Nittobo (3110)

Raising earnings estimates: Potential for expanded opportunities with thick cores for T-glass and M9 for NER

Overweight

3110.T, 3110 JP
Price (12 Jun 26):¥18,380

▲**Price Target (Dec-26):¥29,000**
Prior (Dec-26):¥28,000

Based on recent developments, we revise our earnings estimates. We maintain our Overweight rating and raise our end-2026 price target to ¥29,000 (from ¥28,000). While demand is strong, we only tweak our FY2026 estimates given capacity constraints, but raise our FY2027 outlook, mainly for T-glass. Some are concerned about intensifying competition, but business opportunities could expand, with potential for increased T-glass usage owing to thick cores (multi-cores) and for a broadening of NER-glass to the M9 grade. With demand continuing to exceed supply, we think Nittobo's position of being able to steadily supply high-quality glass cloth is unlikely to weaken for the time being.

- **Earnings estimates:** We raise our operating profit estimates from ¥29.6 billion to ¥29.7 billion (+43% YoY) for FY2026 and from ¥37.2 billion to ¥38.3 billion (+29% YoY) for FY2027, and introduce our FY2028 estimate of ¥48.3 billion (+26%). Our FY2026 assumptions for T-glass are +28% YoY growth in terms of price and +36% YoY in terms of volume.
- **T-glass market could expand further with thick cores:** Some market participants have pessimistic takes on intensifying competition for T-glass and the lack of additional price hikes this fiscal year. In addition to the entrya nd expansion of Taiwan Glass, Unitika, Nanya Plastics, and Chinese companies, some mention the possibility of a switch to such materials as RS. In cutting-edge areas, though, Nittobo maintains technological advantages, including in terms of yield, consistency of quality, and stable supply, and hence we do not see any major risks at present. We would instead focus on the potential for T-glass usage to increase with progress on thick cores (multi-cores) (*our understanding, though, is that whether T-glass will be used in the additional core portion is undecided).
- **Broadening of NER-glass to M9 grade as well:** Business opportunities are expanding for NER-glass as well. For the M8 grade of CCL, the shift from NE-glass to NER-glass began around late 2025. Most recently, with advances in resin technology (resin and glass cloth are used as a combination in CCL) and others, there also appear to be inquiries about the M9 grade, which previously was expected to use Q-glass. Compared with Q-glass, NER-glass will likely have advantages in terms of processing and cost.

Japan Equity Research

Technology - Semiconductor/ Technical Materials

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Key Changes (FYE Mar)

	Prev	Cur	Δ
Adj. EPS - 27E (¥)	598.81	516.41	-13.8%

Style Exposure

Quant Factors	Current %Rank	Hist %Rank (1=Top) 6M	1Y	3Y	5Y
Value	88	86	65	69	60
Growth	12	7	16	25	28
Momentum	1	2	65	96	95
Quality	10	90	77	70	25
Low Vol	99	100	99	87	86

Sources for: Style Exposure – J.P. Morgan Global Markets Strategy; all other tables are company data and J.P. Morgan estimates.

See page 10 for analyst certification and important disclosures, including non-US analyst disclosures.

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Price Performance

	YTD	1m	3m	12m
Abs	80.2%	-36.6%	-15.3%	272.4%
Rel	66.3%	-36.9%	-21.7%	233.0%

Company Data

Shares O/S (mn)	36
52-week range (¥)	32,900-4,790
Market cap ($ bn)	4.2
Exchange rate	160.24
Free float (%)	76.8%
3M ADV (mn)	2.19
3M ADV ($ mn)	330.9
Volatility (90 Day)	102
Index	TOPIX
BBG ANR (Buy | Hold | Sell)	5|4|0

Key Metrics (FYE Mar)

¥ in millions	2026/3A	2027/3E	2028/3E	2029/3E
Financial Estimates				
Revenue	118,229	141,400	163,500	186,100
EBITDA	30,120	43,100	57,100	73,500
EBIT	20,819	29,700	38,300	48,300
Net income	41,770	18,800	27,100	34,300
Reported EPS	1,147.37	516.41	744.40	942.18
BBG EPS	1,049.01	551.20	737.69	-
Cashflow from operations	17,296	25,935	31,169	45,217
FCFF	36,315	(18,408)	3,576	11,723
Margins and Growth				
Revenue Growth Y/Y (%)	8.4%	19.6%	15.6%	13.8%
EBITDA margin	25.5%	30.5%	34.9%	39.5%
EBITDA Growth Y/Y (%)	23.5%	43.1%	32.5%	28.7%
EBIT margin	17.6%	21.0%	23.4%	26.0%
Net margin	35.3%	13.3%	16.6%	18.4%
Fully Diluted EPS growth	225.4%	-55.0%	44.1%	26.6%
Ratios				
Effective Tax Rate	27.8%	34.7%	27.7%	27.7%
Interest cover	45.0	61.6	81.6	105.0
Net debt/Equity	NM	0.0	0.0	0.0
Net debt/EBITDA	NM	0.1	0.1	0.1
ROCE	7.7%	8.8%	11.6%	13.3%
ROE	27.5%	10.4%	13.7%	15.5%
Valuation				
FCFF yield	5.4%	-2.8%	0.5%	1.8%
Dividend yield	0.7%	0.8%	1.2%	1.5%
EV/EBITDA	21.5	15.6	11.8	9.2
EV/Revenue	5.5	4.8	4.1	3.6
P/E	16.0	35.6	24.7	19.5

