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On **April 12, 2019**, Chiyoda Co., Ltd. announced earnings results for full-year FY02/19.

Quarterly performance Consolidated (JPYmn)	FY02/17				FY02/18				FY02/19				FY02/20 Est.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Sales	38,142	33,287	33,609	31,979	35,768	31,470	30,741	29,655	32,585	28,945	28,689	28,349	118,300
Shoes	29,229	25,530	24,963	23,568	27,888	24,186	22,833	21,875	25,446	22,376	21,596	21,140	-
Parent	28,396	24,837	24,306	23,023	27,216	23,595	22,828	21,870	25,436	22,367	21,587	21,132	91,500
Other	833	693	657	545	672	591	5	5	10	9	9	8	-
Apparel	8,912	7,757	8,646	8,412	7,880	7,283	7,908	7,781	7,138	6,569	7,093	7,209	26,800
YoY	-3.3%	-3.7%	-5.4%	-8.5%	-6.2%	-5.5%	-8.5%	-7.3%	-8.9%	-8.0%	-6.7%	-4.4%	-0.2%
Shoes	-3.6%	-3.3%	-4.6%	-8.0%	-4.6%	-5.3%	-8.5%	-7.2%	-8.8%	-7.5%	-5.4%	-3.4%	-
Parent	-3.5%	-3.0%	-4.1%	-7.5%	-4.2%	-5.0%	-6.1%	-5.0%	-6.5%	-5.2%	-5.4%	-3.4%	1.1%
Other	-8.0%	-13.3%	-21.6%	-25.2%	-19.3%	-14.7%	-99.2%	-99.1%	-98.5%	-98.5%	80.0%	60.0%	-
Apparel	-2.2%	-4.9%	-7.5%	-10.1%	-11.6%	-6.1%	-8.5%	-7.5%	-9.4%	-9.8%	-10.3%	-7.4%	-4.3%
Gross profit	18,673	15,535	16,847	15,401	18,510	15,318	15,620	14,229	16,439	13,811	14,251	12,531	
Cons. ex. Mac-House	14,440	11,947	12,413	11,233	14,340	11,585	11,451	10,336	12,658	10,364	10,626	9,811	
Mac-House	4,233	3,588	4,434	4,168	4,170	3,733	4,169	3,893	3,781	3,447	3,625	2,720	
YoY	-4.8%	-5.8%	-3.6%	-3.9%	-0.9%	-1.4%	-7.3%	-7.6%	-11.2%	-9.8%	-8.8%	-11.9%	
Cons. ex. Mac-House	-5.3%	-6.0%	-5.0%	-6.5%	-0.7%	-3.0%	-7.7%	-8.0%	-11.7%	-10.5%	-7.2%	-5.1%	
Mac-House	-2.9%	-5.1%	0.4%	3.8%	-1.5%	4.0%	-6.0%	-6.6%	-9.3%	-7.7%	-13.0%	-30.1%	
GPM	49.0%	46.7%	50.1%	48.2%	51.8%	48.7%	50.8%	48.0%	50.4%	47.7%	49.7%	44.2%	
Cons. ex. Mac-House	49.4%	46.8%	49.7%	47.7%	51.4%	47.9%	50.2%	47.3%	49.7%	46.3%	49.2%	46.4%	
Mac-House	47.5%	46.3%	51.3%	49.5%	52.9%	51.3%	52.7%	50.0%	53.0%	52.5%	51.1%	37.7%	
SG&A expenses	15,268	14,523	14,741	14,192	15,007	14,285	14,284	13,968	14,385	13,693	13,842	13,443	
Cons. ex. Mac-House	11,204	10,739	10,683	10,291	10,947	10,457	10,275	10,116	10,546	10,102	10,105	9,799	
Mac-House	4,064	3,784	4,058	3,901	4,060	3,828	4,009	3,852	3,839	3,591	3,737	3,644	
YoY	-2.8%	-2.4%	-2.4%	-2.5%	-1.7%	-1.6%	-3.1%	-1.6%	-4.1%	-4.1%	-3.1%	-3.8%	
Cons. ex. Mac-House	-3.4%	-3.6%	-3.7%	-2.5%	-2.3%	-2.6%	-3.8%	-1.7%	-3.7%	-3.4%	-1.7%	-3.1%	
Mac-House	-1.1%	1.3%	1.2%	-2.6%	-0.1%	1.2%	-1.2%	-1.3%	-5.4%	-6.2%	-6.8%	-5.4%	
SG&A ratio	40.0%	43.6%	43.9%	44.4%	42.0%	45.4%	46.5%	47.1%	44.1%	47.3%	48.2%	47.4%	
Cons. ex. Mac-House	38.3%	42.1%	42.8%	43.7%	39.3%	43.2%	45.0%	46.2%	41.4%	45.1%	46.8%	46.4%	
Mac-House	45.6%	48.8%	46.9%	46.4%	51.5%	52.6%	50.7%	49.5%	53.8%	54.7%	52.7%	50.5%	
Operating profit	3,405	1,012	2,106	1,208	3,503	1,033	1,336	261	2,053	118	409	-912	3,340
Shoes	3,258	1,265	1,810	886	3,413	1,081	1,149	59	2,110	262	518	11	-
