

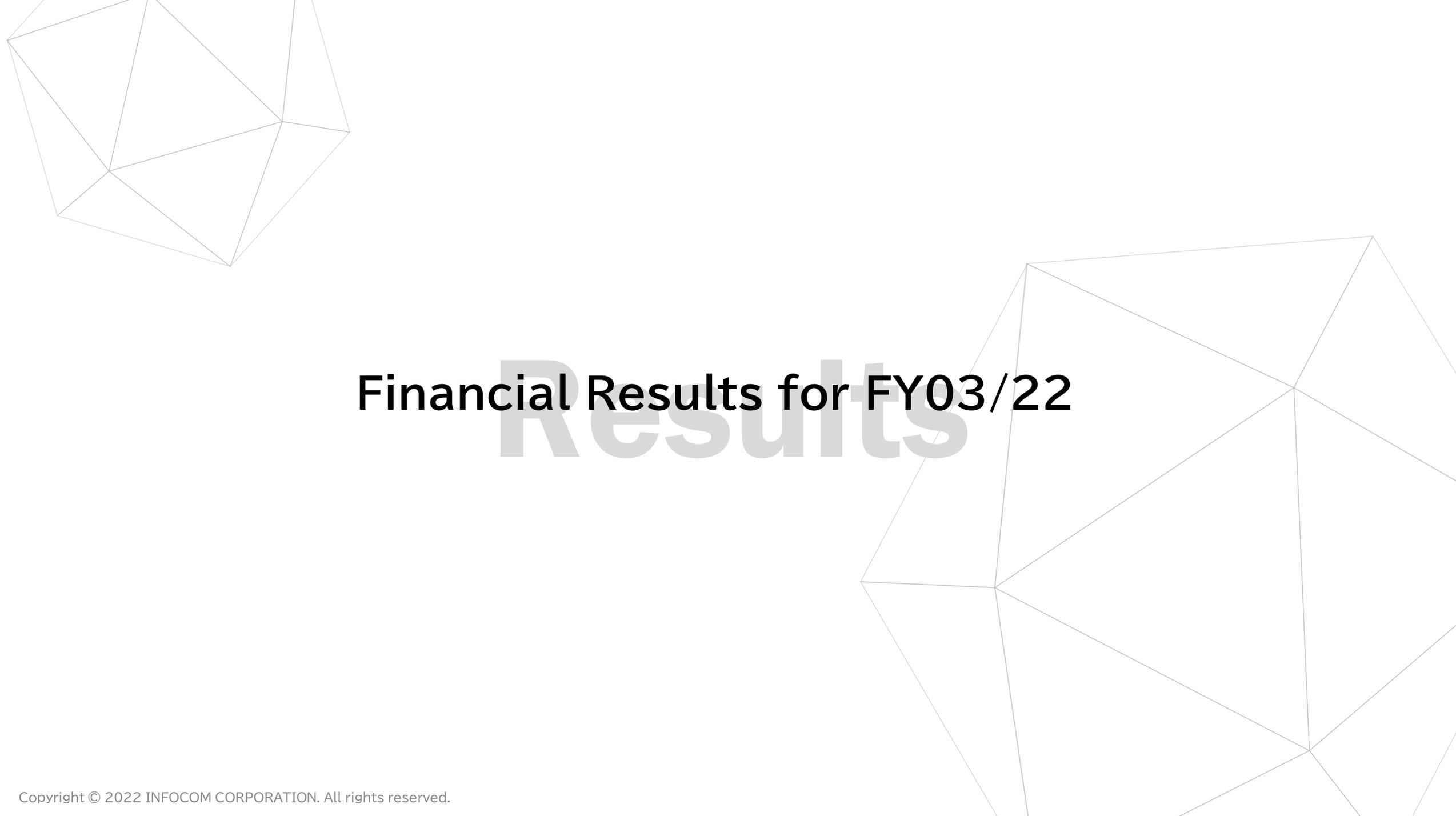
Financial Results Briefing for FY03/2022

INFOCOM CORPORATION

2022.04.27

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- Initiatives in Key Businesses
 - E-Comic
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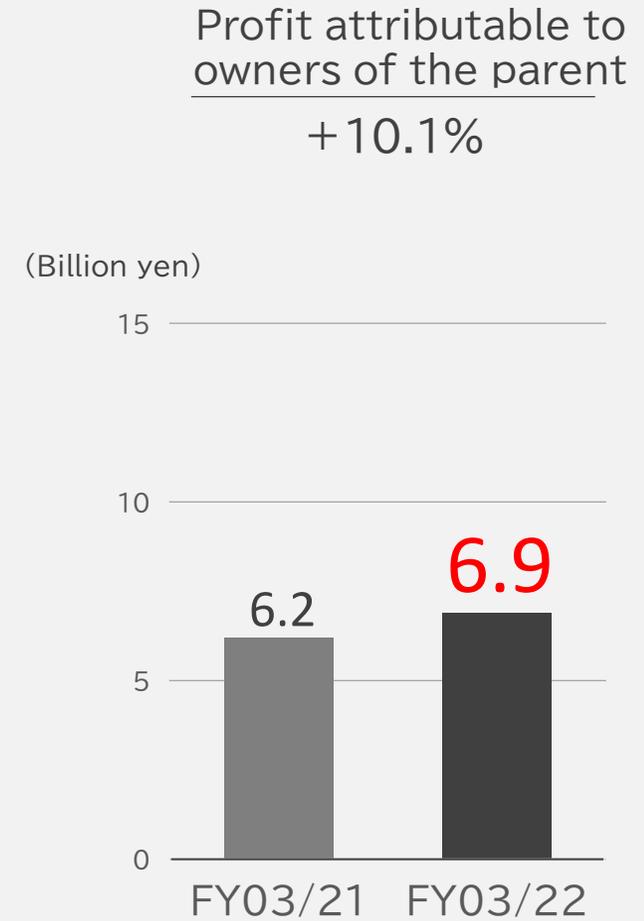
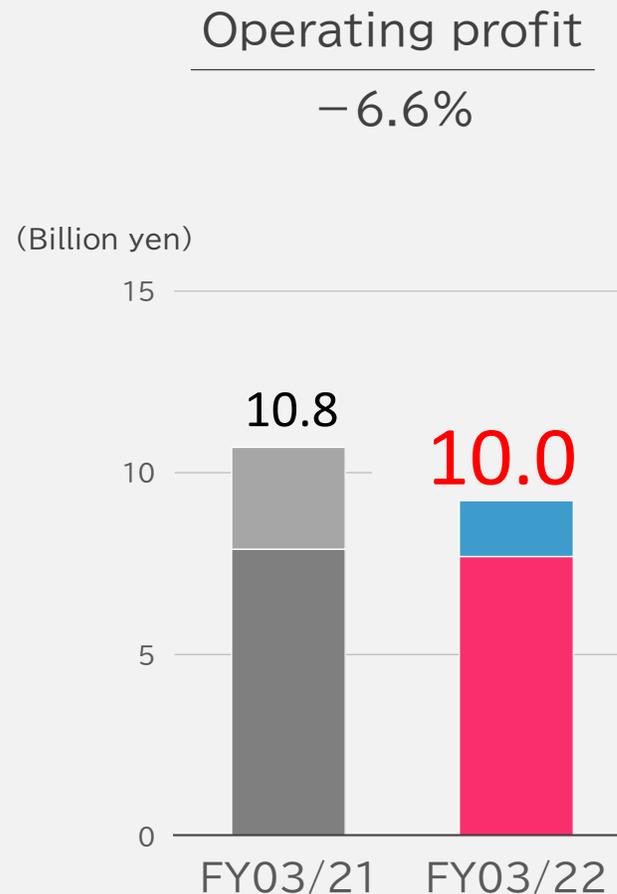
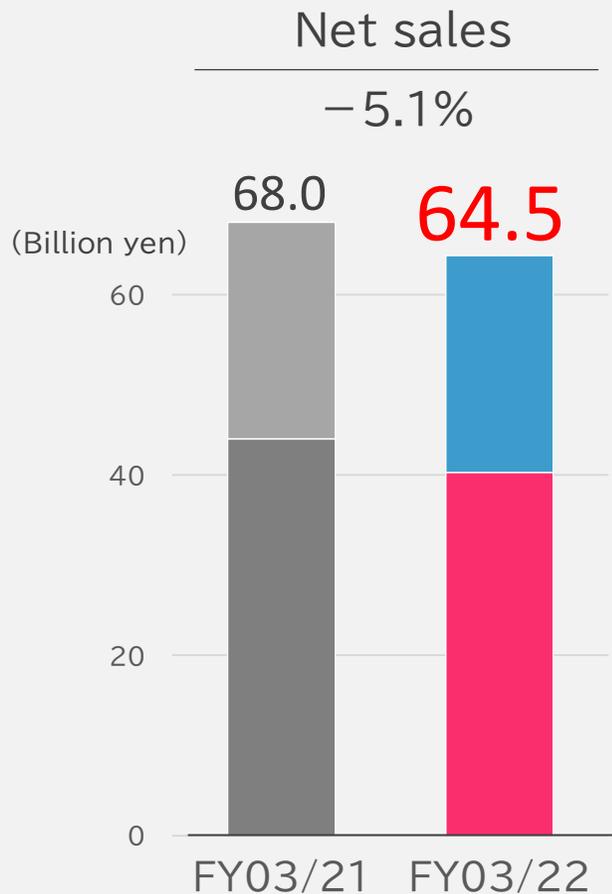


Financial Results for FY03/22

Results

FY03/22 Results (Consolidated)

Net sales : Firm Business Solution performance, despite sluggish growth for E-comics
 Operating profit : Lower due to HQ relocation costs
 Net income : New record-high



■ Digital Entertainment ■ Business Solution

Management Performance (Consolidated)

(Billion yen)

	FY03/21	FY03/22	YoY	
			Change	%
Net sales	68.0	64.5	(3.4)	-5.1%
Operating profit (Operating margin)	10.8 (15.9%)	10.9 (16.9%) Cost of HQ relocation (0.8)	+0.1	+1.2%
EBITDA	12.1	11.4	(0.7)	-5.8%
Ordinary profit	10.9	10.1	(0.7)	-6.8%
Profit attributable to owners of the parent	6.2	6.9	+0.6	+10.1%
Net income per share (yen)	114.61	126.20	11.59	+10.1
ROE(%)	16.2	16.1	(0.1)	

