

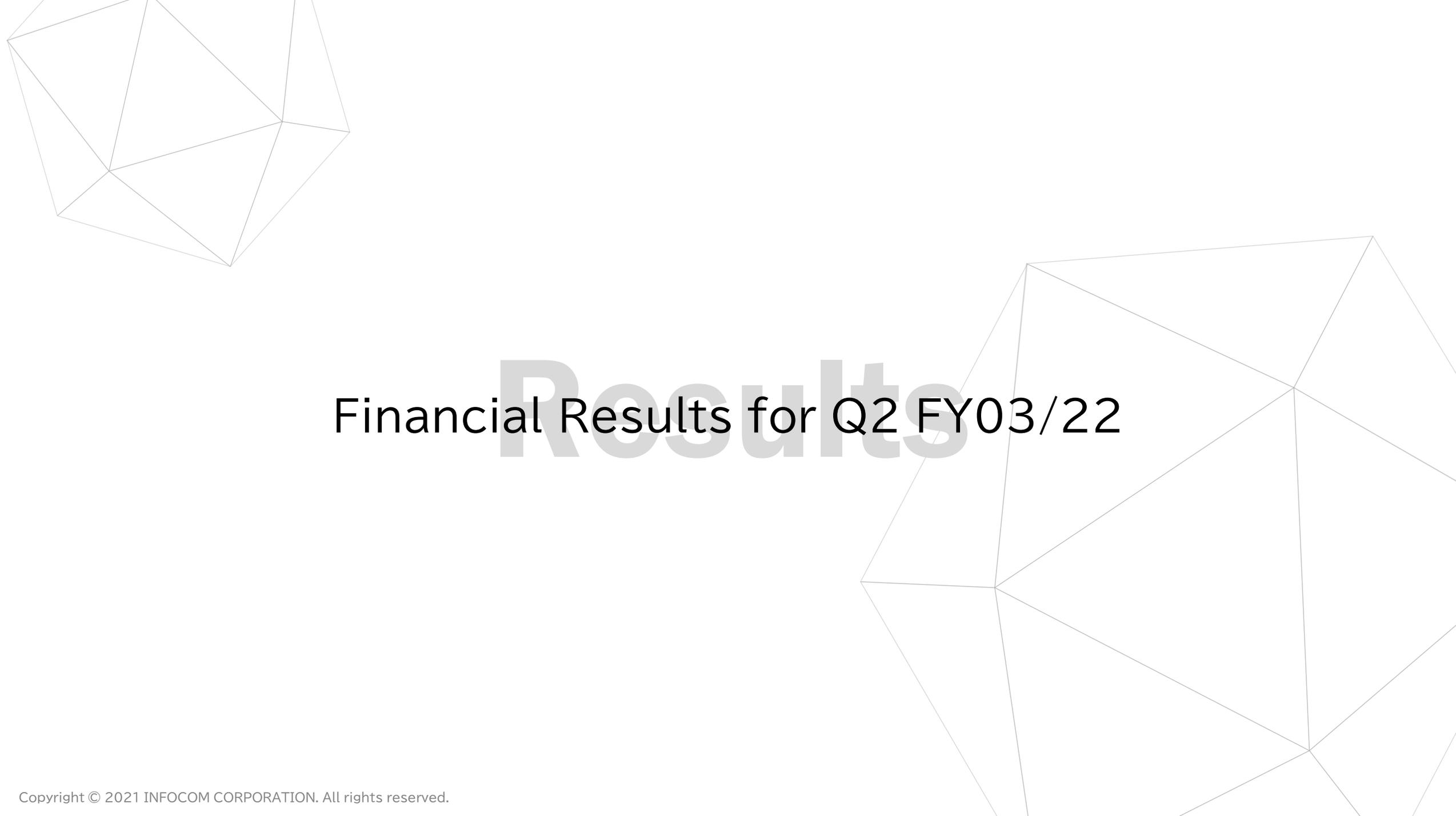
Financial Results Briefing for Q2 FY03/2022

INFOCOM CORPORATION

2021.10.27

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- Financial Results for Q2 FY03/22
- Earnings Forecast for FY03/22
- Initiatives in Key Businesses
 - E-Comic
 - Health IT



Financial Results for Q2 FY03/22

Q2 FY03/22 Results (Consolidated)

Business performance was nearly level year on year, despite the negative impact of pirate sites on the e-comic business and decline in special demand stemming from voluntary restraints on unnecessary travel

Net sales

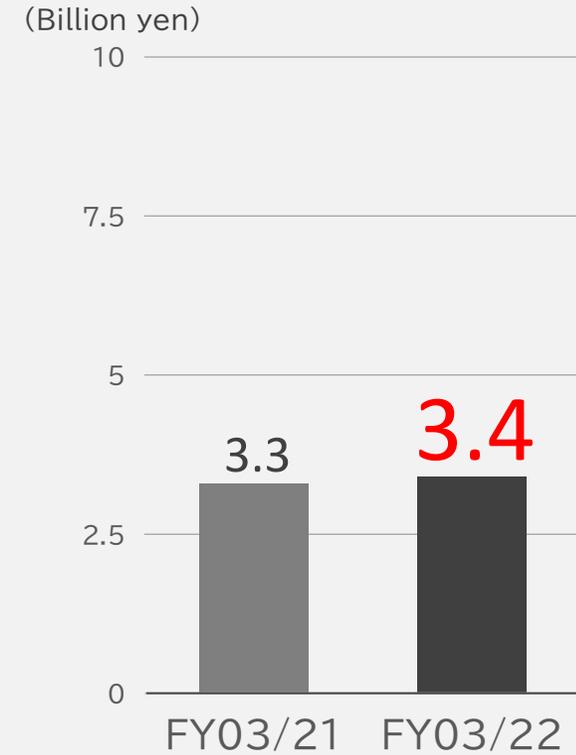
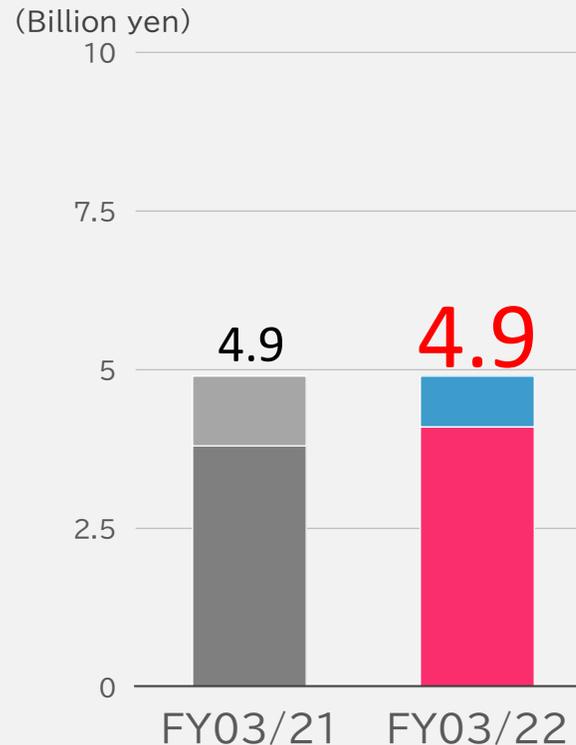
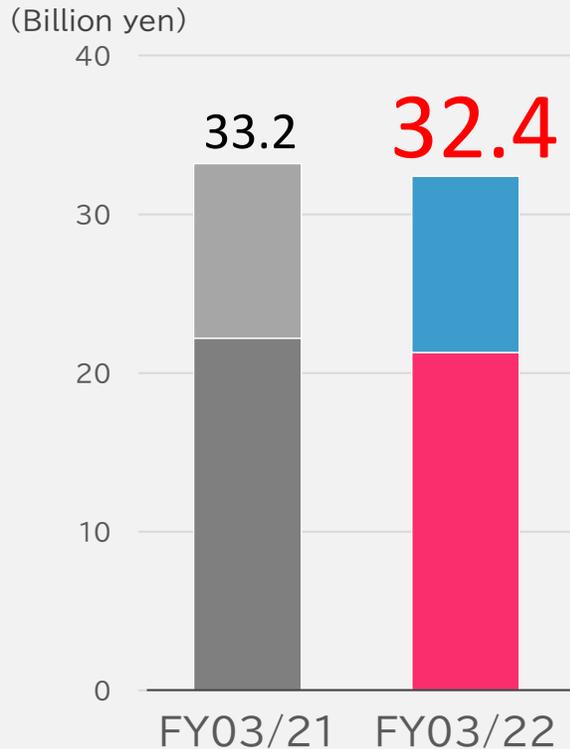
-2.3%

