

# B to B Platform

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

## Info Mart Corporation

### FY2019 First Quarter Financial Results

FY2019/1Q

TSE First (1st) Section (2492)

 **Info Mart Corporation**

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# **I . About Infomart**

# Company Overview

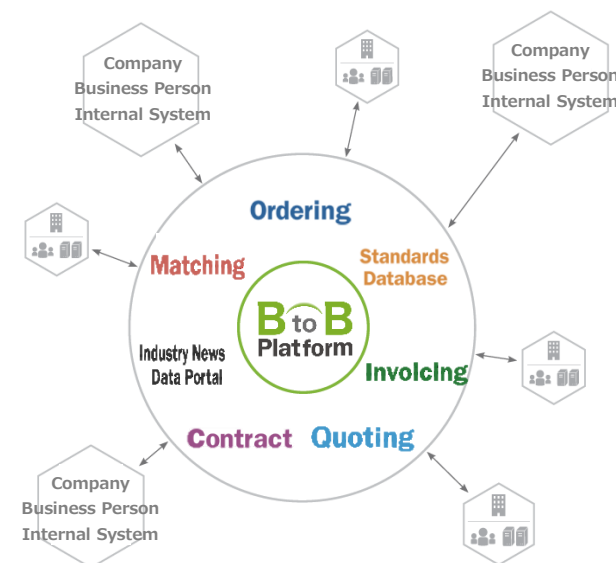
(as of end-March 2019)

- Company Name: Infomart Corporation  
( TSE First (1st) Section / Stock code: 2492 )
- Representative: President and CEO Osamu Nagao  
Vice President Naotake Fujita
- 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: Infomart International
- No. of employees (connection): 459 (full-time 401 / temporary 58)
- URL: <https://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 B2B (Business-to-Business EC) for 21 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-March 2019)

300,965 companies

No. of offices (as of end-March 2019)

681,476 offices

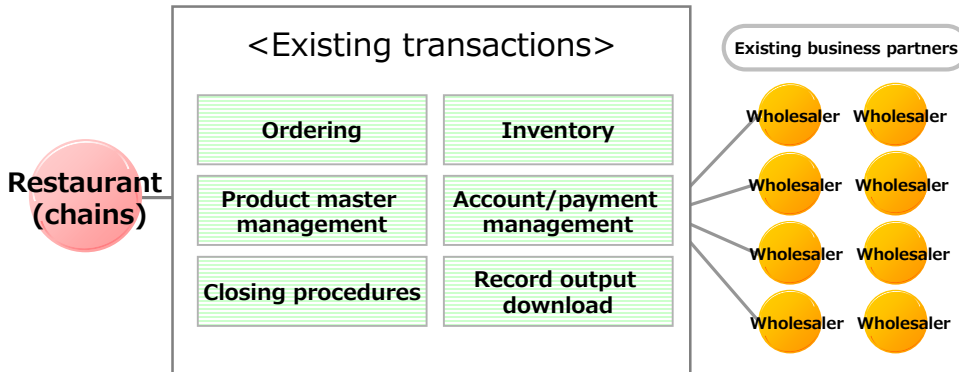
Total distribution value (2018 result)

8,049.7 billion yen

# Info Mart's B2B Platform

## B to B Platform Ordering

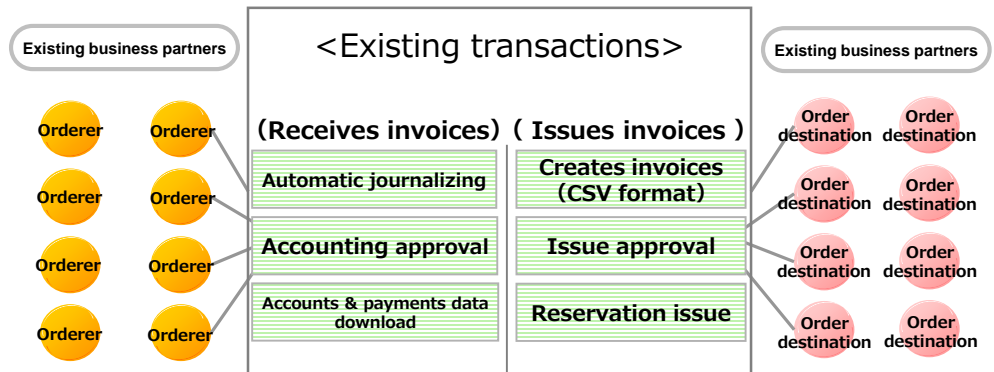
An ordering platform which dramatically improves a variety of ordering and invoicing operations



Optimizes ordering and invoicing operations

## B to B Platform Invoicing

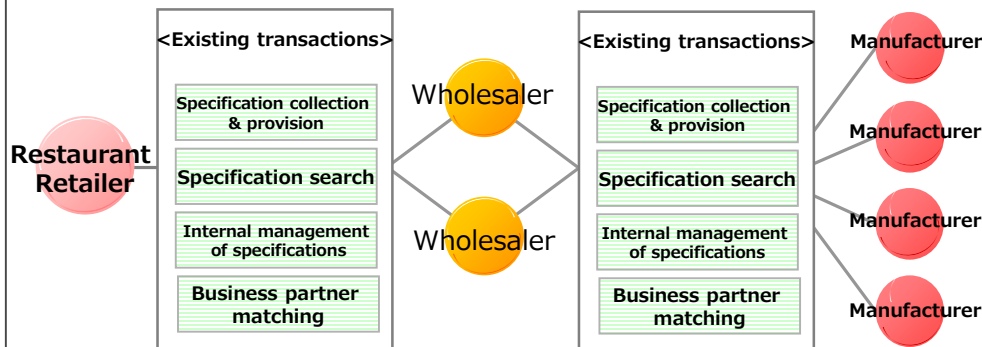
An electronic invoicing platform that helps cut costs, save time, and improve productivity of invoicing operations



