



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

Info Mart Corporation

FY2019 Third Quarter Financial Results

FY2019/3Q

TSE First (1st) Section (2492)



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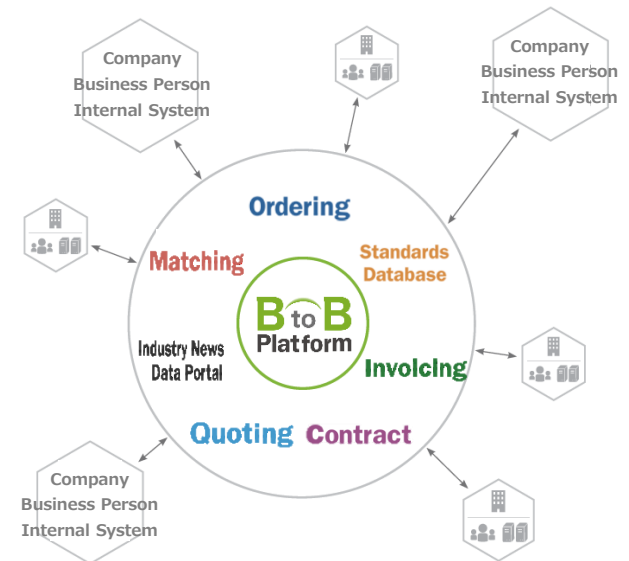
I . About Infomart

- Company Name: Infomart Corporation
(TSE First (1st) Section / Stock code: 2492)
- Representative: President and CEO Osamu Nagao
Vice President Naotake Fujita
- Head office: 13th Floor, Shiodome Shibarikyu Building,
1-2-3 Kaigan, Minato-ku, Tokyo,
105-0022, Japan
- Nishinohon sales office: Yodogawa-ku, Osaka-city
- Customer center: Hakata-ku, Fukuoka-city
- Established: February 13, 1998
- Capital: 3.2 billion 12.51 million yen Consolidated
- Subsidiaries: Infomart International
- No. of employees (connection): 503 (full-time 446 / temporary 57)
- 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.

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



□ Features

1. Specialize in **BtoB Platforms**, which streamline transactions and exchanges among companies, for 21 years since its founding
2. Through "standardization" and "Digitalization", we contribute to management sophistication with **a cloud-based** system which enables many companies to use the same screen for day-to-day business with clients
3. Achieved high cost-effectiveness for 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-September 2019)

354,303 companies

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

771,288 offices

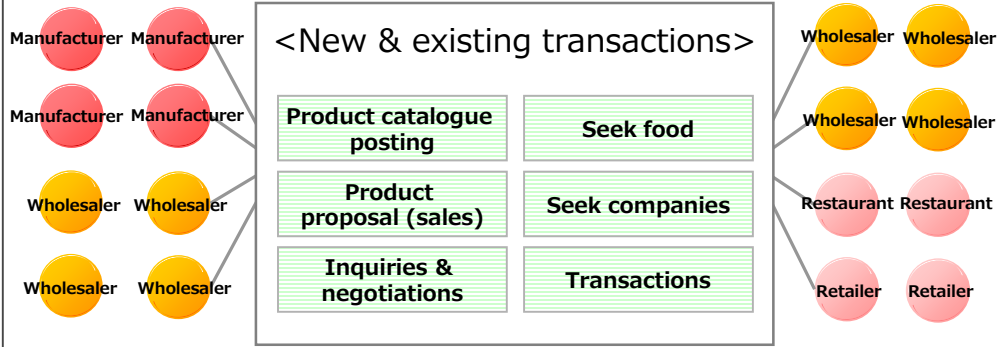
Total distribution value (2018 result)

8,049.7 billion yen

Info Mart's B2B Platform

B to B Platform Matching

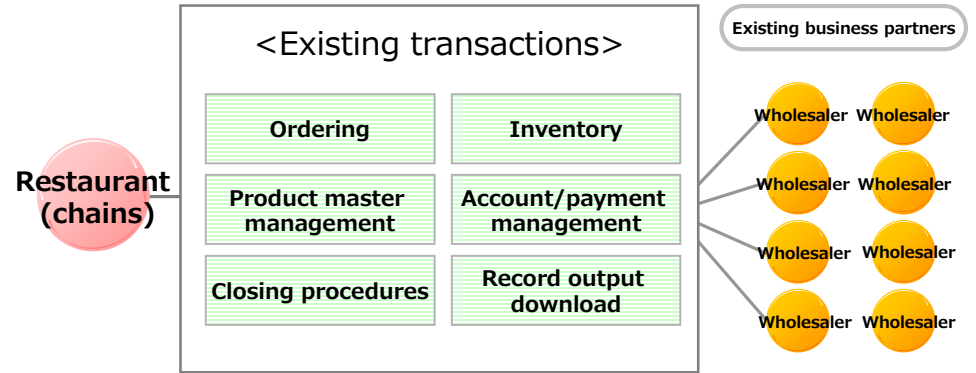
Matching food supply and demand! A business negotiation platform to strengthen sales, purchasing, and internal organizational capabilities.



