FY2021 (from Jan. 1,2021 to Dec. 31, 2021)
Financial Results

February 15, 2022

ALBERT Inc.

（Ticker: 3906, TSE Mothers Market）

*TSE GROWTH Market from Apr. 2022

Albert
Analytical technology

Contents

1 — Highlights

2 — Key Performance Indicators

3 — Business Strategy

4 — Appendix

© 2022 ALBERT Inc.

1. Highlights

© 2022 ALBERT Inc.

Executive Summary

Performance Highlights

(million JPY)

Sales / Profit

Net Sales	Operating Profit	Profit
3,338	436	353
(YoY)	(YoY)	(YoY)
+23.5%	+74.5%	+142.1%

Key Performance Indicators

Num. of Data Scientists	Utilization Rate	Share of Sales from Priority Industries
239名	75.5%	82.3%

Record-high sales and profit in FY2021.

Aim for linear growth through aggressive recruitment and training of HR.

- Steady growth in “AI Implementation support business” as projects become larger and longer.
- Aim for sales growth is **23%** and Operating profit growth is **51%** through aggressive recruitment and training.
- Continued accounting provision due to delays in AI Implementation project; expected to be completed by the end of March.

© 2022 ALBERT Inc.

Income Statement

■ **Record-high sales and profit** driven by a couple of large-scale projects.

(million JPY)

	FY12/2020 (Actual)	FY12/2021 (Actual)	Amount change	Percentage change
Net Sales	2,703	3,338	634	23.5%
Gross Profit (Profit Margin)	1,672 (61.9%)	1,965 (58.9%)	292	17.5%
Operating Profit (Profit Margin)	250 (9.3%)	436 (13.1%)	186	74.5%
Profit	146	353	207	142.1%

© 2022 ALBERT Inc.

Progress against The Forecast

- Sales were not achieved due to delay in delivery of Ai system implementation project.
- Profit margin improved by improving projects quality and efficient assignment.

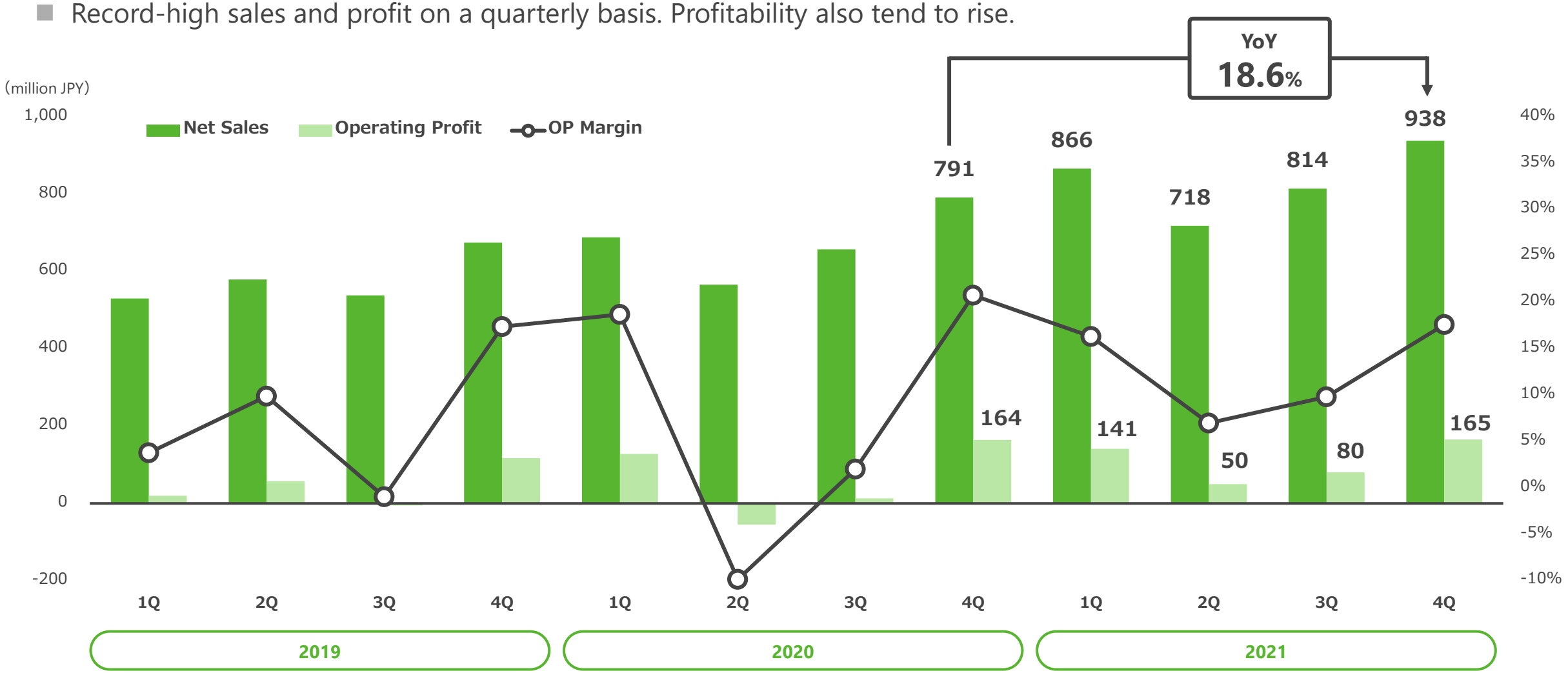
(million JPY)

	FY12/2021 (Forecast)	FY 12/2021 (Actual)	Amount change	Progress rate
Net Sales	3,380	3,338	-41	98.8%
Operating Profit (Profit Margin)	404 (12.0%)	436 (13.1%)	32	108.1%
Ordinary Profit (Profit Margin)	404 (12.0%)	435 (13.0%)	31	107.8%
Profit	267	353	86	132.5%

© 2022 ALBERT Inc.

Quarterly Performance

- Record-high sales and profit on a quarterly basis. Profitability also tend to rise.



© 2022 ALBERT Inc.

Balance sheet

- Increasing cash and deposits by profit growth. And increasing current liabilities by filing provision for loss on orders received.

(million JPY)

	FY12/2020 (Dec. 31, 2020)	FY21/2021 (Dec. 31, 2021)	Amount change	Percentage change
Cash and deposits	2,603	3,246	642	24.7%
Current assets	3,224	4,015	790	24.5%
Non-current assets	524	535	10	2.1%
Assets	3,749	4,551	801	21.4%
Current liabilities	363	763	400	110.4%
Non-current liabilities	24	-	-24	-100.0%
Liabilities	387	763	376	97.0%
Net assets	3,361	3,787	425	12.7%
Liabilities and net assets	3,749	4,551	801	21.4%

© 2022 ALBERT Inc.

Income Statement

- Sales is expected to grow due to the continuation of large-scale projects. And profitability is also expected to continue to raise.

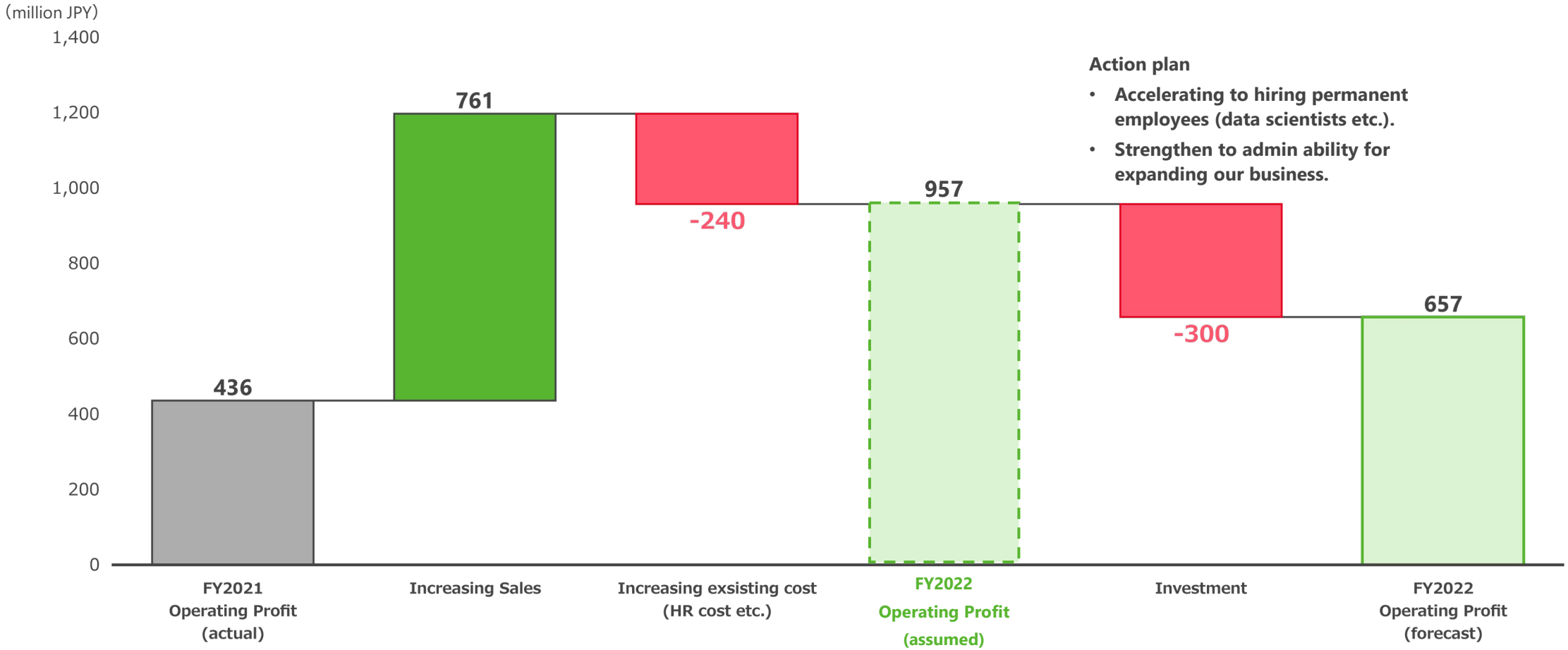
(million JPY)

	FY12/2021 (Actual)	FY12/2022 (Forecast)	Amount change	Percentage change
Net Sales	3,338	4,100	761	22.8%
Operating Profit (Profit Margin)	436 (13.1%)	657 (16.0%)	221	50.6%
Ordinary Profit (Profit Margin)	435 (13.0%)	657 (16.0%)	222	51.1%
Profit	353	446	93	26.3%

© 2022 ALBERT Inc.