Summary Investment Thesis and Valuation

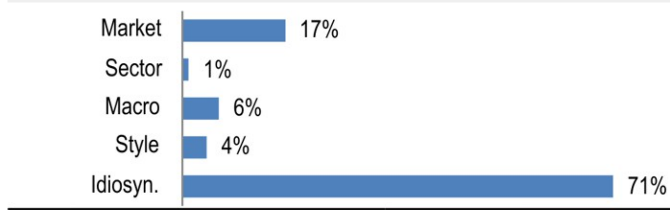
Investment Thesis

We focus on earnings growth for special glass on potential growth in demand for generative AI, data center, and 5G base station applications. We see three key factors for longer-term growth in enterprise value: (1) market share growth for special glass (e.g., NE-glass and T-glass); (2) development of a second earnings pillar (life science); and (3) appropriate production capacity in view of capital efficiency. In particular, NE glass and T glass continue to see strong demand for generative AI-related applications, and expectations for their growth are high.

Valuation

Our December 2026 price target of ¥29,000 is based on a sum-of-the-parts (SOTP) model using EV/EBITDA multiples and our FY2027 estimates. We apply EV/EBITDA multiples of comparable companies to each business segment and apply a 10% conglomerate discount. The multiples used are 21x for the electronic materials business (unchanged) and 8x for other segments (unchanged).

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI Japan	0.57	0.42
Sect: Industrials	-0.10	-0.10
Ind: Capital Goods	-0.03	-0.07
Macro:		
Japan Breakeven 10 Year	-0.29	-0.19
JPM JPMCCI Non Energy Excess	0.02	-0.18
Japan Generic Govt 10Y Yield	-0.30	-0.18
Quant Styles:		
LowVol	-0.50	-0.23
Value	-0.48	-0.21
Growth	0.58	0.17

Source: J.P. Morgan Global Markets Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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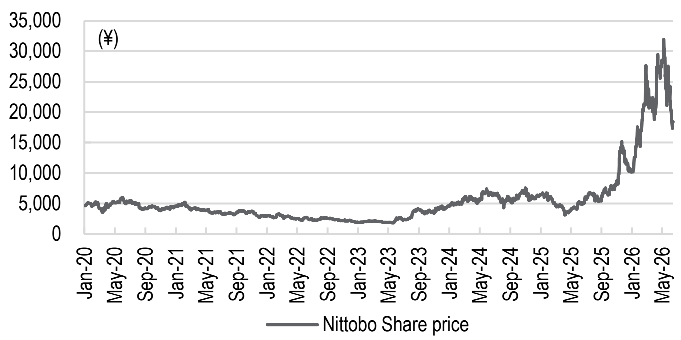
Figure 1: Sum-of-the-parts model based on FY2027 estimates

FY3/28E (¥mn unless otherwise noted)	EBITDA			EV/EBITDA	EV	Per share
		OP	D&A	(x)		(JPY)
Electronic Materials	55,600	38,900	16,700	21.0	1,167,600	32,072
Others	1,500	-600	2,100	8.0	12,000	330
Sub-total	57,100	38,300	18,800	20.7	1,179,600	32,402
Net debt					6,826	187
Total	**57,100**	**38,300**	**18,800**		**1,172,774**	**32,215**
Number of shares outstanding ('000 shares)					36,405	
Theoretical value (JPY)					32,215	
Discount					-10%	
Theoretical price (JPY)					**29,000**	

Source: Bloomberg Finance L.P., J.P. Morgan estimates.
Note: Priced as of Jun 12, 2026

