Cacco Inc. | **Stock Code: 4166**

May 14, 2021

CXCCO

Financial Results for the First Quarter of Fiscal Year Ending December 31, 2021

Note: This document is an excerpt translation of the original japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original japanese document, the latter shall prevail.

Table of Contents

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Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2021

(Unit: million yen)

Net sales: +14.1% YoY due to steady expansion of fraud detection services

Regarding the fraudulent order detection service "O-PLUX", an increase in the volume of screenings by existing customers and progress in acquiring new customers led to sales of the core fraud detection service grew 27.8% YoY, and overall sales were 222 million yen (+14.1% YoY).

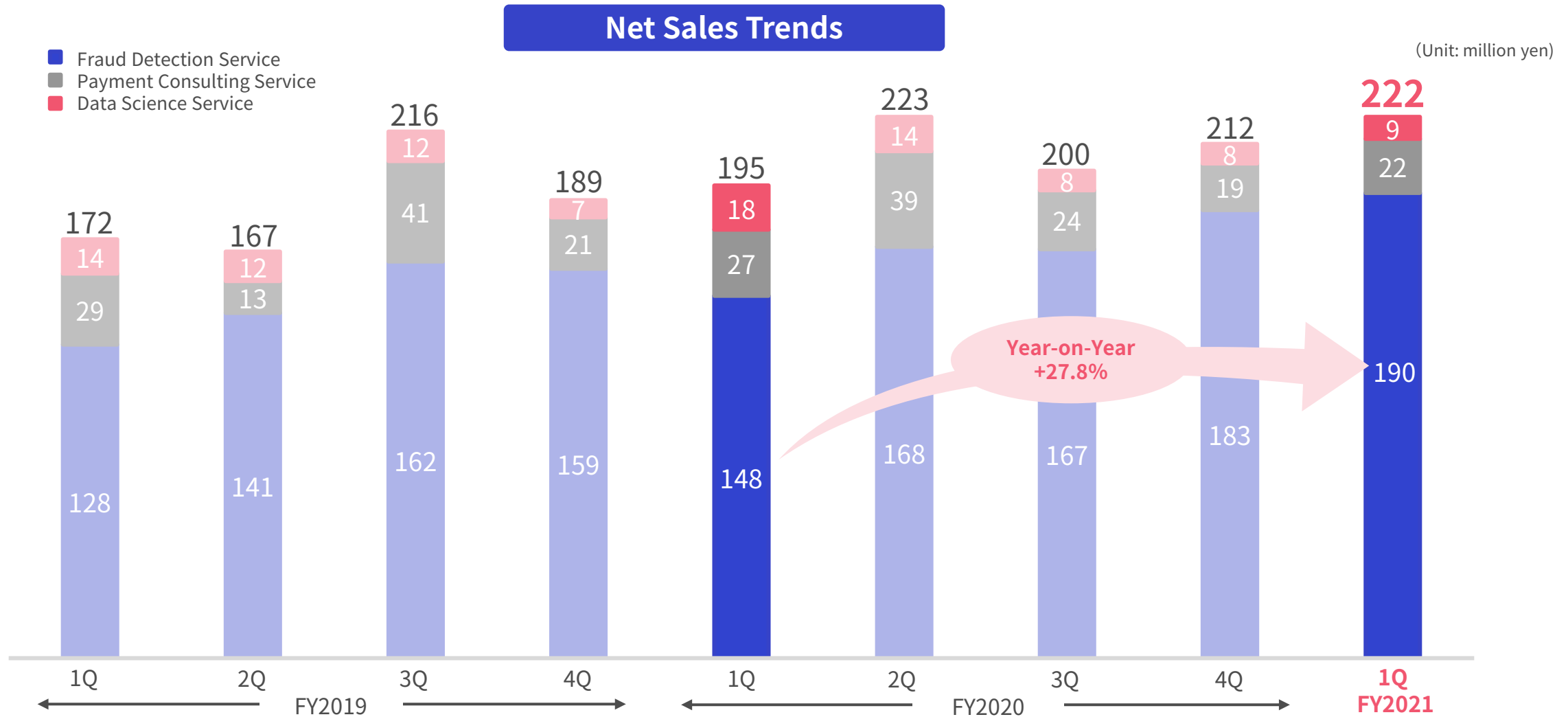## Operating income: +29.8% YoY due to sales increase and cost reduction

Operating income was 50 million yen (+29.8% YoY) and ordinary income was 47 million yen (+28.2% YoY) due to higher sales and cost reductions, despite an increase in selling, general and administrative expenses due to higher personnel costs associated with increased hiring. Net income was 32 million yen (-43.5% YoY) due to an increase in income taxes-deferred (tax expenses) resulting from a decrease in deferred tax assets.

	FY2020 1Q	FY2021 1Q	YoY	FY2021 Forecast	Progress %
Net sales	195	222	+14.1%	909	24.5%
Operating income	38	50	+29.8%	154	32.4%
(Profit margin)	19.7%	22.4%	+2.7pt	17.0%	-
Ordinary income	36	47	+28.2%	149	31.6%
(Profit margin)	18.9%	21.2%	+2.3pt	16.4%	-
Net income (loss)	57	32	-43.5%	102	31.9%

Financial Results for FY2021 1Q / **Net Sales Trends**

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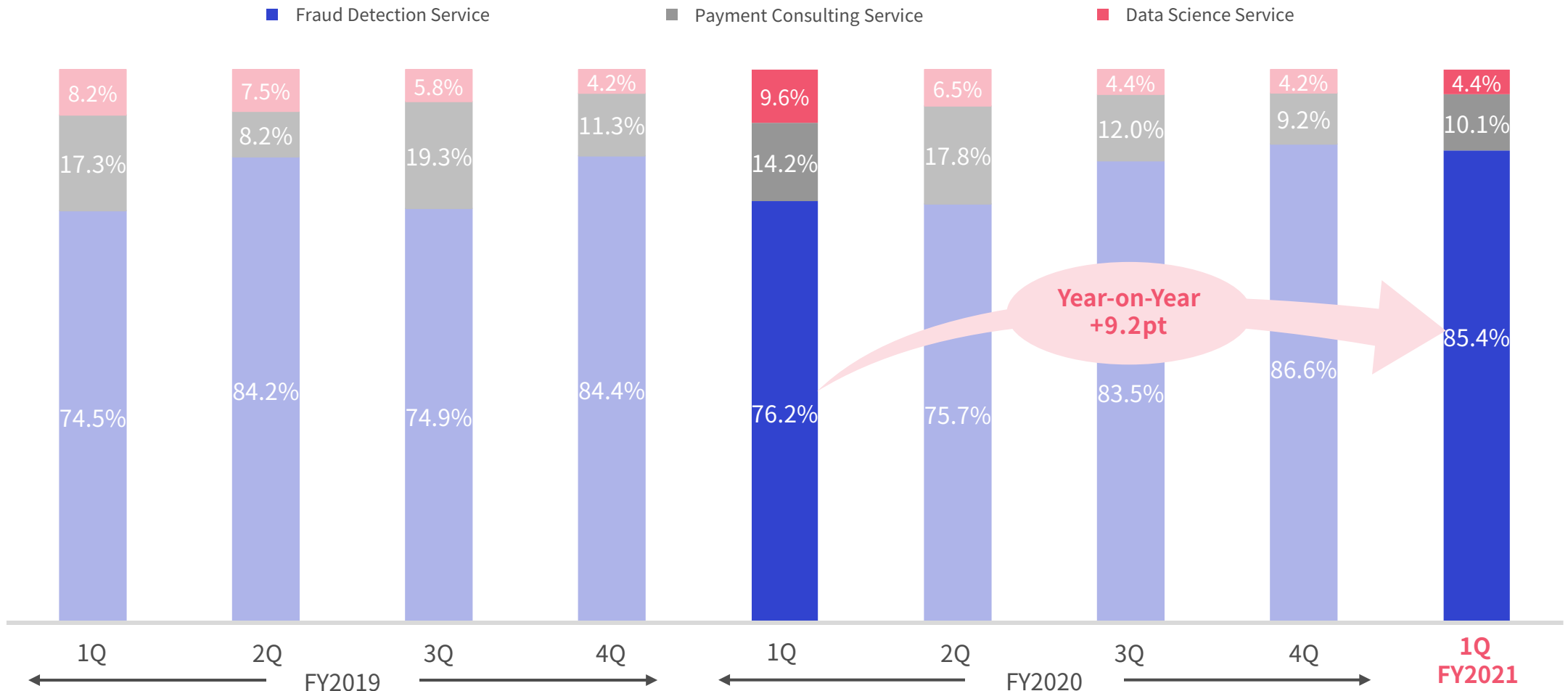Fraud detection, the core service, **increased by YoY27.8%**. Total sales volume **expanded YoY14.1%**.

Net Sales Trends

- ■ Fraud Detection Service
- ■ Payment Consulting Service
- ■ Data Science Service

(Unit: million yen)

Year-on-Year +27.8%

The sales composition of fraud detection, the core service, expanded to **85.4% (+9.2pt YoY)**.

Sales Composition Trends by Service

(Unit: million yen)

■ Fraud Detection Service   ■ Payment Consulting Service   ■ Data Science Service

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q FY2021
Data Science	8.2%	7.5%	5.8%	4.2%	9.6%	6.5%	4.4%	4.2%	4.4%
Payment Consulting	17.3%	8.2%	19.3%	11.3%	14.2%	17.8%	12.0%	9.2%	10.1%
Fraud Detection	74.5%	84.2%	74.9%	84.4%	76.2%	75.7%	83.5%	86.6%	85.4%

Year-on-Year +9.2pt

FY2019   FY2020   1Q FY2021

6

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Gross profit **increased 28.8% YoY** due to increased sales and cost reduction. Profit margin expanded to **75.1% (+8.6 pt YoY)**.
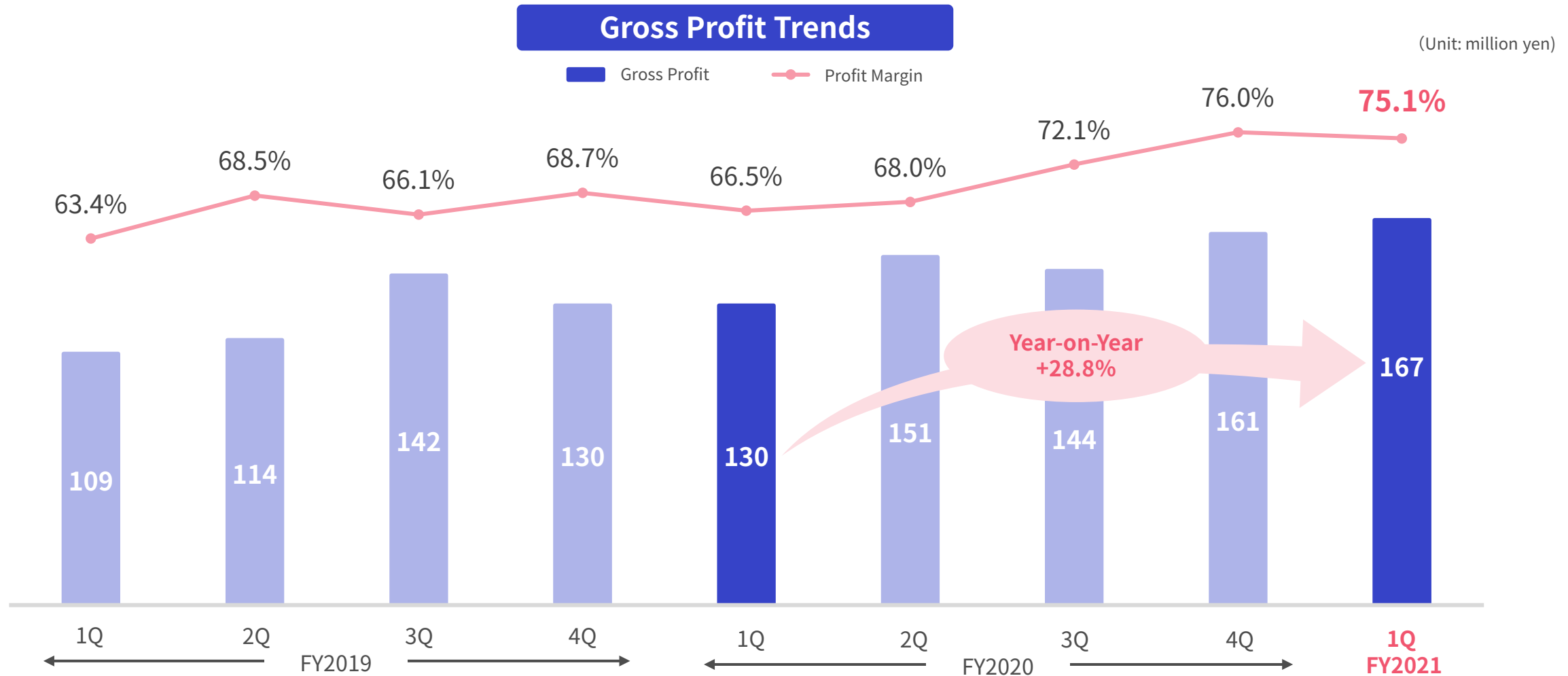
Gross Profit Trends

