

**Utilizes local human resources based on a proprietary database**

This report is an English translation of part of the report issued on December 30, 2022.  
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**[5247 BTM Sector : Information & Communication]**

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar.2021	2,477	8.1	-80	-	-83	-	-81	-	-71.1	6.1	0.0
Mar.2022	3,041	22.8	69	-	67	-	65	-	56.6	94.8	0.0
Mar.2023	f 3,669	20.7	157	127.5	133	98.5	81	24.6	67.0	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.  
It conducted 1-to-500 stock split on September 6, 2022. Per share indices are adjusted retroactively.

**Promotes DX of Client Companies by Utilizing Local Human Resources**

BTM is developing bases in regional areas to provide IT engineering and DX solutions based on its belief that utilizing IT to provide attractive jobs to regional areas will lead to regional revitalization.

**IT Engineering Services**

When there is a shortage of engineers in system development of client companies, BTM procures and provides optimal human resources from across Japan. The human resources that can be provided are in-house engineers, engineers mainly belonging to other companies in the same industry and freelancers, but engineers from external partner companies account for over 90%. The company receives monthly prices per person from client companies as sales, and pays compensation to procured engineers in the form of outsourcing costs.

Approximately 5,200 contacts have been accumulated in the company's database. Contacts are persons with whom matching information and others are exchanged daily; they are not engineers themselves, but mainly the salespersons belonging to external partner companies.

It is common for IT engineering service companies to introduce a project to other companies and receive referral fees when they cannot receive the order for the project themselves. For this reason, the company, which has a wide network with external partner companies, obtains large amounts of project information on a daily basis.

There are various matching methods, but one with a high matching probability is a method of carefully selecting projects with a high probability of closing from project information obtained by the company, distributing them all at once to contact accounts, and selecting an optimal engineer from among their proposals.

**DX Solution Services**

In DX solution services, the company takes the lead to thoroughly provide DX support, starting with consulting. Since in-house engineers are utilized, gross profit margins tend to be higher than IT engineering services. These services are provided through a nationwide development system with engineers employed at 11 locations scattered around the country.

**BTM (5247 TSE Growth) - - - - - January 6, 2023****Financial Statements**

Statement of income	Fiscal Year	Mar.2021		Mar.2022		Six months to Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,477	100.0	3,041	100.0	1,694	100.0
Cost of sales		2,144	86.6	2,556	84.1	1,403	82.8
Gross profit		332	13.4	485	15.9	291	17.2
Selling, general and administrative expenses		413	16.7	416	13.7	225	13.3
Operating profit		-80	-3.2	69	2.3	65	3.8
Non-operating income		2	-	4	-	0	-
Non-operating expenses		5	-	6	-	2	-
Ordinary profit		-83	-3.4	67	2.2	63	3.7
Profit before income taxes		-83	-3.4	66	2.2	63	3.7
Net profit		-81	-3.3	65	2.1	39	2.3

Balance sheet	Fiscal Year	Mar.2021		Mar.2022		Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		620	94.2	823	95.1	930	95.9
Cash and deposits		199	30.2	369	42.7	442	45.6
Accounts receivable-trade		407	61.9	450	52.0	460	47.4
Prepaid expenses		1	0.2	3	0.3	(note)	-
Non-current assets		38	5.8	42	4.9	39	4.0
Property, plant and equipment		0	0.0	0	0.0	0	0.0
Intangible assets		0	0.0	-	-	-	-
Investments and other assets		37	5.6	41	4.7	39	4.0
Total assets		658	100.0	865	100.0	970	100.0
Current liabilities		403	61.2	443	51.2	549	56.6
Accounts payable - trade		193	29.3	198	22.9	206	21.2
Short-term borrowings		-	-	-	-	100	10.3
Current portion of long-term borrowings		107	16.3	105	12.1	86	8.9
Non-current liabilities		209	31.8	283	32.7	244	25.2
Long-term borrowings		209	31.8	283	32.7	244	25.2
Net assets		45	6.8	137	15.8	177	18.2
Owners' equity		45	6.8	137	15.8	177	18.2

Statement of cash flows	Fiscal Year	Mar.2021	Mar.2022	Six months to Sep. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-128	76	62
Depreciation		1	4	0
Cash flows from investing activities		1	-5	0
Cash flows from financing activities		-113	98	40
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-240	169	103
Cash and cash equivalents		199	369	472

Note: Prepaid expenses for the 2nd quarter of the fiscal year ending March 2023 are not listed separately due to the small amount.  
Source: Prepared by Stock Research Center based on the notifiable prospectus.

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