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On **March 13, 2019**, Visionary Holdings Co., Ltd. announced earnings results for Q3 FY04/19.

Cumulative (JPYmm)	FY03/16				FY03/17				FY03/18				FY03/18	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	4,349	8,645	13,042	17,892	5,220	10,579	15,900	21,776	6,570	13,127	19,817		78.3%	25,300
YoY	12.4%	11.2%	11.4%	13.9%	20.0%	22.4%	21.9%	21.7%	25.8%	24.1%	24.6%			16.2%
Gross profit	2,930	5,796	8,631	11,778	3,395	6,831	10,191	13,919	4,203	8,363	12,492		78.4%	15,928
YoY	11.8%	8.6%	7.7%	10.0%	15.9%	17.8%	18.1%	18.2%	23.8%	22.4%	22.6%			14.4%
GPM	67.4%	67.0%	66.2%	65.8%	65.0%	64.6%	64.1%	63.9%	64.0%	63.7%	63.0%			63.0%
SG&A expenses	2,778	5,584	8,471	11,355	3,155	6,475	9,768	13,202	3,872	7,860	11,893		80.4%	14,798
YoY	12.1%	12.1%	11.9%	11.5%	13.6%	16.0%	15.3%	16.3%	22.7%	21.4%	21.7%			12.1%
SG&A ratio	63.9%	64.6%	65.0%	63.5%	60.4%	61.2%	61.4%	60.6%	58.9%	59.9%	60.0%			58.5%
Operating profit	152	212	160	423	241	355	423	716	331	503	599		53.0%	1,130
YoY	6.6%	-40.6%	-64.2%	-19.2%	57.9%	67.9%	164.5%	69.5%	37.7%	41.6%	41.6%			57.7%
OPM	3.5%	2.4%	1.2%	2.4%	4.6%	3.4%	2.7%	3.3%	5.0%	3.8%	3.0%			4.5%
Recurring profit	127	171	96	337	219	323	383	588	307	462	541		52.5%	1,030
YoY	6.8%	-44.0%	-74.1%	-20.2%	72.6%	88.8%	299.1%	74.7%	40.4%	42.9%	41.4%			75.2%
RPM	2.9%	2.0%	0.7%	1.9%	4.2%	3.1%	2.4%	2.7%	4.7%	3.5%	2.7%			4.1%
Net income	1	-11	-44	111	99	133	298	726	245	399	418		65.3%	640
YoY	-99.2%	-	-	-57.6%	18883.0%	-	-	555.5%	148.5%	199.7%	40.1%			-11.8%
Net margin	0.0%	-	-	0.6%	1.9%	1.3%	1.9%	3.3%	3.7%	3.0%	2.1%			2.5%

Quarterly (JPYmm)	FY03/16				FY03/17				FY03/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,349	4,296	4,397	4,850	5,220	5,358	5,321	5,876	6,570	6,557	6,690	
YoY	12.4%	9.9%	11.7%	21.4%	20.0%	24.7%	21.0%	21.2%	25.8%	22.4%	25.7%	
Gross profit	2,930	2,866	2,835	3,147	3,395	3,435	3,361	3,727	4,203	4,160	4,129	
YoY	11.8%	5.5%	5.9%	16.9%	15.9%	19.9%	18.5%	18.5%	23.8%	21.1%	22.9%	
GPM	67.4%	66.7%	64.5%	64.9%	65.0%	64.1%	63.2%	63.4%	64.0%	63.4%	61.7%	
SG&A expenses	2,778	2,806	2,887	2,884	3,155	3,320	3,293	3,434	3,872	3,988	4,033	
YoY	12.1%	12.1%	11.6%	10.2%	13.6%	18.3%	14.1%	19.1%	22.7%	20.1%	22.5%	
SG&A ratio	63.9%	65.3%	65.7%	59.5%	60.4%	62.0%	61.9%	58.4%	58.9%	60.8%	60.3%	
Operating profit	152	59	-52	263	241	115	68	293	331	172	96	
YoY	6.6%	-72.2%	-	242.4%	57.9%	93.4%	-	11.7%	37.7%	49.7%	41.9%	
OPM	3.5%	1.4%	-	5.4%	4.6%	2.1%	1.3%	5.0%	5.0%	2.6%	1.4%	
Recurring profit	127	44	-75	241	219	104	59	205	307	154	79	
YoY	6.8%	-76.3%	-	368.2%	72.6%	135.3%	-	-14.7%	40.4%	48.2%	33.0%	
RPM	2.9%	1.0%	-	5.0%	4.2%	1.9%	1.1%	3.5%	4.7%	2.4%	1.2%	
Net income	1	-11	-33	155	99	35	165	428	245	154	19	
YoY	-99.2%	-	-	124.9%	18883.0%	-	-	176.4%	148.5%	345.7%	-88.5%	
Net margin	0.0%	-	-	3.2%	1.9%	0.6%	3.1%	7.3%	3.7%	2.3%	0.3%	