Parent	3,106	1,247	1,631	867	3,237	1,096	1,052	63	2,028	205	525	18	-
Other	152	18	179	19	176	-15	97	-4	82	57	-7	-7	-
Apparel	169	-195	375	267	109	-94	160	41	-58	-144	-111	-925	-864
YoY	-12.9%	-36.9%	-11.6%	-18.1%	2.9%	2.1%	-36.6%	-78.4%	-41.4%	-88.6%	-69.4%	-	100.2%
Shoes	-9.7%	-20.7%	-8.4%	-35.8%	4.8%	-14.5%	-36.5%	-93.3%	-38.2%	-75.8%	-54.9%	-81.4%	-
Parent	-13.2%	-22.4%	-15.9%	-37.0%	4.2%	-12.1%	-35.5%	-92.7%	-37.3%	-81.3%	-50.1%	-71.4%	-
Other	390.3%	-	397.2%	280.0%	15.8%	-	-45.8%	-	-53.4%	-	-	-	-
Apparel	-32.9%	-	-8.3%	2,125.0%	-35.5%	-	-57.3%	-84.6%	-	-	-	-	-
OPM	8.9%	3.0%	6.3%	3.8%	9.8%	3.3%	4.3%	0.9%	6.3%	0.4%	1.4%	-3.2%	2.8%
Shoes	11.1%	5.0%	7.3%	3.8%	12.2%	4.5%	5.0%	0.3%	8.3%	1.2%	2.4%	0.1%	-
Parent	10.9%	5.0%	6.7%	3.8%	11.9%	4.6%	4.6%	0.3%	8.0%	0.9%	2.4%	0.1%	-
Other	18.2%	2.6%	27.2%	3.5%	26.2%	-2.5%	1,940.0%	-80.0%	820.0%	633.3%	-77.8%	-87.5%	-
Apparel	1.9%	-2.5%	4.3%	3.2%	1.4%	-1.3%	2.0%	0.5%	-0.8%	-2.2%	-1.6%	-12.8%	-
Recurring profit	3,446	1,204	2,217	1,276	3,611	1,166	1,457	361	2,161	341	537	-773	3,520
YoY	-14.4%	-31.9%	-10.0%	-23.7%	4.8%	-3.2%	-34.3%	-71.7%	-40.2%	-70.8%	-63.1%	-	55.3%
RPM	9.0%	3.6%	6.6%	4.0%	10.1%	3.7%	4.7%	1.2%	6.6%	1.2%	1.9%	-	3.0%
Net income	1,948	605	1,232	510	2,486	578	1,320	259	1,754	-205	-222	286	1,400
YoY	-4.2%	-29.0%	1.6%	-34.9%	27.6%	-4.5%	7.1%	-49.2%	-29.4%	-	-	10.4%	-13.2%
Net margin	5.1%	1.8%	3.7%	1.6%	7.0%	1.8%	4.3%	0.9%	5.4%	-	-	1.0%	1.2%
Inventory	40,918	36,834	40,382	37,361	41,054	37,242	39,727	35,239	36,859	34,030	37,349	33,344	-
Cons. ex. Mac-House	29,924	26,712	28,777	27,001	30,019	27,851	29,069	26,264	27,494	26,145	28,214	26,683	-
Mac-House	10,994	10,122	11,605	10,360	11,035	9,391	10,658	8,975	9,365	7,885	9,135	6,661	-
Days in inventory	189	200	210	214	207	221	232	222	204	214	226	204	-
Cons. ex. Mac-House	182	190	202	206	192	210	228	219	192	204	226	221	-
Mac-House	212	231	235	236	263	263	245	230	249	252	224	161	-
Comp. store sales growth	-1.9%	-1.7%	-2.7%	-6.4%	-3.4%	-4.0%	-7.3%	-6.5%	-8.2%	-6.9%	-5.3%	-2.5%	-
Customer count	-9.3%	-5.9%	-4.3%	-6.7%	-3.2%	-4.5%	-7.3%	-6.7%	-7.9%	-6.6%	-6.5%	-3.2%	-
Customer spend	8.1%	4.4%	1.6%	0.2%	-0.2%	0.5%	-0.1%	0.2%	-0.5%	-0.4%	1.2%	0.6%	-
All store sales growth	-3.5%	-3.1%	-4.1%	-7.5%	-4.2%	-5.0%	-6.1%	-5.1%	-6.8%	-5.5%	-5.5%	-3.5%	-
Customer count	-10.9%	-3.1%	-5.9%	-7.9%	-4.1%	-5.7%	-6.9%	-6.0%	-7.2%	-5.6%	-6.6%	-4.1%	-
Customer spend	8.2%	-7.4%	1.8%	0.4%	-0.1%	0.6%	0.7%	1.0%	0.4%	-	1.1%	0.6%	-
Store count													
Chiyoda	1,072	1,065	1,064	1,055	1,050	1,040	1,085	1,080	1,072	1,061	1,059	1,047	-
Mac-House	452	448	444	433	427	421	413	410	413	413	415	398	378
Openings													
Chiyoda	8	2	5	2	5	2	12	2	6	2	11	4	-
Mac-House	3	-	1	1	3	1	5	4	7	1	9	3	10
Closures													
Chiyoda	-9	-9	-6	-11	-10	-12	-5	-7	-14	-13	-13	-16	-
Mac-House	-3	-4	-5	-12	-9	-7	-13	-7	-4	-1	-7	-20	-30

