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On **October 9, 2019**, Aeon Fantasy, Co., Ltd. announced earnings results for 1H FY02/20.

Cumulative (JPYmn)	FY02/18				FY02/19				FY02/20		FY02/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of FY	FY Est.
Sales	16,249	35,743	52,707	72,174	17,586	37,763	54,081	74,244	17,980	38,960	49.9%	78,000
YoY	7.8%	10.3%	11.4%	10.9%	8.2%	5.7%	2.6%	2.9%	2.2%	3.2%		5.1%
Cost of sales	14,539	30,745	45,548	61,363	15,715	32,253	47,675	64,239	16,234	33,302		
YoY	5.4%	7.3%	7.7%	7.5%	8.1%	4.9%	4.7%	4.7%	3.3%	3.3%		
Gross profit	1,710	4,997	7,158	10,812	1,871	5,511	6,407	10,005	1,745	5,658		
YoY	33.9%	32.8%	42.6%	35.5%	9.4%	10.3%	-10.5%	-7.5%	-6.7%	2.7%		
GPM	10.5%	14.0%	13.6%	15.0%	10.6%	14.6%	11.8%	13.5%	9.7%	14.5%		
SG&A expenses	1,193	2,452	3,613	4,841	1,322	2,659	4,018	5,353	1,436	2,805		
YoY	11.8%	18.5%	17.0%	15.0%	10.8%	8.5%	11.2%	10.6%	8.6%	5.5%		
SG&A ratio	7.3%	6.9%	6.9%	6.7%	7.5%	7.0%	7.4%	7.2%	8.0%	7.2%		
Operating profit	517	2,545	3,545	5,971	549	2,851	2,388	4,652	310	2,853	52.8%	5,400
YoY	146.6%	50.3%	83.4%	58.4%	6.2%	12.0%	-32.6%	-22.1%	-43.6%	0.1%		16.1%
OPM	3.2%	7.1%	6.7%	8.3%	3.1%	7.6%	4.4%	6.3%	1.7%	7.3%		6.9%
Recurring profit	491	2,301	3,218	5,598	467	2,654	2,126	4,300	91	2,394	50.4%	4,750
YoY	258.1%	47.4%	83.7%	60.0%	-4.8%	15.3%	-33.9%	-23.2%	-80.5%	-9.8%		10.5%
RPM	3.0%	6.4%	6.1%	7.8%	2.7%	7.0%	3.9%	5.8%	0.5%	6.1%		6.1%
Net income	17	1,102	1,366	2,986	108	1,361	519	1,865	-315	1,171	54.5%	2,150
YoY	-	36.8%	105.4%	75.9%	532.8%	23.5%	-62.0%	-37.5%	-	-13.9%		15.3%
Net margin	0.1%	3.1%	2.6%	4.1%	0.6%	3.6%	1.0%	2.5%	-1.8%	3.0%		2.8%

Quarterly (JPYmn)	FY02/18				FY02/19				FY02/20		FY02/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of FY	FY Est.
Sales	16,249	19,494	16,964	19,468	17,586	20,177	16,318	20,162	17,980	20,980	49.9%	78,000
YoY	7.8%	12.5%	13.8%	9.7%	8.2%	3.5%	-3.8%	3.6%	2.2%	4.0%		5.1%
Cost of sales	14,539	16,207	14,803	15,815	15,715	16,538	15,422	16,564	16,234	17,068		
YoY	5.4%	9.1%	8.4%	6.9%	8.1%	2.0%	4.2%	4.7%	3.3%	3.2%		
Gross profit	1,710	3,287	2,161	3,653	1,871	3,639	896	3,598	1,745	3,912		
YoY	33.9%	32.3%	71.7%	23.6%	9.4%	10.7%	-58.5%	-1.5%	-6.7%	7.5%		
GPM	10.5%	16.9%	12.7%	18.8%	10.6%	18.0%	5.5%	17.8%	9.7%	18.6%		
SG&A expenses	1,193	1,259	1,162	1,227	1,322	1,337	1,359	1,335	1,436	1,369		
YoY	11.8%	25.8%	14.0%	9.6%	10.8%	6.2%	17.0%	8.8%	8.6%	2.4%		
SG&A ratio	7.3%	6.5%	6.8%	6.3%	7.5%	6.6%	8.3%	6.6%	8.0%	6.5%		
Operating profit	517	2,028	1,000	2,426	549	2,302	-463	2,263	310	2,543	52.8%	5,400
YoY	146.6%	36.7%	318.1%	32.1%	6.2%	13.5%	-	-6.7%	-43.6%	10.5%		16.1%
OPM	3.2%	10.4%	5.9%	12.5%	3.1%	11.4%	-2.8%	11.2%	1.7%	12.1%		6.9%
Recurring profit	491	1,811	917	2,380	467	2,187	-527	2,173	91	2,303	50.4%	4,750
YoY	258.1%	27.1%	380.8%	36.3%	-4.8%	20.8%	-	-8.7%	-80.5%	5.3%		10.5%
RPM	3.0%	9.3%	5.4%	12.2%	2.7%	10.8%	-3.2%	10.8%	0.5%	11.0%		6.1%
Net income	17	1,085	264	1,621	108	1,252	-841	1,346	-315	1,486	54.5%	2,150
YoY	-	13.0%	-	56.9%	532.8%	15.5%	-	-17.0%	-	18.7%		15.3%
Net margin	0.1%	5.6%	1.6%	8.3%	0.6%	6.2%	-5.2%	6.7%	-1.8%	7.1%		2.8%

