



Cacco Inc. | Stock Code: 4166

Financial Results for the Fiscal Year Ended December 31, 2024

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February 14, 2025



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Financial Results for FY2024

Financial Results for FY2024 / Summary of Results Figures

Net sales

734 million yen

YoY **-22.9%**

Plan progress **102.8%**

Operating income

-244 million yen

YoY **- %**

Plan progress **- %**

Ordinary income

-254 million yen

YoY **- %**

Plan progress **- %**

* YoY changes and plan progress ratios of operating income and ordinary income are described as “-” in accordance with the description standards for earnings releases established by Tokyo Stock Exchange, Inc.

O-PLUX recurring revenue*

470 million yen

YoY **-27.8%**

* Monthly fee charged as a fixed amount + Screening fee charged on a pay-per-use basis based on the screening volume

Ratio of O-PLUX recurring revenue in net sales

64.1%

YoY **-4.3 pt**

O-PLUX churn rate

0.44%

YoY **-4.16 pt**

Expansion of and Added Value Improvement of Services

Release of New Services

- Released Irohani Analysis, a marketing support service that enables anyone to analyze data to boost sales.



- Released Mail Validator, an email address checking service that determines whether an email address is valid.



Business Domain Expansion

Business Alliances and Collaboration

- Commenced new business alliances and collaboration with three companies.
February 2024: Entered into a business partnership with Suganuma Group, Inc, which supports human resource training and companies' overseas expansion. Launched a project to support human resources in the data science field in Vietnam.



SUGANUMA GROUP

- June 2024: Entered into a business partnership with EYEZ, INC., which operates Media Radar, Japan's No. 1*1 advertising industry platform.



- October 2024: Entered into a business partnership with Mulai Pte. Ltd. in the field of EC fraud prevention in Southeast Asia. Launched a project to strengthen sales and development for overseas expansion.



Overseas Expansion

Overseas Expansion

- Finalized full-scale implementation at multiple Indonesian companies and launched production operations. Expanded service trials at other companies in parallel, showing a sequential increase.
- Linked our service with WooCommerce, the world's leading EC platform. We are the first Japanese company in the fraud detection field to achieve linkage without the need for development—integration can be enabled simply by downloading a plugin.



The FY24 full-year sales were 734 million yen (down 22.9% YoY), operating income was -244 million yen, and ordinary income was -254 million yen.

- The reason for the shortfall in sales of the fraud detection service was that, although O-PLUX achieved its sales target, O-MOTION did not achieve its sales target due to factors such as delays in implementation.

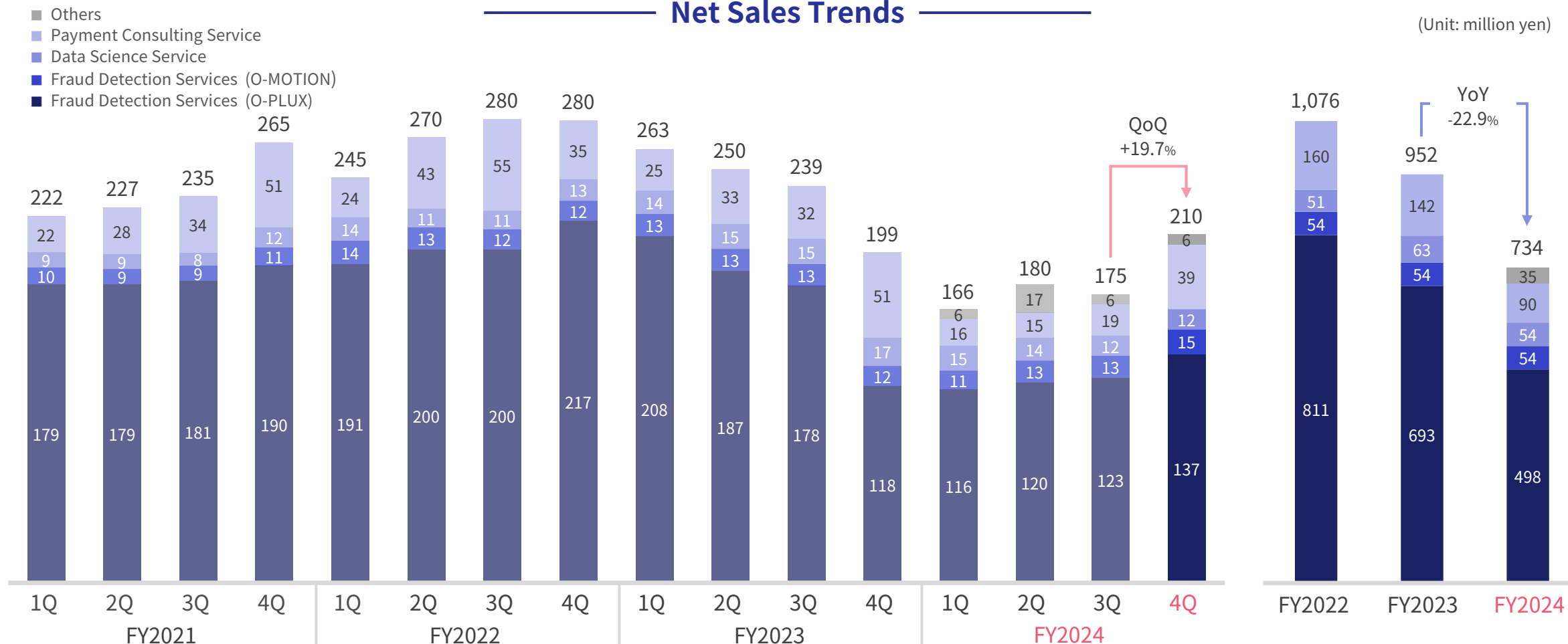
(Unit: million yen)

	FY2021	FY2022	FY2023	FY2024	YoY change	FY2024 Forecast	Plan progress
Net sales	951	1,076	952	734	-22.9%	713	102.8%
(Net sales of fraud detection services)	773	865	747	552	-26.0%	570	96.9%
Operating income	178	176	-108	-244	-	-304	-
(Operating income margin)	18.8%	16.4%	-11.3%	-33.3%	-22.0 pt	-42.7%	-
Ordinary income	170	154	-117	-254	-	-307	-
(Ordinary income margin)	18.0%	14.3%	-12.4%	-34.7%	-22.3 pt	-43.0%	-
Net income	120	100	-320	-255	-	-307	-

The FY24 full-year sales were 734 million yen (down 22.9% YoY), with progress of 102.8% according to the plan. Although this was not enough to make up for the impact of the sales decline caused by the cancellation of contracts for O-PLUX, our fraudulent order detection service, with two major clients in the previous fiscal year, sales to EC business operators (direct sales) increased steadily every quarter.

Net Sales Trends

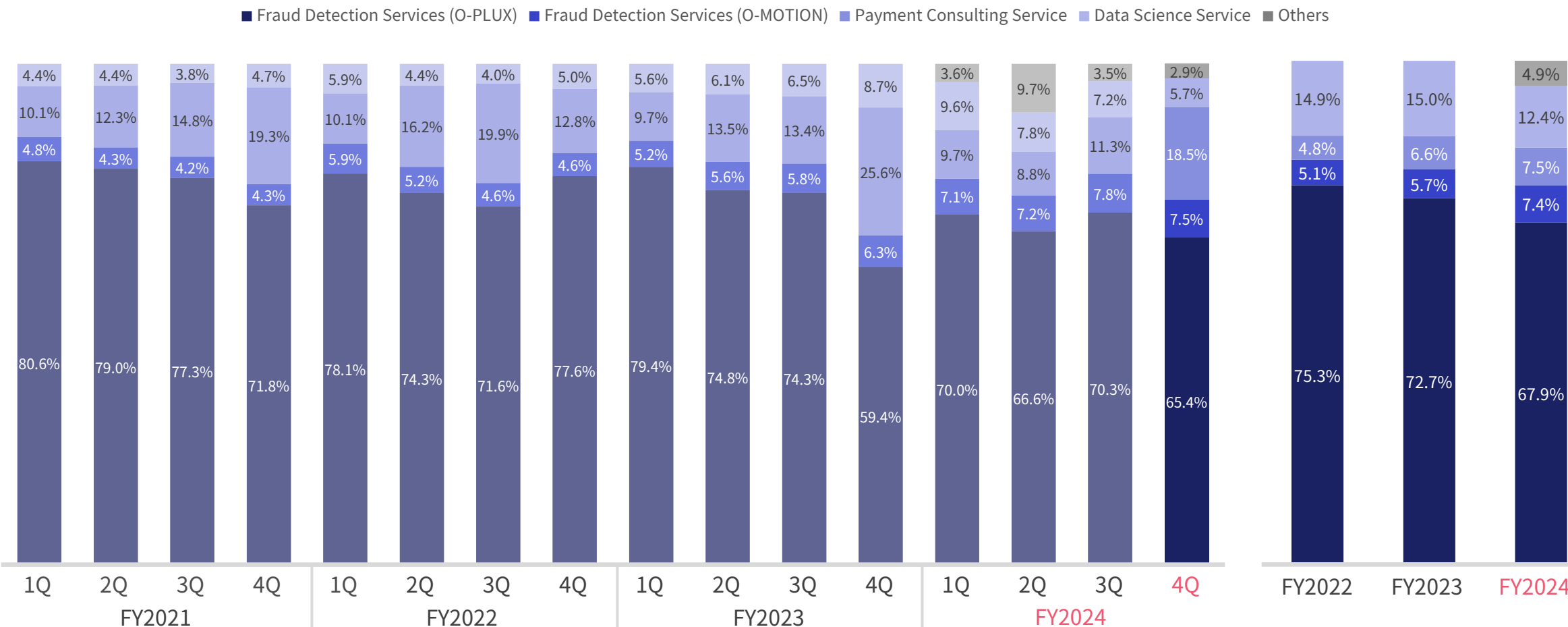
(Unit: million yen)



* Others: other sales including sales of SaaS-type BNPL systems.

The FY24 full-year sales composition of O-PLUX, our core fraud detection service, reached 67.9% (down 4.8 pt YoY).

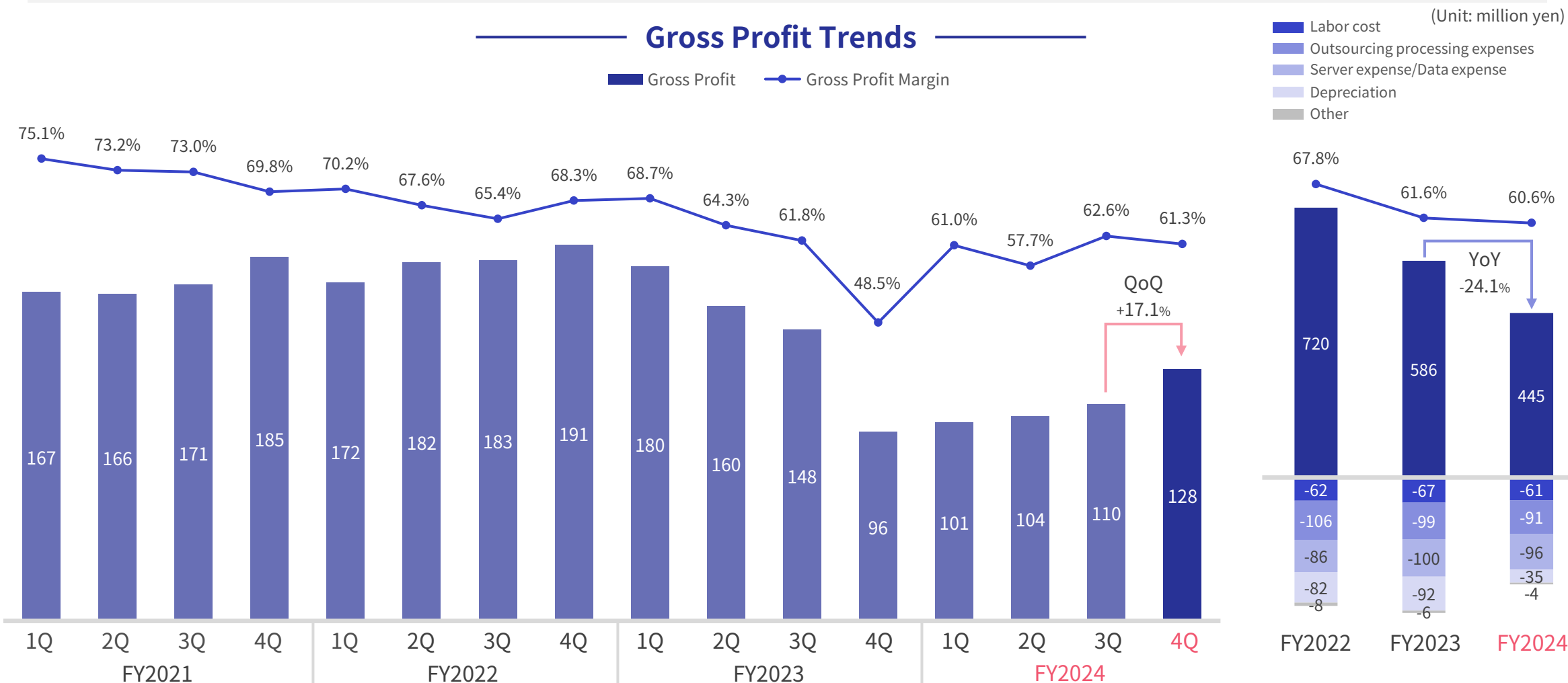
Sales Composition Trends by Service



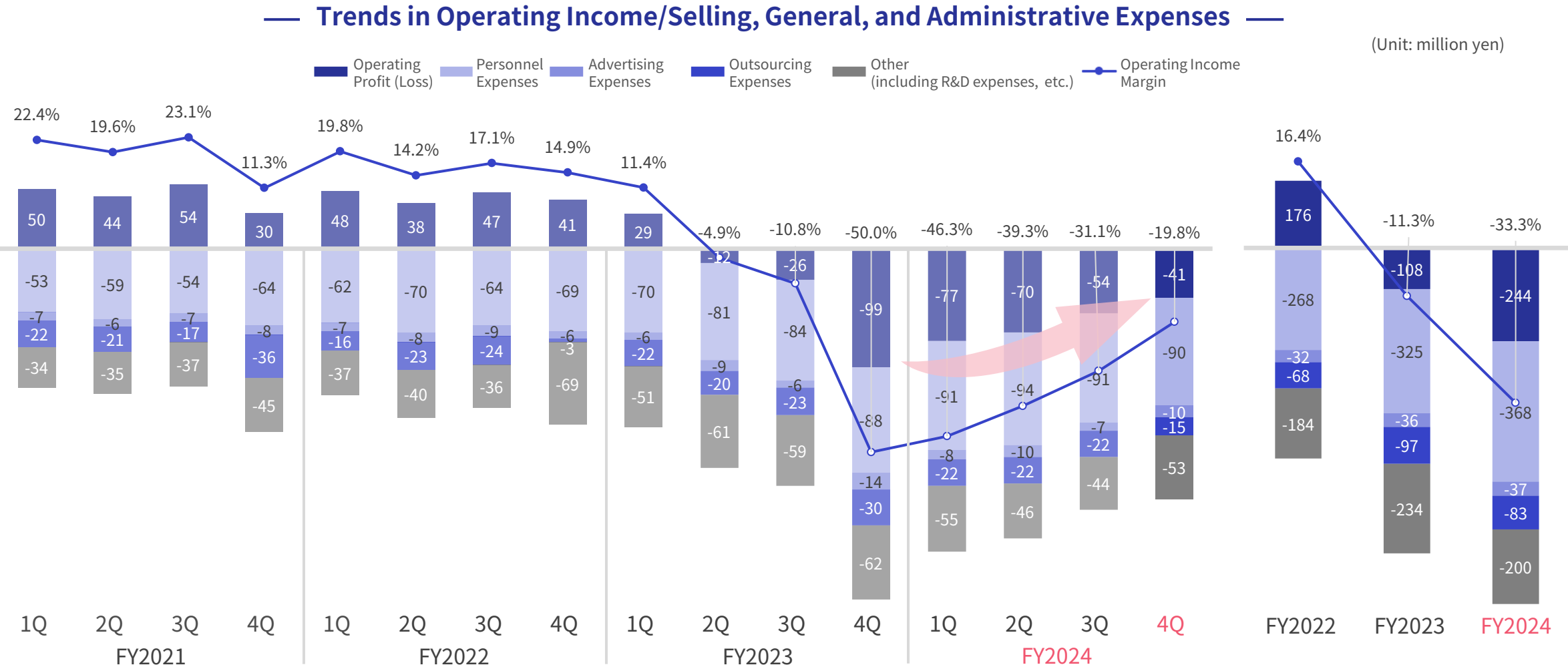
* Others: other sales including sales of SaaS-type BNPL systems.

The FY24 full-year gross profit was 445 million yen (down 24.1% YoY), and the gross profit margin was 60.6% (down 0.9 pt YoY).

Gross Profit Trends



The FY24 full-year operating income was -244 million yen, and the operating income margin was -33.3% (down 22.0 pt YoY), gradually improving every quarter through cost optimization.

