







Earnings Results Briefing for FY2021  
And Corporate Profile

November 12, 2021

株式会社カナミックネットワーク

Kanamic Network Co., Ltd

-  1 Company Profile
-  2 Earnings
-  3 TOPICS
-  4 Strategy
-  5 Business Outline
-  6 Strengths

# 1. Company Profile



# 1-1. Company Profile

Company Name

Kanamic Network Co., Ltd

Date of Establishment

October 20th, 2000

Paid in Capital

JPY324,120,000 as of November 16, 2016

Stock Listings

1<sup>st</sup> section of the Tokyo Stock Exchange

location



Business Area

To provide cloud services in medical, nursing and childrearing fields



## Representative Director and President

Takuma Yamamoto  
山本 拓真

- 1 9 7 8** Born in Kyoto
- 2 0 0 0** Graduated University, Joined Fujitsu System Solutions Ltd. (currently Fujitsu Ltd.)  
Within Fujitsu's "internet division", engaged in planning & development of in-house products as well as large-scale "entrusted development", etc.
- 2 0 0 5** Joined Kanamic Network, Executive Director
- 2 0 1 1 ~** Joint researcher, The Institute of Gerontology, University of Tokyo
- 2 0 1 2 ~** Visiting Researcher, National Cancer Center
- 2 0 1 4** Representative Director and President of Kanamic Network (current position)
- 2 0 1 6** Kanamic Network listed on the Mothers Market of the Tokyo Stock Exchange (TSE)
- 2 0 1 8** Advisor, Japan Startup Support Association (current position)
- 2 0 1 8** Kanamic Network listed on the 1<sup>st</sup> Section of the TSE
- 2 0 2 0** Director, The Tokyo New Business Conference (current position)

(Other)

Served as a committee member on the Ministry of Health / Ministry of Internal Affairs' Committee for Drafting Guidelines on healthcare/elderly-care/childcare/ICT

## 人生を抱きしめるクラウド

子育てにはじまり、介護まで。  
人の幸せを支える、クラウド技術があります。

“Cloud technology for all stages of life”

### Purpose & Values

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We strive to contribute to people and society through “cloud technology for all stages of life”.

Going forward, we will capitalize on opportunities for bringing Digital Transformation (DT) to aging populations in Japan and the rest of the world with our cloud platform. In doing so we seek to contribute to the development of a more sustainable and healthier future for humanity.

### Origin of our name

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“**Kaigo**” (Japanese for “elderly care”) + “**Dynamic**” + “**Network**”