By segment Quarterly (JPYmn)	FY02/18				FY02/19				FY02/20		FY02/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of FY	FY Est.
Sales	16,249	19,494	16,964	19,468	17,586	20,177	16,318	20,162	17,980	20,980	49.9%	78,000
YoY	7.8%	12.5%	13.8%	9.7%	8.2%	3.5%	-3.8%	3.6%	2.2%	4.0%		5.1%
Japan	13,667	15,862	13,844	15,074	14,318	15,658	13,440	15,445	14,918	16,341	51.2%	61,000
YoY	6.2%	8.5%	10.1%	4.1%	4.8%	-1.3%	-2.9%	2.5%	4.2%	4.4%		3.6%
Overseas	2,582	3,632	3,120	4,394	3,268	4,520	2,878	4,717	3,062	4,639	44.5%	17,300
YoY	17.4%	33.9%	33.9%	34.8%	26.5%	24.4%	-7.8%	7.4%	-6.3%	2.6%		12.5%
China	1,593	2,592	1,917	2,938	1,924	3,146	1,496	3,081	1,509	3,034	44.5%	10,200
YoY	11.2%	32.2%	25.8%	30.1%	20.8%	21.4%	-21.9%	4.9%	-21.6%	-3.6%		5.7%
ASEAN	989	1,040	1,203	1,455	1,344	1,373	1,381	1,636	1,553	1,605	44.5%	7,100
YoY	29.1%	38.3%	49.2%	45.4%	35.9%	32.0%	14.8%	12.4%	15.6%	16.9%		23.8%
Adjustments	-93	-87	-43	-151	-85	-81	-64	-62	-115	-76		-300
Operating profit	517	2,028	1,000	2,426	549	2,302	-463	2,263	310	2,543	52.8%	5,400
YoY	146.6%	36.7%	318.1%	32.1%	6.2%	13.5%	-	-6.7%	-43.6%	10.5%		16.1%
OPM	3.2%	10.4%	5.9%	12.5%	3.1%	11.4%	-2.8%	11.2%	1.7%	12.1%		6.9%
Japan	766	1,703	1,168	1,992	735	1,689	318	1,621	1,019	2,092	64.8%	4,800
YoY	53.6%	34.6%	174.6%	33.0%	-4.1%	-0.8%	-72.8%	-18.6%	38.6%	23.8%		10.0%
OPM	5.6%	10.7%	8.4%	13.2%	5.1%	10.8%	2.4%	10.5%	6.8%	12.8%		7.9%
Overseas	-248	327	-168	435	-185	614	-780	643	-707	452		610
YoY	-	49.2%	-	28.5%	-	87.5%	-	47.7%	-	-26.3%		109.2%
OPM	-9.6%	9.0%	-5.4%	9.9%	-5.7%	13.6%	-27.1%	13.6%	-23.1%	9.7%		3.5%
China	-237	366	-195	371	-236	573	-803	525	-762	395		260
YoY	-	46.9%	-	19.4%	-	56.7%	-	41.5%	-	-31.0%		344.0%
OPM	-14.9%	14.1%	-10.2%	12.6%	-12.2%	18.2%	-53.7%	17.0%	-50.5%	13.0%		2.5%
ASEAN	-11	-38	28	64	51	41	23	118	55	57	31.9%	350
YoY	-	-	-	128.7%	-	-	-17.1%	84.1%	7.6%	39.0%		50.2%
OPM	-1.1%	-3.7%	2.3%	4.4%	3.8%	3.0%	1.7%	7.2%	3.5%	3.5%		4.9%
Adjustments	-1	-1	-1	-1	-1	-1	-1	-0	-2	-1		

Source: Shared Research based on company data

## 1H FY02/20 results (out October 9, 2019)

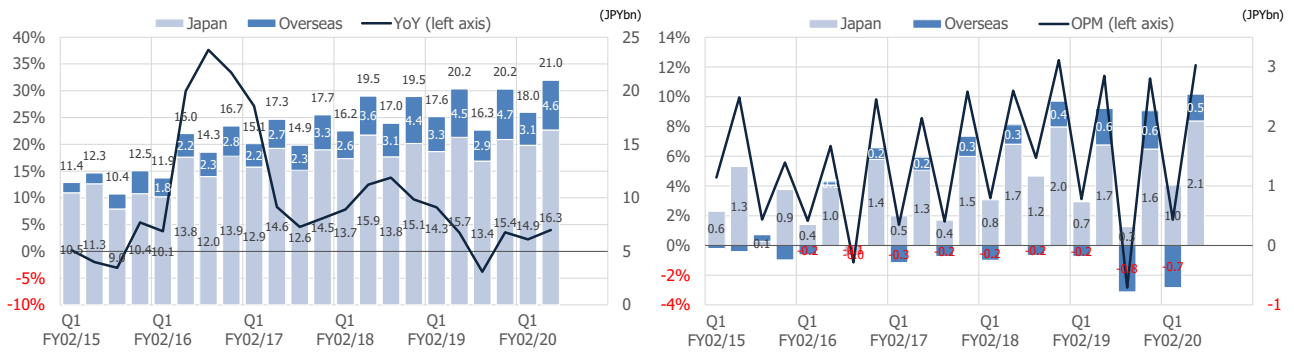
### Results for 1H FY02/20

▷ Sales:	JPY39.0bn (+3.2% YoY)
▷ Operating profit:	JPY2.9bn (+0.1% YoY)
▷ Recurring profit:	JPY2.4bn (-9.8% YoY)
▷ Net income*:	JPY1.2bn (-13.9% YoY)

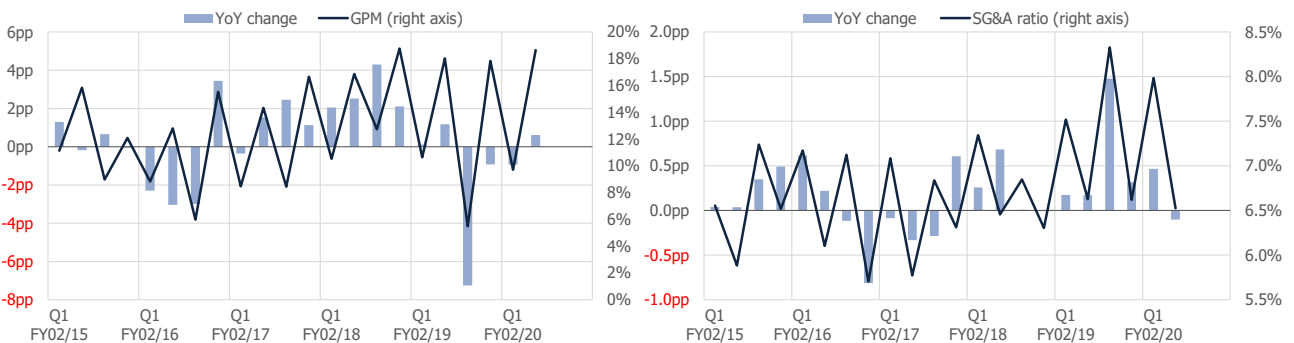
\*Net income (loss) attributable to owners of parent