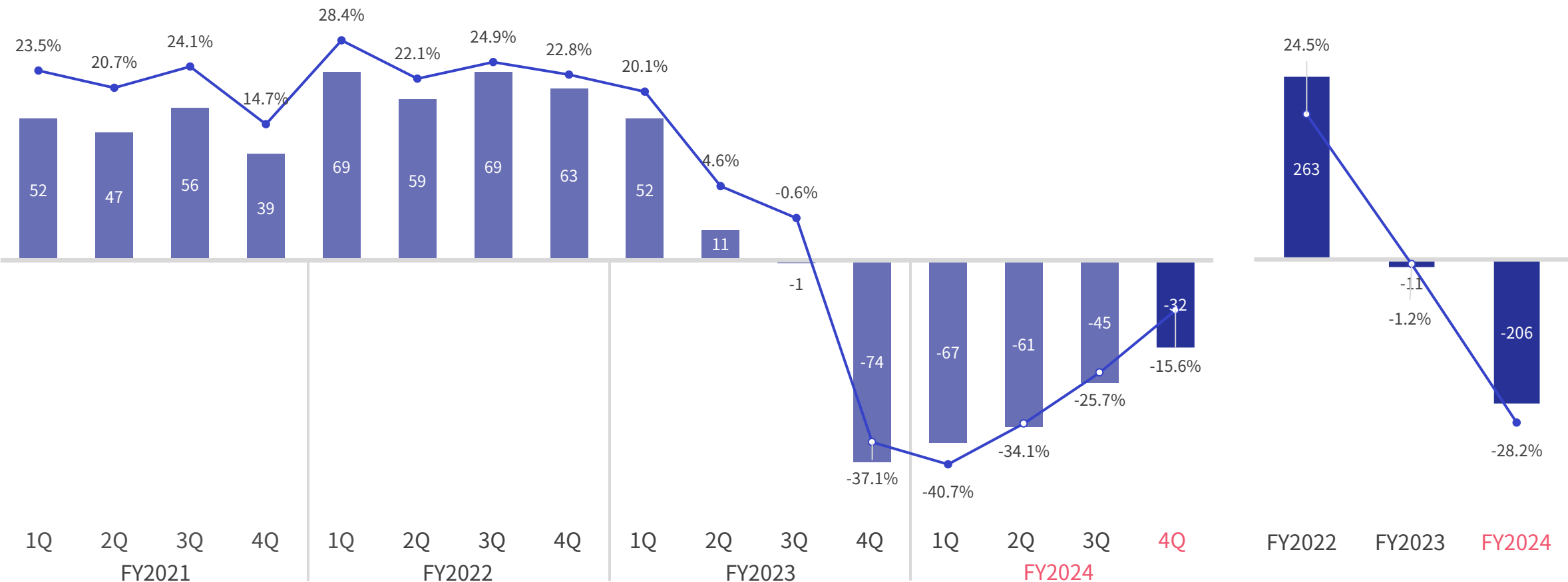


The FY24 full-year EBITDA was -206 million yen, and the EBITDA margin was -28.2% (down 27.0 pt YoY).

EBITDA Trends

EBITDA EBITDA Margin

(Unit: million yen)

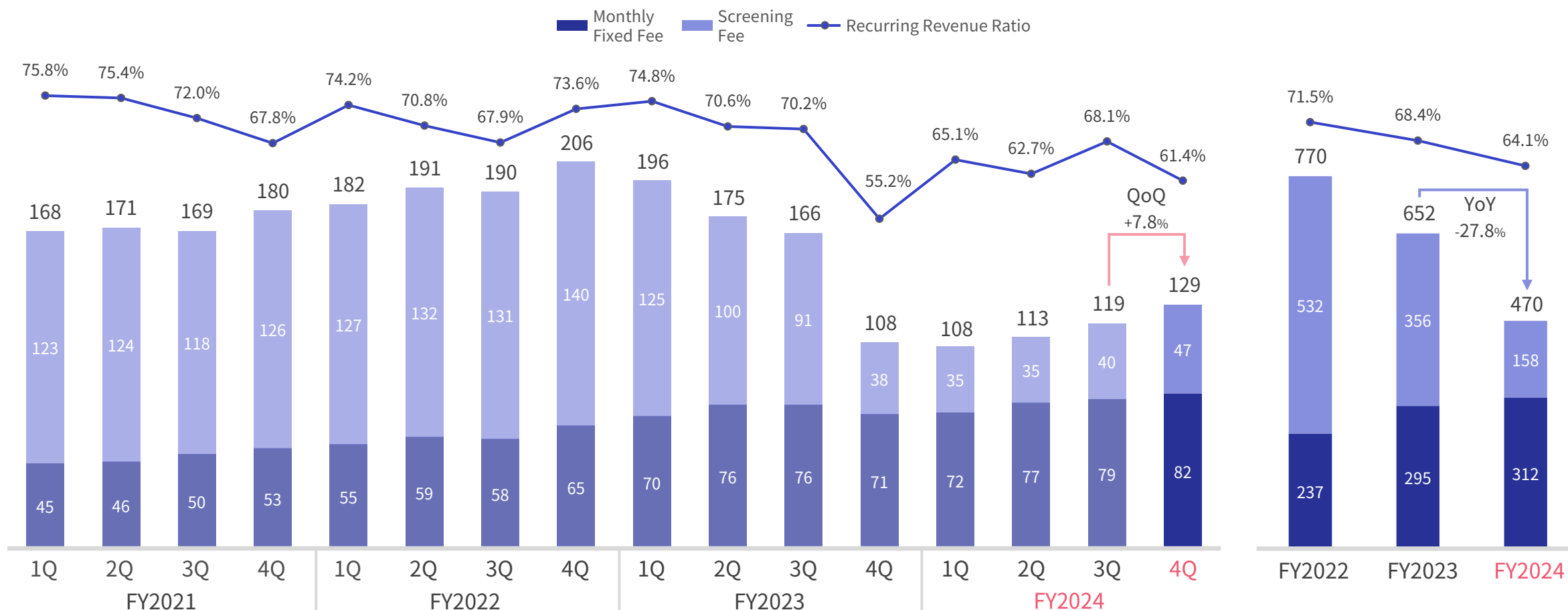


The FY24 full-year recurring revenue of O-PLUX, our fraudulent order detection service, was 470 million yen (down 27.8% YoY), and the recurring revenue ratio was 64.1% (down 4.3 pt YoY).

- The amount of monthly fixed fees reached a record high each quarter due to progress in new customer acquisition of EC business operators (direct sales).

Trends in O-PLUX Recurring Revenue

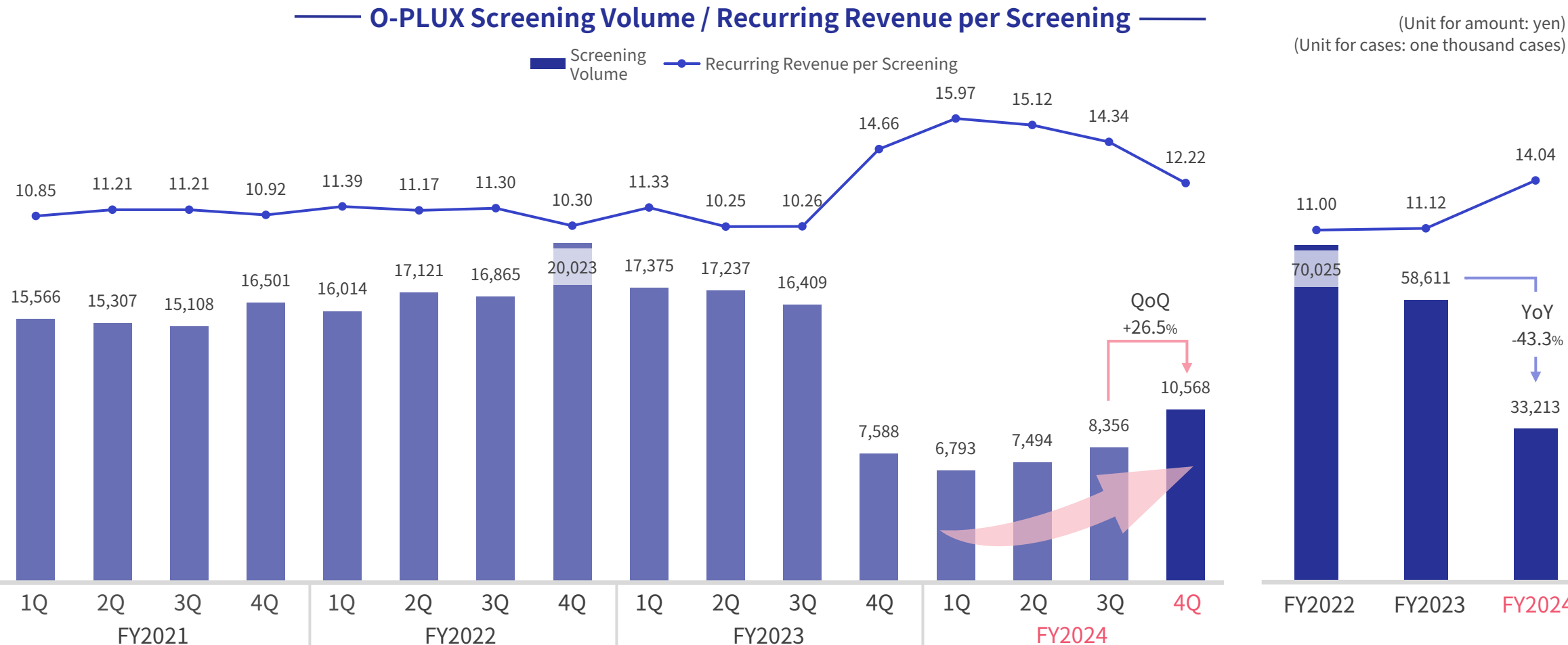
(Unit: million yen)



* Recurring revenue = Monthly fee charged as a fixed amount + Screening fee charged on a pay-per-use basis based on the screening volume (including 不正チェック), excluding sales of SaaS-type BNPL systems
© Cacco Inc.

* Recurring revenue ratio = Recurring revenue/Net sales (total of all services)

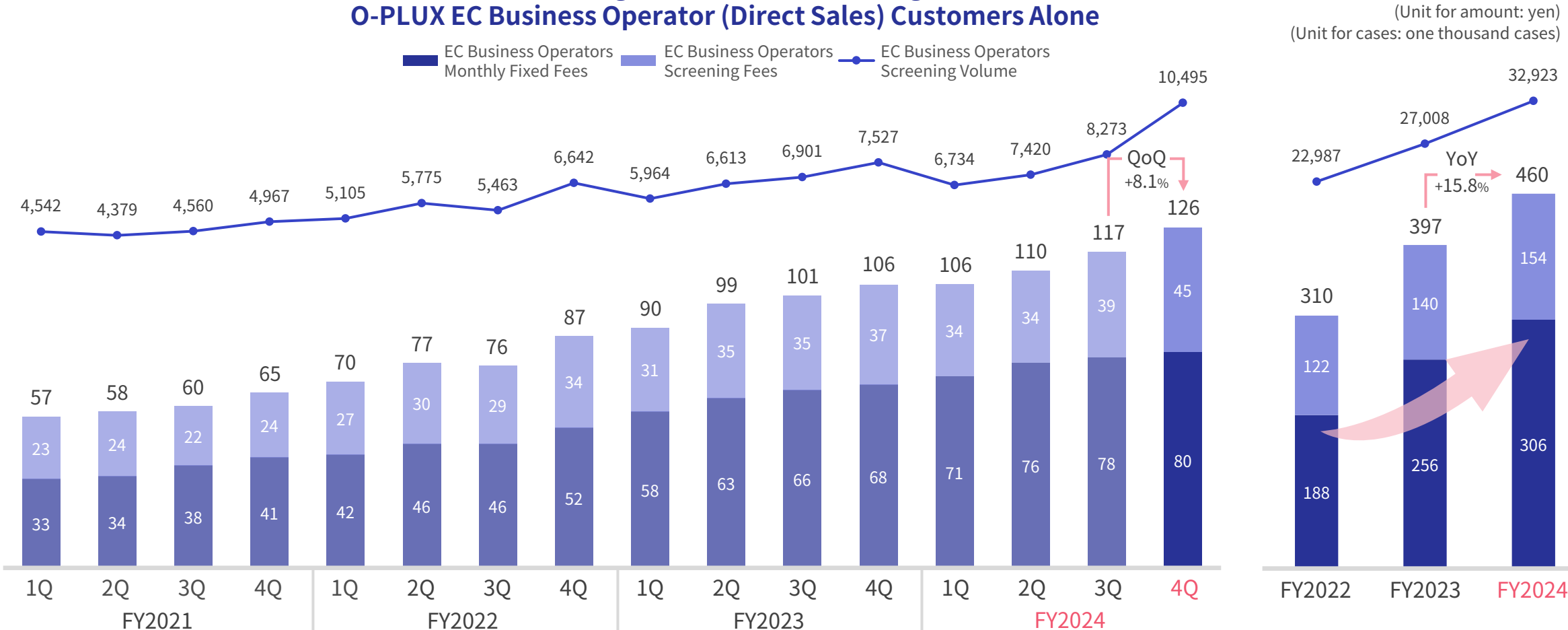
The FY24 full-year screening volume of O-PLUX, our fraudulent order detection service, was 33,213 thousand (down 43.3% YoY).
- Due to progress in new customer acquisition of EC business operators (direct sales), their screening volume rose each quarter (most of the increase in screening volume was due to EC business operators).



* Recurring revenue = Monthly fee charged as a fixed amount + Screening fee charged on a pay-per-use basis based on the screening volume (including 不正チェックカー), excluding the screening volume of SaaS-type BNPL systems © Cacco Inc.

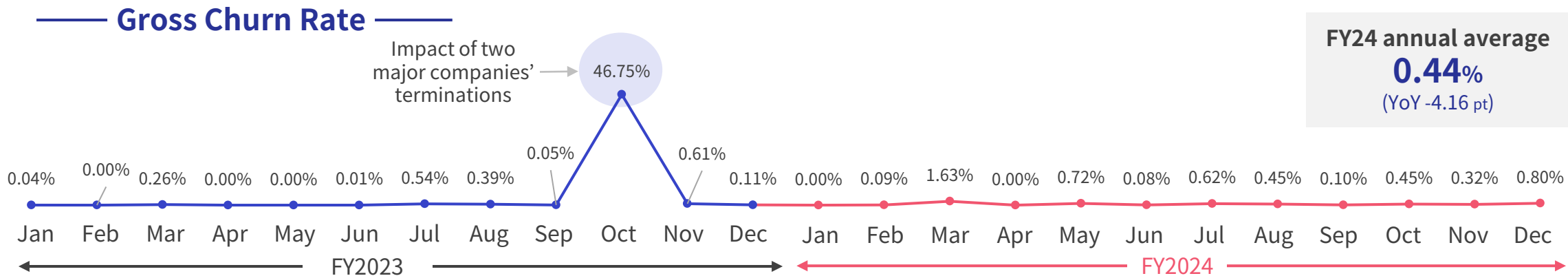
The FY24 full-year recurring revenue from EC business operator (direct sales) customers alone of O-PLUX, our fraudulent order detection service, continued to grow steadily, reaching 460 million yen (up 15.8% YoY). Screening volume continued to increase as well by 21.9% YoY. 99.1% of the total screening volume on the previous page was from EC business operators.

Trends in Recurring Revenue and Screening Volume for O-PLUX EC Business Operator (Direct Sales) Customers Alone

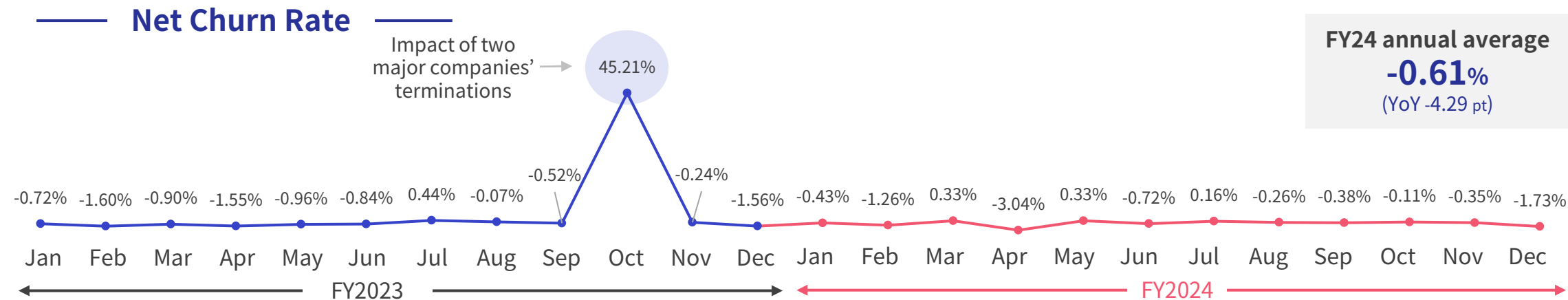


* Recurring revenue = Monthly fee charged as a fixed amount + Screening fee charged on a pay-per-use basis based on the screening volume (including 不正チェッカー)
© Cacco Inc.

