

The Third

GYOSEKI Competition

Training The Next Generation Of Fundamental Investors

Rules and Regulations

Gyoseki Competition

Objectives:

1. To **gain real-world experience** by assuming the role of a fundamental analyst
2. To **enhance participants' financial literacy**

Description:

This is a competition where students who want to challenge themselves in the field of investment or aim to become institutional investors can test their analytical and research skills in real-world environment. Through earnings forecasts, which form the basis of stock investment, participants compete on the accuracy of profit forecasts and the process of creating these forecasts for the assigned stocks.

Why participate

Practicing fundamental analysis

- You can gain practical experience using tools and data that professionals use for fundamental analysis.

Participation in the Main Event

- Main Event will host workshops, panel discussions, and networking sessions with executives from sponsor and supporting organizations.

Finalist Team benefits

- Finalist teams will receive special mentorship, and the top 5 teams will be awarded cash prizes.

Participation

Eligibility:

- All University Students (undergraduate, graduate and MBA)
- No restrictions on location and nationality*

Team: 1 to 3 people

Fee: Free

Format:

- Report and earnings model submitted online
- Main event will be held in Tokyo
 - Finalists are required to participate in the Main Event
 - Transportation and accommodation costs will not be provided

*Prize will be transferred in JPY to a Japanese bank account

Details

Participants will analyze the industry, individual companies, financials, and guidance for the 3 selected stocks.

Deliverables:

- For 1 of the companies:
 - Writeup on analysis results and process (text within 2,000 words/4,000 Japanese characters)
 - Financial model (include PL forecast summary sheet)
- Operating and net profit forecast for all 3 companies
 - Option: model and memos (limited to 2 pages per company)
 - Option: video highlighting key points such as assumptions and findings (limit to 2 min)
- Submissions can be in either English or Japanese
- Submission method: Gyoseki system* (free of charge)

Evaluation Criteria:** Accuracy of forecasts and analysis process

*manual will be provided at later date

**detailed on P9-12

Schedule

- 10/20: Registration commencement
- 11/8: Registration deadline, Competition commencement
- Mid-Nov: Information session on data provided by Sponsors
- Early-Dec: Workshops hosted by sponsors
- 1/4: Submission deadline (11:59pm)
- Mid-Feb: Preliminary round results
- Late-Feb: Special mentorships to top 6 teams (presentation prep)
- Mid-Mar: Main Event

Main Event (Mid-March)

Agenda (sample)
Opening
Workshop / Lecture session 1
Workshop / Lecture session 2
Executives panel discussion
Analyst panel discussion
Final presentation (6 teams)
Results
Networking session (cocktail party with sponsors)



Prize



Champion:	150k JPY
2nd Place:	90k JPY
3rd Place:	30k JPY
4th Place:	20k JPY
5th Place:	10k JPY

