

Photosynth (4379 TSE Mothers) - - - - - November 9,2021**Mainly develops business concerning cloud-type access authentication system for offices**

This report is an English translation of part of the report issued on November 9, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[4379 Photosynth 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. 2019	778	81.6	-693	-	-708	-	-713	-	-74.9	-192.0	0.0
Dec. 2020	1,175	51.0	-667	-	-683	-	-1,184	-	-96.2	-246.8	0.0
Dec. 2021 f	1,511	28.5	-1,028	-	-1,070	-	-1,062	-	-77.0	-	0.0

Note: Figures for the fiscal year ending December 2019 and 2020 are on a non-consolidated basis. Figures for the fiscal year ending December 2021 are on a consolidated basis. Figures for the fiscal year ending December 2021 are the company's
It conducted 1-to-2 stock split on March 28, 2020 and 1-to-200 stock split on August 11, 2021. Per share indices are adjusted retroactively.

Developing Business Concerning Cloud-type Access Authentication System for Offices

The Photosynth Group's core service, Akerun access authentication system is retrofittable to existing doors and is comprised of hardware which conducts physical opening and closing of keys, data communication, applications for smart devices that manage authority and key authentications, etc. and software including web applications. Most of its sales in the first half of the fiscal year ending December 2021 were from those targeting offices.

As for hardware, the company handles Akerun Pro that corresponds to thumb turn locks and Akerun Controller that corresponds to electric locks, automatic doors and flapper gates, and other electrically controlled doors. Akerun Pro accounted for around 90% of net sales in the first half of the fiscal year ending December 2021.

Akerun Pro is a smart lock retrofittable to existing doors. It only needs to be placed on existing thumb turn locks on doors, and as installation work and initial costs are not needed, customers can install it in a minimum of three days.

Akerun Controller is a hardware retrofittable to existing automatic doors and electromagnetic locks and other electric locks, and can be installed and operated with just simple installation work.

In many cases, Akerun Pro appears to be introduced in old and relatively small office buildings and Akerun Controller introduced in new and large buildings.

The company receives monthly usage fees from customers for the term of using the Akerun access authentication system. The list price of the monthly usage fee is 17,500 yen plus tax per door, and changes according to the contract period and the number of doors on which it is installed.

Photosynth (4379 TSE Mothers) - - - - - November 9,2021**Financial Statements**

Statement of income	Fiscal Year	Dec.2019		Dec.2020		Six months to Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		778	100.0	1,175	100.0	716	100.0
Cost of sales		151	19.5	210	17.9	73	10.2
Gross profit		626	80.5	965	82.1	643	89.8
Selling, general and administrative expenses		1,320	169.5	1,632	138.8	956	133.4
Operating profit		-693	-89.0	-667	-56.7	-312	-43.7
Non-operating income		2	-	10	-	10	1.5
Non-operating expenses		17	2.3	27	2.3	14	2.1
Ordinary profit		-708	-91.0	-683	-58.1	-316	-44.2
Profit before income taxes		-713	-91.6	-1,186	-100.9	-316	-44.2
Profit attributable to owners of parent		-713	-91.6	-1,184	-100.8	-317	-44.2

Balance sheet	Fiscal Year	Dec.2019		Dec.2020		Jun. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		871	63.7	1,788	95.8	3,181	92.8
Cash and deposits		739	54.1	1,624	87.1	2,987	87.1
Accounts receivable-trade		73	5.4	76	4.1	98	2.9
Inventories		4	0.3	11	0.6	39	1.1
Non-current assets		495	36.6	78	4.2	247	7.2
Property, plant and equipment		403	29.5	-	-	153	4.5
Intangible assets		14	1.1	-	-	16	0.5
Investments and other assets		77	5.6	78	4.2	77	2.3
Total assets		1,367	100.0	1,866	100.0	3,428	100.0
Current liabilities		493	36.1	657	35.2	793	23.1
Accounts payable - trade		13	1.0	28	1.5	33	1.0
Short-term borrowings		30	2.2	30	1.6	30	0.9
Current portion of long-term borrowings		137	10.1	212	11.4	193	5.6
Advances received		162	11.9	210	11.3	345	10.1
Non-current liabilities		783	57.3	742	39.8	688	20.1
Long-term borrowings		729	53.4	717	38.4	334	19.4
Net assets		90	6.6	467	25.0	1,947	56.8
Owners' equity		90	6.6	467	25.0	1,900	55.4

Statement of cash flows	Fiscal Year	Dec.2019	Dec.2020	Six months to Jun. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-585	-545	-179
Depreciation		86	109	4
Cash flows from investing activities		-156	-186	-178
Cash flows from financing activities		619	1,617	1,720
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-122	885	1,363
Cash and cash equivalents		709	1,594	2,957

Note: Figures for the fiscal year ending December 2019 and 2020 are on a non-consolidated basis.

Figures for the fiscal year ending December 2021 are on a consolidated basis.

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

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