## 2. Earnings



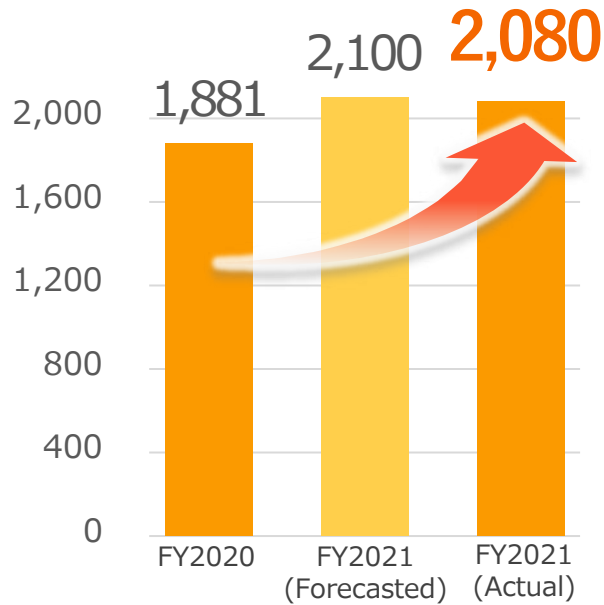
**KANAMIC NETWORK**

# 2-1. FY 2021, Consolidated Results

## Net Sales

YoY  
**110.6%**

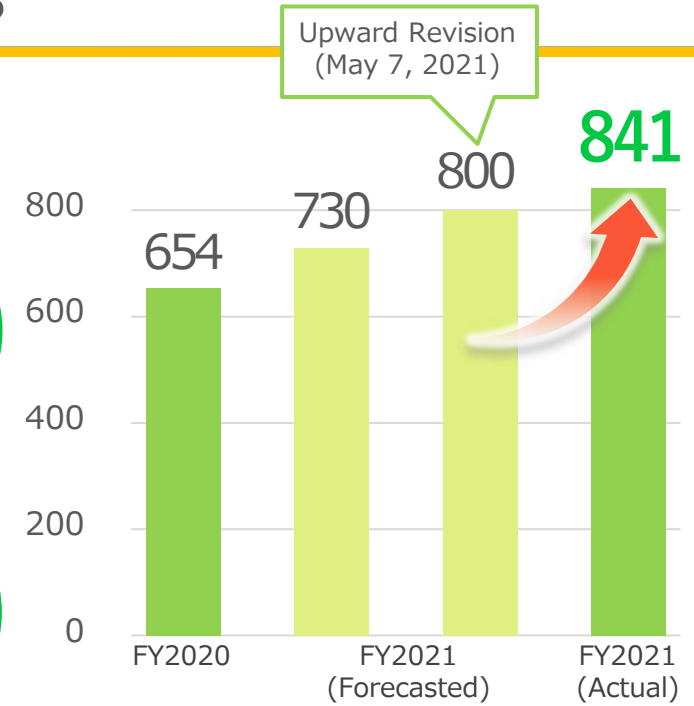
OB  
**99.1%**



## Operating Profit

YoY  
**128.6%**

OB  
**115.3%**



(Unit : 1 million JPY, %)

	PREV FY	FY 2021			Difference	
	Actual	Forecasted	Actual	Margin (% of Net Sales)	YoY (%)	Achievement Rate (vs initial forecast, %)
<b>Net Sales</b>	1,881	2,100	<b>2,080</b>	<b>100.0</b>	110.6	99.1
<b>Operating Profit</b>	654	730 → 800	<b>841</b>	<b>40.5</b>	128.6	115.3
<b>Ordinary Profit</b>	676	730 → 800	<b>829</b>	<b>39.9</b>	122.6	113.7
<b>Profit</b>	472	510 → 550	<b>579</b>	<b>27.9</b>	122.6	113.6
<b>Profit Per Share</b>		10.60 → 11.43	<b>12.08</b>			

\*Forecasts referenced above refer to the forecasts disclosed on November 6, 2020 and revised forecast disclosed on May 7, 2021



# 2-2. FY2021, Consolidated Results (by product)

■ Net Sales (YOY, %)

