

## Provision of IP phone systems using internet lines

This report is an English translation of part of the report issued on June 30, 2023.  
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## 【5580 Prodelight Sector : Information &amp; 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)
Aug.2021	1,599	21.1	94	-	89	105.2	63	61.4	44.7	132.7	0.0
Aug.2022	1,777	11.1	110	17.7	114	27.9	81	29.8	58.0	190.7	0.0
Aug.2023 f	2,008	13.0	156	41.4	152	33.2	101	23.4	70.2	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending August 2023 are the company's forecasts.  
It conducted 1:5 stock split on September 1, 2022. Per share indices are adjusted retroactively.

**One-Stop Provision of IP Phone Systems**

Prodelight is a one-stop provider of IP phone systems for corporate clients using internet lines. With the increasing demand for workstyle reform, including the adoption of remote work styles and hot-desking office setups, as well as the implementation of business continuity planning (BCP) measures, Prodelight offers its customers a digital transformation of telephones that breaks the barrier between fixed-line and mobile phones, transforming how they are used.

The company's primary business domains are system services, through which it sells systems that enable private branch exchange (PBX) in the cloud, line services, which uses IP lines to provide voice communications from the public network to individual terminals, and terminal sales, through which the company sells terminal equipment such as IP phones.

Looking at the composition of net sales in fiscal year ended August 2022, line services accounted for 53.2%, system services for 32.2%, terminal sales for 13.1% and others for 1.5%. In terms of gross profit, however, line services accounted for 46.6%, system services for 41.7%, terminal sales for 8.6% and others for 3.1%.

In the system services business, Prodelight provides its customers with INNOVERA PBX, a cloud-based PBX system that has been installed at over 1,300 companies, as well as INNOVERA Outbound, a cloud-based call system dedicated to outgoing calls.

In the line services business, the company offers IP phone line services that can be connected directly to INNOVERA on the cloud. This includes IP-Line, which is provided in partnership with ARTERIA Networks.

Prodelight has a sole agency agreement with Yealink for SIP phones in Japan, and is responsible for sales and support, as well as the development and operation of Japanese-language embedded software.

## Financial Statements

Statement of income	Fiscal Year	Aug.2021		Aug.2022		Six months to Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,599	100.0	1,777	100.0	958	100.0
Cost of sales		836	52.3	920	51.8	489	51.1
Gross profit		762	47.7	856	48.2	468	48.9
Selling, general and administrative expenses		668	41.8	746	42.0	406	42.4
Operating profit		94	5.9	110	6.2	62	6.5
Non-operating income		4	-	11	-	0	-
Non-operating expenses		9	-	7	-	2	-
Ordinary profit		89	5.6	114	6.5	59	6.2
Profit before income taxes		82	5.2	112	6.3	59	6.2
Net profit		63	3.9	81	4.6	38	4.0

Balance sheet	Fiscal Year	Aug.2021		Aug.2022		Feb.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		699	79.5	693	80.2	697	79.3
Cash and deposits		402	45.7	384	44.5	365	41.5
Accounts receivable-trade		225	25.6	242	28.1	259	29.5
Inventories		40	4.6	51	5.9	40	4.6
Non-current assets		180	20.5	171	19.8	182	20.7
Property, plant and equipment		47	5.4	38	4.5	44	5.0
Intangible assets		61	7.0	58	6.8	67	7.7
Investments and other assets		71	8.1	73	8.5	70	8.0
Total assets		879	100.0	864	100.0	879	100.0
Current liabilities		333	37.9	324	37.5	344	39.2
Accounts payable - trade		84	9.6	94	10.9	106	12.1
Short-term borrowings		15	1.7	15	1.7	15	1.7
Current portion of bonds payable		20	2.3	20	2.3	20	2.3
Current portion of long-term borrowings.		65	7.5	66	7.7	69	7.9
Non-current liabilities		359	40.9	270	31.3	227	25.9
Bonds payable		30	3.4	10	1.2	-	-
Long-term borrowings		289	32.9	223	25.9	187	21.4
Net assets		187	21.3	269	31.1	307	34.9
Owners' equity		187	21.3	269	31.1	307	34.9

Statement of cash flows	Fiscal Year	Aug.2021	Aug.2022	Six months to Feb.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		100	89	48
Depreciation		20	21	11
Cash flows from investing activities		-46	-66	-46
Cash flows from financing activities		-84	-89	-44
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-30	-66	-43
Cash and cash equivalents		310	244	201

Note: Non-consolidated

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

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