

The logo for Infocom Corporation, featuring the word "infocom" in a lowercase, sans-serif font. The letter "o" is stylized with a white circle around it. The background of the slide is a large, circular image of a group of people in a meeting, overlaid with a blue-to-purple gradient. There are also decorative elements: a red asterisk in the top left, a blue circle in the top left, and a blue asterisk in the top right. A blue circular border is visible on the left side of the slide.

infocom

INFOCOM CORPORATION

# Financial Results Briefing for FY03/2023

| April 27<sup>th</sup>, 2023 | Security code : 4348

# Agenda

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## Financial Results for FY03/23

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## Earnings Forecast for FY03/24

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## Initiatives in Key Businesses

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# Financial Results for FY03/23

## FY03/23 Consolidated Earnings Results

- Sales increased year on year, **reaching a new record high**
- Strengthened marketing to restore growth
- Recorded extraordinary losses (impairment on goodwill related to consolidated subsidiaries and loss on valuation of investment securities)

Net sales

**¥70.3 billion**  
+8.9% YoY

Operating profit

**¥8.5 billion**  
-15.6% YoY

Profit attributable to owners of the parent

**¥3.5 billion**  
-48.3% YoY

# Management Performance

(Billion yen)	FY03/22	FY03/23	YoY	
			Change	%
Net sales	64.5	70.3	+5.7	+8.9%
Operating profit (Operating margin)	10.0 (15.6%)	8.5 (12.1%)	(1.5)	-15.6%
EBITDA	11.4	9.5	(1.8)	-16.3%
Ordinary profit	10.1	8.5	(1.6)	-15.7%
Profit attributable to owners of the parent*	6.9	3.5	(3.3)	- 48.3%
Net income per share (yen)	126.20	65.20	(61.00)	- 48.3%
ROE	16.1%	8.0%	-8.1pt	-

\* In FY03/23, extraordinary loss (2.2 billion yen) was recorded for impairment loss on goodwill related to consolidated subsidiaries and loss on valuation of investment securities.

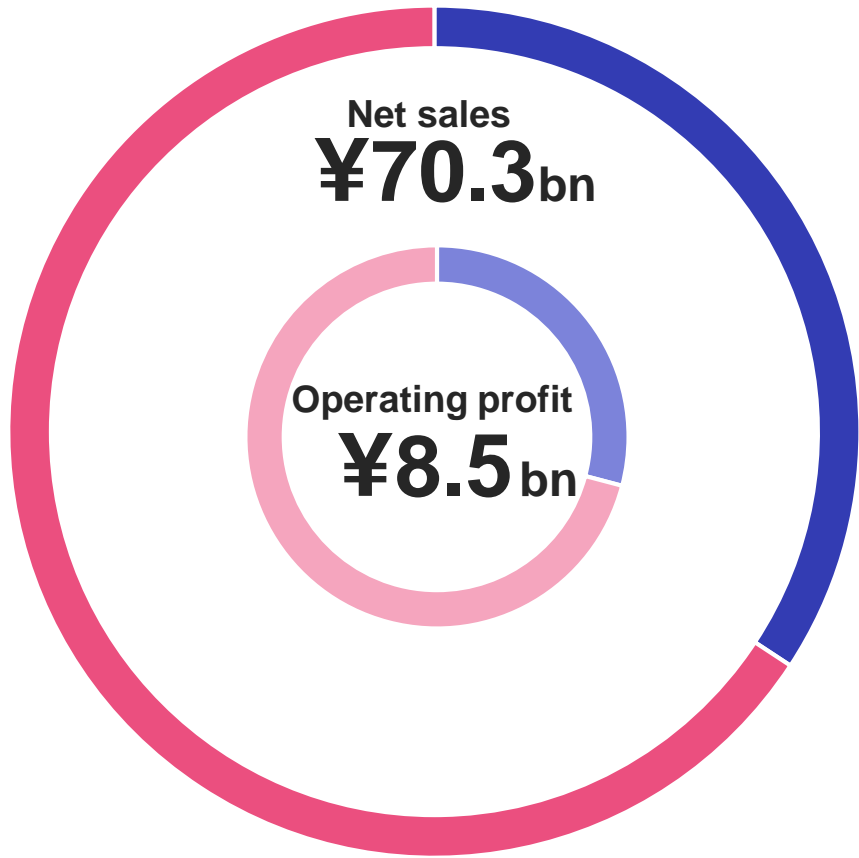
# Segment Structure

## Digital Entertainment

**E-comic**  
E-Comic Distribution Service



FY03/23 Result



## Business Solution

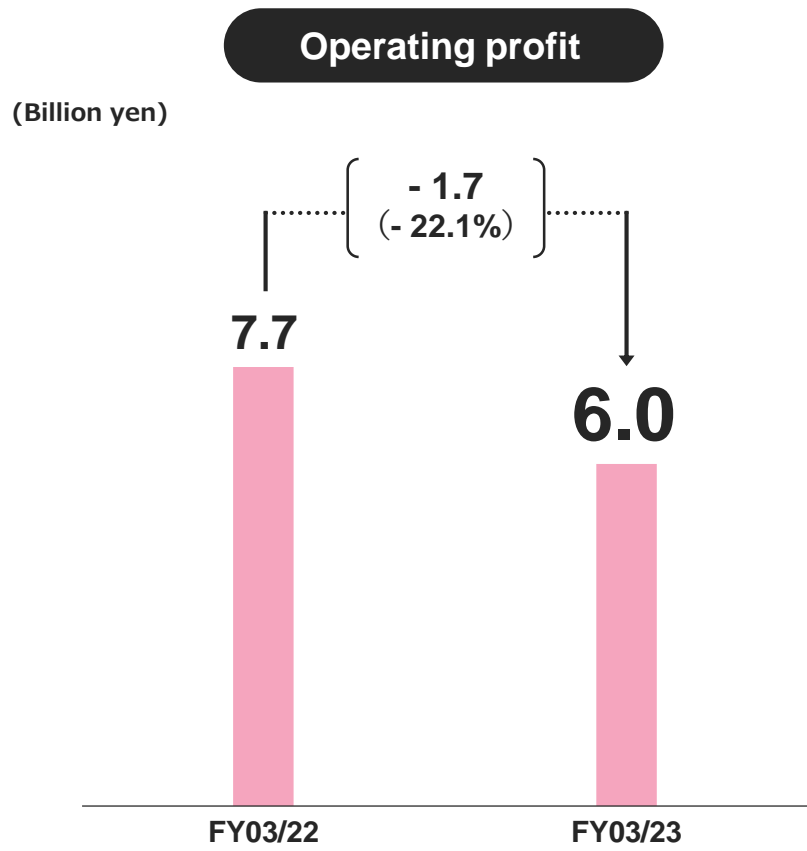
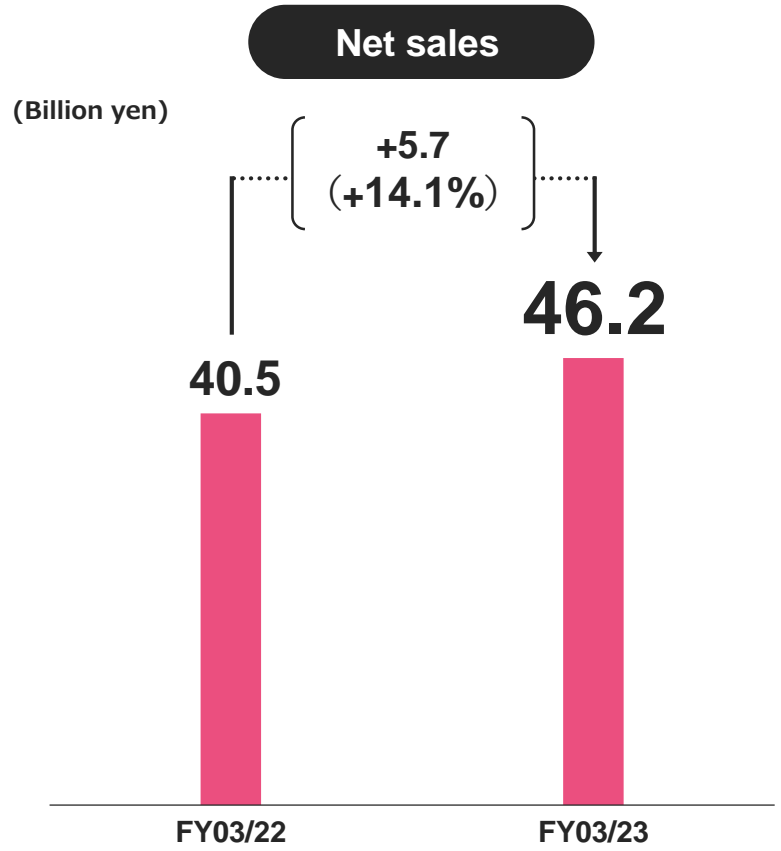
**Health IT**  
Package services for medical institutions

