

Using sleep data analysis technology to provide solutions to social issues

This report is an English translation of part of the report issued on July 28, 2023.
For inquiries concerning the report, please contact info@stock-r.org

【5585 EcoNaviSta Sector : Information & Communication】

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Oct.2021	535	73.4	131	-	134	328.4	125	293.4	29.3	137.3	0.0
Oct.2022	893	66.8	302	130.7	304	127.0	197	57.6	42.8	212.6	0.0
Oct.2023 f	1,065	19.2	385	27.2	375	23.2	260	31.4	51.5	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending October 2023 are the company's forecasts.
It conducted 1:10 stock split on April 29, 2023. Per share indices are adjusted retroactively.

Using Sleep Data Analysis Technology to Provide Solutions to Social Issues

EcoNaviSta is a company that develops AI for predicting changes in health conditions using sensor fusion technology and sleep data analysis technology. Furthermore, EcoNaviSta provides solutions that address social issues through services that implement AI.

In 2014, the company launched an elderly monitoring service along with its advanced version Life Rhythm Navi. In 2016, the company launched Life Rhythm Navi Plus Doctor, a cloud service that packages sleep and other various sensors with predictive AI. Life Rhythm Navi Plus Doctor, which is currently the main service, provides digital transformation support for nursing and retirement homes facing a shortage of nursing care personnel.

Net sales of the company are divided into the Life Rhythm Navi business, which accounts for more than 90% of the total, and the contracted research and development business.

Life Rhythm Navi Plus Doctor is a SaaS-type monitoring system for nursing and retirement homes. Various sensors and measuring instruments, including the Life Rhythm Navi SleepSensor, a sleep sensor, are installed on and near the beds of elderly persons to collect and accumulate sleep data, vital data, environmental data and other big datasets on the cloud. The accumulated data are immediately processed by the company's proprietary analysis technology, and the results are displayed in real time on various terminals of the facility staff. With this system, facility staff can monitor the status of elderly persons 24 hours a day, reducing the burden of health condition checks.

Financial Statements

Statement of income	Fiscal Year	Oct.2021		Oct.2022		Six months to Apr.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		535	100.0	893	100.0	825	100.0
Cost of sales		280	52.3	348	39.0	246	29.9
Gross profit		255	47.7	545	61.0	578	70.1
Selling, general and administrative expenses		124	23.2	242	27.1	162	19.6
Operating profit		131	24.5	302	33.9	416	50.5
Non-operating income		2	-	1	-	0	-
Non-operating expenses		0	-	0	-	2	-
Ordinary profit		134	25.0	304	34.1	415	50.3
Profit before income taxes		134	25.0	304	34.1	415	50.3
Net profit		125	23.4	197	22.1	287	34.9

Balance sheet	Fiscal Year	Oct.2021		Oct.2022		Apr.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		639	89.9	1,044	90.7	1,444	92.1
Cash and deposits		499	70.2	704	61.2	1,140	72.8
Accounts receivable-trade		21	3.0	27	2.4	67	4.3
Inventories		50	7.1	272	23.6	210	13.4
Non-current assets		72	10.1	106	9.3	123	7.9
Property, plant and equipment		7	1.1	25	2.2	22	1.5
Intangible assets		31	4.4	48	4.2	64	4.1
Investments and other assets		33	4.7	32	2.8	35	2.3
Total assets		711	100.0	1,151	100.0	1,567	100.0
Current liabilities		83	11.7	135	11.8	264	16.9
Accounts payable - trade		26	3.7	7	0.7	23	1.5
Non-current liabilities		-	-	-	-	-	-
Net assets		628	88.3	1,015	88.2	1,302	83.1
Owners' equity		628	88.3	1,015	88.2	1,302	83.1

Statement of cash flows	Fiscal Year	Oct.2021	Oct.2022	Six months to Apr.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		89	94	462
Depreciation		10	25	12
Cash flows from investing activities		-18	-78	-25
Cash flows from financing activities		271	188	-25
Dividends paid		-	-	-
Net increase in cash and cash equivalents		342	205	436
Cash and cash equivalents		499	704	1,140

Note:Non-consolidated

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

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.

Nomura Securities Co., Ltd.

KPMG AZSA LLC

Deloitte Touche Tohmatsu LLC

PricewaterhouseCoopers Kyoto

A&A Partners

TAKARA PRINTING CO., LTD.

Japan Securities Dealers Association

SMBC Nikko Securities Inc.

Mizuho Securities Co., Ltd.

ICMG Co., Ltd.

SBI SECURITIES Co., Ltd.

J Trust Global Securities Co., Ltd.

GYOSEI & CO.

PRONEXUS INC.

The Securities Analysts Association of Japan

Daiwa Securities Co. Ltd.

Ernst & Young ShinNihon LLC

Grant Thornton Taiyo LLC

BDO Sanyu

Ichiyoshi Securities Co., Ltd.

Avantia G.P.

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.