Cloud

YoY  
**113.1%**

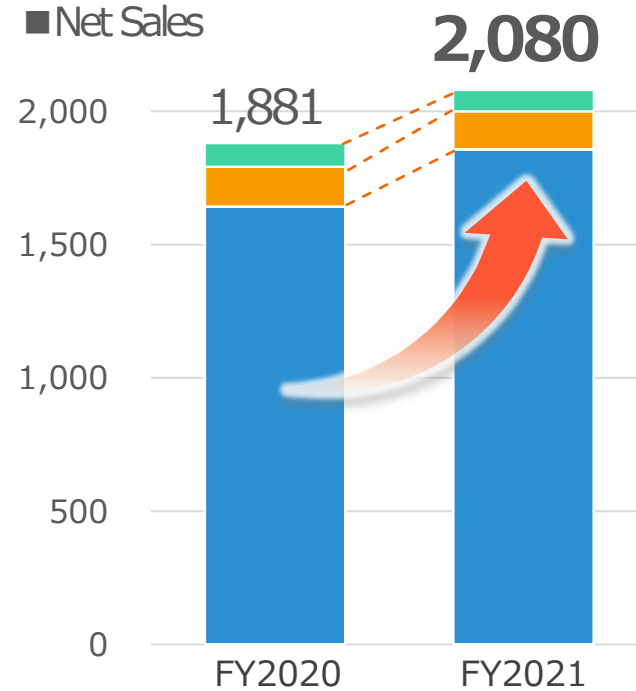
Platform

YoY  
**95.7%**

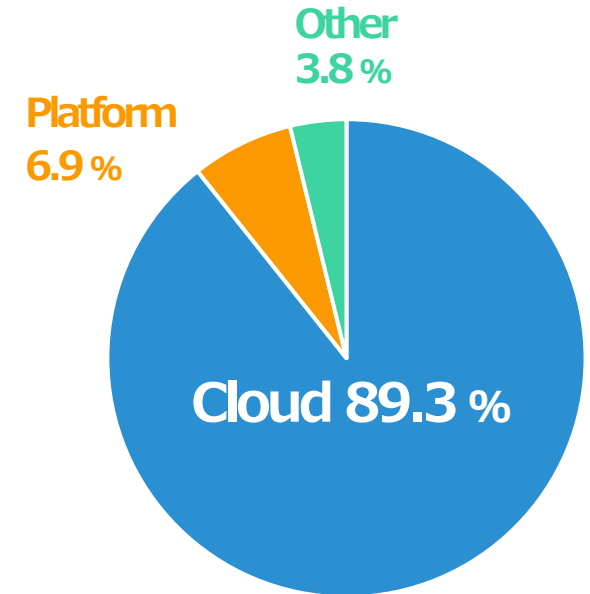
Other

YoY  
**89.5%**

■ Net Sales



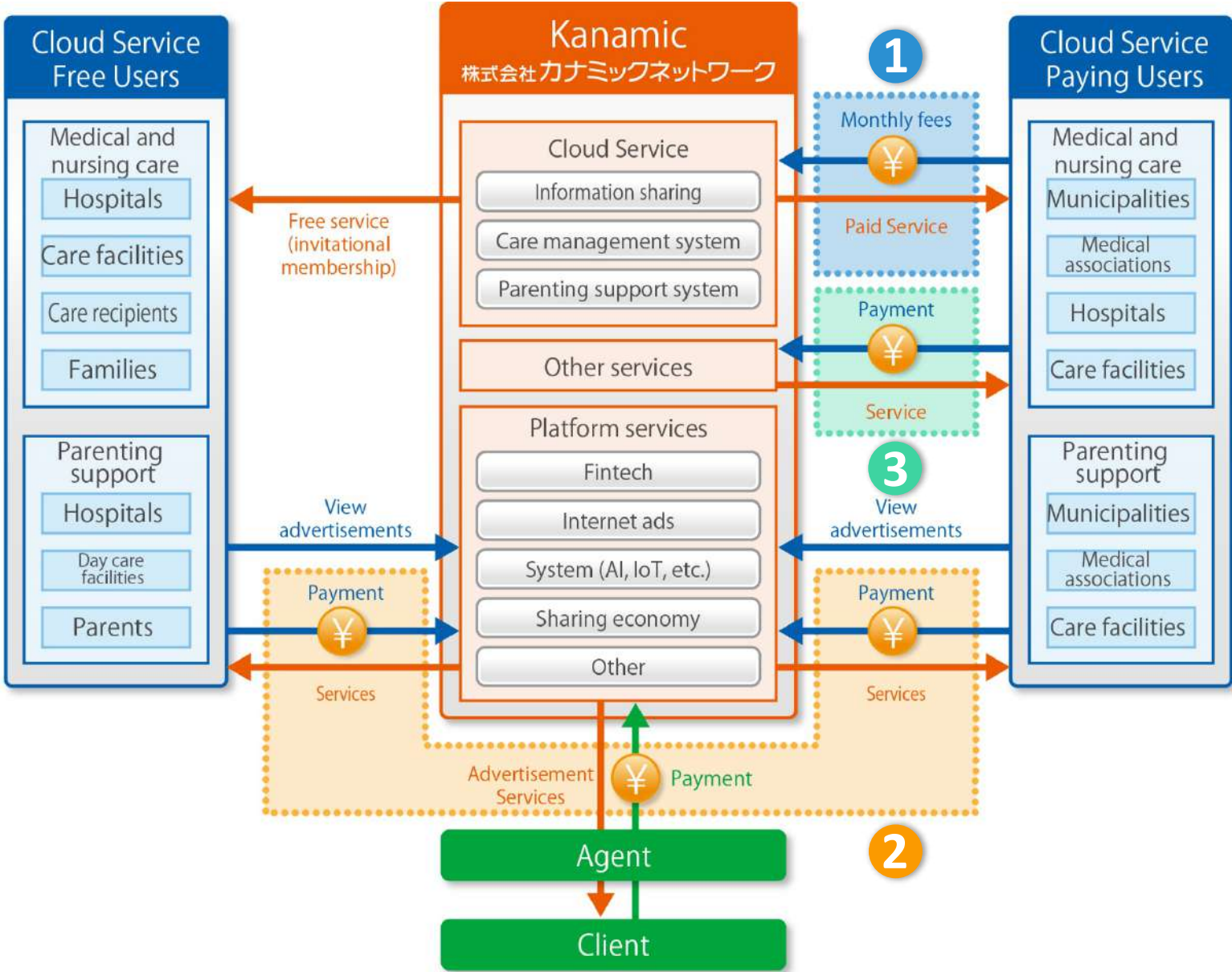
■ Composition of Net Sales



(Unit : 1 million JPY, %)

	FY2020		FY2021		YOY	
