

Providing fraud detection services as countermeasures for EC area online settlements

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【 4166 Cacco 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. 2018	720	2.9	82	-	81	89.6	80	61.1	34.5	160.8	0.0
Dec. 2019	745	3.5	99	20.7	91	12.3	114	42.5	49.0	210.1	0.0
Dec. 2020 f	808	8.5	116	17.2	91	0.0	96	-15.8	41.0	-	35.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2020 are the company's forecasts.

It conducted 1-to-3 stock split on September 9, 2020. Per share indices are adjusted retroactively.

Providing Fraud Countermeasure Services for Online Settlements

While the domestic B-to-C EC market and cross-border EC market expand, non-payments, fraud and other dishonest acts are increasing and acting as obstacles to the healthy expansion of EC markets. In addition, illegal access to financial institution websites and major membership websites is an issue. Under such circumstances, the company provides O-motion, an illegal access detection service, and O-PLUX, a fraudulent order detection service, as SaaS-type services.

The company's net sales are categorized into fraud detection services, settlement consulting services and data science services. Its core business, fraud detection services, accounts for a little less than 80% of net sales.

Net Sales by Service

Service Segment	Fiscal year ended Dec. 2018		Fiscal year ended Dec. 2019		Nine months to Sep. 2020	
	(thousand yen)	(%)	(thousand yen)	(%)	(thousand yen)	(%)
Fraud detection services	535,188	74.3	591,666	79.3	485,673	78.4
Settlement consulting services	150,691	20.9	106,845	14.3	91,441	14.8
Data science services	34,184	4.7	47,168	6.3	42,215	6.8
Total	720,064	100.0	745,680	100.0	619,329	100.0

Note: Figures may not add up to the totals due to rounding.

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

High Stock Revenue Ratio

The net sales of the company's core product, O-PLUX, can be classified into spot revenue from initial introduction fees and stock revenue from fixed-rate monthly fees and review fees, which are paid according to the number of reviews. The stock revenue from O-PLUX is stably expanding, increasing 8.6% year-on-year in fiscal year ended December 2018 and 7.1% in fiscal year ended December 2019, and the ratio to total net sales is also on an increasing trend at 64.3% in fiscal year ended December 2017, 68.0% in fiscal year ended December 2018 and 70.3% in fiscal year ended December 2019.

Financial Statements

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Dec. 2020 3Q (Cumulative)	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		720	100.0	745	100.0	619	100.0
Cost of sales		259	36.0	248	33.3	192	31.0
Gross profit		460	63.9	497	66.7	426	68.8
Selling, general and administrative expenses		377	52.4	398	53.4	298	48.1
Operating profit		82	11.4	99	13.3	128	20.7
Non-operating income		0	-	0	-	0	-
Non-operating expenses		1	-	7	-	7	-
Ordinary profit		81	11.3	91	12.2	121	19.5
Profit before income taxes		81	11.3	88	11.8	121	19.5
Profit		80	11.1	114	15.3	129	20.8

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Dec. 2020 3Q	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		591	94.0	695	77.7	906	72.9
Cash and deposits		517	82.2	590	66.0	797	64.2
Accounts receivable-trade		58	9.2	74	8.3	81	6.5
Non-current assets		38	6.0	199	22.3	336	27.1
Property, plant and equipment		10	1.6	12	1.3	11	0.9
Intangible assets		14	2.2	149	16.7	234	18.8
Investments and other assets		13	2.1	37	4.1	89	7.2
Total assets		629	100.0	894	100.0	1,242	100.0
Current liabilities		92	14.6	157	17.6	314	25.3
Accounts payable-trade		20	3.2	17	1.9	13	1.0
Current portion of long-term borrowings		21	3.3	19	2.1	190	15.3
Current portion of bonds payable		-	-	30	3.4	30	2.4
Non-current liabilities		157	25.0	243	27.2	305	24.6
Long-term borrowings		157	25.0	138	15.4	230	18.5
Bonds payable		-	-	105	11.7	75	6.0
Net assets		378	60.1	494	55.3	622	50.1
Owners' equity		375	59.6	490	54.8	619	49.8

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		50	73
Depreciation		6	7
Cash flows from investing activities		43	-112
Cash flows from financing activities		0	110
Dividends paid		-	-
Net increase in cash and cash equivalents		93	72
Cash and cash equivalents		517	590

Note: Non-consolidated basis

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

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