

Transaction Media Networks | 5258 (TSE Growth)

Company Report

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FY3/2025 Q1 Results are Within Expectation. Future Growth Driven by Updating the DC for Growth in Electronic Payment Market & Diverse Data

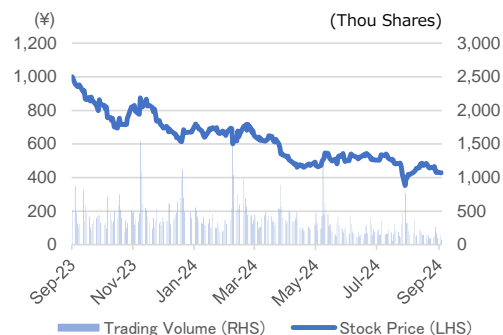
In Q1 FY3/2025 (non-consolidated basis), sales grew 2.1% YoY to ¥2.354 billion and operating profit was -¥61 million (¥169 million in Q1 FY3/2025). In FY3/2024, consolidated accounting recognized the M&A deal, WebSpace Co., Ltd and TMN will incorporate the company into their P/L from Q1 of FY3/2025. In Q1 FY03/2025, net sales were ¥2.732 billion and operating income was -¥57 million.

The company's sales and profits tend to increase in the second half of the year. Development sales will increase in Q4, when acceptance inspections tend to be concentrated. As for terminal sales, the company expects a large-scale rollout of its proprietary terminals in Q3 and beyond. In addition, the number of connecting terminals is steadily increasing at a pace of 10,000 units per month. Thus, stock income tends to increase toward the end of the fiscal year. The company's Q1 progress in terms of sales is 20%, but in line with the company's expectations.

On the other hand, the data center relocation that has been underway since the previous fiscal year is expected to result in a one-time expense of ¥627 million for the current fiscal year, but only ¥109 million was recorded in Q1 which is about 17.4% of the current fiscal year's forecast. The remaining ¥518 million is expected to be recorded from Q2 onward. The relocation of this data center will provide the stability and security necessary for an electronic payment infrastructure provider. It will enable an increase in the volume and type of data, allowing it to handle various types of purchase data other than payment data. This positions the company well with its growth strategy, based of expanding the payment area and fully entering the Transaction Platform Services field.

TMN's EV/EBITDA multiple for FY3/2025 is 2.0x and is significantly undervalued relative to peer companies. Based on FY9/2024 company estimates, GMO FG (TSE G 4051) is 31.9x, and GMO PG (TSE P 3769) is 20.3x. Steady long-term growth in the electronic payment business has barely been factored in the current share price.

Stock Price and Volume



Source: Strategy Advisors

Key Indicators

Stock Price (9/10/24)	429
YTD High (2/28/24)	743
YTD Low (8/5/24)	345
10-Year High (7/4/23)	1,978
10-Year Low (8/5/24)	345
Shares on Issue (mn)	37.0
Market Capitalization (¥ bn)	15.9
EV (¥ bn)	4.4
Equity Ratio (3/24 Actual, %)	42.4
PER (3/25 CoE, Times)	63.0
PBR (3/24 Actual, Times)	1.4
Yield (3/25 CoE, %)	0.0

Source: Strategy Advisors

Japanese GAAP -

FY Period	Sales (¥ mn)	YoY (%)	OP (¥ mn)	YoY (%)	RP (¥ mn)	YoY (%)	NP (¥ mn)	YoY (%)	EPS (Yen)	DPS (Yen)
3/2024 Q1	2,305	36.3	169	201.8	162	189.3	161	192.7	4.37	0.0
3/2025 Q1	2,732	-	-57	-	-59	-	-71	-	-1.92	0.0
3/2021	6,451	-21	155	-90.6	159	-90.4	99	-91.1	3.1	0.0
3/2022	7,139	11	711	358.7	712	347.8	-386	-489.9	-12.2	0.0
3/2023	7,831	9.7	560	-21.2	535	-24.9	673	-274.4	21.2	0.0
3/2024	10,370	32.4	829	48.1	818	52.8	637	-5.2	15.85	0.0
3/2025 CoE	13,645	31.6	312	-59.7	286	-62.6	235	-59.7	6.38	0.0
3/2026 CoE	16,109	18.1	2,075	565.1	2,053	617.8	1,508	541.7	40.83	NA

Source: Strategy Advisors. Based on Company Data

1. Summary of FY3/2025 Q1 Results

Sales on a Non-Consolidated Basis Increased, Driven by Steadily Accumulating Stock Revenue

In Q1 FY3/2025, sales on a non-consolidated basis increased 2.1% YoY to ¥2.354 billion. Stock revenue, consisting of Gateway Service Fees, Registration Fees and QR/barcode Settlement Fees, rose 18.1% YoY to ¥1.930 billion due to steady accumulation. On the other hand, flow revenue, consisting of Terminal Sales, Development Sales and other sales, declined 37.0% YoY to ¥423 million as the rate of progress stalled.

The P/L of WebSpace, which became a wholly owned subsidiary from FY3/2025, was included in the consolidated accounting, resulting in sales of ¥2.732 billion and operating profit of -¥57 million on a consolidated basis.

