

Supporting communications of deskless workers not sitting at desks

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[4412 Science Arts 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)
Aug. 2020	222	24.0	-93	-	-92	-	-92	-	-31.5	92.4	0.0
Aug. 2021	365	64.4	-97	-	-95	-	-95	-	-31.4	76.7	0.0
Aug. 2022 f	414	13.4	-91	-	-96	-	-96	-	-30.3	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending August 2022 are the company's forecasts.
It conducted 1-to-100 stock split on August 11, 2021. Per share indices are adjusted retroactively.

Develops and Sells a Platform Connecting Deskless Workers

Science Arts develops and sells Buddycom, a live communication platform that connects so-called deskless workers that do not work sitting at desks.

Buddycom is used by installing the dedicated app on smartphones and tablets. In addition to IP wireless communication enabling simultaneous calls like when using wireless devices and transceivers, it enables obtaining and sharing of information that is necessary on-site including video and store visit information.

Buddycom features various functions such as clear audio, simultaneous distribution to users within the group as well as calls among users, push-to-talk while videos are being distributed, obtaining users' location information, exchange of content such as images and videos in addition to audio.

In the fiscal year ended August 2021, 97.5% of the net sales originated from the Buddycom business and the company is currently focusing its management resources on the Buddycom business. The number of contracted companies at the end of the fiscal year ended August 2021 reached 400.

Users in Various Business Types

Buddycom is being used at general merchandise stores, factories, transportation facilities, nursing care sites, agricultural sites, construction sites, etc., and is not limited to specific industries or business types. It is mostly used by the retail industry, where it is used for store operations and management. The benefits such as enabling issuance of instructions to individuals for support when there are crowds at registers and easily assist in providing information for inquiries from customers are highly evaluated.

Science Arts (4412 TSE Mothers)- - - - - November 26,2021**Financial Statements**

Statement of income	Fiscal Year	Aug.2019		Aug.2020		Aug.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		179	100.0	222	100.0	365	100.0
Cost of sales		57	31.8	56	25.2	100	27.4
Gross profit		121	67.6	166	74.8	265	72.6
Selling, general and administrative expenses		214	119.6	259	116.7	362	99.2
Operating profit		-93	-	-93	-	-97	-
Non-operating income		0	-	2	-	2	-
Non-operating expenses		2	-	1	-	1	-
Ordinary profit		-95	-	-92	-	-95	-
Profit before income taxes		-95	-	-91	-	-95	-
Net profit		-95	-	-92	-	-95	-

Balance sheet	Fiscal Year	Aug.2019		Aug.2020		Aug.2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		420	93.1	399	93.2	323	92.0
Cash and deposits		401	88.9	373	87.1	260	74.1
Accounts receivable-trade		7	1.6	10	2.3	46	13.1
Other current assets		4	0.9	7	1.6	13	3.7
Non-current assets		30	6.7	28	6.5	27	7.7
Property, plant and equipment		15	3.3	13	3.0	12	3.4
Intangible assets		-	-	-	-	-	-
Investments and other assets		15	3.3	15	3.5	15	4.3
Total assets		451	100.0	428	100.0	351	100.0
Current liabilities		132	29.3	99	23.1	112	31.9
Accounts payable - trade		1	0.2	3	0.7	24	6.8
Current portion of long-term borrowings		62	13.7	22	5.1	-	-
Non-current liabilities		99	22.0	49	11.4	4	1.1
Long-term borrowings		89	19.7	42	9.8	-	-
Net assets		218	48.3	278	65.0	233	66.4
Owners' equity		218	48.3	278	65.0	233	66.4

Statement of cash flows	Fiscal Year	Aug.2019	Aug.2020	Aug.2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-78	-92	-97
Depreciation		5	2	1
Cash flows from investing activities		-12	0	0
Cash flows from financing activities		248	64	-14
Dividends paid		-	-	-
Net increase in cash and cash equivalents		157	-27	-113
Cash and cash equivalents		396	368	255

Note:Non-consolidated basis.

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

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