

**Providing CRM service to restaurants, retail and other companies that have brick-and-mortar stores**

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**[4020 BETREND Sector : Information & Communication ]**

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Dec. 2018	635	4.5	17	-	16	-66.1	9	-72.6	9.9	244.2	0.0
Dec. 2019	746	17.5	51	197.4	53	219.7	37	304.7	40.1	284.2	0.0
Dec. 2020 f	846	13.3	91	76.9	91	70.0	66	74.6	69.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2020 are the company's forecasts.  
It conducted 1-to-100 stock split on December 2, 2019. Per share indices are adjusted retroactively.

**Providing “betrend,” a CRM Platform for B-to-C Companies**

BETREND develops and provides the CRM platform, “betrend.” There are two types of services for “betrend.” One is a “Smart CRM Service,” which provides customer management tools together with mail distribution services, and the other is a “Mail Marketing Service,” which specializes in a mail distribution and direct mail, including postcards, sending function among the functions of “Smart CRM Service.” They are provided as SaaS type cloud services based on monthly usage fees and they focus on B-to-C companies such as restaurants and retailers as their target customers.

In recent years, the revenue of the “Smart CRM Service” is continuing to expand, while the revenue of the “Mail Marketing Service” is continuing to shrink.

The company’s net sales are categorized into CRM services, customized services and other services. CRM services feature recurring revenue, which will continue to post sales in ensuing fiscal years unless it is cancelled, and customized services and other services are non-recurring, one-shot revenues. Recurring revenue accounts for a high 75.8% of net sales in the fiscal year ended December 2019, leading to a stable revenue base.

**Net Sales by Segment**

Sales Segment	Revenue feature	Fiscal year ended Dec. 2019		Nine months to Sep. 2020	
		Net sales (mn yen)	Composition (%)	Net sales (mn yen)	Composition (%)
CRM services	Recurring revenue	566	75.8	488	77.7
Customized services	One-shot revenue	148	20.0	110	17.6
Other services	One-shot revenue	31	4.2	29	4.7
Total		746	100.0	629	100.0

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

**Financial Statements**

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		635	100.0	746	100.0	629	100.0
Cost of sales		262	41.3	319	42.8	270	42.9
Gross profit		372	58.7	426	57.2	359	57.1
Selling, general and administrative expenses		355	55.9	375	50.3	278	44.2
Operating profit		17	2.7	51	6.9	80	12.8
Non-operating income		0	-	2	-	0	-
Non-operating expenses		0	-	0	-	0	-
Ordinary profit		16	2.6	53	7.2	80	12.8
Profit before income taxes		16	2.6	53	7.2	80	12.8
Net profit		9	1.5	37	5.1	55	8.8

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		204	59.2	263	65.1	303	67.4
Cash and deposits		118	34.4	147	36.4	200	44.5
Accounts receivable-trade		75	21.7	88	21.9	91	20.3
Inventories		1	0.5	2	0.7	3	0.8
Non-current assets		140	40.8	141	34.9	146	32.6
Property, plant and equipment		1	0.4	2	0.7	3	0.8
Intangible assets		103	30.1	98	24.4	102	22.8
Investments and other assets		35	10.3	39	9.9	40	9.0
Total assets		345	100.0	404	100.0	450	100.0
Current liabilities		84	24.4	104	25.9	108	24.0
Accounts payable-trade		26	7.6	23	5.8	32	7.2
Non-current liabilities		31	9.0	32	7.9	18	4.2
Net assets		230	66.6	268	66.2	323	71.8
Owners' equity		230	66.6	268	66.2	323	71.8

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		73	91
Depreciation		54	62
Cash flows from investing activities		-59	-58
Cash flows from financing activities		-26	-4
Dividends paid		-	-
Net increase in cash and cash equivalents		-12	28
Cash and cash equivalents		118	147

Note: Non-consolidated basis.

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

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