HYOJITO (7368 TSE Second Section) ----- April 9,2021

Original business model with public nature

This report is an English translation of part of the report issued on April 9, 2021. For inquiries concerning the report, please contract info@stock-r.org

[7368 HYOJITO Sector : Services]

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	12,116	10.1	931	-	1,129	49.3	821	-22.2	211.4	1,174.9	50.0
Mar. 2020	13,065	7.8	1,058	13.6	1,204	6.6	807	-1.7	207.6	1,330.9	35.0
Mar. 2021	f 12,658	-3.1	950	-10.2	1,042	-13.5	704	-12.8	181.3	-	35.0

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

It conducted 1-to-5 stock split on January 7, 2021. Per share indicies are adjusted retroactively.

Main Advertisement Business Posting Store Information on Vicinity Maps in Public Facilities

HYOJITO conducts the Navita business, in which multiple sponsors post advertisements on vicinity maps developed by the company as advertisement media placed in public facilities such as railways, local government facilities and hospitals. In addition, it also conducts the ad promotion business, in which it handles transportation media (vehicles and stations), mass media (television, radio, newspapers and magazines) and outdoor media (signs and boards), as well as the sign business, in which it handles the design and construction of advertisements, signs, guideboards, etc.

The Navita business, ad promotion business and sign business respectively account for 64.8%, 17.4% and 17.8% of its net sales for the fiscal year ended March 2020, and most of the profit is from the Navita business.

Navita Business

Navita is a combination advertisement using vicinity maps developed by the company as a base media, and is a media with high public nature that includes map information, public facility information, and information on evacuation sites in the time of disasters.

It is classified into "station Navita" that are placed in train stations and tram stops nationwide, "city Navita" that are placed in local government offices, etc., and "public Navita" that are placed in police boxes, police stations, driver's license centers, etc. The Navita business is a business model that benefits three parties, which are the owners of the location it is placed, advertisers and users.

Owners of the locations where they are placed can enhance the convenience for the facility users and can receive compensation from HYOJITO for placed Navita.

Advertisers receive the benefits of low advertisement fees. The number of sponsors has reached around 78,000 in total as of the end of January. The advertisement posting contract for Navita is a three-year contract, but HYOJITO receives advertisement fees every year.

Users can benefit from the convenience of the ease in understanding the locations to which they want to go, and depending on the location where they are placed, there is the advantage of crime prevention effects as the entire guideboards are lit up with LED lights.

Newly Listed Company Introduction Report

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Financial Statements

Statement of income	Fiscal Year	Mar. 2019		Mar. 202	0	Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		12,116	100.0	13,065	100.0	9,725	100.0
Cost of sales		6,627	54.7	7,276	55.7	5,392	55.4
Gross profit		5,488	45.3	5,788	44.3	4,332	44.5
Selling, general and administrative ex	kpenses	4,557	37.6	4,730	36.2	3,389	34.8
Operating profit		931	7.7	1,058	8.1	943	9.7
Non-operating income		222	1.8	161	1.2	52	0.5
Non-operating expenses		24	0.2	15	0.1	12	0.1
Ordinary profit		1,129	9.3	1,204	9.2	983	10.1
Profit before income taxes		1,114	9.2	1,182	9.0	978	10.1
Net profit		821	6.8	807	6.2	655	6.7
Balance sheet Fiscal Year		Mar. 2019		Mar. 2020		Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		5,443	48.4	6,102	50.6	6,527	52.5
Cash and deposits		3,646	32.4	3,921	32.5	4,991	40.1
Accounts receivable-trade		1,497	13.3	1,843	15.3	1,021	8.2
Inventories		82	0.7	99	0.8	89	0.7
Non-current assets		5,806	51.6	5,962	49.4	5,915	47.5
Property, plant and equipment		4,542	40.4	4,712	39.1	4,686	37.7
Intangible assets		327	2.9	300	2.5	270	2.2
Investments and other assets		937	8.3	950	7.9	958	7.7
Total assets		11,250	100.0	12,065	100.0	12,442	100.0
Current liabilities		6,461	57.4	6,708	55.6	6,569	52.8
Accounts payable-trade		1,385	12.3	1,440	11.9	1,331	10.7
Current portion of long-term borrow	vings	39	0.3	39	0.3	28	0.2
Non-current liabilities		221	2.0	183	1.5	176	1.4
Long-term borrowings		58	0.5	18	0.1	0	0.0
Net assets		4,567	40.6	5,173	42.9	5,697	45.8
Owners' equity		4,567	40.6	5,173	42.9	5,697	45.8

Statement of cash flows	Fiscal Year Mar. 2019		Mar. 2020	
		(mn yen)	(mn yen)	
Cash flows from operating activitie	S	1,565	1,318	
Depreciation		634	670	
Cash flows from investing activities	6	-753	-805	
Cash flows from financing activities	5	-235	-236	
Dividends paid		-194	-194	
Net increase in cash and cash equi	valents	576	275	
Cash and cash equivalents		3,369	3,644	

Note: Non-Consolidated basis.

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

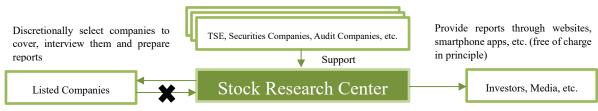
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