Ubicom Holdings | 3937 (TSE Prime)

Company Report

5 September 2024

Strategy Advisors Inc.
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Medical and Technology Consulting Both Performed Well in Q1, FY3/2025. The Start of the Recovery Phase Became Evident

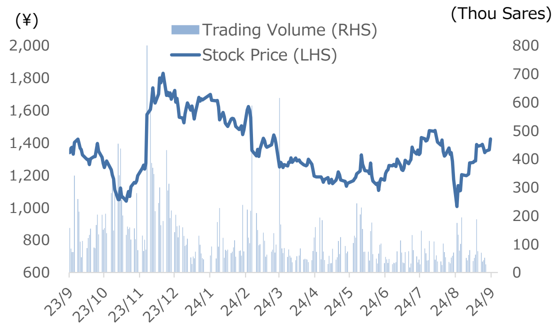
In Q1 of FY3/2025, sales increased 11.7% YoY to ¥1.57 billion and operating profit increased 18.2% YoY to ¥299 million, both of which were record highs for Q1. There are factors that should make contribution to and increase profits in the second half of the year and so the achievement of the company's full-year forecast for FY3/2025 is within sight. Expectations are rising that the company will enter a recovery phase and become apparent in business performance.

Sales in the Medical Business increased 4.5% YoY to ¥417 million and operating profit increased 14.7% YoY to ¥265 million. The operating margin reached a record high of 63.5%. This was due to a steady increase in the number of medical institutions using the company's products and growth in new products with high unit prices. In the second half of the year, sales of the electronic medical record-linked system "Mighty QUBE Hybrid" are expected to increase due to the effect of cross-selling through collaboration with electronic medical record manufacturers and earnings are expected to expand further.

In Q1 the Technology Consulting Business (formerly the Global Business), saw sales increase 14.6% YoY to ¥1.15 billion and operating profit increased 20.7% YoY to ¥134 million. In the first half of FY3/2024, the company made upfront investments in areas such as hiring and training in anticipation of business expansion, and now it appears that the company is entering a period of recouping its investments in FY3/2025. In addition to the capital and business alliance with OGIS Research Institute announced in February of this year, a contract with a global EV manufacturer that began in Q4 of FY3/2024 also contributed to the results.

Due to factors such as the slowdown in Q3 resulting in the company's full-year results falling short of the company's forecast for FY3/2024, the stock price does not appear to have fully factored in the achievement of the full-year forecast for FY3/2025 despite the favorable start to Q1. However, as there are factors expected to contribute in the second half of the fiscal year, which if the company can steadily increase earnings, there is a high possibility that the current low valuation will be gradually corrected.

Stock Price & Trading Volumes



Source: Strategy Advisors

Key Indicators

Stock Price (9/4)	1,407
Year-to-Date High (1/4)	1,699
Year-to-Date Low (8/5)	1,007
52-Week High (24/11/23)	1,829
52-Week Low (8/5/24)	1,007
Shares on Issue (mn)	12.1
Market Capitalization (¥ bn)	17.0
ROE (3/24 Results, %)	12.0
Equity Ratio (3/24 Actual, %)	68.6
PER (3/25 CoE, Times)	17.0
PBR (3/24 Actual, Times)	3.6
Dividend Yield (3/25 CoE, %)	NA

Source: Strategy Advisors

Japanese GAAP - Consolidated

FY	Sales (¥ mn)	YoY (%)	OP (¥ mn)	YoY (%)	RP (¥ mn)	YoY (%)	NP (¥ mn)	YoY (%)	EPS (¥)	DPS (¥)
3/2024 Q1	1,404	7.0	253	-13.3	180	-32.4	105	-45.4	9.0	-
3/2025 Q1	**1,568**	**11.7**	**299**	**18.2**	**296**	**64.9**	**199**	**89.5**	**16.7**	**-**
3/2021	4,198	4.0	919	29.9	877	22.6	623	17.0	53.3	7.0
3/2022	4,726	12.6	1,033	12.4	1,055	20.3	832	33.4	70.4	9.0
3/2023	5,246	11.0	1,011	-2.1	1,004	-4.8	573	-31.0	48.7	11.0
3/2024	5,942	13.3	1,072	6.0	935	-6.8	526	-8.3	44.7	13.0
3/2025 CoE	6,700	12.7	1,500	39.9	1,518	62.2	1,000	90.1	83.0	NA

Source: Company Data. Compiled by Strategy Advisors

1. Business Performance for Q1 FY3/2025 is Expanding Steadily

Record-High Profits Achieved for Q1. Progress Toward Full-Year Company Forecast is Also On Track

In the first quarter of FY3/2025, sales increased 11.7% YoY to ¥1.57 billion and operating profit increased 18.2% YoY to ¥299 million. Sales and profits at all levels were record highs for the first quarter. Although the progress rate for both sales and operating profit against the company's full-year forecast has not reached 25%, there are factors that will contribute to earnings in the second half of the year so, it can be said that the company is off to a good start toward achieving its full-year forecast for FY3/2025

Medical and Technology Consulting both saw Significant Increases in Profits

By business division, the Medical Business's Q1 operating profit increased 14.7% YoY to ¥265 million, while the Technology Consulting Business's operating profit increased 20.7% YoY to ¥134 million, both of which were significant increases. Also, starting this fiscal year, the company has been more conscious than ever of achieving recurring profit and net profit and is placing emphasis on minimizing non-operating foreign exchange losses and extraordinary losses on investment securities. As a result, despite the yen's depreciation against the Philippine peso in this Q1, no foreign exchange losses were incurred. No extraordinary losses were recorded either.