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

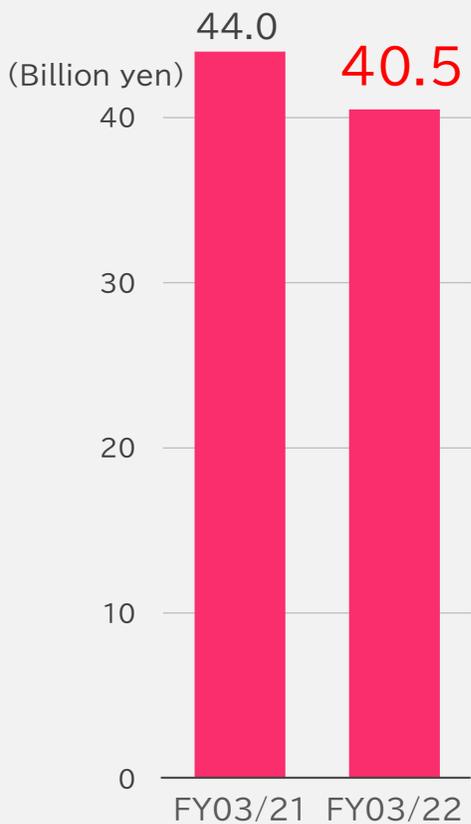
System integration for major companies

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

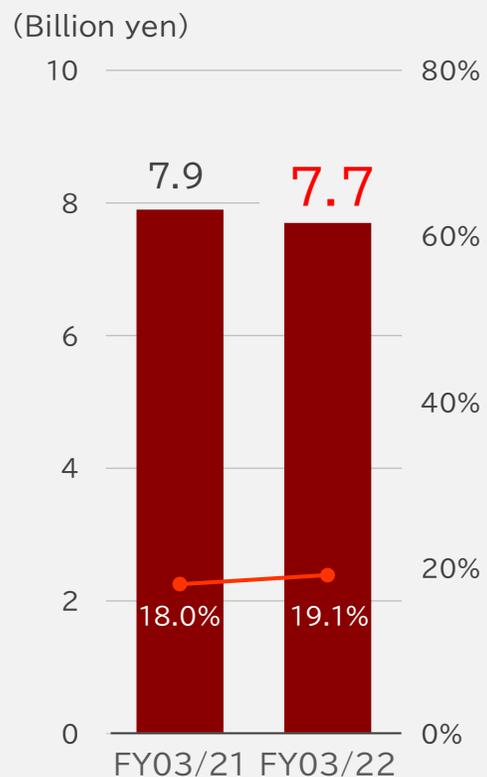
Digital Entertainment Results (Consolidated)

(Billion yen)

Net sales



Operating profit



	FY03/21	FY03/22	YoY	
			Change	%
Net sales	44.0	40.5	(3.4)	-7.9%
Operating profit	7.9	7.7	(0.1)	-1.9%
(Operating margin)	(18.0%)	(19.1%)		

Net sales

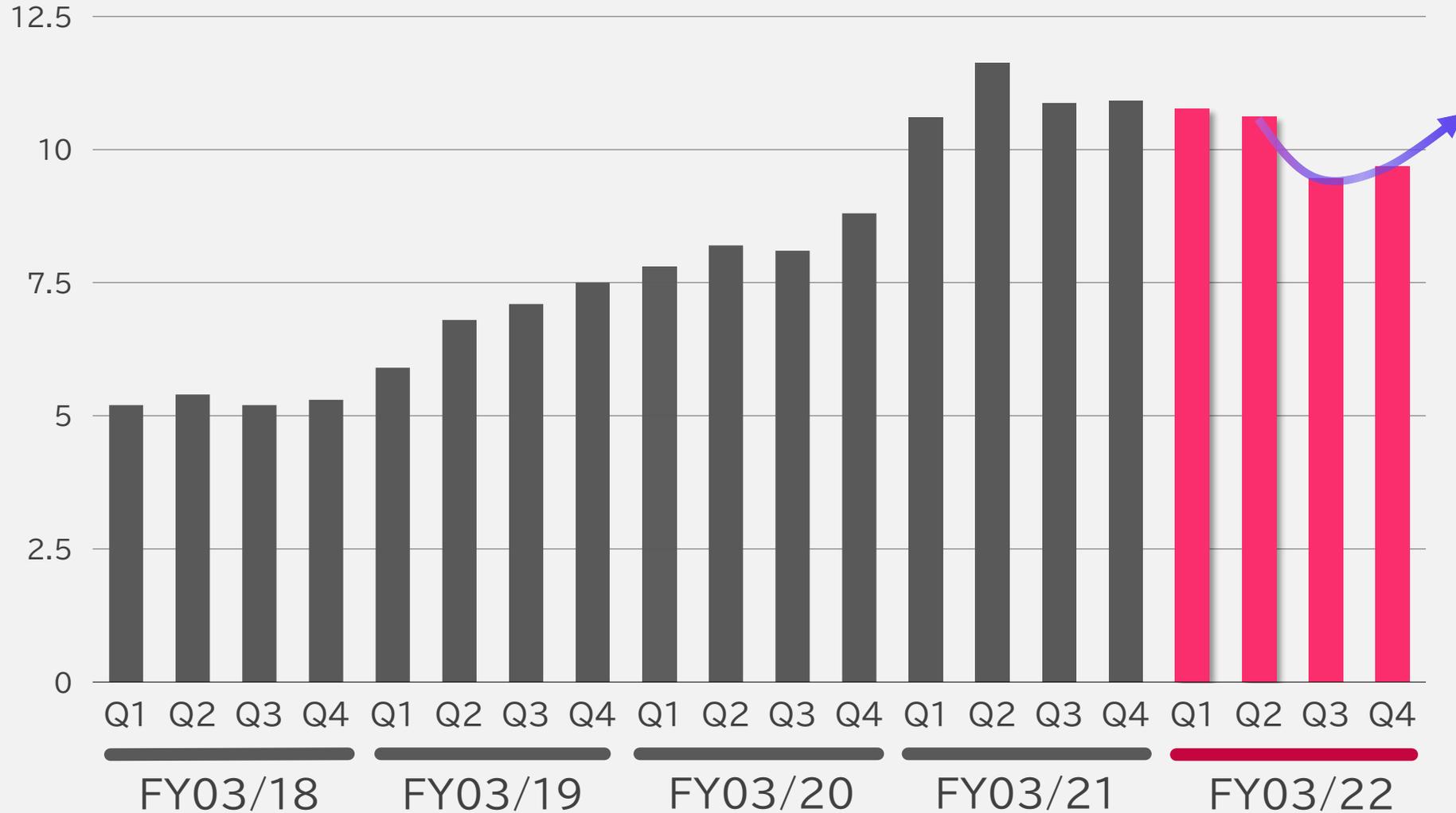
- Advertising effectiveness declined due to pirate sites
→ Reduced advertising
- Decline in special demand stemming from voluntary restraints on unnecessary travel in the previous year
- Lack of major hits in original content (some medium-sized hits)

Operating profit

Decrease in profits due to decrease in sales
Cost reductions from reduced advertising

Results of E-Comic Distribution Service

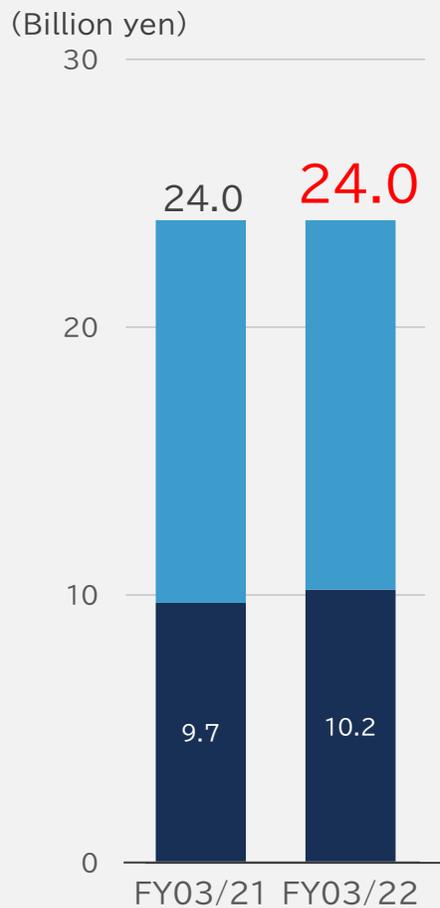
(Billion yen)



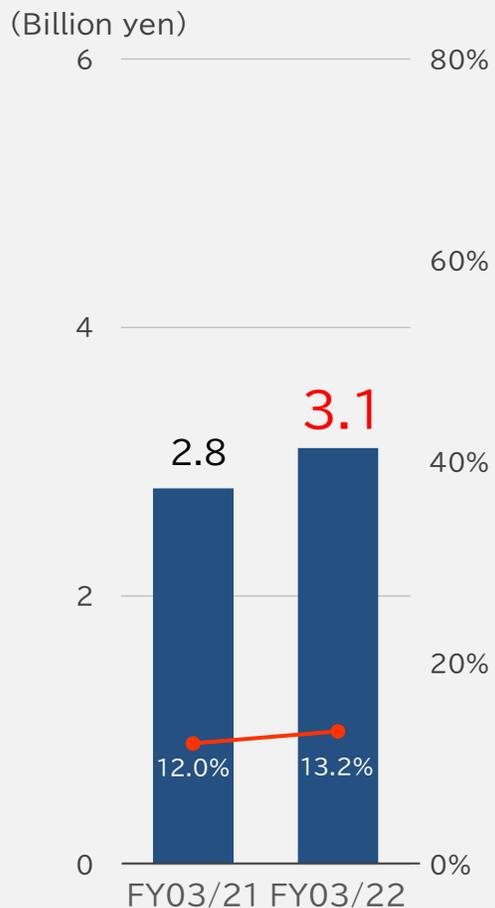
Business Solution Results (Consolidated)

(Billion yen)

Net sales



Operating profit



	FY03/21	FY03/22	YoY	
			Change	%
Net sales	24.0	24.0	+0.0	+0.1%
Health IT	9.7	10.2	+0.5	+6.1%
Operating profit	2.8	3.1	+0.2	+9.9%
(Operating margin)	(12.0%)	(13.2%)		

Excluding HQ relocation costs (0.8)

Net sales

Steady growth despite the impact of COVID-19

Operating profit

- Improved profit margin due to higher productivity from work-style reform (telecommuting, operating improvements, HQ relocation, etc.)
- Cost reductions

Investments

(Billion yen)



