

Providing business chat services for field workers to companies in industries such as construction, retail distribution and transportation

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[145A L is B Sector : Information & Communication]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Dec.2022	970	26.0	-263	-	-265	-	-316	-	-76.2	142.0	0.0
Dec.2023	1,279	31.9	38	-	32	-	46	-	11.1	153.1	0.0
Dec.2024 f	1,664	30.1	152	4.0x	132	4.1x	106	2.3x	22.3	-	0.0

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

It conducted 1:100 stock split on December 8, 2023. Per share indices are adjusted retroactively.

Offering DX to Solve Issues Faced by Companies Engaged in Field Operations

L is B provides digital services in the form of SaaS to solve issues in industries such as construction, retail distribution and transportation through digital transformation (DX). The services are mainly aimed at people who work on their feet without a desk and do not normally use a PC.

L is B's main service is "direct," a business chat for field workers. It also provides services that operate with "direct." The company receives payment for these services in the form of monthly usage fees (stock sales). It also provides consulting and develops original solutions to meet the demands of "direct" users seeking to improve operational efficiency.

Business Chat "direct" for Field Workers

To facilitate smooth business communications and reporting, chat services need to be easy to use for everyone. In particular, since the IT literacy level of field workers varies, "direct" has been developed with the aim of creating a user interface that can be operated intuitively by anyone who can operate a smartphone.

Its customers are mainly major construction companies and local governments. Customers from the construction industry account for approximately 60%, with 16 of the top 20 companies in the industry by net sales adopting the system. The service is also used by slightly under 1,400 local governments, including individual departments.

Since releasing "direct" in October 2014, L is B has successively released various solutions and applications that work together with the service.

In July 2022, the company launched its DX consulting services and is also engaged in designing and developing original solutions for individual companies related to its consulting and "direct" services.

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		770	100.0	970	100.0	1,279	100.0
Cost of sales		313	40.6	401	41.3	459	35.9
Gross profit		457	59.4	568	58.6	819	64.0
Selling, general and administrative expenses		770	100.0	832	85.8	781	61.1
Operating profit		-312	-	-263	-	38	3.0
Non-operating income		0	-	0	-	0	-
Non-operating expenses		0	-	1	-	6	-
Ordinary profit		-313	-	-265	-	32	2.5
Profit before income taxes		-329	-	-310	-	32	2.5
Net profit		-335	-	-316	-	46	3.6

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,298	98.7	99	7.7	1,234	93.5
Cash and deposits		1,080	82.1	1,088	85.1	1,009	76.4
Accounts receivable-trade		197	15.0	154	12.0	204	15.5
Inventories		0	0.0	0	-	1	0.1
Non-current assets		17	1.3	24	1.9	85	6.4
Property, plant and equipment		0	0.0	0	0.0	4	0.3
Intangible assets		-	-	7	0.5	40	3.0
Investments and other assets		17	1.3	16	1.3	40	3.0
Total assets		1,315	100.0	1,279	100.0	1,320	100.0
Current liabilities		95	7.2	193	15.1	200	15.2
Accounts payable - trade		14	1.1	56	4.4	9	0.7
Short-term borrowings		-	-	30	2.3	30	2.3
Current portion of long-term borrowings		11	0.8	17	1.3	11	0.8
Non-current liabilities		312	23.7	495	38.7	483	36.6
Long-term borrowings		312	23.7	495	38.7	483	36.6
Net assets		906	68.9	590	46.1	636	48.2
Owners' equity		906	68.9	590	46.1	636	48.2

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022	Dec.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-470	-157	-12
Depreciation		2	0	6
Cash flows from investing activities		-20	-53	-49
Cash flows from financing activities		1,225	218	-17
Dividends paid		-	-	-
Net increase in cash and cash equivalents		734	8	-78
Cash and cash equivalents		1,080	1,088	1,009

Note: Non-consolidated

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

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