

Financial Results Briefing for Q3 FY03/2022

INFOCOM CORPORATION

2022.01.27

Q3 FY03/22 Results (Consolidated)

The E-comic business declined due to the growing impact of pirate sites and the absence of special demand (demand rose due to voluntary restraint on travel outside the home in the prior year)
Business Solutions recorded solid performance

Net sales

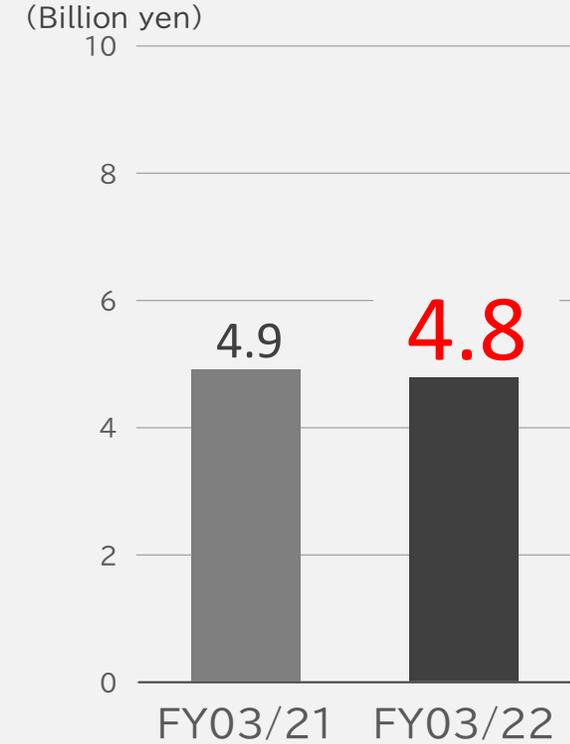
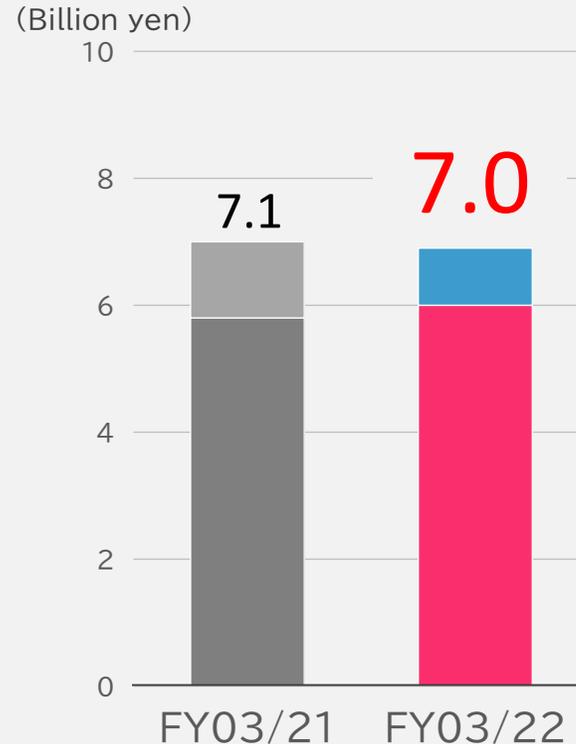
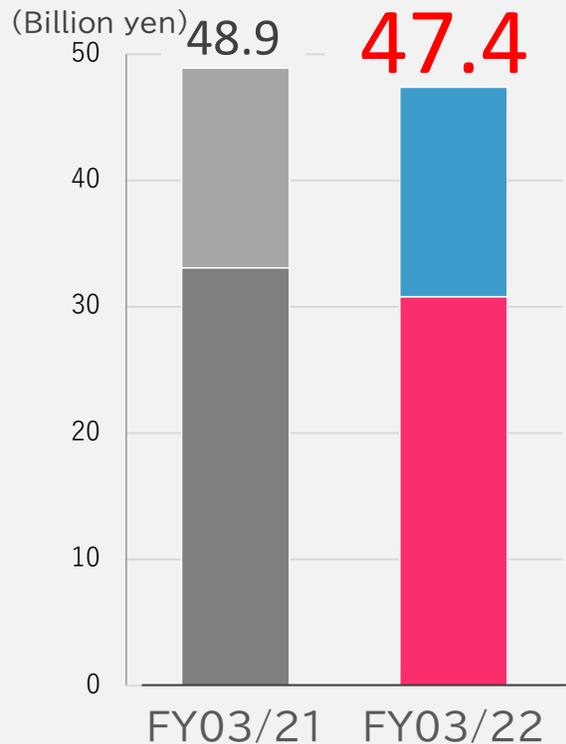
-2.9%