Operating profit

+1.6%

Profit attributable to owners of the parent

+2.0%



■ Digital Entertainment ■ Business Solution

Management Performance (Consolidated)

(Billion yen)

	FY03/21 Q2	FY03/22 Q2	YoY	
			Change	%
Net sales	33.2	32.4	(0.7)	-2.3%
Operating profit (Operating margin)	4.9 (14.8%)	5.2 (16.2%) Cost of HQ relocation (0.2)	+0.3	+7.1%
		4.9 (15.4%)	+0.0	+1.6%
EBITDA	5.5	5.6	+0.1	+3.0%
Ordinary profit	4.9	5.0	+0.1	+2.1%
Profit attributable to owners of the parent	3.3	3.4	+0.0	+2.0%

Business Areas and Segment Structure

Digital Entertainment Group



Digital Entertainment

E-comic

- General consumers

Business Solution Group



Health IT

Package services for medical institutions

- Hospitals
- Pharmaceutical companies
- Nursing care companies
- Health industry



Business Software

ERP Business package cloud services

- Companies
- Government offices
- Local governments



Enterprise Service Management

System integration for major companies

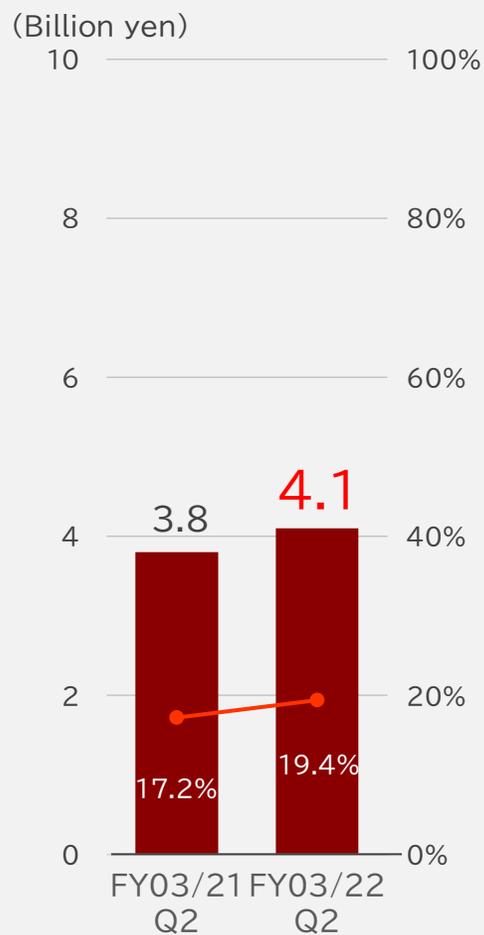
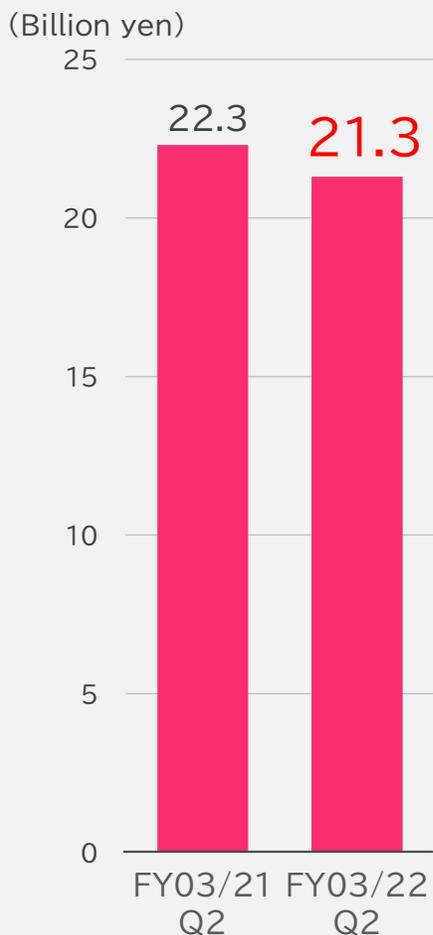
- Textile manufacturers
- Trading companies
- Pharmaceutical wholesalers
- Mobile phone companies

Digital Entertainment Results (Consolidated)

(Billion yen)

Net sales

Operating profit



	FY03/21 Q2	FY03/22 Q2	YoY	
			Change	%
Net sales	22.2	21.3	(0.8)	-3.8%
Operating profit	3.8	4.1	+0.3	+8.4%
(Operating margin)	(17.2%)	(19.4%)		

Net sales

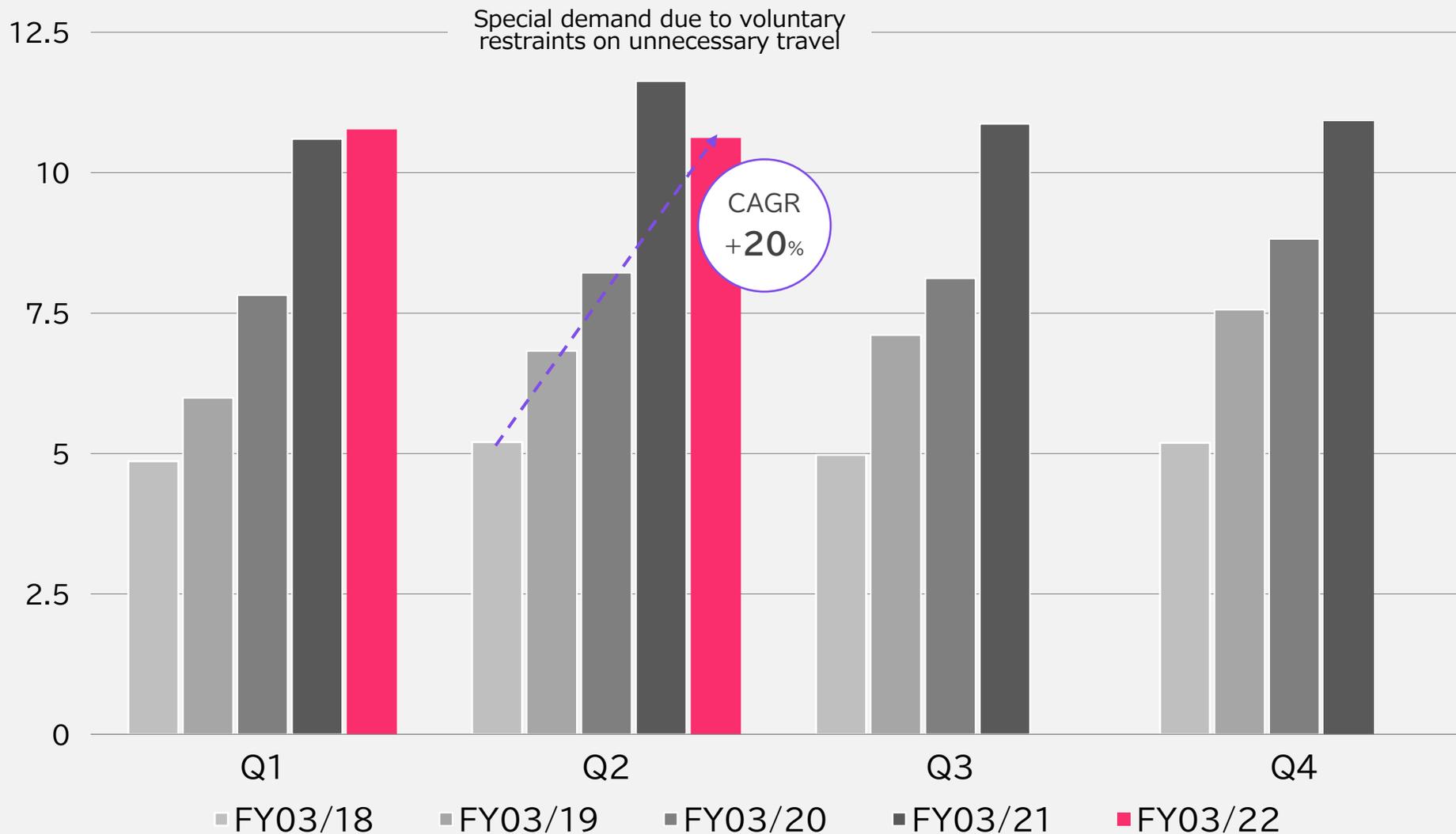
- Negative impact of pirate sites
- More intense competitive environment
- Decline in special demand stemming from voluntary restraints on unnecessary travel in the previous year

