



Info Mart Corporation

FY2017 Full-Year Financial Results

We connect companies and people
all over the world using a global platform

FY2017/4Q

TSE First (1st) Section (2492)



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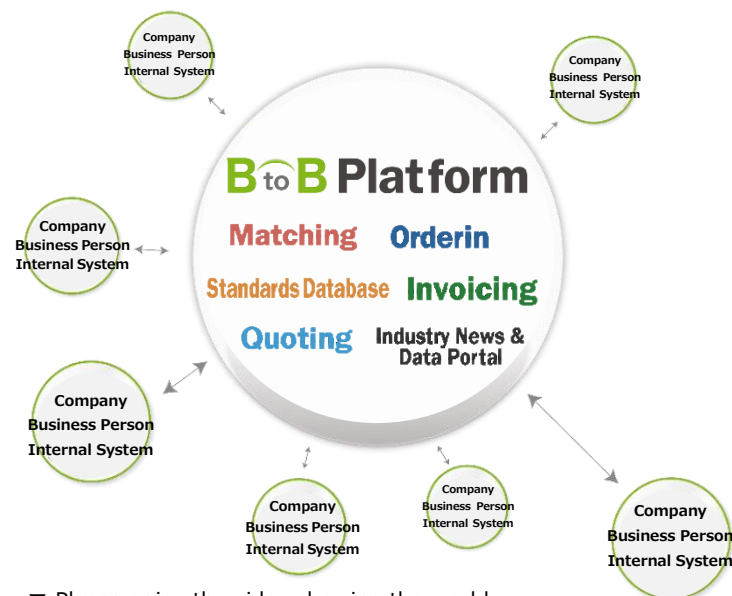
I . About Infomart

- **Company Name:** Infomart Corporation
(TSE First (1st) Section / Stock code: 2492)
- **Representative:** President and CEO Shoji Metabi
- **Head office:** 13st Floor, Shiodome Shibarikyu Building,
1-2-3 Kaigan,Minato-ku,Tokyo,
105-0022, Japan
- **Nishinihon sales office:** Yodogawa-ku, Osaka-shi
- **Customer center:** Hakata-ku, Fukuoka-shi
- **Established:** February 13, 1998
- **Capital:** 3.2 billion 12.51 million yen Consolidated
- **subsidiaries:** InfoRise
Infomart International
- **No. of employees (connection):** 453 (full-time 388 / temporary 65)
- **URL:** <http://www.infomart.co.jp/>

B to B Platform

Our B2B Platform is a system that provides connections between businesspeople, between companies, and within companies, and significantly transforms company management and business style.

We build systems and businesses that naturally go beyond industry borders and beyond national borders, focusing on companies and people, with the aim of becoming a global B2B platform company.



▼ Please enjoy the video showing the world we envision with our B2B Platforms.

<http://www.infomart.co.jp/movie/>



Features

Specialize in BtoB (Business-to-Business EC) for 20 years since the company's founding

A cloud-based system which enables numerous companies to use the same screen for day-to-day business with customers

A recurring-revenue model with 95% of sales coming from monthly system usage fees

Performance

Provides leading B2B Platform in Japan

No. of user companies (as of end-December 2017)

175,399 companies

No. of offices (as of end-December 2017)

480,727 offices

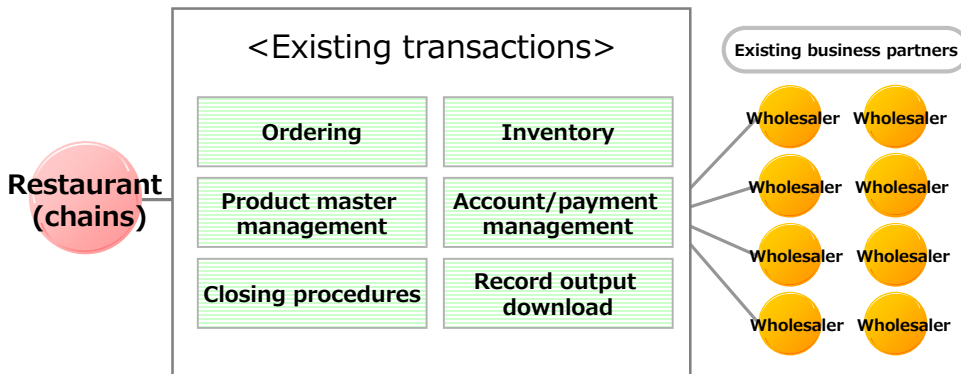
Total distribution value (2017 result)