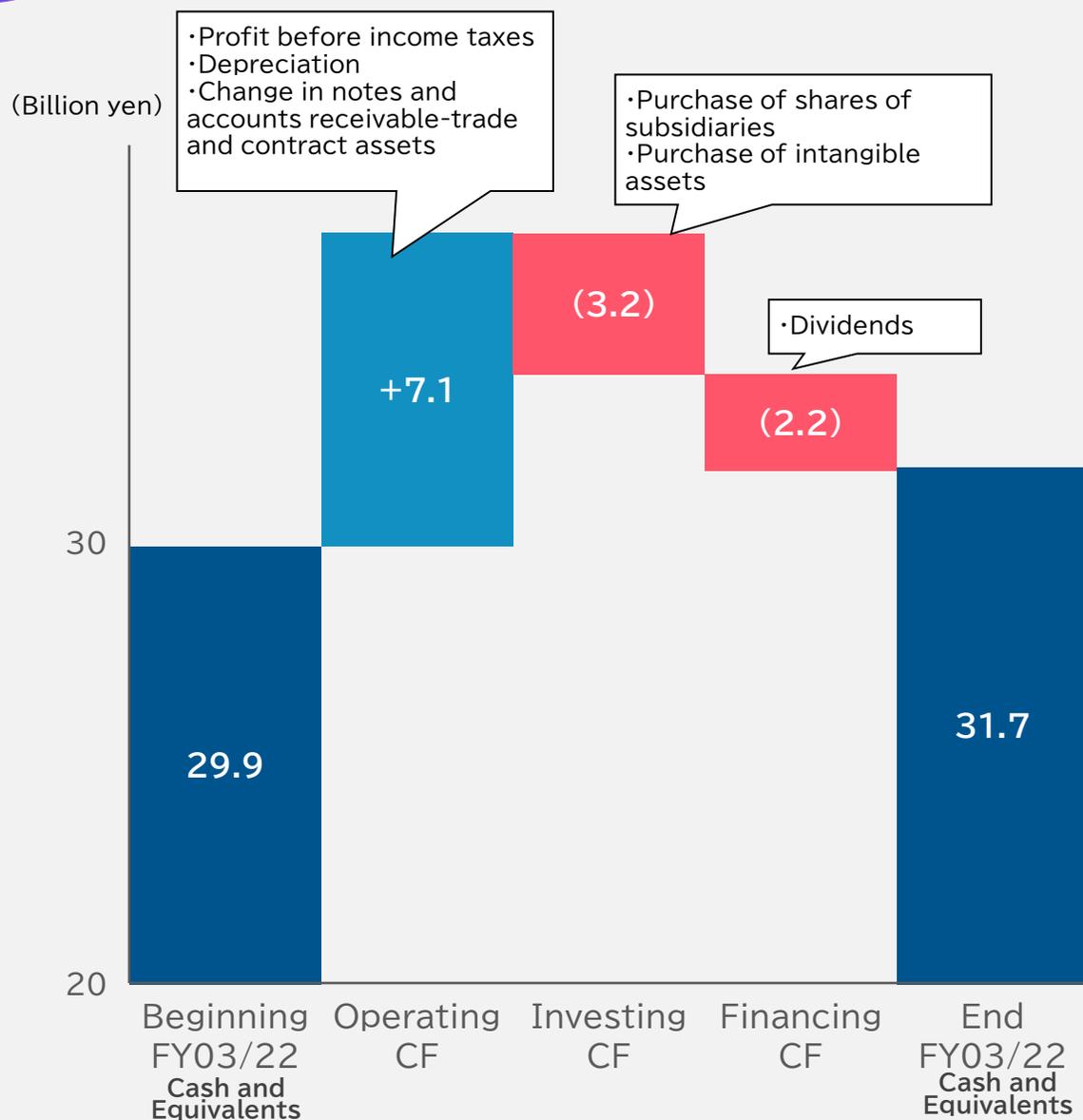
Category	Main Details	Amount
Business Development	New business planning, research, demonstration tests, etc.	0.3
Equity Investment	M&A Expanding Health IT (converted Medical Create Co., ltd to a subsidiary) Evolve into a services-oriented business (converted Alterbooth Inc. to a subsidiary) Capital increase for South Korean e-comic distribution business (Peanutoon Inc.) Investments and business alliances E-Comic distribution business (established joint venture AmuLink Corp) Southeast Asia social media platform for doctors (business alliance with Docquity Holdings Pte. Ltd.) Fitness app business (business alliance with BeatFit Inc.)	2.0
Capital Investment	E-comic (Systems development, etc.) Health IT (radiology systems, pharmaceutical company sales, etc.) GRANDIT miraimil development Other (facilities in connection with HQ relocation)	1.6
R&D Investment	AI, new technology research, etc.	0.1

Balance Sheets (Consolidated)

(Billion yen,%)

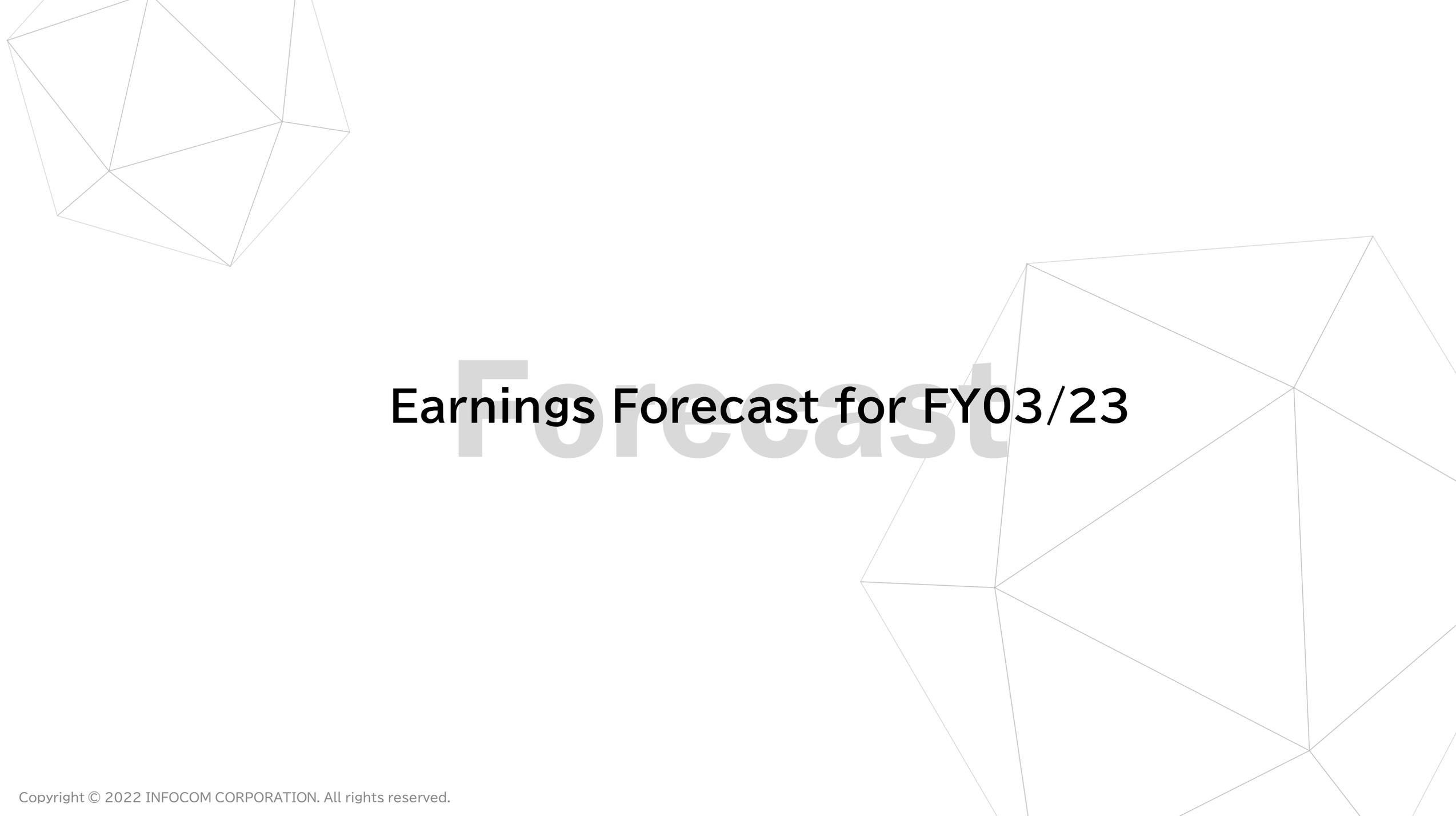
	FY03/21		FY03/22			Major Change Factors
	Amount	Composition Ratio	Amount	Composition Ratio	YoY	
Current assets	43.9	77.9	45.1	78.5	+1.2	
Fixed assets	12.4	22.1	12.3	21.5	(0.1)	
Total assets	56.4	100.0	57.5	100.0	+1.0	
Current liabilities	14.2	25.2	12.4	21.6	(1.8)	·Income taxes payable
Non-current liabilities	0.3	0.6	0.5	0.9	+0.1	
Total liabilities	14.5	25.9	12.9	22.5	(1.6)	
Total net assets	41.8	74.1	44.5	77.5	+2.7	·Retained earnings
Total liabilities and net assets	56.4	100.0	57.5	100.0	+1.0	
Shareholders' equity ratio	73.5%		76.8%			

Cash Flows (Consolidated)



(Billion yen)

	FY03/21	FY03/22	Change
Operating CF	9.8	7.1	(2.7)
Investing CF	(1.6)	(3.2)	(1.5)
Free CF	8.2	3.9	(4.3)
Financing CF	(1.7)	(2.2)	(0.4)
Effects of exchange rate changes on cash and cash equivalents	(0.0)	0.0	+0.0
Change in cash and cash equivalents	6.4	1.7	(4.7)
Cash and cash equivalents, beginning of period	23.4	29.9	+6.4
Cash and cash equivalents, end of quarter	29.9	31.7	+1.7



Earnings Forecast for FY03/23

Management Indicators (Consolidated)

(Billion yen)

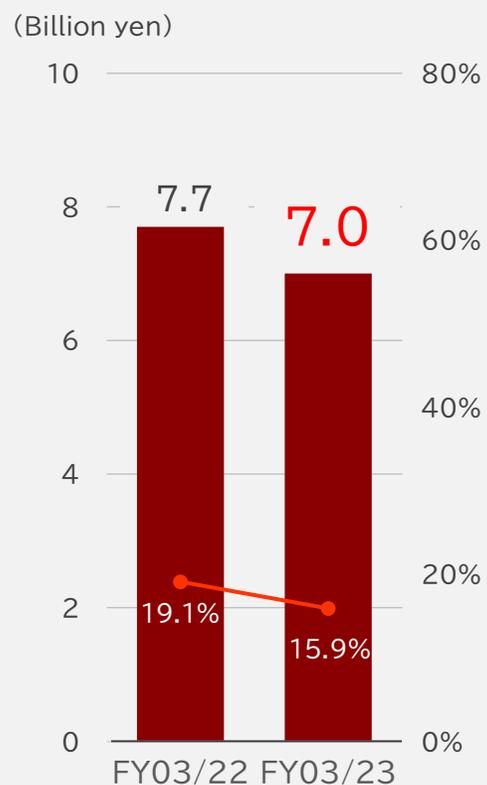
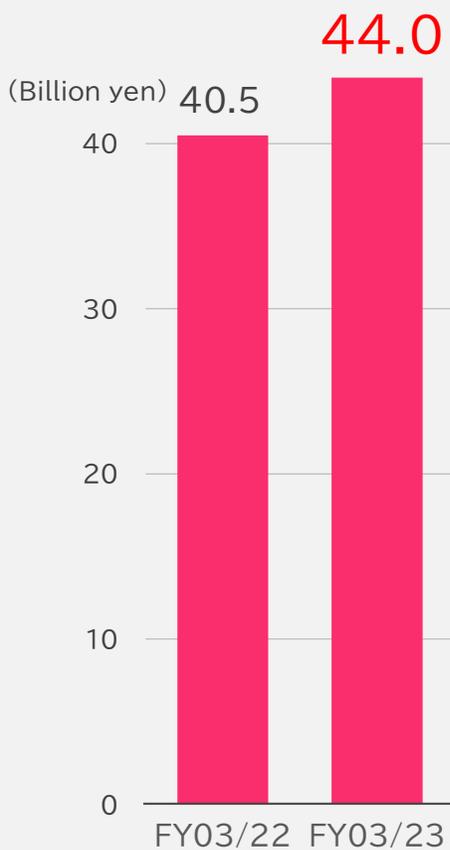
	FY03/22 Results			FY03/23 Forecast			YoY	
	1H	2H	FY	1H	2H	FY	Change	%
Net sales	32.4	32.1	64.5	33.0	37.0	70.0	+5.4	+8.4%
Operating profit (Operating margin)	4.9 (15.4%)	5.0 (15.9%)	10.0 (15.6%)	4.0 (12.1%)	6.5 (17.6%)	10.5 (15.0%)	+0.4	+4.0%
EBITDA	5.6	5.7	11.4	4.6	7.2	11.8	+0.3	+3.4%
Ordinary profit	5.0	5.1	10.1	4.0	6.5	10.5	+0.3	+3.0%
Profit attributable to owners of the parent	3.4	3.4	6.9	2.7	4.3	7.0	+0.0	+1.3%
Net income per share (yen)			126.20			127.80	+1.60	+1.3%
ROE			16.1%			15.2%	(1.0)	

