

# Alpha-Win Company Research Report

## PCA CORPORATION (9629 TSE Prime)

Issued: 7/25/2024

### ● Financial Results Flash Report

Alpha-Win Capital Research Department

<https://www.awincap.com/>

#### ◆ A major player specialized in enterprise system software, leading the market as the No. 1 player in cloud-based software

- PCA CORPORATION (hereinafter, the “Company”) and its group provide originally developed and cloud-based business software (for accounting, sales management, purchasing and inventory management, payroll, human resources, work management, attendance management, and more) mainly to small/medium-sized companies. It also provides related maintenance services. Its mission is to contribute to society as a “Management Support Company” that supports companies in streamlining management and operation.
- It leads the market as the No. 1 player in cloud-based business software (PCA Cloud). Thanks to its transition to a subscription-based business model, its business stability and profitability have improved significantly. It has been providing software that is aimed at improving its corporate users’ business operations, developing its business mainly around cloud and solution services.
- Record-high sales and profits were achieved in FY2020 (note that the Company’s fiscal years are March-ending, i.e., FY2020 ended in March 2020) thanks to a surge in demand in response to the consumption tax revision and the end of Windows 7 support. In FY2022, although there was a change in the revenue-recognition standard, strong performance was maintained due to high, event-driven demand for the products. In addition, a gain on sales of securities was recorded under extraordinary income, resulting in record-high net profit.
- On the other hand, in a reactionary decline from this previous high demand, sales and profits declined in FY2023. However, in FY2024, the Company achieved record-high sales for the first time in four fiscal years, driven by cloud services. Although record profits were not reached, profits rose sharply, and the Company increased its dividend significantly for the enhancement of shareholder returns (based on a dividend payout ratio of 100%).

#### ◆ Results for the First Quarter of This Fiscal Year: Significant increases in sales and profits due to continued growth of the cloud services. Results appear to have exceeded the Company’s expectations.

##### Q1: Summary of Financial Results

- In the first quarter of FY2025 (Apr-Jun 2024: hereinafter, Q1 = Apr-Jun), the Company recorded net sales of 3,879 million yen (+14.5% YoY), operating profit of 700 million yen (+63.6% YoY), ordinary profit of 708 million yen (+62.3% YoY), and profit attributable to owners of parent (hereinafter, “net profit”) of 455 million yen (+71.0% YoY) (Figure 1). Both sales and profits increased significantly YoY.
- In last fiscal year’s Q1, sales and profits rose by double digits due to a recovery from the reactionary fall following an event-driven surge in demand for the products, as well as due to an increase in the number of corporate users of the cloud services. In the Q1 of this fiscal year, in addition to sales growth, profit margins improved due to the price revision, continued growth of the cloud services, and cost control, resulting in an even higher rate of profit growth.
- The progress in Q1 of this fiscal year toward achieving the Company’s full-year plan was 23.5% for net sales and 29.7% for operating profit, both higher than the average progress over the past seven years (22.1% and 21.0%, respectively). Although the Company has not announced Q1 or first-half forecasts for the current fiscal year, Q1 results have most likely exceeded the Company’s expectations.

【Figure 1】 First-Quarter Results and Progress against Full-Year Plan

(Ref) Prepared by Alpha-Win Research Dept.  
based on the financial results summary.

