

**FULL REPORT HERE** 

Subscribe for FREE

# Quarterly trends and results

Earnings (cumulative)		FY04/25				FY04/25				
(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of Est.	Company forecast
Revenue	14,040	27,073	39,992	53,038	13,291	26,623			49.3%	54,000
YoY	26.0%	19.9%	16.9%	13.4%	-5.3%	-1.7%				1.8%
Cost of revenue	9,916	19,281	28,337	37,651	9,342	18,818				
YoY	25.5%	20.4%	17.0%	12.6%	-5.8%	-2.4%				
Cost ratio	70.6%	71.2%	70.9%	71.0%	70.3%	70.7%				
Gross profit	4,124	7,792	11,655	15,386	3,949	7,805				
YoY	27.3%	18.7%	16.5%	15.5%	-4.2%	0.2%				
Gross profit margin	29.4%	28.8%	29.1%	29.0%	29.7%	29.3%				
SG&A expenses	2,460	4,721	6,985	9,499	2,486	4,780				
YoY	3.6%	2.6%	2.2%	1.9%	1.1%	1.3%				
SG&A-to-sales ratio	17.5%	17.4%	17.5%	17.9%	18.7%	18.0%				
OP	1,665	3,072	4,670	5,888	1,463	3,025			53.1%	5,700
YoY	92.5%	56.5%	47.4%	46.9%	-12.1%	-1.5%				-3.2%
OPM	11.9%	11.3%	11.7%	11.1%	11.0%	11.4%				10.6%
Recurring profit	1,624	3,014	4,592	5,756	1,451	3,077			55.9%	5,500
YoY	110.0%	67.0%	54.9%	55.3%	-10.6%	2.1%				-4.5%
Recurring profit margin	11.6%	11.1%	11.5%	10.9%	10.9%	11.6%				10.2%
Net income	863	1,981	2,869	3,566	814	1,768			58.9%	3,000
YoY	182.5%	134.8%	73.2%	99.0%	-5.7%	-10.7%				-15.9%
Net margin	6.2%	7.3%	7.2%	6.7%	6.1%	6.6%				5.6%
Quarterly		FY04/24				FY04/2	5			
(JPYmn)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue	14,040	13,033	12,919	13,045	13,291	13,332				
YoY	26.0%	13.9%	11.0%	3.9%	-5.3%	2.3%				
Cost of revenue	9,916	9,365	9,057	9,314	9,342	9,476				
YoY	25.5%	15.4%	10.5%	0.9%	-5.8%	1.2%				
Cost ratio	70.6%	71.9%	70.1%	71.4%	70.3%	71.1%				
Gross profit	4,124	3,668	3,862	3,732	3,949	3,856				
YoY	27.3%	10.4%	12.3%	12.2%	-4.2%	5.1%				
Gross profit margin	29.4%	28.1%	29.9%	28.6%	29.7%	28.9%				
SG&A expenses	2,460	2,261	2,264	2,514	2,486	2,294				
YoY	3.6%	1.6%	1.3%	1.2%	1.1%	1.4%				
SG&A-to-sales ratio	17.5%	17.3%	17.5%	19.3%	18.7%	17.2%				
OP	1,665	1,407	1,599	1,217	1,463	1,562				
YoY	92.5%	28.2%	32.6%	45.0%	-12.1%	11.0%				
OPM	11.9%	10.8%	12.4%	9.3%	11.0%	11.7%				
Recurring profit	1,624	1,390	1,578	1,164	1,451	1,625				
YoY	110.0%	34.8%	36.2%	-	-10.6%	16.9%				
Recurring profit margin	11.6%	10.7%	12.2%	8.9%	10.9%	12.2%				
Net income	863	1,117	888	697	814	954				
YoY	182.5%	107.7%	9.2%	-	-5.7%	-14.6%				
Net margin	6.2%	8.6%	6.9%	5.3%	6.1%	7.2%				

