

Analyzing accumulated data and designing digital transformation measures that address diverse customer issues

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[9211 f-code Sector : Service]

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	458	8.9	-60	-	-64	-	-39	-	-21.2	8.6	0.0
Dec. 2020	531	15.8	31	-	30	-	40	-	21.5	30.1	0.0
Dec. 2021 f	638	20.2	157	5.0x	149	4.8x	148	3.7x	76.8	-	0.0

Note: Non-consolidated basis. Figures f for the fiscal year ending December 2021 are the company's forecasts.

Supporting Companies' Digital Transformation Promotion

f-code provides services that support digital transformation promotion at companies.

Leveraging data infrastructure in the customer experience field, the company offers comprehensive support for corporate digital transformation promotion, and based on the details of the provided services, net sales are divided between "digital customer acquisition support services" and "digital customer development support services." In the fiscal year ended December 2020, digital customer acquisition support services accounted for 50.9% of sales and digital customer development support services for 49.1%.

1) Digital Customer Acquisition Support Services

f-code's consultants offer services to support digital strategy design, digital marketing activity improvement, etc., for the customer acquisitions of companies. They conduct surveys of customer companies' markets, analyze the strategies of other companies in the same field and formulate strategies for customer companies using data infrastructure in the customer experience field, train personnel to execute these strategies, and so forth. Moreover, at the stage when the overall strategy is decided, they plan, produce, analyze, and improve content to enhance the ability of customer companies' websites to attract customers, advise customer companies on advertisement management on web media, etc.

2) Digital Customer Development Support Services

The company's CODE Marketing Cloud is a web-based customer service tool that can automatically display content such as pop-up banners and offer optimal personalized customer services and promotions to users visiting companies' websites at the most appropriate times, based on user activity data. f-code provides various support services to improve the sign-up rate and retention rate of prospective customers acquired by customer companies, such as enhancing the UI/UX of sites that use CODE Marketing Cloud and improving inside sales based on analysis of sales data.

Financial Statements

Statement of income	Fiscal Year	Dec.2019		Dec.2020		Nine months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		458	100.0	531	100.0	477	100.0
Cost of sales		176	38.5	221	41.7	173	36.4
Gross profit		282	61.5	309	58.3	303	63.6
Selling, general and administrative expenses		342	74.7	278	52.4	165	34.6
Operating profit		-60	-13.1	31	5.9	138	29.0
Non-operating income		0	0.1	1	0.3	0	0.1
Non-operating expenses		4	1.0	2	0.4	2	0.5
Ordinary profit		-64	-14.0	30	5.8	136	28.6
Profit before income taxes		-39	-8.6	26	5.0	137	28.7
Net profit		-39	-8.7	40	7.6	137	28.7

Balance sheet	Fiscal Year	Dec.2019		Dec.2020		Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		328	86.5	465	89.9	513	87.6
Cash and deposits		182	48.1	325	62.8	395	67.4
Accounts receivable-trade		-	0.0	2	0.5	2	0.5
Inventories		120	31.6	124	24.0	101	17.3
Non-current assets		51	13.5	52	10.1	72	12.4
Property, plant and equipment		13	3.5	8	1.7	8	1.5
Intangible assets		-	-	-	-	12	2.1
Investments and other assets		37	9.9	43	8.4	51	8.8
Total assets		379	100.0	518	100.0	585	100.0
Current liabilities		217	57.4	259	50.1	142	24.3
Accounts payable - trade		110	29.2	108	20.9	38	6.6
Short-term borrowings		-	-	26	5.1	-	-
Current portion of long-term borrowings		35	9.4	39	7.7	33	5.8
Non-current liabilities		145	38.3	201	38.9	152	26.0
Long-term borrowings		145	38.3	201	38.9	152	26.0
Net assets		16	4.3	56	11.0	290	49.6
Owners' equity		16	4.3	56	11.0	290	49.6

Statement of cash flows	Fiscal Year	Dec.2019	Dec.2020
		(mn yen)	(mn yen)
Cash flows from operating activities		-35	53
Depreciation		5	4
Cash flows from investing activities		26	2
Cash flows from financing activities		-42	86
Dividends paid		-	-
Net increase in cash and cash equivalents		-51	142
Cash and cash equivalents		189	325

Note:Non-consolidated basis.

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

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