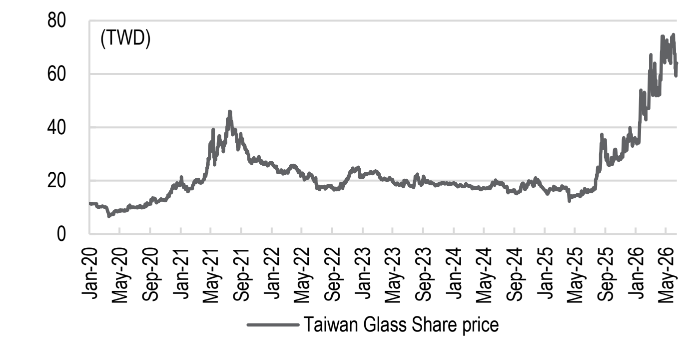
T-glass related companies' share price trends

Figure 2: Nittobo's share price trend



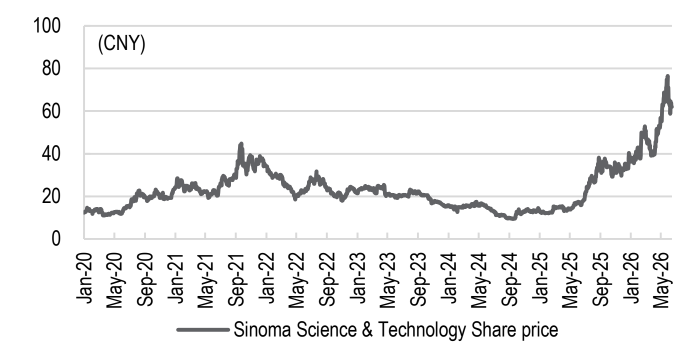
Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 3: Taiwan Glass' share price trend



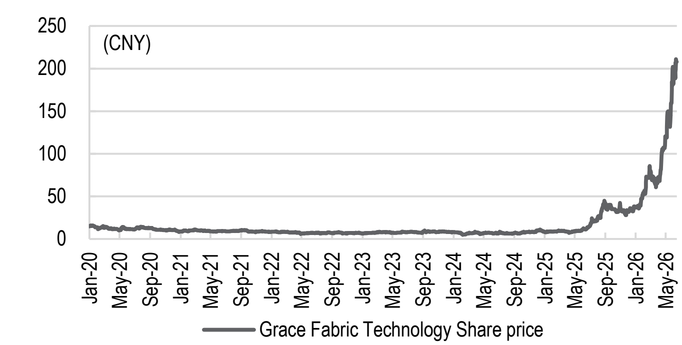
Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 4: Sinoma Science & Technology's share price trend



Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 5: Grace Fabric Technology's share price trend



Source: Bloomberg Finance L.P., J.P. Morgan.

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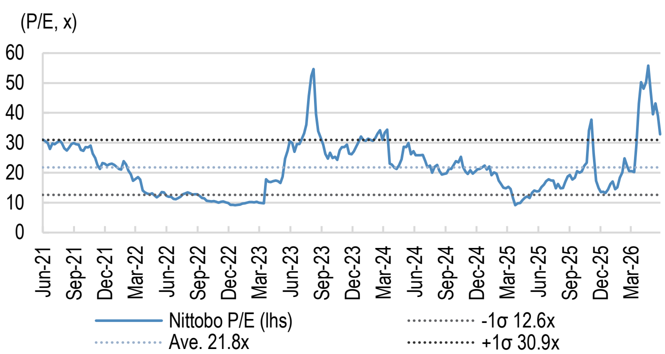
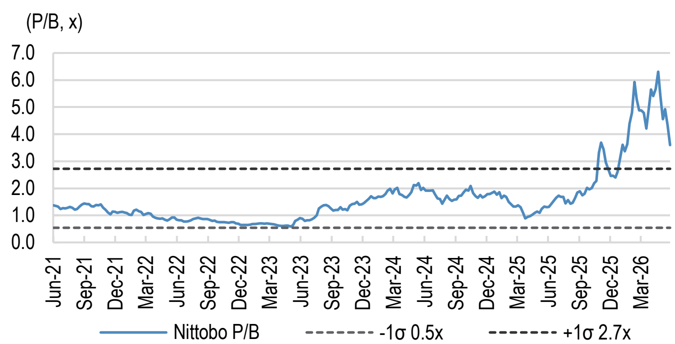
Figure 6: Nittobo's P/E trend



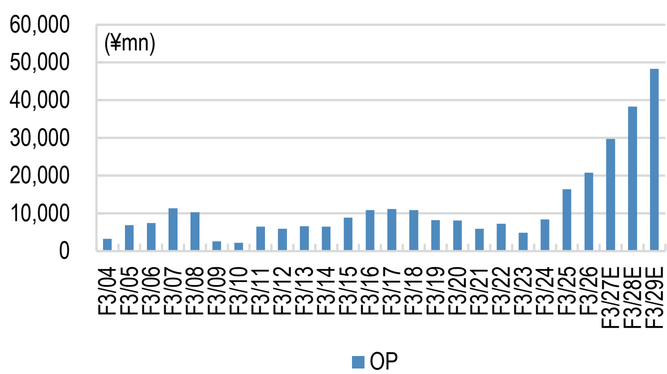
Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 7: Nittobo's P/B trend



