

Leveraging AIST patents to manufacture and sell diamond seeds for jewelry

This report is an English translation of part of the report issued on July 1, 2022.
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[7794 EDP Sector : Other Products]

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)
Mar.2021	1,139	61.9	267	250.2	270	265.2	253	166.5	131.5	762.1	0.0
Mar. 2022	1,562	37.1	520	94.4	527	95.0	374	48.0	174.1	-	0.0
Mar. 2023 f	2,415	55.0	762	46.3	737	43.6	486	24.6	197.5	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.
It conducted 1-to-100 stock split on November 18, 2021. Per share indices are adjusted retroactively.

Conducts Diamond Single Crystal Manufacturing, Sales, and Development Business

EDP Corporation is in the business of manufacturing, selling, and developing diamond single crystals, which are synthetically fabricated and sold for the jewelry and electronic materials fields.

The company was established in September 2009 for the purpose of commercializing the large diamond single crystal production technology developed by the National Institute of Advanced Industrial Science and Technology (AIST). President and representative director Naoji Fujimori served as the director of the Diamond Research Center at AIST prior to founding EDP.

In addition to jewelry applications, diamonds are widely used as abrasive grains for the cutting and polishing of hard materials such as stone, due to their high hardness. Diamonds are generally considered to occur in nature, but the fact is that most of the industrial diamonds in use today are created through artificial synthesis. Natural diamonds had traditionally been used in jewelry, but synthetic diamonds began to appear about 10 years ago and a substantial amount of synthetic jewels are sold in jewelry stores and online today. Such synthetic jewels are called laboratory-grown diamonds (LGDs).

Product Offerings

The company offers products in four categories. The product categories are the Synthetic Jewel/Diamond Seeds, which are the raw materials for LGD production, the Semiconductor/Diamond Substrates for semiconductor substrate materials, etc., the Application Product/Heat Spreaders, Optical Windows, such as X-ray and infrared light window materials and heat sinks to remove heat from devices, and the Cutting Tool/Diamond Tool Blanks, which includes precision processing cutting tools. The Synthetic Jewel/Diamond Seeds accounted for 93.5% of net sales for the first three quarters of fiscal year ended March 2022, the Semiconductor/Diamond Substrates for 2.7%, Application Product/Heat Spreaders, Optical Windows for 1.9%, and Cutting Tool/Diamond Tool Blanks for 1.9%.

EDP (7794 TSE Growth) ----- July 7 ,2022

Financial Statements

Statement of income	Fiscal Year	Mar.2020		Mar.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		704	100.0	1,139	100.0	1,562	100.0
Cost of sales		475	67.5	670	58.8	723	46.3
Gross profit		228	32.5	469	41.2	839	53.7
Selling, general and administrative expenses		152	21.6	201	17.7	318	20.4
Operating profit		76	10.8	267	23.5	520	33.3
Non-operating income		0	-	13	-	29	-
Non-operating expenses		2	-	10	-	21	-
Ordinary profit		74	10.5	270	23.8	527	33.8
Profit before income taxes		74	10.5	268	23.6	516	33.1
Net profit		95	13.5	253	22.2	374	24.0

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		585	37.8	1,186	52.0	1,418	50.3
Cash and deposits		372	24.0	948	41.6	1,066	37.9
Accounts receivable-trade		63	4.1	100	4.4	137	4.9
Inventories		107	7.0	104	4.6	171	6.1
Non-current assets		963	62.2	1,094	48.0	1,398	49.7
Property, plant and equipment		897	57.9	1,002	44.0	1,335	47.4
Intangible assets		6	0.4	6	0.3	5	0.2
Investments and other assets		60	3.9	85	3.7	57	2.0
Total assets		1,549	100.0	2,280	100.0	2,817	100.0
Current liabilities		251	16.3	344	15.1	357	12.7
Accounts payable - trade		10	0.7	10	0.5	18	0.6
Current portion of long-term borrowings		48	3.1	190	8.3	89	3.2
Accounts payable		157	10.1	61	2.7	96	3.4
Non-current liabilities		401	25.9	300	13.2	415	14.7
Long-term borrowings		363	23.5	261	11.5	350	12.4
Net assets		895	57.8	1,634	71.7	2,045	72.6
Owners' equity		895	57.8	1,634	71.7	2,045	72.6

Statement of cash flows	Fiscal Year	Mar.2020	Mar.2021	Mar. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		191	440	635
Depreciation		159	195	231
Cash flows from investing activities		-434	-401	-545
Cash flows from financing activities		309	525	15
Dividends paid		-	-	-
Net increase in cash and cash equivalents		68	575	118
Cash and cash equivalents		372	948	1,066

Note: Non-consolidated basis.

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

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