

Transaction Media Networks | 5258 (TSE Growth)

Company Report

December 16, 2024

FY3/2025 Q2 Results are Within Expectations. TMN Will Build a Stable & Robust Data Center and Become a Data Business Company, Aiming for Sales of ¥100 billion in 2030

For the period FY3/2025 1H (non-consolidated), sales grew 8.5% YoY to ¥5 billion, with operating profit at -¥162 million (¥337 million in FY3/2024 1H). Consolidated accounting began due to the M&A of Webspace in FY3/2024 Q3 and P/L inclusion began in FY3/2025 Q1. In FY3/2025 1H, consolidated sales were ¥5.7 billion and operating profit was -¥183 million.

Progress against the guidance for FY3/2025, is such that stock revenue is 47.7%, progressing as expected, while flow revenue is 27.5%, lagging slightly behind. Development sales, which make up flow revenue, are expected to increase in Q4 at the end of the fiscal year when inspections tend to be concentrated. Similarly, terminal sales have lagged behind due to the announcement of the company's new mobile terminal during this fiscal year and clients refraining from purchasing payment terminal equipment due to the announcement of new payment terminals by other companies. However, we have strong expectations in the second half as orders are expected for full-scale installation at large affiliated stores and other large projects announced in this financial statement.

On the other hand, due to the data center relocation that has been underway since the previous FY, there is the expectation of a one-time expense of ¥627 million for the current fiscal year, but only ¥257 million was recorded in 1H, which is about 41.0% of the current fiscal year's forecast. The remaining ¥370 million is expected to be recorded in the second half. In addition, a failure related to the data center relocation occurred on September 20th and the company is currently reviewing the overall relocation plan; including the accounting period and amount and the results of this review are scheduled to be disclosed in the new year.

TMN's EV/EBITDA multiple based on company forecasts for FY3/2025 is 2.15x. Competitors in the electronic payment gateway industry, based on company forecasts for FY9/2025, are GMO Financial Gate (hereinafter GMO FG) (TSE G 4051) at 32.0x and GMO Payment Gateway (hereinafter GMO PG) (TSE P 3769) at 19.5x. TMN has remained at a significantly low valuation and it appears that the growth potential of the payment business, let alone information processing, has hardly been factored in.

Japanese GAAP

FY Period	Sales (¥ mn)	YoY (%)	OP (¥ mn)	YoY (%)	RP (¥ mn)	YoY (%)	NP (¥ mn)	YoY (%)	EPS (%)	DPS (%)
3/2024 Q2	2,304	19.3	168	-11.6	169	-11.5	157	-13.3	4.6	0.0
3/2025 Q2	3,006	-	-126	-	-130	-	-131	-	-3.5	0.0
3/2024 1H	4,609	27.2	337	36.3	332	33.8	318	34.3	8.6	0.0
3/2025 1H	5,738	-	-183	-	-190	-	-202	-	-5.5	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.

Strategy Advisors Inc.

Hirota Kanachi

Takao Kanai



Stock Price and Volumes



Source: Strategy Advisors

Key Indicators

Stock Price (12/12/24)	440
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)	16.3
EV (¥ bn)	4.8
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

1. Summary of FY3/2025 1H Results

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

In FY3/2025 1H, sales on a non-consolidated basis increased 8.5% YoY to ¥5 billion. Stock income consisting of Gateway Service Fees, registration setup fees and QR/barcode settlement charges, which increased 16.4% YoY to ¥3.9 billion thanks to steady accumulation. On the other hand, flow income consisting of sales of payment terminals, development sales and other sales decreased 13.0% YoY to ¥1.1 billion, with the progress rate also stagnant.

Webpace, which became a wholly owned subsidiary from FY3/2025, has had its P/L included in consolidated accounting, with consolidated sales of ¥5.738 billion and operating profit of -¥183 million.

Stock Revenues are Accumulating Steadily

Sales revenues for FY2025 1H broken down by business model are shown in Figure 1. With regard to stock revenues, Gateway Service Fees, which are fixed subscription fees mainly used for electronic money and credit card payments, were ¥2.275 billion, +8.7% YoY, registration and setup fees incurred when registering with the TMN Gateway were ¥254 million, -9.0% YoY and QR/barcode settlement charge, which are a pay-per-use type of fee that is proportional to the settlement amount, was ¥1.384 billion, +40.0% YoY.