- ▷ In Q2 FY02/20 (Jun–Aug 2019), sales were JPY21.0bn (+4.0% YoY) and operating profit was JPY2.5bn (+10.5% YoY). Profit was down despite higher sales in Q1 (Mar–May 2019), because the effect of the earnings downturn in China eroded solid performance in the domestic business. Sales and profit were up in Q2 on improved QoQ earnings performance in China. The company left its full-year forecast unchanged at JPY78.0bn in sales (+5.1% YoY) and operating profit of JPY5.4bn (+16.1% YoY). Progress toward the full-year targets in 1H was 49.9% for sales (versus 50.9% of full-year results in 1H FY02/19) and 52.8% for operating profit (61.3%).
- ▷ Domestic business: Q2 sales came to JPY16.3bn (+4.4% YoY) and operating profit JPY2.1bn (+23.8% YoY). As of end-1H FY02/20, the company had 439 facilities (net decrease of 19 facilities or -4.1% YoY). Comparable store sales growth accelerated in 1H, rising 4.4% YoY versus a 3.6% YoY increase in Q1. Medal games (positioned as a strategic business) performed well, centered on new games for kids. The price revision at individual stores in April also helped to lift sales. Game prizes performed strongly, especially movie-related merchandise.
- ▷ China: Q2 sales were JPY3.0bn (-3.6% YoY) and operating profit was JPY395mn (-31.0% YoY). In Q1, sales were down 21.6% YoY and the company posted a JPY762mn operating loss because of the impact of falling unit prices in reaction to a discount sale at the end of 2018. However, earnings improved in Q2 for the following reasons: 1) the effect of the reactionary slump on unit prices was smaller in Q2; 2) more stores switched to redemption format amusement machines, which makes them more competitive versus rival stores; and 3) remodeling of Kidzooona facilities helped to improve comparable store sales.
- ▷ ASEAN operations: In Q2, sales grew to JPY1.6bn (+16.9% YoY) while operating profit increased to JPY57mn (+39.0% YoY). In 1H, comparable store sales were up 8.0% YoY in Thailand (+14.1% YoY in Q1) and up 9.7% YoY in Vietnam (+8.1% YoY), maintaining robust performance as a result of store revitalization measures. Sales were weak in Q1 in Malaysia (-3.4% YoY) but improved in 1H (+0.4% YoY), while in the Philippines sales fell 6.3% YoY in Q1 due to a measles outbreak and recovered somewhat in 1H (-3.7% YoY). In Indonesia, sales were down 8.3% YoY in 1H (-7.0% in Q1) because of frequent demonstrations in Jakarta.

### Quarterly earnings (left: sales, right: operating profit)



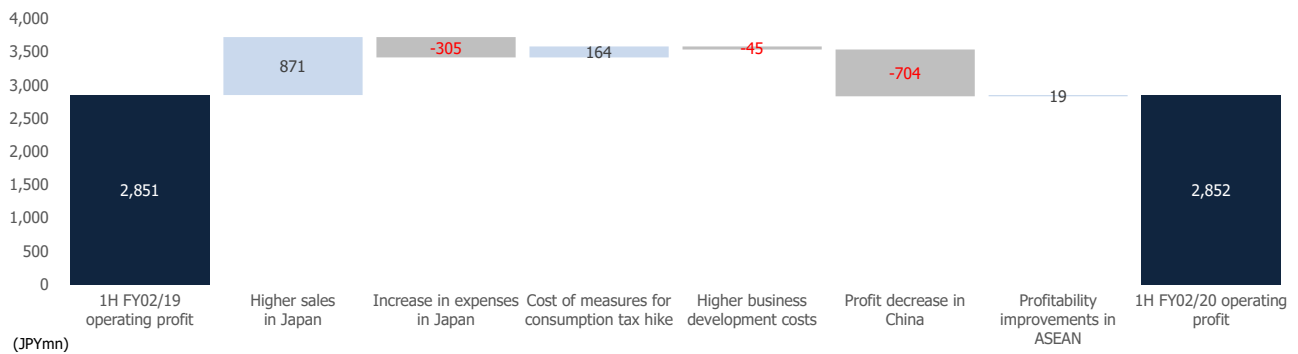
### Gross profit (left), SG&A expenses (right)



Source: Shared Research based on company data

Seasonality: The company's business is prone to large fluctuations in earnings due to seasonal factors in each quarter. Q2 and Q4 are periods of high demand, while demand tends to decline in Q1 and Q3. Q1 (March–May) is affected by a lack of school holidays and restraint in purchasing following the Chinese New Year, with March marking a low point. Q3 includes the Mid-Autumn Festival (15th day of the 8th month of the lunar calendar, which corresponds to late September to early October of the Western calendar) and the National Foundation holidays (October), with September marking the low point. Conversely, Q4 coincides with the Chinese New Year holidays (first month of the lunar calendar, which corresponds to the period from late January to early February of the Western calendar), which affect monthly sales. (When the holiday period shifts into February, January sales worsen.)