	Net Sales	Composition Ratio (%)	Net Sales	Composition Ratio (%)	Change	(%)
Cloud	1,642	87.3	<b>1,857</b>	<b>89.3</b>	215	113.1
Platform	150	8.0	<b>143</b>	<b>6.9</b>	-7	95.7
Other	88	4.7	<b>79</b>	<b>3.8</b>	-9	89.5
<b>Total</b>	<b>1,881</b>	<b>100.0</b>	<b>2,080</b>	<b>100.0</b>	<b>199</b>	<b>110.6</b>

# 2-3. Medical and Nursing Care Cloud Service Overview



The Company is a single segment business but sales by service are disclosed.

## FY 2021

### 1 Cloud

Net Sales : JPY 1,857mm  
(Weighting (%) : 89.3%)  
(YoY(%) : 113.1%)

### 2 Platform

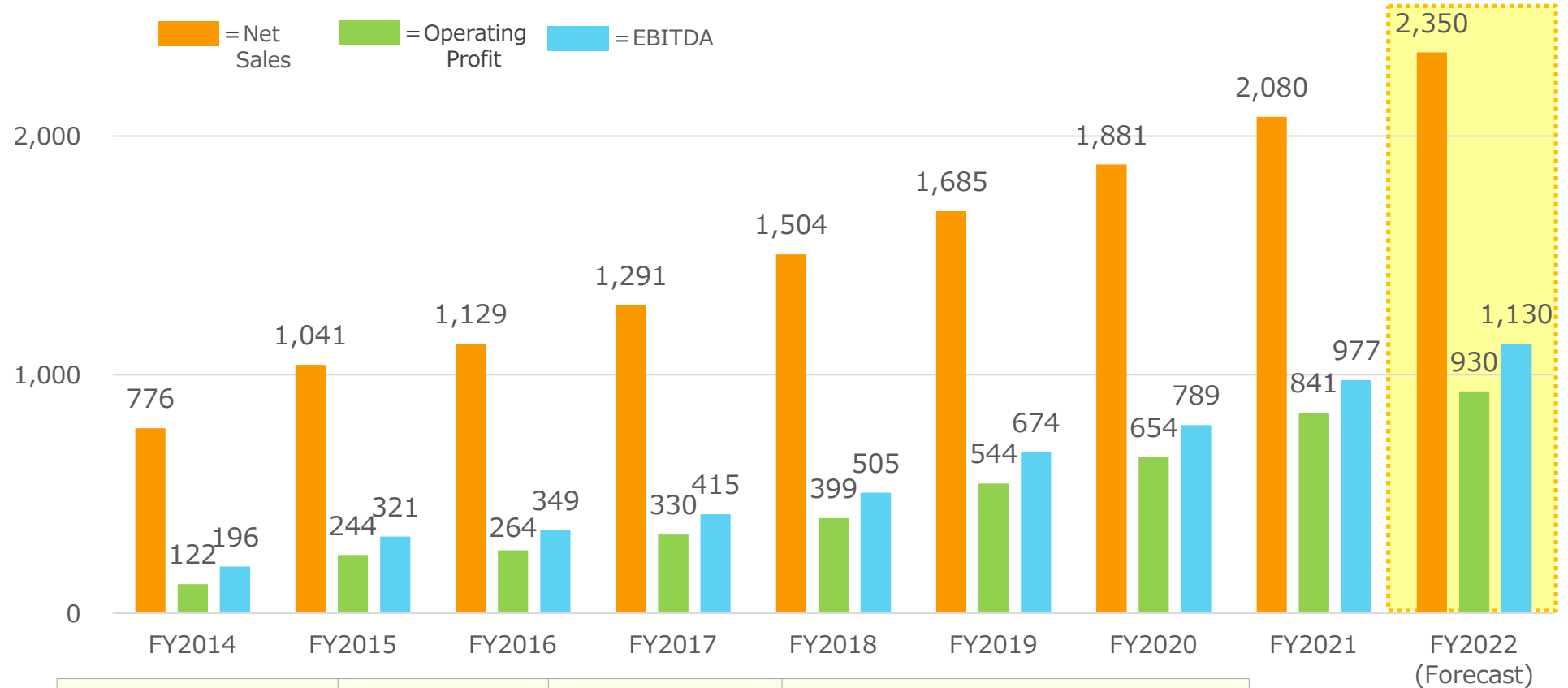
Net Sales : JPY 143mm  
(Weighting (%) : 6.9%)  
(YoY(%) : 95.7%)

