

Offering highly advanced AI visual inspection systems

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【135A VRAIN Solution 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)
Feb.2022	344	3.3x	3	-	14	-25.8	11	-12.8	1.1	3.5	0.0
Feb.2023	617	79.2	64	19.1x	63	4.4x	49	4.5x	5.0	9.0	0.0
Feb.2024 f	1,410	2.3x	497	7.7x	493	7.8x	330	6.6x	33.3	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending February 2024 is the company's forecasts.
It conducted 1:1,000 stock split on December 8, 2023. Per share indices are adjusted retroactively.

Specializing in the Provision of AI Systems and DX Consulting to Manufacturing Industry

VRAIN Solution specializes in providing "AI systems," particularly through its proprietary AI visual inspection installations, to customers in the manufacturing industry. Additionally, the company offers "DX consulting" services aimed at promoting digital transformation (DX) by using AI and IoT technology. In fiscal year ended February 2023, AI systems accounted for 56.9% and consulting services for 43.1% of net sales.

AI Systems

The company's in-house engineering division plans, researches and develops AI systems. The company sells highly versatile systems that do not need to be substantially modified to suit individual customers. The company provides its proprietary AI software to not only match with the customer's manufacturing line environment and address issues to be solved, but the company also offers systems that combine with peripheral hardware, such as cameras, sensors and other imaging devices from other companies to customers in the manufacturing industry.

The company's main AI systems product is its AI visual inspection installations. By introducing the company's proprietary AI visual inspection system, Phoenix Vision/Eye, customers can save on manual labor and automate the detection of defective products. This system replaces the previous manual inspection process conducted by inspectors along the manufacturing line.

In the three fiscal years up to fiscal year ended February 2023, the aggregate number of companies using its AI systems was 69, which were mainly in the automotive and food industries.

DX Consulting

In its DX projects for customers in the manufacturing industry, the company utilizes AI and IoT technology to provide accompanying and implementation-based solutions to support their issue identification and data evaluation phases, as well as PoC (verification) phases, system development phases, and operation and horizontal deployment phases.

VRAIN Solution (135A TSE Growth)

March 6, 2024

Financial Statements

Statement of income	Fiscal Year	Feb. 2022		Feb.2023		Nine months to Nov..2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		344	100.0	617	100.0	1,052	100.0
Cost of sales		38	11.3	70	11.4	220	21.0
Gross profit		305	88.7	547	88.6	831	79.0
Selling, general and administrative expenses		302	87.7	482	78.2	447	42.5
Operating profit		3	1.0	64	10.4	384	36.5
Non-operating income		11	-	0	-	0	-
Non-operating expenses		0	-	1	-	0	-
Ordinary profit		14	4.2	63	10.3	383	36.4
Profit before income taxes		14	4.2	59	9.7	383	36.4
Net profit		11	3.2	49	8.1	253	24.1

Balance sheet	Fiscal Year	Feb. 2022		Feb.2023		Nov.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		149	61.8	231	68.0	617	84.1
Cash and deposits		81	33.8	18	5.3	137	18.7
Accounts receivable-trade		23	9.6	158	46.4	402	54.9
Inventories		22	9.2	41	12.2	62	8.5
Non-current assets		92	38.2	109	32.0	117	15.9
Property, plant and equipment		16	7.0	44	12.9	46	6.4
Intangible assets		-	-	-	-	-	-
Investments and other assets		75	31.2	65	19.1	70	9.6
Total assets		242	100.0	341	100.0	734	100.0
Current liabilities		170	70.4	183	53.7	361	49.2
Accounts payable - trade		-	-	-	-	5	0.8
Short-term borrowings		47	19.5	-	-	-	-
Current portion of long-term borrowings.		18	7.8	50	14.9	50	6.9
Contract liability		56	23.2	23	6.8	24	3.3
Non-current liabilities		36	15.2	68	20.1	30	4.2
Long-term borrowings		36	15.2	68	20.1	30	4.2
Net assets		34	14.4	89	26.2	342	46.7
Owners' equity		34	14.4	89	26.2	342	46.7

Statement of cash flows	Fiscal Year	Feb. 2022	Feb.2023
		(mn yen)	(mn yen)
Cash flows from operating activities		13	-40
Depreciation		4	15
Cash flows from investing activities		-75	-39
Cash flows from financing activities		93	16
Dividends paid		-	-
Net increase in cash and cash equivalents		31	-63
Cash and cash equivalents		81	18

Note:Non-consolidated

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

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