Completely reforms sales and purchase schemes

B to B Platform Ordering

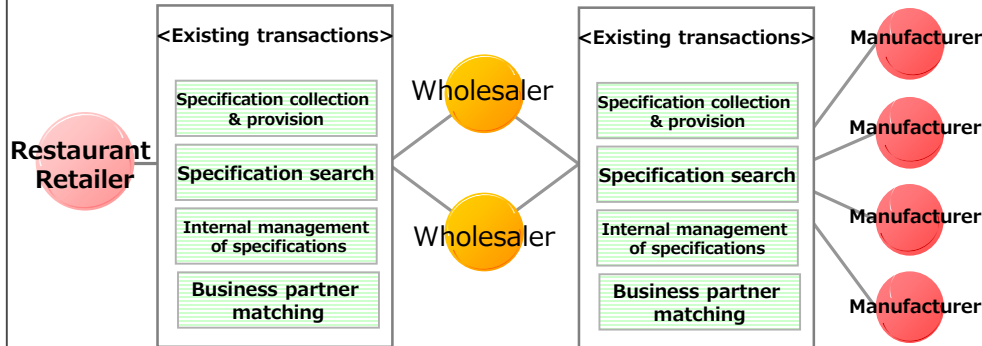
An Ordering platform to dramatically improve various operations related to ordering and payment requests



Streamlining ordering and payment requests

B to B Platform Standards Database

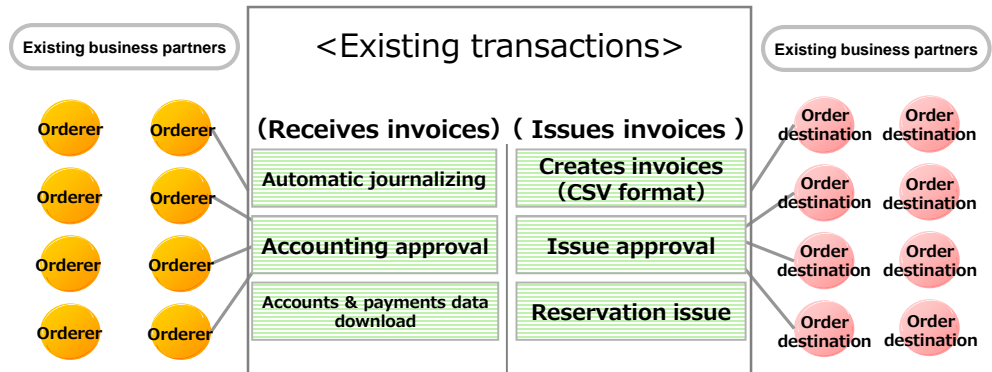
Covers all the latest regulations and quality control standards! The most-used standards database platform in the food industry



Contributes to food safety and security in the food industry

B to B Platform Invoicing

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



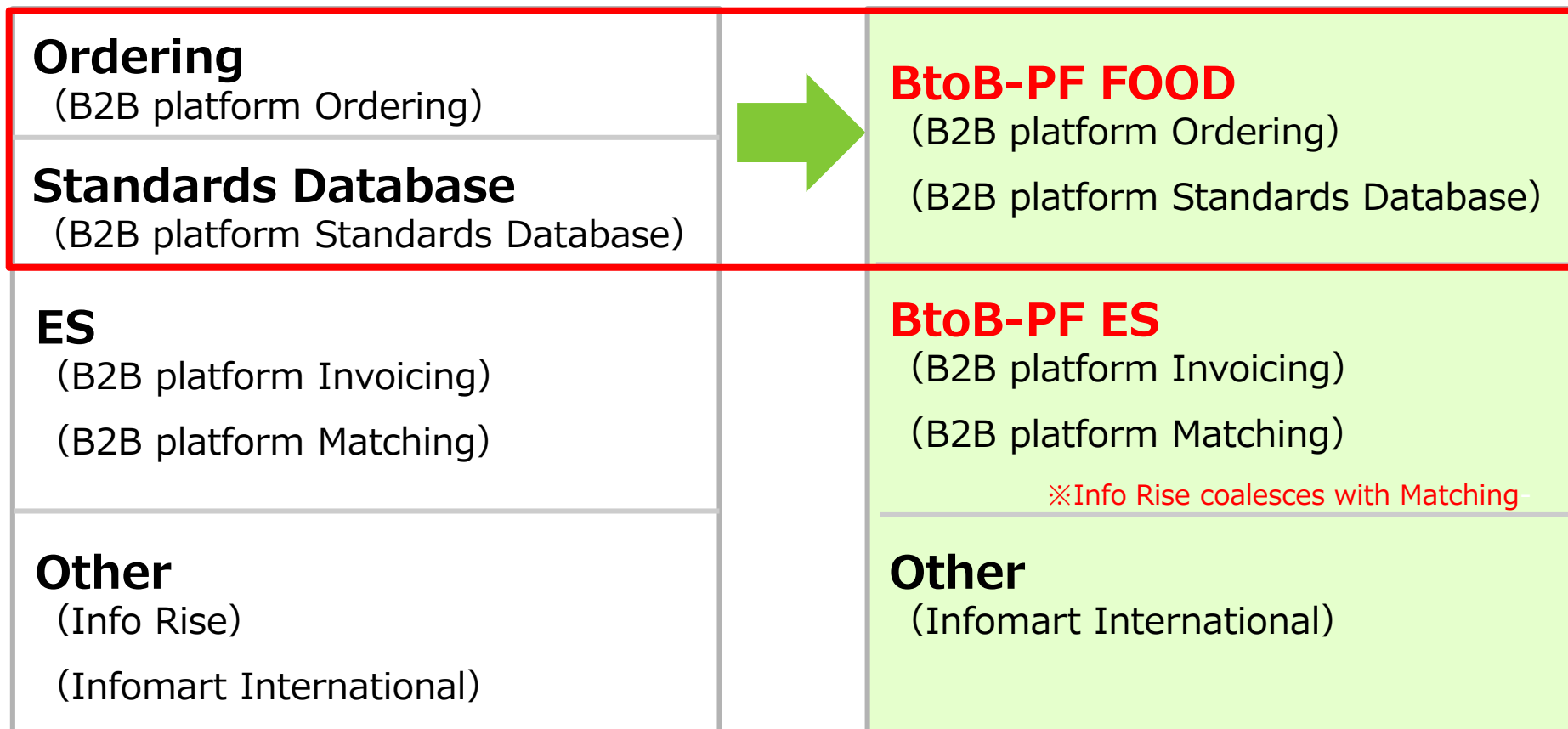
Electronically receive and issue invoices

