



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

# Info Mart Corporation

## FY2020 First Quarter Financial Results

FY2020/1Q

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  
Infomart Beijing Consulting Co., Ltd.
- No. of employees (connection): 536 (full-time 470 / temporary 66)
- URL: <https://www.infomart.co.jp/>

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

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

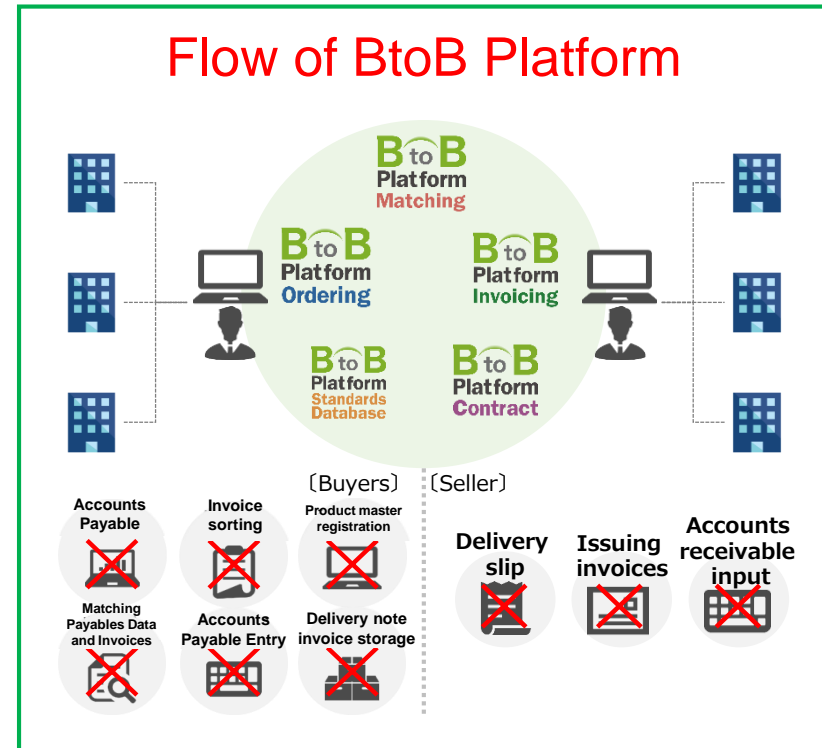
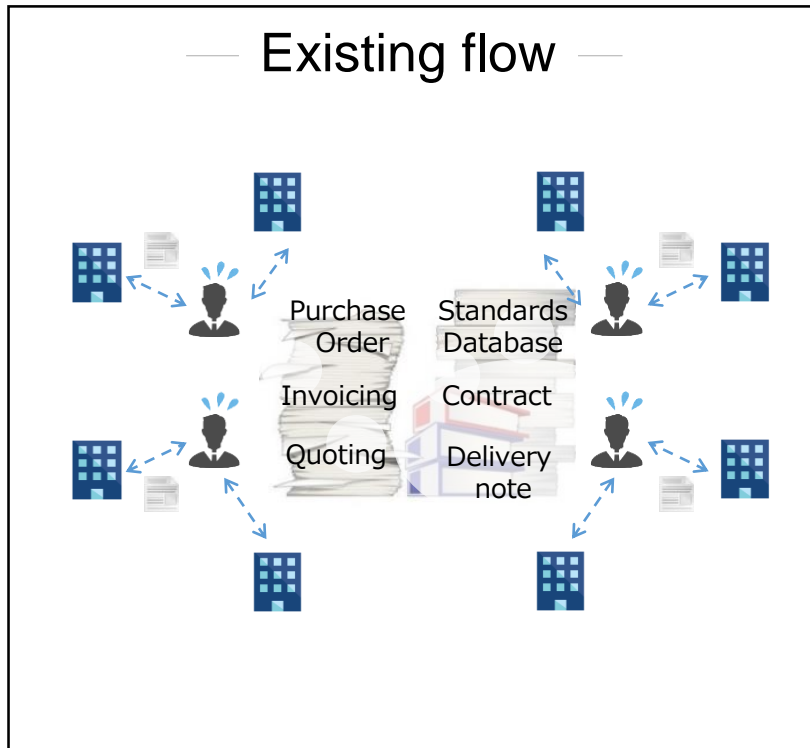


# Business Overview

Since its founding, we specialize in **BtoB Platform**

○ Providing **a common system** as a place for streamlining transactions and exchanges between companies

○ **Cloud-based systems**: Companies can use the same screen with their business partners for daily operations



# Major BtoB Platform

## BtoB Platform Matching

From June 1998

A website where buyers and sellers of foodstuffs can match up on the Internet. Offers one-stop services ranging from the development of business partners to business negotiations, estimates, ordering and receipt, and settlement.

## BtoB Platform Ordering

From February 2003

Electronic ordering between restaurants, wholesalers, and manufacturers. Significant efficiency was achieved from orders received and placed by telephone and fax. Decreased verification work due to daily sharing of transaction data, and greatly reduced monthly verification work.

## BtoB Platform Standards Database

From April 2005

A tool for managing allergens and origin information to promote food safety and security. Efficiency is improved by electronically managing merchandise standard documents managed in different formats in a unified format.

