

2.1x stock price upside based on regression analysis of Value Creation Capability

Based solely on publicly disclosed information and market data

Stock price estimates based on regression analysis of
"Return on Capital/Cost of Capital= Value Creation Capability" and PBR

Enhancing Defensive Efficiency: Oricon—Pursuit of Profit-Structure Optimization and Growth Opportunities

Oricon Inc. (TSE S: 4800) champions "Turning facts into intelligence" through three pillars: (1) Customer Satisfaction (CS) Research, (2) News & Media, and (3) Data Providing businesses. Its CS arm holds 3.84 million responses across 184 industries and monetises logo licensing and referrals for a high ROIC.

FY 3/25 revenue was ¥4,916 m (+2.4 % YoY) and operating profit ¥1,402 m (28.5 % margin), down 9.9 % after heavier SEO spending and the Mobile Business sale, yet operating CF totalled ¥1,208 m and the ¥36 DPS was maintained. News & Media revenue fell 4.1 %, while CS grew 10.4 %. Net interest-bearing debt stood at -¥2,200 m, leaving ample cash for M&A.

Growth drivers are twofold: (i) wider external sales and consulting of CS data plus generative-AI personalised rankings to lift LTV; (ii) partnership with ad-producer ShinASA (to be consolidated Oct 2024) to deliver integrated video/OMO ads and forge a new pillar. Accordingly, the FY 3/26 plan targets revenue of ¥6,000 m (+22 %) and operating profit of ¥1,450 m.

Between Nov 2023 and Feb 2024 Oricon repurchased 300 k shares (~¥0.3 bn), raising the total payout ratio above 55 %. Japan's online ad spend is expected to rise 9.6 % in 2024 to ¥3.65 tn; expanding SNS video ads support its premium menu. Cookie rules and algorithm shifts may pressure CPMs, but first-party data and AI should keep ROE near 20 %. A 10 × forward PER, debt-free balance sheet, and high ROIC leave the valuation attractive.

Return-on-capital ranks top 10–3 % among listed peers

Calculated on the company plan basis for the fiscal year ending March 31, 2025, Simple ROIC*, which uses interest-bearing debt and shareholders' equity at the beginning of the period as the denominator and after-tax operating income as the numerator, is 17.1%; Lean ROIC, which excludes non-business assets not used in business activities such as excess cash and deposits, is 57.2%; and ROE is 17.0%. Oricon's position among the 3,882 listed companies included in the calculations is relatively very high: top 9.7% for Simple ROIC, top 3.6% for Lean ROIC, and top 9.7% for ROE.

*ROIC = Return on Invested Capital, or return on invested capital. The terms Simple ROIC and Lean ROIC are used in this document.

Stock price level estimated from regression analysis is approximately 2.1 times of the current stock price

Return on capital can be defined as "(1) the return a company makes on its capital" and cost of capital as "(2) the return the company wants to make on its capital from the investor's perspective". In addition, "(1) Return on capital/(2) Cost of capital" can be defined as "value-creating ability". JPR analyzed 3,882 listed companies for which data were available. A coefficient of determination of 0.5 or higher in the regression equation in the analysis suggests high explanatory power. The results, as shown on p.3 to p.5, ranged from 0.73 to 0.94, above 0.5. Then, based on the regression analysis, stock price estimates were performed for Oricon. As shown on the next page, the estimated share price was 1,620 yen, approximately 2.1 times the 782 yen share price as of 5/12/2025. If Oricon's growth potential, high ROIC, and other value-creating capabilities are recognized, there is a good chance that the estimated share price will be achieved in 1-2 years.

Data Analysis Report

J-Phoenix Research Inc.
Osamu Miyashita, CFA

Company Profile

Location of Head Office	Minato-ku, Tokyo
Representative	Koh Koike
Date of Establishment	1 Oct, 1999
Balance of Capital	1,092 million yen
Date of Listing	6 Nov, 2000
URL	https://www.oricon.jp/en/
Business	Information & Telecommunications

Key Indicators As of 5/12/2025

Stock Price	782 yen
52-Week High	896 yen
52-Week Low	720 yen
Number of Shares Outstanding	15,123,200 shares (As of Mar.31,25)
Trading Units	100 shares
Market Capitalization	11,826 million yen
Company Forecast Annual	36 yen
Estimated EPS	74.40 yen
Forecast PER	10.5 times
Actual BPS (as of Mar 31, 2025)	438.4 yen
Actual PBR	1.8 times

Performance	Net Sales	YoY	Op.Profit	YoY	Ord.Profit	YoY	Net Profit	YoY	EPS	Share Price Yen	
	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Mil.Yen	%	Yen	High	Low
Actual results for FY ended March 2022	4,502	11.7	1,520	43.6	1,507	44.4	1,011	17.6	74.20	1,320	845
Actual results for FY ended March 2023	4,875	8.3	1,765	16.2	1,699	12.7	1,106	9.4	82.48	1,057	766
Actual results for FY ended March 2024	4,800	-1.5	1,556	-11.8	1,588	-6.5	1,055	-4.7	79.99	1,135	718
Actual results for FY ended March 2025	4,916	2.4	1,402	-9.9	1,400	-11.9	992	-6.0	76.42	898	720
Company plan for FY ending March 2026	6,000	22.0	1,450	3.4	1,450	3.6	960	-3.2	74.40	-	-

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01. Analysis overview and summary

Overview of regression analysis of Value Creation Capability

J-Phoenix Research (JPR) defines "value creation capability" as the ratio of return on capital, such as ROIC and ROE, to cost of capital, such as weighted average cost of capital (WACC) and cost of equity, or "return on capital/cost of capital". Based on publicly disclosed information and market data, we estimated the stock price of Orion Corporation (the "subject company" or "Sub.Com.") by regression analysis of the "value creation capability" and P/B ratio. No specific interviews were conducted with the subject companies in this analysis. The estimation was based purely on regression analysis

For ROIC, we calculated "Lean ROIC," which excludes factors that should be omitted when analyzing a company's ability to create value, such as excess cash and deposits and short-term marketable securities, and "Simple ROIC," which simply uses the sum of interest-bearing debt and shareholders' book value as the denominator. On top of that, we calculated ①Lean ROIC/WACC basis, ②Simple ROIC/WACC, and ③ROE/COE (Cost of Equity), and performed a regression analysis with PBR. Details are explained on the next and subsequent pages of this document. The formulas for calculating lean ROIC and WACC are explained in detail in the part of "08. and 09."

The stock price of the subject company is 1,620 yen, approximately 2.1 times the current stock price of 782 yen*.

For all 3,882 listed companies, including Orion Inc., we calculated the "return on capital/cost of capital" for ① to ③. The larger this ratio, the greater the value-creation ability. Orion Inc. was estimated to be within the top 20% of listed companies in terms of value creation capacity.

Based on the regression analysis of "return on capital/cost of capital" and PBR estimated for the subject company for the fiscal year ending March 31, 2026, we estimated the PBR and stock price of the subject company to be 4.33x, 2.07x the current PBR of 2.09x. If this estimated P/B ratio is reflected in the share price, the estimated share price would be 1,620 yen, 2.1 times the closing price of 782 yen on May 12, 2025, as investors' understanding of Orion's value creation capabilities increases.

*As of 12 May. 2025

It is significant for the target company to utilize the contents of this analysis in its IR activities.

It would be highly significant for Orion to understand the three "Return on Capital/Cost of Capital" and utilize them for IR and corporate management. In particular, the use of "Lean ROIC/WACC," which has a high ranking, should be considered. The following is a summary of the contents of this report and how it can be utilized. We hope that Orion will utilize this information to maintain and improve their ability to create corporate value and to strengthen their IR.

Summary of three value-creating forces Estimated value of subject company stock price					Estimated value of the subject company's stock price ²			
Return on capital		/	Cost of capital	=	Value Creation Rate	Estimated PBR	Estimated PBR/Current PBRxCurrent stock price ¥782=	Upside from Current Stock Price
①Lean ROIC	57.22%	/	WACC	6.76%	= 8.46 x	8.75 x	3,275 Yen	4.19 x
②Simple ROIC	14.03%	/	WACC	6.76%	= 2.08 x	2.29 x	855 Yen	1.09 x
③ROE	16.97%	/	COE	6.76%	= 2.51 x	2.64 x	989 Yen	1.26 x
Estimated from return on capital/cost of capital of subject company ¹					4.13 x	4.33 x	1,620 Yen	2.07 x
Ranking of the above figures among 3,882 listed companies [Top %]					7.8%	15.7%		

Notes 1, 2: weighted average by the R-squared of regressions ①-③.