II. FY2019 Third 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 Co., Ltd., will be reclassified as the B2B Platform ES business as described above.

FY12/19 Third Quarter (YoY)

(Million yen / %:YoY)

	2019/1Q		2019/2Q		2019/3Q		2019/3Q Total	
	Actual	YoY	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,621	8.7%	1,688	8.4%	1,731	9.5%	5,041	8.9%
BtoB-PF ES	378	28.0%	407	29.9%	443	23.2%	1,229	26.8%
Other	11	-0.2%	10	-2.1%	10	-0.7%	32	-1.0%
【Sales】	2,000	11.8%	2,096	12.0%	2,176	12.1%	6,273	12.0%
BtoB-PF FOOD	333	-21.2%	317	-24.0%	318	-16.7%	968	-20.8%
BtoB-PF ES	186	-8.2%	206	3.1%	228	5.1%	621	0.1%
Other	9	12.1%	8	2.6%	8	-9.1%	26	1.5%
【CoGS】	518	-17.2%	522	-15.3%	544	-9.0%	1,585	-13.9%
BtoB-PF FOOD	1,288	20.5%	1,370	20.3%	1,413	17.9%	4,072	19.5%
BtoB-PF ES	191	108.7%	201	76.8%	215	50.5%	608	74.4%
Other	2	-32.5%	2	-17.2%	2	40.8%	6	-9.4%
【Gross Profit】	1,482	27.5%	1,574	25.4%	1,631	21.4%	4,688	24.6%
BtoB-PF FOOD	473	11.3%	512	14.5%	526	24.0%	1,511	16.6%
BtoB-PF ES	348	38.7%	384	36.4%	380	32.1%	1,113	35.6%
Other	3	-5.0%	3	-13.4%	4	-2.4%	12	-7.0%
【SG&A】	825	21.3%	900	22.7%	911	27.1%	2,637	23.8%
BtoB-PF FOOD	814	26.5%	858	24.1%	887	14.5%	2,560	21.3%
BtoB-PF ES	-157	-	-182	-	-165	-	-504	-
Other	-1	-	-1	-	-1	-	-5	-
【Operating Profit】	656	36.2%	674	29.3%	720	14.9%	2,051	25.8%
【Recurring Profit】	654	40.5%	666	26.5%	718	13.9%	2,038	25.6%
【Net Income】※	601	93.1%	457	27.4%	494	19.4%	1,553	43.2%

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

BtoB-PF FOOD	79.5%	7.8%	81.2%	8.0%	81.6%	5.5%	80.8%	6.9%
BtoB-PF ES	50.6%	19.5%	49.5%	13.1%	48.6%	8.9%	49.5%	14.0%
High gross profit margin	74.1%	9.1%	75.1%	8.0%	74.6%	5.5%	74.7%	7.6%
BtoB-PF FOOD	50.2%	7.1%	50.9%	6.4%	51.2%	1.7%	50.8%	4.6%
OPM	32.8%	5.9%	32.2%	4.3%	32.9%	0.7%	32.7%	3.6%
RPM	32.7%	6.7%	31.8%	3.6%	33.0%	0.5%	32.5%	3.5%

□ Sales

〔BtoB-PF FOOD〕

System usage fees increased as the number of companies using B2B Platform Ordering and B2B 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 personnel and its support personnel required for business expansion.

