COMPANY RESEARCH AND ANALYSIS REPORT

Netyear Group Corporation

3622

TSE Mothers

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Summary

Aiming to accelerate growth in owned media business and expand collaborative projects with NTT Data leveraging strength in UX design capabilities

Netyear Group Corporation <3622> (hereinafter also referred to as "the Company") provides digital marketing assistance utilizing internet technology and has an extensive track record mainly in web marketing. The Company concluded a capital and business alliance contract with NTT Data <9613> and became a group company in February 2019. Additionally, it will transition to disclosure of non-consolidated results from FY3/22 following the sale in April 2021 of all shares in subsidiary Tribal Media House, Inc., which provides digital marketing assistance through social media.

1. FY3/21 results

In FY3/21, consolidated net sales increased for the first time in three years to ¥5,611mn (+2.7% YoY) and operating income was recorded for the first time in two years at ¥172mn (vs. a ¥77mn loss in FY3/20). While results were weak in the first half of the year due to impact from the COVID-19 pandemic, recovery in corporate digital investments and joint development deals with NTT Data contributed to higher sales from the second half. In earnings, main improvement drivers were a higher gross margin on enhanced project management capabilities, a decline in outsourcing costs and a ¥44mn YoY drop in SG&A expenses thanks to cutbacks in spending related to the shift to telework operations and a decline in hiring costs.

2. Forecast for FY3/22

In the forecasts for non-consolidated results for FY3/22, the Company projects ¥3,600mn in net sales (+5.6% YoY) and ¥140mn in operating income (-0.3%). In net sales, it anticipates an increase in owned media development projects and joint development projects with NTT Data amid rising corporate interest in OMO* marketing measures. Furthermore, in April 2021, it started deployment and utilization assistance services for Shopify, which is making rapid inroads into the Japanese market as a multi-channel commerce platform, and this business is likely to contribute to sales. In earnings, despite the prospect of continued improvement in its gross margin, the Company expects results on par with the previous fiscal year due to higher costs related to increased recruitment and launching new services. The Company hopes to become "Japan's No. 1 UX company" by bolstering UX design and utilization capabilities that play a key role in OMO marketing and shifting to UX personnel for at least half of employees during FY3/22.

* OMO (Online Merges with Offline) is a marketing approach that seeks to motivate buying appetite beyond the divide between online and offline activities for the purpose of maximizing UX (User Experience). While O2O is a strategy from the corporate perspective that uses online initiatives as a tool to guide people to offline business, the OMO strategy applies a customer perspective.

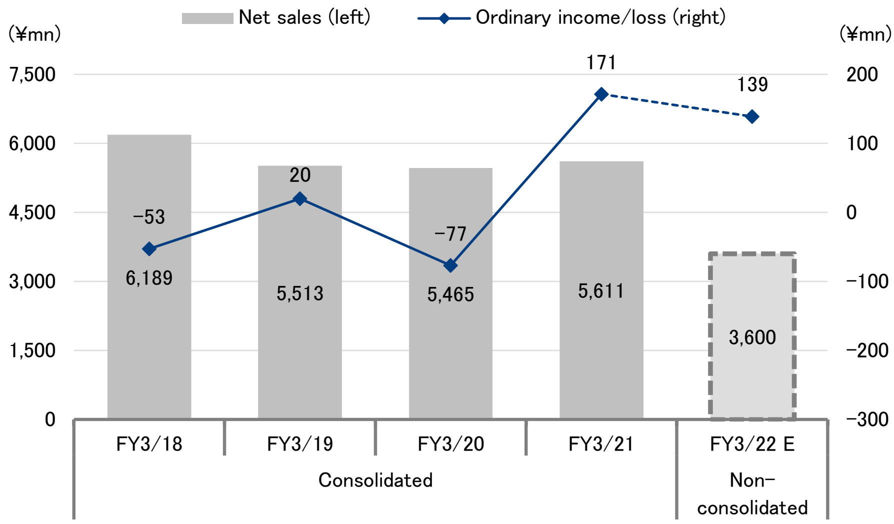
3. Growth strategy

As part of its strategy for driving future growth, the Company positions the period through FY3/23 as a time to "create new business opportunities." As priority strategies, it intends to promote multi-channel CX that includes EC and stores and joint projects with NTT Data, universalize services that can be developed horizontally, pursue a shift toward collaboration with other companies and a capital-intensive business model, and expand business in owned media marketing. It also calls for "broadening growth areas" and entering smaller markets through SaaS conversion of DX/UX from FY3/23. We think utilization of owned media is likely to become increasingly important because of advances in efforts to strengthen protection of personal information on the internet and removal of the divide between online and offline activities in the digital marketing industry. We intend to closely monitor trends on the basis that this constitutes the arrival of an excellent opportunity for accelerated growth at the Company with its extensive know-how in design and operational capabilities for maximizing UX.

Key Points

- Posted an increase in net sales for the first time in three years and the first profit gain in two years in FY3/21, despite impact from the COVID-19 pandemic
- Operating income likely to be roughly on par with the previous year in FY3/22 due to growth investments, though sales should enter a growth trend
- Finished rebuilding the business foundation and now entering a stage of accelerated growth

Result trends



Source: Prepared by FISCO from the Company's financial results

Business overview

Provides digital marketing assistance and joined the NTT Data Group in 2019

1. Company profile

The Company's vision is to "Create the future of business digitally and with users. Everything starts from the user experience." It is developing businesses to support companies and communities for the reforms required in the digital age. Specifically, this includes proposing digital marketing measures, development of owned media for realizing ideal CX, and sales, deployment assistance, and operation of marketing tools.

