

Engaged in the digital platform business that supports customers' digital transformation (DX)

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[5574 ABEJA 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)
Aug. 2022	1,978	57.1	-163	-	-181	-	-196	-	-41.2	232.0	0.0
Aug. 2023	2,775	40.3	402	-	379	-	421	-	53.4	404.3	0.0
Aug. 2024 CE	3,067	10.5	380	-5.7	379	-0.2	319	-24.3	35.5	-	0.0
Aug. 2024 E	3,080	11.0	383	-4.7	382	0.6	320	-24.1	35.6	414.6	0.0
Aug. 2025 E	3,692	19.9	485	26.6	484	26.7	338	5.6	36.9	451.5	0.0
Aug. 2026 E	4,435	20.1	613	26.4	612	26.4	428	26.6	46.7	498.3	0.0

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

1. Corporate Overview

ABEJA is engaged in the digital platform business, supporting the DX of customer companies using its proprietary ABEJA Platform. ABEJA Platform is a software suite that offers processes ranging from data generation, data collection and data processing to AI modeling necessary for DX, operating continuously and stably.

2. Financial Analysis

Net sales have steadily expanded in line with the increase in the number of projects, growing at an annual rate of 32.4% from fiscal year ended August 2018 to fiscal year ended August 2023. On the other hand, ordinary losses continued until fiscal year ended August 2022 as a result of the burden of development costs for the ABEJA Platform. However, in fiscal year ended August 2023, the company absorbed the fixed cost burden with a significant revenue increase and turned profitable.

The company has a profitability advantage over other comparable companies that provide AI-based services.

3. Non-Financial Analysis

The source of the company's intellectual capital is believed to be its expertise in promoting the DX of customer companies using AI, which the company has accumulated since its founding as well as the data accumulated in the ABEJA Platform.

4. Corporate Strategy Analysis

As the domestic DX market grows, the company has focused on expanding and deepening its customer base and expanding the ABEJA Platform as key business strategies to sustainably increase its business scale.

5. Analyst Evaluation

We consider it possible for the company to expand its business scale by focusing on the expansion and deepening of its customer base and the expansion of the ABEJA Platform because there are a number of domestic companies that have needs related to the

streamlining of business processes.

We expect corporate performance to be in line with the company's plan for fiscal year ending August 2024. For fiscal year ending August 2025 and beyond, we forecast revenue and profit to increase due to an increase in net sales per employee as a result of improved skills.

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