4,720.3 billion yen

Info Mart's BtoB Platform

BtoB Platform Ordering

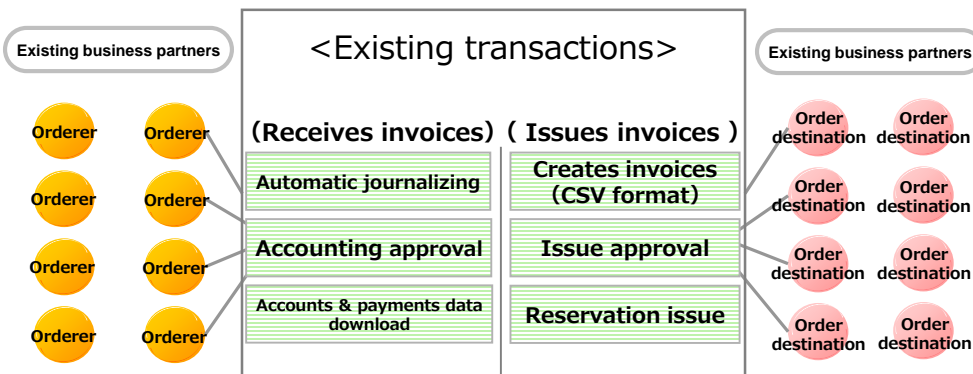
An ordering platform which dramatically improves a variety of ordering and invoicing operations



Optimizes ordering and invoicing operations

BtoB Platform Invoicing

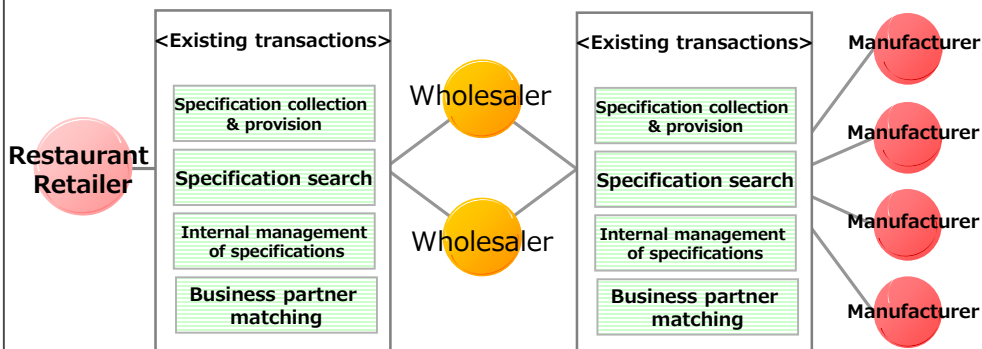
An electronic invoicing platform that helps cut costs, save time, and improve productivity of invoicing operations



Electronically receive and issue invoices

BtoB Platform Standards Database

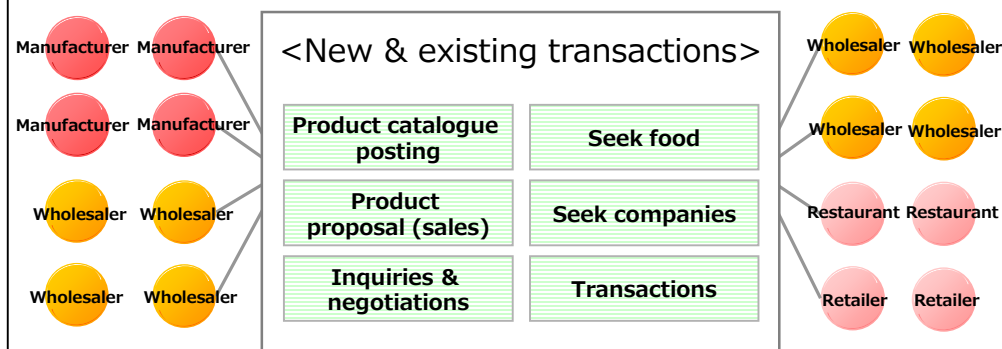
Covers all the latest regulations and quality control standards! The most-used standards database platform in the food industry



Contributes to food safety and security in the food industry

BtoB Platform Matching

A business negotiations platform which strengthens sales capabilities, purchasing power, and internal organizational effectiveness



Completely reforms sales and purchase schemes

II. FY2017 Full-Year Financial Results

FY12/17 Fourth Quarter (YoY)

(Million yen / %:YoY)