Operating profit

Optimized advertising based on data analysis

Digital Entertainment Results (Quarterly)

(Billion yen)



Business Solution Results (Consolidated)

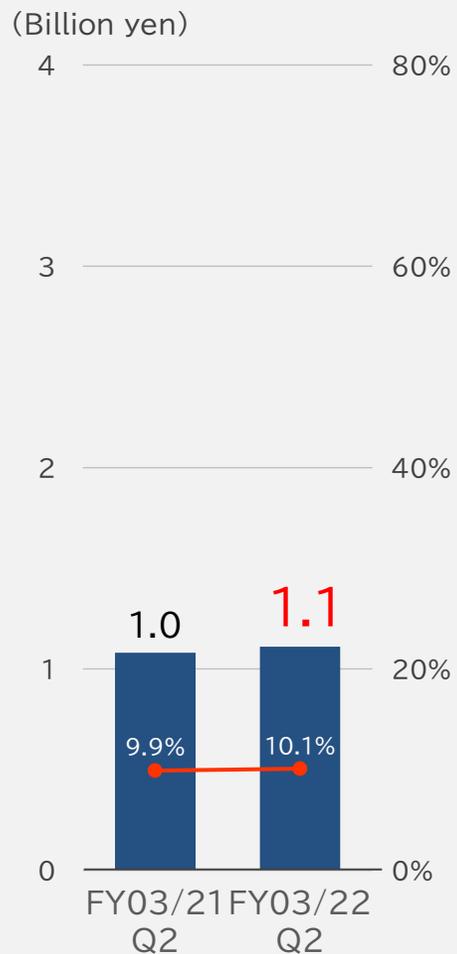
(Billion yen)

Net sales

Operating profit

	FY03/21 Q2	FY03/22 Q2	YoY	
			Change	%
Net sales	10.9	11.0	+0.0	+0.7%
Health IT	4.4	4.4	+0.0	+0.5%
Operating profit	1.0	1.1	+0.0	+2.6%
(Operating margin)	(9.9%)	(10.1%)		

Excluding HQ relocation costs (0.2)



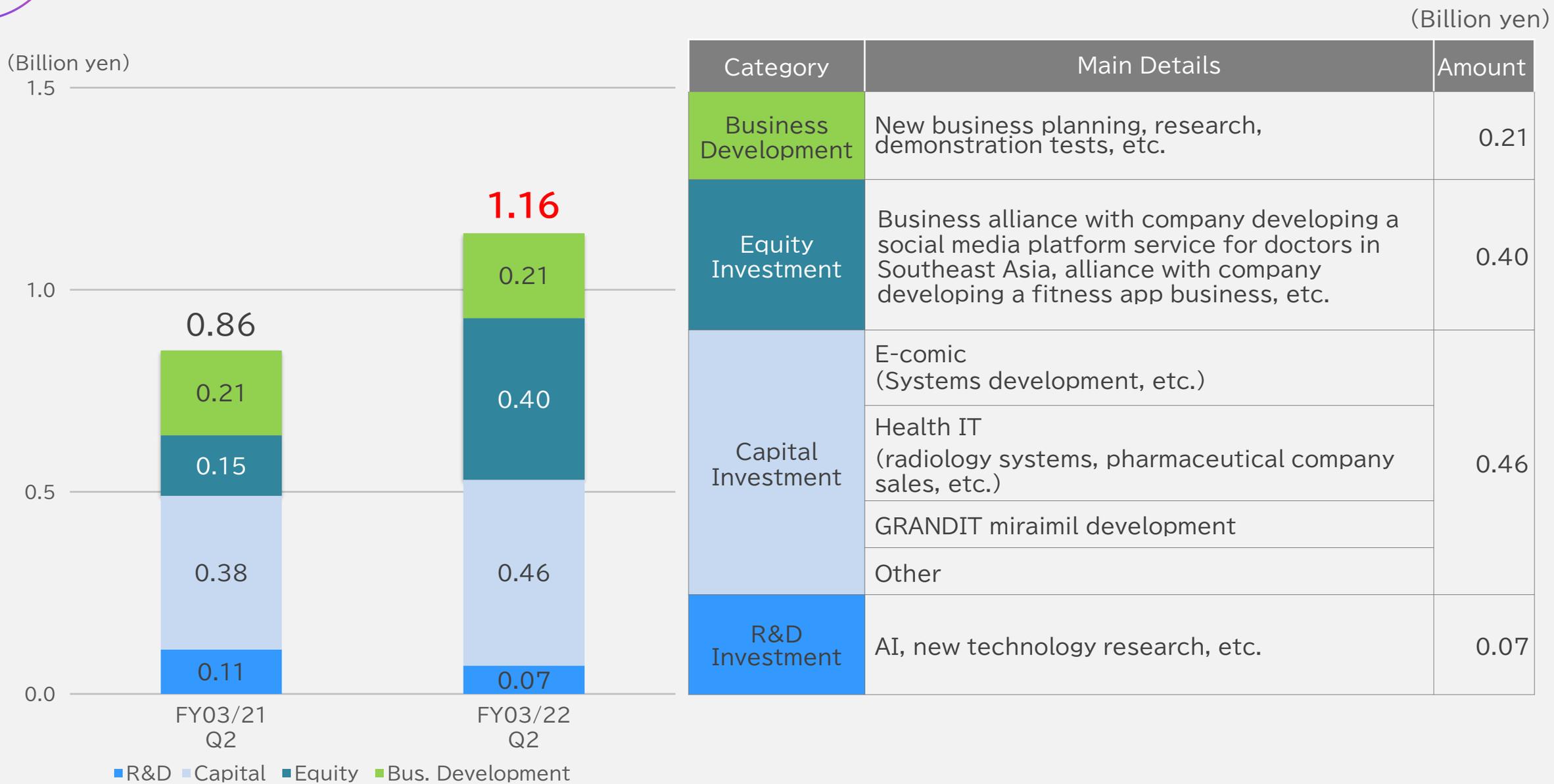
Net sales

Solid performance in hospital and corporate sales, despite the negative impact of COVID-19