(Unit: million yen)

■ Gross Profit —●— Profit Margin

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q FY2021
Profit Margin	63.4%	68.5%	66.1%	68.7%	66.5%	68.0%	72.1%	76.0%	**75.1%**
Gross Profit	109	114	142	130	130	151	144	161	**167**

FY2019 · FY2020 · 1Q FY2021

Year-on-Year +28.8%

7

An increase in selling, general and administrative expenses due to higher HR expenses associated with increased hiring was offset by the increase in gross profit, resulting in operating income **increasing 29.8% YoY**.
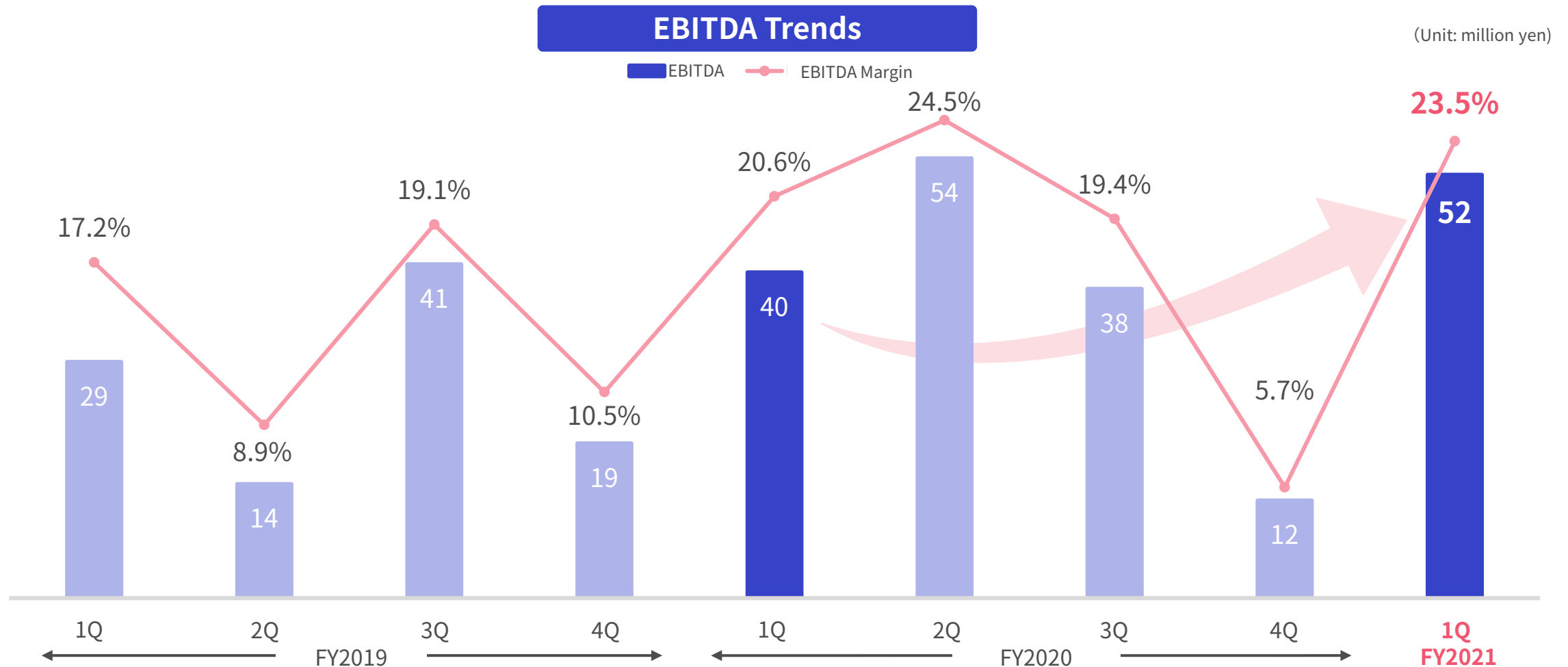

Trends in selling, general and administrative expenses

Legend:
- Operating Profit (Loss)
- HR Expenses
- Advertising Expenses
- Outsourcing Expenses
- Others
- Operating profit margin

(Unit: million yen)

Year-on-Year +29.8%

Chart data points:

FY2019:
- 1Q: 16.3% — Advertising 28, HR 35, Advertising(small) 0, Outsourcing 17, Others 26, Total 81
- 2Q: 7.8% — Advertising 13, HR 39, Advertising(small) 3, Outsourcing 17, Others 41, Total 101
- 3Q: 18.1% — Advertising 39, HR 38, Advertising(small) 6, Outsourcing 17, Others 41, Total 103
- 4Q: 9.8% — Advertising 18, HR 36, Advertising(small) 7, Outsourcing 32, Others 34, Total 111

FY2020:
- 1Q: 19.7% — Operating Profit 38, HR 37, Advertising(small) 4, Outsourcing 17, Others 32, Total 91
- 2Q: 23.7% — Advertising 52, HR 43, Advertising(small) 7, Outsourcing 17, Others 30, Total 98
- 3Q: 18.4% — Advertising 37, HR 50, Advertising(small) 6, Outsourcing 17, Others 33, Total 107
- 4Q: 4.6% — Advertising 9, HR 57, Advertising(small) 9, Outsourcing 43, Others 40, Total 151

1Q FY2021: 22.4% — Operating Profit 50, HR 53, Advertising(small) 7, Outsourcing 22, Others 34, Total 117

1Q | 2Q | FY2019 | 3Q | 4Q | 1Q | 2Q | FY2020 | 3Q | 4Q | **1Q FY2021**

8

Financial Results for FY2021 1Q / **EBITDA Trends**

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EBITDA increased steadily in line with profit growth, with EBITDA margin expanding to **23.5% (+2.9pt YoY)**.

EBITDA Trends

(Unit: million yen)

■ EBITDA ━●━ EBITDA Margin

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q FY2021
EBITDA	29	14	41	19	40	54	38	12	52
EBITDA Margin	17.2%	8.9%	19.1%	10.5%	20.6%	24.5%	19.4%	5.7%	23.5%

◄————— FY2019 —————► ◄————— FY2020 —————►

※EBITDA＝Operating income + Depreciation and amortization
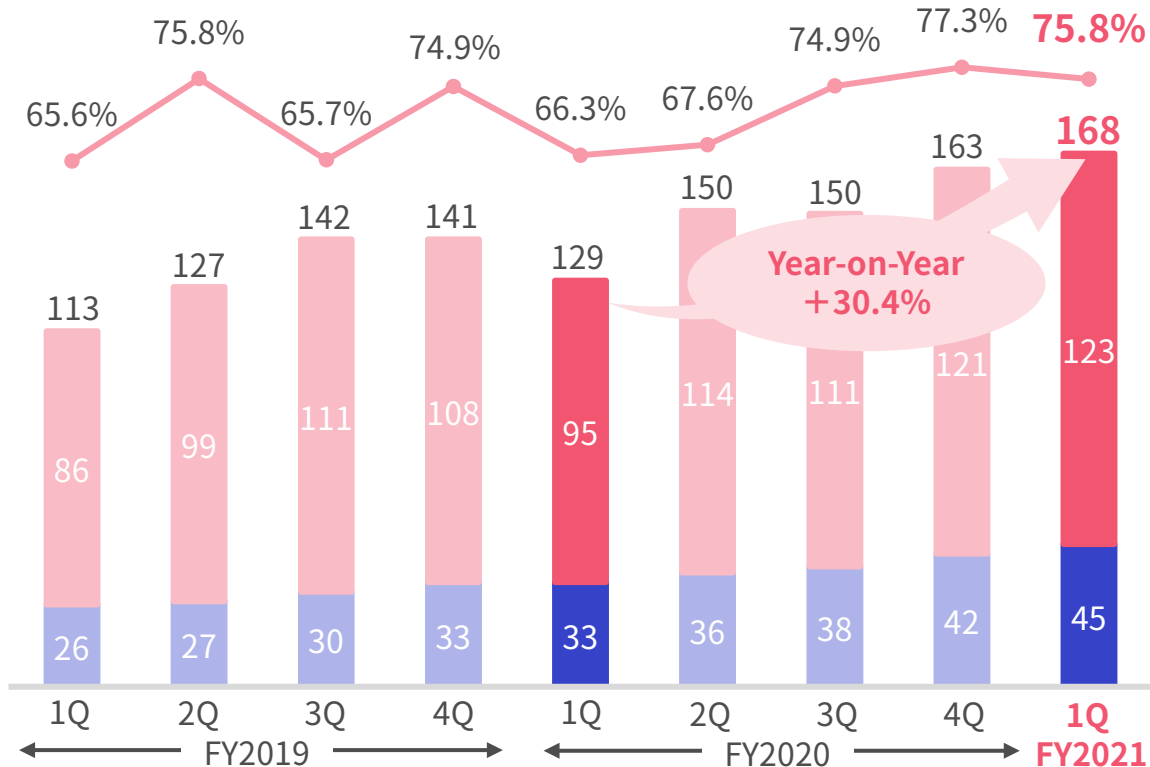※EBITDA Margin＝EBITDA/Net sales

