

# COMPANY RESEARCH AND ANALYSIS REPORT

|| Valuation Report ||

## **CRI Middleware Co., Ltd.** 3698 Tokyo Stock Exchange Standard Market [Company Information](#) [Company Research and Analysis Report](#)

**22-May-2026**

FISCO Ltd. Analyst

**Shunsuke Watanabe**



FISCO Ltd.

<https://www.fisco.co.jp>

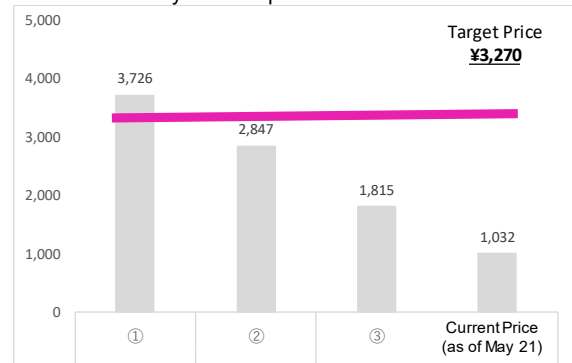
## Rating: Buy

### Target price of ¥3,270 per share for 222.8% upside

[CRI Middleware Co., Ltd. <3698> (hereafter, also “the Company”) has strengths in audio and visual digital signal processing technology]

Compound annual growth rate (CAGR) of operating profit projected at +31.6% for period up to FY9/30 (compared to the Company's forecast for FY9/26). Target share price of ¥3,270 per share for around one year from present date.

	FY9/27	FY9/28	FY9/30
PER (times)	11.62	11.92	5.16
PBR (times)	1.40	1.30	1.02
ROE	12.0%	10.9%	19.7%
Net sales growth rate	27.9%	20.0%	26.3%
Operating profit margin	16.0%	13.0%	20.0%
Operating profit (¥bn)	8.0	7.8	18.0
The Company's forecast	-	7.8	20.0
FISCO forecast	8.0	7.8	18.0
Consensus	-	-	-
Net assets (¥bn)	46.6	49.9	64.0



\* Figures are FISCO forecasts unless otherwise indicated.

\* Share prices: ① Average PER of similar companies for current fiscal year, ② PER 20x in FY9/30, ③ PEG 1x for expected growth rate to FY9/30.

## Results Overview / Progress on Medium-term Management Plan

The Company plans to transform to a business structure with three pillars as its core businesses—gaming, mobility, and TeleXus (communications middleware for online gaming, etc.)—built on the technologies, expertise, knowledge, and funds cultivated in the Gaming Business. The game content and in-vehicle electronic systems markets, to which the Company belongs, are both on a growth trend.

### Overview

### FISCO analyst's comment

#### Latest financial results

The Company's forecasts for FY9/26 are net sales of ¥3,910mn (up 13.4% YoY) and operating profit of ¥600mn (up 8.2%). For net sales, it projects that mobility will be a driving force behind sales increases in each business. For operating profit, it expects cost increases associated with ongoing investment in R&D to be absorbed, securing a profit increase.

FISCO forecasts a strong performance in the mobility field in FY9/26. Although the operating profit margin is expected to decrease 0.8pp YoY, this is a result of prioritizing investment in R&D and the enhancement of overseas sales structures in order to achieve the medium-term management plan, so we assess this as upfront investment aimed at future profit growth.

#### Medium-term management plan

The medium-term management plan targets net sales of ¥10.0bn and operating profit of ¥2.0bn by FY9/30. In the mobility field, which is the biggest performance driver, growth efforts are focused on the Indian motorcycle market. It also anticipates a ¥2.0bn net sales contribution from M&As. It is targeting an operating profit margin of 20% by raising the proportion of sales accounted for by licensing revenues to around 60%–70%.

The Company's plan for the Indian motorcycle market is ambitious, targeting a market share of 50% and a 1.5-times increase in revenue per vehicle, but these targets are not unreasonable considering the high growth rate of the market itself. Additionally, in cloud solutions, if it can complete its shift from contract business to licensing revenues, then a 20% operating profit margin is achievable. If it can realize inorganic growth in addition to the above, then the likelihood of achieving the plan's targets will be even higher.

## Investment Considerations

#### Strengths/sources of competitiveness

The Company embeds UI/UX technologies cultivated through game development into home appliances and repurposes them for the mobility field. Differentiates the operating experience for end users. In-vehicle equipment business structure spans from the design stage through to adoption so the Company accumulates highly profitable licensing revenues when a product enters the mass production phase, boosting profit margins.

#### Upside factors / Signs of change

If probability of medium-term management plan achievement rises, the target price could rise above ¥3,500. Achievement of sales performance in the Indian market and the realization of M&As could push the PER range upward.

#### Shareholder return

For the time being, the Company is prioritizing investment in R&D to build a foundation for growth, so it plans to maintain a payout ratio of 30% throughout the medium-term management plan period. In the long term, it is expected to raise the payout ratio as it moves into the mass production phase.

Buy:	The target price is at least 10% above the current share price at the time the target price is set.
Neutral:	The target price is no more than 10% higher or lower than the current share price at the time the target price is set.
Sell:	The target price is at least 10% lower than the current share price at the time the target price is set.
Suspended:	The target share price is suspended.
* Investment ratings and target share prices are based on an outlook for approximately one year ahead.	

#### Disclaimer

FISCO Ltd. ("FISCO") offers stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Exchange, and Nikkei Inc. This report is provided solely for the purpose of offering information and is not a solicitation of investment nor any other act or action.

FISCO has prepared and published this report based on information it deems reliable. However, FISCO does not warrant the accuracy, completeness, certainty, nor reliability of the contents of this report or the said information.

This report was prepared at the request of the subject company, with information provided by the company through telephone interviews and other means, and with compensation from the company. Hypotheses, conclusions and all other content contained in this report are based on FISCO's analysis.

The issuers' securities, currencies, commodities, and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs, and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

FISCO may presently be conducting paid transactions (such as creating analysts' reports, or providing video streaming or IR consulting services) with the issuing entity featured in the report or may conduct such transactions in the future.

The contents of this report are current as of the date of preparation and are subject to change without notice. FISCO is not obligated to update this report. The intellectual property rights, including the copyrights to the main text, data, and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers, and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report with an understanding and acceptance of the above points.

- For inquiries, please contact: ▪  
 FISCO Ltd.  
 5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062  
 Phone: 03-5774-2443 (IR Consulting Business Division)