## BtoB Platform Invoicing

From January 2015

A system that digitizes both invoicing and receipt operations, regardless of industry. Realize more efficient accounting operations.

## BtoB Platform Contract

From July 2018

Signing of business-to-business agreements on a blockchain platform. It also incorporates an internal workflow function to further improve the convenience of business-to-business transactions and achieve paperless operations.

## Characteristics of BtoB Platform

- 1. Standardization:** Not customized → Promoting the participation of a large number of businesses → Defactorization → Enhancement of platform usage value
- 2. Digitization:** Electronic data processing → Efficiency enhancement + Management advancement + Minimize environmental impact
- 3. Low Rate:** Increase in number of users  $\neq$  Increase in proportional cost → High cost effectiveness

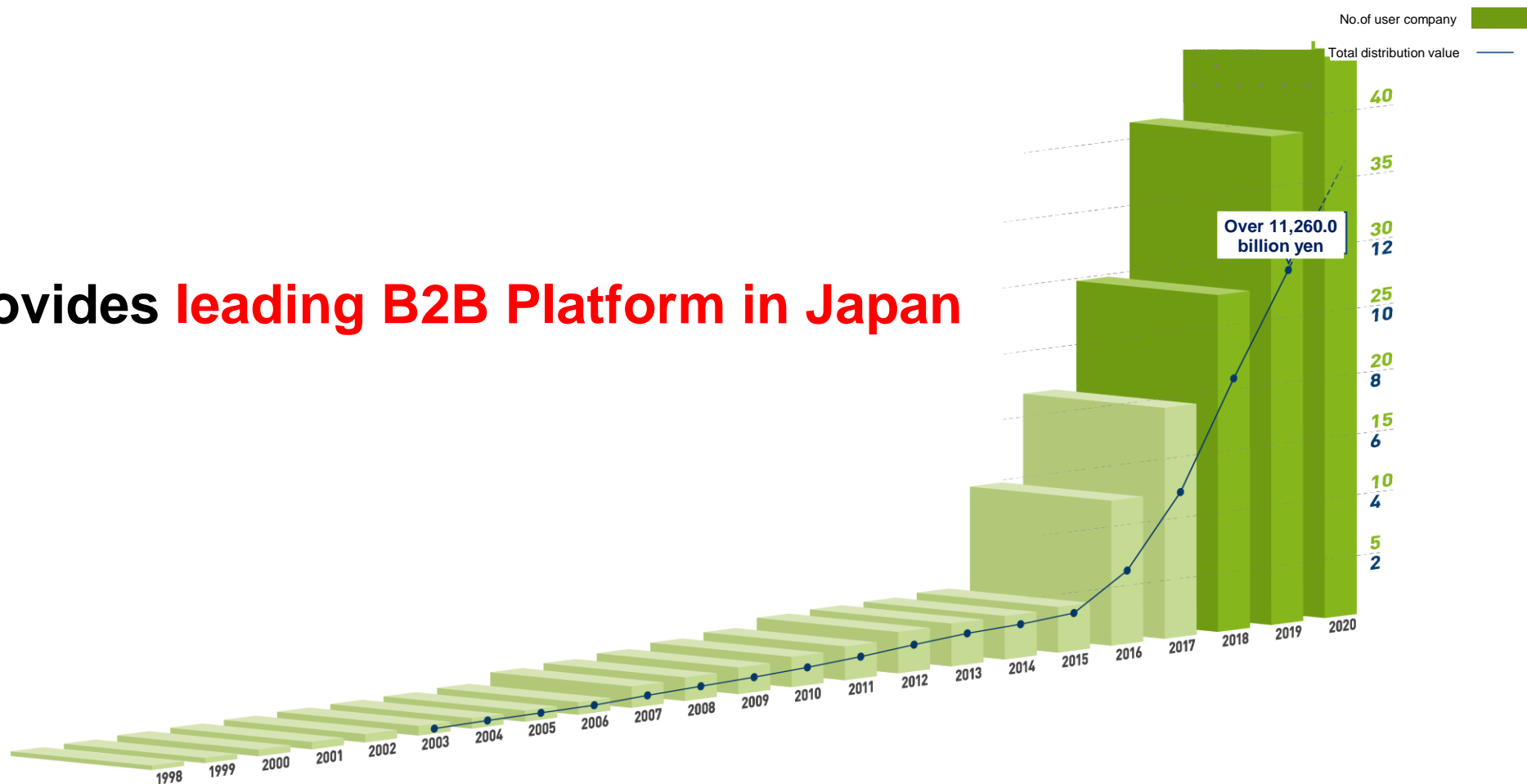


Customer's natural choice = Continued use

Stable recurring revenues: 95% of sales are from monthly system usage fees  
→ Profit margin increases when the number of customers exceeds a certain level

# Our business results

Provides **leading B2B Platform in Japan**



No. of user companies (as of end- March 2020)

412,391 companies

No. of offices (as of end- March 2020)

866,854 offices

Total distribution value (2019 result)

