



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

Info Mart Corporation

FY2020 Second Quarter Financial Results

FY2020 / 2Q

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): 574 (full-time 502 / temporary 72)
- URL: <https://www.infomart.co.jp/>

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

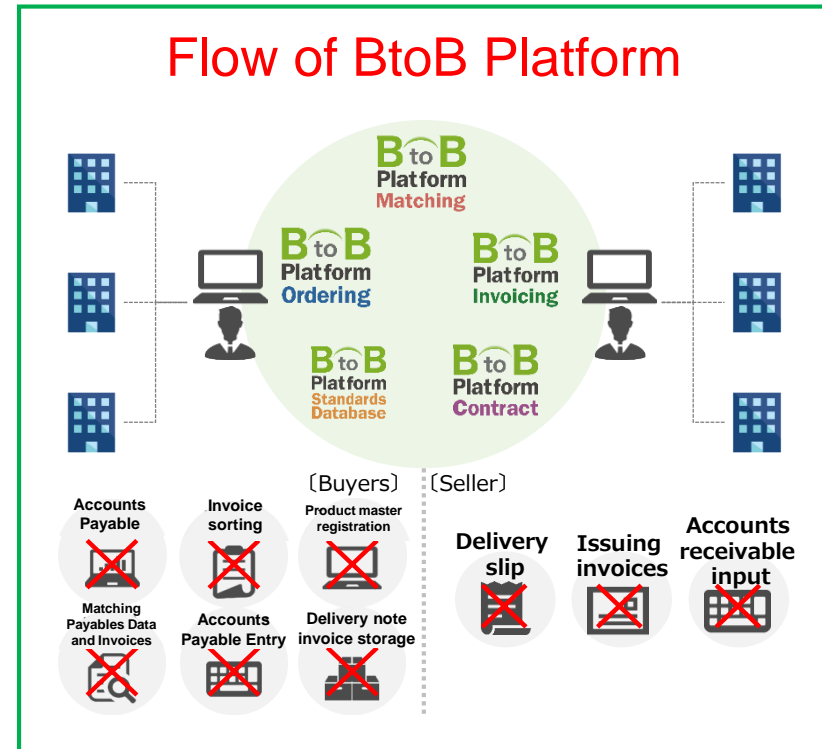
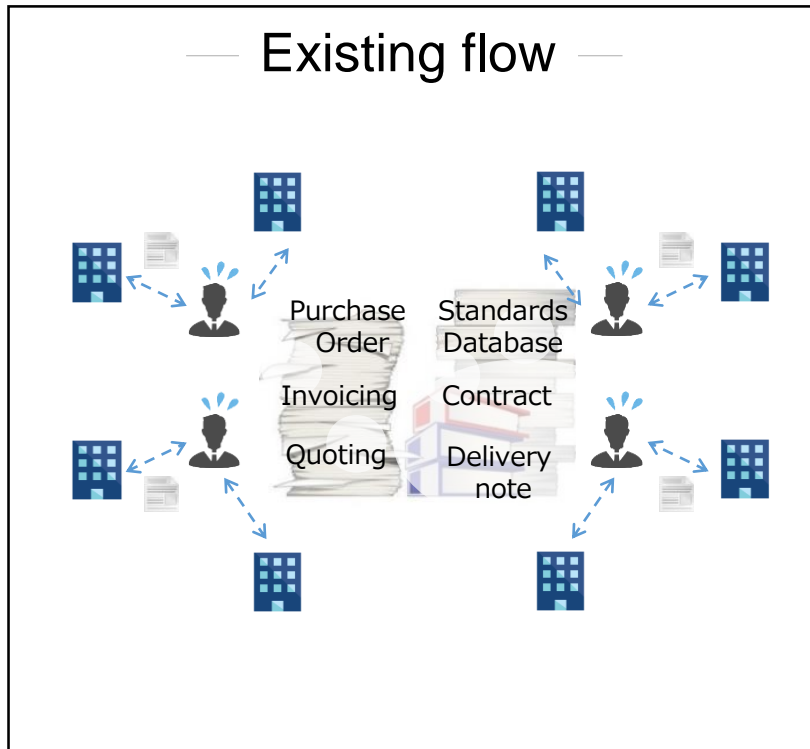
<https://www.infomart.co.jp/movie/>



