

# Financial Results Briefing for Q3 FY03/2023

**INFOCOM CORPORATION**

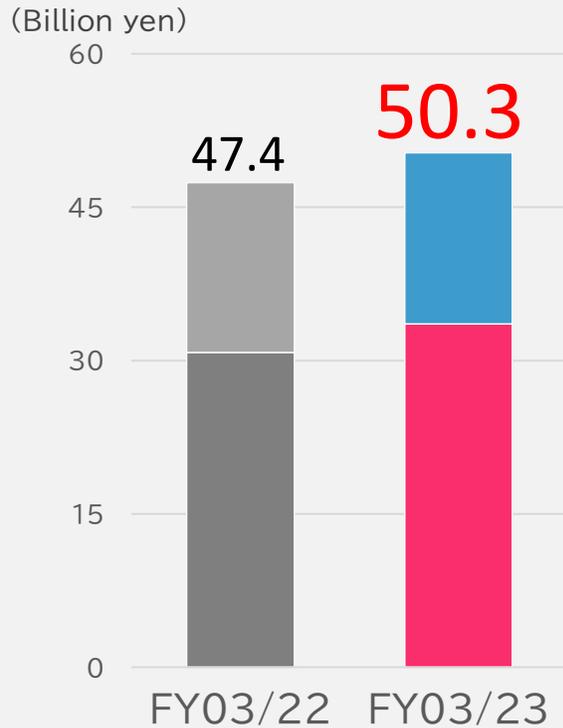
**January 31,2023**

# Q3 FY03/23 Results (Consolidated)

Stronger marketing continues to drive favorable E-comic business growth

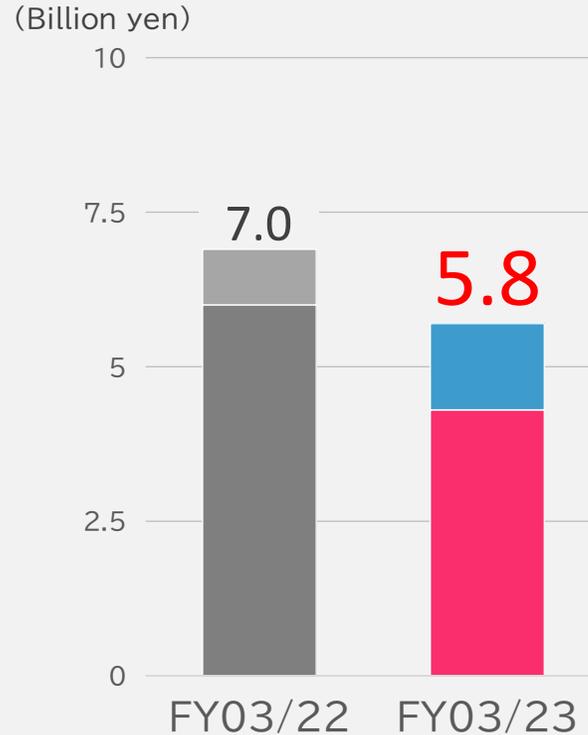
Net sales

+6.1%



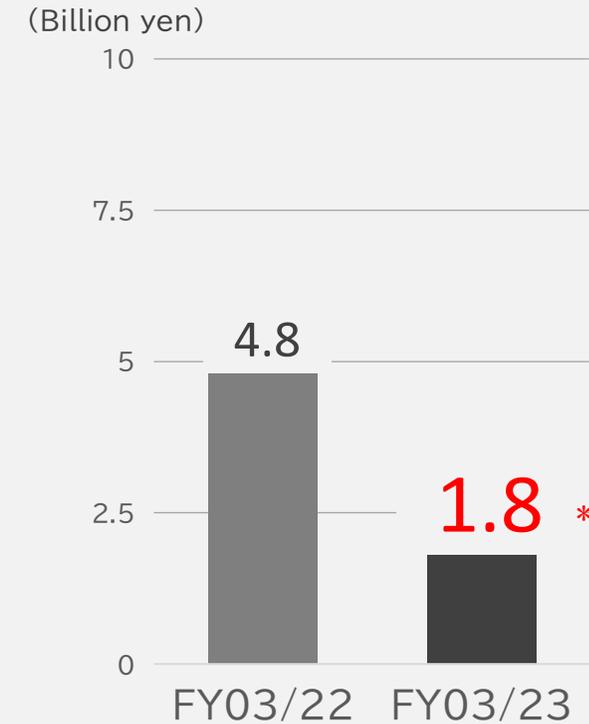
Operating profit

-17.8%



Profit attributable to owners of the parent

-61.7%



■ Digital Entertainment ■ Business Solution

\*Recorded extraordinary loss (2.1 billion yen)  
Impairment loss on goodwill and loss on valuation of investment securities related to consolidated subsidiaries, etc.