Digital Entertainment Earnings Forecast (Consolidated)

(Billion yen)

Net sales

Operating profit



	FY03/22	FY03/23	YoY	
			Change	%
Net sales	40.5	44.0	+3.4	+8.6%
Operating profit	7.7	7.0	(0.7)	-9.8%
(Operating margin)	(19.1%)	(15.9%)		

Net sales

Aiming for growth recovery through expanded content and strengthening marketing

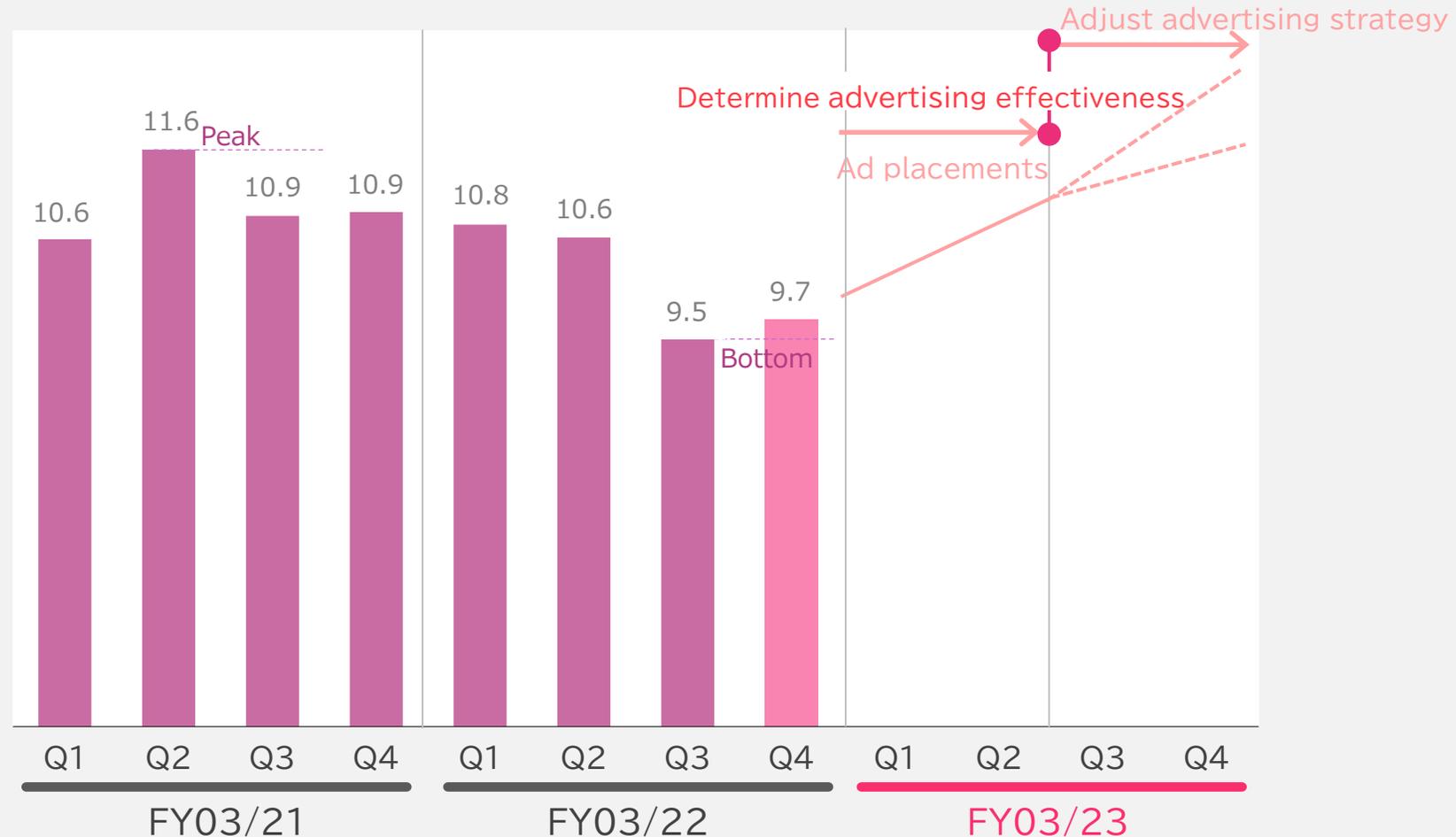
Operating profit

Cost increase due to strengthened marketing



E-Comic Returning to a Growth Path Owing to Aggressive Investments in Advertising

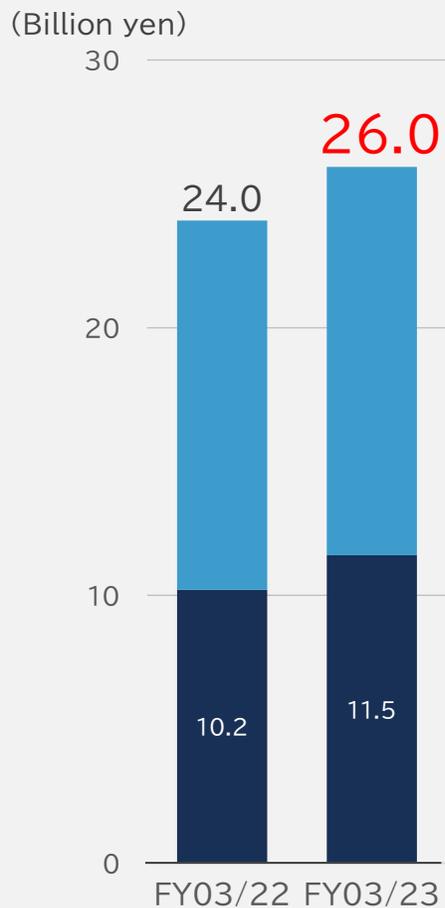
Continue revised marketing measures of Q4 in the previous year through the first half of this year; invest in advertising
Determine the direction for the second half based on the results of the first half



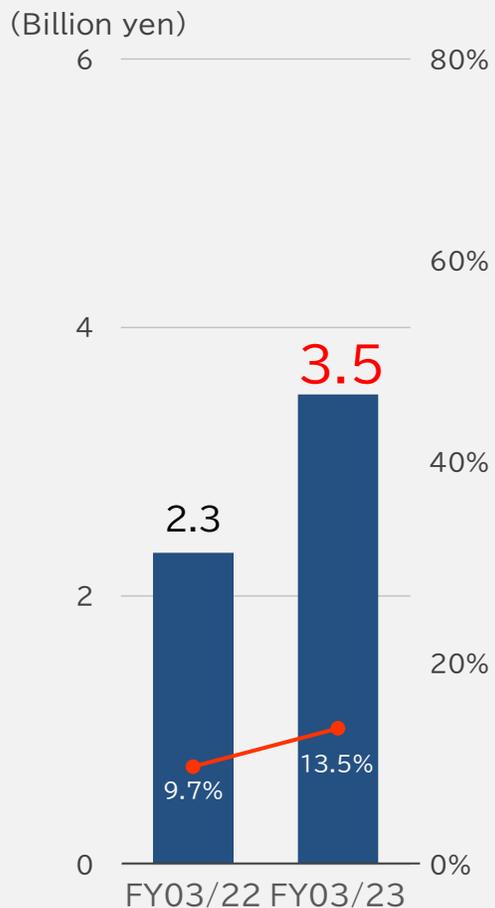
Business Solution Earnings Forecast (Consolidated)

(Billion yen)

Net sales



Operating profit



	FY03/22	FY03/23	YoY	
			Change	%
Net sales	24.0	26.0	+1.9	+8.1%
Health IT	10.2	11.5	+1.2	+11.7%
Operating profit	2.3*	3.5	+1.1	+50.3%
(Operating margin)	(9.7%)	(13.5%)		

*Cost of HQ relocation (0.8)