**Business Software**  
ERP  
Cloud services  
Business package

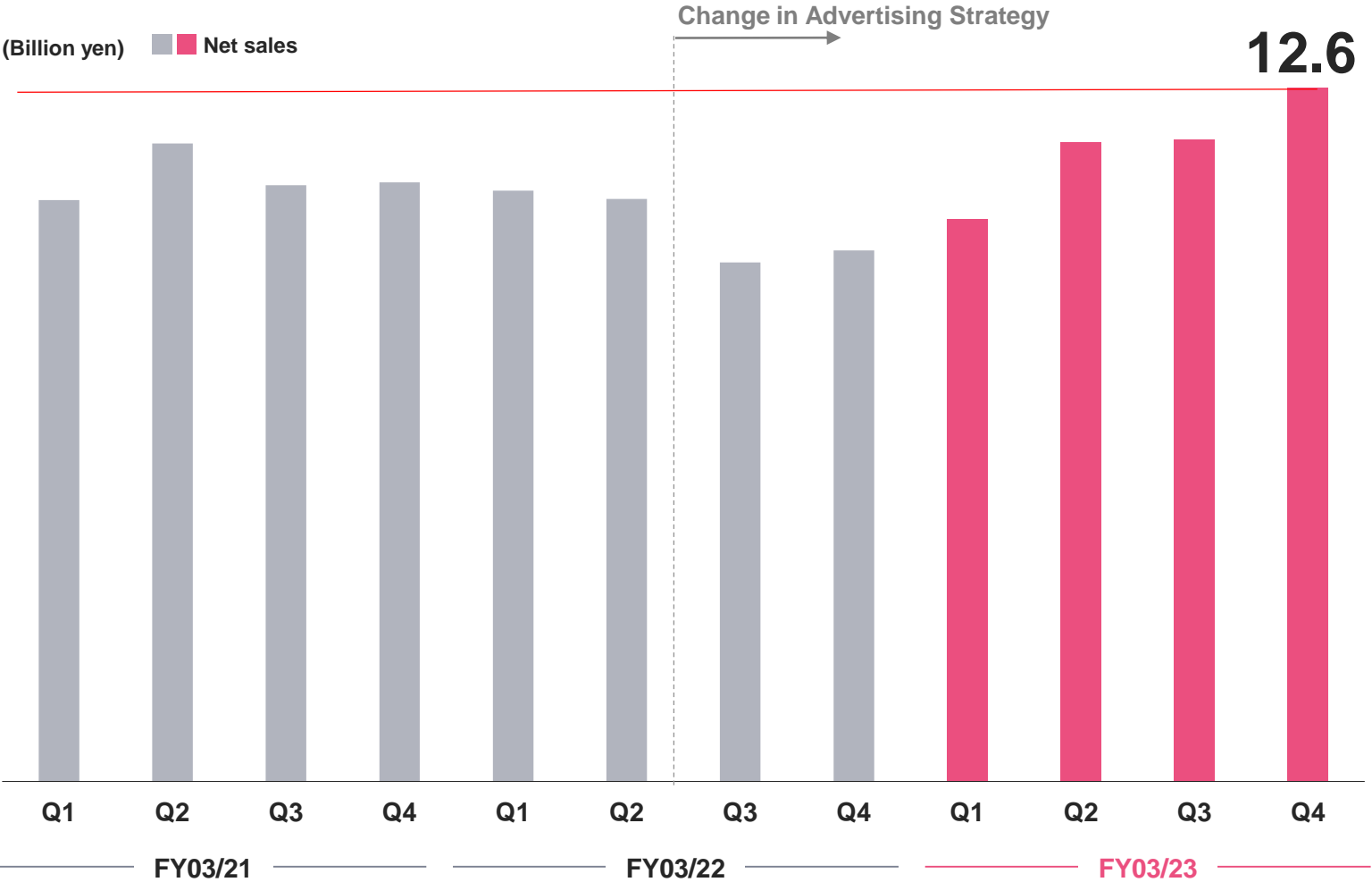
**Enterprise Service Management**  
System integration for major companies

# Digital Entertainment Results

Record-high sales due to expanded content, stronger marketing, and several hits in original e-comic titles  
Return to growth trajectory, despite cost increases due to stepped-up marketing



# E-Comic Business Results



- Strategic advertising investments

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

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

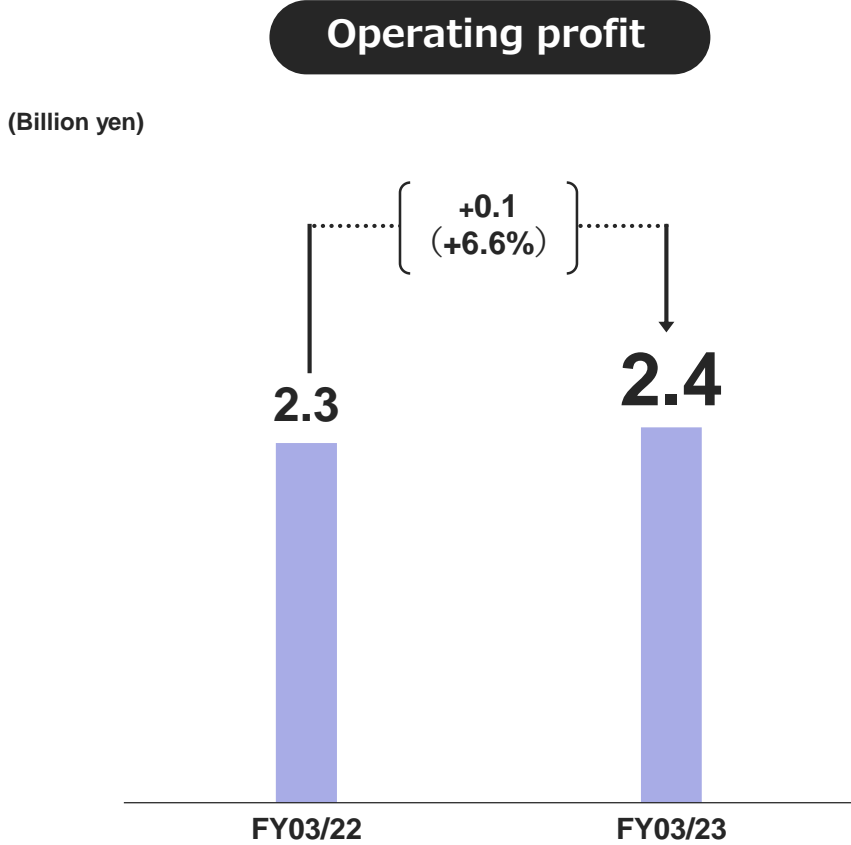
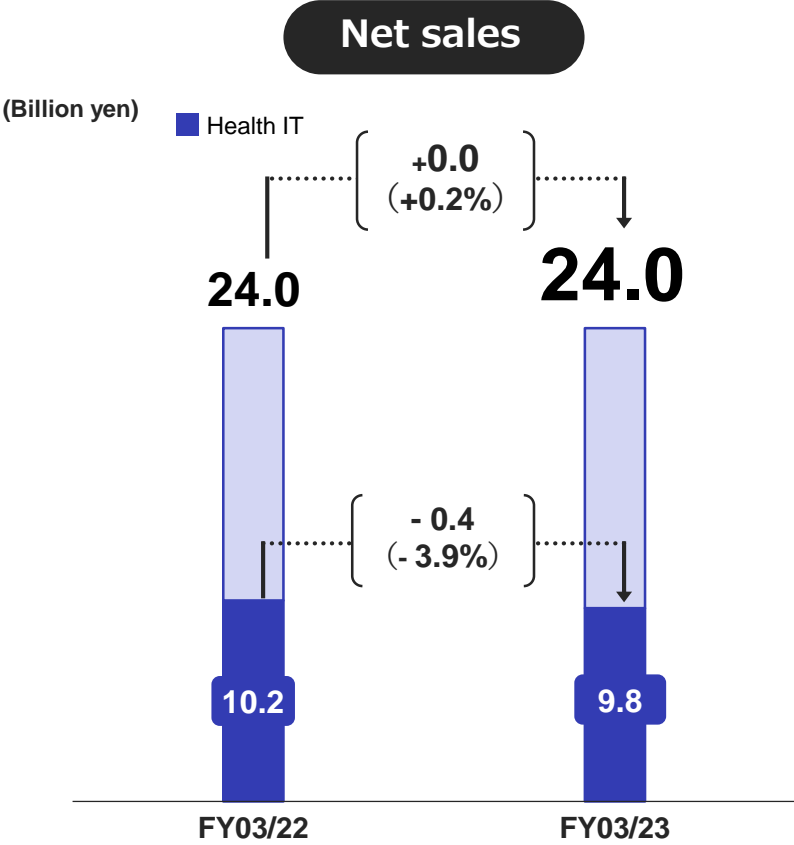