Breakdown of the forecast

- Assumed performance has reached a level as 1,000 million JPY in sight.
- Aiming to further growth and achieving “Japan’s No.1 Scale” in FY 2023 by aggressively recruitments.



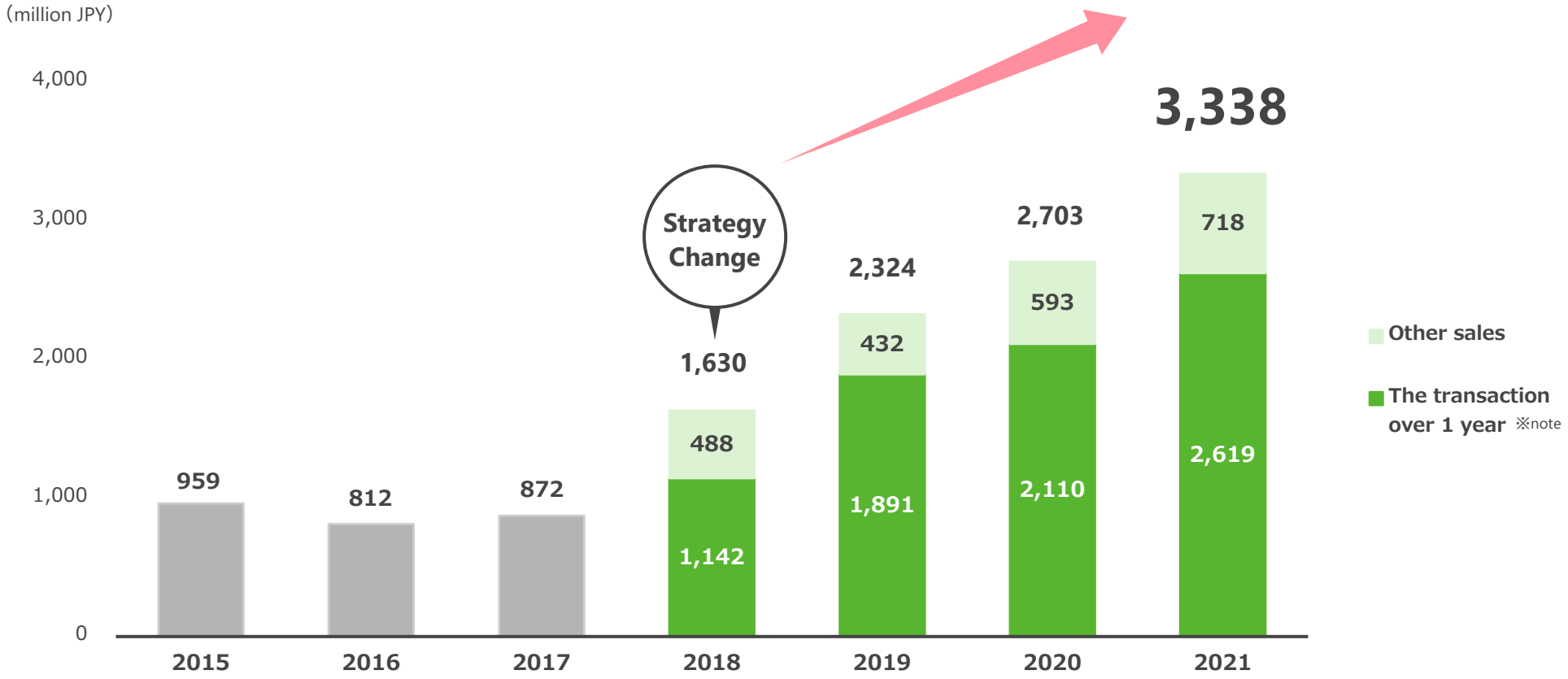
© 2022 ALBERT Inc.

2. Key Performance Indicators

© 2022 ALBERT Inc.

Sales by Transaction Period

- Business growth is underway with a stable customer base, with approximately 80% of sales is came from continuous transactions.



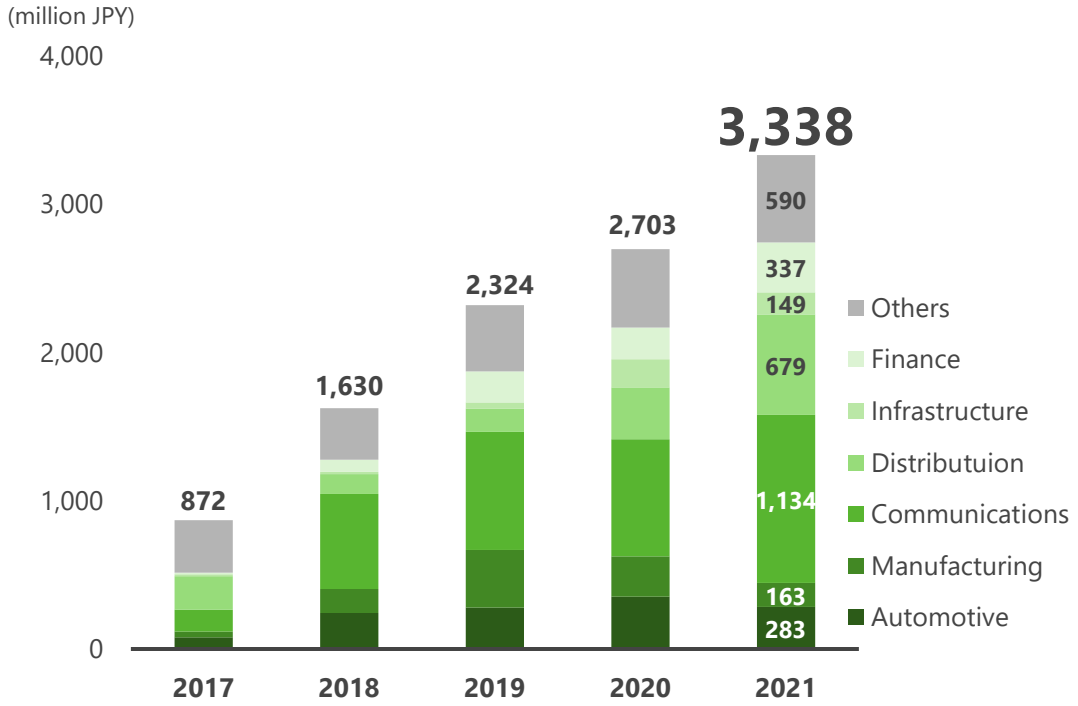
※ Results for 2015-2017, before the change in strategy, are shown in gray.
※ Total amount of transactions (once or multiple) with client companies that have been doing business with us for more than one year.

© 2022 ALBERT Inc.

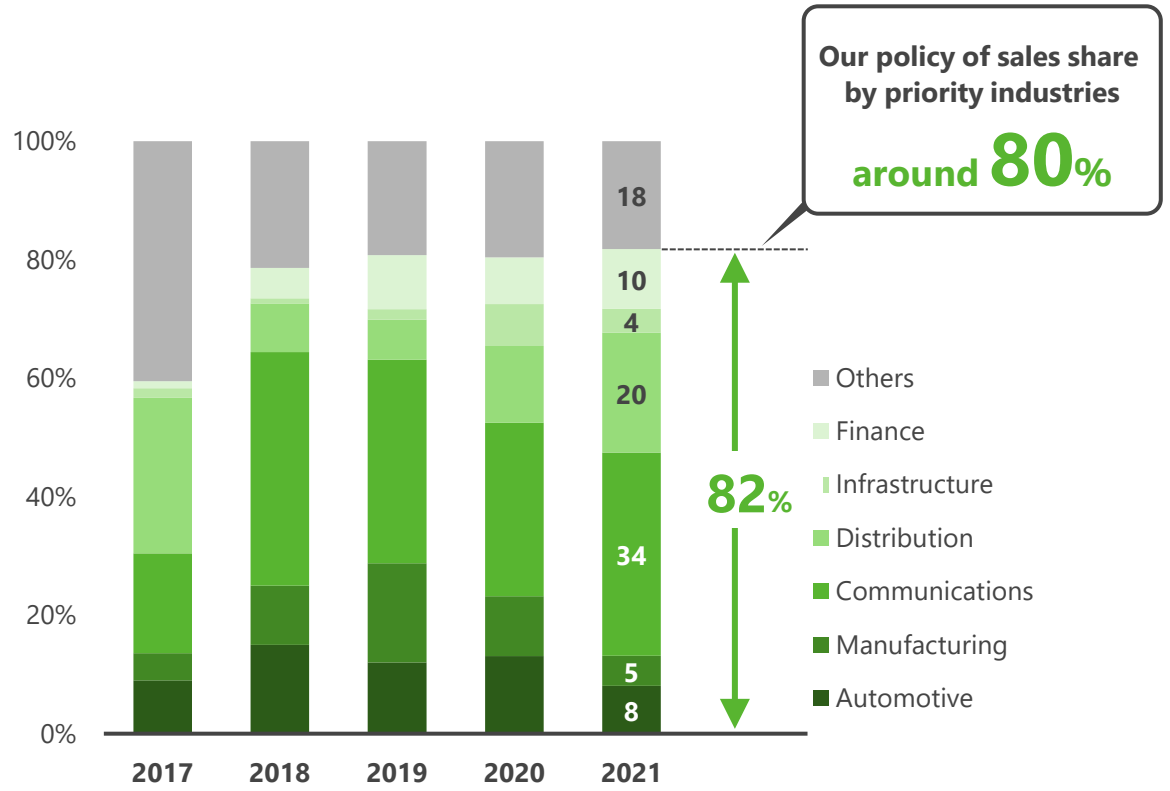
Net Sales by Priority Industries

- Maintain a sales share of around 80% in priority industries.

