

Focusing on online mortgage brokerage services deployment

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【196A MFS Sector : Other Financing Business】

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)
Jun. 2022	843	-	-547	-	-552	-	-555	-	-103.6	-816.4	0.0
Jun. 2023	1,607	90.6	-139	-	-147	-	-149	-	-24.7	-891.3	0.0
Jun. 2024 f	1,965	22.2	-127	-	-127	-	-127	-	-19.8	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending June 2024 is the company's forecasts.

It conducted 1:200 stock split on March 22, 2024. Per share indices are adjusted retroactively.

The Deploying Online Mortgage Brokerage and Real Estate Investment Services

MFS' operations comprise the Mogecheck business, which brokers mortgage loans, and the INVASE business, which centers on a real estate investment service. The company's primary business, Mogecheck, posted a segment loss in fiscal year ended June 2022 owing to high advertising costs. However, in fiscal year ended June 2023, net sales increased 2.5 times year on year due to increased service use, leading to the segment returning to profitability. Meanwhile, the INVASE business posted a segment profit in fiscal year ended June 2022. However, since the acquisition of Condominium Asset Management in February 2022, which became a consolidated subsidiary, the increased costs have resulted in continued segment losses since fiscal year ended June 2023.

Mogecheck Business

Mogecheck business offers an online mortgage brokerage service. Mogecheck is a service that provides information and brokerage services related to mortgage loans for prospective home buyers or people planning to refinance their mortgages ("mortgage users"), either online or through an app. When a mortgage user submits a loan application at a financial institution, the company earns a commission from the advertising agency contracted by the financial institution, which in turn generates revenue for MFS.

The information the company provides is the mortgage loan borrowing capacity per partner financial institution based on an analysis of the mortgage user's creditworthiness and the estimated probability that the loan will be approved.

INVASE Business

The INVASE business provides real estate investment services for people considering borrowing real estate investment loans for investment properties ("investment property users"). MFS engages in the brokerage of investment real estate for investment property investors and various services to secure customers for the brokerage of such investment real estate.

Financial Statements

Statement of income	Fiscal Year	Jun. 2022		Jun. 2023		Nine months to Mar.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		843	100.0	1,607	100.0	1,420	100.0
Cost of sales		284	33.8	418	26.0	255	18.0
Gross profit		558	66.2	1,189	74.0	1,164	82.0
Selling, general and administrative expenses		1,106	131.1	1,328	82.6	1,212	85.4
Operating profit		-547	-64.9	-139	-8.7	-47	-3.3
Non-operating income		3	-	6	-	0	-
Non-operating expenses		8	-	14	-	12	-
Ordinary profit		-552	-65.4	-147	-9.1	-58	-4.1
Profit before income taxes		-554	-65.7	-147	-9.1	-58	-4.1
Net profit		-555	-65.8	-149	-9.3	-60	-4.3

Balance sheet	Fiscal Year	Jun. 2022		Jun. 2023		Nine months to Mar.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		876	94.7	1,860	95.7	1,546	91.8
Cash and deposits		495	53.5	1,577	81.1	1,153	68.5
Accounts receivable-trade		136	14.7	253	13.0	362	21.5
Inventories		200	21.6	-	-	-	-
Non-current assets		44	4.8	80	4.1	136	8.1
Property, plant and equipment		7	0.9	7	0.4	11	0.7
Intangible assets		10	1.1	49	2.5	101	6.1
Investments and other assets		25	2.8	23	1.2	23	1.4
Deferred assets		5	0.6	3	0.2	0	0.0
Total assets		925	100.0	1,944	100.0	1,683	100.0
Current liabilities		275	29.7	439	22.6	255	15.2
Accounts payable - trade		-	-	-	-	-	-
Non-current liabilities		182	19.7	316	16.3	300	17.8
Net assets		468	50.6	1,188	61.1	1,128	67.0
Owners' equity		468	50.6	1,188	61.1	1,128	67.0

Statement of cash flows	Fiscal Year	Jun. 2022	Jun. 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		-824	62
Depreciation		6	7
Cash flows from investing activities		102	-130
Cash flows from financing activities		200	1,050
Dividends paid		-	-
Net increase in cash and cash equivalents		-522	981
Cash and cash equivalents		495	1,477

Note: Consolidated

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

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