

Aiming to launch services leveraging its own artificial intelligence (AI), artificial elastic intelligence (AEI)

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【5132 pluszero 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)
Oct.2020	381	-	-26	-	-26	-	-27	-	-13.0	98.3	0.0
Oct.2021	507	33.1	-80	-	-78	-	-79	-	-37.6	60.7	0.0
Oct.2022 f	725	43.0	127	-	115	-	117	-	55.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending October 2020 are the company's forecasts.

It conducted 1-to-2 stock split on April 19, 2022. Per share indices are adjusted retroactively.

Aiming for Practical Application of Fourth-Generation AI

pluszero provides solutions that integrate technologies such as AI, IT and hardware.

The company's business is classified into two categories: project-based and service-based. In the first three quarters of fiscal year ending October 2022, the project-based business accounted for 98.5% of net sales, and service-based for 1.5%.

In its project-based business, the company provides AI- and IT-related solutions under contract or quasi-mandate contract. All net sales through fiscal year ended October 2021 were generated by the project-based business.

As for the service-based business, the company aims to deliver solutions by licensing the elemental technologies of AEI as well as its own AEI-based product, "Virtual Staffing." AEI is a term coined by pluszero and is the abbreviation of Artificial Elastic Intelligence.

AEI is a specific implementation of fourth-generation AI, a specialized artificial intelligence that falls between traditional AI and next-generation general-purpose artificial intelligence, which is regarded as being extremely difficult to achieve.

The company's goal for AEI is to evolve it into an advanced form of AI that allows machines to comprehend meaning in a manner similar to humans, while limited to specific task domains. The company aims to lower the hurdles to realization by limiting project scope.

pluszero's business model to date has been to continually invest the profits generated by the project-based business in research and development of AEI. Until fiscal year ended October 2021, the company had concentrated on developing AEI.

Entering fiscal year ending October 2022, in addition to research and development, the company has been collaborating with business partners to launch services utilizing AEI. And, although the amount is minimal, it is beginning to contribute to earnings.

Net sales for the first three quarters ending October 2022, included compensation for the provision of information and the licensing of technologies related to Virtual Staffing.

Financial Statements

Statement of income	Fiscal Year	Oct.2020		Oct.2021		Nine months to Jul. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		381	100.0	507	100.0	534	100.0
Cost of sales		192	50.4	250	49.3	206	38.6
Gross profit		189	49.6	257	50.7	328	61.4
Selling, general and administrative expenses		216	56.7	338	66.7	228	42.7
Operating profit		-26	-	-80	-	99	18.5
Non-operating income		0	-	1	-	0	-
Non-operating expenses		0	-	0	-	2	-
Ordinary profit		-26	-	-78	-	97	18.2
Profit before income taxes		-26	-	-78	-	117	21.9
Net profit		-27	-	-79	-	109	20.4

Balance sheet	Fiscal Year	Oct.2020		Oct.2021		Nine months to Jul. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		277	91.1	230	91.3	338	89.2
Cash and deposits		225	74.0	138	54.8	221	58.3
Accounts receivable-trade		41	13.5	79	31.3	107	28.2
Inventories		3	1.0	3	1.2	-	-
Non-current assets		27	8.9	22	8.7	41	10.8
Property, plant and equipment		4	1.3	3	1.2	3	0.8
Intangible assets		16	5.3	9	3.6	21	5.5
Investments and other assets		6	2.0	9	3.6	16	4.2
Total assets		304	100.0	252	100.0	379	100.0
Current liabilities		92	30.3	123	48.8	140	36.9
Current portion of long-term borrowings		3	1.0	3	1.2	-	-
Non-current liabilities		5	1.6	1	0.4	-	-
Long-term borrowings		5	1.6	1	0.4	-	-
Net assets		206	67.8	127	50.4	239	63.1
Owners' equity		206	67.8	127	50.4	239	63.1

Statement of cash flows	Fiscal Year	Oct.2020	Oct.2021
		(mn yen)	(mn yen)
Cash flows from operating activities		19	-83
Depreciation		1	1
Cash flows from investing activities		-21	0
Cash flows from financing activities		206	-3
Dividends paid		-	-
Net increase in cash and cash equivalents		211	-87
Cash and cash equivalents		225	138

Note: Non-consolidated

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

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