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 ¥198 million, -38.1% YoY, while payment terminal sales were ¥627 million, -17.9%. Other sales, mainly related to the information processing business such as **nextore**, which is expected to grow in the future, were ¥260 million, +59.5%.

Inspections tend to be concentrated in Q4, at the end of the fiscal year. Payment terminal sales were affected by the announcement of the company's own payment terminal to be released next year and the introduction of terminals from other companies, which is thought to have led to a reluctance to purchase.

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 -¥162 million, the ordinary loss was -¥171 million and the net loss was -¥176 million. In the same period of the previous year, the figures were ¥337 million, ¥331 million and ¥318 million, respectively. EBITDA, defined as ordinary profit + depreciation and amortization + interest paid, was ¥687 million, -38.5% YoY.

On a consolidated basis, the operating loss was -¥183 million, the ordinary loss was -¥190 million and EBITDA was ¥753 million.

Even Excluding the Cost of Relocating Data Centers, Performance is Lagging Behind the Same Period Last Year

Excluding the ¥257 million cost of relocating the data center, standalone operating profit was ¥95 million, down 71.8% YoY and ordinary profit was ¥86 million, down 74.0%. Similarly, excluding the one-off cost of relocating the data center, consolidated operating profit was ¥74 million and ordinary profit was ¥68 million.

Figure 1. Breakdown of Net Sales (Consolidated) & Achievements (¥ mn)

	FY3/2025 1H	FY3/2025 Forecast	Achievement
Net Sales (Consolidated)	5,738	13,645	42.1%
Stock Revenue	3,913	8,209	47.7%
Gateway Service Fees	2,275	4,684	48.6%
QR/Barcode Settlement Charge	1,384	3,021	45.8%
Registration Fee	254	505	50.3%
Flow Revenue	1,086	3,956	27.5%
Terminal Sales	627	2,358	26.6%
Development Sales	198	648	30.6%
Others (nextore, etc.)	260	949	27.4%
WebSpace	738	1,480	49.9%
Gross Profit	1,679	NA	NA
Operating Profit	-183	312	NA
Ordinary Profit	-190	286	NA
Net Income	-202	235	NA
EBITDA	753	2,526	29.8%

Source: Strategy Advisors. Based on Company Data.

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Figure 2 Quarterly Performance Trends (Non-Consolidated) (¥ mn)

FY	3/2023				3/2024				3/2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total Sales	1,691	1,932	1,919	2,287	2,305	2,304	2,917	2,842	2,354	2,646
(YoY)	NA	NA	NA	NA	36.31%	19.25%	52.01%	24.27%	2.13%	14.84%
Development Sales	130	171	138	195	187	132	135	406	90	108
(YoY)	NA	NA	NA	NA	43.85%	-22.81%	-2.17%	108.21%	-51.87%	-18.18%
Terminal Sales	238	363	266	492	402	361	489	476	245	381
(YoY)	NA	NA	NA	NA	68.91%	-0.55%	83.83%	-3.25%	-39.05%	5.54%
Registration Fees	179	168	156	142	138	140	133	124	130	123
(YoY)	NA	NA	NA	NA	-22.91%	-16.67%	-14.74%	-12.68%	-5.80%	-12.14%
Gateway Service Fees	932	938	967	983	1,033	1,059	1,085	1,105	1,129	1,146
(YoY)	NA	NA	NA	NA	10.84%	12.90%	12.20%	12.41%	9.29%	8.22%
QR/barcode Settlement Charge	167	229	338	412	461	527	609	633	669	714
(YoY)	NA	NA	NA	NA	176.05%	130.13%	80.18%	53.64%	45.12%	35.48%
Other	42	60	52	61	81	82	463	95	87	172
(YoY)	NA	NA	NA	NA	92.86%	36.67%	790.38%	55.74%	7.41%	109.76%
Gross Profit	494	667	624	775	789	763	790	977	653	669
(Gross Profit Margin)	29.21%	34.52%	32.52%	33.89%	34.23%	33.12%	27.08%	34.38%	-17.24%	-12.32%
SG&A Expenses	437	477	476	611	620	595	611	665	714	770
Operating Profit	56	190	148	164	169	168	179	311	-61	-101
(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%	-3.82%
Non-Operating Income (Loss)	0	1	1	-27	-7	1	1	-6	-5	-4
Ordinary Profit	56	191	149	137	162	169	180	305	-66	-105
(YoY)	NA	NA	NA	NA	189.29%	-11.52%	20.81%	122.63%	-	-
(Ordinary Profit Margin)	3.31%	9.89%	7.76%	5.99%	7.03%	7.34%	6.17%	10.73%	-2.80%	-3.97%
Net Income	55	181	152	283	161	157	162	156	-69	-107
EBITDA	464	602	534	537	552	565	583	739	350	337
Number of Connecting Terminals (10,000)	NA	NA	NA	83	87	90	93	96	99	101
Payment Processing Amount (GMV) (¥ bn)	858	885	1,010	973	1,065	1,110	1,195	1,230	1,100	1,200
Number of Transactions (Millions)	480	490	510	500	560	600	600	640	600	600

Source: Company Data.