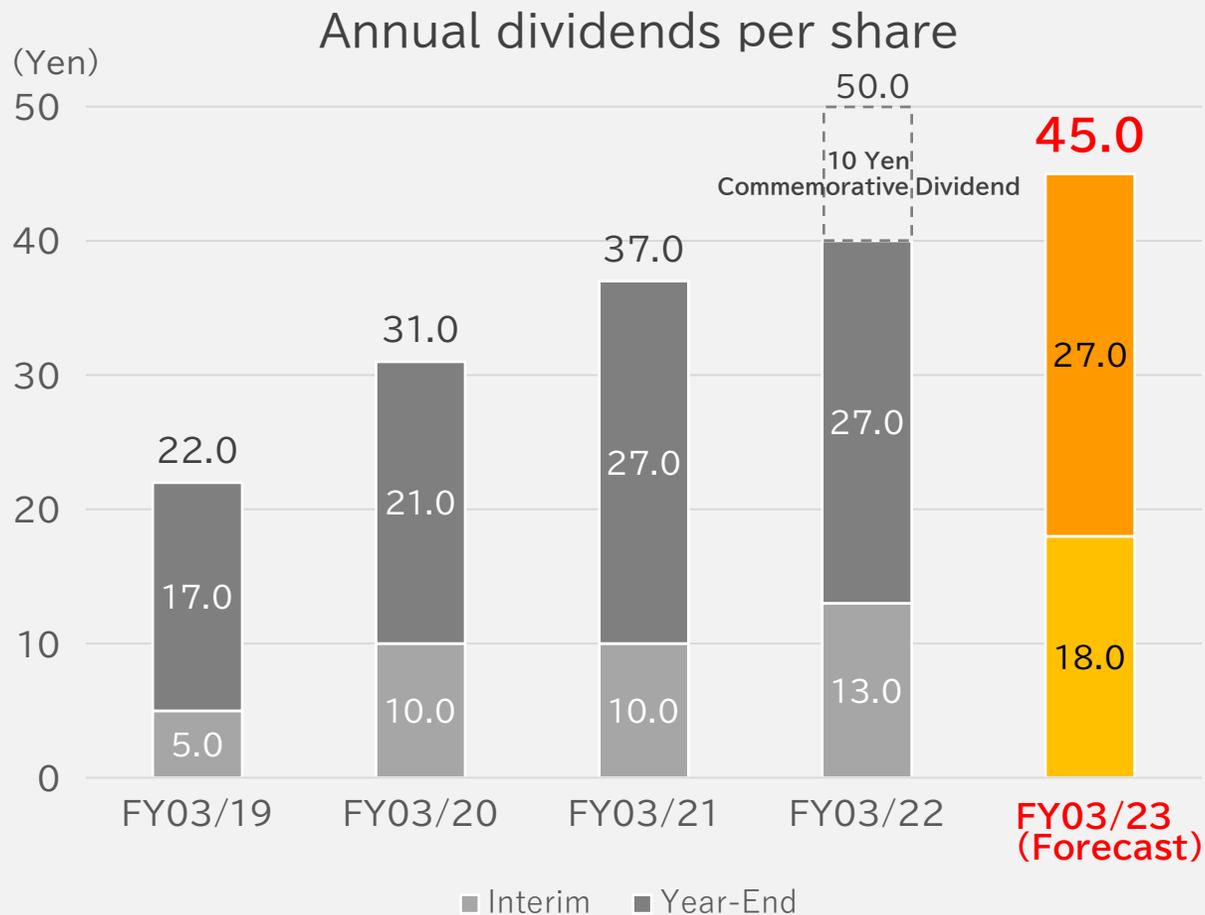
Net sales

Increase in sales due to growth of Health IT and evolution into a services-oriented business

Operating profit

Higher profits due to higher sales

Shareholder Returns



Net income per share (yen)	87.46	101.32	114.61	126.20	127.80
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◆ Dividends

For FY03/2023, we forecast an interim dividend of 18 yen and a year-end dividend of 27 yen, for a total annual dividend of 45 yen (35.2% payout ratio)

◆ Shareholder Benefits

We plan to provide shareholder benefits to shareholders owning at least one trading unit per the register of shareholders as of September 30, 2022

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



Initiatives in Key Businesses

E-Comic

Health IT

Evolve Into a Services-Oriented Business

E-Comic FY03/22 Initiatives

Expand Content

- Bolstered production system for original comics
- Strengthen collaboration with publishers
- Purchased and sold Webtoon titles
- Launched *manga* submission service

Mecha Comic Creators



Original Comics to Other Media

- Dramatization of original comics



- Collaborations with dramas



- Joint drama with TV Tokyo



Strengthen Systems Foundation

- Established joint venture company AmuLink Corp.

Researched and adopted technologies specific to the e-book business

amuLink

- Developed and launched new viewer
- Moved systems infrastructure to the cloud

Launched *Manga* Submission Website

Works submitted and viewed free of charge
Contest-winning works distributed on *Mecha Comic*



Original Comics to Other Media

- We have been implementing media tie-ups, mainly for original comics.
- We continue to pursue media in areas other than TV dramas.



Jan. 2022- TV Tokyo

Dramatization of grand prize-winning titles



Manga artist contests



Winning titles will be distributed on Mecha Comic



Dramatization of original titles

Oct. 2021- MBS/TBS



July 2021- WOWOW



Comic adaptations of movies and TV shows

TV Drama (Kansai Television)
She Was Beautiful



TV Drama (Fuji TV)
SUPER RICH



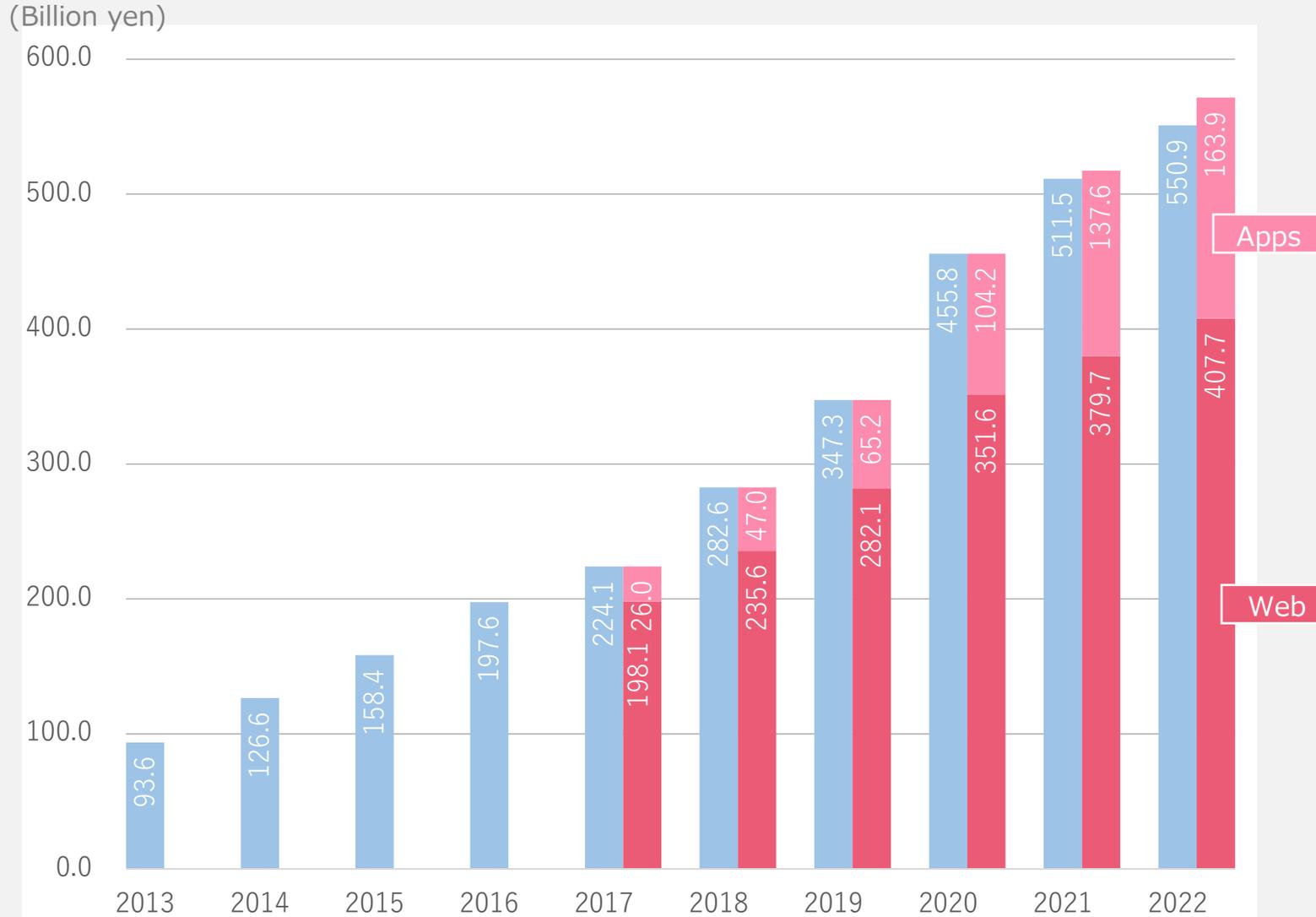
TV Animation (TOKYO MX)
Puraore! ~PRIDE OF ORANGE~



Oct. 2020- MBS/TBS Mar. 2021- MBS



Despite the impact of pirate sites, the market continues to grow, mainly through comic apps used by young consumers



FY03/23 Growth

INFOCOM
Forecast

10.5%

Impress
Forecast*

7.7%

*Impress Corporation
E-book Business Research Report 2021

1. Optimal use of advertising and marketing

- Web ⇒ Acquire members in the 30s and 40s age groups
- App ⇒ Try new ways to appeal to young people (20s age group)
- Appeal to sense of bargain pricing through free content and membership points
- Engage in selection and concentration for content investments

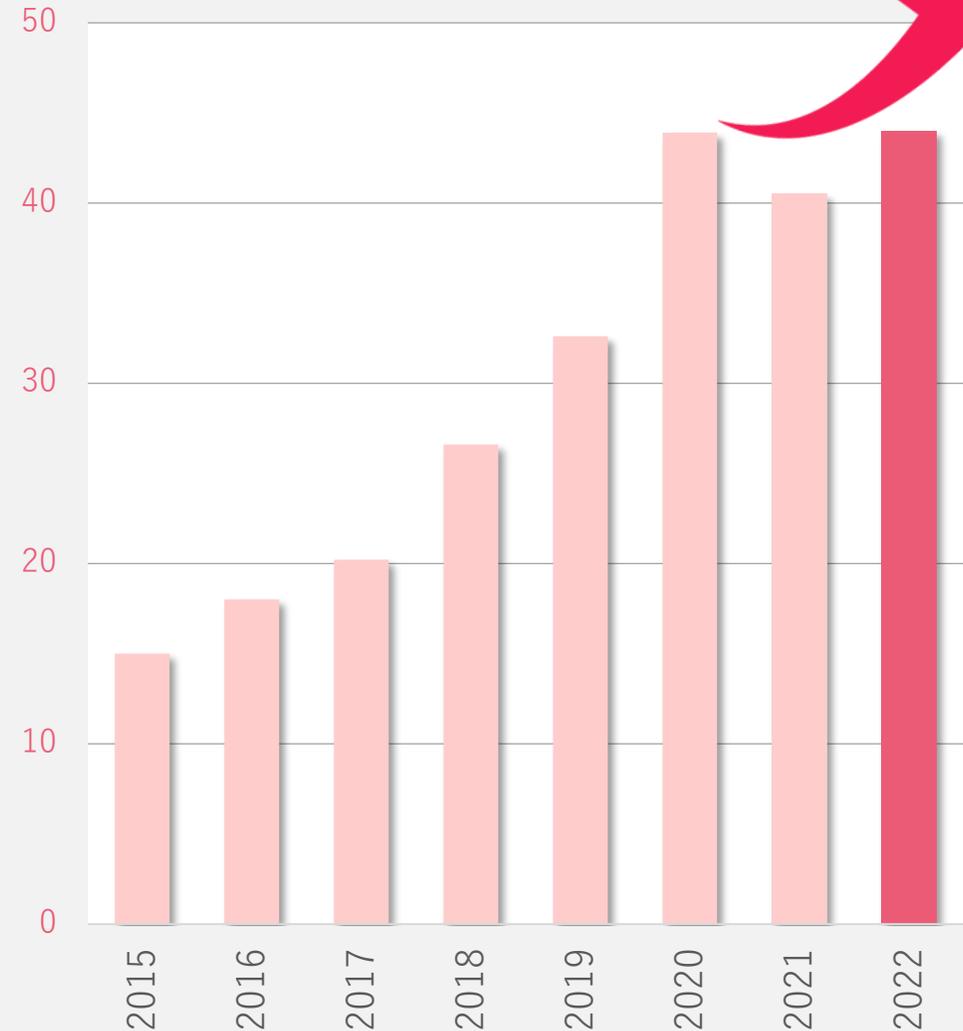
2. Cultivate growth businesses

- Growth of the *Mecha Comic* app business
- Growth of Peanutoon in South Korea
- Begin distribution of *Mecha Comic* app in the U.S.

