

Provide system integration services and digital book, CAD, face authentication and other solution services

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[4016 MIT Holdings Sector : Information & Communication]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Nov. 2018	3,827	-	115	-	112	-	58	-	37.6	151.6	0.0
Nov. 2019	3,845	0.5	120	4.3	113	0.9	60	3.4	38.7	180.6	5.0
Nov. 2020 f	3,906	1.6	132	10.0	128	13.3	81	35.0	46.7	-	5.0

Note: Consolidated basis. Figures for the fiscal year ending November 2020 are the company's forecasts.

It conducted 1-to-200 stock split on August 6, 2020. Per share indices are adjusted retroactively.

System Integration as Core Business

MIT Holdings group conducts two businesses: system integration services, which accounts for 90% of the net sales, and solution services, which accounts for 10%.

Its consolidated subsidiaries System IO and NetValue provide system integration services. BIGAL, another consolidated subsidiary, also provides system integration services to small and medium-sized companies, but BIGAL's core business is the provision of solution services. Vision Links Myanmar, which is the group's overseas subsidiary, conducts system development and website creation, but it is non-consolidated as its impact on business performance is extremely minimal (equity method is also not applied).

For system integration services, the group accepts orders for building core infrastructure systems and network bases from major manufacturers and major system integrators, basically as a subcontractor.

Business Performance

For the fiscal period ended November 2019, net sales was 3,845 million yen (0.5% increase year-on-year), operating profit was 120 million yen (4.3% increase), ordinary profit was 113 million yen (0.9% increase) and profit attributable to owners of parent was 60 million yen (3.4% increase).

For its corporate plan for fiscal year ending November 2020, the group expects net sales of 3,906 million yen (1.6% increase), operating profit of 132 million yen (10.0% increase), ordinary profit of 128 million yen (13.3% increase) and profit attributable to owners of parent of 81 million yen (35.0% increase). For net sales by service, it expects 3,500 million yen (0.9% increase) for system integration services and 406 million yen (8.6% increase) for solution services.

Financial Statements

Statement of income	Fiscal Year	Nov. 2018		Nov. 2019		9 months to Aug. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,827	100.0	3,845	100.0	2,837	100.0
Cost of sales		3,054	79.8	3,032	78.9	2,206	77.8
Gross profit		772	20.2	812	21.1	631	22.2
Selling, general and administrative expenses		656	17.1	692	18.0	554	19.5
Operating profit		115	3.0	120	3.1	77	2.7
Non-operating income		5	-	4	-	1	-
Non-operating expenses		8	-	11	-	4	-
Ordinary profit		112	2.9	113	2.9	74	2.6
Profit before income taxes		99	2.6	102	2.7	74	2.6
Profit attributable to owners of parent		58	1.5	60	1.6	45	1.6

Balance sheet	Fiscal Year	Nov. 2018		Nov. 2019		Nov.2020 3Q	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		891	73.5	910	73.3	865	72.6
Cash and deposits		250	20.6	280	22.5	234	19.6
Trade receivables		585	48.3	597	48.1	582	48.8
Non-current assets		316	26.1	329	26.5	324	27.2
Property, plant and equipment		32	2.6	25	2.0	23	1.9
Intangible assets		146	12.0	153	12.3	165	13.8
Investments and other assets		137	11.3	150	12.1	135	11.3
Deferred assets		4	0.3	2	0.2	3	0.3
Total assets		1,212	100.0	1,242	100.0	1,192	100.0
Current liabilities		624	51.5	717	57.7	590	49.5
Trade payables		167	13.8	153	12.3	146	12.2
Short-term borrowings		-	-	100	8.1	120	10.1
Current portion of long-term borrowings		103	8.5	56	4.5	46	3.9
Current portion of bonds payable		116	9.6	84	6.8	102	8.6
Non-current liabilities		352	29.0	210	16.9	250	21.0
Bonds payable		226	18.6	142	11.4	140	11.7
Long-term borrowings		126	10.4	68	5.5	110	9.2
Net assets		235	19.4	314	25.3	351	29.4
Owners' equity		235	19.4	314	25.3	351	29.4

Statement of cash flows	Fiscal Year	Nov. 2018	Nov. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		198	198
Depreciation		47	44
Cash flows from investing activities		-108	-66
Cash flows from financing activities		-25	-102
Dividends paid		-	-
Net increase in cash and cash equivalents		63	30
Cash and cash equivalents		210	240

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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