	2017/12 (Actual)									
	1Q		2Q		3Q		4Q		Total	
Ordering	964	9.5%	1,012	10.3%	1,059	11.7%	1,090	11.1%	4,127	10.6%
Standards Database	310	15.1%	310	7.0%	321	8.6%	326	8.0%	1,268	9.6%
ES	304	4.4%	302	2.0%	321	4.2%	350	11.3%	1,278	5.6%
Other	18	-45.9%	17	-7.5%	16	-9.6%	23	-0.4%	76	-20.2%
[Sales]	1,587	8.2%	1,633	7.9%	1,707	9.4%	1,780	10.5%	6,709	9.0%
Ordering	260	24.0%	275	28.2%	280	25.2%	286	26.1%	1,102	25.9%
Standards Database	87	57.2%	95	56.9%	100	55.1%	102	51.0%	386	54.9%
ES	164	5.2%	194	15.8%	314	89.1%	226	26.1%	899	34.3%
Other	10	-35.6%	11	-10.1%	12	-0.6%	14	2.7%	49	-12.3%
[CoGS]	514	19.2%	567	27.4%	695	51.9%	620	29.4%	2,398	32.2%
Ordering	703	4.9%	737	4.8%	779	7.5%	803	6.6%	3,024	6.0%
Standards Database	222	4.1%	215	-6.3%	220	-4.4%	223	-4.5%	882	-2.9%
ES	139	3.3%	107	-16.1%	7	-94.9%	124	-8.2%	379	-30.0%
Other	7	-55.7%	6	-2.6%	4	-27.4%	8	-5.5%	26	-31.3%
[Gross Profit]	1,073	3.6%	1,065	-0.3%	1,011	-8.3%	1,159	2.4%	4,310	-0.7%
Ordering	239	6.4%	272	21.9%	303	28.9%	295	58.5%	1,111	27.6%
Standards Database	79	-42.0%	86	-39.2%	90	-46.3%	88	-42.8%	344	-42.8%
ES	217	19.7%	249	32.5%	271	19.5%	261	10.8%	1,000	20.0%
Other	20	-1.6%	19	11.1%	22	15.1%	26	28.5%	89	13.3%
[SG&A]	556	-1.1%	627	9.9%	687	5.7%	672	12.4%	2,544	6.8%
Ordering	463	4.1%	464	-3.2%	476	-2.8%	508	-10.5%	1,913	-3.5%
Standards Database	143	85.2%	129	47.0%	130	109.4%	135	69.4%	537	75.1%
ES	-77	-	-141	-	-264	-	-136	-	-621	-
Other	-12	-	-13	-	-17	-	-18	-	-62	-
[Operating Profit]	516	9.2%	437	-12.0%	324	-28.3%	487	-8.8%	1,765	-9.8%
[Recurring Profit]	507	11.2%	435	-8.5%	322	-28.2%	485	-14.1%	1,751	-10.0%
[Net Income]※	341	15.6%	-548	-	219	-24.4%	372	18.2%	384	-68.1%

※Net income denotes net income attributable to owners of the parent.

Ordering	48.1%	45.9%	44.9%	46.6%	46.4%
Standards Database	46.2%	41.5%	40.5%	41.4%	42.4%
OPM	32.5%	26.8%	19.0%	27.4%	26.3%
RPM	32.0%	26.7%	18.9%	27.3%	26.1%

□ Sales

[Ordering business]

System usage fees increased on steady growth in the number of buyer companies such as restaurant chains and hotels, and seller companies such as food wholesalers, which supply the buyer companies.

[Standards Database business]

System usage fees increased on growth in the number of companies using the buyer, wholesale, and manufacturer functions.

[ES business]

Increase in the number of companies with paid contracts for B2B Platform Invoicing (invoice receiver model and issuer model users) led to higher system usage fees in line with operation.

□ CoGS

Increased system development for each platform resulted in higher software depreciation costs.

□ SG&A expenses

Expenses such as hiring costs for college graduates and mid-career employees and commission fees related to Industry News & Data Portal increased.

□ Recurring profit

Profit declined owing to factors such as software depreciation costs accompanying stronger systems development.

□ Net income

Profit declined due to the booking of an extraordinary loss (impairment loss on fixed assets) in 2Q.

FY12/17 Fourth Quarter (vs. Plan)

※Comparison with published figures published on July 25, 2017

(Million yen)

□ Sales

[Ordering business]

B2B Platform Ordering (restaurants-wholesalers), new usage by buyer companies progressed steadily, and system usage fees exceeded the target. However, a delay in the launch of new system B2B Platform Ordering (wholesalers-manufacturers) kept system usage fees and setup expenses for the new system below the target.

[Standards Database business]

B2B Platform Standards Database business :
New contract acquisitions lagged targets for all functions, and system usage fees finished below plan.

[ES business]

B2B Platform Invoicing:

Usage of the billing system by existing paid subscribers was lower than the target and system usage fee fell below plan.

□ CoGS

Software amortization expenses of B2B Platform Invoicing increased.

□ SG&A expenses

Differences arose due unaccrued personnel expenses and sales promotion expenses.

□ Recurring profit

Profit finished below plan as unaccrued SG&A expenses were unable to offset below-target sales.