ARR (Annual Recurring Revenue) of "O-PLUX" **increased 30.4% YoY**. ARR Rate grew to **75.8% (+9.5pt YoY)**. Screening volume **increased by 29.0% YoY**, and "O-PLUX" maintained steady growth.
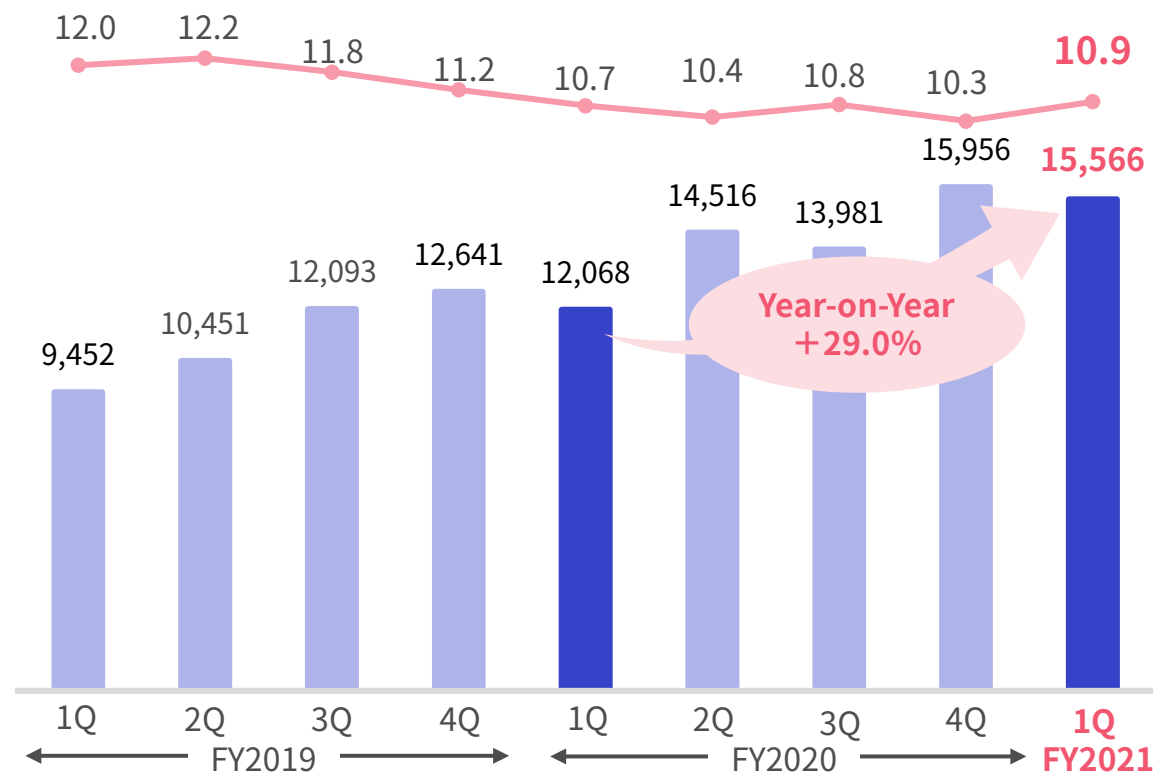
O-PLUX ARR

(Unit: million yen)

- Monthly Fixed Fee
- Screening Fee
- ARR ratio

Year-on-Year +30.4%

	FY2019				FY2020				1Q FY2021
Quarter	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
ARR ratio	65.6%	75.8%	65.7%	74.9%	66.3%	67.6%	74.9%	77.3%	75.8%
Total	113	127	142	141	129	150	150	163	168
Screening Fee	86	99	111	108	95	114	111	121	123
Monthly Fixed Fee	26	27	30	33	33	36	38	42	45

O-PLUX Screening Volume ARR per screening Trends

(Unit for case: thousand cases)
(Unit for amount: yen)

- Screening Volume
- ARR per Screening

Year-on-Year +29.0%

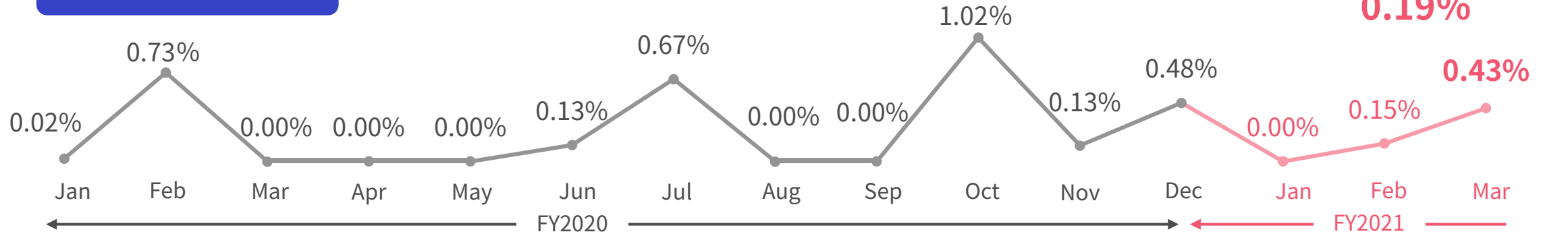|	FY2019				FY2020				1Q FY2021
Quarter	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
ARR per Screening	12.0	12.2	11.8	11.2	10.7	10.4	10.8	10.3	10.9
Screening Volume	9,452	10,451	12,093	12,641	12,068	14,516	13,981	15,956	15,566

ARR = fixed monthly fee + screening fee based on the number of screenings (does not include spot revenue such as initial installation fee)
ARR Ratio = ARR / Net sales (total of all services)
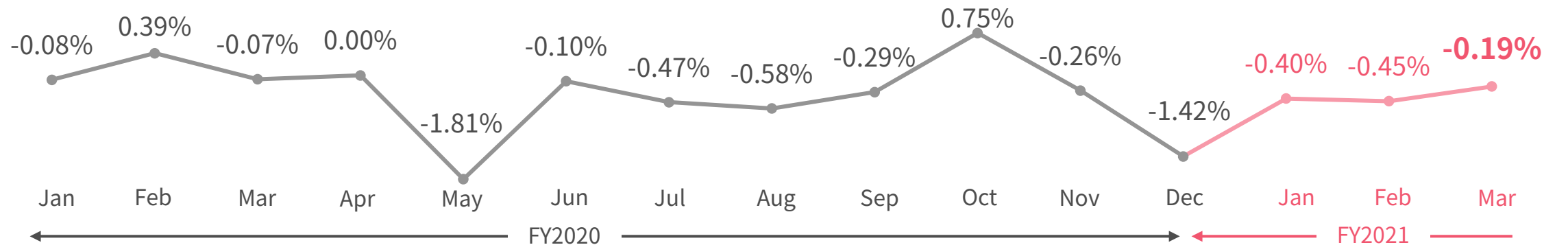Spot revenue = Revenue other than ARR

10

The monthly churn rate of O-PLUX has remained low, generating **constant negative churn**.

Gross churn rate

FY2021 1Q average
0.19%

Jan 0.02% / Feb 0.73% / Mar 0.00% / Apr 0.00% / May 0.00% / Jun 0.13% / Jul 0.67% / Aug 0.00% / Sep 0.00% / Oct 1.02% / Nov 0.13% / Dec 0.48%

Jan 0.00% / Feb 0.15% / Mar 0.43%

FY2020 → FY2021

※Gross churn rate = annual average of MRR from the clients who churned the current month / ARR at the beginning of the current month

Net churn rate

FY2021 1Q average
-0.35%

Jan -0.08% / Feb 0.39% / Mar -0.07% / Apr 0.00% / May -1.81% / Jun -0.10% / Jul -0.47% / Aug -0.58% / Sep -0.29% / Oct 0.75% / Nov -0.26% / Dec -1.42%

Jan -0.40% / Feb -0.45% / Mar -0.19%

FY2020 → FY2021

※Net Churn Rate = (annual average of MRR from the clients who churned the current month - MRR from new contracts for current month) / MRR at the beginning of the current month

11

Financial Results for FY2021 1Q / Balance Sheet

(Unit: million yen)

	FY2020 (4Q)	FY2021 (1Q)	Change	Main Drivers
Current assets	1,402	**1,229**	-12.4%	Decrease in cash and cash equivalents
(Cash and deposits)	1,293	**1,107**	-14.4%	Amortization of bond purchases
Fixed assets	420	**440**	+4.8%	Increase in software in progress
Total assets	1,822	**1,669**	-8.4%	
Current liabilities	383	**289**	-24.6%	Amortization of purchase of current portion of bonds and decrease in accounts payable
Non-current liabilities	291	**198**	-31.9%	Amortization of bond purchases
Net assets	1,148	**1,182**	+2.9%	Recording of quarterly net income
Capital ratio	62.8%	**70.6%**	+7.8pt	

Forecast for Financial Results of the Fiscal Year Ending December 31, 2021

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(Unit: million yen)

Net Sales YoY +9.4%

- Fraud detection services are expected to grow by 12.9% YoY by expanding sales of "O-PLUX" and "O-MOTION".

- Sales of payment consulting services are expected to decrease by 7.1% YoY due to a decrease in system development projects, and sales of data science services are expected to be the same level as the previous year.

Ordinary profit YoY +29.3%

- Operating profit is expected to grow by 11.8% YoY, and ordinary profit is expected to grow by 29.3% YoY, as listing-related expenses recorded in FY2020 will not be incurred in FY2021.

- Net income is expected to decrease due to an increase in income tax adjustments (tax expenses) resulting from a decrease in deferred tax assets.

	FY2020 (Actual)	FY2021 (Forecast)	YoY
Net sales	831	**909**	+9.4%
Operating income	138	**154**	+11.8%
(Profit margin)	16.6%	**17.0%**	+3.4pt
Ordinary income	115	**149**	+29.3%
(Profit margin)	13.9%	**16.4%**	+2.5pt
Net income	130	**102**	-21.3%
EPS (yen)	55.37	**39.05**	—

Forcast of Financial Results for FY2021 / Trends in Net Sales and Sales Composition by Service
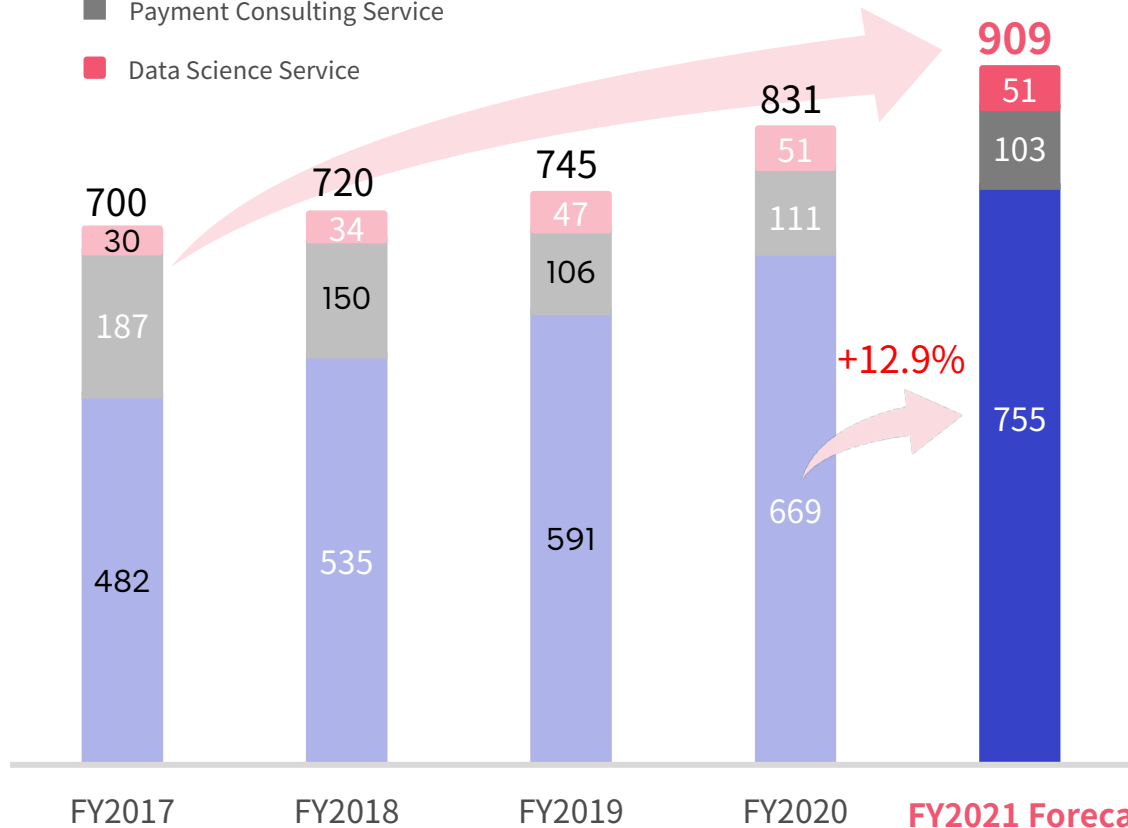
Fraud detection service, the core service, is expected to increase by **12.9%** YoY and to account for **83.0%** of total sales.