Changes in Sales



Changes in Sales Share



© 2022 ALBERT Inc.

Starting to co-development of AI marketing optimization model with SBI Sec.

- Promote DX in the marketing domain by building a marketing data platform and a dashboard to visualize data.
- Aim to build long-term relationships with customers through the development of AI models to maximize the value.

SBI GROUP SBI証券

Albert
Analytical technology

Build data platform

Data visualization

- Change s in trading fee and commissions
- Accelerate PDCA

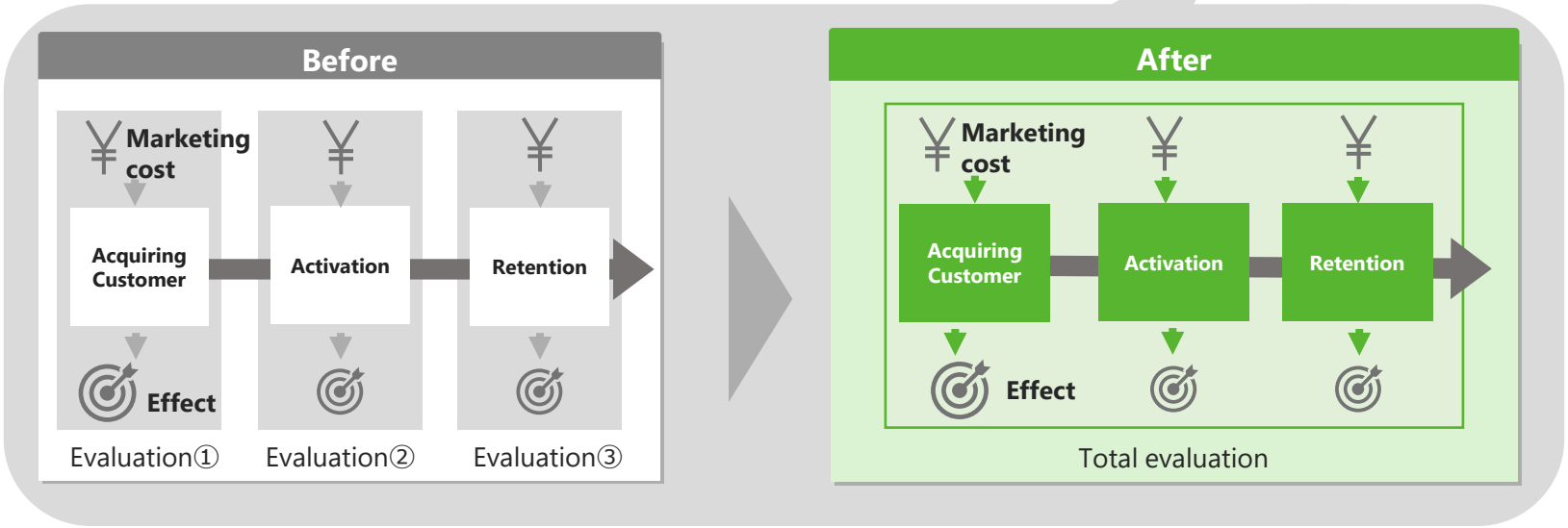
Utilizing marketing

- Information visualization
- Identifying current issues

Maximize customer's value

- Integrated use of external data
- Marketing automation

- Development of AI models to build relationship with customers

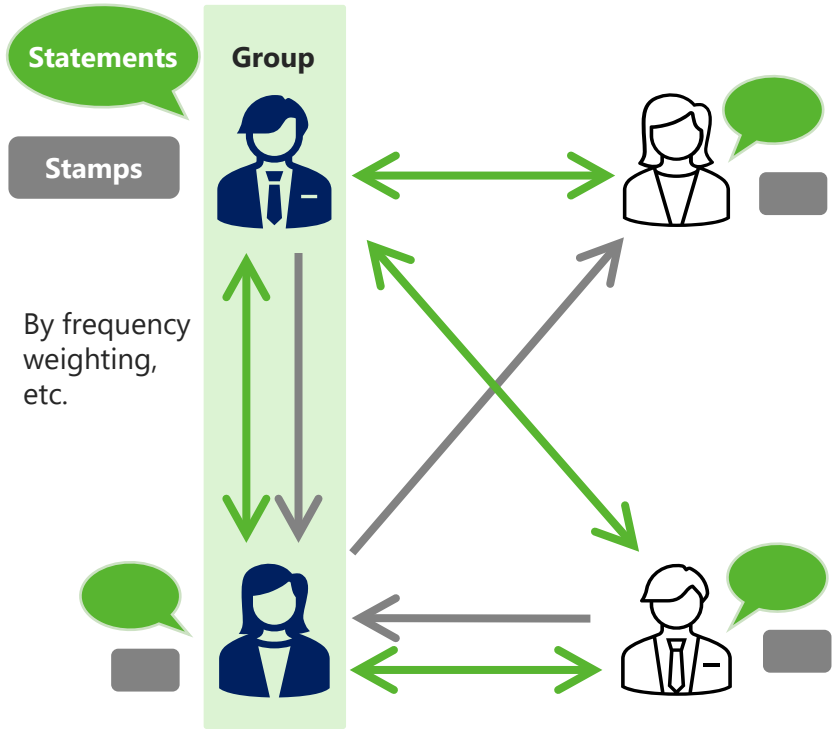


© 2022 ALBERT Inc.

Supporting to develop NTT Docomo's "HRL-AI"

- Supporting the study of analysis method using communication data and the implementation of "HRL-AI".
- Expected to be utilized for enhancement to team build.

Utilizing communication data from online chat tool



From connection between statements, stamps etc.

Obtain vectors expressed individual

Human Understanding AI 「HRL-AI」

- Work engagement visualization
- Supporting to build organization smoothly

※ HRL-AI (Human Representation Learning AI)：AI that can learn communication data from online chat tools and acquire a vector representation of the user's personality.

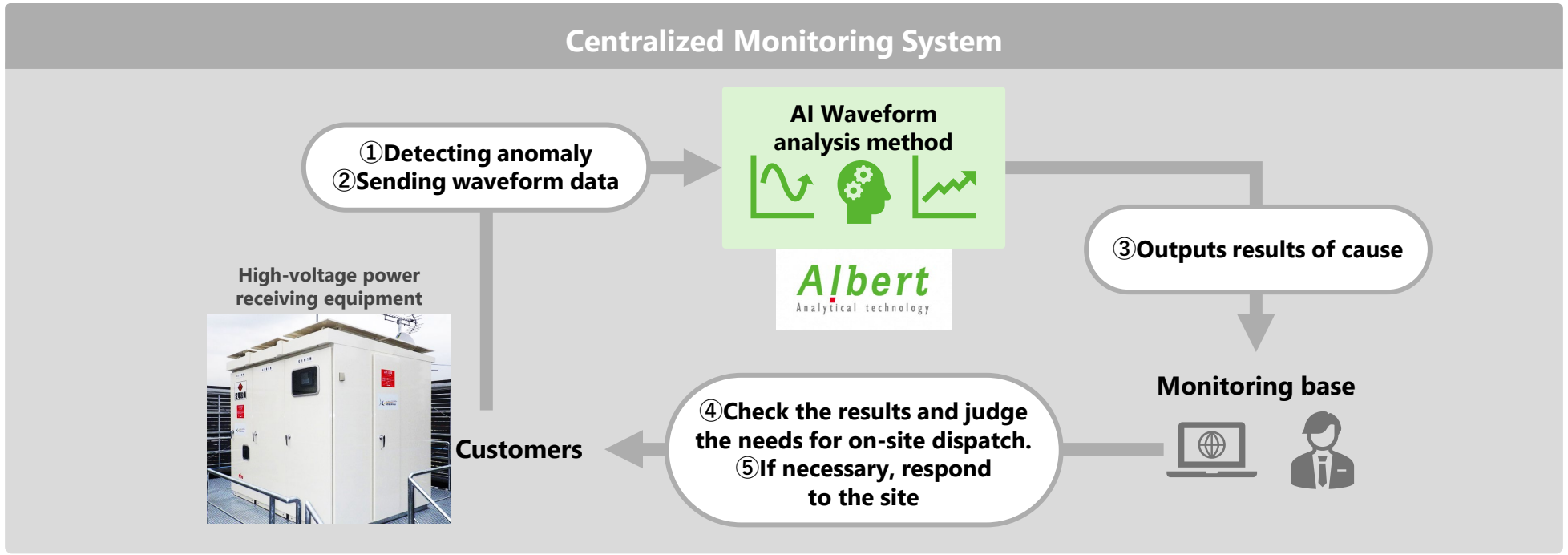
© 2022 ALBERT Inc.

Topics

Co-development of “AI waveform analysis method” with Kansai Electrical Safety Inspection Association

- AI instantly estimates the cause of abnormalities (ground faults) in high-voltage power receiving equipment to prevent power failure accidents.
- Realizing to Improve efficiency by all technical staff can check the judgment results and confirm the need for on-site dispatch.