### Factors contributing to changes in operating profit



Source: Shared Research based on company data

### Factors contributing to operating profit change

(JPYmn)	FY02/18		FY02/19		FY02/18				FY02/19				FY02/20	
	FY	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1	Q2
OP (previous year)	3,769	5,970	210	1,484	239	1,836	517	2,028	1,000	2,426	549	2,302		
Sales increase in Japan	1,868	-1,206	356	343	677	492	96	-23	-891	-388	423	448		
Cost reductions in Japan	307	225	31	128	78	70	66	24	77	58	-189	-120		
Profits overseas	398	445	41	108	18	97	63	286	-611	207	-523	-162		
Other	-372	-783	-121	-35	-12	-70	-193	-13	-38	-39	50	75		
OP (current year)	5,970	4,651	517	2,028	1,000	2,425	549	2,302	-463	2,264	310	2,543		

Source: Shared Research based on company data

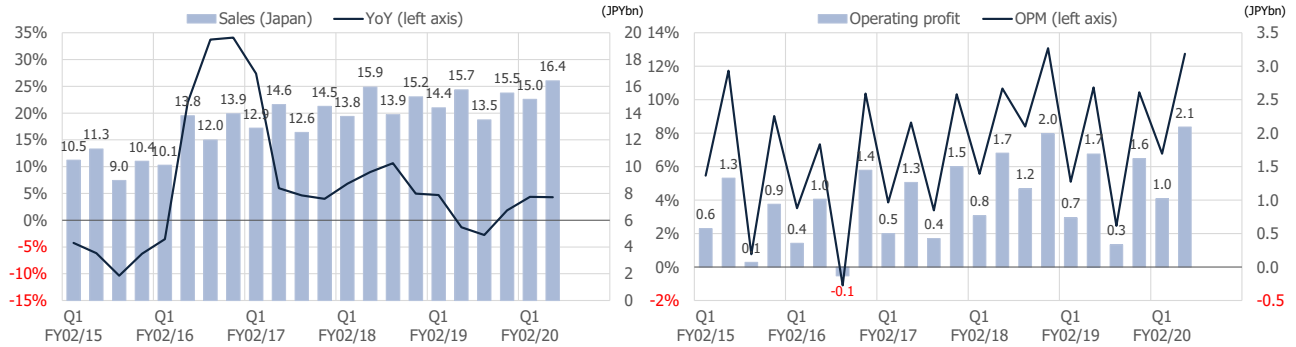
Domestic business

Business performance: Japan (parent)

Japan (JPYmn)		FY02/18				FY02/19				FY02/20	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Parent	Sales	13,759	15,949	13,886	15,224	14,403	15,739	13,503	15,506	15,032	16,417
	YoY	6.8%	9.0%	10.6%	5.0%	4.7%	-1.3%	-2.8%	1.9%	4.4%	4.3%
	Sales breakdown										
	Time-based	568	694	593	631	613	702	562	602	595	667
	Physical activities	1,123	1,167	994	1,022	1,026	1,139	964	1,049	1,041	1,107
	Cards	2,084	2,130	2,153	2,194	2,067	1,794	1,753	1,820	1,934	1,790
	Medals	3,369	4,070	3,340	3,546	3,264	3,993	3,212	3,594	3,570	4,313
	Prizes	5,723	7,131	6,238	7,122	6,514	7,128	6,304	7,744	7,035	7,714
	Stickers	460	394	304	331	399	374	294	324	416	358
	Capsules	162	142	124	135	128	125	120	139	134	163
	Comparable-store sales YoY										
	Time-based	-4.9%	-1.2%	1.2%	1.0%	5.2%	-1.9%	-7.6%	-5.6%	-4.4%	-5.0%
	Physical activities	-4.8%	-6.4%	-7.4%	-9.6%	-7.5%	-0.8%	-1.8%	1.8%	1.9%	-2.9%
	Cards	2.8%	-6.9%	-5.5%	-7.0%	1.8%	-14.5%	-17.7%	-16.8%	-7.8%	-1.8%
	Medals	6.9%	7.5%	9.9%	-1.3%	-1.2%	-0.7%	-3.1%	0.3%	9.3%	8.8%
	Prizes	13.0%	24.7%	24.9%	18.0%	15.3%	0.6%	0.8%	6.6%	5.9%	7.5%
	Stickers	-13.3%	-18.3%	-20.5%	-16.3%	-10.0%	-4.8%	-1.7%	-1.2%	2.0%	-4.0%
	Capsules	20.8%	8.4%	6.6%	-7.7%	-10.5%	-14.1%	-8.4%	-4.5%	-6.2%	32.7%
	Cost of sales	12,136	13,393	11,906	12,431	12,761	13,182	12,261	12,976	13,055	13,420
	YoY	4.4%	6.0%	4.4%	2.2%	5.1%	-1.6%	3.0%	4.4%	2.3%	1.8%
	Gross profit	1,622	2,555	1,979	2,793	1,642	2,556	1,242	2,530	1,977	2,997
	YoY	28.5%	27.5%	72.1%	19.6%	1.2%	0.0%	-37.2%	-9.4%	20.4%	17.3%
	GPM	11.8%	16.0%	14.3%	18.3%	11.4%	16.2%	9.2%	16.3%	13.2%	18.3%
	SG&A expenses	856	853	811	801	907	867	910	909	959	905
	YoY	12.2%	15.4%	11.9%	-4.4%	6.0%	1.6%	12.2%	13.5%	5.7%	4.4%
	SG&A ratio	6.2%	5.3%	5.8%	5.3%	6.3%	5.5%	6.7%	5.9%	6.4%	5.5%
	Operating profit	766	1,702	1,167	1,991	735	1,689	332	1,620	1,018	2,092
	YoY	53.8%	34.7%	174.6%	32.9%	-4.0%	-0.8%	-71.6%	-18.6%	38.5%	23.9%
	OPM	5.6%	10.7%	8.4%	13.1%	5.1%	10.7%	2.5%	10.4%	6.8%	12.7%
	No. of facilities	477	470	470	459	461	458	453	448	441	439
	Openings	3	2	3	-	3	2	6	-	1	-
	Closures (est.)	-7	-9	-3	-11	-1	-5	-11	-5	-8	-2
	Sales per facility	28.72	33.68	29.54	32.78	31.31	34.25	29.64	34.42	33.82	37.31
	Cost per facility	25.34	28.29	25.33	26.76	27.74	28.69	26.92	28.80	29.37	30.50
	GP per facility	3.39	5.40	4.21	6.01	3.57	5.56	2.73	5.62	4.45	6.81
	SG&A per facility	1.79	1.80	1.73	1.72	1.97	1.89	2.00	2.02	2.16	2.06