Stock Revenues are Accumulating Steadily

Sales in Q1 of FY3/2025 by each business model Figure 2 as shown in the Figure 2 below. In terms of stock revenue, Gateway Service Fees, a fixed subscription fee that mainly provides e-cash and credit card settlement services, rose 9.3% YoY to ¥1.129 billion, Registration fees, which are incurred when registering with TMN Gateway, declined 5.8% YoY to ¥130 million and QR/barcode settlement fees, which are a pay-per-use type of fee that is proportional to the settlement amount, was ¥669 million, up 45.1% YoY.

Expect No Impact on Full-Year Results, Although Flow Revenues were Held Back by One-Time Factors

Flow revenues were as follows: Development sales, mainly from system customization for connecting gateways to merchants, were ¥90 million, down 51.9% YoY; Terminal Sales were ¥245 million, down 39.1% YoY; and other sales related to the Transaction Platform Services, such as nextore, which is expected to grow in the future, were ¥87 million, up 7.4% YoY.

As for Development Sales, some sales that were scheduled to be recorded in Q1 were postponed to Q2, resulting in a month-long delay in development projects. As for Terminal Sales, there was a hold-back on purchases prior to the rollout of the next payment terminal, which is expected to be announced by the end of this fiscal year. All of these factors are considered to be temporary and are not expected to affect full-year results.

Non-Consolidated Gross Profit Decreased Mainly Due to a One-Time Factor in Flow Income

Gross profit on a non-consolidated basis was ¥653 million, down 17.2% YoY. The decline was due to the postponement of Development Sales until the end of the month and temporary factors such as the reluctance to purchase its proprietary terminals, and is not expected to affect full-year results.

Operating Income and Below Were in the Red Due to One-Time Expenses Related to the DC Relocation

On a non-consolidated basis, the operating loss was -¥61 million, recurring loss was -¥66 million and net loss was -¥69 million. In the same period of the previous year, they were ¥169 million, ¥162 million and ¥161 million, respectively. In addition to the decline in gross profit, the company incurred a one-time DC relocation cost of ¥109 million. Excluding DC relocation expenses, non-consolidated operating income was ¥48 million, down 71.6% YoY, and recurring income was ¥43 million, down 73.5% YoY. EBITDA, defined as recurring profit + depreciation and amortization + interest expenses, was ¥350 million, down 36.6% YoY.

The operating loss on a consolidated basis was -¥57 million and recurring loss

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was -¥59 million. Similarly, operating income on a consolidated basis excluding one-time DC relocation expenses was ¥52 million and recurring income was ¥50 million and EBITDA was ¥398 million.

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Figure 1. Quarterly Business Performance Trends (Non-Consolidated) (¥ MN)

FY	3/2023				3/2024				3/2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total sales	1,691	1,932	1,919	2,287	2,305	2,304	2,917	2,842	2,354
(YoY)	NA	NA	NA	NA	36.31%	19.25%	52.01%	24.27%	2.13%
Development Sales	130	171	138	195	187	132	135	406	90
(YoY)	NA	NA	NA	NA	43.85%	-22.81%	-2.17%	108.21%	-51.87%
Terminal Sales	238	363	266	492	402	361	489	476	245
(YoY)	NA	NA	NA	NA	68.91%	-0.55%	83.83%	-3.25%	-39.05%
Registration Fee	179	168	156	142	138	140	133	124	130
(YoY)	NA	NA	NA	NA	-22.91%	-16.67%	-14.74%	-12.68%	-5.80%
Gateway Service Fees	932	938	967	983	1,033	1,059	1,085	1,105	1,129
(YoY)	NA	NA	NA	NA	10.84%	12.90%	12.20%	12.41%	9.29%
QR/barcode Settlement Charge	167	229	338	412	461	527	609	633	669
(YoY)	NA	NA	NA	NA	176.05%	130.13%	80.18%	53.64%	45.12%
Other	42	60	52	61	81	82	463	95	87
(YoY)	NA	NA	NA	NA	92.86%	36.67%	790.38%	55.74%	7.41%
Gross profit	494	667	624	775	789	763	790	977	653
(Gross profit margin)	29.21%	34.52%	32.52%	33.89%	34.23%	33.12%	27.08%	34.38%	-17.24%
Selling, general and administrative expenses	437	477	476	611	620	595	611	665	714
Operating Profit	56	190	148	164	169	168	179	311	-61
(YoY)	NA	NA	NA	NA	201.79%	-11.58%	20.95%	89.63%	-
(Operating profit margin)	3.31%	9.83%	7.71%	7.17%	7.33%	7.29%	6.14%	10.94%	-2.59%
Non-operating income (loss)	0	1	1	-27	-7	1	1	-6	-5
Recurring Profit	56	191	149	137	162	169	180	305	-66
(YoY)	NA	NA	NA	NA	189.29%	-11.52%	20.81%	122.63%	-
(Recurring profit margin)	3.31%	9.89%	7.76%	5.99%	7.03%	7.34%	6.17%	10.73%	-2.80%
Net income	55	181	152	283	161	157	162	156	-69
EBITDA	464	602	534	537	552	565	583	739	350
Number of connecting terminals (ten thousands)	NA	NA	NA	83	87	90	93	96	99
Payment Processing Amount (GMV) (¥ bn)	858	885	1,010	973	1,065	1,110	1,195	1,230	1,100
Number of transactions (millions)	480	490	510	500	560	600	600	640	600

Source: Company Data

2. Earnings Forecast

Achievement on Sales is 20.0%, But In-Line with Expectations

Sales are expected to be ¥2.732 billion, 20.0% of the ¥13.645 billion forecast for FY3/2025. Although sales appear to have stalled somewhat, stock income (23.5%) and flow income (10.7%) tend to be weighted toward the second half of the fiscal year, so sales are expected to be in line with the forecast.

