

**Developing a platform business that supports the enhancement of corporate engagement**

This report is an English translation of part of the report issued on December 18, 2020.  
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**【 4019 Stamen Sector : Information and 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)
Dec. 2018	113	17.1x	-143	-	-143	-	-144	-	-19.5	-17.7	0.0
Dec. 2019	396	250.8	-36	-	-36	-	-36	-	-5.0	-22.7	0.0
Dec. 2020 f	612	54.6	18	-	7	-	3	-	0.5	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2020 are the company's forecasts.

It conducted 1-to-1,000 stock split on September 30, 2020. Per share indices are adjusted retroactively.

**Developing Engagement Management Platform Business**

Stamen is developing a business that plans, develops and sells the engagement management platform, "TUNAG."

The company defines engagement as a state in which a relationship of trust is established between a company and its employees as well as among employees, and considers it to be a separate concept from employee satisfaction which is based on things that are given to employees such as treatment and environment.

The company considers that there are three steps that are necessary to enhance engagement and to improve the situation of an organization. Those three steps are (1) identifying the current issues, (2) designing appropriate measures for those issues, and (3) continuously implementing the designed measures. A platform that supports the enhancement of corporate engagement, "TUNAG," provides solutions according to each step such as an engagement survey, organization improvement advice and a cloud-based internal system management.

**Continuously Posted Deficits**

The company prioritized the increasing of the number of customers that continuously use its services, and proceeded to enhance the awareness of its services and increasing the number of subscribers as well as hiring of quality human resources. Therefore, it has posted operating losses through fiscal year ended December 2019.

In its corporate plan for the fiscal year ending December 2020, the company estimates net sales of 612 million yen (54.6% increase year-on-year) and operating profit of 18 million yen (the previous fiscal year was operating loss of 36 million yen), but the level of revenue is low due to the burden from prior investments.

**Stamen (4019-TSE Mothers) ----- December 18,2020****Financial Statements**

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		113	100.0	396	100.0	444	100.0
Cost of sales		39	34.6	73	18.4	83	18.9
Gross profit		73	65.4	323	81.6	360	81.1
Selling, general and administrative expenses		217	192.5	359	90.7	348	78.6
Operating profit		-143	-127.2	-36	-9.2	11	2.6
Non-operating income		0	-	0	-	0	-
Non-operating expenses		0	-	0	-	2	-
Ordinary profit		-143	-127.0	-36	-9.2	8	1.9
Profit before income taxes		-143	-127.0	-36	-9.2	8	1.9
Net Profit		-144	-128.0	-36	-9.3	6	1.5

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		215	85.1	320	90.5	585	95.6
Cash and deposits		201	79.5	292	82.6	559	91.4
Accounts receivable-trade		6	2.5	7	2.2	10	1.8
Non-current assets		37	14.9	33	9.5	26	4.4
Property, plant and equipment		13	5.3	9	2.6	5	0.9
Intangible assets		3	1.2	2	0.6	1	0.2
Investments and other assets		21	8.4	22	6.3	20	3.3
Total assets		253	100.0	354	100.0	612	100.0
Current liabilities		100	39.5	238	67.3	366	59.9
Short-term borrowings		-	-	-	-	30	4.9
Advances received		64	25.3	168	47.5	206	33.8
Non-current liabilities		44	17.6	44	12.5	167	27.3
Long-term borrowings		40	15.8	40	11.3	163	26.6
Net assets		108	42.8	71	20.2	78	12.8
Owners' equity		108	42.8	71	20.2	78	12.8

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		-60	95
Depreciation		7	9
Cash flows from investing activities		-23	-3
Cash flows from financing activities		-	-
Dividends paid		-	-
Net increase in cash and cash equivalents		-83	91
Cash and cash equivalents		201	292

Note: Non-consolidated basis

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

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