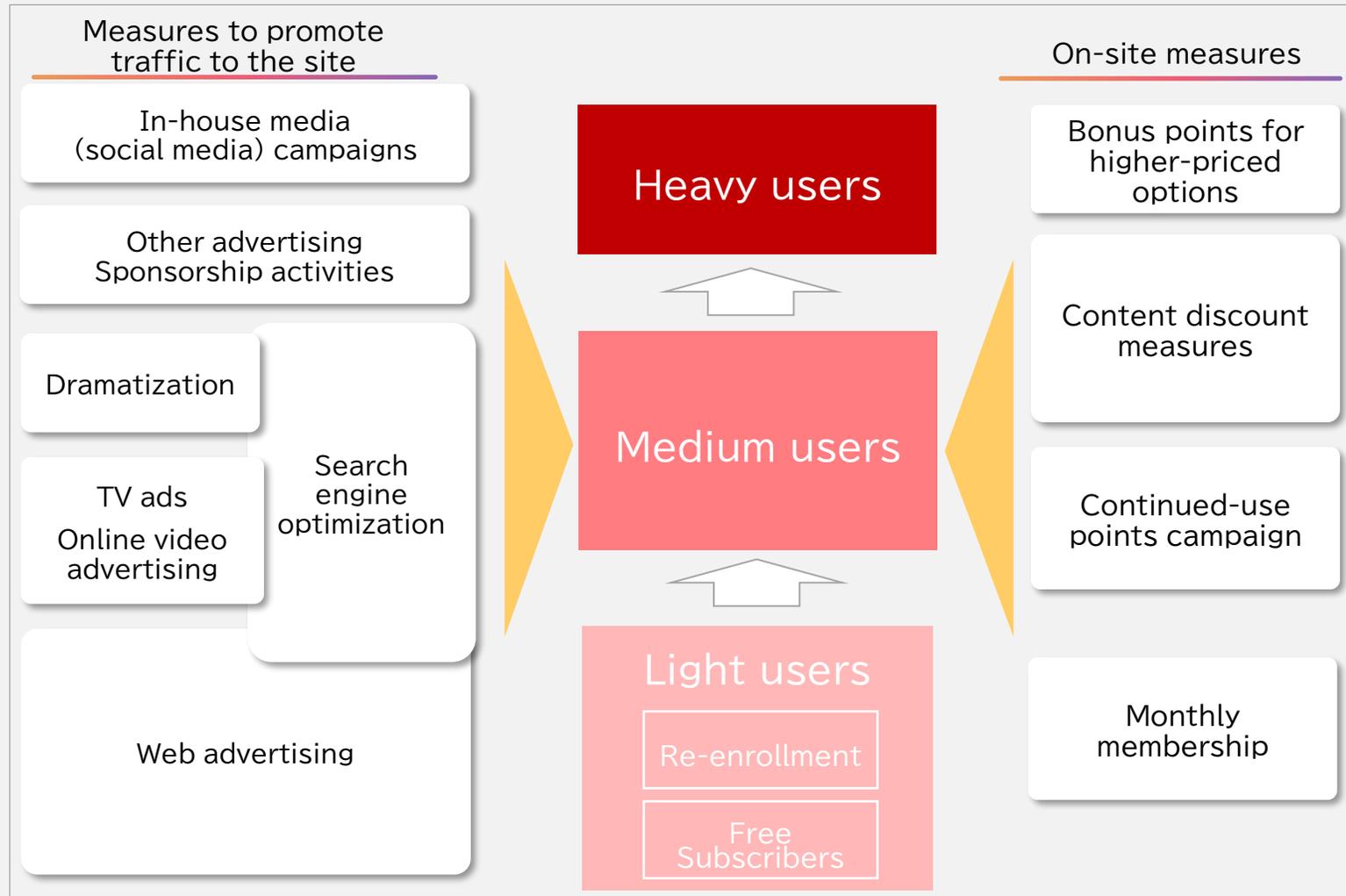
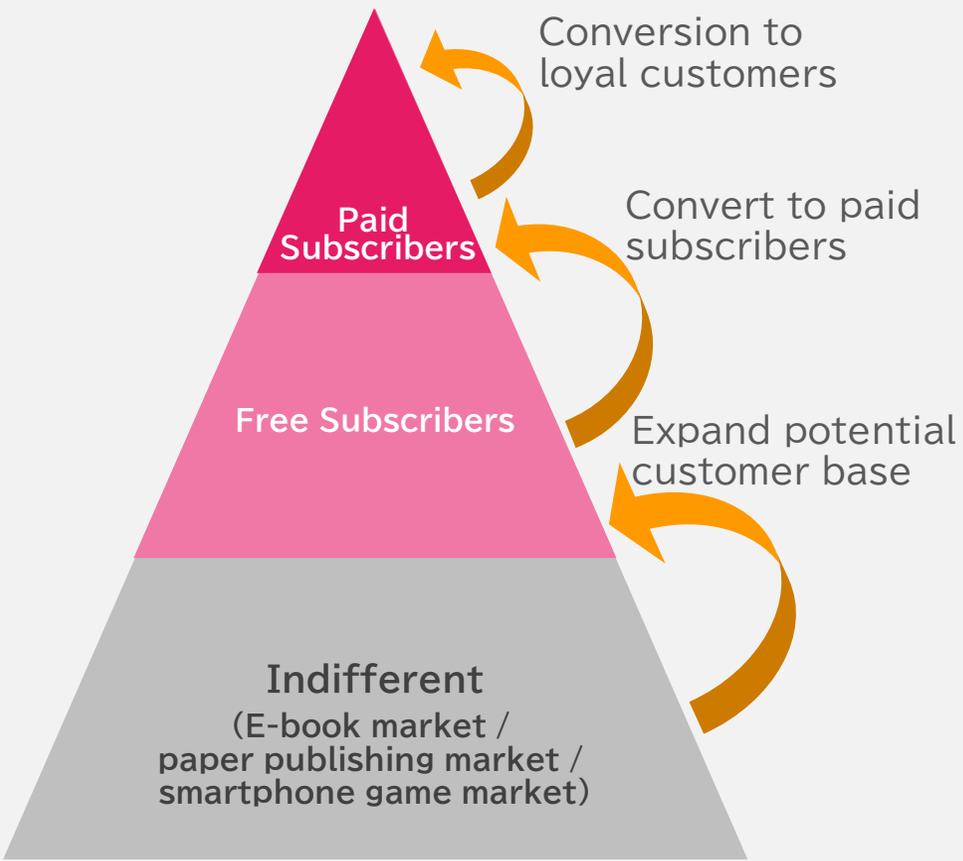
3. Business field expansion

- M&A or alliances with other companies in the same industry, other publishing companies
- Expand business domains to peripheral markets and overseas

(Billion yen)



Implement measures according to customer status to activate and encourage regular use, leading to loyal customers



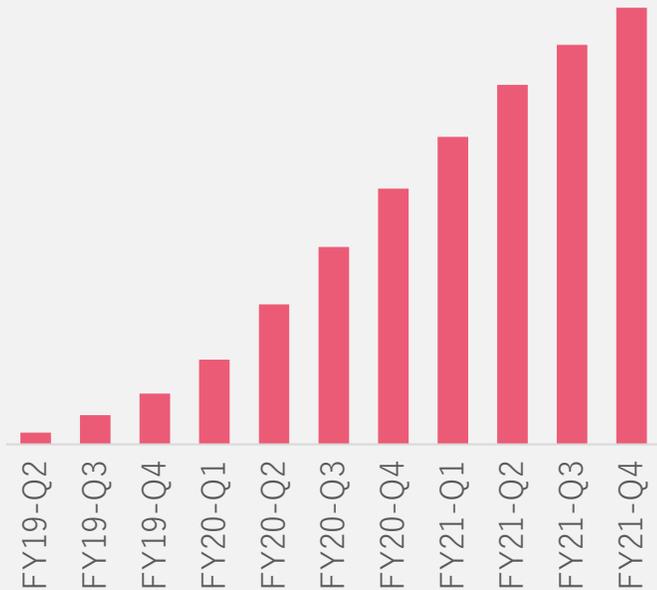
E-Comic Initiatives for New Business Domains

Increase app users in Japan through stronger promotions.
Transition Korean business to growth track.

Mecha Comic App

- Replace viewer for stronger analytical capabilities
- Implement advertising function
- Expand linkage with web services