# Management Performance (Consolidated)

(Billion yen)

	FY03/22 Q3	FY03/23 Q3	YoY	
			Change	%
Net sales	47.4	50.3	+2.9	+6.1%
Operating profit (Operating margin)	7.0 (14.9%)	5.8 (11.5%)	(1.2)	-17.8%
EBITDA	8.1	6.6	(1.5)	-18.6%
Ordinary profit	7.1	5.9	(1.2)	-17.7%
Profit attributable to owners of the parent	4.8	1.8	(3.0)	-61.7%

# 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

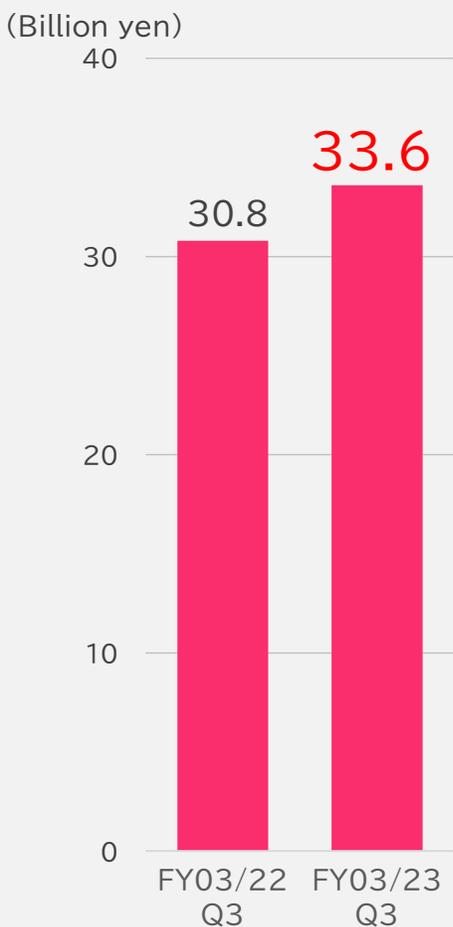
System integration for major companies

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

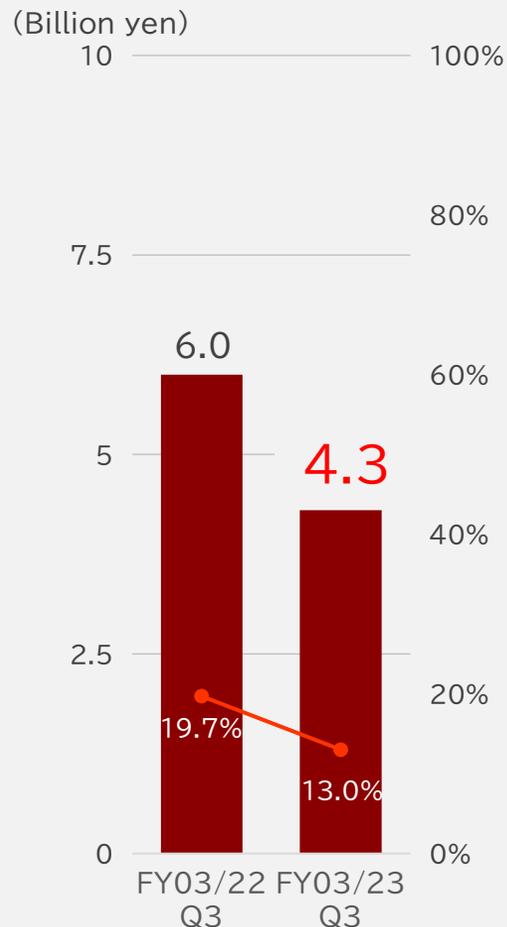
# Digital Entertainment Results (Consolidated)