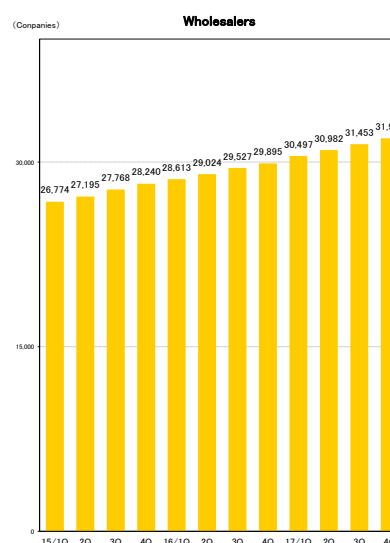
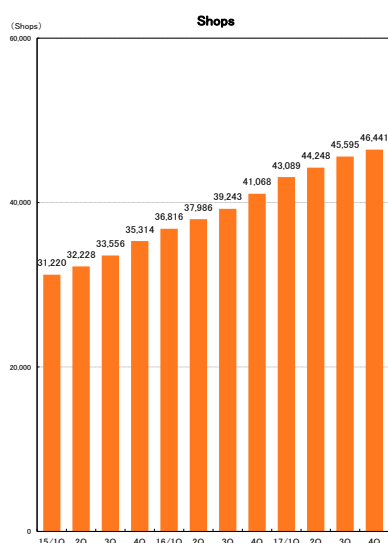
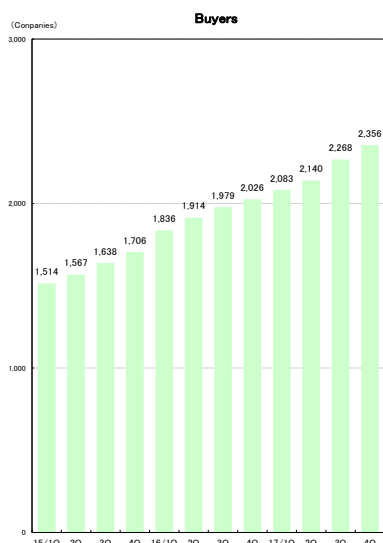
	2017/12														
	1Q			2Q			3Q			4Q			Total		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
Ordering	947	964	17	1,066	1,012	-54	1,294	1,059	-235	1,522	1,090	-432	4,829	4,127	-702
Standards Database	316	310	-6	339	310	-29	353	321	-32	368	326	-42	1,376	1,268	-108
ES	300	304	4	360	302	-58	404	321	-83	472	350	-122	1,535	1,278	-257
Other	23	18	-5	69	17	-52	50	16	-34	54	23	-31	197	76	-121
[Sales]	1,577	1,587	10	1,825	1,633	-192	2,092	1,707	-385	2,405	1,780	-625	7,900	6,709	-1,191
Ordering	301	260	-41	323	275	-48	327	280	-47	328	286	-42	1,279	1,102	-177
Standards Database	81	87	6	89	95	6	95	100	5	97	102	5	362	386	24
ES	151	164	13	168	194	26	175	314	139	185	226	41	678	899	221
Other	17	10	-7	19	11	-8	22	12	-10	25	14	-11	83	49	-34
[CoGS]	543	514	-29	592	567	-25	613	695	82	628	620	-8	2,377	2,398	21
Ordering	646	703	57	743	737	-6	967	779	-188	1,194	803	-391	3,550	3,024	-526
Standards Database	236	222	-14	250	215	-35	259	220	-39	270	223	-47	1,015	882	-133
ES	149	139	-10	192	107	-85	228	7	-221	287	124	-163	857	379	-478
Other	6	7	1	50	6	-44	28	4	-24	29	8	-21	114	26	-88
[Gross Profit]	1,034	1,073	39	1,233	1,065	-168	1,479	1,011	-468	1,777	1,159	-618	5,524	4,310	-1,214
Ordering	305	239	-66	322	272	-50	344	303	-41	387	295	-92	1,358	1,111	-247
Standards Database	107	79	-28	106	86	-20	99	90	-9	97	88	-9	409	344	-65
ES	269	217	-52	263	249	-14	251	271	20	282	261	-21	1,065	1,000	-65
Other	22	20	-2	24	19	-5	23	22	-1	26	26	0	96	89	-7
[SG&A]	702	556	-146	713	627	-86	715	687	-28	789	672	-117	2,920	2,544	-376
Ordering	341	463	122	422	464	42	623	476	-147	807	508	-299	2,192	1,913	-279
Standards Database	129	143	14	144	129	-15	160	130	-30	173	135	-38	606	537	-69
ES	-120	-77	43	-71	-141	-70	-23	-264	-241	5	-136	-141	-209	-621	-412
Other	-16	-12	4	26	-13	-39	5	-17	-22	3	-18	-21	18	-62	-80
[Operating Profit]	333	516	183	520	437	-83	764	324	-440	986	487	-499	2,603	1,765	-838
[Recurring Profit]	332	507	175	519	435	-84	763	322	-441	986	485	-501	2,600	1,751	-849
[Net Income]※	213	341	128	-486	-548	-62	505	219	-286	655	372	-283	887	384	-503

※Net income denotes net income attributable to owners of the parent.