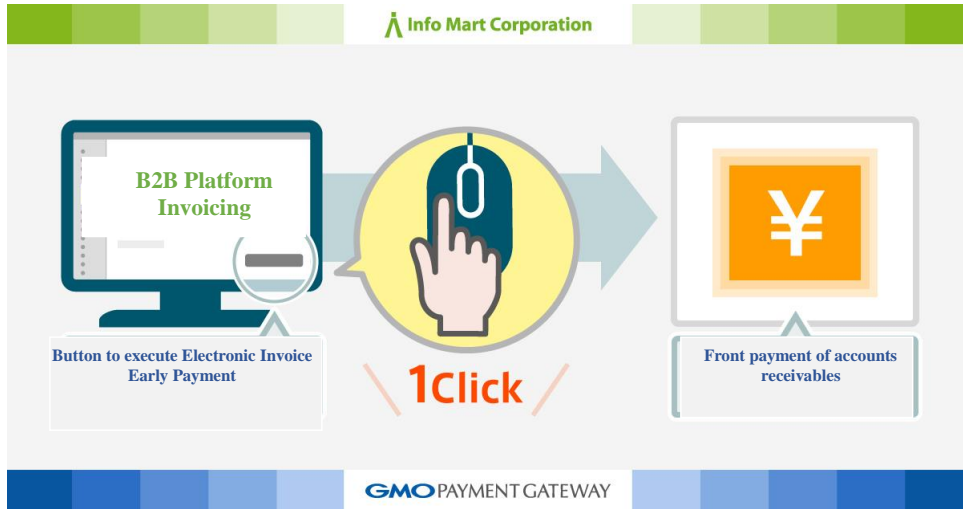
11,269.0 billion yen



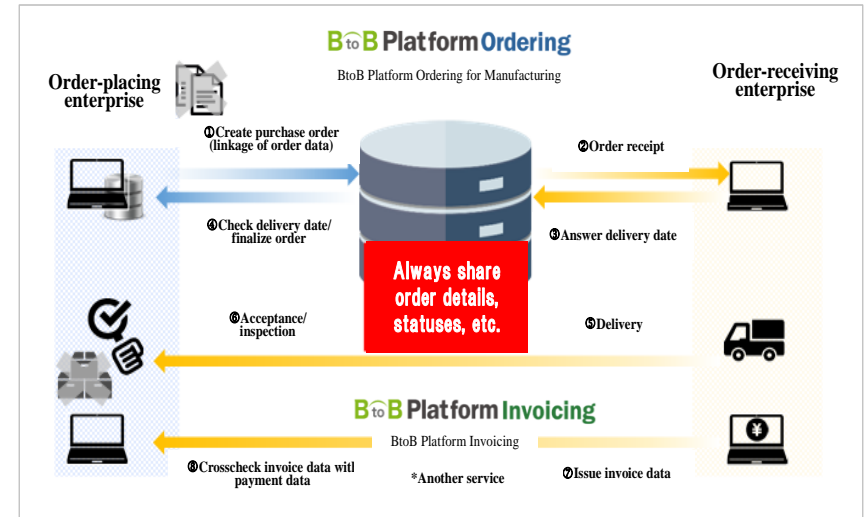
## **II. FY2020 First-Quarter Financial Results**

# Introduction of new service

B2B businesses improve their cash flow through the front payment of accounts receivables with one click



## Outline of "BtoB Platform Ordering for Manufacturing"



## Smart mat

Service for automating the replenishment



1 Products are placed on Smart Mats.  
(Fresh food, supplies, fixtures, etc.)

2

If the amount of stock falls below the order point, an order will be placed automatically.  
(Measurement frequency can be set by each user.)

3

Products will be delivered, after BtoB Platform Ordering processes the order.



## BtoB Platform Ordering



# FY12/20 First Quarter (YoY)

(Million yen / %:YoY)

	2020/1Q	
	Actual	YoY
BtoB-PF FOOD	1,712	5.6%
BtoB-PF ES	465	23.3%
Other	11	-0.1%
<b>【Sales】</b>	<b>2,179</b>	<b>9.0%</b>
BtoB-PF FOOD	368	10.6%
BtoB-PF ES	252	35.3%
Other	8	-6.5%
<b>【CoGS】</b>	<b>617</b>	<b>19.1%</b>
BtoB-PF FOOD	1,344	4.4%
BtoB-PF ES	213	11.5%
Other	2	27.8%
<b>【Gross Profit】</b>	<b>1,562</b>	<b>5.4%</b>
BtoB-PF FOOD	581	22.8%
BtoB-PF ES	492	41.6%
Other	3	-14.7%
<b>【SG&amp;A】</b>	<b>1,077</b>	<b>30.5%</b>
BtoB-PF FOOD	762	-6.3%
BtoB-PF ES	-279	-
Other	0	-
<b>【Operating Profit】</b>	<b>484</b>	<b>-26.1%</b>
<b>【Recurring Profit】</b>	<b>483</b>	<b>-26.1%</b>
<b>【Net Income】※</b>	<b>333</b>	<b>-44.6%</b>

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

BtoB-PF FOOD	78.5%
BtoB-PF ES	45.8%
High gross profit margin	71.7%
BtoB-PF FOOD	44.5%
OPM	22.2%
RPM	22.2%

## □ Net sales

### 【B2B-PF FOOD】

System usage fees increased as the number of companies using B2B Platform Ordering and B2B Standards Database (purchasers and sellers) increased strongly.