Operating profit

-0.5%

Profit attributable to owners of the parent

-0.8%



■ Digital Entertainment ■ Business Solution

Management Performance (Consolidated)

(Billion yen)

	FY03/21 Q3	FY03/22 Q3	YoY	
			Change	%
Net sales	48.9	47.4	(1.4)	-2.9%
Operating profit (Operating margin)	7.1 (14.5%)	7.7 (16.4%)	+0.6	+9.5%
		Cost of HQ relocation (0.7)	(0.0)	-0.5%
EBITDA	8.0	8.1	+0.1	+1.3%
Ordinary profit	7.2	7.1	(0.0)	-0.5%
Profit attributable to owners of the parent	4.9	4.8	(0.0)	-0.8%

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

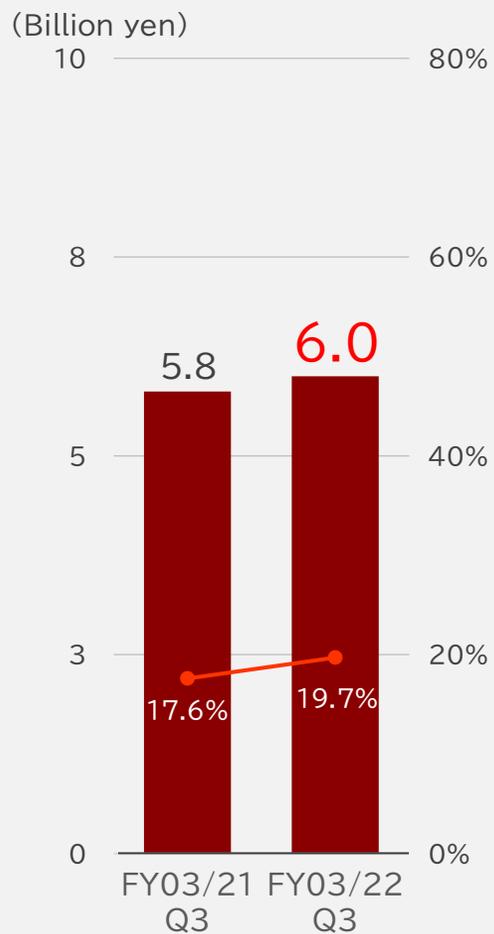
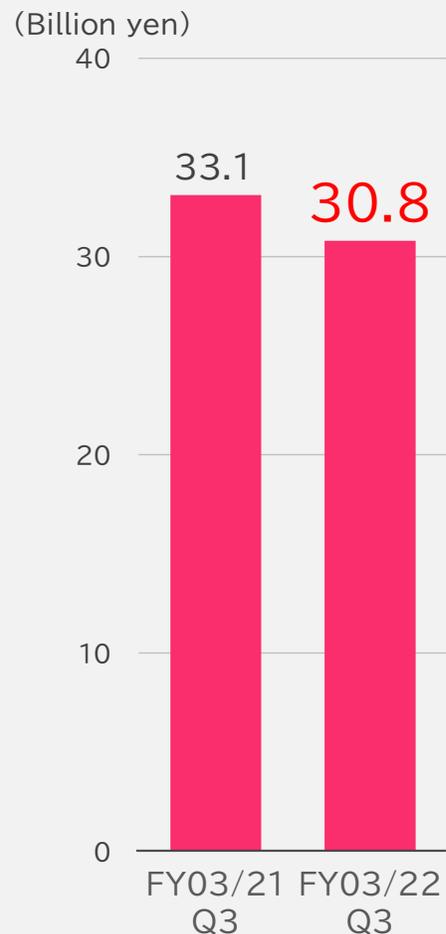
Digital Entertainment Results (Consolidated)

