



INFOCOM CORPORATION

Medium-Term Management Plan FY03/24-FY03/26

| 2023.5.16

| Securities Code: 4348

Agenda

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2. New Medium-Term Management Plan

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Health IT

Evolve Into a Services-Oriented Business

Sustainability Materialities

Strengthen Human Capital

Resource Investments and Shareholder Return Policies



Previous Medium-Term Management Plan Review FY03/21-FY03/23



Previous Medium-Term Management Plan Review

Missed targets due to piracy sites and COVID-19

(Billion yen)	FY03/23 Plan Targets	FY03/23 Results	Achievement ratio (%)
Net sales	85.0~115.0	70.3	82.7%
EBITDA	13.0~16.0	9.5	73.8%
ROE	15% or higher	8.0%	53.0%

*EBITDA = Operating income + depreciation and amortization

ROE = Current year net income ÷ shareholders' equity

Previous Medium-Term Management Plan

Basic Policies and Initiatives

● Pursue Growth

Digital Entertainment

Business Solution

Continued Growth in Key Businesses

E-Comic

- **Negatively impacted by piracy**, but returned to a growth trajectory in response to stronger marketing

Health IT

- **Delays in overseas expansion and new business start-ups** due to the impact of COVID-19 and disruptions in the supply chain

Evolve Into a Services-Oriented Business

Services as a percentage of total sales shifted from 60% to 70%

- Reached only **14%** vs. segment target of 30%

Co-Creation M&A

Executed 4.2 billion yen in capital investments (M&A, capital and business alliance)

- Joint venture company: AmuLink Corp
- Capital and business alliance: TWIN ENGINE Inc.

- Subsidiary: Alterbooth Inc., Medical Create Co., Ltd.
- Capital and business alliances: Docquity Holdings, Homage, HealthMetrics, Aristol

● Continue to Build a Strong Foundation to Support Growth

Foster human capital capable of value creation

- Cultivated cloud engineers → Established CCoE system, trained engineers, and provided development support
- Implemented talent management system to visualize human capital information

Work-style reform

- Relocated headquarters, introduced a hybrid work system that combines remote work and work from home
- Launched the Empowering Women Task Force

Governance

- Established the Basic Sustainability Policy
- Established various committees consisting of outside directors as members



Previous Medium-Term Management Plan Review FY03/24-FY03/26



Basic Policy

Previous Medium-Term Plan (2020~2022)

United Innovation Value Co-Creation

Pursue Growth

- Pursue growth driven by E-Comic and Health IT businesses
- Evolve into a services-oriented business
- Pursue co-creation

Build a Strong Management Foundation

- Foster human capital capable of value creation
- Advance through AI and data
- Improve quality management
- Encourage work-style reform

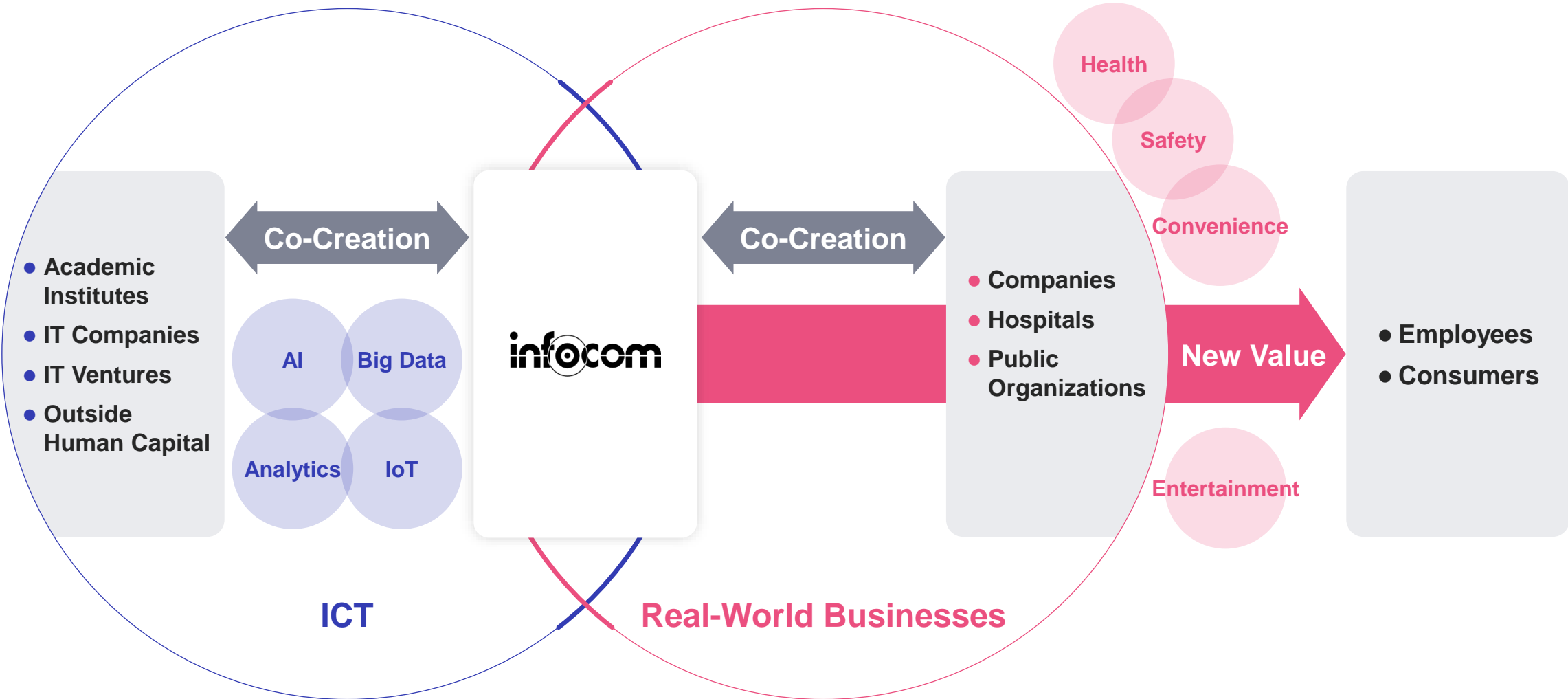
New Plan (2023~2025)