One Mission. One Future.
関西電気保安協会



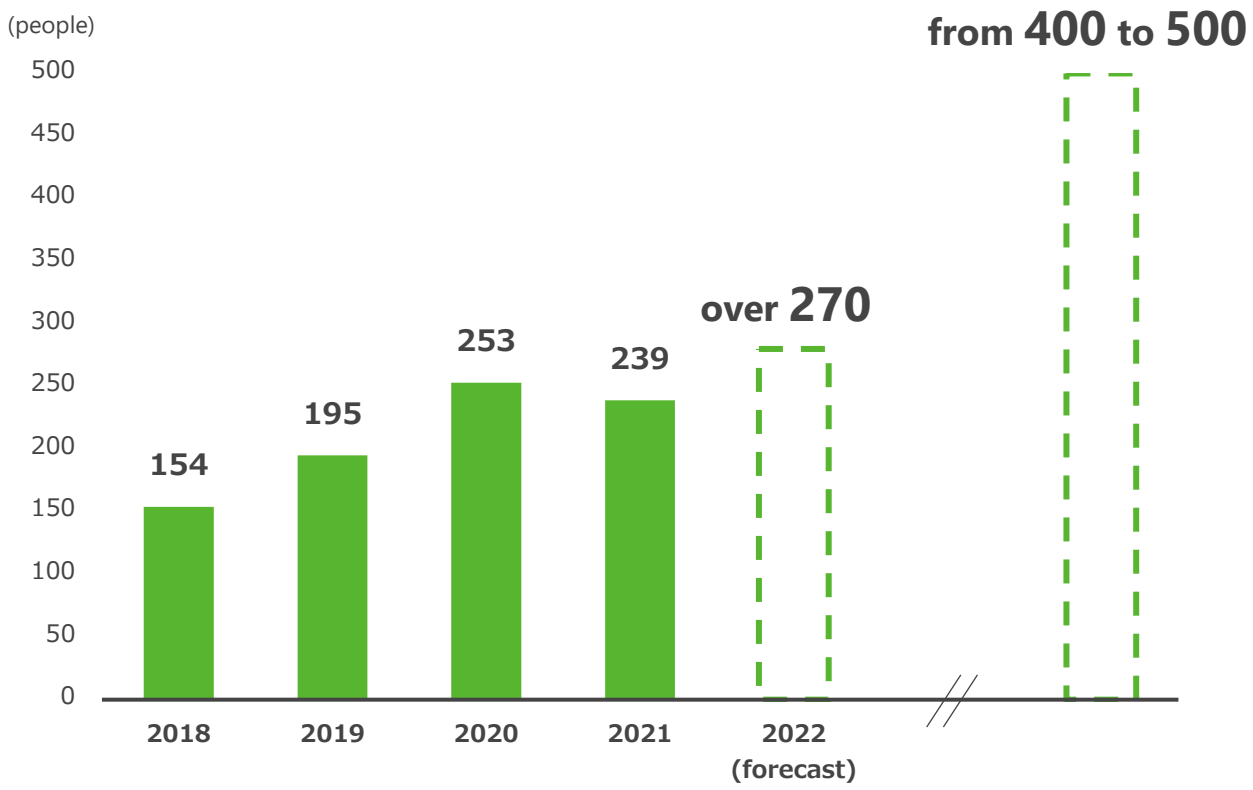
※1 Source: https://www.ksdh.or.jp/service/construction/initiatives.html (Japanese only)

© 2022 ALBERT Inc.

The number of data scientists

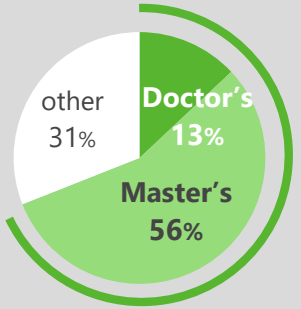
- We focused on training many data scientists hired in 2021 and securing assignment in FY2021.
- Planning to increase the num. of employees by about 30, aiming for further growth.

Num. of data scientists



The group of 250 data scientists

Data Scientist's Final Education



Full-time employees about **70% are master's or doctor's degree**

Area of expertise

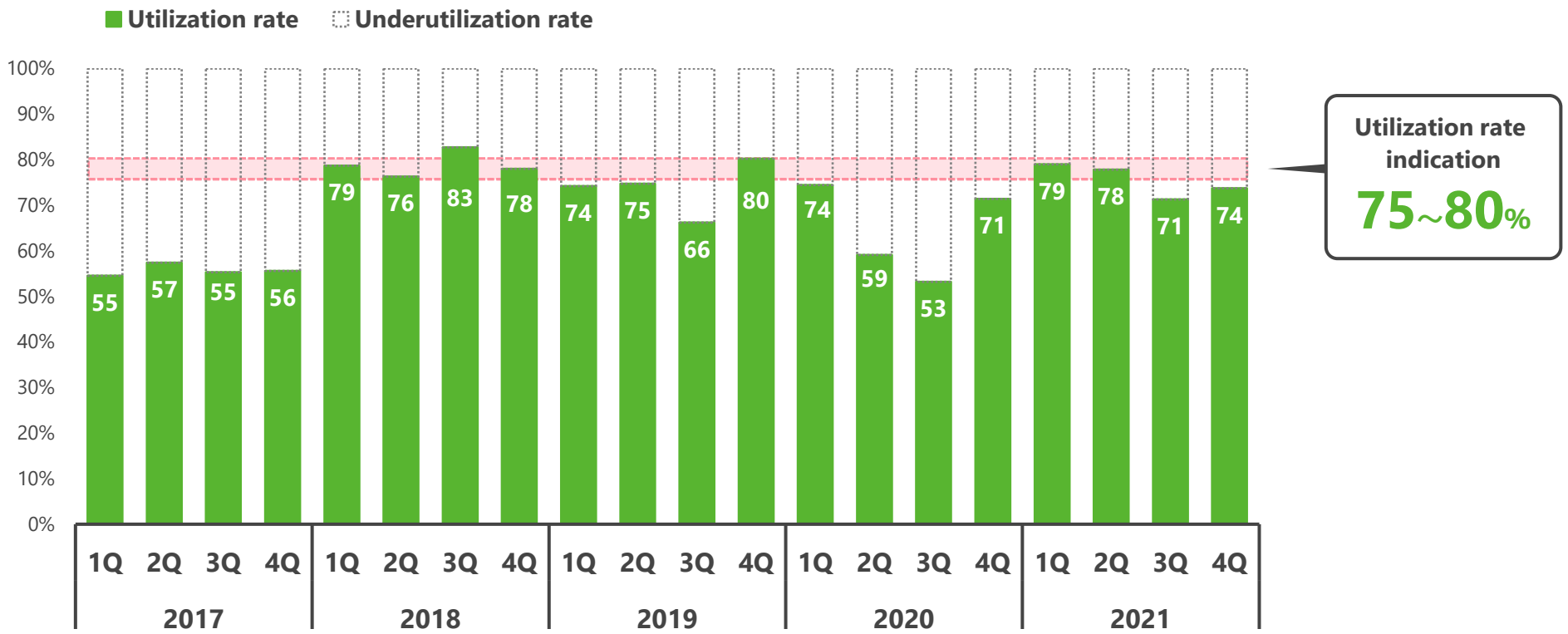
- mathematical informatics
- Quantum information, measurement, and information thermodynamics
- Statistical mechanics
- Clinical Pharmacokinetics
- AI system engineering
- Behavioral and Statistical Sciences etc.

© 2022 ALBERT Inc.

Utilization Rate

- Utilization rate (the portion correlated with earnings) is remain high level. And focusing on maintaining and improving competitiveness over the medium to long term by using underutilization time to technical training and know-how sharing.

Changes in data scientist utilization rate



© 2022 ALBERT Inc.

3. Business Strategy

© 2022 ALBERT Inc.

Basic Policies

- Aiming to establish the position of " DX promote partner for domestic companies" as below 4 policies.

1. **Strengthen our scheme for training data scientists**
2. **Promote the "CATALYST strategy"**
3. **Strengthen our basement of existing businesses**
4. **Expanding our portfolios through M&A**

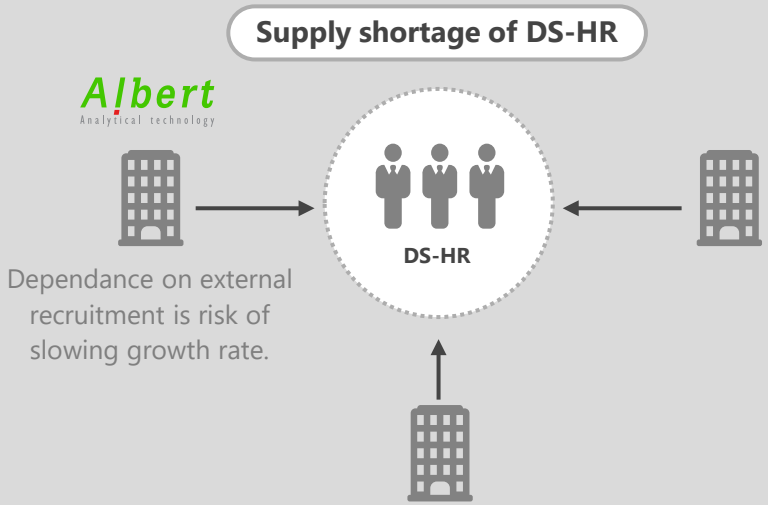
© 2022 ALBERT Inc.

1 Focusing Training Data Scientists

- To address the issue of recruiting data scientists, we shifted its thinking from "competition for a limited number of human resources" to "increasing the number of human resources, both within the company and in society", thereby simultaneously achieving business growth and solving social issues.

