

Using secret-sharing technology to provide data security services such as PC data protection

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【338A ZenmuTech 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. 2023	440	89.7	46	-	56	-	72	-	74.1	-563.2	0.0
Dec. 2024	648	47.3	76	65.2	84	50.0	78	8.3	93.0	216.8	0.0
Dec. 2025 f	850	31.2	112	47.4	145	72.6	159	2.0x	126.7	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2025 is the company's forecasts.

It conducted 1:200 stock split on November 1, 2024. Per share indices are adjusted retroactively.

Providing Data Security Services Utilizing Secret-Sharing Technology

To provide safe and reliable data security, ZenmuTech deploys secret-sharing solutions that utilize the company's proprietary ZENMU-AONT secret-sharing technology. It also uses the secret computation solution QueryAhead, which it developed using the expertise gained from developing ZENMU-AONT, and is working to commercialize these services through commissioned research and other methods.

The AONT in the name of the company's secret-sharing technology stands for "All-or-Nothing Transform", a technology that divides data into fragments, encrypts them and stores them in different locations as meaningless information. The data cannot be recovered unless all fragments are reassembled. Rather than protecting data through encryption or the use of a secret key, this technology accomplishes data security by dividing the data into meaningless fragments.

Secret computation is a technology that performs computation and analysis while using secret sharing to keep data secret. The advantage is that computation and analysis results can be obtained based on the data while maintaining its confidentiality.

ZenmuTech discloses its net sales in three categories, including secret-sharing business, secret computation business and other.

In fiscal year December 2024, the secret-sharing business accounted for 78.9% of net sales, the secret computation business for 18.5% and other for 2.6%. Net sales in the other category include those from customizing Windows Embedded OS for thin clients, which the company has done since its founding and consulting services for existing thin client customers when new devices are added or updated.

Financial Statements

Statement of income	Fiscal Year	Dec. 2022		Dec. 2023		Dec.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		232	100.0	440	100.0	648	100.0
Cost of sales		23	9.9	30	6.8	60	9.3
Gross profit		208	89.7	410	93.2	588	90.7
Selling, general and administrative expenses		332	143.1	363	82.5	512	79.0
Operating profit		-124	-	46	10.5	76	11.7
Non-operating income		11	-	10	-	10	-
Non-operating expenses		0	-	0	-	2	-
Ordinary profit		-113	-	56	12.7	84	13.0
Profit before income taxes		-115	-	56	12.7	84	13.0
Net profit		-115	-	72	16.4	78	12.0

Balance sheet	Fiscal Year	Dec. 2022		Dec. 2023		Dec.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		120	93.8	536	92.9	603	91.9
Cash and deposits		83	64.8	308	53.4	507	77.3
Accounts receivable-trade		28	21.9	214	37.1	74	11.3
Contract asset		-	-	-	-	2	0.3
Non-current assets		8	6.3	41	7.1	53	8.1
Property, plant and equipment		1	0.8	2	0.3	2	0.3
Intangible assets		5	3.9	13	2.3	20	3.0
Investments and other assets		1	0.8	25	4.3	30	4.6
Total assets		128	100.0	577	100.0	656	100.0
Current liabilities		259	202.3	402	69.7	407	62.0
Accounts payable - trade		-	-	-	-	-	-
Current portion of long-term borrowings		137	107.0	137	23.7	119	18.1
Non-current liabilities		25	19.5	18	3.1	11	1.7
Long-term borrowings		25	19.5	18	3.1	11	1.7
Net assets		-155	-	156	27.0	237	36.1
Owners' equity		-155	-	151	26.2	232	35.4

Statement of cash flows	Fiscal Year	Dec. 2022	Dec. 2023	Dec.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		51	9	242
Depreciation		2	8	15
Cash flows from investing activities		-2	-17	-21
Cash flows from financing activities		-7	232	-22
Dividends paid		-	-	-
Net increase in cash and cash equivalents		41	224	199
Cash and cash equivalents		83	308	507

Note:Non-consolidated

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

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