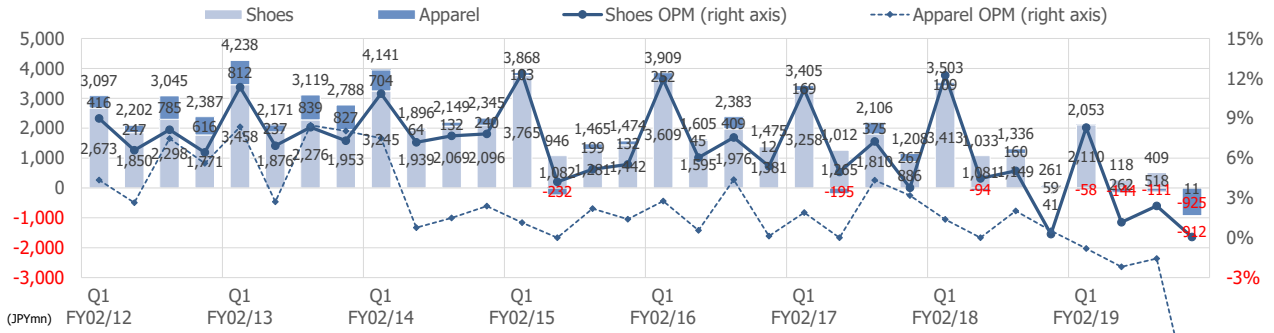
Source: Shared Research based on company data

Seasonality: During Q1 (March to May), sales peak in March. Margins tend to fall in Q2 (June to August) and Q4 (December to February) due to clearance sales and lower prices. Profitability also tends to bottom in Q2 and Q4, which is when the company records inventory write-offs in August and February.

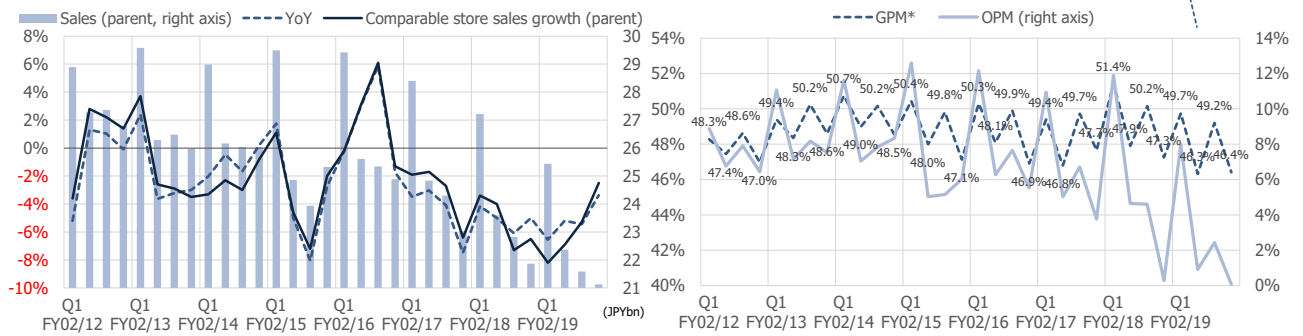
Full-year FY02/19 results (out April 12, 2019)

- ▷ FY02/19 results: Sales were JPY118.6bn (-7.1% YoY), operating profit was JPY1.7bn (-72.8% YoY) and net income was JPY1.6bn (-65.3% YoY). End-FY02/19 BPS was JPY2,002.1.
 - Shoe business: Sales were JPY90.6bn (-6.4% YoY) and operating profit JPY2.9bn (-49.1% YoY). Some products performed well, including the private brand of functional women's pumps fuwaraku and the women's shoe brand Will Be. However, sales fell due to poor sales for children's shoes and winter products, as well as the decline in the number of stores. GPM also fell as the company proactively disposed of inventory.
 - Apparel business: Subsidiary Mac-House (JASDAQ: 7603, 61.3% ownership stake) booked sales of JPY28.0bn (-9.2% YoY) and an operating loss of JPY1.2bn (JPY216mn operating profit in FY02/18). Year-end BPS was JPY675.7. In addition to the decrease of stores, sales fell significantly because product deployment which met consumer needs was insufficient, the number of customers visiting stores fell as a result of a reduction of advertisement inserts in newspapers, and average customer spend declined due to a decrease in both prices and number of items purchased. GPM also worsened due to product valuation losses (JPY500mn) which presumed new merchandising and discounts following a delay in launching seasonal products.
 - Sale of cross-held shares: Extraordinary profit was JPY2.8bn while extraordinary loss was JPY1.8bn. Extraordinary profit was largely due to gains on the sale of investment securities (JPY2.5bn) whereas extraordinary loss was largely due to impairment losses related to stores (JPY1.6bn, JPY741mn from Mac-House).
 - Q4 (December 2018 to February 2019): Sales for the quarter were JPY28.4bn (-4.4% YoY), GPM was 44.2% (48.0% in Q4 FY02/18), and operating loss was JPY912mn (JPY261mn operating profit in Q4 FY02/18). While the Shoes business was on thin ice, it managed to secure a profit. However, the loss in Apparel impacted results
- ▷ FY02/20 forecast: In FY02/20, the company forecasts sales of JPY118.3bn (-0.2% YoY), operating profit of JPY3.3bn (2.0x FY02/19 operating profit), and net income of JPY1.4bn (-13% YoY; EPS=JPY39.4). The company forecasts an annual dividend of JPY74.0 per share, the same as FY02/19.
 - Shoe business: The company forecasts sales to grow 1% YoY and OPM to improve. It plans to strengthen private brands, execute hybrid merchandising with national brands, and conduct store renewals.
 - Apparel business: The company forecasts that Mac-House will book JPY26.8bn in sales (-4.3% YoY), JPY864mn in operating losses, and JPY1.4bn in net losses (EPS = -JPY92.1). The company plans to strengthen efforts to eliminate held-over products, increase the freshness of its sales displays, and boost GPM. The company forecasts an operating loss in this initial forecast as it is difficult to see sales recover due to the decrease in the number of stores. The company forecasts an annual dividend of JPY10 per share, same as last year.