**Record-High Sales**



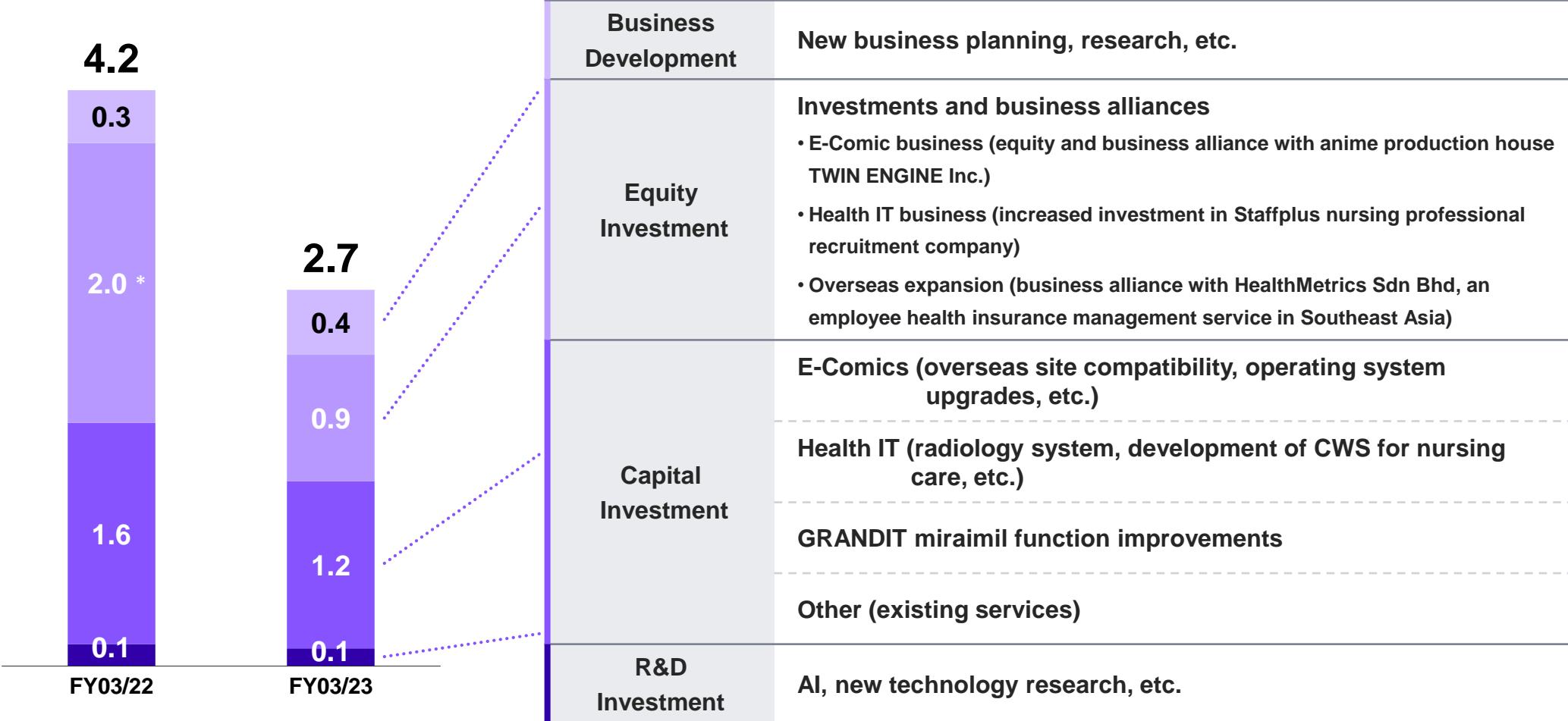
# Business Solution Results

Higher sales and profit supported by firm corporate software sales, despite cooling investment sentiment due to the COVID-19 pandemic and delays in hardware delivery that caused hospital-related projects to be postponed



# Investments

(Billion yen)



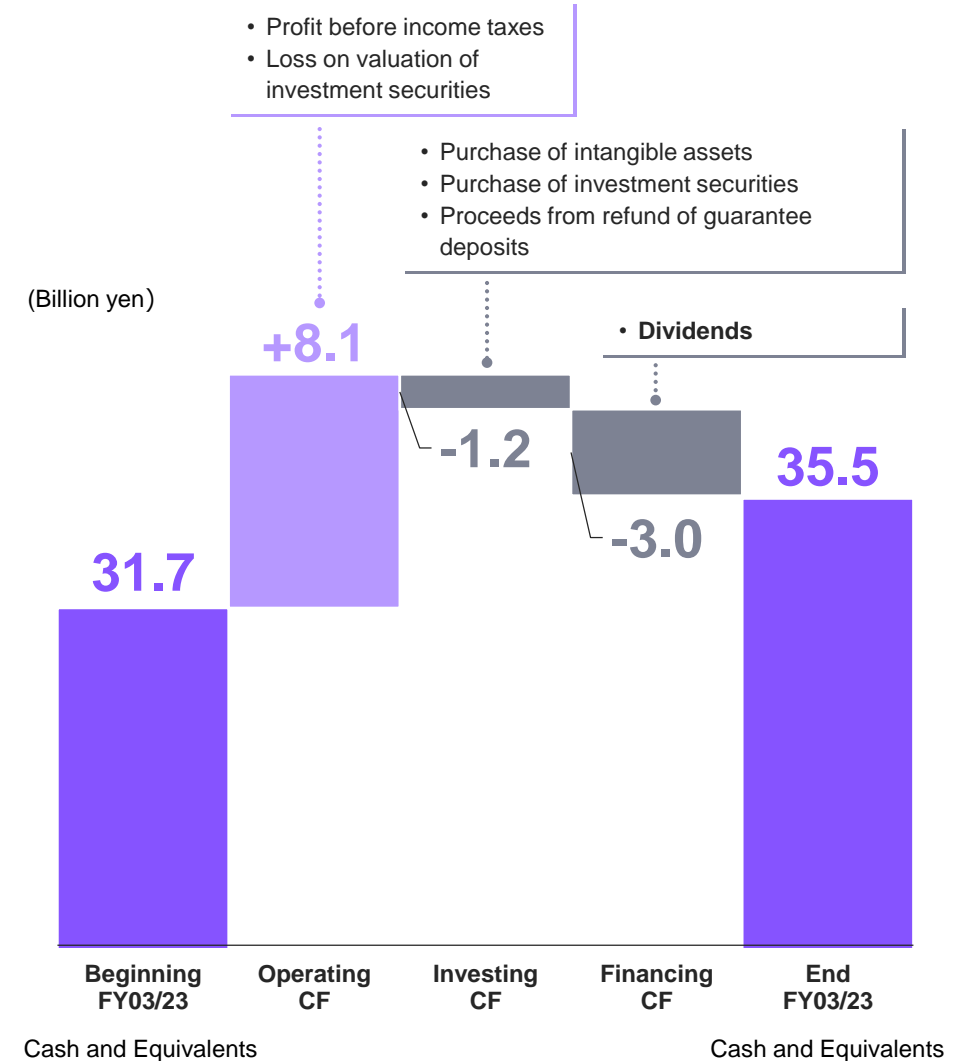
\*Creation of a subsidiary to support a shift to services, capital increase for South Korean e-comics distribution business, etc.