The Company was established in 1999 and listed shares on the TSE Mothers market in 2008. It announced a capital and business alliance with NTT Data in February 2019, and NTT Data became the Company's largest shareholder with a 48.5% stake in March 2019 through a TOB. The Company sold all shares of subsidiary Tribal Media House (acquired as a subsidiary in 2009), which provides marketing assistance and analysis and consulting using social media, in April 2021. Its main reason for the sale was a decision to pursue growth by concentrating management resources in the owned media field.

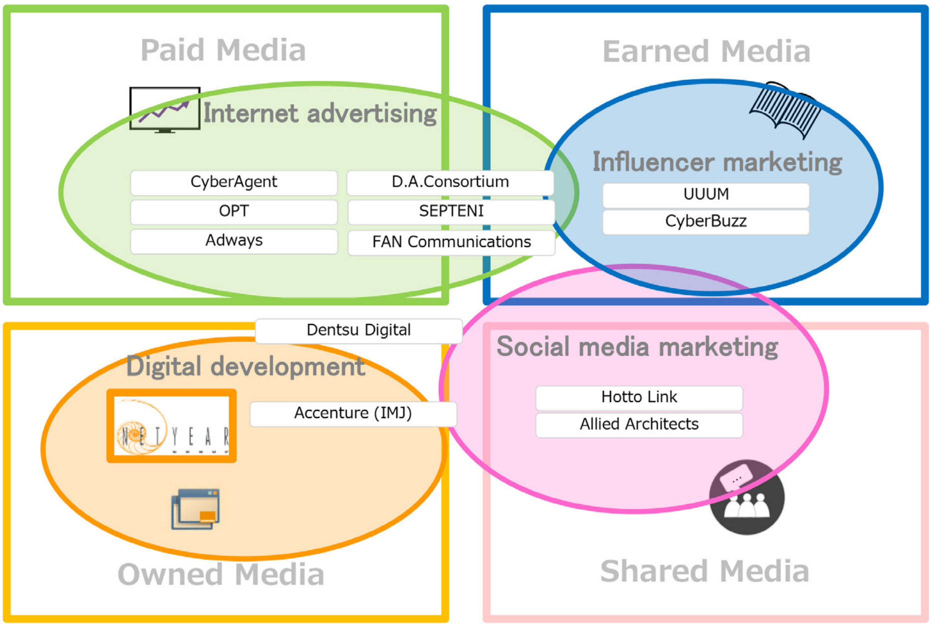
Possesses strength in design capabilities for realizing ideal CX (Customer Experience)

2. Business description

The Company's business area is digital marketing, which refers to the marketing techniques in corporate activities that are centered on owned media (website of the client company) and that are coordinated with elements such as existing media, marketing, call centers, and stores. These services are for clients such as companies and local governments, and propose and implement new digital marketing strategies to produce the outcomes that the clients want, including improved brand value, sales growth, and the promotion of business transformations.

Digital marketing has four main media depending on the advertising method. The first is paid media (placement of internet ads), the second is earned media (influencer marketing, etc.), the third is shared media (word-of-mouth submissions by consumers on SNS and other services), and the fourth is owned media (advertising measures on a company's own website). The Company proposes, develops, and operates digital marketing measures that utilize owned media.

Digital marketing-related companies and the Company's position

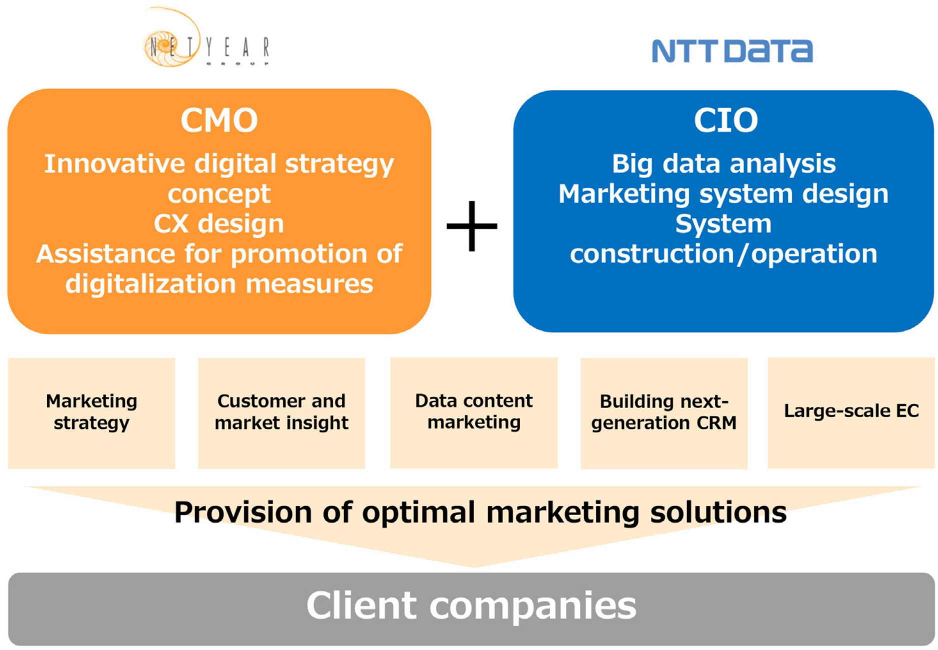


Source: Prepared by FISCO from the Company's results briefing materials

We think an important strength is the Company's extensive array of methods for realizing ideal CX (robust consulting capabilities) cultivated through projects based on the CX design concept over roughly 20 years since its founding. CX in this context refers to "user experience when visiting an owned media site and eliciting interest through the experience." The ultimate aim of enhanced CX is getting users to purchase products or become a supporter.