(Billion yen)

Net sales

Operating profit

	FY03/21 Q3	FY03/22 Q3	YoY	
			Change	%
Net sales	33.1	30.8	(2.2)	-6.8%
Operating profit	5.8	6.0	+0.2	+4.7%
(Operating margin)	(17.6%)	(19.7%)		



Net sales

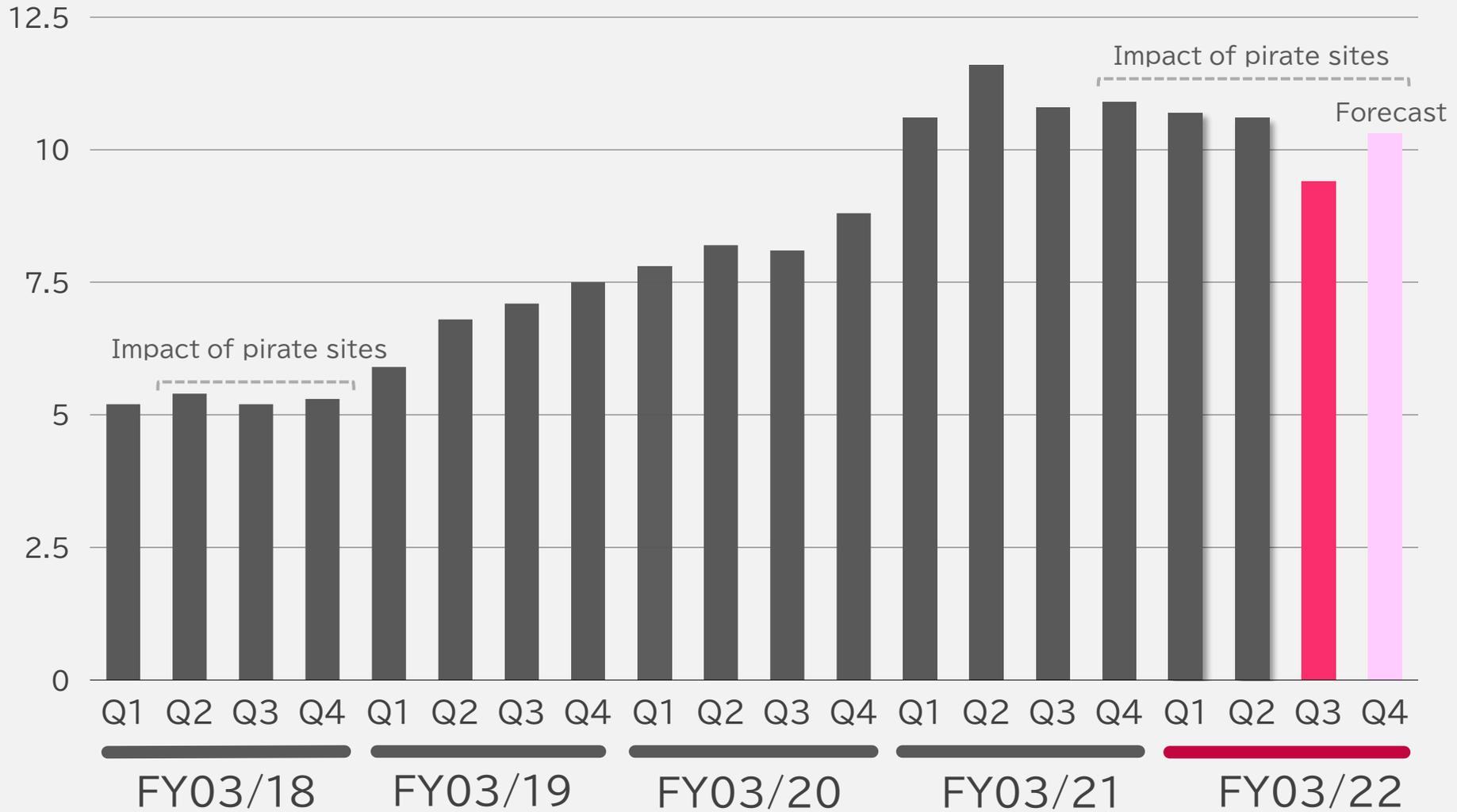
- Increased impact of pirate sites
- More intense competitive environment
- Decline in special demand stemming from voluntary restraints on unnecessary travel in the previous year