Operating profit by segment



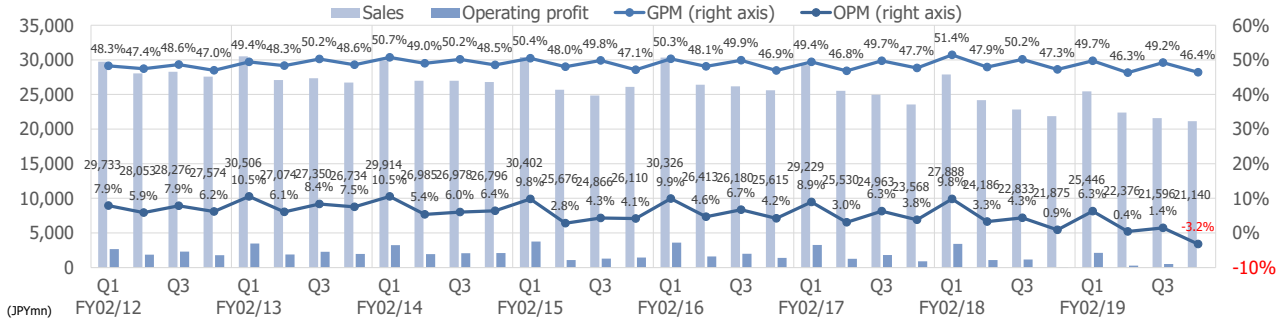
Parent performance



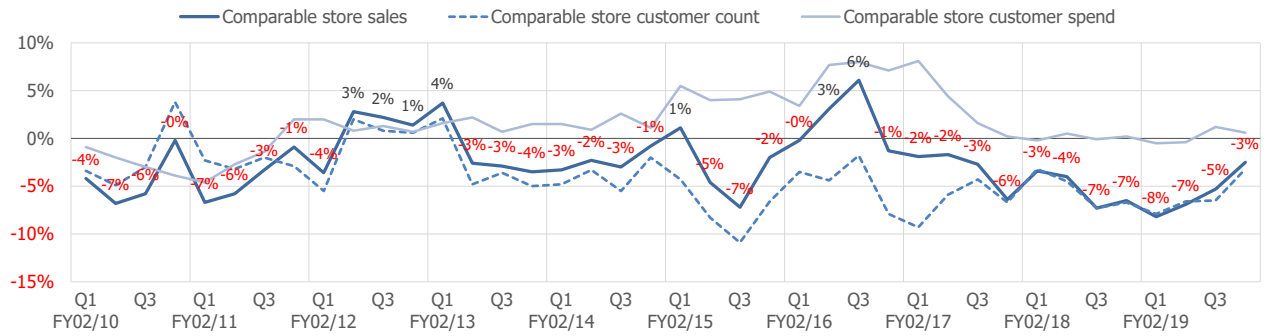
Source: Shared Research based on company data
 Note: GPM* = (consolidated gross profit – Mac-House gross profit) ÷ Shoe segment sales