Results for the First Quarter		FY2024 First Quarter April to June 2023	FY2025 First Quarter April to June 2024	% Change YoY: %	Change in Amount YoY: million yen	% of Change in Sales YoY: %	% of Net Sales YoY: %	Progress (%) toward Achieving Full-Year Plan		FY2024 Results	FY2025 Company Plan	% Change (This FY) YoY: %	Amount of Change (This FY) YoY: million yen	% of Change in Sales YoY: %	% of Net Sales YoY: %
Units: Million yen								April to June 2023	April to June 2024						
Consolidated Net Sales	3,387	3,879	+14.5	502	+100.0	+100.0	+100.0	22.6	23.5	15,018	16,507	+9.9	1,489	+100.0	+100.0
Sales Category															
Products	1,349	1,561	+15.2	212	+30.2	+4.0	+28.6	32.8	32.8	4,716	61,0	+34.6	746	+20.1	+2.9
Merchandise	95	107	+12.6	12	+24.0	+13	+7.8	17.9	20.7	532	518	+3.5	14	+0.9	+0.3
Management Service	1,000	1,100	+10.0	100	+10.0	+10.0	+10.0	11.1	11.1	2,000	2,000	+0.0	0	+0.0	+0.0
Cloud Services	1,430	2,204	+54.3	774	+53.5	+36.9	+36.9	31.1	33.3	3,000	3,600	+20.0	600	+16.7	+1.7
Other Operating Revenue	486	453	-6.7	-33	-6.7	-11.7	-11.7	21.0	18.0	2,227	2,514	(2.9)	287	(9.3)	(5.2)
Gross Profit	2,116	2,546	+20.3	430	+18.7	+22.0	+24.4	9,636	10,441	8,4	8,05	+8.4	605	+0.7	+0.7
Gross Profit Margin (%)	52.7	54.6	+1.9	3.2	+1.9	+1.9	+1.9	61.2	63.3						
SG&A Expenses	1,680	1,846	+9.4	166	+15.6	+10.0	+10.0	23.0	21.8	7,326	8,094	+10.3	758	+0.2	+0.2
SG&A Expense Ratio (%)	49.5	47.6	-1.9	-2.2	-1.9	-1.9	-1.9	48.8	49.0						
Operating Profit	326	350	+7.8	24	+7.1	+7.1	+7.1	18.5	20.7	2,000	2,200	+10.0	200	+2.0	+2.0
Operating Profit Margin (%)	15.1	14.5	-0.6	-0.6	-0.6	-0.6	-0.6	33.1	34.3						
Net Profit	249	455	+71.0	186	+189	+71.5	+71.5	16.5	27.5	1,611	1,656	+2.8	45	+45	+45
Net Profit Margin (%)	7.0	11.2	+4.2	3.9	+4.2	+3.9	+3.9	61.2	60.0						

##### Short Report

1/7

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**Q1: Sales by Category**

- Sales of each category in Q1 were as follows. The decline in sales due to the termination of product sales was compensated by higher sales of the subscription businesses (cloud and maintenance) (Figure 1 on page 1).
  - Products:** To focus business resources for development and support on the subscription services, sales of the previously provided packaged software (PCA Software) were terminated in March 2024. As a result, sales of products fell by half (from Q1 FY2024 to Q1 FY2025; the same order applies hereinafter), from 349 million yen to 156 million yen (-193 million yen or -55.2% YoY). However, the impact was limited, partly because the previous fiscal year's sales were already at a low level.
  - Merchandise (ledger sheets, etc.):** Sales increased slightly (+12 million yen or +2.8%), partly due to the trend towards digitalization and paperless operations.
  - Maintenance Service:** Sales rose by double digits from 839 million yen to 957 million yen (+118 million yen or +14.2% YoY) due to the price revision, despite the further shift from the on-premises (products) to the cloud.
  - Cloud Services:** Sales increased significantly from 1,616 million yen to 2,204 million yen (+588 million yen or +36.4% YoY). There was a steady increase in the number of corporate users of the services, partly due to the further shift from the products to the cloud services. In addition to this, the price revision also contributed to the high rate of increase in sales.

Sales of the cloud services accounted for 56.8% of the Company's net sales, making it the largest sales category by sales proportion (47.7% in the Q1 of the previous fiscal year). Together with maintenance service (24.7% of net sales), the subscription businesses accounted for the majority of net sales, at 81.5% (72.5% in the Q1 of the previous fiscal year). With long-term viability and high marginal profit ratios, these two businesses seem to be making a significant contribution to the Company's business performance in terms of both sales and profits.

