

**ELEMENTS (5246 TSE Growth) - - - - - December 30, 2022****Operates business with two types of solutions: identity verification and personalization**

This report is an English translation of part of the report issued on December 30, 2022.  
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**[5246 ELEMENTS 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)
Nov.2020	949	-	-926	-	-935	-	-800	-	-60.5	-198.9	0.0
Nov.2021	1,362	43.5	-706	-	-695	-	-568	-	-42.8	-241.7	0.0
Nov.2022 f	1,634	20.0	-556	-	-566	-	-520	-	-36.6	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending November 2022 are the company's forecasts.  
It conducted 1-to-100 stock split on October 13, 2022. Per share indices are adjusted retroactively.

**Provides Identity Verification and Personalization Solutions**

The ELEMENTS Group consists of ELEMENTS, three consolidated subsidiaries, one equity method affiliate and one non-equity method affiliate.

Business operations are mainly performed by subsidiaries and affiliates, while ELEMENTS carries out management including subsidiaries and operates businesses that require a higher level of management.

**Identity Verification Solutions**

Liquid, a subsidiary, provides identity verification solutions. Services include the identity verification service LIQUID eKYC, which launched in July 2019, and the personal authentication service LIQUID Auth, which launched in January 2022.

LIQUID eKYC is a service that can complete the identity verification required when opening an account at a financial institution or making a line contract with a telecommunications carrier online and non-face-to-face. The service accounts for over 90% of net sales of the identity verification solution, and approximately 70% of the overall net sales of the group.

There are various usage situations, such as opening accounts in financial institutions, signing a contract to use communication lines, using rental cars and other sharing services and selling used goods. LIQUID eKYC has been used by over 140 business operators as of the end of October 2022.

LIQUID Auth is an online personal authentication service rolled out in January 2022, and is currently in the commercialization phase. It is a service that authenticates the identity of users of a service operated by a business operator.

**Personalization Solutions**

The group provides services to obtain, store and analyze personal data of individuals to optimize goods and services for them. All of the business projects are in either the demonstration or commercialization phase. Around 90% of net sales of the personalization solution comes from the behavioral analysis business, which provides personalization services for office and housing environments.

**ELEMENTS (5246 TSE Growth) - - - - - December 30, 2022****Financial Statements**

Statement of income	Fiscal Year	Nov.2020		Nov.2021		Nine months to Aug. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		949	100.0	1,362	100.0	1,257	100.0
Cost of sales		377	39.7	545	40.0	456	36.3
Gross profit		572	60.3	816	59.9	801	63.7
Selling, general and administrative expenses		1,498	157.9	1,522	111.7	1,247	99.2
Operating profit		-926	-	-706	-	-446	-
Non-operating income		15	-	16	-	13	-
Non-operating expenses		24	-	5	-	25	-
Ordinary profit		-935	-	-695	-	-458	-
Profit before income taxes		-941	-	-715	-	-529	-
Profit attributable to owners of parent		-800	-	-568	-	-436	-

Balance sheet	Fiscal Year	Nov.2021		Nov.2021		Aug. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,780	97.1	2,557	97.8	2,394	98.0
Cash and deposits		2,595	90.7	2,304	88.1	2,241	91.7
Accounts receivable-trade		122	4.3	201	7.7	105	4.3
Prepaid expenses		5	0.0	11	0.4	0	0.0
Non-current assets		82	2.9	57	2.2	50	2.0
Property, plant and equipment		25	0.9	15	0.6	16	0.7
Intangible assets		18	0.6	3	0.1	2	0.1
Investments and other assets		37	1.3	38	1.5	31	1.3
Total assets		2,862	100.0	2,614	100.0	2,444	100.0
Current liabilities		428	15.0	844	32.3	824	33.7
Accounts payable - trade		30	1.0	38	1.5	30	1.2
Short-term borrowings		162	5.7	353	13.5	609	24.9
Current portion of long-term borrowings		11	0.4	246	9.4	2	0.1
Non-current liabilities		446	15.6	500	19.1	792	32.4
Long-term borrowings		446	15.6	500	19.1	792	32.4
Net assets		1,987	69.4	1,269	48.5	827	33.8
Owners' equity		1,565	54.7	996	38.1	549	22.5

Statement of cash flows	Fiscal Year	Nov.2020	Nov.2021	Six months to
		(mn yen)	(mn yen)	May 2022
				(mn yen)
Cash flows from operating activities		-859	-757	-202
Depreciation		15	16	3
Cash flows from investing activities		257	-13	-5
Cash flows from financing activities		290	479	178
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-311	-290	-30
Cash and cash equivalents		2,595	2,304	2,273

Note: Consolidated

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

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