United Innovation Value Co-Creation and *Beyond*

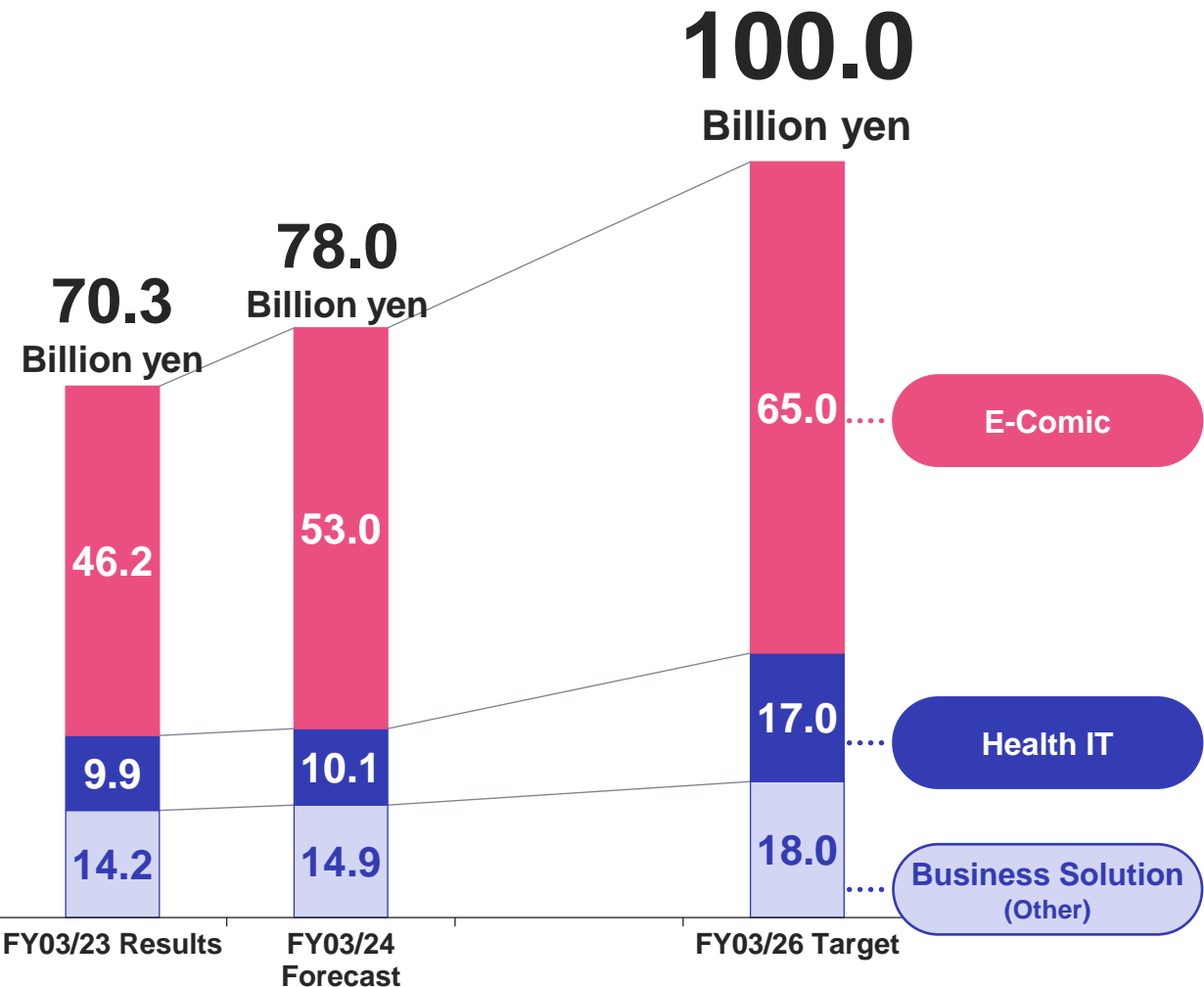
- Contribute solutions to social issues through co-creation
- Continue growth and **overseas expansion** in E-Comic and Health IT
- Continue evolution into a services-oriented business
- Focus resources in **growth areas**
- Strengthen human capital
 - Foster human capital capable of business creation and development
 - Strengthen competitiveness through **AI** and data
 - **Optimize assignments of human capital** according to skills, experience, and career aspirations
 - Improve engagement of human capital across the group

Co-Creating Value - An Ideal Company

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



Financial Targets



(Disclosed April 27, 2023)

Net sales
100.0 billion yen

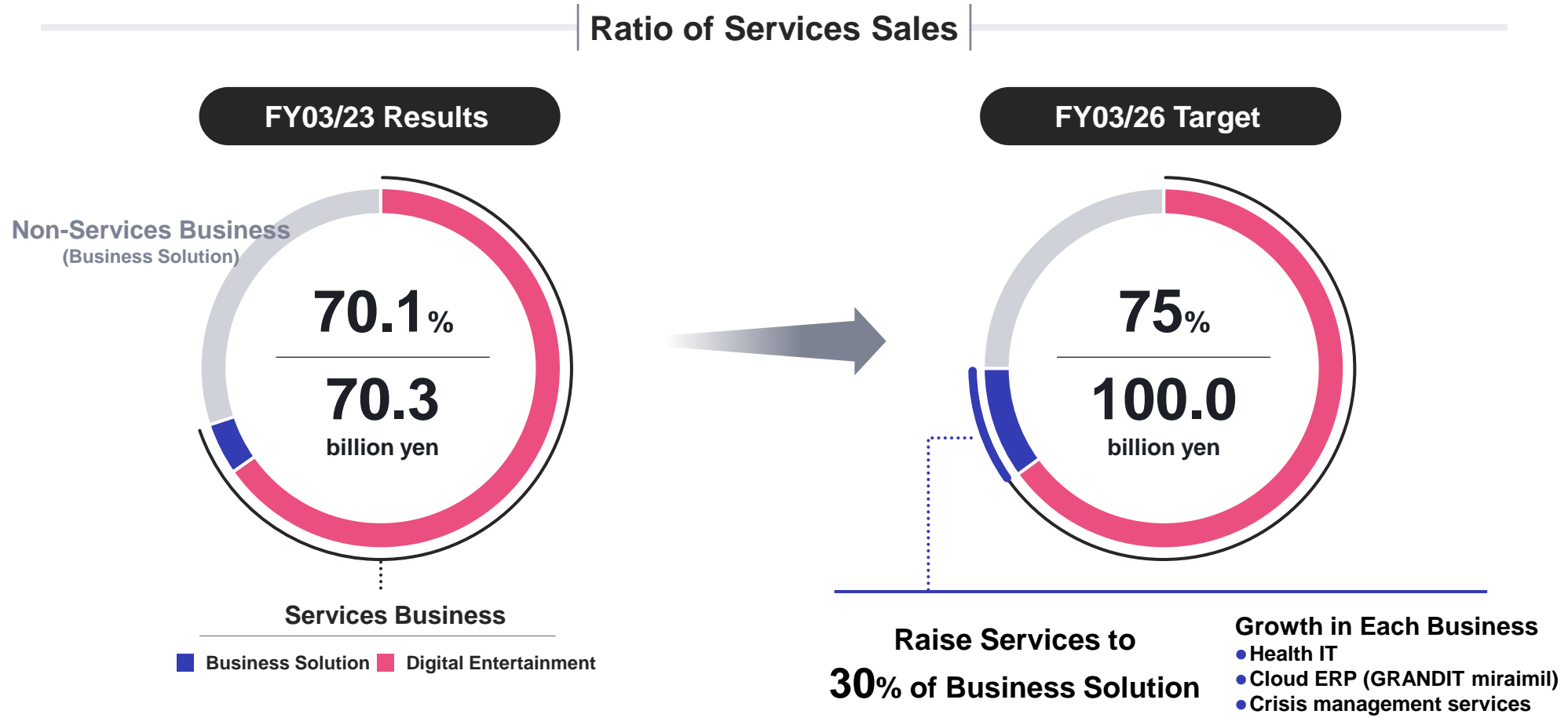
EBITDA
15.0 billion yen

ROE
15% or higher

*EBITDA = Operating income + depreciation and amortization
 ROE = Current year net income ÷ shareholders' equity