2. Earnings Forecast

Achievement on Sales is 42.1%. Stock Revenue, Which Accounts For 80% of Sales is Expected to Continue to Drive Sales in 2H of the Year

Sales are expected to be ¥5.7 billion, 42.1% of the ¥13.6 billion forecast for FY3/2025. Although sales appear to have stalled somewhat, stock income was ¥3.9 billion, 47.7% of the ¥8.2 billion company's forecast.

Stock revenue, which account for approximately Figure 3The number of connected devices in operation has been increasing at a rate of 10,000 per month since Q4 of FY3/2023, and this trend is expected to continue, so stock revenue in each quarter is expected to increase toward the end of the fiscal year.

Steady Progress in Efforts to Increase Pay-Per-Use Contracts

Figure 3, the breakdown of stock revenues shows that Gateway Service Fees of ¥2.3 billion and QR/barcode settlement charge of ¥1.4 billion, which are mainly fixed subscription contracts, account for 42.8% of the revenue generated from pay-per-use contracts.

TMN had previously aimed to expand pay-per-use contracts to generate stock revenue and the proportion of pay-per-use contracts, which was 17.0% as of Q1 FY3/2023, has increased significantly. As a result, the company is making steady progress in transforming its business model to one that will enable it to benefit from the nationwide expansion of the electronic payment market in order to generate stable stock revenue.

Regarding Flow Revenue, We Expect a Recovery in 2H Due to Large-Scale Orders and Seasonality

On the other hand, flow revenue, which accounts for approximately 20% of sales in FY3/2025 1H, is lagging significantly behind, at ¥1.086 billion, a progress rate of 27.5%, compared to the forecast of ¥4.0 billion for FY3/2025.

Development sales, which are part of flow revenue, were ¥198 million, a progress rate of 30.6% against the company's forecast of ¥648 million. Development sales tend to increase in Q4 when inspections by affiliated stores tend to be concentrated, so they are expected to make a comeback in the second half of the year.

Sales of terminals were ¥627 million, a progress rate of only 26.6% against the company's forecast of ¥2.4 billion. This is thought to be due to the announcement of the company's new mobile terminal during this term and the announcement of new payment terminals by other companies, which caused people to refrain from purchasing payment terminal equipment. On the other hand, as announced in the earnings announcement for this term, full-scale introduction of the new payment terminal **UT-X20** will begin in the second half of the year and so a recovery is expected in the second half of this term.

Other products sales (**nextore**, etc.) were ¥260 million, a progress rate of 27.4% compared to the company's forecast of ¥949 million. In addition to the fact that sales of **nextore** devices have been delayed to the 2H of the year, the introduction of the device to Kusuri no Aoki (TSE P 3549) began on September 30 as the first case of the cloud POS business for large-scale businesses, so expectations for the second half are rising.

The Period and Amount of DC Relocation Costs Expected for FY3/2025 Have Been Revised. This is Due to the Time-Frame Moving Out, So that Some of the Relocation Costs May be Recorded in FY3/2026

For this fiscal year, the data center relocation which has been underway since 1H of the year, only ¥257 million or approximately 41.0% of the estimated cost is expected to be recorded in 1H, with the remaining ¥370 million expected to be recorded in 2H or later.

Additionally, there was a failure at the TMN Center on September 20th and also on November 4th. The former was acknowledged to be a failure related to the DC relocation and the latter was also indirectly affected by the DC relocation, so the DC relocation has now been suspended and the relocation process, verification process, etc. are being reviewed. Although it was previously expected that the relocation would be completed within this fiscal year, there is a possibility that the relocation timeframe and costs may change.

In terms of the impact on the current fiscal year's financial results, there are two factors: a decrease in costs due to the suspension of the relocation and an increase in costs due to a review of the relocation process, so there are likely to be no major changes to the company's forecast for this fiscal year of ¥627 million. On the other hand, since the company had not previously planned for DC relocation costs, it is possible that a new company target amount will be set that includes the relocation costs in FY3/2026.