By segment Quarterly (JPYmm)	FY03/16				FY03/17				FY03/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,349	4,296	4,397	4,850	5,220	5,358	5,321	5,876	6,570	6,557	6,690	
YoY	12.4%	9.9%	11.7%	21.4%	20.0%	24.7%	21.0%	21.2%	25.8%	22.4%	25.7%	
Retail	4,262	4,205	4,300	4,752	5,108	5,240	5,195	5,743	6,423	6,270	6,314	
YoY	12.1%	9.5%	11.5%	21.3%	19.8%	24.6%	20.8%	20.9%	25.7%	19.7%	21.6%	
Wholesale	-	-	-	-	-	-	-	-	5	144	225	
YoY	-	-	-	-	-	-	-	-	-	-	-	
E-commerce	86	92	97	98	112	119	125	133	142	142	150	
YoY	29.2%	30.5%	22.8%	28.5%	30.1%	29.4%	28.8%	35.3%	26.8%	19.4%	19.5%	
Other	-	-	-	-	-	-	1	-	-	-	-	
YoY	-	-	-	-	-	-	-	-	-	-	-	
Recurring profit	152	59	-52	263	241	115	68	293	331	172	96	
YoY	6.6%	-72.2%	-	242.4%	57.9%	93.4%	-	11.7%	37.7%	49.7%	41.9%	
OPM	3.5%	1.4%	-	5.4%	4.6%	2.1%	1.3%	5.0%	5.0%	2.6%	1.4%	
Retail	149	58	-7	269	262	130	117	384	524	293	184	
YoY	0.7%	-72.5%	-	260.4%	76.3%	123.8%	-	42.8%	100.2%	124.8%	56.9%	
OPM	3.4%	1.4%	-	5.5%	5.0%	2.4%	2.2%	6.5%	8.0%	4.5%	2.8%	
Wholesale	-	-	-	-	-	-	-	-	2	37	45	
YoY	-	-	-	-	-	-	-	-	-	-	-	
OPM	-	-	-	-	-	-	-	-	0.0%	0.6%	0.7%	
E-commerce	15	16	13	16	13	13	31	19	18	12	33	
YoY	56.0%	20.0%	1.7%	24.8%	-12.9%	-17.8%	131.2%	19.0%	39.8%	-8.3%	7.2%	
OPM	0.3%	0.4%	0.3%	0.3%	0.2%	0.2%	0.6%	0.3%	0.3%	0.2%	0.5%	
Other	-	-	-	-	-1	-11	-19	-11	-21	-25	-28	
YoY	-	-	-	-	-	-	-	-	-	-	-	
OPM	-	-	-	-	-	-	-	-	-	-	-	
Adjustments	-11	-15	-58	-22	-31	-20	-62	-99	-191	-146	-138	

