

Cloud integrator providing IT services

This report is an English translation of part of the report issued on August 26, 2022.
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[5036 Japan Business Systems 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)
Sep.2020	68,247	13.1	1,513	-	1,822	-26.1	833	-67.9	44.2	606.4	10.0
Sep.2021	74,954	9.8	2,273	50.3	2,363	29.7	1,560	87.1	79.5	679.5	20.0
Sep.2022 f	85,444	13.9	3,513	54.5	3,551	50.2	2,129	36.4	108.4	-	30.0

Note: Non-consolidated basis. Figures for the fiscal year ending September 2022 are the company's forecasts.
It conducted 1-to-500 stock split on June 3, 2022. Per share indices are adjusted retroactively.

Cloud Integrator Offering Microsoft and Other Products

Japan Business Systems is a cloud integrator that provides IT services including Microsoft cloud products. The company operates three main businesses: 1) the cloud integration business (accounted for 22.6% of sales in fiscal year ended September 2021), which provides support for the introduction, etc. of Microsoft cloud products and peripheral services; 2) the cloud services business (14.3%), which provides maintenance, operation and improvement services for cloud utilization and application; and 3) the license and products business (63.0%), which purchases and sells cloud licenses, hardware and software.

The cloud integration business and the cloud services business boast segment profit margins of more than 10%, while the margin for the license and products business is low, at 2.0%.

Cloud Integration Business

Japan Business Systems provides support for the implementation of Microsoft Azure, Microsoft 365, Dynamics 365, and peripheral cloud services.

Specifically, the company provides 1) digital transformation planning and consulting services, 2) cloud infrastructure design, construction and design support, 3) application development and 4) support for in-housing of cloud utilization and application.

Cloud Services Business

The company handles maintenance, operation and improvement of cloud utilization and application and provides consistent support. Japan Business Systems' main service offering is Microsoft cloud product maintenance and operation. Going forward, however, it aims to expand sales of its own cloud managed service, JBS Cloud Suite, which it began offering in June 2022.

License and Products Business

Japan Business Systems is primarily engaged in the purchase and sale of cloud licenses, hardware such as computers and servers, and software to construct cloud environments for customers.

Japan Business Systems (5036 TSE Standard) ----- August 30, 2022

Financial Statements

Statement of income	Fiscal Year	Sep.2020		Sep.2021		Nine months to Jun. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		68,247	100.0	74,954	100.0	62,545	100.0
Cost of sales		59,765	87.6	66,457	88.7	54,513	87.2
Gross profit		8,481	12.4	8,497	11.3	8,031	12.8
Selling, general and administrative expenses		6,968	10.2	6,223	8.3	4,869	7.8
Operating profit		1,513	2.2	2,273	3.0	3,162	5.1
Non-operating income		472	-	203	-	311	-
Non-operating expenses		162	-	113	-	134	-
Ordinary profit		1,822	2.7	2,363	3.2	3,339	5.3
Profit before income taxes		1,406	2.1	2,329	3.1	3,253	5.2
Net profit		833	1.2	1,560	2.1	1,988	3.2

Balance sheet	Fiscal Year	Sep.2020		Sep.2021		Jun. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		17,265	57.2	16,351	55.4	22,256	57.1
Cash and deposits		4,016	13.3	4,015	13.6	4,279	11.0
Accounts receivable-trade		9,510	31.5	9,068	30.8	14,728	37.8
Inventories		1,471	4.9	853	2.9	702	1.8
Non-current assets		12,933	42.8	13,138	44.6	16,730	42.9
Property, plant and equipment		8,928	29.6	9,483	32.2	11,832	30.3
Intangible assets		572	1.9	510	1.7	516	1.3
Investments and other assets		3,431	11.4	3,144	10.7	4,381	11.2
Total assets		30,198	100.0	29,489	100.0	38,987	100.0
Current liabilities		12,310	40.8	10,918	37.0	17,978	46.1
Accounts payable - trade		4,866	16.1	4,442	15.1	10,356	26.6
Short-term borrowings		210	0.7	134	0.5	-	-
Current portion of long-term borrowings		808	2.7	808	2.7	958	2.5
Non-current liabilities		5,984	19.8	5,231	17.7	5,891	15.1
Long-term borrowings		5,579	18.5	4,771	16.2	5,453	14.0
Net assets		11,903	39.4	13,338	45.2	15,117	38.8
Owners' equity		11,903	39.4	13,338	45.2	15,116	38.8

Statement of cash flows	Fiscal Year	Sep.2020	Sep.2021
		(mn yen)	(mn yen)
Cash flows from operating activities		3,216	1,962
Depreciation		469	492
Cash flows from investing activities		-480	-894
Cash flows from financing activities		-998	-1,080
Dividends paid		-188	-196
Net increase in cash and cash equivalents		1,741	-1
Cash and cash equivalents		4,016	4,015

Note: Non-consolidated basis.

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

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