Figure 1. Summary of Ubicom Holdings' Q1 Financial Results for FY3/2025

(¥ mn)	3/24Q1	**3/25Q1 (A)**	YoY	QoQ	Progress (A)/(B)	3/25 CoE (B)	YoY
Sales	1,404	**1,568**	11.7%	1.5%	23.4%	6,700	12.8%
Technology Consulting Business	1,004	**1,151**	14.6%	3.4%	-	-	-
Medical Business	399	**417**	4.5%	-3.5%	-	-	-
Operating profit	253	**299**	18.2%	0.0%	19.9%	1,500	39.9%
Technology Consulting Business	111	**134**	20.7%	3.1%	-	-	-
Medical Business	231	**265**	14.7%	-1.9%	-	-	-
Adjustment	-90	**-100**	11.1%	-1.0%	-	-	-
Recurring profit	180	**296**	64.4%	35.5%	19.5%	1,518	62.4%
Net Profit	105	**199**	89.5%	208.0%	19.9%	1,000	90.1%

Source: Company Data. Compiled by Strategy Advisors

2. Trends in the Medical Business

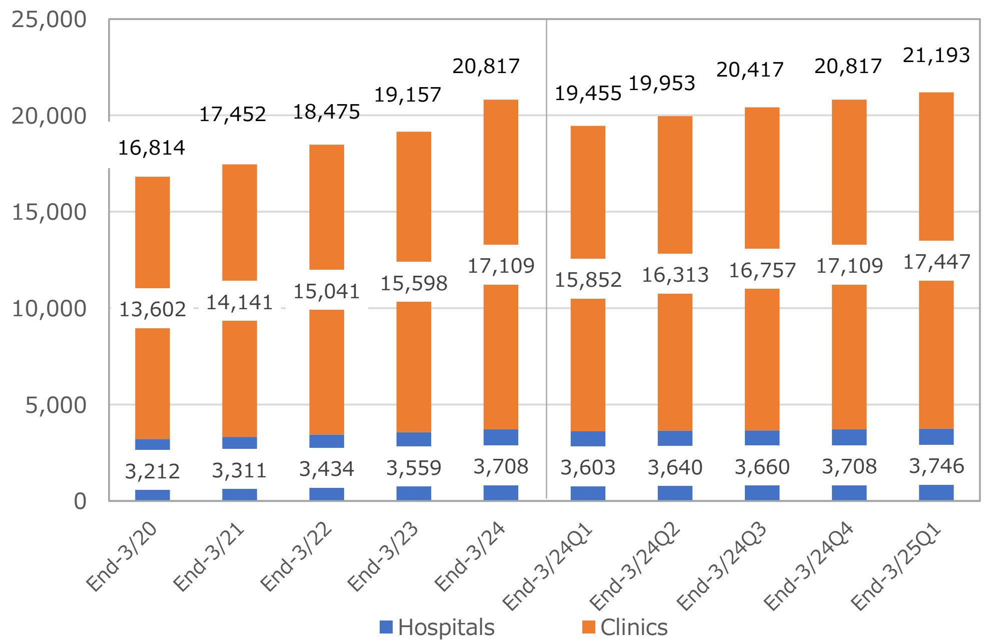
The Number of Medical Institutions Adopting the "Mighty" Series is Steadily Increasing

The Medical Business continues to expand steadily, due in part to a steady increase in the number of users. The number of users at the end of Q1 was 21,193, up 1.8% from 20,817 at the end of the previous quarter. Hospitals (20 or more beds) increased 1.0% and general clinics increased 2.0%. Compared to a year ago, the total number of users has increased 8.9%, with hospitals increasing 4.0% and general clinics have increased 10.1%.

