

## Providing no-code development tools and other SaaS products to large corporations

This report is an English translation of part of the report issued on October 31, 2023.  
For inquiries concerning the report, please contact [info@stock-r.org](mailto:info@stock-r.org)

### 【4811 DreamArts 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)
Dec.2021	2,938	-	-16	-	-24	-	10	-	3.0	194.5	0.0
Dec.2022	3,670	24.9	187	-	181	-	127	12.7x	34.8	233.8	0.0
Dec.2023 f	4,250	15.8	418	2.2x	406	2.2x	287	2.3x	77.5	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.

It conducted 1:200 stock split on May 31, 2023. Per share indices are adjusted retroactively.

### Providing No-Code Development Tools to Large Corporations

DreamArts operates a cloud business based on monthly usage fees for SaaS products, an on-premises business that charges licensing fees and maintenance fees for on-premises packaged software and a professional services business providing services such as system development, modification and introduction support for these two businesses.

The company's cloud business and maintenance fees for packaged software for its on-premises business are stock-type sales. In contrast, licensing fees for packaged software for its on-premises business and the professional services business are spot-type sales. In recent years at DreamArts, the share of stock-type sales has increased.

### Cloud Business

Net sales for the company's cloud business consist of monthly usage fees for horizontal SaaS, which are utilized across a broad range of industries, vertical SaaS, which are utilized by specific industries, and DX custom resolution (DCR), which are customer-specific cloud services that incorporate both development and operation.

DreamArts' horizontal SaaS offerings include SmartDB®, a no-code development tool, and InsuiteX®, a tool for building internal portals. They also offer Shoprun®, an information-sharing tool for chain stores, as a vertical SaaS.

### On-Premises Business

DreamArts sells two on-premises type packaged software, SmartDB® and Insuite®. Since December 2018, in line with the company's move to shift its business model toward offering SaaS products, DreamArts has suspended sales of such packages to new customers. Currently, sales are only made to customers that have been using such packages.

### Professional Services Business

DreamArts offers services such as SaaS introduction support, SaaS utilization consulting, DCR initial development and expansion development and on-premises to SaaS migration.

## DreamArts (4811 TSE Growth)

December 21, 2023

## Financial Statements

Statement of income	Fiscal Year	Dec.2021		Dec.2022		Six months to Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,938	100.0	3,670	100.0	2,202	100.0
Cost of sales		1,589	54.1	1,831	49.9	990	45.0
Gross profit		1,349	45.9	1,838	50.1	1,211	55.0
Selling, general and administrative expenses		1,366	46.5	1,651	45.0	841	38.2
Operating profit		-16	-0.5	187	5.1	370	16.8
Non-operating income		2	-	2	-	0	-
Non-operating expenses		11	-	8	-	3	-
Ordinary profit		-24	-	181	4.9	367	16.7
Profit before income taxes		-24	-	181	4.9	367	16.7
Profit attributable to owners of parent		10	0.3	127	3.5	257	11.7

Balance sheet	Fiscal Year	Dec.2021		Dec.2022		Jun.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,349	66.8	1,696	69.9	2,385	76.7
Cash and deposits		924	45.8	1,267	52.2	1,979	63.7
Accounts receivable-trade		320	15.9	333	13.7	267	8.6
Inventories		12	0.6	0	0.0	3	0.1
Non-current assets		668	33.1	731	30.1	723	23.3
Property, plant and equipment		79	3.9	103	4.2	105	3.4
Intangible assets		205	10.2	233	9.6	229	7.4
Investments and other assets		383	19.0	394	16.2	388	12.5
Total assets		2,018	100.0	2,427	100.0	3,109	100.0
Current liabilities		944	46.8	1,215	50.1	1,635	52.6
Accounts payable - trade		57	2.8	66	2.7	67	2.2
Short-term borrowings		150	7.4	-	-	-	-
Non-current liabilities		363	18.0	358	14.8	355	11.4
Bonds payable		300	14.9	300	12.4	300	9.6
Net assets		710	35.2	853	35.1	1,118	36.0
Owners' equity		710	35.2	853	35.1	1,118	36.0

Statement of cash flows	Fiscal Year	Dec.2021	Dec.2022	Six months to Jun.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		132	721	791
Depreciation		145	183	90
Cash flows from investing activities		-132	-235	-87
Cash flows from financing activities		-205	-149	-
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-191	342	711
Cash and cash equivalents		904	1,247	1,959

Note: Consolidated

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

## About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



### ■Supporting Members

Tokyo Stock Exchange, Inc.  
Nomura Securities Co., Ltd.  
KPMG AZSA LLC  
Deloitte Touche Tohmatsu LLC  
PricewaterhouseCoopers Japan LLC  
A&A Partners  
TAKARA PRINTING CO., LTD.  
Japan Securities Dealers Association

SMBC Nikko Securities Inc.  
Mizuho Securities Co., Ltd.  
ICMG Co., Ltd.  
SBI SECURITIES Co., Ltd.  
J Trust Global Securities Co., Ltd.  
GYOSEI & CO.  
PRONEXUS INC.  
The Securities Analysts Association of Japan

Daiwa Securities Co. Ltd.  
Ernst & Young ShinNihon LLC  
Grant Thornton Taiyo LLC  
BDO Sanyu  
Ichiyoshi Securities Co., Ltd.  
Avantia G.P.

### Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

### Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.