The FY24 annual average churn rate for O-PLUX was 0.44% (down 4.16 pt YoY), remaining low throughout the year.



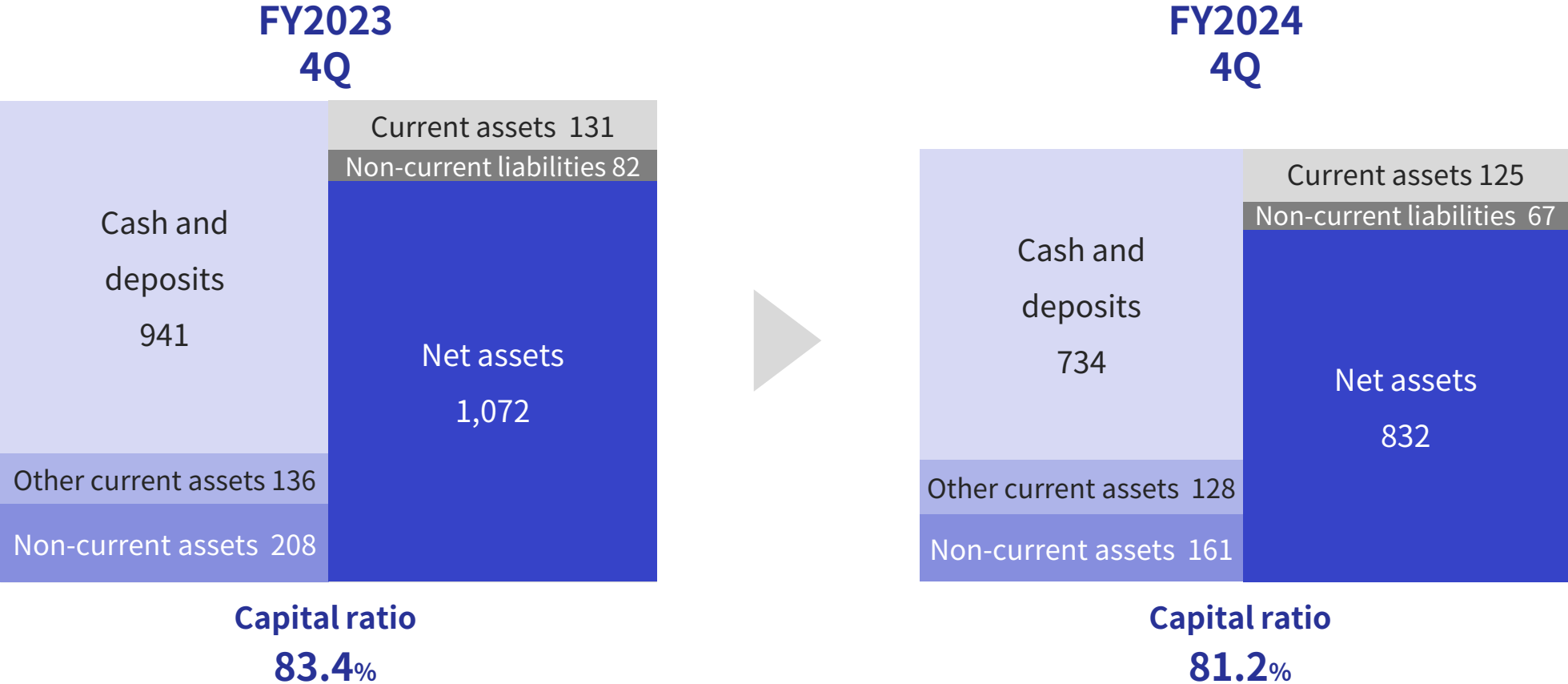
* Gross churn rate = Annual average of MRR from the clients who churned in the current month / MRR at the beginning of the current month



* Net churn rate = (annual average of MRR from the clients who churned in the current month - MRR from new contracts for current month) / MRR at the beginning of the current month (excluding SaaS-type BNPL systems)

On the asset side, current assets decreased due to a decline in cash and deposits, and non-current assets fell due to a decrease in software.
On the liability side, current liabilities decreased due to a drop in accounts payable – other, and non-current liabilities declined due to a fall in long-term borrowings.

(Unit: million yen)



Forecast Financial Results of FY2025

(Unit: million yen)

	FY2024 Actual	FY2025 Forecast	YoY Change
Net sales	734	781	+6.5%
(Net sales of fraud detection services)	552	661	+19.7%
Operating income	-244	-222	-
(Operating income margin)	-33.3%	-28.5%	-
Ordinary income	-254	-225	-
(Ordinary income margin)	-34.7%	-28.8%	-
Net income	-255	-225	-
EPS (yen)	-94.11	-82.94	-

Net sales +6.5% YoY

Although we expect sales of O-PLUX, our core fraudulent order detection service, to increase by approximately 100 million yen (up 19.7% YoY), we expect sales for the fiscal year ending December 2025 to be 781 million yen (up 6.5% YoY) due to the impact of a decline in sales of our payment consulting service.

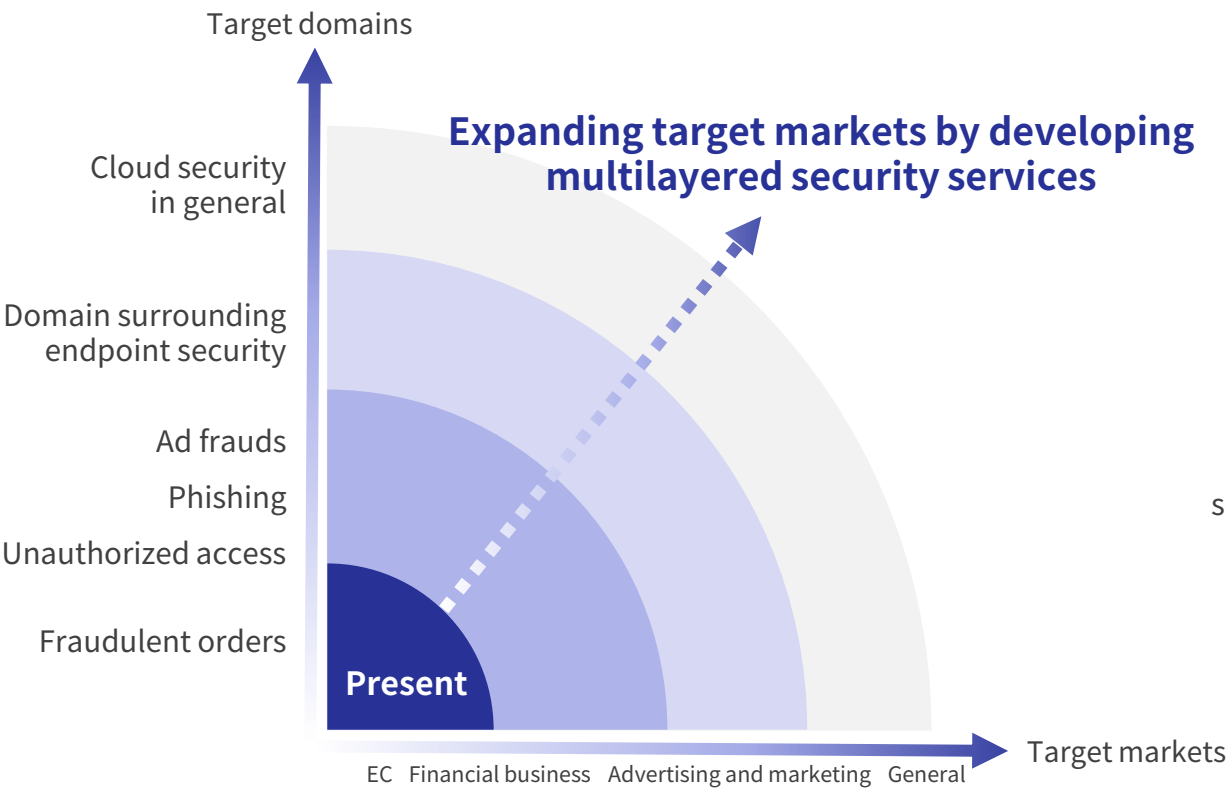
Operating income -222 million yen

Operating income is expected to be -222 million yen due to a shift to a market-domain-based marketing and sales strategy for new customer acquisition and revenue growth, as well as investment in developing new functions in response to market conditions and needs.

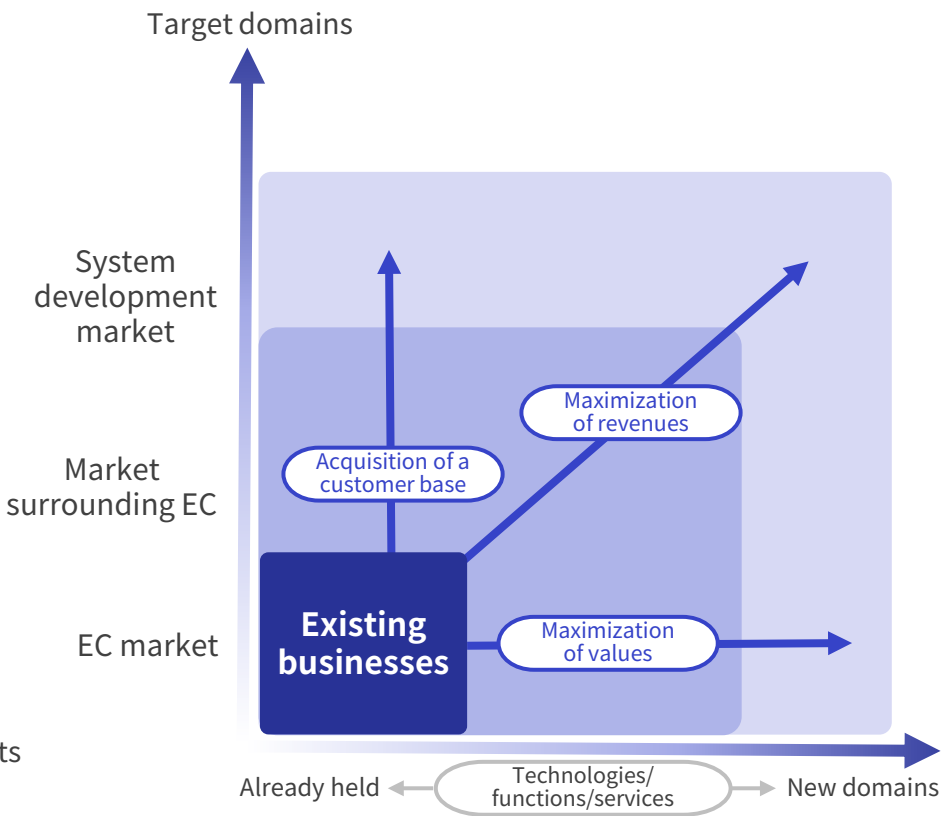
FY2025 Growth Strategy

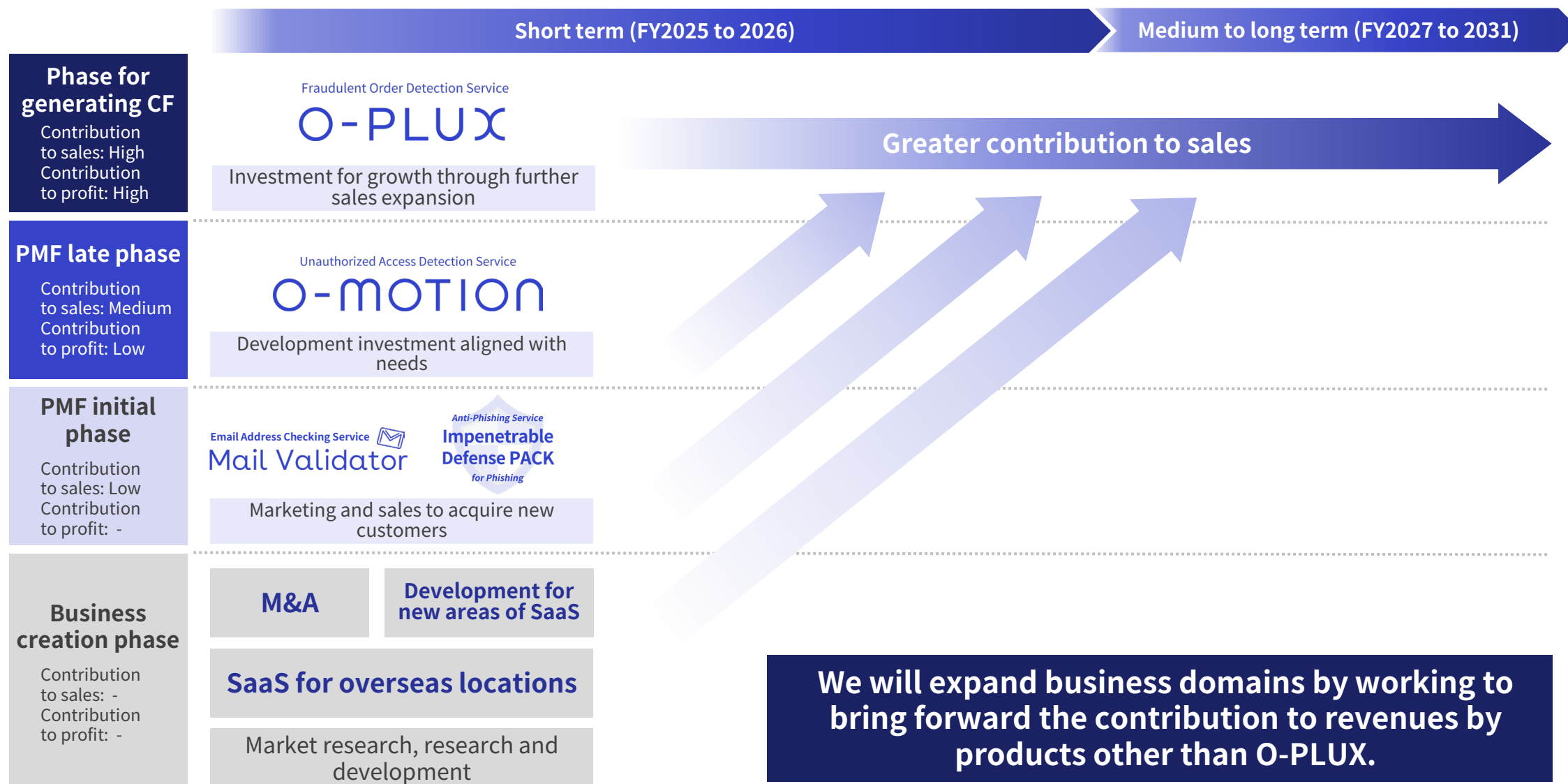
We will venture into new security fields and expand our target markets based on our fraud detection service, which is our current leading service. Furthermore, we aim to build up our unique business domains by extending our business areas through business alliances and M&As.

Developing new security domains



Developing business domains through business alliances and M&As





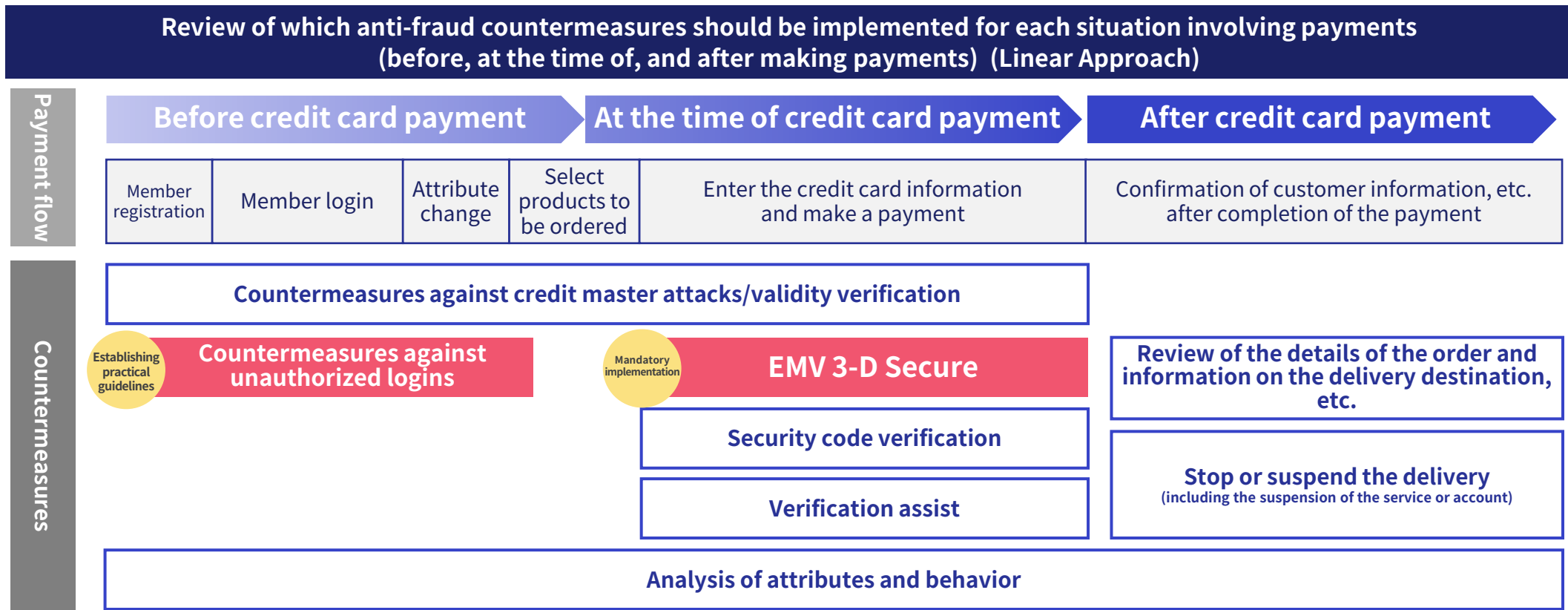
* PMF: "Product Market Fit," the state in which a product (service or commodity) is fit into a particular market.