Continue Evolution Into a Services-Oriented Business

Raise ratio of services sales to **75%** of total sales



The External Environment The E-Comic Market

Market Changes

- Continued growth, but at a declining rate
- Increasing polarization with a widening gap between the use of large and small bookstores

Declining impact of piracy sites

- E-book industry-wide efforts to expose site operators
- Increase in pirate sites, but lack of scale due to high rates of launch and failure

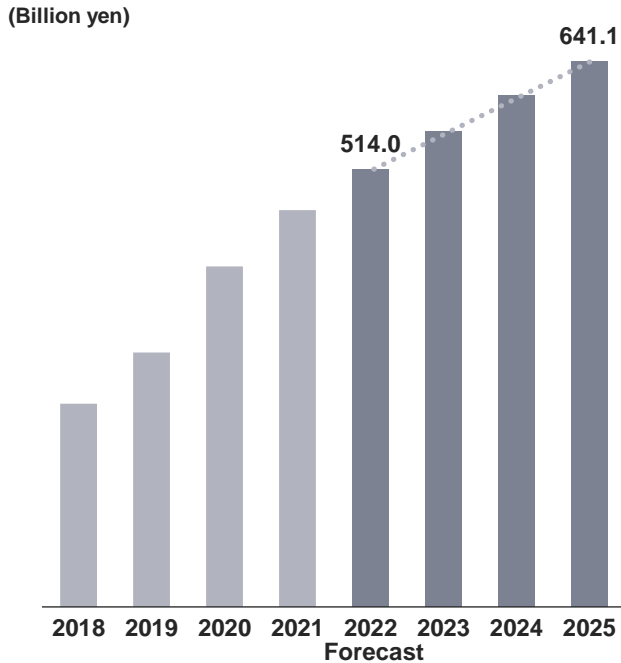
Seeds sprouting in overseas e-comics market

- South Korea: Continued market expansion and overseas distribution via Webtoon
- U.S.: Market growth and expansion into English-speaking markets (including EU)
- Other: Rise of Chinese and Southeast Asian markets

Japan E-Comic Market Forecast

CAGR

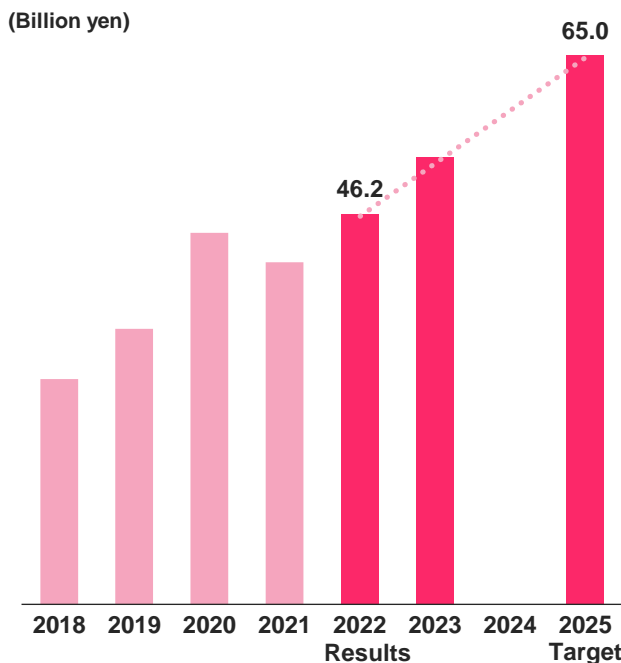
Impress Forecast*
+7.6%
(2022-2025)



Infocom Sales

CAGR

Sales Target
+12.1%
(2022-25)



*Prepared by Infocom based on *E-book Business Research Report 2022* (2022.8), Impress Corporation

Strategies in Key Businesses

E-Comic

Expand market and business fields, focusing on domestic distribution

1 Profitable Growth in Domestic Distribution Business


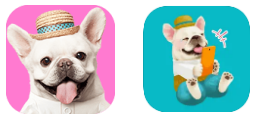
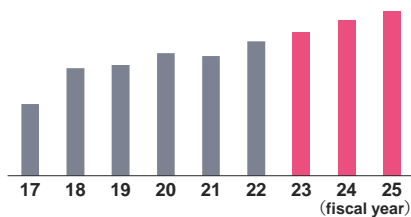




- Aggressive and effective advertising investments
- Secure paid subscribers and create loyal customers
- Expand range of original comic genres and strengthen product lineups

2 Market Growth (Overseas Expansion)

- Further growth of Peanutoon in South Korea
- Growth in U.S. distribution business
- Seek expansion in English-speaking countries

3 Business Field Expansion

- Animation and live-action adaptations of original comics
- Capital and business alliances in peripheral areas

	E-Comic Distribution	Original Comics	Expand Fields	Technology
Domestic	<ul style="list-style-type: none"> • No.1 E-Bookstore in Japan <ul style="list-style-type: none"> • No. 1 in Sales Capacity • No. 1 in Number of Titles • No. 1 in Customer Satisfaction  	<ul style="list-style-type: none"> • Wider Range of Genres Produced <p>Mecha Comic Original Title Sales</p>  	<ul style="list-style-type: none"> • Domestic and overseas distribution of animated and live-action works 	<ul style="list-style-type: none"> • Image processing technology development • Production support via generative AI
Overseas	<ul style="list-style-type: none"> • M&A <p>Expand investment fields and broaden business domains</p>	<ul style="list-style-type: none"> • U.S. Distribution <ul style="list-style-type: none"> • Business growth and expansion into English-speaking countries 	<ul style="list-style-type: none"> • Korea Distribution <ul style="list-style-type: none"> • Further business growth and distribution of Korean original titles in Japan and the U.S. 	

Growth in Domestic Distribution Business

Strengthen links between web and apps to raise *Mecha Comic* customer satisfaction

Mecha Comic WEB



Strengthen Linkage With Services

Strengthen linkage among basic functions
Purchase history, points, IDs, etc.

Make more effective use of assets
User comments, user needs, etc.

Share Proprietary Sales Methods
Linkage to SNS, gamification, etc.

