

**Providing solutions through an integrated control platform for drones and robots**

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**【5597 Blue innovation 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.2021	725	47.1	-391	-	-393	-	-394	-	-124.4	151.4	0.0
Dec.2022	908	25.2	-349	-	-341	-	-345	-	-106.0	111.6	0.0
Dec.2023 f	1,255	38.2	-298	-	-297	-	-299	-	-90.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2023 is the company's forecasts.

**Providing Various Solutions for Integrated Management of Drones and Robots**

Blue innovation offers various solutions based on its software platform, Blue Earth Platform (BEP), which is designed to control and integrate autonomous mobility robots such as drones remotely.

**BEP**

Typically, drones fly using GPS. However, regular drones cannot conduct automated flights in locations where they cannot receive GPS satellite radio signals. To enable such drones to fly in such locations, they need technologies that enable them to estimate their own position with the help of a combination of multiple sensors and those that will allow them to automatically avoid obstacles and select the optimal flight path.

Blue innovation's strengths lie in these technologies. The company's system consists of sensor modules, software and hardware (device or aircraft), but BEP integrates the sensor modules and software to provide them. Since Blue innovation does not manufacture hardware, one of its strengths lies in its ability to accommodate any hardware within its services.

**Four Solutions**

In fiscal year ended December 2022, inspection solutions accounted for 36% of net sales, education solutions for 27%, logistics solutions for 28% and next solutions for 10%.

Inspection solutions mainly target petrochemical plants, steelworks and power plants. Blue innovation's logistics solutions are centered on their "BEP Port," a drone port from which drones take off and land. Next solutions involve the development of new solutions.

Education solutions differ from the above three businesses and offer pilot training for the industrial application of drones and other related services

## Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Nine months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		725	100.0	908	100.0	747	100.0
Cost of sales		487	67.1	517	57.0	378	50.6
Gross profit		238	32.9	390	43.0	368	49.4
Selling, general and administrative expenses		629	86.8	740	81.5	643	86.0
Operating profit		-391	-53.9	-349	-38.5	-274	-36.7
Non-operating income		7	-	9	-	8	-
Non-operating expenses		10	-	1	-	2	-
Ordinary profit		-393	-54.3	-341	-37.6	-268	-35.9
Profit before income taxes		-394	-54.3	-342	-37.7	-269	-36.0
Net profit		-394	-54.4	-345	-38.0	-271	-36.3

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		912	87.8	832	88.8	682	86.4
Cash and deposits		675	64.9	527	56.3	480	60.8
Accounts receivable-trade		185	17.9	212	22.7	118	15.1
Inventories		35	3.4	66	7.0	58	7.4
Non-current assets		127	12.2	104	11.2	107	13.6
Property, plant and equipment		81	7.9	69	7.4	80	10.2
Intangible assets		34	3.3	25	2.7	18	2.4
Investments and other assets		10	1.0	9	1.0	8	1.0
Total assets		1,039	100.0	937	100.0	790	100.0
Current liabilities		157	15.1	176	18.8	215	27.3
Accounts payable - trade		26	2.5	35	3.8	36	4.6
Non-current liabilities		402	38.7	394	42.1	479	60.7
Net assets		480	46.2	365	39.1	94	12.0
Owners' equity		480	46.2	365	39.1	94	12.0

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		-282	-365
Depreciation		37	43
Cash flows from investing activities		-52	-12
Cash flows from financing activities		400	229
Dividends paid		-	-
Net increase in cash and cash equivalents		65	-147
Cash and cash equivalents		675	517

Note:Non-consolidated

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

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