(Billion yen)

## Net sales



## Operating profit



	FY03/22 Q3	FY03/23 Q3	YoY	
			Change	%
Net sales	30.8	<b>33.6</b>	+2.7	+8.9%
Operating profit	6.0	<b>4.3</b>	(1.7)	-28.1%
(Operating margin)	(19.7%)	<b>(13.0%)</b>		

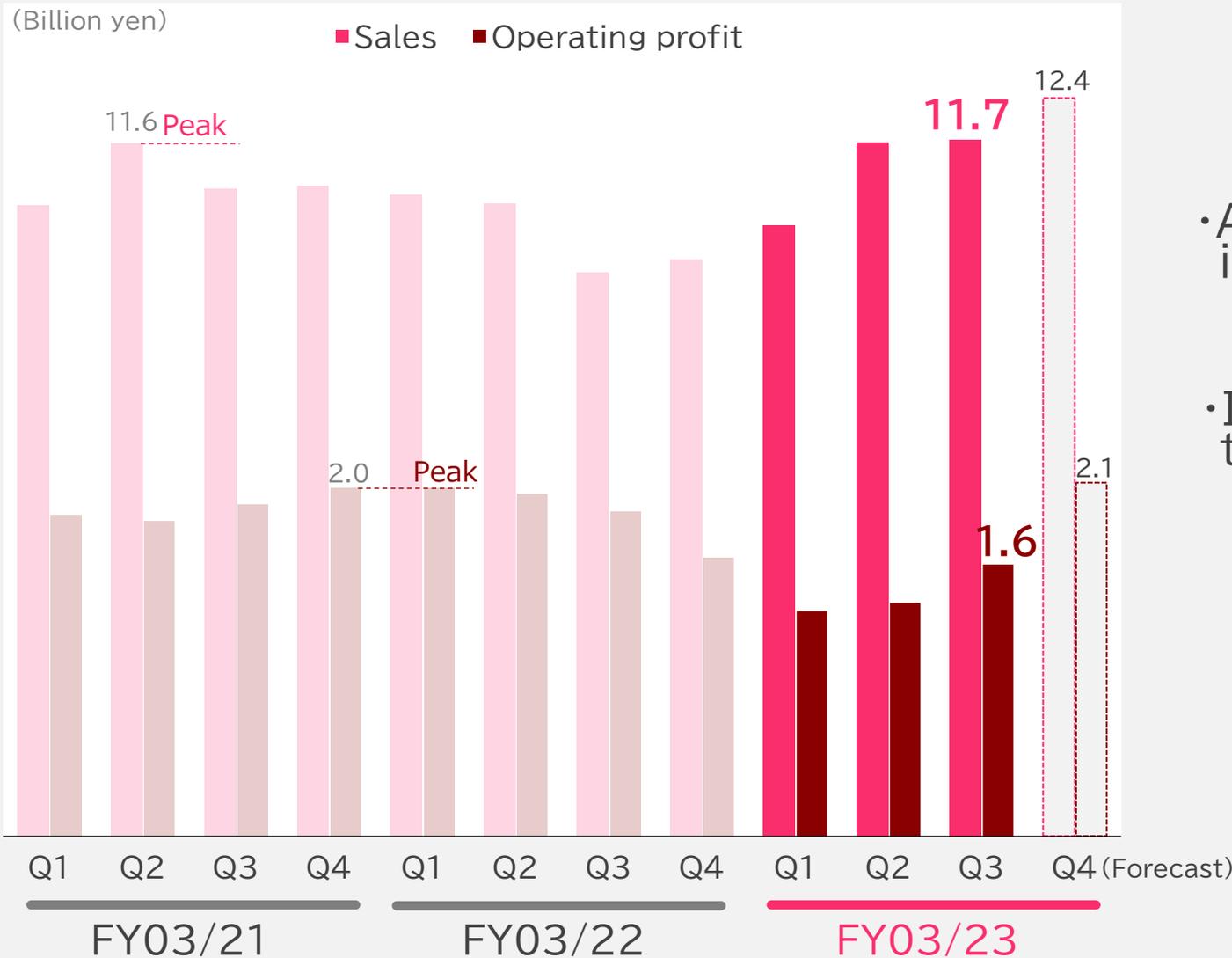
### Net sales

- Expanded content and strengthened marketing
  - Several medium-sized hits for original content
- ⇒ New record-high for quarterly sales

### Operating profit

Cost increase due to strengthened marketing

