

Provides face authentication and other image recognition AI solutions and dispatches engineers for system development

This report is an English translation of part of the report issued on June 3, 2022.
For inquiries concerning the report, please contact info@stock-r.org

【5026 TRIPLEIZE 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	1,791	-	-174	-	-166	-	-260	-	-42.0	65.1	0.0
Aug. 2021	2,122	18.4	60	-	83	-	38	-	6.1	71.2	0.0
Aug. 2022 f	2,595	22.3	174	2.9x	163	94.6	138	3.6x	21.7	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending August 2022 are the company's forecasts.

It conducted 1-to-200 stock split on October 29, 2021. Per share indices are adjusted retroactively.

Engaged in System Development Engineer Dispatch, Image Recognition AI Business, etc.

TRIPLEIZE is engaged in the AI solution business consisting of an AI business centering on the dispatching of engineers for various system development and on the image recognition field, the training business conducting corporate training and employee education and the other business.

The AI solution business accounted for 98.0% of the net sales in the fiscal year ended August 2021, the training business for 1.5% and the other business for 0.5%. As for segment profit margin, while the training business was highly profitable at 26.7%, the AI solution business was low at 2.4% with the heavy burden of personnel expenses, and the other business recorded a slight loss.

AI Solution Business

The AI Solution Business is largely divided into the system integration department conducting engineer dispatch, etc. for various system development, etc. and the AIZE department, which is an AI business centering on the image recognition field.

System integration department provides services centering on engineer dispatch mainly to system integrators, which are the prime contractors, regarding system development projects of companies, etc.

AIZE department uses the image recognition platform AIZE, an AI engine developed in-house, and provides services to various industries and business types. The company launched a Go AI project team in August 2014 and started research and development of AI. It started provision of AIZE in March 2019.

Training Business

In the training business, one of its consolidated subsidiaries provides seminar training operations for the cultivation of human resources at various companies nationwide.

Other Business

In the other business, one of its consolidated subsidiaries operates a shogi dojo.

TRIPLEIZE (5026 TSE Growth) - - - - - June 3 ,2022**Financial Statements**

Statement of income	Fiscal Year	Aug.2020		Aug.2021		Six months to Feb. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,791	100.0	2,122	100.0	1,212	100.0
Cost of sales		1,458	81.4	1,580	74.5	860	71.0
Gross profit		333	18.6	541	25.5	351	29.0
Selling, general and administrative expenses		507	28.3	481	22.7	254	21.0
Operating profit		-174	-9.7	60	2.9	96	8.0
Non-operating income		10	-	25	-	5	-
Non-operating expenses		2	-	2	-	8	-
Ordinary profit		-166	-9.3	83	4.0	93	7.7
Profit before income taxes		-259	-14.5	61	2.9	93	7.7
Profit attributable to owners of parent		-260	-14.6	38	1.8	84	7.0

Balance sheet	Fiscal Year	Aug.2020		Aug.2021		Feb. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		807	87.1	985	88.5	992	83.9
Cash and deposits		550	59.4	617	55.5	611	51.7
Accounts receivable-trade		189	20.4	317	28.5	341	28.8
Inventories		27	3.0	37	3.3	20	1.8
Non-current assets		119	12.9	128	11.5	190	16.1
Property, plant and equipment		12	1.3	9	0.9	12	1.1
Intangible assets		55	6.0	75	6.8	149	12.6
Investments and other assets		51	5.6	42	3.9	27	2.3
Total assets		927	100.0	1,113	100.0	1,182	100.0
Current liabilities		387	41.8	523	47.0	441	37.3
Accounts payable - trade		108	11.7	173	15.6	152	12.9
Short-term borrowings		42	4.5	60	5.4	50	4.2
Current portion of long-term borrowings		56	6.1	54	4.9	53	4.5
Non-current liabilities		135	14.6	147	13.3	121	10.3
Long-term borrowings		135	14.6	147	13.3	121	10.3
Net assets		404	43.6	442	39.7	620	52.4
Owners' equity		404	43.6	442	39.7	620	52.4

Statement of cash flows	Fiscal Year	Aug.2020	Aug.2021	Six months to Feb. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-134	164	7
Depreciation		11	15	14
Cash flows from investing activities		-137	-126	-75
Cash flows from financing activities		539	28	61
Dividends paid		-	-	-
Net increase in cash and cash equivalents		267	66	-6
Cash and cash equivalents		550	617	611

Note: Consolidated basis.

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

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.	SMBC Nikko Securities Inc.	Daiwa Securities Co. Ltd.
Nomura Securities Co., Ltd.	Mizuho Securities Co., Ltd.	Ernst & Young ShinNihon LLC
KPMG AZSA LLC	ICMG Co., Ltd.	Grant Thornton Taiyo LLC
Deloitte Touche Tohmatsu LLC	SBI SECURITIES Co., Ltd.	BDO Sanyu
Pricewaterhouse Coopers Kyoto	H.S. Securities Co., Ltd.	Ichiyoshi Securities Co., Ltd.
A&A Partners	GYOSEI & CO.	Avantia G.P.
TAKARA PRINTING CO., LTD.	PRONEXUS INC.	Japan Securities Dealers Association

The Securities Analysts Association of Japan

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.