

Provider of corporate cloud services for safety confirmation services and services interacting with kintone

This report is an English translation of part of the report issued on December 17, 2021.
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[4058 Toyokumo 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 | 761 | 57.7 | 97 | -28.9 | 98 | -28.2 | 72 | -21.1 | 8.2 | 40.0 | 0.0 |
| Dec. 2020 | 1,095 | 43.9 | 246 | 152.0 | 234 | 138.5 | 150 | 108.0 | 15.7 | 115.5 | 0.0 |
| Dec. 2021 CE | 1,550 | 41.5 | 390 | 58.5 | 390 | 66.1 | 250 | 66.4 | 24.6 | - | 5.0 |
| Dec. 2021 E | 1,560 | 42.5 | 397 | 61.7 | 400 | 70.7 | 256 | 71.0 | 25.2 | 140.5 | 5.0 |
| Dec. 2022 E | 2,127 | 36.3 | 581 | 46.3 | 581 | 45.2 | 373 | 45.2 | 36.7 | 172.2 | 5.0 |
| Dec. 2023 E | 2,718 | 27.8 | 760 | 30.7 | 760 | 30.7 | 487 | 30.7 | 47.9 | 215.2 | 5.0 |

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

1. Corporate Overview

Toyokumo provides highly convenient corporate cloud services. Its core business is safety confirmation services and services interacting with Cybozu's kintone platform.

2. Financial Analysis

From the fiscal year ended December 2015 to the fiscal year ended December 2020, the company's revenue continued to grow at a pace of 53.4% per year due to growth in the number of fee-based contracts. Ordinary profit grew at a pace of 49.6% per year, although it recorded losses in the fiscal year ended December 2017 due to a change in its method of recording sales and in the fiscal year ended December 2019 due to a drastic increase in advertising expenses.

Compared to listed companies providing business cloud services and financial indices, the company is superior based on growth and financial stability indices, but in terms of profitability indices, there are other companies with greater ROE. Due to factors such as it being a recently listed company and possessing significant cash and deposits, it could be said that there is margin for improvement in its asset efficiency.

3. Non-Financial Analysis

The source of the company's intellectual capital is its founder, who led the development of its corporate cloud services being thoroughly easy, simple and low cost. Continuous process improvement likely led to an increase in customers. It then accumulated expertise based on increased customer usage, leading to further process improvement and customer acquisition, creating a virtuous cycle.

4. Corporate Strategy Analysis

Issues to be addressed include securing and cultivating human resources, developing new services, and improving awareness of the company and its services.

In addition to increasing the number of fee-based contracts for its existing services, the company's policy positions increasing the number of services it provides as a pillar for growth in the medium to long term.

5. Analyst Evaluation

Our assessment is that the consolidation of past services led to the establishment of the success pattern for the company's current services. Going forward, the company's policy is to expand this success pattern horizontally by adding more services. To judge whether it succeeds or fails, we would like to keep an eye on the monetization of Toyokumo Scheduler, which the company started providing in the previous month.

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