Supplementary Material Regarding Transfer of The AI Chatbot “Sugres”

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ALBERT Inc.
（Ticker: 3906, TSE Growth Market）

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Overview

Concentrating management resources in 2 core businesses (95% of sales) expected to accelerate growth.

Sales Ratio 85%

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.

Sales Ratio 10%

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.

Sales Ratio 5%

3

Providing AI Products

- Providing AI-powered general-purpose products.

The business to be transferred (Sales ratio 3.8%)

- AI and high-performance chatbot "Sugres".
- AI and image recognition service "Takumino-Me".

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Our Purpose and Policies

- Focusing on project-based AI Implementation support and data scientists training support by 250 data scientists of ALBERT.

Our policy of the transfer

- Continued gradual growth as a service for municipalities and enterprises since its release in 2016.
- Commoditization is progressing due to increase competing products.
- Compare to the 2 core businesses for which demand is strong due to the momentum of DX, it is difficult to accelerate growth by the chatbot function alone.
- The impact of the transfer will be limited due to the sales ratio of the business is about 3.8% of the total sales.

Our business policy after the transfer

Accelerate our business growth by concentrating resources on 2 core businesses.

- Shift AI system development resources and sales resources to the core businesses.
- Aiming for expanding AI implementation support business as a No.1 data scientist group through recruitment and training of data scientists.
- Offer a support for advancement of interactive communication in the AI implementation support business based on the technical capabilities acquired through the operation of the chatbot business.

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The Forecast (Unchanged)

- The loss of sales and profit due to the transfer is expected to be made up by our existing core businesses.
- The amount of the effect to the forecast in FY2022 are examining. We will promptly announce any matters that requires disclosure in the future.

(million JPY)

	FY2021 (Actual)	FY2022 (Forecast)	Amount change	Percentage change
Net Sales	3,338	4,100	761	22.8%
Operating Profit (Profit Margin)	436 (13.1%)	657 (16.0%)	220	50.4%
Ordinary Profit (Profit Margin)	435 (13.0%)	657 (16.0%)	221	50.9%
Profit	353	446	92	26.1%

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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

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