Shoe business

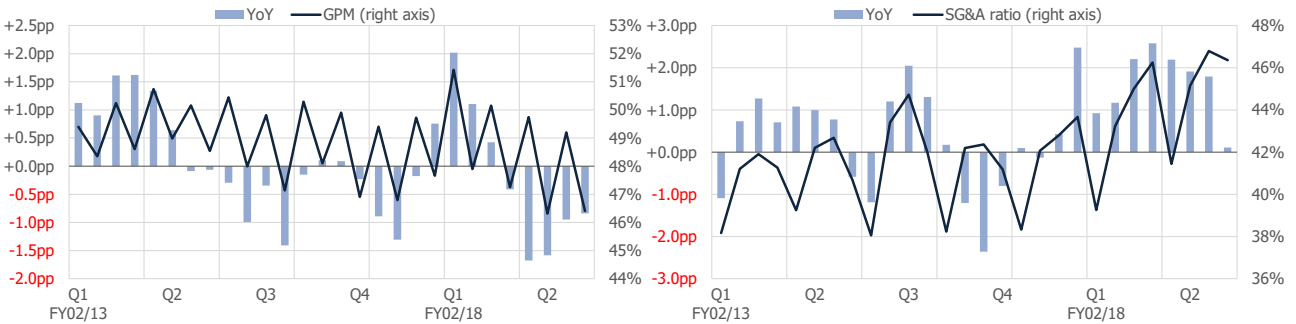
Shoe business earnings



Parent comparable store sales

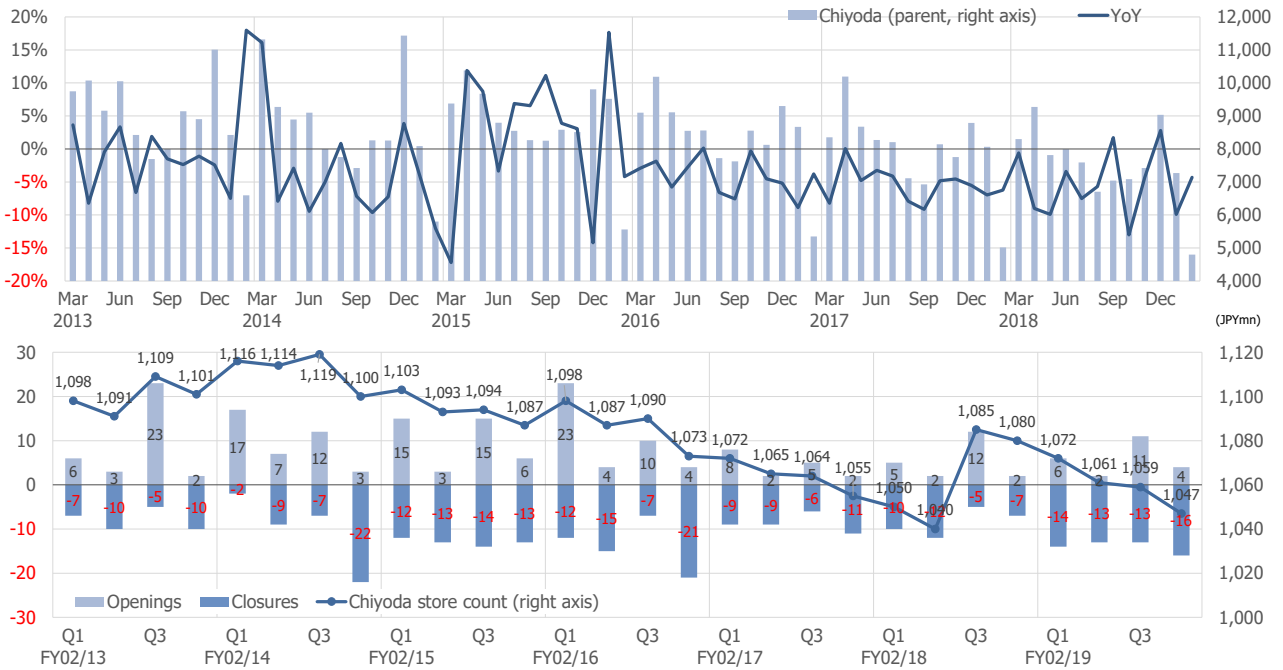


Shoe business GPM and SG&A expense ratio estimates



Source: Shared Research based on company data

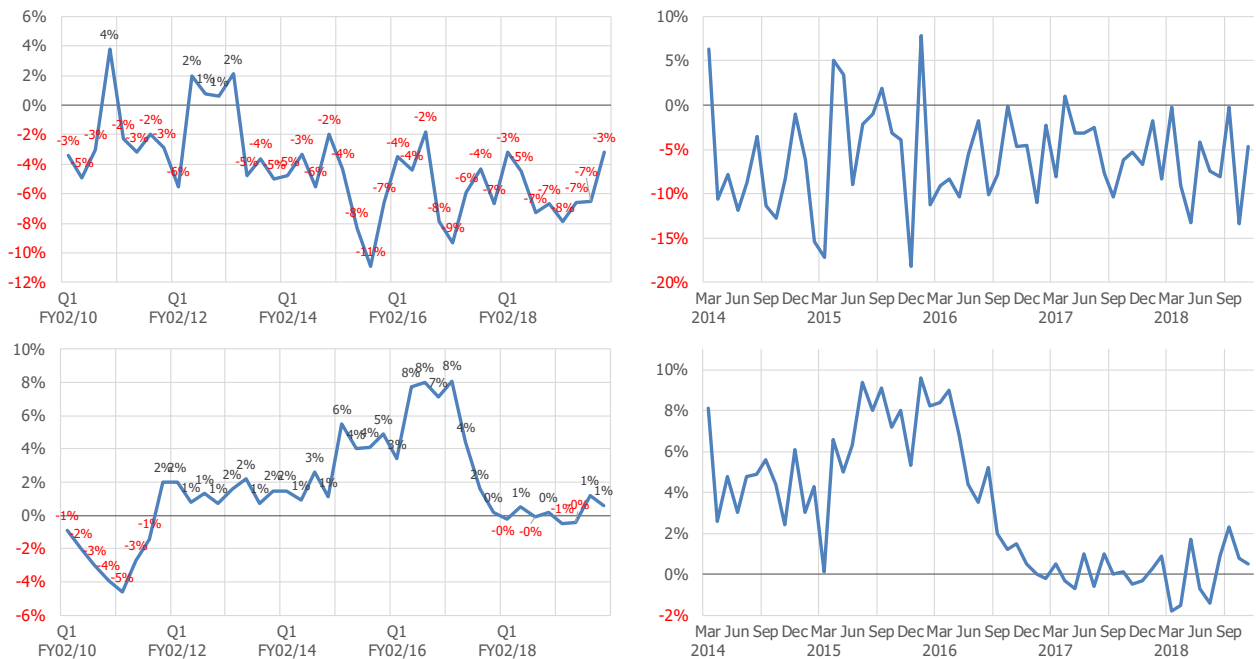
Monthly sales data (parent; sales in September 2016 and later are Shared Research estimates), and Chiyoda store count



