

Provides internet service provider introduction service to multi-dwelling unit buildings

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[4415 BROAD ENTERPRISE Sector : Information & Communication]

Fiscal Year	Net sales (mn yen)	YoY (%)	Ope. profit (mn yen)	YoY (%)	Ord. profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec. 2019	1,421	13.8	198	-	204	82.2	116	-5.6	48.5	133.6	0.0
Dec. 2020	1,588	11.8	250	26.2	196	-3.9	135	17.2	56.8	190.5	0.0
Dec. 2021 f	2,439	53.6	545	118.0	525	167.9	345	155.6	144.9	-	TBD

Note: Non-consolidated basis. Figures for the fiscal year ending Dec. 2021 are the company's forecast.
It conducted 1-to-2 stock split on August 31,2021. Per share indices are adjusted retroactively.

Provides B-CUBIC to Multi-Dwelling Unit Buildings

BROAD ENTERPRISE is a company that provides internet services to multi-dwelling unit buildings. It sold communication devices, etc. of major communication carriers when it was initially established, but it started provision of an internet service provider (ISP) introduction service B-CUBIC, its current core service, in 2005.

The company is sequentially starting provision of IoT systems for common use spaces in multi-dwelling unit buildings such as the IoT interphone system BRO-LOCK, but most of its net sales is from B-CUBIC.

B-CUBIC

B-CUBIC is a bulk internet service for all residential units that collectively introduces an internet environment to all residential units in a multi-dwelling unit building. Its customers are apartment owners, property managers, house builders, etc.

In a multi-dwelling unit building that introduced B-CUBIC, a bulk internet service for all residential units, tenants can use the internet from the first day they move in free of charge without any application procedures. The owners of for-rent multi-dwelling unit buildings can differentiate their properties from other multi-dwelling unit buildings by providing an internet environment for all units and can aim to enhance occupancy rates.

B-CUBIC has been introduced mainly in existing for-rent multi-dwelling unit buildings. Therefore, the company's main target customers are property managers of multi-dwelling unit buildings striving to enhance occupancy rates. As of August 2021, the company has transactions with 607 property managers, which accounts for about 13% of the property managers of rental residences in Japan. B-CUBIC has increased the number of introduction cases through being introduced by such property managers to owners who also want to enhance occupancy rates. The cumulative total number of units that introduced the service was 98,233 as of the end of the fiscal year ended December 2020

BROAD ENTERPRISE (4415 TSE Mothers) ----- January 6,2022**Financial Statements**

Statement of income	Fiscal Year		Dec. 2019		Dec. 2020		Nine months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	
Net sales		1,421	100.0	1,588	100.0	1,587	100.0	
Cost of sales		615	43.3	582	36.6	605	38.1	
Gross profit		806	56.7	1,006	63.4	981	61.9	
Selling, general and administrative expenses		608	42.8	756	47.6	751	47.3	
Operating profit		198	13.9	250	15.7	230	14.5	
Non-operating income		19	-	5	-	8	-	
Non-operating expenses		13	-	59	-	23	-	
Ordinary profit		204	14.4	196	12.3	215	13.6	
Profit before income taxes		202	14.2	177	11.2	212	13.4	
Profit		115	8.1	135	8.5	135	8.5	

Balance sheet	Dec. 2019		Dec. 2020		Sep. 2021	
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets	1,165	83.5	1,659	81.0	1,809	75.9
Cash and deposits	518	37.1	720	35.1	358	15.0
Accounts receivable	618	44.3	901	44.0	1,397	58.6
Inventories	3	0.2	1	0.1	3	0.1
Non-current assets	230	16.5	389	19.0	573	24.1
Property, plant and equipment	180	12.9	311	15.2	491	20.6
Intangible assets	7	0.5	11	0.6	16	0.7
Investments and other assets	42	3.0	66	3.2	66	2.8
Total assets	1,396	100.0	2,049	100.0	2,383	100.0
Current liabilities	465	33.3	572	28.0	714	30.0
Accounts payable	98	7.1	60	3.0	77	3.2
Current portion of long-term borrowings	186	13.4	324	15.8	406	17.0
Non-current liabilities	612	43.9	1,022	49.9	1,079	45.3
Long-term borrowings	584	41.8	991	48.4	1,046	43.9
Net assets	318	22.8	454	22.2	589	24.7
Shareholders' equity	318	22.8	454	22.2	589	24.7

Statement of cash flows	Dec. 2019		Dec. 2020	
	(mn yen)	(%)	(mn yen)	(%)
Cash flows from operating activities	196		-129	
Depreciation	11		25	
Cash flows from investing activities	-174		-260	
Cash flows from financing activities	254		545	
Dividends paid	-		-	
Net increase in cash and cash equivalents	277		155	
Cash and cash equivalents	439		595	

Note: Non-consolidated basis

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

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