

Quarterly trends and results

Earnings (cumulative) (JPYmn)	FY04/23				FY04/24				FY04/24	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of Est.	Company forecast
Revenue	11,142	22,582	34,216	46,772	14,040	27,073	39,992		75.5%	53,000
YoY	4.4%	5.7%	7.0%	8.6%	26.0%	19.9%	16.9%			13.3%
Cost of revenue	7,902	16,019	24,214	33,444	9,916	19,281	28,337			
YoY	6.3%	6.8%	8.3%	9.1%	25.5%	20.4%	17.0%			
Cost ratio	70.9%	70.9%	70.8%	71.5%	70.6%	71.2%	70.9%			
Gross profit	3,240	6,563	10,002	13,327	4,124	7,792	11,655			
YoY	0.1%	3.0%	4.1%	7.4%	27.3%	18.7%	16.5%			
Gross profit margin	29.1%	29.1%	29.2%	28.5%	29.4%	28.8%	29.1%			
SG&A expenses	2,375	4,600	6,834	9,320	2,460	4,721	6,985			
YoY	7.7%	6.6%	5.0%	0.8%	3.6%	2.6%	2.2%			
SG&A-to-sales ratio	21.3%	20.4%	20.0%	19.9%	17.5%	17.4%	17.5%			
OP	865	1,962	3,168	4,008	1,665	3,072	4,670		84.9%	5,500
YoY	-16.2%	-4.5%	2.2%	26.6%	92.5%	56.5%	47.4%			37.2%
OPM	7.8%	8.7%	9.3%	8.6%	11.9%	11.3%	11.7%			10.4%
Recurring profit	773	1,805	2,964	3,707	1,624	3,014	4,592		88.3%	5,200
YoY	-23.9%	-9.7%	-2.0%	28.8%	110.0%	67.0%	54.9%			40.3%
Recurring profit margin	6.9%	8.0%	8.7%	7.9%	11.6%	11.1%	11.5%			9.8%
Net income	306	844	1,657	1,792	863	1,981	2,869		95.6%	3,000
YoY	-45.7%	-24.7%	2.1%	116.5%	182.5%	134.8%	73.2%			67.4%
Net margin	2.7%	3.7%	4.8%	3.8%	6.2%	7.3%	7.2%			5.7%
Quarterly (JPYmn)	FY04/23				FY04/24					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	11,142	11,440	11,635	12,555	14,040	13,033	12,919			
YoY	4.4%	6.9%	9.7%	13.1%	26.0%	13.9%	11.0%			
Cost of revenue	7,902	8,117	8,195	9,230	9,916	9,365	9,057			
YoY	6.3%	7.3%	11.2%	11.2%	25.5%	15.4%	10.5%			
Cost ratio	70.9%	71.0%	70.4%	73.5%	70.6%	71.9%	70.1%			
Gross profit	3,240	3,323	3,439	3,325	4,124	3,668	3,862			
YoY	0.1%	6.1%	6.2%	18.7%	27.3%	10.4%	12.3%			
Gross profit margin	29.1%	29.0%	29.6%	26.5%	29.4%	28.1%	29.9%			
SG&A expenses	2,375	2,225	2,234	2,486	2,460	2,261	2,264			
YoY	7.7%	5.4%	2.0%	-9.2%	3.6%	1.6%	1.3%			
SG&A-to-sales ratio	21.3%	19.5%	19.2%	19.8%	17.5%	17.3%	17.5%			
OP	865	1,098	1,205	840	1,665	1,407	1,599			
YoY	-16.2%	7.4%	15.1%	1201.2%	92.5%	28.2%	32.6%			
OPM	7.8%	9.6%	10.4%	6.7%	11.9%	10.8%	12.4%			
Recurring profit	773	1,032	1,159	743	1,624	1,390	1,578			
YoY	-23.9%	4.9%	13.1%	-	110.0%	34.8%	36.2%			
Recurring profit margin	6.9%	9.0%	10.0%	5.9%	11.6%	10.7%	12.2%			
Net income	306	538	813	135	863	1,117	888			
YoY	-45.7%	-3.4%	61.8%	-	182.5%	107.7%	9.2%			
Net margin	2.7%	4.7%	7.0%	1.1%	6.2%	8.6%	6.9%			

Source: Shared Research based on company materials

Notes: Figures may differ from company materials due to differences in rounding methods.