Electronically receive and issue invoices

## B to B Platform Standards Database

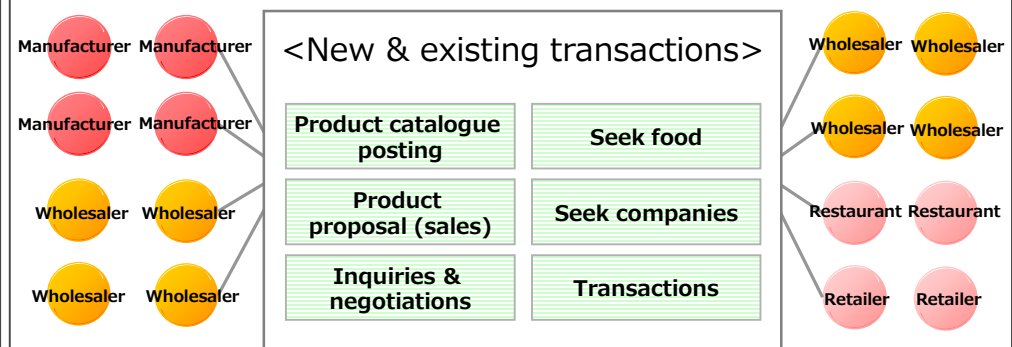
Covers all the latest regulations and quality control standards! The most-used standards database platform in the food industry



Contributes to food safety and security in the food industry

## B to B Platform Matching

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



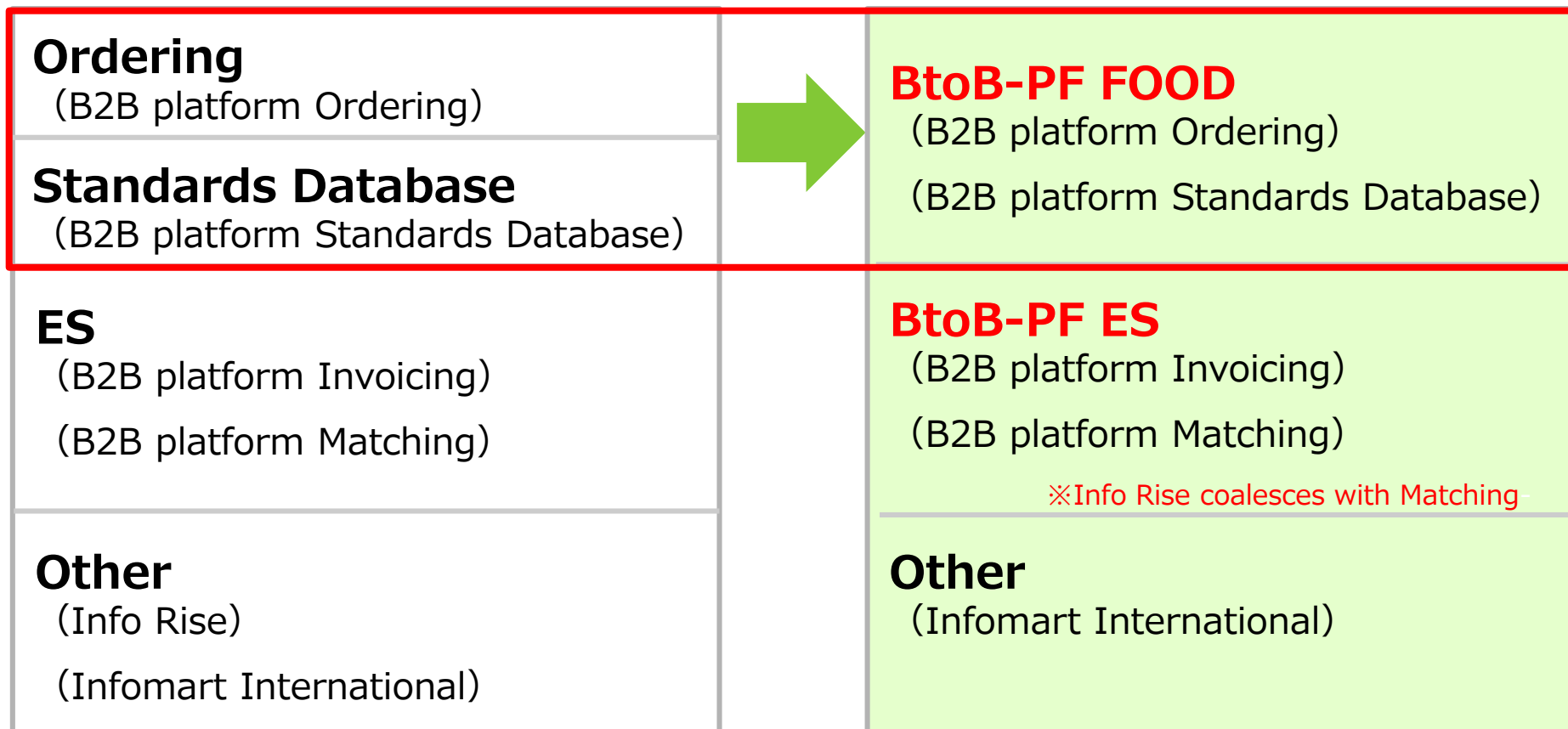
Completely reforms sales and purchase schemes

