

**Focusing on advanced technology fields where relatively high profit and growth can be expected**

This report is an English translation of part of the report issued on December 3, 2021.  
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**[4413 baudroie 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)
Feb. 2020	2,648	17.1	409	49.0	395	66.3	278	71.5	38.7	119.7	0.0
Feb. 2021	3,084	16.5	509	24.5	542	37.0	415	49.1	57.7	177.4	0.0
Feb. 2022 f	3,920	27.1	635	24.8	641	18.3	479	15.3	65.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending February 2022 are the company's forecasts.  
It conducted 1-to-10 stock split on July 29, 2021. Per share indices are adjusted retroactively.

**Specialized in Design, Verification and Construction of IT Infrastructure as well as Operation and Maintenance**

baudroie is a company composed of a group of engineers specialized in supporting design, construction and verification of IT infrastructure for companies as well as their operation and maintenance. As of the end of September 2021, about 600 out of 639 employees are engineers.

The domestic IT system market is largely divided into application software and IT infrastructure. The IT infrastructure market in which the company develops business is smaller in size compared to the application software market, but advanced technologies are being introduced one after another and has become a market where high expertise is required.

IT infrastructures are provided to customers by information service providers, which design, construct and verify the systems by combining network devices (routers, etc.) and hardware (PCs, servers, storage devices, etc.) with software (related OS, middleware, etc.) and implementing various security measures. Conventionally, the infrastructures were mainly provided in on-premise formats establishing and operating systems within the organizations of customers, but in recent years, cloud formats which use online servers are rapidly becoming popular.

By focusing on advanced technology fields not limited to design and construction of basic IT infrastructures, the company is aiming to enhance its technological capabilities and expand business. The company defines advanced technology fields as those related to technological domains of wireless connection, load balancer, software-defined networking (SDN), cloud, security or server virtual infrastructures.

A load balancer is a device that allots load placed on a server and enables service provision to accessing users even when a website is experiencing concentrated access or when a server is under a partial failures. SDN is a technology that creates a virtual network environment with software. A server virtual infrastructure is a technology that enables processing of multiple operation systems by simultaneously operating multiple systems on a single server.

**baudroie (4413 TSE Mothers)- - - - - December 3,2021****Financial Statements**

Statement of income	Fiscal Year	Feb.2020		Feb.2021		Six months to Aug. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,648	100.0	3,084	100.0	1,859	100.0
Cost of sales		1,693	64.0	1,933	62.7	1,219	65.5
Gross profit		954	36.0	1,151	37.3	640	34.5
Selling, general and administrative expenses		544	20.6	642	20.8	379	20.4
Operating profit		409	15.5	509	16.5	261	14.0
Non-operating income		0	-	42	-	0	-
Non-operating expenses		13	-	9	-	3	-
Ordinary profit		395	14.9	542	17.6	258	13.9
Profit before income taxes		395	14.9	591	19.2	307	16.6
Net profit		278	10.5	415	13.5	199	10.7

Balance sheet	Fiscal Year	Feb.2020		Feb.2021		Aug. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,609	84.1	2,136	89.0	2,156	88.9
Cash and deposits		1,206	63.0	1,580	65.8	1,581	65.2
Accounts receivable-trade		289	15.1	363	15.1	458	18.9
Non-current assets		303	15.9	264	11.0	269	11.1
Property, plant and equipment		34	1.8	29	1.2	28	1.2
Intangible assets		0	0.0	0	0.0	0	0.0
Investments and other assets		268	14.0	234	9.8	240	9.9
Total assets		1,913	100.0	2,400	100.0	2,425	100.0
Current liabilities		636	33.3	823	34.3	698	28.8
Accounts payable - trade		6	0.3	7	0.3	3	0.1
Short-term borrowings		-	-	58	2.4	8	0.4
Current portion of bonds payable		47	2.5	42	1.7	42	1.7
Current portion of long-term borrowings		119	6.2	116	4.9	111	4.6
Non-current liabilities		414	21.7	299	12.5	249	10.3
Bonds payable		146	7.6	104	4.3	83	3.4
Long-term borrowings		268	14.1	195	8.1	166	6.9
Net assets		861	45.0	1,277	53.2	1,477	60.9
Owners' equity		861	45.0	1,277	53.2	1,477	60.9

Statement of cash flows	Fiscal Year	Feb.2020	Feb.2021	Six months to Aug. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		437	352	65
Depreciation		11	10	4
Cash flows from investing activities		-39	85	40
Cash flows from financing activities		-9	-64	-104
Dividends paid		-	-	-
Net increase in cash and cash equivalents		388	374	1
Cash and cash equivalents		1,206	1,580	1,581

Note:Non-consolidated basis.

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

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