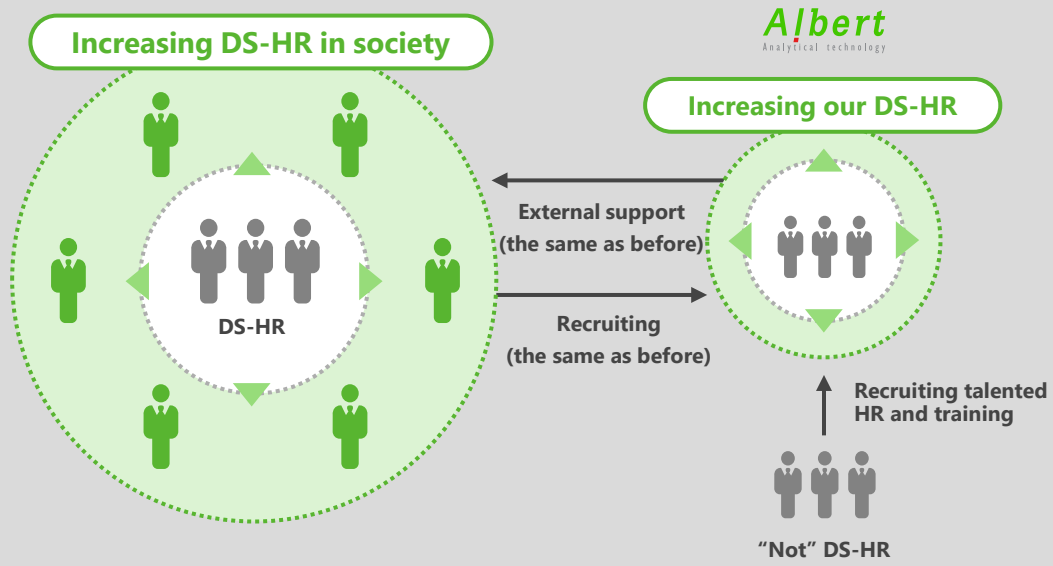
Present

The situation of competition for a limited DS-HR.
(≒ Zero-Sum)



The worldview we aim for

ALBERT Focuses on human resource development to Increase for Both Society and our company. DS-HR . (≒ Plus-Sum)



※ "DS-HR" means human resources specialized in data science.

© 2022 ALBERT Inc.

1 Solid Training Capabilities

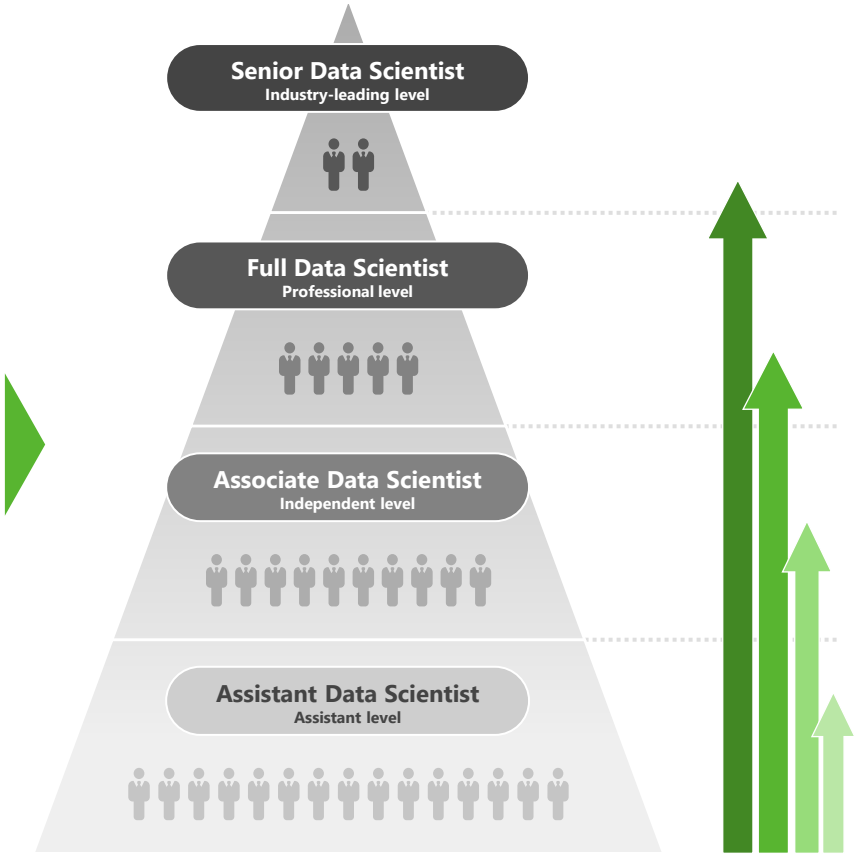
■ Training can be provided according to skill level based on accumulated experience and know-how.

Albert
Analytical technology

Established training capabilities through our business

- Know-how about data science skills and evaluation
- Numerous achievement of analysis and assignment
- Systematic curriculums
- Experienced Instructors

Data Scientist Skill Level※1



We have conducted training for various skill levels.

■ For advanced users
- Data analytical exercises (incl. industry-specialized exercises)
- On-the-job training

■ For intermediate users
- Specialized analytical theory
- On-the-job training (assistant)

■ For beginning users
- Basics of tools (python, SQL)
- Basics of machine learning

■ For general users
- Fundamentals of data analysis (statistics)
- How to proceed with an analysis project

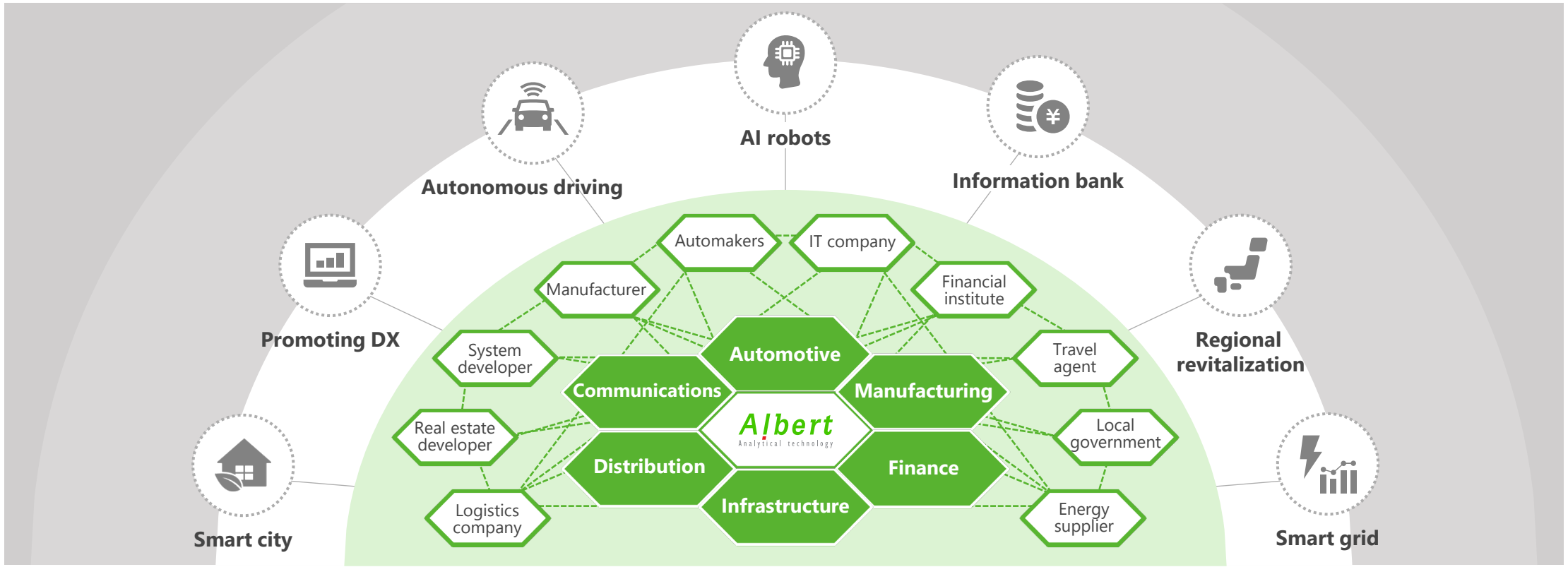
※ "DS-HR" means human resources specialized in data science.
※1 Source: "Data Scientist Skill Check-list" The Japan Data Scientist Society.

© 2022 ALBERT Inc.

2 Promoting the CATALYST strategy

- We will create data sharing overt the boundaries of industries and contribute to the resolution of various issues and the development of the themes emerged in society by increasing the number of partners of CATALYST strategy.