## **II. FY2019 First Quarter Financial Results**

# Change of business segments

Four categories (until FY12/18)

Three categories (since FY12/19)



**\*From FY12/19, we have changed its business segments.**

The Ordering business and the Standards Database business will be reclassified as the B2B Platform Food business as described above, as the two businesses are working together to promote sales to the food industry through the integration of sales structure and package selling. In addition, Info Rise Corporation, a consolidated subsidiary in the Other business, was merged with Infomart Corporation through an absorption-type merger on January 1, 2019, and is promoting its business as part of the ES business. Therefore, the business of Info Rise will be reclassified as the B2B Platform ES business as described above.



# FY12/19 First Quarter (YoY)

(Million yen / %:YoY)

	2019/1Q	
	Actual	YoY
BtoB-PF FOOD	1,621	8.7%
BtoB-PF ES	378	28.0%
Other	11	-0.2%
<b>【Sales】</b>	<b>2,000</b>	<b>11.8%</b>
BtoB-PF FOOD	333	-21.2%
BtoB-PF ES	186	-8.2%
Other	9	12.1%
<b>【CoGS】</b>	<b>518</b>	<b>-17.2%</b>
BtoB-PF FOOD	1,288	20.5%
BtoB-PF ES	191	108.7%
Other	2	-32.5%
<b>【Gross Profit】</b>	<b>1,482</b>	<b>27.5%</b>
BtoB-PF FOOD	473	11.3%
BtoB-PF ES	348	38.7%
Other	3	-5.0%
<b>【SG&amp;A】</b>	<b>825</b>	<b>21.3%</b>
BtoB-PF FOOD	814	26.5%
BtoB-PF ES	-157	-
Other	-1	-
<b>【Operating Profit】</b>	<b>656</b>	<b>36.2%</b>
<b>【Recurring Profit】</b>	<b>654</b>	<b>40.5%</b>
<b>【Net Income】※</b>	<b>601</b>	<b>93.1%</b>

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

BtoB-PF FOOD	79.5%
BtoB-PF ES	50.6%
High gross profit margin	74.1%
BtoB-PF FOOD	50.2%
OPM	32.8%
RPM	32.7%

## □ Sales

{BtoB-PF FOOD}

System usage fees increased as the number of companies using B2B Platform Ordering (between restaurants and wholesalers) and BtoB Standards Database increased.

{BtoB-PF ES}

System usage fees increased along with the digitization of invoice and an increase in the number of new paid contracts for B2B Platform Invoicing (invoice receiver model and issuer model).

## □ CoGS

Software amortization expense decreased due to the expiration of the amortization period for large-scale system development investments in prior years.

## □ SG&A

Personnel expenses increased due to the reinforcement of sales staffs and sales support staffs for business expansion.

## □ Operating profit

Operating profit increased thanks to the increased sales mainly from system usage fees and a reduction in CoGS.

## □ Net income

Net income increased as corporate taxes decreased due to the recording of deferred tax assets related to the loss carried forward of Info Rise Corporation, which we absorbed on January 1, 2019, as well as the increase in recurring profit.

# FY12/19 First Quarter (vs. Plan)

(Million yen / %:YoY)

	2019/1Q			2019/2Q	2019/3Q	2019/4Q	2019/Total	
	Plan	Actual	Diff				Plan	YoY
BtoB-PF FOOD	1,608	1,621	13	1,663	1,706	1,770	6,748	7.5%
BtoB-PF ES	375	378	3	399	451	465	1,690	24.7%
Other	11	11	0	11	11	10	43	-2.3%
<b>【Sales】</b>	<b>1,984</b>	<b>2,000</b>	<b>16</b>	<b>2,062</b>	<b>2,157</b>	<b>2,235</b>	<b>8,439</b>	<b>10.5%</b>
BtoB-PF FOOD	339	333	-6	338	350	390	1,417	-9.6%
BtoB-PF ES	209	186	-23	221	253	228	912	8.6%
Other	9	9	0	9	9	8	35	2.9%
<b>【CoGS】</b>	<b>547</b>	<b>518</b>	<b>-29</b>	<b>558</b>	<b>602</b>	<b>616</b>	<b>2,323</b>	<b>-3.4%</b>
BtoB-PF FOOD	1,270	1,288	18	1,325	1,357	1,380	5,331	13.2%
BtoB-PF ES	165	191	26	178	198	237	778	51.4%
Other	2	2	0	2	2	2	8	-11.1%
<b>【Gross Profit】</b>	<b>1,437</b>	<b>1,482</b>	<b>45</b>	<b>1,504</b>	<b>1,556</b>	<b>1,618</b>	<b>6,114</b>	<b>16.8%</b>
BtoB-PF FOOD	485	473	-12	542	529	540	2,096	21.2%
BtoB-PF ES	376	348	-28	399	398	406	1,580	39.8%
Other	4	3	-1	4	4	7	19	0.0%
<b>【SG&amp;A】</b>	<b>865</b>	<b>825</b>	<b>-40</b>	<b>945</b>	<b>931</b>	<b>953</b>	<b>3,695</b>	<b>28.3%</b>
BtoB-PF FOOD	785	814	29	783	827	840	3,235	8.5%
BtoB-PF ES	-211	-157	54	-222	-200	-169	-802	-
Other	-2	-1	1	-2	-2	-5	-11	-
<b>【Operating Profit】</b>	<b>572</b>	<b>656</b>	<b>84</b>	<b>558</b>	<b>624</b>	<b>665</b>	<b>2,419</b>	<b>2.8%</b>
<b>【Recurring Profit】</b>	<b>568</b>	<b>654</b>	<b>86</b>	<b>556</b>	<b>622</b>	<b>663</b>	<b>2,410</b>	<b>3.2%</b>
<b>【Net Income】※</b>	<b>383</b>	<b>601</b>	<b>218</b>	<b>375</b>	<b>419</b>	<b>446</b>	<b>1,623</b>	<b>4.6%</b>