As shown in Figure 3, stock revenue, which accounts for about 70% of sales, has been steadily increasing, driven by the growth in the number of connected terminals. The number of connected terminals has been increasing at a pace of 10,000 per month since Q4 of FY3/2023, and since this trend is expected to continue, stock income in each quarter is expected to increase toward the end of this FY.

In FY3/2025, Terminal Sales are expected to increase in the second half of the year, as the company expects a large-scale rollout of the next generation of its proprietary payment terminals from Q3 onward.

Expect Growth in Transaction Platform Services in Q2 & Beyond

Figure 2. In Q1 FY3/2025, the company posted sales of ¥87 million on a non-consolidated basis, 9.2% of the full-year FY3/2025 forecast of ¥949 million, as it recorded sales from its Transaction Platform Services in the Others (nextore, etc.) section of its flow income in FY3/2025. In this fiscal year, the company expects sales mainly from nextore terminal sales and house prepaid sales and expects to see a turnaround from Q2 onward.

In addition, the introduction of cloud POS to major retailer, announced in the FY3/2024 financial results announcement is expected to contribute mainly to FY3/2026, although some are expected to be recorded in FY3/2025.

82.6% of DC Relocation Costs Expected for FY3/2025 Will be Recorded from Q2 onwards. But Profits will Increase Compared to Q1 Due to the Expansion of Terminal Sales

Of the ¥627 million in one-time expenses for the data center relocation that has been underway since the previous fiscal year, only ¥109 million or about 17.4% of the forecast will be recorded in Q1, with the remaining ¥518 million to be recorded in Q2 and beyond. However, development projects that are expected to be concentrated in Q4 and the expansion of Terminal Sales expected from Q2 onward are expected to cover the increase in DC relocation costs, resulting in an increase in profit compared to Q1. Terminal Sales are expected to contribute to profits due to expected sales of proprietary payment terminals.

Progress in Both Sales & Profit is In-Line with Expectations. There is No Change to the Full-Year Forecast for 3/2025

Although there may be some uncertainties, the company's full-year forecasts for FY3/2025 are generally in line with expectations at this point: net sales of ¥13.645 billion, operating profit of ¥312 million, recurring profit of ¥286 million, net profit of ¥235 million and EBITDA (recurring profit + depreciation and amortization + interest expenses) of ¥2.526 billion. There is no change in the Q1 results announcement.

No Change in Full-Year Target for FY3/2026

TMN disclosed its full-year targets for FY3/2026 in FY3/2024 financial results announcement. The company is targeting an operating profit of ¥2.075 billion a 121.0% increase from its full-year FY3/2025 forecast of ¥939 million, excluding one-time expenses related to the DC relocation. The main reason for this is large prospective projects; and although it depends on future trends, the

Intends to Increase Pay-Per-Use Contracts for e-cash in Addition to Credit Cards

pipeline will gradually become clearer.

About ¥79 million or about 7% of the ¥1.129 billion in Gateway Service Fees, which are mainly fixed subscription contracts, are revenues generated by pay-per-use contracts related to e-cash. The company intends to promote pay-per-use contracts not only for QR/barcode Settlement Charge, which are predominantly pay-per-use, but also for credit card and e-cash settlements, and further growth in stock income is expected.

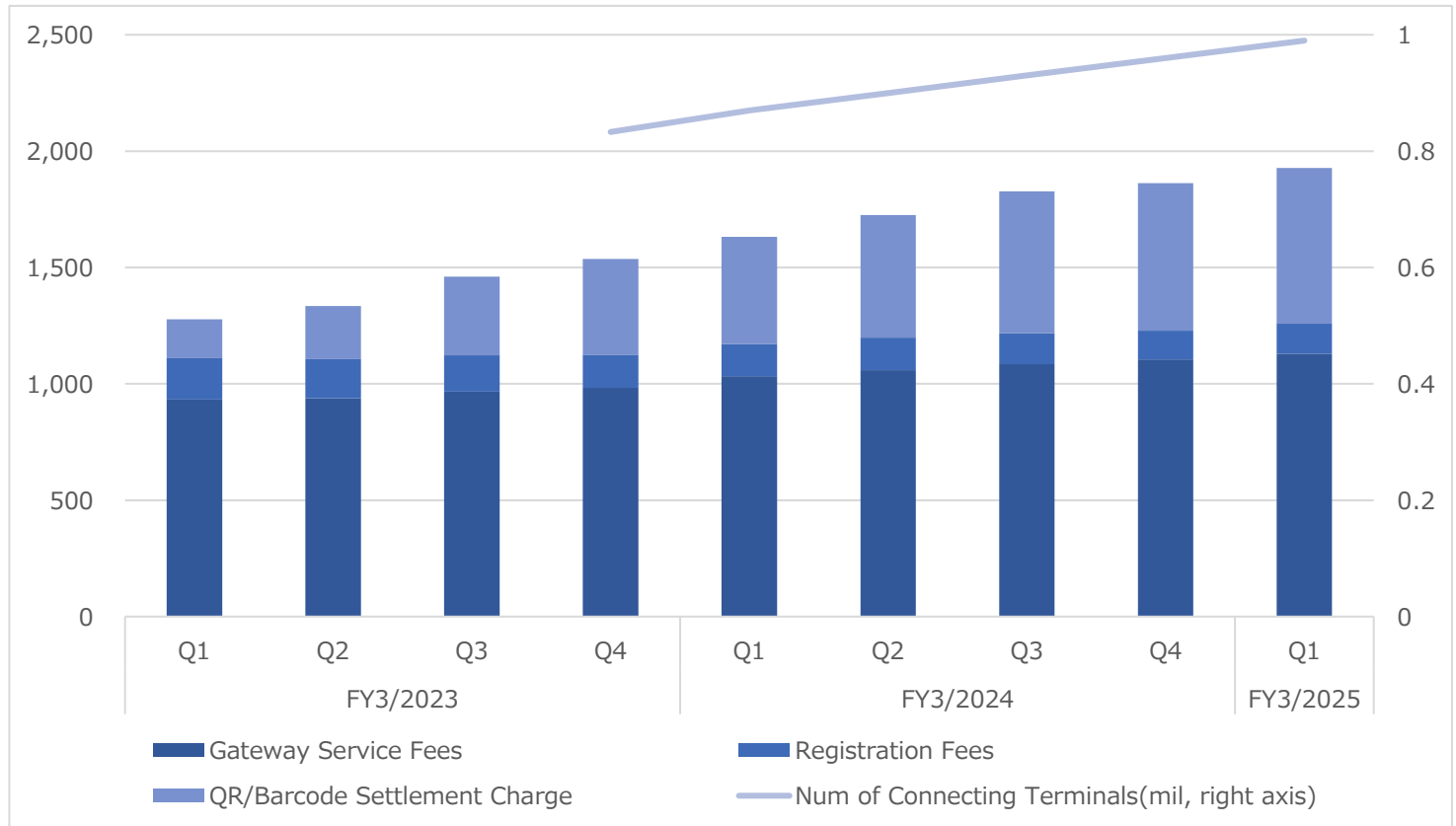
Figure 2. Breakdown of Net Sales (Consolidated) & Achievements
(¥ MN)