Since methods used to effectively enhance CX differ by the content of client businesses, this business consists of customized projects that define criteria for individual projects. The development period is typically about three months and might extend to about one year in a prolonged case. The Company utilizes outsourcing for a majority of the system development portion. Furthermore, while order value varies by project, projects have become more complex and larger recently with use of marketing methods that incorporate data analysis and system collaboration with other divisions at customer companies (such as the sales division and information system division). Design activities to realize ideal CX have risen in importance because of growing difficulty in communicating corporate messages to consumers amid excessive amounts of digital information. We think this offers a positive environment for capitalizing on the Company's strength. The Company is also resolving limits on system development capabilities, which had been an issue, through collaboration with NTT Data and hence has established a foundation for growth.

Consolidation by NTT Data



Source: Prepared by FISCO from the Company's results briefing materials

In addition to its custom project implementation support service, Netyear is also putting effort into selling products developed in-house and by other companies. The Company also sells and provides deployment assistance for products from other companies, such as marketing automation (MA) tools by Salesforce.com <CRM> and access analysis tools by Google <GOOG> and Adobe <ADBE>. In this way, the Company noted that it has recently been receiving a growing number of requests to include other companies' products such as MA tools in the systems it develops as part of custom projects.

The Company has clients from a wide range of industries, including retail, services, manufacturing, and financial services, and many large companies that are representative of Japan, particularly those in the BtoC field where digital marketing utilizing owned media is important.

Performance trends

Posted an increase in net sales for the first time in three years and the first profit gain in two years in FY3/21, despite impact from the COVID-19 pandemic

1. FY3/21 results overview

The Company reported FY3/21 consolidated results of ¥5,611mn in net sales (+2.7% YoY), ¥172mn in operating income (vs. a ¥77mn loss in the previous fiscal year), ¥171mn in ordinary income (vs. a ¥77mn loss), and ¥200mn in net profit attributable to the owners of the parent (vs. a ¥68mn loss). Net sales rose for the first time in three years, and operating income and ordinary income climbed for the first time in two years. Net sales and profits exceeded forecasts too.

FY3/21 consolidated results

(¥mn)

	FY3/20		FY3/21				
	Result	% of sales	Company forecast	Result	% of sales	YoY	Change
Net sales	5,465	-	5,400	5,611	-	2.7%	145
Cost of sales	4,630	84.7%	-	4,570	81.5%	-1.3%	-60
Gross profit	835	15.3%	-	1,040	18.5%	24.6%	205
SG&A expenses	912	16.7%	-	868	15.5%	-4.9%	-44
Operating income	-77	-1.4%	50	172	3.1%	-	250
Ordinary income	-77	-1.4%	50	171	3.1%	-	249
Net profit attributable to the owners of the parent	-68	-1.2%	40	200	3.6%	-	268

Note: Figures for FY3/21 forecasts are from October 2020
Source: Prepared by FISCO from the Company's financial results

While net sales were sluggish through 2Q due to a temporary decline in the investment appetite of customer companies caused by pandemic impact (estimated setback of about ¥300mn mainly in SNS advertising at a subsidiary), they improved as a result of recovery in digital investments, an upturn in orders from 3Q and sales recognition of a large project handled collaboratively with NTT Data. The Company's sales with NTT Data rose 35.8% YoY to ¥645mn with support from this project.

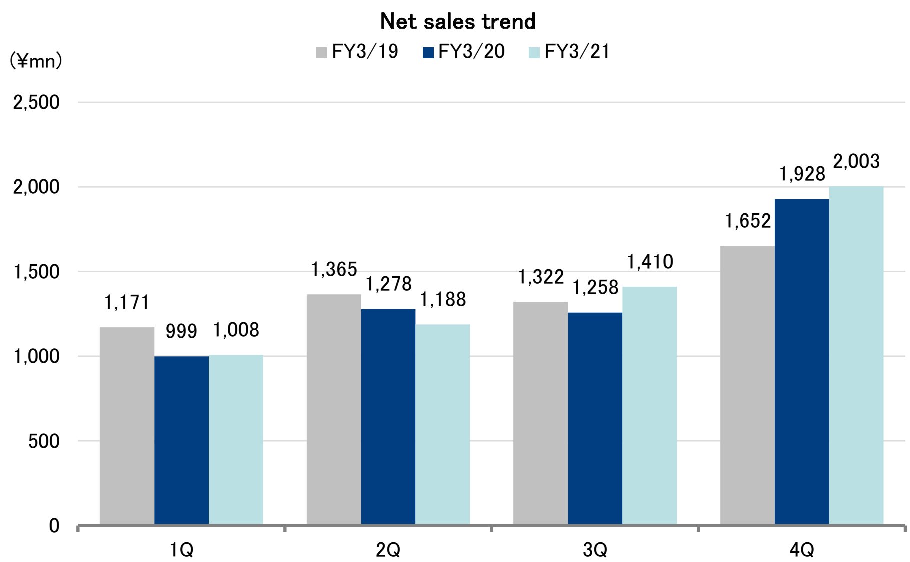
The gross margin improved from 15.3% in the previous fiscal year to 18.5% primarily due to manifestation of benefits from initiatives to improve management capabilities for projects implemented from a few years earlier. Unprofitable projects disappeared due to reinforcing reviews and project management at the stage where orders are estimated. Other positive margin factors were an increase in the personnel operating rate and curtailment of outsourcing costs.