Operating profit

Contained costs by optimizing ad placements

Digital Entertainment Results (Quarterly)

(Billion yen)

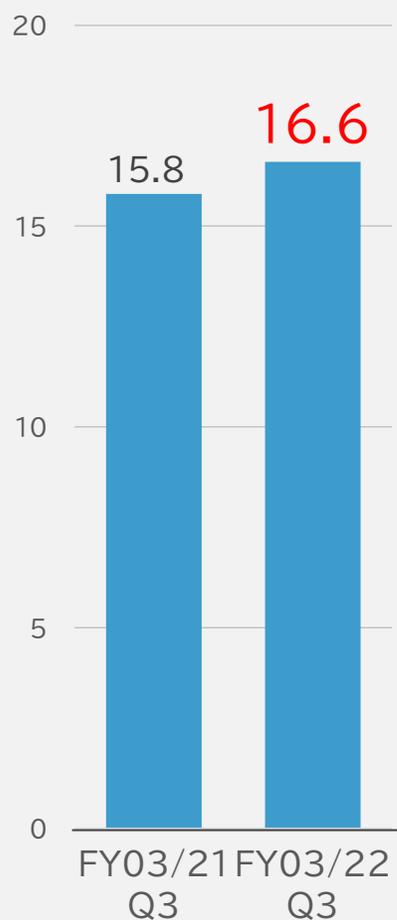


Business Solution Results (Consolidated)

(Billion yen)

Net sales

(Billion yen)



Operating profit

(Billion yen)



	FY03/21 Q3	FY03/22 Q3	YoY	
			Change	%
Net sales	15.8	16.6	+0.8	+5.1%
Operating profit	1.2	1.6	+0.3	+30.9%
(Operating margin)	(8.1%)	(10.1%)		

Excluding HQ relocation costs (0.7)

Net sales

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

Operating profit

Higher profits due to higher sales

Earnings Forecast for FY03/22 (Consolidated)

~Versus Previous Forecast ~

(Billion yen)

	FY03/21 Results	FY03/22 Previous Forecast*	FY03/22 Revised Forecast	Revision Vs. Initial Forecast	Change
Net sales	68.0	70.0	66.0	(4.0)	(0.2)
Operating profit (Operating margin)	10.8 (15.9%)	11.8 (17.0%)	11.3 (17.5%)		+0.5
		Cost of HQ relocation (0.8)	(0.8)		
		11.0 (15.7%)	10.5 (15.9%)	(0.5)	(0.3)
EBITDA	12.1	12.5	12.0	(0.5)	(0.0)
Ordinary profit	10.9	11.0	10.5	(0.5)	(0.4)
Profit attributable to owners of the parent	6.2	7.3	7.0	(0.3)	+0.7
Net income per share (yen)	114.61	133.28	127.80	(5.48)	+13.18
ROE	16.2%	16.6%	16.1%	-0.5%	-0.1%