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)	FY04/24				FY04/25				FY04/25		
(JPYmn)	Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4	% of Est.	Company forecast	
Revenue	14,040	27,073	39,992	53,038	13,291	26,623			49.3%	54,00	
YoY	26.0%	19.9%	16.9%	13.4%	-5.3%	-1.7%					
5G Infrastructure Support	2,428	4,924	7,425	9,932	2,547	5,166					
YoY	4.3%	4.1%	4.4%	4.7%	4.9%	4.9%					
% of revenue	16.5%	17.4%	17.7%	17.8%	18.3%	18.5%					
5G Lifestyle Support	7,600	13,655	19,904	26,612	6,214	12,619					
YoY	38.8%	22.4%	18.7%	14.4%	-18.2%	-7.6%					
% of revenue	51.7%	48.1%	47.4%	47.7%	44.6%	45.3%					
Enterprise/Creator 5G DX SupportDX Support	4,668	9,799	14,655	19,278	5,162	10,076					
YoY	15.6%	21.3%	18.0%	14.4%	10.6%	2.8%					
% of revenue	31.8%	34.5%	34.9%	34.5%	37.1%	36.2%					
Other	-	-	-	-	-	-					
YoY	-	-	-	-	-	-					
% of revenue	-	-	-	-	-						
Adjustments	-656	-1,305	-1,991	-2,785	-632	-1,238					
OP	1,665	3,072	4,670	5,888	1,463	3,025			53.1%	5,700	
YoY	92.5%	56.5%	47.4%	46.9%	-12.1%	-1.5%					
OPM	11.9%	11.3%	11.7%	11.1%	11.0%	11.4%					
5G Infrastructure Support	463	949	1,342	1,506	325	689					
YoY	17.7%	29.4%	15.6%	9.3%	-29.7%	-27.4%					
OPM	19.1%	19.3%	18.1%	15.2%	12.8%	13.3%					
% of OP	27.8%	30.9%	28.7%	25.5%	22.2%	22.8%					
5G Lifestyle Support	1,009	1,702	2,579	3,319	769	1,638					
YoY	167.5%	73.6%	68.0%	62.8%	-23.7%	-3.7%					
ОРМ	13.3%	12.5%	13.0%	12.5%	12.4%	13.0%					
% of OP	60.6%	55.4%	55.2%	56.2%	52.6%	54.1%					
Enterprise/Creator 5G DX SupportDX Support	199	431	767	1,104	373	709					
YoY	106.3%	68.7%	59.3%	82.7%	87.7%	64.5%					