□ Operating profit

Profit increased due to an increase in net sales mainly system usage fees and a reduction in cost of sales.

□ Net income

Net income increased due to an increase in ordinary profit and a decrease in income taxes resulting from the deduction of operating loss carried forward of consolidated subsidiary Inforise Co., Ltd., which was merged with the Company on January 1, 2019.

FY12/19 Third Quarter (vs. Plan)

(Million yen)

	2019/1Q			2019/2Q			2019/3Q			2019/3Q Total		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
BtoB-PF FOOD	1,608	1,621	13	1,663	1,688	25	1,706	1,731	25	4,977	5,041	64
BtoB-PF ES	375	378	3	399	407	8	451	443	-8	1,225	1,229	4
Other	11	11	0	11	10	-1	11	10	-1	33	32	-1
【Sales】	1,984	2,000	16	2,062	2,096	34	2,157	2,176	19	6,203	6,273	70
BtoB-PF FOOD	339	333	-6	338	317	-21	350	318	-32	1,027	968	-59
BtoB-PF ES	209	186	-23	221	206	-15	253	228	-25	683	621	-62
Other	9	9	0	9	8	-1	9	8	-1	27	26	-1
【CoGS】	547	518	-29	558	522	-36	602	544	-58	1,707	1,585	-122
BtoB-PF FOOD	1,270	1,288	18	1,325	1,370	45	1,357	1,413	56	3,952	4,072	120
BtoB-PF ES	165	191	26	178	201	23	198	215	17	541	608	67
Other	2	2	0	2	2	0	2	2	0	6	6	0
【Gross Profit】	1,437	1,482	45	1,504	1,574	70	1,556	1,631	75	4,497	4,688	191
BtoB-PF FOOD	485	473	-12	542	512	-30	529	526	-3	1,556	1,511	-45
BtoB-PF ES	376	348	-28	399	384	-15	398	380	-18	1,173	1,113	-60
Other	4	3	-1	4	3	-1	4	4	0	12	12	0
【SG&A】	865	825	-40	945	900	-45	931	911	-20	2,741	2,637	-104
BtoB-PF FOOD	785	814	29	783	858	75	827	887	60	2,395	2,560	165
BtoB-PF ES	-211	-157	54	-222	-182	40	-200	-165	35	-633	-504	129
Other	-2	-1	1	-2	-1	1	-2	-1	1	-6	-5	1
【Operating Profit】	572	656	84	558	674	116	624	720	96	1,754	2,051	297
【Recurring Profit】	568	654	86	556	666	110	622	718	96	1,746	2,038	292
【Net Income】※	383	601	218	375	457	82	419	494	75	1,177	1,553	376

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

BtoB-PF FOOD	79.0%	79.5%	0.5%	79.7%	81.2%	1.5%	79.5%	81.6%	2.1%	79.4%	80.8%	1.4%
BtoB-PF ES	44.0%	50.6%	6.6%	44.6%	49.5%	4.9%	43.9%	48.6%	4.7%	44.2%	49.5%	5.3%
High gross profit margin	72.4%	74.1%	1.7%	72.9%	75.1%	2.2%	72.1%	74.6%	2.5%	72.5%	74.7%	2.2%
BtoB-PF FOOD	48.8%	50.2%	1.4%	47.1%	50.9%	3.8%	48.5%	51.2%	2.8%	48.1%	50.8%	2.7%
OPM	28.8%	32.8%	4.0%	27.1%	32.2%	5.1%	28.9%	32.9%	4.0%	28.3%	32.7%	4.4%
RPM	28.6%	32.7%	4.1%	27.0%	31.8%	4.8%	28.8%	33.0%	4.2%	28.1%	32.5%	4.3%

□ Sales

〔BtoB-PF FOOD〕

The number of new orders for B2B Platform Ordering and B2B Platform Standards exceeded the plan.

〔BtoB-PF ES〕

System usage fees exceeded the plan as sales of B2B Platform Invoicing were firm.

□ CoGS

Mainly, data center costs and software depreciation costs, which were conservatively estimated, were not incurred.

□ SG&A

Sales promotion expenses and commissions paid were carried over 4Q.

□ Operating profit

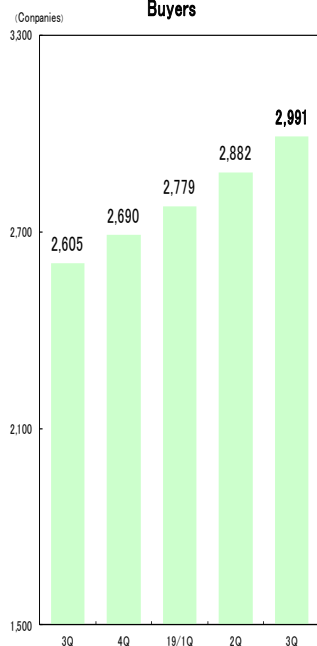
Exceeded the plan due to higher sales and reduced costs.

