

Founding business is the online advertisement business, but the growth driver is the platform operation business

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[4255 THECOO 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	1,447	82.3	-210	-	-211	-	-243	-	-302.1	-346.9	0.0
Dec. 2020	2,320	60.2	-59	-	-60	-	-65	-	-40.2	-174.7	0.0
Dec. 2021 f	3,392	46.2	-111	-	-113	-	-116	-	-63.5	-	0.0

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

Operating Fan Community Platform

THECOO is engaged in the Fanicon business, which operates the fan communication platform Fanicon, and the corporate sales business. The Fanicon business is growing rapidly and accounted for 47.4% of net sales for the fiscal year ended December 2020, while the corporate sales business accounted for 52.6%.

Fanicon Business

For the Fanicon business that was launched in December 2017, the company operates Fanicon, a platform emphasizing communications between fans and icons. Icons is used as a general term for artists, influencers and talents that have many fans. This service matches icons that are willing to demonstrate themselves with their fans.

Fanicon has six functions, which are 1) information transmission limited to Fanicon, 2) chatting, 3) scratch lottery, 4) e-commerce, 5) ticketing, and 6) streaming music and other events.

In order to be connected with the icons, fans need to become members. The membership costs money and icons can set the membership fees, and many of them seem to be around 500 yen per month. As of the end of September, the number of fans is around 144 thousand and the number of icons is 2,115.

Corporate Sales Business

The company is engaged in advertisement agency operations. The business of the company at the time of foundation in January 2014 was the online advertisement business.

From January 2015, the company started the influencer sales business that supports execution of marketing using influencers. Market execution support using influencers is a method utilizing influencers to enhance the recognition of the products of customer companies.

Financial Statements

Statement of income	Fiscal Year	Dec.2019		Dec.2020		Nine months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,447	100.0	2,320	100.0	2,452	100.0
Cost of sales		974	67.3	1,494	64.4	1,548	63.1
Gross profit		473	32.7	825	35.6	904	36.9
Selling, general and administrative expenses		684	47.2	884	38.1	963	39.3
Operating profit		-210	-	-59	-	-59	-
Non-operating income		0	-	0	-	0	-
Non-operating expenses		1	-	2	-	1	-
Ordinary profit		-211	-	-60	-	-60	-
Extraordinary income		-	-	-	-	-	-
Extraordinary loss		31	2.2	4	-	-	-
Profit before income taxes		-243	-	-64	-	-60	-
Net profit		-243	-	-65	-	-64	-

Balance sheet	Fiscal Year	Dec.2019		Dec.2020		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		618	90.2	1,503	87.5	1,674	84.4
Cash and deposits		130	19.1	599	34.9	663	33.5
Accounts receivable-trade		446	65.1	858	49.9	957	48.3
Non-current assets		67	9.8	214	12.5	308	15.6
Property, plant and equipment		23	3.4	153	8.9	257	13.0
Intangible assets		-	-	-	-	-	-
Investments and other assets		43	6.4	61	3.6	50	2.5
Total assets		685	100.0	1,718	100.0	1,982	100.0
Current liabilities		698	101.9	1,121	65.3	1,444	72.9
Accounts payable		169	24.7	240	35.1	359	52.5
Short-term borrowings		79	11.5	-	-	-	-
Current portion of long-term borrowings		18	2.7	27	3.9	6	0.9
Non-current liabilities		142	20.8	116	6.8	122	6.2
Long-term borrowings		129	18.9	104	6.1	104	5.3
Net assets		-156	-22.8	480	28.0	415	21.0
Owners' equity		-156	-22.8	479	27.9	414	20.9

Statement of cash flows	Fiscal Year	Dec.2019		Dec.2020	
		(mn yen)	(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-163	24		
Depreciation		9	9		
Cash flows from investing activities		-52	-162		
Cash flows from financing activities		169	606		
Dividends paid		-	-		
Net increase in cash and cash equivalents		-47	468		
Cash and cash equivalents		130	599		

Note:Non-consolidated basis.

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

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