Ordering	36.0%	48.1%	12.1%	39.6%	45.9%	6.3%	48.1%	44.9%	-3.2%	53.0%	46.6%	-6.4%	45.4%	46.4%	1.0%
Standards Database	40.7%	46.2%	5.5%	42.5%	41.5%	-1.0%	45.2%	40.5%	-4.7%	47.0%	41.4%	-5.6%	44.0%	42.4%	-1.6%
OPM	21.1%	32.5%	11.4%	28.5%	26.8%	-1.7%	36.5%	19.0%	-17.5%	41.0%	27.4%	-13.6%	33.0%	26.3%	-6.7%
RPM	21.0%	32.0%	11.0%	28.4%	26.7%	-1.7%	36.5%	18.9%	-17.6%	41.0%	27.3%	-13.7%	32.9%	26.1%	-6.8%

- New usage by buyers in the Ordering business (restaurants–wholesalers) advanced steadily driven mainly by restaurant chains and hotels.
- Steady flow of referrals from alliance partners such as existing seller companies and partner system engineering firms.
- User count up to 423 companies in B2B Platform Ordering service (wholesalers–manufacturers) on progress made with service launch (as of end-December 2017) .

		2016/12				2017/12				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YoY
Ordering (Restaurants-Wholesaler)	Buyer Companies (Restaurants)	1,836	1,914	1,979	2,026	2,083	2,140	2,268	2,356	+ 330
	Seller Companies (Wholesaler)	28,613	29,024	29,527	29,895	30,497	30,982	31,453	31,939	+ 2,044
Ordering (Wholesaler-Manufacturer)	Buyer Companies (Wholesaler)	-	-	-	-	-	6	15	36	+ 36
	Seller Companies (Wholesaler·Manufacturer)	-	-	-	-	-	69	187	387	+ 387



■ Fees

Ordering (restaurants–wholesalers)

- <Buyer Company>**
 ((Monthly usage fee)
 • Head office: JPY18,000 • Store: JPY1,300
 ((Initial fee)
 from JPY300,000 (depending on store count)

- <Seller Company>**
 ((Monthly usage fee) (choice: fixed fee or pay-for-use)
 • Fixed fee: JPY30,000
 • Pay-for-use: 1.2% of monthly transaction amount (up to 100,000 transactions for free)
 • Adding IDs: JPY800 per ID

Ordering (wholesalers–food manufacturers)

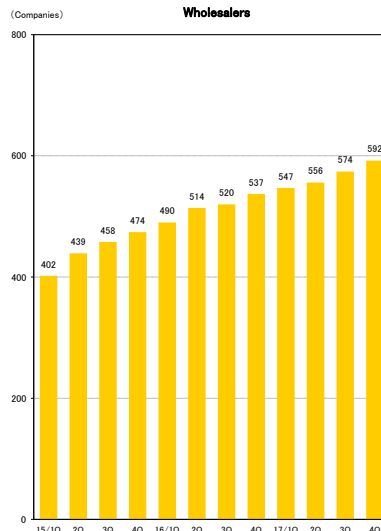
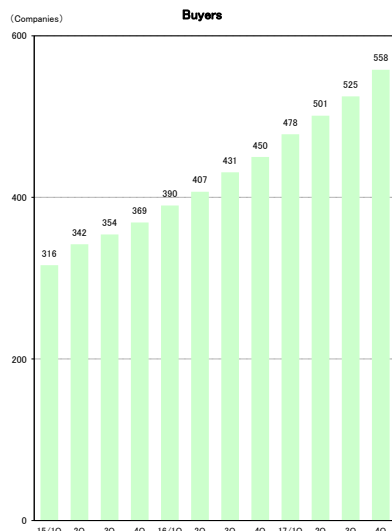
- <Buyer Company >**
 ((Monthly usage fee)
 • Head office: JPY18,000
 • Adding IDs: JPY2,000 per ID

- <Seller Company >**
 ((Monthly usage fee) (choice: fixed fee or pay-for-use)
 • Fixed fee : JPY100,000
 • Pay-for-use: 1.2% of monthly transaction amount (up to 100,000 transactions for free)
 • Adding IDs: JPY2,000 per ID

※Number of companies and the number of stores of the graph is the number at the end of each quarter.

