

**Mainstay is the marketing DX business which resolves issues related to drawing traffic to websites**

This report is an English translation of part of the report issued on November 24, 2023.  
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### 【9238 VALUE CREATION Sector : Services】

| Fiscal Year | Net sales<br>(mn yen) | YoY<br>(%) | Operating<br>profit<br>(mn yen) | YoY<br>(%) | Ordinary<br>profit<br>(mn yen) | YoY<br>(%) | Profit<br>(mn yen) | YoY<br>(%) | EPS<br>(yen) | BPS<br>(yen) | DPS<br>(yen) |
|-------------|-----------------------|------------|---------------------------------|------------|--------------------------------|------------|--------------------|------------|--------------|--------------|--------------|
| Feb.2022    | 2,438                 | 17.8       | 18                              | -          | 28                             | 5.9x       | 16                 | -          | 16.7         | 61.3         | 0.0          |
| Feb.2023    | 2,823                 | 15.8       | 113                             | 6.2x       | 121                            | 4.3x       | 86                 | 5.2x       | 86.0         | 147.3        | 0.0          |
| Feb.2024 f  | 3,027                 | 7.2        | 163                             | 44.5       | 148                            | 22.2       | 95                 | 10.5       | 91.9         | -            | 12.0         |

Note: Non-consolidated basis. Figures for the fiscal year ending February 2024 is the company's forecasts.

It conducted 1:20 stock split on August 8, 2023. Per share indices are adjusted retroactively.

#### Main Business is Marketing DX Business

VALUE CREATION is engaged in the marketing digital transformation (DX) business that provides services to solve issues related to drawing traffic to customer's websites, and the real estate DX business that provides a website specializing in demolition services that allows users to complete the whole process from building demolition to the sale of the land online.

Accounting for 97.3% of net sales in fiscal year ended February 2023, the marketing DX business is the company's main business.

#### Marketing DX Business

VALUE CREATION plans strategies based on identified issues of customer websites to appropriately draw traffic to those websites. It also designs and runs advertising campaigns centered on programmatic advertising.

The company targets industries that are lagging in the DX process due to factors such as their large scale, maturity and conservative nature. Specifically, the real estate industry, lawyers, judicial scriveners, local governments and vocational schools are its main customers and when combined, they account for about half of the 1,430 companies that had transactions in fiscal year ended February 2023.

VALUE CREATION receives fees from its customers based on the number of advertisements placed. G-Plan, a provider of point exchange services based in Shinagawa Ward, Tokyo, accounted for more than 10% of the company's net sales in fiscal year ended February 2023.

#### Real Estate DX Business

For the real estate DX business, VALUE CREATION operates its own media channel, which is a website that allows customers who need to demolish buildings to complete the entire process online, from gathering demolition estimates for their properties to selling the land after demolition.

When a customer wants to demolish a structure they own, they register on the website and request estimates. Their request is passed on to demolition companies who then submit their estimates. Customers use the website at no charge, but when a demolition company receives a contract, they pay VALUE CREATION 10% of the contract value as commission. In fiscal year ended February 2023, the average contract value was about 1.56 million yen.

## VALUE CREATION (9238 TSE Growth)

Decemnbre 20, 2023

## Financial Statements

| Statement of income                          | Fiscal Year | Feb.2022 |       | Feb.2023 |       | Six months to Aug.2023 |       |
|--|-------------|----------|-------|----------|-------|------------------------|-------|
|  |             | (mn yen) | (%)   | (mn yen) | (%)   | (mn yen)               | (%)   |
| Net sales                                    |             | 2,438    | 100.0 | 2,823    | 100.0 | 1,468                  | 100.0 |
| Cost of sales                                |             | 1,804    | 74.0  | 1,935    | 68.5  | 962                    | 65.6  |
| Gross profit                                 |             | 633      | 26.0  | 888      | 31.5  | 505                    | 34.4  |
| Selling, general and administrative expenses |             | 615      | 25.2  | 774      | 27.4  | 382                    | 26.1  |
| Operating profit                             |             | 18       | 0.8   | 113      | 4.0   | 122                    | 8.4   |
| Non-operating income                         |             | 17       | 0.7   | 18       | 0.7   | 2                      | 0.2   |
| Non-operating expenses                       |             | 7        | 0.3   | 10       | 0.4   | 7                      | 0.5   |
| Ordinary profit                              |             | 28       | 1.2   | 121      | 4.3   | 118                    | 8.0   |
| Profit before income taxes                   |             | 30       | 1.2   | 121      | 4.3   | 118                    | 8.0   |
| Net profit                                   |             | 16       | 0.7   | 86       | 3.0   | 76                     | 5.2   |

| Balance sheet                            | Fiscal Year | Feb.2022 |       | Feb.2023 |       | Aug.2023 |       |
|--|-------------|----------|-------|----------|-------|----------|-------|
|  |             | (mn yen) | (%)   | (mn yen) | (%)   | (mn yen) | (%)   |
| Current assets                           |             | 3,890    | 99.1  | 3,249    | 98.7  | 3,215    | 98.8  |
| Cash and deposits                        |             | 611      | 15.6  | 833      | 25.3  | 1,113    | 34.2  |
| Accounts receivable-trade                |             | 3,224    | 82.1  | 2,362    | 71.8  | 2,063    | 63.4  |
| Inventories                              |             | -        | -     | -        | -     | -        | -     |
| Non-current assets                       |             | 37       | 0.9   | 41       | 1.3   | 38       | 1.2   |
| Property, plant and equipment            |             | 12       | 0.3   | 16       | 0.5   | 15       | 0.5   |
| Intangible assets                        |             | -        | -     | -        | -     | -        | -     |
| Investments and other assets             |             | 24       | 0.6   | 24       | 0.8   | 22       | 0.7   |
| Total assets                             |             | 3,927    | 100.0 | 3,290    | 100.0 | 3,254    | 100.0 |
| Current liabilities                      |             | 3,410    | 86.8  | 2,673    | 81.2  | 2,537    | 78.0  |
| Accounts payable - trade                 |             | 2,528    | 64.4  | 1,736    | 52.8  | 1,675    | 51.5  |
| Short-term borrowings                    |             | 100      | 2.5   | 120      | 3.7   | 100      | 3.1   |
| Current portion of long-term borrowings. |             | 183      | 4.7   | 226      | 6.9   | 260      | 8.0   |
| Non-current liabilities                  |             | 455      | 11.6  | 470      | 14.3  | 492      | 15.1  |
| Long-term borrowings                     |             | 455      | 11.6  | 470      | 14.3  | 492      | 15.1  |
| Net assets                               |             | 61       | 1.6   | 147      | 4.5   | 223      | 6.9   |
| Owners' equity                           |             | 61       | 1.6   | 147      | 4.5   | 223      | 6.9   |

| Statement of cash flows                   | Fiscal Year | Feb.2022 | Feb.2023 | Six months to Aug.2023 |
|---|-------------|----------|----------|------------------------|
|   |             | (mn yen) | (mn yen) | (mn yen)               |
| Cash flows from operating activities      |             | 34       | 152      | 246                    |
| Depreciation                              |             | 2        | 4        | 2                      |
| Cash flows from investing activities      |             | 1        | -9       | -1                     |
| Cash flows from financing activities      |             | 93       | 78       | 35                     |
| Dividends paid                            |             | -        | -        | -                      |
| Net increase in cash and cash equivalents |             | 129      | 221      | 280                    |
| Cash and cash equivalents                 |             | 611      | 833      | 1,113                  |

Note: Non-consolidated

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

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