

**Dispatches engineers to IT companies and manufacturers to deliver on-site development support and contract development**

This report is an English translation of part of the report issued on September 16, 2022.  
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**[9558 Japaniace Sector : Service]**

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)
Nov.2020	6,669	10.1	290	-	303	4.1	236	-4.1	59.1	483.2	32.60
Nov.2021	7,243	8.6	341	17.6	363	19.8	275	16.5	69.7	520.1	36.68
Nov.2022 f	8,153	12.6	539	58.1	554	52.6	370	34.5	97.3	-	46.73

Note: Non-consolidated basis. Figures for the fiscal year ending November 2022 are the company's forecasts.  
It conducted 1-to-1,000 stock split on October 13, 2021. Per share indices are adjusted retroactively.

**Dispatches Engineers to Provide On-Site Development Support and Contract Development**

Japaniace is engaged in the advanced engineering business providing on-site development support by dispatching engineers and contract development at its own sites to clients centering on those in the IT and telecommunications industries, electronics, automobile and other manufacturing industries.

The company's services include on-site development support and contract development, with the former accounting for 97.4% and the latter 2.6% of net sales in fiscal year ended November 2021.

For net sales by categories in fiscal year ended November 2021, software accounted for 57.5%, IT-related infrastructure such as network and server design and construction for 19.8%, machinery and electronics including design of automobile / onboard equipment, office automation and digital devices for 18.1%, and new areas such as Salesforce installation support, cloud, and AI for 4.5%. About 80% of sales are to the IT industry, and about 20% are to the manufacturing industry. The company entered new areas in 2020 and has its sights set on future expansion.

Most of the company's engineers are full-time employees. The number of engineers at the end of fiscal year ended November 2021 was 1,146, including temporary employees, with an engineer operating ratio of 95.4% in fiscal year ended November 2021. The company's per-capita net sales for fiscal year ended November 2021, calculated by dividing its net sales by the total number of engineers employed by Japaniace and its business partners under temporary placement agreements, etc., came to 563,000 yen per month.

**Customer Base**

In terms of customer base, net sales to listed companies, including group companies, accounted for 76% of total sales in fiscal year ended November 2021. Fifty-one percent of net sales went to its top 10 customer groups.

As for continuity in transactions, 24% of net sales in fiscal year ended November 2021 were to customers retained for 10 years or longer, and 34% to those retained for between five and 10 years. Overall, 58% of total net sales are to customers retained for more than five years, indicating a high degree of customer loyalty.

## Japaniace (9558 TSE Growth) ----- September 27,2022

## Financial Statements

Statement of income	Fiscal Year	Nov.2020		Nov.2021		Six months to May 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		6,669	100.0	7,243	100.0	3,939	100.0
Cost of sales		5,174	77.6	5,533	76.4	2,982	75.7
Gross profit		1,495	22.4	1,709	23.6	956	24.3
Selling, general and administrative expenses		1,204	18.1	1,368	18.9	706	17.9
Operating profit		290	4.3	341	4.7	250	6.3
Non-operating income		13	-	21	-	3	-
Non-operating expenses		0	-	-	-	-	-
Ordinary profit		303	4.5	363	5.0	253	6.4
Profit before income taxes		362	5.4	398	5.5	253	6.4
Net profit		236	3.5	275	3.8	172	4.4

Balance sheet	Fiscal Year	Nov.2020		Nov.2021		May 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,896	89.7	2,870	90.8	3,293	87.9
Cash and deposits		1,922	59.5	1,719	54.4	2,139	57.1
Accounts receivable-trade		883	27.3	1,093	34.6	1,108	29.6
Inventories		49	1.5	3	0.1	-	-
Non-current assets		333	10.3	289	9.1	454	12.1
Property, plant and equipment		64	2.0	53	1.7	48	1.3
Intangible assets		12	0.4	12	0.4	10	0.3
Investments and other assets		256	7.9	224	7.1	395	10.5
Total assets		3,230	100.0	3,160	100.0	3,748	100.0
Current liabilities		1,080	33.4	997	31.6	1,543	41.2
Accounts payable - trade		9	0.3	3	0.1	5	0.1
Non-current liabilities		216	6.7	207	6.6	214	5.7
Net assets		1,932	59.8	1,955	61.9	1,990	53.1
Owners' equity		1,932	59.8	1,955	61.9	1,990	53.1

Statement of cash flows	Fiscal Year	Nov.2020		Nov.2021		Six months to May 2022	
		(mn yen)	(mn yen)	(mn yen)	(mn yen)		
Cash flows from operating activities		423		64		530	
Depreciation		14		17		7	
Cash flows from investing activities		-38		-12		0	
Cash flows from financing activities		-126		-255		-110	
Dividends paid		-125		-130		-109	
Net increase in cash and cash equivalents		258		-203		419	
Cash and cash equivalents		1,922		1,719		2,139	

Note: Non-consolidated basis.

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

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