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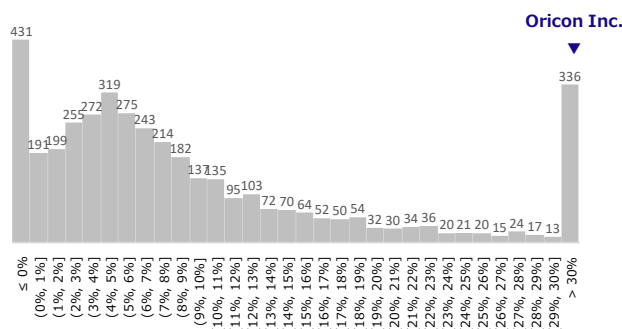
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02. PBR - Lean ROIC/WACC Analysis Current Year Plan Basis

■ Lean ROIC

Sub. Company 57.22% Top 3.6%

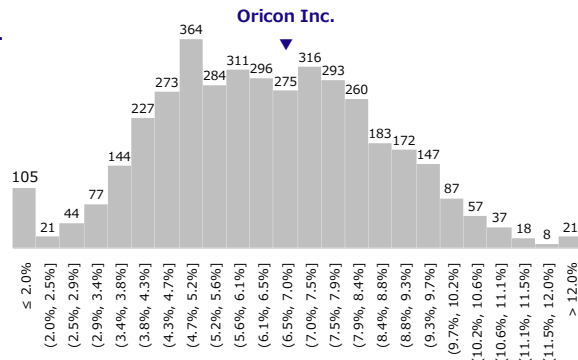
3,882 Num. of analysed listed Com.



Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ WACC

Sub. Com. 6.76%



■ Lean ROIC/WACC

Sub. Company 8.46 x Top 3.6%

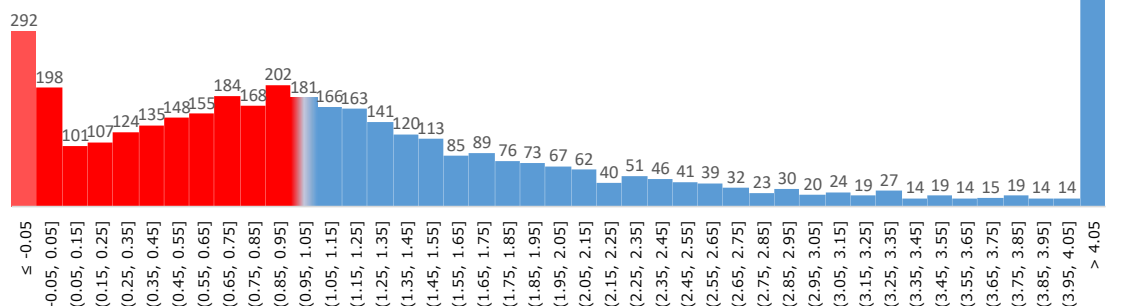
3,882 Num. of analysed listed Com.

Value Creation Capability < 1

1,786 Num. of analysed listed Com.

Value Creation Capability > 1

2,096 Num. of analysed listed Com.

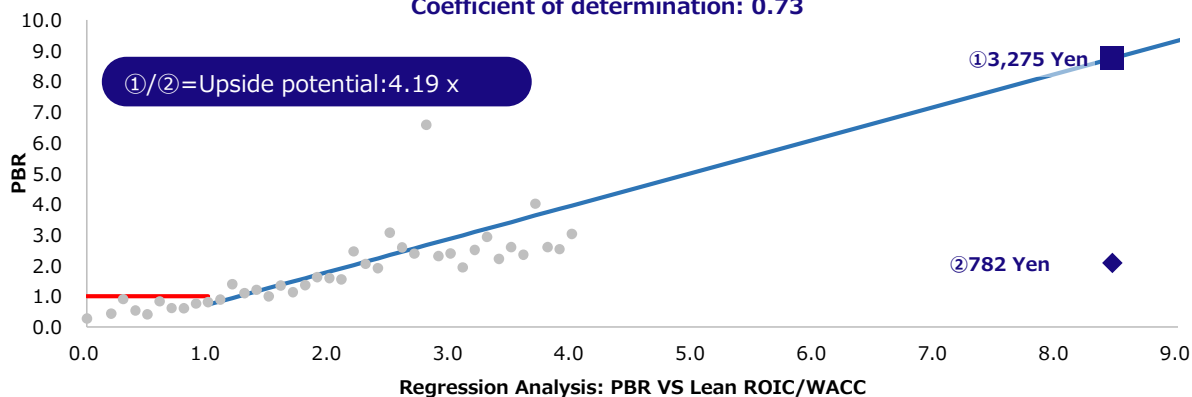


Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ Regression Analysis: PBR VS Lean ROIC/WACC

PBR = (Lean ROIC/WACC - 1) × 1.08 + 0.73 [Assumption: Lean ROIC/WACC > 1]

Coefficient of determination: 0.73



①/②=Upside potential:4.19 x

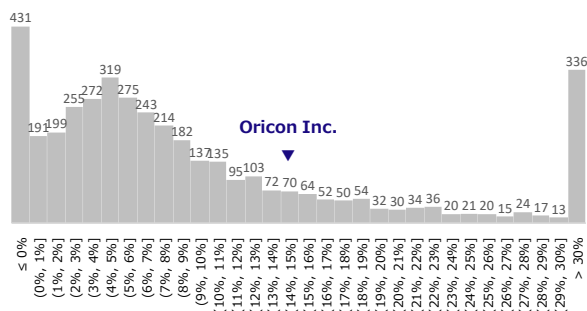
Estimates PBR 8.75 x Share Price ① 3,275 Yen
As of 12, May PBR 2.09 x Share Price ② 782 Yen

Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

03. PBR-Simple ROIC/WACC Analysis Current Year Plan Basis

■ Simple ROIC

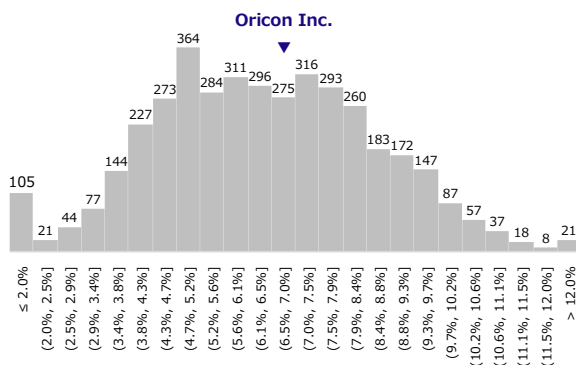
Sub. Company 14.03% Top 9.7%
3,882 Num. of analysed listed Com.



Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ WACC

Sub. Company 6.76%

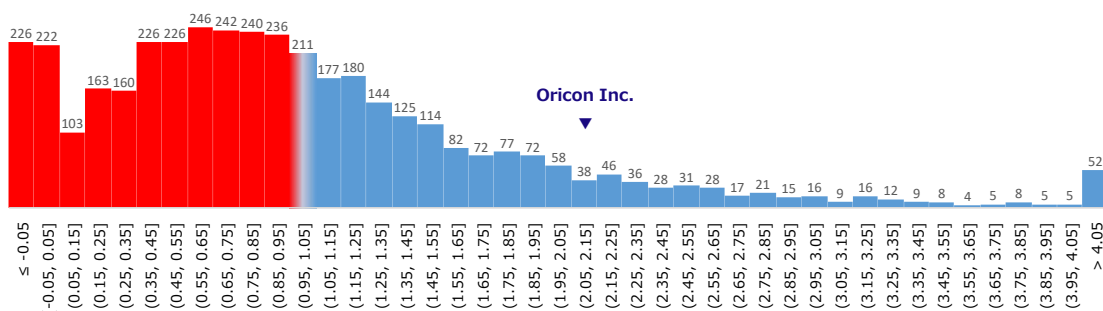


■ Simple ROIC/WACC

Sub. Company 2.07 x Top 23.45%
3,882 Num. of analysed listed Com.

Value Creation Capability < 1
2,270 Num. of analysed listed Com.

Value Creation Capability > 1
1,612 Num. of analysed listed Com.