### 3 Other

Net Sales : JPY 79mm  
(Weighting (%) : 3.8%)  
(YoY(%) : 89.5%)

# 2-4. FY 2022 Estimate

\*A contract with a major elderly care service provider has been secured with implementation scheduled for FY 2023. Ahead of this, preparatory investments will be made during FY 2022.

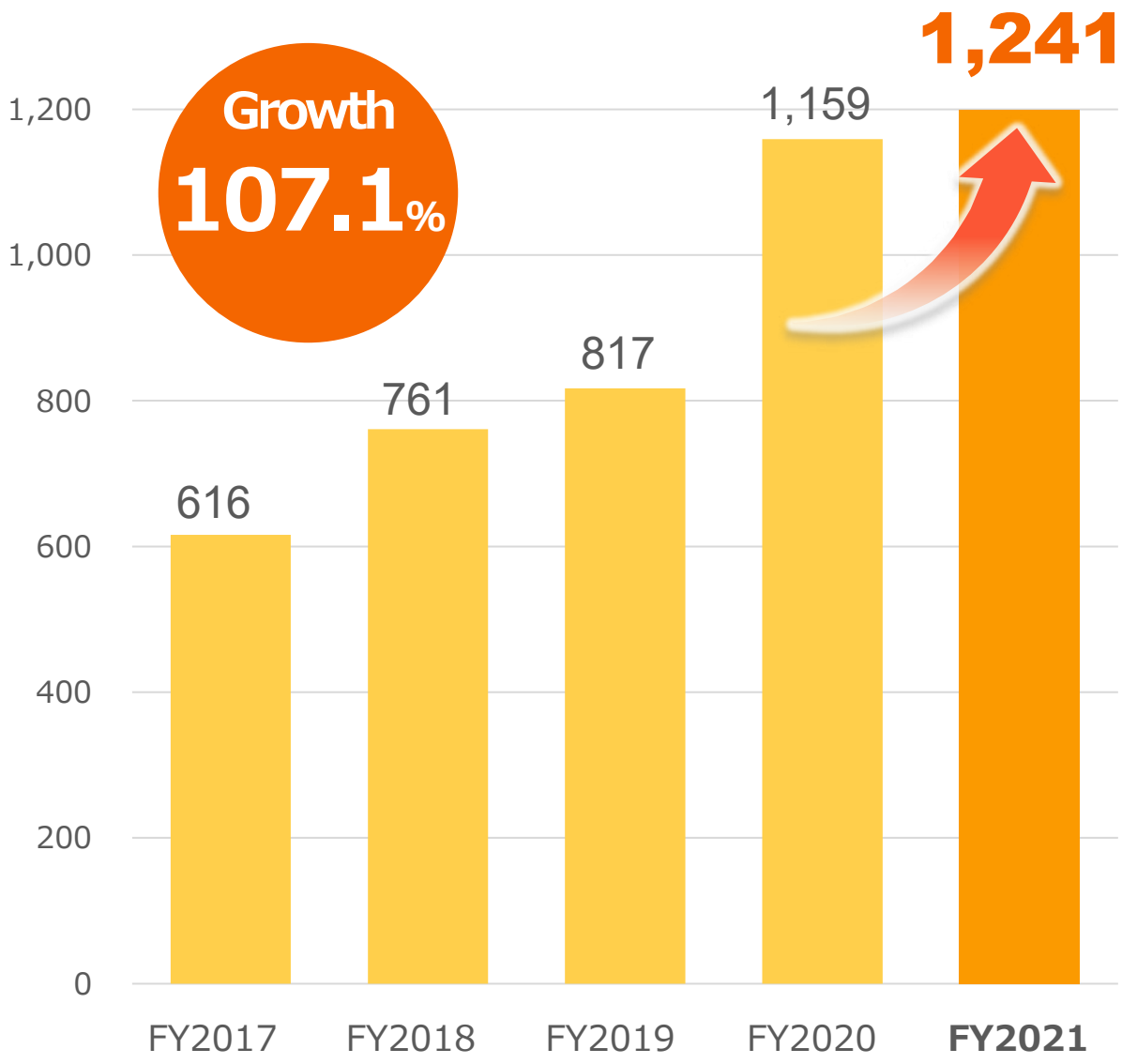


	FY 2021	FY 2022	YoY (Forecasted)	
		Forecast	Change	(%)
<b>Net Sales</b>	2,080	2,350	<b>+269</b>	<b>112.9</b>
<b>Operating Profit</b>	841	930	<b>+88</b>	<b>110.5</b>
<b>Ordinary Profit</b>	829	930	<b>+100</b>	<b>112.1</b>
<b>Profit</b>	579	640	<b>+60</b>	<b>110.4</b>
<b>EBITDA</b>	977	1,130	<b>+152</b>	<b>115.6</b>

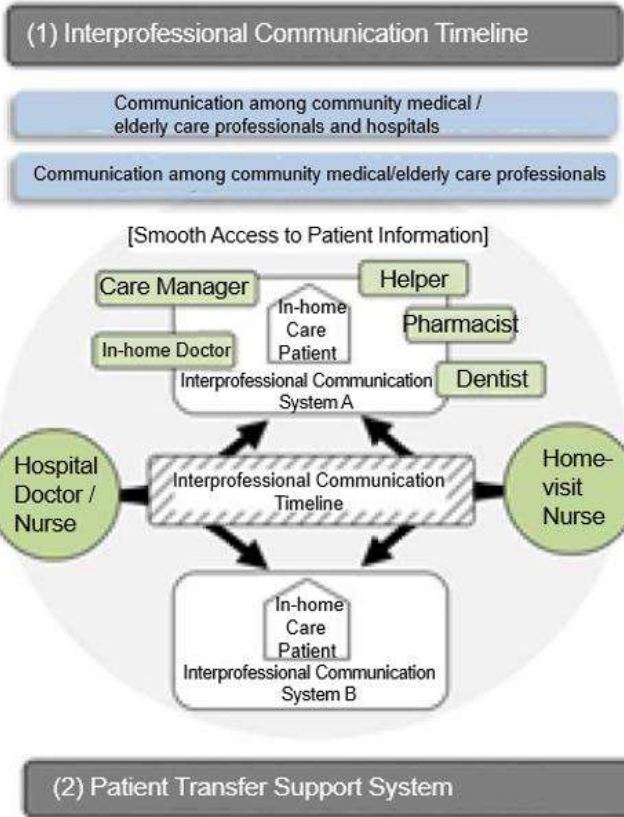
(Unit : 1 million JPY)

\*Results prior to FY2020 are standalone figures and results for FY2020 onward are consolidated figures.