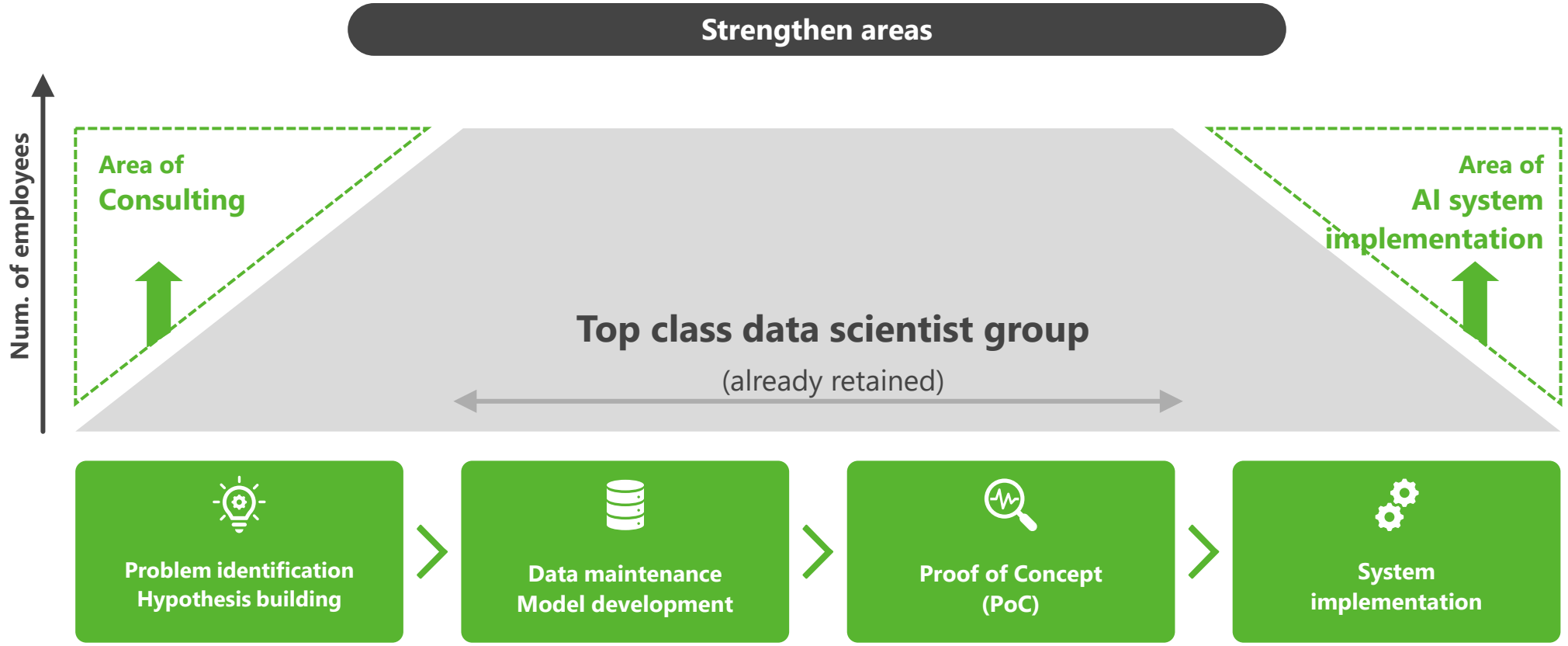
The worldview we aim for



© 2022 ALBERT Inc.

3 Strengthen Our Basement of Existing Businesses

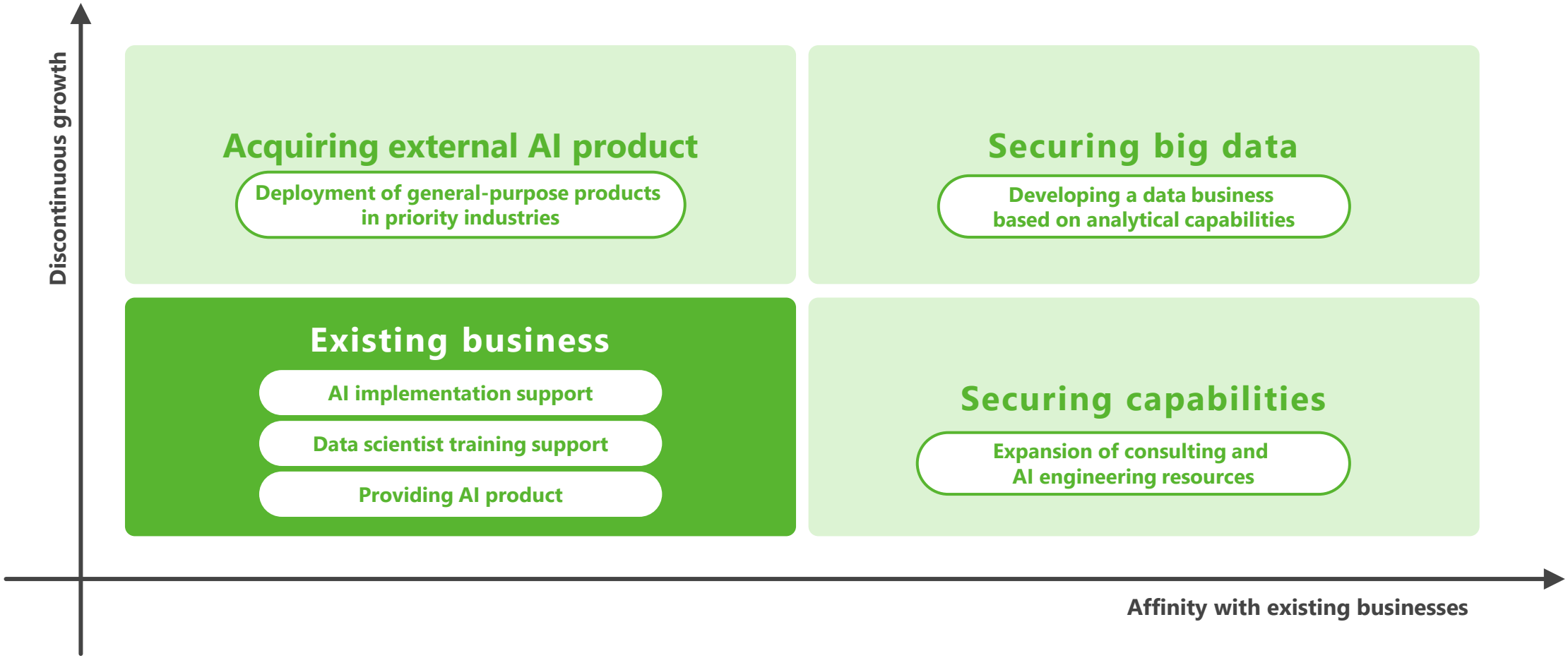
- Strengthen human resources and systems in the area of consulting and AI system implementation in the AI implementation support business, and start expanding the business and strengthening profitability.



© 2022 ALBERT Inc.

4 Expanding Our Portfolios Through M&A

- Proactively consider expanding the business portfolio through M&A by utilizing external and internal capital while ensuring financial soundness.

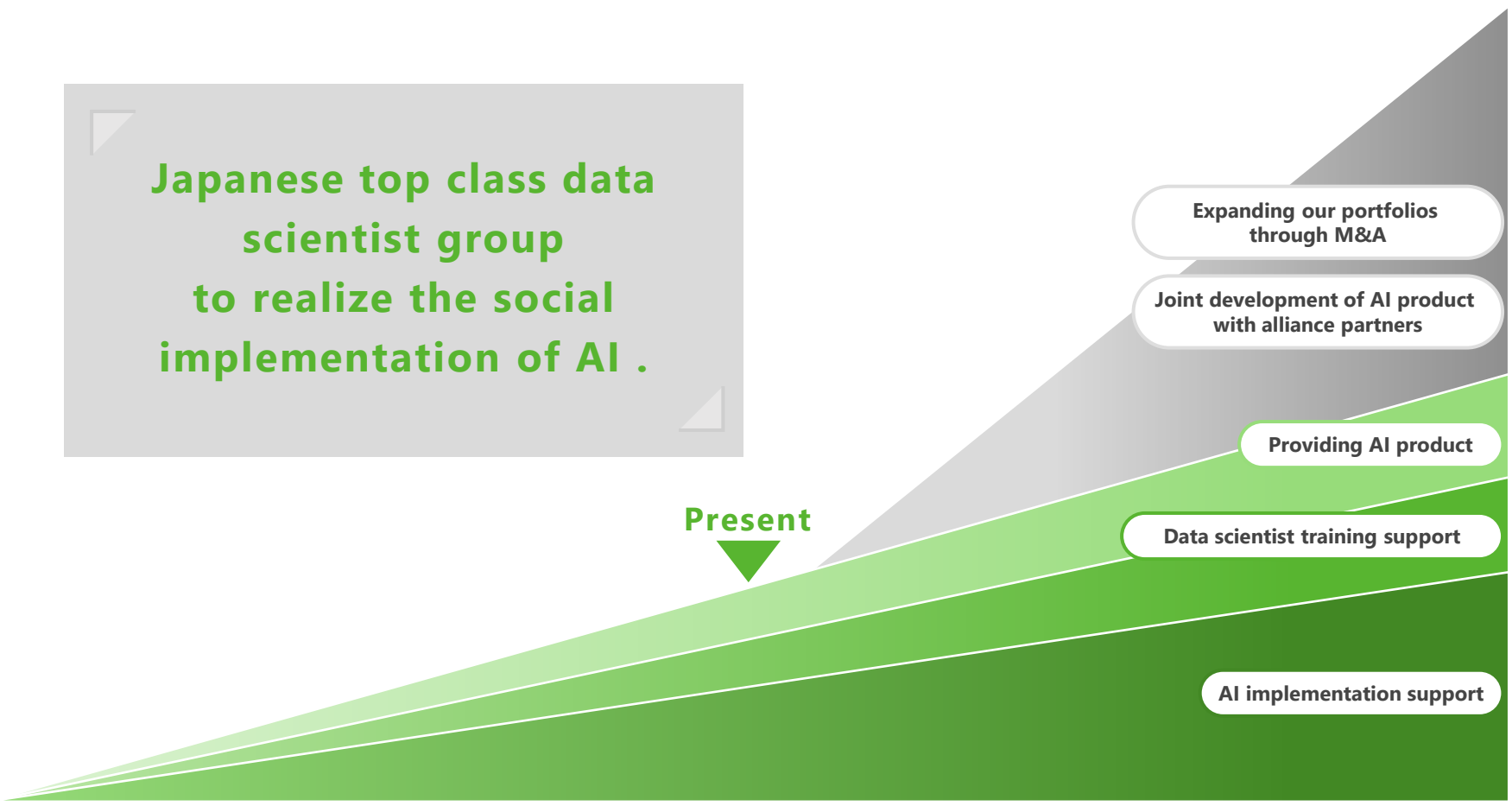


© 2022 ALBERT Inc.