SG&A expenses dropped 4.9% YoY, or ¥44mn. Main reductions were office-related costs and transportation costs due to requiring telework from April 2020 as part of dealing with the pandemic and hiring costs because of curtailed recruitment. The operating margin increased 4.5pt YoY to 3.1%.

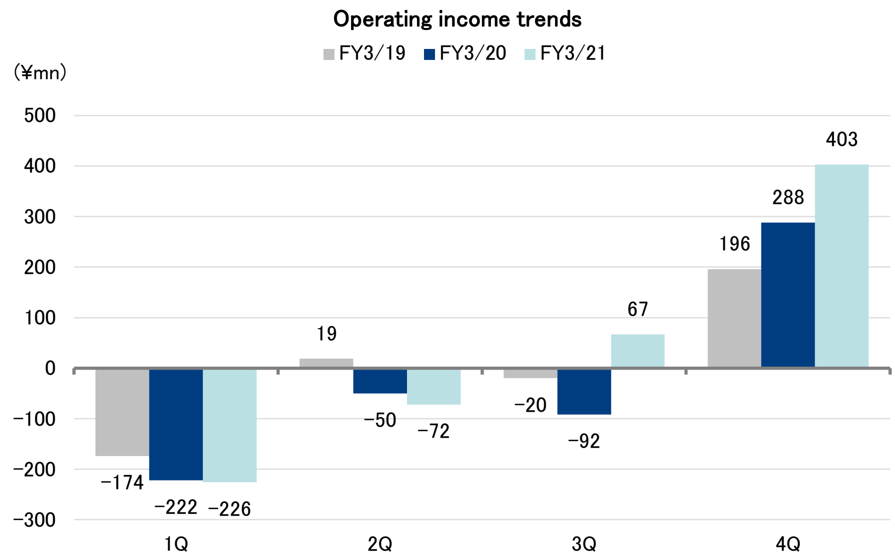
Net profit attributable to the owners of the parent was higher than ordinary income because of booking -¥52mn in income taxes – deferred related to a subsidiary sale (adding to profits).

On an individual company basis, non-consolidated results were ¥3,409mn in net sales (-2.4% YoY) and ¥140mn in operating income (+179.8%), and Tribal Media House results were ¥2,202mn in net sales (+11.6%) and ¥32mn in operating income (vs. a ¥127mn loss in the previous fiscal year).

While the Company's results typically report operating losses through 3Q because of seasonality that causes sales inspections to be concentrated in 4Q, FY3/21 recorded the first profit in 3Q in six years and a record-high 4Q operating income of ¥403mn. It should be noted that profitability has recovered rapidly, despite contributions from large projects.



Source: Prepared by FISCO from the Company's financial results



Source: Prepared by FISCO from the Company's financial results

Healthy financial position with a non-consolidated equity ratio in the 80% range

2. Financial position and management indicators

Looking at the financial standing at the end of FY3/21, total assets were up ¥436mn from the previous fiscal year-end to ¥3,149mn. Main changes were a ¥54mn decrease in notes and accounts receivable and a ¥449mn increase in cash and deposits. Regarding fixed assets, property, plant and equipment increased ¥3mn, software ¥10mn, and deferred tax assets ¥51mn.

Total liabilities climbed ¥254mn from the previous fiscal year-end to ¥1,111mn. While account payables declined ¥61mn as a result of lower outsourcing costs, loan value rose ¥250mn and provision for bonuses increased ¥30mn. Regarding borrowings, the Company's had been borrowing directly from financial institutions for loans made to subsidiaries, so the Company is now debt free following the sale of these subsidiaries. Net assets increased ¥181mn from the previous fiscal year-end to ¥2,037mn due to booking ¥200mn in net profit attributable to the owners of the parent and ¥22mn in dividend payments.

Regarding management indicators, the equity ratio dropped from 67.7% at the end of the previous fiscal year to 64.0%, due to booking the subsidiary loan. On a non-consolidated basis, the ratio increased from 76.2% to 82.7%. This demonstrates healthy financial standing, particularly because of the absence of loans. While cash and deposits in the ¥1bn range is slightly weak for expansion of business scale, the Company does not have financing concerns because it is capable of utilizing the NTT Data Group's cash management system (CMS) if it needs business funds. Looking at profitability, even though the operating margin improved to 3.1% (non-consolidated: 4.1%), this is still a low level, and further improving profitability remains an issue.

