

Constructing and operating systems on the cloud and leveraging AI and IoT in support of customers' digital transformation

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[5256 Fusic 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)
Jun.2021	762	20.8	-38	-	-42	-	-25	-	-26.0	201.7	0.0
Jun.2022	1,124	47.5	70	-	70	-	44	-	44.0	245.8	0.0
Jun.2023	f 1,331	18.4	158	2.3x	145	2.1x	101	2.3x	96.4	-	0.0

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

Construct and Operate Systems on the Cloud and Provide Digital Transformation Support

Fusic, headquartered in Fukuoka City, is engaged in the migration of on-premise systems to cloud systems, the development and operation of systems on the cloud, supporting clients' digital transformation and offering proprietary products and services.

The company provides three services: cloud integration services, data integration services and other services.

The company's cloud integration services, data integration services and other services businesses accounted for 75.7%, 17.5% and 6.6%, respectively, of net sales in fiscal year ended June 2022. Kyushu and the Tokyo metropolitan area each accounted for about 45% of net sales, with the share of sales in the latter growing in recent years. Fusic's strength is in the public sector—such as universities and R&D institutions—which accounts for about 30% of net sales.

The cloud integration services are comprised of the following three services, utilizing primarily the AWS cloud, although it also supports Azure, Google Cloud Platform and other platforms.

- 1) Construction of cloud environment to enable migration from on-premise systems to cloud systems and development of cloud-based applications
- 2) Billing service as an AWS reseller, purchasing in dollars and reselling in yen to customers
- 3) Maintenance and operation of systems constructed on the cloud

For data integration services, the company develops systems that leverage AI, IoT, big data analysis and more in promoting digital transformation for client businesses.

In the other services business, Fusic offers proprietary products 360 (san roku maru) and sigfy in the form of monthly or pay-per-use services.

360 is a service that allows for an efficient 360-degree evaluation of each employee by colleagues and other members of the company. sigfy is a contact service connecting schools and parents, and had 110,000 users as of January 2023.

Financial Statements

Statement of income	Fiscal Year	Jun.2021		Jun.2022		Six months to Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		762	100.0	1,124	100.0	755	100.0
Cost of sales		558	73.2	734	65.3	475	62.9
Gross profit		204	26.8	389	34.6	279	37.0
Selling, general and administrative expenses		242	31.8	319	28.4	164	21.7
Operating profit		-38	-5.0	70	6.2	115	15.2
Non-operating income		2	-	1	-	0	-
Non-operating expenses		6	-	1	-	3	-
Ordinary profit		-42	-5.5	70	6.2	111	14.7
Profit before income taxes		-42	-5.5	63	5.6	111	14.7
Net profit		-25	-3.3	44	3.9	78	10.3

Balance sheet	Fiscal Year	Jun.2021		Jun.2022		Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		600	81.7	574	84.8	640	85.0
Cash and deposits		423	57.6	391	57.8	314	41.7
Accounts receivable-trade		84	11.4	116	17.1	235	31.2
Inventories		68	9.3	55	8.1	79	10.5
Non-current assets		134	18.3	103	15.2	112	14.9
Property, plant and equipment		31	4.2	27	4.0	26	3.5
Intangible assets		-	-	-	-	-	-
Investments and other assets		102	13.9	75	11.1	86	11.4
Total assets		734	100.0	677	100.0	753	100.0
Current liabilities		351	47.8	336	49.6	350	46.5
Accounts payable		18	2.5	37	5.5	37	4.9
Current portion of long-term borrowings		120	16.3	85	12.6	50	6.6
Non-current liabilities		180	24.5	94	13.9	78	10.4
Long-term borrowings		165	22.5	80	11.8	63	8.4
Net assets		202	27.5	246	36.3	324	43.0
Owners' equity		201	27.4	245	36.2	323	42.9

Statement of cash flows	Fiscal Year	Jun.2021	Jun.2022	Six months to Dec.2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		28	83	-17
Depreciation		6	7	3
Cash flows from investing activities		-13	5	-6
Cash flows from financing activities		141	-120	-52
Dividends paid		-	-	-
Net increase in cash and cash equivalents		156	-32	-76
Cash and cash equivalents		423	391	314

Note: Non-consolidated

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

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