**Provide trusted services as Japan's leading cybersecurity company
in the fraud detection service domain.**

- 1** Maximally leverage the trend of strengthened fraud prevention regulations and drive **further customer expansion by providing seamless fraud countermeasures through the fraud detection services O-PLUX × O-MOTION.**
- 2** **Shift** from a product-based strategy **to a market-domain-based marketing and sales strategy** to accelerate customer acquisition.
- 3** Drive the development of new features for the unauthorized access detection service O-MOTION and **expand revenue by acquiring customers in the financial and EC sectors.**
- 4** **Promote the building of new business domains through business alliances and M&As** to drive revenue growth.

(1) Leverage the Trend of Strengthened Fraud Prevention Regulations - 1

[The Credit Card Security Guidelines Version 5.0^{*1}](#) not only mandates the implementation of EMV 3-D Secure^{*2} by EC merchants but also establishes practical guidelines for countermeasures against unauthorized logins. These guidelines present the “Linear Approach,” which provides an overall picture of fraud prevention measures that all operators involved in credit card settlement should aim for in the future, making it increasingly crucial for EC merchants to adopt the “Linear Measures.” This creates a favorable market environment for Cacco’s fraud detection services, which enable seamless, consistent implementation of the “Linear Measures.”

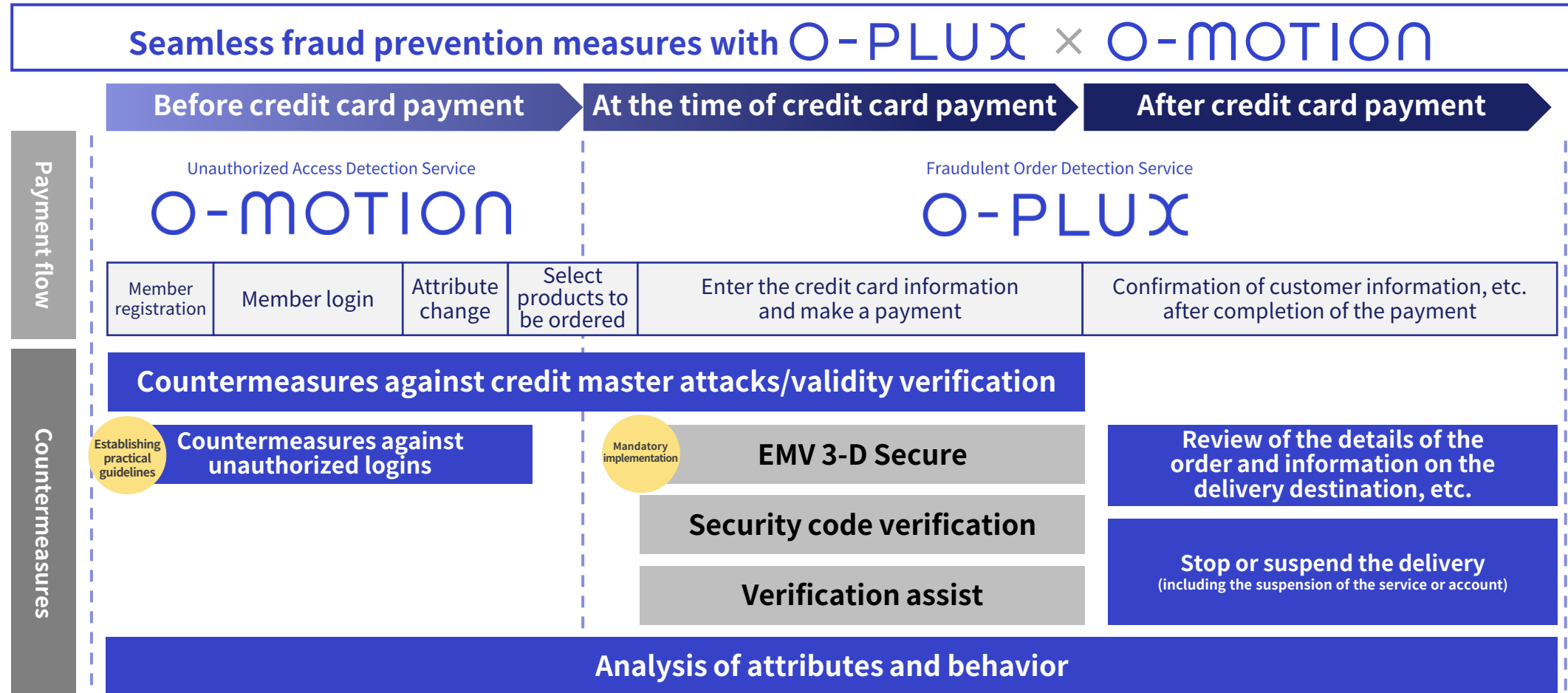


^{*1} Issued by the Credit Card Transaction Security Countermeasures Council. (Secretariat: Japan Consumer Credit Association)

^{*2} Identity authentication services recommended by international credit card brands to ensure that credit card payments on the Internet are made more securely. Those services are collectively referred to as “EMV 3-D Secure,” although each brand uses a different name for those services.

(1) Leverage the Trend of Strengthened Fraud Prevention Regulations - 2

We will demonstrate to the market that seamless fraud prevention is achievable by integrating O-PLUX and O-MOTION rather than relying on traditional, standalone security measures. Additionally, we aim to acquire new customers and to increase revenue by enhancing functionality to meet the needs of businesses that have yet to adopt our products as well as potential customers.

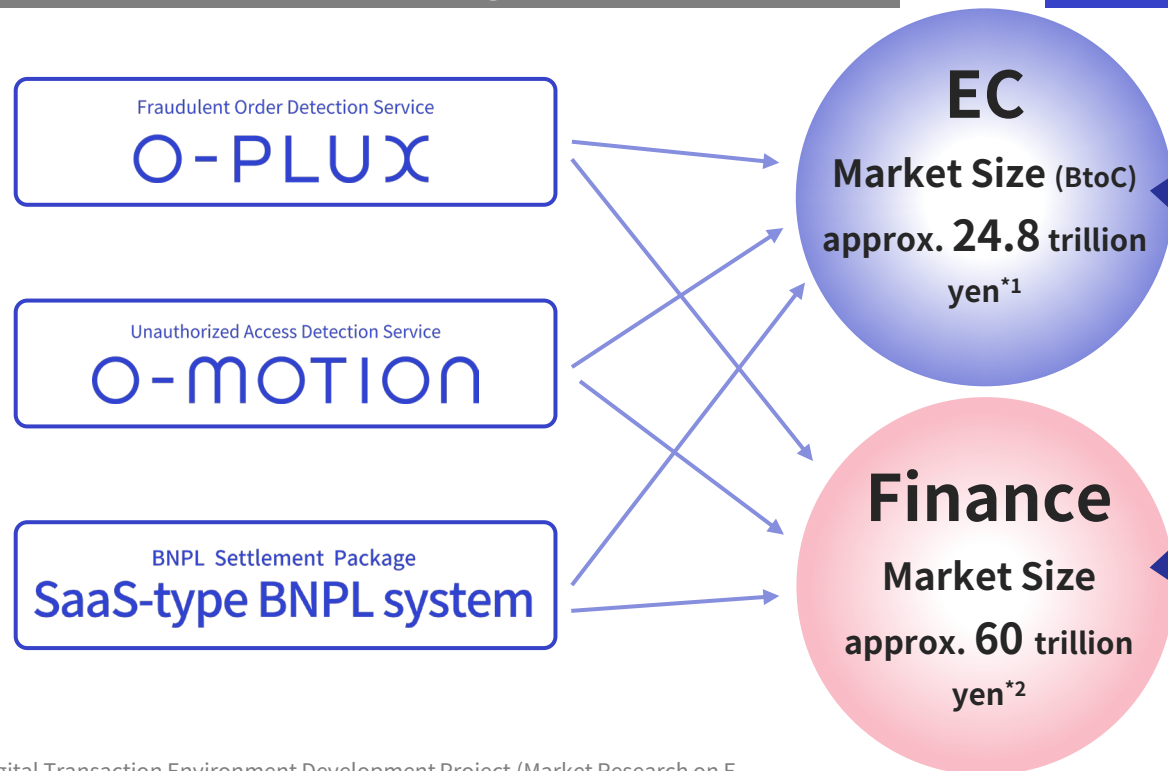


(2) Shift to a Market-domain-based Marketing and Sales Strategy to Accelerate Customer Acquisition

In response to the trend of strengthening fraud prevention regulations, we will accelerate the speed of customer acquisition by switching from a product-based marketing and sales strategy to a market domain-based strategy that provides end-to-end product solutions on a market domain basis.

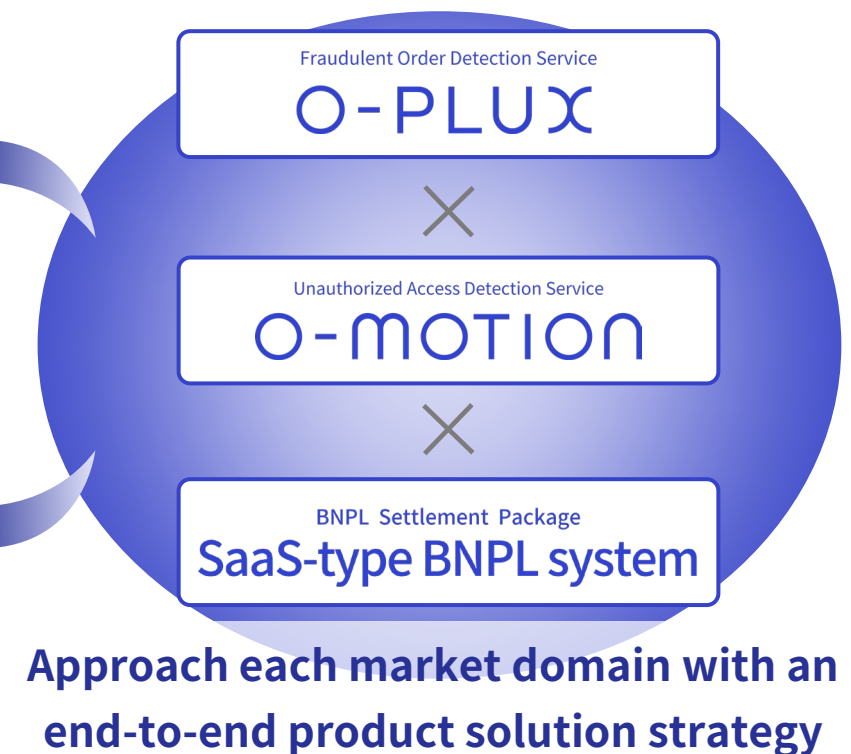
Traditional Strategy

Developed a market per product with a product-based strategy



Current Strategy

Develop markets with a domain-based strategy



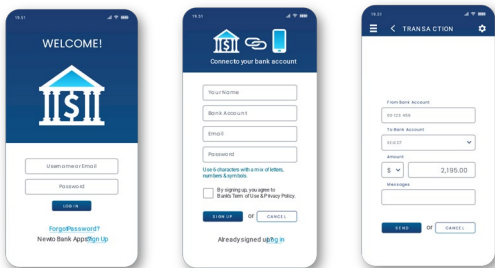
*1: "FY2023 Digital Transaction Environment Development Project (Market Research on E-Commerce)" – Ministry of Economy, Trade and Industry

*2: "Industry Trends Research: Industry-Specific Market Size Rankings" – DigitalWorks Inc.

(3) Drive the Development of New Features for the Unauthorized Access Detection Service O-MOTION to Expand Revenue

Companies that are considering the introduction of O-MOTION are increasingly seeking features such as “mobile app compatibility,” “tools to streamline development prior to implementation,” and “enhanced authentication functions.” To meet these demands, we will drive the development of new functions, which will enable us to expand into the EC and finance domains, where adoption has thus far been limited, and accelerate new customer acquisition to drive revenue growth.

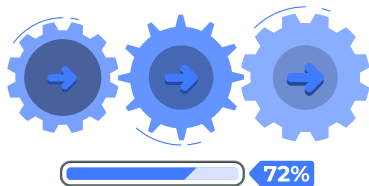
New Feature Development



Mobile app compatibility



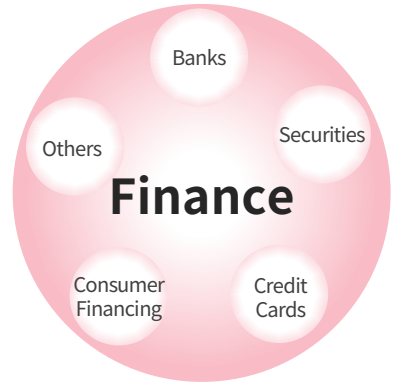
Enhanced authentication functions



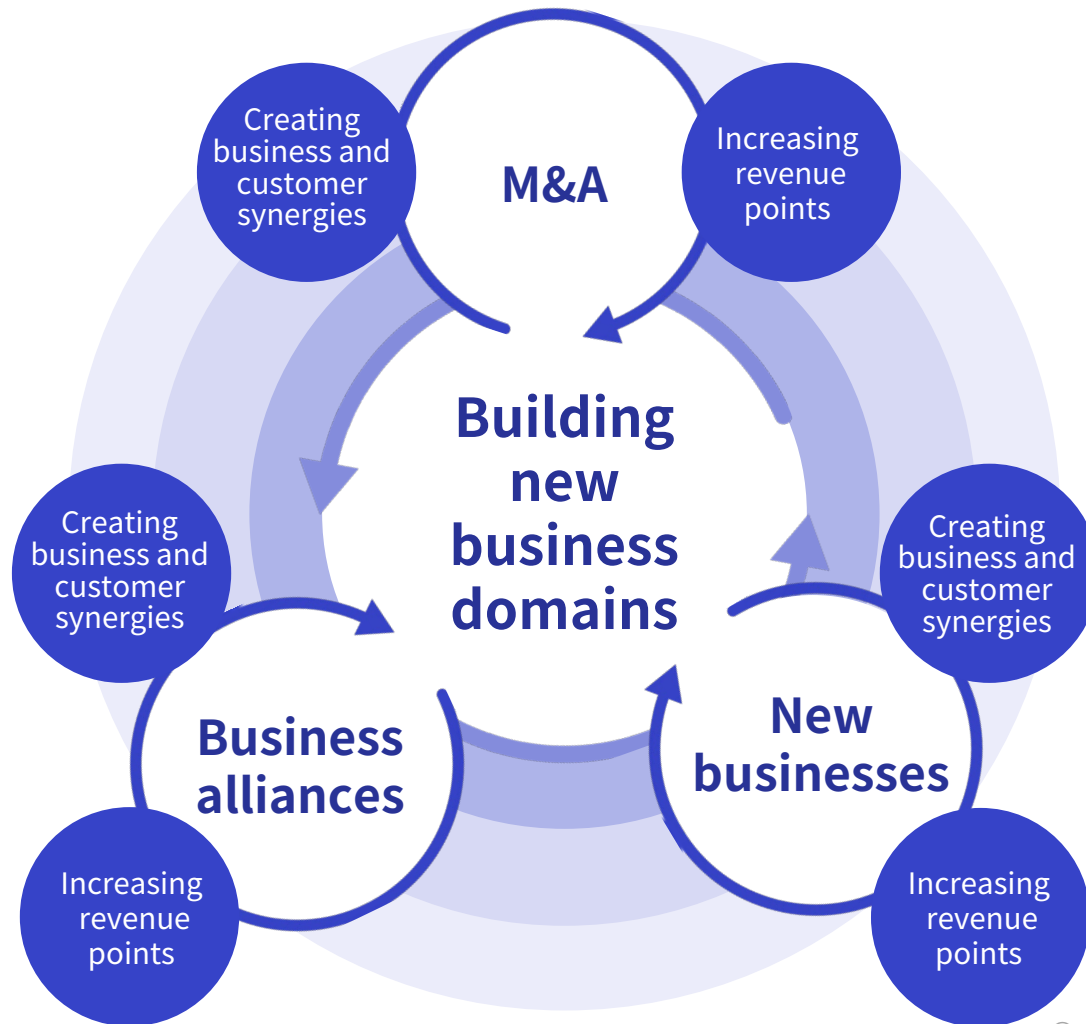
Streamlining of development prior to implementation



Acceleration of New Customer Acquisition



We do not limit ourselves to existing business domains, but proactively utilize business alliances and M&A to acquire new business domains and markets, aiming for phase-based growth.