### 【B2B-PF ES】

The number of paid contracts for receiving and issuing models of B2B Platform Invoicing increased, and system usage fees increased along with its operation (digitization of invoices).

## □ Cost of sales

Data center expenses increased due to the reinforcement of the server system in September 2019 of the previous fiscal year. In addition, B2B-PF ES increased costs due to investment in system development such as B2B Platform Invoicing (expenses were recorded in the month in which development costs were incurred).

## □ SG&A expenses

Personnel expenses increased due to the reinforcement of sales and sales support personnel required for business expansion, and sales promotion expenses also increased to increase the number of companies using the service.

## □ Operating income

Profits decreased due to aggressive investment in some costs, prioritizing the acceleration of sales growth.

## □ Net income

Net income decreased due to a decrease in ordinary income.

# FY12/20 First Quarter (vs. Plan)

(Million yen / %:YoY)

	2020/1Q			2020/2Q	2020/3Q	2020/4Q	2020/Full Year	
	Plan	Actual	Diff	Plan	Plan	Plan	Plan	YoY
BtoB-PF FOOD	1,724	1,712	-12	1,800	1,850	1,913	7,287	6.7%
BtoB-PF ES	474	465	-9	523	631	728	2,358	37.9%
Other	11	11	0	11	10	10	42	-4.5%
<b>【Sales】</b>	<b>2,199</b>	<b>2,179</b>	<b>-20</b>	<b>2,325</b>	<b>2,482</b>	<b>2,642</b>	<b>9,649</b>	<b>13.0%</b>
BtoB-PF FOOD	397	368	-29	416	418	489	1,720	29.6%
BtoB-PF ES	286	252	-34	290	318	349	1,244	28.2%
Other	9	8	-1	9	8	8	34	0.0%
<b>【CoGS】</b>	<b>684</b>	<b>617</b>	<b>-67</b>	<b>706</b>	<b>735</b>	<b>837</b>	<b>2,962</b>	<b>29.4%</b>
BtoB-PF FOOD	1,326	1,344	18	1,385	1,432	1,424	5,567	1.2%
BtoB-PF ES	188	213	25	233	314	379	1,114	50.7%
Other	3	2	-1	2	2	2	9	0.0%
<b>【Gross Profit】</b>	<b>1,516</b>	<b>1,562</b>	<b>46</b>	<b>1,620</b>	<b>1,748</b>	<b>1,805</b>	<b>6,689</b>	<b>7.0%</b>
BtoB-PF FOOD	645	581	-64	701	697	718	2,761	29.9%
BtoB-PF ES	557	492	-65	622	596	631	2,406	46.9%
Other	5	3	-2	4	4	4	17	-5.6%
<b>【SG&amp;A】</b>	<b>1,208</b>	<b>1,077</b>	<b>-131</b>	<b>1,327</b>	<b>1,296</b>	<b>1,353</b>	<b>5,185</b>	<b>37.1%</b>
BtoB-PF FOOD	681	762	81	684	735	706	2,806	-16.8%
BtoB-PF ES	-369	-279	90	-389	-282	-252	-1,292	-
Other	-2	0	2	-2	-2	-2	-8	-
<b>【Operating Profit】</b>	<b>309</b>	<b>484</b>	<b>175</b>	<b>292</b>	<b>451</b>	<b>452</b>	<b>1,505</b>	<b>-39.0%</b>
<b>【Recurring Profit】</b>	<b>308</b>	<b>483</b>	<b>175</b>	<b>291</b>	<b>450</b>	<b>450</b>	<b>1,500</b>	<b>-39.0%</b>
<b>【Net Income】※</b>	<b>211</b>	<b>333</b>	<b>122</b>	<b>200</b>	<b>308</b>	<b>308</b>	<b>1,026</b>	<b>-39.4%</b>

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

BtoB-PF FOOD	76.9%	78.5%	1.6%	76.9%	77.4%	74.4%	76.4%
BtoB-PF ES	39.7%	45.8%	6.1%	44.5%	49.7%	52.1%	47.2%
High gross profit margin	68.9%	71.7%	2.8%	69.7%	70.4%	68.3%	69.3%
BtoB-PF FOOD	39.5%	44.5%	5.0%	38.0%	39.7%	36.9%	38.5%
OPM	14.1%	22.2%	8.2%	12.6%	18.2%	17.1%	15.6%
RPM	14.0%	22.2%	8.2%	12.5%	18.1%	17.0%	15.5%

## □ Net sales

### 〔B2B-PF FOOD〕

Although system usage fees for B2B Platform Ordering by purchasers exceeded forecasts, its usage fees by sellers (pay-for-use model) fell short of forecasts due to a decline in food purchases at restaurants, etc. reflecting the impact of the COVID-19 infections in March.

### 〔B2B-PF ES〕

Although system usage fees for B2B Platform Invoicing exceeded forecasts, set-up sales fell short of forecasts due to the postponement of operation of some new contracts resulting from the impact of the COVID-19.

## □ Cost of sales

Delay in recording of data center expenses after 2Q.

## □ SG&A expenses

Sales promotion expenses were lower than planned due to the cancellation or postponement of exhibitions and other events for B2B Platform Invoicing due to the impact of the COVID-19.

