

Provides cloud-based reservation management system BeautyMerit for hair and beauty salons

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[4256 CYND 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	799	49.4	188	182.9	188	182.9	133	187.2	26.8	69.9	0.0
Mar. 2022	1,089	36.3	298	58.7	274	45.7	182	36.6	35.0	504.2	0.0
Mar. 2023 CE	1,354	24.3	357	19.6	357	30.2	239	30.8	41.2	-	0.0
Mar. 2023 E	1,322	21.4	366	22.6	367	33.8	251	37.4	43.3	547.5	0.0
Mar. 2024 E	1,555	17.6	384	4.9	384	4.6	257	2.4	44.3	591.8	0.0
Mar. 2025 E	1,767	13.6	446	16.1	446	16.1	300	16.7	51.7	643.6	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

CYND offers cloud-based reservation management system BeautyMerit to hair and beauty salons as a subscription service. The number of salons that have entered into contracts with BeautyMerit has expanded rapidly, growing from 1,101 at the end of March 2017 to 6,411 at the end of September 2022.

In fiscal year ended March 2022, subscription sales comprised 87.8% of total sales, establishing a stock-type revenue business model. The marginal profit ratio is high, with operating profit margin reaching 27.4%.

2. Financial Analysis

The company's net sales and ordinary profit increased by an annual average of 40.3% and 37.9%, respectively, from fiscal year ended March 2017 to fiscal year ended March 2022. This was attributable primarily to an increase in the number of contracted salons. In fiscal year ended March 2022, the operating profit margin improved by 3.9 percentage points year-on-year, as the increase in expenses was outpaced by the revenue growth rate.

Compared with similar companies, CYND is more attractive in terms of growth potential and financial stability.

3. Non-Financial Analysis

The sources of CYND's intellectual capital are the efficiency of its business operations and the high level of customer satisfaction.

4. Corporate Strategy Analysis

The company's policy is to maximize net sales by increasing the number of contracted salons through augmenting sales personnel and leveraging agency partners, and by boosting sales per contracted salon through factors including improvement of system functions and addition of new functions.

5. Analyst Evaluation

We forecast increases in net sales and operating profit of 21.4% and 22.6%, respectively, for fiscal year ending March 2023, factoring in the progress made up to the second quarter. We anticipate continued medium-term growth owing to an increase in the number of contracted salons. We forecast year-on-year increases in net sales and operating profit of 17.6% and 4.9%, respectively, in fiscal year ending March 2024, with the relocation of the head office and an increase in floor area exerting downward pressure on profits. For fiscal year ending March 2025, the company anticipates a 13.6% increase in net sales and a 16.1% rise in operating profit, as temporal expenses associated with the head office relocation already having been accounted for.