Link of Data Analysis

Streamline Through Systems Integration



Mecha Comic Apps



Strategies in Key Businesses

E-Comic

Market Growth (Overseas Expansion)

Further Growth of Peanutoon in South Korea

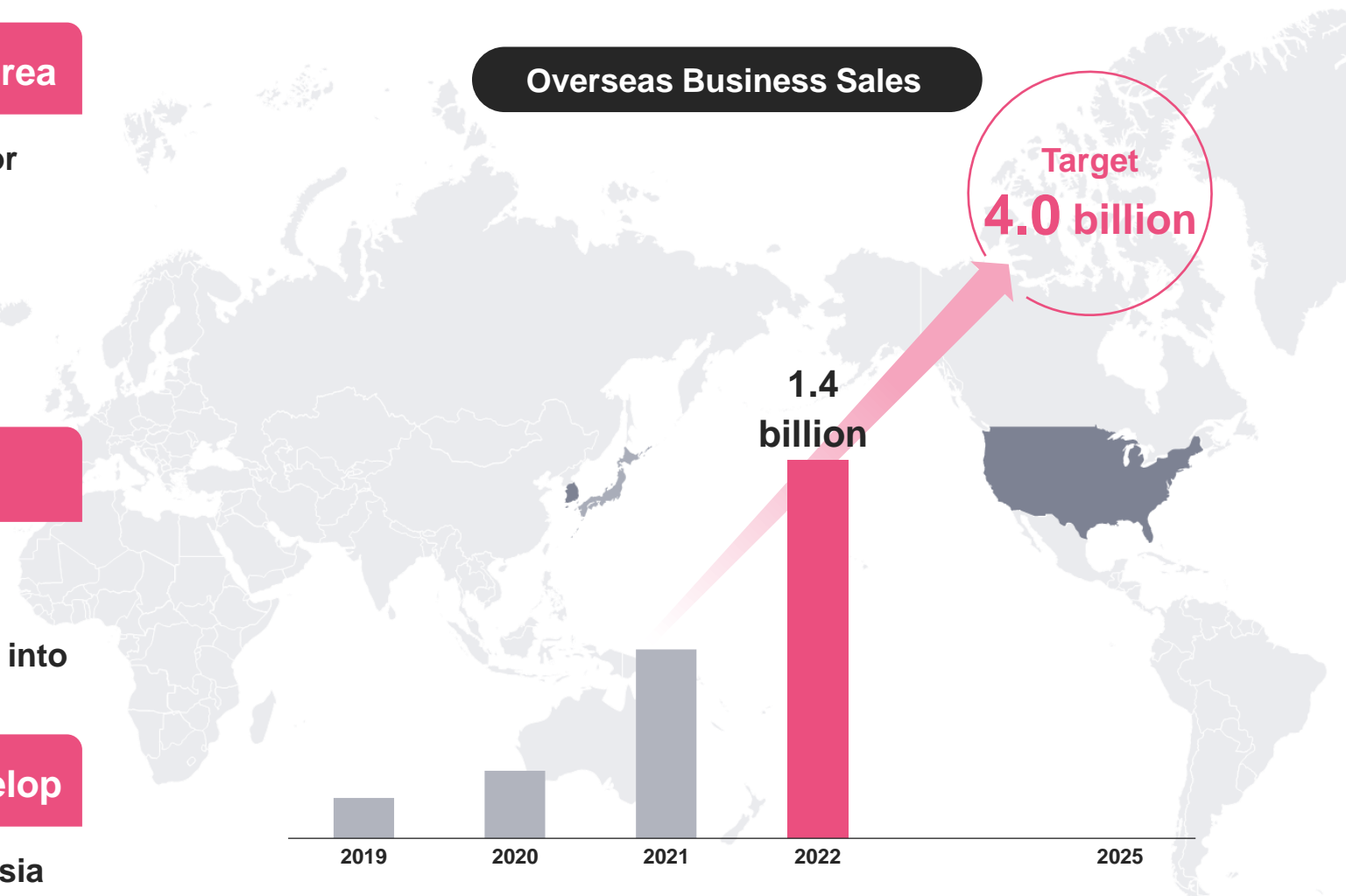
- Establishing position as a Webtoon service for women
- Strengthen original comic titles through co-creation with leading artists
- Expand sales of original comics in Japan and overseas

Grow U.S. Distribution and Expand Into English-Speaking Countries

- Expand the number of distributed titles and strengthen marketing in the U.S.
- Leverage U.S. distribution assets and expand into English-speaking countries

Search for New Overseas Markets to Develop

- Research and test in Europe and Southeast Asia

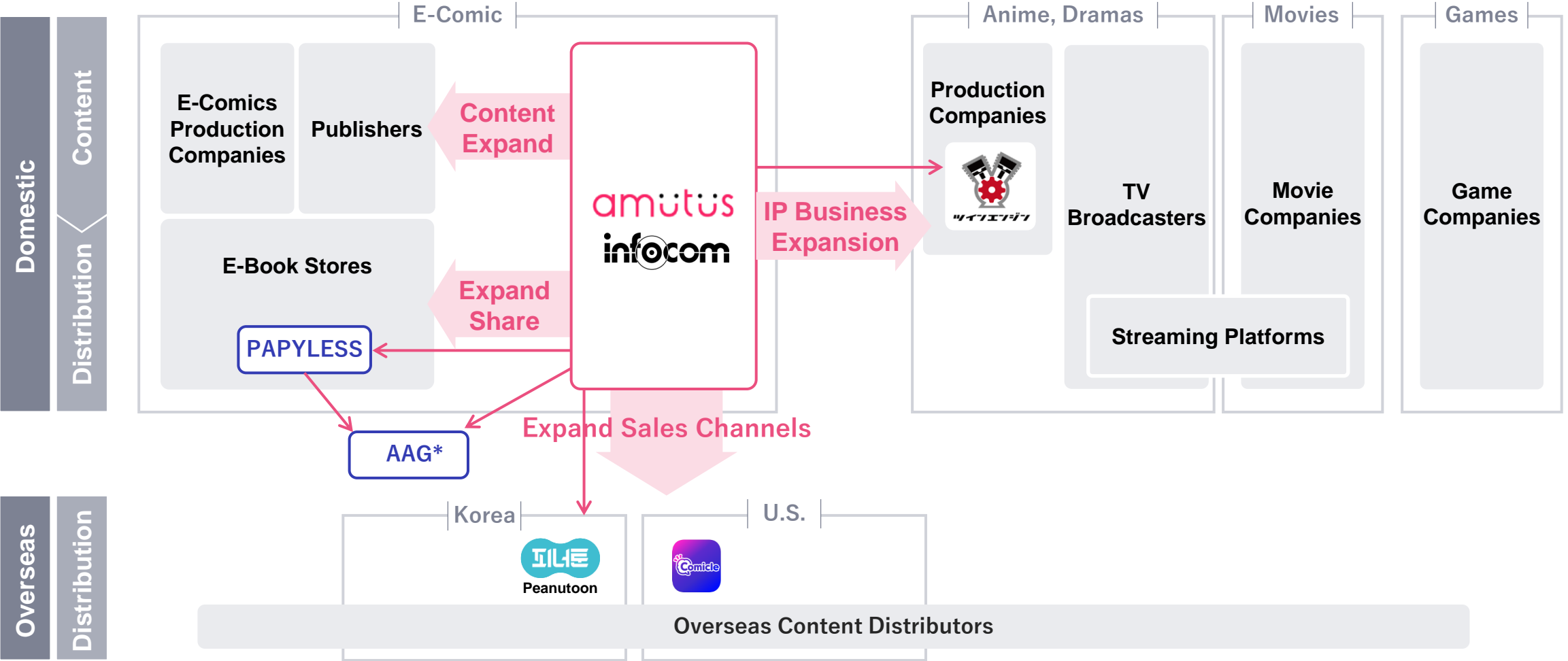


Strategies in Key Businesses

E-Comic

Business Field Expansion

Expand business fields through various business and capital alliances



*ALDO AGENCY GLOBAL CO., LTD.

