G-NEXT (4179 TSE Mothers) ----- April 1 ,2021

Developing and providing digital platform that comprehensively manages customer relation operations

This report is an English translation of part of the report issued on March 30, 2021. For inquiries concerning the report, please contract info@stock-r.org

[4179 G-NEXT 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)
Mar. 2019	505	-	-104	-	-109	-	· -110	-	-46.4	-99.7	0.0
Mar. 2020	531	5.1	-178	-	-183		-184	-	-63.5	-30.1	0.0
Mar. 2021	f 863	62.6	183	-	165	•	180	-	48.9	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.

It conducted 1-to-40 stock split on March 29, 2019 and 1-to-50 stock split on December 22, 2020.

Per share indicies are adjusted retroactively.

Developing Business of Digital Transformation Platform Handling Customer Relations

G-NEXT Group develops Discoveriez, a digital platform that comprehensively manages customer relation operations and provides it to customers of various sizes in various industries. The company's cloud business accounted for 75.5% of net sales in the nine months to December 2020, while on-premise business accounted for 18.7% and others 5.8% (Figure 1).

Figure 1: Sales Composition by Service

Service segment	Fiscal	year ended Mar.	9 months to Dec. 2020			
Cervice segment	Sales volume	Composition	Year-on-year comparison	Sales volume	Composition	
	(thousand yen)	(%)	(%)	(thousand yen)	(%)	
Cloud business	246,904	46.5	64.2	416,297	75.5	
On-premise business	185,556	34.9	-4.9	103,067	18.7	
Others	98,791	18.6	-38.1	31,692	5.8	
Total	531,252	100.0	5.1	551,058	100.0	

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

Discoveriez, a Digital Transformation Platform Handling Customer Relations

Discoveriez is a software that consolidates inquiries and complaints customers send to call centers, mail, chat and other various points of contact, and it can be utilized for sharing information with various internal departments and external stakeholders, approving and recording responses in accordance with operational flow, risk management, quality management and new product development.

Cloud Business

In the cloud business, the company provides a cloud service version of Discoveriez by turning its expertise cultivated through services for traditional on-premise point-of-contact type customer relations. As the service provides templates made for each industry utilizing knowledge from past achievements, customers can start operating Discoveriez in around three months from deciding on its introduction. The revenue of the group is comprised of an introduction fee and license usage fee received from customers.

Newly Listed Company Introduction Report

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On-Premise Business

In the on-premise business, it provides an on-premise version of Discoveriez for customers requesting construction and operation of a point-of-contact customer relations system on their in-house servers from the aspect of business continuity plan measures and information asset managements.

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Financial Statements

Statement of income	Fiscal Year	Mar.2019		Mar.2020		Nine months to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		505	100.0	531	100.0	551	100.0
Cost of sales		364	72.2	365	74.7	216	39.2
Gross profit		140	27.8	134	25.3	335	60.8
Selling, general and administrati	245	48.5	312	58.9	269	48.9	
Operating profit		-104	-20.7	-178	-33.6	65	11.9
Non-operating income		0	-	0	-	7	-
Non-operating expenses		5	-	5	-	6	-
Ordinary profit		-109	-21.8	-183	-34.5	65	12.0
Profit before income taxes		-109	-21.8	-184	-34.7	65	12.0
Profit attributable to owners of parent		-110	-21.8	-184	-34.7	56	10.3

Balance sheet	Fiscal Year	Mar.2019		Mar.2020		Nine months to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		179	95.7	238	98.3	623	98.6
Cash and deposits		26	13.9	139	57.4	450	71.2
Accounts receivable-trade		75	40.4	45	18.9	139	22.0
Inventories		56	29.9	36	15.2	13	2.2
Non-current assets		8	4.3	4	1.7	9	1.4
Property, plant and equipment		2	1.3	0	0.2	0	0.0
Intangible assets		-	-	-	-	5	0.9
Investments and other assets		5	3.0	3	1.6	2	0.5
Total assets		187	100.0	242	100.0	632	100.0
Current liabilities		197	105.0	195	80.5	155	24.5
Accounts payable-trade		64	34.1	41	17.1	16	2.7
Short-term borrowings		-	-	1	0.5	-	-
Current portion of long-term born	rowings	90	48.1	85	35.4	47	7.6
Unearned revenue		12	6.5	17	7.2	11	1.8
Non-current liabilities		229	122.1	143	59.2	252	39.8
Long-term borrowings		227	120.9	141	58.2	248	39.3
Net assets		-238	-127.2	-96	-39.7	225	35.7
Owners' equity		-239	-127.6	-96	-39.9	225	35.6

Statement of cash flows	Fiscal Year	Mar.2019	Mar.2020
		(mn yen)	(mn yen)
Cash flows from operating activities		-137	-119
Depreciation		7	1
Cash flows from investing activities		-2	-2
Cash flows from financing activities		123	233
Dividends paid		-	-
Net increase in cash and cash equiva	alents	-16	111
Cash and cash equivalents		14	125

Note: Consolidated basis.

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

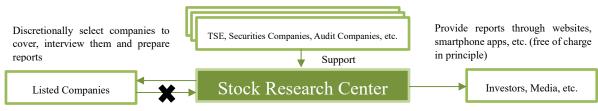
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