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

BtoB-PF FOOD	79.0%	79.5%	0.5%	79.7%	79.5%	78.0%	79.0%
BtoB-PF ES	44.0%	50.6%	6.6%	44.6%	43.9%	51.0%	46.0%
High gross profit margin	72.4%	74.1%	1.7%	72.9%	72.1%	72.4%	72.5%
BtoB-PF FOOD	48.8%	50.2%	1.4%	47.1%	48.5%	47.5%	47.9%
OPM	28.8%	32.8%	4.0%	27.1%	28.9%	29.8%	28.7%
RPM	28.6%	32.7%	4.1%	27.0%	28.8%	29.7%	28.6%

## □ Sales

〔BtoB-PF FOOD〕

The number of new buyers of B2B Platform Ordering (between restaurants and wholesalers) exceeded the plan.

〔BtoB-PF ES〕

B2B Platform Invoicing and other services have started as planned.

## □ CoGS

Delay in recording of data center expenses after 2Q.

## □ SG&A

Delay in recording of sales promotion expenses and commissions paid after 2Q.

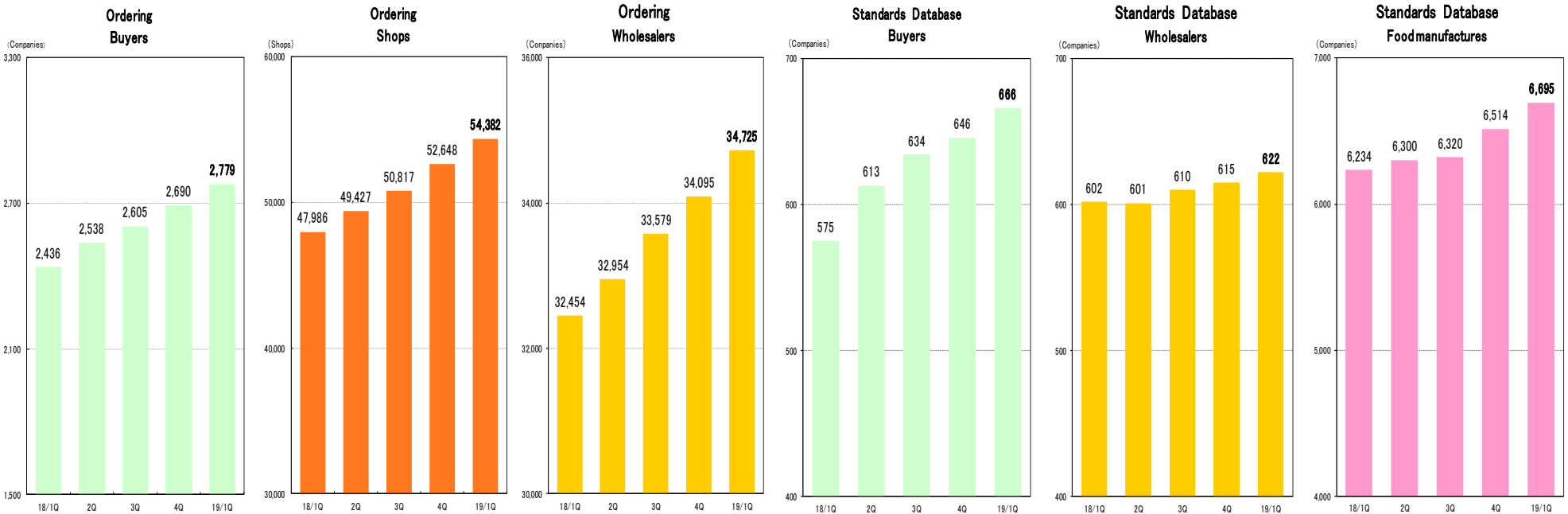
## □ Operating profit

Operating profit exceeded the plan owing to the increase in sales and the delay in recording of costs.