- Against a backdrop of stronger response to food safety, security, and allergens, the number of companies increased across all functions.
- Promoted sales of Ordering and Standards Database services packaged as “Safe and Secure Food Ordering.”
- Progress in usage of in-house standards database management function among major manufacturers and of menu management function in the food industry.

		2016/12				2017/12				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YOY
Food Standards Database	Companies with Buyer Function	390	407	431	450	478	501	525	558	+ 108
	Companies with Wholesaler Function	490	514	520	537	547	556	574	592	+ 55
	Companies with Manufacturer Function	6,120	6,165	6,193	6,185	6,201	6,211	6,222	6,264	+ 79



※Number of companies and the number of stores of the graph is the number at the end of each quarter.

■ Fees

<Buyer Company>

- 《Monthly system usage fee》
JPY50,000
- 《Initial fee》
from JPY300,000

<Wholesaler Ordering Function>

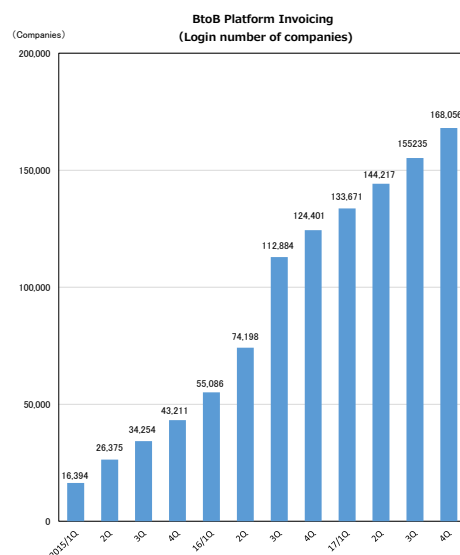
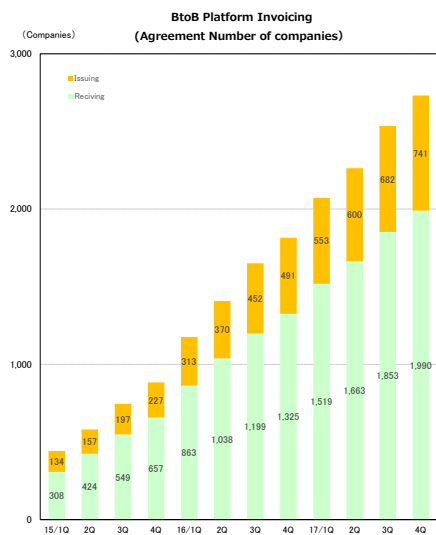
- 《Monthly system usage fee》
JPY35,000
- 《Initial fee》
from JPY50,000

<Wholesaler Ordering Seller Function>

- 《Monthly system usage fee》
- Fixed fee: JPY35,000 or JPY50,000
- Pay-for-use: JPY3,000 to JPY20,000

- Number of companies logging in exceeded 17,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of January 2018)
- Number of new companies signing up for paid services steadily increased not only in the foodservice industry, but also in the pharmaceutical wholesale, amusement, and other industries.
- Enhanced operation by strengthening data links with established sales management and accounting systems.

		2016/12				2017/12				
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	YOY
Invoicing	Contracting Companies (receiving)	863	1,038	1,199	1,325	1,519	1,663	1,853	1,990	+ 665
	Contracting Companies (issuing)	313	370	452	491	553	600	682	741	+ 250
	Contracting Companies (total)	1,176	1,408	1,651	1,816	2,072	2,263	2,535	2,731	+ 915
	Companies	55,086	74,198	112,884	124,401	133,671	144,217	155,235	168,056	+ 43,655
Matching	Buyer Companies	6,837	6,879	6,872	6,855	6,857	6,838	6,902	6,962	+ 107
	Seller Companies	1,838	1,821	1,752	1,712	1,676	1,584	1,556	1,554	-158



※Number of companies and the number of stores of the graph is the number at the end of each quarter.

■ Fees

BtoB Platform Invoicing

<Receiving Company>

- 《Monthly system usage fee》
- 〔Fixed fee〕 JPY5,000+ 〔Pay-for-use fee〕
- Number of invoices receiving invoices per month
- Up to 50 invoices included in the fixed fee
- 51-2,000 invoices : JPY5,000 to JPY95,000
- 《Initial fee》 from JPY100,000

<Issuing Company>

- 《Monthly system usage fee》
- 〔Fixed fee〕 JPY5,000+ 〔Pay-for-use fee〕
- Number of invoices issued per month
- Up to 100 invoices included in the fixed fee
- 101 to 1,000 invoices: JPY40 per invoice
- 1,001 invoices or more: JPY30 per invoice
- 《Initial fee》 from JPY300,000

BtoB Platform Matching

- 《Monthly system usage fee》

<Buyer Company>

- 〔Fixed fee〕 JPY5,000

<Seller Company>

- 〔Fixed fee〕 JPY25,000

III. 2016- 2018 Fiscal Year Medium-Term Management Plan

(FY2017 is the Final year of the plan.)