The Company Has Announced that its Full-Year Forecast for FY3/2025 & Its Full-Year Target for FY3/2026 Will Remain Unchanged but May be Revised in the New Year

Stock revenues are progressing smoothly and are generally in line with the company's forecast for FY3/2025. On the other hand, Strategy Advisors believes that the key factors for flow revenues are: 1) a backlash against the refrain from purchasing new devices, 2) orders for development projects toward the end of the fiscal year and 3) the introduction of **nextore** and cloud POS.

A review of the period and cost of the DC relocation is scheduled to be announced after the new year. At the same time, there is a possibility that a review of the guidance anticipated based on current order backlog, etc. will also be announced, which is an immediate point of focus.

The Vision for FY2030: Steady Progress Toward Consolidated Sales of ¥100 Billion

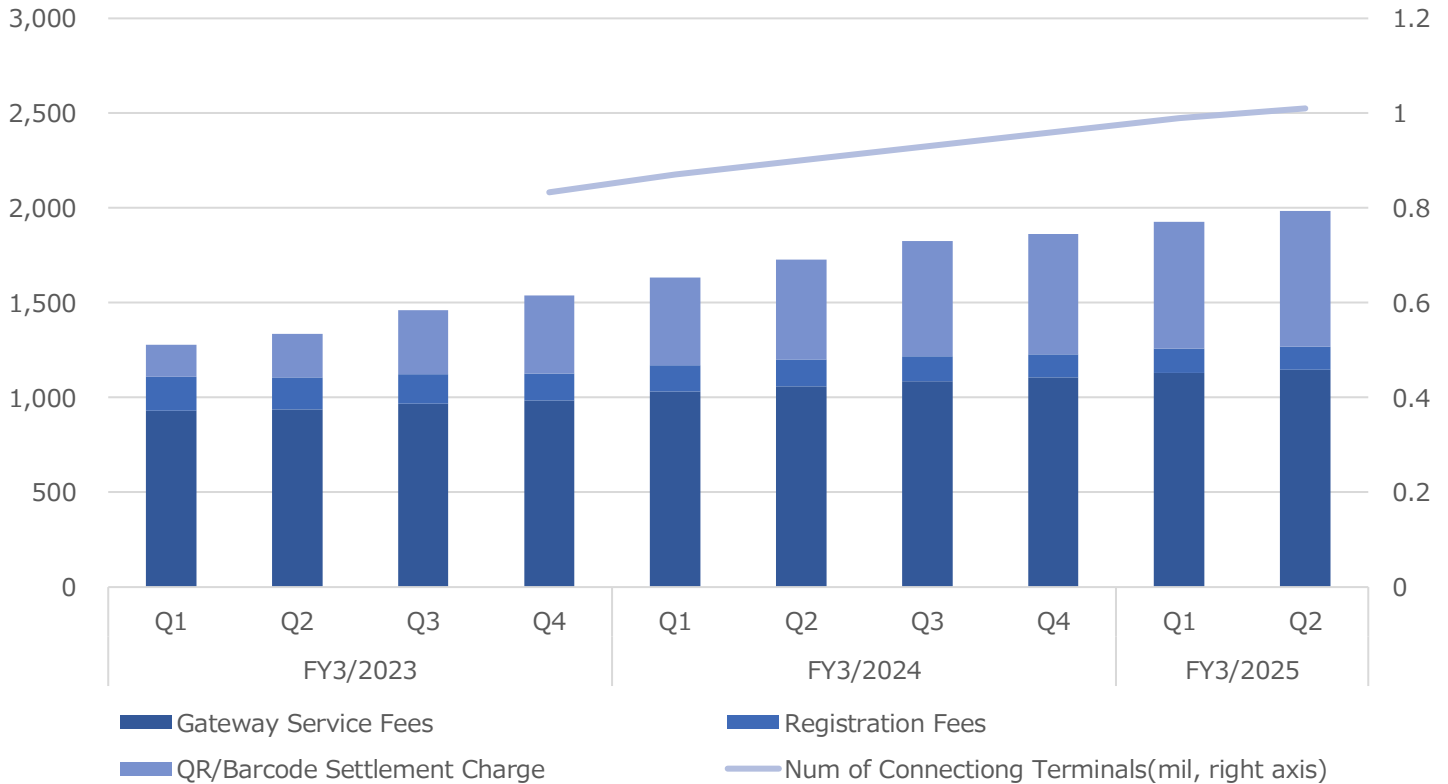
TMN disclosed its targets for FY3/2026 in its financial results briefing for FY3/2024. The company is targeting operating profit of ¥2.075 billion, +121.0% from FY3/2025 forecast of operating profit of ¥939 million, excluding one-time costs for the DC relocation.

