

Providing legaltech services combining law and IT technology

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【298A GVA TECH Sector : Information & Communication】

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	418	48.2	-291	-	-296	-	-297	-	-114.0	-405.0	0.0
Dec. 2023	728	74.2	-416	-	-430	-	-431	-	-137.7	-438.7	0.0
Dec. 2024 f	1,166	60.2	-557	-	-565	-	-568	-	-154.4	-	0.0

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

Supporting Legal Procedures Through “Legal” x “IT” = LegalTech

GVA TECH supports legal work and procedures that require expertise by utilizing legaltech, which integrates law and IT technology. The company operates the legaltech SaaS business, through which it promotes the digital transformation (DX) of legal affairs for corporate legal departments and law firms. It also operates the registration business that enables companies without in-house legal functions to complete registration procedures easily.

The legaltech SaaS business accounted for just under half of net sales in fiscal year ended December 2023, with the registration business accounting for the remainder.

LegalTech SaaS Business

The legaltech SaaS business provides the SaaS-type cloud service OLGA, which makes legal work more efficient, to corporate legal departments and law firms.

OLGA comprises four modules:

- 1) An AI legal assistant that uses a chatbot system to provide functions such as responding to typical consultation content and searching for similar past cases to provide relevant examples.
- 2) A legal data infrastructure that consolidates legal cases centrally from when they are first received and automatically manages the progress of cases and tasks.
- 3) An AI contract review that provides functions to review contracts, including points for contention detection function, a past knowledge utilization function and a format check function.
- 4) A contract management that creates contract management ledgers and centrally manages them.

Client companies can install each module individually, and choose a combination of the available modules to meet their specific needs.

Registration Business

The registration business services include GVA corporate registration, which facilitates the creation of documents needed to apply for changes in commercial registration, and GVA certificate of registration acquisition, which makes it easy for users to request certificates such as a certificate of all historical matters, which certifies the information of corporations registered with the Legal Affairs Bureau.

Financial Statements

Statement of income	Fiscal Year	Dec. 2022		Dec. 2023		Nine months to Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		418	100.0	728	100.0	800	100.0
Cost of sales		125	29.9	254	34.9	276	34.5
Gross profit		292	69.9	473	65.0	523	65.4
Selling, general and administrative expenses		584	139.7	889	122.1	914	114.3
Operating profit		-291	-	-416	-	-390	-
Non-operating income		0	-	0	-	0	-
Non-operating expenses		5	-	14	-	6	-
Ordinary profit		-296	-	-430	-	-396	-
Profit before income taxes		-296	-	-431	-	-396	-
Net profit		-297	-	-431	-	-398	-

Balance sheet	Fiscal Year	Dec. 2022		Dec. 2023		Sep.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		216	48.4	647	63.6	283	33.9
Cash and deposits		154	34.5	536	52.7	141	16.9
Accounts receivable		27	6.1	62	6.1	91	10.9
Inventories		0	0.0	5	0.5	4	0.5
Non-current assets		229	51.3	370	36.3	552	66.0
Property, plant and equipment		4	0.9	4	0.4	15	1.8
Intangible assets		204	45.7	356	35.0	527	63.0
Investments and other assets		20	4.5	9	0.9	9	1.1
Total assets		446	100.0	1,018	100.0	836	100.0
Current liabilities		164	36.8	433	42.5	396	47.4
Accounts payable		0	0.0	1	0.1	1	0.1
Current portion of long-term borrowings		-	-	101	9.9	16	1.9
Current portion of long-term borrowings.		36	8.1	104	10.2	59	7.1
Non-current liabilities		356	79.8	251	24.7	206	24.6
Long-term borrowings		356	79.8	251	24.7	206	24.6
Net assets		-74	-	333	32.7	233	27.9
Owners' equity		-74	-	294	28.9	194	23.2

Statement of cash flows	Fiscal Year	Mar. 2023	Mar. 2024	Six months to Sep.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-238	-262	-132
Depreciation		39	76	57
Cash flows from investing activities		-156	-220	-147
Cash flows from financing activities		329	864	164
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-64	381	-115
Cash and cash equivalents		154	536	420

Note: Non-Consolidated basis.

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

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