

Fines (5125 TSE Growth) - - - - - October 26, 2022**Primarily operates the video cloud business in support of digital transformation for SMEs with video production as a starting point**

This report is an English translation of part of the report issued on September 30, 2022.
For inquiries concerning the report, please contact info@stock-r.org

[5125 Fines 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)
Jun.2021	2,199	13.5	373	82.5	382	82.8	256	98.4	64.2	33.3	0.0
Jun.2022	2,595	18.0	591	58.4	601	57.3	420	64.1	101.0	97.5	0.0
Jun.2023 f	2,979	14.8	735	24.4	732	21.8	502	19.5	113.5	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending June 2023 are the company's forecasts.

It conducted 1-to-40 stock split on November 1, 2021. Per share indicies are adjusted retroactively.

Supporting Marketing Digital Transformation for SMEs with Video Production as the Starting Point

Fines is engaged in the video cloud business, which provides support for marketing digital transformation for customers using video for SMEs and sole proprietors, and the store cloud business, through which Fines supports digital transformation for retail stores by providing reservation and customer management systems.

In fiscal year ended June 2022, the video cloud business generated net sales of 2,369 million yen (91.3% of total net sales), while the store cloud business recorded net sales of 226 million yen (8.7%).

Video Cloud Business

The video cloud business comprises three services: video production, video distribution platform and digital transformation consulting. Video production services accounted for 85.5% of net sales of the video cloud business, video distribution platform services for 1.6%, and digital transformation consulting for 12.9% in fiscal year ended June 2022.

The video production service handles the production of videos of up to around three minutes in length. About half of the videos are used for corporate branding and PR of products and services, while the other half serve as corporate introductions for use in recruiting.

Video Cloud, a paid video distribution platform, distributes videos produced by the business to customers' websites and landing pages.

Digital transformation consulting provides consulting services such as consulting on the use of video viewing data, website creation and digital marketing support.

Store Cloud Business

The store cloud business operates two types of reservation and customer management systems. One is a system incorporating a ledger management function for customer information, a mail magazine distribution function, and 24-hour reservation support. The other is a basic system used only for reservations

Fines (5125 TSE Growth) - - - - - October 26, 2022**Financial Statements**

Statement of income	Fiscal Year	Jun.2020		Jun.2021		Jun. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,937	100.0	2,199	100.0	2,595	100.0
Cost of sales		485	25.0	484	22.0	491	18.9
Gross profit		1,451	74.9	1,715	78.0	2,104	81.1
Selling, general and administrative expenses		1,246	64.3	1,341	61.0	1,512	58.3
Operating profit		204	10.5	373	17.0	591	22.8
Non-operating income		11	-	15	-	16	-
Non-operating expenses		7	-	6	-	7	-
Ordinary profit		209	10.8	382	17.4	601	23.2
Profit before income taxes		206	10.6	382	17.4	601	23.2
Net profit		129	6.7	256	11.6	420	16.2

Balance sheet	Fiscal Year	Jun.2020		Jun.2021		Jun. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		821	75.3	1,118	80.0	1,216	82.3
Cash and deposits		567	52.0	867	62.1	965	65.3
Accounts receivable-trade		206	18.9	203	14.5	211	14.3
Inventories		16	1.5	15	1.1	11	0.7
Non-current assets		269	24.7	279	20.0	261	17.7
Property, plant and equipment		14	1.3	16	1.1	14	0.9
Intangible assets		172	15.8	149	10.7	129	8.7
Investments and other assets		82	7.5	114	8.2	117	7.9
Total assets		1,090	100.0	1,397	100.0	1,478	100.0
Current liabilities		471	43.2	612	43.8	660	44.7
Accounts payable - trade		35	3.2	29	2.1	25	1.7
Current portion of bonds payable		20	1.8	20	1.4	20	1.4
Current portion of long-term borrowings		78	7.2	70	5.0	-	-
Non-current liabilities		485	44.5	394	28.2	-	-
Bonds payable		40	3.7	20	1.4	-	-
Long-term borrowings		445	40.8	374	26.8	-	-
Net assets		133	12.2	390	27.9	818	55.3
Owners' equity		133	12.2	390	27.9	818	55.3

Statement of cash flows	Fiscal Year	Jun.2020	Jun.2021	Jun. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		237	431	561
Depreciation		15	10	7
Amortization of goodwill		18	18	18
Cash flows from investing activities		28	-33	-3
Cash flows from financing activities		-98	-98	-460
Dividends paid		-	-	-
Net increase in cash and cash equivalents		167	299	98
Cash and cash equivalents		567	867	867

Note: Non-consolidated

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

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