SG&A expenses Quarterly (JPYmm)	FY03/16				FY03/17				FY03/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SG&A expenses	2,778	2,806	2,887	2,884	3,155	3,320	3,293	3,434	3,872	3,988	4,033	
YoY	12.1%	12.1%	11.6%	10.2%	13.6%	18.3%	14.1%	19.1%	22.7%	20.1%	22.5%	
SG&A ratio	63.9%	65.3%	65.7%	59.5%	60.4%	62.0%	61.9%	58.4%	58.9%	60.8%	60.3%	
Selling expenses	237	252	285	291	299	305	373	313	396	468	-	
YoY	27.4%	18.3%	31.9%	48.5%	26.2%	21.0%	30.9%	7.6%	32.4%	53.4%	-	
Personnel expenses	1,148	1,193	1,227	1,240	1,366	1,439	1,382	1,532	1,733	1,733	-	
YoY	9.8%	12.2%	12.5%	12.9%	19.0%	20.6%	12.6%	23.5%	26.9%	20.4%	-	
Rents	632	638	622	642	648	666	664	674	694	693	-	
YoY	5.7%	5.4%	0.5%	2.8%	2.5%	4.4%	6.8%	5.0%	7.1%	4.1%	-	
Depreciation	57	60	63	74	93	103	72	77	114	146	-	
YoY	9.6%	5.3%	1.6%	13.8%	63.2%	71.7%	14.3%	4.1%	22.6%	41.7%	-	
Other	703	663	691	636	750	807	802	839	934	947	-	
YoY	18.0%	17.3%	15.4%	0.6%	6.7%	21.7%	16.1%	31.9%	24.5%	17.3%	-	

Store count Quarterly	FY03/16				FY03/17				FY03/18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Store count in Japan	329	325	327	351	354	368	372	381	386	389	389	
Openings	9	4	9	4	5	8	9	14	7	12	1	
Closures	-5	-8	-7	-2	-1	-5	-5	-5	-2	-9	-1	
Acquisitions	-	-	-	22	-	11	-	-	2	5	-	

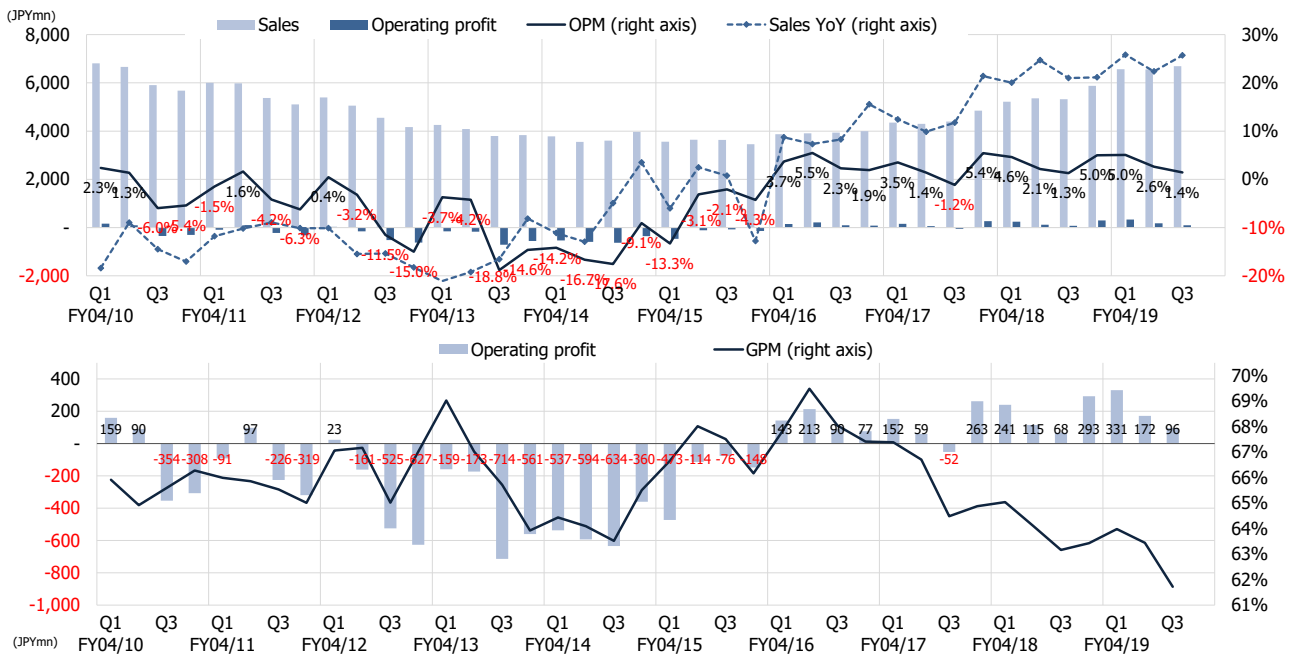
Source: Shared Research based on company data

Note: Figures may differ from company data due to differences in rounding methods.

