

Boasting high growth and profitability due to a subscription model and efficient business operation

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[4256 CYND 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)
Mar. 2020	534	31.7	66	-	66	-20.9	46	-21.9	9.3	43.2	0.0
Mar. 2021	799	49.4	188	182.9	188	182.9	133	187.2	26.8	69.9	0.0
Mar. 2022 f	1,051	31.5	272	44.7	256	36.0	177	32.2	33.9	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2022 are the company's forecasts.

It conducted 1-to-5 stock split on September 1, 2021. Per share indices are adjusted retroactively.

Providing a Cloud-Based Reservation Management System to Hair and Beauty Salons

CYND provides BeautyMerit, a cloud-based reservation management system that helps connect salons and customers to hair and beauty salons (barbershops, nail salons, aesthetic salons, etc.) in the form a subscription service (monthly fee).

BeautyMerit is a service that provides comprehensive support, from attracting customers to reservations, treatments, accounting, follow-up, and data analysis. CYND aims to establish an optimal customer experience and support digital transformation with respect to connecting customers and salons.

It began providing BeautyMerit, a cloud-based service that enables hair and beauty salons to create their own official iOS and Android apps, in May 2012. Due to the continuous addition of functions, enhancement of the sales system, etc., as of the end of October 2021 BeautyMerit had been introduced at over 5,600 salons.

The key features of BeautyMerit include the following:

- 1) Smartphone app that establishes a connection between salons and customers
- 2) Enables consolidated management of multiple sites for attracting customers
- 3) Online reservation functionality that supports attracting customers using social media
- 4) Settlement functionality that makes accounting tasks more efficient and facilitates handling of no-shows
- 5) E-commerce functionality adapted to handle industry-specific issues
- 6) Data analysis that automatically visualizes salon management indicators

With BeautyMerit, CYND offers services to salons in a cloud format. It receives an initial introductory fee (flow-type income) when the contract is agreed upon and a monthly subscription fee (stock-type income) from salons. In the fiscal year ending March 2022, the breakdown of its net sales composition by fee type is 88.3% for subscription sales, 6.2% for initial introductory sales and 5.5% for other.

CYND (4256 TSE Mothers) - - - - - December 24,2021**Financial Statements**

Statement of income	Fiscal Year	Mar.2020		Mar.2021		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		534	100.0	799	100.0	507	100.0
Cost of sales		106	19.9	135	16.9	79	15.7
Gross profit		428	80.0	664	83.1	427	84.3
Selling, general and administrative expenses		361	67.6	476	59.6	253	49.9
Operating profit		66	12.4	188	23.5	174	34.4
Non-operating income		0	-	0	-	0	-
Non-operating expenses		0	-	0	-	1	-
Ordinary profit		66	12.4	188	23.6	173	34.2
Profit before income taxes		64	12.1	188	23.6	175	34.6
Net profit		46	8.7	133	16.7	121	24.0

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		258	83.7	536	91.2	638	92.2
Cash and deposits		214	69.4	479	81.4	567	81.9
Accounts receivable-trade		33	10.9	48	8.2	57	8.3
Non-current assets		50	16.3	51	8.8	53	7.8
Property, plant and equipment		12	4.0	16	2.8	15	2.3
Intangible assets		12	4.1	6	1.1	3	0.5
Investments and other assets		25	8.2	28	4.9	34	5.0
Total assets		308	100.0	588	100.0	692	100.0
Current liabilities		80	26.0	212	36.1	206	29.8
Accounts payable - trade		-	-	-	-	-	-
Current portion of long-term borrowings		6	2.2	23	4.0	23	3.4
Non-current liabilities		12	4.0	26	4.5	14	2.1
Long-term borrowings		12	4.0	26	4.5	14	2.1
Net assets		215	70.0	349	59.4	471	68.1
Owners' equity		215	70.0	349	59.4	471	68.1

Statement of cash flows	Fiscal Year	Mar.2020		Mar.2021		Six months to Sep. 2021	
		(mn yen)		(mn yen)		(mn yen)	
Cash flows from operating activities		54		242		107	
Depreciation		11		10		5	
Cash flows from investing activities		-27		-8		-8	
Cash flows from financing activities		-4		30		-11	
Dividends paid		-		-		-	
Net increase in cash and cash equivalents		22		265		88	
Cash and cash equivalents		214		479		567	

Note:Non-consolidated basis.

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

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