

System engineering company that can handle all operations from system construction, transition to management

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[4076 CNS 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)
May 2020	4,577	3.2	437	3.1x	486	76.7	325	2.3x	129.7	685.8	25.0
May 2021	4,841	5.8	458	4.8	489	0.6	336	3.4	134.3	795.2	30.0
May 2022 f	5,270	8.9	467	2.0	509	4.1	334	-0.6	121.2	-	30.0

Note: Consolidated basis. Figures for the fiscal year ending May 2022 are the company's forecasts.
It conducted 1-to-200 stock split on May 1, 2021. Per share indices are adjusted retroactively.

Provider of System Engineering Services

CNS and its subsidiary CNS HOKKAIDO provide commissioned development, technology support and consultant services on information systems to system integrators, vendors and user companies. CNS and CNS HOKKAIDO are engaged in similar businesses.

The group is engaged in the system infrastructure businesses, which is comprised of the on-premise infrastructure business and the cloud infrastructure business, the business system integration business, which supports initial studies and development of a business system through to its operation after introduction, the big data analysis business and the digital innovation promotion business, which provides technology solutions to promote digital transformation.

Of the system infrastructure businesses, the company positions the on-premise infrastructure business and the business system integration business as its stable field and the cloud infrastructure business, the big data analysis business and the digital innovation promotion business as its growth field.

Around 60% of the net sales in the fiscal year ended May 2021 was generated by its stable field and around 40% by its growth field. The sales breakdown of its growth field is about 30% by the cloud infrastructure business, about 40% by the big data analysis business, about 20% by the digital innovation promotion business and the remainder by others including commissioned development of a cashless payment system and commissioned development of an AI related system.

Customer Base

Sales composition by business category of end user regarding net sales for the fiscal year ended May 2021 was 30% from finance, about 20% from telecommunications, 20% from public institutions, 10% from retail/distribution and 10% from system integrators.

The major business partners of the group include NTT DATA Group (accounting for 34% of net sales in the fiscal year ended May 2021), Nomura Research Institute Group (25%), COOP SAPPORO (13%) and SAS Institute Japan (4%).

CNS (4076 TSE Mothers)- - - - - August 24,2021**Financial Statements**

Statement of income	Fiscal Year	May 2019		May 2020		May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,434	100.0	4,577	100.0	4,841	100.0
Cost of sales		3,722	83.9	3,604	78.7	3,692	76.3
Gross profit		711	16.0	973	21.3	1,148	23.7
Selling, general and administrative expenses		571	12.9	536	11.7	689	14.2
Operating profit		139	3.1	437	9.5	458	9.5
Non-operating income		140	-	50	-	72	-
Non-operating expenses		4	-	1	-	41	-
Ordinary profit		275	6.2	486	10.6	489	10.1
Profit before income taxes		209	4.7	481	10.5	483	10.0
Profit attributable to owners of parent		142	3.2	325	7.1	336	6.9

Balance sheet	Fiscal Year	May 2019		May 2020		May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,790	73.9	2,069	73.8	2,611	83.2
Cash and deposits		996	41.1	1,562	55.7	1,877	59.8
Accounts receivable-trade		602	24.8	508	18.1	727	23.2
Inventories		26	1.1	0	0.0	1	0.0
Non-current assets		633	26.1	734	26.2	527	16.8
Property, plant and equipment		50	2.1	54	1.9	73	2.3
Intangible assets		20	0.8	16	0.6	32	1.0
Investments and other assets		562	23.2	662	23.6	421	13.4
Total assets		2,423	100.0	2,803	100.0	3,138	100.0
Current liabilities		617	25.5	717	25.6	764	24.3
Accounts payable - trade		330	13.6	333	11.9	421	13.4
Non-current liabilities		360	14.9	366	13.1	379	12.1
Net assets		1,444	59.6	1,719	61.3	1,994	63.5
Owners' equity		1,444	59.6	1,719	61.3	1,994	63.5

Statement of cash flows	Fiscal Year	May 2019	May 2020	May 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-94	646	183
Depreciation		14	16	19
Cash flows from investing activities		-11	11	135
Cash flows from financing activities		37	-151	-64
Dividends paid		-60	-50	-62
Net increase in cash and cash equivalents		-69	506	254
Cash and cash equivalents		656	1,162	1,417

Note: Consolidated basis.

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

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