At the same time, the company also disclosed its long-term target of achieving

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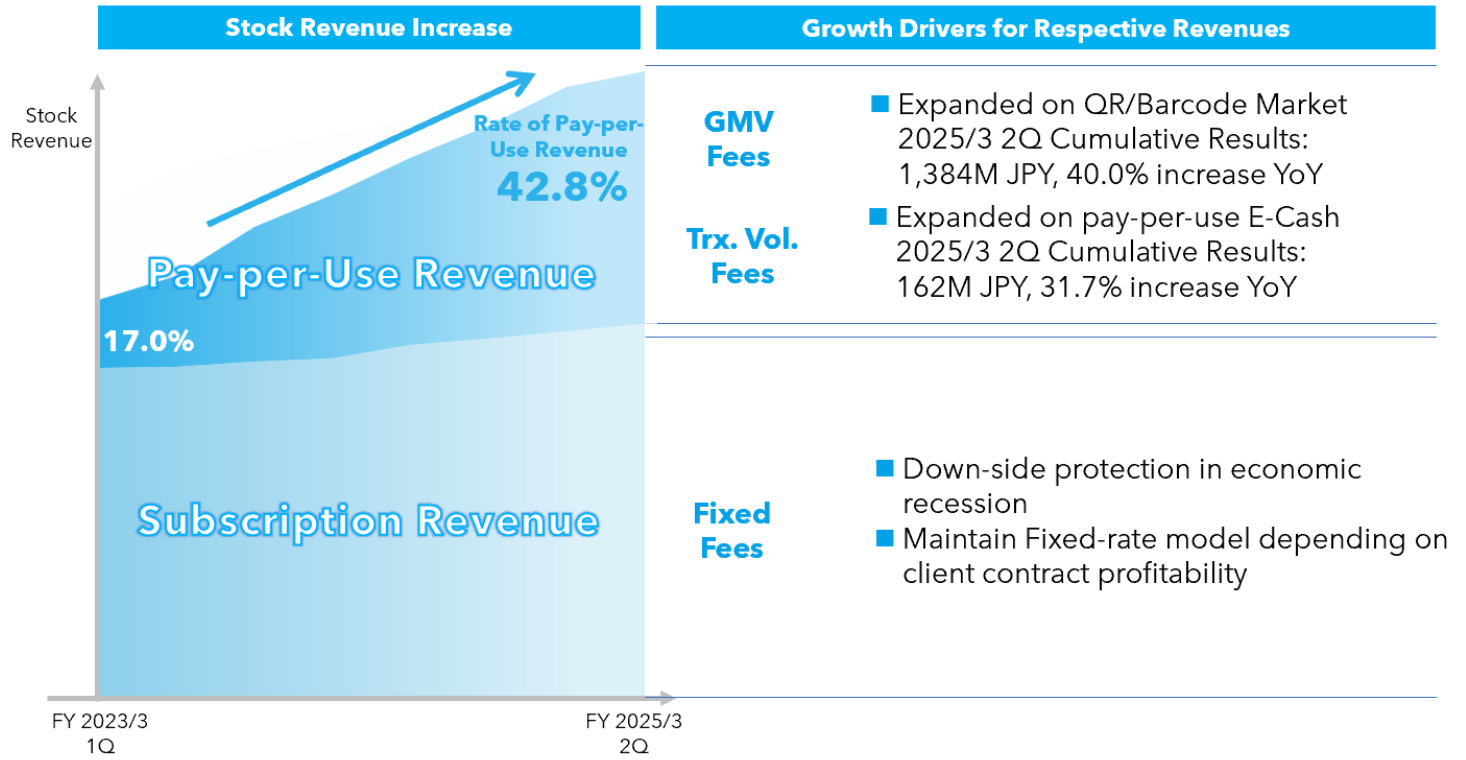
consolidated sales of ¥100 billion by FY2030. In particular, sales of terminals related to **nextore** and the introduction of cloud POS this fiscal year are essential sales for the data business and information processing business that TMN has been aiming for since its founding, and the company is making steady progress not only toward a stable payment business but also toward its ideal future state.