## □ Operating income

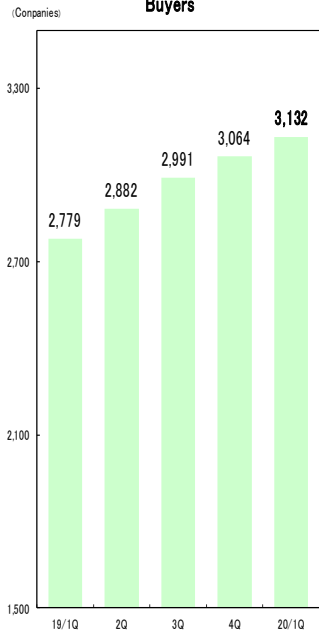
Operating income was higher than planned due to time lags and reductions.

## □ Net income

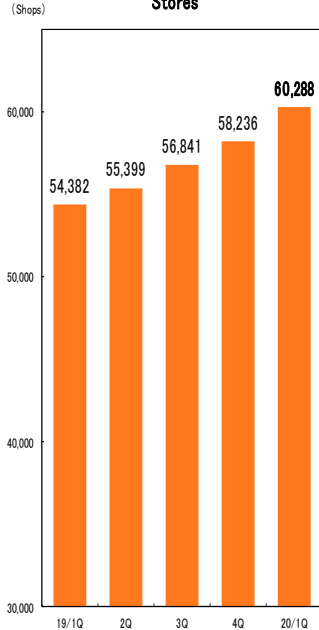
Net income exceeded the plan due to an increase in ordinary income.

- New usage by buyers in the Ordering business increased steadily, mainly in 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.”