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



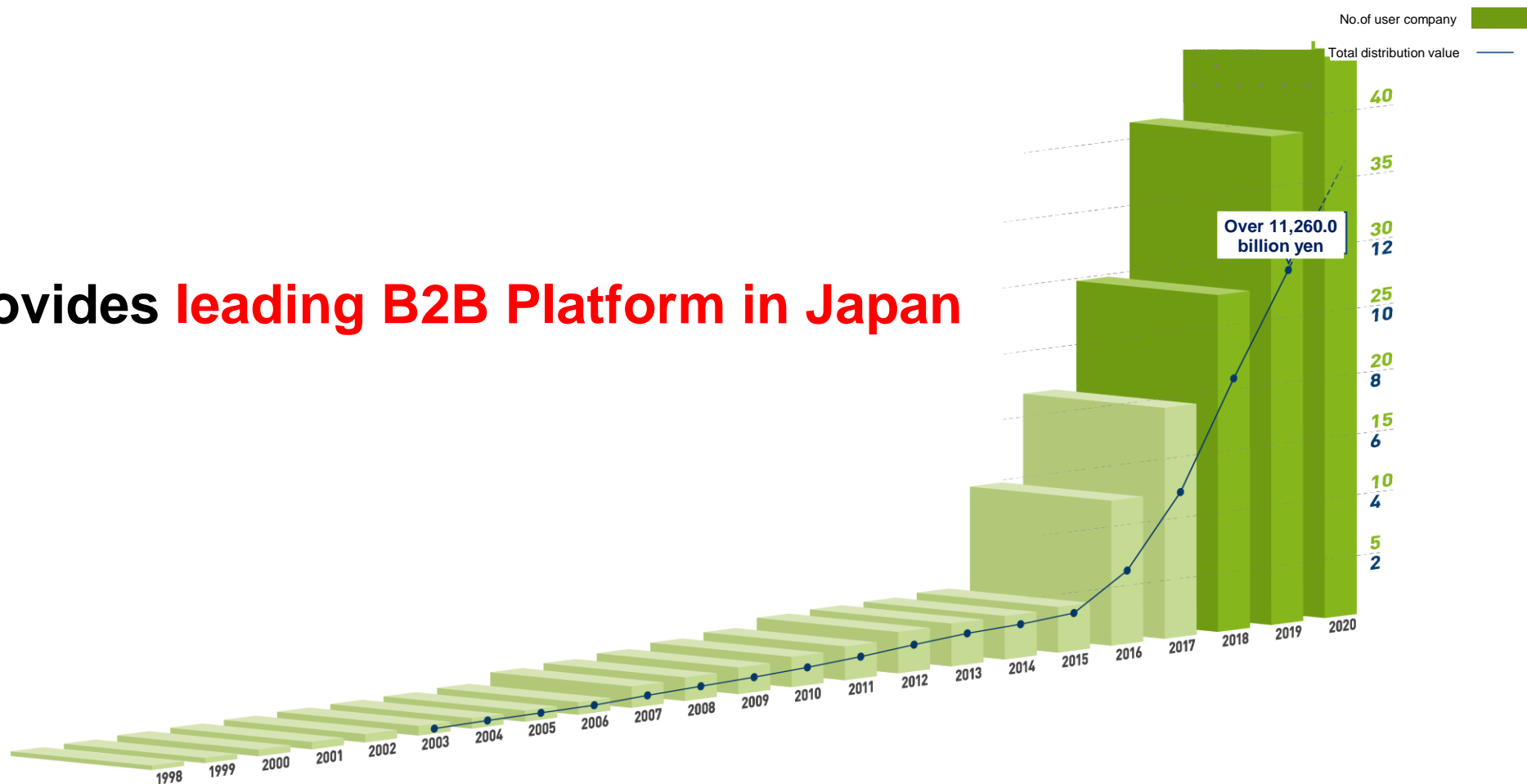
Customer's natural choice = Continued use

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- June 2020)

437,615 companies

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

903,929 offices

Total distribution value (2019 result)

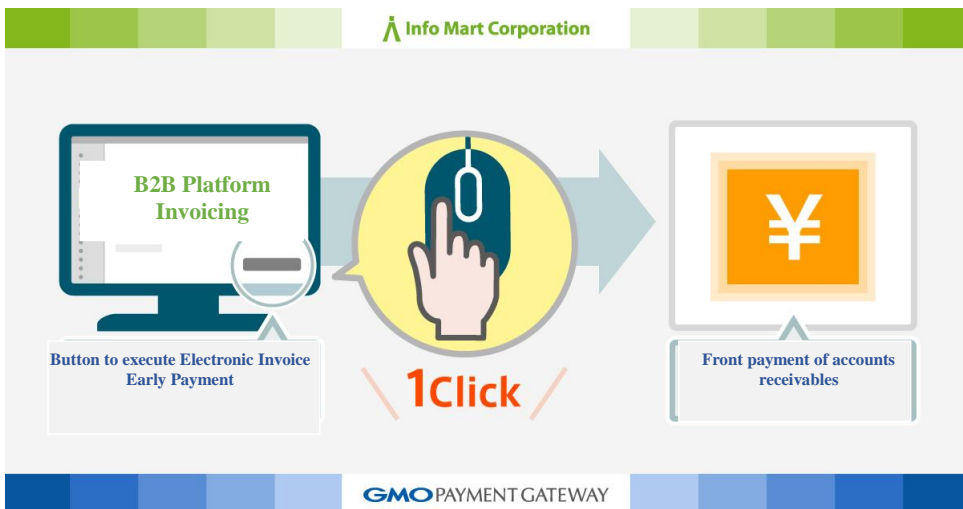
11,269.0 billion yen

II. FY2020 Second-Quarter Financial Results

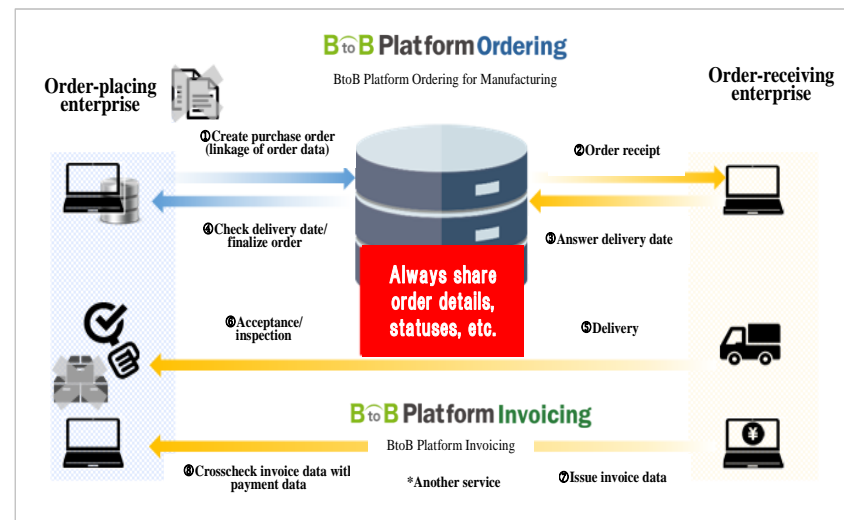
Introduction of new service

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

Info Mart Corporation



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



■ Establishment of a fund specializing in Food Tech

- Purpose
To grow and reform our food business
- Investment target
Targeting Foodtech* companies mainly in Japan
*A term that combines Food and Technology
- Investment condition and term
Condition: 50 million yen per company, total 200 million yen
Term: End of December 2021