→ Investments

Strategies in Key Businesses Health IT

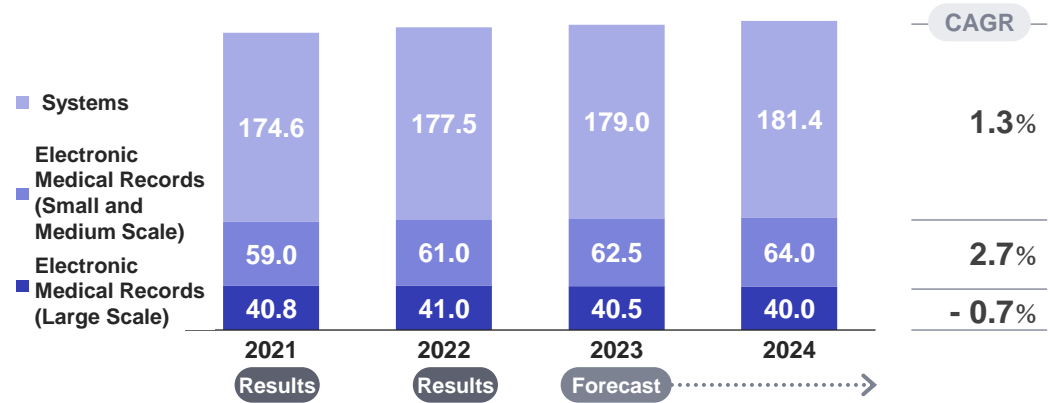
The External Environment Medical IT Market

- Medical IT market will grow moderately
- Adoption of electronic medical records and shift to cloud computing progressing at small- and medium-sized medical institutions

The External Environment Nursing Care Market

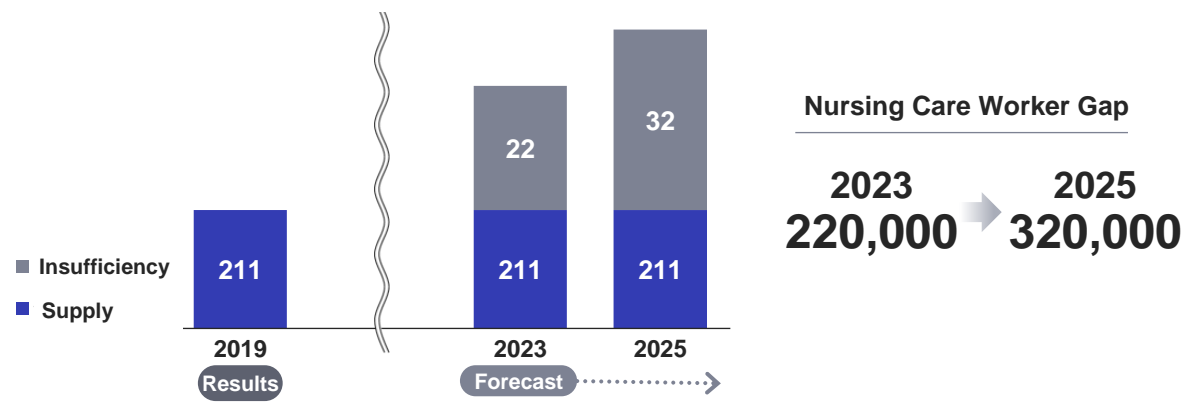
- Insufficient number of nursing care workers
- Government support for ICT adoption

Medical IT Market (2021-2024)



*Source: Medical Information Systems (EMR/EHR) Market 2022, Yano Keizai

Supply and Demand for Nursing Care Workers (2019-2025)



*The Number of Long-Term Care Workers Needed Based on the Eighth Long-Term Care Insurance Business Plan (published July 2021), Ministry of Health, Labour and Welfare

Strategies in Key Businesses

Health IT

Expand existing domestic businesses, expand and launch new businesses overseas through service businesses

1 Expand Domestic Business for Hospitals

- Expand business through M&A and expand into small- and medium-sized hospitals

2 Expand Care Staff Management (CWS) System

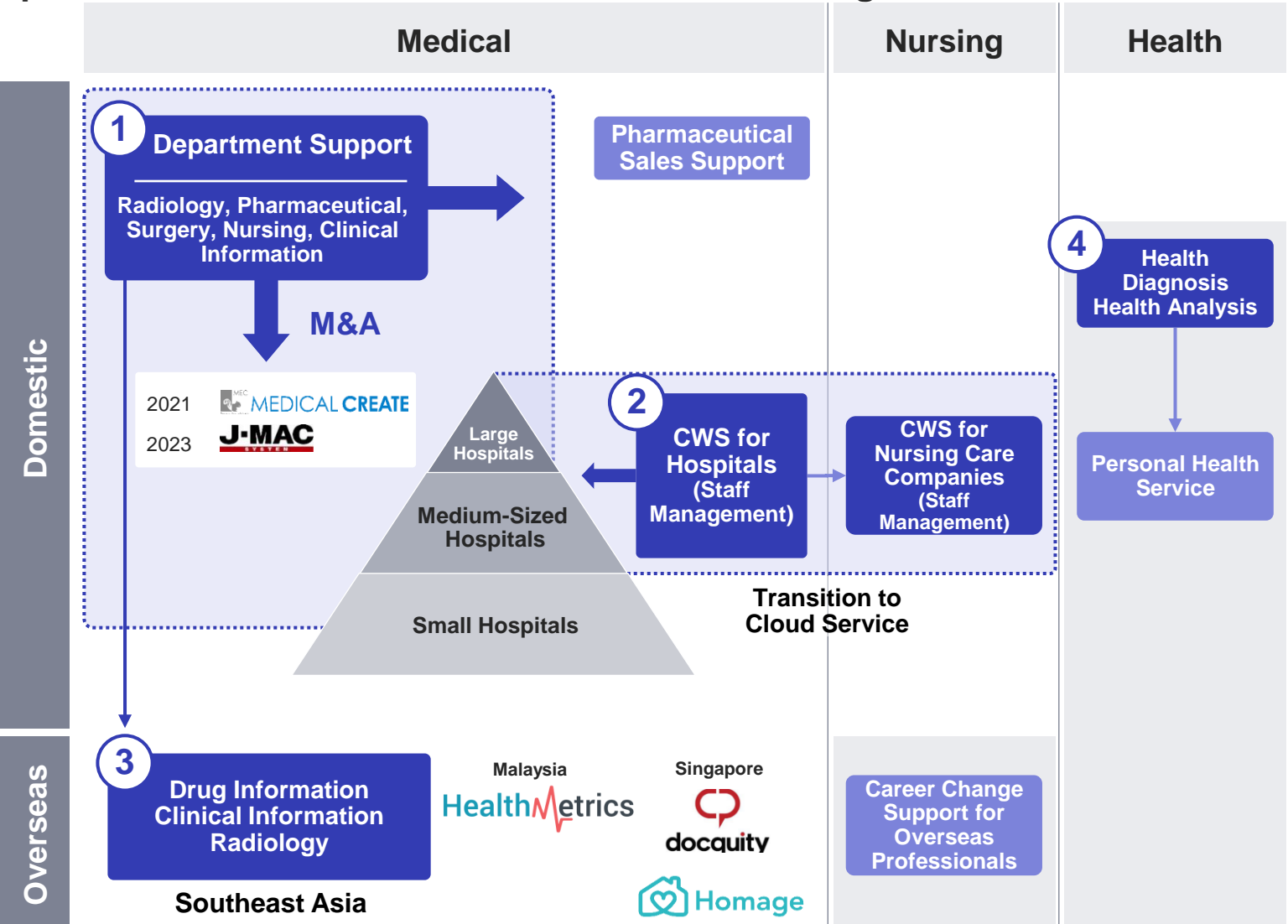
- Expand sales of CWS cloud service versions for hospitals and nursing care providers