□ Net income

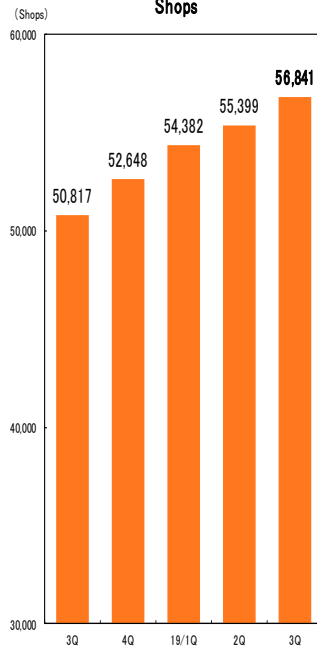
Net income increased due to an increase in ordinary profit and a decrease in income taxes resulting from the deduction of operating loss carried forward of consolidated subsidiary Inforise Co., Ltd., which was merged with the Company on January 1, 2019.

- 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."

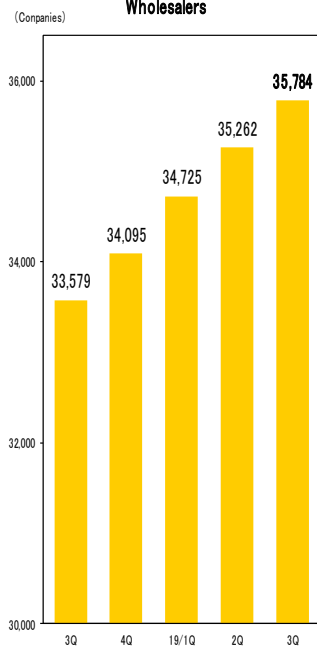
Ordering Buyers



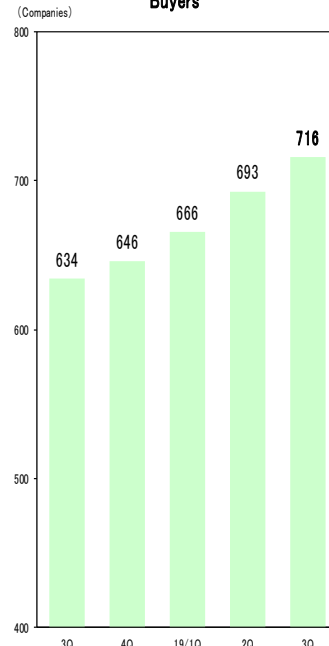
Ordering Shops



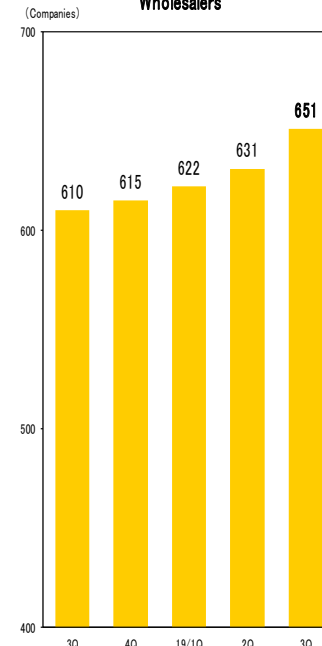
Ordering Wholesalers



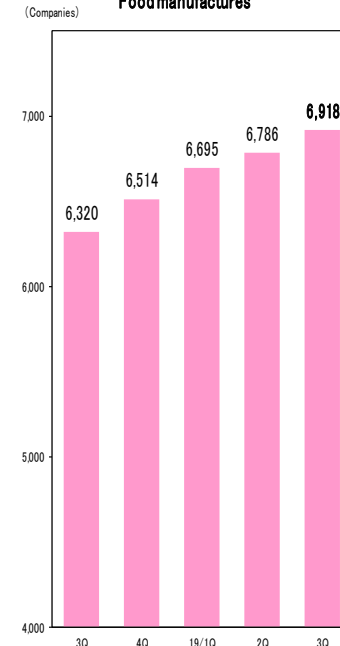
Standards Database Buyers



Standards Database Wholesalers

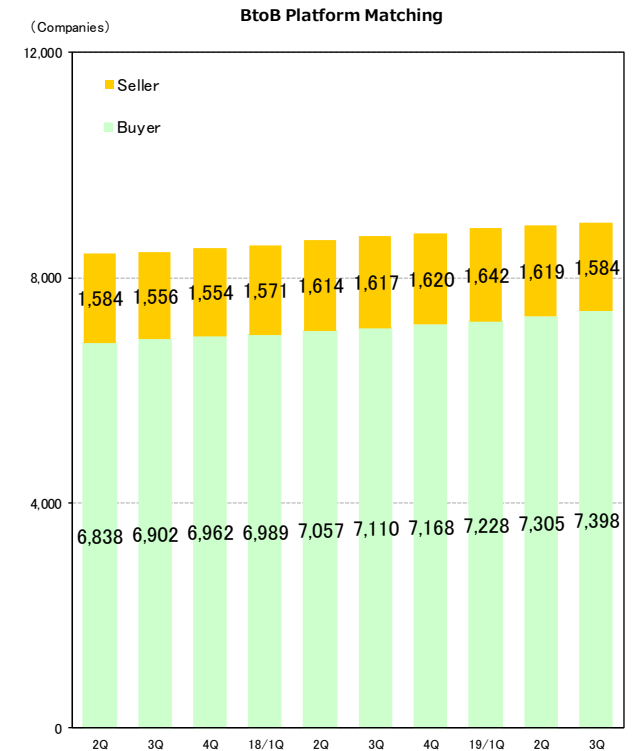
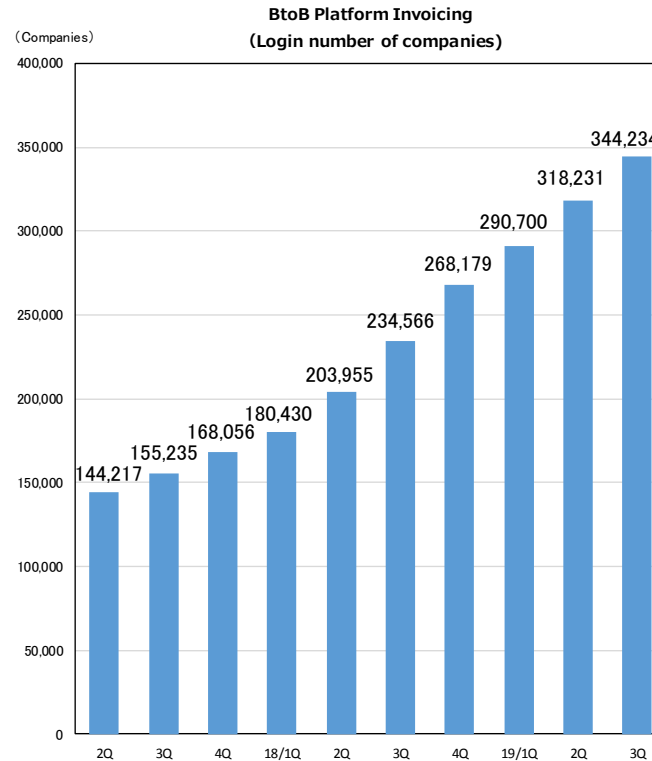
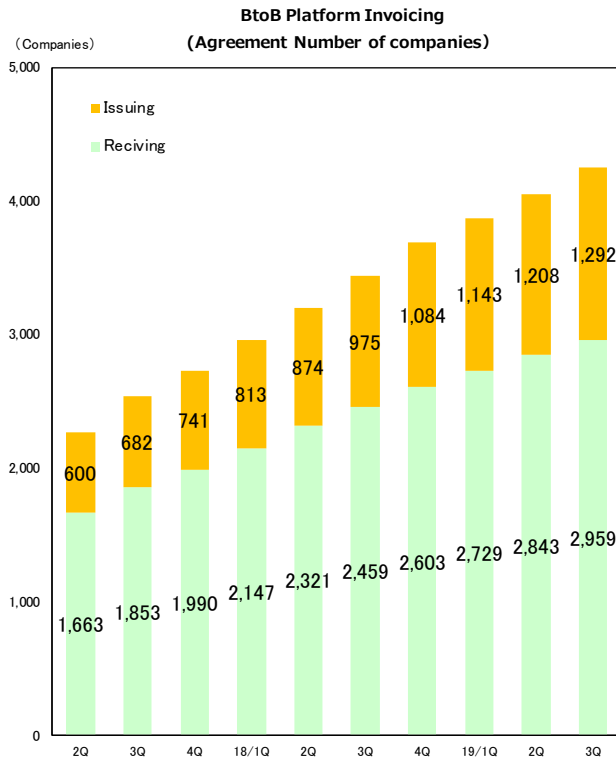


Standards Database Foodmanufactures



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

- Number of companies logging in exceeded 350,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of October 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 of the graph is the number at the end of each quarter.

Fee Structure by Service

(as of September 30, 2019)

Business	Service	Fees (excluding taxes)		
BtoB-PF FOOD	B2B platform Ordering	<u><Buyer Company></u> «Monthly usage fee» •Head office: JPY18,000 •Store: JPY1,300 «Initial fee» from JPY300,000 (depending on store count)		<u><Seller Company></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 JPY100,000 transactions for free) •Adding IDs: JPY800 per ID
	B2B platform Standards Database	<u><Buyer Company></u> «Monthly system usage fee» JPY50,000 «Initial fee» from JPY300,000	<u><Wholesaler Ordering Function></u> «Monthly system usage fee» JPY35,000 «Initial fee» from JPY50,000	<u><Wholesaler Ordering Seller Function></u> «Monthly system usage fee» •Fixed fee : JPY35,000 or JPY50,000 •Pay-for-use : JPY 3,000 to JPY20,000
BtoB-PF ES	B2B platform Invoicing	<u><Receiving Company></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><Issuing Company></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><Buyer Company></u> [Fixed fee] JPY5,000	<u><Seller Company></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%**.