We will proactively utilize business alliances and M&A to build new business domains, aiming to generate synergies among businesses and customers, promote phase-based growth through increasing new profit points, and increase company-wide profits. In addition, we will utilize profits so obtained to make investments to further acquire new business domains and drive our cycle of building new business domains.

Appendix

Cocco Evolutionary Purpose

Shaping the “Let’s Do It” for a next game changer

The Cocco Evolutionary Purpose embodies our desire to contribute to the development of the Japanese economy by supporting people and companies that are taking on the challenge of making the world a better place.

When the company was founded, there was little fraud in Internet transactions, and there were no fully functional fraud detection services in the world. But we believed that in the near future, there would be a wide variety and high volume of fraudulent activities in all Internet transactions, including e-commerce.

Almost a decade later, as we predicted, fraudulent activity is occurring in all kinds Internet transactions, and the methods are becoming more complex, evolving and expanding. Since the release of O-PLUX in 2012, we have continued to develop it so that it can adequately respond to evolving threats, and as a result, it is currently the No. 1* installed security solution in Japan.

As a company that creates new value through security, payment, and data science technologies, Cocco will continue to strive to realize the Cocco Evolutionary Purpose and sustainably increase its corporate value.



* TOKYO SHOKO RESEARCH, LTD., “Survey on the number of EC sites in Japan introducing paid fraud detection service,”
(as of the end of March 2024)

Company Profile

Company name	Cacco Inc.
Representative	Hiroyuki Iwai, Representative Director, President and CEO
Business description	Provision of SaaS-type Algorithms (Fraud detection services, payment consulting services, and data science services)
Capital	384,165,735 yen
Listed on	Tokyo Stock Exchange, Growth 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 (05)

History

2011	January	Establishment of business (Fraud prevention consulting)
	November	Start of payment consulting service (Payment system development and consulting for BNPL* business operators)
2012	June	Release of O-PLUX, a fraudulent order detection service
2015	January	Start of data science service (Data analysis and algorithm development for industries including retail and manufacturing)
2016	July	Release of O-MOTION, unauthorized access detection service
2020	December	Listing on the TSE Growth Market
2021	October	Entry into a capital and business alliance with Eltes Co., Ltd.
2022	December	Release of the SaaS-type BNPL system, a BNPL settlement package
2023	February	Entry into a capital and business alliance with Value Creation Inc.
	June	Release of Impenetrable Defense Pack for Phishing, an anti-phishing package
2024	April	Release of Irohani Analysis, a marketing support service
	September	Release of Mail Validator, an email address checking service

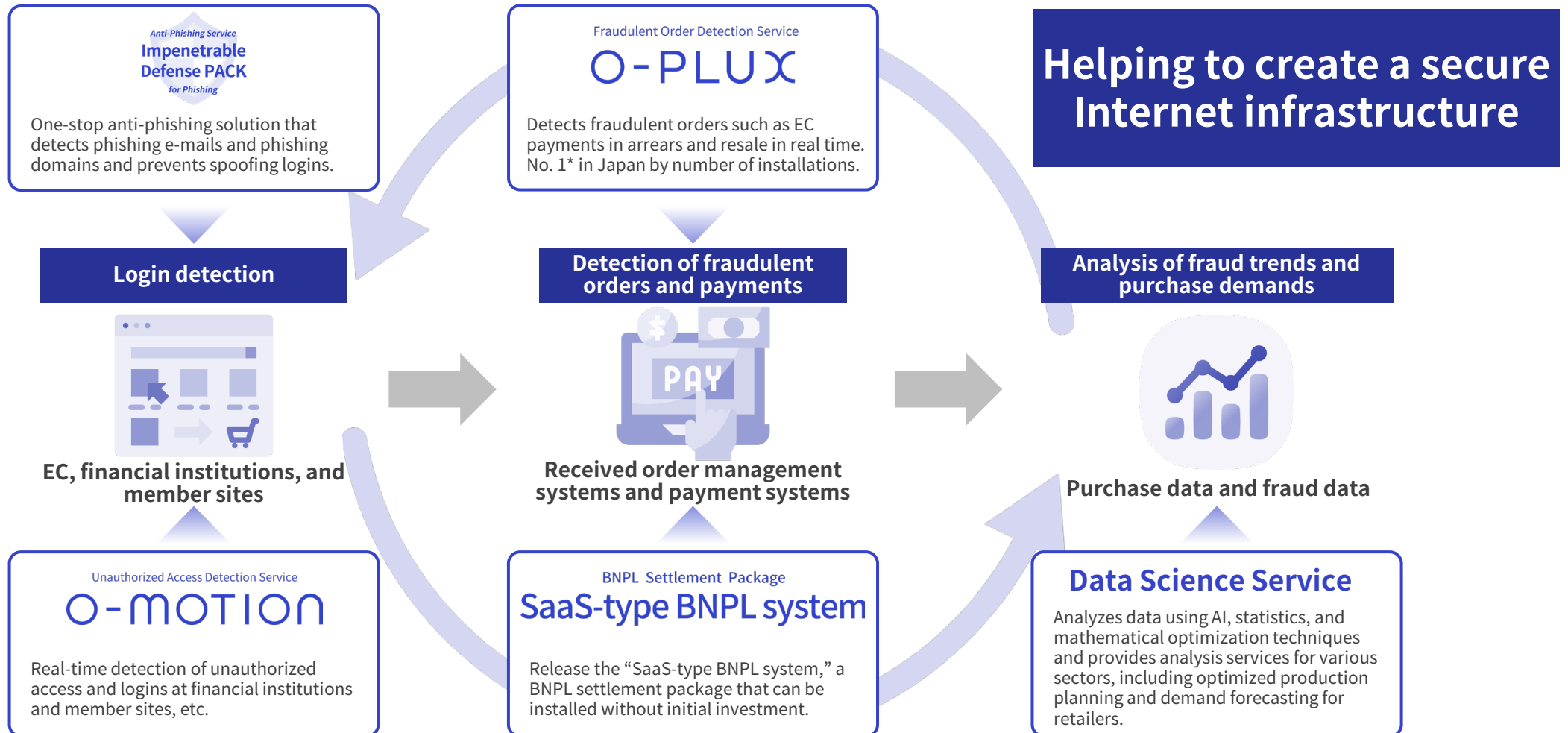
* BNPL: Abbreviation for Buy Now Pay Later, post-payment settlement

Media Coverage (1) (FY23–25) * As of February 13

Publication Month	Type	Publication Media	Content
February 2025	Web	Jiji Press's government news site "iJAMP"	Commentary on phishing frauds and fraudulent activities related to Japan's <i>Furusato Nozei</i> (hometown tax allocation) system
December 2024	Web	Business media "BUSINESS INSIDER"	Introduction of the reality of and countermeasures for credit card fraud, supported by data
December 2024	Web	Yahoo! Japan News	Explanation of the results of a consumer survey on credit card fraud
October 2024	TV	TV Asahi's "Good! Morning" program	Explanation of the current situation of and countermeasures for credit card fraud
October 2024	Web	"FNN Prime Online," the news website of the Fuji Television Network's 28 FNN station	Credit card fraud on EC sites and measures by EC merchants
August 2024	Newspaper	Sankei Shimbun	Explanation of credit card fraud, including credit master attacks
July 2024	Newspaper/Web	Asahi Shimbun	Introduction of credit card fraud on EC sites and measures by GEO HOLDINGS CORPORATION
June 2024	Web	"payment navi," a credit card information portal	Introduction of a study session for the media with Tobila Systems Inc.
May 2024	TV	Kansai Television "news runner"	A detailed explanation of credit card fraud methods and countermeasures
April 2024	TV	NHK Fukuoka "Rokuichi! Fukuoka"	Explanation of measures to prevent information leaks and their damage
April 2024	TV	Tokyo Broadcasting System Television "Information 7 Days Newscaster"	Introduction of damage caused by credit card fraud and its countermeasures
April 2024	TV	Fuji Television Network "Mezamashi 8"	A detailed explanation of the reality and methods of credit card fraud
April 2024	Newspaper/Web	Asahi Shimbun	Trends in EC credit card fraud and our comments on the trends
March 2024	Newspaper/Web	Nihon Keizai Shimbun	Expert comments on measures against online shopping fraud
March 2024	Magazine	"Monthly Automatic Recognition," a specialized magazine on automatic recognition technology in general	Introduction of a data-science-based fraud detection service
February 2024	TV	Nippon Television Network "DayDay."	Introduction of our company as a card fraud prevention service provider
February 2024	Web	VIETJO - Vietnam news general information site	Introduction of our business partnership with Suganuma Group for human resources support
February 2024	Web	NNA ASIA - Asian economic news and business information	Re-introduction of our business partnership with Suganuma Group
January 2024	Web	Yahoo! Japan News	Explanation of fraudulent methods related to Japan's <i>Furusato Nozei</i> (hometown tax allocation) system and damages
November 2023	Newspaper/Web	Yomiuri Shimbun	Introduction of our research data on measures against credit card fraud

Publication Month	Type	Publication Media	Content
November 2023	Newspaper *Web: Tokyo Shimbun	Chunichi Shimbun	Introduction of detailed data on credit card fraud countermeasures
November 2023	Web	Tokyo Shimbun	Posting of our company's data on credit card fraud countermeasures
November 2023	Newspaper/Web	Asahi Shimbun	Overview of fraudulent order damage suffered by MTG Co., Ltd. and countermeasures for the same
September 2023	Magazine	General weekly magazine "Weekly SPA!"	Explanation of causes and countermeasures for the increase in credit card fraud
September 2023	Magazine	Card industry magazine "CardWave"	Explanation of the current situation regarding phishing damage and key countermeasures
August 2023	Newspaper/Web	Asahi Shimbun	Countermeasures against credit card fraud in online shopping and phishing frauds
August 2023	Newspaper/Web	Asahi Shimbun	Explanation of fraudulent order damage and countermeasures in online shopping
July 2023	Newspaper/Web	Nihon Keizai Shimbun	Introduction of our company as a provider specializing in anti-resale measures for online shopping
July 2023	Web	Jiji Press's news site "Jiji.com"	Introduction of credit card fraud and countermeasures for online shopping
July 2023	Web	"Money Gendai," a website on investment, finance, and economics operated by Kodansha Ltd.	Explanation of credit card fraud methods, including credit master attacks
June 2023	Web	Yahoo! Japan News	Explanation of phishing frauds and SIM swap fraud techniques
June 2023	Web	"Nikken Online," a financial industry trade magazine	Introduction of the background and effects of the O-MOTION implementation by the Bank of Fukuoka, Ltd.
May 2023	TV	Fuji Television Network "Mezamashi 8"	Explanation of the reality of and methods behind rapidly increasing credit card fraud
May 2023	Web	"AERA dot.," the news and information website of Asahi Shimbun Publications Inc.	Explanation of the latest methods and countermeasures for credit card fraud
April 2023	Magazine	Card industry magazine "CardWave"	Introduction of the deferred payment market and the SaaS-type BNPL system
April 2023	TV	TV Asahi's "Saturday Station"	Explanation of the reality of credit card fraud, with the latest examples
March 2023	Web	"Nikkei FinTech," a magazine specializing in digital finance	Issues with BNPL and introduction of the SaaS-type BNPL System
March 2023	Newspaper/Web	Asahi Shimbun	Posting of data on the status of fraud prevention measures by mail-order business operators
February 2023	Newspaper/Web	Nihon Keizai Shimbun	Introduction of data from credit card information leak investigations and our company's comments
February 2023	Web	Trend magazine "@DIME"	Background to the development of the fraudulent order detection service O-PLUX

We help to create a secure Internet infrastructure from entrance to exit by providing our core fraud detection services, payment consulting services, and data science service.



* TOKYO SHOKO RESEARCH, LTD., "Survey on the number of EC sites in Japan introducing paid fraud detection service," (as of the end of March 2024)

Security

Fraud Detection Service

Fraudulent Order Detection Service

O-PLUX

Detect fraudulent orders such as payments in arrears in EC payments and resale in real time. No. 1^{*1} in Japan in terms of number of installations.

Unauthorized Access Detection Service

O-MOTION

Real-time detection of unauthorized access and logins at financial institutions and member sites, etc.

Anti-Phishing Service

**Impenetrable
Defense PACK**
for Phishing

One-stop anti-phishing solution that detects phishing e-mails and phishing domains used to fraudulently obtain information, preventing spoofing logins using such fraudulently obtained personal information.

Recurring revenue type

Payment

Payment Consulting Service

Non-recurring revenue type

Provide payment systems and offer consulting services for the BNPL^{*2} business to payment service providers and to business operators, considering the possible introduction of BNPL settlement. Use **O-PLUX** as the screening engine.

BNPL Packaged Service

BNPL Settlement Package

SaaS-type BNPL system

Release the “SaaS-type BNPL system,” a BNPL settlement package that can be installed without initial investment.

This is provided not only to payment service providers, but also to EC shopping carts and major EC business operators, etc.

Recurring revenue type

Data Science

Data Science Service

Non-recurring revenue type

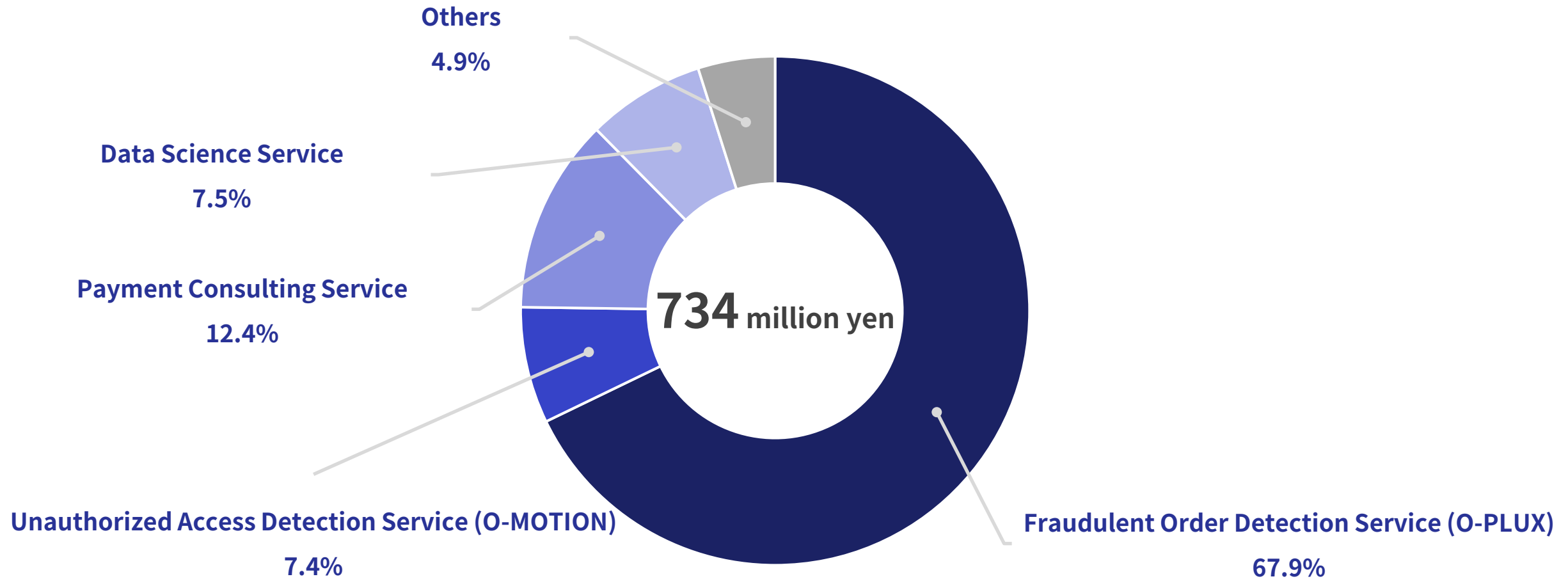
Develop and provide data analysis and algorithms using AI, statistics, and mathematical optimization techniques.
Provide data science services for various sectors, including optimized production planning for manufacturers, demand forecasting for retailers, and preparation of optimized shift rosters for call centers.

