

Providing cashless payment services that connect payment operators and member stores

This report is an English translation of part of the report issued on April 7, 2023.
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[5258 Transaction Media Networks Sector : Information & Communication]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar.2022	7,139	10.7	711	4.6x	712	4.5x	-385	-	-12.2	179.2	0.0
Mar.2023	f 7,681	7.6	418	-41.1	400	-43.8	390	-	12.3	-	0.0
Mar.2024	f 9,423	22.7	795	89.9	785	96.1	705	80.7	19.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 and March 2024 are the company's forecasts.

Provider of Services that Connect Cashless Payment Operators with Member Stores

Transaction Media Networks operates gateway services that connect cashless settlement operators with member stores and provide all kinds of cashless settlement services, as well as conducts operations such as sales of associated payment terminals and related development.

The company was established in 2008 through joint investment between Mitsubishi Corporation and Toyota Financial Services, and commercialized cloud-based electronic payments for the first time in Japan. By converting settlement services to the cloud, the company enabled consolidating terminals, which had been installed in multiple units for each settlement brand at retail stores, into one unit.

TMN Gateway Connecting Stores and Payment Service Providers

The TMN gateway that the company provides is a system that connects member stores and cashless settlement service providers and provides various settlement services. Its features include having a high security level that satisfies international security standards, reducing line costs by consolidating multiple lines into one, and having expandability that enables cooperation with other services such as electronic coupons and membership authentication.

The company provides member stores with 43 types of settlement services such as credit cards and electronic money, and it has been introduced to over 1,000 member firms as of the end of January 2023.

Both the number of settlement processing cases and settlement processing amounts have increased along with the increase in the number of member stores and connected terminals, and the number of connected terminals in fiscal year ended March 2022 was about 696 thousand units, the annual settlement processing amount was about 3.1 trillion yen, and the number of annual settlement processing cases was about 1.7 billion.

Financial Statements

Statement of income	Fiscal Year	Mar.2021		Mar.2022		Nine months to Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		6,451	100.0	7,139	100.0	5,543	100.0
Cost of sales		4,535	70.3	4,859	68.1	3,757	67.8
Gross profit		1,915	29.7	2,279	31.9	1,786	32.2
Selling, general and administrative expenses		1,760	27.3	1,568	22.0	1,390	25.1
Operating profit		154	2.4	711	10.0	395	7.1
Non-operating income		8	0.1	6	0.1	2	0.0
Non-operating expenses		4	0.1	5	0.1	0	0.0
Ordinary profit		158	2.5	712	10.0	397	7.2
Profit before income taxes		158	2.5	711	10.0	402	7.3
Net profit		98	1.5	-385	-5.4	389	7.0

Balance sheet	Fiscal Year	Mar.2021		Mar.2022		Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,049	42.0	5,223	50.4	4,086	45.4
Cash and deposits		2,168	22.5	3,419	33.0	2,527	28.1
Accounts receivable-trade		1,110	11.5	1,034	10.0	705	7.8
Inventories		264	2.7	549	0.0	640	7.1
Non-current assets		5,592	58.0	5,148	49.6	4,912	54.6
Property, plant and equipment		967	10.0	791	7.6	640	7.1
Intangible assets		4,113	42.7	4,001	38.6	3,915	43.5
Investments and other assets		510	5.3	355	3.4	356	4.0
Total assets		9,641	100.0	10,372	100.0	8,999	100.0
Current liabilities		2,191	22.7	4,496	43.4	4,208	46.8
Accounts payable		53	0.6	149	1.4	62	0.7
Short-term borrowings		1,000	10.4	500	4.8	-	-
Non-current liabilities		143	1.5	108	1.0	118	1.3
Provision for retirement benefits		87	0.9	100	1.0	113	1.3
Net assets		7,306	75.8	5,766	55.6	4,672	51.9
Owners' equity		7,301	75.7	5,761	55.5	4,650	51.7

Statement of cash flows	Fiscal Year	Mar.2021	Mar.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		1,039	2,109
Depreciation		1,206	1,463
Cash flows from investing activities		-2,310	-1,344
Cash flows from financing activities		905	485
Dividends paid		-	-
Net increase in cash and cash equivalents		-365	1,251
Cash and cash equivalents		2,168	3,419

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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