# E-Comic



## New record-high for quarterly sales

- Aggressive and effective advertising investments

In addition to the existing flat-rate subscription (monthly course)...

- Increasing membership numbers through a pay-as-you-go system



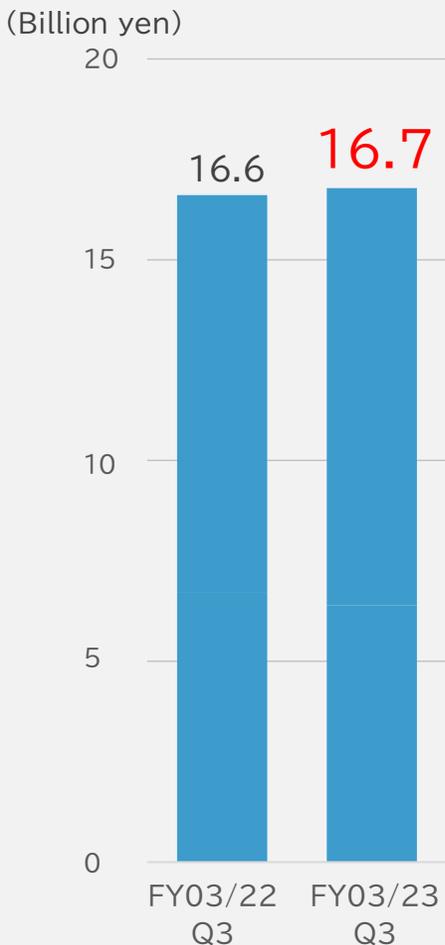
In combination with sales growth...

**On track for profit growth**

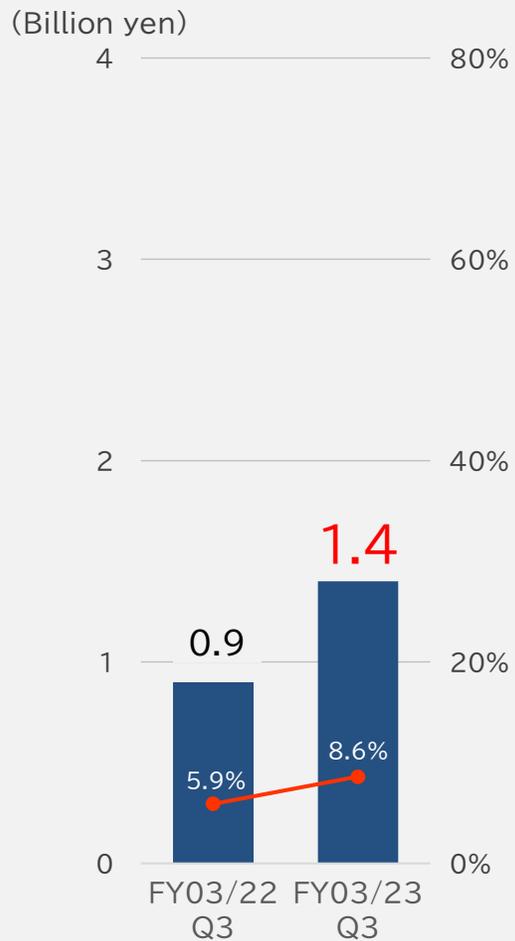
# Business Solution Results (Consolidated)