Figure 3. Stock Revenue & Number of Connected Terminals (¥ mn)



Source: Strategy Advisors. Based on Company Data.

Figure 4. Changes in The Ratio of Stock Income and Pay-Per-Use Income

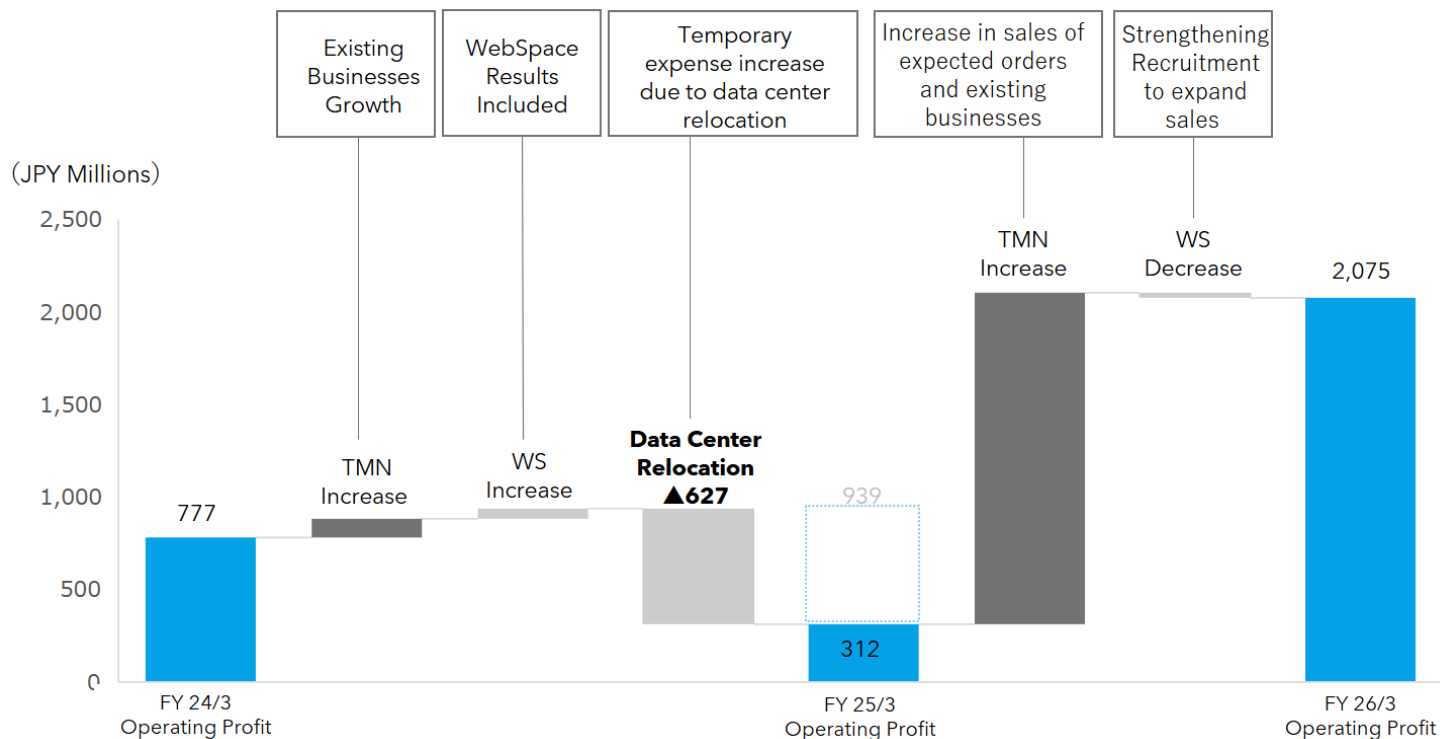


※Above Stock Revenue Graph does not include Registration Registration Setup Fee

Source: Company Data. Compiled by Strategy Advisors.

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Figure 5. Change in Operating Income Through till FY3/2026 (¥ mn)



Source: Strategy Advisors. Based on Company Data.

3. Valuation

Market Expectations are the Company Will Achieve Long-Term Goals

The company published financial statements for FY3/2025 1H on November 13, 2024 and held a financial results briefing on November 18. The company announced losses of operating profit of -¥183 million and net profit of -¥202 million. But as of December 12, 2024, the declines from the publication of the financial statements and the holding of the financial results briefing were only -1.35% and -0.90%, respectively.

