

Providing original solutions to support the R&D of AI and related technologies

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【5885 GDEP ADVANCE Sector : Wholesale Trade】

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)
May 2021	3,442	-	343	-	380	-	233	-	194.2	803.7	38.8
May 2022	3,491	1.4	405	18.2	447	17.5	283	21.5	236.0	1,000.9	47.2
May 2023 f	3,766	7.9	561	38.4	568	26.9	371	31.1	309.4	-	62.0

Note: Figures for the fiscal year ending May 2023 are the company's forecasts.

It conducted 1:200 stock split on January 14, 2023. Per share indices are adjusted retroactively.

Providing Services for End-to-End Solutions

GDEP ADVANCE is engaged in the system incubation business. The company supports researchers and developers at universities, research institutes and manufacturers in accelerating their R&D efforts related to AI, visualization and big data.

GDEP ADVANCE is the only company in Japan certified as a partner by four global computing companies NVIDIA, Intel, Advanced Micro Devices and XILINX.

GDEP ADVANCE will hold hearing sessions with a client organization to address the issues in their system environment. The company will provide a solution in the form of a proposal for the design and plan of a system that deploys hardware using cutting-edge technology. If the proposal is accepted, the company will procure the hardware, build the system and configure the environment for efficient operation. Additionally, it will provide device and system maintenance, as well as implement software updates. In this way, GDEP ADVANCE offers comprehensive solutions that cover everything from conducting issue hearings, system planning and development, device procurement, system construction, to environment preparation and maintenance that ensures stable operations.

GDEP ADVANCE's system incubation business is divided into Digital Transformation Services and Service & Support. Digital Transformation Services, which encompasses system design, planning and hardware installation, accounted for more than 90% of net sales for fiscal year ended May 2022. The remaining portion slightly under 10% is accounted for by Service & Support, which are stock-type revenue services of continually conducting updates and maintenance. With stock-type revenue from device rental also present in its digital transformation services, stock-type revenue accounts for about 30% of the company's overall revenue.

Financial Statements

Statement of income	Fiscal Year	May 2021		May 2022		Nine months to Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,442	100.0	3,491	100.0	2,947	100.0
Cost of sales		2,853	82.9	2,751	78.8	2,254	76.5
Gross profit		588	17.1	740	21.2	693	23.5
Selling, general and administrative expenses		245	7.1	334	9.6	215	7.3
Operating profit		343	10.0	405	11.6	478	16.2
Non-operating income		37	-	42	-	16	-
Non-operating expenses		0	-	0	-	3	-
Ordinary profit		380	11.1	447	12.8	491	16.7
Extraordinary income		-	-	-	-	-	-
Extraordinary loss		0	0.0	-	-	0	0.0
Profit before income taxes		380	11.1	447	12.8	491	16.7
Net profit		233	6.8	283	8.1	321	10.9

Balance sheet	Fiscal Year	May 2021		May 2022		Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,674	95.2	2,072	96.5	2,649	97.7
Cash and deposits		929	52.8	1,352	63.0	1,282	47.3
Accounts receivable-trade		434	24.7	110	5.2	531	19.6
Non-current assets		85	4.8	74	3.5	61	2.3
Property, plant and equipment		35	2.0	26	1.2	16	0.6
Intangible assets		13	0.8	10	0.5	7	0.3
Investments and other assets		35	2.0	37	1.7	37	1.4
Total assets		1,759	100.0	2,146	100.0	2,711	100.0
Current liabilities		431	24.5	518	24.2	830	30.6
Accounts payable		63	3.6	64	3.0	455	16.8
Income taxes payable		162	9.2	84	4.8	86	3.2
Advances received		132	7.5	262	12.3	254	9.4
Non-current liabilities		363	20.7	426	19.9	414	15.3
Long-term advances received		165	9.4	200	9.4	189	7.0
Net assets		964	54.8	1,201	55.9	1,465	54.1
Owners' equity		964	54.8	1,201	55.9	1,465	54.1

Statement of cash flows	Fiscal Year	May 2021	May 2022
		(mn yen)	(mn yen)
Cash flows from operating activities		280	465
Depreciation		50	30
Cash flows from investing activities		-45	-7
Cash flows from financing activities		-	-46
Dividends paid		-	-46
Net increase in cash and cash equivalents		237	423
Cash and cash equivalents		929	1,352

Note: Non-consolidated

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

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