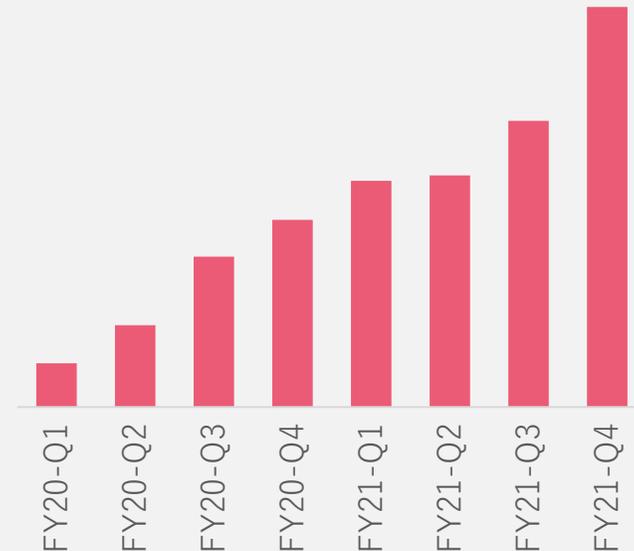
<Cumulative App Downloads>

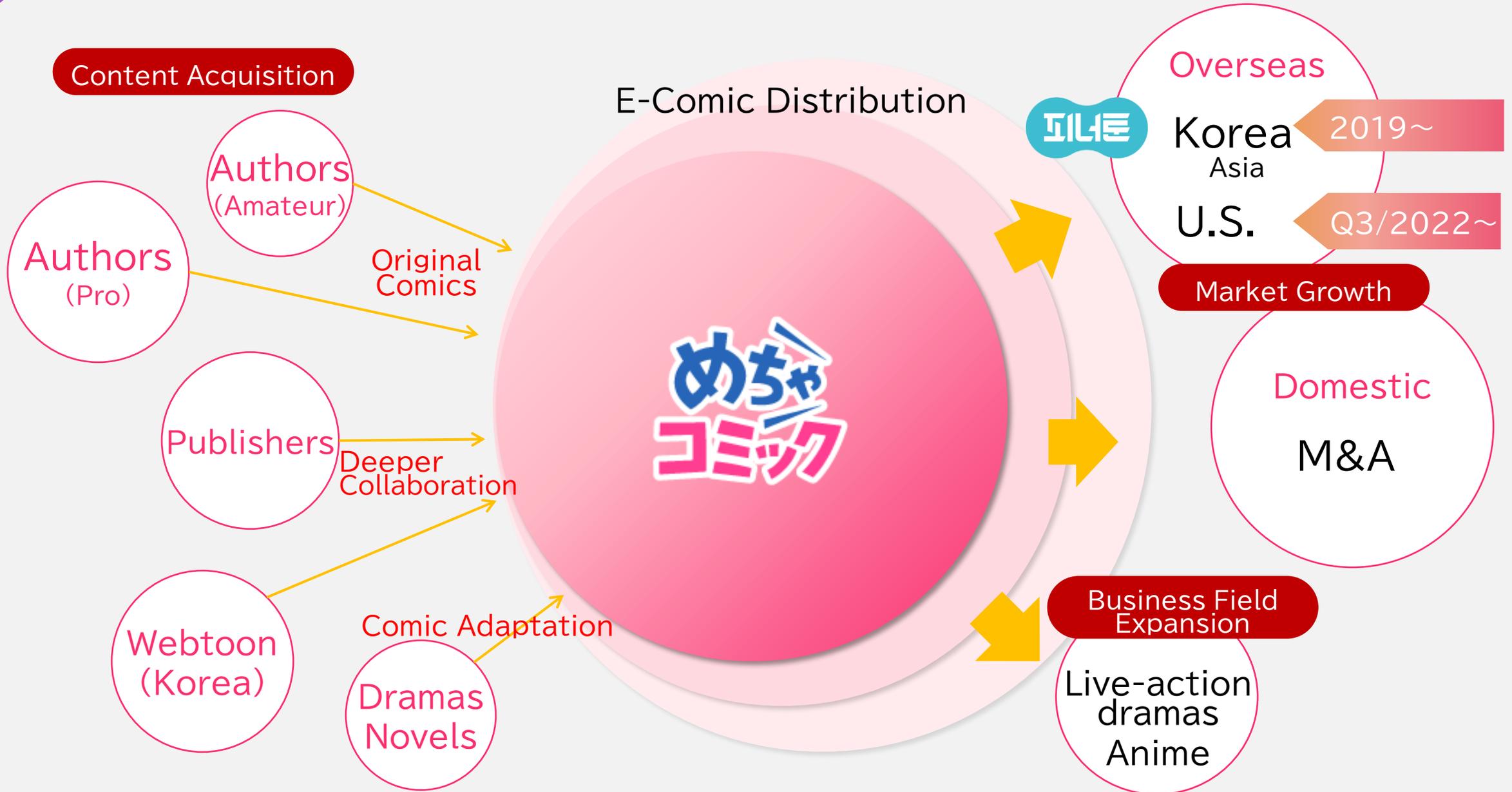


Peanutoon

- Enhance original content through increased investment in production
- Improve ad performance

< Peanutoon Sales >





Health IT Overall Strategy

Accelerate transition to services

Service Domains

1. Overseas expansion

Expand hospital systems in Southeast Asia

New Business Planning

2. Expand business in health-related fields

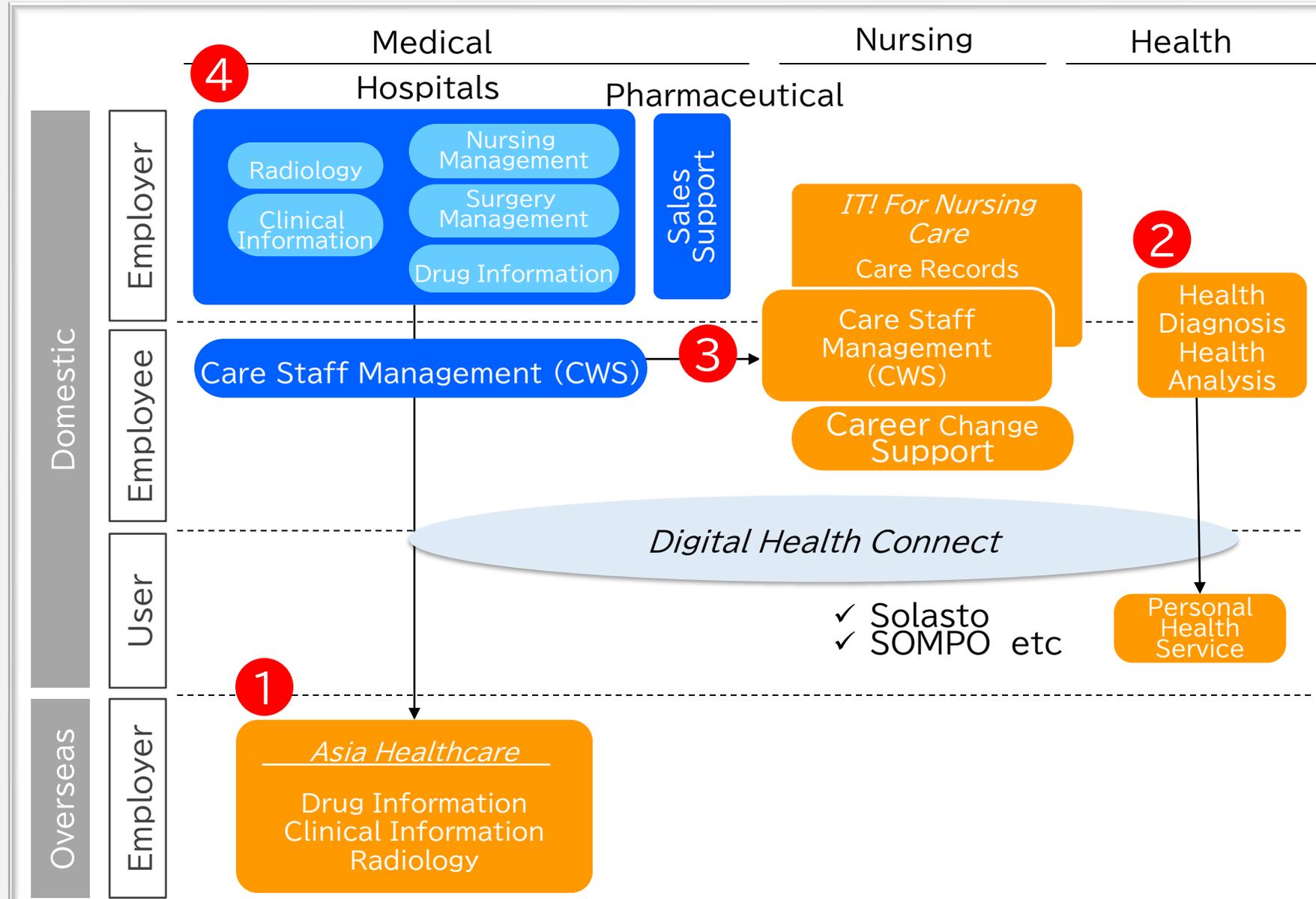
Expand sales of WELSA health management service

3. Expand businesses in nursing care-related fields

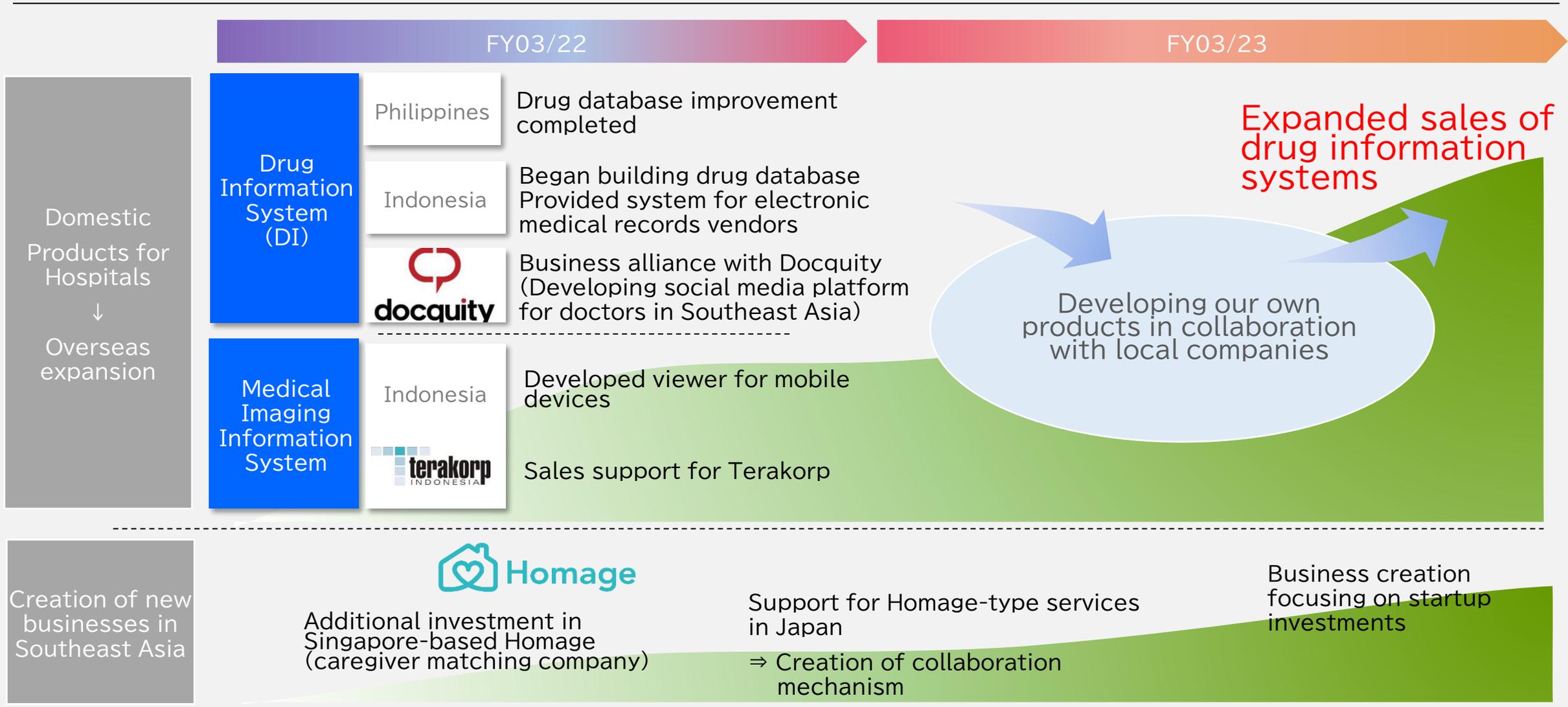
Expand sales of SaaS version of CWS

Existing Fields

4. Secure profits in existing domains



Health IT Healthcare Strategy in Asia (Concept)



Health IT Expanding Radiology Systems Business

In October 2021, we expanded the scope of our business by acquiring Medical Create Co., Ltd as a subsidiary (main customers are national hospitals)



