

Financial Results Briefing for the 3Q FY2016

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# Infocom Corporation

Infocom Corporation  
January 31, 2017

# FY16 3Q Earnings Highlights (Consolidated)

(Unit:100 million yen)

	FY15 3Q	FY16 3Q	YoY	
	Amount	Amount	Change	Change (%)
Net sales	277.7	290.7	+13.0	+4.7
Operating income (Operating margin)	20.8 ( 7.5 )	25.4 ( 8.8 )	+4.6	+22.4
Ordinary income	21.3	26.0	+4.7	+22.1
Profit attributable to owners of parent	* △6.7	16.8	+23.5	—

\* The extraordinary loss of 2.71 billion yen posted for data center related business restructuring expenses

◆ Increased YoY both in sales and profit

# Business Areas and Segment Structure

## Business Solution Group

## Digital Entertainment Group



### Enterprise Service Management

System integration for major companies

- Textile makers
- Trading companies
- Pharmaceutical wholesalers
- Cell-phone companies



### Business Software

Business package cloud services

- ERP GRANDIT®
- Emergency contact/safety confirmation
- Document management, etc.



### Health IT

Package services for medical institutions

- Hospitals
- Pharmaceutical companies
- Health industry



### Digital Entertainment

Internet contents for consumers

- E-book
- E-commerce
- Contents delivery for women, music

# Business Solution Results (Consolidated)

(Unit:100 million yen)

	FY15 3Q	FY16 3Q	YoY	
	Amount	Amount	Change	Change (%)
Net sales	153.9	146.5	-7.4	-4.8
Operating income (Operating margin)	7.2 ( 4.7 )	3.9 ( 2.7 )	-3.2	-45.3

- ◆ Net sales: decreased in the Health IT business, impacted by reductions in IT investments at medical institutions due to factors such as the revision of medical service fees, but corporate services were robust.
- ◆ Operating income: was impacted by the above decline in net sales while up-front investments in new business areas – regional comprehensive care and IoT-related – were executed as planned.

# Digital Entertainment Results (Consolidated)

(Unit:100 million yen)

	FY15 3Q	FY16 3Q	YoY	
	Amount	Amount	Change	Change (%)
Net sales	123.7	<b>144.1</b>	+20.4	+16.5
E-book net sales	111.8	133.0	+21.2	+19.0
Operating income (Operating margin)	13.5 (10.9)	<b>21.4</b> (14.9)	+7.9	+58.7

◆ Net sales: increased significantly year-on-year in 3Q following the increases in 1Q and 2Q as E-book Distribution Services remained robust, and exceeded the 10 billion-yen mark more than one month earlier than in the previous year.

