

Expert Network
Sample Research Projects

Alba Partners, Inc.



Sample 1

Big Tax on Big Tobacco?

- Japan Tobacco (2914) is a global cigarette producer. In June 2008 its stock price plummeted when it was rumored that the price-per-pack would be raised to ¥1000, almost 3X the current price. A big boost in the tobacco tax to shrink the country's social security deficit seemed a distinct possibility.
- We researched the issue and chased down out the rumors, updating clients each time there was any actual developments from policymakers. We interviewed not only the company's IR staff but also an ex-JT Managing Director and several public officials, including a retired official.

We concluded that the tax hike would only be about 5%, if there was one at all, and it wouldn't be effected until after April 2009.

Together with the interviews, we explained the policy process for tax rules and political maneuverings behind this story to the client.

The upshot was that the tax hike was postponed indefinitely, and JT's stock price jumped back strongly. and JT's stock price jumped back strongly. Fortunately, our client increased their position before the rebound.



Increased position

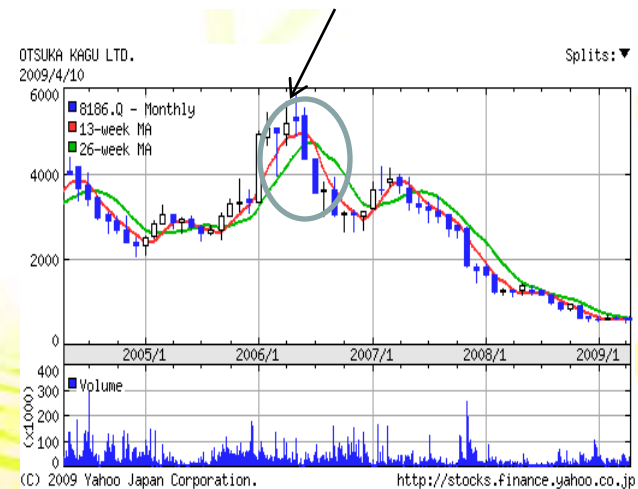
Sample 2

IKEA's Impact on Furniture Retailers

- Stock prices of two furniture retailers – Otsuka Kagu (8186) and Nitori (9843) – took a dip when IKEA entered the Japanese market in 2006.
- To see if the Swedish firm actually threatened the Japanese companies, we interviewed a senior person in the industry and a furniture wholesaler, visited IKEA's new store, and did fieldwork in several DIY shops to research the impact of the IKEA entry.

Based on our interviews and fieldwork, we concluded that any impact would be temporary because the products and target customers sufficiently differed by company, and IKEA's Japan launch wasn't going smoothly.

Our client was able to close its short position before the stocks started to turn around.



Sample 3

General Contractors: Would End of Bid Rigging Hurt Profitability?

- The Anti-Monopoly Act was revised in December 2005 to stop bid-rigging taking among Japan's construction companies, known as general contractors. But opinion differed on just how much impact the new law would have.
- To assess the effect on the earnings of the targeted companies, we interviewed several people working in this sector, including retired senior executives and bank officers responsible for the construction sector at financial institutions.

We concluded that the companies' profitability for both public civic engineering projects and private commissions would indeed be hurt by the new regulatory regime.

Accordingly, our client increased its short position after our report.



Client shorted