◆ Revision based on E-comic business outlook

* Announced October 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	33.5	66.0	-2.3%	-3.7%	-3.0%
Operating profit (Operating margin)						11.3			+5.2%
	4.9 (14.8%)	5.8 (16.9%)	10.8 (15.9%)			(17.5%) Cost of HQ relocation (0.8)			
				4.9 (15.4%)	5.5 (16.4%)	10.5 (15.9%)	+1.6%	-6.6%	-2.9%
EBITDA	5.5	6.6	12.1	5.6	6.4	12.0	+2.9%	-3.7%	-0.7%
Ordinary profit	4.9	5.9	10.9	5.0	5.4	10.5	+2.1%	-9.0%	-4.0%
Profit attributable to owners of the parent	3.3	2.8	6.2	3.4	3.5	7.0	+2.0%	+22.7%	+11.5%
Net income per share (yen)			114.61			127.80			+11.5%
ROE			16.2%			16.1%			—

Segment Earnings Forecast (Consolidated)

[Digital Entertainment Group]

(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	19.6	41.0	-3.8%	-10.1%	-6.9%
Operating profit (Operating margin)	3.8 (17.2%)	4.0 (18.7%)	7.9 (18.0%)	4.1 (19.4%)	3.8 (19.7%)	8.0 (19.5%)	+8.4%	-5.6%	+1.1%

- ◆ Revised sales and profit downward (-4.0 billion yen and -0.5 billion yen, respectively) compared to our previous forecast, considering the growing impact of pirate sites
- ◆ Various indicators improved in the second half of December as a result of advertising; we will run advertisements in Q4 as planned, expecting sales to outperform year on year

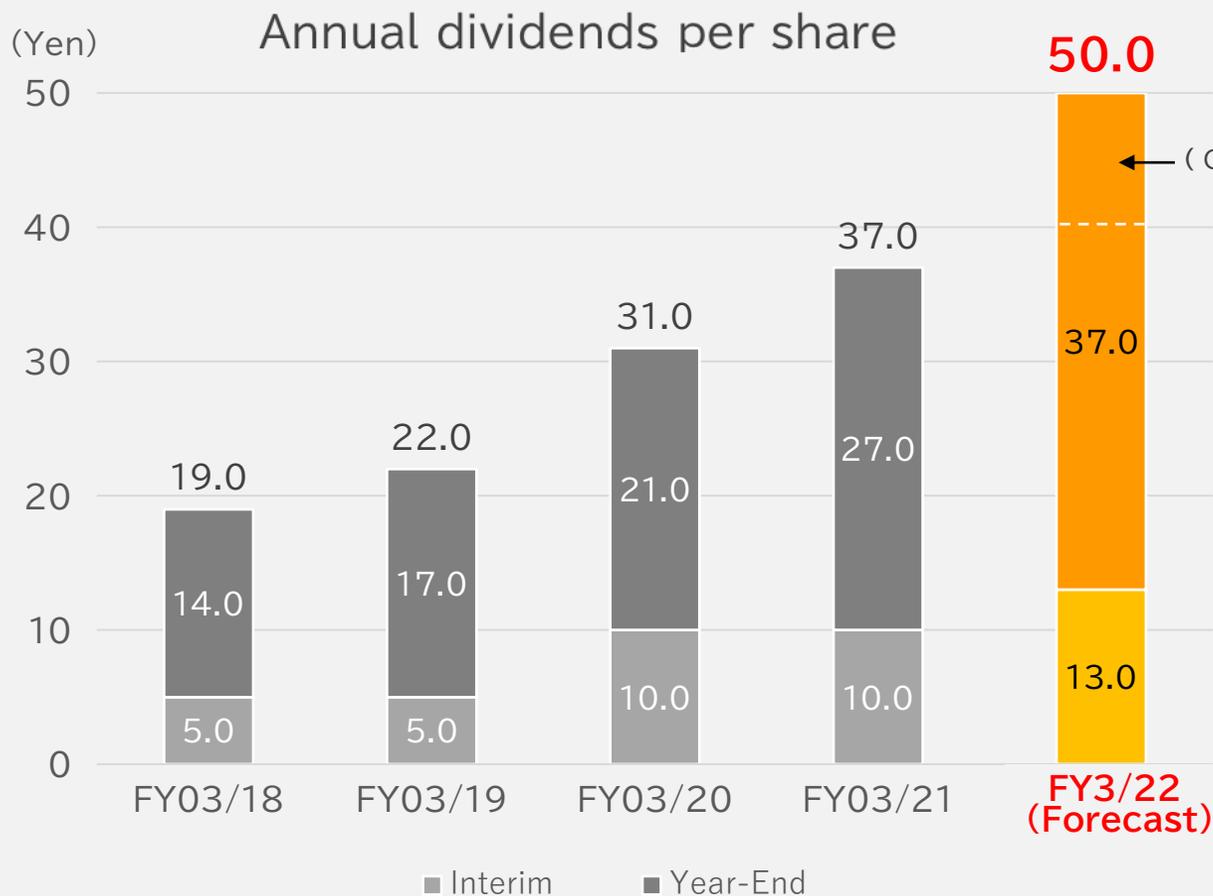
[Business Solution]