	FY3/2025 1Q	FY3/2025 Forecast	Achievement
Net Sales (Consolidated)	2,732	13,645	20.0%
Stock Revenue	1,930	8,209	23.5%
Gateway Service Fees	1,129	4,684	24.1%
QR/Barcode Settlement Charge	669	3,021	22.2%
Registration Fees	130	505	25.9%
Flow Revenue	423	3,956	10.7%
Terminal Sales	245	2,358	10.4%
Development Sales	90	648	13.9%
Others (nextore and others)	87	949	9.2%
WebSpace	377	1,480	25.5%
Gross Profit	841	NA	NA
Operating Profit	-57	312	NA
Recurring Profit	-59	286	NA
Net Profit	-71	235	NA
EBITDA	398	2,526	15.8%

Source: Strategy Advisors. Based on Company Data

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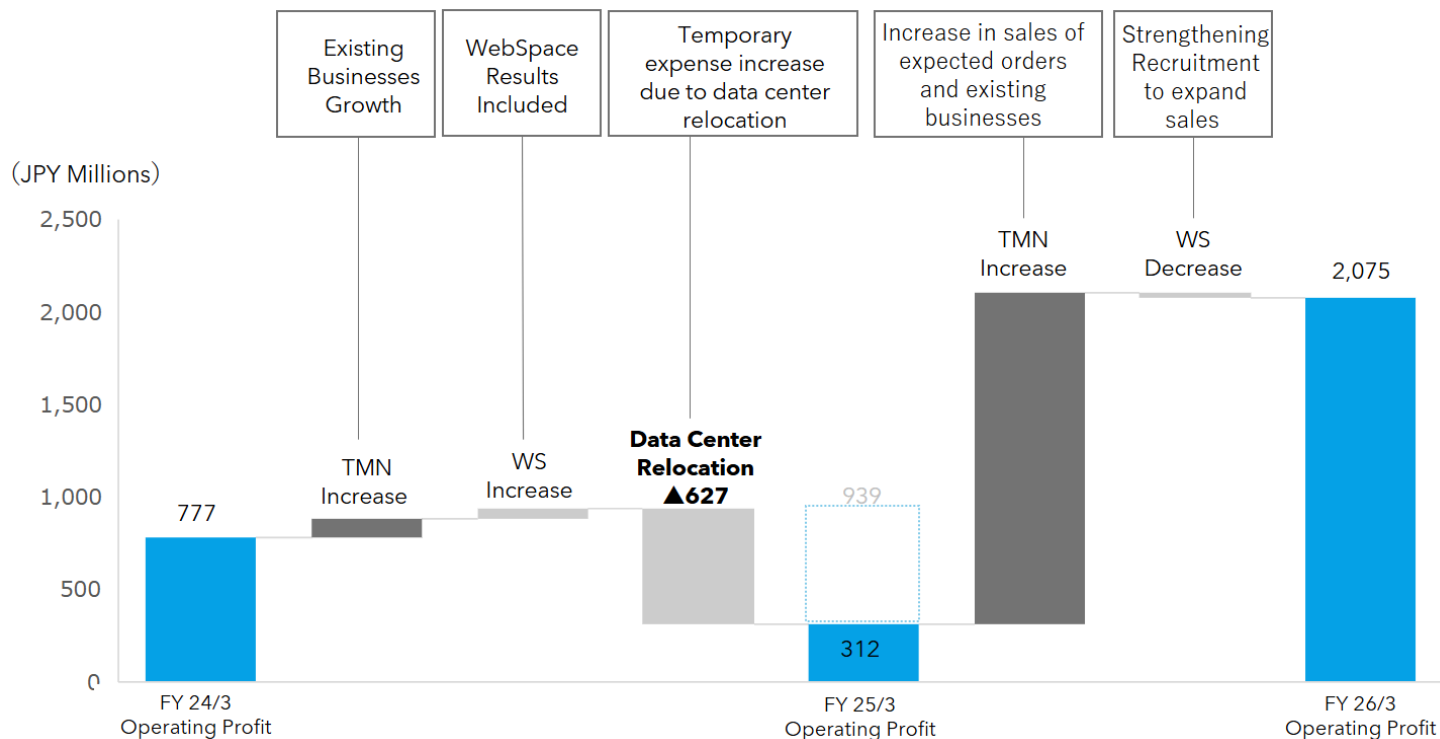
Figure 3. Stock Revenue and Number of Connected Terminals (¥ MN)