Q3 FY04/19 results (out March 13, 2019)

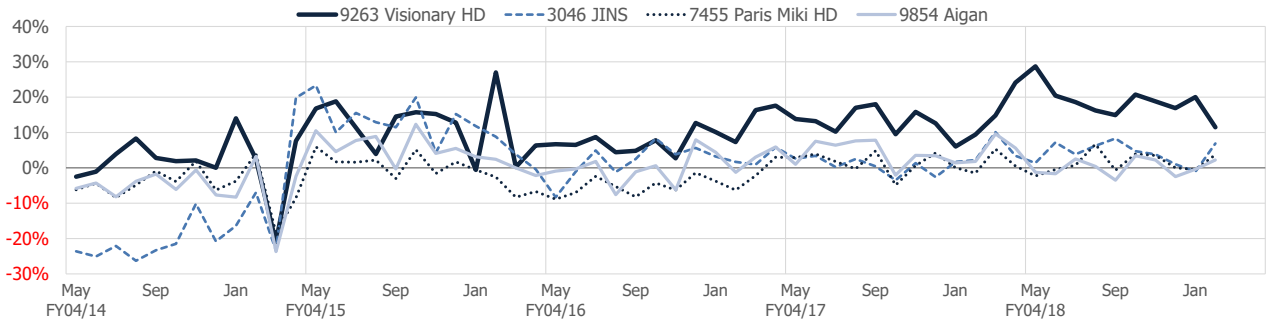
- ▷ For the nine-month period through Q3 FY04/19, the company reported sales of JPY19.8bn (+24.6% YoY), an operating profit of JPY599mn (+41.6% YoY), and net income attributable to parent company shareholders of JPY418mn (+40.1% YoY).
- ▷ Q3: For the three-month period November 2018–January 2019, the company reported sales of JPY6.7bn (+25.7% YoY), an operating profit of JPY96mn (+41.9% YoY), and net income attributable to parent company shareholders of JPY19mn (-88.5% YoY); this includes an extraordinary loss of JPY120mn booked in relation to a settlement reached with YN Medical Company.
- ▷ Initial full-year forecast unchanged: Results for the nine-month period through Q3 reached 78.3% of its full-year target for sales and 53.0% of its full-year target for operating profit.
- ▷ Retail business: November–January sales of JPY6.3bn (+21.6% YoY), operating profit of JPY184mn (+56.9% YoY).
 - Next-generation stores: Added 12 stores (remodeled six stores in Nov, five in Dec.; opened one new store in Nov.)
 - Same-store sales: Strong same-store sales, up 18.8% YoY in Nov., 16.9% in Dec., and 20.0% in Jan.
- ▷ Wholesale business: November–January sales of JPY225mn and operating profit of JPY45mn, including contributions from Visionize, which the company made a consolidated subsidiary in August 2018.
- ▷ E-commerce business: November–January sales of JPY150mn (+19.5% YoY), operating profit of JPY33mn (+7.2% YoY). Strong sales growth of +25.8% YoY in November, +12.0% in December, and +23.3% in January aided by successful couponing and links from corporate site to increase traffic at own online store plus strong sales through third-party malls Amazon, Rakuten, and Lohaco.
- ▷ Other business: Q3 operating loss of JPY28mn (versus loss of JPY19mn in Q3 FY04/18). The loss reflects investment spending in advance of the start of commercial production and sales of a new wearable optical device, including spending on verification testing with partner companies, development spending, and spending to develop sales channels.