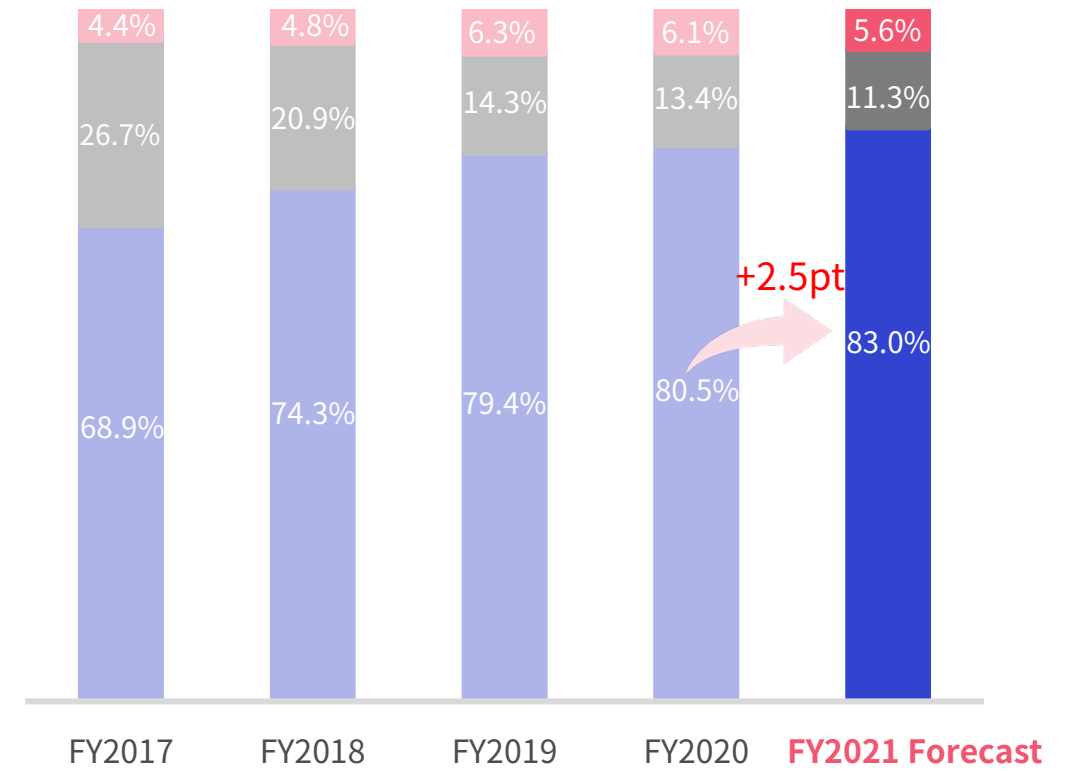## Net Sales Trends

(Unit: million yen)

- Fraud Detection Service
- Payment Consulting Service
- Data Science Service

	FY2017	FY2018	FY2019	FY2020	FY2021 Forecast
Total	700	720	745	831	**909**
Data Science Service	30	34	47	51	51
Payment Consulting Service	187	150	106	111	103
Fraud Detection Service	482	535	591	669	755

+12.9%

Trends in Sales Composition by Service

(Unit: %)

- Fraud Detection Service
- Payment Consulting Service
- Data Science Service

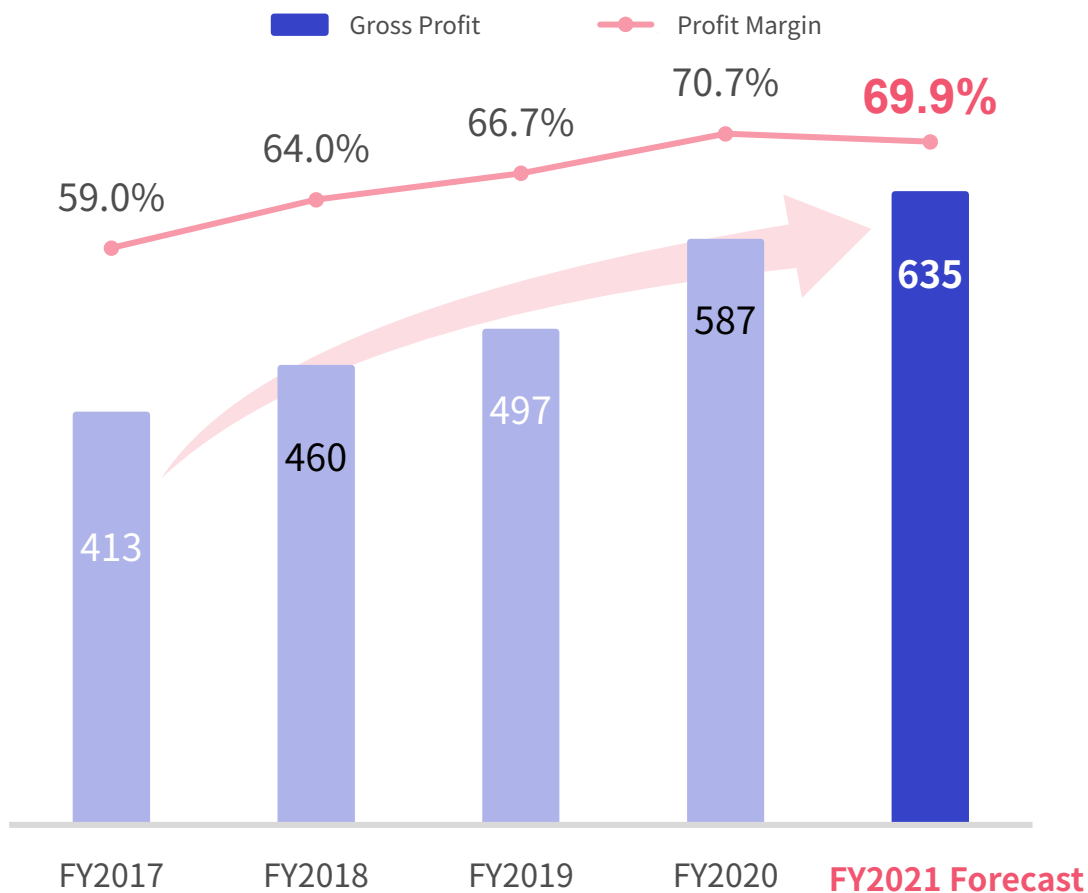|	FY2017	FY2018	FY2019	FY2020	FY2021 Forecast
Data Science Service	4.4%	4.8%	6.3%	6.1%	5.6%
Payment Consulting Service	26.7%	20.9%	14.3%	13.4%	11.3%
Fraud Detection Service	68.9%	74.3%	79.4%	80.5%	83.0%

+2.5pt

Forcast of Financial Results for FY2021 / Trends in Gross Profit and Operating Income

Although the gross profit margin is expected to decline slightly due to an increase in depreciation expenses related to software (O-PLUX architecture renewal and SaaS-type BNPL settlement system), the operating profit margin is expected to increase steadily.
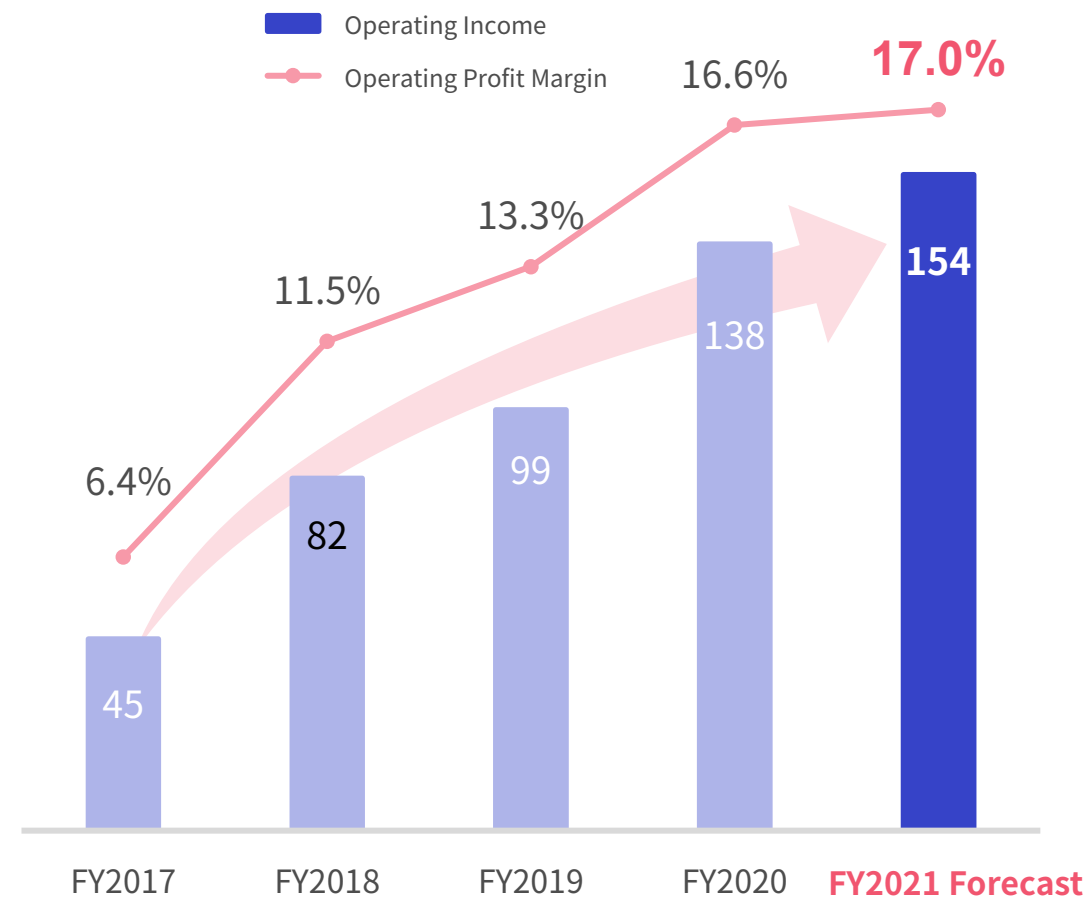
Trends in Gross Profit (Unit: million yen)

- Gross Profit
- Profit Margin

	FY2017	FY2018	FY2019	FY2020	FY2021 Forecast
Gross Profit	413	460	497	587	635
Profit Margin	59.0%	64.0%	66.7%	70.7%	69.9%

Trends in Operating Income (Unit: million yen)

