CIRCULATION (7379 TSE Mothers) ----- August 06,2021

Provider of professional human resource sharing services to support companies in solving corporate management issues

This report is an English translation of part of the report issued on July 30, 2021. For inquiries concerning the report, please contract info@stock-r.org

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)
Jul. 2019	3,003	48.6	6	-	· 26	-58.7	17	-59.3	2.5	24.8	0.0
Jul. 2020	3,995	33.1	-135	-	-139	-	-109	-	-15.3	9.5	0.0
Jul. 2021	f 5,450	36.4	465	-	438	-	290	-	40.6	-	0.0

[7379 CIRCULATION Sector : Services]

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

It conducted 1-to-700 stock split on April 30, 2021. Per share indicies are adjusted retroactively.

Provides Sharing Services that Solve Corporate Management Issues by Utilizing Professional Human Resources

CIRCULATION provides services that support companies in solving their corporate management issues by utilizing the experience and expertise of highly-specialized professional human resources. The basic format the company takes is a method that solves corporate management issues by assigning professional human resources to projects originated by customer companies. These services match the customer's corporate management issues with professional human resources that can solve such issues. Customers can utilize professional human resources only during the time period required, and the professional human resources can have the option of working in a way in which they are not bound by the employment relationship.

The field that targets corporate management issues concerning overall business areas accounts for around 60% of the net sales and services that target professional human resources in the IT engineering field such as chief technology officer (CTO) account for slightly over 30%.

Competitive Edge Resource is In-House Database

The company matches professional human resources and companies, and the foundation of such matching is its originally structured database. The database accumulates information concerning the capabilities of professional human resources, corporate management issues and past projects, and the company utilizes the information for increasing the accuracy of matching in the future and increasing the satisfaction of the customer companies as well as the professional human resources.

Revenue Structure

The company receives monthly fees from customer companies. Unit costs of professional human resources differ according to capabilities, skills and operation frequencies. For example, a reference rate will be 300,000 yen to 500,000 yen per month in the case a professional operates one day every other week for 12 months, 500,000 yen to 600,000 yen per month in the case of operating one day every week for 18 months, and 600,000 yen to 800,000 yen per month in the case of operating multiple days a week for six months. Against such net sales, the fees paid to professional human resources by the company are recorded in costs as outsourcing expenses.

Newly Listed Company Introduction Report

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Financial Statements

Statement of income	Fiscal Year	Jul. 2019		Jul. 2020		Nine months to Apr.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,003	100.0	3,995	100.0	3,951	100.0
Cost of sales		1,670	55.6	2,283	57,2	2,292	58.0
Gross profit		1,332	44.4	1,712	42,8	1,658	42.0
Selling, general and administrati	1,326	44.2	1,847	46,2	1,286	32.5	
Operating profit		6	0.2	-135	-3.4	372	9.4
Non-operating income		22	-	0	-	0	-
Non-operating expenses		2	-	3	-	5	-
Ordinary profit		26	0.9	-139	-3.5	366	9.3
Profit before income taxes		25	0.9	-140	-3.5	365	9.2
Net profit		17	0.6	-109	-2.7	256	6.5

Balance sheet	Fiscal Year	Jul. 2019		Jul. 2020		Apr.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		770	84.3	1,617	89.8	1,781	90.1
Cash and deposits		396	43.3	1,148	63.7	1,165	59.0
Accounts receivable-trade		349	38.3	426	23.7	571	28.9
Inventories		0	0.0	0	0.0	0	0.0
Non-current assets		143	15.7	184	10.2	195	9.9
Property, plant and equipment		46	5.1	41	2.3	34	1.7
Intangible assets		33	3.7	48	2.7	53	2.7
Investments and other assets		63	7.0	94	5.2	107	5.5
Total assets		914	100.0	1,802	100.0	1,977	100.0
Current liabilities		544	59.6	883	49.0	1,063	53.8
Accounts payable - trade		176	19.3	210	11.7	301	15.3
Non-current liabilities		192	21.1	851	47.2	589	29.8
Net assets		176	19.3	67	3.7	324	16.4
Owners' equity		176	19.3	67	3.7	324	16.4

Statement of cash flows	Fiscal Year	Jul. 2019	Jul. 2020		
		(mn yen)	(mn yen)		
Cash flows from operating activities	8	18	-111		
Depreciation		10	19		
Cash flows from investing activities	;	-17	-31		
Cash flows from financing activities	5	80	894		
Dividends paid		-	-		
Net increase in cash and cash equi	valents	80	752		
Cash and cash equivalents		396	1,148		

Note: Non-consolidated basis.

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

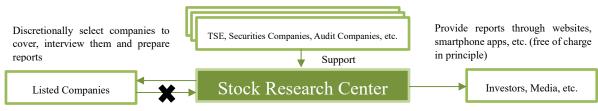
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