By fiscal year, the (net) number of corporate users of the PCA Cloud series has been increasing from 12,070 at the end of March 2019 to 14,327 at the end of March 2020 (+2,257 YoY), 16,444 at the end of March 2021 (+2,117 YoY), 19,152 at the end of March 2022 (+2,708 YoY), 21,022 at the end of March 2023 (+1,870 YoY), 22,899 at the end of March 2024 (+1,877 YoY), and 23,252 at the end of June 2024 (+1,658 compared to 21,594 at the end of the previous year's June).

A quarterly comparison of the number of corporate users (the number as of the end of each quarter) (Figure 2) shows a steady YoY and QoQ rise in both the net number and the rate of increase, although both are slowing down compared to before. Regarding the quarterly (three-months) sales of the cloud services, the rate of increase (YoY) has been accelerating since Q1 FY2023, most likely mainly due to an increase in the number of corporate users with the acquisition of new customers and an increase in the unit price due to the price revision.

**【Figure 2】 Quarterly Change in the Number of Corporate Users, Sales, and Estimated Average Unit Price of the PCA Cloud Series**

Quarter	Number of Corporate Users of the Cloud Services: A	Quarterly Change in the Number of Corporate Users (companies)				Cloud Services' Sales: B	Quarterly Change in Sales (million yen)				Monthly Unit Price of the Cloud Services (thousand yen / company / month)	YoY Diff. for the Left
		Cumulative Number of Users at the End of the Month (units: companies)	% Change (YoY)	Change in Number (YoY)	% Change (QoQ)		% Change (YoY)	Change in Amount (YoY)	% Change (QoQ)	Change in Amount (QoQ)		
	Ended Mar. 2021 (Q1)	16,444	14.8	2,117	—	—	1,076	14.0	132	4.3	44	
Ended June 2021 (Q1)	Not disclosed	—	—	—	—	1,255	31.1	298	16.6	179		
Ended Sept. 2021 (Q2)	17,785	16.5	2,523	—	—	1,340	35.1	348	6.8	85		
Ended Dec. 2021 (Q3)	18,578	—	—	4.5	793	1,449	40.4	417	8.1	109		26.6
Ended Mar. 2022 (Q4)	19,152	16.8	2,708	3.1	574	1,524	41.6	448	5.2	75		26.9
Ended June 2022 (Q1)	19,441	—	—	1.5	289	1,361	8.4	106	-10.7	-163		23.5
Ended Sept. 2022 (Q2)	19,853	11.6	2,068	2.1	412	1,499	11.9	159	10.1	138		25.4
Ended Dec. 2022 (Q3)	20,406	9.8	1,828	2.8	553	1,512	4.3	63	0.9	13		25.0
Ended Mar. 2023 (Q4)	21,022	9.8	1,870	3.0	616	1,584	3.9	60	4.8	72		25.5
Ended June 2023 (Q1)	21,594	11.1	2,153	2.7	572	1,616	18.7	255	2.0	32		25.3
Ended Sept. 2023 (Q2)	22,238	12.0	2,385	3.0	644	1,827	21.9	328	13.1	211		27.8
Ended Dec. 2023 (Q3)	22,729	11.4	2,323	2.2	491	1,933	27.8	421	5.8	106		28.7
Ended Mar. 2024 (Q4)	22,899	8.9	1,877	0.7	170	2,091	32.0	507	8.2	158		30.6
Ended June 2024 (Q1)	23,252	7.7	1,658	1.5	353	2,204	36.4	588	5.4	113		31.8

(Ref) Prepared by Alpha-Win Research Dept. based on the financial results summaries and briefing materials

5. **Other Operating Revenue:** Sales fell from 486 to 453 million yen, a decline of -33 million yen (-6.7% YoY). Performance was weak compared to the planned full-year increase in sales, but this was most likely partly due to seasonal factors.