- Operating Income
- Operating Profit Margin

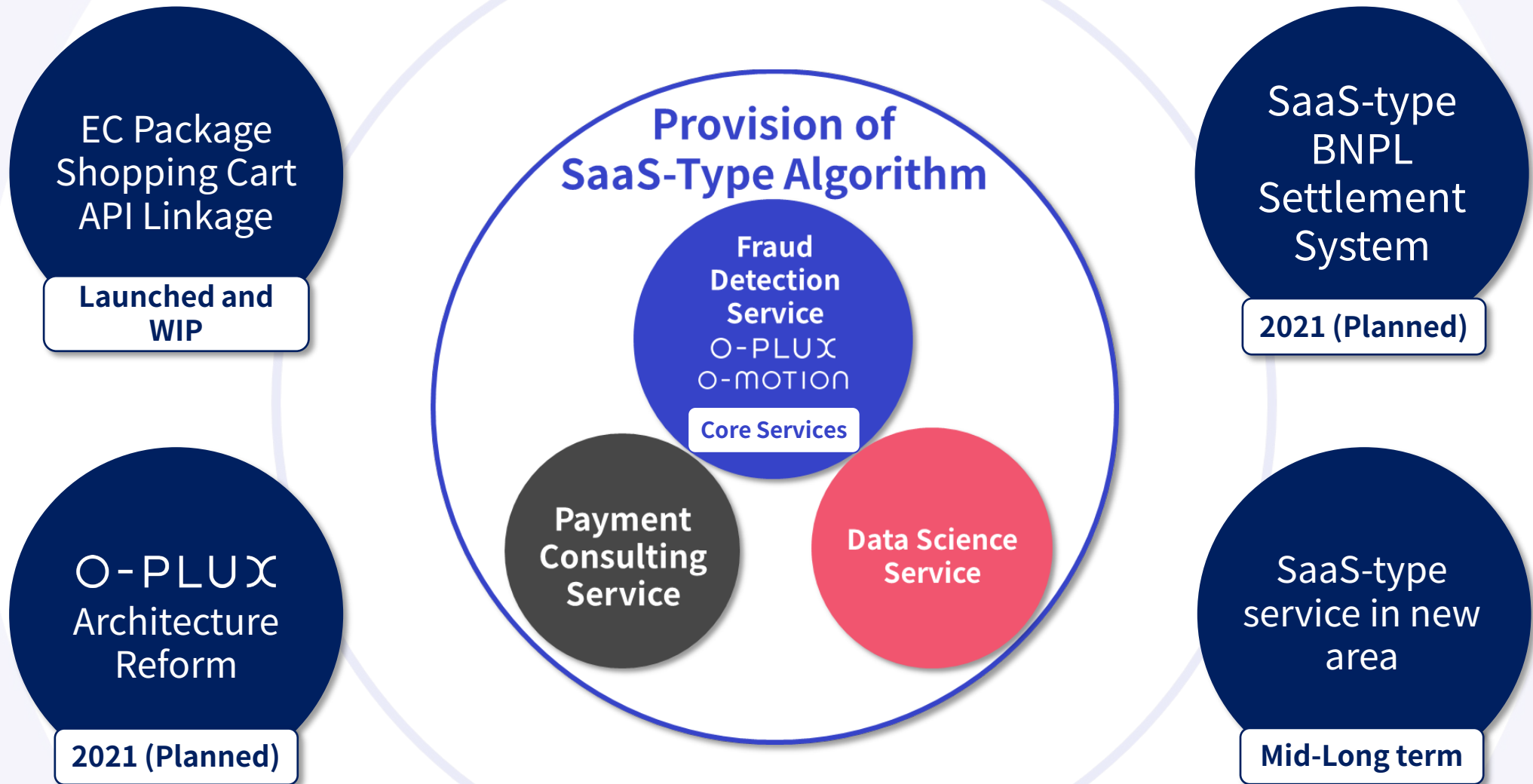|	FY2017	FY2018	FY2019	FY2020	FY2021 Forecast
Operating Income	45	82	99	138	154
Operating Profit Margin	6.4%	11.5%	13.3%	16.6%	17.0%

16

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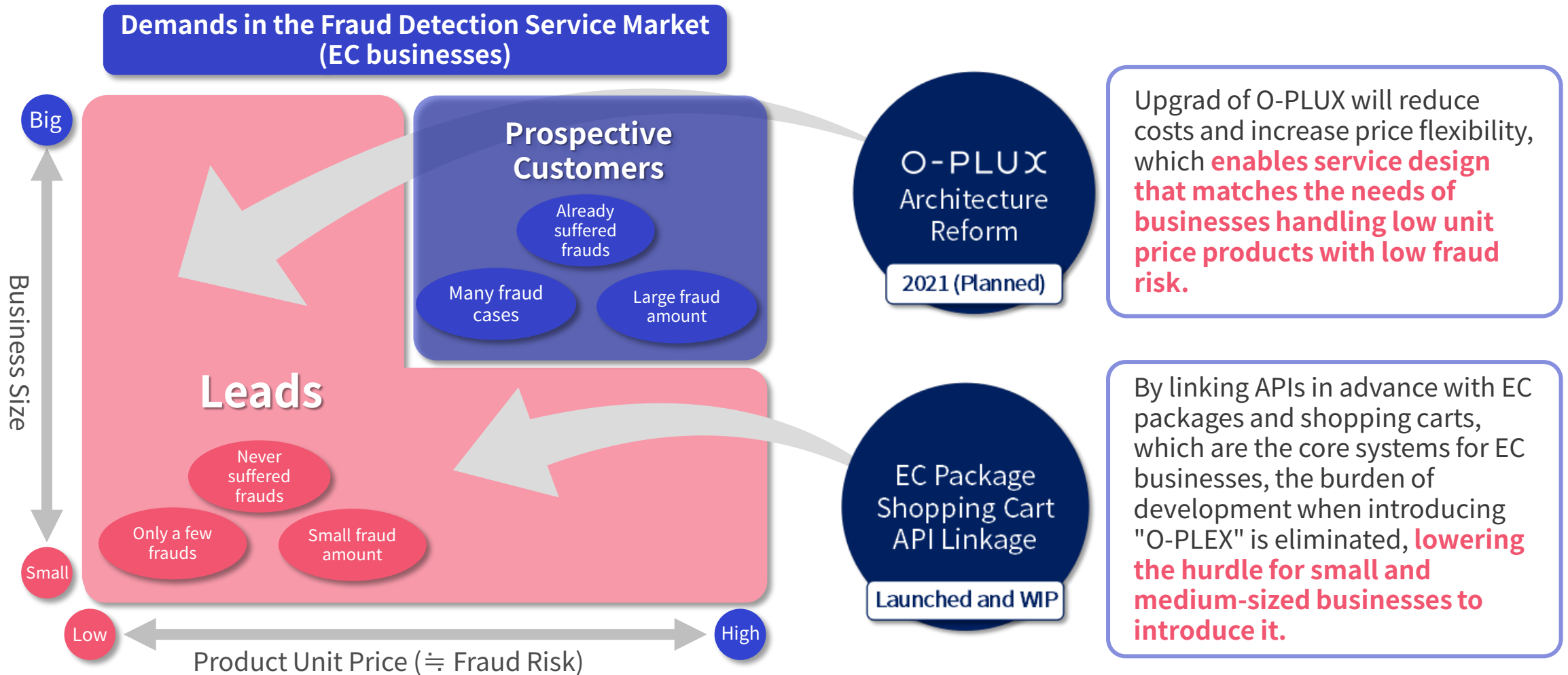
Growth Strategies

4 Strategies for Business Expansion

Through the four growth strategies, we will accelerate business expansion with a focus on Fraud Detection Service and create our own market.

EC Package Shopping Cart API Linkage

Launched and WIP

O-PLUX Architecture Reform

2021 (Planned)

SaaS-type BNPL Settlement System

2021 (Planned)

SaaS-type service in new area

Mid-Long term

Provision of SaaS-Type Algorithm

Fraud Detection Service
O-PLUX
O-MOTION

Core Services

Payment Consulting Service

Data Science Service

We expect to see the emergence of leads population due to the growing social problem of fraudulent damage and the further strengthening of laws and regulations. So we will work to acquire such leads by promoting the Architecture Reform and API integration of O-PLUX.
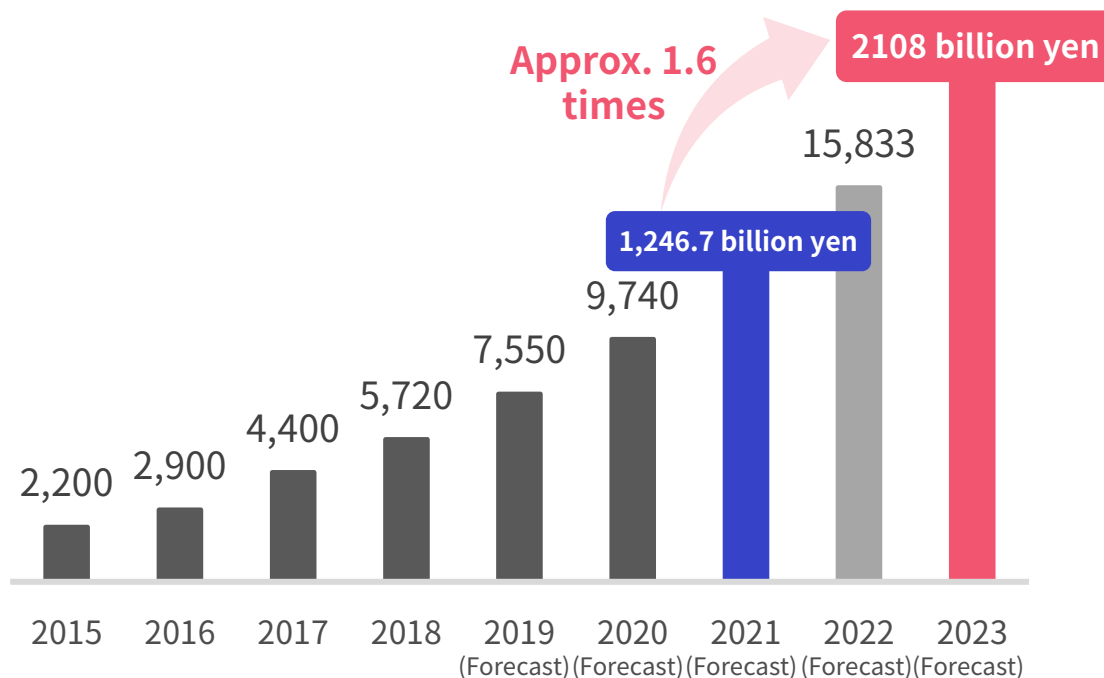
Demands in the Fraud Detection Service Market (EC businesses)

Business Size — Big / Small

Prospective Customers
- Already suffered frauds
- Many fraud cases
- Large fraud amount

Leads
- Never suffered frauds
- Only a few frauds
- Small fraud amount

Product Unit Price (≒ Fraud Risk) — Low / High

O-PLUX Architecture Reform
2021 (Planned)

Upgrad of O-PLUX will reduce costs and increase price flexibility, which **enables service design that matches the needs of businesses handling low unit price products with low fraud risk.**

EC Package Shopping Cart API Linkage
Launched and WIP

By linking APIs in advance with EC packages and shopping carts, which are the core systems for EC businesses, the burden of development when introducing "O-PLEX" is eliminated, **lowering the hurdle for small and medium-sized businesses to introduce it.**