Source: Strategy Advisors. Based on Company Data

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Figure 4. Change in Operating Income Through till FY2026/3 (¥ MN)



Source: Strategy Advisors. Based on Company Data

3. Valuation

Market Expectations are to Achieve Long-Term Goals

On May 14, 2024, TMN announced its financial results for the full year ending March 31, 2024, disclosing company forecasts of operating profit of ¥312 million, down 59.7% and net profit of ¥235 million, down 59.7%. Although this was expected to put downward pressure on the stock price, the stock price has maintained or even increased, rising 9.0% from the date of the financial announcement of FY3/2024 on May 20, 2024. On August 13, 2024, the company announced financial results for Q1 of FY3/2025, reporting an operating loss of -¥57 million and a net loss of -¥71 million, but on August 21, the stock was up 12.5% from the date of the earnings announcement and has not underperformed TOPIX.

This may be an indication of the market's expectations, as the company disclosed its full-year earnings announcement for FY3/2024, including its forecast for a sharp decline in profits for FY3/2025 and its target for record profits for FY3/2026, as well as its aspirations for 2030 and its sales target of ¥100 billion. At the same time, although the company recorded a loss in Q1, it was not below the market's expectations.

Continues to Remain at a Lower Valuation than its Peers , Just in Terms of the Electronic Payment Business Alone

While it is difficult to take into account the expected cash flow of the Transaction Platform Services even at this point, the electronic payment business alone continues to be left undervalued compared to its peers. Based on the company's FY3/2025 EPS forecast of ¥6.4 per share at the closing price of ¥429 on September 10, 2024, the PER is 67.2x. However, excluding the impact of one-time expenses (expected) related to the data center relocation, the PER is 22.1x for EPS of ¥19.4. GMO FG and GMO PG's P/E ratios for FY9/2025 are 70.6x and 43.6x for EPS of ¥103.41 and ¥204.68, respectively.

TMN's EV/EBITDA Multiple is One-Third that of Peers

However, since net profit attributable to the parent company, which is the basis for EPS, is affected by depreciation expenses for development investments, etc., it is better to compare them using EBITDA, which is also a KPI for TMN. TMN's EBITDA forecast for FY2025 and target for FY2026 are ¥2.526 billion and ¥5.03 billion, respectively. GMO FG and GMO PG do not have forecasted EBITDA, In Figure 7. , we calculated EBITDA (recurring profit + depreciation and amortization of goodwill + interest expense) using depreciation and amortization of goodwill and interest expense for the past 12 months as of June 20th and the company's forecast for recurring profit; and then calculated the EV/EBITDA multiple using EV (market capitalization + interest-bearing debt - cash and deposits) as of end-June 2024. TMN is left extremely low at 2.0x, compared to GMO FG's 31.6x and GMO PG's 20.6x. We believe that the growth potential of the electronic payment business, which is expected to grow steadily and at a high rate over the next five years or so, has not been factored in at all.

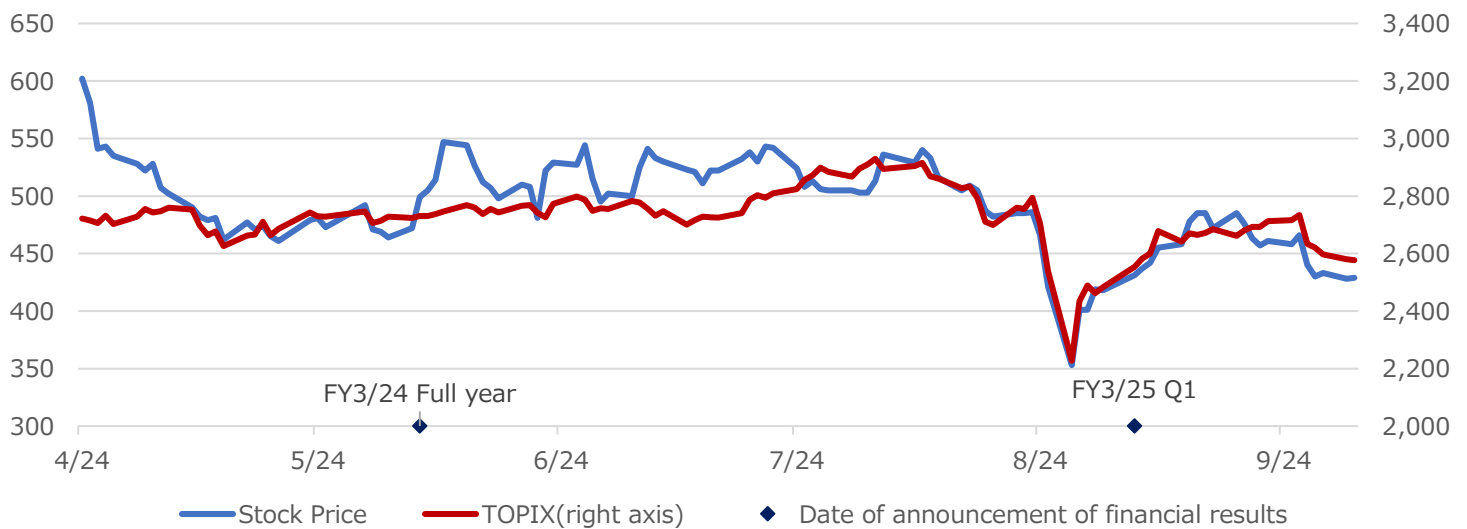
As shown in Figure 7. , GMO FG and GMO PG's historical EV/EBITDA multiples have declined since 2022. Nevertheless, GMO FG and GMO PG are still valued at EV/EBITDA multiples above 20x since that time.