Further Increase in Operating Profit Margin

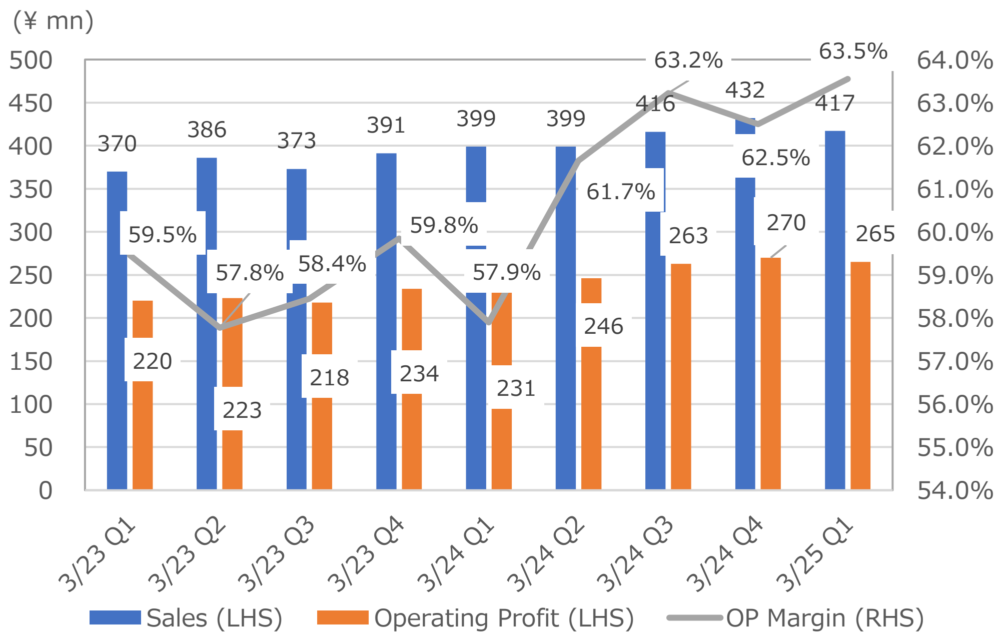
The operating profit margin for this business has also continued to rise, reaching a record high of 63.5% (before company-wide expenses) in the current Q1. This is likely due to the suppression of fixed costs and the increase in the sales composition ratio of the high-priced " MightyChecker EX."

Figure 2. Changes in the Number of Users in the Medical Business



Source: Company Data. Compiled by Strategy Advisors

Figure 3. Trends in Medical Business Revenues



Note: Operating profit is before allocation of company-wide expenses
Source: Company Data. Compiled by Strategy Advisors

Sales of "Mighty QUBE Hybrid" Continue to Expand

One area where expansion is expected from Q2 onwards is cross-selling, selling the electronic medical record-linked system "Mighty QUBE Hybrid" through electronic medical record manufacturers for small and medium-sized hospitals. There are 7,403 small and medium-sized hospitals with fewer than 400 beds, of which 3,627 have introduced electronic medical records. Of these, the company is proceeding with deliveries of its medical receipt inspection system " MightyChecker " to 2,100 medical institutions owned by 10 electronic medical record manufacturers with which it does business. At present, the company has concluded business partnerships with two companies: ACS (a subsidiary of Kusurinomadoguchi (5592 TSE Growth)) and Pacific Medical (a subsidiary of Medley(4480 TSE Prime)).

Contribution from the Second Half

One company is expected to start contributing to sales midway through the second half of this fiscal year. As each company is thought to have around 200 medical institutions as customers, multiplying the average unit price of "Mighty QUBE Hybrid" of ¥1.5 million, it is expected that each electronic medical record manufacturer will see an increase in sales of around ¥300 million per year. A certain contribution to sales and profits in the second half of FY3/2025 is expected. The start date of the other company is still unknown, but the effect of increased sales through cross-selling may become clear in FY3/2026. Furthermore, it is expected that the other eight electronic medical record manufacturers are expected to follow suit to avoid falling behind in terms of product competitiveness.

"MightyChecker EX", Which is Used Together with " WebORCA", is Expected to Grow

The second area where future growth is expected is the shift from the previous "MightyChecker for ORCA" to "MightyChecker EX" as the receipt computer ORCA provided by the Japan Medical Association ORCA Management Organization is switching from an on-premise model to the cloud version "WebORCA". Ubicom had delivered "MightyChecker for ORCA" to 1,100 medical institutions, but more than 100 of them have already been replaced in the April-June period. The unit price will increase by about 1.5 times as a result of switching to "MightyChecker EX", so this is expected to contribute greatly to profits.

Insurance Knowledge Platforms are Lagging Behind

Four insurance companies have now completed implementation of the Insurance Knowledge Platform. As insurance companies are supervised by the Financial Services Agency, it is believed that they therefore are conducting testing carefully. While the short-term effects may be limited, it is promising in the medium term. Remote Service Platforms and other similar technologies are also attracting attention in the medium term.

3. Technology Consulting Business Trends

Shifting Development Offshore to the Philippines Proves Successful

In the first quarter of the Technology Consulting Business (formerly the Global Business), sales increased 14.6% YoY to ¥1.15 billion and operating profit increased 20.7% YoY to ¥134million. The increase in sales is believed to be due to Japanese companies shifting their offshore development outsourcing from other countries to the Philippines, which has become a promising recipient as a result of the Economic Security Promotion Act. Additionally, the capital and business alliance with OGIS Research Institute, announced in February this year, Japanese companies are trying to shift outsourcing of offshore development from other countries, with the Philippines becoming a promising recipient; and the capital and business alliance with OGIS Research Institute, announced in February this year, is expected to contribute around ¥300 million in sales in FY3/2025.