Consolidated balance sheet

(¥mn)

	FY3/18	FY3/19	FY3/20	FY3/21	Change
Current assets	2,877	2,496	2,438	2,815	376
(Cash and deposits)	1,289	1,241	992	1,442	449
Fixed assets	326	245	274	334	59
Total assets	3,203	2,742	2,712	3,149	436
Current liabilities	1,094	755	830	1,091	260
Fixed liabilities	46	27	26	20	-5
Total liabilities	1,141	783	856	1,111	254
(Interest-bearing debt)	152	36	0	250	250
Net assets	2,062	1,958	1,856	2,037	181
(Stability)					
Equity ratio	63.5%	70.3%	67.7%	64.0%	-3.7pt
Interest-bearing debt ratio	7.5%	1.8%	-	12.4%	12.4pt
(Profitability)					
ROA	-1.7%	0.7%	-2.9%	5.9%	8.7pt
ROE	16.6%	-4.2%	-3.6%	10.4%	14.0pt
Operating income margin	-0.8%	0.4%	-1.4%	3.1%	4.5pt

Source: Prepared by FISCO from the Company's financial results

Outlook

Forecasts for flat operating income in FY3/22 due to making growth investments, but is entering a growth trend in sales

1. FY3/22 outlook

The Company will transition to disclosing non-consolidated results from FY3/22 because it sold all shares in its subsidiary in April 2021. Compared to non-consolidated results for FY3/21, it forecasts a 5.6% YoY rise in net sales to ¥3,600mn, a decline of 0.3% in operating income to ¥140mn, a 0.9% decline in ordinary income to ¥139mn, and a 101.1% rise in net profit to ¥531mn. The larger growth rate in net profit stems from anticipated recognition of ¥604mn in profit from selling subsidiary shares as extraordinary income.

FY3/22 results outlook (non-consolidated)

(¥mn)

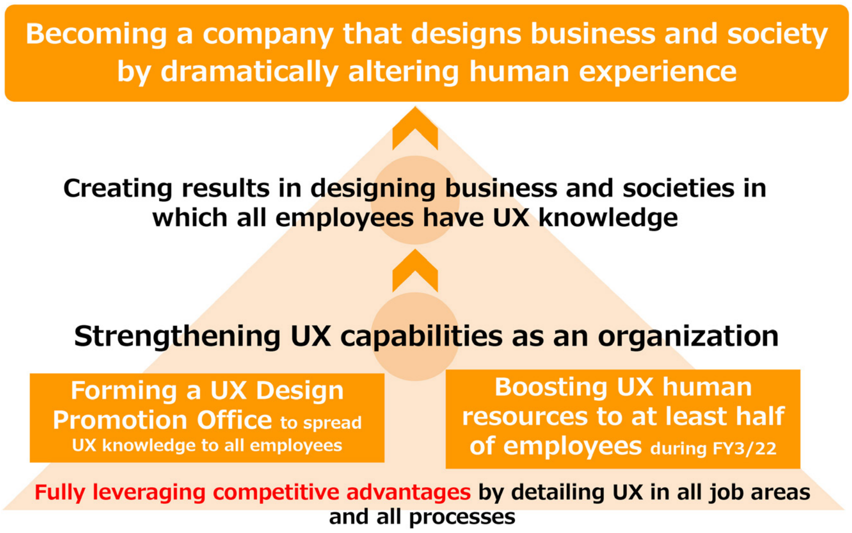
	FY3/21		FY3/22	
	Result	YoY	Forecast	YoY
Net sales	3,409	-2.4%	3,600	5.6%
Gross profit	651	5.3%	716	10.0%
SG&A expenses	511	-10.0%	576	12.8%
Operating income	140	179.8%	140	-0.3%
Ordinary income	140	181.3%	139	-0.9%
Extraordinary income	-	-	604	-
Net profit	263	556.8%	531	101.1%
Net profit per share (¥)	37.72	-	75.87	-

Note: Gross profit and SG&A expenses based on interviews with the Company
Source: Prepared by FISCO from the Company's financial results and interviews

In net sales, the Company expects to restore an increase for the first time in two years on continuation of collaborative projects with NTT Data and increased orders for owned media construction projects and new solution services. Regarding the gross margin, it forecasts an ongoing improvement trend with a 0.8pt YoY gain to 19.9% with a rise in the personnel utilization rate and curtailed outsourcing costs. In SG&A expenses, meanwhile, it projects an increase partly due to backlash from cutbacks in the previous fiscal year. Specifically, it plans to boost personnel by about 10% (vs. 206 people at the end of FY3/21) and hence factors in higher hiring costs. It also anticipates increases in costs for training to cultivate UX human resources and launching new services. These additional costs contribute to weaker earnings growth.

In particular, the Company intends to strengthen design and implementation capabilities for integrated online/offline UX aimed at further raising its competitiveness. It will create a UX Design Promotion Office for the purpose of spreading UX knowledge to all employees and aims to train more than half of employees as UX personnel during FY3/22. The Company will fully leverage its competitive advantages by incorporating UX in all job areas and all processes in its aim to become "Japan's No. 1 UX company." It hopes to enhance the precision of forecasting now that it is possible to visualize detailed profit conditions for orders and income-generating businesses.