(Ratio: 60~40%)

■ Thoroughly expand B2B platforms

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.

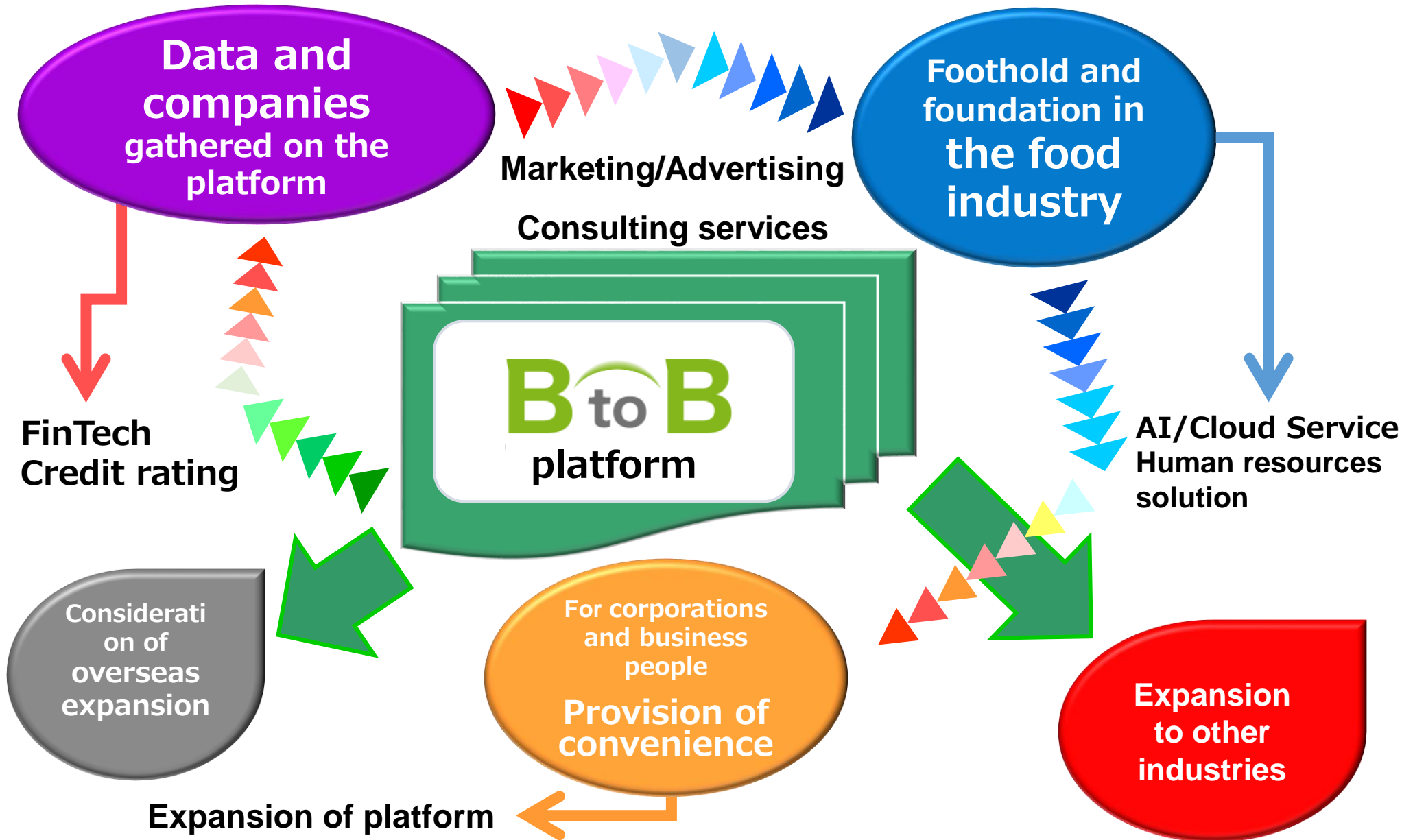
(Ratio: 10~20%)

■ Initiatives for future prospects

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

(Million yen / %:YoY)

	FY12/18 (Actual)		FY12/19 (Plan)	
	Full Year	YoY	Full Year	YoY
BtoB-PF FOOD	6,280	10.2%	6,748	7.5%
BtoB-PF ES	1,355	34.6%	1,690	24.7%
Other	44	-2.2%	43	-2.3%
【Sales】	7,639	13.9%	8,439	10.5%
BtoB-PF FOOD	1,568	-0.3%	1,417	-9.6%
BtoB-PF ES	840	1.2%	912	8.6%
Other	34	0.0%	35	2.9%
【CoGS】	2,406	0.3%	2,323	-3.4%
BtoB-PF FOOD	4,711	20.6%	5,331	13.2%
BtoB-PF ES	514	30.1%	778	51.4%
Other	9	-10.0%	8	-11.1%
【Gross Profit】	5,233	21.4%	6,114	16.8%
BtoB-PF FOOD	1,729	18.8%	2,096	21.2%
BtoB-PF ES	1,130	5.5%	1,580	39.8%
Other	19	5.6%	19	0.0%
【SG&A】	2,879	13.2%	3,695	28.3%
BtoB-PF FOOD	2,981	21.6%	3,235	8.5%
BtoB-PF ES	-615	-	-802	-
Other	-9	-	-11	-
【Operating Profit】	2,353	33.3%	2,419	2.8%
【Recurring Profit】	2,335	33.4%	2,410	3.2%
【Net Income】※	1,552	304.3%	1,623	4.6%