Quarterly results and inventory trends

(JPYmn)	FY02/16				FY02/17				FY02/18				FY02/19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	39,441	34,573	35,523	34,967	38,142	33,287	33,609	31,979	35,768	31,470	30,741	29,655	32,585	28,945	28,689	28,349
Mac-House	9,114	8,160	9,343	9,353	8,912	7,757	8,646	8,412	7,880	7,283	7,908	7,781	7,138	6,569	7,093	7,209
Difference (Shoes business)	30,327	26,413	26,180	25,614	29,230	25,530	24,963	23,567	27,888	24,187	22,833	21,874	25,447	22,376	21,596	21,140
YoY	-0.0%	1.7%	4.6%	-1.8%	-3.3%	-3.7%	-5.4%	-8.5%	-6.2%	-5.5%	-8.5%	-7.3%	-8.9%	-8.0%	-6.7%	-4.4%
Mac-House	0.6%	-1.8%	2.9%	-1.6%	-2.2%	-4.9%	-7.5%	-10.1%	-11.6%	-6.1%	-8.5%	-7.5%	-9.4%	-9.8%	-10.3%	-7.4%
Difference (Shoes business)	-0.2%	2.9%	5.3%	-1.9%	-3.6%	-3.3%	-4.6%	-8.0%	-4.6%	-5.3%	-8.5%	-7.2%	-6.8%	-7.5%	-5.4%	-3.4%
Merchandise inventory	38,971	37,746	43,094	39,910	40,918	36,834	40,382	37,361	41,054	37,242	39,727	35,239	36,859	34,030	37,349	33,344
Mac-House	11,491	10,673	12,357	10,790	10,994	10,122	11,605	10,360	11,035	9,391	10,658	8,975	9,365	7,885	9,135	6,661
Difference (Shoes business)	27,480	27,073	30,737	29,120	29,924	26,712	28,777	27,001	30,019	27,851	29,069	26,264	27,494	26,145	28,214	26,683
Merchandise inventory days	167	194	204	200	189	200	210	214	207	221	232	222	204	214	226	204
Mac-House	203	231	213	198	212	231	235	236	263	263	245	230	249	252	224	161
Difference (Shoes business)	155	182	201	201	182	190	202	206	192	210	228	219	192	204	226	221

YoY changes of customer count (top) and customer spend (bottom), for quarters (left) and months (right)



