

"Sound x AI " specialists

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For inquiries concerning the report, please contact info@stock-r.org

【265A Hmcomm 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	727	29.8	88	-	145	95.9	170	2.4x	42.1	-180.9	0.0
Dec. 2023	801	10.2	83	-5.7	87	-40.0	69	-59.4	-	-145.6	0.0
Dec. 2024 f	1,040	29.8	129	55.4	95	9.2	102	47.8	33.8	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2024 is the company's forecasts.
It conducted 1:2,000 stock split on July 12, 2024. Per share indices are adjusted retroactively.

Conduct R&D on AI Focused on Sound, Implement Achievements in Society

Hmcomm offers solutions that lead to enhanced operational efficiency and business innovation by leveraging AI, noise detection and voice technologies, including speech recognition and natural language analysis.

Hmcomm is developing an AI product business centered on voice recognition products for call centers as well as an AI solution business that applies AI to problem-solving and digital transformation (DX) support. In fiscal year ended December 2023, the AI product business accounted for 69.5% of net sales and the AI solution business for 30.5%.

The AI solution business is a custom-order service that provides AI development and consulting services tailored to each customer's individual needs. By discovering the product seeds that can be used in problem-solving in the industry or society overall by resolving client company issues and compiling them as standard functions, the company connects these solutions to the development of AI products and earns revenue from licensing fees.

AI Product Business

This business provides a packaged service for a broad range of customers. The service stresses easy implementation and immediate result generation. Hmcomm provides products for call centers, AI meeting minute tools and products for abnormal noise detection.

The company's main products include those for call centers, such as AI voice recognition and voice response products, AI meeting minute products and AI abnormal noise detection products.

AI Solution Business

Through this business, the company analyzes management issues related to the use and application of client company-held data. It also undertakes AI development and consulting with the objective of resolving these issues using generative AI and supporting the promotion of DX.

Hmcomm has established a co-creative relationship with some of its AI solution business customers and is leveraging its knowledge of customer industries after obtaining key data usage licenses for AI use. As of the end of fiscal year ended December 2023, there were 29 co-creative partners and 49 co-creation projects.

Financial Statements

Statement of income	Fiscal Year	Dec. 2022		Dec. 2023		Six months to Jun.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		727	100.0	801	100.0	446	100.0
Cost of sales		350	48.1	386	48.2	246	55.2
Gross profit		376	51.7	414	51.7	200	44.8
Selling, general and administrative expenses		288	39.6	330	41.2	177	39.7
Operating profit		88	12.1	83	10.4	22	4.9
Non-operating income		59	-	5	-	0	-
Non-operating expenses		2	-	1	-	2	-
Ordinary profit		145	19.9	87	10.9	20	4.5
Profit before income taxes		145	19.9	84	10.5	16	3.6
Net profit		170	23.4	69	8.6	38	8.5

Balance sheet	Fiscal Year	Dec. 2022		Dec. 2023		Six months to Jun.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,428	96.0	1,489	97.4	1,506	96.7
Cash and deposits		1,238	83.2	1,306	85.4	1,270	81.5
Accounts receivable and contract assets		173	11.6	164	10.7	222	14.2
Non-current assets		59	4.0	39	2.6	51	3.3
Property, plant and equipment		12	0.8	5	0.3	3	0.2
Intangible assets		0	0.0	0	0.0	0	0.0
Investments and other assets		46	3.1	34	2.2	48	3.1
Total assets		1,488	100.0	1,529	100.0	1,558	100.0
Current liabilities		115	7.7	122	8.0	150	9.6
Accounts payable - trade		23	1.5	15	1.0	43	2.8
Current portion of long-term borrowings		6	0.4	6	0.4	-	-
Non-current liabilities		74	5.0	38	2.5	-	-
Long-term borrowings		74	5.0	38	2.5	-	-
Net assets		1,298	87.2	1,368	89.5	1,407	90.3
Owners' equity		1,298	87.2	1,368	89.5	1,407	90.3

Statement of cash flows	Fiscal Year	Dec. 2022	Dec. 2023	Six months to Jun.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		121	103	-2
Depreciation		10	9	1
Cash flows from investing activities		0	0	11
Cash flows from financing activities		-5	-36	-44
Dividends paid		-	-	-
Net increase in cash and cash equivalents		114	67	-35
Cash and cash equivalents		1,238	1,306	1,270

Note: Non-consolidated

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

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