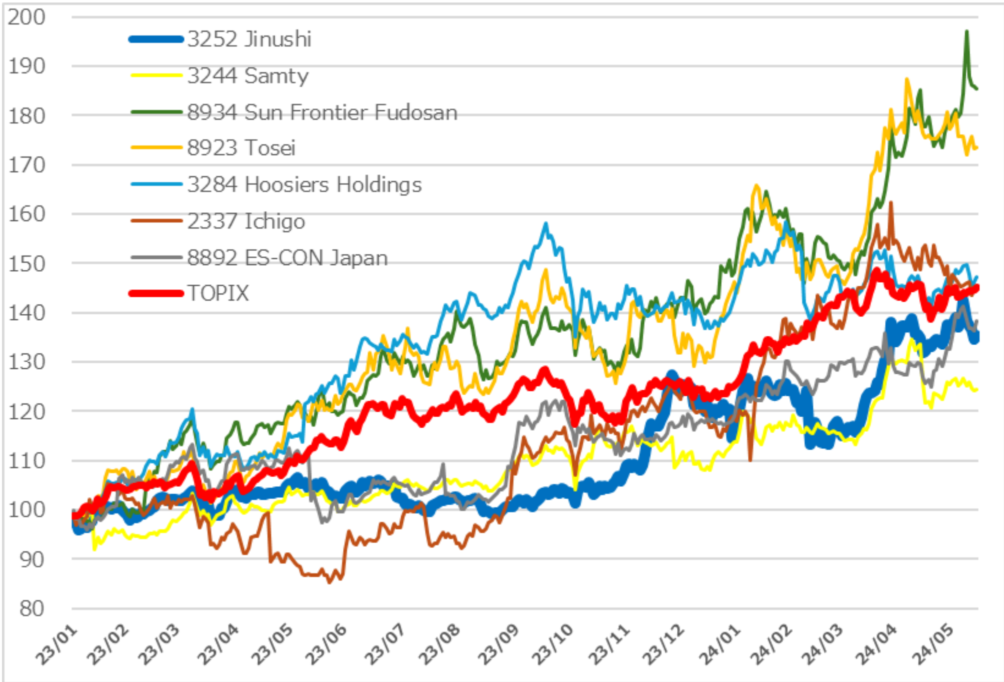
Stock Price Fell After the Announcement of FY12/2023 Results, But Has Been on an Upward Trend Since March 2024

Following the announcement of FY12/2023 results on February 13, 2024, the company's share price fell, probably due to the fact that FY12/2023 results showed a YoY decline in both sales and profit and also because the company was seen as facing a high hurdle in achieving its FY12/2024 corporate forecasts. The company's share price then began to rise in March and is now catching up with TOPIX in terms of relative share price, with the share price at the end of 2022 set at 100. Then, on May 10, the announcement of Q1 results sent the share price moving higher. This is thought to be due to the fact that the company's high progress against the full-year forecasts was confirmed and the view that the company's achievement of the full-year forecasts has become more certain has spread.

The Nikkei Stock Average has been stagnant after reaching the ¥40,000 level and is currently hovering around the ¥38,000 level. Therefore, even if the real estate finance sector does not see a massive inflow of funds, the stock price is likely to respond to robust performance.

The company's current valuations, which are 8.3 times PER and 1.3 times PBR, which do not seem overvalued. In particular, only Sun Frontier Fudosan (8923 TSE Prime) and Hoosiers Holdings (3284 TSE Prime) have lower P/E ratios than the company.

Figure 10. Stock Price Trends: Real Estate Finance Companies (End of 2022=100)



Source: Strategy Advisors

Figure 11. Comparison with Other Real Estate Finance Companies

Company Name	Code	Acct Period	Net Sales (¥mn)	Net Income (¥mn)	Net Income Margin (%)	ROE (%)	ROIC (%)
JINUSHI	**3252**	**12/2023**	**31,597**	**4,709**	**14.9**	**15.1**	**4.6**
Samty	3244	11/2023	198,660	10,306	5.2	10.1	3.7
Sun Frontier Fudosan	8934	03/2024	79,868	11,917	14.9	13.9	7.9
Tosei	8923	11/2023	79,446	10,507	13.2	13.6	5.4
Hoosiers Holdings	3284	03/2024	88,418	4,806	5.4	13.1	4.8
Ichigo	2337	02/2024	82,747	12,108	14.6	11.6	2.2
ES-CON Japan	8892	03/2024*	118,861	10,050	8.5	–	–