FY12/16-FY12/18 (Medium-Term Management Plan)

Theme		FY12/17	FY12/18 target
<p>Steadily expand market share in the food industry</p> <p>– Expand utilization of the B2B Ordering System Platform</p>	<p>Number of user companies</p> <p>System transaction value (share of restaurants)</p>	<p>43,000 companies</p> <p>JPY1.5tn (20%)</p>	<p>50,000 companies</p> <p>JPY2tn (30%)</p>
<p>Make B2B Electronic Invoicing Platform a de facto industry standard</p> <p>– Expand the B2B Invoicing Platform to all industries</p>	<p>Number of user companies</p> <p>System transaction value</p>	<p>170,000 companies</p> <p>JPY3,191.2bn</p>	<p>300,000 companies</p> <p>JPY5tn</p>
<p>Build a B2B E-Commerce Transaction Platform</p> <p>– Heavily invest in system development using funds procured in the previous year</p>	<p>System concept</p>	<p>Shifting from the ASP System to the B2B Platform</p>	<p>B2B Platform for all industries</p>

FY12/16-FY12/18 (Medium-Term Plan : Highlights)

(Million yen / %:YoY)

	FY12/17 (Actual)		FY12/18 (Plan)			
	Full year	YoY	2QTotal	YoY	Full year	YoY
Ordering	4,127	10.6%	2,219	12.3%	4,887	18.4%
Standards Database	1,268	9.6%	687	10.6%	1,423	12.2%
ES	1,278	5.6%	702	15.9%	1,528	19.6%
Other	76	-20.2%	77	114.3%	165	117.1%
【Sales】	6,709	9.0%	3,667	13.9%	7,965	18.7%
Ordering	1,102	25.9%	601	12.0%	1,126	2.2%
Standards Database	386	54.9%	192	5.0%	381	-1.3%
ES	899	34.3%	394	9.8%	799	-11.1%
Other	49	-12.3%	34	61.4%	71	44.9%
【CoGS】	2,398	32.2%	1,207	11.6%	2,351	-2.0%
Ordering	3,024	6.0%	1,619	12.3%	3,760	24.3%
Standards Database	882	-2.9%	495	13.2%	1,041	18.0%
ES	379	-30.0%	308	24.7%	729	92.3%
Other	26	-31.3%	43	208.9%	94	261.5%
【Gross Profit】	4,310	-0.7%	2,459	15.0%	5,614	30.3%
Ordering	1,111	27.6%	730	42.6%	1,506	35.6%
Standards Database	344	-42.8%	231	40.1%	458	33.1%
ES	1,000	20.0%	503	7.9%	1,053	5.3%
Other	89	13.3%	45	12.8%	93	4.5%
【SG&A】	2,544	6.8%	1,505	27.1%	3,102	21.9%
Ordering	1,913	-3.5%	889	-4.2%	2,255	17.9%
Standards Database	537	75.1%	264	-3.0%	584	8.8%
ES	-621	-	-195	-11.2%	-324	-
Other	-62	-	-2	-	1	-
【Operating Profit】	1,765	-9.8%	954	0.1%	2,512	42.3%
【Recurring Profit】	1,751	-10.0%	948	0.6%	2,500	42.8%
【Net Income】※	384	-68.1%	634	-	1,674	335.9%

Sales Gross profit margin	64.2%		67.1%		70.5%	
Ordering	46.4%		40.1%		46.1%	
Standards Database	42.4%		38.4%		41.0%	
OPM	26.3%		26.0%		31.5%	
RPM	26.1%		25.9%		31.4%	

□ Sales

〔 Ordering 〕

Expect continued increase in the number of users of B2B Platform Ordering (restaurants-wholesalers) mainly among restaurant chains and hotels, and progress with operation of B2B Platform Ordering (wholesalers-manufacturers).

〔 Standards Database Businesses 〕

Forecast solid growth in the number of users of B2B Platform Standards amid heightened awareness of food safety, security, and allergy prevention in the food industry.

〔 ES Business 〕

Look for progress with transition to electronic invoicing among companies with paid contracts for B2B Platform Invoicing and signing up new companies for paid contracts.

□ CoGS

Software depreciation to fall because of gradual decrease in software depreciation for large IT capex to develop next generation platform in previous years due to end of depreciation period, and two-year system development program ending in FY12/17, followed by plans to reduce spending on system development in FY12/18.

□ SG&A

Forecast rise in personnel expenses to increase sales force/sales support staff for business expansion and sales promotion and other expenses to attract more user companies.