Recurring revenue type

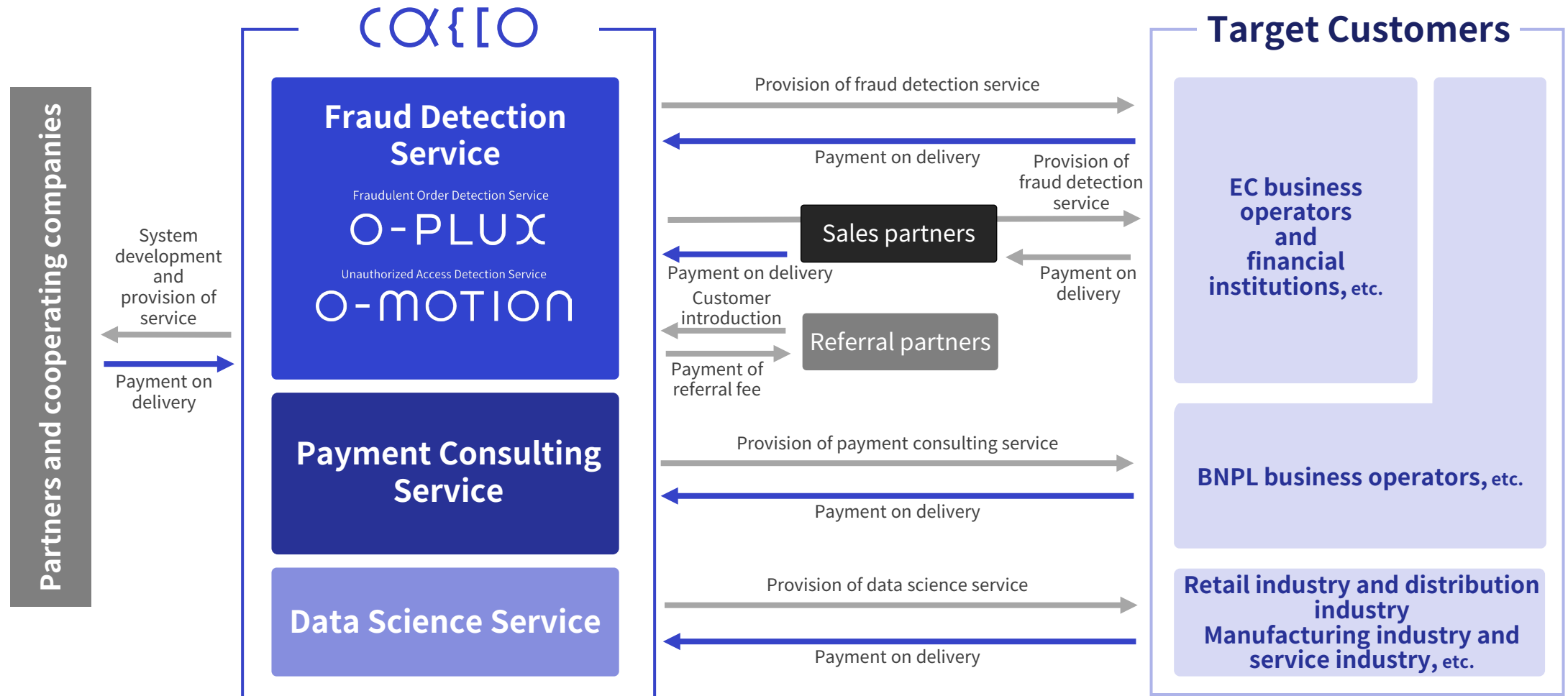
^{*1} TOKYO SHOKO RESEARCH, LTD., “Survey on the number of EC sites in Japan introducing paid fraud detection service,” (as of the end of March 2024)

^{*2} BNPL: Abbreviation for Buy Now Pay Later, post-payment settlement

Our current growth driver is O-PLUX, our fraudulent order detection service. It accounts for 70% of our sales.

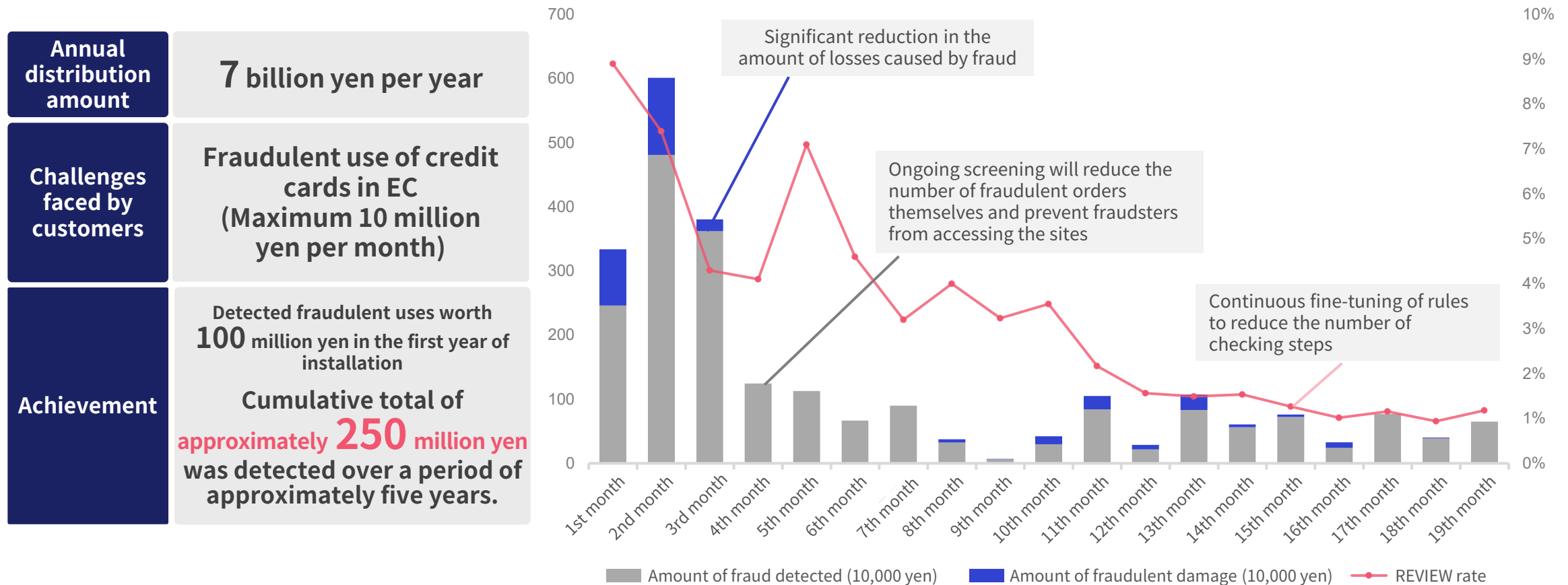


* Others: other sales including sales of SaaS-type BNPL systems.



General retail company < Measures against fraudulent credit card use >

O-PLUX has detected **approximately 250 million yen** in fraudulent credit card use in EC over a five-year cumulative period.



* The amount of fraud detected is the total amount of transactions that are confirmed as fraudulent (negative registration) before chargeback due to failed screening results, card attribute discrepancies in “REVIEW” screening results, and failed identity verification before shipment.

* The REVIEW rate is the ratio of the number of REVIEWS to the total number of screening results. © Cacco Inc.

Kitamura Co., Ltd. < Credit card fraud and resale prevention / Combined with 3D Secure >

Fraudulent order methods have become more sophisticated,
and even 3D Secure combined with visual detection takes too much time and effort.
The introduction of O-PLUX with high fraud-detection accuracy enabled the company to eliminate the problem of visual checks.

Problems before Installation

Even with the introduction of 3D Secure, fraudulent use of credit cards still occurred.
Although visual checks were implemented as a countermeasure, the effectiveness was limited due to the increasing sophistication of fraudulent tactics.

Benefits of Installation

- O-PLUX achieved a localized screening process that complemented 3D Secure.
- **No fraudulent credit card use** has been found in transactions with an OK rating.
- The company resolved the problem of visual checks, **reducing the labor-hours equivalent to two dedicated staff members.**



Case Study Interview (Full Text) with Kitamura Co., Ltd.
https://frauddetection.cacco.co.jp/o-plux/case_studies/kitamura/

PIA Corporation < Countermeasures against unauthorized logins / Risk-based authentication >



Problems

- The company wanted to take countermeasures against spoofing logins during short periods of concentrated access.
- Since the company has a wide age range of users, it did not want to compromise convenience.

Benefits of Installation

- Implementing O-MOTION has enabled the company to detect mechanical access, resulting in zero spoofing logins.
- Risk-based authentication has allowed the company to take measures without compromising convenience by implementing multi-factor authentication for suspicious users only.



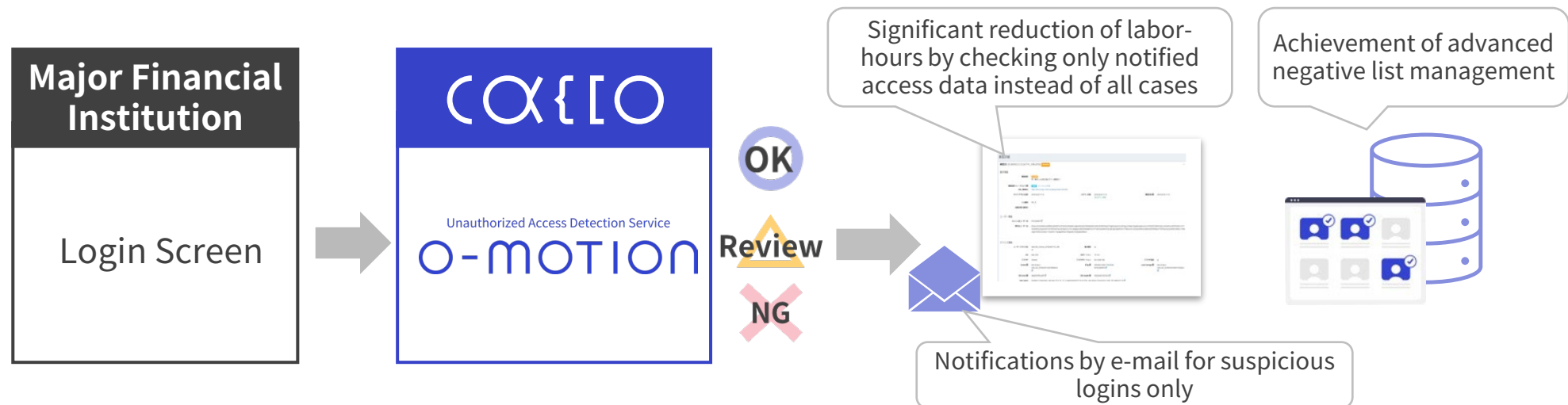
A major financial institution < Unauthorized login monitoring >

Problems

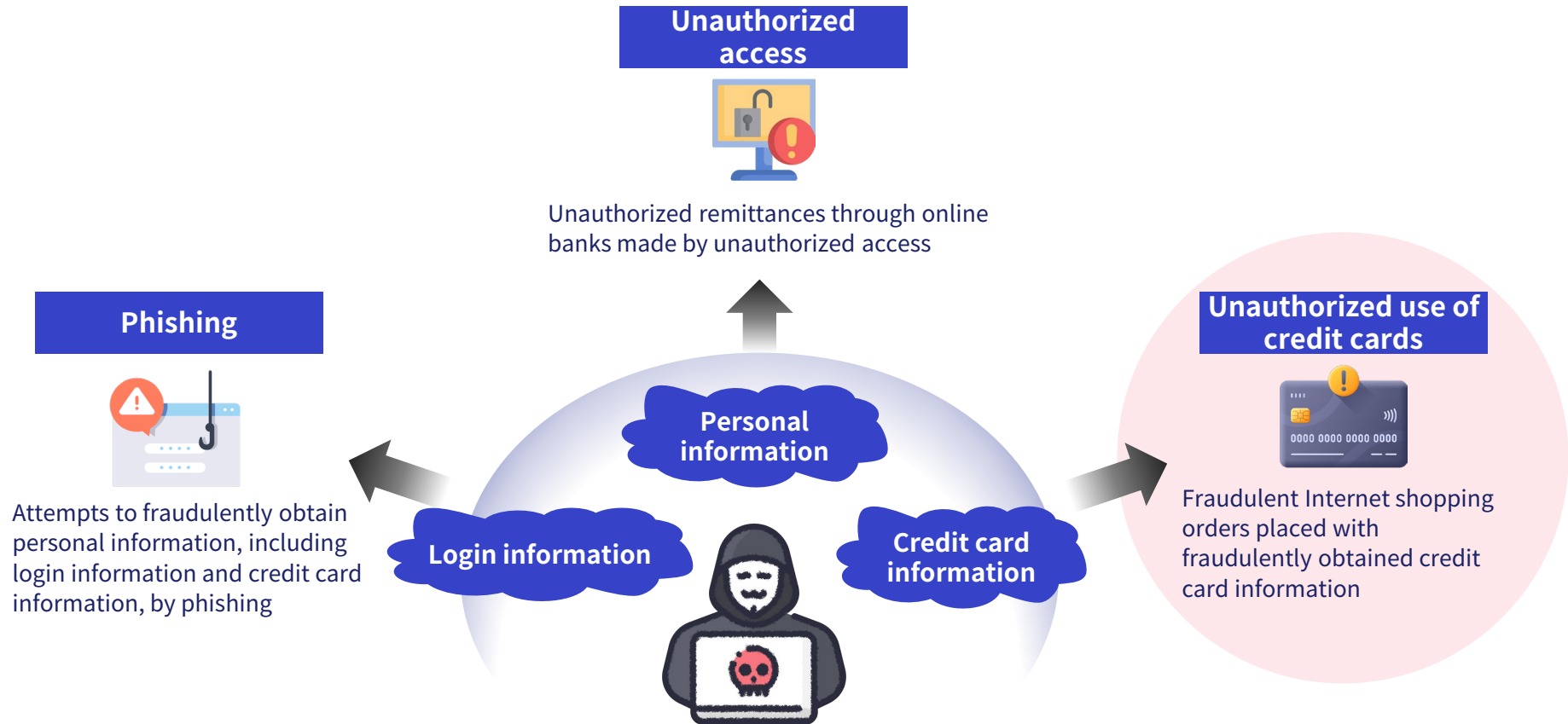
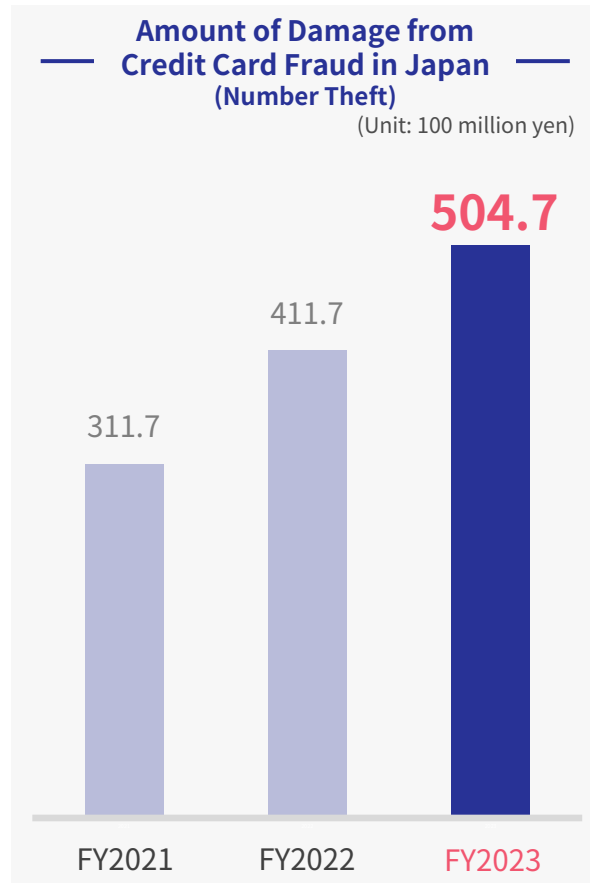
- Logins were recorded but not made visible, causing large quantities of labor-hours to be incurred for login monitoring.
- The company needed to manage not just IP addresses but also a highly accurate negative list.

Benefits of Installation

- O-MOTION implementation has made access data visible for each user, significantly reducing the labor-hours required for login monitoring.
- O-MOTION's device identification technology has achieved negative list management that includes not only IP addresses but also device identification information.