(Billion yen)

## Net sales



## Operating profit



	FY03/22 Q3	FY03/23 Q3	YoY	
			Change	%
Net sales	16.6	<b>16.7</b>	+0.1	+1.0%
Operating profit (Operating margin)	0.9 (5.9%)	<b>1.4</b> (8.6%)	+0.4	+47.3%

### Net sales

- Corporate business remained strong
- Project for hospitals delayed due to COVID-19 and slow hardware delivery

### Operating profit

- Higher profits due to higher sales
- Cost controls

# Earnings Forecast for FY03/23 (Consolidated) Comparison vs. Initial Forecast

	(Billion yen)				
	FY03/22 Results	FY03/23 Initial Forecast*	FY03/23 Revised Forecast	Revision Vs. Initial Forecast	Change
Net sales	64.5	71.0	<b>71.0</b>	±0	+6.4
Operating profit (Operating margin)	10.0 (15.6%)	10.5 (14.8%)	<b>9.5</b> (13.4%)	(1.0)	(0.5)
EBITDA	11.4	11.8	<b>10.8</b>	(1.0)	(0.6)
Ordinary profit	10.1	10.5	<b>9.5</b>	(1.0)	(0.6)
Profit attributable to owners of the parent	6.9	6.1	<b>4.3</b>	(1.8)	(2.6)
Net income per share (yen)	126.20	111.35	<b>78.49</b>	(32.86)	(47.71)
ROE	16.1%	13.4%	<b>9.6%</b>	(3.8)	(6.6)

\* Announced October 28, 2022

◆ Revision based on the future outlook for the E-comic and Health IT businesses, as well as extraordinary losses

# Earnings Forecast for FY03/23 (Consolidated)

(Billion yen)

	FY03/22 Results			FY03/23			YoY	
	1H	2H	FY	1H	2H(Forecast)	FY (Forecast)	Change	%
Net sales	32.4	32.1	64.5	33.0	37.9	71.0	+6.4	+9.9%
Operating profit (Operating margin)	4.9 (15.4%)	5.0 (15.9%)	10.0 (15.6%)	3.7 (11.2%)	5.7 (15.3%)	9.5 (13.4%)	(0.5)	-5.9%
EBITDA	5.6	5.7	11.4	4.2	6.5	10.8	(0.6)	-5.3%
Ordinary profit	5.0	5.1	10.1	3.7	5.7	9.5	(6.9)	-6.8%
Profit attributable to owners of the parent	3.4	3.4	6.9	1.7	2.5	4.3	(2.6)	-37.8%
Net income per share (yen)			126.20			78.49	(47.71)	-37.8%
ROE			16.1%			9.6%	(6.6)	

# Segment Earnings Forecast (Consolidated)

## [Digital Entertainment]

(Billion yen)

	FY03/22 Results			FY03/23			YoY (%)		
	1H	2H	FY	1H	2H (Forecast)	FY (Forecast)	1H	2H	FY
Net sales	21.3	19.1	40.5	21.9	24.0	46.0	+2.4%	+25.9%	+13.5%
Operating profit (Operating margin)	4.1 (19.4%)	3.6 (18.9%)	7.7 (19.1%)	2.7 (12.6%)	3.7 (15.5%)	6.5 (14.1%)	-33.5%	+3.6%	-16.2%