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Focus on Further Expansion of Cloud POS

The timing of the announcement of the large-scale introduction of the cloud POS system is likely to be the focus of attention in the stock market in the near future. At the FY3/2024 financial results meeting, it was mentioned that the company plans to introduce 5,000 units in a phased manner. This will not only mark the full-scale launch of the cloud POS business, but will also spread to other Transaction Platform Services, such as Data Hub, which stores POS data and expectations for further growth through the expansion of the Transaction Platform Services are high.

Figure 5. TMN's Share Price and TOPIX in FY3/2025



Source: Prepared by Strategy Advisors

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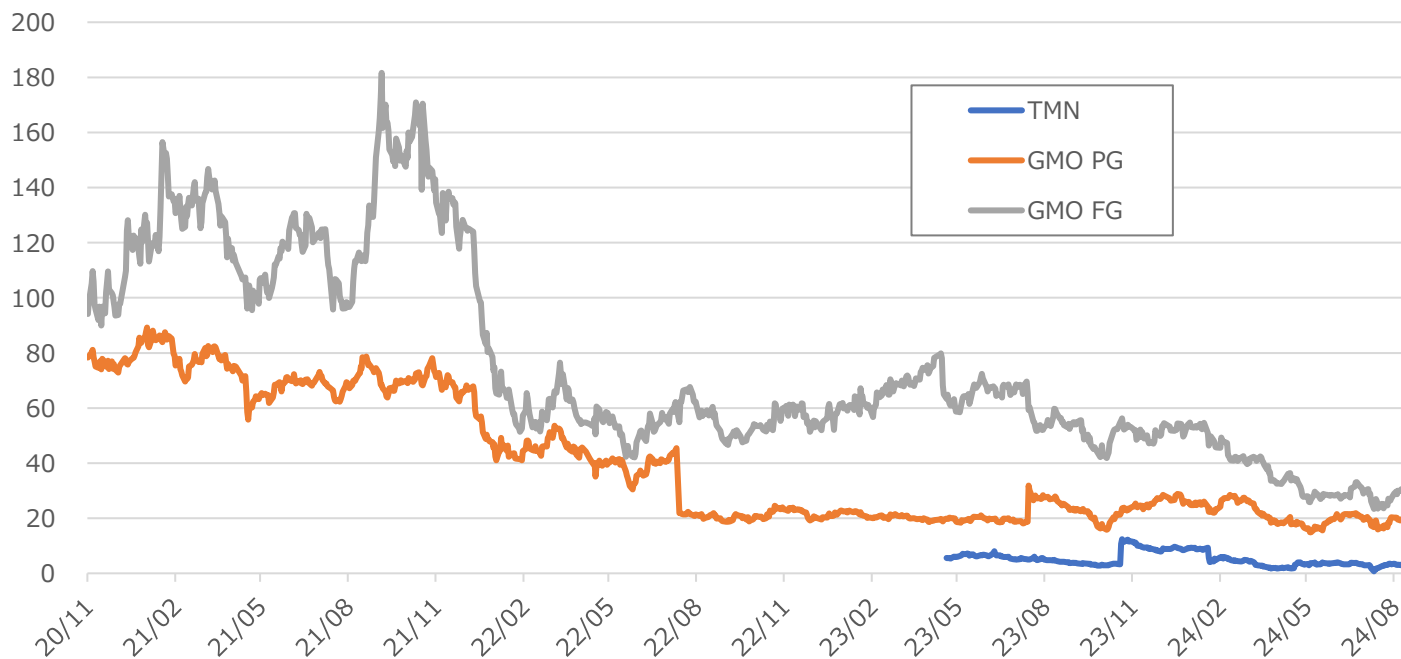
Figure 6. Comparison of Valuations with Peers

	Transaction Media Networks	GMO Payment Gateway	GMO Financial Gate	block (Square)	Adyen	block (Square)	Adyen
	Yen Equivalent base						
	1\$=161.07¥ 1€=172.33¥						
FY	LTM	LTM	LTM	LTM	LTM	LTM	LTM
Market capitalization (¥mn)	20,027	671,481	55,413	6,415,437	5,957,819	52,191 \$ mn	48,660 € mn
EV(2024/6)	8,582	584,076	52,897	5,940,719	4,580,031	49,244 \$ mn	40,665 € mn
EBITDA (¥mn)	2,237	26,900	1,824	190,107	151,360	2,129 \$ mn	786 € mn
Net income (¥mn)	406	17,209	993	109,652	142,304	499 \$ mn	698 € mn
EV/EBITDA	3.8	21.7	29.0	31.2	30.3	23.1	51.7
PER	49.3	39.0	55.8	58.5	41.9	104.7	69.7
EPS (CoE)	6.4	204.7	103.4	554.7	4,872.9	3.4	28.3

* Forecasts for TMN, GMO PG, and GMO FG are based on company estimates, while those for Block and Adyen are based on the Fact Set consensus estimates.