Company Name	Code	Net D/E Ratio (Times)	DCR (%)	Net Worth Ratio (%)
JINUSHI	**3252**	**1.26**	**163.9**	**30.9**
Samty	3244	2.09	205.7	25.5
Sun Frontier Fudosan	8934	0.34	113.3	48.0
Tosei	8923	1.30	120.5	33.4
Hoosiers Holdings	3284	1.28	157.8	23.6
Ichigo	2337	1.60	93.4	28.8
ES-CON Japan	8892	3.46	222.6	18.1

Note: Due to a change in its fiscal year-end, Nippon ES-CON Corporation's FY03/2024 was a 15-month period. Therefore, ROE and ROIC using the company's actual results were not applied.

Source: Strategy Advisors. Based on Company Data.

Figure 12. Comparison of Valuations with Peers

Company Name	Code	Acct Period	Stock Prices (24/5/17)	Market Cap (¥mn)	PER Company Forecasts (Times)	PBR Most Recent Results (Times)	Dividend Yield Company Forecasts (%)	ROE Most Recent Results (%)
JINUSHI	**3252**	**12/23**	**2,511**	**41,288**	**8.3**	**1.3**	**3.4**	**15.1**
Samty	3244	11/23	2,662	124,005	10.9	1.2	3.5	10.1
Sun Frontier Fudosan	8934	03/24	2,041	99,095	7.1	1.1	3.2	13.9
Tosei	8923	11/23	2,371	114,807	10.2	1.4	3.1	13.6
Hoosiers Holdings	3284	03/24	1,095	38,929	7.6	1.0	5.3	13.1
Ichigo	2337	02/24	415	182,774	12.9	1.7	2.4	11.6
ES-CON Japan	8892	03/24*	1,082	103,282	10.3	1.4	4.4	–

Note: Due to a change in its fiscal year end, Nippon ES-CON Corporation's FY03/24 was a 15-month period. Therefore, ROE using the company's actual results was not applied.

Source: Strategy Advisors. Based on Company Data.

Figure 13. Semiannual/Quarterly Performance Trends

(¥ mn)	12/22 H1	12/22 H2	12/23 H1	12/23 H2	12/23 Q1	12/23 Q2	12/23 Q3	12/23 Q4	12/24 Q1
Consolidated Statements of Income									
Net Sales	27,069	22,818	10,373	21,224	8,130	2,243	14,837	6,387	29,729
Cost of Sales	21,105	17,925	7,580	13,518	6,118	1,462	8,416	5,102	24,377
Gross Profit	5,964	4,893	2,793	7,706	2,012	781	6,421	1,285	5,352
Gross Profit Margin Ratio	22.0%	21.4%	26.9%	36.3%	24.7%	34.8%	43.3%	20.1%	18.0%
SG&A Expenses	2,215	2,231	2,100	2,244	1,098	1,002	1,072	1,172	1,225
SG&A to Sales Ratio	8.2%	9.8%	20.2%	10.6%	13.5%	44.7%	7.2%	18.3%	4.1%
Operating Profit	3,749	2,662	693	5,461	914	-221	5,349	112	4,126
Operating Profit Margin	13.8%	11.7%	6.7%	25.7%	11.2%	-9.9%	36.1%	1.8%	13.9%
Non-Operating Income and Expenses	157	-625	17	-453	-36	53	-70	-383	165
Financial Balance	-276	-305	-177	-217	-72	-105	-126	-91	-38
Equity in Earnings /Losses of Affiliates	173	-181	40	0	40	0	0	0	0
Other	260	-139	154	-236	-4	158	56	-292	203
Recurring Profit	3,906	2,037	711	5,007	879	-168	5,277	-270	4,292
Recurring Profit Margin	14.4%	8.9%	6.9%	23.6%	10.8%	-7.5%	35.6%	-4.2%	14.4%
Extraordinary Income/Loss	-197	-1,134	1,207	282	1,207	0	0	282	0
Pretax Profit	3,709	903	1,918	5,250	2,086	-168	5,238	12	4,292
Total Income Taxes	1,139	-172	700	1,730	711	-11	1,751	-21	1,531
(Corporate Tax Rate)	30.7%	-19.0%	36.5%	33.0%	34.1%	–	33.4%	–	35.7%
Net Profit Attributable to Owners of the Parent	2,569	1,072	1,193	3,516	1,350	-157	3,485	31	2,758
Net Profit Margin	9.5%	4.7%	11.5%	16.6%	16.6%	-7.0%	23.5%	0.5%	9.3%

Source: Strategy Advisors. Based on Company Data.