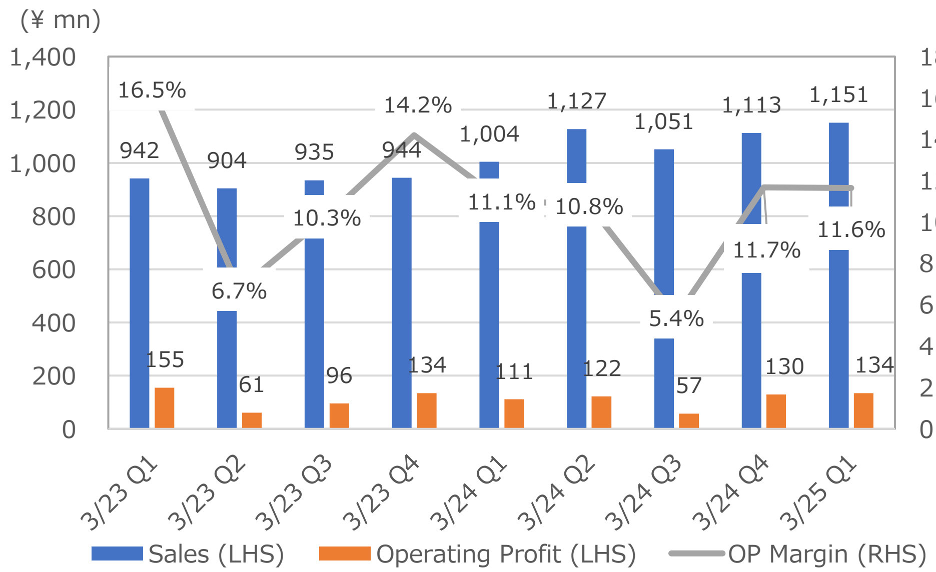
Limiting Hiring of Experienced Engineers

In the first half of FY3/2024, in preparation for the expected expansion of demand thereafter, the company increased the hiring of experienced engineer, which resulted in the utilization rate dropping below 80%. Demand temporarily slowed in the second half of FY3/2024, but it has recovered and utilization rates have risen. The company's policy is not to hire experienced engineer until utilization rates reach 85%. As a result of the company's efforts to curb cost increases while sales are growing and, operating profit margins of the technology consulting business has recovered to their previous range of 11.6%, compared to 5.4% in Q3 of FY3/2024.

Continued Business with Major Global Companies

In addition, the company has been continuing to do business with a major global EV company since Q4 of FY3/2024, thanks to recognition to the company's service quality. The company is attracting attention for pursuing partnerships with major companies other than Japanese manufacturers in order to expand its business and diversify risks. This is also due to the company's long track record and the high level of trust it enjoys as a strategic partner of IBM Japan, which has led to the company's competitive advantage.

Figure 4. Trends in Revenue from the Technology Consulting Business



Note: Operating profit is before allocation of company-wide expenses
Source: Company Data. Compiled by Strategy Advisors

4. Near-Term Business Outlook

Achieving the Full-Year Forecast is Within Sight

The company has not released its forecast for the first half of FY3/2025, however they have originally said earnings is expected to be higher in the second half. The company says that its performance in Q1 exceeded its plan, so it is off to a good start. In the Medical field, there are factors that will increase earnings in the second half, such as the expansion of sales of "Mighty QUBE Hybrid" through collaboration with an electronic medical record manufacturer and it is expected that the shift of Technology Consulting to the company's base in the Philippines will progress steadily. The company plans to increase operating profit for the full year by 39.9% compared to the previous fiscal year, and if this is achieved, it will be clear that the company has entered a recovery phase.

Reduce the Impact of Currency Fluctuations

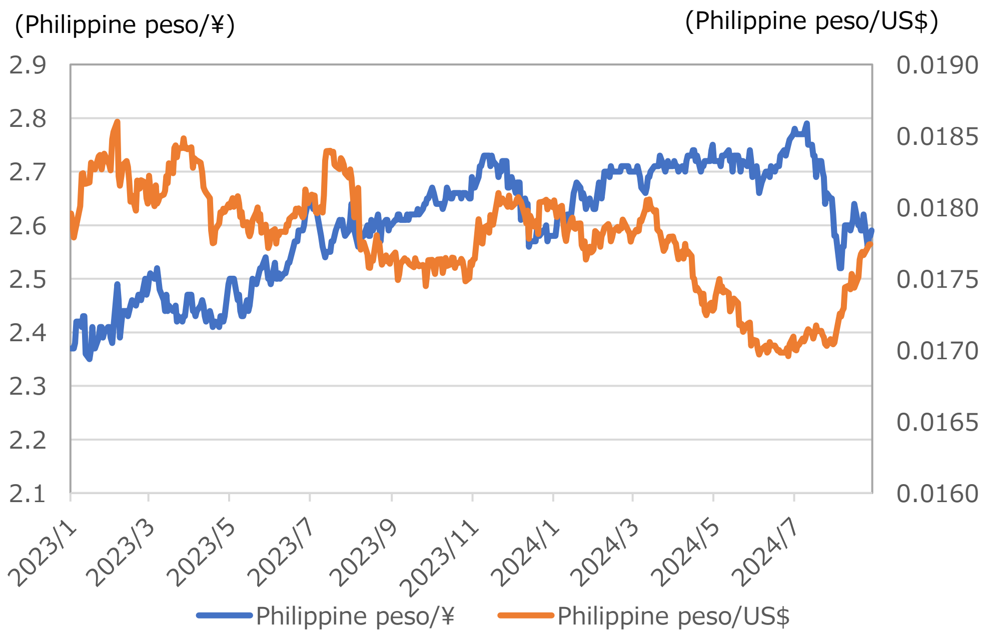
In addition, the company also plans to focus on achieving recurring profit and net profit. The company has been affected by the depreciation of the yen against the Philippine peso. As software development in the Philippines has many Japanese clients, payments are often made in yen. If the yen weakens between the time sales are recorded and the time of settlement, the value of the Philippine peso falls, resulting in a foreign exchange loss as a non-operating loss. In addition, the Philippine subsidiary holds yen paid by customers as assets, but as this is reviewed quarterly for accounting purposes, a foreign exchange loss will occur if the yen weakens (this does not affect cash flow). For this reason, a foreign exchange loss of ¥90 million was recorded in FY3/2024.