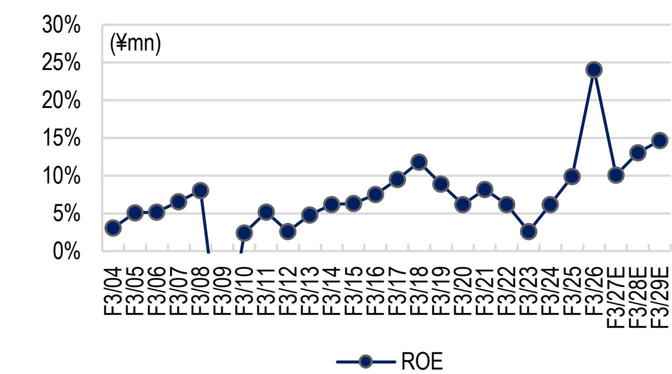
Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 8: Nittobo's operating profit trend



Source: Company reports, J.P. Morgan estimates.

Figure 9: Nittobo's ROE trend



Source: Company reports, J.P. Morgan estimates.

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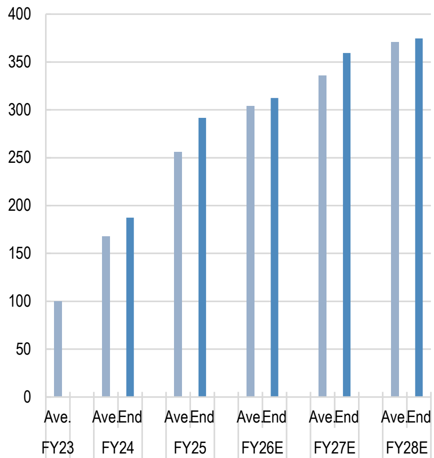
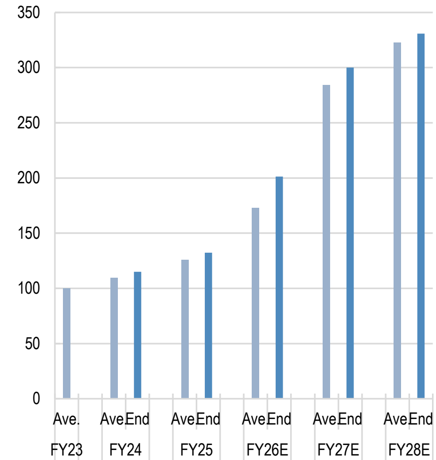
Figure 10: NE/NER glass capacity trend



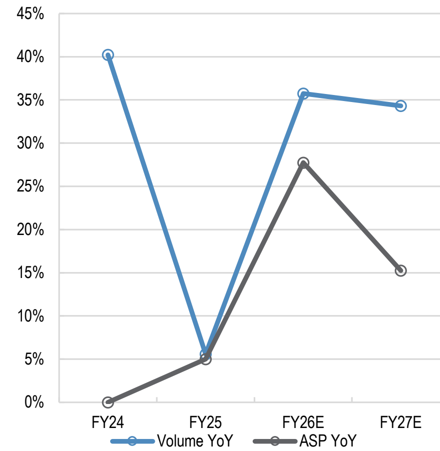
Source: J.P. Morgan estimates.
Note: Production capacity trends are estimated with FY2023 set as 100.

Figure 11: T-glass capacity trend



Source: J.P. Morgan estimates.
Note: Production capacity trends are estimated with FY2023 set as 100.

Figure 12: T-glass volume and price trends



Source: J.P. Morgan estimates.