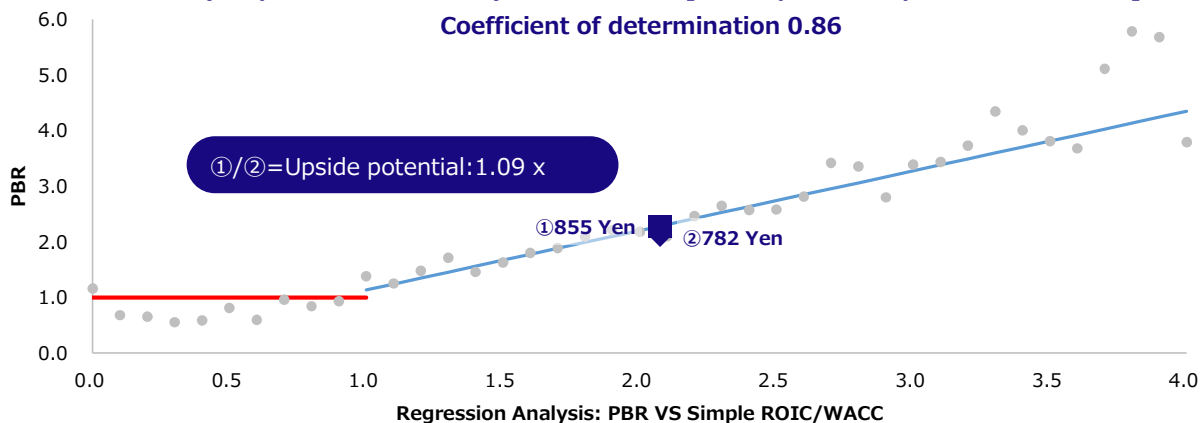


Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ Regression Analysis of Simple ROIC/WACC and PBR

PBR=(Simple ROIC/WACC - 1) x 1.26 + 1.31 [Assumption: Simple ROIC/WACC>1].

Coefficient of determination 0.86



①/②=Upside potential:1.09 x

Estimates PBR 2.29 x Share Price ① 855 Yen
As of 12, May PBR 2.09 x Share Price ② 782 Yen

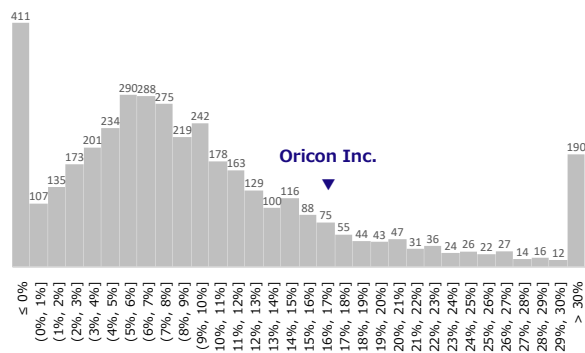
Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

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04. PBR-ROE/COE Analysis Current Year Plan Basis

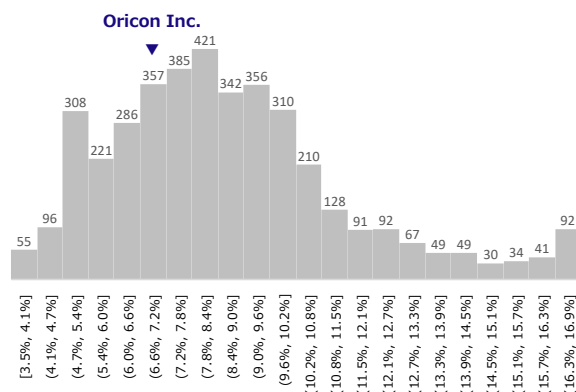
■ ROE

Sub. Company 16.97% Top 15.00%
3,882 Num. of analysed listed Com.



■ COE

Sub. Company 6.85%



Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ ROE/COE

Sub. Company 2.48 x Top 12.60%

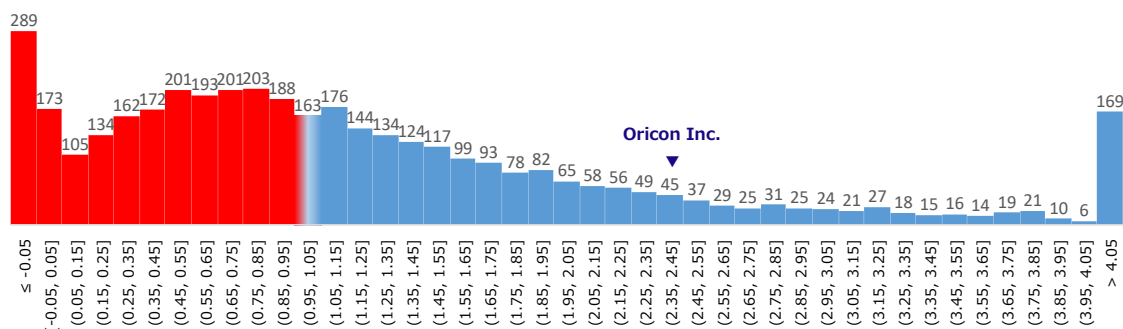
Top 3,882 Num. of analysed listed Com.

Value Creation Capability < 1

1,984 Num. of analysed listed Com.

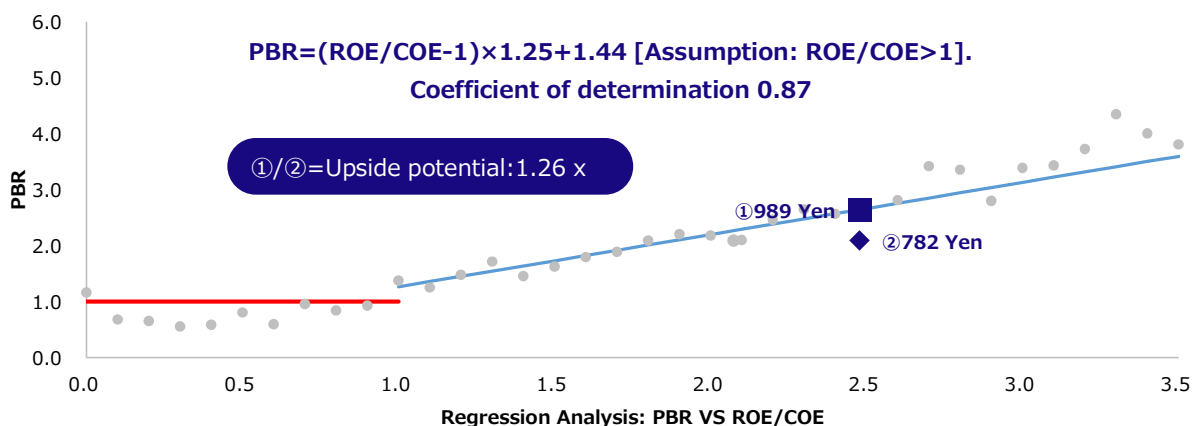
Value Creation Capability > 1

1,612 Num. of analysed listed Com.



Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

■ Regression Analysis: PBR VS ROE/COE



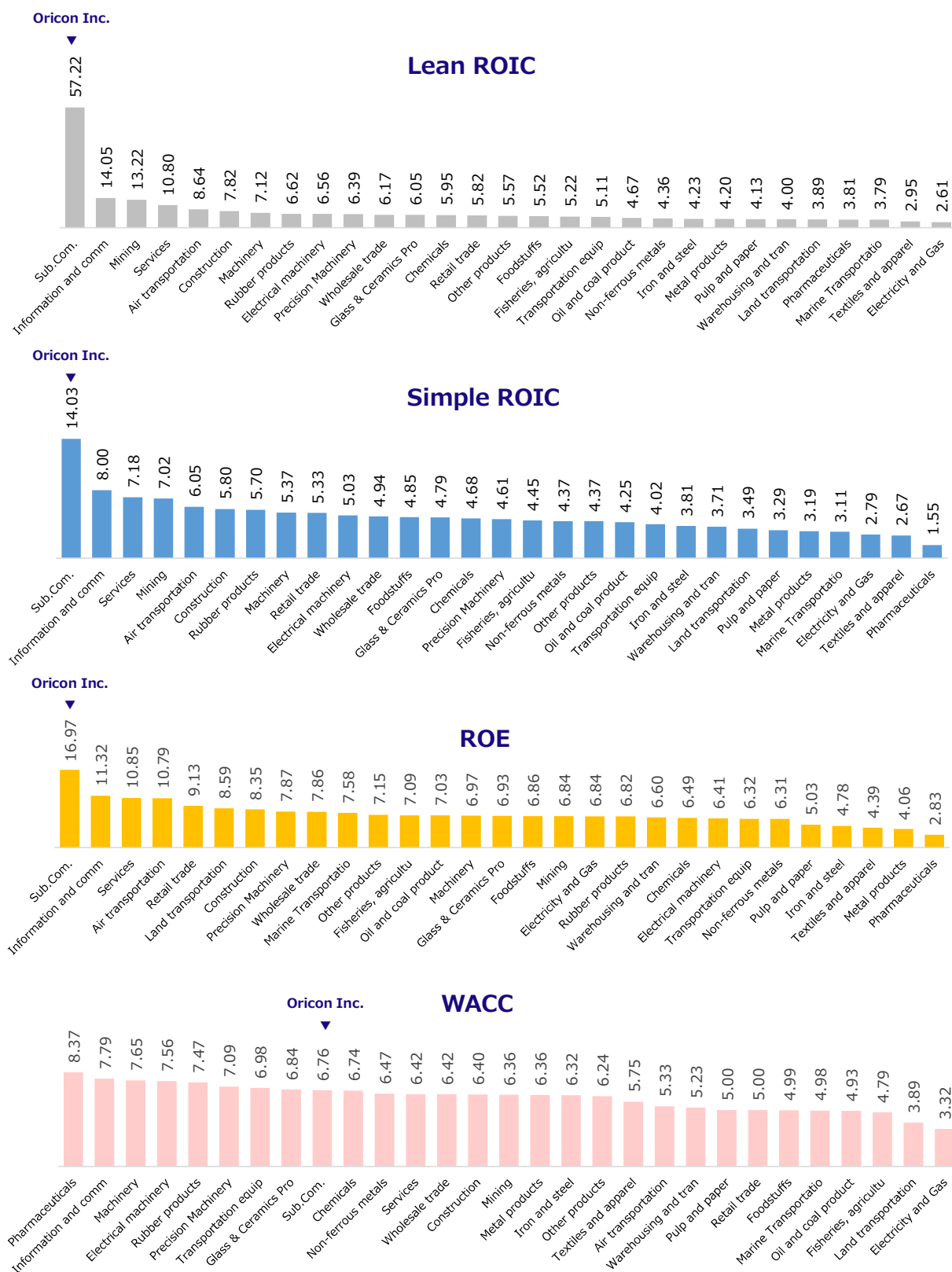
①/② = Upside potential: 1.26 x

■ Estimates PBR 2.64 x Share Price ① 989 Yen
◆ As of 12, May PBR 2.09 x Share Price ② 782 Yen

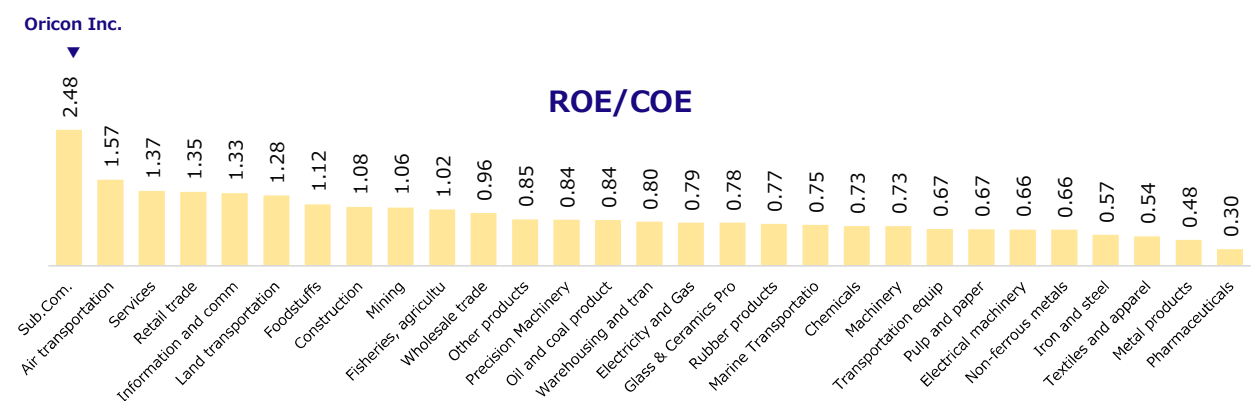
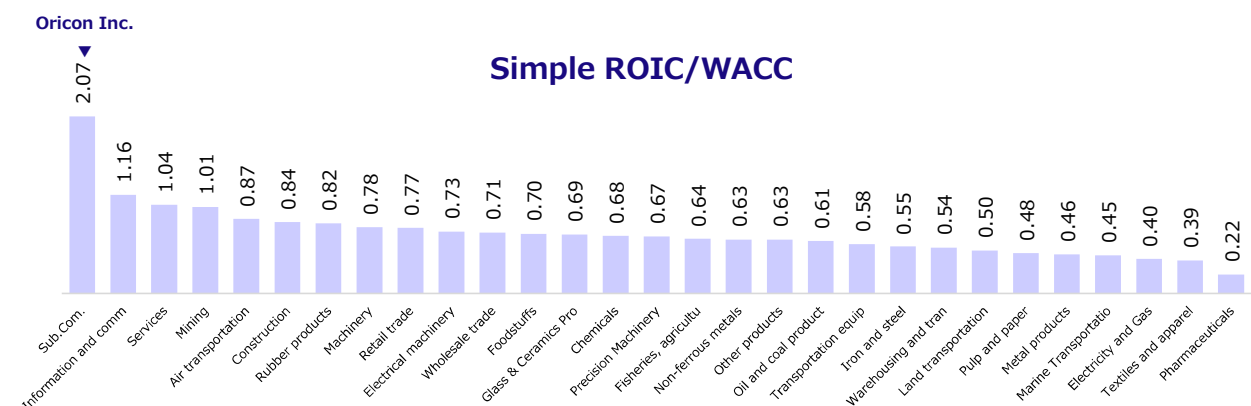
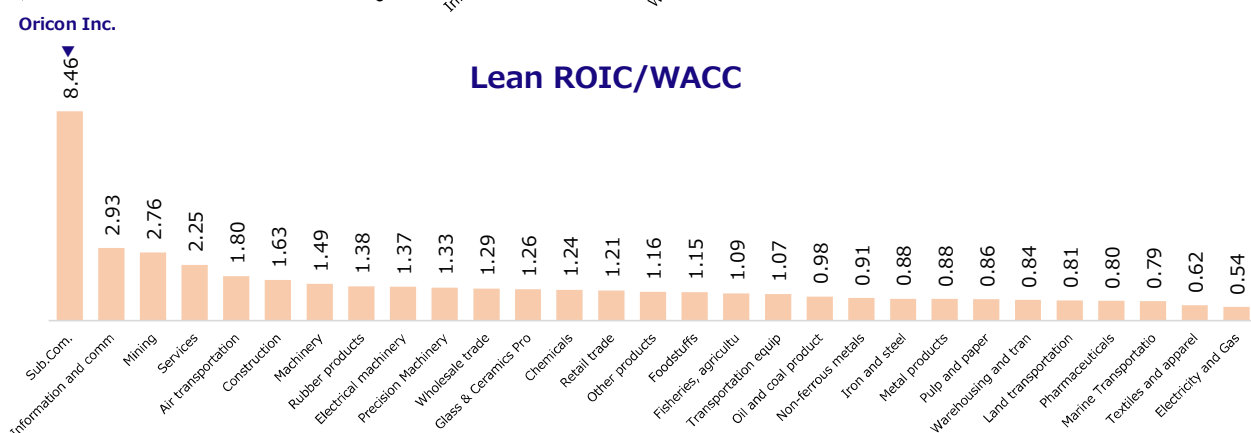
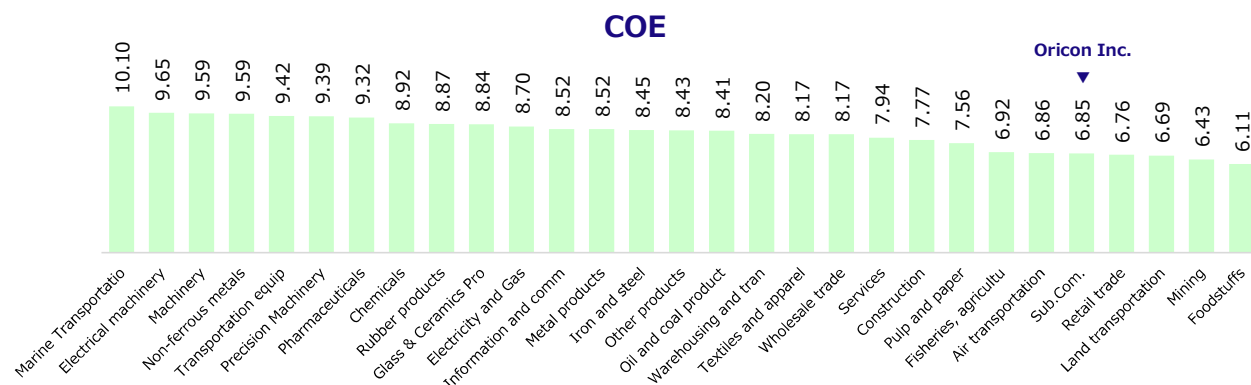
Source: JPR, FactSet. Universe: all listed firms. WACC from 5-year price history. Company-plan basis; invested capital at prior-year end.