(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



◆ **Year-End Dividend (Increase)**

Initial Forecast ¥27

Revised Forecast ¥ 37

(Commemorative dividend ¥10 for 20th anniversary of listing)

◆ **Payout Ratio**

Initial Forecast 30.0%

Revised Forecast 39.1%

Net income per share (yen)	FY03/18	FY03/19	FY03/20	FY03/21	FY3/22 (Forecast)
	84.85	87.46	101.32	114.61	127.80

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

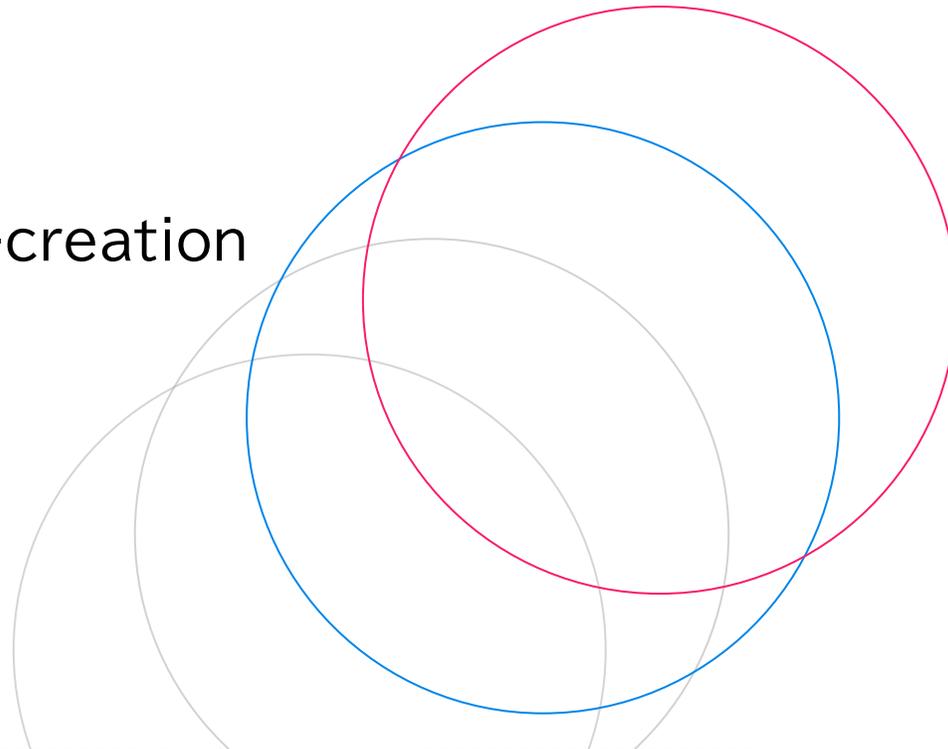
Becoming **a services company** that
delivers new value through the co-creation
of ICT and real-world businesses

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