Earnings trends by segment

Earnings (cumulative) (JPYmn)	FY04/23				FY04/24				FY04/23	
	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of Est.	Company forecast
Revenue	11,142	22,582	34,216	46,772	14,040	27,073	39,992		75.5%	53,000
YoY	4.4%	5.7%	7.0%	8.6%	26.0%	19.9%	16.9%			
5G Infrastructure Support	2,328	4,733	7,109	9,489	2,428	4,924	7,425			
YoY	4.7%	5.8%	6.1%	5.1%	4.3%	4.1%	4.4%			
% of revenue	19.7%	19.7%	19.6%	19.1%	16.5%	17.4%	17.7%			
5G Lifestyle Support	5,477	11,157	16,764	23,261	7,600	13,655	19,904			
YoY	4.2%	4.4%	4.6%	7.0%	38.8%	22.4%	18.7%			
% of revenue	46.2%	46.6%	46.2%	46.9%	51.7%	48.1%	47.4%			
Enterprise/Creator 5G DX SupportDX Support	4,039	8,076	12,415	16,849	4,668	9,799	14,655			
YoY	3.5%	5.0%	8.3%	9.5%	15.6%	21.3%	18.0%			
% of revenue	34.1%	33.7%	34.2%	34.0%	31.8%	34.5%	34.9%			
Other	-	-	-	-	-	-	-			
YoY	-	-	-	-	-	-	-			
% of revenue	-	-	-	-	-	-	-			
Adjustments	-703	-1,383	-2,072	-2,828	-656	-1,305	-1,991			
OP	865	1,962	3,168	4,008	1,665	3,072	4,670		84.9%	5,500
YoY	-16.2%	-4.5%	2.2%	26.6%	92.5%	56.5%	47.4%			
OPM	7.8%	8.7%	9.3%	8.6%	11.9%	11.3%	11.7%			
5G Infrastructure Support	393	733	1,161	1,378	438	907	1,342			
YoY	33.2%	34.7%	21.2%	21.6%	11.5%	23.6%	15.6%			
OPM	16.9%	15.5%	16.3%	14.5%	18.1%	18.4%	18.1%			
% of OP	45.6%	37.4%	36.7%	34.4%	26.3%	29.5%	28.7%			
5G Lifestyle Support	377	980	1,535	2,039	1,034	1,746	2,579			
YoY	-33.4%	-17.5%	-6.4%	41.1%	174.4%	78.2%	68.0%			
OPM	6.9%	8.8%	9.2%	8.8%	13.6%	12.8%	13.0%			
% of OP	43.7%	50.0%	48.5%	50.9%	62.1%	56.9%	55.2%			
Enterprise/Creator 5G DX SupportDX Support	96	256	482	604	197	429	767			
YoY	-44.8%	-22.5%	-6.4%	0.1%	104.7%	67.8%	59.3%			

OPM	2.4%	3.2%	3.9%	3.6%	4.2%	4.4%	5.2%						
				% of OP		11.2%	13.0%	15.2%	15.1%	11.9%	14.0%	16.4%	
Other						-4	-8	-12	-17	-5	-11	-16	
				YoY		-	-	-	-	-	-	-	
				OPM		-	-	-	-	-	-	-	
				% of OP		-0.5%	-0.4%	-0.4%	-0.4%	-0.3%	-0.3%	-0.3%	
Adjustments						2	1	2	2	-0	1	-2	
Quarterly					FY04/23				FY04/24				
(JPYmn)					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Revenue					11,142	11,440	11,635	12,555	14,040	13,033	12,919		
				YoY	4.4%	6.9%	9.7%	13.1%	26.0%	13.9%	11.0%		
5G Infrastructure Support					2,328	2,404	2,376	2,380	2,428	2,497	2,500		
				YoY	4.7%	7.0%	6.6%	2.0%	4.3%	3.8%	5.2%		
				% of revenue	19.7%	19.8%	19.3%	17.9%	16.5%	18.2%	18.4%		
5G Lifestyle Support					5,477	5,679	5,607	6,497	7,600	6,054	6,249		
				YoY	4.2%	4.7%	4.9%	13.9%	38.8%	6.6%	11.5%		
				% of revenue	46.2%	46.9%	45.5%	48.8%	51.7%	44.3%	45.9%		
Enterprise/Creator 5G DX SupportDX Support					4,039	4,037	4,339	4,434	4,668	5,131	4,855		
				YoY	3.5%	6.6%	15.1%	12.9%	15.6%	27.1%	11.9%		
				% of revenue	34.1%	33.3%	35.2%	33.3%	31.8%	37.5%	35.7%		
Other					-	-	-	-	-	-	-		
				YoY	-	-	-	-	-	-	-		
				% of revenue	-	-	-	-	-	-	-		
Adjustments					-703	-681	-688	-756	-656	-649	-686		
OP					865	1,098	1,205	840	1,665	1,407	1,599		
				YoY	-16.2%	7.4%	15.1%	1201.2%	92.5%	28.2%	32.6%		
				OPM	7.8%	9.6%	10.4%	6.7%	11.9%	10.8%	12.4%		
5G Infrastructure Support					393	340	427	218	438	468	435		
				YoY	33.2%	36.5%	3.4%	23.4%	11.5%	37.6%	1.9%		
				OPM	16.9%	14.2%	18.0%	9.1%	18.1%	18.8%	17.4%		
				% of OP	45.6%	31.0%	35.5%	25.9%	26.3%	33.3%	27.2%		
5G Lifestyle Support					377	603	555	504	1,034	712	833		
				YoY	-33.4%	-2.9%	22.7%	-	174.4%	18.1%	49.9%		
				OPM	6.9%	10.6%	9.9%	7.8%	13.6%	11.8%	13.3%		
				% of OP	43.7%	54.9%	46.1%	60.0%	62.1%	50.6%	52.0%		
Enterprise/Creator 5G DX SupportDX Support					96	159	226	123	197	231	339		
				YoY	-44.8%	2.5%	22.5%	37.4%	104.7%	45.4%	49.7%		
				OPM	2.4%	3.9%	5.2%	2.8%	4.2%	4.5%	7.0%		
				% of OP	11.2%	14.5%	18.8%	14.6%	11.9%	16.5%	21.1%		
Other					-4	-4	-4	-5	-5	-5	-5		
				YoY	-	-	-	-	-	-	-		
				OPM	-	-	-	-	-	-	-		
				% of OP	-0.5%	-0.3%	-0.3%	-0.6%	-0.3%	-0.4%	-0.3%		
Adjustments					2	-1	1	0	-0	1	-3		

