

**Provider of CLOMO MDM service that conducts centralized management of mobile terminals**

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**[ 4495 i3 Systems Sector : Information & Communication ]**

Fiscal Year		Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Jun. 2020		1,641	17.3	412	64.3	401	62.5	318	43.8	63.5	140.6	0.0
Jun. 2021		2,029	23.6	569	38.2	559	39.3	420	32.1	80.8	320.9	10.0
Jun. 2022	CE	2,569	-	732	-	734	-	469	-	89.6	-	10.0
Jun. 2022	E	2,599	28.1	768	34.9	770	37.6	490	16.8	93.2	404.4	10.0
Jun. 2023	E	3,190	22.8	1,048	36.4	1,049	36.2	671	36.9	127.6	522.1	10.0
Jun. 2024	E	3,845	20.5	1,368	30.5	1,368	30.4	876	30.4	166.6	678.7	10.0

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

**1. Corporate Overview**

i3 Systems provides an MDM service that conducts centralized management of mobile terminals for corporations.

**2. Financial Analysis**

From the fiscal year ended June 2015, when the company shifted its business to subscription-type services, to the fiscal year ended June 2021, the revenue increased at an annual rate of 21.7%. However, the company made investments through the fiscal year ended June 2016, and as it had not reached break-even sales, ordinary loss continued. Since the fiscal year ended June 2017, when the company turned to being in the black, ordinary profit has been expanding along with the margin expansion.

Upon comparison of financial indicators with those of listed companies that provide SaaS services under subscription methods for corporations, it only has an advantage in operating profit margin. Meanwhile, there are no particularly bad figures, and it can be said that they are generally well-balanced.

**3. Non-Financial Analysis**

The source of the company's intellectual capital is the president, who led the MDM service business, and the development system which conducts everything within the company. Having an advantage of being a precursor in the MDM service is the result of being continuously insistent on in-house development, and it is creating a virtuous cycle of customer increase, know-how accumulation, service improvements through development, and further customer increase.

**4. Corporate Strategy Analysis**

As for issues that should be addressed, the company needs to expand the target customer base, enhance the development system, strengthen relationships with customers, and cultivate new business domains.

Based on the recognition that the MDM market will continue to expand, the company's two

main policies are to expand the CLOMO business and to create new revenue sources. The company has set the targets to achieve an annual net sales growth of 25% or more through the fiscal year ending June 2024, and to establish a high profitability structure with an operating profit margin of 40% over the medium to long term.

### **5. Analyst Evaluation**

We evaluate that the company's in-house development systems and conducting operations other than sales in-house will lead to further advantages. On the other hand, it is too early to evaluate the company's plan to expand its business domains outside the MDM market, we would like to keep our eyes on specific investment targets in the investment business for the time being.

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