BtoB Platform Ordering

Enter into a business alliance with Goals to jointly develop a next-generation menu management system

Contributing to the sophistication of management and reform of business models in the restaurant industry

Investment in July 2020

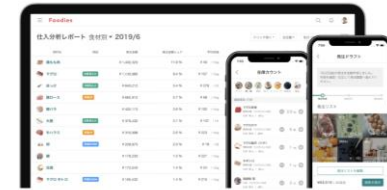
Goals Inc.

■ Order Forecasting Cloud Service

Development and provision of cloud-based business support services for restaurants, based on order forecasting system utilizing AI

Established: July 2018

Capital:
55,440 thousand yen



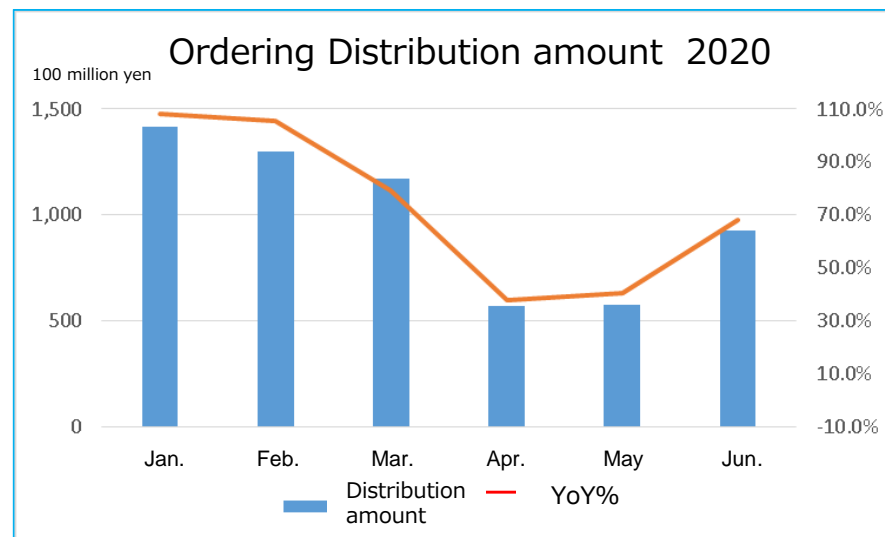
Current status (trends in the first half of 2020)

Distribution amount of foodstuffs (Jan.-Jun. 2020)

BtoB Platform Ordering

■ BtoB-PF FOOD

- Distribution amount of foodstuffs has been recovering after bottoming out in April.

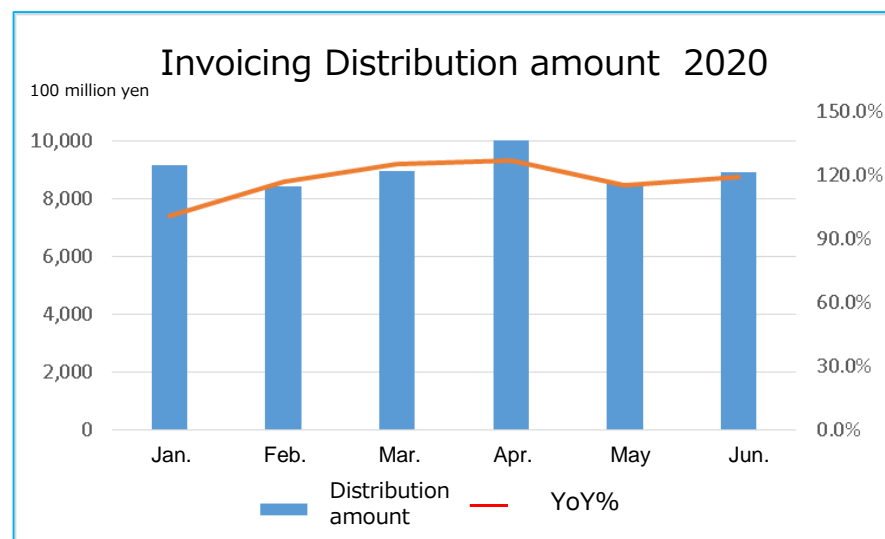


Distribution amount of electronic invoice (Jan.-Jun. 2020)

BtoB Platform Invoicing

■ BtoB-PF ES

- The monthly distribution amount of the invoice exceeded 1 trillion yen in April.



FY12/20 Second Quarter (YoY)

(Million yen / %:YoY)