Operating profit

Higher profits due to higher sales

Investments

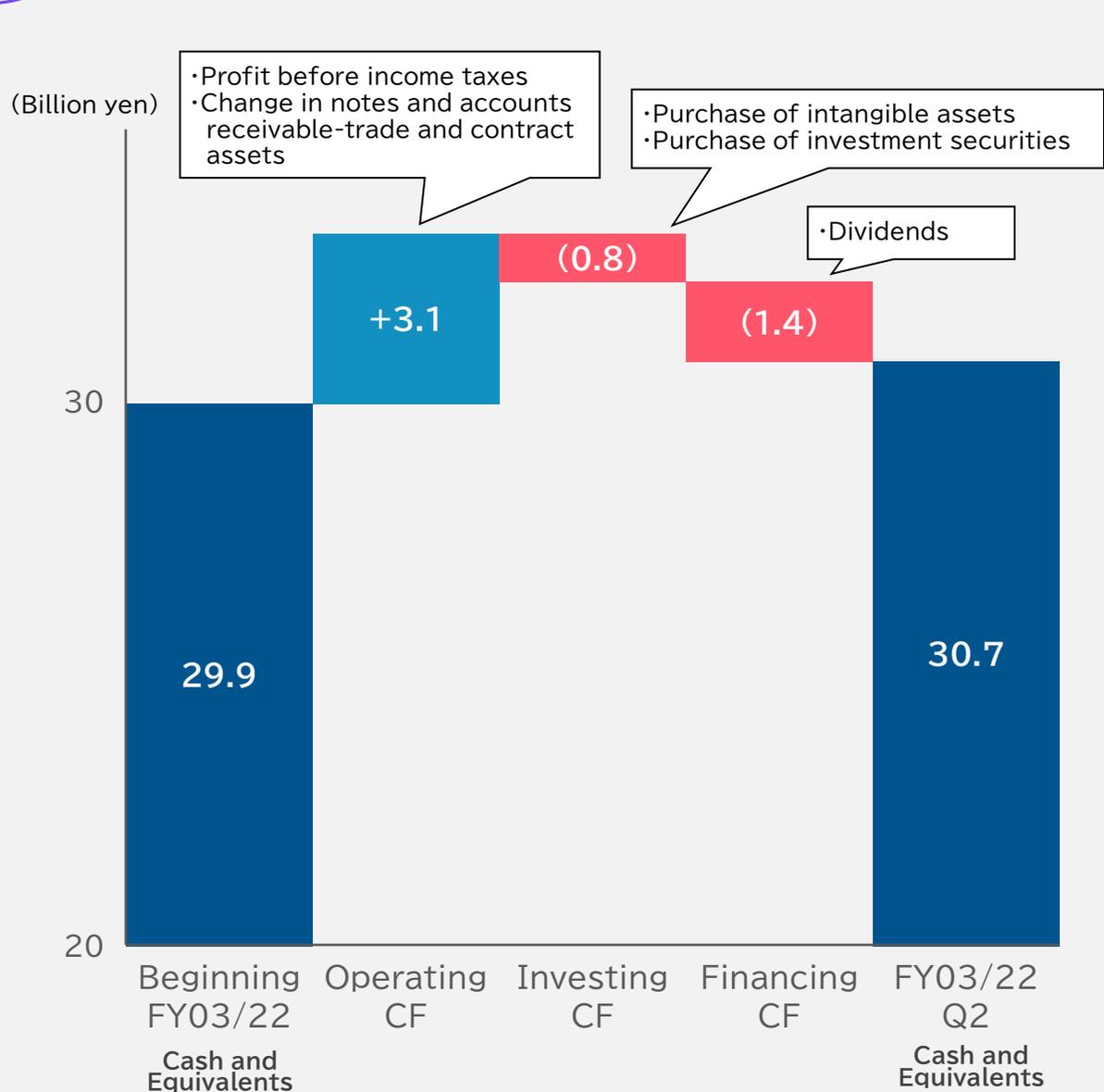


Balance Sheets (Consolidated)

(Billion yen,%)

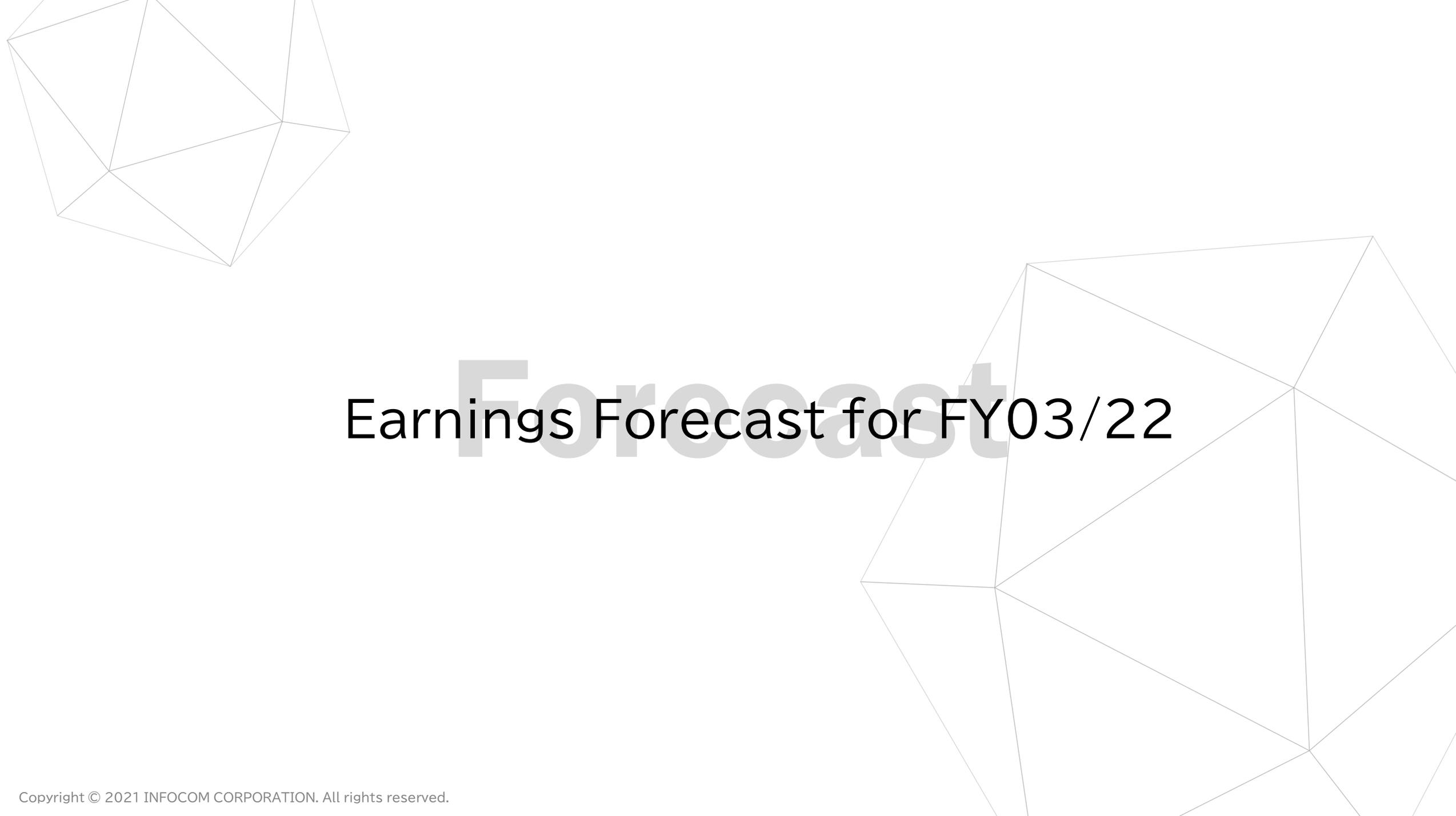
	FY03/21		FY03/22 Q2			Major Change Factors
	Amount	Composition Ratio	Amount	Composition Ratio	Change	
Current assets	43.9	77.9	43.3	77.8	(0.5)	
Fixed assets	12.4	22.1	12.3	22.2	(0.0)	
Total assets	56.4	100.0	55.7	100.0	(0.6)	
Current liabilities	14.2	25.2	12.8	23.0	(1.4)	•Income taxes payable (1.2)
Non-current liabilities	0.3	0.6	0.2	0.4	(0.1)	
Total liabilities	14.5	25.9	13.0	23.5	(1.5)	
Total net assets	41.8	74.1	42.6	76.5	+0.8	•Retained earnings +1.1 •Valuation of available-for-sale securities (0.3)
Total liabilities and net assets	56.4	100.0	55.7	100.0	(0.6)	
Shareholders' equity ratio	73.5%		76.0%			

Cash Flows (Consolidated)



(Billion yen)

	FY03/21 Q2	FY03/22 Q2	Change
Operating CF	4.4	3.1	(1.3)
Investing CF	(0.5)	(0.8)	(0.3)
Free CF	3.9	2.2	(1.7)
Financing CF	(1.1)	(1.4)	(0.2)
Effects of exchange rate changes on cash and cash equivalents	(0.0)	0.0	+0.0
Change in cash and cash equivalents	2.7	0.7	(1.9)
Cash and cash equivalents, beginning of period	23.4	29.9	+6.4
Cash and cash equivalents, end of quarter	26.2	30.7	+4.5



Earnings Forecast for FY03/22

Earnings Forecast for FY03/22 (Consolidated) Comparison vs. Initial Forecast

(Billion yen)

	FY03/21 Results	FY03/22 Initial Forecast*	FY03/22 Revised Forecast	Revision Vs. Initial Forecast	Change
Net sales	68.0	77.0	70.0	(7.0)	+1.9
Operating profit (Operating margin)	10.8 (15.9%)	12.0 (15.6%) Cost of HQ relocation (0.1)	11.8 (17.0%) (0.8)		+1.0
		11.0 (14.3%)	11.0 (15.7%)	±0	+0.1
EBITDA	12.1	12.5	12.5	±0	+0.4
Ordinary profit	10.9	11.0	11.0	±0	+0.0
Profit attributable to owners of the parent	6.2	7.3	7.3	±0	+1.0
Net income per share (yen)	114.61	133.31	133.28	-0.0	+18.67
ROE	16.2%	16.6%	16.6%	±0	+0.3

