

Dispatching construction engineers and IT engineers

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[9163 Nareru Group Sector : Services]

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)
Oct.2021	12,125	-	1,758	-	1,594	-	1,043	-	127.1	1,046.2	0.0
Oct.2022	14,540	19.9	2,039	16.0	1,852	16.2	1,242	19.1	150.6	1,203.7	0.0
Oct.2023 f	17,482	20.2	2,162	6.0	2,111	14.0	1,485	19.5	179.1	-	90.0

Note: Consolidated basis. Figures for the fiscal year ending October 2023 are the company's forecasts.
It conducted 1:200 stock split on May 25, 2023. Per share indices are adjusted retroactively.

Core Construction Solutions Business Dispatches Engineers

Nareru Group specializes in personnel dispatching for the construction industry, as well as for IT engineers and other skilled professionals. The group consists of Nareru Group as the holding company, three consolidated subsidiaries and one non-consolidated subsidiary.

The company's business segments are divided into the construction solutions business and the IT solutions business. The construction solutions business accounted for about 90% of its sales revenue in fiscal year ended October 2022.

Construction Solutions Business

For the construction solutions business, the company provides engineer dispatch services and personnel platform services. In the engineer dispatch business, along with providing engineers for construction management operations and CAD operators in the construction industry and the plant field, Nareru Group also subcontracts construction drawing preparation.

The company operates Jobken Work, a personnel platform that offers services to both employers seeking engineers and engineers searching for jobs. The company mainly targets personnel hired by companies conducting specialized construction work, who have the expertise to execute direct operations of construction works.

IT Solutions Business

Nareru Group provides IT engineers for various development projects and infrastructure management work. It also offers engineer dispatch based on system engineering service (SES) contracts. These contracted engineers are mainly dispatched to system development projects in the telecommunications and financial industries.

SES contracts are a form of agreement commonly used in the IT industry. These contracts have labor provisions and compensation arrangements similar to those of personnel dispatch. However, the difference is that the contracted engineer receives instructions from the dispatch provider instead of the client.

Financial Statements

Statement of income	Fiscal Year	Oct.2021		Oct.2022		Six months to Apr.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Sales revenue		12,125	100.0	14,540	100.0	8,299	100.0
Cost of sales		8,800	72.6	10,310	70.9	6,024	72.6
Gross profit		3,324	27.4	4,229	29.1	2,274	27.4
Selling, general and administrative expenses		1,910	15.8	2,225	15.3	1,277	15.4
Other income		348	2.9	84	0.6	61	0.7
Other expenses		4	0.0	49	0.3	8	0.1
Operating profit		1,758	14.5	2,039	14.0	1,050	12.7
Financial rprofit		0	0.0	0	0.0	0	0.0
Financial expences		164	1.4	187	1.3	25	0.3
Profit before income taxes		1,594	13.2	1,852	12.7	1,024	12.3
Profit attributable to owners of parent		1,043	8.6	1,242	8.5	722	8.7

Balance sheet	Fiscal Year	Oct.2021		Oct.2022		Apr.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,191	21.8	4,877	24.2	5,551	26.8
Cash and cash equivalents		2,155	11.2	2,283	11.3	3,055	14.7
Trade receivable		1,878	9.8	2,297	11.4	2,268	10.9
Inventories		-	-	-	-	-	-
Non-current assets		15,055	78.2	15,278	75.8	15,170	73.2
Property, plant and equipment		125	0.7	165	0.8	166	0.8
Right-of-use assets		278	1.4	309	1.5	244	1.2
Goodwill		14,100	73.3	14,074	69.8	14,074	67.9
Deferred tax assets and other assets		550	2.9	728	3.6	685	3.3
Total assets		19,246	100.0	20,155	100.0	20,722	100.0
Current liabilities		2,901	15.1	5,533	27.5	5,669	27.4
Trade payables		24	0.1	25	0.1	28	0.1
Borrowing		560	2.9	2,714	13.5	2,714	13.1
Lease Obligations		156	0.8	153	0.8	123	0.6
Non-current liabilities		7,711	40.1	4,689	23.3	4,347	21.0
Borrowing		7,450	38.7	4,285	21.3	3,928	19.0
Total equity		8,633	44.9	9,933	49.3	10,705	51.7
Equity attributable to owners of parent		8,633	44.9	9,933	49.3	10,705	51.7

Statement of cash flows	Fiscal Year	Oct.2021	Oct.2022	Six months to Apr.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		1,080	1,533	1,139
Depreciation		229	237	127
Cash flows from investing activities		-1,005	-176	90
Cash flows from financing activities		158	-1,249	-457
Dividends paid		-	-	-
Net increase in cash and cash equivalents		233	128	771
Cash and cash equivalents		2,155	2,283	3,055

Note: Consolidated

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

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