Source: Prepared by Strategy Advisors

Figure 7. Comparison of Valuations with Peers (EV/EBITDA)



Source: Prepared by Strategy Advisors

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Figure 8. Statement of Income (¥ MN)

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24 (Non-consolidated)	3/24 (Consolidated)	3/25 CoE	3/26 CoE
Total Revenue	4,068	4,977	8,169	6,451	7,139	7,831	10,370	10,370	13,645	16,109
(YoY)	NA	22.35%	64.14%	-21.03%	10.67%	9.69%	32.42%	-	31.58%	18.06%
Development Sales	1,470	1,235	1,116	820	897	636	861	861	648	780
(YoY)	NA	-15.99%	-9.64%	-26.52	9.39%	-29.10%	35.38%	-	-24.74%	20.37%
Terminal Sales	1,077	1,574	3,266	1,459	1,364	1,360	1,730	1,730	2,358	1,997
(YoY)	NA	46.15%	107.50%	-55.33%	-6.51%	-0.29	27.21%	-	36.30%	-15.31%
Registration Fees	268	473	1,209	631	728	647	537	537	505	599
(YoY)	NA	76.49%	155.60%	-47.81%	15.37%	-11.13%	-17.00%	-	-5.96%	18.61%
Gateway Service Fees	1,209	1,608	2,367	3,133	3,496	3,822	4,285	4,285	4,684	5,209
(YoY)	NA	33.00%	47.20%	32.36%	11.59%	9.32%	12.11%	-	9.31%	11.21%
QR/Barcode Settlement Charge	0	0	22	188	486	1,147	2,231	2,231	3,021	4,052
(YoY)	NA	#DIV/0!	#DIV/0!	754.55%	158.51%	136.01%	94.51%	-	35.41%	34.13%
Other	41	85	188	216	165	216	723	723	949	1,872
(YoY)	NA	107.32%	121.18%	14.89%	-23.61%	30.91%	234.72%	-	31.26%	97.26%
Gross Profit	2,214	2,358	2,862	1,915	2,279	2,562	3,321	3,321		
GPM	54.42%	47.38%	35.03%	29.69%	31.92%	32.72%	32.03%	32.03%		
SGA	1,457	2,063	1,219	1,760	1,568	2,002	2,544	2,544		
Operating Profit	757	295	1,643	154	711	560	829	777	312	2,075
(YoY)	NA	-61.03%	456.95%	-90.63%	361.69%	-21.24%	48.04%	-	-62.36%	565.06%
OPM	18.61%	5.93%	20.11%	2.39%	9.96%	7.15%	7.99%	7.49%	2.29%	12.88%
Non-Operating Income/Loss	-2	-1	5	4	1	-25	-11	-12	-26	-22
Ordinary Income	755	294	1,648	158	712	535	818	765	286	2,053
(YoY)	NA	-61.06%	460.54%	-90.41%	350.63%	-24.86%	52.90%	-	-65.04%	617.83%
Net Profit Margin	18.56%	5.91%	20.17%	2.45%	9.97%	6.83%	7.89%	7.38%	2.10%	12.74%
Extraordinary Income/Loss	NA	NA	NA	0	-1	5				
Profit Before Income Taxes	NA	NA	NA	159	711	540	818	765		
Income Taxes	NA	NA	NA	60	1,097	-132	180	180		
Net Income	728	219	1,110	98	-385	672	637	585	235	1,508
(YoY)	NA	-69.92%	406.85%	-91.17%	-492.86%	-274.55%	-5.21%	-	-63.11%	541.70%

Note: Since the consolidated financial statements are prepared from the third quarter of the fiscal year ending March 31, 2024, comparative analysis with the previous fiscal year is not provided.

Source: Company Data

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Figure 9. Balance Sheet (¥ MN)

