

Providing various services including the supply of human resources to support start-up companies

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【 7089 for Startups Sector : Services 】

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)
Mar.2020	1,262	20.8	308	13.7	287	5.0	203	5.7	69.0	281.1	0.0
Mar.2021	1,273	0.8	158	-48.8	161	-44.0	95	-53.1	28.7	305.4	0.0
Mar.2022 CE	2,200	72.8	450	184.6	450	179.1	310	225.7	90.5	-	0.0
Mar.2022 E	2,180	71.2	440	178.5	440	173.3	305	221.1	89.0	392.8	0.0
Mar.2023 E	2,720	24.8	555	26.1	555	26.1	374	22.6	109.1	501.9	0.0
Mar.2024 E	3,270	20.2	670	20.7	670	20.7	452	20.9	131.9	633.8	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

for Startups provides growth industry support to start-up companies that have high growth potential and provide innovation to society. The company is engaged in the talent agency service, which mainly conducts the introduction of human resources, and the open innovation service, which provides fund-raising support. The talent agency service accounts for 94.3% of net sales in the fiscal year ended March 2021.

2. Financial Analysis

In the fiscal year ended March 2021, while the increase in net sales remained marginal year-on-year due to stagnant recruitment activities by companies with the impact of the COVID-19 pandemic, its personnel expenses increased with the increased number of employees and operating profit declined 44.8% year-on-year from the previous fiscal year.

For the fiscal year ending March 2022, the company plans to post a 72.8% increase in revenue and a 184.6% increase in operating profit. On the premise of recovery in demand for human resources, the company forecasts large increases in revenue and operating profit, absorbing the increase in its personnel expenses.

Comparing financial indices with other companies, although the company's net sales has a high growth rate, its return on assets as well as operating profit margin fall short.

3. Non-Financial Analysis

The source of intellectual capital of the company is the expertise accumulated since its establishment as well as business development utilizing consultants that support job changing and have a wealth of industry knowledge.

4. Corporate Strategy Analysis

The company focuses on employing consultants and enhancing their cultivation in an aim for such efforts to secure the sustainable expansion of its business scale.

In order to accelerate growth of start-up companies, the company started a fund-raising support service that introduces counterparties of capital and business partnerships in April 2021.

5. Analyst Evaluation

Stock Research Center considers that the company needs to increase its number of consultants as well as increase net sales per employee to expand its business scale. We forecast that its business performance in the fiscal year ending March 2022 will be at the level of the company's plan and that it will continue to achieve increases in revenue and profit in the fiscal year ending March 2023 and after.

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