

StemCell Institute (7096 TSE Mothers) ----- July 01,2021**Engaged in the “cell banking business,” a cord blood separation and storage service aimed at individuals**

This report is an English translation of part of the report issued on June 29, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[7096 StemCell Institute 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. 2020	1,676	45.8	382	-	382	-	277	-	57.0	258.9	0.0
Mar. 2021	1,409	-15.9	86	-77.3	92	-75.8	62	-77.5	12.8	271.7	0.0
Mar. 2022 f	1,706	21.1	200	130.2	196	113.0	136	118.9	27.0	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2022 are the company's forecasts.

Provider of Cord Blood Separation and Storage Service

StemCell Institute is a private cord blood bank that separates and stores “cord blood,” which is the blood of a newborn baby that remains in the placenta, as well as the “umbilical cord.” The company is a consolidated subsidiary of Nihon Trim (6788 TSE First Section).

A public cord blood bank stores cord blood for third-party patients that need transplant surgery due to leukemia and other diseases. On the other hand, a private cord blood bank is a counterparty at which the parents of a newborn baby pay a fee to deposit cord blood, anticipating the possibility of utilizing it in cases when the newborn baby or his/her siblings need to receive some kind of treatment (mainly regenerative medicine for cerebral palsy, autism, etc.) in the future.

As of the end of April 2021, there were 16 cases in which the company handed over the stored cord blood to customers for use in regenerative medicine, etc. (including clinical trial applications) and 95 cases for it being used in research (examination of treatment effects on model mice, etc.). Treatments using cord blood are currently under clinical research in Japan and abroad as regenerative medicine/cell treatments for children's central nervous system diseases (hypoxic-ischemic encephalopathy and cerebral palsy) and autistic spectrum disorders, etc. that presently do not have sufficient treatment methods.

Business Feature that Accumulation of Flow-Type Revenue Leads to Growth of Stock-Type Revenue

The business model of the company is to receive cord blood separation fees, examination fees, registration fees, cell storage fees, etc. from customers, and store the cord blood for future use by customers. In the fiscal year ended March 2020, technical fees comprised of separation fees, examination fees and registration fees accounted for 79.9% of net sales, annual storage fees for 15.8% and others, including renewal fees upon contract renewal, for 4.3%.

While the technical fee is a flow-type revenue, the storage fee is basically a stock-type revenue. The feature of the company's business is that accumulation of flow-type revenue, which is the separation of cord blood, leads to the growth of stock-type revenue, which is the storage fee. As customers have the three choices of storage periods of one year, ten years or twenty years, it should be noted that not all storage fees can be deemed to be long-term revenue.

StemCell Institute (7096 TSE Mothers) - - - - - July 01,2021**Financial Statements**

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,149	100.0	1,676	100.0	1,409	100.0
Cost of sales		389	33.8	543	32.4	485	34.4
Gross profit		760	66.2	1,132	67.6	924	65.6
Selling, general and administrative expenses		544	47.4	750	44.8	837	59.4
Operating profit		215	18.8	382	22.8	86	6.2
Non-operating income		0	-	0	-	5	-
Non-operating expenses		0	-	0	-	0	-
Ordinary profit		216	18.8	382	22.8	92	6.6
Profit before income taxes		214	18.7	382	22.8	91	6.5
Net profit		142	12.4	277	16.6	62	4.4

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,675	95.1	3,328	93.9	3,150	79.6
Cash and deposits		2,464	87.6	3,024	84.9	2,743	69.3
Accounts receivable-trade		178	6.3	279	7.8	280	7.1
Inventories		13	0.5	16	0.5	32	0.8
Non-current assets		137	4.9	216	6.1	808	20.4
Property, plant and equipment		80	2.9	106	3.0	576	14.6
Intangible assets		6	0.2	8	0.2	15	0.4
Investments and other assets		50	1.8	101	2.9	215	5.4
Total assets		2,813	100.0	3,564	100.0	3,958	100.0
Current liabilities		1,831	65.1	2,301	64.6	2,588	65.4
Accounts payable-trade		16	0.6	16	0.5	20	0.5
Advances received		1,636	58.2	2,058	57.8	2,395	60.5
Non-current liabilities		-	-	3	0.1	47	1.2
Net assets		982	34.9	1,259	35.3	1,322	33.4
Owners' equity		982	34.9	1,259	35.3	1,322	33.4

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Mar.2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		390	667	238
Depreciation		34	31	32
Cash flows from investing activities		-184	-108	-520
Cash flows from financing activities		-	-	-
Dividends paid		-	-	-
Net increase in cash and cash equivalents		206	559	-281
Cash and cash equivalents		1,713	2,273	1,992

Note: Non-Consolidated basis.

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

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