## □ Net income

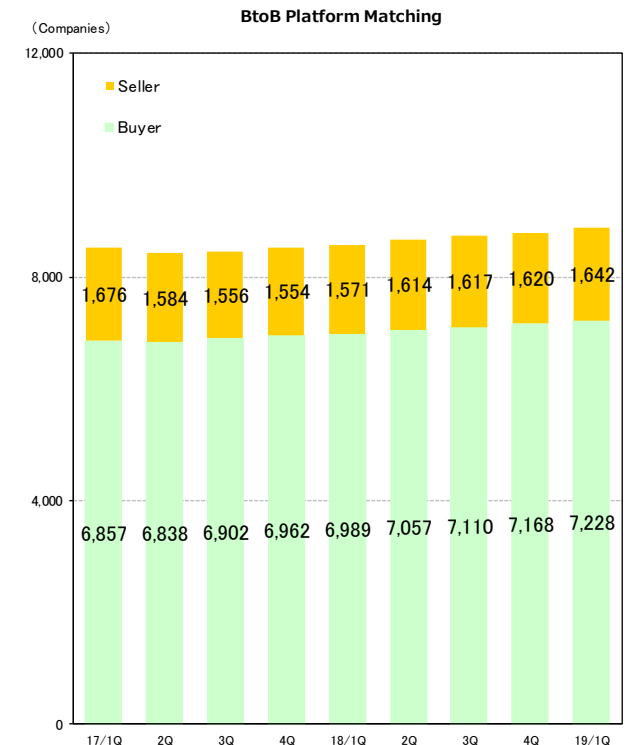
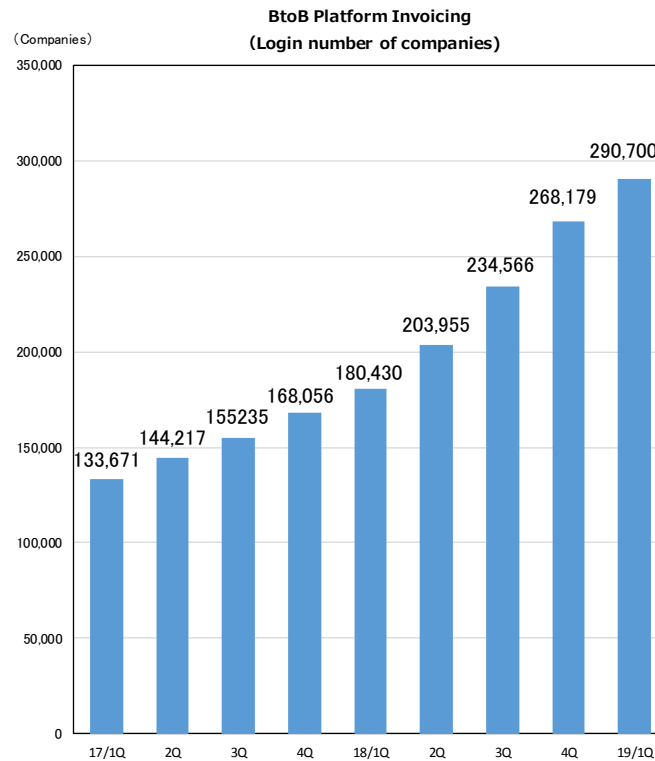
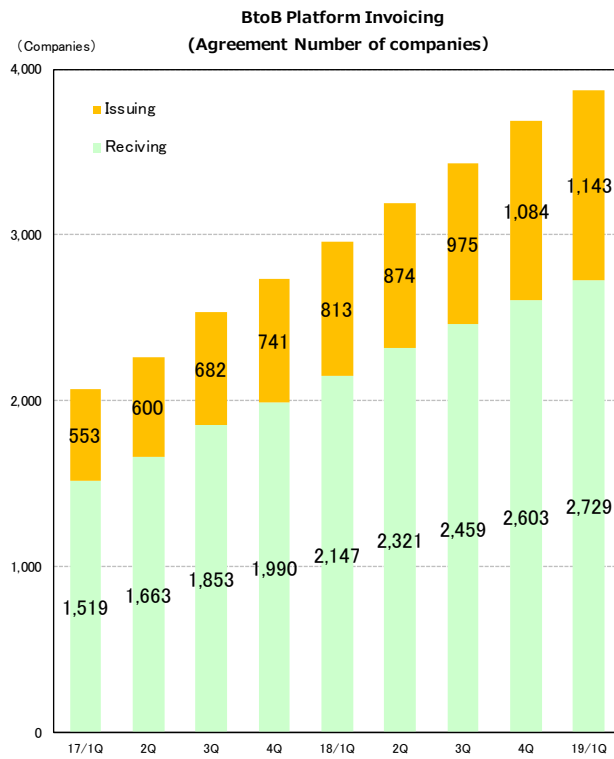
Net income exceeded the plan as corporate taxes decreased due to the recording of deferred tax assets related to the loss carried forward of Info Rise Corporation, which we absorbed on January 1, 2019, as well as the increase in recurring profit.

- 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.
- Against a backdrop of stronger response to food safety, security, and allergens, the number of the buyer companies and others increased.
- Promoted sales of Ordering and Standards Database services packaged as “Safe and Secure Food Ordering.”



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

- Number of companies logging in exceeded 290,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of March 2019)
- Number of new companies signing up for paid services steadily increased not only in the foodservice industry, but also in the pharmaceutical wholesale, amusement, financial, IT, and other industries.
- Enhanced operation by strengthening data links with established sales management and accounting systems.