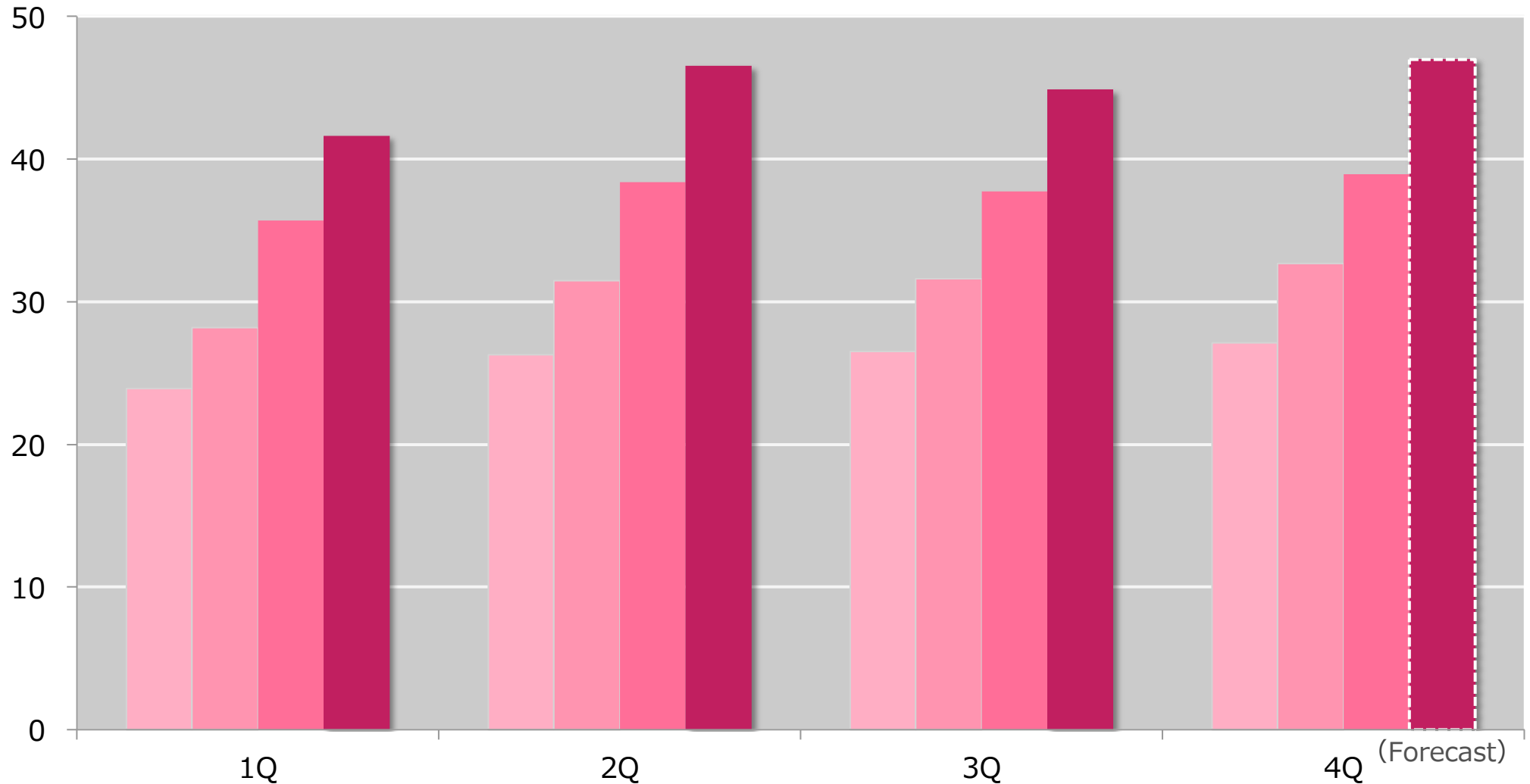
◆ Operating income: increased as the growth in net sales of E-Book Distribution Services offset an increase in actively used advertisement expenses.

