

Manufacture of small drones specially for use in narrow indoor spaces

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[218A Liberaware Sector: Precision Instruments]

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)
Jul. 2022	260	61.4	-462	-	-455	-	-456	-	-36.2	-79.5	0.0
Jul. 2023	379	45.7	-630	-	-635	-	-641	-	-46.7	-104.2	0.0
Jul. 2024	f 812	2.1x	-464	-	-463	-	-466	-	-27.3	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending July 2024 is the company's forecasts.
It conducted 1:100 stock split on April 12, 2024. Per share indicies are adjusted retroactively.

Manufacture of Small Drones for Small Indoor Spaces and Provision of Solutions for Process, Edit and Management of Drone-Captured Images and Videos

Liberaware provides solutions that combine its self-developed drones with software for processing, editing and managing images and videos captured by the drones.

The company's drones are small and can fly in tight spaces within facilities and equipment. The design and manufacturing are handled in-house, with parts developed jointly with domestic manufacturers. Currently, the drones are piloted by humans, but Liberaware is developing a drone capable of autonomous flight in enclosed spaces that are often narrow, dark and dangerous indoor spaces where GPS information is unavailable.

Major customers are companies and organizations with a considerable number of inspection facilities and equipment. These include steelmakers iron manufacturers, railway companies, construction companies, manufacturers and government agencies. Companies with many facilities and a lot of equipment bear burdens such as the number of days required for inspections, the size of the workforce and scaffolding costs, but inspections can be made more efficient using the company's drones. Moreover, creating 3D data from drone-captured images and videos enables time-series analysis, detection of abnormalities such as facility and equipment deterioration and prevention of accidents caused by aging.

Liberaware operates three businesses: the drone business, manufacturing and selling drones and providing data for infrastructure and plant research, inspections and surveys; the digital twin business, using image processing technology on drone-captured data to create and provide video and 3D data for detecting abnormalities; and the solution development business, developing new solutions leveraging entrusted development, technological capabilities and expertise.

Financial Statements

Statement of income	Fiscal Year	Jul. 2022		Jul. 2023		Nine months to Apr.2024	
		(mn yen)	(%)	3JA	(%)	(mn yen)	(%)
Net sales		260	100.0	379	100.0	609	100.0
Cost of sales		217	83.5	328	86.6	339	55.8
Gross profit		43	16.5	50	13.4	269	44.2
Selling, general and administrative expenses		505	194.3	681	179.6	552	90.6
Operating profit		-462	-	-630	-	-282	-
Non-operating income		15	5.9	34	9.0	29	4.8
Non-operating expenses		8	3.1	38	10.3	7	1.2
Ordinary profit		-455	-	-635	-	-260	-
Profit before income taxes		-455	-	-639	-	-260	-
Net profit		-456	-	-641	-	-262	-

Balance sheet	Fiscal Year	Jul. 2022		Jul. 2023		Apr.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		499	78.0	846	78.8	835	83.3
Cash and deposits		349	54.6	608	56.7	542	54.1
Accounts receivable-trade		23	3.7	17	1.6	131	13.1
Inventories		46	7.2	135	12.6	124	12.4
Non-current assets		140	22.0	228	21.2	167	16.7
Property, plant and equipment		91	14.3	178	16.7	118	11.8
Intangible assets		6	1.0	4	0.5	5	0.6
Investments and other assets		43	6.7	44	4.1	43	4.3
Net profit		639	100.0	1,074	100.0	1,002	100.0
Current liabilities		138	21.7	202	18.9	239	23.8
Accounts payable - trade		3	0.6	0	0.0	1	0.2
Current portion of long-term borrowings		1	0.2	77	7.2	77	7.7
Accounts payable		46	7.2	37	3.5	35	3.6
Income taxes payable		0	0.1	1	0.2	13	1.3
Non-current liabilities		196	30.7	308	28.7	212	21.1
Long-term borrowings		196	30.7	308	28.7	212	21.1
Net assets		304	47.6	563	52.4	551	55.0
Owners' equity		304	47.6	563	52.4	550	54.9

Statement of cash flows	Fiscal Year	Jul. 2022	Jul. 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		-470	-637
Depreciation		16	66
Cash flows from investing activities		-77	-187
Cash flows from financing activities		600	1,085
Dividends paid		-	-
Net increase in cash and cash equivalents		52	259
Cash and cash equivalents		349	608

Note: Non-consolidated

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

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