Initiatives to strengthen competitiveness



Source: Prepared by FISCO from the Company's results briefing materials

Excellent opportunity to expand business with increased importance of marketing measures that utilize owned media

2. Changes in the market environment

As the end to the COVID-19 pandemic remains to be seen, personal lifestyles have changed substantially and consumption behavior is rapidly shifting from offline (real stores) to online (EC). Therefore, BtoC companies face the issue of how to jointly utilize real stores and EC and owned media. While companies promoting integration of online (EC) and offline (real store) operations have risen in recent years, next-generation stores, such as register-less and unmanned stores, are likely to spread too and OMO strategies that integrate these operations with online services will be necessary. This environment should further increase the importance of owned media that has a key role in improving UX.

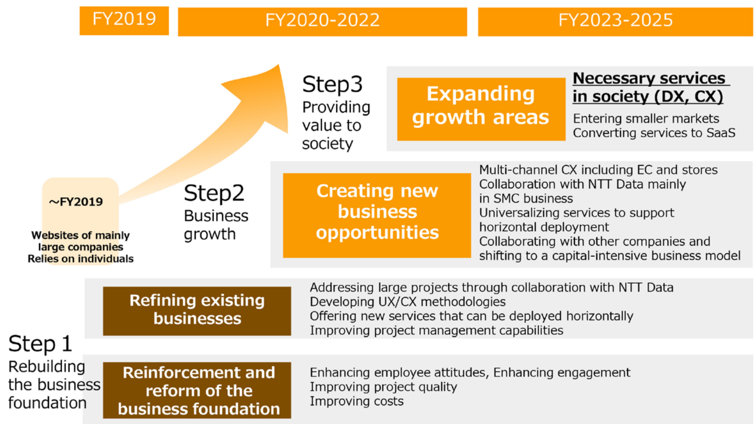
Recent efforts to strengthen protection of personal data on the internet offer a tailwind too. Google, Apple, and others have presented policies on restricting mechanisms used by external companies to view internet browsing records and other information of individual users (third-party cookie acquisition restrictions). This change prevents advertising that tracks individuals when an advertisement is displayed to a user who visits a company website and hence reduces the cost effectiveness of internet advertisements. Meanwhile, owned media as a vehicle for companies to obtain personal data (first-party data) will become more important, and FISCO expects an increase in companies designing and building owned media and expanding investments in collaboration with the mission-critical system.

Finished rebuilding the business foundation and now entering a stage of accelerated growth

3. Growth strategy

The Company formulated a medium-term growth roadmap that covers FY3/21 through FY3/26 and aims to achieve business growth by implementing various measures over the course of three stages.

Growth roadmap



Source: Prepared by FISCO from the Company's results briefing materials

(1) Rebuilding the business foundation

As the first stage, the Company advocated a theme of "rebuilding the business foundation" and worked on reinforcing and reforming the business foundation and refining existing businesses through FY3/21.

a) Reinforcing and reforming the business foundation

As reinforcement and reform of the business foundation, the Company strived to enhance employment attitudes and engagement and pursued improvements in project quality and costs in order to strengthen profitability. In enhancing employment attitudes and engagement, it sharply lowered the employee departure rate and boosted employee engagement indicators with personnel reforms (building a foundation to cultivate human resources, providing designated specialty positions, and assigning employees based on their capabilities), establishment of an environment with diverse workstyles (introduction of a Side-Job Employee Program, revision of benefit programs to accommodate LGBT employees, flexible work management that factors in care, child-rearing, and other needs, remote work, etc.), and reinforcement of education and training. Toward strengthening profitability, meanwhile, the Company improved its gross margin as explained earlier and wants to raise it further.

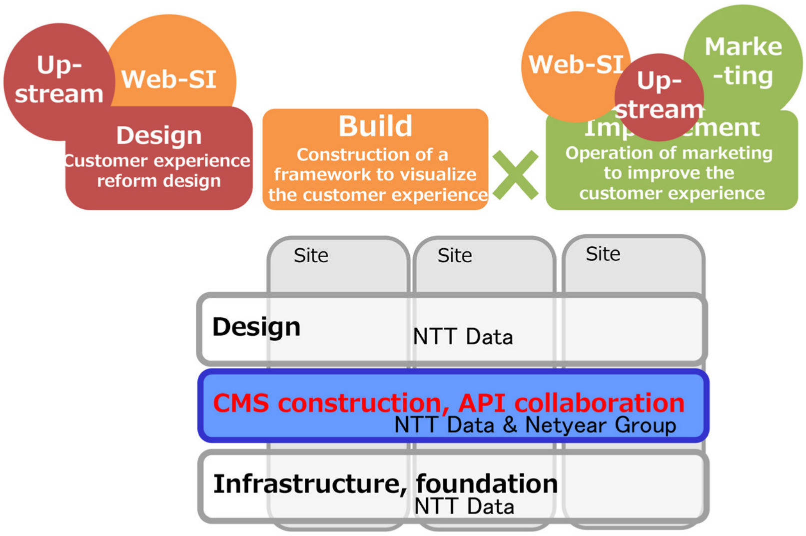
b) Refining existing businesses

Regarding refining existing businesses, the Company is handling large projects through collaboration with NTT Data, developing UX/CX methodologies, beginning provision of new services that can be deployed horizontally, and improving project management capabilities. It has achieved some results in each of these efforts.