Source: Shared Research based on company data

Domestic earnings



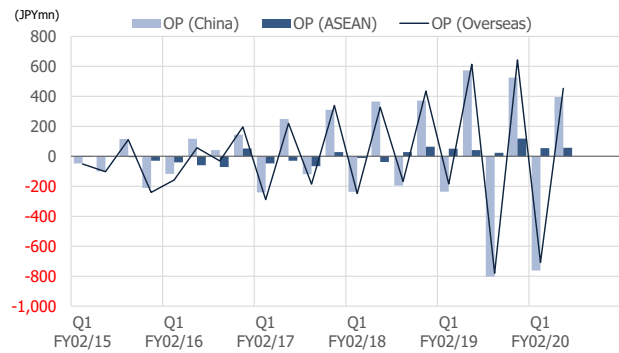
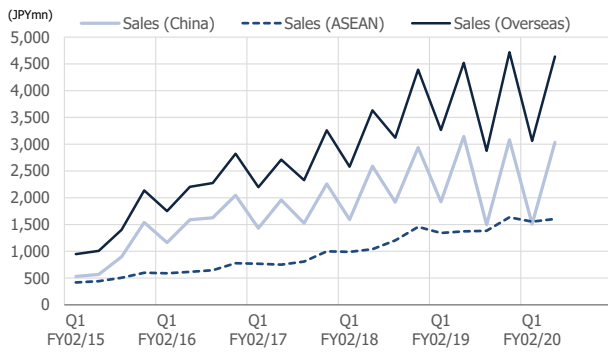
Source: Shared Research based on company data

## Overseas business

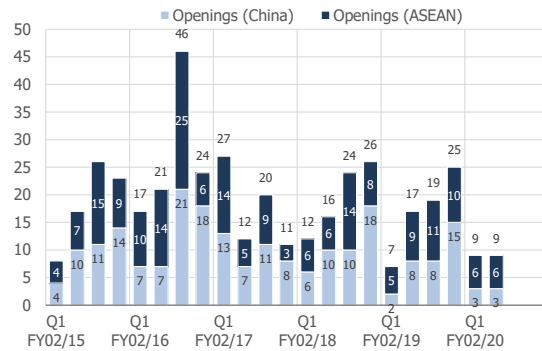
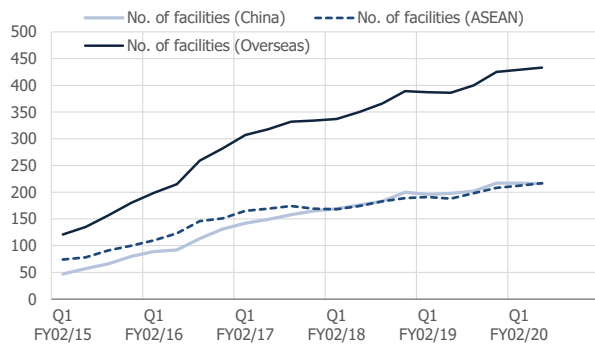
Overseas (JPYmn)		FY02/18				FY02/19				FY02/20		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Overseas		2,582	3,632	3,120	4,394	3,268	4,520	2,878	4,717	3,062	4,639	
YoY		17.4%	33.9%	33.9%	34.8%	26.5%	24.4%	-7.8%	7.4%	-6.3%	2.6%	
China		1,593	2,592	1,917	2,938	1,924	3,146	1,496	3,081	1,509	3,034	
YoY		11.2%	32.2%	25.8%	30.1%	20.8%	21.4%	-21.9%	4.9%	-21.6%	-3.6%	
ASEAN		989	1,040	1,203	1,455	1,344	1,373	1,381	1,636	1,553	1,605	
YoY		29.1%	38.3%	49.2%	45.4%	35.9%	32.0%	14.8%	12.4%	15.6%	16.9%	
Overseas		-248	327	-168	435	-185	614	-780	643	-707	452	
YoY		-	49.2%	-	28.5%	-	87.5%	-	47.7%	-	-26.3%	
OPM		-9.6%	9.0%	-5.4%	9.9%	-5.7%	13.6%	-27.1%	13.6%	-23.1%	9.7%	
China		-237	366	-195	371	-236	573	-803	525	-762	395	
YoY		-	46.9%	-	19.4%	-	56.7%	-	41.5%	-	-31.0%	
OPM		-14.9%	14.1%	-10.2%	12.6%	-12.2%	18.2%	-53.7%	17.0%	-50.5%	13.0%	
ASEAN		-11	-38	28	64	51	41	23	118	55	57	
YoY		-	-	-	128.7%	-	-	-17.1%	84.1%	7.6%	39.0%	
OPM		-1.1%	-3.7%	2.3%	4.4%	3.8%	3.0%	1.7%	7.2%	3.5%	3.5%	
No. of facilities		337	350	366	389	387	386	400	425	429	433	
Openings		12	16	24	26	7	17	19	25	9	9	
China		Sales	1,593	2,591	1,917	2,939	1,923	3,147	1,496	3,081	1,508	3,034
YoY		11.2%	32.2%	25.8%	30.1%	20.7%	21.5%	-22.0%	4.8%	-21.6%	-3.6%	
Facility profit		-34	627	22	678	10	869	-524	767	-495	673	
Profit margin		-	24.2%	1.1%	23.1%	0.5%	27.6%	-	24.9%	-	22.2%	
SG&A expenses		202	262	218	307	245	297	279	243	266	279	
YoY		9.2%	55.0%	56.8%	65.9%	21.3%	13.4%	28.0%	-20.8%	8.6%	-6.1%	
Operating profit		-236	364	-194	370	-235	572	-802	523	-762	396	
OPM		-	14.0%	-	12.6%	-	18.2%	-	17.0%	-	13.1%	
Malaysia		Sales	472	519	582	673	593	594	630	700	611	642
YoY		19.2%	32.1%	34.1%	33.3%	25.6%	14.5%	8.2%	4.0%	3.0%	8.1%	
Facility profit		96	109	138	162	113	104	135	181	111	96	
Profit margin		20.3%	21.0%	23.7%	24.1%	19.1%	17.5%	21.4%	25.9%	18.2%	15.0%	
SG&A expenses		57	54	64	73	70	71	76	72	88	82	
YoY		26.7%	28.6%	33.3%	73.8%	22.8%	31.5%	18.8%	-1.4%	25.7%	15.5%	
Operating profit		38	55	74	89	43	33	60	107	23	13	
OPM		8.1%	10.6%	12.7%	13.2%	7.3%	5.6%	9.5%	15.3%	3.8%	2.0%	
Thailand		Sales	200	184	182	196	192	180	161	194	206	198
YoY		9.9%	30.5%	29.1%	-3.9%	-4.0%	-2.2%	-11.5%	-1.0%	7.3%	10.0%	
Facility profit		-29	-50	-38	-8	-9	-3	0	21	31	26	
Profit margin		-	-	-	-	-	-	-	10.8%	15.0%	13.1%	
SG&A expenses		28	22	24	28	32	28	24	32	31	22	
YoY		-6.7%	29.4%	9.1%	3.7%	14.3%	27.3%	-	14.3%	-3.1%	-21.4%	
Operating profit		-57	-73	-61	-36	-42	-30	-25	-10	-	3	
OPM		-	-	-	-	-	-	-	-	-	1.5%	
Philippines		Sales	228	236	285	330	330	317	338	402	396	378
YoY		61.7%	43.9%	61.9%	61.8%	44.7%	34.3%	18.6%	21.8%	20.0%	19.2%	
Facility profit		36	27	46	53	63	25	18	39	51	24	
Profit margin		15.8%	11.4%	16.1%	16.1%	19.1%	7.9%	5.3%	9.7%	12.9%	6.3%	
SG&A expenses		31	36	11	62	26	27	29	31	36	33	
YoY		19.2%	71.4%	-67.6%	416.7%	-16.1%	-25.0%	163.6%	-50.0%	38.5%	22.2%	
Operating profit		5	-9	35	-9	36	-2	-10	7	14	-8	
OPM		2.2%	-	12.3%	-	10.9%	-	-	1.7%	3.5%	-	
Indonesia		Sales	87	101	130	185	160	190	188	262	237	267
YoY		93.3%	90.6%	128.1%	112.6%	83.9%	88.1%	44.6%	41.6%	48.1%	40.5%	
Facility profit		32	33	22	70	48	77	49	72	61	87	
Profit margin		36.8%	32.7%	16.9%	37.8%	30.0%	40.5%	26.1%	27.5%	25.7%	32.6%	
SG&A expenses		20	22	23	42	29	37	33	48	46	46	
YoY		25.0%	57.1%	64.3%	75.0%	45.0%	68.2%	43.5%	14.3%	58.6%	24.3%	
Operating profit		11	12	-2	28	18	41	15	25	14	41	
OPM		12.6%	11.9%	-	15.1%	11.3%	21.6%	8.0%	9.5%	5.9%	15.4%	
Vietnam		Sales	-	-	-	-	66	159	-	101	221	
YoY		-	-	-	-	-	-	-	-	53.0%	39.0%	
Facility profit		-	-	-	-	25	58	-	-	32	68	
Profit margin		-	-	-	-	37.9%	36.5%	-	-	31.7%	30.8%	
SG&A expenses		-	-	-	-	20	41	-	-	19	37	
YoY		-	-	-	-	-	-	-	-	-5.0%	-9.8%	
Operating profit		-	-	-	-	5	16	-	-	12	30	
OPM		-	-	-	-	7.6%	10.1%	-	-	11.9%	13.6%	

