

**TECHNOLOGIES (5248 TSE Growth) - - - - - January 31, 2023**

**Conducts video software development and system development, and provides information management system for temporary staffing agencies**

This report is an English translation of part of the report issued on January 27, 2023.  
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**[5248 TECHNOLOGIES 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)
Jan.2021	785	-	15	-	23	-	29	-	12.9	114.8	0.0
Jan.2022	789	0.5	60	4.0x	61	2.7x	81	2.8x	33.6	148.0	0.0
Jan.2023 f	1,051	33.2	160	2.7x	151	2.5x	69	-14.8	28.7	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending January 2023 are the company's forecasts.

It conducted 1-to 200 stock split on September 27, 2022. Per share indices are adjusted retroactively.

**Developing IT Solution Business and SaaS Business**

TECHNOLOGIES group is engaged in the IT solutions business and the SaaS business. In fiscal year ended January 2022, the IT solutions business accounted for 97% of net sales and the SaaS business accounted for 3%.

**IT Solution Business**

In the IT solutions business, which accounts for the majority of the company's net sales, the group mainly 1) develops video software related to entertainment, 2) conducts contract development in the area of system/application development using digital technologies such as AI and 3) sells automated financial trading systems. In fiscal year ended January 2022, video software development accounted for just under 60% of the business' net sales, and system/application development for slightly less than 20% and automated financial trading systems accounted for slightly more than 20%.

**1) Video software development**

The group focuses on video software development for pachinko and pachislot machines, and develops software such as 3D digital signage, projection mapping, and a 3D apparel try-on app.

**2) System/application development**

The group provides AI software. Up until now, it has developed an automobile autonomous driving app (prototype), an automobile remote control system, a small AI voice recognition teaching material robot for children and a live streaming app.

**3) Automated financial trading system**

The group sells the "SAZANAMI SYSTEM," which enables automated foreign exchange transactions. It is a one-time fee product, and the group does not conduct system updates and such after sales.

**SaaS Business**

In this business, the group provides the business management system for staffing agencies "jobs" and the sales enablement tool "Circle" as SaaS services. This business has a stock-type business model that receives a monthly usage fee. Approximately 90% of the SaaS business' net sales in fiscal year ended January 2022 came from "jobs," and about 10% came from "Circle."

**TECHNOLOGIES (5248 TSE Growth) - - - - - January 31, 2023****Financial Statements**

Statement of income	Fiscal Year	Jan.2021		Jan.2022		Nine months to Oct. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		785	100.0	789	100.0	780	100.0
Cost of sales		552	70.3	512	64.9	423	54.2
Gross profit		232	29.6	277	35.1	356	45.6
Selling, general and administrative expenses		216	27.5	216	27.4	241	30.9
Operating profit		15	1.9	60	7.6	114	14.6
Non-operating income		11	-	2	-	4	-
Non-operating expenses		3	-	1	-	2	-
Ordinary profit		23	2.9	61	7.7	115	14.7
Profit before income taxes		29	3.7	63	8.0	72	9.2
Profit attributable to owners of parent		29	3.7	81	10.3	44	5.6

Balance sheet	Fiscal Year	Jan.2021		Jan.2022		Oct. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		444	84.6	499	84.7	617	86.1
Cash and deposits		147	28.0	263	44.7	432	60.3
Accounts receivable-trade		92	17.5	132	22.4	110	15.3
Prepaid expenses		46	8.8	43	7.3	58	8.1
Non-current assets		81	15.4	90	15.3	100	13.9
Property, plant and equipment		5	1.0	4	0.7	6	0.8
Intangible assets		57	10.9	54	0.0	76	0.0
Investments and other assets		18	3.4	31	5.3	16	0.2
Total assets		525	100.0	589	100.0	717	100.0
Current liabilities		93	17.7	80	13.6	126	17.6
Accounts payable - trade		9	1.7	12	2.0	40	5.6
Short-term borrowings		11	2.1	-	-	-	-
Current portion of long-term borrowings		6	1.1	3	0.5	11	1.5
Non-current liabilities		155	29.5	151	25.6	188	26.2
Long-term borrowings		155	29.5	151	25.6	188	26.2
Net assets		277	52.8	357	60.6	402	56.1
Owners' equity		277	52.8	357	60.6	402	56.1

Statement of cash flows	Fiscal Year	Jan.2021	Jan.2022	Six months to Jul. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-237	132	161
Depreciation		1	1	1
Amortization of goodwill		3	3	1
Cash flows from investing activities		-4	2	-5
Cash flows from financing activities		231	-18	-4
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-10	115	151
Cash and cash equivalents		146	262	414

Note:Consolidated

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

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