

**Engaged in cybersecurity business**

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**【5599 S&J 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)
Mar.2022	1,077	29.7	251	-	249	125.0	223	74.7	44.9	109.1	0.0
Mar.2023	1,281	18.9	331	31.9	321	28.8	210	-5.8	42.3	151.3	0.0
Mar.2024 f	1,604	25.2	356	7.3	323	0.5	210	0.0	41.1	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2024 is the company's forecasts.

It conducted 1:100 stock split on June 26, 2023. Per share indices are adjusted retroactively.

**Engaged in CyberSecurity Business**

S&J is engaged in the cybersecurity business, providing Security Operation Center (SOC) services to detect, analyze and respond to cyber-attacks and offering various consulting services.

Consulting services accounted for 27.5% of net sales in fiscal year ended March 2023 and SOC services for 72.5%. Of the total net sales in the same fiscal year, 80.5% were stock-type and 19.5% were spot-type.

**Consulting Services**

The major services that S&J provides are as follows: 1) Security advisor services that assess the implementation of security measures for customers before identifying issues to be addressed in the event of a cybersecurity incident and offering response support to high-priority issues as well as improvement proposals for the medium-term; 2) Incident response to support customers in the event of a cybersecurity incident; 3) E-mail security to investigate, analyze and report the results of such work on suspicious attachments and links in customers' e-mails; 4) Vulnerability diagnosis in which experts with knowledge about the latest trends in security threats conduct a diagnosis of customer vulnerabilities that could lead to security incidents and provide a report of recommended countermeasures; and 5) Serving as a sales agent for sophisticated overseas security products.

**SOC Service**

Using the Security Information and Event Management (SIEM), a SOC Engine developed by the company, S&J provides SOC Engine operation services. These services are used to monitor and operate entire information systems for their customers. Additionally, the company provides SOC Engine development and leverages its expertise and experience in monitoring and operational services to provide such services for SIEM products provided by other companies.

S&J also uses KeepEye, its proprietary cloud-based Endpoint Detection and Response (EDR) technology, to provide monitoring services that detect and prevent known and unknown viruses from infecting customer's PCs, as well as monitoring and operational services of EDR products provided by other companies.

## Financial Statements

Statement of income	Fiscal Year	Mar. 2022		Mar.2023		Six months to Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,077	100.0	1,281	100.0	713	100.0
Cost of sales		594	55.1	653	51.0	393	55.1
Gross profit		483	44.9	627	49.0	320	44.9
Selling, general and administrative expenses		231	21.5	295	23.1	197	27.6
Operating profit		251	23.4	331	25.9	122	17.2
Non-operating income		0	-	1	-	0	-
Non-operating expenses		3	-	11	-	7	-
Ordinary profit		249	23.2	321	25.1	115	16.3
Profit before income taxes		249	23.2	321	25.1	115	16.3
Profit attributable to owners of parent		223	20.7	210	16.4	76	10.7

Balance sheet	Fiscal Year	Mar. 2022		Mar.2023		Sep.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		957	96.5	1,487	96.3	1,394	96.1
Cash and deposits		839	84.6	1,353	87.6	1,273	87.8
Accounts receivable-trade		75	7.6	93	6.1	69	4.8
Inventories		4	0.5	6	0.4	7	0.5
Non-current assets		34	3.5	57	3.7	56	3.9
Property, plant and equipment		20	2.1	21	1.4	28	2.0
Intangible assets		-	-	-	-	-	-
Investments and other assets		13	1.4	35	2.3	27	1.9
Total assets		992	100.0	1,545	100.0	1,451	100.0
Current liabilities		410	41.4	791	51.2	621	42.8
Accounts payable - trade		6	0.7	14	0.9	3	0.2
Short-term borrowings		50	5.0	-	-	-	-
Current portion of long-term borrowings.		20	2.1	-	-	-	-
Contract liabilities		262	26.5	565	36.6	505	34.8
Non-current liabilities		38	3.9	-	-	-	-
Long-term borrowings		38	3.9	-	-	-	-
Net assets		543	54.7	753	48.8	829	57.2
Owners' equity		543	54.7	753	48.8	829	57.2

Statement of cash flows	Fiscal Year	Mar. 2022	Mar.2023	Six months to Sep.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		421	645	-68
Depreciation		5	7	4
Cash flows from investing activities		0	-22	-11
Cash flows from financing activities		21	-109	-
Dividends paid		-	-	-
Net increase in cash and cash equivalents		442	513	-80
Cash and cash equivalents		839	1,353	1,273

Note:Non-consolidated

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

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