# Balance Sheets

(Billion yen)	End of FY03/22	End of FY03/22	YoY	Major Change Factors
Current assets	<b>45.1</b>	<b>49.1</b>	<b>+3.9</b>	• Cash and deposits
Fixed assets	<b>12.3</b>	<b>11.1</b>	<b>-1.1</b>	• Goodwill, Investment securities
Total assets	<b>57.5</b>	<b>60.2</b>	<b>+2.7</b>	
Current liabilities	<b>12.4</b>	<b>14.6</b>	<b>+2.1</b>	
Non-current liabilities	<b>0.5</b>	<b>0.4</b>	<b>-0.0</b>	
Total liabilities	<b>12.9</b>	<b>15.0</b>	<b>+2.1</b>	
Total net assets	<b>44.5</b>	<b>45.1</b>	<b>+0.6</b>	• Retained earnings
Total liabilities and net assets	<b>57.5</b>	<b>60.2</b>	<b>+2.7</b>	
Shareholders' equity ratio	<b>76.8%</b>	<b>74.3%</b>	<b>-</b>	

# Cash Flows

(Billion yen)	FY03/22	FY03/22	Change
Operating CF	7.1	8.1	+0.9
Investing CF	(3.2)	(1.2)	+1.9
FCF	3.9	6.9	+2.9
Financing CF	(2.2)	(3.0)	-0.8
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	+0.0
Change in cash and cash equivalents	1.7	3.8	+2.1
Cash and cash equivalents, beginning of period	29.9	31.7	+1.7
Cash and cash equivalents, end of quarter	31.7	35.5	+3.8



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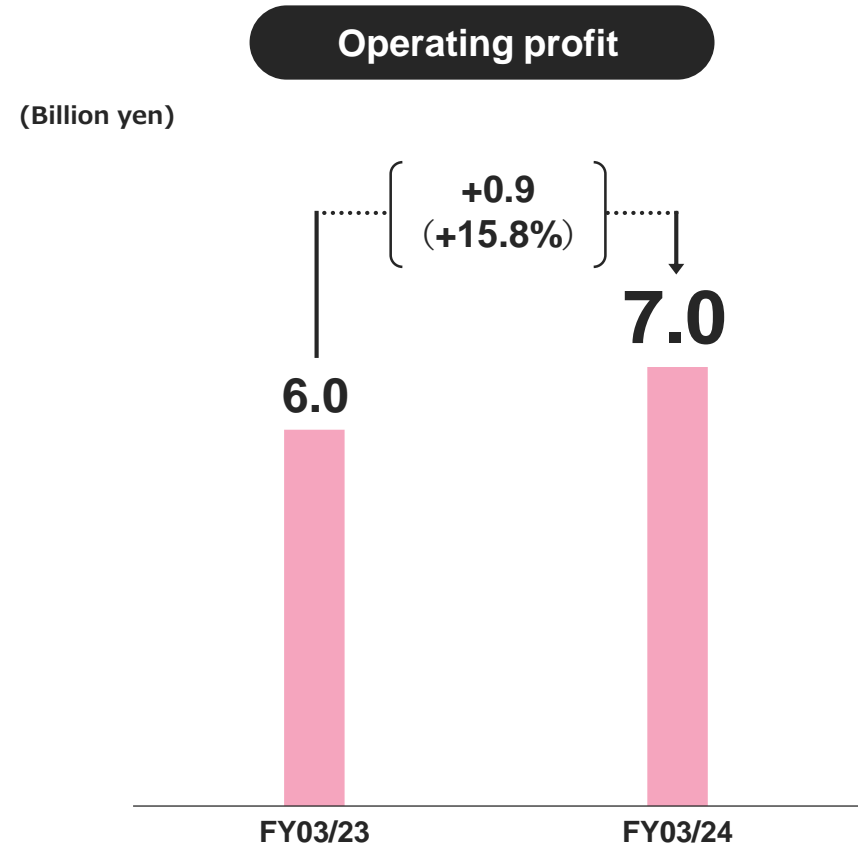
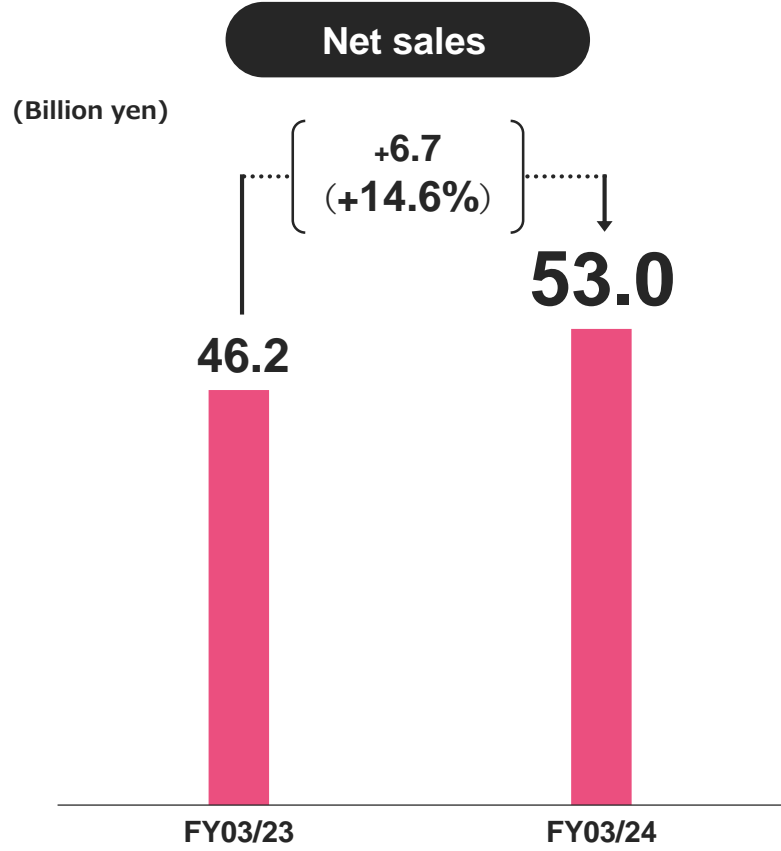
# Earnings Forecast for FY03/24

# Earnings Forecast for FY03/24

(Billion yen)	FY03/23 Results			FY03/24 Forecast			YoY	
	1H	2H	FY	1H	2H	FY	Change	%
Net sales	33.0	37.3	70.3	37.0	41.0	78.0	+7.6	+10.9%
Operating profit (Operating margin)	3.7 (11.2%)	4.8 (12.9%)	8.5 (12.1%)	3.8 (10.3%)	5.7 (13.9%)	9.5 (12.2%)	+0.9	+11.4%
EBITDA	4.2	5.3	9.5	4.4	6.1	10.5	+0.9	+9.5%
Ordinary profit	3.7	4.8	8.5	3.8	5.7	9.5	+0.9	+10.5%
Profit attributable to owners of the parent	1.7	1.8	3.5	2.6	3.8	6.4	+2.8	+79.2%
Net income per share (yen)	65.20			116.82			+51.62	+79.2%
ROE	8.0%			13.7%			+5.7pt	-