Figure 13: Key changes

	Sales (JPYm)	YoY (%)	OP (JPYm)	YoY (%)	RP (JPYm)	YoY (%)	NP (JPYm)	YoY (%)	EPS (JPY)	P/E (x)
3/24 A	93,253	6.5%	8,387	71.9%	9,752	60.7%	7,296	163.2%	200.4	91.7
3/25 A	109,035	16.9%	16,445	96.1%	17,568	80.1%	12,837	75.9%	352.6	52.1
3/26 A	118,229	8.4%	20,819	26.6%	21,544	22.6%	41,770	225.4%	1,147.3	16.0
3/27 CoE	137,000	15.9%	26,000	24.9%	26,000	20.7%	17,000	-59.3%	467.0	39.4
3/27 J.P. Morgan E	141,400	19.6%	29,700	42.7%	29,700	37.9%	18,800	-55.0%	516.4	35.6
3/27 J.P. Morgan E (old)	141,400	19.6%	29,600	42.2%	29,500	36.9%	21,800	-47.8%	598.8	30.7
3/27 Bloomberg consensus	139,300	17.8%	28,575	37.3%	28,774	33.6%	20,229	-51.6%	551.2	33.3
3/28 J.P. Morgan E	163,500	15.6%	38,300	29.0%	38,300	29.0%	27,100	44.1%	744.4	24.7
3/28 J.P. Morgan E (old)	158,600	12.2%	37,200	25.7%	37,100	25.8%	27,500	26.1%	755.4	24.3
3/28 Bloomberg consensus	159,188	14.3%	37,863	32.5%	37,780	31.3%	27,073	33.8%	737.7	24.9
3/29 J.P. Morgan E	186,100	13.8%	48,300	26.1%	48,300	26.1%	34,300	26.6%	942.2	19.5
3/29 Bloomberg consensus	173,680	9.1%	45,917	21.3%	43,868	16.1%	32,271	19.2%	889.7	20.7

Source: Company reports, Bloomberg Finance L.P., J.P. Morgan estimates.
Note: Share price as of June 12.

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Figure 14: Quarterly forecasts

(mn JPY)	2026/3					2027/3					2027/3
	1Q Act	2Q Act	3Q Act	4Q Act	FY Act	1Q JPMe	2Q JPMe	3Q JPMe	4Q JPMe	FY JPMe	FY CoE
Sales	28,231	29,181	30,182	30,635	118,229	32,900	34,300	36,400	37,800	141,400	137,000
Electronic Materials	11,265	12,153	12,669	13,178	49,265	15,300	16,700	18,200	19,500	69,700	77,000
Medical	3,573	3,187	3,562	3,528	13,850	3,900	3,400	3,900	3,900	15,100	15,000
Composite Materials	3,305	3,551	3,184	3,361	13,401	3,200	3,400	3,100	3,300	13,000	14,500
Materials Solution	2,267	2,247	2,515	2,486	9,515	2,300	2,300	2,600	2,600	9,800	10,000
Insulation Materials	3,543	3,751	4,126	3,716	15,136	3,500	3,800	4,100	3,700	15,100	16,000
Other Business	4,276	4,291	4,127	4,365	17,059	4,700	4,700	4,500	4,800	18,700	21,500
Operating income	4,298	5,156	5,479	5,886	20,819	6,500	7,500	7,400	8,300	29,700	26,000
Electronic Materials	4,139	4,847	4,841	5,564	19,391	6,900	7,900	6,900	8,500	30,200	26,000
Medical	422	664	770	575	2,431	400	700	900	500	2,500	2,500
Composite Materials	-15	-122	-48	63	-122	-200	-200	-200	0	-600	-600
Materials Solution	109	115	162	202	588	0	-100	300	100	300	500
Insulation Materials	-50	-159	303	108	202	-200	-300	100	-100	-500	-200
Other Business	112	167	156	53	488	100	200	200	100	600	700
Adj.	-417	-358	-706	-679	-2,160	-500	-700	-800	-800	-2,800	-2,900
Recurring profit	4,344	4,815	6,086	6,299	21,544	--	--	--	--	29,700	26,000
Net income	3,147	3,731	28,232	6,660	41,770	--	--	--	--	18,800	17,000
Capex (Company material)	--	--	--	--	21,702	--	--	--	--	44,800	45,000
D&A	--	--	--	--	9,301	--	--	--	--	13,400	11,600
R&D	--	--	--	--	3,400	--	--	--	--	3,500	4,600
Forex											
USDJPY	145	147	154	157	151	155	155	155	155	155	153

Source: Company reports and J.P. Morgan estimates.

