

Providing a cloud-based unauthorized access detection service to financial institutions and other businesses

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[153A Caulis 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)
Dec.2022	769	57.3	217	12.8x	219	16.0x	249	18.6x	39.4	-71.7	0.0
Dec.2023	994	29.3	295	35.8	293	33.7	260	4.2	45.6	79.2	0.0
Dec.2024 f	1,360	36.7	490	65.9	463	57.8	310	19.4	51.9	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2024 is the company's forecasts.
It conducted 1:100 stock split on November 25, 2023. Per share indices are adjusted retroactively.

Providing Cloud-Based Unauthorized Access Detection Service

Caulis offers a cloud-based service that detects unauthorized access and other services to corporate clients, primarily financial institutions, as measures to prevent money laundering and ensure cyber security.

The company classifies its net sales into three categories: the cloud-based unauthorized access detection service (stock), which consists of fees for the service usage and consulting services; cloud-based unauthorized access detection service (other), which includes fees for work related to the service initial setup and proof of concept; and other services. The cloud-based unauthorized access detection service (stock) accounted for 94.1% of net sales of fiscal year ended December 2023, cloud-based unauthorized access detection service (other) for 1.7%, and other services for 4.2%. Recurring revenue comprises the majority of Caulis' revenue.

Service Overview and Features

Caulis provides cloud-based unauthorized access detection services such as anti-money laundering and cyber security measures to banks, securities companies and other financial institutions that deal with a high volume of individuals and other end users. It also offers its services to infrastructure operators such as telecommunications carriers and gas companies, as well as other service providers. The service monitors the possibility of fraudulent use when end users visit a client company's website or use a smartphone application to open an account or conduct balance inquiries, fund transfers and other related transactions.

In concrete terms, the service analyzes information obtained from terminals based on its algorithm to determine whether the information is fraudulent or if there is a history of fraudulent use not only within the client company but also in other companies. The service then notifies the client in real-time of any potential issues. The service was created out of the need to enhance the accuracy of judgment by leveraging the usage history of the remittance source. Financial institutions to which funds are transferred often have limited material to use in determining whether the funds remitted to them are legitimate or not on a per-company basis. The value of the service is that it leverages cross-customer and cross-industry data to provide rapid detection and prevention of money laundering, a challenge for individual companies.

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		489	100.0	769	100.0	994	100.0
Cost of sales		234	48.0	274	35.6	381	38.3
Gross profit		254	52.0	495	64.4	613	61.7
Selling, general and administrative expenses		237	48.5	277	36.1	317	31.9
Operating profit		16	3.5	217	28.3	295	29.7
Non-operating income		0	-	5	-	1	-
Non-operating expenses		3	-	2	-	3	-
Ordinary profit		13	2.8	219	28.6	293	29.5
Profit before income taxes		13	2.8	219	28.6	293	29.5
Net profit		13	2.8	249	32.5	260	26.2

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		473	98.4	672	93.6	1,029	87.3
Cash and deposits		431	89.6	604	84.1	954	81.0
Accounts receivable-trade		32	6.8	40	5.6	51	4.3
Inventories		-	-	-	-	-	-
Non-current assets		7	1.6	46	6.4	149	12.7
Property, plant and equipment		3	0.7	3	0.5	5	0.5
Intangible assets		-	-	-	-	-	-
Investments and other assets		3	0.8	42	5.9	144	12.2
Total assets		481	100.0	718	100.0	1,178	100.0
Current liabilities		288	59.9	277	38.6	477	40.5
Accounts payable - trade		-	-	-	-	-	-
Short-term borrowings		-	-	-	-	51	4.3
Current portion of long-term borrowings		40	8.3	-	-	-	-
Contract liability(Advances receipt)		180	37.4	174	24.2	227	19.3
Non-current liabilities		250	51.9	250	34.8	250	21.2
Long-term borrowings		250	51.9	250	34.8	250	21.2
Net assets		-56	-11.8	191	26.6	451	38.3
Owners' equity		-56	-11.8	191	26.6	451	38.3

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022	Dec.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		119	215	306
Depreciation		3	3	4
Cash flows from investing activities		-2	-2	-6
Cash flows from financing activities		-2	-40	51
Dividends paid		-	-	-
Net increase in cash and cash equivalents		114	172	350
Cash and cash equivalents		431	604	954

Note: Non-consolidated

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

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