◆ Revision based on E-comic business outlook

* Announced April 27, 2021

Earnings Forecast for FY03/22 (Consolidated)

(Billion yen)

	FY03/21 Results			FY03/22			YoY (%)		
	1H	2H	FY	1H	2H(Forecast)	FY (Forecast)	1H	2H	FY
Net sales	33.2	34.8	68.0	32.4	37.5	70.0	-2.3%	+7.8%	+2.9%
Operating profit (Operating margin)	4.9 (14.8%)	5.8 (16.9%)	10.8 (15.9%)	4.9 (15.4%)	6.0 (16.0%)	11.0 (15.7%)	+1.6%	+1.9%	+1.7%
						11.8 (17.0%) Cost of HQ relocation (0.8)			+9.8%
EBITDA	5.5	6.6	12.1	5.6	6.9	12.5	+2.9%	+3.8%	+3.4%
Ordinary profit	4.9	5.9	10.9	5.0	5.9	11.0	+2.1%	-0.7%	+0.6%
Profit attributable to owners of the parent	3.3	2.8	6.2	3.4	3.8	7.3	+2.0%	+33.0%	+16.3%
Net income per share (yen)			114.61			133.28			+16.3%
ROE			16.2%			16.6%			—

Segment Earnings Forecast (Consolidated)

[Digital Entertainment]

(Billion yen)

	FY03/21 Results			FY03/22			YoY (%)		
	1H	2H	FY	1H	2H (Forecast)	FY (Forecast)	1H	2H	FY
Net sales	22.2	21.7	44.0	21.3	23.6	45.0	-3.8%	+8.3%	+2.2%
Operating profit (Operating margin)	3.8 (17.2%)	4.0 (18.7%)	7.9 (18.0%)	4.1 (19.4%)	4.3 (18.4%)	8.5 (18.9%)	+8.4%	+6.6%	+7.5%

- ◆ While assuming the impact of pirate sites will continue in the second half, we expect sales and profits to increase compared to the previous year based on measures we intend to implement

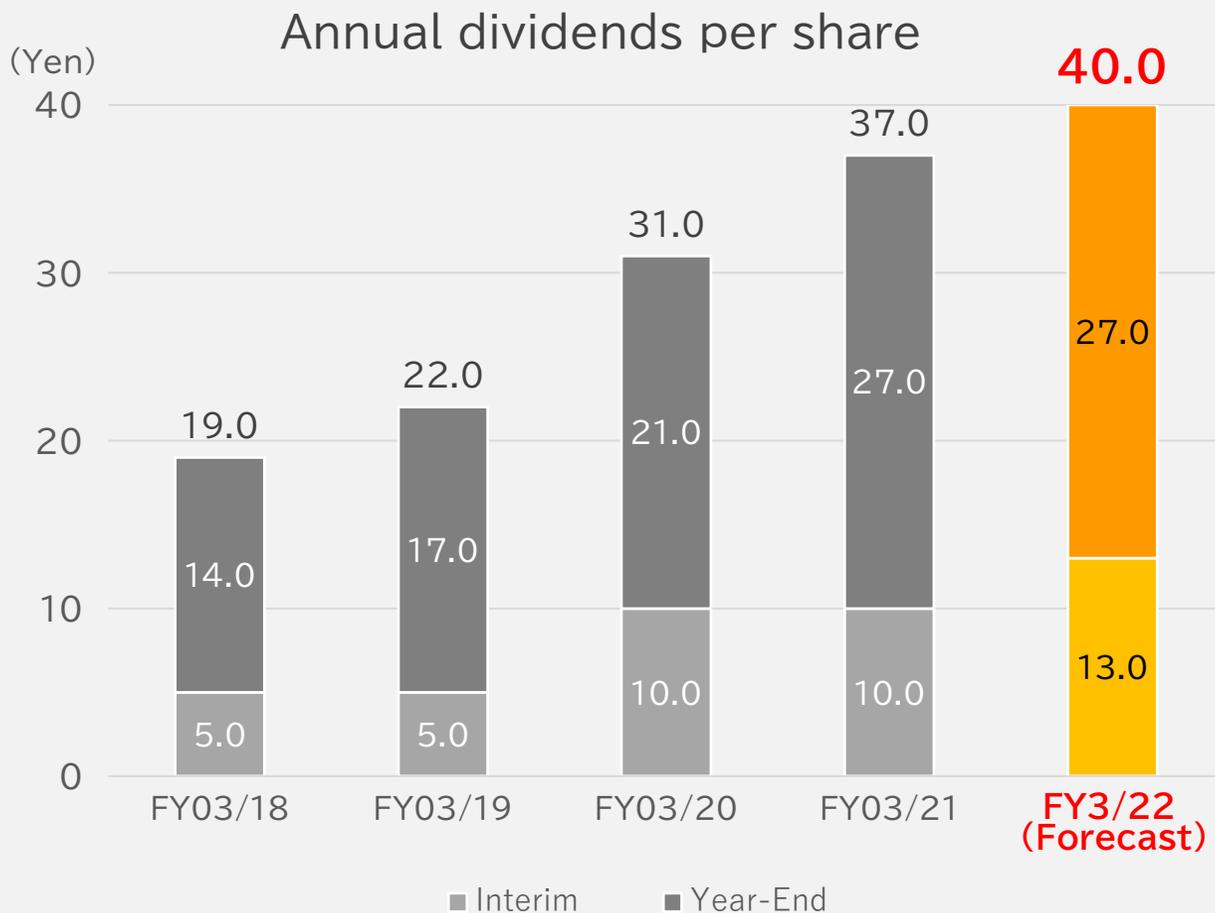
[Business Solution]

(Billion yen)

	FY03/21 Results			FY03/22			YoY (%)		
	1H	2H	FY	1H	2H (Forecast)	FY (Forecast)	1H	2H	FY
Net sales	10.9	13.0	24.0	11.0	13.9	25.0	+0.7%	+6.8%	+4.0%
Health IT	4.4	5.3	9.7	4.4	6.2	10.7	+0.5%	+18.5%	+10.3%
Operating profit (Operating margin)	1.0 (9.9%)	1.8 (13.8%)	2.8 (12.0%)	1.1 (10.1%)	2.2 (16.2%)	3.3 (13.5%)	+2.6%	+24.9%	+16.5%

Excluding HQ relocation costs (-0.8)

Shareholder Returns



Net income per share (yen)	84.85	87.46	101.32	114.61	133.28

◆ Dividends

Resolved to set the interim FY03/22 dividend at 13 yen per share
 Projecting a year-end dividend of 27 yen per share for a total 40 yen per share annual dividend (30.0% payout ratio)

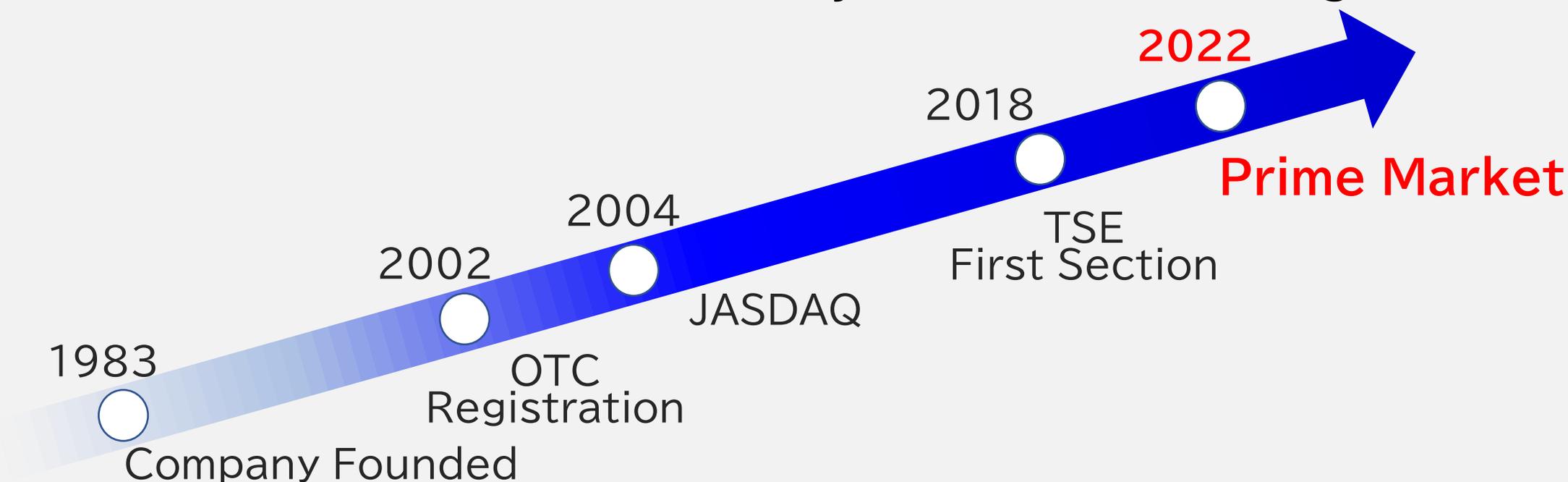
◆ Shareholder Benefits

Providing shareholder benefits to shareholders owning at least one trading unit per the register of shareholders as of September 30, 2021 (Announcement planned for the end of November)