Figure 15: Annual forecasts

(mn JPY)	2024/3 FY Act	2025/3 FY Act	2026/3 FY Act	2027/3 FY JPMe	2028/3 FY JPMe	2029/3 FY JPMe	2027/3 FY CoE
Sales	93,253	109,035	118,229	141,400	163,500	186,100	137,000
Electronic Materials	29,873	40,911	49,265	69,700	90,800	112,400	77,000
Medical	12,675	13,603	13,850	15,100	15,900	16,700	15,000
Composite Materials	12,682	13,474	13,401	13,000	12,900	12,800	14,500
Materials Solution	9,112	9,431	9,515	9,800	10,100	10,400	10,000
Insulation Materials	14,765	15,320	15,136	15,100	15,100	15,100	16,000
Other Business	14,049	16,294	17,059	18,700	18,700	18,700	21,500
Operating income	8,387	16,445	20,819	29,700	38,300	48,300	26,000
Electronic Materials	5,382	13,880	19,391	30,200	38,900	49,000	26,000
Medical	2,389	2,381	2,431	2,500	2,600	2,700	2,500
Composite Materials	-731	-900	-122	-600	-300	0	-600
Materials Solution	824	839	588	300	400	500	500
Insulation Materials	914	693	202	-500	-500	-500	-200
Other Business	447	409	488	600	600	600	700
Adj.	-839	-858	-2,160	-2,800	-3,400	-4,000	-2,900
Recurring profit	9,752	17,568	21,544	29,700	38,300	48,300	26,000
Net income	7,296	12,837	41,770	18,800	27,100	34,300	17,000
Capex (Company material)	7,762	13,617	21,702	44,800	28,100	34,000	45,000
D&A	7,166	7,941	9,301	13,400	18,800	25,200	11,600
R&D	2,825	2,983	3,400	3,500	4,100	4,700	4,600
Forex							
USDJPY	145	153	151	155	155	155	153

Source: Company reports and J.P. Morgan estimates.

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Figure 16: Consolidated BS/CF

(mn JPY)	2024/3 FY Act	2025/3 FY Act	2026/3 FY Act	2027/3 FY JPMe	2028/3 FY JPMe	2029/3 FY JPMe
Summarized BS						
Current assets	108,960	115,256	159,710	146,457	160,711	180,036
Cash and cash equivalents	23,664	28,546	62,014	37,342	34,771	37,858
Trade receivables	32,529	32,742	35,967	38,303	44,289	50,411
Inventories	48,750	51,013	59,076	68,160	78,998	89,113
Other	4,017	2,955	2,653	2,653	2,653	2,653
Fixed assets	103,151	107,849	123,327	154,726	164,026	172,826
Tangible fixed assets	70,839	77,398	87,558	118,958	128,258	137,058
Other	32,312	30,451	35,769	35,768	35,768	35,768
Current liabilities	51,683	40,142	47,997	53,151	55,245	57,199
Trade debt	8,604	7,242	8,015	13,169	15,263	17,217
Short-term liabilities	12,626	9,922	4,393	4,393	4,393	4,393
Others	30,453	22,978	35,589	35,589	35,589	35,589
Long-term liabilities	36,721	47,134	54,656	54,656	54,656	54,656
Long-term liabilities	21,638	33,743	37,204	37,204	37,204	37,204
Others	15,083	13,391	17,452	17,452	17,452	17,452
Net assets	123,707	135,829	180,383	193,376	214,836	241,006
Shareholders' equity	103,979	114,612	152,485	165,478	186,938	213,108
Accumulated other comprehensive income	14,211	15,122	21,109	21,109	21,109	21,109
Noncontrolling interests	5,516	6,095	6,787	6,789	6,789	6,789
Total assets	212,112	223,105	283,038	301,183	324,737	352,862
Net debt	10,600	15,119	-20,417	4,255	6,826	3,739
Cash and cash equivalents	23,664	28,546	62,014	37,342	34,771	37,858
Interest-bearing debt	34,264	43,665	41,597	41,597	41,597	41,597
Capital adequacy ratio	49%	51%	54%	55%	58%	60%
Summarized CF						
CF from operating activities	5,057	19,121	17,296	25,935	31,169	45,217
Net income	7,296	12,837	41,770	18,800	27,100	34,300
Depreciation expense	7,166	7,941	9,301	13,400	18,800	25,200
Change in working capital	-11,297	-3,158	-10,355	-6,265	-14,731	-14,283
Others	1,892	1,501	-23,420	0	0	0
CF from investing activities	-7,896	-11,418	22,787	-44,800	-28,100	-34,000
Expenditure on acquisition of fixed assets	-6,949	-13,138	-20,518	-44,800	-28,100	-34,000
Income from the sale of fixed assets	15	146	39,053	0	0	0
Others	-962	1,574	4,252	0	0	0
CF from financial activities	4,301	-3,277	-7,199	-5,807	-5,640	-8,130
Change in borrowings	6,688	-742	-2,896	0	0	0
Purchase and sales of treasury stock	-4	0	0	0	0	0
Dividends paid to owner of parent co.	-2,012	-2,194	-3,877	-5,807	-5,640	-8,130
Others	-371	-341	-426	0	0	0
FCF	-2,839	7,703	40,083	-18,865	3,069	11,217

Source: Company reports and J.P. Morgan estimates.
Note: FCF above is calculated by Operating CF + Investing CF.

