

Operates cybersecurity business including SOC and consulting services

This report is an English translation of part of the report issued on February 7, 2025.
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【5599 S&J 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)
Mar. 2023	1,281	18.9	331	31.9	321	28.8	210	-5.8	42.3	151.3	0.0
Mar. 2024	1,610	25.7	348	5.1	319	-0.7	218	3.9	42.4	312.4	0.0
Mar. 2025 CE	2,013	25.0	403	15.6	403	26.3	271	24.4	48.3	-	0.0
Mar. 2025 E	2,005	24.5	435	24.7	438	37.2	301	37.7	53.5	364.2	0.0
Mar. 2026 E	2,452	22.3	584	34.2	588	34.2	405	34.5	72.0	436.2	0.0
Mar. 2027 E	2,889	17.8	721	23.5	726	23.5	501	23.7	89.0	525.2	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
It conducted 1:100 stock split on June 26, 2023. Per share indices are adjusted retroactively.

Source: Stock Research Center

1. Corporate Overview

S&J is involved in the cybersecurity business. It employs network monitoring to provide security operation center (SOC) services for the detection, analysis and response to cyberattacks, in addition to a host of consulting services.

For fiscal year ended March 2024, of the net sales, SOC services accounted for 73.6% and consulting services for 26.4%. By revenue type, recurring sales based on annual contracts accounted for 83.0%.

2. Financial Analysis

From fiscal year ended March 2019 to fiscal year ended March 2024, net sales grew 16.4% annually, primarily attributable to an increase in recurring sales. Issues with a newly developed service resulted in S&J posting ordinary losses from fiscal year ended March 2018 through fiscal year ended March 2020, but after resolving the issues, the company returned to profitability in fiscal year ended March 2021. With the growth in net sales, ordinary profit rose significantly in fiscal year ended March 2022 and fiscal year ended March 2023, but dropped slightly in fiscal year ended March 2024 owing to expenses related to listing.

S&J is more attractive than other similar companies in terms of financial stability, profitability and growth potential.

3. Non-Financial Analysis

The source of the company's intellectual capital lies in service development and operation capabilities and extensive experience.

4. Corporate Strategy Analysis

The company has announced a medium-term management plan that aims for 3,168 million yen in net sales and 751 million yen in operating profit in fiscal year ending March 2027. S&J's growth strategy focuses on cloud-related services, expanding sales of its managed extended detection and response (MXDR) communication-based SOC service and promoting global (multilingual) support.

5. Analyst Evaluation

Based on factors including the company's interim results, which showed significant growth in profit, as well as measures the company has implemented, we forecast a 24.5% revenue increase and a 24.7% rise in operating profit for fiscal year ending March 2025.

On the premise of increased recurring sales and gross profit margin, we forecast a 22.3% revenue increase and a 34.2% rise in operating profit for fiscal year ending March 2026. Additionally, we expect a 17.8% revenue increase and a 23.5% boost in operating profit for fiscal year ending March 2027.

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