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

BtoB-PF FOOD	75.0%		79.0%	
BtoB-PF ES	37.9%		46.0%	
High gross profit margin	68.5%		72.5%	
BtoB-PF FOOD	47.5%		47.9%	
OPM	30.8%		28.7%	
RPM	30.6%		28.6%	

□ 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.

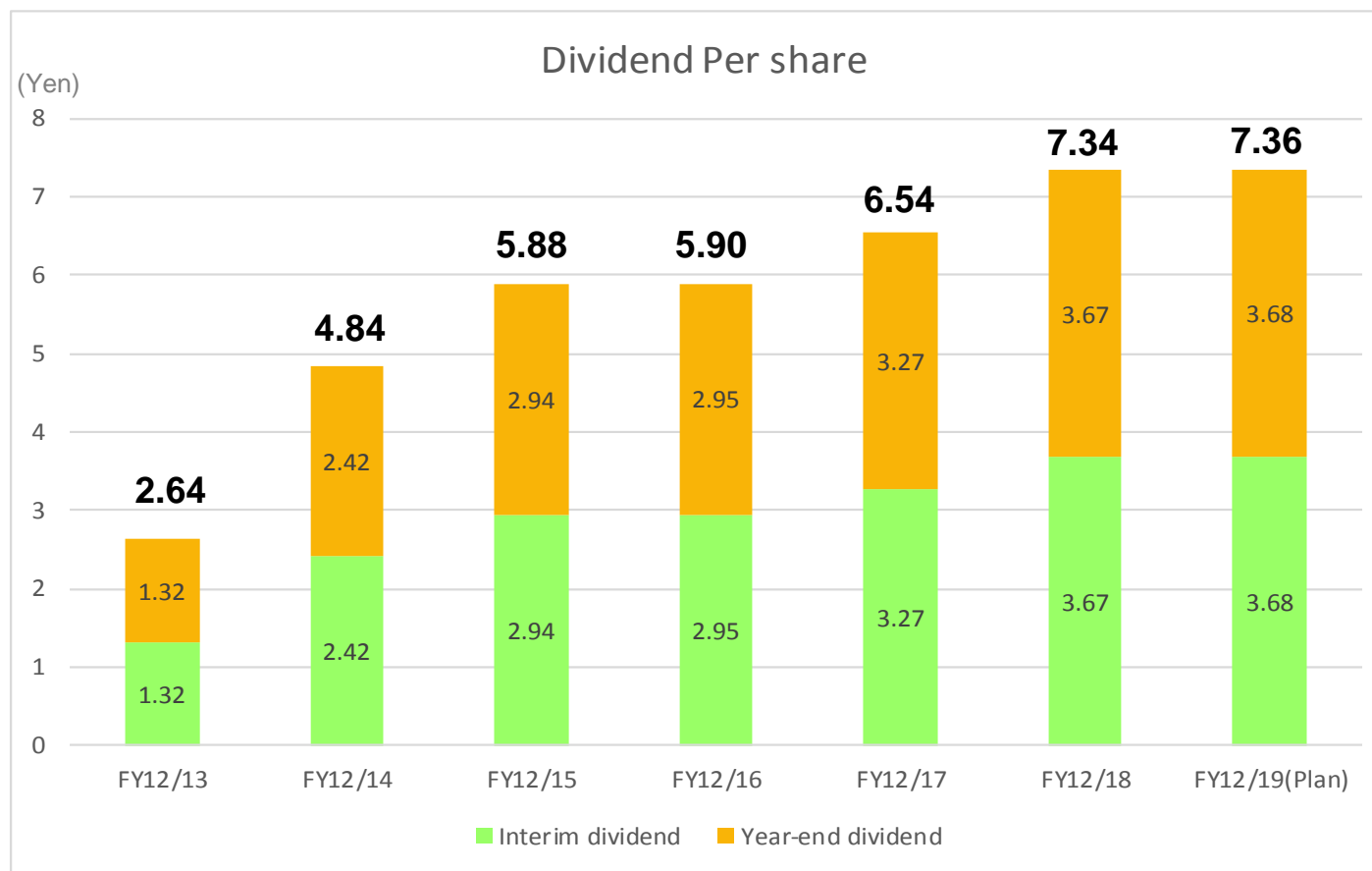
□ Operating profit

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 interim dividend for the FY12/19 was resolved at the meeting of the Board of Directors held on July 31, 2019. (Effective date: September 9, 2019)

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 October 31, 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.