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Investment Thesis, Valuation and Risks

Nittobo (3110) *(Overweight; Price Target: ¥29,000)*

Investment Thesis

We focus on earnings growth for special glass on potential growth in demand for generative AI, data center, and 5G base station applications. We see three key factors for longer-term growth in enterprise value: (1) market share growth for special glass (e.g., NE-glass and T-glass); (2) development of a second earnings pillar (life science); and (3) appropriate production capacity in view of capital efficiency. In particular, NE glass and T glass continue to see strong demand for generative AI-related applications, and expectations for their growth are high.

Valuation

Our December 2026 price target of ¥29,000 is based on a sum-of-the-parts (SOTP) model using EV/EBITDA multiples and our FY2027 estimates. We apply EV/EBITDA multiples of comparable companies to each business segment and apply a 10% conglomerate discount. The multiples used are 21x for the electronic materials business and 8x for other segments.

Sum-of-the-parts model based on FY2027 estimates

FY3/28E (¥mn unless otherwise noted)	EBITDA			EV/EBITDA	EV	Per share
		OP	D&A	(x)		(JPY)
Electronic Materials	55,600	38,900	16,700	21.0	1,167,600	32,072
Others	1,500	-600	2,100	8.0	12,000	330
Sub-total	57,100	38,300	18,800	20.7	1,179,600	32,402
Net debt					6,826	187
Total	**57,100**	**38,300**	**18,800**		**1,172,774**	**32,215**
Number of shares outstanding ('000 shares)					36,405	
Theoretical value (JPY)					32,215	
Discount					-10%	
Theoretical price (JPY)					**29,000**	

Source: Bloomberg Finance L.P., J.P. Morgan estimates.

Risks to Rating and Price Target

Upside Scenario to Target Price/Rating

- Expansion of end-use applications for specialty glass
- Faster investment in data centers and 5G base stations
- Improved profitability for industrial materials (higher profits from insulation materials)

Downside Scenario to Target Price/Rating

- Intensifying competitive landscape in specialty glass
- Deterioration in the supply–demand balance due to rapid capacity expansion
- Potential share loss in specialty glass due to the emergence of substitute materials
- Slower investment in data centers and 5G base stations
- Adverse impact on life science business if hospital outpatient visits decline or regular checkups are postponed

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Nittobo (3110): Summary of Financials

Income Statement	2025/3A	2026/3A	2027/3E	2028/3E	2029/3E
Revenue	**109,035**	**118,229**	**141,400**	**163,500**	**186,100**
COGS	(68,657)	(70,652)	(84,900)	(98,400)	(111,000)
Gross profit	**40,378**	**47,577**	**56,500**	**65,100**	**75,100**
SG&A	(23,933)	(26,757)	(26,800)	(26,800)	(26,800)
EBITDA	**24,386**	**30,120**	**43,100**	**57,100**	**73,500**
D&A	(7,941)	(9,301)	(13,400)	(18,800)	(25,200)
EBIT	**16,445**	**20,819**	**29,700**	**38,300**	**48,300**
Net Interest	(517)	(670)	(700)	(700)	(700)
PBT	**17,521**	**58,630**	**29,700**	**38,300**	**48,300**
Tax	(4,355)	(16,300)	(10,300)	(10,600)	(13,400)
Minority Interest	(329)	(559)	(600)	(600)	(600)
Net Income	**12,837**	**41,770**	**18,800**	**27,100**	**34,300**
Reported EPS	**352.60**	**1,147.37**	**516.41**	**744.40**	**942.18**
DPS	**106.00**	**127.00**	**155.00**	**223.50**	**282.50**
Payout ratio	30.1%	11.1%	30.0%	30.0%	30.0%
Shares outstanding	36	36	36	36	36

Cash Flow Statement	2025/3A	2026/3A	2027/3E	2028/3E	2029/3E
Cash flow from operating activities	**19,121**	**17,296**	**25,935**	**31,169**	**45,217**
o/w Depreciation & amortization	7,941	9,301	13,400	18,800	25,200
o/w Changes in working capital	(3,158)	(10,355)	(6,265)	(14,731)	(14,283)
Cash flow from investing activities	**(11,418)**	**22,787**	**(44,800)**	**(28,100)**	**(34,000)**
o/w Capital expenditure	(13,138)	(20,518)	(44,800)	(28,100)	(34,000)
as % of sales	*12.0%*	*17.4%*	*31.7%*	*17.2%*	*18.3%*
Cash flow from financing activities	**(3,277)**	**(7,199)**	**(5,807)**	**(5,640)**	**(8,130)**
o/w Dividends paid	(2,194)	(3,877)	(5,807)	(5,640)	(8,130)
o/w Shares issued/(repurchased)	0	0	0	0	0
o/w Net debt issued/(repaid)	2,325	2,745	0	0	0
Net change in cash	**4,871**	**33,447**	**(24,672)**	**(2,571)**	**3,087**
Adj. Free cash flow to firm	**6,517**	**36,315**	**(18,408)**	**3,576**	**11,723**
y/y Growth	*-515.0%*	*457.2%*	*-150.7%*	*-119.4%*	*227.8%*