Mid-Long Term Road Map

- Existing businesses continue to grow linearly with a focus on the AI implementation support business.
- Aiming for discontinuous business expansion through joint development with companies and M&A

Japanese top class data scientist group to realize the social implementation of AI .



New Business for realize discontinuous growth

+α

Achieving sales growth with higher profitability than the existing businesses.

Realizing lienor growth of core businesses

Existing portfolio
(Scale to be achieved in the next couple of years)

Over 5,000 million JPY

© 2022 ALBERT Inc.

4. Appendix

© 2022 ALBERT Inc.

Profile

Japan's top class data scientist group to realize "the social implementation of AI".

■ Company Name
ALBERT Inc.

■ Head Office
Shinjuku Front Tower 15F
2-21-1, Kita-Shinjuku, Shinjuku-ku,
Tokyo, Japan, 169-0074

■ Establishment
July 1, 2005

■ Capital ※1
JPY 1,051 million

■ Representative Director and President
Takeshi Matsumoto

■ No. of Employees※1※2
286 employees

Incl. No. of Data Scientists
239 employees

■ CAR※1
83.2%

■ Affiliated Organization
The Japanese Society for Artificial intelligence

■ Top3 Shareholders

SBI Financial Services (100% subsidiary of SBI Holdings,)

Toyota Motor / Mynavi

■ Listing market / Security code

TSE Growth Market 3906
(from April 2022)
(present: TSE Mothers Market)

※1 as of December 31, 2021.
※2 Employees include dispatch employees (including those in training) , part-time workers and subcontract workers.

© 2022 ALBERT Inc.

Business Overview

“Offering 3types of businesses mainly AI implementation support.”

1

AI Implementation Support (Project-based services)

- Project-based support service for AI utilization mainly for major companies.
- Integrated support system for AI utilization consulting, big data analysis, AI algorithm development, and AI system implementation.
- Customized services can be provided according to industry characteristics and customer needs.

2

Data scientist training support

- Service to support the development of data scientists in companies.
- Providing practical curriculum that incorporates ALBERT's support know-how.
- Certified as "Fourth Industrial Revolution Skills Course" by Ministry of Economy, Trade and Industry.

3

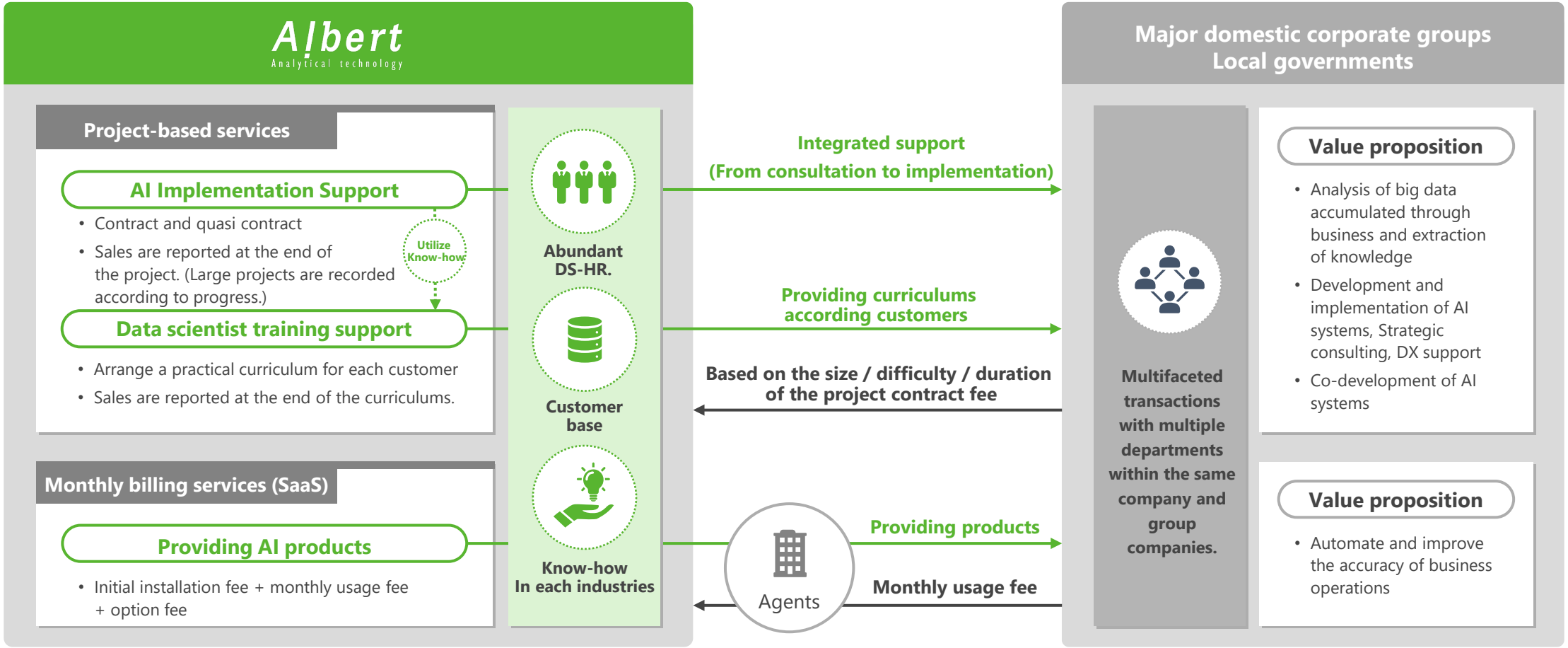
Providing AI products

- Providing AI-powered general-purpose products.
- AI and high-performance chatbot "Sugres”.
- AI and image recognition service "Takumino-Me”.

© 2022 ALBERT Inc.

Business Overview

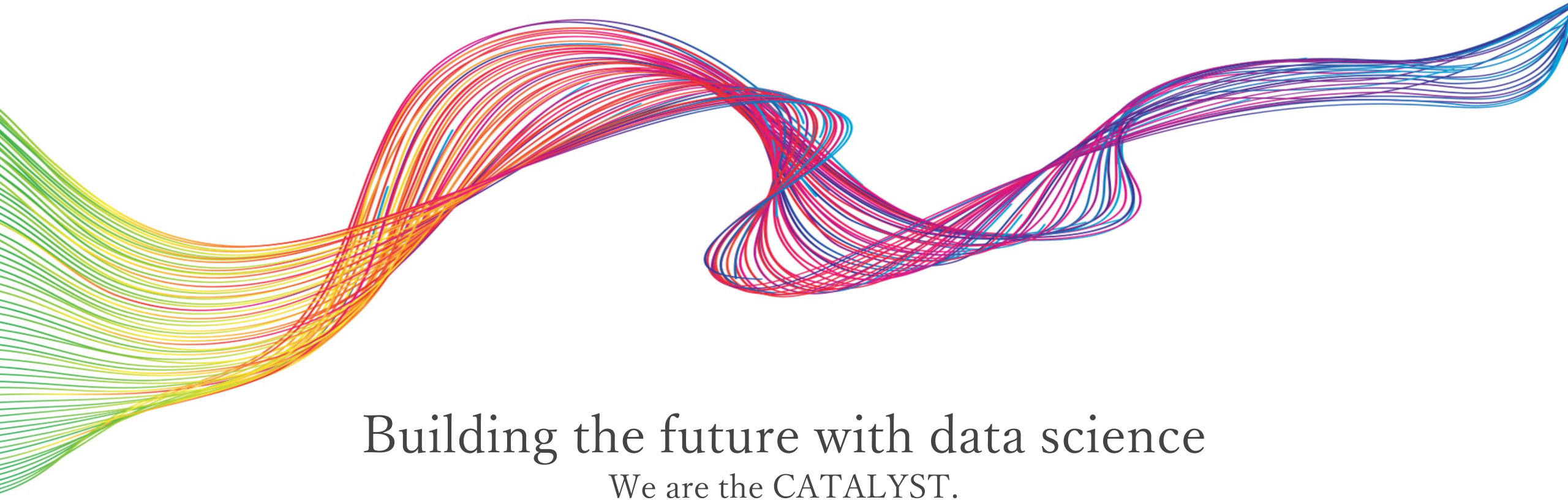
- Provide AI implementation support, data scientist training support, and providing AI products to corporates and local governments etc..



※ DS-HR. ; Data science human resources

© 2022 ALBERT Inc.