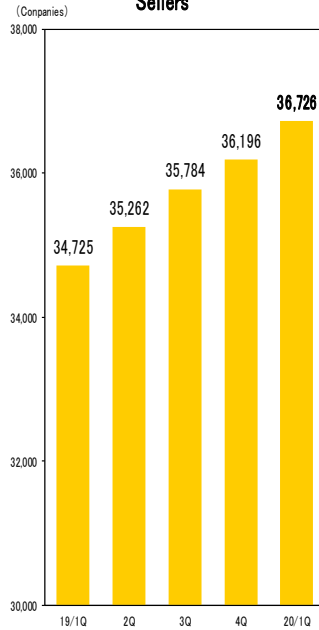
Ordering Buyers



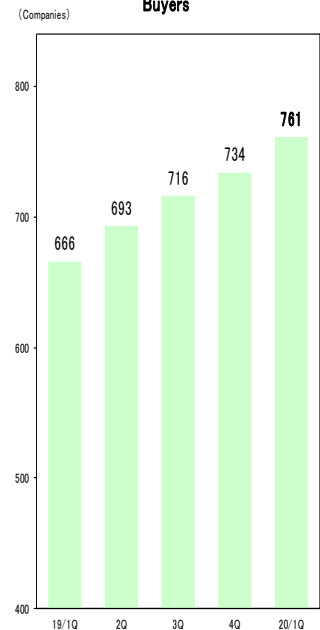
Ordering Stores



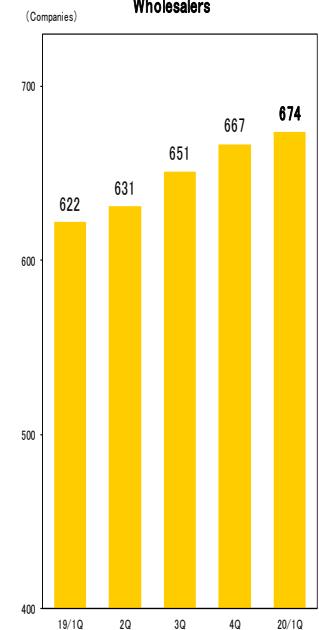
Ordering Sellers



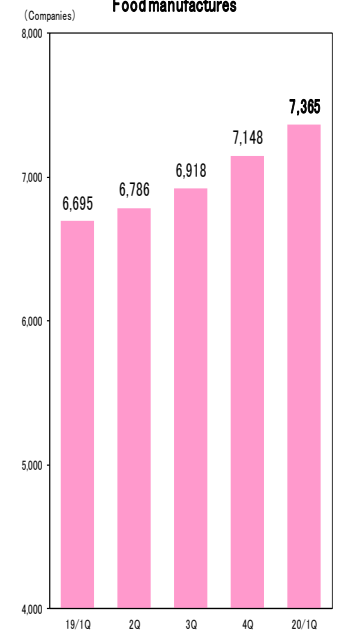
Standards Database Buyers



Standards Database Wholesalers

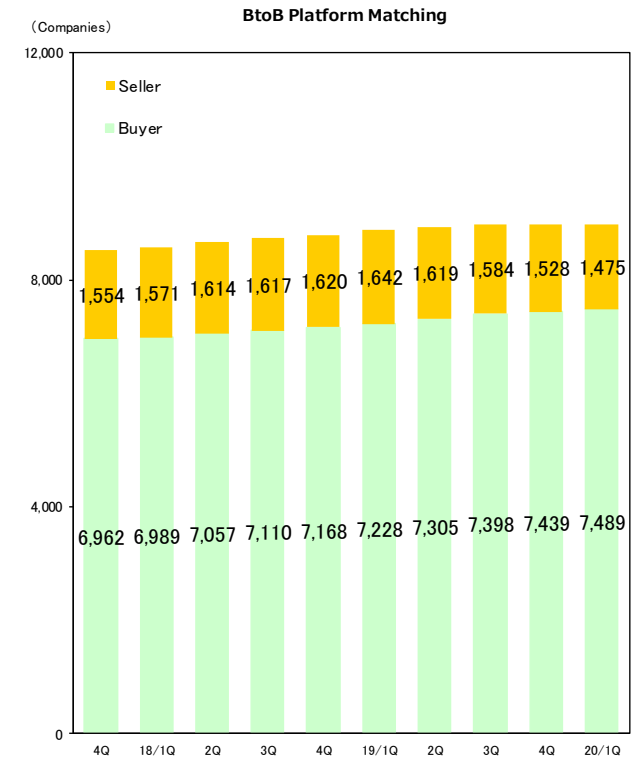
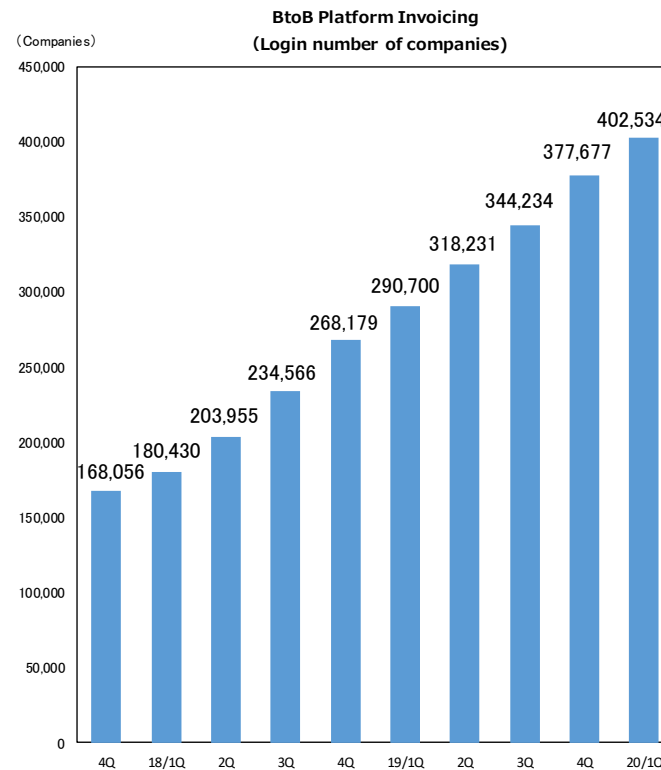
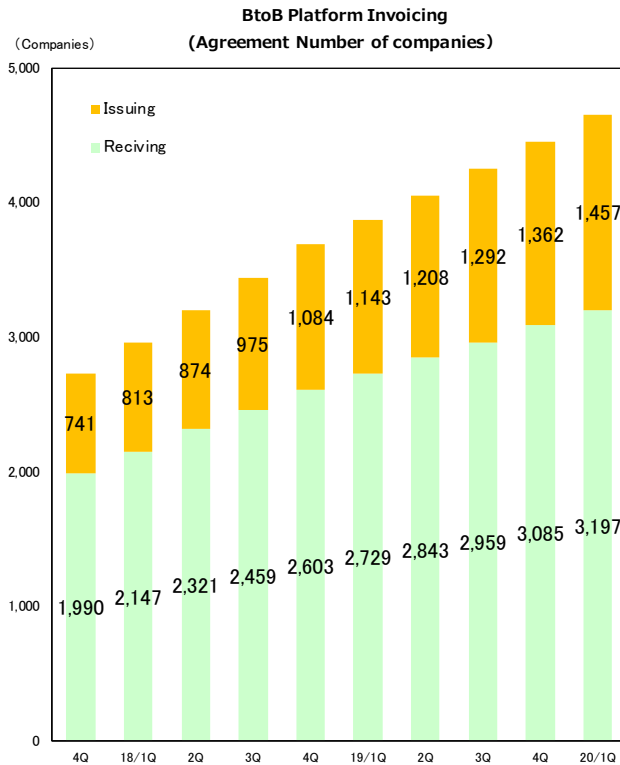


Standards Database Foodmanufactures



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

- Number of companies logging in exceeded 400,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of March 2020)
- 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 March 31, 2020)

Business	Service	Fees (excluding taxes)		
BtoB-PF FOOD	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 JPY100,000 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;manufacturer Function&gt;</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>&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 FY12/20**



## ■ Balance between growth and profits

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

## ■ 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 Platform, we began harvesting the results by utilizing our commercial distribution data, ordering data, user access data, and industry, business knowledge.