- ◆ Revised forecasts for sales (+1.0 billion) and operating profit (-0.5 billion) based on to continued strengthening of marketing initiatives
- ◆ We plan to increase sales and operating profit in 2H (vs. previous year), aiming for record-high quarterly sales and profit in Q4

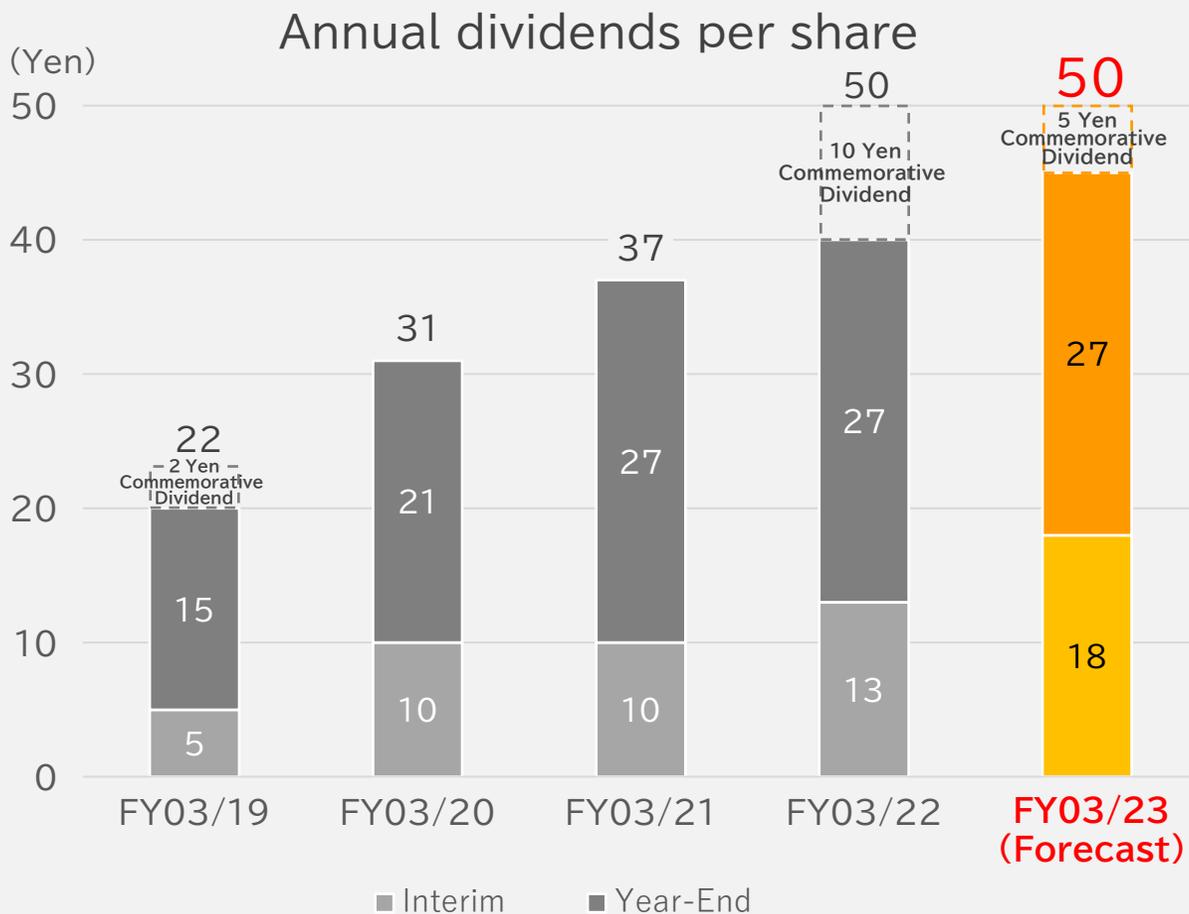
## [Business Solution]