Expanding the use of O-PLUX through a SaaS-type BNPL settlement system

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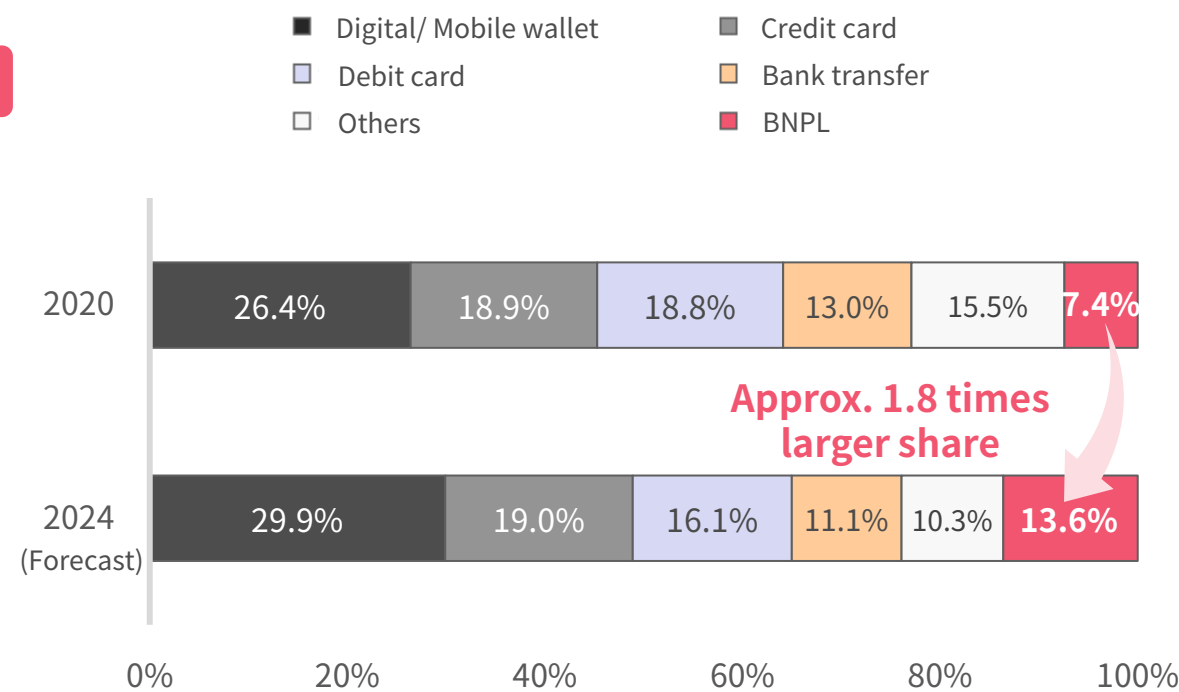SaaS-type service in new area

Mid-Long term

By providing a SaaS-type settlement system that can be implemented without a large-scale development, we will support the growth of the BNPL (Buy Now Pay Later) market and expand the use of O-PLUX.

BNPL market trends in Japan (Unit: 100 million yen)

Approx. 1.6 times

2108 billion yen

1,246.7 billion yen

15,833

9,740

7,550

5,720

4,400

2,900

2,200

| 2015 | 2016 | 2017 | 2018 | 2019 (Forecast) | 2020 (Forecast) | 2021 (Forecast) | 2022 (Forecast) | 2023 (Forecast) |

Source: Yano Research Institute, "Current Status and Future Forecast of Online Payment Service Providers, 2020 Edition"

Forecast for BNPL usage rate in North America

- ■ Digital/ Mobile wallet
- ■ Credit card
- ■ Debit card
- ■ Bank transfer
- □ Others
- ■ BNPL

	Digital/Mobile wallet	Credit card	Debit card	Bank transfer	Others	BNPL
2020	26.4%	18.9%	18.8%	13.0%	15.5%	7.4%
2024 (Forecast)	29.9%	19.0%	16.1%	11.1%	10.3%	13.6%

Approx. 1.8 times larger share

Source: Worldpay" Global Payment Report2021"

20

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SaaS-type service in new area

Mid-Long term

Build SaaS-type services in new fields by accumulating new knowledge in data science services.

Current Core Domains

Domains Currently Being Cultivated

New Domains in Future

E-Commerce × O-PLUX

Finance × O-MOTION

Retail

Distribution

Manufacturing

Services

Advertisement

Human Resources

Real Estate

Overseas

Fraud Detection Service

Payment Consulting Service

Data Science Serivice

SaaS-type services for new fields

COCCO

SaaS-type service in new area

Mid-Long term

Considering entering the following 3 markets in Southeast Asia.

As the demands for funds are growing for both individuals and companies, we will provide loan screening and other services utilizing our data science and security technologies based on the fraud detection services.
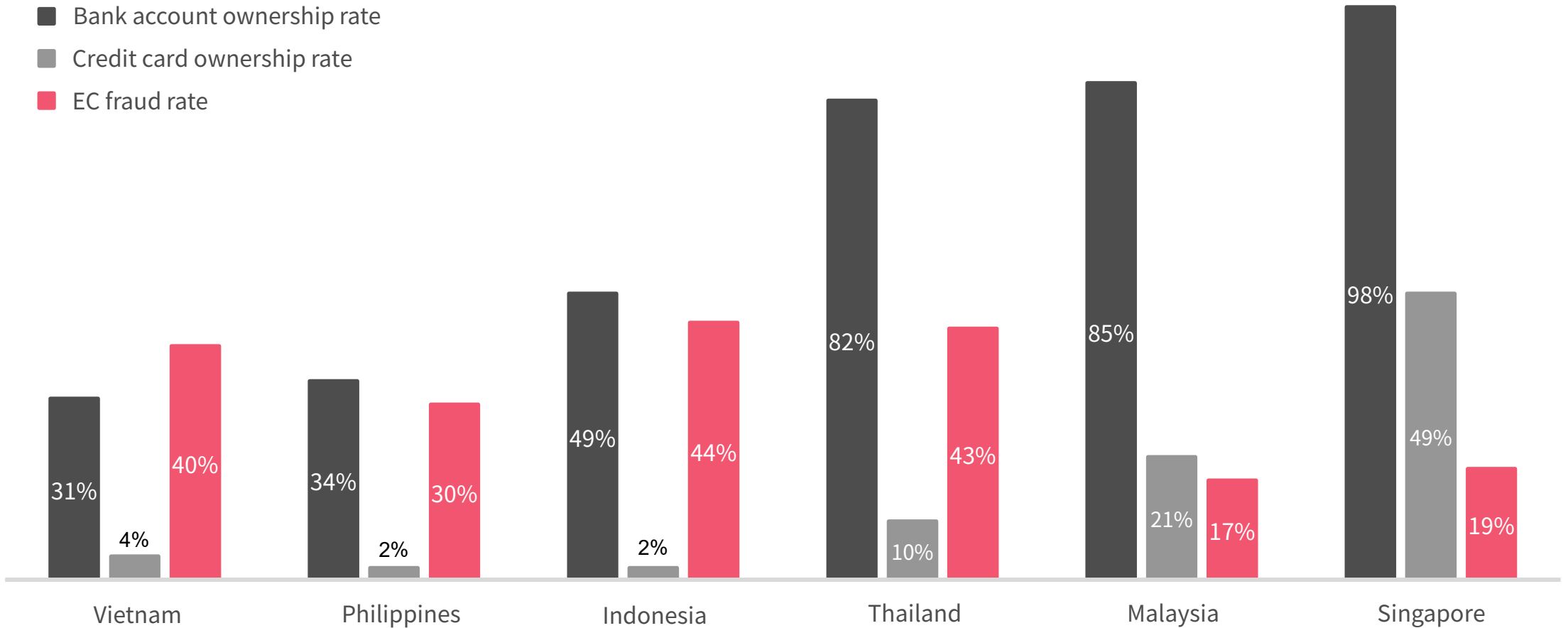
E-Commerce Market
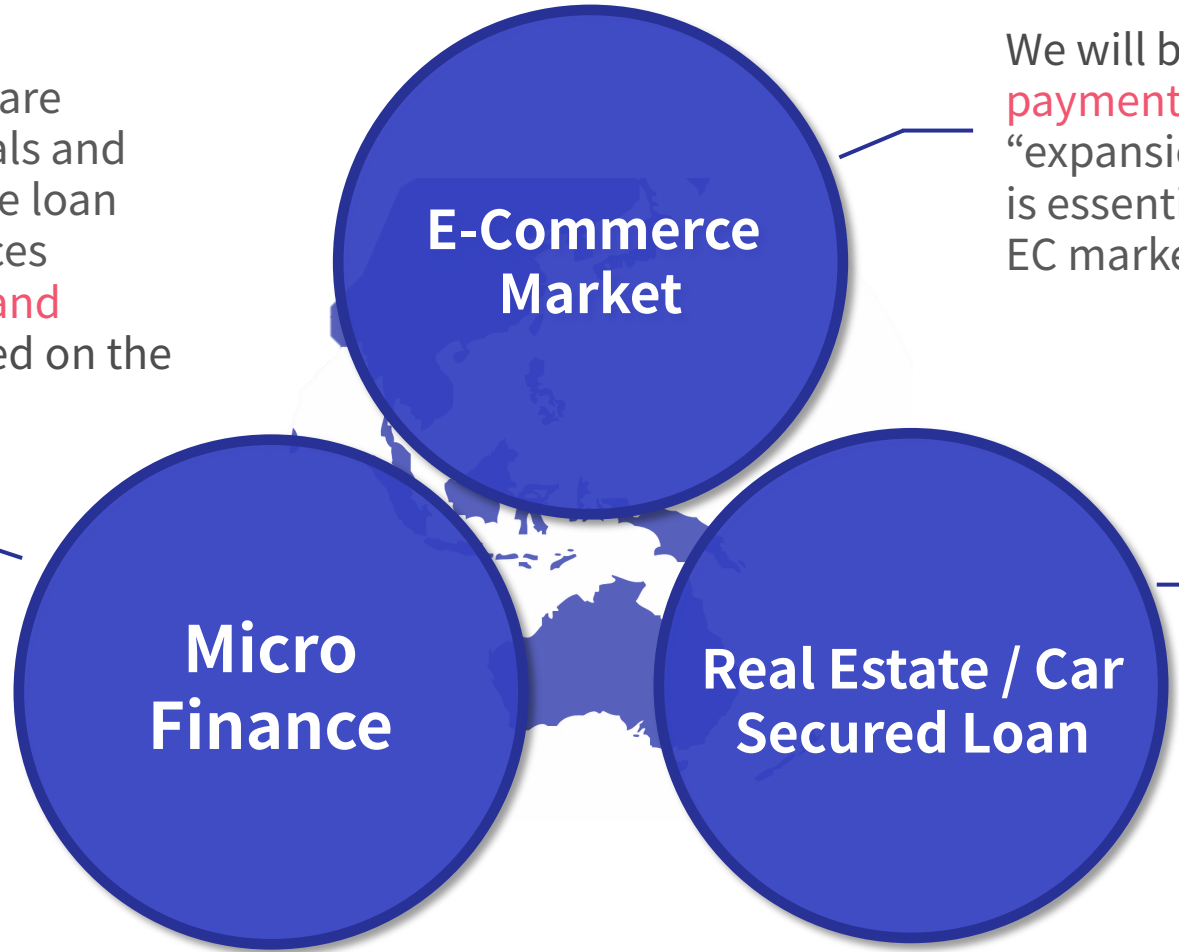
We will bring in our fraud detection and payment consulting services to help with "expansion of credit transactions," which is essential for the development of the EC market in Southeast Asia.

Micro Finance

Real Estate / Car Secured Loan

Using our data science technology, we will develop and provide algorithms for value assessment and risk calculation in various types of collateralized loans.

The market for financial services and e-commerce fraud prevention is expected to grow in Southeast Asia.

