

Operates legal media-related business providing information on attorneys and such over the Internet

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【7378 ASIRO Sector : Services】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Oct. 2021	1,552	5.0	360	8.5	354	9.5	228	10.0	36.7	325.4	0.0
Oct. 2022	2,201	41.8	483	34.0	477	34.7	343	50.2	50.0	342.1	12.5
Oct. 2023 CE	2,861	29.9	80	-83.5	75	-84.2	33	-90.5	4.3	-	13.6
Oct. 2023 E	2,867	30.1	90	-81.6	85	-82.2	52	-84.9	6.7	330.6	13.6
Oct. 2024 E	3,740	30.4	365	4.1x	360	4.2x	234	4.5x	30.1	347.3	14.0
Oct. 2025 E	4,947	32.3	627	71.8	622	72.8	404	72.6	52.0	385.6	15.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

ASIRO operates the legal media-related business that provides legal information, information on attorneys and such over the Internet, the HR business that provides career change support services for qualified attorneys, etc. and the insurance business that sells insurance to cover legal fees. The legal media-related business accounts for over 90% of net sales.

The company has a single subsidiary, ASIRO Small Amount and Short Term Insurance, which is engaged in the insurance business.

2. Financial Analysis

Sales revenue exhibited continued growth due to the progress of customer acquisitions and a steady increase in the number of ad slots (number of slots where customers place paid advertisements on the company's website). The pre-tax profit margin was up 0.9 percentage points to 22.8% in fiscal year ended October 2021, but an increase in outsourcing expenses, etc. resulted in a slight decline, to 21.7%, in fiscal year ended October 2022. For fiscal year ending October 2023, while the company foresees net sales continuing to rise due to an increase in the number of ad slots, it anticipates that strategic investments will lead to a significant decrease in profit.

In comparison with the financial indicators of other companies, the company's return on equity (ROE) and operating profit margin, which are items related to profitability, are at a relatively high level at 14.2% and 22.0%, respectively.

3. Non-Financial Analysis

The source of the company's intellectual capital is considered to be attributed to the expertise in legal media management that it has accumulated since the start of its business as well as to its relationship capital with law firms nationwide that continue to place advertisements on its website.

4. Corporate Strategy Analysis

The company's future growth strategy is to increase the number of legal media ad slots and expand its business domain to secure new revenue sources.

5. Analyst Evaluation

We consider that the company can increase the number of legal media ad slots by reinforcing its sales structure and conducting effective advertising promotions.

Based on the company's strategic investment plans, we forecast an 81.6% year-on-year decline in operating profit in fiscal year ending October 2023 and the company will rebound to record higher operating profit in fiscal year ending October 2024.

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