

Aims to promote industrial digital transformation with LaKeel DX

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[4074 LaKeel Sector : Information & Communication]

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)
Dec.2019	5,665	-	178	-	182	-	86	-	13.9	143.8	0.0
Dec.2020	5,331	-5.9	254	42.7	243	33.5	139	61.6	22.5	173.9	0.0
Dec.2021 f	5,809	9.0	402	58.3	346	42.4	223	60.4	32.9	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2021 are the company's forecasts.
It conducted 1-to-100 stock split on December 3, 2020. Per share indices are adjusted retroactively.

Provider of System Development/Maintenance Services and a Cloud-Based System Development Platform

LaKeel Group provides system development and maintenance services mainly for major companies and sales of a cloud-based system development platform, LaKeel DX, as well as various applications.

LaKeel Group is only engaged in one business segment, which is the LaKeel business, but its net sales is categorized into the two services of the professional service and the product service.

Professional Service

In the professional service, the company is engaged in system development services, which are one-time-fee model services, and system maintenance services, which are recurring-fee model services, targeting the on-premise core system of major construction companies, major real estate companies and major financial institutions. Its major customers include Maeda Corporation (1824 TSE First Section) and Daito Trust Construction (1878 TSE First Section).

Product Service

In the product service, the company provides product services and consulting services. In product services, the company sells LaKeel DX, on which customers conduct system development by combining software function parts on the company's cloud-based system development platform, and various applications that run on LaKeel's platform. LaKeel DX was released in May 2019 and even though the size of sales was small in the fiscal year ended December 2020, it is a product on which the company will focus most going forward. Other than that, the company also conducts sales of products acquired from other companies. In consulting services, the company mainly conducts development, etc. of software parts for the introduction of LaKeel DX, etc.

LaKeel (4074 TSE Mothers) - - - - - July 20,2021**Financial Statements**

Statement of income	Fiscal Year	Dec. 2019		Dec. 2020		Three months to Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		5,665	100.0	5,331	100.0	1,274	100.0
Cost of sales		4,077	72.0	3,561	66.8	889	69.8
Gross profit		1,588	28.0	1,769	33.2	385	30.2
Selling, general and administrative expenses		1,410	24.9	1,515	28.4	323	25.4
Operating profit		178	3.1	254	4.8	62	4.9
Non-operating income		13	-	1	-	0	-
Non-operating expenses		9	-	12	-	16	-
Ordinary profit		182	3.2	243	4.6	46	3.6
Profit before income taxes		150	2.6	243	4.6	46	3.6
Profit attributable to owners of parent		86	1.5	139	2.6	18	1.4

Balance sheet	Fiscal Year	Dec. 2019		Dec. 2020		Mar.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,773	61.7	2,265	60.6	2,095	57.9
Cash and deposits		744	25.9	1,323	35.4	1,180	32.6
Accounts receivable-trade		864	30.1	848	22.7	823	22.7
Inventories		34	1.2	4	0.1	4	0.1
Non-current assets		1,098	38.2	1,470	39.3	1,524	42.1
Property, plant and equipment		115	4.0	200	5.4	237	6.5
Intangible assets		803	28.0	944	25.3	941	26.0
Investments and other assets		180	6.3	326	8.7	345	9.5
Total assets		2,872	100.0	3,736	100.0	3,620	100.0
Current liabilities		1,017	35.4	1,723	46.1	1,609	44.4
Accounts payable - trade		223	7.8	140	3.7	118	3.3
Short-term borrowings		-	-	600	16.1	600	16.6
Current portion of long-term borrowings		166	5.8	192	5.1	192	5.3
Non-current liabilities		944	32.9	883	23.6	849	23.5
Long-term borrowings		877	30.5	771	20.6	740	20.4
Net assets		909	31.7	1,129	30.2	1,160	32.0
Owners' equity		890	31.0	1,110	29.7	1,141	31.5

Statement of cash flows	Fiscal Year	Dec. 2019		Dec. 2020	
		(mn yen)	(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		140	486		
Depreciation		107	146		
Amortization of goodwill		34	34		
Cash flows from investing activities		-325	-493		
Cash flows from financing activities		-136	583		
Dividends paid		-	-		
Net increase in cash and cash equivalents		-327	579		
Cash and cash equivalents		744	1,323		

Note: Consolidated basis.

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

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