

Enjoys the increase in demand for work style reform

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[4198 TENDA 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)
May 2019	2,548	0.0	165	-	167	6.0	110	15.1	59.6	302.8	9.0
May 2020	3,193	25.3	292	76.7	298	78.5	205	85.2	113.3	439.3	19.8
May 2021 f	2,976	-6.8	301	3.0	293	-1.5	190	-7.4	103.2	-	-
May 2022 f	3,431	15.3	320	6.2	310	5.6	228	20.0	107.8	-	-

Note: Consolidated basis. Figures for the fiscal year ending May 2021 and May 2022 are the company's forecasts.
It conducted 1-to-10 stock split on March 14,2019,and 1-to-100 stock split on February 14 2020.
Per share indices are adjusted retroactively.

Provider of Various IT Services

TENDA conducts commissioned development of systems, provides system engineering services and other IT services, and sells software developed in-house. Its feature is provision of services based on a concept of work style reform, and is also accumulating a track record of projects under the laboratory type development model.

The company's business is categorized into the three reporting segments of the IT solution business, the business product business and the game content business.

The IT solution business accounts for 61.6% of total net sales for the first three quarters of the fiscal year ending June 2021. The business mainly supports white-collar workflow improvement and white-collar work operation reform, and provides services in forms of receiving orders for system development/operation and system engineering services. The company is increasing the number of development projects in which it engages from the upstream process through a laboratory type development model, which is a development method where the company conducts development by externally establishing an engineering team having skills that the customer companies require, in addition to conventional outsource development.

The business product business, which accounts for 17.7% of total net sales for the first three quarters of the fiscal year ending June 2021, is engaged in development and sales of software developed in-house based on the concept of white-collar work efficiency improvement.

The game content business accounts for 20.8% of total net sales for the first three quarters of the fiscal year ending June 2021. Since 2001, the company is engaged in content creation and operation and from 2014, the company started providing its own games. Due to this history, it currently has its own titles in which it holds the game creating rights as well as other company's titles in which other companies hold the game creating rights that it has been commissioned to develop and operate.

Financial Statements

Statement of income	Fiscal Year	May 2019		May 2020		Nine month to Feb.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,548	100.0	3,193	100.0	2,175	100.0
Cost of sales		1,519	59.6	1,927	60.3	1,249	57.4
Gross profit		1,028	40.4	1,266	39.7	925	42.6
Selling, general and administrative expenses		862	33.9	973	30.5	673	31.0
Operating profit		165	6.5	292	9.2	251	11.6
Non-operating income		4	-	7	-	4	-
Non-operating expenses		3	-	2	-	6	-
Ordinary profit		167	6.6	298	9.3	250	11.5
Profit before income taxes		167	6.6	298	9.3	250	11.5
Net profit		110	4.3	205	6.4	167	7.7

Balance sheet	Fiscal Year	May 2019		May 2020		Feb.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		928	81.7	1,559	85.3	1,563	85.3
Cash and deposits		531	46.7	1,204	65.8	1,176	64.2
Accounts receivable-trade		338	29.7	282	15.4	320	17.5
Inventories		21	1.9	50	2.8	31	1.7
Non-current assets		208	18.3	269	14.7	269	14.7
Property, plant and equipment		21	1.8	42	2.3	34	1.9
Intangible assets		40	3.5	53	2.9	64	3.5
Investments and other assets		147	12.9	173	9.5	169	9.3
Total assets		1,137	100.0	1,828	100.0	1,832	100.0
Current liabilities		444	39.1	595	32.6	580	31.7
Accounts payable-trade		87	7.7	73	4.0	77	4.2
Non-current liabilities		157	13.9	423	23.2	308	16.8
Net assets		534	47.0	809	44.3	943	51.5
Owners' equity		534	47.0	809	44.3	943	51.5

Statement of cash flows	Fiscal Year	May 2019	May 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		36	418
Depreciation		38	43
Cash flows from investing activities		213	-135
Cash flows from financing activities		519	390
Dividends paid		-15	-15
Net increase in cash and cash equivalents		-269	673
Cash and cash equivalents		531	1,204

Note: Consolidated basis.

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

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