

Mainly engaged in internet advertising business providing advertising operation agency services

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[9554 AViC Sector : Services]

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)
Sep.2020	696	2.9x	120	-	122	-	86	-	16.3	47.2	0.0
Sep.2021	1,329	90.9	120	0.3	111	-8.7	78	-8.8	14.2	61.4	0.0
Sep.2022 f	1,215	-	312	2.6x	292	2.6x	203	2.6x	36.4	-	0.0

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

Offers Internet Advertising and Other Services

AViC provides internet advertising and SEO consulting services. Internet advertising services accounted for 74.8% of sales in fiscal year ended September 2021, and SEO consulting services for 25.2%.

Internet Advertising Services

The company's internet advertising services include search-linked, display, and in-feed advertising. AViC purchases advertising space from media operating companies, consults with clients, and then sells the space, earning media and consulting fees in return. In some cases, the company only provides consulting services and the client company itself purchases the advertising space, in which case AViC receives only a consulting fee.

SEO Consulting Services

The company earns consulting and article content production fees by providing SEO measures to solve issues faced by client companies. Measures include the selection of keywords to improve search rankings, planning and execution of strategies based on competitive analysis, optimization of the target site's structure, and simulation of results.

Client Companies From Wide Range of Industries

In both the internet advertising and SEO consulting businesses, the company provides services directly to clients and via major advertising agencies, with the former accounting for about 70% of the total. AViC's main targets are small and medium-sized clients with more limited advertising budgets than those targeted by large advertising agencies. Its clients come from a broad range of industries, such as businesses related to human resources, food, and used car sales, jewelry and finance.

Financial Statements

Statement of income	Fiscal Year	Sep.2020		Sep.2021		Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		696	100.0	1,329	100.0	561	100.0
Cost of sales		407	58.5	965	72.6	261	46.6
Gross profit		289	41.5	364	27.4	299	53.4
Selling, general and administrative expenses		169	24.3	243	18.3	148	26.5
Operating profit		120	17.2	120	9.1	150	26.9
Non-operating income		3	0.5	4	0.3	0	0.0
Non-operating expenses		0	0.1	13	1.0	2	0.4
Ordinary profit		122	17.6	111	8.4	148	26.5
Profit before income taxes		122	17.6	111	8.4	148	26.5
Net profit		86	12.4	78	5.9	103	18.4

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		437	92.1	590	91.5	856	91.4
Cash and deposits		329	69.3	328	50.9	406	43.4
Accounts receivable-trade		90	19.0	228	35.4	403	43.1
Deferred expenses		-	-	-	-	2	0.3
Non-current assets		37	7.9	54	8.5	80	8.6
Property, plant and equipment		5	1.1	1	0.2	3	0.3
Intangible assets		-	-	4	0.6	6	0.7
Investments and other assets		32	6.8	49	7.7	70	7.6
Total assets		475	100.0	645	100.0	937	100.0
Current liabilities		170	35.8	264	40.9	459	49.0
Accounts payable - trade		44	9.4	145	22.6	183	19.5
Current portion of long-term borrowings		12	2.7	25	3.9	24	2.6
Non-current liabilities		40	8.4	36	5.7	28	3.0
Long-term borrowings		37	8.0	36	5.7	28	3.0
Net assets		265	55.7	344	53.4	449	47.9
Owners' equity		261	55.0	340	52.8	443	47.3

Statement of cash flows	Fiscal Year	Mar.2020	Mar.2021	Mar. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		171	15	112
Depreciation		1	2	1
Cash flows from investing activities		-27	-25	-24
Cash flows from financing activities		146	9	-9
Dividends paid		-	-	-
Net increase in cash and cash equivalents		289	-1	78
Cash and cash equivalents		329	328	406

Note:Non-consolidated basis.

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