# Digital Entertainment Earnings Forecast

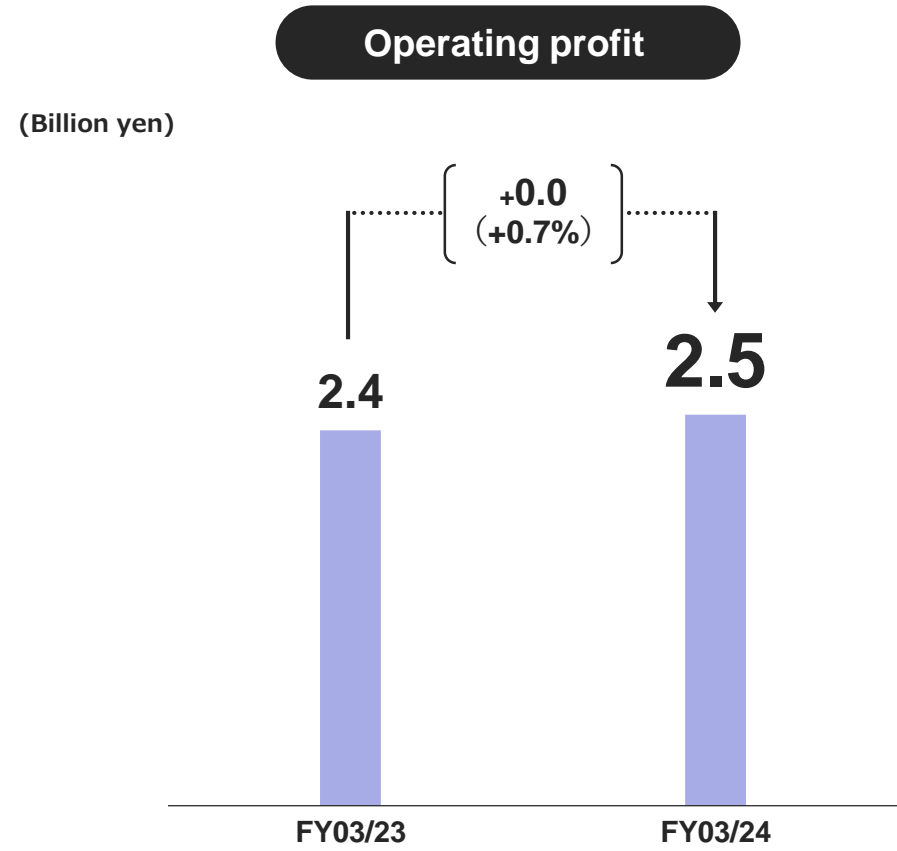
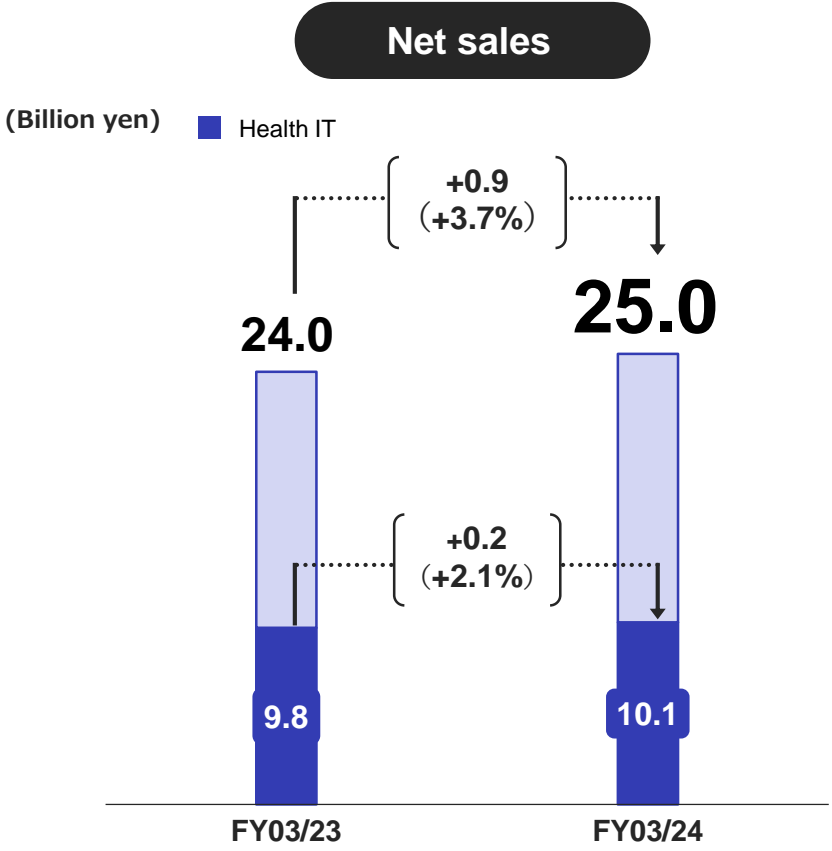
Continued Double-Digit Growth Outperforming Market Forecasts, Aiming for Profitable Growth



(Reference) Market forecast for the fiscal year 2023: YoY increase of 8.6%  
Source: Impress Corporation E-book Business Research Report 2022

# Business Solution Earnings Forecast

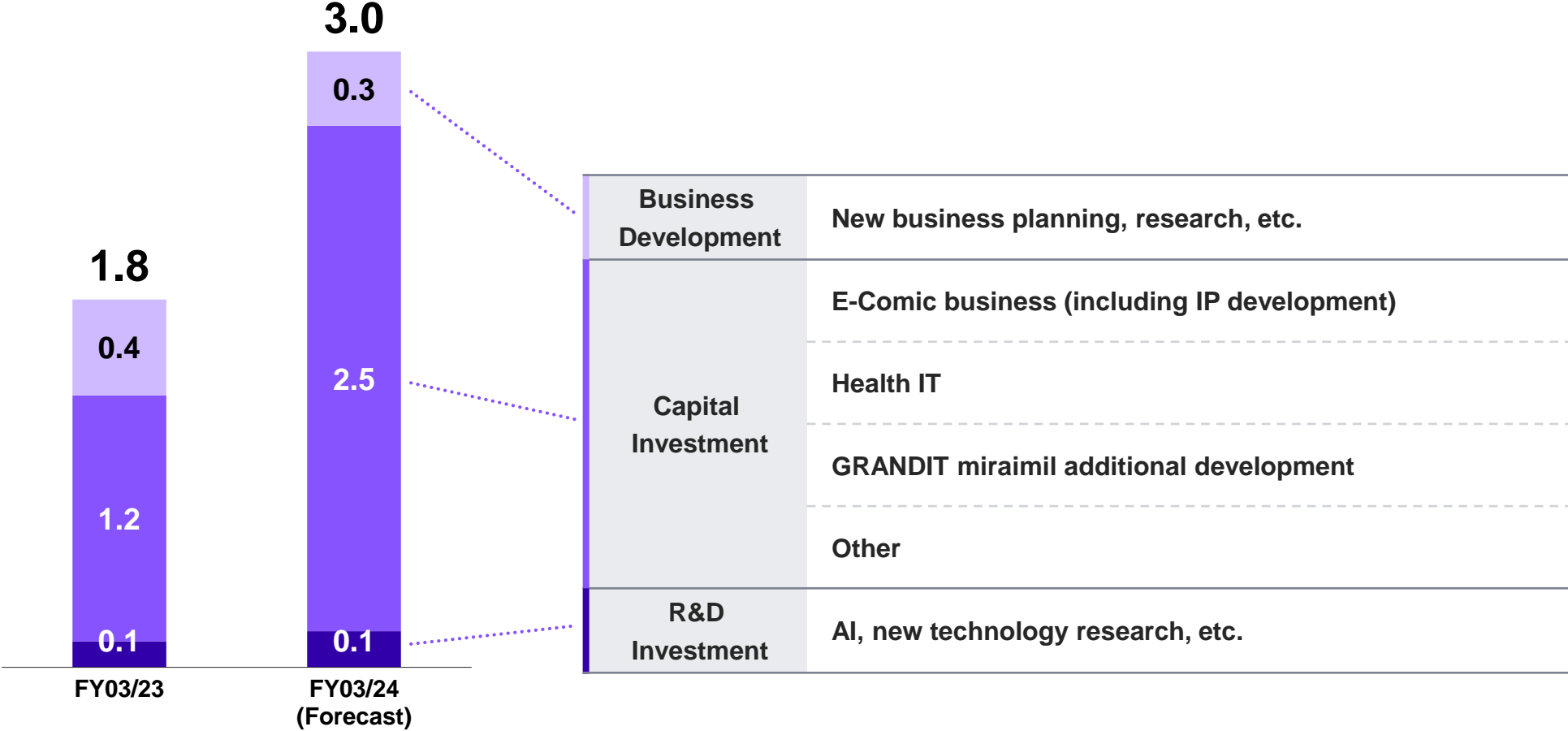
Solid performance in hospital and enterprise sales, despite uncertain futures





# Investment Plan

(Billion yen)