DPM	4.3%	4.4%	5.2%	5.7%	7.2%	7.0%							
				% of OP		11.9%	14.0%	16.4%	18.7%	25.5%	23.4%		
	Other					-5	-11	-16	-21	-5	-11		
				YoY		-	-	-	-	-	-		
				OPM		-	-	-	-	-	-		
				% of OP		-0.3%	-0.3%	-0.3%	-0.4%	-0.4%	-0.4%		
	Adjustments					-0	1	-2	-21	1	-1		
Quarterly	у						FY04/2	4			Y04/25		
JPYmn)	)					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
evenue						14,040	13,033	12,919	13,045	13,291	13,332		
				YoY		26.0%	13.9%	11.0%	3.9%	-5.3%	2.3%		
	5G Infrastructu	re Support				2,428	2,497	2,500	2,508	2,547	2,619		
				YoY		4.3%	3.8%	5.2%	5.4%	4.9%	4.9%		
				% of revenue		16.5%	18.2%	18.4%	18.1%	18.3%	18.8%		
	5G Lifestyle Su	ipport				7,600	6,054	6,249	6,709	6,214	6,405		
	-			YoY		38.8%	6.6%	11.5%	3.3%	-18.2%	5.8%		
				% of revenue		51.7%	44.3%	45.9%	48.5%	44.6%	46.0%		
	Enterprise/Crea	ator 5G DX Sup	pportDX Supp	oort		4,668	5,131	4,855	4,624	5,162	4,914		
				YoY		15.6%	27.1%	11.9%	4.3%	10.6%	-4.2%		
				% of revenue		31.8%	37.5%	35.7%	33.4%	37.1%	35.3%		
	Other					-	-	-	-	-	-		
				YoY		-	-	-	-	-	-		
				% of revenue		-	-	-	-	-	-		
	Adjustments					-656	-649	-686	-794	-632	-606		
Р						1,665	1,407	1,599	1,217	1,463	1,562		
				YoY		92.5%	28.2%	32.6%	45.0%	-12.1%	11.0%		
				OPM		11.9%	10.8%	12.4%	9.3%	11.0%	11.7%		
	5G Infrastructu	re Support				463	486	393	164	325	364		
				YoY		17.7%	42.9%	-8.0%	-24.6%	-29.7%	-25.1%		
				OPM		19.1%	19.5%	15.7%	6.6%	12.8%	13.9%		
				% of OP		27.8%	34.6%	24.5%	13.3%	22.2%	23.3%		
	5G Lifestyle Su	pport				1,009	693	877	740	769	869		
				YoY		167.5%	14.9%	58.0%	0	-23.7%	25.4%		
				OPM		13.3%	11.4%	14.0%	11.0%	12.4%	13.6%		
				% of OP		60.6%	49.3%	54.8%	59.9%	52.6%	55.6%		
	Enterprise/Crea	ator 5G DX Sup	pportDX Supp	port		199	232	336	337	373	336		
				YoY		106.3%	45.9%	48.7%	174.8%	87.7%	44.6%		
				OPM		4.3%	4.5%	6.9%	7.3%	7.2%	6.8%		
				% of OP		11.9%	16.5%	21.0%	27.3%	25.5%	21.5%		
	Other					-5	-5	-5	-5	-5	-5		
				YoY		-	-	-	-	-	-		
				OPM		-	-	-	-	-	-		
				% of OP		-0.3%	-0.4%	-0.3%	-0.4%	-0.4%	-0.3%		
	Adjustments					-0	1	-3	-19	1	-1		

Source: Shared Research based on company materials

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

Effective from the fiscal year ending April 2025, some expenses related to basic research, which had been classified in the 5G Infrastructure Support Business, 5G Lifestyle Support Business, and Enterprise/Creator 5G DX Support Business, were reclassified into the 5G Lifestyle Support Business since they have reached the social implementation stage. Accordingly, Q1 and Q2 FY04/24 results have also been revised, with Q3 FY4/24 (three months) results for each segment being the difference between cumulative Q3 FY04/24 results (former classification) and 1H FY04/24 results (new classification).

### 1H FY04/25 results

• Revenue: [PY26.6bn (-1.7% YoY)

Operating profit: JPY3.0bn (-1.5% YoY)
Recurring profit: JPY3.1bn (+2.1% YoY)

Net income attributable to owners of the parent: JPY1.8bnn (-10.7% YoY)

In 1H FY04/25, revenue, operating profit, and net income attributable to owners of the parent declined 1.7% YoY, 1.5% YoY, and 10.7% YoY, respectively, while recurring profit rose 2.1% YoY. In Q1 FY04/24 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, and a 7-month accounting period from April 1, 2023 to October 31, 2023 for 1H FY04/24. The company stated that excluding the impact of the change in fiscal year-end for Giga Prize and its subsidiaries, 1H FY04/25 revenue and operating profit grew 5.1% YoY and 13.1% YoY, respectively.

Against its full-year forecast, the company achieved 49.3% for revenue (1H FY04/24 revenue progressed 51.0% versus FY04/24 results), 53.1% for operating profit (52.2%), 55.9% for recurring profit (52.4%), and 58.9% for net income attributable to shareholders of the parent company (55.5%). The company maintained its full-year FY04/25 earnings forecast.