Source: Shared Research based on company data

Apparel business

Mac-House's quarterly earnings trends

Quarterly performance (JPYmn)	FY02/17				FY02/18				FY02/19				FY02/20
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Est.
Sales	8,912	7,757	8,647	8,411	7,880	7,283	7,908	7,781	7,138	6,569	7,093	7,209	26,800
YoY	-2.2%	-4.9%	-7.4%	-10.1%	-11.6%	-6.1%	-8.5%	-7.5%	-9.4%	-9.8%	-10.3%	-7.4%	-68.2%
CoGS	4,679	4,169	4,213	4,243	3,710	3,550	3,739	3,888	3,357	3,122	3,468	4,489	
Gross profit	4,233	3,588	4,434	4,168	4,170	3,733	4,169	3,893	3,781	3,447	3,625	2,720	
YoY	-2.9%	-5.1%	0.4%	3.8%	-1.5%	4.0%	-6.0%	-6.6%	-9.3%	-7.7%	-13.0%	-30.1%	
GPM	47.5%	46.3%	51.3%	49.6%	52.9%	51.3%	52.7%	50.0%	53.0%	52.5%	51.1%	37.7%	
SG&A expenses	4,064	3,784	4,058	3,901	4,060	3,828	4,009	3,852	3,839	3,591	3,737	3,644	
YoY	-1.1%	1.3%	1.2%	-2.6%	-0.1%	1.2%	-1.2%	-1.3%	-5.4%	-6.2%	-6.8%	-5.4%	
SG&A ratio	45.6%	48.8%	46.9%	46.4%	51.5%	52.6%	50.7%	49.5%	53.8%	54.7%	52.7%	50.5%	
Operating profit	169	-195	375	267	109	-94	160	41	-58	-144	-111	-925	-864
YoY	-32.9%	-	-8.3%	2,125.0%	-35.5%	-	-57.3%	-84.6%	-	-	-	-	-
OPM	1.9%	-2.5%	4.3%	3.2%	1.4%	-1.3%	2.0%	0.5%	-0.8%	-2.2%	-1.6%	-12.8%	-3.2%
Recurring profit	195	-175	397	264	131	-83	173	43	-48	-95	-115	-889	-833
YoY	-32.8%	-	-7.9%	500.0%	-32.8%	-	-56.4%	-83.7%	-	-	-	-	-
RPM	2.2%	-2.3%	4.6%	3.1%	1.7%	-1.1%	2.2%	0.6%	-0.7%	-1.4%	-1.6%	-12.3%	-3.1%
Net income	105	-250	202	76	2	-105	24	-145	-196	-589	-1,005	-1,041	-1,412
YoY	118.8%	-	94.2%	-	-98.1%	-	-88.1%	-	-	-	-	-	-
Net margin	1.2%	-3.2%	2.3%	0.9%	0.0%	-1.4%	0.3%	-1.9%	-2.7%	-9.0%	-14.2%	-14.4%	-5.3%
Store count	452	448	444	433	427	421	413	410	413	413	415	398	378
Openings	3	-	1	1	3	1	5	4	7	1	9	3	10
Closures	-3	-4	-5	-12	-9	-7	-13	-7	-4	-1	-7	-20	-30
Sales by product													
Menswear	4,092	3,734	3,958	4,155	3,581	3,416	3,503	3,651	3,255	3,127	3,176	3,436	
Tops	2,369	1,865	2,456	2,529	2,029	1,666	2,203	2,252	1,922	1,573	2,064	2,112	
Bottoms	1,723	1,869	1,502	1,626	1,552	1,750	1,300	1,399	1,333	1,554	1,112	1,324	
Womenswear	2,252	1,715	2,085	1,749	1,870	1,654	1,935	1,647	1,680	1,463	1,696	1,542	
Tops	1,130	784	1,077	797	916	742	1,049	826	872	681	963	779	
Bottoms	1,122	931	1,008	952	954	912	886	821	808	782	733	763	
Others	2,564	2,310	2,604	2,506	2,427	2,212	2,471	2,482	2,201	1,978	2,221	2,233	
Children's	969	662	1,085	825	968	738	1,041	798	894	661	937	760	
Others	1,595	1,648	1,519	1,681	1,459	1,474	1,430	1,684	1,307	1,317	1,284	1,473	
YoY													
Menswear	-5.0%	-7.8%	-9.0%	-9.0%	-12.5%	-8.5%	-11.5%	-12.1%	-9.1%	-8.5%	-9.3%	-5.9%	
Tops	-9.1%	-13.1%	-10.4%	-9.2%	-14.4%	-10.7%	-10.3%	-11.0%	-5.3%	-5.6%	-6.3%	-6.2%	
Bottoms	1.2%	-1.8%	-6.6%	-8.8%	-9.9%	-6.4%	-13.4%	-14.0%	-14.1%	-11.2%	-14.5%	-5.4%	
Womenswear	-0.5%	-8.0%	-11.9%	-11.0%	-17.0%	-3.6%	-7.2%	-5.8%	-10.2%	-11.5%	-12.4%	-6.4%	
Tops	-0.5%	-7.0%	-9.6%	-9.5%	-18.9%	-5.4%	-2.6%	3.6%	-4.8%	-8.2%	-8.2%	-5.7%	
Bottoms	-0.4%	-8.9%	-14.2%	-12.3%	-15.0%	-2.0%	-12.1%	-13.8%	-15.3%	-14.3%	-17.3%	-7.1%	
Others	0.9%	2.9%	-1.0%	-11.0%	-5.3%	-4.2%	-5.1%	-1.0%	-9.3%	-10.6%	-10.1%	-10.0%	
Children's	-3.6%	-8.1%	-4.2%	-6.8%	-0.1%	11.5%	-4.1%	-3.3%	-7.6%	-10.4%	-10.0%	-4.8%	
Others	3.8%	8.1%	1.5%	-13.0%	-8.5%	-10.6%	-5.9%	0.2%	-10.4%	-10.7%	-10.2%	-12.5%	
Comparable stores (YoY)													
Sales	1.9%	-1.9%	-5.8%	-8.8%	-8.4%	-2.7%	-4.9%	-4.5%	-8.7%	-10.3%	-12.0%	-8.9%	
Customer count	7.4%	4.3%	-3.3%	-9.6%	-10.2%	-1.2%	-2.1%	1.8%	-4.2%	-6.8%	-7.1%	-3.6%	
Customer spend	-5.1%	-5.9%	-2.6%	0.6%	2.0%	-0.8%	-2.9%	-6.2%	-4.3%	-3.8%	-5.2%	-5.4%	
All stores (YoY)													
Sales	-2.2%	-4.9%	-7.5%	-10.1%	-11.6%	-6.1%	-8.5%	-7.5%	-9.4%	-9.8%	-10.3%	-7.3%	
Customer count	3.2%	1.4%	-5.1%	-10.9%	-13.5%	-5.3%	-5.5%	-0.5%	-3.2%	-4.4%	-3.1%	0.3%	
Customer spend	-5.3%	-6.2%	-2.5%	0.7%	2.2%	-0.8%	-3.3%	-7.0%	-6.4%	-5.6%	-7.4%	-7.6%	
Inventories													
Product inventories	10,994	10,122	11,605	10,360	11,035	9,391	10,658	8,975	9,365	7,885	9,135	6,661	
YoY	-4.3%	-5.2%	-6.1%	-4.0%	0.4%	-7.2%	-8.2%	-13.4%	-15.1%	-16.0%	-14.3%	-25.8%	
Days in inventory	212	231	235	236	263	263	245	230	249	252	224	161	