05. Comparison with TSE Industry Median (Current Year Plan Basis)

■ ROIC,ROE,WACC

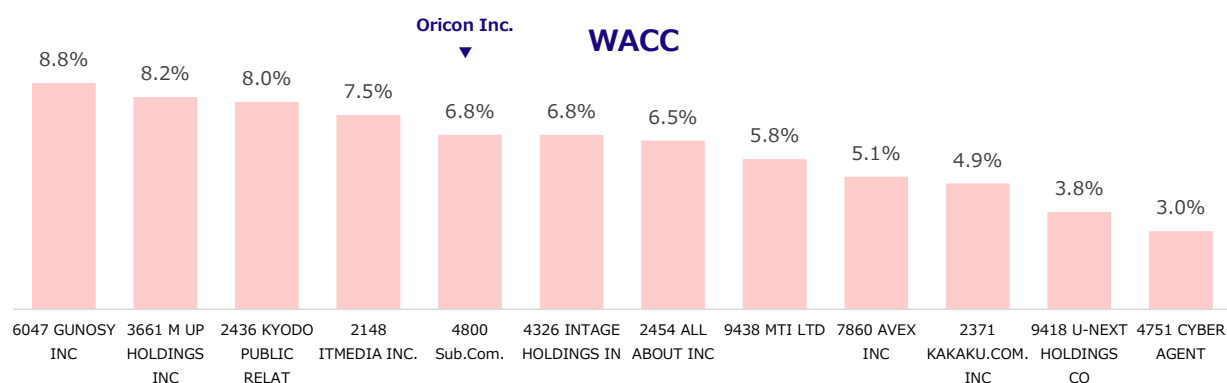
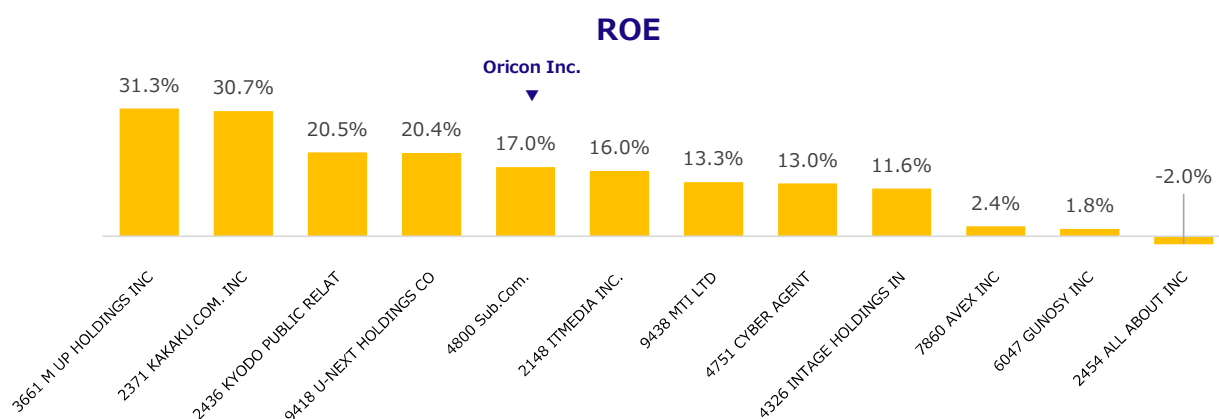
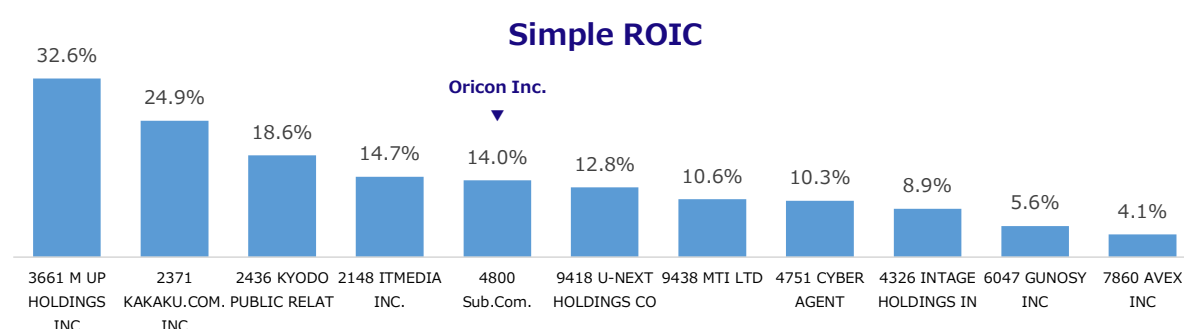
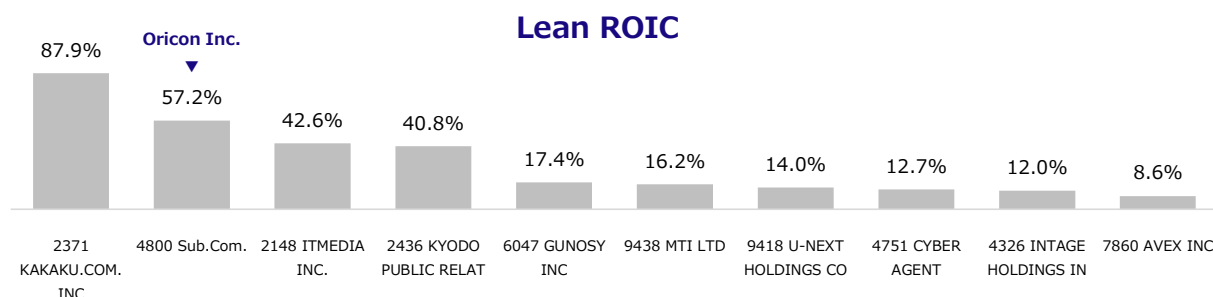


■ COE, ROIC/WACC, ROE,COE

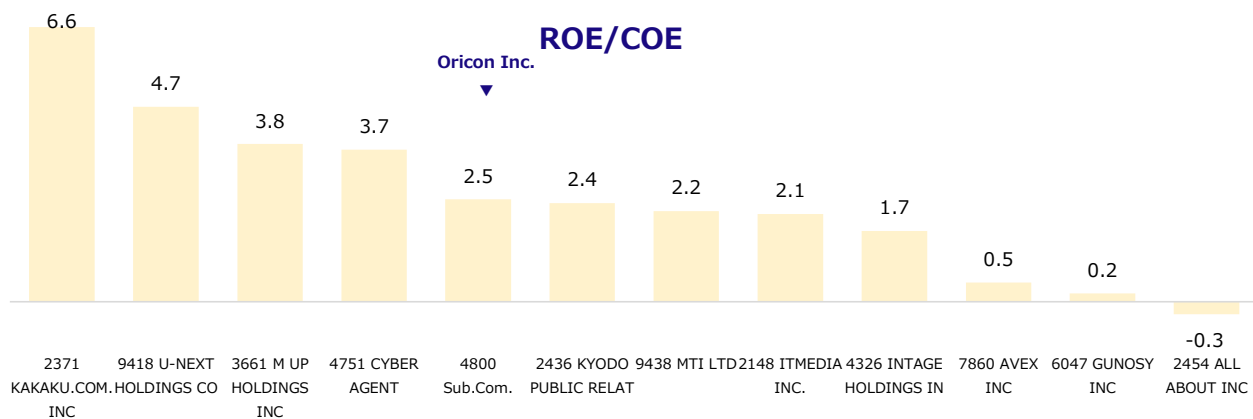
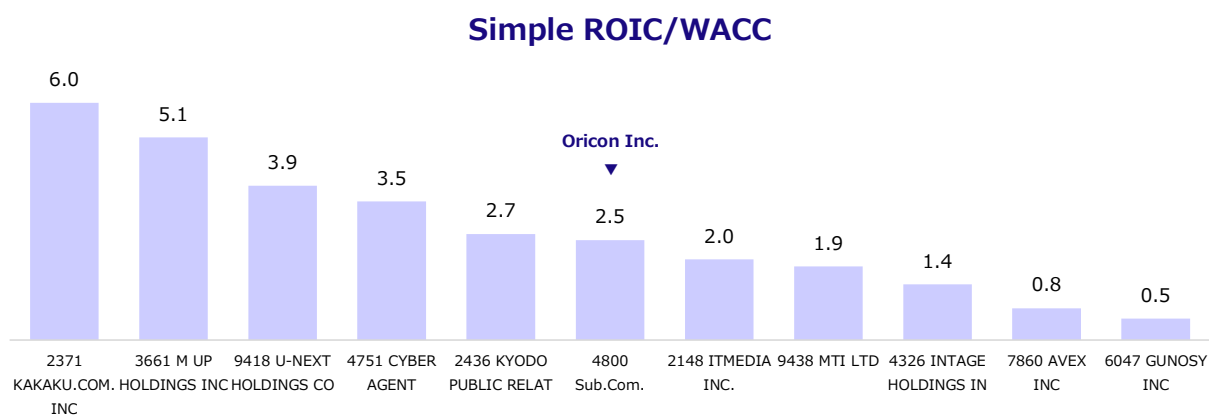
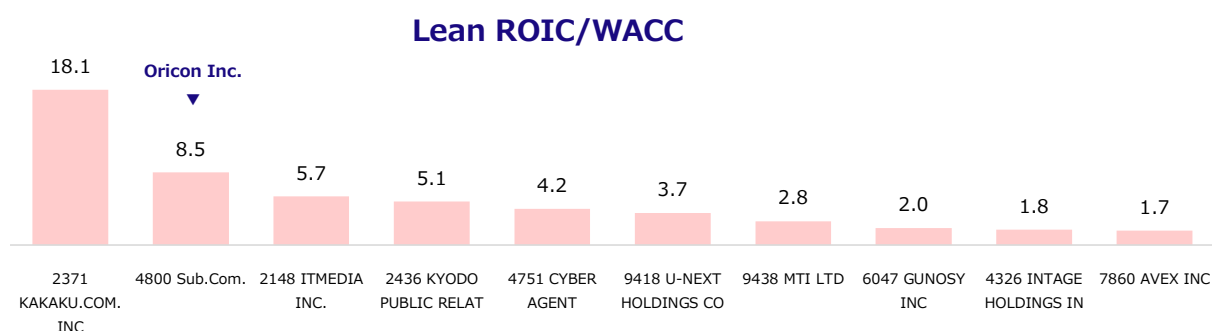
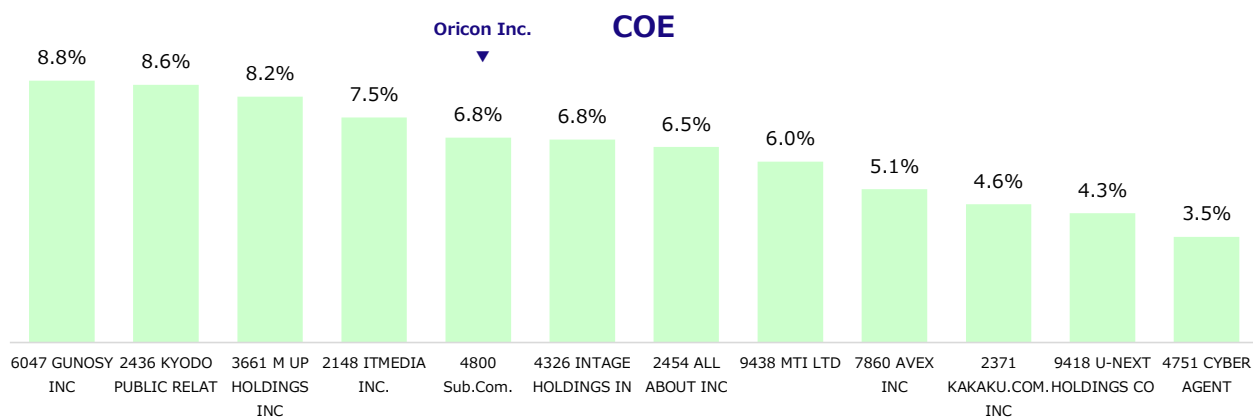


