

A consulting firm with strengths in practical execution support in the CFO field

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【5867 ES NETWORKS 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	2,334	-	133	-	164	-	122	-	44.0	400.8	39.0
Dec.2022	2,649	13.5	198	49.1	235	43.1	143	16.7	49.4	411.2	39.0
Dec.2023 f	2,718	2.6	269	35.8	248	5.8	153	7.2	52.1	-	41.0

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

Providing Consulting to Companies to Support Practical Execution in the CFO Field

ES NETWORKS is a consulting firm that specializes in providing “practical execution support of CFO functions.” With a full lineup of services related to corporate financial strategy, the company can respond to various customer requirements. Furthermore, ES NETWORKS’ approach of deploying consultants at customer locations allows appropriate visualization of management issues.

ES NETWORKS has been focusing on providing early-stage support for client companies’ overseas expansion as a theme of its management support services. As a result, the company has established two subsidiaries in Vietnam and three subsidiaries in the Philippines. ES NETWORKS also invests in companies that provide consulting services and has two subsidiaries that carry out investment business.

The consulting business is divided into management support consulting, enterprise turnaround support consulting and overseas expansion support consulting.

Management support consulting accounted for approximately 64% of net sales in fiscal year ended December 2022. It targets companies at turning points in their growth phase, involving activities such as M&A or IPO. The necessary components of CFO functions required by customer companies are provided in the form of on-site execution support.

Enterprise turnaround support consulting accounted for approximately 20% of net sales in fiscal year ended December 2022. It targets companies that have fallen into excess liabilities. ES NETWORKS analyzes the causes that led to excess liabilities and provides support in formulating and executing rehabilitation plans.

Overseas expansion support consulting accounted for approximately 17% of net sales in fiscal year ended December 2022. It targets companies that conduct business overseas, mainly in Asia. ES NETWORKS engages in projects that outsource market research ahead of overseas expansion. It supports establishing local subsidiaries, handling accounting, tax affairs, labor operations and such matters after business operations have commenced.

ES NETWORKS (5867 TSE Growth)

January 24, 2024

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Nine months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,334	100.0	2,649	100.0	2,046	100.0
Cost of sales		1,344	57.6	1,412	53.3	1,077	52.7
Gross profit		989	42.4	1,237	46.7	969	47.3
Selling, general and administrative expenses		856	36.7	1,038	39.2	743	36.3
Operating profit		133	5.7	198	7.5	225	11.0
Non-operating income		39	-	52	-	33	-
Non-operating expenses		8	-	16	-	28	-
Ordinary profit		164	7.0	235	8.9	229	11.2
Profit before income taxes		199	8.6	216	8.2	181	8.9
Net profit		122	5.3	143	5.4	138	6.8

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,972	82.2	1,730	72.7	1,542	68.3
Cash and deposits		1,671	69.6	1,333	56.0	1,046	46.4
Accounts receivable-trade		202	8.4	273	11.5	273	12.1
Inventories		23	1.0	11	0.5	13	0.6
Non-current assets		427	17.8	649	27.3	714	31.7
Property, plant and equipment		63	2.6	42	1.8	187	8.3
Intangible assets		3	0.1	1	0.1	1	0.1
Investments and other assets		361	15.0	605	25.4	526	23.3
Total assets		2,400	100.0	2,379	100.0	2,256	100.0
Current liabilities		757	31.6	700	29.4	593	26.3
Accounts payable - trade		-	-	-	-	-	-
Non-current liabilities		450	18.8	420	17.7	276	12.3
Net assets		1,192	49.7	1,259	52.9	1,386	61.4
Owners' equity		1,160	48.3	1,210	50.9	1,319	58.5

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		218	132
Depreciation		15	23
Cash flows from investing activities		149	-315
Cash flows from financing activities		-195	-178
Dividends paid		-119	-112
Net increase in cash and cash equivalents		175	-338
Cash and cash equivalents		1,671	1,333

Note: Consolidated

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