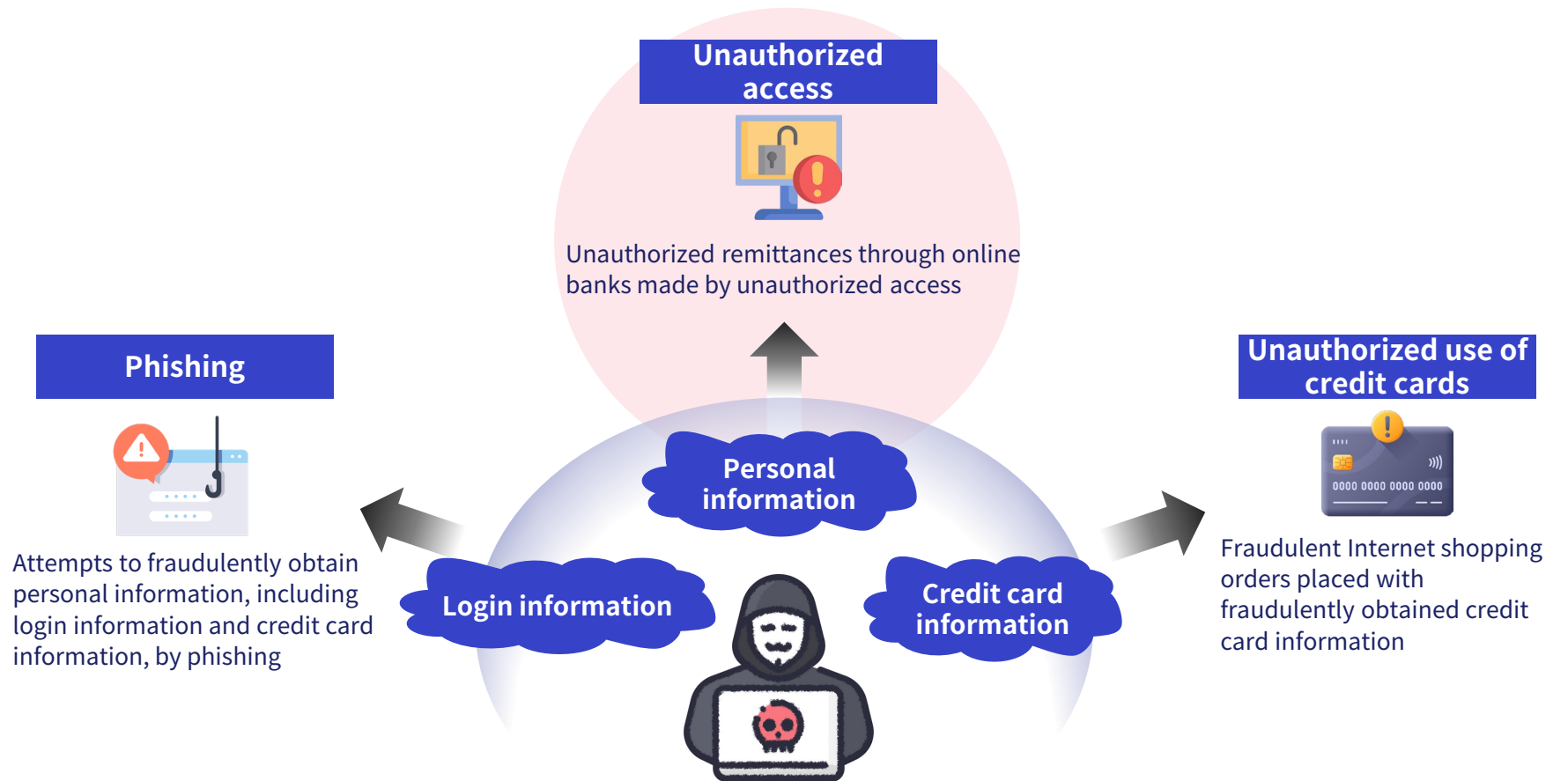
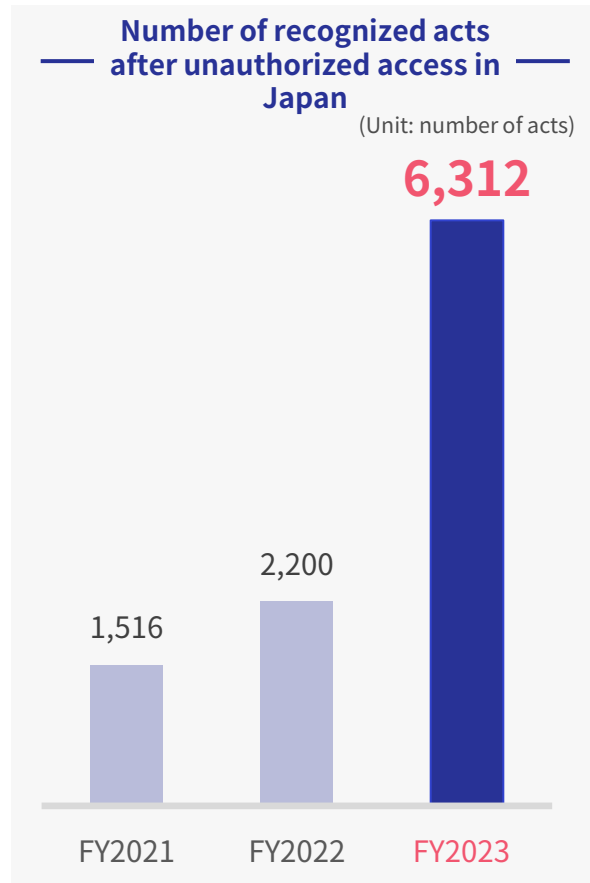


Crimes of fraudulently obtaining and misusing credit card information are rapidly increasing, and the damage from unauthorized use of credit cards (number theft) reached the record high of 50.4 billion yen* in 2023. The needs of EC business operators to take countermeasures against fraud are rapidly expanding.



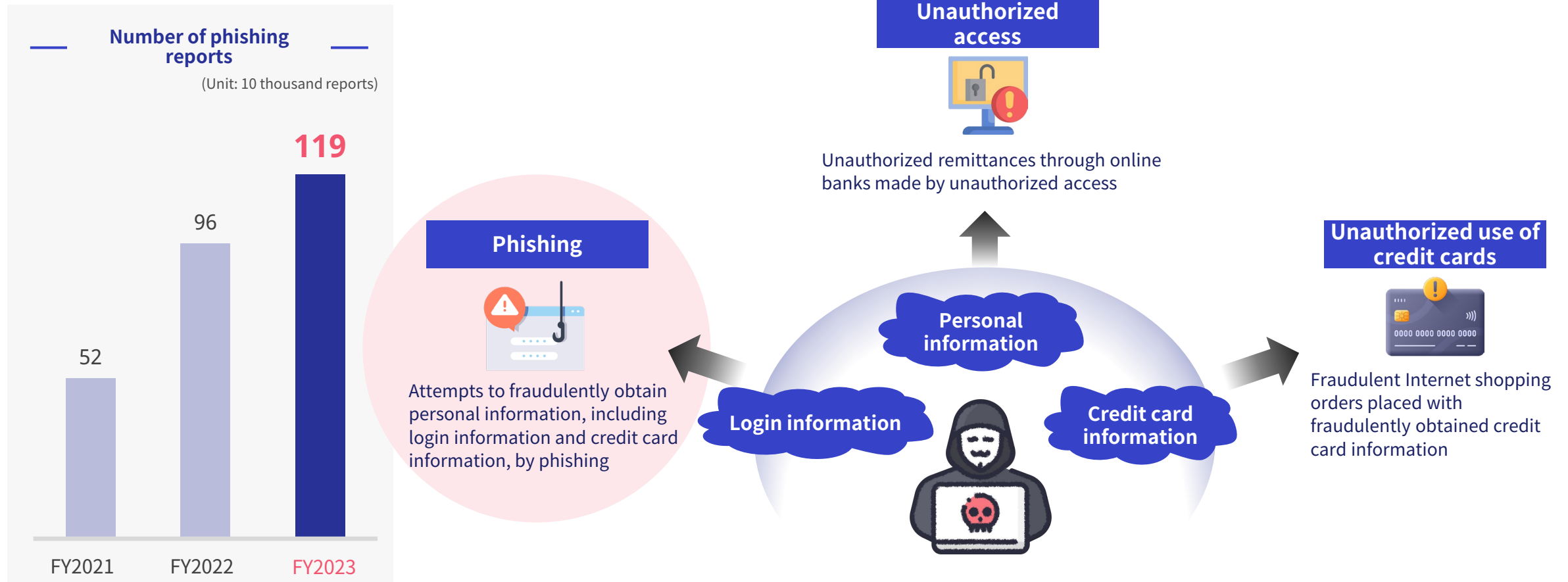
* Japan Consumer Credit Association, "Status of Damage from Unauthorized Use of Credit Cards," March 2024

The number of recognized acts after unauthorized access in Japan surged to approximately three times* those in the previous year (2023), and the number of criminal acts using personal information illegally obtained through unauthorized access reached a record high. This indicates a rapidly growing need for countermeasures against unauthorized access throughout society.



Source: National Police Agency, Ministry of Internal Affairs and Communications, and Ministry of Economy, Trade and Industry, 2023
“Status of Research and Development of Technologies for Unauthorized Access and Access Control Functions (FY2023)”

The number of phishing reports also increased from 960,000 in 2022 to 1,190,000 in 2023 (YoY +23.5%). The number of fraud crimes involving the misuse of information obtained fraudulently through phishing is skyrocketing, so the need for countermeasures is rising accordingly.

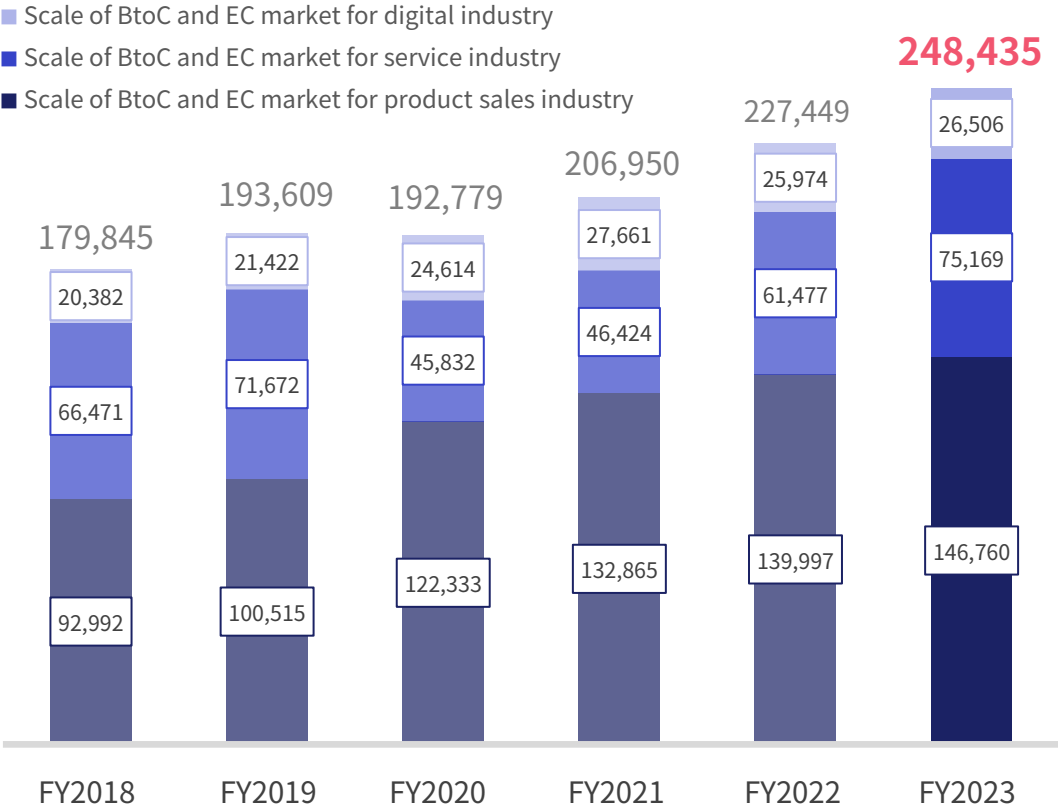


* Source: Council of Anti-Phishing Japan, "Number of Phishing Reports"

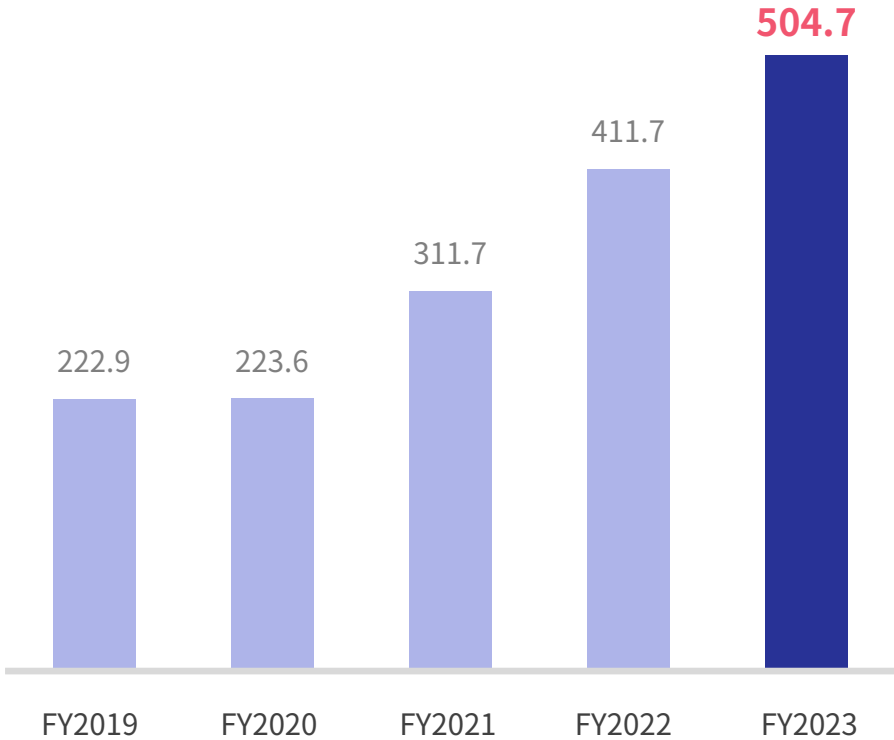
Credit card fraud (number theft) is increasing proportionally with the growth of the EC market.

- Social demand for anti-fraud measures, such as the revision of the Installment Sales Act and publication of the “Credit Security Measures Vision 2025,” is increasing

Scale of BtoC and EC Market in Japan (Unit: 100 million yen)



The Amount of Credit Card Fraudulent Damage in Japan (Number Theft) (Unit: 100 million yen)



Source: Ministry of Economy, Trade and Industry, Commerce and Information Policy Bureau, Information Economy Division, “FY2023 Report on Commissioned Industrial and Economic Research (Market Research on Electronic Commerce).” Japan Consumer Credit Association, “Status of Damage from Unauthorized Use of Credit Cards,” March 2024

1

Expertise in data science and advanced technical capabilities in the security domain

(Three patents obtained: Patent #6534255, Patent #6534256, and Patent #6860156)

2

Top*-selling services in the EC and payment domains in Japan

(* Based on “Survey on the number of EC sites in Japan introducing paid fraud detection service” (as of the end of March 2024) performed by TOKYO SHOKO RESEARCH, LTD.)

3

Steady growth in recurring revenue due to increased use of O-PLUX, our core service

(Recurring revenue accounted for 64.1% of our total sales in FY24)

Differentiating Factors in Products

1

High fraud detection accuracy through possession of a large volume of domestic fraudulent order data

* No. 1 in Japan in terms of number of installations

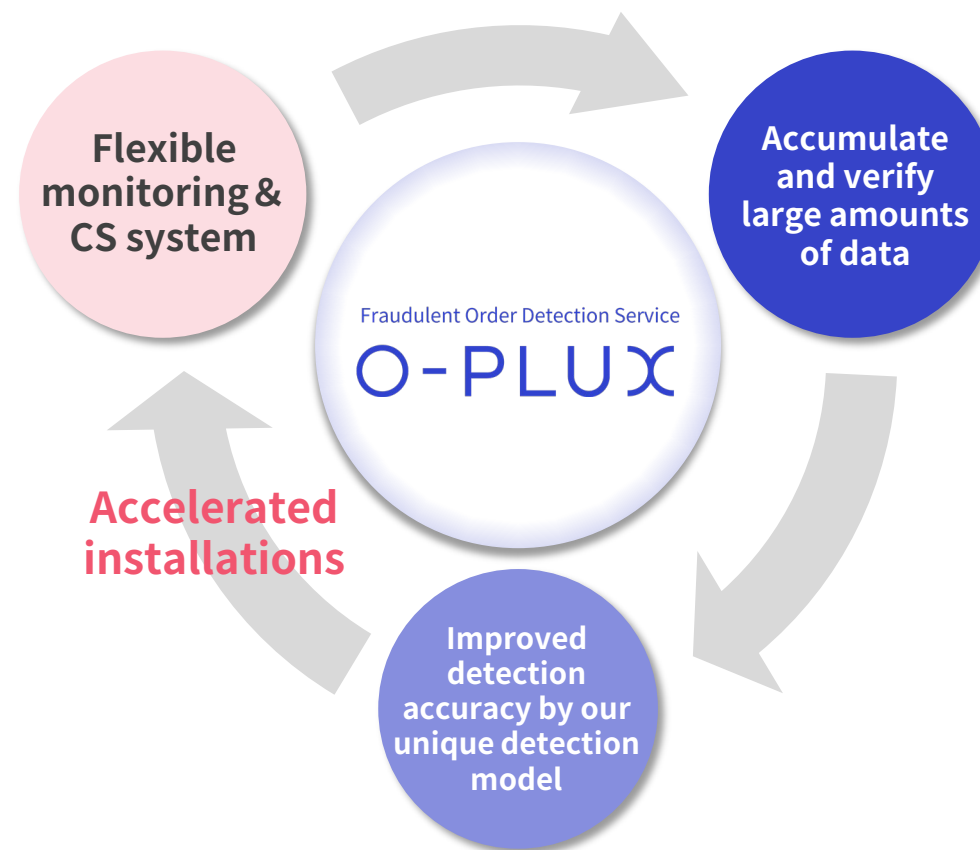
2

Building a unique detection model with data science, security technology, and expertise