## **Q1: Profits**

- In terms of profit, since the Company's main business model is characterized by a high marginal profit ratio, changes in sales have a significant impact on profit margins and profit. Accordingly, in this fiscal year's Q1, the gross profit margin rose by 3.1 percentage points from 62.5% in the previous fiscal year's Q1 to 65.6% in this fiscal year's Q1 due to a relatively high rate of sales growth for the highly profitable cloud services, an improved product mix, and the price revision (implemented in July 2023, fully contributing to performance in the Q1 of the current fiscal year).
- SG&A expenses increased by +158 million yen or +9.4% YoY, partly due to higher personnel expenses, development costs, and other costs, but this was below the company-wide sales growth rate of +14.5%. Consequently, the SG&A expense ratio improved by 2.2 percentage points, from 49.8% to 47.6%, and the operating profit margin rose significantly from 12.6% to 18.0% (+5.4 percentage points). This Q1's operating profit margin has exceeded the Company's expectation of 14.3% for the full fiscal year.
- Since there was no major non-operating or extraordinary income/losses in this fiscal year's Q1, net profit also increased significantly.

## **Balance Sheet**

- As of the end of this fiscal year's Q1 (June 2024), there has been no significant change in the balance sheet compared to the end of the previous fiscal year (March 2024). While cash & deposits have decreased by about 1.4 billion yen since the end of March, they are still maintained above the annual sales at approx. 19.5 billion yen. With an equity ratio of 55.3% and a current ratio of 195.4%, its financial standing is firm.
- Contract liabilities (consideration received for services not yet provided under subscription contracts, such as those of the cloud services) have been maintained at a high level of 10,063 million yen, although they have decreased slightly by -13 million yen compared to the end of March.

## **◆Financial Forecasts for This Fiscal Year and Beyond**

### **The Company's Financial Forecasts for This Fiscal Year**

- The Company has not changed the full-year forecasts announced at the beginning of the fiscal year. It forecasts full-year net sales of 16,507 million yen (+9.9% YoY), operating profit of 2,357 million yen (+2.1% YoY), and net profit of 1,656 million yen (+2.8% YoY). Steady growth is expected in the current fiscal year, particularly with the cloud services, but the profit margin is expected to deteriorate due to upfront investments for the next stage of growth. The profit growth rate is therefore expected to be small compared to the sales growth rate (Figure 3 on page 4).
- In the current fiscal year, the Company expects an overall sales growth of +1,489 million yen (+9.9% YoY). It expects product sales to fall sharply by -746 million yen YoY (-61.0% YoY) due to the termination of packaged software sales, which will also lead to a slight decline in maintenance sales by -33 million yen (-0.9% YoY).
- In contrast, due to an increase in the number of corporate users and a shift from the products to PCA Cloud and PCA Subscription, the cloud services' sales are expected to increase significantly this fiscal year by +1,995 million yen (+26.7% YoY). This is expected to offset the decline in sales of products and merchandise (the expected increase in the cloud services' sales accounts for 134% of the overall, net amount of sales growth). Sales of solutions and others are also expected to increase by +287 million yen (+12.9% YoY) due to firm demand, to which the Company will actively respond.
- The price revision implemented in July 2023 will also make a full contribution this full fiscal year (Q1 and the sales growth effect that comes with a time lag).
- On the other hand, cost of sales (labor, subcontracting, and cloud costs), R&D expenses, and other SG&A expenses (personnel expenses, advertising and sales promotion expenses, and system usage fees) will be increased to strengthen the development of products such as the PCA Hub series for the next stage of growth. Consequently, the gross profit margin will fall by -0.9 percentage point from 64.2% to 63.3% (from the previous year to the current fiscal year; the same order applies hereinafter), and the SG&A expense ratio will increase by +0.2 percentage point from 48.8% to 49.0%. As a result, the operating profit margin is expected to fall by -1.1 percentage points from 15.4% to 14.3%, but the profit growth brought by increased sales is expected to absorb all factors that negatively impact the profit margin, ensuring a slight increase in profit.