	2020/1Q		2020/2Q		2020/2Q Total	
	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,712	5.6%	1,539	-8.8%	3,252	-1.7%
BtoB-PF ES	465	23.3%	486	19.3%	952	21.2%
Other	11	-0.1%	10	-0.1%	22	-0.1%
【Sales】	2,179	9.0%	2,027	-3.3%	4,207	2.7%
BtoB-PF FOOD	368	10.6%	399	26.1%	768	18.2%
BtoB-PF ES	252	35.3%	242	17.8%	495	26.1%
Other	8	-6.5%	8	-7.7%	16	-7.1%
【CoGS】	617	19.1%	638	22.3%	1,255	20.7%
BtoB-PF FOOD	1,344	4.4%	1,139	-16.9%	2,484	-6.6%
BtoB-PF ES	213	11.5%	243	20.8%	456	16.3%
Other	2	27.8%	2	30.4%	5	29.2%
【Gross Profit】	1,562	5.4%	1,388	-11.8%	2,951	-3.5%
BtoB-PF FOOD	581	22.8%	594	16.1%	1,176	19.3%
BtoB-PF ES	492	41.6%	525	36.9%	1,018	39.1%
Other	3	-14.7%	3	-16.6%	6	-15.6%
【SG&A】	1,077	30.5%	1,123	24.8%	2,201	27.6%
BtoB-PF FOOD	762	-6.3%	544	-36.5%	1,307	-21.8%
BtoB-PF ES	-279	-	-282	-	-561	-
Other	0	-	0	-	-1	-
【Operating Profit】	484	-26.1%	264	-60.8%	749	-43.7%
【Recurring Profit】	483	-26.1%	263	-60.4%	747	-43.4%
【Net Income】※	333	-44.6%	180	-60.4%	514	-51.4%

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

BtoB-PF FOOD	78.5%	-1.0%	74.0%	-7.2%	76.4%	-4.0%
BtoB-PF ES	45.8%	-4.8%	50.1%	0.6%	48.0%	-2.0%
High gross profit margin	71.7%	-2.4%	68.5%	-6.6%	70.2%	-4.5%
BtoB-PF FOOD	44.5%	-5.7%	35.4%	-15.5%	40.2%	-10.4%
OPM	22.2%	-10.6%	13.1%	-19.1%	17.8%	-14.7%
RPM	22.2%	-10.5%	13.0%	-18.8%	17.8%	-14.5%

□ Net sales

【B2B-PF FOOD】

System usage fees by sellers (pay-for-use model) decreased due to a decrease in food purchases from restaurants, etc. reflecting the effects of the new coronavirus (COVID-19) infections, despite an increase in the number of companies using B2B Platform Ordering and B2B Standards Database, and an increase in system usage fees under the flat-rate system.

【B2B-PF ES】

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

□ Cost of sales

Data center expenses increased due to the reinforcement of the server system in the previous fiscal year (Sept. 2019)

□ SG&A expenses

Personnel expenses increased due to the reinforcement of sales and sales support personnel required for business expansion, and sales promotion expenses increased due to an increase in 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 an increase in ordinary income.

FY12/20 Second Quarter (vs. Plan)

(Million yen / %:YoY)

	2020/1Q			2020/2Q			2020/2Q Total		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
BtoB-PF FOOD	1,724	1,712	-12	1,800	1,539	-261	3,524	3,252	-272
BtoB-PF ES	474	465	-9	523	486	-37	998	952	-46
Other	11	11	0	11	10	-1	22	22	0
【Sales】	2,199	2,179	-20	2,325	2,027	-298	4,525	4,207	-318
BtoB-PF FOOD	397	368	-29	416	399	-17	813	768	-45
BtoB-PF ES	286	252	-34	290	242	-48	577	495	-82
Other	9	8	-1	9	8	-1	18	16	-2
【CoGS】	684	617	-67	706	638	-68	1,390	1,255	-135
BtoB-PF FOOD	1,326	1,344	18	1,385	1,139	-246	2,711	2,484	-227
BtoB-PF ES	188	213	25	233	243	10	421	456	35
Other	3	2	-1	2	2	0	5	5	0
【Gross Profit】	1,516	1,562	46	1,620	1,388	-232	3,136	2,951	-185
BtoB-PF FOOD	645	581	-64	701	594	-107	1,346	1,176	-170
BtoB-PF ES	557	492	-65	622	525	-97	1,179	1,018	-161
Other	5	3	-2	4	3	-1	9	6	-3
【SG&A】	1,208	1,077	-131	1,327	1,123	-204	2,535	2,201	-334
BtoB-PF FOOD	681	762	81	684	544	-140	1,365	1,307	-58
BtoB-PF ES	-369	-279	90	-389	-282	107	-758	-561	197
Other	-2	0	2	-2	0	2	-4	-1	3
【Operating Profit】	309	484	175	292	264	-28	602	749	147
【Recurring Profit】	308	483	175	291	263	-28	600	747	147
【Net Income】※	211	333	122	200	180	-20	410	514	104

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

BtoB-PF FOOD	76.9%	78.5%	1.6%	76.9%	74.0%	-2.9%	76.9%	76.4%	-0.5%
BtoB-PF ES	39.7%	45.8%	6.1%	44.5%	50.1%	5.6%	42.2%	48.0%	5.8%
High gross profit margin	68.9%	71.7%	2.8%	69.7%	68.5%	-1.2%	69.3%	70.2%	0.8%
BtoB-PF FOOD	39.5%	44.5%	5.0%	38.0%	35.4%	-2.6%	38.7%	40.2%	1.5%
OPM	14.1%	22.2%	8.2%	12.6%	13.1%	0.5%	13.3%	17.8%	4.5%
RPM	14.0%	22.2%	8.2%	12.5%	13.0%	0.5%	13.3%	17.8%	4.5%

□ Net sales

【B2B-PF FOOD】

System usage fees of B2B Platform Ordering (pay-for-use model) by sellers fell short of the plan due to a decline in food purchases from restaurants, etc. reflecting the effects of COVID-19 from March.

【B2B-PF ES】

Sales of B2B Platform Ordering setup fee fell short of the plan as it took time for new contracts to be concluded due to the impact of COVID-19.

□ Cost of sales

Data center expenses and software depreciation costs were postponed to the second half of the fiscal year.

□ SG&A expenses

Due to the impact of COVID-19, personnel costs (temporary suspension of mid-career recruitment), sales promotion costs (cancellation of external exhibitions, seminars, etc.), and travel expenses (voluntary restraint on business trips in Japan) fell short of the plan.

