

Improving the cost-effectiveness of online advertising with specialization in D2C business

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[9235 Ureru Net Advertising 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	843	-10.1	-77	-	-67	-	-52	-	-17.6	176.6	0.0
Dec.2022	959	13.8	151	-	166	-	113	-	37.8	214.3	0.0
Dec.2023 f	1,051	9.6	250	65.6	245	47.6	152	34.5	45.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending July 2022 is the company's forecasts.

Improving Cost Effectiveness of Online Advertising

Ureru Net Advertising specializes in helping D2C business operators improve the cost-effectiveness of their online advertising. Many of its customers are health foods and cosmetics companies, and as of the end of fiscal year ended July 2023, it had a total of 169 client companies.

Ureru Net Advertising offers a specialized cloud service for online advertising and landing pages that creates an optimized framework for these websites and pages. It also provides a marketing support service that distributes online advertisements to draw visitors to landing pages.

The company's cloud service, specialized in online advertising and landing pages, accounted for 48.7% of net sales in fiscal year ended July 2023, and marketing support services accounted for 51.2%.

Cloud Service Specialized in Online Advertising and Landing Pages

Ureru Net Advertising also provides creative production and consulting services based around its Ureru D2C Tsuku-ru service to clients contracted to the service.

Ureru D2C Tsuku-ru is a service that allows clients to create and execute everything from landing page creation to sending follow-up emails, LINE® and SMS® messages by simply entering ten items without specialized knowledge.

The most significant advantage of Ureru D2C Tsuku-ru is that only methods that have been proven to improve the cost-effectiveness in more than four out of five companies among 1,200 A/B tests are implemented.

Marketing Support Service

Ureru Net Advertising's marketing support service is a service that distributes advertisements on the Internet to draw visitors to landing pages. This service is available only to its Ureru D2C Tsuku-ru clients. As of the end of fiscal year ending in July 2023, the company distributed advertisements to the advertising content of 349 companies, focusing on performance-based advertising.

Financial Statements

Statement of income	Fiscal Year	Jul.2021		Jul.2022		Jul.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,400	100.0	843	100.0	959	100.0
Cost of sales		1,680	70.0	266	31.6	251	26.2
Gross profit		720	30.0	577	68.4	707	73.7
Selling, general and administrative expenses		535	22.3	655	77.7	556	58.0
Operating profit		184	7.7	-77	-9.1	151	15.7
Non-operating income		9	-	15	-	15	-
Non-operating expenses		0	-	5	-	0	-
Ordinary profit		194	8.1	-67	-7.9	166	17.3
Profit before income taxes		194	8.1	-67	-7.9	166	17.3
Net profit		134	5.6	-52	-6.2	113	11.8

Balance sheet	Fiscal Year	Jul.2021		Jul.2022		Jul.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		885	84.6	468	53.2	670	64.1
Cash and deposits		544	52.0	169	19.2	386	36.9
Accounts receivable-trade		311	29.7	223	25.4	255	24.4
Inventories		11	1.1	-	-	-	-
Non-current assets		161	15.4	411	46.8	376	35.9
Property, plant and equipment		8	0.8	197	22.4	176	16.8
Intangible assets		118	11.3	140	15.9	141	13.5
Investments and other assets		34	3.3	73	8.3	57	5.4
Total assets		1,046	100.0	879	100.0	1,046	100.0
Current liabilities		462	44.2	345	39.2	394	37.7
Accounts payable - trade		348	33.3	246	28.0	227	21.7
Non-current liabilities		2	0.2	3	0.3	8	0.8
Net assets		582	55.6	529	60.2	643	61.5
Owners' equity		582	55.6	529	60.2	643	61.5

Statement of cash flows	Fiscal Year	Jul.2021	Jul.2022	Jul.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-6	-65	264
Depreciation		34	60	71
Cash flows from investing activities		-63	-306	-45
Cash flows from financing activities		-10	-1	-1
Dividends paid		-8	-	-
Net increase in cash and cash equivalents		-79	-374	217
Cash and cash equivalents		544	169	386

Note: Non-consolidated

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

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