Balance Sheet	2025/3A	2026/3A	2027/3E	2028/3E	2029/3E
Cash and cash equivalents	28,546	62,014	37,342	34,771	37,858
Accounts receivable	32,742	35,967	38,303	44,289	50,411
Inventories	51,013	59,076	68,160	78,998	89,113
Other current assets	86,710	97,696	109,115	125,940	142,177
Current assets	**115,256**	**159,710**	**146,457**	**160,711**	**180,036**
PP&E	77,398	87,558	118,958	128,258	137,058
LT investments	-	-	-	-	-
Other non current assets	27,382	33,872	33,872	33,872	33,872
Total assets	**223,105**	**283,036**	**301,183**	**324,737**	**352,862**
Short term borrowings	9,922	4,393	4,393	4,393	4,393
Payables	7,242	8,015	13,169	15,263	17,217
Other short term liabilities	22,978	35,589	35,589	35,589	35,589
Current liabilities	**40,142**	**47,997**	**53,151**	**55,245**	**57,199**
Long-term debt	33,743	37,204	37,204	37,204	37,204
Other long term liabilities	47,134	54,656	54,656	54,656	54,656
Total liabilities	**87,276**	**102,653**	**107,807**	**109,901**	**111,855**
Shareholders' equity	129,734	173,594	186,587	208,047	234,217
Minority interests	6,095	6,787	6,789	6,789	6,789
Total liabilities & equity	**223,105**	**283,034**	**301,183**	**324,737**	**352,862**
BVPS	**3,563.47**	**4,768.45**	**4,946.85**	**5,420.04**	**6,074.21**
y/y Growth	*9.8%*	*33.8%*	*3.7%*	*9.6%*	*12.1%*
Net debt/(cash)	15,119	(20,417)	4,255	6,826	3,739

Ratio Analysis	2025/3A	2026/3A	2027/3E	2028/3E	2029/3E
Gross margin	37.0%	40.2%	40.0%	39.8%	40.4%
EBITDA margin	22.4%	25.5%	30.5%	34.9%	39.5%
EBIT margin	15.1%	17.6%	21.0%	23.4%	26.0%
Net profit margin	11.8%	35.3%	13.3%	16.6%	18.4%
ROE	10.4%	27.5%	10.4%	13.7%	15.5%
ROA	5.9%	16.5%	6.4%	8.7%	10.1%
ROCE	7.6%	7.7%	8.8%	11.6%	13.3%
SG&A/Sales	21.9%	22.6%	19.0%	16.4%	14.4%
Net debt/Equity	0.1	NM	0.0	0.0	0.0
Net debt/EBITDA	0.6	NM	0.1	0.1	0.1
Sales/Assets (x)	0.5	0.5	0.5	0.5	0.5
Assets/Equity (x)	1.8	1.7	1.6	1.6	1.5
Interest cover (x)	47.2	45.0	61.6	81.6	105.0
Operating leverage	567.7%	315.4%	217.7%	185.3%	188.9%
Tax rate	24.9%	27.8%	34.7%	27.7%	27.7%
Revenue y/y Growth	16.9%	8.4%	19.6%	15.6%	13.8%
EBITDA y/y Growth	56.8%	23.5%	43.1%	32.5%	28.7%
EPS y/y growth	76.0%	225.4%	-55.0%	44.1%	26.6%

Valuation	2025/3A	2026/3A	2027/3E	2028/3E	2029/3E
P/E (x)	52.1	16.0	35.6	24.7	19.5
P/BV (x)	5.2	3.9	3.7	3.4	3.0
EV/EBITDA (x)	28.1	21.5	15.6	11.8	9.2
Dividend Yield	0.6%	0.7%	0.8%	1.2%	1.5%

Source: Company reports and J.P. Morgan estimates
Note: ¥ in millions (except per-share data).Fiscal year ends Mar. o/w - out of which

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Nittobo (3110) (3110.T, 3110 JP) Price Chart

Date	Rating	Price (Y)	Price Target (Y)
04-Jul-23	N	2388	2,600
29-Sep-23	N	3550	3,800
03-Feb-24	N	5100	4,500
23-Apr-24	N	5050	5,300
14-Jul-25	N	6540	6,300
10-Sep-25	N	6700	6,600
07-Nov-25	OW	8280	10,700
28-Jan-26	OW	15440	17,000
20-Mar-26	OW	21580	28,000
15-Jun-26	OW	18380	29,000

Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
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