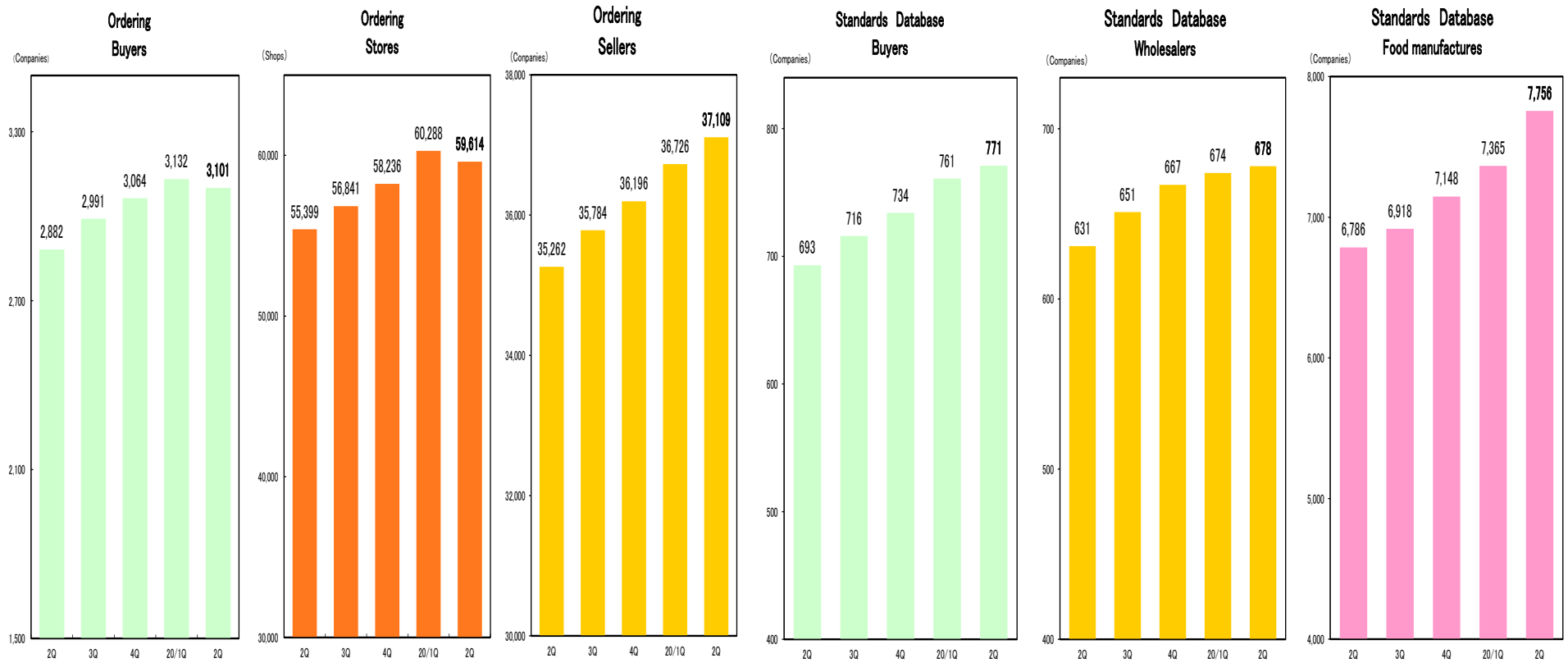
□ Operating income

Operating income exceeded the plan in the first half due to the delay and decline in some costs, despite the lower-than-expected sales.