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

# Fee Structure by Service

(as of March 31, 2019)

Business	Service	Fees (excluding taxes)		
<b>BtoB-PF FOOD</b>	B2B platform Ordering	<u>&lt;Buyer Company&gt;</u> «Monthly usage fee» •Head office: JPY18,000 •Store: JPY1,300 «Initial fee» from JPY300,000 (depending on store count)		<u>&lt;Seller Company&gt;</u> «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
	B2B platform Standards Database	<u>&lt;Buyer Company&gt;</u> «Monthly system usage fee» JPY50,000 «Initial fee» from JPY300,000	<u>&lt;Wholesaler Ordering Function&gt;</u> «Monthly system usage fee» JPY35,000 «Initial fee» from JPY50,000	<u>&lt;Wholesaler Ordering Seller Function&gt;</u> «Monthly system usage fee» •Fixed fee : JPY35,000 or JPY50,000 •Pay-for-use : JPY 3,000 to JPY20,000
<b>BtoB-PF ES</b>	B2B platform Invoicing	<u>&lt;Receiving Company&gt;</u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] Number of invoices receiving invoices per month • Up to 50 invoices included in the fixed fee • 51 to 1,000 transactions: JPY100 per transaction • 1,001 transactions and over: JPY90 per transaction «Initial fee» from JPY300,000		<u>&lt;Issuing Company&gt;</u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] Number of invoices issued per month • Up to 100 invoices included in the fixed fee • 101 to 1,000 invoices: JPY60 per invoice • 1,001 invoices or more: JPY50 per invoice «Initial fee» from JPY300,000
	B2B platform Matching	<u>&lt;Buyer Company&gt;</u> [Fixed fee] JPY5,000		<u>&lt;Seller Company&gt;</u> [Fixed fee] JPY25,000

### **III. Management Policies**

## **Consolidated Business Forecasts for FY12/19**

## ■ Balance between growth and profits

- Expand our B2B platforms and basically remain the current growth ratio and the profit margin.
- Incorporate external management resources and work to increase the value of B2B platforms.

## ■ To diversify our revenue sources

- To realize our future vision of "Covering the entire B2B space all over the world", we will lay the groundwork strategically while making profitable businesses through various initiatives.

## ■ Mid-Term Business Goal

- Achieve sales of over **10 billion yen**, operating profit of over **3 billion yen**, and recurring profit margin of over **30%**.

## ■ Thoroughly expand B2B platforms

(Ratio: 60-40%)

Grow up

- Food (Ordering/Standards Database) → Establish an overwhelming position
- Invoicing → Aiming to make it a "profit pillar"
- Contract → Launch with strong results
- Matching/Industry News & Data Portal → Improve profits for future growth

## ■ Start to make new sources of profits by utilizing our advantages

(Ratio: 30~20%)

Utilizing

- In order to maximize the value of our B2B platforms, we began harvesting the results by utilizing our commercial distribution data, ordering data, user access data, and industry, business knowledge.

## ■ Initiatives for future prospects

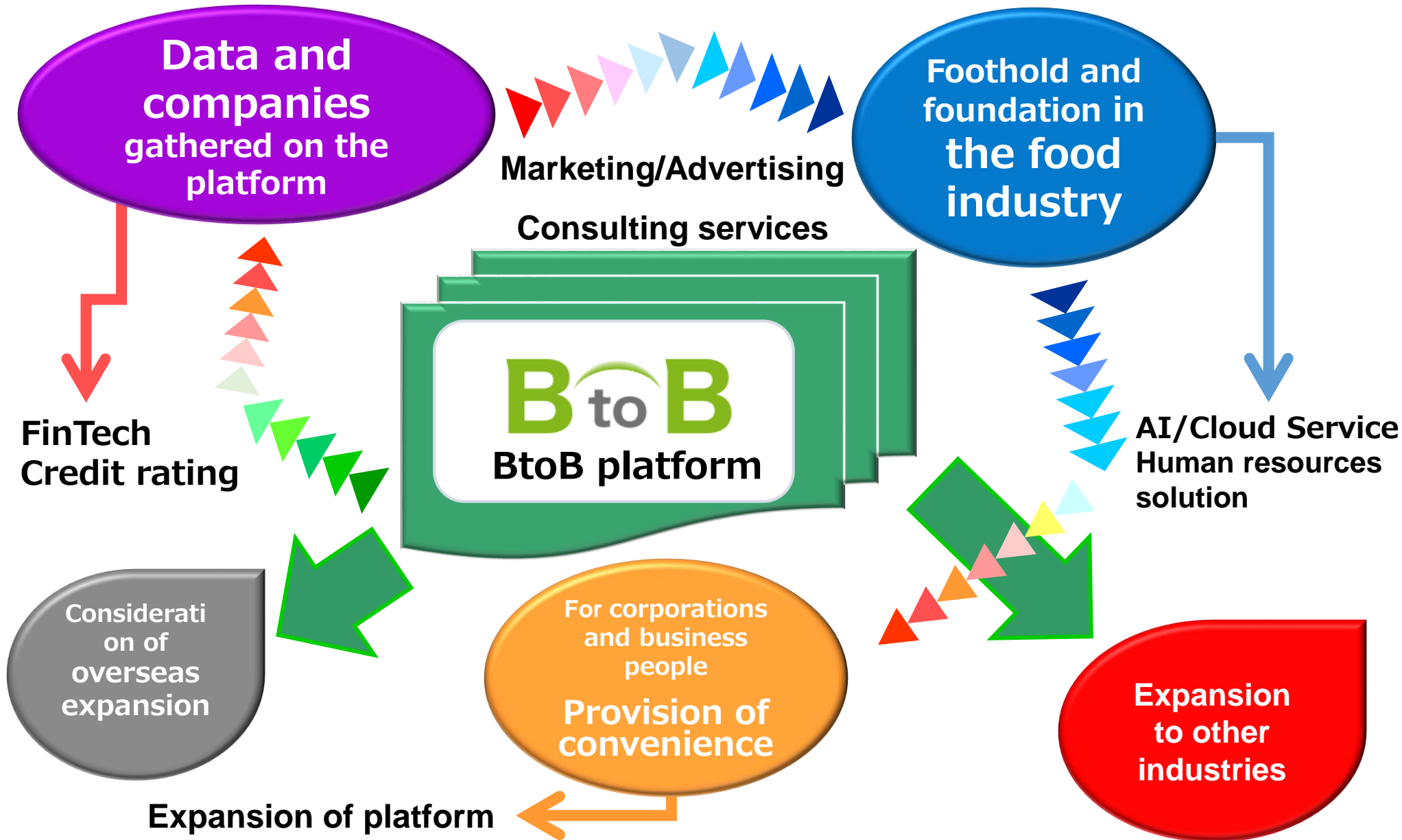
(Ratio: 10~20%)