In large projects with NTT Data, the two companies are successfully recruiting orders that range from owned media UX design and implementation to building system foundations and conducting marketing after deployment with their combined strengths. They are also jointly implementing proof-of-concept tests* for unmanned stores, online customer interaction, and other next-generation store formats. In the project with a telecom carrier that contributed substantially to FY3/21 sales, NTT Data handled design and system foundation development and both companies took care of building CMS that extends to multiple sites and API collaboration. Contributions from this project lifted NTT Data's share of non-consolidated sales from 13.6% to 18.9%. NTT Data-related sales might increase to about 30% in the future with the prospect of the Company acquiring more deals than in the past through collaboration with NTT Data, which has a robust track record in the distribution industry, including large-scale deals that it previously could not recruit on its own. Since it is important to bolster project management capabilities in order to stably receive orders of large projects, the Company intends to prepare for future business expansion by steadily hiring personnel with these skills and harnessing talented outside people through adoption of diverse employment formats.

* The Company participated in proof-of-concept tests of a "digital store" that uses remote interaction with customers via an avatar jointly conducted by Tokyu Hands and NTT Data in June 2020 (handling CX scenario design, content planning, and VMD design).

Large-scale collaborative project with NTT Data



Source: Prepared by FISCO from the Company's results briefing materials

As new services that can be pursued horizontally, the Company started a performance optimization service (hereafter, the "POT service") in May 2020 and the Digital & Physical service in November 2020. The POT service is capable of optimizing marketing costs through one-stop assistance for three types of digital marketing actions – SEO measures, web advertising, and own-site improvement. While advertising agents, web production companies, and others previously delivered services to client companies separately in these three areas, this approach divided each of the measures and led to an issue of clients not realizing digital market strategy optimized in an overall manner. Furthermore, clients spent time individually with business partners in the respective areas to discuss and make decisions on budget allocation, improvement measures, and other matters, resulting in inefficiencies. To resolve this issue, the Company's service strives to maximize return on costs in digital marketing. Orders are steadily accumulating mainly with BtoC companies, and the Company aims to expand sales in this business.

The Digital & Physical service, meanwhile, assists in deployment of next-generation shopping experience apps focused on the retail industry and store business. Utilizing accumulated CX know-how, the Company has realized an app that extends from product awareness and review (digital area) to payment (physical area) and membership and CRM development (digital area). Key characteristics are standard provision of features needed in the "next-generation shopping experience" *, flexible addition of original features (such as POS integration, store card collaboration, and point and member management), and the ability to develop the app in a short period at low cost. While the Company has not received orders yet, it should succeed in acquiring them considering the great potential demand.

* Basic app features include EC, electronic flyers, coupon issuance, point display, push notifications, recommended store registration, and free content.

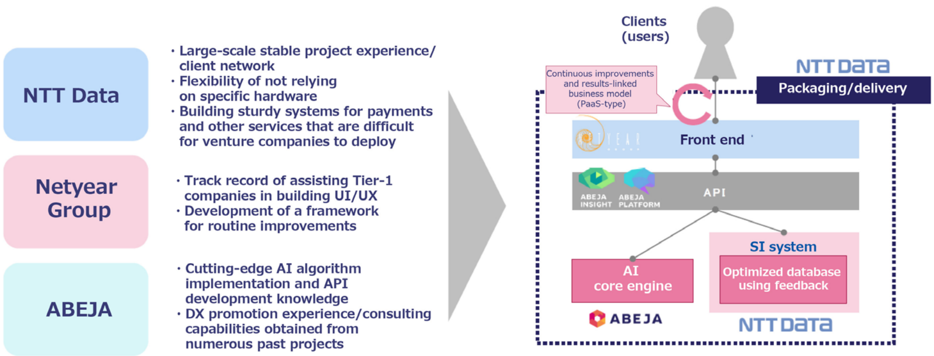
(2) Growth strategy from FY3/22

Looking at the growth strategy from FY3/22, the Company intends to work on five initiatives: promoting multi-channel CX that includes EC and stores; reinforcing collaboration with NTT Data; universalizing services that can be developed horizontally; pursuing a shift toward collaboration with other companies and a capital-intensive business model, and entering the mid-sized company market.

As a new service menu, the Company started provision of deployment and utilization assistance services for Shopify in April 2021. Shopify is a multi-channel commerce platform used in 175 countries by more than 1.7mn online shops. This service has rapidly advanced in the Japanese market too in the past few years. The Company intends to support cultivation of online shops and maximization of shop income through provision of its UX design capabilities, data analysis capabilities, and various marketing measures along with Shopify deployment. Service content consists of seamless support in setting up a Shopify account, designing and implementing the EC site, launching the site, provision of the POT service as assistance in boosting EC site sales, and support related to operating the Shopify site after setup. The Company also plans to provide an app for Shopify user companies via the Shopify app store.

In reinforcement of collaboration with NTT Data and collaboration initiatives with other companies, the Company is working with NTT Data on development that embeds the AI engine supplied by ABEJA, Inc., an AI development firm. This effort seeks to maximize UX by using AI technology to implement more effective marketing measures. The Company also assists in deployment of Salesforce's Pardot MA tool, and its collaboration with NTT Data might lead to more Salesforce deployment assistance projects than before.