Major Products

Radiology Information Management System

RiSMEC

Radiation Therapy Management System

RiSMEC-RT

Medical Device Management System

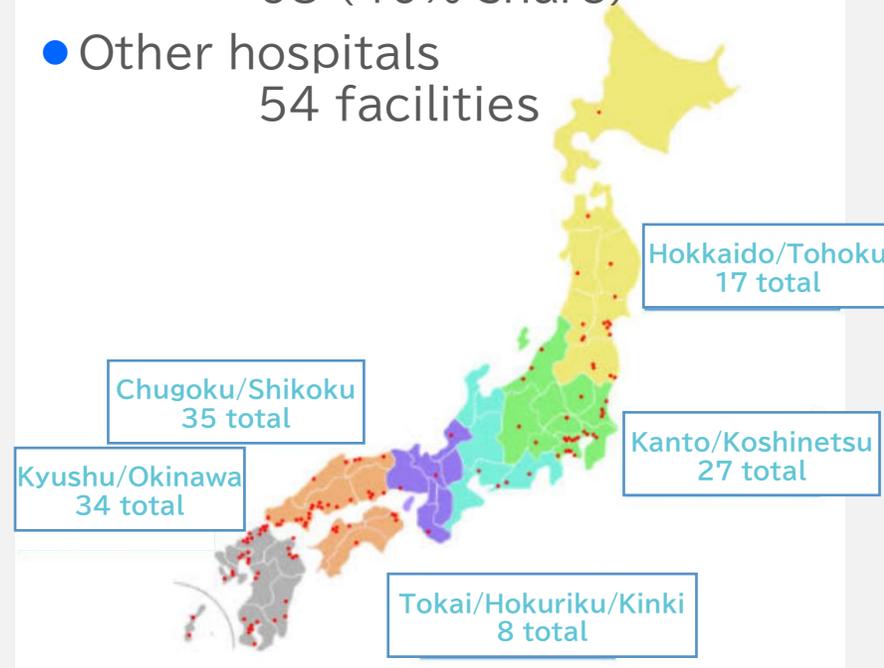
3mec

Radiation Dose Management System

RiSMEC-DOSE

Hospitals

- National hospitals
68 (40% share)
- Other hospitals
54 facilities



Collaboration Results

- (1) Expanded product lineup
- (2) Expanded scale of sales
 - Expanded market share among national hospitals
 - Cross-sales of INFOCOM products
 - Developed new sales channels
- (3) Improved service quality
 - Technical capabilities, customer support

Hospitals

Market Environment

- Overtime caps for physicians (beginning April 2024)
- COVID-19-related subsidies will continue in FY03/23
- Roughly 10% of medium-sized or larger hospitals (200 beds or more) have adopted work management systems

Major Measures

Smart CWS
Work-style reform for doctors

Help physicians reduce working hours, expand sales

CWS
Care staff management

Expand market share by capturing users of caregiver schedule management

CWS
Caregiver schedule management

Expand by offering simplified version and leverage sales companies

Nursing Care Companies

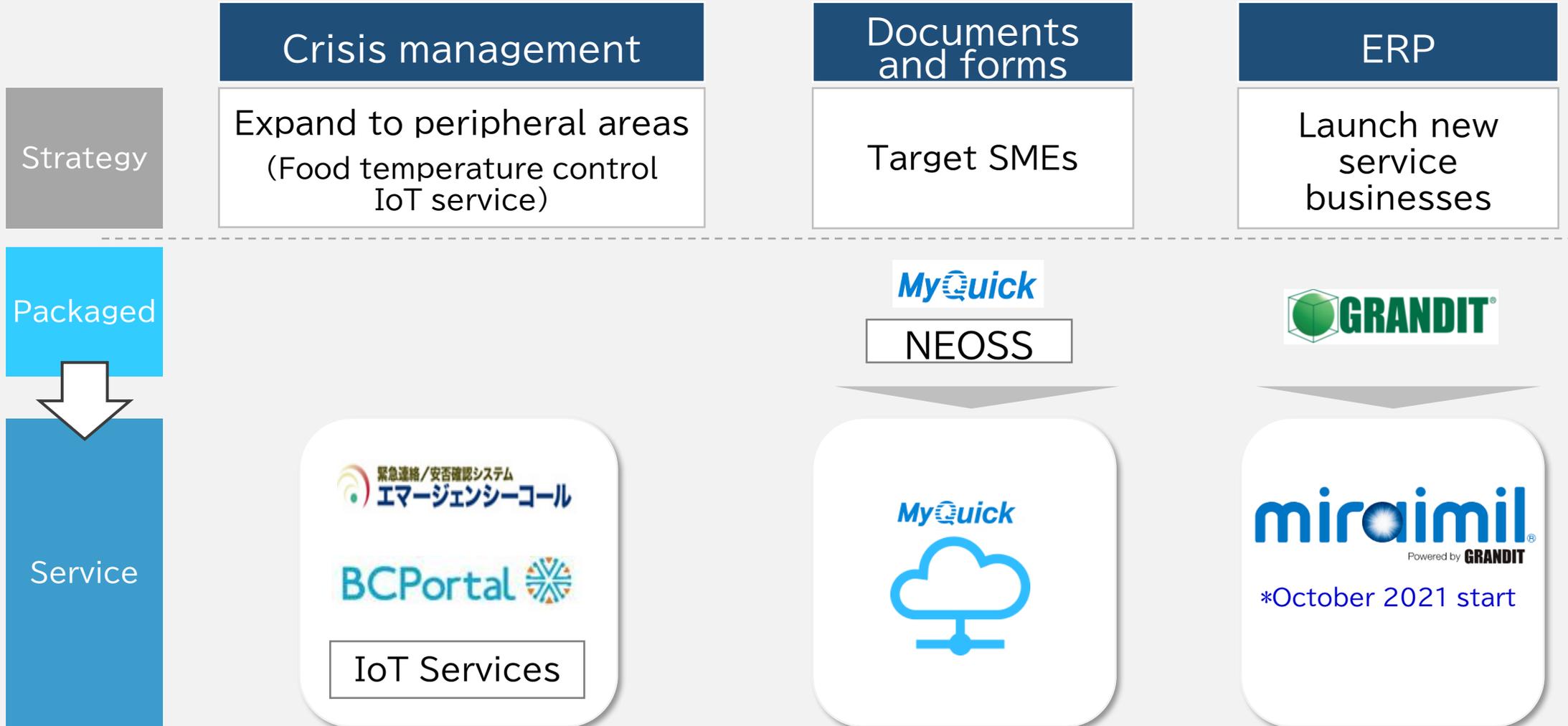
- Leverage ICT adoption enterprises and IT adoption subsidies
- Begin proof-of-concept tests to relax staffing standards, conditional on the use of IT and robots

CWS for Care
Care staff management

- Develop new sales partners
- Expand sales through web marketing
- Develop cloud version

Evolve Into a Services-Oriented Business

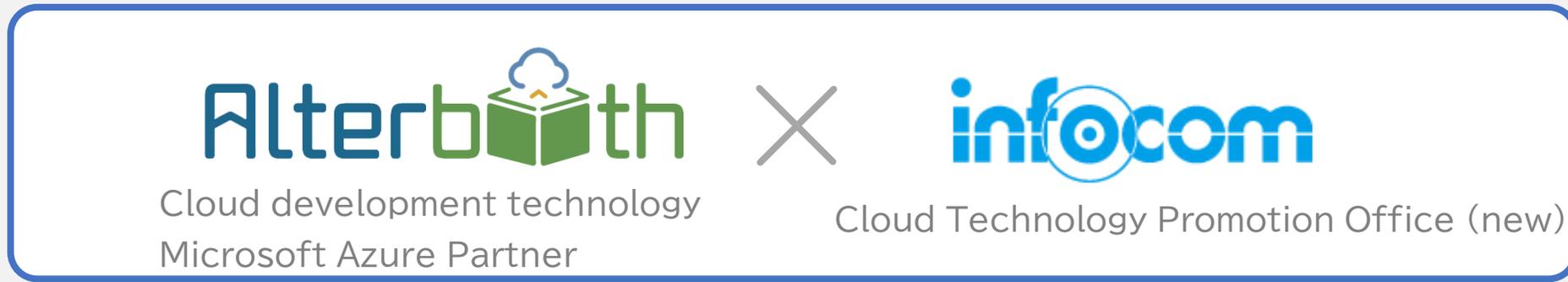
Areas of Focus to Evolve Into a Services-Oriented Business for General Enterprise Customers



Evolve Into a Services-Oriented Business

Advance Cloud Services by Building a CCoE Structure That Leverages Alterbooth Development Technologies

Cloud Center of Excellence



Cloud development support

Establish services as quickly as possible, reduce costs
Improve reliability, availability, and maintainability

CWS for Care
IoT services
miraimil
Powered by GRANDIT

Pursue company-wide use of cloud computing

Technology sharing
Activate communications among engineers

Engineer community
Cloud utilization knowledge base

Train cloud engineers

Arena in which to foster cloud development engineers

Train engineers
Short-term dispatch by Alterbooth

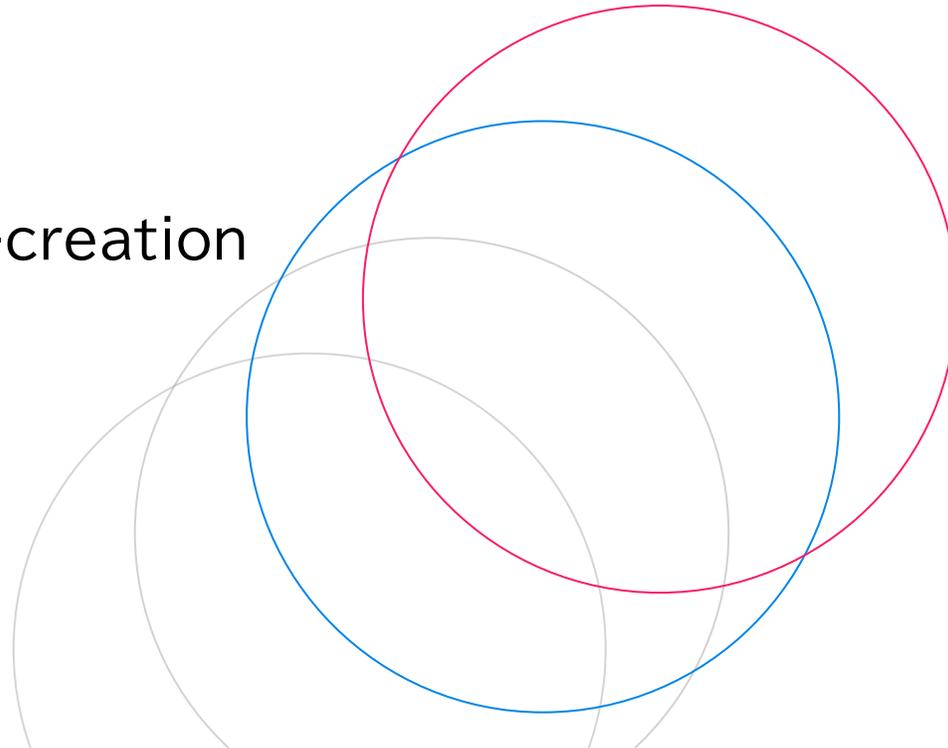
Becoming **a services company** that
delivers new value through the co-creation
of ICT and real-world businesses

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