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Increased interest as early as 2018 IPO No. 1 issue

Last year, 89 IPO stocks appeared, which seemed to have attracted the attention of investors. In 2018, SEIKI CORPORATION (6234), which will be listed on the MOTHERS market on February 8, 2018, attracted much attention. The terms and conditions will be announced on January 22 and the offer price will be announced on January 30. The business content is that the production and sale of the Runnerless System, an injection molding rationalization device. The stock is highly evaluated in the market only for equipment that contributes to rationalization due to labor shortages. Those who have already seen this website may be aware of the details of the business, but we can say that it is a highly profitable company that already possesses the skills for the TSE Second Section and First Section, rather than Mothers.

The company has its headquarter in Yonezawa City but is aiming to grow globally. In other words, the company is advocating a global enterprise that originates in local regions. The number of employees is 139. For the current fiscal year, the company is targeting net sales of ¥3.6 billion, up 15% year-on-year, and ordinary income of ¥630 million, up 20% year-on-year. However, as the progress rate of ordinary income up to the interim period is high at 59%, an upward revision is expected after the listing. The forecast EPS is ¥383 and ¥100 per share.

In December last year, Japanese high-tech manufacturing companies such as ViSCO Technologies Corporation (6698, JQ, open price: 4920 → initial price: 15,000 → highest: 43,900), a fabless manufacturer of image processing and testing equipment, and OPTORUN CO.,LTD. (6235, TSE1: open price: 1460 → initial price: 2436 → highest: 3320), a manufacturer and distributor of optical thin-film equipment, gained high popularity. Nevertheless, SEIKI CORPORATION continues to be such a brand. We would like you to evaluate the results by comparing earnings levels and market capitalization.

KeePer Technical Lab (6036), car-coating service company was the first IPO stock in 2015, Hatena Co., Ltd. (3930), the blog-advertising service company was the first IPO in 2016, and Shannon Ltd. (3976) was the first IPO company in last year. KeePer Technical Lab continued to grow steadily after the IPO, but unfortunately, the other two

stocks were stagnant due to the stagnation of business after the IPO and the excessive anticipation. This year, the first IPO stock is manufacturing company aiming for growth in the global market which will be listed on MOTHERS market. It is expected that this will greatly increase the interest of our readers.

Stock prices of recent IPOs are rising as it is gaining more interests supported by the favorable conditions and supply-demand balance, such as higher domestic and overseas stock prices and the upward trend in the macroeconomic environment amid continued low interest rates. On the other hand, there is a tendency for stock prices to stagnate somewhat after IPOs when they become overpopular. Stocks whose businesses are unspectacular tend to be unpopular due to lack of understanding among investors. These stocks are expected to gradually increase their reputation by getting many investors to become fans through steady IR activities. In any event, I hope that IPO stocks will make a significant contribution to your wealth formation this year.

(Norihsa Matsuo, Tokyo IPO columnist)