Source: Shared Research based on company data

Quarterly earnings: Overseas



Number of facilities: Overseas



Source: Shared Research based on company data

China business

Business performance: Overseas (China)

China		FY02/18				FY02/19				FY02/20	
Quarterly (JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
China	Sales	1,593	2,591	1,917	2,939	1,923	3,147	1,496	3,081	1,508	3,034
	YoY	11.2%	32.2%	25.8%	30.1%	20.7%	21.5%	-22.0%	4.8%	-21.6%	-3.6%
	Facility costs	1,627	1,964	1,895	2,261	1,913	2,278	2,020	2,314	2,003	2,361
	YoY	9.4%	27.3%	25.9%	28.2%	17.6%	16.0%	6.6%	2.3%	4.7%	3.6%
	Facility profit	-34	627	22	678	10	869	-524	767	-495	673
	YoY	-	50.4%	15.8%	36.7%	-	38.6%	-	13.1%	-	-22.6%
	Profit margin	-	24.2%	1.1%	23.1%	0.5%	27.6%	-	24.9%	-	22.2%
	SG&A expenses	202	262	218	307	245	297	279	243	266	279
	YoY	9.2%	55.0%	56.8%	65.9%	21.3%	13.4%	28.0%	-20.8%	8.6%	-6.1%
	SG&A ratio	12.7%	10.1%	11.4%	10.4%	12.7%	9.4%	18.6%	7.9%	17.6%	9.2%
	Operating profit	-236	364	-194	370	-235	572	-802	523	-762	396
	YoY	-	46.8%	-	19.4%	-	57.1%	-	41.4%	-	-30.8%
	OPM	-	14.0%	-	12.6%	-	18.2%	-	17.0%	-	13.1%
	No. facilities	169	176	183	200	196	198	202	217	217	216
	Openings	6	10	10	18	2	8	8	15	3	3
	Closures (est.)	-2	-3	-3	-1	-6	-6	-4	-	-3	-4
	Sales per facility	9.54	15.02	10.68	15.35	9.71	15.97	7.48	14.71	6.95	14.01
	Cost per facility	9.74	11.39	10.56	11.81	9.66	11.56	10.10	11.05	9.23	10.91
	Profit per facility	-0.20	3.63	0.12	3.54	0.05	4.41	-2.62	3.66	-2.28	3.11
	SG&A per facility	1.21	1.52	1.21	1.60	1.24	1.51	1.40	1.16	1.23	1.29

