

**Provider of integration services supporting digital transformation of customer companies**

This report is an English translation of part of the report issued on December 14, 2021.  
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**[4414 FLECT 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	2,882	54.0	107	-	105	-	66	-	25.8	-72.2	0.0
Mar. 2021	2,559	-11.2	-183	-	-186	-	-194	-	-75.2	-169.7	0.0
Mar. 2022 f	3,337	30.4	186	-	171	-	170	-	63.8	-	0.0

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

It conducted 1-to-2 stock split on September 28, 2021. Per share indices are adjusted retroactively.

**Multi-Cloud Integrator Supporting Promotion of Digital Transformation of Customer Companies**

FLECT provides professional services that support digital transformation of companies based on its advanced cloud technologies. Beginning with the conclusion of a partnership agreement with Salesforce.com in 2009, the company has been growing as a multi-cloud integrator that uses different cloud platforms according to the functions required by customer companies.

The company's sales is divided into the cloud integration service, which accounts for about 90% of the entire net sales, and the Cariot service.

**Cloud Integration Service**

The cloud integration service of the company supports the promotion of digital transformation of customer companies by using its advanced cloud technologies. The service features (1) comprehensive provision of planning, design, development and management of the digital services that customer companies intend to implement, and (2) provision of the most appropriate multi-cloud integration combining multiple public cloud services, such as Amazon Web Services and Heroku and Salesforce, which it uses the most.

**Cariot Service**

The Cariot service, which the company has been providing since 2016, is a SaaS-type cloud service that optimizes mobility operations. This is a vehicle mobility management service targeting commercial vehicles (trucks, buses, limousines, sales vehicles, construction machinery, etc.). Based on GPS information of smartphone applications and in-vehicle devices, it acquires the vehicles' mobility data and delivery status and utilizes this data to improve daily operations.

**FLECT (4414 TSE Mothers) - - - - - December 17,2021****Financial Statements**

Statement of income	Fiscal Year	Mar.2020		Mar.2021		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,882	100.0	2,559	100.0	1,616	100.0
Cost of sales		1,663	57.7	1,474	57.6	909	56.3
Gross profit		1,219	42.3	1,084	42.4	707	43.7
Selling, general and administrative expenses		1,112	38.6	1,268	49.6	567	35.1
Operating profit		107	3.7	-183	-7.2	139	8.6
Non-operating income		0	-	1	-	0	-
Non-operating expenses		2	-	3	-	4	-
Ordinary profit		105	3.7	-186	-7.3	134	8.3
Profit before income taxes		82	2.9	-194	-7.6	134	8.3
Net profit		66	2.3	-194	-7.6	114	7.1

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,043	85.9	1,366	91.2	1,465	90.4
Cash and deposits		518	42.6	896	59.8	871	53.7
Accounts receivable-trade		326	26.8	363	24.2	489	30.2
Inventories		63	5.3	25	1.7	30	1.9
Non-current assets		171	14.1	132	8.8	155	9.6
Property, plant and equipment		60	5.0	28	1.9	17	1.1
Intangible assets		91	7.5	97	6.5	91	5.6
Investments and other assets		20	1.7	6	0.4	46	2.8
Total assets		1,215	100.0	1,499	100.0	1,620	100.0
Current liabilities		689	56.7	563	37.6	588	36.3
Accounts payable - trade		229	18.9	201	13.4	193	11.9
Non-current liabilities		88	7.3	692	46.2	658	40.6
Net assets		437	36.0	243	16.2	373	23.1
Owners' equity		437	36.0	243	16.2	373	23.1

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		262	-253	63
Depreciation		45	80	37
Cash flows from investing activities		-143	13	-58
Cash flows from financing activities		79	618	-30
Dividends paid		-	-	-
Net increase in cash and cash equivalents		198	378	-25
Cash and cash equivalents		518	896	871

Note:Non-consolidated basis.

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