Source: Shared Research based on company data

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

Full-year forecasts

Consolidated (JPYmn)	FY02/18			FY02/19			FY02/20 Est.		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Sales	67,238	60,396	127,634	61,530	57,038	118,568	60,380	57,920	118,300
YoY	-5.9%	-7.9%	-6.8%	-8.5%	-5.6%	-7.1%	-1.9%	1.5%	-0.2%
Gross profit	33,828	29,849	63,677	30,250	26,782	57,032			
YoY	-1.1%	-7.4%	-4.2%	-10.6%	-10.3%	-10.4%			
GPM	50.3%	49.4%	49.9%	49.2%	47.0%	48.1%			
SG&A expenses	29,292	28,252	57,544	28,078	27,285	55,363			
YoY	-1.7%	-2.4%	-2.0%	-4.1%	-3.4%	-3.8%			
SG&A ratio	43.6%	46.8%	45.1%	45.6%	47.8%	46.7%			
Operating profit	4,536	1,596	6,132	2,172	-503	1,669	1,710	1,630	3,340
YoY	2.7%	-51.8%	-20.7%	-52.1%	-131.5%	-72.8%	-21.3%	-424.1%	100.1%
OPM	6.7%	2.6%	4.8%	3.5%	-0.9%	1.4%	2.8%	2.8%	2.8%
Recurring profit	4,777	1,818	6,595	2,502	-236	2,266	1,710	1,810	3,520
YoY	2.7%	-48.0%	-19.0%	-47.6%	-113.0%	-65.6%	-31.7%	-866.9%	55.3%
RPM	7.1%	3.0%	5.2%	4.1%	-0.4%	1.9%	2.8%	3.1%	3.0%
Net income	3,064	1,579	4,643	1,549	64	1,613	740	660	1,400
YoY	20.0%	-9.4%	8.1%	-49.4%	-95.9%	-65.3%	-52.2%	931.3%	-13.2%
Net margin	4.6%	2.6%	3.6%	2.5%	0.1%	1.4%	1.2%	1.1%	1.2%

Parent (JPYmn)	FY02/18			FY02/19			FY02/20 Est.		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Sales	50,811	44,698	95,509	47,803	42,719	90,522	47,500	44,000	91,500
YoY	-4.5%	-5.6%	-5.0%	-5.9%	-4.4%	-5.2%	-0.6%	3.0%	1.1%
Gross profit	24,596	21,076	45,672	22,382	19,968	42,350			
YoY	-1.9%	-6.0%	-3.9%	-9.0%	-5.3%	-7.3%			
GPM	48.4%	47.2%	47.8%	46.8%	46.7%	46.8%			
SG&A expenses	20,262	19,962	40,224	20,149	19,425	39,574			
YoY	-2.2%	0.1%	-1.1%	-0.6%	-2.7%	-1.6%			
SG&A ratio	39.9%	44.7%	42.1%	42.2%	45.5%	43.7%			
Operating profit	4,333	1,115	5,448	2,233	543	2,776			
YoY	-0.5%	-55.4%	-20.5%	-48.5%	-51.3%	-49.0%			
OPM	8.5%	2.5%	5.7%	4.7%	1.3%	3.1%			
Recurring profit	4,868	1,516	6,384	2,800	752	3,552	3,090	1,950	5,040
YoY	0.2%	-47.5%	-17.6%	-42.5%	-50.4%	-44.4%	10.4%	159.3%	41.9%
OPM	9.6%	3.4%	6.7%	5.9%	1.8%	3.9%	6.5%	4.4%	5.5%
Recurring profit	3,290	1,578	4,868	2,250	1,345	3,595	1,990	1,030	3,020
YoY	12.2%	13.0%	12.4%	-31.6%	-14.8%	-26.2%	-11.6%	-23.4%	-16.0%
OPM	6.5%	3.5%	5.1%	4.7%	3.1%	4.0%	4.2%	2.3%	3.3%

Cons.-Par. difference (JPYmn)	FY02/18			FY02/19			FY02/20 Est.		
	1H	2H	FY	1H	2H	FY	1H	2H	FY
Sales	16,427	15,698	32,125	13,727	14,319	28,046	12,880	13,920	26,800
YoY	-9.7%	-14.0%	-11.9%	-16.4%	-8.8%	-12.7%	-21.6%	-11.3%	-16.6%
Gross profit	9,232	8,773	18,005	7,868	6,814	14,682			
YoY	1.1%	-10.6%	-5.0%	-14.8%	-22.3%	-18.5%			
GPM	56.2%	55.9%	56.0%	57.3%	47.6%	52.3%			
SG&A expenses	9,030	8,290	17,320	7,929	7,860	15,789			
SG&A ratio	55.0%	52.8%	53.9%	57.8%	54.9%	56.3%			
Operating profit	203	481	684	-61	-1,046	-1,107	1,710	1,630	3,340
YoY	-	-	-22.3%	-	-	-261.8%	742.4%	238.9%	388.3%
OPM	1.2%	3.1%	2.1%	-0.4%	-7.3%	-3.9%	13.3%	11.7%	12.5%
Non-operating income (expenses)	-294	-179	-473	-237	58	-179	-3,090	-1,770	-4,860
Recurring profit	-91	302	211	-298	-988	-1,286	-1,380	-140	-1,520

Source: Shared Research based on company data

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

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