Bizmates（9345 TSE Growth） March 27,2024

Operator of online business English conversation lessons Bizmates

This report is an English translation of part of the report issued on March 15, 2024.
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【9345 Bizmates 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. 2022	2,837	15.7	343	28.6	328	25.5	225	22.4	163.7	505.9	0.0
Dec. 2023	3,135	10.5	348	1.4	318	-3.2	199	-11.7	130.1	951.3	0.0
Dec. 2024 CE	3,439	9.7	269	-22.6	259	-18.3	166	-16.2	105.6	-	0.0
Dec. 2024 E	3,450	10.0	270	-22.5	260	-18.2	168	-15.7	106.3	1,057.6	0.0
Dec. 2025 E	3,760	9.0	428	58.6	418	60.7	271	61.3	171.4	1,229.1	0.0
Dec. 2026 E	4,050	7.7	508	18.7	498	19.1	324	19.5	204.9	1,434.0	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source：Stock Research Center

1. Corporate Overview

Bizmates operates two businesses: the language solutions business, which operates the online business English conversation lessons Bizmates along with other services, and the talent solutions business, which provides G Talent, a recruiting services related to foreign IT engineers and other professionals, alongside additional services.

In fiscal year ended December 2023, the company's language solutions business accounted for 95.7% of net sales, while the corporations-oriented talent solutions business accounted for 4.3%.

2. Financial Analysis

Due to the sustained expansion of the language solutions business with an increase in the number of paying members, the company's net sales increased at an annual rate of 23.0% from fiscal years ended December 2017 to 2023. Over the same period, ordinary profit increased at an annual rate of 38.4% due to the impact of the revenue increase.

3. Non-Financial Analysis

The company's sources of intellectual capital are its specialization in online business English conversation lessons and its ability to meet the needs of individual and corporate customers. It has established a high-value-added business model in a unique position of online business English conversation lessons.

4. Corporate Strategy Analysis

In the language solutions business, the company aims to expand its customer base, capture the coaching market, cultivate its offline market and utilize technology for growth. In the talent solutions business, the company aims to expand its business domain.

5. Analyst Evaluation

With regard to the company's performance, taking into account factors such as its actual performance for fiscal year ended December 2023, posting of head office relocation expenses and the impact of the yen's weakness against the Philippine peso, we forecast a

year-on-year revenue increase of 10.0% and an operating profit decline of 22.5% in fiscal year ending December 2024.

For subsequent years, based on the assumption that there would be no head office relocation expenses and demand for the company's two businesses would expand, we forecast a year-on-year revenue increase of 9.0% and an operating profit increase of 58.6% in fiscal year ending December 2025, and a year-on-year revenue increase of 7.7% and an operating profit increase of 18.7% in fiscal year ending December 2026.