

Offering enterprise services leveraging metaverse platform developed internally

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[5240 monoAI technology 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.2020	1,127	-	-487	-	-479	-	-580	-	-94.5	-72.2	0.0
Dec.2021	1,291	14.6	-136	-	-174	-	-181	-	-25.4	36.8	0.0
Dec.2022 f	1,416	9.7	63	-	51	-	60	-	6.9	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2022 are the company's forecasts.
It conducted 1-to-30 stock split on August 31, 2022. Per share indices are adjusted retroactively.

Offering Services Leveraging Metaverse Platforms

monoAI technology group has developed XR CLOUD, a metaverse platform powered by technologies it has accumulated through online game development, such as massive simultaneous connections, three-dimensional virtual space creation and AI. Based on this XR CLOUD, the group offers enterprise services and XR-related technology.

The metaverse is a three-dimensional virtual space digitally created on the internet. Using avatars, which are virtual self-representations, users communicate with other users, enjoy content such as games and music, sell and buy products, etc.

The group's offering consists of metaverse service, XR event service, and other XR-related services. The metaverse service, XR event service and other XR-related services accounted for 72.6%, 6.6% and 20.8%, respectively, of total net sales for fiscal year ended December 2021.

Metaverse Service

For the metaverse service, the group offers XR CLOUD as OEM service and conducts contract development of metaverse platforms with added features for each customer, as well as event operation and other services on the platform once it is up and running.

XR Event Service

The group offers various events on its XR CLOUD through the XR event service launched during fiscal year ended December 2021. Events it hosts include sessions for prospective employees, internal networking events, in-house meetings and exhibitions.

XR-Related Services

As for XR-related services, the group provides game developers and VR developers with its Monobit Engine, a communication middleware that enables massive simultaneous connections for online games. The group also offers system design and research and development of AI-based software quality assurance services as well as an AI conversation generator for casual conversations with humans.

monoAI technology (5240 TSE Growth) - - - - - December 27, 2022**Financial Statements**

Statement of income	Fiscal Year	Dec.2020		Dec.2021		Nine months to Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,127	100.0	1,291	100.0	1,094	100.0
Cost of sales		876	77.7	826	64.0	610	55.8
Gross profit		250	22.2	465	36.0	484	44.2
Selling, general and administrative expenses		738	65.5	601	46.6	435	39.8
Operating profit		-487	-	-136	-	48	4.4
Non-operating income		13	-	5	-	5	-
Non-operating expenses		5	-	43	-	5	-
Ordinary profit		-479	-	-174	-	48	4.4
Profit before income taxes		-582	-	-177	-	44	4.0
Profit attributable to owners of parent		-580	-	-181	-	40	3.7

Balance sheet	Fiscal Year	Dec.2020		Dec.2021		Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		270	73.8	915	93.8	955	93.2
Cash and deposits		99	27.0	787	80.6	761	74.2
Accounts receivable-trade		134	36.6	95	9.7	179	17.5
Prepaid expenses		10	2.7	2	0.2	-	-
Non-current assets		96	26.2	61	6.3	70	6.8
Property, plant and equipment		71	19.4	39	4.0	18	1.8
Intangible assets		3	0.8	0	0.0	26	2.5
Investments and other assets		21	5.7	20	2.0	24	2.3
Total assets		366	100.0	976	100.0	1,025	100.0
Current liabilities		510	139.3	459	47.0	340	33.2
Accounts payable - trade		13	3.6	25	2.6	100	9.8
Current portion of long-term borrowings		105	28.7	95	9.7	93	9.1
Non-current liabilities		315	86.1	207	21.2	183	17.9
Long-term borrowings		265	72.4	169	17.3	167	16.3
Net assets		-458	-	309	31.7	501	48.9
Owners' equity		-458	-	309	31.7	500	48.9

Statement of cash flows	Fiscal Year	Dec.2020		Dec.2021	
		(mn yen)	(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-162	-114		
Depreciation		34	12		
Cash flows from investing activities		-2	-12		
Cash flows from financing activities		128	843		
Dividends paid		-	-		
Net increase in cash and cash equivalents		-35	716		
Cash and cash equivalents		90	787		

Note:Consolidated

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

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