- No major non-operating or extraordinary income/losses are expected in the current fiscal year either.
- For annual dividend, the Company plans to pay 83 yen/share, an increase of 2 yen/share from the previous fiscal year. The Company expects the dividend payout ratio to be 100.4%, the same level as the previous fiscal year's 100.6%, achieving the new dividend payout ratio target of 100%. The DOE is also expected to remain largely unchanged at 8.9% (company forecast) this fiscal year, compared to 9.0% in the previous fiscal year.

## Alpha-Win's Forecasts for This Fiscal Year Onwards

- We expect the Company to achieve net sales of 16,500 million yen in the current fiscal year, almost the same as the Company's forecast (16,507 million yen). On the other hand, we believe that upward revisions of the Company's profits are possible, as its cost assumptions (SG&A expense ratio) in the profit plan seem somewhat conservative. We expect operating profit to be 2,500 million yen (+143 million yen or +6.1%) compared to the Company's forecast of 2,357 million yen, and net profit to be 1,700 million yen (+44 million yen or +2.7%) compared to the Company's forecast of 1,656 million yen. We expect dividends for the current fiscal year to be 84 yen/share, which is lower than the Company's forecast of 83 yen/share due to the difference in the EPS forecast.
- Our forecasts for the current fiscal year, the next fiscal year, and the fiscal year after the next remain unchanged from our previous report (Figure 3; see page 38 of the report issued on July 12, 2024, for more details).
- Inflation and rising domestic interest rates may lead to a deterioration of the financial performance of small/medium-sized companies (the Company's users) and suppression of their IT investments. These, along with the budget execution status, should be noted as factors that may impact the Company's financial performance.
- The actual rate of increase in sales and profit in the Q1 of the current fiscal year has exceeded our expectations. However, we have kept our profit forecasts the same, since this higher rate of profit growth seems to be due to unspent (or deferred) budget that the Company had not intended. We believe, though, that the possibility of upward revisions to full-year profits has increased, although this would depend on the appropriate control of costs and the Company's plan for budget execution.
- Starting in Q2, the positive effect of the price revision in last year's July (price increase rate of around 15% according to our estimate) is expected to come to an end, excluding contracts that have not reached their renewal dates yet (contracts of longer than one year). However, while there will be a decline in sales due to the termination of product sales, an increase in sales is expected due to a net increase in number of contracts for the cloud services and an increase in other operating revenue due to strengthened sales activities. In addition, the rate of sales growth in Q1 (+14.5% YoY) was 4.6 percentage points higher than the full-year plan (+9.9% YoY), indicating strong top-line growth.
- The Company's forecast for the nine months from Q2 to Q4 (full-year forecast minus Q1 result) is as follows: net sales of 12,628 million yen (+8.6% YoY), operating profit of 1,657 million yen (-11.9% YoY), and net profit of 1,201 million yen (-10.7% YoY). However, it is unlikely that there will be a YoY profit decline despite a sales growth during this period, unless investments are deliberately increased from its initial plan.