3 Expand Into Other Fields Overseas

- Expand hospital systems in Southeast Asia
- Create new businesses

4 Establish Foundation for New Businesses

- Expand sales of WELSA health management service
- Develop career change support service for non-Japanese human resources



Expand Domestic Business for Hospitals

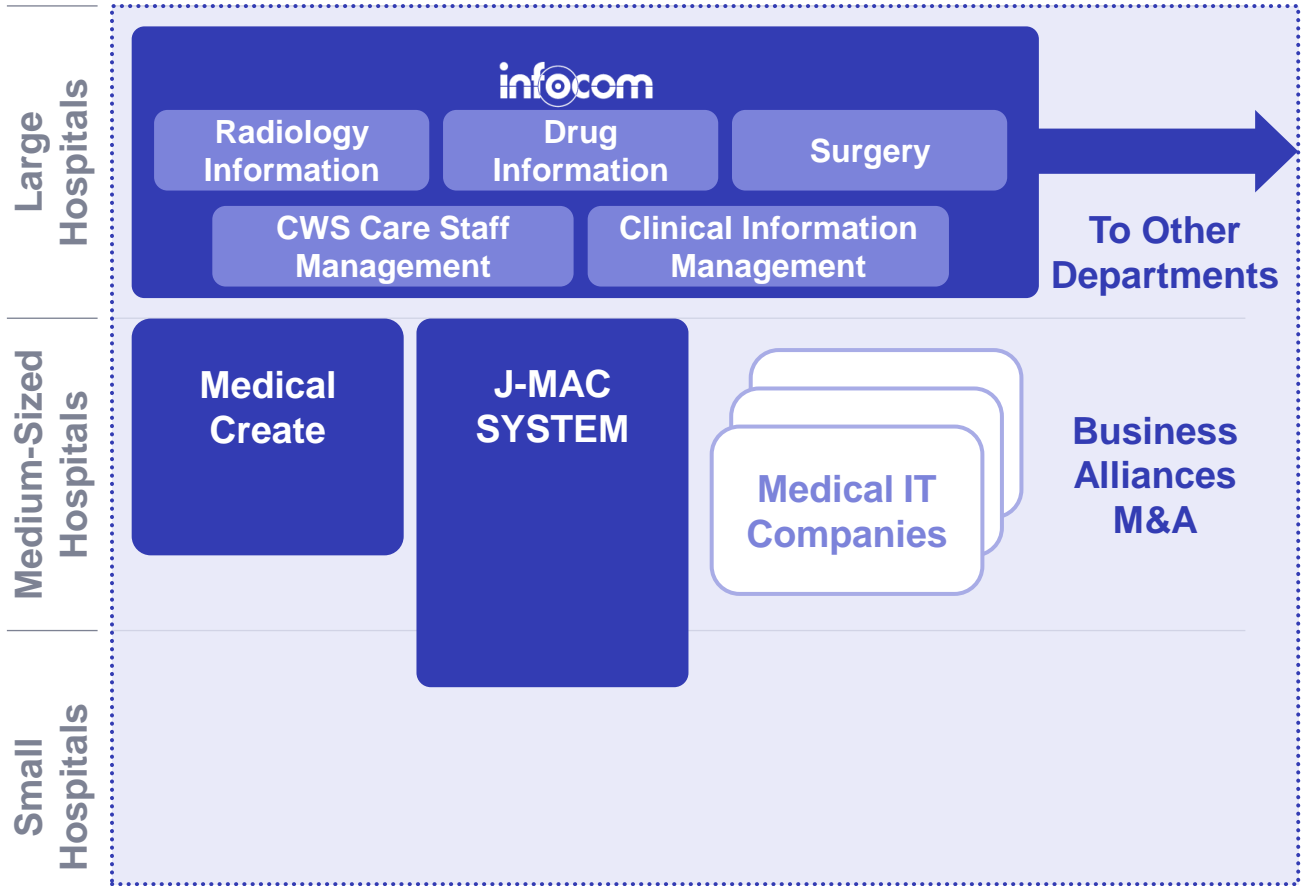
Expand medical IT service fields through M&A and business alliances

Business Environment

- **Medical market expansion driven by technology**
Accelerating IT in small- and medium-sized institutions

Strategy, Actions

- **Expand product lineup**
Expand product lineup and business regions through M&A, etc.
- **Branding**
Leverage Recognition of Top-Share Products
- **Strengthen Sales Channels**
Strengthen alliances with regional sales companies



Strategies in Key Businesses Health IT

Hospital CWS (Staff Management System)