- Bank account ownership rate
- Credit card ownership rate
- EC fraud rate

	Vietnam	Philippines	Indonesia	Thailand	Malaysia	Singapore
Bank account ownership rate	31%	34%	49%	82%	85%	98%
Credit card ownership rate	4%	2%	2%	10%	21%	49%
EC fraud rate	40%	30%	44%	43%	17%	19%

Source: WORLD BANK GLOBAL FINANCIAL INCLUSION DATA [ACCESED JANUARY 2019], THE ASEAN POST, AppsFlyer2019

CALLO

Appendix

Cacco Evolutionary Purpose

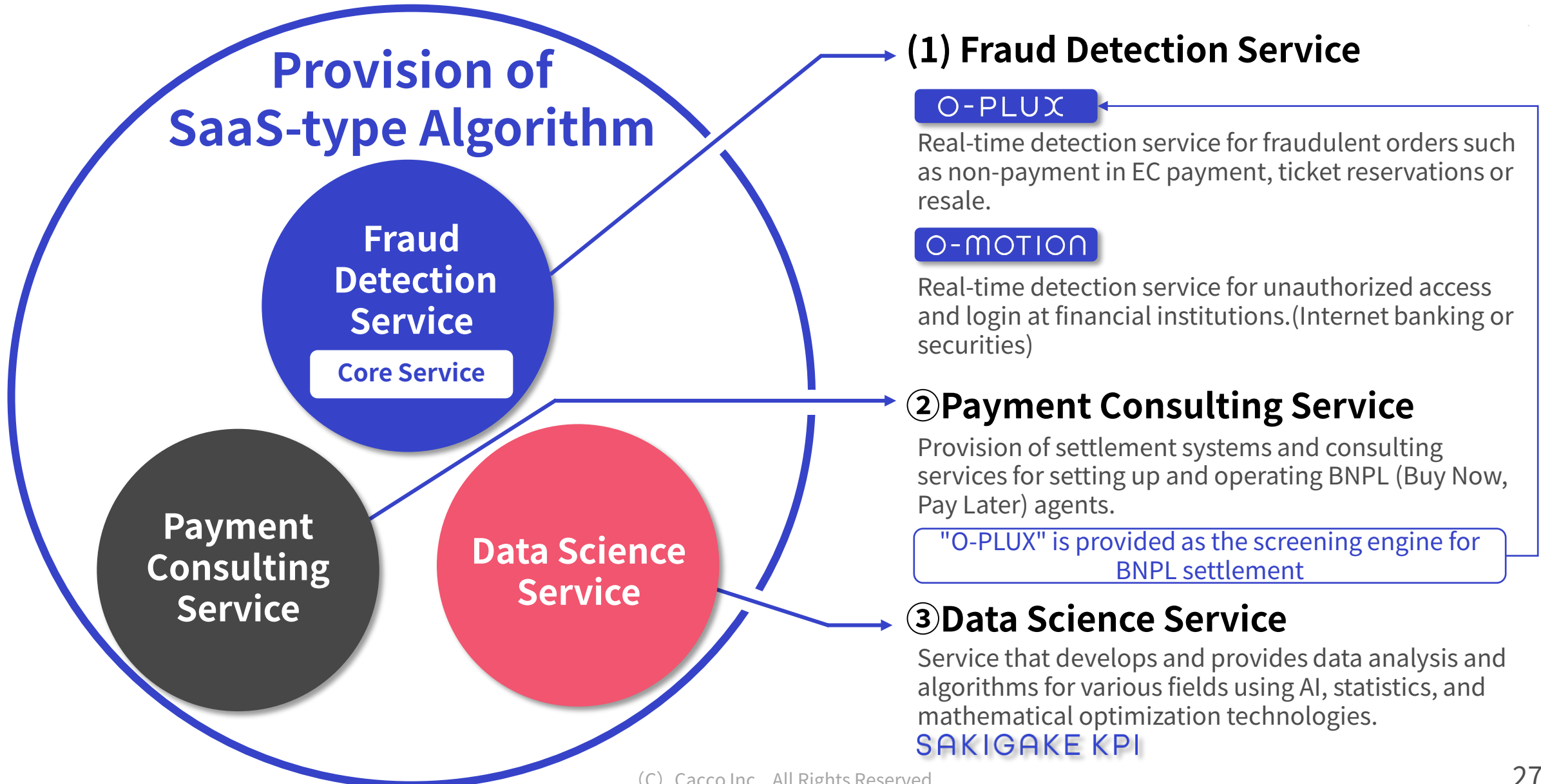# Shaping the "Let's Do It" for a next game changer.

Since its foundation, "Cacco Evolutionary Purpose" has been the driving force for everything we do.
In the changing world with the spread of the Internet and smart phones, businesses will not survive if they just remain as they are. If we don't push for a change, we will not be able to create new industries; we want to break through the slowdown of growth persisting since the year 2000. It is a strong faith that moves Cacco to support the innovation of people and companies who will become game changers of the future.

Company Name:	Cacco Inc.
Representative:	Hiroyuki Iwai, Representative Director, President and CEO
Business Description:	Provision of SaaS-type algorithm solutions (Fraud detection service, payment consulting service, and data science service)
Capital:	362,976,608 yen *As of April 30, 2021
Listed on:	Tokyo Stock Exchange, Mothers Market (Stock Code: 4166)
Founded on:	January 28, 2011
Address/TEL:	1-5-31, Motoakasaka, Minato-ku, Tokyo JAPAN TEL: 03-6447-4534
Patents:	Patent #6534255, #6534256 and #6860156
Certifications:	ISMS (Information Security Management System) ISO/IEC 27001: 2013 JIS Q 27001: 2014 Registration number: IA120255 Privacy Mark® #10824248 (03)

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Provision of SaaS-type Algorithm

Fraud Detection Service

Core Service

Payment Consulting Service

Data Science Service

(1) Fraud Detection Service

O-PLUX

Real-time detection service for fraudulent orders such as non-payment in EC payment, ticket reservations or resale.

O-MOTION

Real-time detection service for unauthorized access and login at financial institutions.(Internet banking or securities)

②Payment Consulting Service

Provision of settlement systems and consulting services for setting up and operating BNPL (Buy Now, Pay Later) agents.

"O-PLUX" is provided as the screening engine for BNPL settlement

③Data Science Service

Service that develops and provides data analysis and algorithms for various fields using AI, statistics, and mathematical optimization technologies.

SAKIGAKE KPI

27

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1 **Expertise in data science and advanced technical capabilities in the security domain**
 (Patents obtained: "Patent #6534255", "Patent #6534256" and "Patent #6860156 (registered on March 30, 2021)")

2 **Top selling service in the EC and payment domains in Japan**
(Based on "Survey on EC site fraud detection services (as of the end of May 2020)" performed by Tokyo Shoko Research)
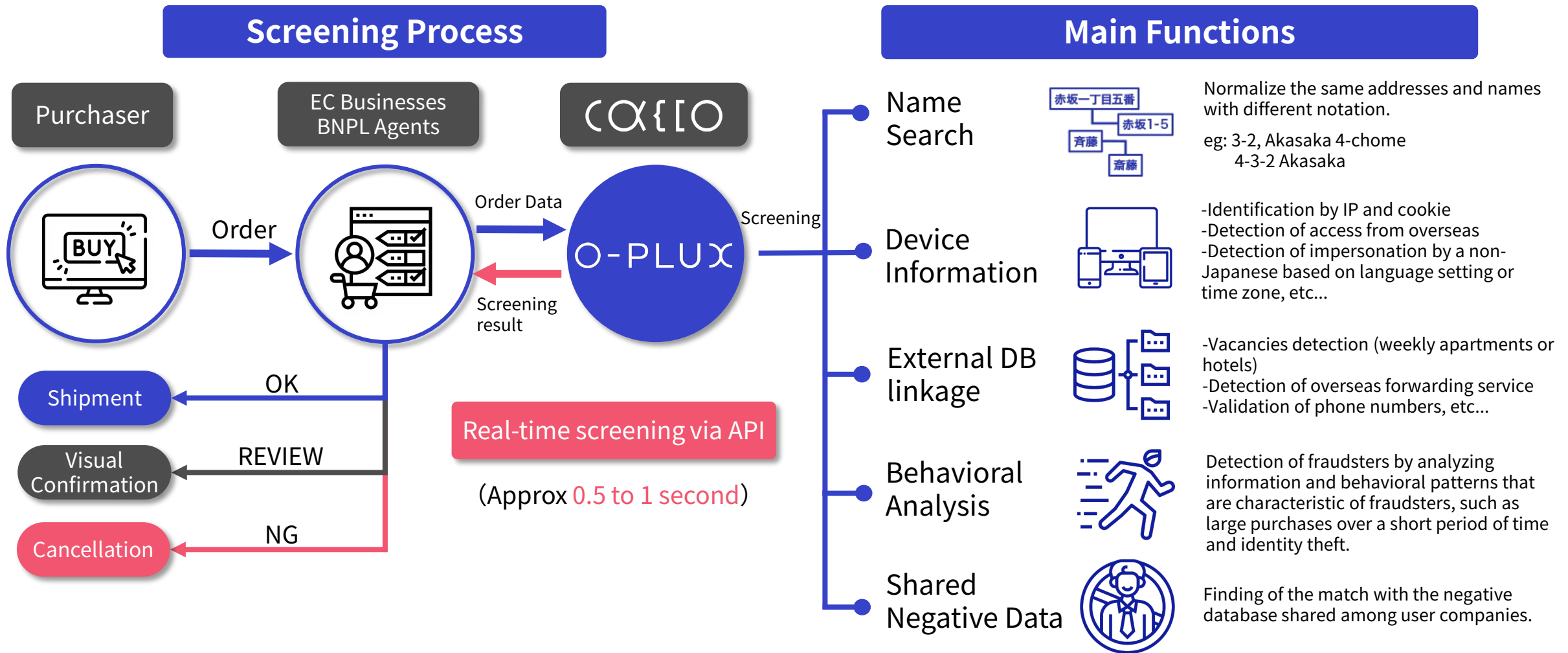
3 **Steady growth in ARR (Annual Recurring Revenue) driven by increased users for mainstay product O-PLUX**
(ARR out of this product accounted for 75.8% (+9.5pt YoY) of total sales in FY2021 1Q)

SaaS-type service that uses a unique screening model to detect fraudulent orders in real time such as non-payment in EC.

Screening Process

Purchaser

EC Businesses
BNPL Agents

CαⱢ[O

O-PLUX

Order

Order Data

Screening result

Screening

OK → Shipment

REVIEW → Visual Confirmation

NG → Cancellation

Real-time screening via API

（Approx 0.5 to 1 second）

Main Functions

Name Search
赤坂一丁目五番 / 赤坂1-5 / 斉藤 / 斎藤
Normalize the same addresses and names with different notation.
eg: 3-2, Akasaka 4-chome
   4-3-2 Akasaka

Device Information
-Identification by IP and cookie
-Detection of access from overseas
-Detection of impersonation by a non-Japanese based on language setting or time zone, etc...

External DB linkage
-Vacancies detection (weekly apartments or hotels)
-Detection of overseas forwarding service
-Validation of phone numbers, etc...

Behavioral Analysis
Detection of fraudsters by analyzing information and behavioral patterns that are characteristic of fraudsters, such as large purchases over a short period of time and identity theft.

Shared Negative Data
Finding of the match with the negative database shared among user companies.

Growth of the Japanese EC Market and the Expansion of Fraud Damage

In proportion to the growth of the EC market, credit card fraud (number theft) has been increasing.
With the announcement of the "Action Plan" (currently the "Credit Card Security Guidelines") and the revision of the Installment Sales Act, there is a growing social demand for anti-fraud measures.