# Digital Entertainment E-book Distribution Services Net Sales Results

## E-book net sales

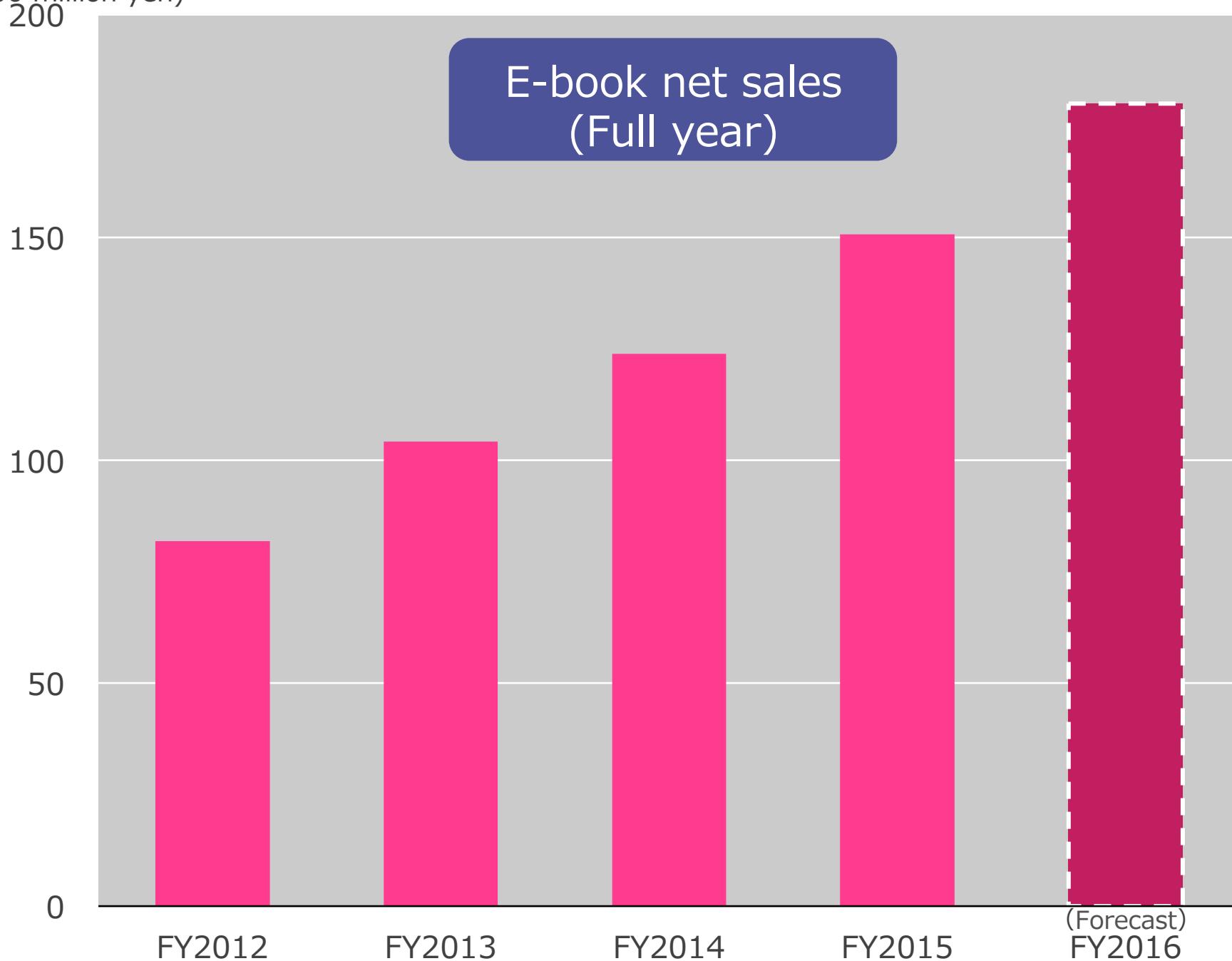
(Unit: 100 million yen)

FY2013 FY2014 FY2015 FY2016



# Digital Entertainment E-book Distribution Services Net Sales Results

(Unit: 100 million yen)



# FY16 Outlook (Consolidated)

(Unit: 100 million yen, %)

	FY15			FY16 Outlook				
	1H	2H	Full year	1H	2H	Full year	Change (Full year)	%change (Full year)
Net sales	187.3	215.8	403.1	193.3	256.7	450.0	+46.9	+11.6
Operating income (Operating margin)	12.0 ( 6.4 )	32.2 ( 14.9 )	44.2 ( 11.0 )	16.1 ( 8.3 )	33.9 ( 13.2 )	50.0 ( 11.1 )	+5.8	+12.9
Ordinary income	12.4	33.1	45.5	16.2	33.8	50.0	+4.5	+9.7
Profit attributable to owners of parent	-11.0*	18.2	7.2	10.4	19.6	30.0	+22.8	+311.8
E.P.S.(yen)		26.64			109.73		+83.08	+311.9
ROE (%)		3.5			13.3		+9.8	

\* The extraordinary loss of 2.71 billion yen posted for data center related business restructuring expenses

◆ There has been no change from the performance outlook released on April 28, 2016.



# Segment Outlook (Consolidated)

(Unit:100 million yen,%)

	FY15	FY16 Outlook Released on October 31, 2016	FY16 Outlook		
	Full year	Full year	Full year	Change (Full year)	%change (Full year)
Net sales	403.1	450.0	450.0	+46.9	+11.6
Business Solution	237.3	250.0	250.0	+12.7	+5.4
Digital Entertainment	165.7	200.0	200.0	+34.3	+20.7
Operating income	44.2	50.0	50.0	+5.8	+12.9
Business Solution	24.7 (10.4)	23.0 (9.2)	22.0 (8.8)	-2.7	-10.9
Digital Entertainment	19.5 (11.8)	27.0 (13.5)	28.0 (14.0)	+8.5	+43.6

◆ The operating income distribution for the full-year outlook was revised in consideration of segment results.

# Infocom Corporation

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