2nd Competition winners

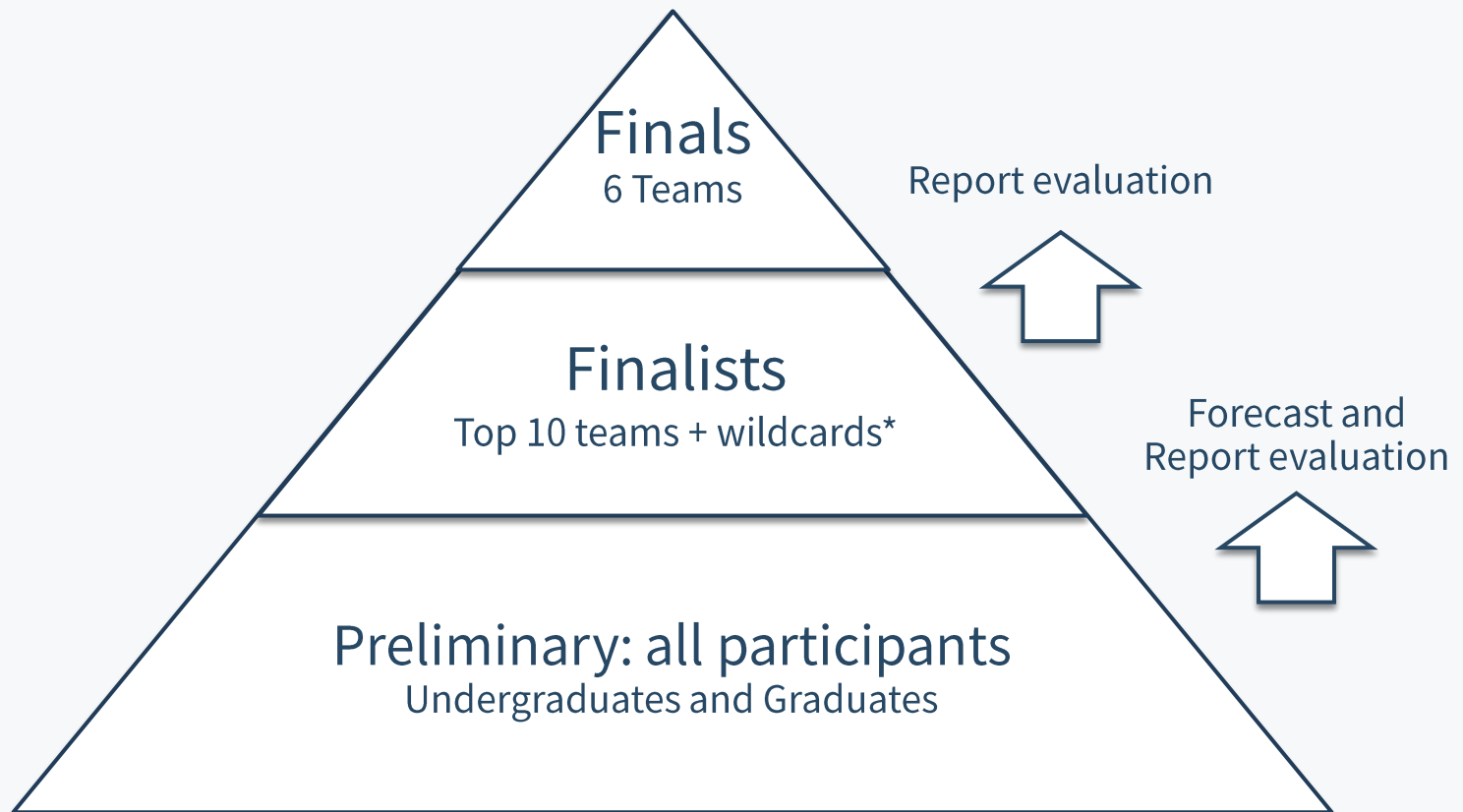
1. Team of 3: U.Tokyo & Waseda undergrad & graduate students
2. Team of 1: Keio undergrad
3. Team of 1: Keio undergrad
4. Team of 3: Keio undergrad
5. Team of 1: Esade Business School

1st Competition winners

1. Team of 3: U.Tokyo undergrad students
2. Team of 1: Waseda Business School
3. Team of 1: U.Tokyo graduate student

Tournament Process

Evaluating forecast accuracy and process



*Wildcard: Up to 3 wildcard teams within 11th to 20th place will proceed as finalists based on their reports

Preliminary Round: Evaluation Process

Up to 13 teams will advance to final round

Quantitative: (Total Score)

- Forecast Operating and Net Profits of each company. Points will be awarded from closest team.
- In the event of a tie, the earlier forecast will be prioritized.
- Total 10 teams with highest total points will advance to the Final round.

	Op Profit	Net Profit
1st ~ 2nd	9pts	3.5pts
3rd ~ 5th	7pts	2.5pts
6th ~ 10th	5pts	1.5pts
11th ~ 20th	3pts	0.5pts

Qualitative: (Wildcard bracket)

- Up to 3 teams place between 11th to 20th will advance to the final round based on their Reports
- Using Final Round evaluation process on P12

Preliminary Round: Point System

Ranking based on forecast of 3 assigned companies

- Forecast FY2024 earnings and FY2025 guidance

Weighting

- 40% FY2024 actual
- 60% FY2025 guidance

Example:

	FY2024 Actual					FY2025 Guidance				
	Op Profit		Net Profit		Subtotal	Op Profit		Net Profit		Subtotal
	Rank	Points	Rank	Points		Rank	Points	Rank	Points	
Company A	2nd	9.0	3rd	2.5	11.5	6th	5.0	2nd	3.5	8.5
Company B	5th	7.0	10th	1.5	8.5	15th	3.0	22nd	0.0	3.0
Company C	7th	5.0	15th	0.5	5.5	10th	5.0	10th	1.5	6.5
Subtotal		21.0		4.5	25.5		13.0		5.0	18.0
Weight					40%					60%
Total										21.0

Final Round: Evaluation Process

Categories	Weight	Key Points
Industry Analysis	20%	<ul style="list-style-type: none"> • Analysis of the industry (supply/demand, etc) • Description of major players including suppliers and customers • Long-term secular trends and regulatory impacts
Business Analysis	20%	<ul style="list-style-type: none"> • Explanation about key financial metrics • Strategic positioning and competitive advantages • Peer comparison of key metrics
Earnings Forecast	40%	<ul style="list-style-type: none"> • Key earnings drivers • Forecast assumptions backed by evidence/data • Longer-term structural changes and mid/long term strategy • Participants' differentiated view
Guidance and Catalysts Analysis	20%	<ul style="list-style-type: none"> • Expected initial guidance • Prediction of whether company will beat/miss that guidance • Forward-looking events (may include events past one year)