Quarterly results



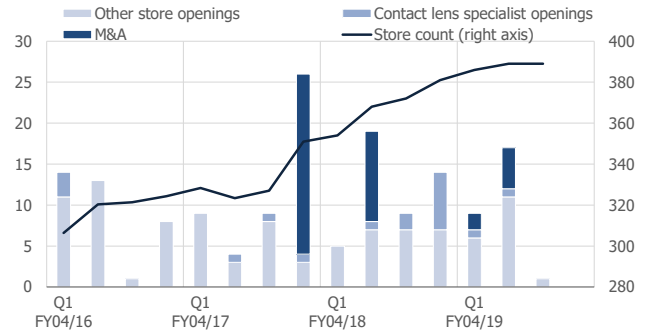
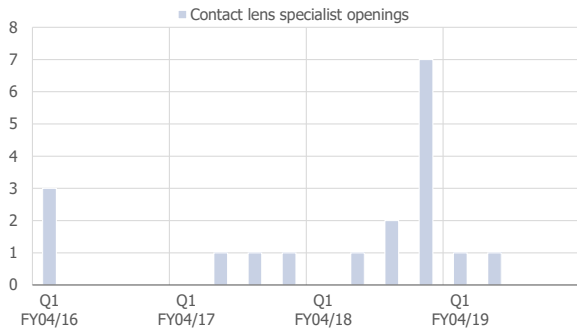
Source: Shared Research based on company data

Comparable store sales growth by company



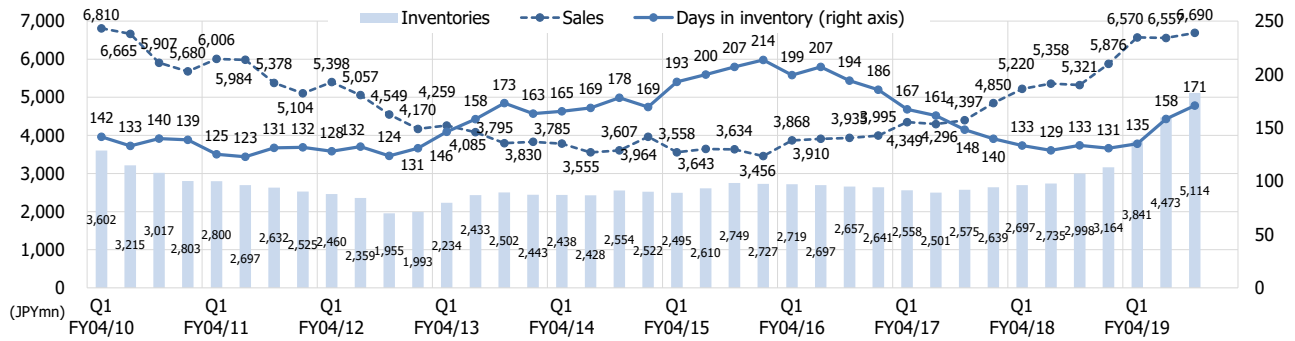
Source: Shared Research, based on each company data

New store openings and number of stores in operation

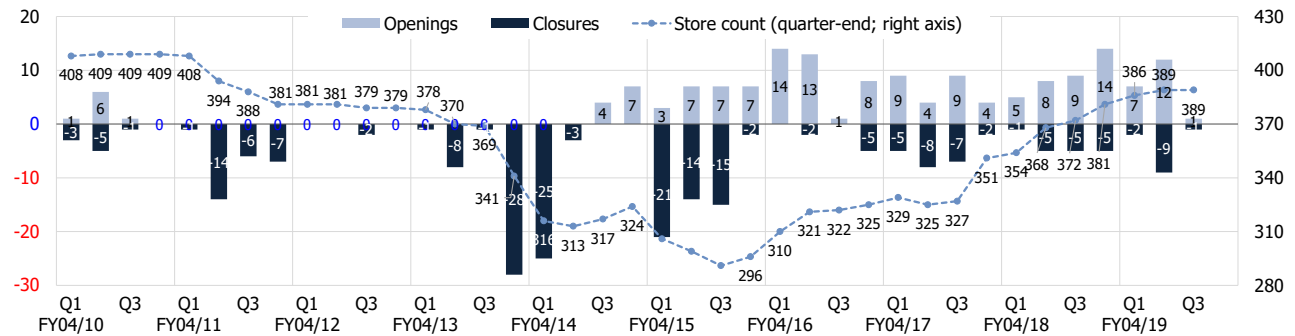


Source: Shared Research, based on company data

Quarterly sales, inventory, inventory turnover (JPYmn, days)



Store openings, store closings, and store count as of quarter-end



Source: Shared Research based on company data

Note: From FY04/18, figures are consolidated figures that include Megane House and others.

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

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