*Dividends per share and net income per share reflect stock split performed on March 1, 2019

New Market Classification Selection

Resolved to apply for the new Prime Market classification in the Tokyo Stock Exchange



- Proactive dialogue with investors
- Stronger corporate governance



Pursuit of growth and improved corporate value



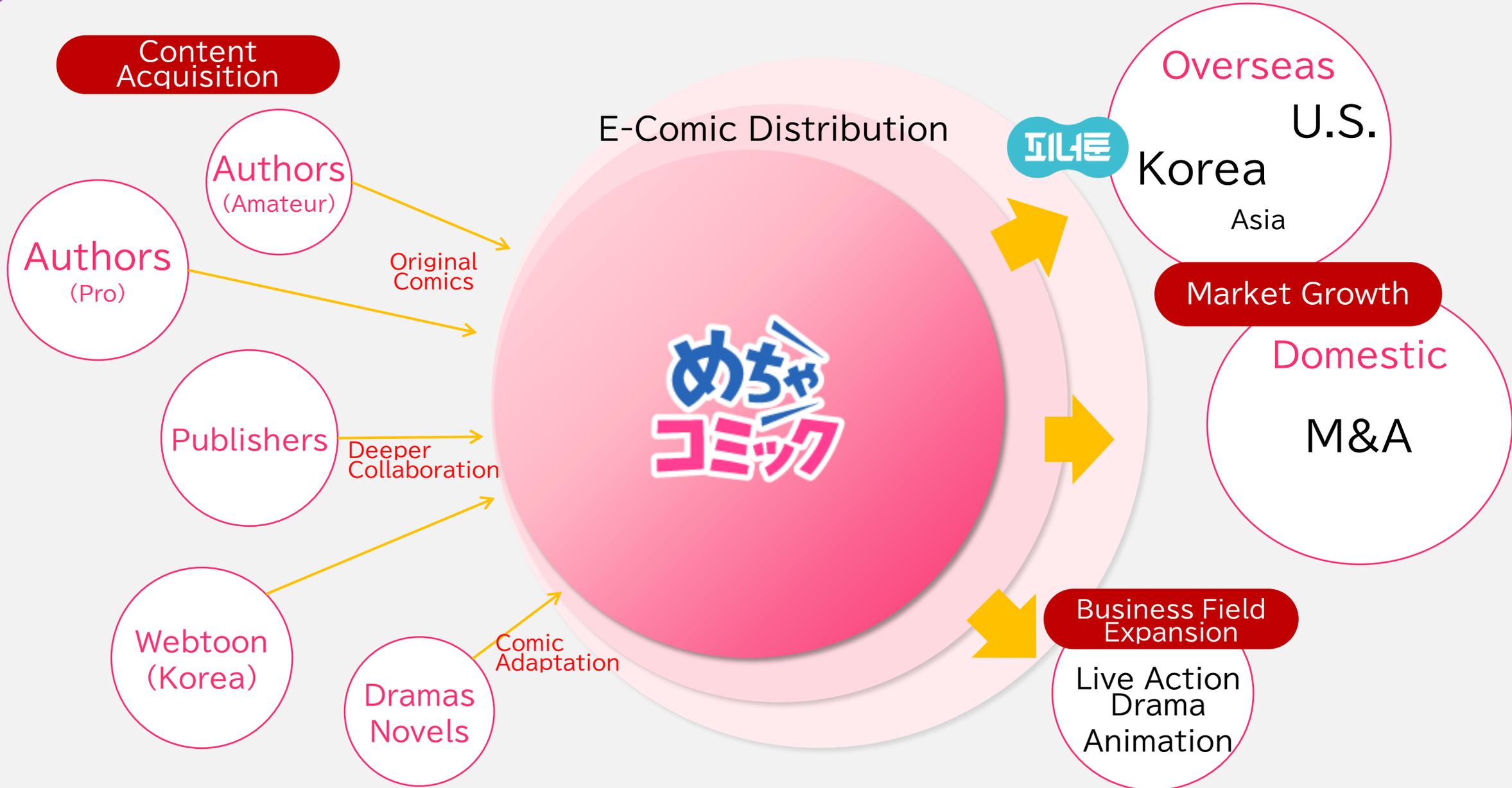
Initiatives in Key Businesses

E-Comic
Health IT

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E-Comic

E-Comic Business Growth



Original Comics to Other Media

- Move forward with dramatizations of original *Mecha Comic* titles, create comic adaptations of dramas, etc.
- Planning to dramatize exclusive first-run titles, aiming for eight productions per year

Dramatization of original comics

RISKY
↓

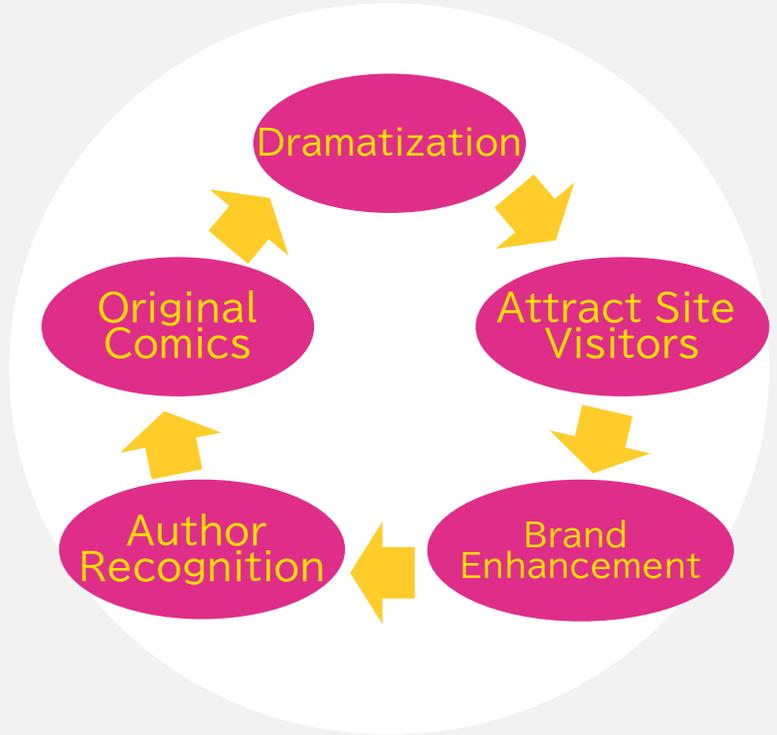
MBS Special Drama Time Slot, TSUTAYA TV, etc.



Collaborations with dramas

WOWOW Drama ENJIYA
↓

Mecha Comic Original Title



Strengthen Systems Foundation

Combine the latest technologies to provide services that meet customer needs

- Research and adopt technologies specific to the e-book business
- As a first step, redesign the Mecha Comic viewer (ongoing technical cooperation from CELSYS, Inc.)





