

Web security company protecting external public servers from attacks on the web application layer

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[4493 Cyber Security Cloud 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. 2019	816	67.0	143	-	141	-	153	-	17.2	23.5	0.0
Dec. 2020	1,194	-	188	-	172	-	134	-	14.6	71.4	0.0
Dec. 2021 CE	1,790	50.0	250	32.8	247	43.5	179	33.7	19.3	-	0.0
Dec. 2021 E	1,794	50.3	271	43.9	272	57.7	193	43.7	20.7	102.5	0.0
Dec. 2022 E	2,097	16.9	338	24.7	338	24.3	218	13.0	23.3	125.8	0.0
Dec. 2023 E	2,396	14.3	421	24.6	421	24.5	281	28.9	30.1	155.9	0.0

Note: CE: Estimates by the company E: Estimate by Stock Research Center
It conducted 1-to-4 stock split on July 1, 2020. Per share indices are adjusted retroactively.
Source: Stock Research Center

1. Corporate Overview

Cyber Security Cloud is an independent web security company providing services centering on the cloud-based web application firewall (WAF) "Shadankun," which protects external public servers from cyber-attacks on the web application layer. The company also provides "WafCharm," which is a service that automatically operates WAF rules provided by public clouds, and Managed Rules, which is the Amazon Web Services (AWS) WAF operation rule set.

In December 2020, the company expanded its business fields by acquiring 100% ownership of SofTek Systems, a company engaged in the vulnerability management solution business "SIDfm."

2. Financial Analysis

With the expansion of the number of users, it has been posting a large increase in net sales in recent years, but it posted ordinary losses through the fiscal year ended December 2018. In the fiscal year ended December 2019, this not only turned to an ordinary profit but the company also secured a high operating profit margin of 17.6%.

3. Non-Financial Analysis

The company's source of intellectual capital is the enormous amount of data it owns and its ability to meet customer needs.

4. Corporate Strategy Analysis

The company aspires growth in both domestic and overseas markets through WAF educational activities and raising its product awareness, enhancement of sales agencies, cross selling with SofTek Systems, enhancement of overseas development, applications to new fields, etc.

5. Analyst Evaluation

Taking into consideration the progress made through the first quarter, the Stock Research Center forecasts a 50% increase in revenue and 44% increase in operating profit for the fiscal year ending December 2021, which slightly surpass the company's plans. The Stock Research Center expects a large increase in the number of users while it assumes

that the rate of increase in selling, general and administrative expenses will be lower than the revenue growth rate, leading to forecasts of a 17% year-on-year increase in revenue and 25% year-on-year increase in operating profit for the fiscal year ending December 2022 and a 14% year-on-year increase in revenue and 25% year-on-year increase in operating profit for the fiscal year ending December 2023.

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