Source: Shared Research based on company materials

Notes: Figures may differ from company materials due to differences in rounding methods.

Cumulative Q3 FY04/24 results

- Revenue: JPY40.0bn (+16.9% YoY)
- Operating profit: JPY4.7bn (+47.4% YoY)
- Recurring profit: JPY4.6bn (54.9% YoY)
- Net income attributable to owners of the parent: JPY2.9bn (+73.2% YoY)

In cumulative Q3 FY04/24, revenue, operating profit, recurring profit, and net income attributable to owners of the parent rose 16.9% YoY, 47.4% YoY, 54.9% YoY, and 73.2% YoY, respectively. Giga Prize Co., Ltd. and its subsidiaries changed their fiscal year-end from March 31 to April 30, the same date as the company, resulting in a 13-month accounting period from April 1, 2023 to April 30, 2024 for FY04/24. In cumulative Q3, 10-month accounting period from April 1, 2023 to December 31, 2023, was included in the consolidated financial results.

Excluding the impact of the change in fiscal year-end for Giga Prize and its subsidiaries, revenue increased 11.8% YoY to JPY38.3bn, operating profit rose 34.9% YoY to JPY4.3bn, recurring profit rose 41.6% YoY to JPY 4.2bn, and net income attributable to owners of the parent rose 63.7% to JPY2.7bn.

Against the company's revised FY04/23 full-year forecasts, cumulative Q3 FY04/24 revenue, operating profit, recurring profit, and net income attributable to owners of the parent achieved 75.5% (73.2% in FY04/23), 84.9%(79.0%), 88.3% (80.0%), and 95.6%(92.4%), respectively. There were no changes in the company's full-year earnings forecast.

5G Infrastructure Support

- Revenue: JPY7.4bn (+4.4% YoY)
- Operating profit: JPY1.3bn (+15.6% YoY)

In cumulative Q3 FY04/24, the segment posted an increase in revenue and profit. The company's group performed well due to the expansion of the scale of its support business for MVNOs. Operating profit (excluding strategic investments) was up 13.5% YoY.

5G Lifestyle Support

- Revenue: JPY19.9bn (+18.7% YoY)
- Operating profit: JPY2.6bn (+68.0% YoY)

In cumulative Q3 FY04/24, the segment posted an increase in revenue and profit. In the 5G Homestyle business (internet services for housing complexes), the number of households using the company's service grew at a steady pace.

Excluding the impact of the change in fiscal year-end for Giga Prize and its subsidiaries, revenue was up 8.4% YoY, and operating profit (excluding strategic investments (one-time investments)) was up 32.4% YoY.

Enterprise/Creator 5G DX Support

- Revenue: JPY14.7bn (+18.0% YoY)
- Operating profit: JPY767mn (+59.3% YoY)

In cumulative Q3 FY04/24, the segment posted increases in both revenue and profit. Customer acquisition for affiliate services grew at a steady pace. Operating profit (excluding strategic investments (one-time investments)) was up 46.7% YoY.

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Contact Details

Company name

Shared Research Inc.

Phone

+81 (0)3 5834-8787

Address

2-6-10 Kanda-Sarugakucho Chiyoda-ku Tokyo, Japan

Email

info@sharedresearch.jp

Website

<https://sharedresearch.jp>

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