Source: Shared Research based on company data

## Business performance: Overseas (ASEAN)

ASEAN		FY02/18				FY02/19				FY02/20	
Quarterly (JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Malaysia	Sales	472	519	582	673	593	594	630	700	611	642
	YoY	19.2%	32.1%	34.1%	33.3%	25.6%	14.5%	8.2%	4.0%	3.0%	8.1%
	Facility costs	376	410	444	511	480	490	495	519	500	546
	YoY	11.9%	28.1%	24.4%	36.3%	27.7%	19.5%	11.5%	1.6%	4.2%	11.4%
	Facility profit	96	109	138	162	113	104	135	181	111	96
	YoY	60.0%	49.3%	79.2%	24.6%	17.7%	-4.6%	-2.2%	11.7%	-1.8%	-7.7%
	Profit margin	20.3%	21.0%	23.7%	24.1%	19.1%	17.5%	21.4%	25.9%	18.2%	15.0%
	SG&A expenses	57	54	64	73	70	71	76	72	88	82
	YoY	26.7%	28.6%	33.3%	73.8%	22.8%	31.5%	18.8%	-1.4%	25.7%	15.5%
	SG&A ratio	12.1%	10.4%	11.0%	10.8%	11.8%	12.0%	12.1%	10.3%	14.4%	12.8%
	Operating profit	38	55	74	89	43	33	60	107	23	13
	YoY	171.4%	77.4%	155.2%	1.1%	13.2%	-40.0%	-18.9%	20.2%	-46.5%	-60.6%
	OPM	8.1%	10.6%	12.7%	13.2%	7.3%	5.6%	9.5%	15.3%	3.8%	2.0%
	No. of facilities	75	78	80	85	85	88	89	92	91	92
	Openings	2	3	3	5	1	3	1	3	1	2
	Closures (est.)	-4	-	-1	-	-1	-	-	-	-2	-1
	Sales per facility	6.21	6.78	7.37	8.16	6.98	6.87	7.12	7.73	6.68	7.02
	Cost per facility	4.95	5.36	5.62	6.19	5.65	5.66	5.59	5.73	5.46	5.97
	Profit per facility	1.26	1.42	1.75	1.96	1.33	1.20	1.53	2.00	1.21	1.05
SG&A per facility	0.75	0.71	0.81	0.88	0.82	0.82	0.86	0.80	0.96	0.90	
Thailand	Sales	200	184	182	196	192	180	161	194	206	198
	YoY	9.9%	30.5%	29.1%	-3.9%	-4.0%	-2.2%	-11.5%	-1.0%	7.3%	10.0%
	Facility costs	229	234	220	204	201	183	161	173	175	172
	Cost ratio	114.5%	127.2%	120.9%	104.1%	104.7%	101.7%	100.0%	89.2%	85.0%	86.9%
	YoY	21.2%	35.3%	12.8%	-19.7%	-12.2%	-21.8%	-26.8%	-15.2%	-12.9%	-6.0%
	Facility profit	-29	-50	-38	-8	-9	-3	-	21	31	26
	Profit margin	-	-	-	-	-	-	-	10.8%	15.0%	13.1%
	SG&A expenses	28	22	24	28	32	28	24	32	31	22
	YoY	-6.7%	29.4%	9.1%	3.7%	14.3%	27.3%	-	14.3%	-3.1%	-21.4%
	SG&A ratio	14.0%	12.0%	13.2%	14.3%	16.7%	15.6%	14.9%	16.5%	15.0%	11.1%
	Operating profit	-57	-73	-61	-36	-42	-30	-25	-10	-	3
	YoY	-	-	-	-	-	-	-	-	-	-
	OPM	-	-	-	-	-	-	-	-	-	1.5%
	No. of facilities	45	45	41	39	37	25	25	26	27	28
	Openings	-	-	-	-	-	-	1	1	1	1
	Closures (est.)	-3	-	-4	-2	-2	-12	-1	-	-	-
	Sales per facility	4.30	4.09	4.23	4.90	5.05	5.81	6.44	7.61	7.77	7.20
	Cost per facility	4.92	5.20	5.12	5.10	5.29	5.90	6.44	6.78	6.60	6.25
	Profit per facility	-0.62	-1.11	-0.88	-0.20	-0.24	-0.10	-	0.82	1.17	0.95
SG&A per facility	0.60	0.49	0.56	0.70	0.84	0.90	0.96	1.25	1.17	0.80	

