

**Strength in marketing using proprietary AI systems**

This report is an English translation of part of the report issued on October 1, 2024.  
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**[274A Ai ROBOTICS Sector : Chemicals]**

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)
Mar. 2023	3,645	2.3x	306	-	283	-	-264	-	-44.1	-140.6	0.0
Mar. 2024	7,061	93.7	1,256	4.1x	1,234	4.4x	825	-	137.5	-3.1	0.0
Mar. 2025 f	10,800	53.0	1,751	39.3	1,700	37.7	1,200	45.5	115.4	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2025 is the company's forecasts.  
It conducted 1:2,000 stock split on June 14, 2024. Per share indices are adjusted retroactively.

### **Through Business Transformation, the Company Focuses Management Resources on D2C Brand Business**

Ai ROBOTICS positions the D2C brand business as its core business. The company aims to offer unprecedented products and services, regardless of genre.

The company had previously used its proprietary AI system, SELL, to support customer sales. In 2022, leveraging the know-how it had accumulated, it launched its own D2C brand business. The company has currently shifted its management resources to the D2C brand business and suspended its AI marketing business.

Skincare brand Yunth and beauty device brand Brighte are the main brands of the D2C brand business. Its brands, including Yunth and Brighte, are sold through three channels: the company's e-commerce (EC) site, EC malls and over-the-counter wholesale.

#### 1) Skincare Brand Yunth

Yunth is a coined word, a play on the word "youth" and is a skincare brand that has gradually expanded its product lineup, ranging from Pure VC Whitening Serum to products, including lotions, UV gels, cleansers and face wash products. The company outsources production to domestic manufacturers.

As of July 2024, the company had shipped more than three million units of Pure VC Whitening Serum, its main product. This product accounted for 77.5% of net sales in fiscal year ended March 2024, driving the company's performance.

#### 2) Beauty Device Brand Brighte

Brighte develops a lineup of beauty devices at mid-range prices. The company outsources manufacturing to Chinese companies that are less expensive than domestic companies and have more advanced technical capabilities.

Since sales began in February 2024, Ai ROBOTICS has been selling two types of facial care devices, the ELEKI BRUSH and the ELEKI LIFT.

## Financial Statements

Statement of income	Fiscal Year	Mar. 2023		Mar. 2024		Three months to Jun. 2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,645	100.0	7,061	100.0	2,559	100.0
Cost of sales		2,015	55.3	1,548	21.9	538	21.0
Gross profit		1,630	44.7	5,513	78.1	2,021	79.0
Selling, general and administrative expenses		1,323	36.3	4,256	60.3	1,542	60.3
Operating profit		306	8.4	1,256	17.8	478	18.7
Non-operating income		0	-	0	-	3	-
Non-operating expenses		23	-	22	-	9	-
Ordinary profit		283	7.8	1,234	17.5	472	18.5
Profit before income taxes		-371	-	1,156	16.4	472	18.5
Net profit		-264	-	825	11.7	333	13.0

Balance sheet	Fiscal Year	Mar. 2023		Mar. 2024		Jun. 2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,948	92.2	4,340	95.3	4,612	91.3
Cash and deposits		1,233	58.4	3,017	66.2	2,884	57.1
Accounts receivable - trade		465	22.0	701	15.4	980	19.4
Inventories		195	9.3	503	11.1	567	11.2
Non-current assets		160	7.6	192	4.2	420	8.3
Property, plant and equipment		3	0.2	34	0.8	264	5.2
Intangible assets		-	-	-	-	-	-
Investments and other assets		156	7.4	158	3.5	155	3.1
Total assets		2,113	100.0	4,555	100.0	5,052	100.0
Current liabilities		1,006	47.6	2,034	44.7	1,889	37.4
Accounts payable - trade		215	10.2	185	4.1	169	3.4
Current portion of bonds payable		192	9.1	488	10.7	380	7.5
Current portion of long-term borrowings		282	13.3	394	8.7	398	7.9
Accounts payable		216	10.2	568	12.5	685	13.6
Income taxes payable		10	0.5	299	6.6	147	2.9
Non-current liabilities		803	38.0	1,391	30.5	1,598	31.6
Bonds payable		269	12.8	701	15.4	701	13.9
Asset retirement obligation		534	25.3	689	15.1	897	17.8
Net assets		303	14.4	1,129	24.8	1,564	31.0
Owners' equity		303	14.4	1,128	24.8	1,564	31.0

Statement of cash flows	Fiscal Year	Mar. 2023	Mar. 2024
		(mn yen)	(mn yen)
Cash flows from operating activities		10	900
Depreciation		2	7
Cash flows from investing activities		0	-89
Cash flows from financing activities		167	973
Dividends paid		-	-
Net increase in cash and cash equivalents		178	1,783
Cash and cash equivalents		1,133	2,917

Note: Non-consolidated

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

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