□ Net income

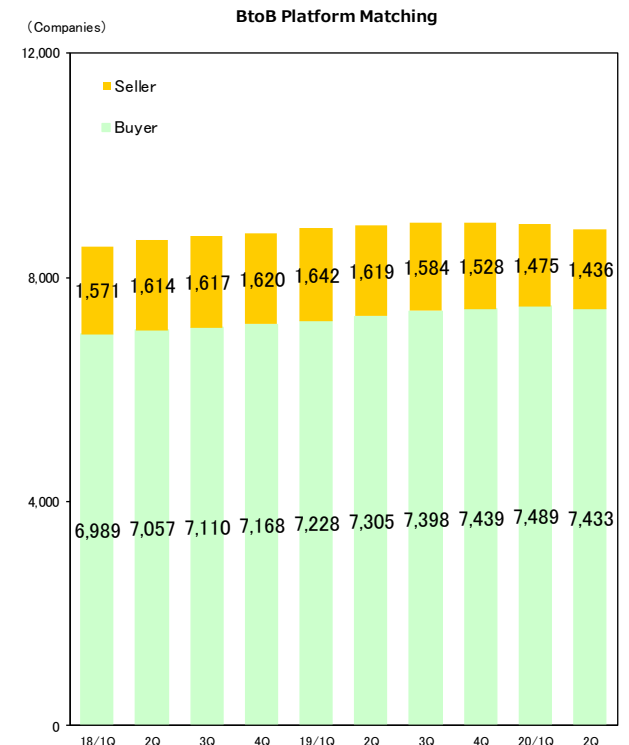
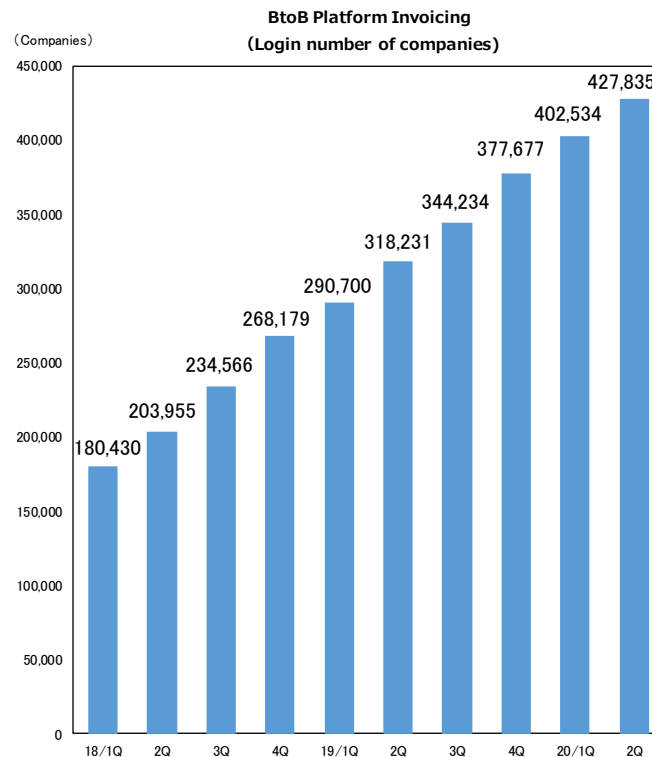
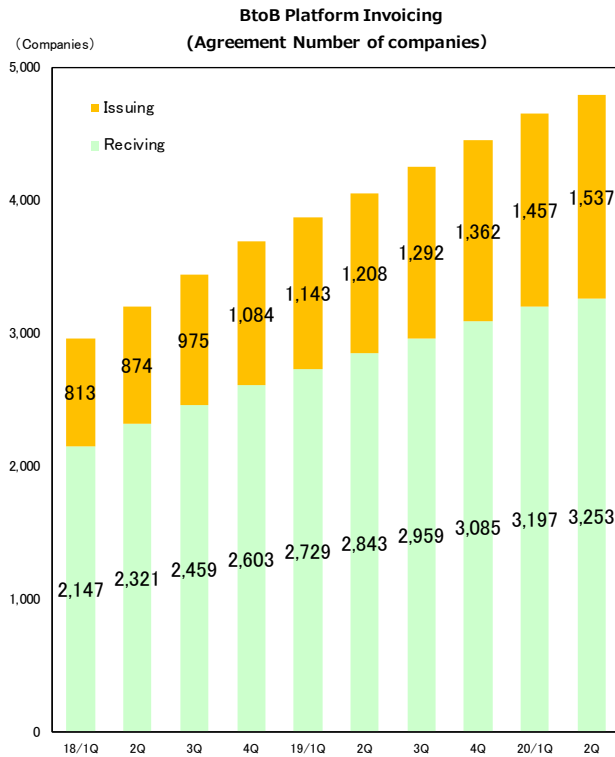
Net income exceeded the plan for the first half due to an increase in ordinary income.

- New customers of B2B Platform Ordering decreased mainly in the restaurant chains due to the impact of COVID-19.
- The number of referrals from alliance partners (existing customer companies, affiliated system companies, etc.) decreased due to the impact of COVID-19.
- Against a backdrop of stronger response to food safety, security, and allergens, the number of the buyer companies and others increased.
- HACCP compliance became mandatory due to revisions to the Food Sanitation Law (enforced partially in June 2020).



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

- Number of companies logging in exceeded 430,000 due to advances in electronic invoicing at existing paid-service contracting companies. (as of July 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 June 30, 2020)

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><manufacturer 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. Revision to Consolidated Business Forecasts for FY12/20

Revision of Consolidated Financial Results Forecast for FY12/20 (Highlights)

In view of the impact of the new coronavirus on the fiscal year under review, The Company revised its earnings forecasts for the year ending December 31, 2020, announced on February 14, 2020, as follows.

(Million yen / %)

	2020 /Full Year			
	Previous forecasts	Revised forecasts	Increase/ decrease	Rate of change
BtoB-PF FOOD	7,287	6,580	-707	-9.7%
BtoB-PF ES	2,358	2,087	-270	-11.5%
Other	42	42	0	0.0%
【Sales】	9,649	8,670	-978	-10.1%
BtoB-PF FOOD	1,720	1,724	4	0.2%
BtoB-PF ES	1,244	1,135	-109	-8.8%
Other	34	34	0	0.0%
【CoGS】	2,962	2,849	-113	-3.8%
BtoB-PF FOOD	5,567	4,856	-711	-12.8%
BtoB-PF ES	1,114	952	-161	-14.5%
Other	9	9	0	0.0%
【Gross Profit】	6,689	5,825	-864	-12.9%
BtoB-PF FOOD	2,761	2,449	-312	-11.3%
BtoB-PF ES	2,406	2,224	-182	-7.5%
Other	17	14	-3	-17.6%
【SG&A】	5,185	4,687	-498	-9.6%
BtoB-PF FOOD	2,806	2,407	-399	-14.2%
BtoB-PF ES	-1,292	-1,272	20	-1.6%
Other	-8	-5	3	-37.5%
【Operating Profit】	1,505	1,135	-370	-24.6%
【Recurring Profit】	1,500	1,110	-390	-26.0%
【Net Income】※	1,026	744	-282	-27.5%

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

BtoB-PF FOOD	76.4%	73.8%		
BtoB-PF ES	47.2%	45.6%		
High gross profit margin	69.3%	67.2%		
BtoB-PF FOOD	38.5%	36.6%		
OPM	15.6%	13.1%		
RPM	15.5%	12.8%		

□ Net sales

Reason for revision

【B2B-PF FOOD】

System usage fees by sellers (pay-for-use model) for B2B Platform Ordering are expected to fall below the plan in the second half, as the volume of foodstuffs purchased by restaurants, etc. is expected to continue to decline due to the impact of COVID-19.