## 【Figure 3】 Financial Forecasts for This Fiscal Year

Consolidated (units: million yen)	FY2024		FY2025: Company Forecast			FY2025: Alpha-Win's Forecast			FY2025: Alpha-Win Forecast's Difference from the Company Forecast	
	New Revenue- Recognition Standard	New Revenue- Recognition Standard	New Revenue- Recognition Standard	YoY: Diff. in Amount / Diff.	YoY: % Change	New Revenue- Recognition Standard	YoY: Diff. in Amount / Diff.	YoY: % Change	Difference (amount)	Difference (%)
Net Sales	15,018	16,507	1,489	9.9%		16,500	1,482	9.9%	-7	0.0%
Sales Category	Products	1,222	476	-746	-61.0%	480	-742	-60.7%	4	0.8%
	Merchandise	532	518	-14	-2.7%	520	-12	-2.3%	2	0.4%
	Maintenance Service	3,568	3,535	-33	-0.9%	3,500	-68	-1.9%	-35	-1.0%
	Cloud Services	7,467	9,462	1,995	26.7%	9,500	2,033	27.2%	38	0.4%
	Other Operating Revenue	2,227	2,514	287	12.9%	2,500	273	12.3%	-14	-0.6%
Gross Profit		9,636	10,441	805	8.4%	10,400	764	7.9%	-41	-0.4%
Gross Profit Margin		64.2%	63.3%	-0.9%		63.0%	-1.1%	-0.2%		
SG&A Expenses		7,326	8,084	758	10.3%	7,900	574	7.8%	-184	-2.3%
SG&A Expense Ratio		48.8%	49.0%	0.2%		47.9%	-0.9%	-1.1%		
Operating Profit		2,309	2,357	48	2.1%	2,500	191	8.3%	143	6.1%
Operating Profit Margin		15.4%	14.3%	-1.1%		15.2%	-0.2%	0.9%		
Ordinary Profit		2,343	2,391	48	2.1%	2,530	187	8.0%	139	5.8%
Ordinary Profit Margin		15.6%	14.5%	-1.1%		15.3%	-0.3%	0.8%		
Profit Attributable to Owners of Parent		1,611	1,656	45	2.8%	1,700	89	5.5%	44	2.7%
Net Profit Margin		10.7%	10.0%	-0.7%		10.3%	-0.4%	0.3%		
Annual Dividend Per Share (yen)		81.00	83.00	2.00		84.00	3.00		1.00	

(Ref) Prepared by Alpha-Win Research Dept. based on the briefing materials

## New Products and Businesses

- Regarding the PCA Hub series (online storage services that enable the safe and secure sharing of important business data and files within a company), in June of this year, the Company released the following three services: PCA Hub Year-End Adjustment (a service that digitalizes year-end adjustment application documents), Labor Management (a service that digitalizes personal information registration), and HR Suite (a digital personnel and labor management service). The Hub series now has six main services. The Company intends to gradually enhance its service lineup and promote sales to further facilitate the digitalization of operations and automation of accounting by small/medium-sized companies.
- After acquiring Dreamhop Co., Ltd., the Company has been focusing on improving its financial performance by strengthening its sales, services/products, and capital. Although information on recent situations has not been disclosed, Dreamhop seems to be continuing to post a loss; drastic measures are awaited.
- The Company is also working on the sales promotion of PCA Subscription (common application function as the cloud version; data compatibility) and PCA Hyper (enterprise systems for mid-tier companies). With the end of the on-premises PCA Software (packaged software products), a shift from the products to the cloud services and PCA Subscription is anticipated.
- The Company's business is a cash cow, with ample cash and deposits. Challenges remain in implementing business strategies and measures to improve cash efficiency and profitability ("quickly achieve an ROE of at least 10% and a positive EVA spread," as stated as medium-term goals), as well as in developing businesses that will become the next earnings drivers.

## ◆ Stock Price and Characteristics

- The Company has been seen as a small-cap, domestic-demand-oriented growth stock with a subscription business. It has been significantly outperforming the TOPIX since December 2018. The share price has especially soared and significantly outperformed TOPIX and its competitors after the Company's announcement of a change in its capital and dividend policy in January 2024 to strengthen shareholder returns. On the day following the announcement of its Q1 results (July 24), the Company's share price rose against the market crash in response to its strong business performance (Figure C on page 7).
- Compared to the average valuation of all stocks listed on the TSE Prime Market, it cannot be denied that the Company's stock is overvalued in terms of P/E (based on the Company's forecasts for this fiscal year) as well as the actual P/B. In contrast, the expected dividend yield is high, based on which its stock seems undervalued (based on the closing price on July 25, 2024; as reference, the TSE Prime's average for the expected P/E is 15.83, P/B is 1.36, and the simple average of dividend yield is 2.36%).
- We also compared the major valuation measures with its competitors Obic Business Consultants and Miroku Jyoho Service. The Company is in the middle range in terms of P/E, P/B, P/S, and EV/EBITDA, but its dividend yield is the highest (Figure 4 on page 6).
- As mentioned earlier, we expect upward revisions of the profit for the current fiscal year compared to the Company's forecast. The P/E is estimated at 25.6 based on our forecast for the current fiscal year and 24.2 based on our forecast for the next fiscal year. Based on our forecast for the fiscal year after the next, we expect it to fall to 22.6, but the P/E still does not indicate a sense of undervaluation (Figure B on page 7). The same is true for the P/B, which is 2.3 (based on Q1 results). However, the EPS is expected to rise over the medium term, and assuming that the dividend payout ratio is 100%, the dividend yield is expected to be 3.9%, 4.1%, and 4.4% in the same order as above. Based on these levels, its stock seems undervalued even at the current high price.
- Going forward, the key factors will be the quarterly trends in business performance in Q2 and beyond, changes in the amount of upfront investments, the growth rate of the cloud business which is the growth driver, sales trends of products such as the PCA Hub series and PCA Subscription, and the business performance trends of Dreamhop and Xronos.