Collaboration with ABEJA and NTT Data



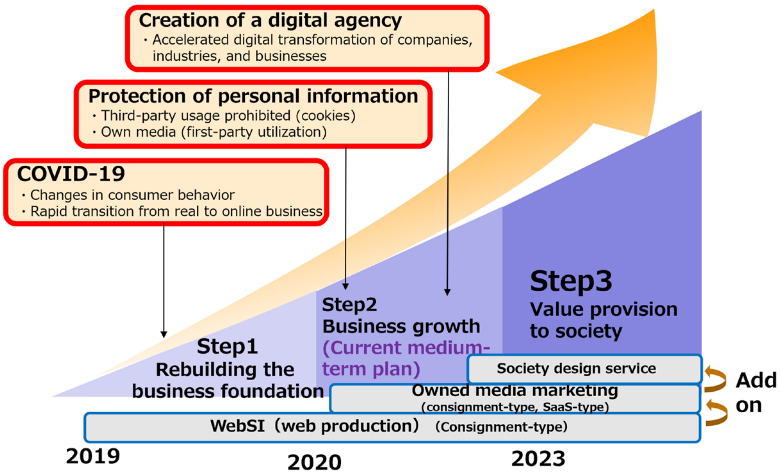
Source: Prepared by FISCO from the Company's results briefing materials

(3) Growth strategy from FY3/23

As a growth strategy from FY3/23, the Company aims to enter the smaller-scale market through provision of DX/CX as SaaS and wants to handle services that design society, in addition to the existing owned media market, amid digital transformation of society as a whole.

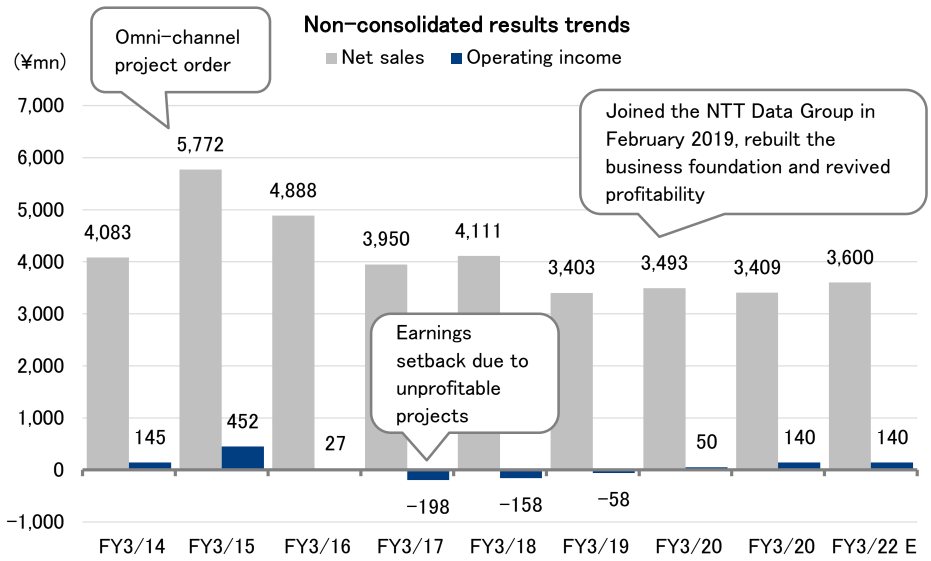
While the Company does not disclose detailed numerical goals in the medium-term vision, FISCO thinks it is aiming for at least 10% sales growth over the medium term considering the prospect of sustained double-digit annual growth by the digital marketing assistance service market. Earnings growth might temporarily stall in FY3/22 due to the upfront investment burden. However, FISCO expects the Company to enter a full-fledged growth phase from FY3/23 if it steadily acquires collaborative projects with NTT Data and cultivates and strengthens project personnel.

Medium-term growth strategy



Source: Prepared by FISCO from the Company's results briefing materials

To accelerate initiatives for realizing the medium-term vision of "a company that designs business and society by dramatically altering human experience," the Company announced the promotion of Hirohiko Sasaki to Representative Director and President and transition to a business execution framework led by him and Representative Director and Vice President Toshiyuki Hayashida (supported by resolutions at the shareholders' general assembly on June 23). Mr. Sasaki has deep knowledge and experience in digital marketing and led management and business as a central presence in the Company's Group since participating in the founding of Netyear Group, Inc., the Company's predecessor, in 1997. He is likely to exert even more leadership with this promotion to the top executive position.



Source: Prepared by FISCO from the Company's financial results and results briefing materials

Shareholder return policy

Pays stable, continuous dividends as a basic policy and is aiming for earnings-linked dividends from FY3/23

The Company pays dividends in order to return profits to shareholders. Its basic dividend policy is to stably and continuously pay dividends while ensuring it retains the internal reserves necessary to develop its businesses in the future and to strengthen its business structures. The Company hence has steadily paid a ¥3.25 dividend since FY3/08 and intends to pay ¥3.25 again in FY3/22. It has also indicated willingness to consider adoption of earnings-linked dividends in the future once it possesses sufficient internal retention and is capable of generating stable cash annually. This might happen in FY3/23 if earnings smoothly expand.

Information security

Because there are situations in which the Group handles confidential information from client companies and personal information, the Company takes data management very seriously, as evidenced by its receipt of the Privacy Mark certification from the Japan Information Technology Services Industry Association in 2005. In terms of actual administration, the Company uses a thin client system* that is designed to prevent external data leaks.

* System architecture that limits the processing done on client terminals to the minimum required and keeps nearly all processing on the server side.

Disclaimer

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