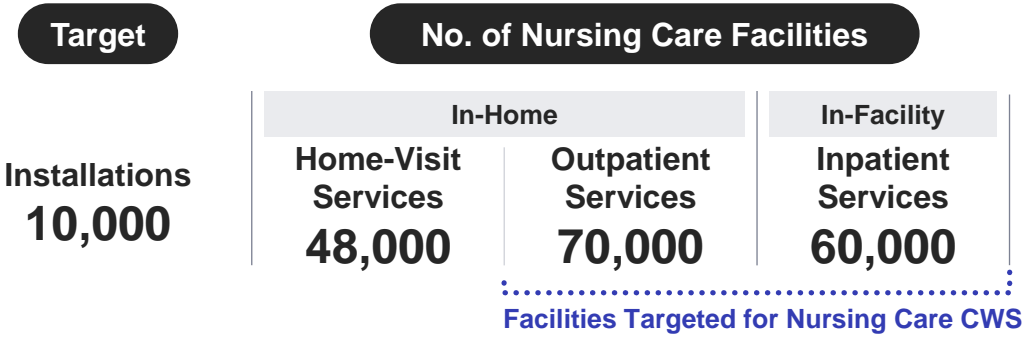
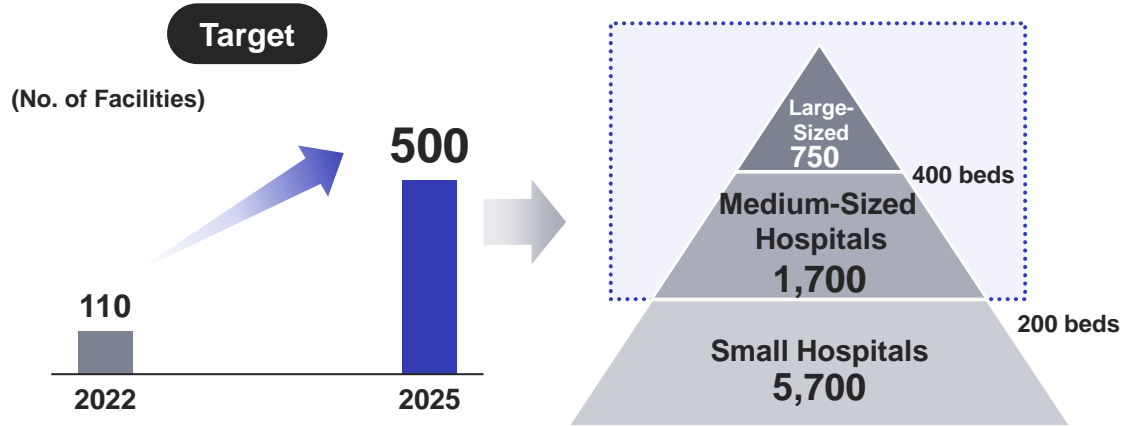
Secure top share of staff management systems for medical institutions

Business Environment	<ul style="list-style-type: none"> • Overtime caps for physicians (beginning April 2024) • Roughly 10% of medium-sized or larger hospitals have adopted work management systems
Strategy, Actions	<ul style="list-style-type: none"> • Add compatibility with overtime regulations for physicians • Expand sales routes • Improve profits through more efficient installations and maintenance

Nursing Care CWS (Staff Management System)

Expand cloud service version for small- and medium-sized nursing care companies

<ul style="list-style-type: none"> • Leverage ICT and digital transformation to make up for nursing care worker shortages • Government support for ICT adoption
<ul style="list-style-type: none"> • Add features to handle complicated personnel assignment standards and additional requirements • Expand cloud service (SaaS) • Raise recognition via online marketing • Aim to expand functionality from shift/attendance to peripheral areas



*Summary of 2021 Survey of Long-Term Care Service Facilities and Establishments, Ministry of Health, Labour and Welfare

Expansion of Overseas Business Domains

Collaborate with local partners for overseas sales of products used in Japanese hospitals

Business Environment

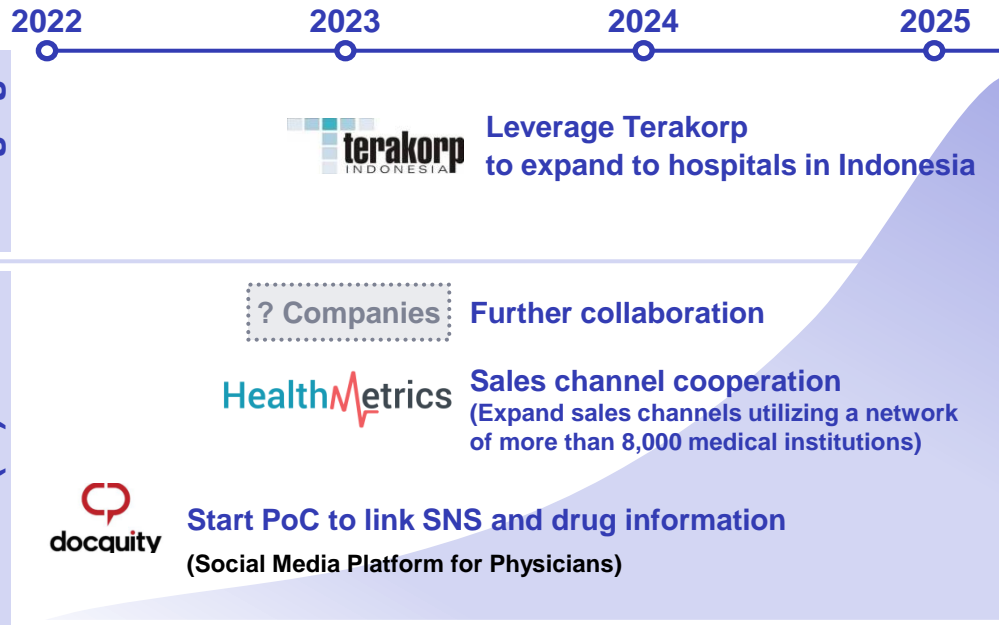
- Healthcare expenditures increasing in ASEAN
Per-capita healthcare spending has more than tripled in the past 20 years
- National strategy to promote digital healthcare

Strategy, Actions

- Localize products and services for hospitals
- Enter capital and business alliances with healthcare IT companies

Sell products for Japanese hospitals overseas

Medical Imaging
Pharmaceuticals (DI)



Create New Businesses

Homage (Support the Development of Matching Services in Japan)
Singapore (nursing care worker matching company)
Consider overseas CWS expansion