This is a result of the announcement of the financial results for FY3/2024, which revealed a forecast of a significant decrease in profits for FY3/2025, while also disclosing a target of record-high profits for FY3/2026. The company also disclosed its vision for FY2030 and its sales target of ¥100 billion, which has raised expectations from the market. This is also an indication of favorable sentiment toward the steady progress of cloud POS and **nextore** for the information processing business.

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

Even at this point, it is difficult to factor in the expected cash flows of Information Processing, but even looking at just the cashless payment business, its valuation remains low compared to its peers. Based on the closing price of ¥440 on December 12th, the PER is 74.0x for the company's forecast EPS of ¥6.4 for FY3/2025, but the PER is 19.4x for EPS of ¥19.4 excluding the impact of one-time costs (estimated) related to the DC relocation; and the PER is 10.8x for EPS of ¥40.8 calculated based on the company's target for FY3/2026. GMO FG and GMO PG's PER for the company's forecast base EPS for FY9/2025 is 74.0x for ¥103.41 and 42.3x for ¥204.68, respectively.

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

However, since the net income attributable to the parent company, which is the basis for EPS, is affected by depreciation expenses such as development investments, it is better to compare it with EBITDA, which is also TMN's KPI. TMN's EBITDA forecast for FY3/2025 and FY3/2026 is ¥2.526 billion and ¥5.030 billion, respectively; but GMO FG and GMO PG do not have forecast EBITDA, Figure 8 calculated using depreciation expenses, goodwill amortization expenses, and interest paid for the past 12 months as of September 2024 and the company's forecast ordinary profit and the EV/EBITDA multiple was calculated using EV (market capitalization + interest-bearing debt - cash and deposits) as of the end of September. Compared to GMO FG's 31.2x and GMO PG's 21.5x, TMN's is left extremely low at 1.9x. We believe that the growth potential of the cashless payment business, which is expected to experience stable and high growth over the next five years or so, has not been factored in at all.