□ Recurring profit

Forecast higher recurring profit on sales growth (mainly system usage fees) and lower CoGS.

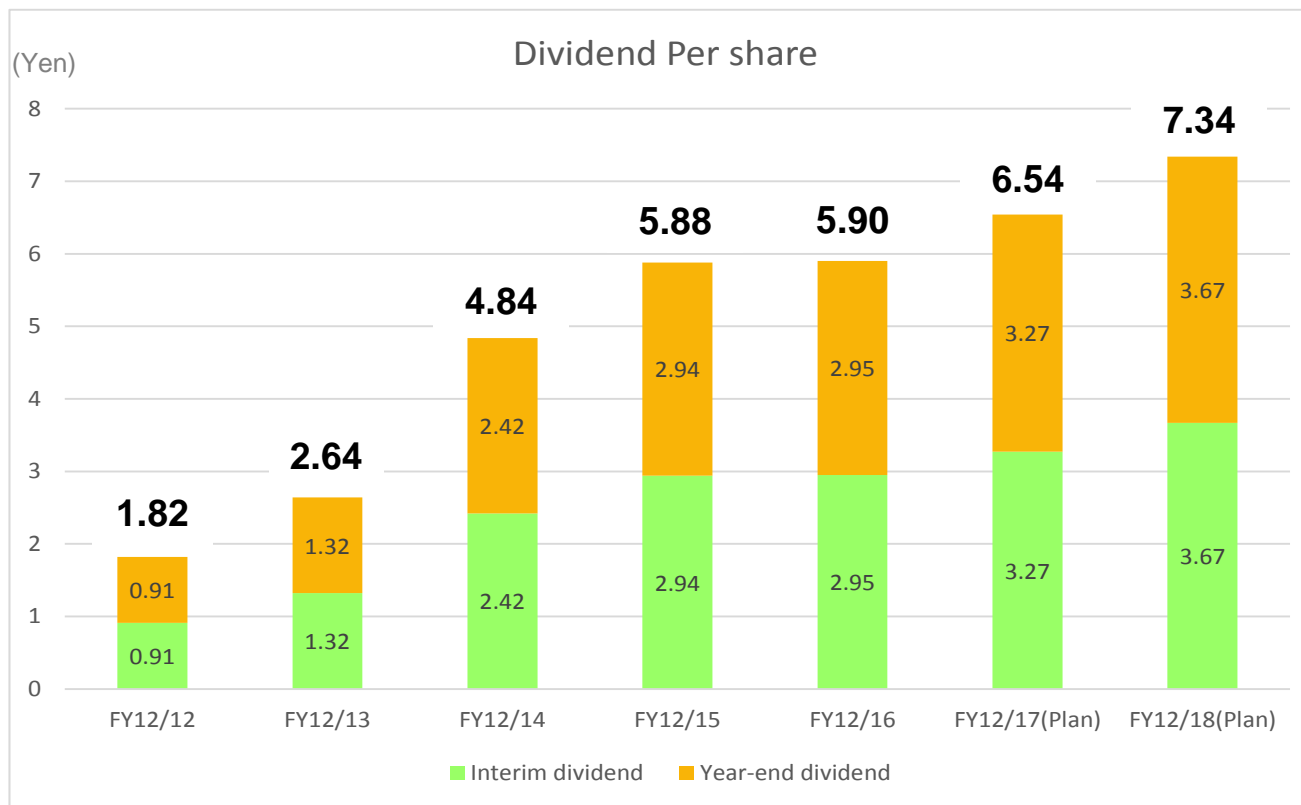
□ Net income

Look for sharp net profit growth on absence of extraordinary loss (impairment loss) booked in FY12/17.

IV. Return Profits to Shareholders

Return Profits to Shareholders

Infomart considers most important to pay dividends to shareholders and the company aims for a **“basic dividend payout ratio of 50% based on Infomart’s non-consolidated business results”** while improving operating results and strengthening financial position.



(Note)

The interim dividend for FY12/17 was approved at the Board Meeting held on July 31, 2017 (effective as of September 11, 2017).

The company conducted a 200-for-1 stock split on January 1, 2013, a 2-for-1 stock split on July 1, 2013, a 2-for-1 stock split on January 1, 2014, a 2-for-1 stock split on January 1, 2015 and a 2-for-1 stock split on January 1, 2017. Dividends on the bar chart are calculated assuming that the stock splits were conducted.

This material is prepared based on economic, social and other situations, and certain assumptions that the company deems to be reasonable as of February 14, 2018. However, the material is subject to change without prior notice due to the changing management environment and other reasons.

Readers are asked to make investment decisions at their own discretion.

This material was prepared by Infomart Corporation.