

Strong in customer-tailored training and external lecturer network

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【 7367 CELM Sector : Services】

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)
Mar. 2019	5,561	-	657	-	646	-	373	-	74.8	258.5	0.0
Mar. 2020	5,298	-4.7	602	-8.4	588	-9.1	336	-10.0	66.8	325.1	0.0
Mar. 2021 f	4,290	-19.0	300	-50.2	292	-50.3	133	-60.4	26.4	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.
It conducted 1-to-100 stock split on August 14, 2019. Per share indices are adjusted retroactively.

Conducts Personnel and Organizational Development Business for Large Companies

CELM mainly conducts business that supports personnel and organizational development for large companies. Its business segments are "personnel and organizational development business," which provides consulting on personnel and organization as well as supports personnel and organizational development of customer companies, and "other businesses." The personnel and organizational development business accounts for 99.0% of its net sales for the nine months to December 2020 and other businesses accounts for 1.0% (Figure 1).

Figure 1: Sales Composition by Segment

Segment	Fiscal year ended Mar. 2020			Nine months to Dec. 2020	
	Sales volume (thousand yen)	Composition (%)	Year-on-year comparison (%)	Sales volume (thousand yen)	Composition (%)
Personnel and organizational development business	5,210,354	98.3	-4.7	3,242,647	99.0
Other businesses	88,351	1.7	-8.6	31,993	1.0
Total	5,298,706	100.0	-4.7	3,274,640	100.0

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

Personnel and Organizational Development Business

As the main services of this business, the company provides (1) management training programs to identify and cultivate the next executive personnel, (2) management mentoring to current executives, etc. (one-on-one, on-the-job training targeting current executives as well as next executive candidates), (3) cultivation of middle management, (4) consulting to establish personnel development systems, (5) support for penetration of management policy/vision and innovation of corporate culture, (6) support for personnel and organizational development in ASEAN and China, (7) first carrier development business (creating a systematic personnel development for employees up to five years in the company as well as fostering of a workplace culture highly conscious of personnel development), and (8) support for employment and participation of persons with disabilities and other services.

According to the group, the management training programs and management mentoring account for about 30% of net sales of the business, cultivation of middle management accounts for about 40%, first carrier development business for about 20% and the rest for about 10%.

Other Businesses

For other businesses, it conducts the corporate venture capital business and bilingual English education business for preschool children (ages one to six).

Figure 2: Financial Statements

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		5,561	100.0	5,298	100.0	3,274	100.0
Cost of sales		2,671	48.0	2,483	46.9	1,545	47.2
Gross profit		2,889	52.0	2,814	53.1	1,728	52.8
Selling, general and administrative expenses		2,232	40.1	2,212	41.8	1,460	44.6
Operating profit		657	11.8	602	11.4	268	8.2
Non-operating income		13	-	9	-	37	-
Non-operating expenses		24	-	24	-	33	-
Ordinary profit		646	11.6	588	11.1	272	8.3
Profit before income taxes		644	11.6	568	10.7	272	8.3
Profit attributable to owners of parent		373	6.7	336	6.4	127	3.9

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,376	33.7	1,063	28.4	1,726	40.6
Cash and deposits		899	22.0	705	18.8	1,152	27.1
Accounts receivable-trade		409	10.0	281	7.5	511	12.0
Inventories		17	0.4	5	0.1	17	0.4
Non-current assets		2,711	66.3	2,682	71.6	2,522	59.4
Property, plant and equipment		82	2.0	117	3.1	98	2.3
Intangible assets		2,360	57.7	2,189	58.4	2,042	48.1
Investments and other assets		268	6.6	375	10.0	381	9.0
Total assets		4,087	100.0	3,745	100.0	4,248	100.0
Current liabilities		1,390	34.0	1,160	31.0	1,827	43.0
Accounts payable-trade		345	8.4	254	6.8	485	11.4
Short-term borrowings		-	-	100	2.7	-	-
Current portion of long-term borrowings		455	11.2	454	12.1	401	9.5
Non-current liabilities		1,392	34.1	945	25.2	658	15.5
Long-term borrowings		1,349	33.0	894	23.9	607	14.3
Net assets		1,304	31.9	1,639	43.8	1,762	41.5
Owners' equity		1,303	31.9	1,638	43.8	1,761	41.5

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		568	381
Depreciation		28	38
Cash flows from investing activities		-41	-201
Cash flows from financing activities		-519	-374
Dividends paid		-519	-374
Net increase in cash and cash equivalents		-3	-
Cash and cash equivalents		1	-194
		869	675

Note: Consolidated basis.

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

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