

Geolocation Technology (4018 FSE Q-Board) - - - - - September 17,2021

By utilizing internet user location information, etc., it develops and provides services realizing effective web marketing and preventing unauthorized access

This report is an English translation of part of the report issued on September 14, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[4018 Geolocation Technology Sector : Information & Communication]

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)
Jun. 2020	475	3.4	32	88.1	31	74.4	22	7.5	39.5	240.4	0.0
Jun. 2021	583	22.8	49	55.2	50	58.6	35	55.3	60.7	299.5	0.0
Jun. 2022 f	675	15.8	126	153.4	113	127.8	78	121.1	115.4	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending June 2022 are the company's forecasts.
It conducted 1-to-200 stock split on October 6, 2020. Per share indices are adjusted retroactively.

Provider of Services Utilizing SURFPOINT™ Database

Geolocation Technology is engaged in the IP Geolocation business and the IP address transfer business, in which it brokers IP address sales transactions. While the IP Geolocation business accounts for 94.8% of net sales for the fiscal year ended June 2021 and the IP address transfer business accounts for 5.2%, regarding operating profit, the IP Geolocation business accounts for 53.3% and the IP address transfer business accounts for 46.7%.

IP Geolocation Business

The company maintains and manages its unique SURFPOINT™ database and provides various services that match attributes of visitors to customer companies' sites in SaaS and APIs based on this database.

SURFPOINT™ is a database that covers approximately 4.3 billion IPv4 addresses, combining IP addresses with over 100 types of data including location information, organization attributes, line information and weather information.

Based on SURFPOINT™, the company provides services such as 1) area targeting, 2) corporate attribute analysis, 3) unauthorized access prevention and security measures, and 4) internet ads platform.

IP Address Transfer Business

The company provides services in which it brokers sales of unused IP addresses held by corporations and various organizations to companies, etc. that need them. The company receives a fee from both the seller and the buyer, and pays introduction fees to the party that introduced it to a seller or a buyer.

Geolocation Technology (4018 FSE Q-Board) - - - - - September 17, 2021**Financial Statements**

Statement of income	Fiscal Year	Jun. 2019		June. 2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		459,375	100.0	475,145	100.0	583,658	100.0
Cost of sales		133,445	29.0	156,979	33.0	194,431	33.3
Gross profit		325,930	71.0	318,165	67.0	389,226	66.7
Selling, general and administrative expenses		308,824	67.2	285,992	60.2	339,310	58.1
Operating profit		17,105	3.7	32,172	6.8	49,915	8.6
Non-operating income		1,872	0.4	370	0.1	2,674	0.5
Non-operating expenses		887	0.2	986	0.2	2,553	0.4
Ordinary profit		18,090	3.9	31,556	6.6	50,036	8.6
Profit before income taxes		18,090	3.9	31,556	6.6	50,036	8.6
Net profit		21,142	4.6	22,730	4.8	35,306	6.0

Balance sheet	Fiscal Year	Jun. 2019		June. 2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		232,818	90.3	277,179	92.8	370,190	94.3
Cash and deposits		172,037	66.7	221,122	74.1	267,320	75.8
Accounts receivable-trade		39,016	15.1	39,529	13.2	50,662	12.9
Inventories		1,035	0.4	1,047	0.4	6,322	1.6
Non-current assets		25,086	9.7	21,420	7.2	22,178	5.7
Property, plant and equipment		1,127	0.4	798	0.3	3,035	0.8
Intangible assets		11,423	4.4	11,301	3.8	10,646	2.7
Investments and other assets		12,535	4.9	9,320	3.1	8,496	2.2
Total assets		257,905	100.0	298,600	100.0	392,369	100.0
Current liabilities		91,200	35.4	114,911	38.5	181,672	46.3
Accounts payable - trade		2,467	1.0	1,849	0.6	4,035	1.0
Current portion of bonds payable		7,000	2.7	7,000	2.3	7,000	1.8
Current portion of long-term borrowings		4,008	1.6	4,008	1.3	4,008	1.0
Non-current liabilities		50,973	19.8	45,226	15.1	32,202	8.2
Bonds payable		29,000	11.2	22,000	7.4	15,000	3.8
Long-term borrowings		17,308	6.7	13,300	4.5	9,292	2.4
Net assets		115,731	44.9	138,462	46.4	178,494	45.5
Owners' equity		115,731	44.9	138,462	46.4	177,769	45.3

Statement of cash flows	Fiscal Year	Jun. 2019	June. 2020	Jun. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-6,149	63,265	88,497
Depreciation		2,349	4,760	4,601
Cash flows from investing activities		-6,035	-3,175	-5,291
Cash flows from financing activities		-11,008	-11,008	-7,008
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-23,192	49,082	76,197
Cash and cash equivalents		147,026	196,108	272,306

Note: Non-consolidated basis.

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

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.
Nomura Securities Co., Ltd.
Ernst & Young ShinNihon LLC
Deloitte Touche Tohmatsu LLC
H.S. Securities Co., Ltd.
TAKARA PRINTING CO., LTD.
A&A Partners

SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
ICMG Co., Ltd.
SBI SECURITIES Co., Ltd.
Ichiyoshi Securities Co., Ltd.
PRONEXUS INC.

Daiwa Securities Co. Ltd.
KPMG AZSA LLC
Grant Thornton Taiyo LLC
BDO Sanyu
Japan Securities Dealers Association
The Securities Analysts Association of Japan

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.