

Global Communication Planning (4073 TSE Mothers) - - - - - October 1, 2021

Engaged in development, maintenance and operation of cashless settlement system

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【4073 Global Communication Planning 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)
Jun. 2020	2,638	70.6	386	4.3x	377	4.0x	268	3.4x	131.8	334.9	17.5
Jun. 2021	2,078	-21.2	199	-48.4	191	-49.3	126	-53.0	61.4	374.3	16.0
Jun. 2022 f	2,360	13.6	250	25.6	225	17.8	152	20.6	68.3	-	-

Note: Non-consolidated basis. Figures for the fiscal year ending June 2022 are the company's forecasts.
It conducted 1-to-40 stock split on March 12, 2021. Per share indices are adjusted retroactively.

Construct Cashless Settlement System and Provide Cloud Services

Global Communication Planning's business is comprised of a single segment of the cashless settlement service business, but its services are divided into information system development and outsourcing service. In the fiscal year ended June 2021, information system development accounted for 56.7% of net sales and outsourcing service for 43.3%. Net sales of information system development in the fiscal year ended June 2021 decreased 32.7% year-on-year, due to the lack of special demand which existed in the fiscal year ended June 2020.

Information System Development

It provides a settlement processing system that would be required when member stores of credit card companies conduct processing operations (settlements, customer management or call center operations) by themselves. Although the end customers of the service are the member stores of credit card companies, the company directly receives orders in some cases while it receives orders as a subcontractor via major system integrators in other cases. They state that the ratio between direct orders and subcontracts is about fifty-fifty.

As a basic function of the settlement processing system, it licenses the settlement package software CARD CREW series and provides it as on-premise type or settlement ASP service type in accordance with customer needs. In the on-premise type, customization is conducted in most cases. In the settlement ASP service type, because there are cases in which customizations are made to correspond to customer environments upon the request of member stores of credit card companies, sales of the customization portion is recorded under information system development.

Since many of the users are face-to-face retailers, it also sells settlement terminals required for settlements in face-to-face sales, and sales of such is also included in the net sales of information system development. Of the net sales of information system development in the fiscal year ended June 2021, it is estimated that 52% is from system development and 48% from device sales.

Outsourcing Service

As outsourcing service, it provides 1) settlement ASP service (cloud type), and 2) maintenance and operation service. Of the net sales of outsourcing service in the fiscal year ended June 2021, it is estimated that 67% is from settlement ASP service (cloud type) and 33% from maintenance and operation service.

Settlement ASP service (cloud type) is a cloud-type service that customer companies use software, private lines, server and maintenance/operation services required for operation processing and provided by the company. It operates a datacenter having systems and communication environment required for the service installed within an outside vender's datacenter.

Maintenance and operation service has a helpdesk that responds 24 hours a day, 365 days a year for the systems provided under the company's on-premise type services.

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Financial Statements

Statement of income	Fiscal Year	Jun.2019		Jun.2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,546	100.0	2,638	100.0	2,078	100.0
Cost of sales		892	57.7	1,448	54.9	1,203	57.9
Gross profit		653	42.2	1,189	45.1	874	42.1
Selling, general and administrative expenses		563	36.4	803	30.4	674	32.4
Operating profit		90	5.8	386	14.6	199	9.6
Non-operating income		9	-	5	-	2	-
Non-operating expenses		4	-	14	-	10	-
Ordinary profit		95	6.1	377	14.3	191	9.2
Profit before income taxes		95	6.1	377	14.3	191	9.2
Net profit		80	5.2	268	10.2	126	6.1

Balance sheet	Fiscal Year	Jun.2019		Jun.2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		860	80.1	1,756	87.2	1,012	75.7
Cash and deposits		368	34.3	1,150	57.1	560	41.9
Accounts receivable-trade		347	32.3	410	20.4	353	26.4
Inventories		41	3.8	152	7.6	53	4.0
Non-current assets		213	19.9	257	12.8	323	24.2
Property, plant and equipment		97	9.0	119	5.9	84	6.3
Intangible assets		53	4.9	59	2.9	158	11.8
Investments and other assets		62	5.8	77	3.8	81	6.1
Total assets		1,073	100.0	2,013	100.0	1,336	100.0
Current liabilities		537	50.0	1,176	58.4	490	36.7
Accounts payable - trade		23	2.1	26	1.3	31	2.3
Short-term borrowings		100	9.3	530	26.3	-	-
Current portion of long-term borrowings		53	4.9	111	5.5	88	6.6
Non-current liabilities		102	9.5	155	7.7	65	4.9
Long-term borrowings		97	9.0	152	7.6	63	4.7
Net assets		433	40.4	681	33.8	781	58.5
Owners' equity		433	40.4	681	33.8	781	58.5

Statement of cash flows	Fiscal Year	Jun.2019	Jun.2020	Jun. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		171	357	214
Depreciation		47	70	61
Cash flows from investing activities		-127	-100	-136
Cash flows from financing activities		-11	520	-670
Dividends paid		-20	-20	-35
Net increase in cash and cash equivalents		32	777	-592
Cash and cash equivalents		317	1,095	502

Note: Non-consolidated basis.

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

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