The company is working to shorten the collection period of accounts receivable, reduce yen-denominated assets as much as possible and convert them to Philippine peso-denominated assets, etc. In this Q1, the yen fell 1.9% against the Philippine peso from the beginning to the end of the fiscal year, but the company actually recorded a small valuation gain.

CVC Also Selected

With an eye on future business expansion, the company has been investing (CVC) in companies where it expects to form alliances, under a "Win-Win Investment Model," but has sometimes recorded valuation losses on investment securities as an extraordinary loss. In FY3/2024, it recorded a small valuation loss of ¥20 million. However, it appears that it is now limiting its investments to companies where it expects to create sufficient synergy. It also appears to be refraining from the small investments it has made up until now. It is too early to judge the effects of these investments, but there were no valuation losses on securities in this first quarter.

Figure 5. Trends in the Philippine Peso



Source: Company Data. Compiled by Strategy Advisors

5. Comparison with Other Companies in the Same Industry and Stock Price Trends

The Company's Stock Price Has Been Weak

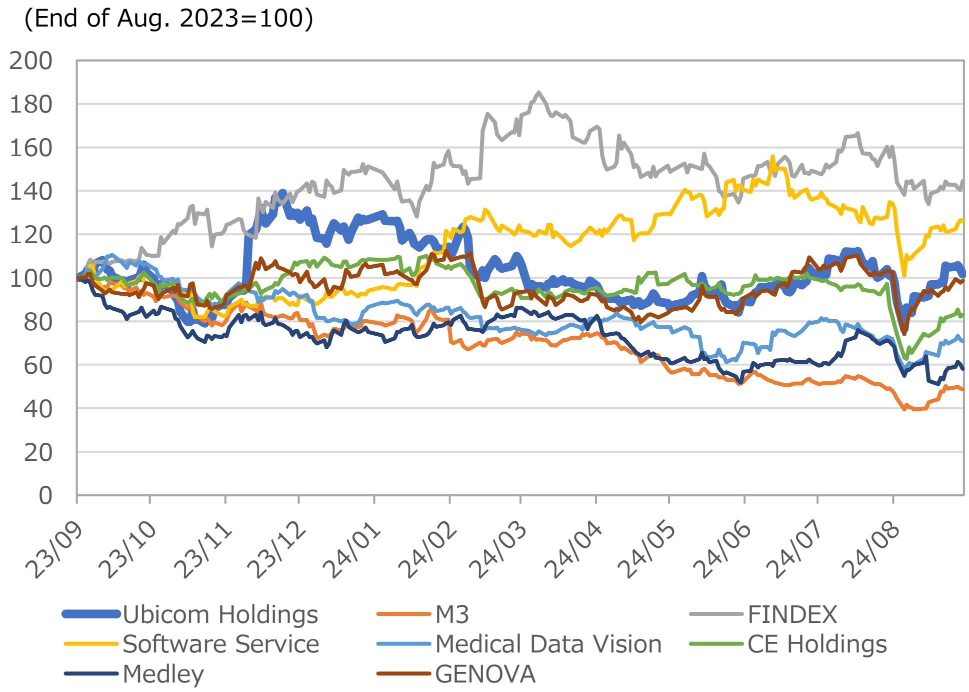
The company's stock price was weak from the end of 2023 until around April this year, but it has since been strong since then. It has also slightly outperformed the TOPIX. It is relatively strong compared to medical DX companies, and has performed best compared to software companies, many of which are struggling with performance. The company's profits remained flat in FY3/2023 and FY3/2024 periods, but the company expects a significant increase in profits in FY3/2025 and expectations are rising that it will enter a second growth phase. However, it appears that only a part of this has been factored into the stock price so far. This can be seen from the fact that the PER has been moving significantly below its past range. A full-scale rise in the stock price will occur only after the expansion of business performance becomes more apparent. Revenue trends from this Q2 onwards will be important in predicting the direction of medium-term business performance.

The company's Medical Business is based on a stock-based subscription model, so its earnings have been steadily expanding. Its Technology Consulting business has been more volatile, but it has still generated solid earnings in a tough industry environment. For these reasons, the company's beta of 0.75 is low compared to not only the software industry but also medical DX companies (Figure 9). If stable and high growth in earnings can be expected in the future, there is a high possibility that the stock price will recover more clearly.