# Alpha-Win Company Research Report

PCA (9629 TSE Prime)

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- As the Company is cash-rich, its share price may also be impacted by the following key factors: share buybacks, dividend increases, stock splits, and M&As.
- It should be noted that the volatility of financial performance and share price tends to increase before and after periods of high demand caused by events such as changes in the tax system or accounting standards.

## 【Figure 4】 Comparison with Competitors (Valuation, Business Performance, and Financial Indicators)

	Company Name	PCA (consolidated)	Obic Business Consultants (OBC: nonconsolidated)	Miroku Jyoho Service (MJS: consolidated)
Market where listed, stock price, and valuation	Code (TSE Prime Market)	9629 (PRM)	4733 (PRM)	9928 (PRM)
	Stock price (closing price on 7/25/2024)	2,170	6,316	1,868
	Market capitalization (million yen)	47,740	476,252	65,018
	P/E (price-to-earnings ratio)	26.2	30.6	12.6
	P/B (price-to-book ratio)	2.3	3.2	2.1
	Dividend yield (%)	3.8	1.4	2.9
	EV/EBITDA	11.0	14.8	5.9
Company Forecasts for This Fiscal Year (full year)	P/S (price-to-sales ratio)	2.9	9.9	1.4
	Net Sales (million yen)	16,507	48,000	45,500
	Gross Profit Margin (%)	63.3	81.9	Not disclosed
	Operating Profit (million yen)	2,357	21,500	6,740
	Operating Profit Margin (%)	14.3	44.8	14.8
Last Fiscal Year's Results (full year)	EPS (company forecast): YoY change (%)	2.8	12.3	4.7
	DOE (%): Result	9.0	3.8	5.8
Results for the Most Recent Period	Equity Ratio (%)	55.3	77.0	58.0

(Ref) Prepared by Alpha-Win Research Department based on each company's financial results summary and stock price data.

(Notes) Market capitalization = total outstanding shares x market stock price [closing price on July 25, 2024]

- The EPS values used in P/E calculations are the companies' most recent forecasts for FY2025. The BPS values used in the P/B calculations reflect the results of this fiscal year's Q1 for PCA and OBC and the previous fiscal year's results for MJS whose Q1 results have not been announced yet.
- EV/EBITDA = (market cap + interest-bearing debt - cash & deposits) / (operating profit + depreciation + intangible fixed asset amortization, etc.)
- Interest-bearing debt and cash & deposits reflect the results of this fiscal year's Q1 for PCA and OBC and the previous fiscal year's results for MJS.
- Operating profit is based on the company forecasts for this full fiscal year. Depreciation and intangible fixed asset amortization, etc., are last fiscal year's results.
- P/S = market cap / sales [the companies' forecast for FY2025]