(Billion yen)

	FY03/22 Results			FY03/23			YoY (%)		
	1H	2H	FY	1H	2H (Forecast)	FY (Forecast)	1H	2H	FY
Net sales	11.0	12.9	24.0	11.1	13.8	25.0	+0.6%	+6.7%	+3.9%
Health IT	4.4	5.8	10.2	4.3	6.1	10.5	-2.8%	+5.6%	+2.0%
Operating profit (Operating margin)	0.8 (7.7%)	1.4 (11.4%)	2.3 (9.7%)	0.9 (8.6%)	2.0 (14.7%)	3.0 (12.0%)	+12.7%	+38.0%	+28.8%

- ◆ While corporate sales remained steady, we revised sales (-1.0 billion yen) and operating profit (-0.5 billion yen) due to delays in the start-up period of the hospital business, etc.

# Shareholder Returns



Net income per share (yen)	87.46	101.32	114.61	126.20	78.49
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- ◆ Year-end dividend (increased)
  - Initial forecast 27 yen
  - Revised forecast 32 yen**
  - (40th anniversary commemorative dividend: 5 yen)
- ◆ Dividend payout ratio
  - Initial forecast 35.2%
  - Revised forecast 63.7%**

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

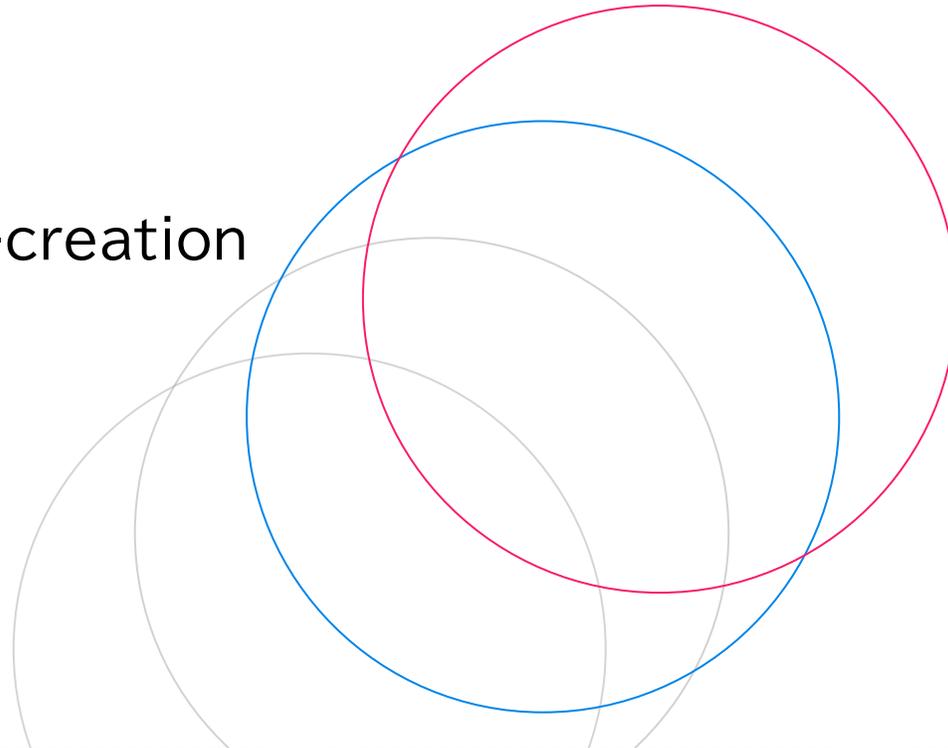
Becoming **a services company** that  
delivers new value through the co-creation  
of ICT and real-world businesses

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