【B2B-PF ES】

Sales of B2B Platform Ordering setup fees are expected to fall short of the plan in the second half as same in the first half. It is because the speed and efficiency of operations for the acquisition of new contracts have been slowed as it is unable to come into the office and face-to-face sales, despite the increased inquiries reflecting the growing demand for teleworking due to COVID-19.

□ Cost of sales

The number of referrals from alliance partners declined due to the impact of COVID-19, and referral fees and other fees are expected to fall below the plan in the second half. In addition, data center expenses and software depreciation costs were postponed to the second half.

□ SG&A expenses

Due to the impact of COVID-19, personnel costs (temporary suspension of mid-career recruitment), and travel expenses (voluntary restraint on business trips in Japan) are expected to fall short of the plan for the second half as same in the first half.

□ Operating income

Due to the revision of net sales forecast, operating income for the second half is expected to fall short of the plan as same in the first half.

□ Net income

Due to the decline in ordinary income, net income for the second half is expected to fall short of the plan as same in the first half.

Revision of Consolidated Financial Results Forecast for FY12/20 (Quarterly Details)

(Million yen)

	2020/2Q	2020/3Q		2020/4Q		2020 /Full Year	
	Total						
	Actual	Plan	Increase/ decrease	Plan	Increase/ decrease	Plan	Increase/ decrease
BtoB-PF FOOD	3,252	1,629	-221	1,699	-215	6,580	-707
BtoB-PF ES	952	507	-124	627	-101	2,087	-270
Other	22	10	0	10	0	42	0
【Sales】	4,207	2,136	-345	2,327	-315	8,670	-978
BtoB-PF FOOD	768	416	-2	540	51	1,724	4
BtoB-PF ES	495	292	-26	348	-2	1,135	-109
Other	16	9	1	9	1	34	0
【CoGS】	1,255	707	-27	887	49	2,849	-113
BtoB-PF FOOD	2,484	1,213	-219	1,159	-266	4,856	-711
BtoB-PF ES	456	216	-98	280	-99	952	-161
Other	5	2	0	2	0	9	0
【Gross Profit】	2,951	1,433	-314	1,441	-364	5,825	-864
BtoB-PF FOOD	1,176	613	-84	659	-59	2,449	-312
BtoB-PF ES	1,018	532	-64	674	43	2,224	-182
Other	6	4	0	4	0	14	-3
【SG&A】	2,201	1,149	-147	1,337	-16	4,687	-498
BtoB-PF FOOD	1,307	600	-135	499	-207	2,407	-399
BtoB-PF ES	-561	-316	-34	-394	-142	-1,272	20
Other	-1	-2	0	-2	0	-5	3
【Operating Profit】	749	282	-169	103	-349	1,135	-370
【Recurring Profit】	747	266	-184	97	-353	1,110	-390
【Net Income】※	514	184	-124	47	-261	744	-282

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

BtoB-PF FOOD	76.4%	74.5%		68.2%		73.8%
BtoB-PF ES	48.0%	42.5%		44.6%		45.6%
High gross profit margin	70.2%	67.1%		61.9%		67.2%
BtoB-PF FOOD	40.2%	36.8%		29.4%		36.6%
OPM	17.8%	13.2%		4.4%		13.1%
RPM	17.8%	12.4%		4.2%		12.8%

IV. Management Policies

(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.

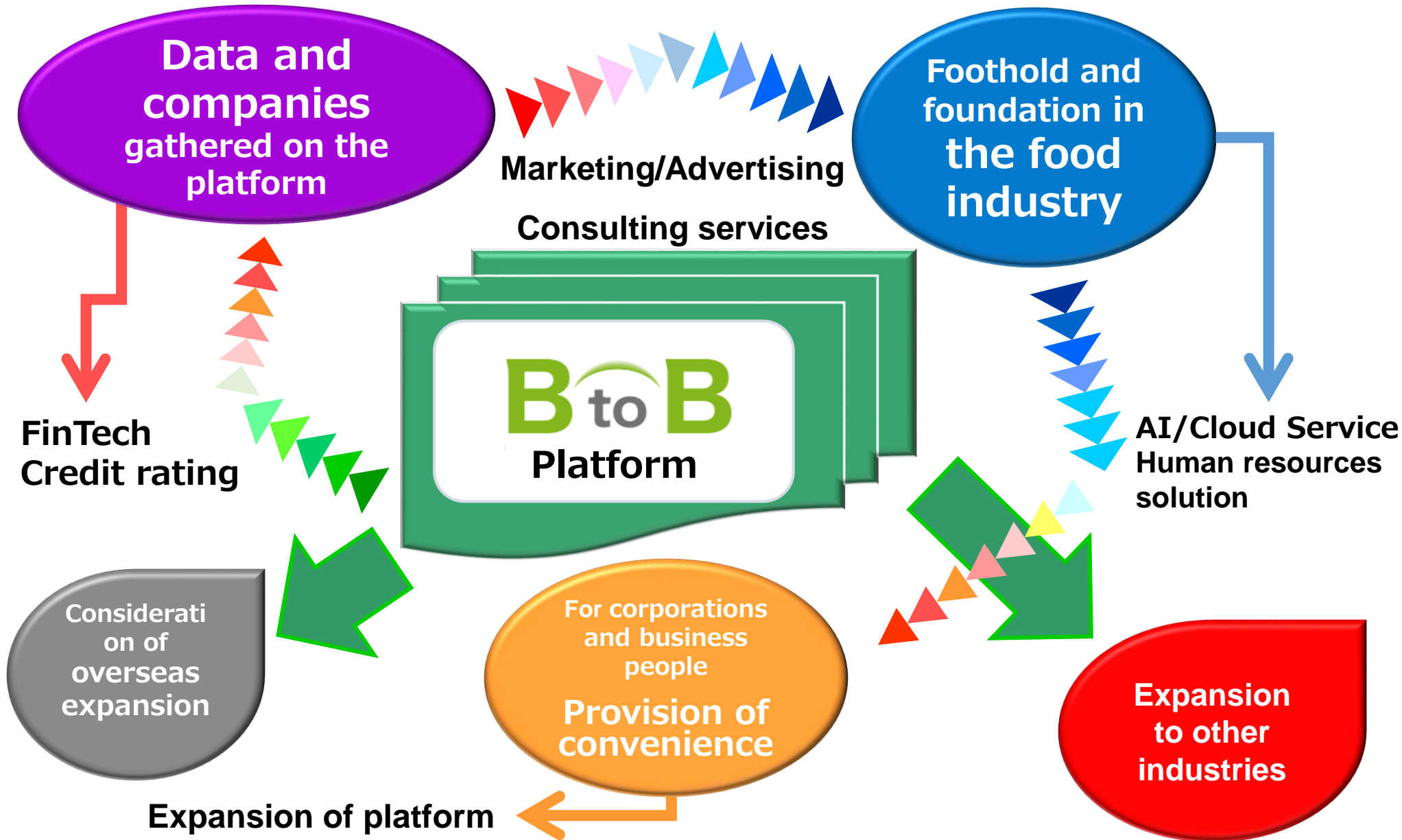
(Ratio: 10~20%)

