

Worker dispatching business specialized in the gaming industry

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[7374 Confidence 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	2,604	29.9	335	92.5	331	2.5x	-282	-	-66.3	59.9	0.0
Mar. 2021	3,569	37.1	604	80.3	603	82.2	399	-	93.6	149.3	0.0
Mar. 2022 f	4,386	22.9	720	19.2	717	18.9	498	24.8	110.9	-	-

Note: Consolidated basis. Figures for the fiscal year ending March 2022 are the company's forecasts.
It conducted 1-to-200 stock split on December 10,2020.Per share indices are adjusted retroactively.

Engaged Mainly in Worker Dispatching for Gaming Industry

Confidence Group is comprised of Confidence and its subsidiary Dolphin, and is engaged in the human resource business and the media business. The company is conducting the human resource business centering on the worker dispatching business for the gaming industry and Dolphin is conducting the media business.

Figure 1: Sales Breakdown

	Fiscal year ended March 2020		Fiscal year ended March 2021	
	Net sales (million yen)	Composition (%)	Net sales (million yen)	Composition (%)
Human resource business	2,456	94.3	3,496	98.0
Media business	147	5.6	72	2.0
Total	2,604	100.0	3,569	100.0

Note: Figures may not add up to the totals due to rounding.

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

Human Resource Business

In the human resource business, the company is engaged in worker dispatching business, worker introduction business and contracted business, with the worker dispatching business as its core business.

In the worker dispatching business, the company holds creative human resources that can handle development, design, management/support, planning, operation, etc. of games and dispatches them to gaming companies. As of March 2021, the accumulated number of companies it dealt with is 182. Currently, it dispatches workers to around 100 companies and the number of dispatched employees as of March 2021 is 620. Major customer companies include SEGA, BANDAI NAMCO Studios and Cygames, and around 50 personnel are dispatched to each company.

The worker introduction business is a fee-based job introduction business that matches the needs of two parties by registering applicants that wish to change jobs /get employed in the gaming industry and, on the other hand, collecting job offer information.

In the contracted business, the company is entrusted with operations that can be outsourced from gaming companies, and currently, it is entrusted with bug detection and

reporting in game debug procedures in which thirty to forty personnel are engaged.

Media Business

The company operates “Lovely,” an information website for women, and “GAMEMO,” a game information website. From April, it started the operation and management of “Plush,” a fortune-telling website.

Financial Statements

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,004	100.0	2,604	100.0	3,569	100.0
Cost of sales		1,370	68.4	1,685	64.7	2,332	65.3
Gross profit		634	31.6	918	35.3	1,236	34.6
Selling, general and administrative expenses		460	23.0	583	22.4	631	17.7
Operating profit		174	8.7	335	12.9	604	16.9
Non-operating income		0	-	0	-	1	-
Non-operating expenses		42	-	3	-	3	-
Ordinary profit		131	6.5	331	12.7	603	16.9
Profit before income taxes		129	6.4	-129	-5.0	601	16.8
Profit attributable to owners of parent		59	2.9	-282	-10.8	399	11.2

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		736	54.5	959	89.6	1,418	91.3
Cash and deposits		492	36.4	609	56.9	940	60.5
Accounts receivable-trade		217	16.1	319	29.8	445	28.7
Inventories		-	-	-	-	-	-
Non-current assets		615	45.5	110	10.3	134	8.6
Property, plant and equipment		29	2.1	35	3.3	39	2.5
Intangible assets		527	39.0	5	0.5	8	0.5
Investments and other assets		58	4.3	70	6.5	86	5.5
Total assets		1,351	100.0	1,070	100.0	1,553	100.0
Current liabilities		473	35.0	574	53.6	802	51.6
Accounts payable-trade		-	-	-	-	-	-
Current portion of long-term borrowings		90	6.7	90	8.4	90	5.8
Non-current liabilities		292	21.6	202	18.9	113	7.3
Long-term borrowings		292	21.6	202	18.9	112	7.2
Net assets		585	43.3	293	27.4	637	41.0
Owners' equity		560	41.5	255	23.8	637	41.0

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Mar.2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		286	269	486
Depreciation		64	7	8
Amortization of goodwill		92	61	-
Cash flows from investing activities		-708	-41	-9
Cash flows from financing activities		716	-111	-146
Dividends paid		-	-21	-
Net increase in cash and cash equivalents		294	117	330
Cash and cash equivalents		492	609	940

Note: Consolidated basis.

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

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