Figure 6. Trends in PER

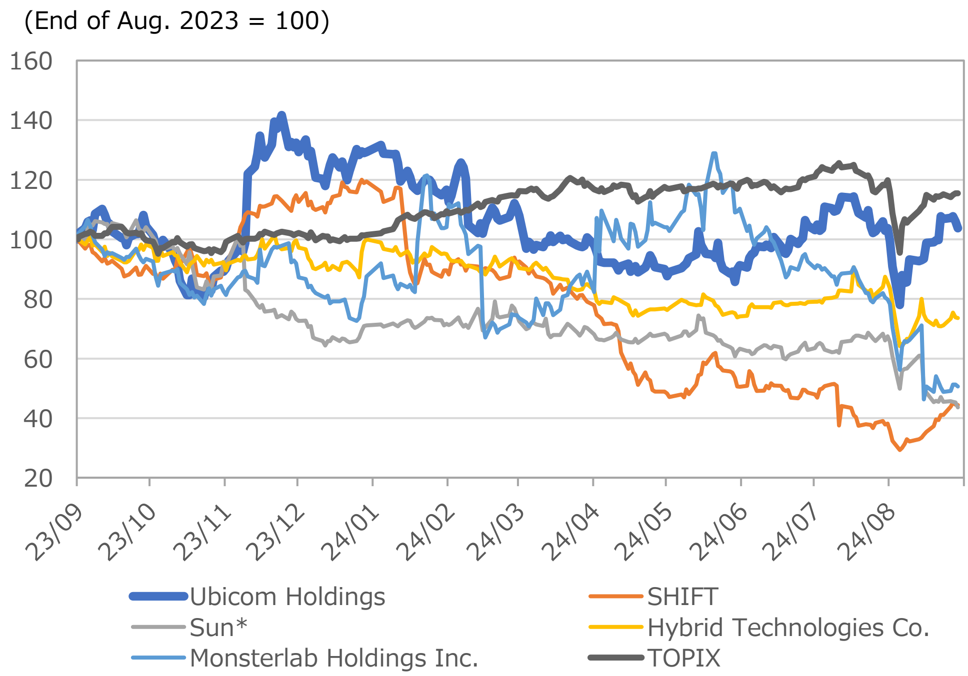
Source: Company Data. Compiled by Strategy Advisors

Figure 7. Stock Price Trends of Medical DX Companies



Source: Strategy Advisors

Figure 8. Software Company Stock Price Trends



Source: Strategy Advisors

Figure 9. Profitability Comparison with Competitors

Company	Code	FY	Sales (¥ mn)	OP (¥ mn)	OPM (%)	ROE (%)	Beta (%)	ROIC (%)	Equity Ratio (%)
Ubicom HD	**3937**	**3/24**	**5,942**	**1,072**	**18.0**	**12.0**	**0.75**	**48.1**	**68.2**
M3	2413	3/24	238,883	64,381	27.0	13.8	1.32	27.1	71.7
FINDEX	3649	12/23	5,191	1,496	28.8	23.9	1.29	58.9	81.5
Software Service	3733	10/23	33,720	6,516	19.3	16.5	0.69	21.3	79.3
Medical Data Vision	3902	12/23	6,419	1,770	27.6	25.2	1.47	86.1	68.3
CE Holdings	4320	9/23	13,632	1,254	9.2	11.7	0.79	15.9	54.1
Medley	4480	12/23	20,532	2,661	13.0	15.7	1.44	38.0	69.0
GENOVA	9341	3/24	8,683	2,301	26.5	35.2	NA	134.9	70.5
SHIFT	3697	8/23	88,030	11,565	13.1	22.9	1.07	38.4	58.5
Sun* Inc	4053	12/23	12,516	1,775	14.2	18.2	1.76	69.4	80.1
Hybrid Technologies	4260	9/23	2,905	256	8.8	7.2	1.03	19.2	60.6
Monsterlab HD	5255	12/23	13,346	-2,056	-15.4	-56.8	NA	-34.1	25.7

Note: Beta is monthly basis over 5 years

Source: Company data, Cost of Capital compiled by Strategy Advisors

Figure 10. Comparing Valuations with Other Companies in the Same Industry

Company	Code	FY Latest	Share Price (4 Sep.) (¥)	Market Cap. (¥ mn)	PER CoE (Times)	PBR Actual (Times)	Yield CoE (%)	ROE Actual (%)
Ubicom HD	**3937**	**3/24**	**1,407**	**17,011**	**17.0**	**3.6**	**NA**	**12.0**
M3	2413	3/24	1,350	916,674	20.4	2.6	NA	13.8
FINDEX	3649	12/23	896	22,996	20.9	4.7	1.7	23.9
Software Service	3733	10/23	13,970	73,077	14.5	2.3	0.9	16.5
Medical Data Vision	3902	12/23	524	20,015	20.0	4.7	1.2	25.2
CE Holdings	4320	9/23	464	7,016	NM	1.1	3.2	11.7
Medley	4480	12/23	3,555	115,484	38.3	6.6	0.0	15.7
GENOVA	9341	3/24	1,492	26,552	14.2	4.6	2.0	35.2
SHIFT	3697	8/23	13,230	232,888	26.9	8.0	0.0	22.9
Sun* Inc	4053	12/23	580	22,084	12.4	2.3	0.0	18.2
Hybrid Technologies	4260	9/23	474	5,395	25.1	2.3	0.0	7.2
Monsterlab HD	5255	12/23	152	5,218	NM	1.4	0.0	-56.8