Content Expansions

Expand content through diverse production and acquisition methods

Domestic

Overseas

Produce

Original Comics

Authors (Pro)
Authors (Amateur)
Dramas, Novels



Joint/Direct Production
Manga
Submission Site
Specialization

Joint Production (Korea)

Acquire

Exclusive First-Run Distributions

Collaborations With Publishers
Exclusive Agreements for Outstanding Works,
Collaboration for Visualizations, Contests

Collaborations With Publishers (Korea)
Webtoon



Strengthen Marketing

Strengthen measures to reactivate members and conventional marketing aimed at member acquisition

Increase visitors
Promote brands and titles

Web advertising

TV commercials

Social media

Dramatizations

Increase number of visits
Increase reading volume

Increase number of free titles
Daily free series
Promotional comics

Utilize AI

Recommendations
One-to-one email marketing

Bonus points
Installing, logging in

Stronger UI/UX

Gamification

New viewer
Personalization

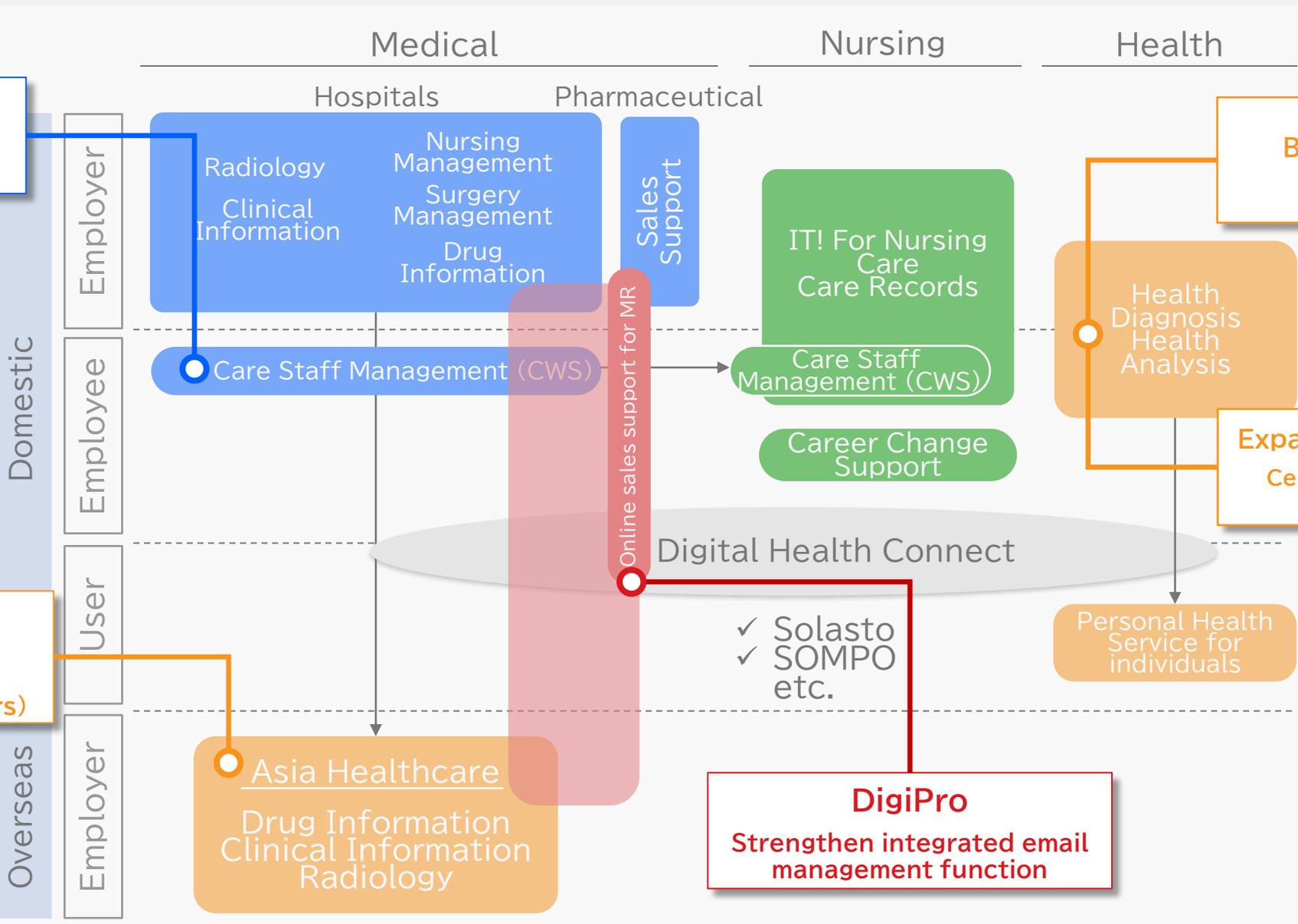




Health IT

Health IT FY03/2022 Initiatives

Work-style reform for doctors
Option sales



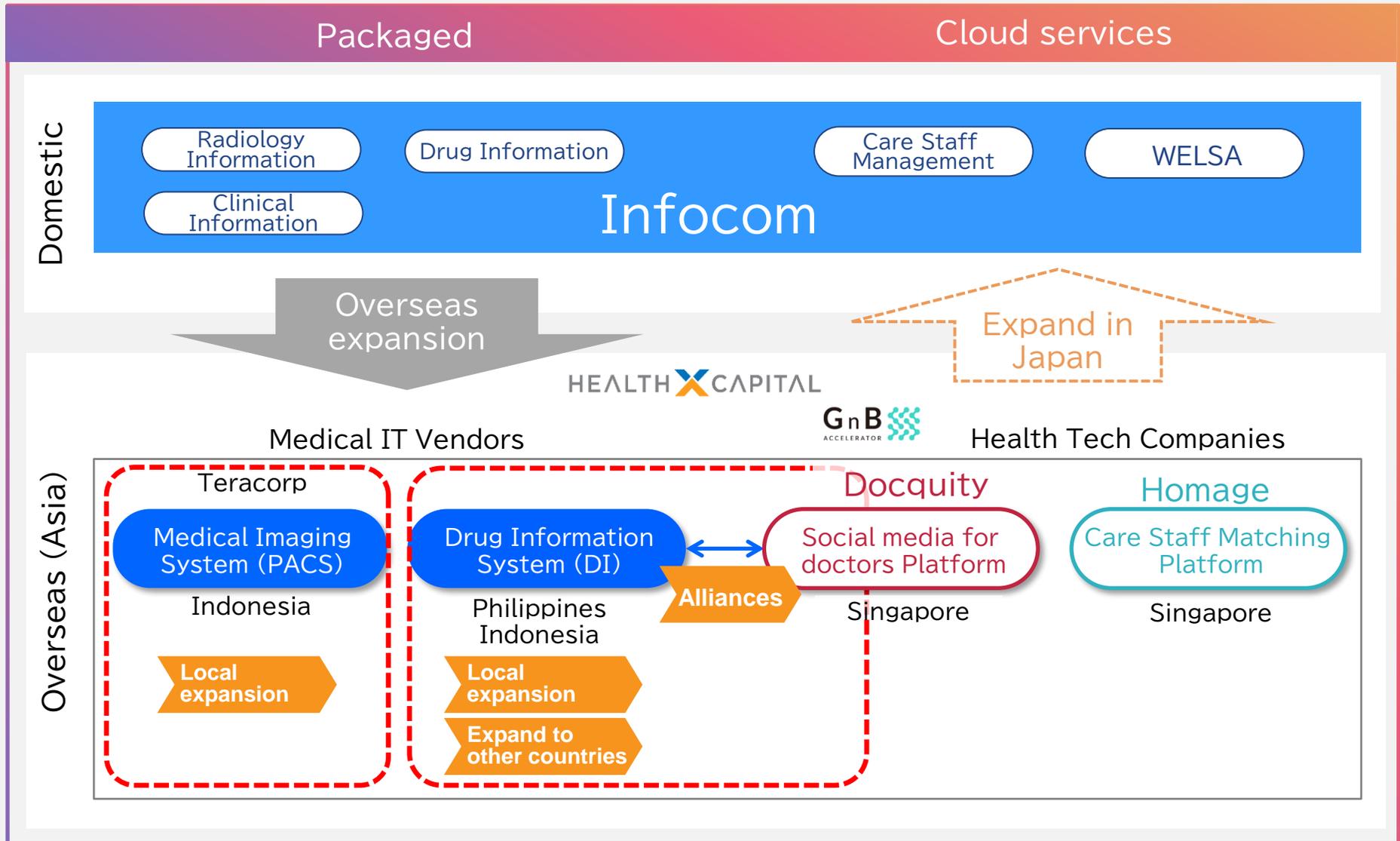
WELSA Business alliance with BeatFit (fitness app)

Expand WELSA features
Central management of vaccine status

Asian expansion Business alliance with Docquity (Social media for doctors)