3

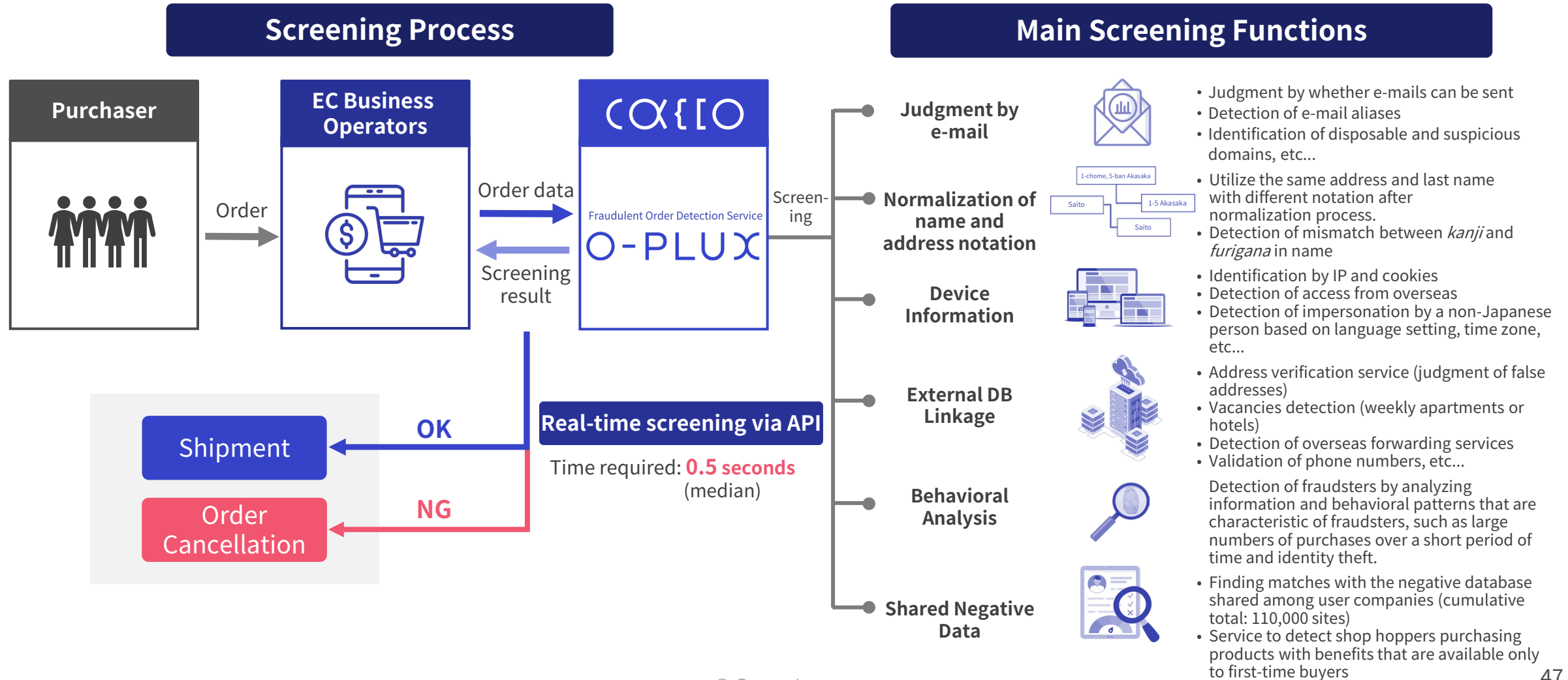
Speedy and flexible monitoring and support system that only domestic and in-house products can provide

Positive Growth Cycle in which Competitive Advantages are Maintained



* TOKYO SHOKO RESEARCH, LTD., “Survey on the number of EC sites in Japan introducing paid fraud detection service,” (as of the end of March 2024)

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



O-PLUX, our fraudulent order detection service, can address any type of fraud and protect EC business operators from fraud damage.

		O-PLUX	Competing Service A	Competing Service B	Competing Service C	Competing Service D	Competing Service E	Competing Service F	Competing Service G	Competing Service H
Fraud Type	Chargeback	○	○	×	○	○	○	△	○	○
	Fraudulent resale*	○	×	○	×	×	×	×	×	×
	Credit master attacks	○	○	×	○	○	○	○	×	×
	Frauds involving affiliate programs	○	×	○	×	×	×	×	×	×

* Fraudulent orders with which fraudsters obtain products fraudulently in large quantities at a price available only to first-time buyers for the purpose of reselling them.

O-PLUX, our fraudulent order detection service, has been installed in various industries and is the No. 1 solution by number of installations in Japan.*¹
It promotes the development of a safe and secure infrastructure for every genre of e-commerce by preemptively preventing losses from fraudulent orders.

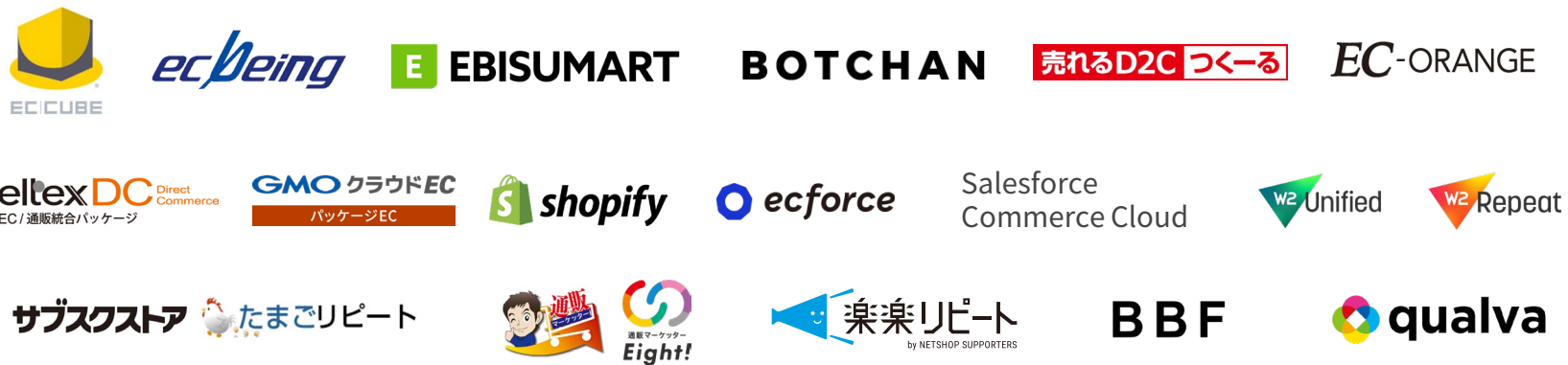
Hobby	Food and health food			Home appliances	
      	               	          			
Cosmetics and hair care	Apparel and sports			Housing and interiors	
                     	                   			  	
Cameras, online supermarkets, tickets, MVNO, Hosting, and others				Furusato Nozei (hometown tax donation)	Hosting
               					

*1 TOKYO SHOKO RESEARCH, LTD., “Survey on the number of EC sites in Japan introducing paid fraud detection service,” (as of the end of March 2024)

*2 Only selected companies with permission to be listed are included. As of end of February 2025.

We will continue to promote partnerships and alliances, eliminate barriers to installation, and expand our sales channels to increase our market share.

EC package, shopping cart and chatbot



Credit card companies



Payment Service Providers (PSPs)



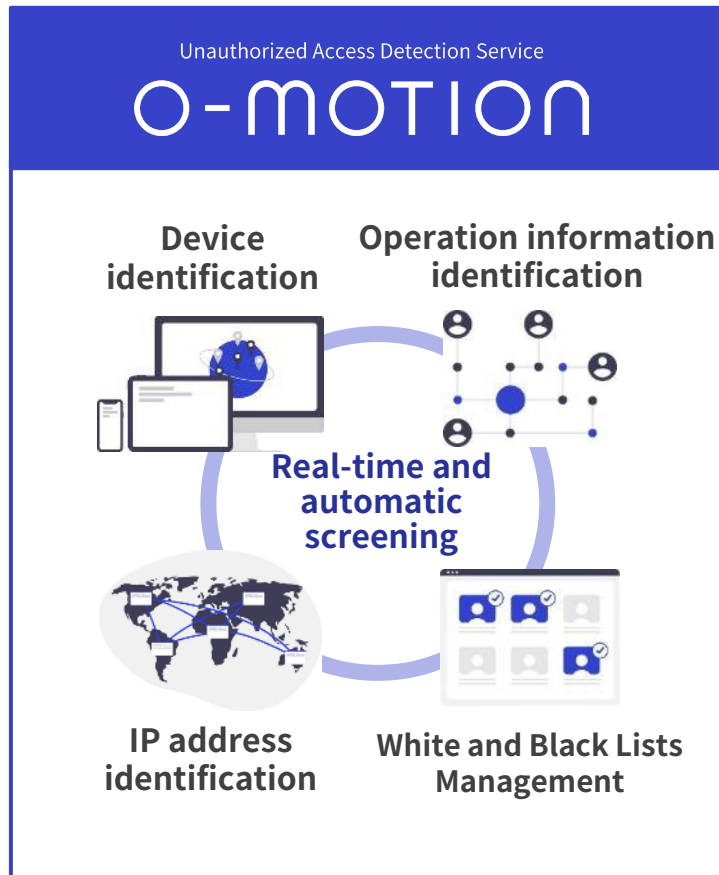
Security service vendors



*1 EC-CUBE is a trademark of EC-CUBE Co., Ltd.

*2 As of the end of October 2024.

Real-time analysis of the operation information and device information of users who access websites.
The system identifies identity theft and prevents fraudulent activities (divulgence of personal information, unauthorized purchases, etc.) resulting from unauthorized access.



Banks and securities firms
Fraudulent Access Monitoring

Internet banking
Countermeasures against unauthorized remittances

Various member sites
Countermeasures against divulgence of personal information

Credit card/Electricity/Gas points site
Countermeasures against fraudulent points exchange

Countermeasures against cornering of online tickets

Real-time and automatic screening

Visual dashboard

Notification function through alert mails

Highly precise and efficient
screening and monitoring system

Countermeasures against fraudulent member registration for affiliate compensation

Financial institutions, ticket sites, and various point and member sites have introduced O-MOTION.

Ticket sites



NFT games



EC site



EC cart/EC package



Real estate investment crowdfunding



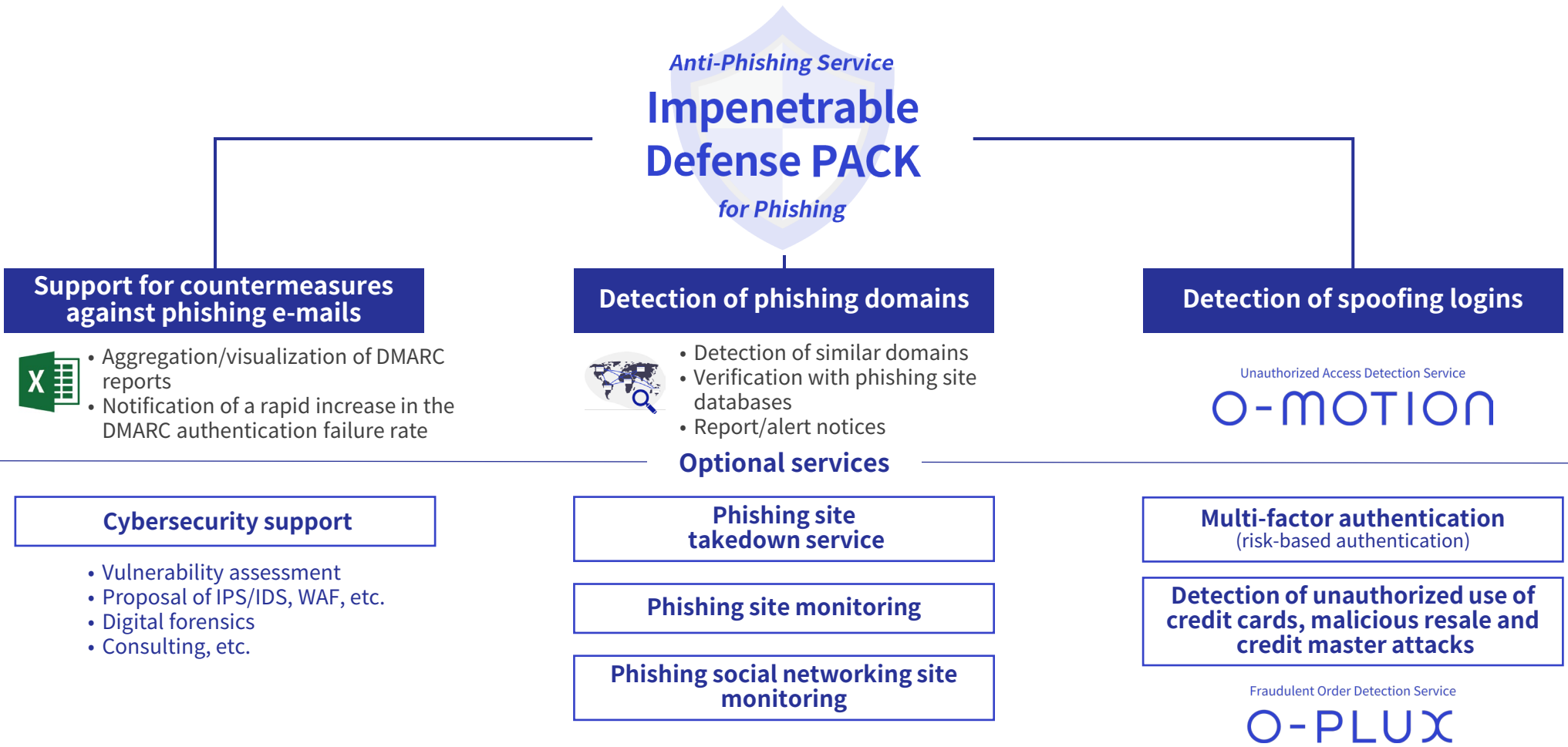
クリアル株式会社

Other (Company name not disclosed)

Major bank
Online brokerage firm
Credit card company, etc.

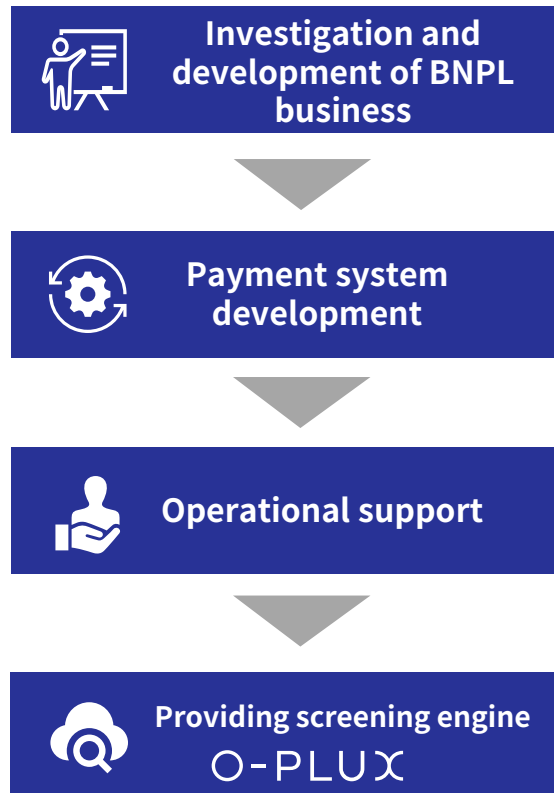
*1 Only selected companies with permission to be listed are included. As of the end of October 2024.

A packaged service focusing on countermeasures against phishing with the O-MOTION unauthorized access detection service at its core.



We provide one-stop support for the establishment and launch of BNPL, including service construction, payment system development, and operational support.

We offer the O-PLUX fraud detection service as the screening engine.



Point 1

Experience in setting up and developing systems for multiple BNPL businesses

- Experience in constructing payment systems that handle several million transactions per month
- Experience in supporting the launch of BNPL businesses (business planning, preparation of various requirement definitions, etc.)
- Experience in post-launch support (credit lines, operation process development, etc.)

Point 2

Support from consultants with experience in BNPL operations

Consultants with extensive experience in BNPL operations provide optimal proposals from the customer's perspective.

Point 3

Fraud detection using O-PLUX, the No. 1 solution in terms of the number of installations in Japan*

We have achieved a great deal of success in fraud detection in the financial and settlement fields, where strict accuracy is required. O-PLUX, our fraud detection service, is the No. 1 solution in terms of installation numbers in Japan.*

* Based on "Survey on the number of EC sites in Japan introducing paid fraud detection service" (as of the end of March 2024) performed by TOKYO SHOKO RESEARCH, LTD.

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 automation by applying machine learning.

Our approach

SAKIGAKE KPI



Our service includes data aggregation and visualization, factor analysis, KPI calculation, analysis reporting, and subsequent proposals. A data analysis service that provides up to 100 million records in 30 business days at a cost 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 company division. 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 by processing business operations, including optimization beyond the employees’ own 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 1,700 products and 12 production lanes. Made a production order plan to maximize production volume and minimize losses while observing complex conditions.



Annual cost reductions of up to 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 losses due to shortages.



70% reduction in sales opportunity losses

Optimization

Call center

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



Annual cost reductions of 60 million yen

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.

For inquiries and requests for individual interviews, please contact the following IR department.

E-mail: ir@cacco.co.jp

IR website: <https://cacco.co.jp/ir/>



Shaping the “Let’s Do It”
for a next game changer