Source: Company Data. Compiled by Strategy Advisors

Figure 11. Quarterly Performance Trends

(¥ mn)	3/23				3/24				3/25
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Technology Consulting									
Sales	942	904	935	944	1,004	1,127	1,051	1,113	1,151
YoY	25.6%	16.2%	15.6%	4.4%	6.6%	24.7%	12.4%	17.9%	14.6%
Operating profit	155	61	96	134	111	122	57	130	134
YoY	52.0%	-36.5%	-12.7%	-28.3%	-28.4%	100.0%	-40.6%	-3.0%	20.7%
Operating Profit Margin	16.5%	6.7%	10.3%	14.2%	11.1%	10.8%	5.4%	11.7%	11.6%
Medical									
Sales	370	386	373	391	399	399	416	432	417
YoY	0.8%	3.5%	-0.5%	6.0%	7.8%	3.4%	11.5%	10.5%	4.5%
Operating profit	220	223	218	234	231	246	263	270	265
YoY	15.2%	7.2%	-4.4%	6.8%	5.0%	10.3%	20.6%	15.4%	14.7%
OPM	59.5%	57.8%	58.4%	59.8%	57.9%	61.7%	63.2%	62.5%	63.5%
Adjustment	-84	-74	-82	-90	-90	-79	-88	-101	-100
Total									
Sales	1,312	1,290	1,308	1,336	1,404	1,525	1,468	1,545	1,568
YoY	17.5%	12.1%	10.5%	4.9%	7.0%	18.2%	12.2%	15.6%	11.7%
Operating profit	291	210	232	278	253	288	232	299	299
YoY	42.0%	-8.7%	-12.1%	-16.8%	-13.1%	37.1%	0.0%	7.6%	18.2%
OPM	22.2%	16.3%	17.7%	20.8%	18.0%	18.9%	15.8%	19.4%	19.1%
Income Statement									
Sales	1,312	1,290	1,308	1,336	1,404	1,525	1,468	1,545	1,568
Cost of Sales	761	815	815	804	873	939	929	953	958
Gross Profit	551	474	493	532	530	587	539	592	609
Gross Profit Margin	42.0%	36.7%	37.7%	39.8%	37.7%	38.5%	36.7%	38.3%	38.8%
SG&A Expenses	259	265	260	255	277	299	307	293	310
SG&A Expenses over Sales	19.7%	20.5%	19.9%	19.1%	19.7%	19.6%	20.9%	19.0%	19.8%
Operating profit	291	210	232	278	253	288	232	299	299
Operating Profit Margin	22.2%	16.3%	17.7%	20.8%	18.0%	18.9%	15.8%	19.4%	19.1%
Non-Operating Income	-25	18	19	-20	-73	-1	17	-80	-2
Interest and Dividend Income	-3	-3	-4	-2	-3	-3	-3	-3	-4
Equity in Earnings of Affiliates	2	2	2	1	1	1	2	-1	1
Foreign Exchange Gain/Loss	-44	19	19	-13	-64	-1	20	-47	0
Others	20	0	2	-6	-7	2	-1	-30	1
Recurring profit	266	228	252	258	180	286	251	218	296
Recurring Profit Margin	20.3%	17.7%	19.3%	19.3%	12.8%	18.8%	17.1%	14.1%	18.9%
Extraordinary Income/Loss	0	0	-106	28	0	0	0	-17	0
Pretax Profit	266	228	146	285	180	286	251	201	296
Corporate Taxes etc.	73	84	69	125	74	92	89	137	97
(Corporate Tax Rate)	27.4%	36.8%	47.3%	43.9%	41.1%	32.2%	35.6%	67.9%	32.8%
Net Profit	192	145	76	160	105	195	161	65	199
Net Profit Margin	14.6%	11.2%	5.8%	12.0%	7.5%	12.8%	11.0%	4.2%	12.7%