# Shareholder Returns

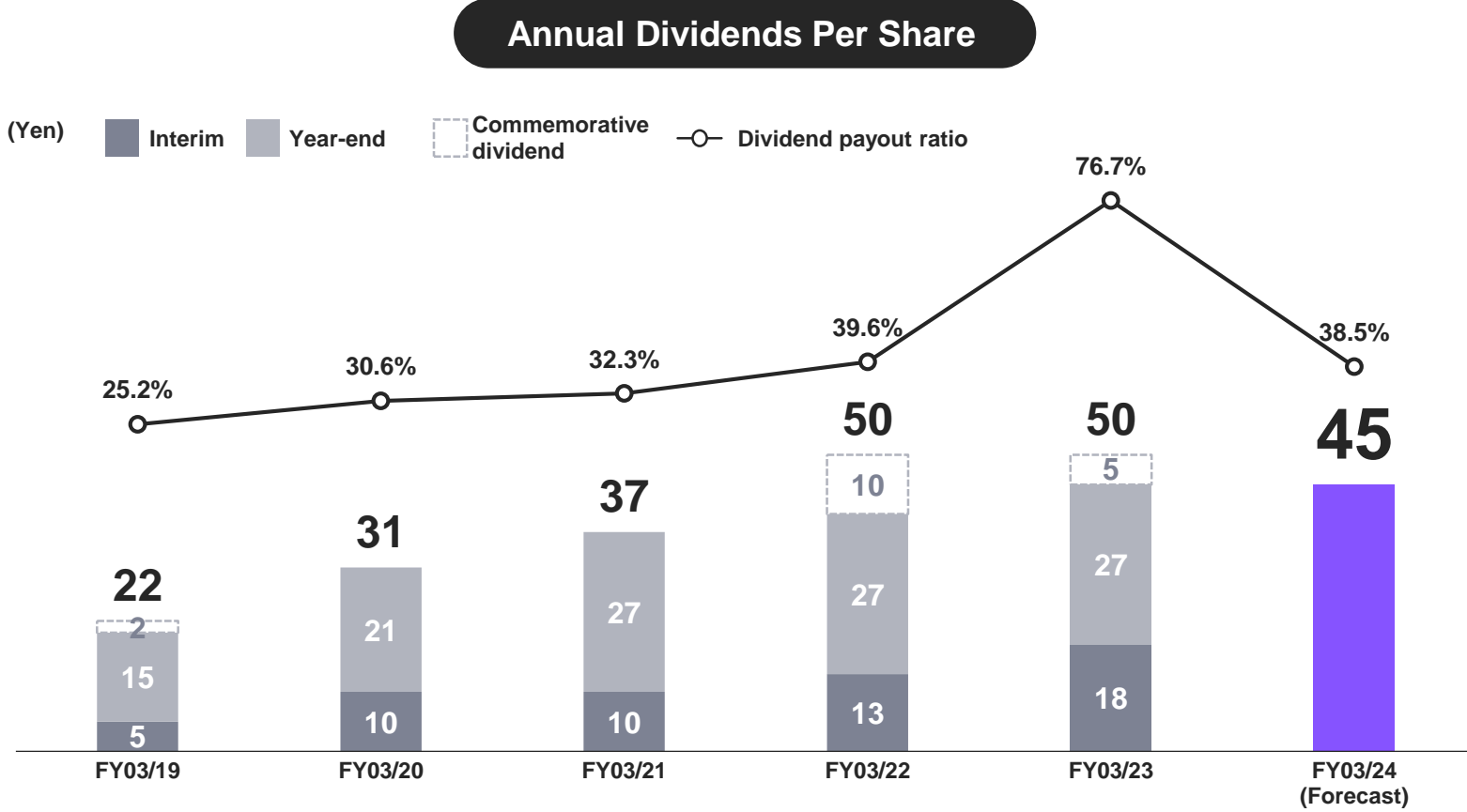
Strive for stable dividends and dividend increases in line with improved business performance;  
aim to maintain a dividend payout ratio of 30%

**FY03/24 Forecast**

Annual dividends per share  
**¥45**

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Dividend Payout Ratio  
**38.5%**





# Initiatives in Key Businesses



# E-Comic Business Initiatives

## 1 Profitable Growth in Domestic Distribution Business

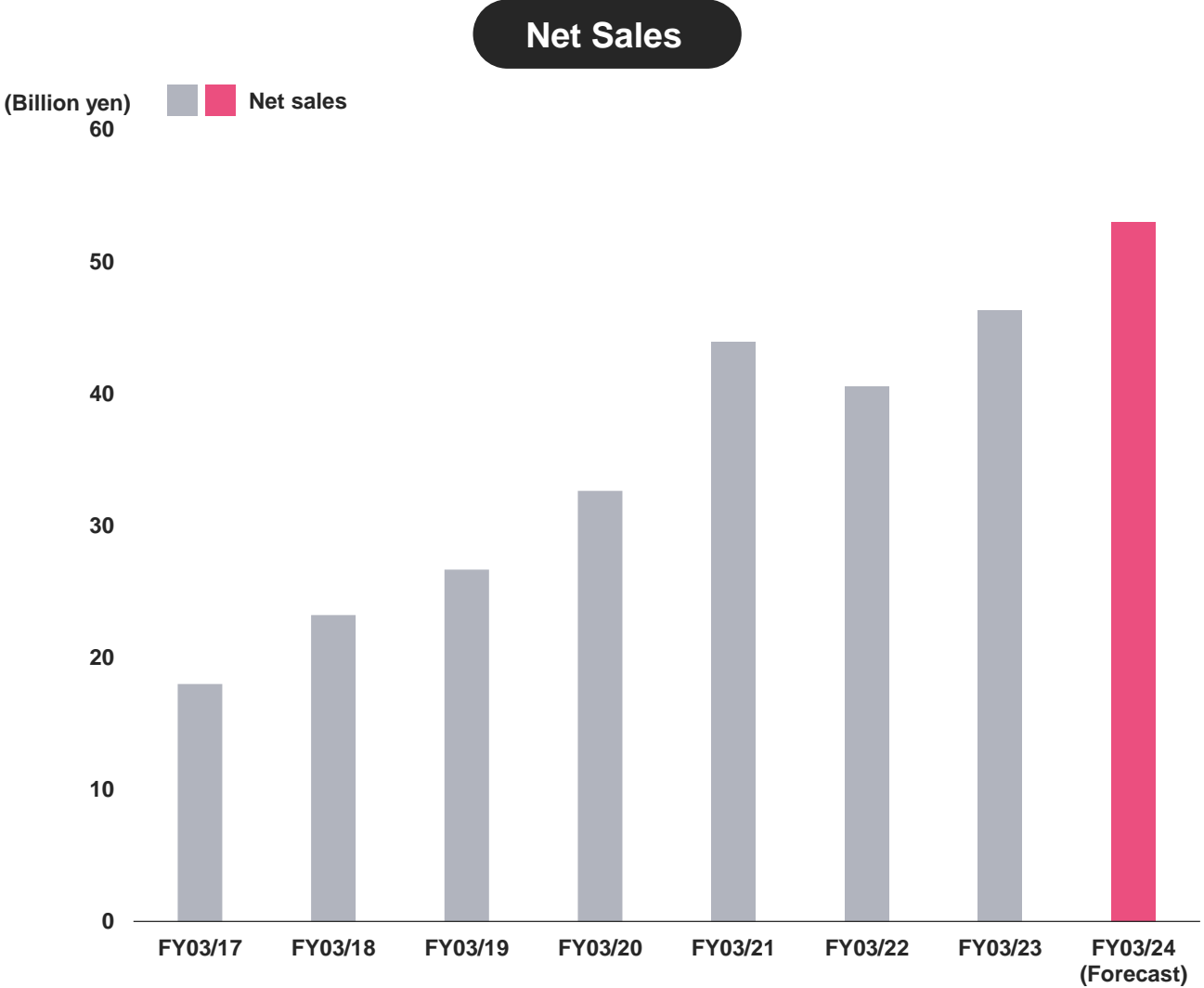
- Aggressive and effective advertising investments
- Attract pay-as-you-go members and encourage service usage
- Improve quality of original titles

## 2 Market Growth (Overseas Expansion)

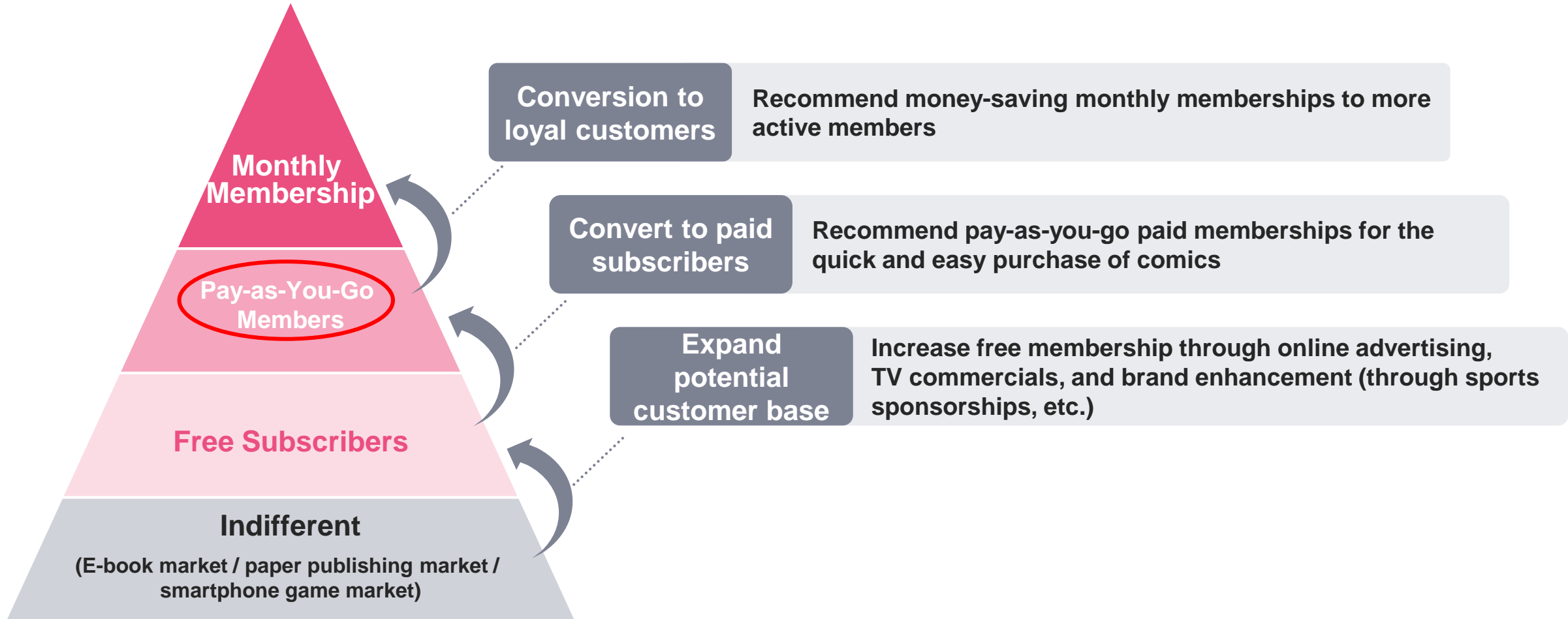
- Further growth of Peanutoon in South Korea
- Put U.S. distribution business on growth trajectory