Source: Shared Research based on company data

ASEAN		FY02/18				FY02/19				FY02/20	
Quarterly (JPYmn)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Philippines	Sales	228	236	285	330	330	317	338	402	396	378
	YoY	61.7%	43.9%	61.9%	61.8%	44.7%	34.3%	18.6%	21.8%	20.0%	19.2%
	Facility costs	192	209	239	277	267	292	320	363	345	354
	Cost ratio	57.4%	44.1%	60.4%	59.2%	39.1%	39.7%	33.9%	31.0%	29.2%	21.2%
	YoY	36	27	46	53	63	25	18	39	51	24
	Facility profit	89.5%	42.1%	70.4%	76.7%	75.0%	-7.4%	-60.9%	-26.4%	-19.0%	-4.0%
	Profit margin	15.8%	11.4%	16.1%	16.1%	19.1%	7.9%	5.3%	9.7%	12.9%	6.3%
	SG&A expenses	31	36	11	62	26	27	29	31	36	33
	YoY	19.2%	71.4%	-67.6%	416.7%	-16.1%	-25.0%	163.6%	-50.0%	38.5%	22.2%
	SG&A ratio	13.6%	15.3%	3.9%	18.8%	7.9%	8.5%	8.6%	7.7%	9.1%	8.7%
	Operating profit	5	-9	35	-9	36	-2	-10	7	14	-8
	YoY	-	-	-	-	620.0%	-	-	-	-61.1%	-
	OPM	2.2%	-	12.3%	-	10.9%	-	-	1.7%	3.5%	-
	No. of facilities	29	31	37	39	42	45	48	52	53	55
	Openings	3	2	6	2	3	3	3	4	1	2
	Closures (est.)	-	-	-	-	-	-	-	-	-	-
	Sales per facility	8.29	7.87	8.38	8.68	8.15	7.29	7.27	8.04	7.54	7.00
	Cost per facility	6.98	6.97	7.03	7.29	6.59	6.71	6.88	7.26	6.57	6.56
	Profit per facility	1.31	0.90	1.35	1.39	1.56	0.57	0.39	0.78	0.97	0.44
	SG&A per facility	1.13	1.20	0.32	1.63	0.64	0.62	0.62	0.62	0.69	0.61
Indonesia	Sales	87	101	130	185	160	190	188	262	237	267
	YoY	93.3%	90.6%	128.1%	112.6%	83.9%	88.1%	44.6%	41.6%	48.1%	40.5%
	Facility costs	55	68	108	115	112	113	139	190	176	180
	Cost ratio	52.8%	78.9%	140.0%	113.0%	103.6%	66.2%	28.7%	65.2%	57.1%	59.3%
	YoY	32	33	22	70	48	77	49	72	61	87
	Facility profit	255.6%	120.0%	83.3%	112.1%	50.0%	133.3%	122.7%	2.9%	27.1%	13.0%
	Profit margin	36.8%	32.7%	16.9%	37.8%	30.0%	40.5%	26.1%	27.5%	25.7%	32.6%
	SG&A expenses	20	22	23	42	29	37	33	48	46	46
	YoY	25.0%	57.1%	64.3%	75.0%	45.0%	68.2%	43.5%	14.3%	58.6%	24.3%
	SG&A ratio	23.0%	21.8%	17.7%	22.7%	18.1%	19.5%	17.6%	18.3%	19.4%	17.2%
	Operating profit	11	12	-2	28	18	41	15	25	14	41
	YoY	-	500.0%	-	250.0%	63.6%	241.7%	-	-10.7%	-22.2%	-
	OPM	12.6%	11.9%	-	15.1%	11.3%	21.6%	8.0%	9.5%	5.9%	15.4%
	No. of facilities	9	9	14	15	15	17	23	25	26	26
	Openings	1	-	5	1	-	2	6	2	1	-
	Closures (est.)	-	-	-	-	-	-	-	-	-	-
	Sales per facility	10.24	11.22	11.30	12.76	10.67	11.88	9.40	10.92	9.29	10.27
	Cost per facility	6.47	7.56	9.39	7.93	7.47	7.06	6.95	7.92	6.90	6.92
	Profit per facility	3.76	3.67	1.91	4.83	3.20	4.81	2.45	3.00	2.39	3.35
	SG&A per facility	2.35	2.44	2.00	2.90	1.93	2.31	1.65	2.00	1.80	1.77
Vietnam	Sales	-	-	-	-	66	93	-	-	101	120
	YoY	-	-	-	-	-	-	-	-	53.0%	29.0%
	Facility costs	-	-	-	-	41	35	-	-	69	52
	Cost ratio	-	-	-	-	-	-	-	-	68.3%	48.6%
	YoY	-	-	-	-	25	58	-	-	32	68
	Facility profit	-	-	-	-	-	-	-	-	28.0%	17.2%
	Profit margin	-	-	-	-	37.9%	62.4%	-	-	31.7%	56.7%
	SG&A expenses	-	-	-	-	20	21	-	-	19	18
	YoY	-	-	-	-	-	-	-	-	-5.0%	-14.3%
	SG&A ratio	-	-	-	-	30.3%	22.6%	-	-	18.8%	15.0%
	Operating profit	-	-	-	-	5	11	-	-	12	18
	YoY	-	-	-	-	-	-	-	-	140.0%	63.6%
	OPM	-	-	-	-	7.6%	11.8%	-	-	11.9%	15.0%
	No. of facilities	-	-	-	-	9	10	10	10	12	13
	Openings	-	1	-	-	-	1	-	-	2	1
	Closures (est.)	-	-	-	-	-	-	-	-	-	-

Source: Shared Research based on company data



## Full-year company forecasts

(JPYmn)	FY02/18			FY02/19			FY02/20		
	1H	2H	FY	1H	2H	FY	1H Est.	2H Est.	FY Est.
<b>Sales</b>	<b>35,743</b>	<b>36,432</b>	<b>72,174</b>	<b>37,763</b>	<b>36,480</b>	<b>74,244</b>	<b>39,000</b>	<b>39,000</b>	<b>78,000</b>
YoY	10.3%	11.6%	10.9%	5.7%	0.1%	2.9%	3.3%	6.9%	5.1%
<b>Operating profit</b>	<b>2,545</b>	<b>3,425</b>	<b>5,971</b>	<b>2,851</b>	<b>1,800</b>	<b>4,652</b>	<b>2,950</b>	<b>2,450</b>	<b>5,400</b>
YoY	50.3%	65.1%	58.4%	12.0%	-47.4%	-22.1%	3.5%	36.1%	16.1%
OPM	7.1%	9.4%	8.3%	7.6%	4.9%	6.3%	7.6%	6.3%	6.9%
<b>Recurring profit</b>	<b>2,301</b>	<b>3,297</b>	<b>5,598</b>	<b>2,654</b>	<b>1,646</b>	<b>4,300</b>	<b>2,700</b>	<b>2,050</b>	<b>4,750</b>
YoY	47.4%	70.2%	60.0%	15.3%	-50.1%	-23.2%	1.7%	24.5%	10.5%
RPM	6.4%	9.0%	7.8%	7.0%	4.5%	5.8%	6.9%	5.3%	6.1%
<b>Net income</b>	<b>1,102</b>	<b>1,885</b>	<b>2,986</b>	<b>1,361</b>	<b>507</b>	<b>1,868</b>	<b>1,400</b>	<b>750</b>	<b>2,150</b>
YoY	36.8%	111.2%	75.9%	23.5%	-73.1%	-37.4%	2.9%	47.8%	15.1%
Net margin	3.1%	5.2%	4.1%	3.6%	1.4%	2.5%	3.6%	1.9%	2.8%

Source: Shared Research based on company data

This note is the most recent addition to the [full report](#).

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