06. Comparison with 10 Comparable Companies (Current Year Plan Basis)

■ ROIC,ROE,WACC



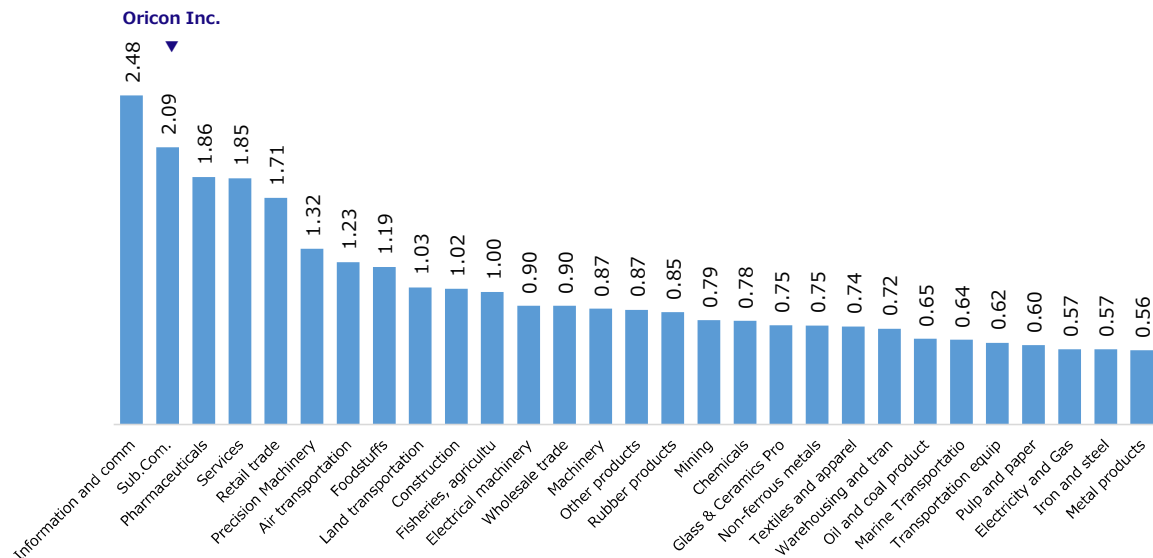
■ COE, ROIC/WACC, ROE,COE



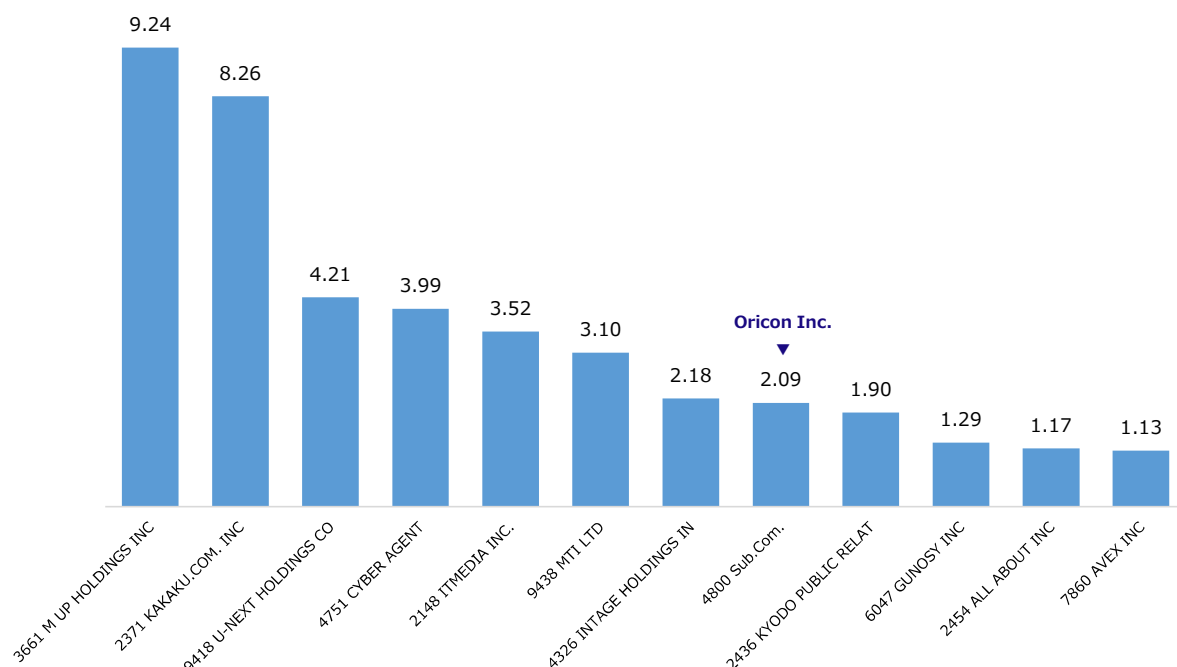
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07. P/B Ratio Comparison Between TSE Industry and Comparable Companies

■ Comparison of subject companies with the TSE median by industry sector Based on this quarter's planned figures



■ Comparison with 10 similar companies Based on this fiscal year's planned figures



08. ROIC and ROE of the Subject Company

■ Structure of Simple ROIC, Lean ROIC, and ROE¹

[Unit : 100 million yen]