Make great leaps

- Clarify the path to creating a variety of revenue sources other than existing system usage fees.
- Ordering from multiple industries, vertical development of the food industry, overseas expansion, etc.
- Continue researching cutting-edge technologies to build next-generation B2B platforms.



# Direction for development and strengthening of Infomart



# Consolidated Business Forecasts for FY12/19

	2019/1Q	2019/2Q	2019/3Q	2019/4Q	2019/Full year	
	Plan	Plan	Plan	Plan	Plan	YoY
BtoB-PF FOOD	1,608	1,663	1,706	1,770	<b>6,748</b>	7.5%
BtoB-PF ES	375	399	451	465	<b>1,690</b>	24.7%
Other	11	11	11	10	<b>43</b>	-2.3%
<b>【Sales】</b>	<b>1,984</b>	<b>2,062</b>	<b>2,157</b>	<b>2,235</b>	<b>8,439</b>	<b>10.5%</b>
BtoB-PF FOOD	339	338	350	390	<b>1,417</b>	-9.6%
BtoB-PF ES	209	221	253	228	<b>912</b>	8.6%
Other	9	9	9	8	<b>35</b>	2.9%
<b>【CoGS】</b>	<b>547</b>	<b>558</b>	<b>602</b>	<b>616</b>	<b>2,323</b>	<b>-3.4%</b>
BtoB-PF FOOD	1,270	1,325	1,357	1,380	<b>5,331</b>	13.2%
BtoB-PF ES	165	178	198	237	<b>778</b>	51.4%
Other	2	2	2	2	<b>8</b>	-11.1%
<b>【Gross Profit】</b>	<b>1,437</b>	<b>1,504</b>	<b>1,556</b>	<b>1,618</b>	<b>6,114</b>	<b>16.8%</b>
BtoB-PF FOOD	485	542	529	540	<b>2,096</b>	21.2%
BtoB-PF ES	376	399	398	406	<b>1,580</b>	39.8%
Other	4	4	4	7	<b>19</b>	0.0%
<b>【SG&amp;A】</b>	<b>865</b>	<b>945</b>	<b>931</b>	<b>953</b>	<b>3,695</b>	<b>28.3%</b>
BtoB-PF FOOD	785	783	827	840	<b>3,235</b>	8.5%
BtoB-PF ES	-211	-222	-200	-169	<b>-802</b>	-
Other	-2	-2	-2	-5	<b>-11</b>	-
<b>【Operating Profit】</b>	<b>572</b>	<b>558</b>	<b>624</b>	<b>665</b>	<b>2,419</b>	<b>2.8%</b>
<b>【Recurring Profit】</b>	<b>568</b>	<b>556</b>	<b>622</b>	<b>663</b>	<b>2,410</b>	<b>3.2%</b>
<b>【Net Income】※</b>	<b>383</b>	<b>375</b>	<b>419</b>	<b>446</b>	<b>1,623</b>	<b>4.6%</b>

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

BtoB-PF FOOD	79.0%	79.7%	79.5%	78.0%	79.0%
BtoB-PF ES	44.0%	44.6%	43.9%	51.0%	46.0%
Sales Gross profit margin	<b>72.4%</b>	<b>72.9%</b>	<b>72.1%</b>	<b>72.4%</b>	<b>72.5%</b>
BtoB-PF FOOD	48.8%	47.1%	48.5%	47.5%	47.9%
OPM	<b>28.8%</b>	<b>27.1%</b>	<b>28.9%</b>	<b>29.8%</b>	<b>28.7%</b>

(Million yen / % : YoY)

2019/2QTotal	
Plan	YoY
<b>3,271</b>	7.3%
<b>774</b>	27.1%
<b>22</b>	0.0%
<b>4,046</b>	<b>10.5%</b>
<b>677</b>	-19.4%
<b>430</b>	6.7%
<b>18</b>	12.5%
<b>1,105</b>	<b>-11.0%</b>
<b>2,595</b>	17.5%
<b>343</b>	67.3%
<b>4</b>	-20.0%
<b>2,941</b>	<b>21.6%</b>
<b>1,027</b>	17.8%
<b>775</b>	45.7%
<b>8</b>	0.0%
<b>1,810</b>	<b>28.0%</b>
<b>1,568</b>	17.4%
<b>-433</b>	-
<b>-4</b>	-
<b>1,130</b>	<b>12.7%</b>
<b>1,124</b>	<b>13.3%</b>
<b>758</b>	<b>13.1%</b>

79.3%
44.3%
<b>72.7%</b>
47.9%
<b>27.9%</b>

## □ Sales

### { BtoB-PF FOOD }

The number of companies using B2B Platform Ordering (between restaurants and wholesalers) and B2B Platform Ordering Standards Database is expected to steadily increase.