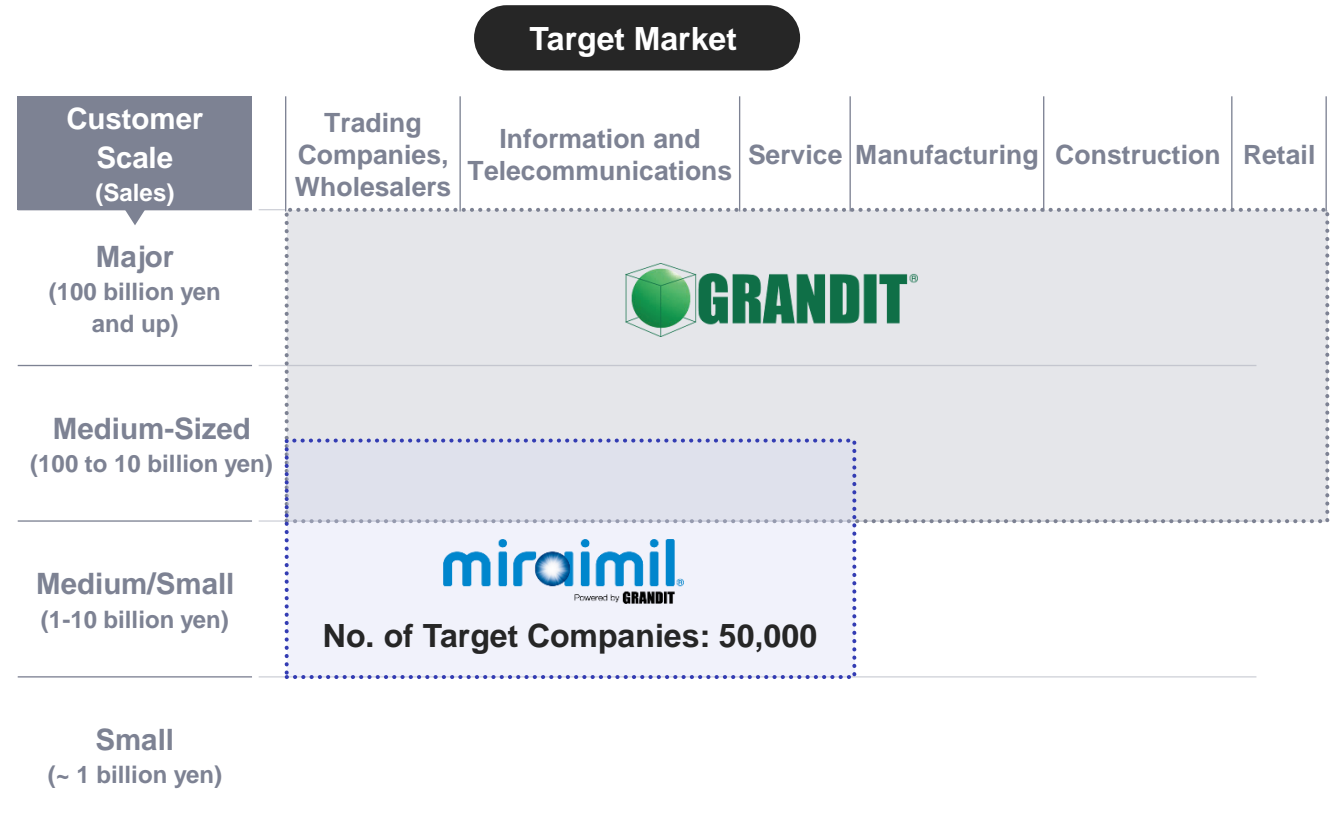
Priority Businesses Strategies

Evolve Into a Services-Oriented Business

Integrated Cloud ERP (miraimil)

Gain a foothold toward the top share of the ERP market for small- and medium-sized enterprises

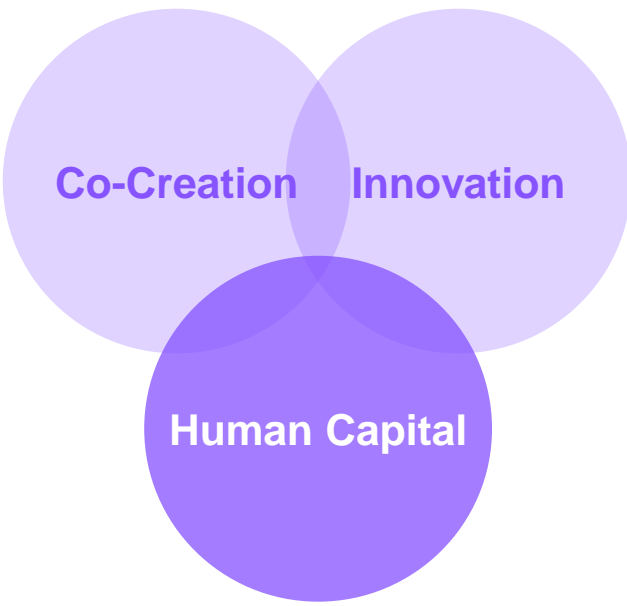
Business Environment	<ul style="list-style-type: none"> Cloud computing is advancing due to a shortage of IT personnel IT implementation subsidies will encourage SMEs to pursue digital transformation
Strategy, Actions	<ul style="list-style-type: none"> Focus on sales to familiar industries Make aggressive investments in advertising Automate sales and implementation process
Target	<ul style="list-style-type: none"> Installation target: 400 companies cumulative



Sustainability Materialities

We established six materialities as important issues for the Group

- 1. Inspire people
- 2. Create healthy and prosperous societies
- 3. Create safe, secure, and convenient societies



- 4. Enhance Value Creation Capabilities Sustainably
- 5. Enhance job satisfaction and human capital growth
- 6. Maintain and strengthen sound corporate management

Materiality

- 1. **Inspire people**
 - Deliver a customer experience that exceeds expectations across a diversifying customer base

- 2. **Create healthy and prosperous societies**
 - Contributing to health and happiness through services that improve the quality of medical care and nursing care

- 3. **Create safe, secure, and convenient societies**
 - Contribute to the sustainable advancement of society and corporate activities through safe, secure, and convenient services

- 4. **Strengthen our ability to create value sustainably**
 - Create services through the use of new technologies and co-creation
 - Address local community issues and contribute to community revitalization

- 5. **Enhance job satisfaction and human capital growth**
 - Support the growth of the Group human capital and expand diversity
 - Encourage work-style transformation

- 6. **Maintain and strengthen sound corporate management**
 - Maintain a highly transparent governance structure
 - Provide high-quality products and services

Strengthen Human Capital

Focus on human capital development to strengthen our management foundation

- Existing Measures
- New Measures

1

Foster human capital capable of business creation and development

Professional Skills Evaluation System (EDISON)

Define IT skills and career paths for each job category

Train cloud engineers

Develop support and engineer training through a CCoE system

Foster Human Capital Capable of Business Creation

Select candidates based on competency assessment and practical experience



2

Optimize assignments of human capital according to skills, experience, and career aspirations

Mission Group System

Role-based compensation system

Talent Management System

Visualize individual skills

Optimize Assignments of Human Capital

Select candidates that match strategies and business needs



3

Improve engagement of group human capital

Employee Awareness Survey

Periodic engagement survey

Work-Style Transformation

- Hybrid work system
- Head office incorporating ABW

Create Workplaces Where Women and Seniors Play Active Roles

Formulate and Evangelize Mission Vision Value

Plan and Carry Out Corporate Branding



4

Strengthen competitiveness through AI and data

Resource Investments and Shareholder Return Policies

Prioritize growth investments in priority businesses and provide appropriate shareholder returns conditioned on a secure and stable financial base

<h2>Financial Soundness</h2>	<ul style="list-style-type: none"> ● Ensure financial soundness based on business characteristics and risks, as well as appropriate financial leverage and investment for growth
<h2>Growth Investment</h2>	<ul style="list-style-type: none"> ● Investments to maintain and accelerate growth, focusing on key businesses ● M&A investment: 30 billion yen set aside for strategic investment ● Capital investment: 4.1 billion yen over 3 years ● R&D investment: 600 million yen over 3 years, concentrating on applicable technologies (e.g., AI and IoT)
<h2>Shareholder Returns</h2>	<ul style="list-style-type: none"> ● In addition to stable dividends, we will strive to increase dividends in line with improved business performance, aiming to maintain a dividend payout ratio of 30%.

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

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