Calculation formula	[Index]	Item	FY22/3	FY23/3	FY24/3	FY25/3	Plan FY26/3
	[1]	Sales/operating income	4,503	4,875	4,800	4,916	6,000
	[3]	Cost of sales ratio	30.7%	28.7%	31.4%	31.8%	33.7%
	[4]	SG&A expense ratio	35.5%	35.1%	36.2%	39.7%	42.1%
	[5]	Operating income	1,520	1,765	1,556	1,402	1,450
[5] ÷ [1] =	[6]	Operating profit margin	33.8%	36.2%	32.4%	28.5%	24.2%
	[7]	Depreciation/depreciation ratio	2.6%	2.1%	2.1%	3.0%	3.0%
[6] + [7] =	[8]	EBITDA margin	36.4%	38.3%	34.5%	31.5%	27.1%
	[9]	(1-effective tax rate)	69.0%	69.0%	69.0%	69.0%	69.0%
	[10]	NOPAT	1,049	1,218	1,074	967	1,001
[6] x [9] =	[11]	NOPAT margin	23.3%	25.0%	22.4%	19.7%	16.7%
	[13]	Interest-bearing debt	185	185	185	185	185
[13] ÷ [1] =	[14]	Interest-bearing debt to sales ratio	4.1%	3.8%	3.9%	3.8%	3.1%
	[15]	Shareholders' equity	3,640	4,116	4,653	5,187	5,657
[15] ÷ [1] =	[16]	Shareholders' equity to sales ratio	80.8%	84.4%	96.9%	105.5%	94.3%
[13] + [15] =	[17]	Simple invested capital	3,825	4,301	4,839	5,373	5,843
[17] ÷ [1] =	[18]	Simple invested capital sales ratio	85.0%	88.2%	100.8%	109.3%	97.4%
[11] ÷ [18] =	[19]	Simple ROIC	27.4%	28.3%	22.2%	18.0%	17.1%
	[21]	Total assets	4,398	5,009	5,531	6,027	6,917
	[22]	Liquidity on hand ²	563	609	600	615	750
	[23]	Other current assets ³	718	767	1,113	897	1,089
	[24]	Current liabilities other than interest-bearing debt	659	793	754	716	1,044
[22] + [23] - [24] =	[25]	net working capital	622	583	959	796	795
[25] ÷ [1] =	[26]	Net working capital sales ratio	13.8%	12.0%	20.0%	16.2%	13.2%
	[27]	Goodwill	25	20	14	9	470
[27] ÷ [1] =	[28]	Goodwill sales ratio	0.6%	0.4%	0.3%	0.2%	7.8%
	[29]	Investment securities	381	434	823	956	923
	[30]	Deferred hedge gains and losses	0	0	0	0	0
	[31]	Land revaluation difference	0	0	0	0	0
	[32]	Foreign currency translation adjustment account	0	0	0	0	0
[21] - [25] - [27] - [29] - [30] - [31] - [32] =	[33]	Net fixed assets	490	482	523	472	484
[33] ÷ [1] =	[34]	Net fixed asset sales ratio	10.9%	9.9%	10.9%	9.6%	8.1%
[25] + [27] + [33] =	[35]	Lean invested capital	1,137	1,085	1,496	1,277	1,748
[35] ÷ [1] =	[36]	Lean invested capital sales ratio	25.2%	22.2%	31.2%	26.0%	29.1%
[11] ÷ [36] =	[37]	Lean ROIC	92.3%	112.3%	71.7%	75.8%	57.2%
	[38]	Net income	1,011	1,107	1,055	992	960
[38] ÷ [15] =	[39]	ROE	27.8%	26.9%	22.7%	19.1%	17.0%
[37] ÷ [19] =	[40]	Lean/Simple ROIC ratio	3.36	3.97	3.23	4.21	3.34

Source: JPR, FactSet. Scope: all listed firms. WACC from 5-year price data. Company-plan basis; invested capital at prior FYE. 1: Balance-sheet items use opening balances (previous year-end). 2: Liquidity buffer = sales ÷ 12 × 1.5 months; if cash is smaller, full cash balance is used. 3: Net working assets = current assets - short-term securities - cash.

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09. Estimated Cost of Capital of the Subject Company

■ WACC calculation

[Unit: %, million yen]

β ¹ calculation								
	[1]	VI ² Attributes	Subject Company Adjustment number ⁵	Subject Company Adjustment number ⁵	Subject Company Observation numbers ³	Subject Company Observation numbers ³	industry Weighted average ⁴	industry Weighted average ⁴
	[2]	VI	172.75	184.56	172.75	184.56	246.91	246.91
	[3]	Attribute of correlation coefficient	industry Weighted average ⁴	Oricon Observation numbers ³	industry Weighted average ⁴	Oricon Observation numbers ³	industry Weighted average ⁴	Oricon Observation numbers ³
	[4]	correlation coefficient	31.5	31.5	34.3	34.3	20.8	34.3
[2] x [4] =	[5]	Unlevered β ⁶	54.4	58.117	59.3	63.4	51.4	84.8
	[6]	Debt Effect Coefficient ⁷	101.1	101.1	101.1	101.1	101.1	101.1
[5] x [6] =	[7]	Revard β ⁸	55.0	58.7	59.9	64.0	51.4	85.7
COE : Cost of Equity								
	[8]	Risk premium ⁹	8.93	8.93	8.93	8.93	8.93	8.93
	[9]	RFR ¹⁰	1.50	1.50	1.50	1.50	1.50	1.50
[7] x [8] + [9] =	[10]	COE	6.41	6.74	6.85	7.22	6.09	9.15
COD : Cost of Debt								
	[12]	Pre-tax interest rate ¹¹	1.87	1.87	1.87	1.87	1.87	1.87
	[13]	Effective tax rate	31.00	31.00	31.00	31.00	31.00	31.00
[16] x (1-[12]) =	[14]	COD	1.29	1.29	1.29	1.29	1.29	1.29
WACC: Weighted Average Cost of Capital								
	[15]	E=market capitalization	11,826	11,826	11,826	11,826	11,826	11,826
	[11]	D=Interest- bearing debt	185	185	185	185	185	185
	[16]	E/(E+D)	98.46	98.46	98.46	98.46	98.46	98.46
	[17]	D/(E+D)	1.54	1.54	1.54	1.54	1.54	1.54
[11] x [17]33[11] x [14] =	[18]	WACC	6.33	6.66	6.76	7.12	6.09	9.03
	[19]	In this report Adopted value			●			

Source) Created by JPR from FactSet data. Targets all listed companies. WACC is estimated based on stock price data for the past five years. Based on company plan. Invested capital is calculated based on the end of the previous fiscal year.

1: β¹ is the coefficient when the daily return of individual target stock prices over the past five years is regressed on the daily return of TOPIX.

2: VI² is an abbreviation for Volatility Index and is defined as the standard deviation of the explained variable divided by the standard deviation of the explanatory variable. Since there is a relationship: $\beta = VI \times \text{correlation coefficient}$ between explained variable and explanatory variable, it is calculated using the formula $\beta \div \text{correlation coefficient} = VI$.

3: Observed figures³ are data estimated by regression analysis over the past five years.

4: Weighted average⁴ is an index that indicates the explanatory power of the regression equation, and is a value weighted by the coefficient of determination. If the coefficient of determination is 1, it is completely explained. If it is 0, it is completely irrelevant.

5: Adjusted number⁵ is a number adjusted using a normal distribution that is the standard deviation of VI of all listed companies multiplied by 60%. It is based on the premise of regressing to a more central value.

6: Unlevered β⁶ is a number that removes the leverage effect of debt.

7: Debt effect

The coefficient ⁷ is an adjustment coefficient to remove the leverage effect (leverage effect) caused by a company's debt. Calculated for each company using the following formula: $1 + (1-t) \cdot D/E = \beta$

8: Leveraged β⁸ is the number obtained by multiplying the unlevered β by the debt effect coefficient. The effect of increasing shareholder value fluctuation risk due to debt is taken into consideration.

9: The risk premium⁹ is set at 5% for market capitalizations of 800 billion yen or more, 9% for market capitalizations of 5 billion yen or less, and for others, a tilted distribution according to market capitalization. Based on the premise that risks differ depending on scale. Set as a number that increases the coefficient of determination in regression analysis.

10: RFR¹⁰ (Risk Free Rate) is set by taking into account the average value of 10-year government bonds over the past five years.

11: Pre-tax interest rate¹¹ is estimated from the average balance of interest-bearing debt at the beginning and end of the period, interest paid, and effective tax rate.

10. Shareholder Value Estimation Model Explaining the Estimated Stock Price of ¥1,620

At JPR, we define "excess profit" as the difference between lean ROIC and WACC multiplied by lean invested capital. A stockholder value estimation model that calculates the eternal value of the increment over 10 years and totals the present value as "②Growth value", and estimates it as ①+②+Book value of stockholders' equity = "Shareholder value" We are creating an "excess profit model." This is the same value as the so-called DCF method.

■ Excess profit model based on Lean ROIC/WACC

Depending on the growth scenario, equity value is ¥24.4 billion, the value gap is ¥12.6 billion, and upside could reach up to 2.1x.

Currently, Market Cap. represents the excess value of Current FY growth value not reflected in market cap at all.