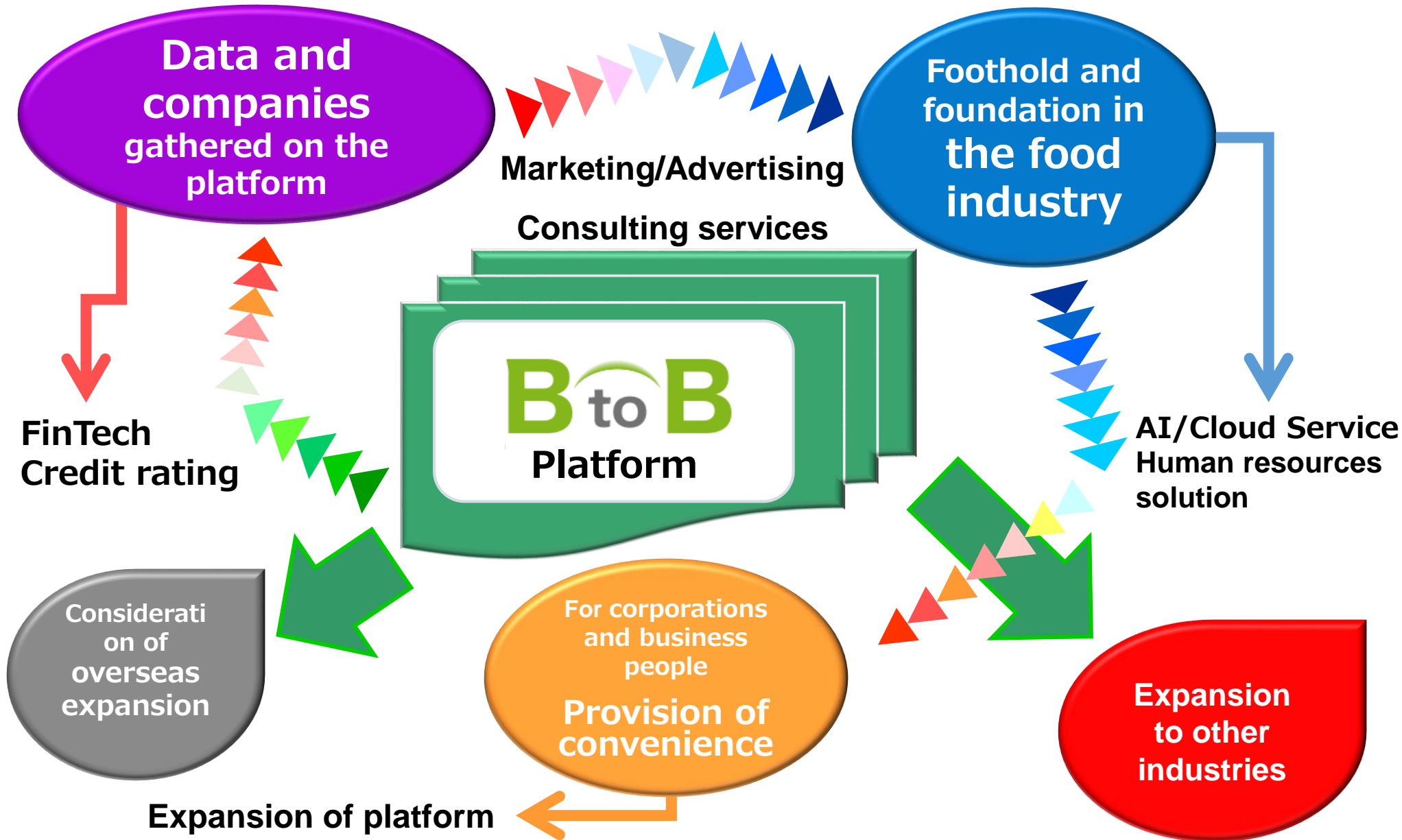
(Ratio: 10~20%)

## ■ 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 Platform.

# Direction for development and strengthening of Infomart



# FY12/20 Consolidated Business Forecasts (Overview)

Accelerate sales growth by aggressively investing sales promotional budgets, against the backdrop of work style reforms, productivity improvements, labor shortages, and other factors as an opportunity the increasing demand for BtoB Platform

## ■ BtoB PF Food Business

Expand the scope of orders from restaurant chains to individual restaurants and increase the share of electronic transactions between restaurants and wholesalers

## ■ BtoB PF ES Business

Accelerate growth in the number of new invoicing agreements and quickly establish a position in electronic invoicing



Priority investments in 3 areas to achieve the above goals

- Reinforcement of server system
- Increase in sales staff
- increase in sales promotion expenses, and increase in marketing budget



Although profits will temporarily decline, **we will focus on accelerating sales growth by expanding the number of user companies.**

# Consolidated Business Forecasts for FY12/20

	2020/1Q	2020/2Q	2020/3Q	2020/4Q	2020/Full Year	
	Plan	Plan	Plan	Plan	Plan	YoY
BtoB-PF FOOD	1,724	1,800	1,850	1,913	7,287	6.7%
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High gross profit margin	<b>68.9%</b>	<b>69.7%</b>	<b>70.4%</b>	<b>68.3%</b>	<b>69.3%</b>
BtoB-PF FOOD	39.5%	38.0%	39.7%	36.9%	38.5%
OPM	<b>14.1%</b>	<b>12.6%</b>	<b>18.2%</b>	<b>17.1%</b>	<b>15.6%</b>

(Million yen / %:YoY)

2020/2Q Total	
Plan	YoY
3,524	6.5%
998	27.1%
22	4.8%
4,525	10.5%
813	25.1%
577	47.1%
18	5.9%
1,390	33.6%
2,711	2.0%
421	7.4%
5	25.0%
3,136	2.6%
1,346	36.6%
1,179	61.1%
9	50.0%
2,535	47.0%
1,365	-18.4%
-758	-
-4	-
602	-54.8%
600	-54.6%
410	-61.2%

## □ Sales

[BtoB-PF FOOD]

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

[BtoB-PF ES]

We expect the digitization of invoicing among existing customers with paid contracts for B2B Platform Invoicing, and the number of new paid contracts to increase.

