

Core Concept Technologies (4371 TSE Mothers) - - - - - September 24,2021**Aims to achieve growth by expanding applicable business categories for its unique DX development infrastructure and utilizing human resources of partner companies**

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[4371 Core Concept Technologies 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	4,766	41.4	165	-	183	38.6	117	23.2	34.3	161.5	0.0
Dec. 2020	5,534	16.1	180	9.1	188	2.7	124	6.0	35.5	199.4	0.0
Dec. 2022 f	7,043	27.3	407	2.3x	352	87.2	244	96.8	67.1	-	0.0

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

Two Pillars of DX Support Service and IT Human Resource Procurement Support Service

The service contents of the company can largely be divided into the digital transformation (DX) support service and the IT human resource procurement support service. Net sales is nearly an equal split between the two services.

DX Support Service

In the DX support service, the company conducts DX support that comprehensively provides the DX concept through to the structure establishing and in-house operation, as well as Salesforce custom introduction support, etc. In the DX support service, the company usually concludes contracts directly with its customer companies.

In order to comprehensively support the realization of DX for customers, the company utilizes its unique method, CCT-DX Method. The CCT-DX Method consists of the four steps of 1) establishing the target concept, 2) technology verification, 3) structure establishment, 4) system management and in-house operation support. The ultimate aim is for customers to conduct development and management of the system internally.

Orizuru is a DX product for the manufacturing and construction industries and is a DX development infrastructure that customizes systems to those corresponding to the respective DX needs of customers by using the Orizuru functions.

IT Human Resource Procurement Support Service

In the IT human resource procurement support service, the company subcontracts system development from mainly major system integrators, consulting companies, etc. In such cases, the company utilizes the human resources of development partner companies comprised of medium- to small-sized IT companies with which the company has uniquely established relationships.

In addition, the company released Ohgi, which it had been using in-house as a human resource procurement system that compiles a database of skills, track records of past developments, etc. of the human resources of partner companies, as an IT human resource procurement platform in February 2021. Going forward, the company plans to match the IT human resource needs of customers with the IT human resources of partner companies by utilizing Ohgi and gain introduction fees.

Core Concept Technologies (4371 TSE Mothers) - - - - - September 24,2021**Financial Statements**

Statement of income	Fiscal Year	Dec. 2019		Dec. 2020		Six months to Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,766	100.0	5,534	100.0	3,443	100.0
Cost of sales		3,947	82.8	4,415	79.8	2,716	78.9
Gross profit		819	17.2	1,119	20.2	727	21.1
Selling, general and administrative expenses		653	13.7	938	16.9	504	14.6
Operating profit		165	3.5	180	3.3	222	6.4
Non-operating income		20	-	38	-	21	-
Non-operating expenses		2	-	30	-	19	-
Ordinary profit		183	3.8	188	3.4	224	6.5
Profit before income taxes		164	3.4	179	3.2	224	6.5
Net profit		117	2.5	124	2.2	146	4.2

Balance sheet	Fiscal Year	Dec. 2019		Dec. 2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,422	77.3	1,488	68.1	1,581	69.7
Cash and deposits		386	21.0	307	14.1	461	20.3
Accounts receivable-trade		871	47.4	1,102	50.5	1,026	45.2
Inventories		17	0.9	13	0.6	24	1.1
Non-current assets		416	22.6	696	31.9	686	30.2
Property, plant and equipment		53	2.9	269	12.3	266	11.7
Intangible assets		30	1.6	72	3.3	66	2.9
Investments and other assets		332	18.1	353	16.2	353	15.6
Total assets		1,839	100.0	2,184	100.0	2,268	100.0
Current liabilities		1,150	62.5	1,218	55.8	1,183	52.2
Accounts payable - trade		291	15.8	361	16.5	405	17.9
Short-term borrowings		400	21.8	300	13.7	190	8.4
Current portion of bonds payable		24	1.3	24	1.1	24	1.1
Non-current liabilities		122	6.6	249	11.4	221	9.7
Bonds payable		119	6.5	95	4.3	83	3.7
Net assets		566	30.8	716	32.8	863	38.1
Owners' equity		566	30.8	715	32.7	862	38.0

Statement of cash flows	Fiscal Year	Dec. 2019	Dec. 2020	Six months to Jun. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		4	136	320
Depreciation		43	63	28
Cash flows from investing activities		-245	-112	-35
				0
Cash flows from financing activities		126	-103	-129
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-114	-79	154
Cash and cash equivalents		386	307	461

Note: Non-consolidated basis.

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

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