Advance Health IT Project in Asia

Ally with local businesses and offer Infocom packaged services



1. Medical Imaging System

- Localization
- Begin trials in hospitals

2. Drug Information System

- Sign agreements with local HIS vendors
- Preparing version for Indonesia
- Form alliances with social media for doctors

CWS Employment Management System Supporting Work-Style Reform for Doctors

Background

Work-Style Reform for Doctors

- February 2021: Bill passed to revise Medical Care Act
- Shortening work hours in preparation for the adoption of a maximum work-hour rule (beginning April 2024)

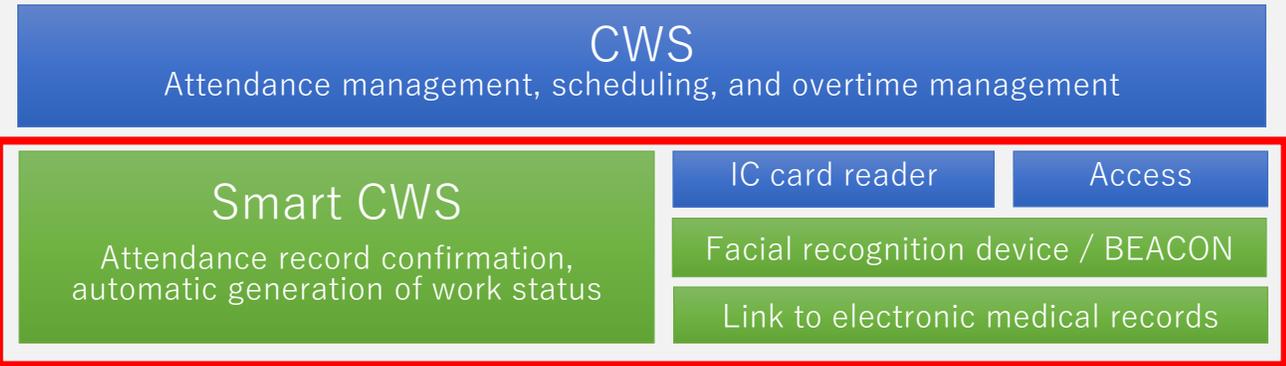


Smart CWS

(employment management option for doctors)

Main Features

- Obtain doctor's activity history by linking contactless devices and electronic medical records
- Support for creating doctor work hour reduction plan



System Overview

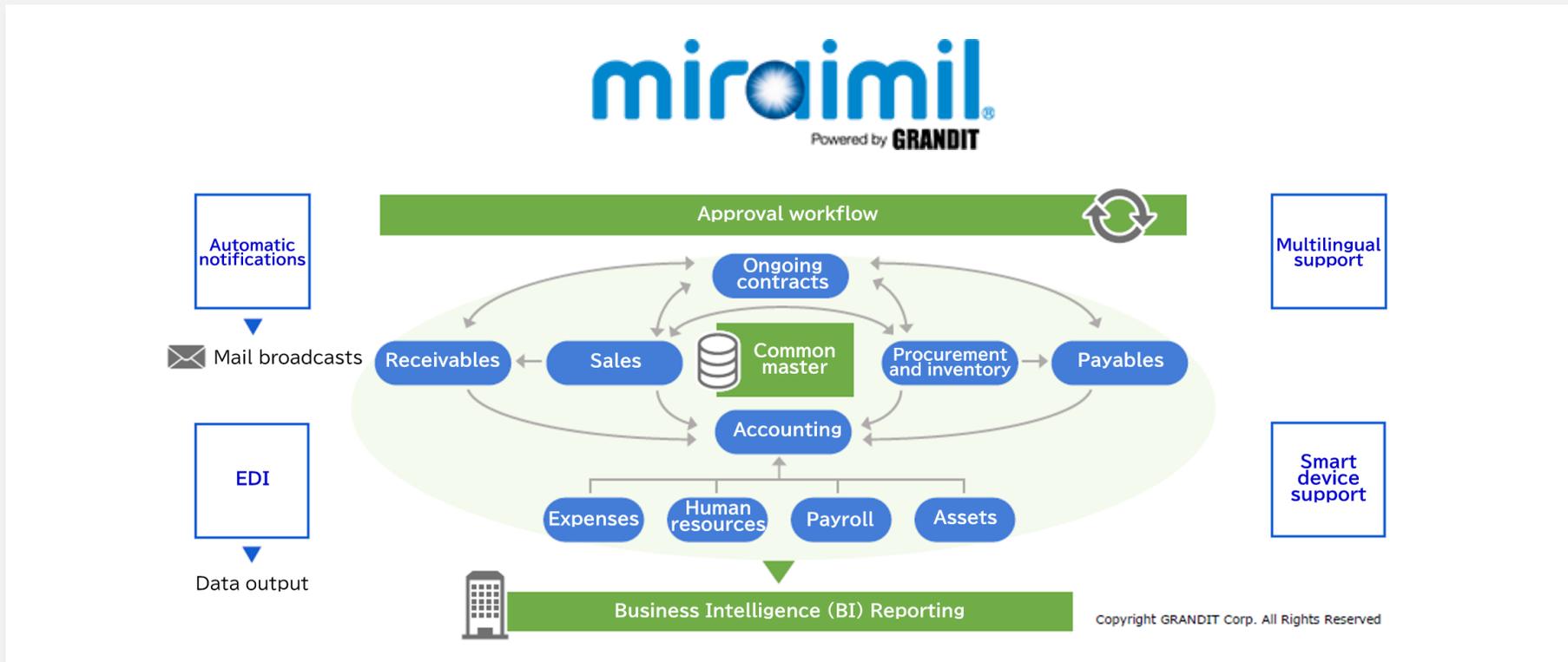


Transition to Services

Begin offering **GRANDIT miraimil** (integrated ERP for SMBs)
[October 2021 -]

Features

- ✓ Cloud service
- ✓ Implementation is as little as three months, reduced implementation costs
- ✓ No maintenance or operating costs for hardware or software



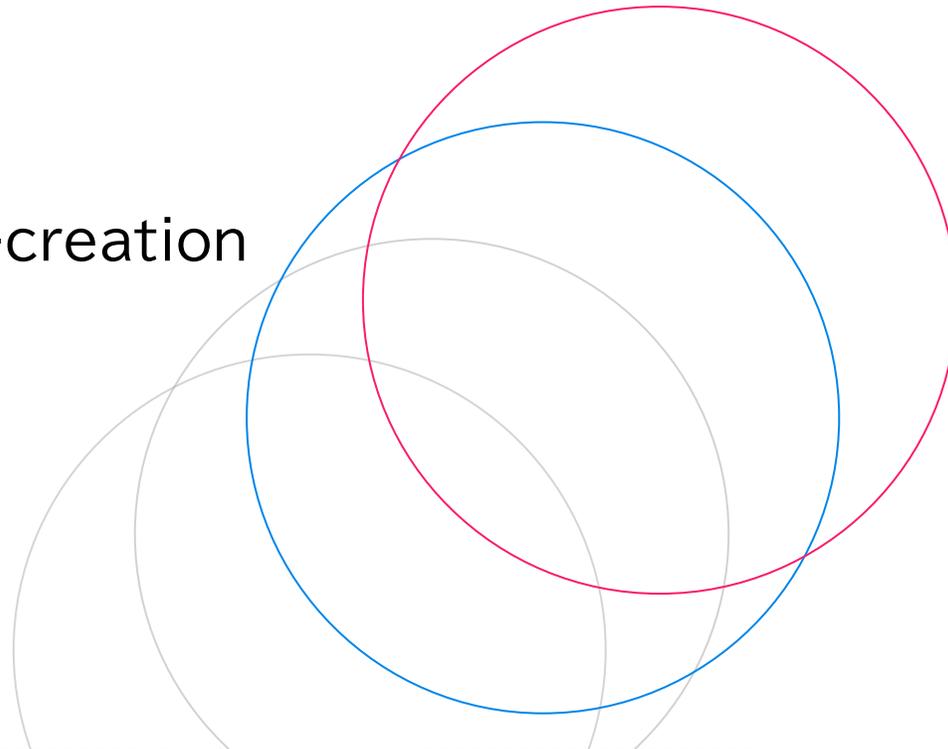
Becoming **a services company** that
delivers new value through the co-creation
of ICT and real-world businesses

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