## □ CoGs

Data center expenses are expected to increase due to the reinforcement of the server system in response to expanded use.

## □ SG&A expenses

Personnel expenses are expected to increase due to the reinforcement of sales and sales support personnel required for business expansion, and sales promotion expenses are also expected to increase aimed at increasing the number of user companies.

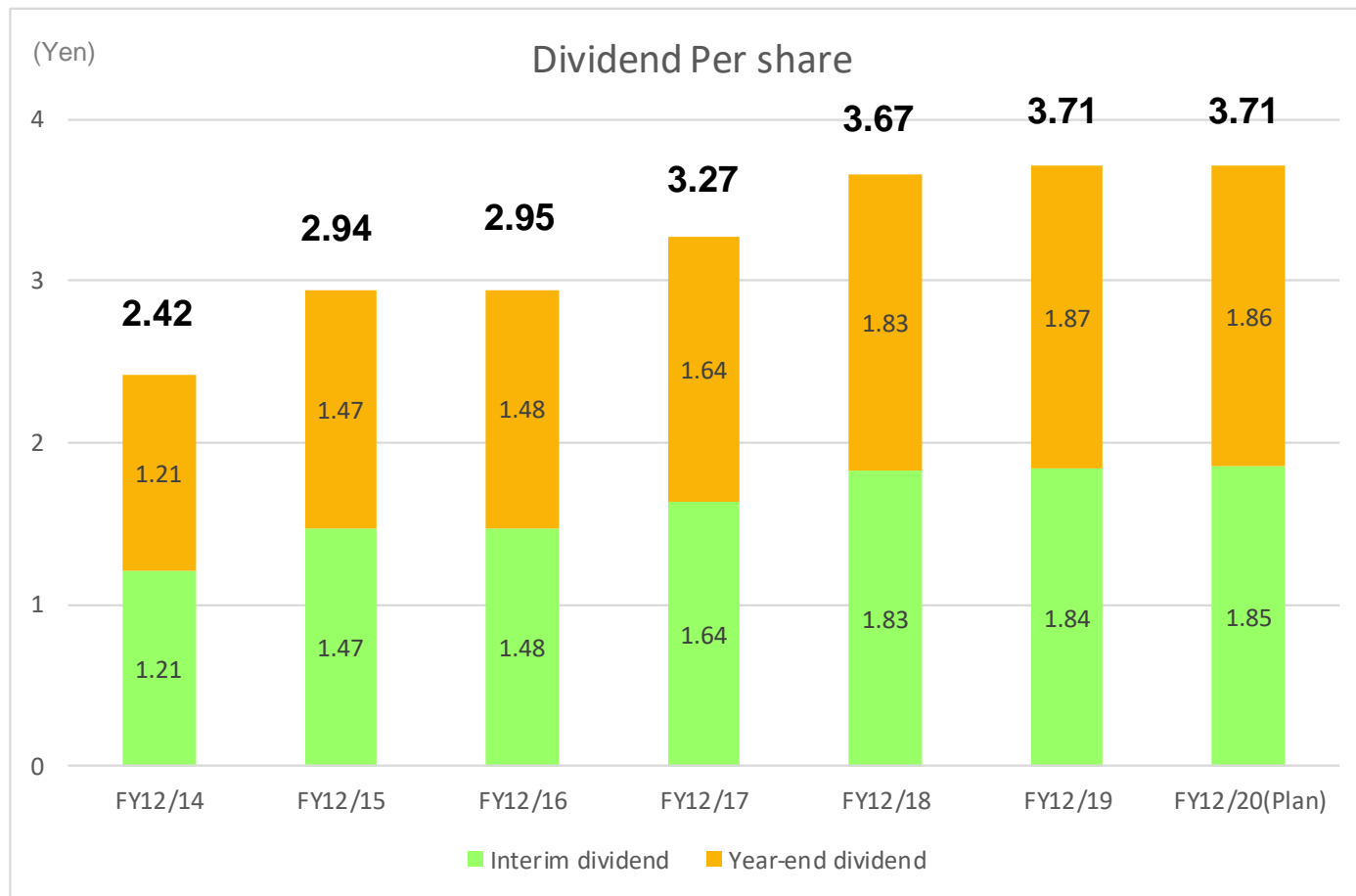
## □ Operating Profit

Profits are expected to decline temporarily due to aggressive investment in some costs, prioritizing the acceleration of sales growth.

## **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. Based on this idea, **for FY12/20 we will pay the same dividend as FY12/19**, although there would be a temporary decrease in profits in FY12/20.



(Note)

The company conducted a 2-for-1 stock split on January 1, 2014, a 2-for-1 stock split on January 1, 2015, a 2-for-1 stock split on January 1, 2017 and a 2-for-1 stock split on January 1, 2020. 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 30, 2020. 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.**