## 3 Business Field Expansion

- IP development
- Investigate opportunities (including M&A) in peripheral fields



Leverage pay-as-you-go system to broaden base of paying members; induce members to become loyal customers



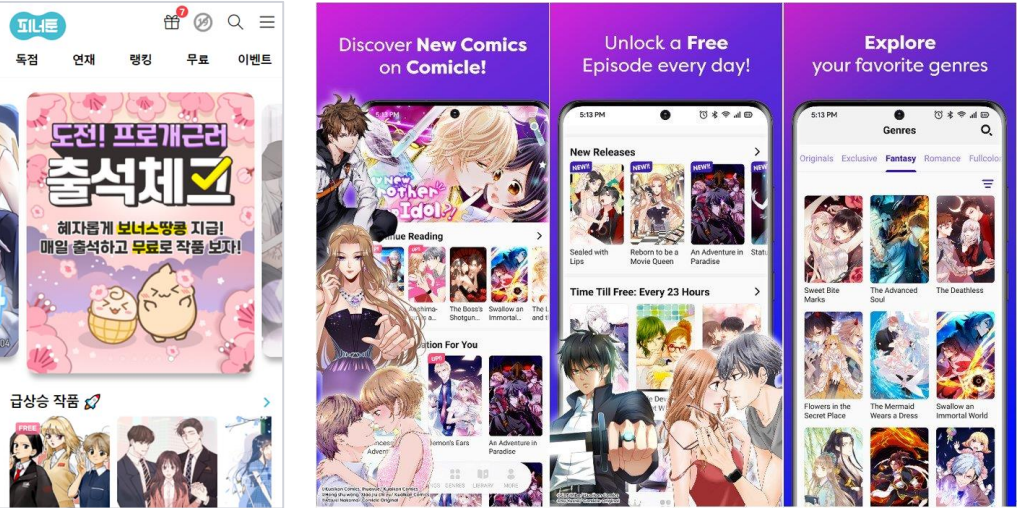
### Expand steadily overseas

#### Korea Growth Through Differentiation of Our Strengths

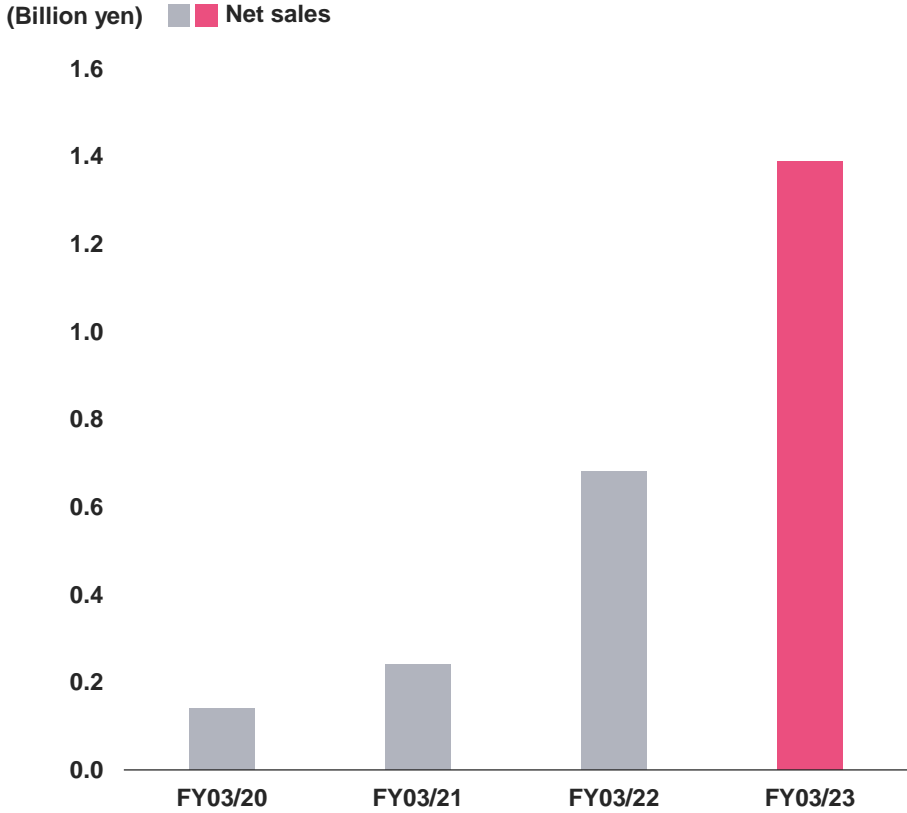
- Conduct effective advertising investments
- Increase number of original titles

#### U.S. Target Younger Users Through Various Tactics

- Content, advertising, etc.



#### Overseas Business Sales



# Health IT Business Initiatives

## 1 Expand Domestic Business for Hospitals

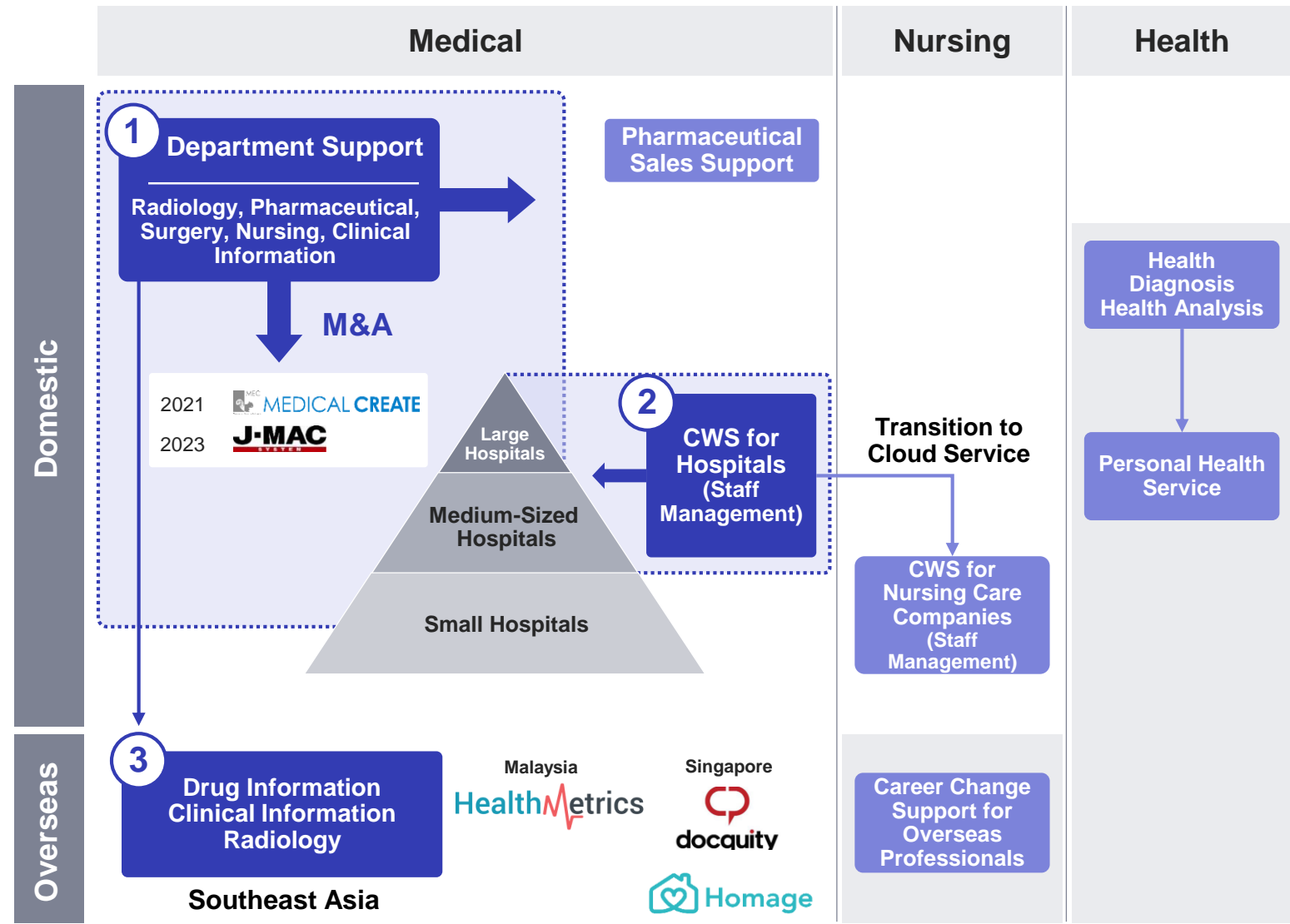
- Gradual growth in sales to large-sized hospitals
- Greater activity for system installations at small- and medium-sized hospitals
- Expand business fields (including M&A)