#### **5G Infrastructure Support**

• Revenue: JPY5.2bn (+4.9% YoY)

Operating profit: JPY689mn (-27.4% YoY)

In 1H FY04/25, while the scale of business support services for MVNOs expanded progressed steadily, temporary costs related to communication equipment upgrades and increased personnel expenses led to a revenue growth of 4.9% YoY and operating profit decline of 27.4% YoY.



#### **5G Lifestyle Support**

• Revenue: JPY12.6bn (-7.6% YoY)

• Operating profit: JPY1.6bn (-3.7% YoY)

In 1H FY04/25, the company steadily grew the number of households for its 5G Homestyle (internet services for housing complexes) services. Although revenue declined 7.6% YoY and operating profit fell 3.7% YoY, excluding the impact of the fiscal year-end change at Gigaprize and its subsidiaries, revenue and operating profit actually increased 5.8% YoY and 25.7% YoY, respectively.

#### **Enterprise/Creator 5G DX Support**

• Revenue: JPY10.1n (+2.8% YoY)

• Operating profit: JPY709mn (+64.5% YoY)

In 1H FY04/25, revenue grew 2.8% YoY and an 64.5% YoY surge in operating profit as a result of steady performance in the affiliate business.

#### FY04/25 company forecast

		FY04/24			FY04/25		
(JPYmn)	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.	
Revenue	27,073	25,965	53,038	26,623	27,377	54,000	
YoY	19.9%	7.3%	13.4%	-1.7%	5.4%	1.8%	
OP	3,072	2,816	5,888	3,025	2,675	5,700	
YoY	56.5%	37.7%	46.9%	-1.5%	-5.0%	-3.2%	
OPM	11.3%	10.8%	11.1%	11.4%	9.8%	10.6%	
Recurring profit	3,014	2,742	5,756	3,077	2,423	5,500	
YoY	67.0%	44.2%	55.3%	2.1%	-11.6%	-4.5%	
Recurring profit margin	11.1%	10.6%	10.9%	11.6%	8.9%	10.2%	
Net income	1,981	1,585	3,566	1,768	1,232	3,000	
YoY	134.8%	67.1%	99.0%	-10.7%	-22.3%	-15.9%	
Net margin	7.3%	6.1%	6.7%	6.6%	4.5%	5.6%	

Source: Shared Research based on company materials

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

## About Shared Research Inc.

We offer corporate clients comprehensive report coverage, a service that allows them to better inform investors and other stakeholders by presenting a continuously updated third-party view of business fundamentals, independent of investment biases. Shared Research can be found on the web at https://sharedresearch.jp.

#### Contact Details

Company name

Shared Research Inc.

Address

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

Website

https://sharedresearch.jp

Phone

+81 (0)3 5834-8787

Email

info@sharedresearch.jp

#### Disclaimer

This document is provided for informational purposes only. No investment opinion or advice is provided, intended, or solicited. Shared Research Inc. offers no warranty, either expressed or implied, regarding the veracity of data or interpretations of data included in this report. We shall not be held responsible for any damage caused by the use of this report. The copyright of this report and the rights regarding the creation and exploitation of the derivative work of this and other Shared Research Reports belong to Shared Research. This report may be reproduced or modified for personal use; distribution, transfer, or other uses of this report are strictly prohibited and a violation of the copyright of this report. Our officers and employees may currently, or in the future, have a position in securities of the companies mentioned in this report, which may affect this report's objectivity.

Japanese Financial Instruments and Exchange Law (FIEL) Disclaimer: The report has been prepared by Shared Research under a contract with the company described in this report ("the company"). Opinions and views presented are ours where so stated. Such opinions and views attributed to the company are interpretations made by Shared Research. We represent that if this report is deemed to include an opinion from us that could influence investment decisions in the company, such an opinion may be in exchange for consideration or promise of consideration from the company to Shared Research.

