

Interfactory (4057 TSE Mothers) - - - - - November 1,2021**Provider of cloud-focused e-Commerce site construction platform for medium to large e-commerce operators**

This report is an English translation of part of the report issued on October 29, 2021.
For inquiries concerning the report, please contract info@stock-r.org

[4057 Interfactory 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)
May 2020		1,830	21.8	171	83.5	162	89.4	103	91.7	32.2	83.5	0.0
May 2021		2,170	18.6	208	21.7	193	19.2	131	26.5	34.6	238.7	0.0
May 2022	CE	2,577	18.7	159	-23.4	157	-18.5	108	-16.8	27.3	-	0.0
May 2022	E	2,423	11.7	131	-36.9	131	-32.3	90	-31.1	22.5	261.3	0.0
May 2023	E	2,943	21.5	283	115.5	283	116.0	194	116.0	48.6	310.2	0.0
May 2024	E	3,390	15.2	388	36.8	387	36.9	266	36.9	66.6	377.0	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

Interfactory provides “ebisumart,” a cloud-focused e-commerce site construction platform for medium to large e-commerce operators.

2. Financial Analysis

Since the fiscal year ended May 2015, the company recorded a revenue increase of 23.3% per year through the fiscal year ended May 2021 due to increase in revenue share. It once recorded an ordinary loss in the fiscal year ended May 2016 due to increase in development costs for large projects, but an increase in profits has continued since the fiscal year ended May 2017 when its development structure was strengthened, and ordinary profit grew at a rate of 70.2% per year since the fiscal year ended May 2015. There is no financial index showing it has significant superiority over listed companies developing e-commerce site construction related services. One of the factors is considered to be that the company's sales scale is still small and is bearing relatively high development costs, but this could also be rephrased as there is room for the profit margin to improve along with the expansion of sales volume.

3. Non-Financial Analysis

The company's source of intellectual capital is the current CEO who leads the management. The CEO decided that the company should shift to cloud-based services before other companies, which led to the accumulation of service track records and expertise. Based on such expertise, the company continued to enrich the functions and an increase in customer satisfaction led to an increase in number of customers, realizing a virtuous cycle.

4. Corporate Strategy Analysis

As for issues that should be addressed, the company needs to further enrich its “ebisumart” services, handle bigger projects, enhance marketing capabilities and heighten its name recognition.

As a top runner in the existing cloud-based e-commerce market targeting medium to large operators, the company will continue to grow by acquiring new customers in the short term. In the medium to long term, the company aims to shift to an open platform and making its services the de facto standard in the e-commerce market.

5. Analyst Evaluation

The Stock Research Center highly evaluates that the company has achieved a competitive edge by shifting to cloud-based and shifting its target to medium and large e-commerce operators. The company recently disclosed that it will launch a service targeting small and medium e-commerce operators. As this is relevant to its medium- to long-term strategy, the Stock Research Center would like to keep an eye on its progress.

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■Supporting Members

Tokyo Stock Exchange, Inc.	SMBC Nikko Securities Inc.	Daiwa Securities Co. Ltd.
Nomura Securities Co., Ltd.	Mizuho Securities Co., Ltd.	KPMG AZSA LLC
Ernst & Young ShinNihon LLC	ICMG Co., Ltd.	Grant Thornton Taiyo LLC
Deloitte Touche Tohmatsu LLC	SBI SECURITIES Co., Ltd.	BDO Sanyu
H.S. Securities Co., Ltd.	Ichiyoshi Securities Co., Ltd.	Japan Securities Dealers Association
TAKARA PRINTING CO., LTD.	PRONEXUS INC.	The Securities Analysts Association of Japan
A&A Partners		

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.