Source: Company Data. Compiled by Strategy Advisors

Figure 12. Income Statement

(¥mn)	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25CoE
Sales	3,208	3,555	4,038	4,198	4,726	5,246	5,942	6,700
Cost of Sales	1,919	1,999	2,317	2,375	2,722	3,195	3,694	
Gross Profit	1,289	1,555	1,720	1,822	2,003	2,050	2,248	
GPM	40.2%	43.7%	42.6%	43.4%	42.4%	39.1%	37.8%	
SG&A Expenses	966	991	1,012	903	970	1,039	1,176	
Operating profit	322	564	707	919	1,033	1,011	1,072	1,500
Operating Profit Margin	10.0%	15.9%	17.5%	21.9%	21.9%	19.3%	18.0%	22.4%
Non-Operating Income	63	40	30	18	56	34	10	
Interest and Dividend Income	1	0	1	0	38	1	4	
Equity in Earnings of Affiliates	16	19	19	10	0	7	3	
Profit on Foreign Exchange	28	0	0	0	0	0	0	
Other	18	21	10	8	18	26	3	
Non-Operating Expenses	29	13	22	61	34	42	147	
Interest Expense and Discount	1	1	13	9	7	13	16	
Foreign Exchange Loss	0	11	4	45	26	19	92	
Other	28	1	5	7	1	10	39	
Recurring profit	355	591	715	877	1,055	1,004	935	1,518
Recurring Profit Margin	11.1%	16.6%	17.7%	20.9%	22.3%	19.1%	15.7%	22.7%
Extraordinary Income	0	0	0	0	0	28	0	
Extraordinary Loss	0	1	113	0	15	106	17	
Pretax Profit	355	590	602	877	1,039	925	918	
Corporate Taxes	142	211	203	228	302	261	396	
Income Taxes-Deferred	0	9	-134	25	-95	89	-4	
Total Income Taxes	142	221	68	253	207	351	392	
(Corporate Tax Rate)	40.0%	37.5%	11.3%	28.8%	19.9%	37.9%	42.7%	
Net Profit	212	368	533	623	832	573	526	1,000
Net Profit Margin	6.6%	10.4%	13.2%	14.8%	17.6%	10.9%	8.9%	14.9%
EPS (¥)	19.1	32.6	46.1	53.2	70.4	48.7	44.7	83.0
Investment	90	55	178	85	282	70	283	
Depreciation and Amortization	78	106	134	148	113	156	176	
Cash Flow	290	474	667	771	945	729	702	
CFPS (¥)	26	42	57.7	65.8	79.9	61.8	59.7	
ROE	17.8%	24.7%	27.3%	27.3%	24.2%	14.5%	12.0%	
ROIC	31.0%	NM	82.7%	83.1%	86.1%	56.4%	47.9%	
Dividend (¥)	0	5	5	7	9	11	13	
Average No. of Shares (mn shares)	11.2	11.3	11.6	11.7	11.8	11.8	11.8	
No. of Shares at End (mn shares)	11.3	11.5	11.7	11.8	11.8	11.7	11.9	

Source: Company Data. Compiled by Strategy Advisors

Figure 13. Balance Sheet

(¥ mn)	3/18	3/19	3/20	3/21	3/22	3/23	3/24
Current assets	2,048	2,532	3,128	3,793	4,509	4,838	5,660
Cash	1,210	1,637	1,976	2,808	3,377	3,671	4,026
Notes and Accounts Receivable	504	553	667	655	938	876	1,289
Inventory	22	22	43	15	1	0	0
Other	319	323	446	319	206	312	363
Allowance for Doubtful Accounts	-7	-3	-4	-4	-13	-21	-18
Fixed assets	438	561	668	647	1,114	1,037	1,223
Property, Plant and Equipment	79	72	65	60	53	58	140
Intangible Fixed Assets	122	79	132	81	260	168	213
Software	58	79	48	17	2	20	13
Other	64	0	84	64	258	148	200
Investments and Other	236	409	470	504	800	731	870
Investments in Securities	3	152	68	85	287	269	421
Shares of Subsidiaries and Affiliates	41	58	62	71	63	63	62
Deferred Tax Asset	93	117	268	274	375	302	298
Other	99	82	72	74	75	97	89
Total Assets	2,487	3,093	3,797	4,440	5,624	5,797	6,883
Current Liabilities	1,031	1,210	1,370	1,239	1,464	1,336	1,725
Accounts Payable	57	39	77	68	74	56	121
Interest-Bearing Debt	69	120	182	139	190	183	213
Income Taxes Payable	58	82	67	76	129	78	240
Allowance for Bonuses	153	46	49	48	50	54	56
Other	694	923	995	908	1,021	965	1,095
Fixed Liabilities	162	192	208	258	347	370	438
Interest-Bearing Debt	35	15	18	18	137	61	75
Liabilities for Retirement Benefits	47	75	61	80	32	108	163
Deferred Tax Liabilities	71	94	121	152	169	183	180
Other	9	8	8	8	9	18	20
Net Assets	1,293	1,690	2,217	2,942	3,812	4,090	4,719
Capital Stock	1,434	1,830	2,341	2,985	3,727	3,946	4,423
Capital & Surplus	1,324	1,353	1,388	1,466	1,481	1,503	1,584
Retained Earnings	108	477	953	1,518	2,270	2,737	3,134
Treasury Stock	0	0	0	0	-25	-295	-295
Accumulated Other Comprehensive income	-140	-140	-124	-43	85	144	272
Subscription Warrant	0	0	0	0	0	0	23
Noncontrolling Interest	0	0	0	0	0	0	0
Total Assets	2,487	3,093	3,797	4,440	5,624	5,797	6,883
Interest-Bearing Debt	104	135	200	157	327	244	288
Capital Adequacy Ratio	52.0%	54.6%	58.4%	66.3%	67.8%	70.6%	68.2%
D/E Ratio	0.08	0.08	0.09	0.05	0.09	0.06	0.06

Source: Company Data. Compiled by Strategy Advisors

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