Figure 14. Consolidated Statements of Income (Full-Year Basis)

(¥ mn)	3/18	3/19	3/20	12/20	12/21	12/22	12/23	12/24 CoE
Net Sales	31,260	39,834	74,187	29,886	56,177	49,887	31,597	55,000
Cost of Sales	24,402	31,662	65,087	24,868	46,914	39,030	21,098	
Gross Profit	6,858	8,172	9,100	5,019	9,263	10,857	10,499	
Gross Profit Margin Ratio	21.9%	20.5%	12.3%	16.8%	16.5%	21.8%	33.2%	
SG&A Expenses	3,174	3,725	3,856	2,599	3,788	4,446	4,344	
Operating Profit	3,684	4,447	5,244	2,420	5,475	6,411	6,154	8,200
Operating Profit Margin	11.8%	11.2%	7.1%	8.1%	9.7%	12.9%	19.5%	14.9%
Non-Operating Income	229	703	403	637	285	435	227	
Interest and Dividend Income	27	27	12	7	5	17	15	
Equity in Earnings of Affiliate	30	303	166	130	–	–	40	
Profit on Currency Exchange	–	88	79	–	138	296	84	
Other	172	285	146	500	142	122	88	
Non-Operating Expenses	869	822	1,049	900	758	903	663	
Interest Expense and Discount	542	613	729	392	457	598	445	
Equity in Losses of Affiliates	–	–	–	–	83	8	–	
Foreign Exchange Loss	127	–	–	377	–	–	–	
Financing Costs	178	167	272	120	212	267	186	
Other	22	42	48	11	6	30	32	
Recurring Profit	3,044	4,327	4,599	2,157	5,002	5,943	5,718	7,300
Recurring Profit Margin	9.7%	10.9%	6.2%	7.2%	8.9%	11.9%	18.1%	13.3%
Extraordinary Income	–	333	130	–	–	–	1,489	
Extraordinary Loss	70	829	102	–	73	1,331	40	
Pretax Profit	2,974	3,831	4,628	2,157	4,927	4,612	7,168	
Corporate, Inhabitant and Enterprise Taxes	992	1,312	1,538	612	4,006	1,423	2,268	
Income Taxes-Deferred	-30	-165	-87	-100	-2,203	-456	162	
Total Income Taxes	962	1,146	1,451	512	1,803	967	2,430	
(Corporate Tax Rate)	32.3%	29.9%	31.4%	23.7%	36.6%	21.0%	33.9%	
Net Profit Attributable to Owners of the Parent	1,958	2,684	3,177	1,644	3,124	3,641	4,709	5,000
Net Profit Margin	6.3%	6.7%	4.3%	5.5%	5.6%	7.3%	14.9%	9.1%
EPS (¥)	109.61	149.30	174.59	89.94	170.90	199.16	267.76	302.78
Investment in Tangible and Intangible Fixed Assets	72	338	197	2,954	14,142	500	723	
Depreciation and Amortization of Goodwill	159	166	116	72	148	148	206	
Cash Flow	2,118	2,850	3,293	1,716	3,272	3,789	4,915	
CFPS (¥)	118.6	159.5	182.5	93.8	178.9	207.2	268.8	
ROE	10.4%	12.8%	14.0%	6.8%	11.9%	12.4%	15.1%	
ROIC (Capital Invested)	4.8%	4.2%	4.6%	2.8%	5.0%	7.5%	4.6%	
ROIC (Business Assets)	7.5%	5.9%	6.5%	4.4%	7.2%	10.3%	6.2%	
Dividend (¥)	55.00	55.00	55.00	25.00	50.00	55.00	55.00	85.00
Average Number of Shares During the Period (mn Shares)	17.0	17.0	18.0	18.0	18.0	18.0	17.0	
Number of Shares at End of Period (mn Shares)	17.8	18.0	18.2	18.2	18.2	18.2	16.4	

Source: Strategy Advisors. Based on Company Data.

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