### { BtoB-PF ES }

In addition to the advances in electronic invoicing by existing paid-service contracting companies for the B2B Platform Ordering Invoicing, we expect the number of new paid contracts to increase.

## □ CoGS

Software amortization expenses are expected to decrease due to the expiration of the amortization period for large-scale system development investments in prior years.

## □ SG&A

Personnel expenses are expected to increase due to the reinforcement of sales staffs and sales support staffs for business expansion. Sales promotion expenses are also expected to attract more user companies.

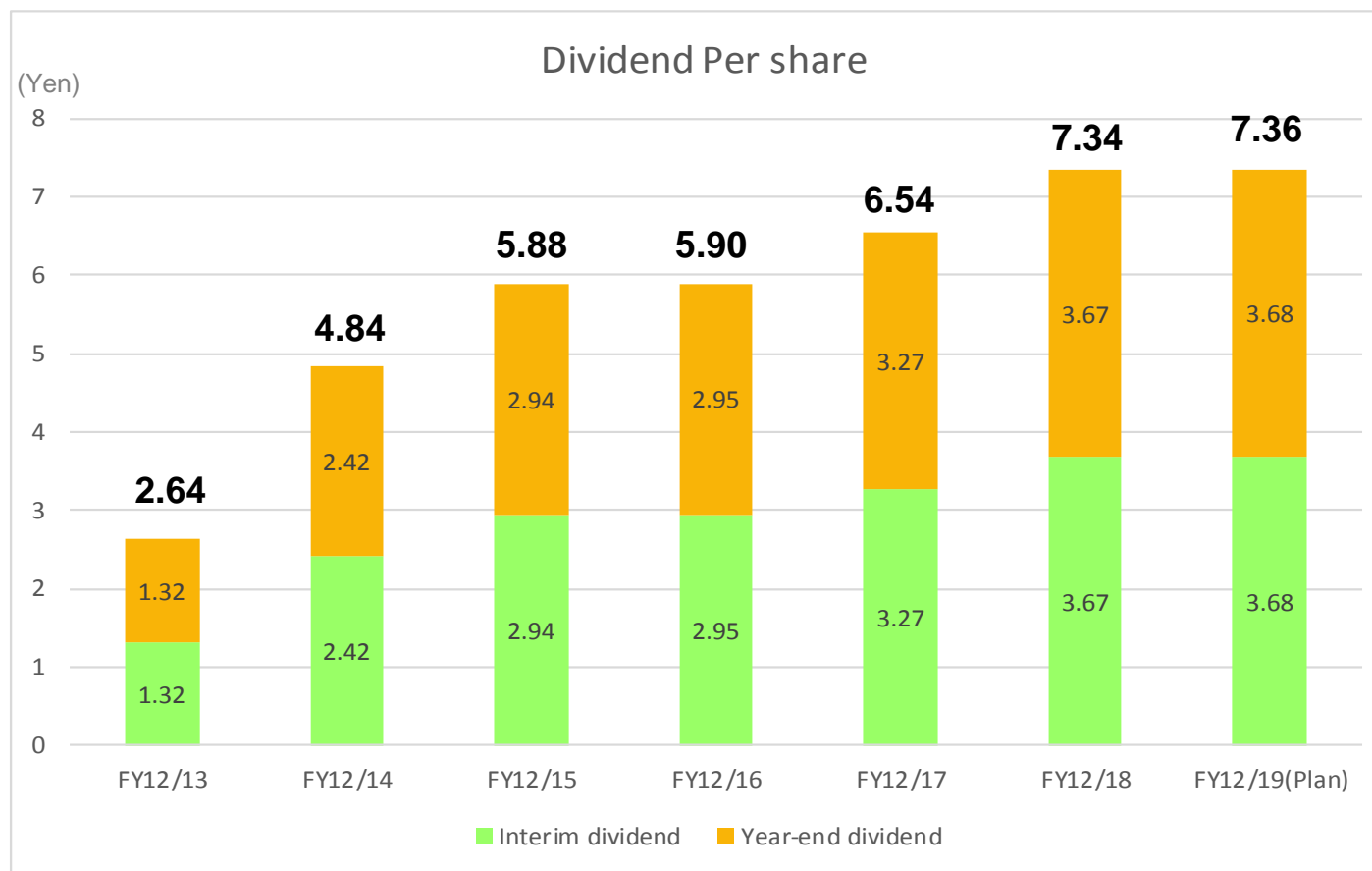
## □ Operating profit

Operating profit is expected to increase thanks to the increased sales mainly from system usage fees and a reduction in CoGS.

## **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 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 April 26, 2019. 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.**