■ 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



V. Return Profits to Shareholders

Return Profits to Shareholders

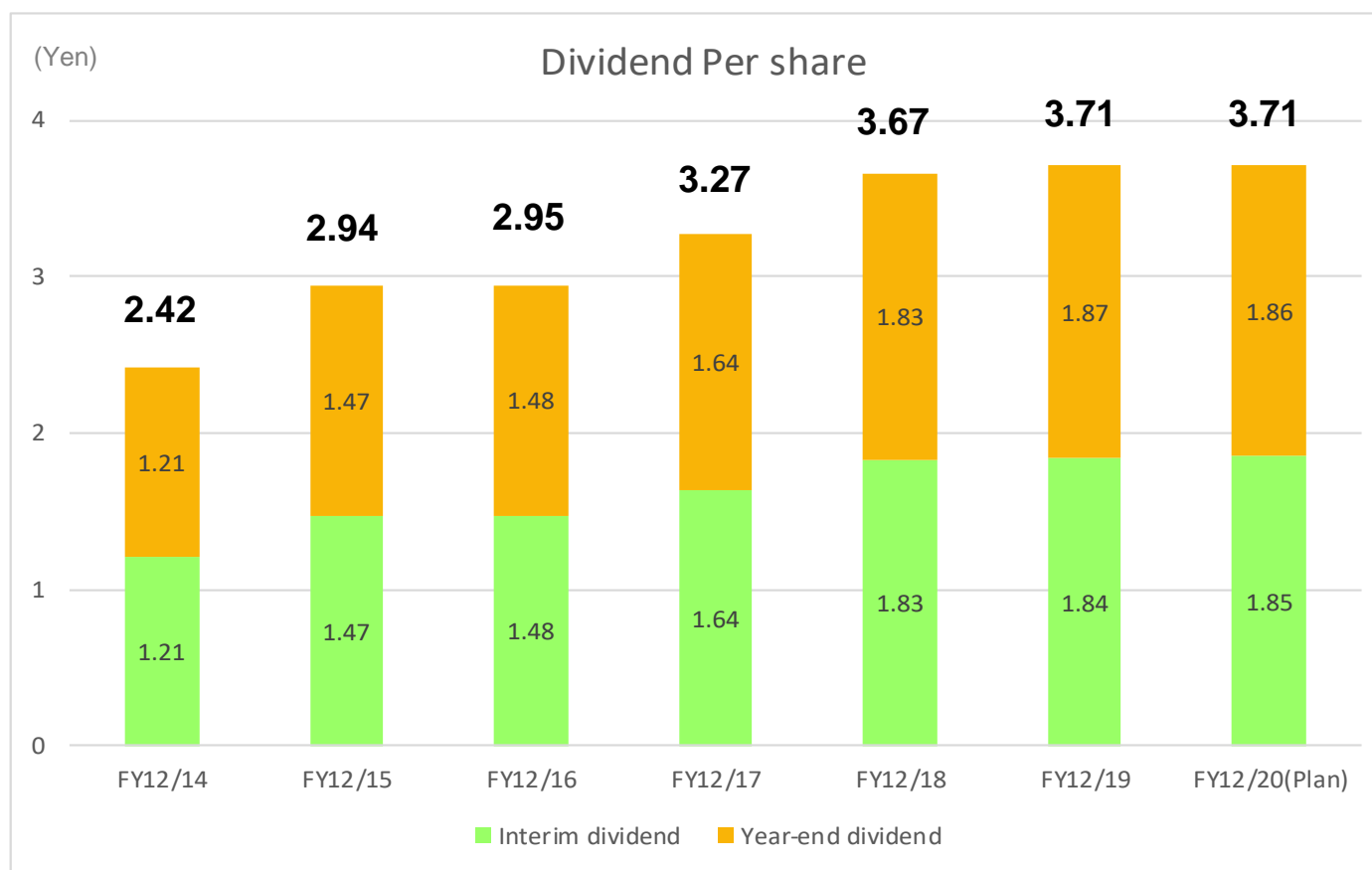
[Dividend policy]:

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.

[Full-year dividend forecast]:

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.

We have revised the full-year business forecasts for FY12/20, but there are no changes to the dividend forecast.



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 July 31, 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.