## 【 9629 PCA Sector: Information & Communication 】 Figure A

FY	Net Sales (million yen)	YoY (%)	Operating Profit (million yen)	YoY (%)	Ordinary Profit (million yen)	YoY (%)	Net Profit (million yen)	YoY (%)	EPS (Y)	BPS (Y)	Dividend (Y)
2021 A: Old Standard	13,308	-6.7	2,314	-16.8	2,340	-16.7	1,668	-8.1	83.50	791.64	11.33
2022 A: Old Standard	15,142	13.8	2,516	8.7	2,542	8.6					
2022 A: New Standard	13,382	0.6	2,655	14.7	2,697	15.2	2,367	41.9	118.36	847.14	24.00
2023 New Standard (the same applies below)	12,981	-3.0	1,288	-51.5	1,326	-50.8	883	-62.7	44.16	870.38	17.00
2024 A	15,018	15.7	2,309	79.2	2,343	76.6	1,611	82.5	80.48	932.76	81.00
2025 CE	16,507	9.9	2,357	2.1	2,391	2.1	1,656	2.8	82.70		83.00
2025 CE: Medium-Term Plan	15,000	-0.1	2,500	8.3							
2025 E	16,500	9.9	2,500	8.3	2,530	8.0	1,700	5.5	84.86	936.57	84.00
2026 E	18,340	11.2	2,650	6.0	2,680	5.9	1,800	5.9	89.85	942.43	89.00
2027 E	20,400	11.2	2,850	7.5	2,880	7.5	1,925	6.9	96.09	949.52	96.00
2019 Q1: Old Standard	2,346	11.3	57	-67.1	69	-62.3	34	-64.6	1.70	541.56	—
2020 Q1: Old Standard	3,073	31.0	587	917.5	598	754.6	364	945.3	18.25	616.15	—
2021 Q1: Old Standard	2,789	-9.2	465	-20.7	471	-21.2	272	-25.1	13.66	676.52	—
2022 Q1: New Standard	3,328	19.3	975	109.4	987	109.4	614	125.4	30.75	810.96	—
2023 Q1: New Standard	2,954	-11.2	309	-68.3	315	-68.0	142	-76.8	7.13	830.18	—
2024 Q1: New Standard	3,387	14.7	428	38.5	436	38.4	266	86.9	13.33	867.22	—
2025 Q1: New Standard	3,879	14.5	700	63.6	708	62.3	455	71.0	22.75	876.67	—

(Ref) Prepared by Alpha-Win Research Department

(Notes) "CE" is the Company's forecast/estimate. "E" is Alpha-Win's forecast/estimate. Q1 is the result for the period from April to June. The 3-for-1 stock split conducted on October 1, 2021, has been retroactively reflected in the EPS, BPS, and dividend results. "Old Standard" stands for the previous revenue-recognition standard and "New Standard" stands for the new revenue-recognition standard.

## Short Report

6/7

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# Alpha-Win Company Research Report

PCA (9629 TSE Prime)

Issued: 7/25/2024

## 【Stock Price and Valuation Indicators: 9629 PCA】 Figure B

Item	7/25/2024	Item	P/E	P/B	Dividend Yield	Dividend Payout Ratio
Stock Price (Y)	2,170	Forecast for Last FY	27.0	2.3	3.7%	100.6%
Shares Outstanding (thou.)	22,000	Forecast for This FY	25.6	2.3	3.9%	99.0%
Market Capitalization (million yen)	47,740	Forecast for Next FY	24.2	2.3	4.1%	99.1%
Dilutive Shares (thou.)	0	Forecast for the Fiscal Year After the Next	22.6	2.3	4.4%	99.9%
Equity Ratio at the End of Last FY	55.7%	Dividend on Equity Ratio (DOE) at the End of Last FY	9.0%	Last FY's ROE		8.9%

(Ref) Prepared by Alpha-Win Research Dept. (Note) Estimates were made by Alpha-Win.

## 【Stock Chart (end-of-week prices) : 9629 PCA】 Figure C



(Ref) Prepared by Alpha-Win Research Dept based on stock price data.

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## Short Report

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