Mission



Building the future with data science

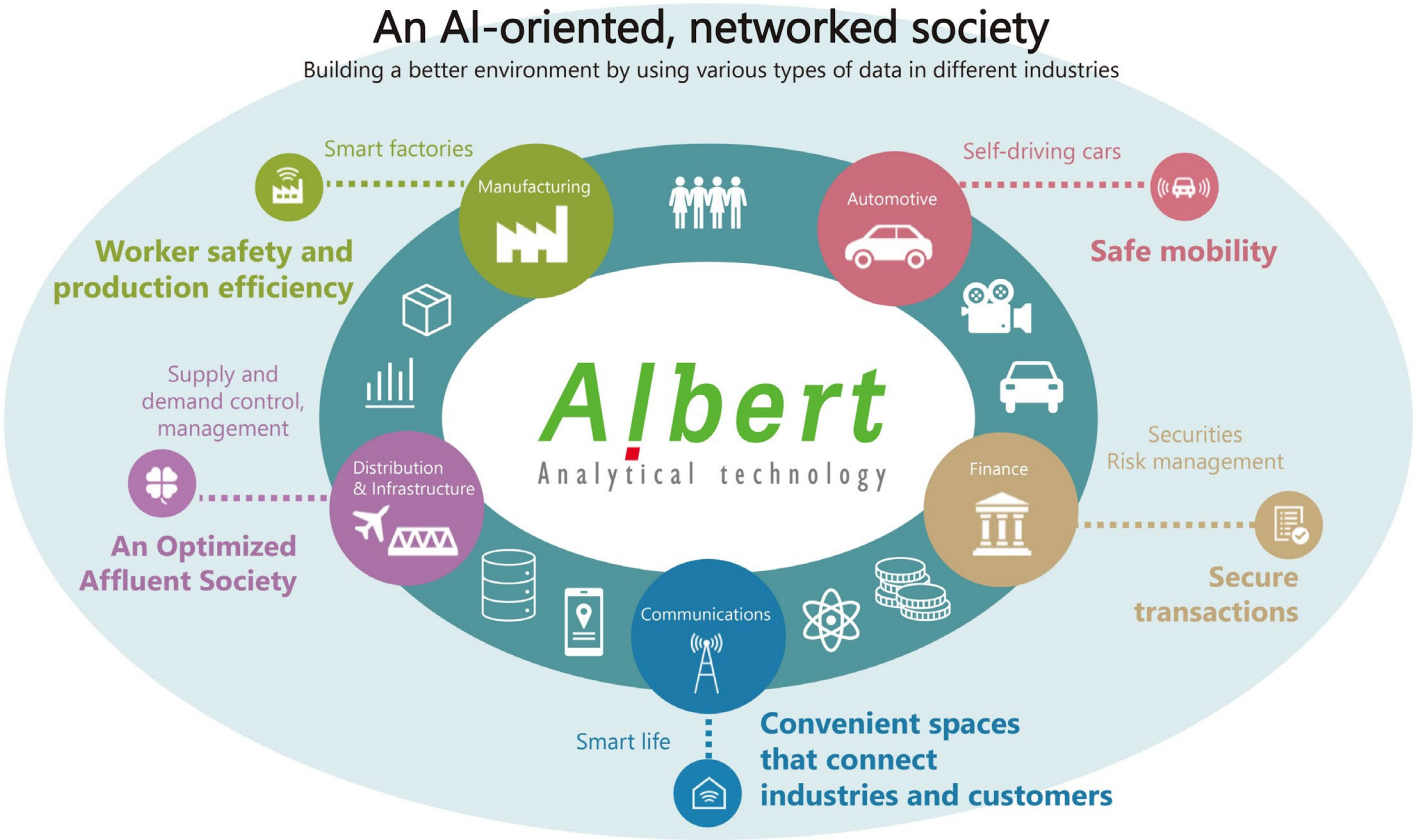
We are the CATALYST.

ALBERT connects the world with data science and co-create new values for a better future.

© 2022 ALBERT Inc.

The CATALYST Strategy

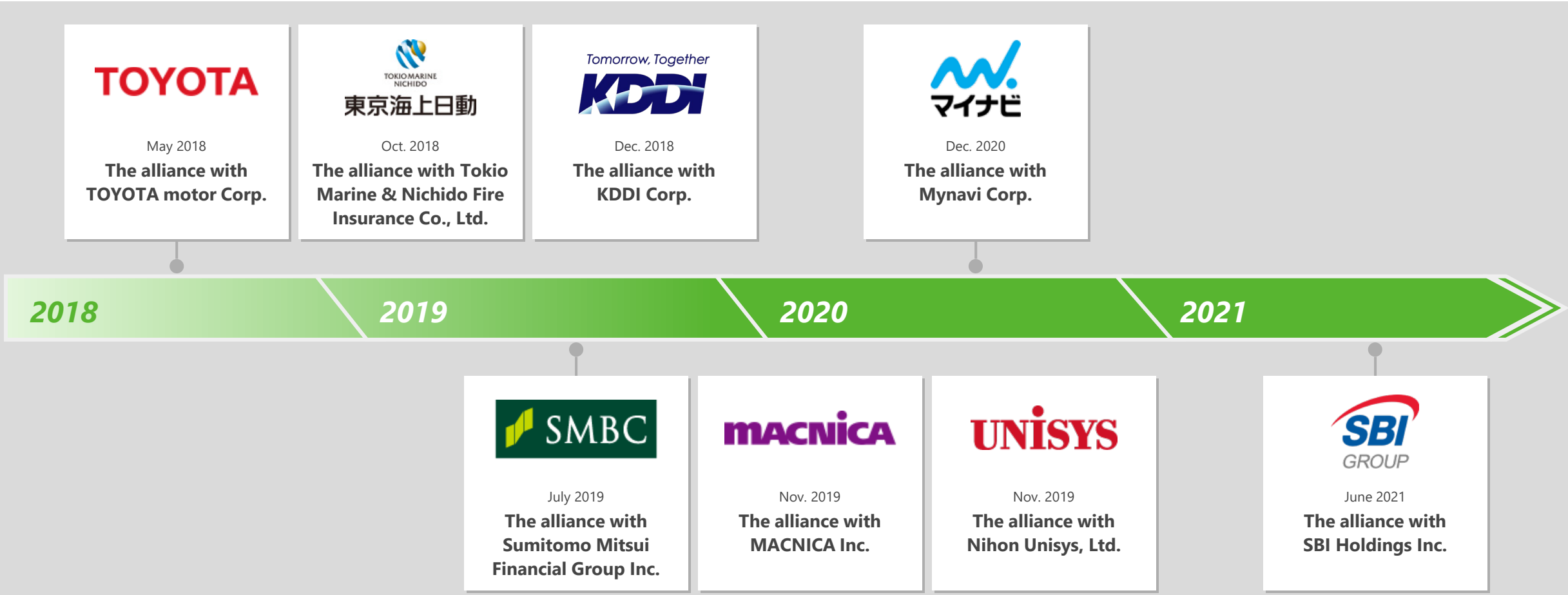
The CATALYST strategy, in which we act as a catalyst to promote AI and data sharing between industries.
Promote AI and data sharing between industries, aiming for an AI networked society.



© 2022 ALBERT Inc.

The Alliances Based on The CATALYST Strategy

- New alliances are being formed to realize the CATALYST strategy, mainly in priority industries. Accelerating efforts for social implementation.



© 2022 ALBERT Inc.

Transaction Results

- Extensive business experience with domestic leading companies incl. CATALYST partners. (incl. group companies)

CATALYST Partners (Alliance partners)

TOYOTA, SMBC, MACNICA, UNISYS, KDDI (Tomorrow, Together), SBI GROUP, マイナビ, TOKIO MARINE NICHIDO 東京海上日動, woven planet, ARISE analytics, 日本総研 The Japan Research Institute, Limited

Priority Customers & Other Business Partners

NTT docomo, docomo InsightMarketing, すべての革新は患者さんのために CHUGAI 中外製薬 Roche ロシュ グループ, One Mission. One Future. 関西電気保安協会, NIKKEI InnovationLab, OLYMPUS, Denka, SHISEIDO, 渋谷区 Shibuya City, KAGOME, Daiwa House, TECHNOPRO Design, 熊本県 Kumamoto Prefecture, FUJI innovative spirit, エバラ

© 2022 ALBERT Inc.

Shareholder Composition (as of Dec. 31, 2021)

- Maintaining to solid shareholder composition centered alliance partners.

Rank	Name of shareholder (Green : Alliance partner)	No. of shares hold	Percentage of total shares
1	**SBI Financial Services Co., Ltd.** (100% subsidiary of SBI Holdings Inc.)	**1,383,100**	**31.0%**
2	**Toyota motor corporation**	**165,800**	**3.7%**
2	**Mynavi corporation**	**165,800**	**3.7%**
4	**MACNICA Inc.**	**163,000**	**3.7%**
5	**Nihon Unisys, Ltd.**	**133,600**	**3.0%**
6	BBH(LUX) FOR FIDELITY FUNDS PACIFIC FUND	132,000	3.0%
7	**KDDI Corporation**	**97,700**	**2.2%**
8	SUMITOMO LIFE INSURANCE COMPANY	78,300	1.8%
9	Rakuten Securities, Inc.	70,900	1.6%
10	JAPAN SECURITIES FINANCE CO., LTD.	55,400	1.2%
11	**Tokio Marine & Nichido Fire Insurance Co., Ltd.**	**46,800**	**1.0%**

※ Excluding treasury stocks

© 2022 ALBERT Inc.

Albert
Analytical technology

Disclaimer

- The materials and information provided in this announcement contain so-called "forward-looking statements". Forward-looking statements are based on the assumptions and beliefs of the Company and its management in light of the information currently available to it and involve known and unknown risks and uncertainties. These statements or assumptions may not be realized in the future due to changes in the business environment surrounding our business, market trends, and various other factors. Translated with www.DeepL.com/Translator (free version)
- Such risks and uncertainties include general industry and market conditions, fluctuations in interest and currency exchange rates, and other general domestic and international economic conditions.

Inquiries

ALBERT IR

+81-3-5937-1389

ir@albert2005.co.jp

ALBERT Inc.

www.albert2005.co.jp/english/

Head office
Shinjuku Front Tower 15F 2-21-1, Kita-Shinjuku,
Shinjuku-ku, Tokyo, Japan, 169-0074

Tokai Branch Office
Nagoya Lucent Tower 8F 6-1 Ushijima-cho, Nishi-ku,
Nagoya-shi, Aichi, Japan 451-6008

- The names of the companies, products, and services mentioned in this document are the registered trademarks or trademarks of the respective companies. In addition, "™" and "®" are not specified in this document.
- Reproduction or reuse of all or part of this material without permission is prohibited, except in the case of "reproduction for personal use" or "quotation" as permitted under the Copyright Law.