## 2 Expand Care Staff Management (CWS) System

- We expect demand to increase ahead of regulations capping overtime for physicians
- Begin sales of cloud-based CWS for nursing care companies

## 3 Expand Into Other Fields Overseas

- Increase local activities and commercialization, since the impact of COVID-19 has subsided



# Expand CWS for Hospitals

Implement as many CWS installations as possible to meet increased demand resulting from the start of caps on overtime for physicians

**Market Environment**

- 1 Overtime caps for physicians to begin in April 2024
- 2 Managing physician work hours is a difficult challenge
  - Complicated work schedules with overnight shifts and side or concurrent work

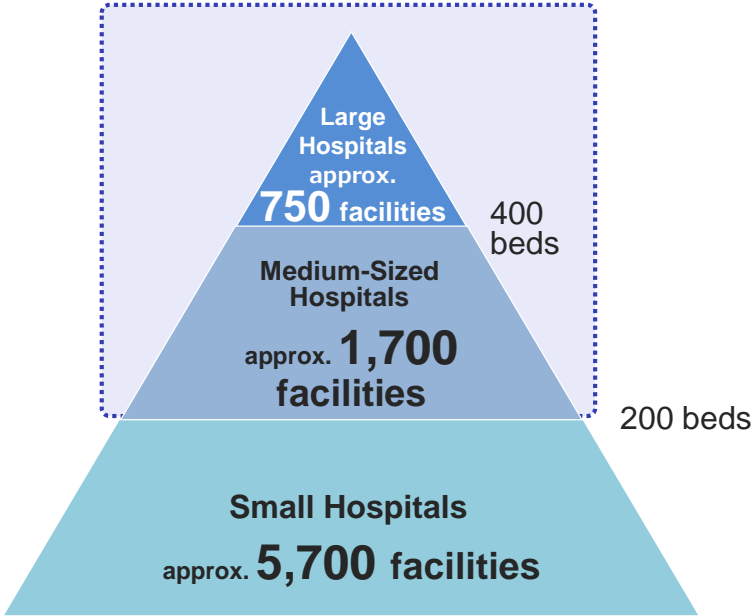
**Infocom Initiatives**

**Provide functions that comply with maximum hours and encourage adoption**

- Special physician package installable in three months  
Available April 2023
- Work-interval check option  
Available April 2023
- Prepare system for sales and installation

## Adoption of Staff Management System

Approximately 10% of medium- to large-sized hospitals that need to comply have already adopted systems (our estimate)



\*Source: 2021 Survey on Health Care Facilities (Ministry of Health, Labour and Welfare)



# Evolve ERP Business Into a Service

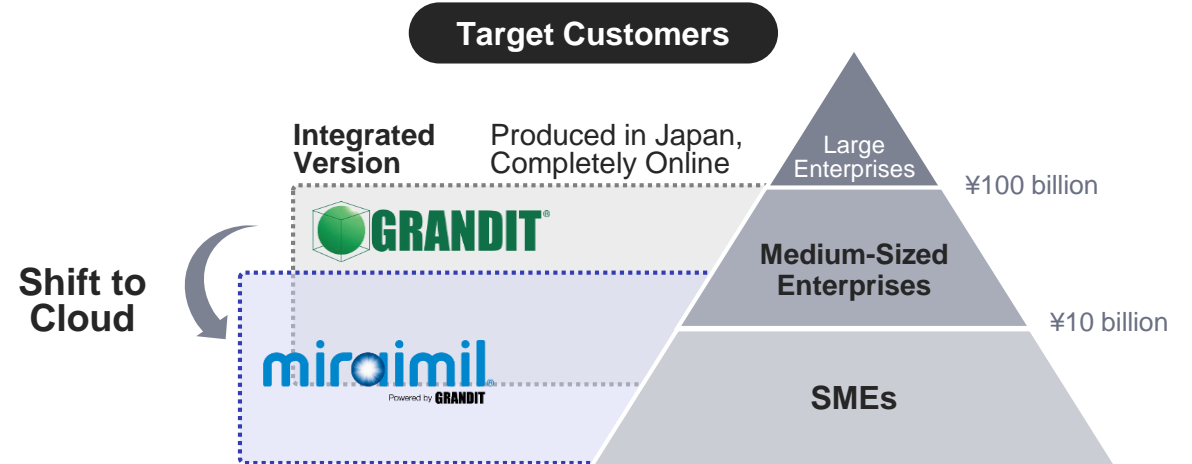
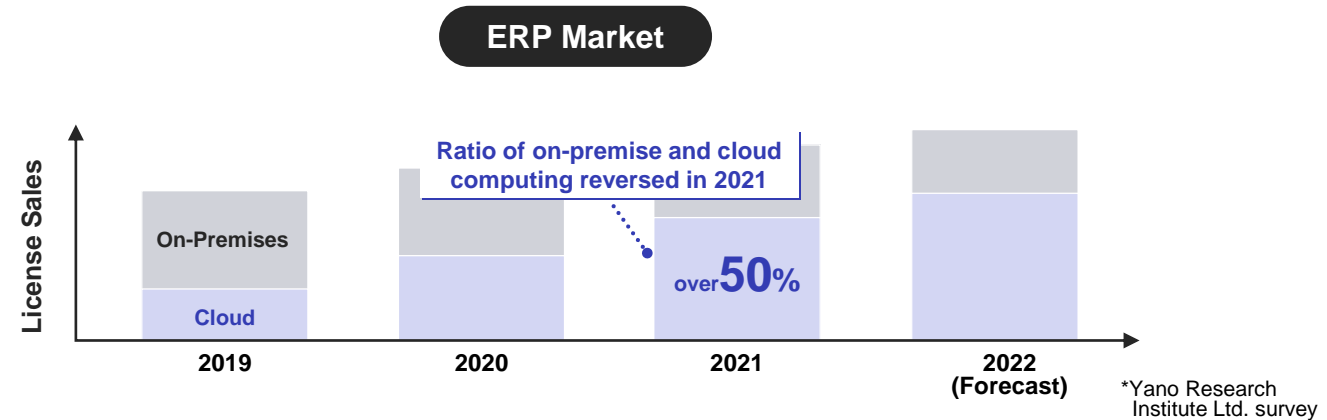
## Shift to Sales Expansion Mode for Cloud ERP GRANDIT miraimil

### Market Environment

- **COVID-19 accelerated the shift to Cloud Computing**  
Ratio of cloud users exceeded 50% by 2021
- **Boosted by IT adoption subsidies**  
Ministry of Economy, Trade and Industry subsidizes part of the IT adoption costs for SMEs

### Infocom Initiatives

- **Expand Targets to SMEs**  
Cloud-based ERP package GRANDIT developed in-house
- **Differentiate from other ERP vendors through an integrated version**  
Provide solution for entire enterprise in one package, rather than covering specific departments
- **Introduce DX for enterprises through public/private sector approach**  
Break away from legacy systems and eliminate the DX gap based on company size



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

Contact

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