- EC market in Japan
- Amount of damages from credit card frands

(Unit: 100 million yen)

June 2018
The revised Installment Sales Act, which requires security measures for merchants in addition to card companies, is now in effect.

February 2016
The Credit Card Transaction Security Council released the so-called "Action Plan" (currently the "Credit Card Security Guidelines"), which sets forth specific measures that should be taken by credit card transaction-related businesses.

Year	EC market	Fraud damages
2014	127,970	67.3
2015	137,746	72.2
2016	151,358	88.9
2017	165,054	176.7
2018	179,845	187.6
2019	193,609	222

Source: Ministry of Economy, Trade and Industry, Commerce and Information Policy Bureau, Information Economy Division, "FY2019 Report on the International Economic Research Project for the Establishment of an Integrated Economic Growth Strategy for Japan and the World (Market Research on Electronic Commerce).
Japan Credit Association, "Credit Statistics in Japan, 2019 Edition"

3 reasons why ARR for "O-PLUX" grow

Number of Clients

BNPL Agents
- EC Business
- EC Business
- EC Business

⇒Sustainable growth in proportion to the expansion of the BNPL market

EC Businesses (Direct sales clients)

⇒ Expansion through an alliance with EC package / cart vendors

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Unit Price per Client

Screening Fee (Pay-per-use)

Monthly fee (Fixed Price)

As the expansion of the EC market boosts the number of transactions (i.e. screening cases), revenue growth from the pay-per-use fees can be expected

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Cross Sell

Fraud Detection Service
O-MOTION

Payment Consulting Service

Data Science Service

Utilization of "O-PLUX" will be expanded through cross-selling with measures against unauthorized access (O-MOTION), BNPL business support (payment consulting), and data analysis and DX support (data science) that are not limited to fraud detection.

A stable revenue structure in which about 70% of total sales comes from ARR, the sum of pay-per-use and fixed fees. In addition, pay-per-use billing system enables us to capture the upside potential associated with the expansion of the EC market and BNPL market.

COELO

Of the 2,806 cases of fraudulent access in 2020, more than 70% of the damage was caused by EC and online transactions, such as unauthorized remittances in Internet banking and unauthorized purchases in Internet shopping. In addition, there is no end to the damage such as leakage of personal information caused by unauthorized access.
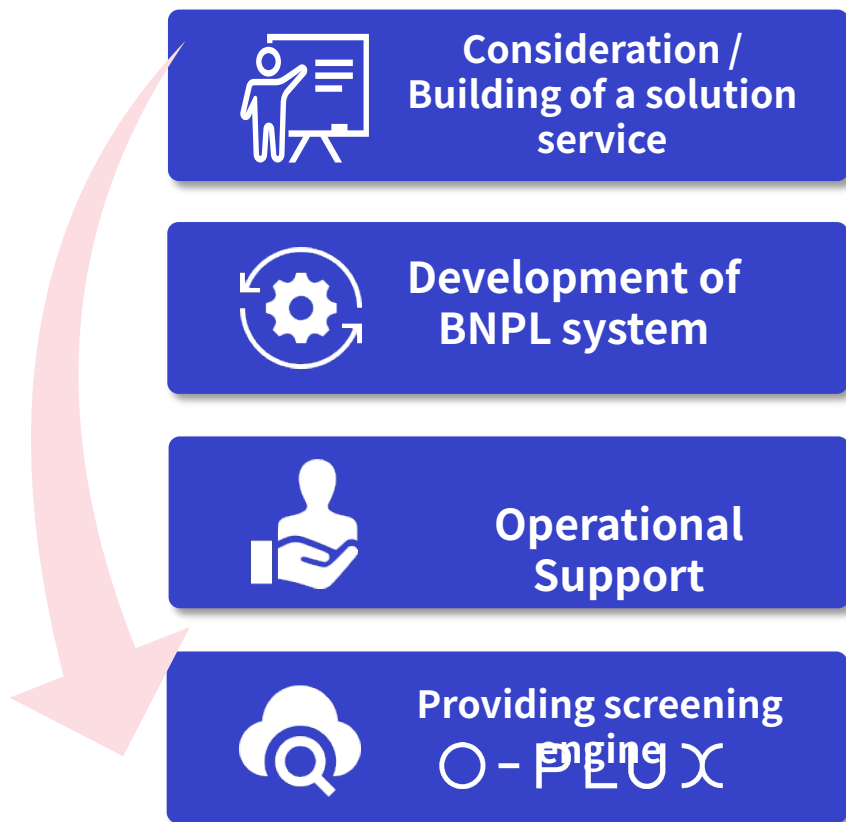
Actions taken after fraudulent access (2020)

Unauthorized operation for Internet auction, 6cases 0.2%

Website tampering and deletion, 10cases 0.4%

Unauthorized transmissions at crypto asset exchangers, etc., 18cases 0.6%

Sending information by pretending to be an acquaintance, 26 cases 0.9%

Tampering with online gaming and community sites, 81cases 2.9%

Unauthorized purchases from Internet shopping, 172 cases 6.1%

Others, 412

Unauthorized acquisition of information, such as snooping on e-mails, 234 cases 8.3%

2,806 cases in total

Fraudulent remittances, etc. through Internet banking, 1,847cases 65.8%

Examples of damage caused by unauthorized access

When	Business affected	Description
March 2021	Major Apparel EC site	More than 300,000 pieces of personal information may have been leaked due to unauthorized access.
December 2020	cashless payment business	Unauthorized access by a third party may have resulted in the leakage of business information of approx 2.6 million stores, including merchants. There is also a possibility that up to 20 million or more items of information on employees and partner companies may have been leaked.
September 2020	Mobile Communications	Fraudulent withdrawals were made from accounts at several local banks due to the opening of fraudulent accounts by people who misused the mobile wallet service to impersonate bank account depositors. Total damage was over 20 million yen.
June 2020	Major EC site for cameras	Unauthorized access using a password list may have resulted in the leakage of up to 400,000 pieces of customer information.
December 2019	Consumer Electronics EC Site	Unauthorized access caused by vulnerability in the EC site may have resulted in the leakage of up to 280,000 or more customer information.
June 2019	Credit CardCompany	Unauthorized logins to credit card counts totaling over 20 million yen were confirmed.
May 2019	Major Apparel EC site	More than 460,000 pieces of customer information may have been leaked due to a password list attack on an apparel shopping site.

33

CO{[O

We provide one-stop support for businesses that are considering building or using BNPL settlement system, including service building, payment system development, and operational support. We offer O-PLUX" as the screening engine.

Consideration / Building of a solution service

Development of BNPL system

Operational Support

Providing screening engine
O-PLUX

POINT 01
Extensive experience in supporting BNPL business
- Experience in building payment systems for millions of transactions/month
- Experience in supporting start-ups (creating business plans and various requirement definitions, etc.)
- Post-launch support (credit lines, operation process flow development, etc.)

POINT 02
Support from consultants with real-world experience
Consultants with extensive experience in BNPL operations will make the best proposal from the customer's perspective.

POINT 03
Data science technology cultivated for financial institutions and EC businesses
We have a proven track record in fraud detection in the financial and payment fields, where severe judgment is required, utilizing O-MOTION to detect unauthorized access and logins targeting financial institutions and O-PLUX to detect unauthorized orders targeting e-commerce businesses.
O-PLUX is the No. 1 solution in terms of volume of installation in Japan (*).

(*)As of the end of May 2020 (Tokyo Shoko Research, Inc. "Survey on the number of sites introducing paid fraud detection services on EC sites in Japan")

Based on the technologies of AI, statistics, and mathematical optimization, we develop and provide algorithms that contribute to the core of corporate activities, such as modeling predictions and automating the application of machine learning.

Our approach

SAKIGAKE KPI

Packaged analysis support including data aggregation and visualization to factor analysis, KPI calculation, analysis reporting, and subsequent proposals, that generates value from up to 100 million pieces of data within 30 business days with an investment of 2 million yen.

Data Science Branch Office

Data science resources that can be utilized on a monthly contract basis as if it were a division of your company. It realizes the concept of a "data science branch office" to meet all kinds of analysis needs at various stages.

Algorithm development

Development of algorithms that seek to increase profits in the processing of business operations, including optimization beyond human experience, productivity improvement through automated processing, and forecasting of demand and risk.

Case studies

optimization

Wall material manufacturer with annual sales of 119 billion yen

Created production plans for 1700 products and 12 production lanes. Made a plan for the production order to maximize the production volume and minimize the loss while observing the complex conditions.

Annual cost reduction of 130 million yen

Statistics **AI**

Stationery manufacturer with annual sales of 5.5 billion yen

Developed algorithms for demand forecasting and production instructions that can maximize profits on calendars, organizers, and stationery. Minimized opportunity loss due to shortages.

70% reduction in sales opportunity loss

optimization

Call Center

Established automatic prediction of demand on a daily and hourly basis for the following month and generation of a staffing plan that satisfies multiple constraints such as management indicators, employee work preferences, and working conditions.

Annual cost reduction of 0.6 billion yen

CACCO

Support to break away from resource-intensive industrial model by promoting DX

By supporting DX with Data Science Service, we promote the optimization and efficiency of production, sales, and distribution, and contribute to breaking away from the resource-intensive industrial model.

Building a secure infrastructure for EC and online transactions

The Fraud Detection Service detects fraudulent activities such as spoofing and unauthorized access for credit cards, and contributes to the creation of a secure infrastructure for EC, online transactions, and cashless payments.

Strengthen the corporate governance and compliance system

We believe that it is essential for sustainable growth to improve management efficiency and at the same time, to enhance the soundness, transparency and compliance of management to meet the trust of society. We are committed to strengthening corporate governance on a daily basis based on the recognition that the results of such efforts will enhance corporate value and lead to the return of profits to various stakeholders, including shareholders, creditors, and employees.

Support the activities of diverse human resources and create a rewarding work environment

We were selected as one of the "Best Workplace*" for its efforts to support the activities of diverse human resources, including foreign nationals, women raising children, and intern students, as well as for its efforts to improve the telecommuting environment and online communication.
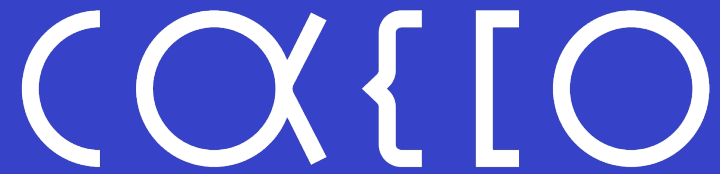
Environment

Social

Governance

CACCO
Shaping the "Let's Do It"
for a next game changer

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

CERTIFIED EQA ANAB ACCREDITED ISO 27001 MANAGEMENT SYSTEMS CERTIFICATION BODY

プライバシー 10824248

Best Workplaces™ Great Place To Work® JAPAN 2021

*Ranked 23rd in the small-scale category in the 2021 edition of "Best Workplaces in Japan" by the Great Place to Work® Institute Japan.

Disclaimer and Cautionary Statement Regarding Forward-Looking Statements

This document may contain projections based on assumptions, forecasts and plans related to the future as of the announcement date. These forward-looking statements are based on information currently available to us and certain assumptions that we consider reasonable, and we do not promise that they will be achieved.

Actual results may differ materially from these forecasts due to various factors in the future, including changes in economic conditions, changes in customer needs and user preferences, competition with other companies, and changes in laws and regulations.

CALLO

Shaping the "Let's Do It"

for a next game changer