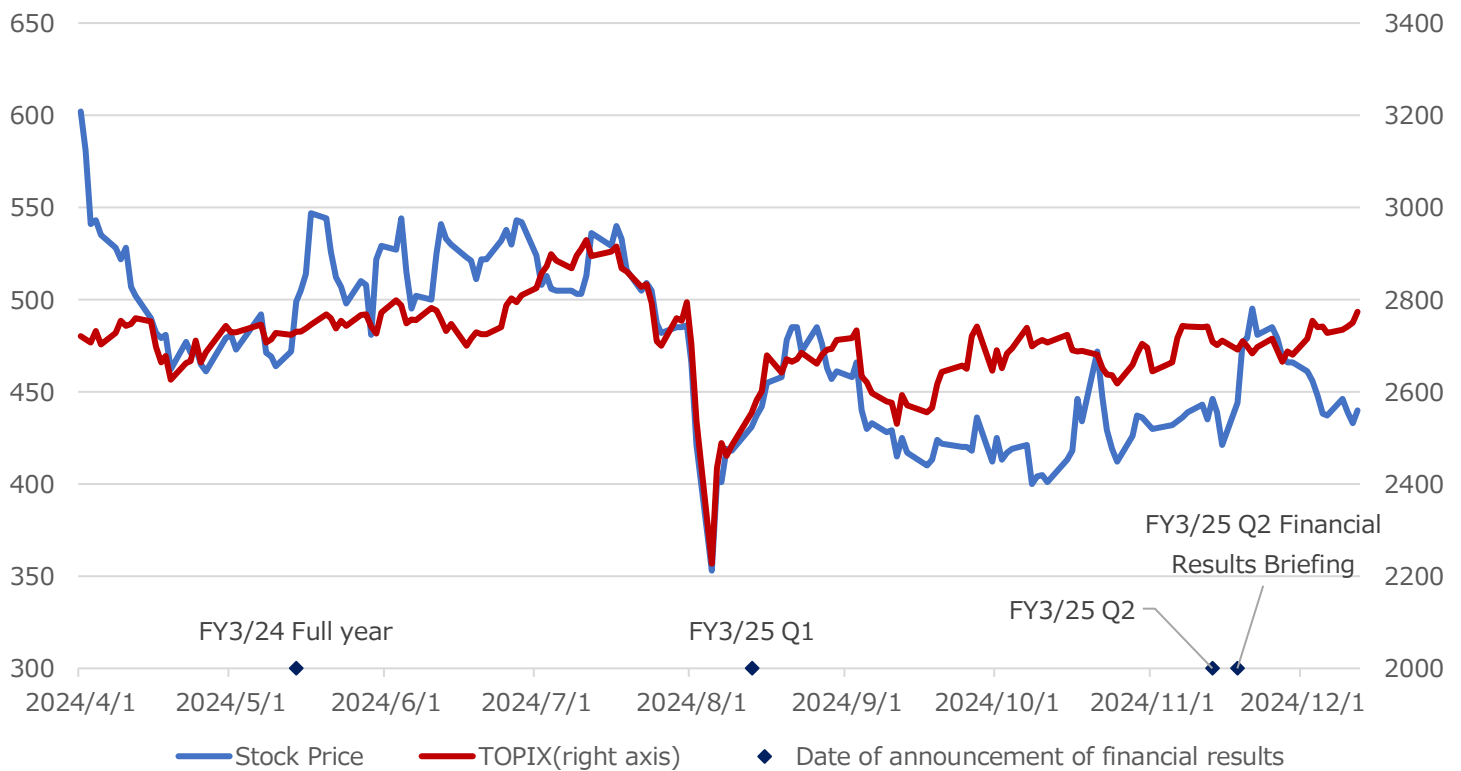
Focus on Further Expansion of Cloud POS

TMN will probably attract attention in the stock market in the future when its cloud POS business starts operating in earnest. At the financial results briefing for FY3/2024, it was mentioned that a gradual introduction of 5,000 units is planned and if there are no major issues, it will be possible to collect purchase data along with payment data.

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The firm is already purchasing house prepaid data and storing this data in the new DC with its increased capacity will become the foundation of the information processing business that the company is aiming at. In addition, this will have an impact on the development of other information processing businesses, such as Data Hub, which stores POS data. Strategy Advisors believes that the future potential of the information processing business will become more and more real over time.

Figure 6 TMN's Share Price & TOPIX in FY3/2025



Source: Prepared by Strategy Advisors.

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Figure 7 Comparison of Valuations with Peers (9/2024)

	Transaction Media Networks	GMO Payment Gateway	GMO Financial Gate	Block (Square) ¥ Equivalent 1\$=161.07¥	Adyen base 1€=172.33¥	Block (Square)	Adyen		
FY	LTM	9/2024	9/2024	LTM	LTM	LTM	LTM		
Market capitalization (¥mn)	15,240	667,460	59,490	5,905,910	6,944,758	52,191	\$ mn	48,660	€ mn
EV (9/2024)	3,795	580,055	56,974	5,485,244	5,670,106	49,244	\$ mn	40,665	€ mn
EBITDA (¥mn)	2,009	26,925	1,825	168,461	140,030	2,129	\$ mn	786	€ mn
Net income (¥mn)	142	17,209	993	97,166	131,651	499	\$ mn	698	€ mn
EV/EBITDA	1.9	21.5	31.2	32.6	40.5	23.1		51.7	
PER	107.3	38.8	59.9	60.8	52.8	104.7		69.7	
EPS (CoE)	6.4	204.7	103.4	491.5	4,508.1	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.

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Figure 8 Comparison of Valuations with Peers (EV/EBITDA)



Source: Prepared by Strategy Advisors.

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Figure 9 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		
(Gross Profit Margin)	54.42%	47.38%	35.03%	29.69%	31.92%	32.72%	32.03%	32.03%		
SG&A Expenses	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 FY3/2024, comparative analysis with the previous fiscal year is not provided.

Source: Company Data.

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Figure 10 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
Inventory				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	one two	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 will be prepared from the third quarter of the fiscal year ending March 2024.

Source: Company Data.

Figure 11 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 12. Stock Indicators, ROE & KPI's

FY	3/19	3/20	3/21	3/22	3/23	3/24	3/25 Forecast	3/26 Target
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	440	440
PER (times)	NA	NA	NA	NA	NA	39.6	69.0	10.8
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	16,276	NA
Shareholders' Equity Ratio	84.1%	77.3%	75.73%	55.54%	50.30%	41.97%	41.50%	NA
Interest-Bearing Debt	NA	NA	1,029	515	8	1,728	1,678	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	5,421	NA
EBITDA (¥ mn)	1,079	2,667	1,367	2,180	2,137	2,441	2,526	2,526
EV/EBITDA Ratio	NA	NA	NA	NA	NA	4.81	2.15	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 indexes for FY3/25 (company forecast) and FY2/26 (company target) are based on the closing price on December 12th. Balance sheet items are based on the end of September 2024.

Source: Company Data.

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