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24
Cash and Deposits	1,907	1,583	2,533	2,168	3,419	2,861	13,173
Accounts Receivable				1,110	1,034	1,044	1,345
Inventories				264	549	504	621
Others				507	221	205	1,043
Current Assets				4,049	5,223	4,614	16,182
Construction In Progress				269	14	85	445
Others				699	778	558	1,420
Property, Plant and Equipment				968	792	643	1,865
Goodwill				0	0	0	537
Intangible Assets	2,346	2,457	3,170	4,113	4,001	4,070	6,699
Deferred Tax Asset				129	0	147	120
Investment Securities				0	0	0	286
Investments and Other Assets				511	355	482	784
Total Non-Current Assets	2,808	3,991	4,524	5,592	5,148	5,194	9,348
Total Assets	7,167	7,246	9,322	9,641	10,372	9,808	25,530
Accounts Payable - Trade				53	149	68	206
Accounts Payable - Other				700	390	779	0
Short - Term Debt				1,014	507	5	167
Advances Received				0	2,528	2,009	1,764
Deposits Received					661	1,684	8,735
Others				425	262	189	1,690
Current Liabilities				2,192	4,497	4,734	12,562
Long-Term Debt				15	8	3	1,560
Accrued Pension Cost / Salary Allowance				88	101	115	178
Others				40	0	1	401
Non-Current Liabilities				143	109	119	2,139
Total Liabilities	1,295	1,154	2,119	2,335	4,606	4,852	14,700
Capital	9,812	9,812	9,812	3,053	3,553	3,553	6,151
Capital Surplus	3,100	3,100	2,581	3,053	3,553	708	3,306
Retained Earnings	18,288	19,973	21,021	1,195	-1,345	673	1,258
Shareholders' Equity	25,326	27,070	29,629	7,302	5,761	4,934	10,714
Stock Acquisition Rights	2,254	1,646	123	5	5	22	40
Valuation Difference on Other Securities			0	0	0	76	76
Total Net Assets	5,872	6,092	7,203	7,306	5,766	4,956	10,830

Note: Consolidated financial statements are prepared from the Q3 of FY3/2024.

Source: Company Data

Figure 10. Operating Cash Flow Chart (¥ MN)

FY	3/21	3/22	3/23	3/24
Depreciation	1,206	1,464	1,601	1,615
Loss (Gain) on Valuation of Investment	1	0	0	0
Interest and Dividends Received	0	0	0	0
Interest Payments	-2	-4	0	0
Increase (Decrease) in Deposits Received		298	1,023	1,177
Other Operating Cash Flows	-165	352	180	-2,259
Cash Flows from Operating Activities	1,040	2,110	2,804	533
Purchase of Property, Plant and Equipment	-451	-167	-101	-476
Purchase of Intangible Assets	-1,860	-1,177	-1,277	-2,455
Purchase of Investment Securities	0	0	0	-200
Purchase of Shares of Subsidiaries Resulting in Change in Scope of Consolidation				7,710
Cash Flows from Investing Activities	-2,311	-1,344	-1,377	4,589
Proceeds from Short-Term Borrowings	970	0	0	0
Repayment of Short-Term Debt	0	-500	-500	0
Issuance of Shares	0	1,000	0	5,195
Redemption and Cancellation of Shares	0	0	-1,500	0
Other Financing Cash Flows	-64	-14	15	-5
Cash Flows from Financing Activities	906	486	-1,985	5,190
Free Cash Flow	-1,271	766	1,427	5,122

Source: Company Data

Transaction Media Networks | 5258 (TSE Growth)

Figure 11. Stock Indicators, ROE & KPI's

FY	3/19	3/20	3/21	3/22	3/23	3/24	3/25 CoE	3/26 CoE
EPS (¥)	3,493	17,632	3.13	-12.23	21.19	15.85	6.38	40.83
BPS (¥)	96,731	114,362	232	179	160	292	293	NA
Dividend Per Share (¥)	NA	NA	0	0	0	0	0	NA
Dividend Payout Ratio	NA	NA	0.00%	0.00%	0.00%	0.00%	0.00%	NA
Closing Price (¥)	NA	NA	NA	NA	NA	628	429	429
PER (Times)	NA	NA	NA	NA	NA	39.6	67.2	10.5
PBR (Times)	NA	NA	NA	NA	NA	2.1	1.5	NA
Shares Issued & O/standing (TN)	63.0	63.0	NA	NA	NA	36,937	36,992	NA
Number Of Treasury Stock	NA	NA	NA	NA	NA	0	0	NA
Number Of Shares of Treasury	NA	NA	NA	NA	NA	36,937	36,992	NA
Stock Excluded ('000 Shares)	NA	NA	NA	NA	NA	36,937	36,992	NA
Market Capitalization (¥ MN)	NA	NA	NA	NA	NA	23,196	15,869	NA
Shareholders' Equity Ratio	84.1%	77.3%	75.73%	55.54%	50.30%	41.97%	41.97%	NA
Interest-Bearing Debt	NA	NA	1,029	515	8	1,728	1,728	NA
D/E Ratio	NA	NA	0.14	0.09	0.00	0.16	0.16	NA
EV (Enterprise Value)	NA	NA	NA	NA	NA	11,751	5,054	NA
EBITDA (¥ MN)	1,079	2,667	1,367	2,180	2,137	2,441	2,526	2,526
EV/EBITDA Multiple	NA	NA	NA	NA	NA	4.81	2.00	NA
ROE	3.7%	16.7%	1.35%	-6.69%	13.58%	5.40%		
ROIC (Capital Invested)	NA	NA	1.14%	-6.14%	13.94%	4.75%		
ROIC (Business Assets)	NA	NA	1.45%	-9.93%	15.85%	6.97%		
Number of Employees	217	236	275	249	254	362		
Number of Connected Terminals (10,000)	30	50	59	70	83	96		
Annual Settlement Processing Transaction Value (GMV) (¥ TN)	1.1	1.7	2.6	3.1	3.7	4.6		
Annual Number of Settlements Processed (Billions of Times)	9	12	15	17	20	24		

Note: Stock price indices for FY3/25 (company forecast) and FY2/26 (company target) are based on the closing price on September 10, 2024. Balance sheet items are as of end of June, 2024.

Source: Company Data

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