Using a residual-income approach that decomposes the business into invested capital, excess-profit value, and growth value, we estimate your company's equity value at ¥24.4 billion. This calculation assumes that in roughly five years revenue reaches ¥7.6 billion with operating profit of ¥1.8 billion, and in about ten years revenue rises to ¥9.4 billion with operating profit of ¥2.3 billion, while the invested-capital-to-sales ratio stays flat at the current 29.1 %. The gap between intrinsic equity value and the current market capitalization is ¥12.5 billion (106 % of market cap), indicating potential upside if market expectations improve.

(1) Shareholders' equity 5.7 billion yen

- As of the previous fiscal year-end (the start of the current year), invested capital was ¥17.5 billion, or (A) 29.1 % of current-year sales. Shareholders' equity at the latest quarter-end stood at ¥56.6 billion.

(2) Excess profit value 13.2 billion

- Current-year NOPAT is roughly ¥10.1 billion, giving a 16.8 % margin (B); divided by the 29.1 % invested-capital ratio (A), ROIC comes to 57.7 %.
- JPR estimates WACC at 6.8 % based on share price, financial policy, and business risk, making ROIC/WACC equal to 8.5 x—the value created per yen of invested capital.
- On this basis, excess profit for the year is about ¥8.9 billion; dividing by WACC yields a perpetual EVA value of roughly ¥132 billion.

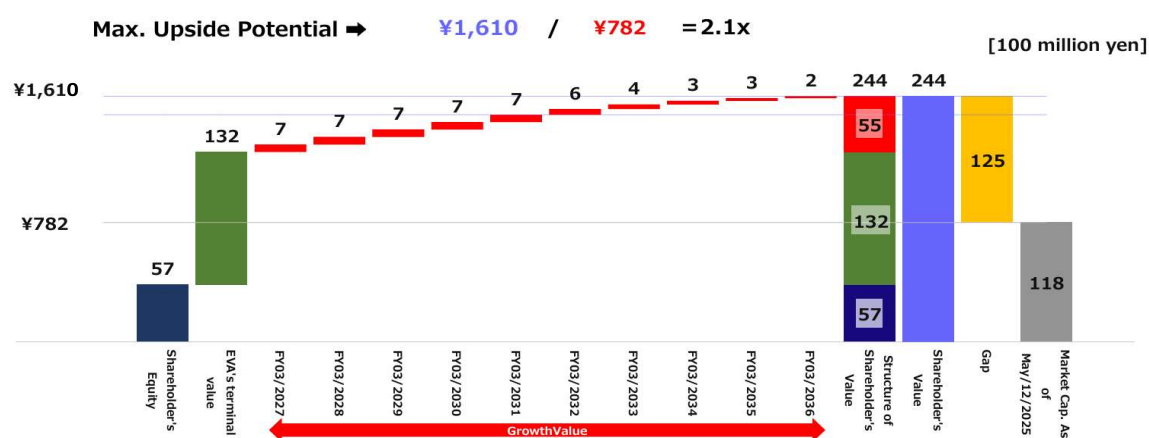
(3) Growth value 5.5 billion yen

- Assuming revenue of ¥7.6 billion and operating profit of ¥1.8 billion five years hence, growth value is estimated at ¥5.5 billion.

Non-operating assets 4.1 billion yen

- Non-business assets" other than capital invested in the business, such as cash and deposits exceeding 1.5 months of monthly sales, are estimated at 4.1 billion yen.

Shareholder Value Structure and Value Gap using the Excess Profit



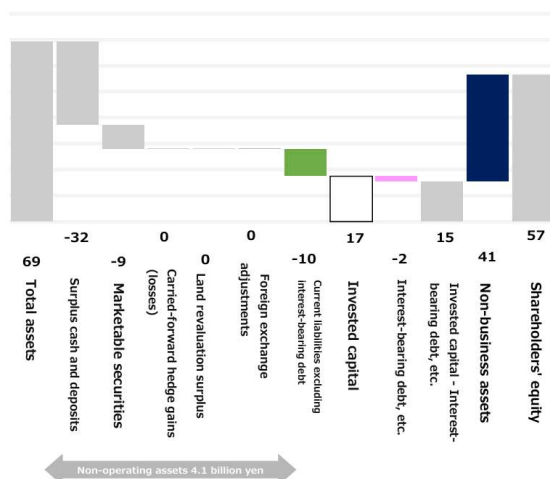
■ Excess Profit Model based on Lean ROIC/WACC (continued) Lean ROIC and Simple ROIC

① Invested capital and shareholders' equity at beginning of

Beginning-of-year invested capital equals 29.1 % of the company's FY3/26 sales plan of ¥6.0 billion.

Working capital 13.2% Fixed assets 15.9

[Unit: 100 million yen]

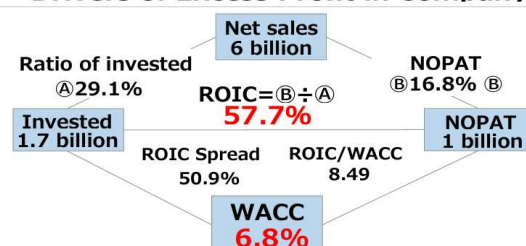


② Excess profit value

[Unit: 100 million yen]



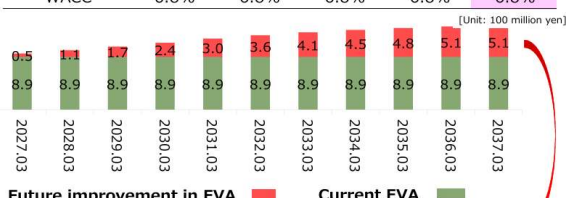
Drivers of Excess Profit in Company



③ Growth value

JPR's assumptions are based on past growth rates and performance trends [Unit: 100 million yen]

FY	JPR forecast 1 year later 2027.03	JPR forecast 2 year later 2028.03	JPR forecast 3 year later 2029.03	JPR forecast 4 year later 2030.03	JPR forecast 10 year later 2036.03
Sales	64	67	71	76	94
YoY growth rate	6.0%	6.0%	6.0%	6.0%	2.0%
Operating income	15.4	16.3	17.3	18.3	22.8
Operating profit ratio	24.2%	24.2%	24.2%	24.2%	24.2%
NOPAT	10.7	11.3	12.0	12.8	15.9
NOPAT margin	16.8%	16.8%	16.8%	16.8%	16.9%
Invested capital/Net sales	29.1%	29.1%	29.1%	29.1%	29.1%
ROIC	57.7%	57.7%	57.8%	57.8%	57.8%
Effective tax rate	30.5%	30.5%	30.5%	30.5%	30.5%
WACC	6.8%	6.8%	6.8%	6.8%	6.8%



Present value of future EVA improvements = growth value of ¥5.5 billion

The growth value is estimated on the assumption that, beyond the above period, the growth rate declines by 20 % each year and reaches zero growth in fiscal 2028.

Reference Information

Past performance (the current fiscal year reflects the company's plan)

	2022.03	2023.03	2024.03	2025.03	Current Plan 2026.03
Sales	45	49	48	49	60
Growth rate	11.7%	8.3%	-1.5%	2.4%	22.0%
Operating income	15.2	17.7	15.6	14.0	14.5
Operating profit rate	33.8%	36.2%	32.4%	28.5%	24.2%
NOPAT margin	23.5%	25.2%	22.5%	19.8%	16.8%
IC/S	25.2%	22.2%	31.2%	26.0%	29.1%
ROIC	93.0%	113.2%	72.3%	76.4%	57.7%

[Unit: 100 million yen]

Year-end market capitalization and



■ Future Projection Assumptions of the Excess Profit Model

FY	Company Plan 2026.03	JPR Forecast 2027.03	JPR Forecast 2028.03	JPR Forecast 2029.03	JPR Forecast 2030.03	JPR Forecast 2031.03	JPR Forecast 2032.03	JPR Forecast 2033.03	JPR Forecast 2034.03	JPR Forecast 2035.03	JPR Forecast 2036.03
Sales	60.0	63.6	67.4	71.5	75.7	80.3	84.1	87.4	90.1	92.3	94.1
Growth Rate	22.0%	6.0%	6.0%	6.0%	6.0%	6.0%	4.8%	3.8%	3.1%	2.5%	2.0%
Operating income	14.5	15.4	16.3	17.3	18.3	19.5	20.4	21.2	21.8	22.4	22.8
Operating profit margin	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
NOPAT margin	16.8%	16.8%	16.8%	16.8%	16.8%	16.9%	16.9%	16.9%	16.9%	16.9%	16.9%
Invested capital/sales	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%	29.1%
ROIC	57.7%	57.7%	57.7%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%	57.8%
WACC	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
Excess profit	8.9	9.4	10.0	10.6	11.3	11.9	12.5	13.0	13.4	13.7	14.0
Excess profit value/growth value	131.6	7.5	7.4	7.4	7.3	7.3	4.7	3.5	2.5	1.7	1.1

source: JPR

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