

Providing one-stop service to achieve corporate digital transformation

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[4261 AsiaQuest 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	1,563	-	19	-	18	-	-4	-	-3.7	116.5	0.0
Dec. 2020	1,800	15.2	97	5.0x	100	5.4x	62	-	53.7	167.6	0.0
Dec. 2021 f	2,209	22.7	274	2.8x	258	2.6x	176	2.8x	150.2	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2021 are the company's forecasts.
It conducted 1-to-100 stock split on August 26, 2021. Per share indices are adjusted retroactively.

Driving Digital Transformation Business Forward

AsiaQuest provides consulting, system development, application development and other solutions to help companies achieve digital transformation. Since the company encompasses wide-ranging digital technologies such as artificial intelligence (AI), robotic process automation (RPA), the Internet of Things (IoT), cloud, web and mobile, its consulting proposals represent the optimal combination of digital technologies.

When entrusted with system development, there are cases where the company delivers the system on a contract basis, and those where engineers are dispatched to the customer's site to perform system development. However, the latter accounts for only 20% to 30% of net sales. The AsiaQuest group comprises AsiaQuest and two overseas subsidiaries in Indonesia and Malaysia. It has been preparing consolidated financial statements since the fiscal year ended December 2019.

The company offers comprehensive support for the design, construction, and operation of cloud infrastructure such as Amazon Web Services (AWS). In November 2019, the company became an APN Advanced Consulting Partner regarding AWS. There are four tiers of APN partners: Premier, Advanced, Select, and Registered. Advanced is the rank immediately below Premier.

Examples of AsiaQuest system developments that integrate various digital technologies include a system delivered to Beppu City in Oita Prefecture and a digital twin system ordered by and delivered to Kajima Corporation.

Financial Statements

Statement of income	Fiscal Year	Dec.2019		Dec.2020		Nine months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,563	100.0	1,800	100.0	1,662	100.0
Cost of sales		951	60.9	1,028	57.1	894	53.8
Gross profit		612	39.1	772	42.9	767	46.2
Selling, general and administrative expenses		592	37.9	675	37.5	508	30.6
Operating profit		19	1.2	97	5.4	269	15.6
Non-operating income		3	-	11	-	7	-
Non-operating expenses		4	-	9	-	7	-
Ordinary profit		18	1.2	100	5.6	259	15.6
Extraordinary income		-	-	-	-	-	-
Extraordinary loss		8	0.6	13	0.8	-	-
Profit before income taxes		9	0.6	86	4.8	259	15.6
Profit attributable to owners of parent		-4	-0.3	62	3.5	175	10.5

Balance sheet	Fiscal Year	Dec.2019		Dec.2020		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		618	75.7	1,097	86.0	1,271	88.7
Cash and deposits		285	34.9	791	62.0	937	65.4
Accounts receivable-trade		289	35.4	273	21.4	303	21.2
Inventories		15	1.9	16	1.3	14	1.0
Non-current assets		199	24.3	178	14.0	161	11.3
Property, plant and equipment		94	11.6	88	6.9	88	6.1
Intangible assets		8	1.1	9	0.7	9	0.6
Investments and other assets		95	11.7	80	6.3	64	4.5
Total assets		818	100.0	1,276	100.0	1,432	100.0
Current liabilities		452	55.4	466	36.6	536	37.4
Accounts payable		45	5.5	43	3.4	34	2.4
Short-term borrowings		76	9.3	-	-	24	1.7
Current portion of long-term borrowings		63	7.8	103	8.1	93	6.5
Non-current liabilities		228	28.0	613	48.1	521	36.4
Bonds payable		30	3.7	30	2.4	30	2.1
Long-term borrowings		181	22.2	570	44.7	476	33.3
Net assets		136	16.7	196	15.4	374	26.1
Owners' equity		136	16.7	196	15.4	374	26.1

Statement of cash flows	Fiscal Year	Dec.2019	Dec.2020
		(mn yen)	(mn yen)
Cash flows from operating activities		0	189
Depreciation		18	32
Cash flows from investing activities		-101	-29
Cash flows from financing activities		63	348
Dividends paid		-	-
Net increase in cash and cash equivalents		-35	505
Cash and cash equivalents		285	791

Note: Consolidated basis.

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

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