# 2-5. Number of Regions Using Our Cloud Service



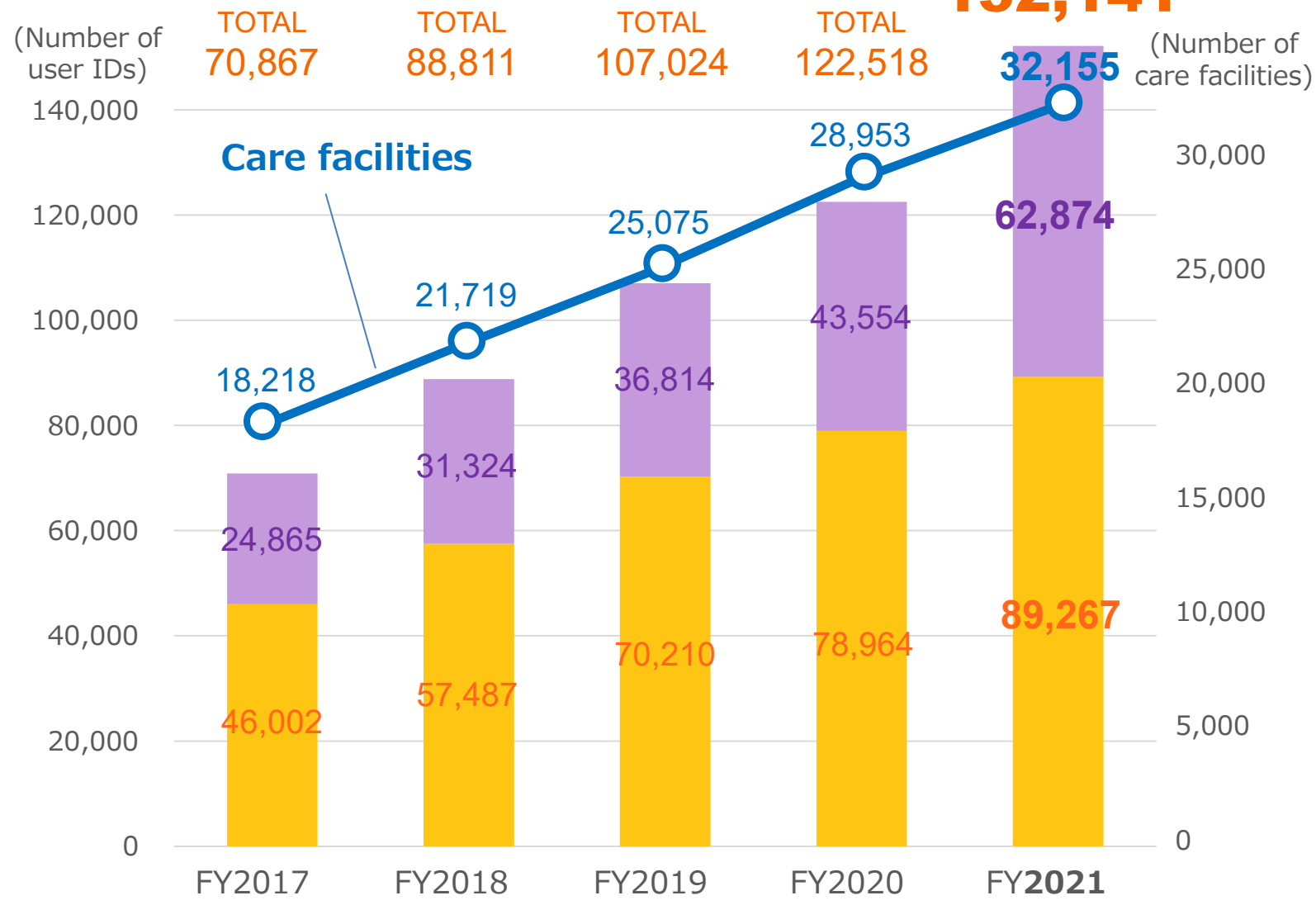
**Contracted for Portal Site for All Regions of Tokyo**



\*One region consist of an area with a population of 30,000 people, roughly the size of a junior high school district as defined within the community comprehensive care framework envisioned by the Ministry of Health, Labour and Welfare

# 2-6. Growth in the Number of User IDs & Care Facilities

■ = Paying users 
 ■ = Free users



**FY2021**

Growth **124%**

**TOTAL**

Growth **144%**

**Free Users**

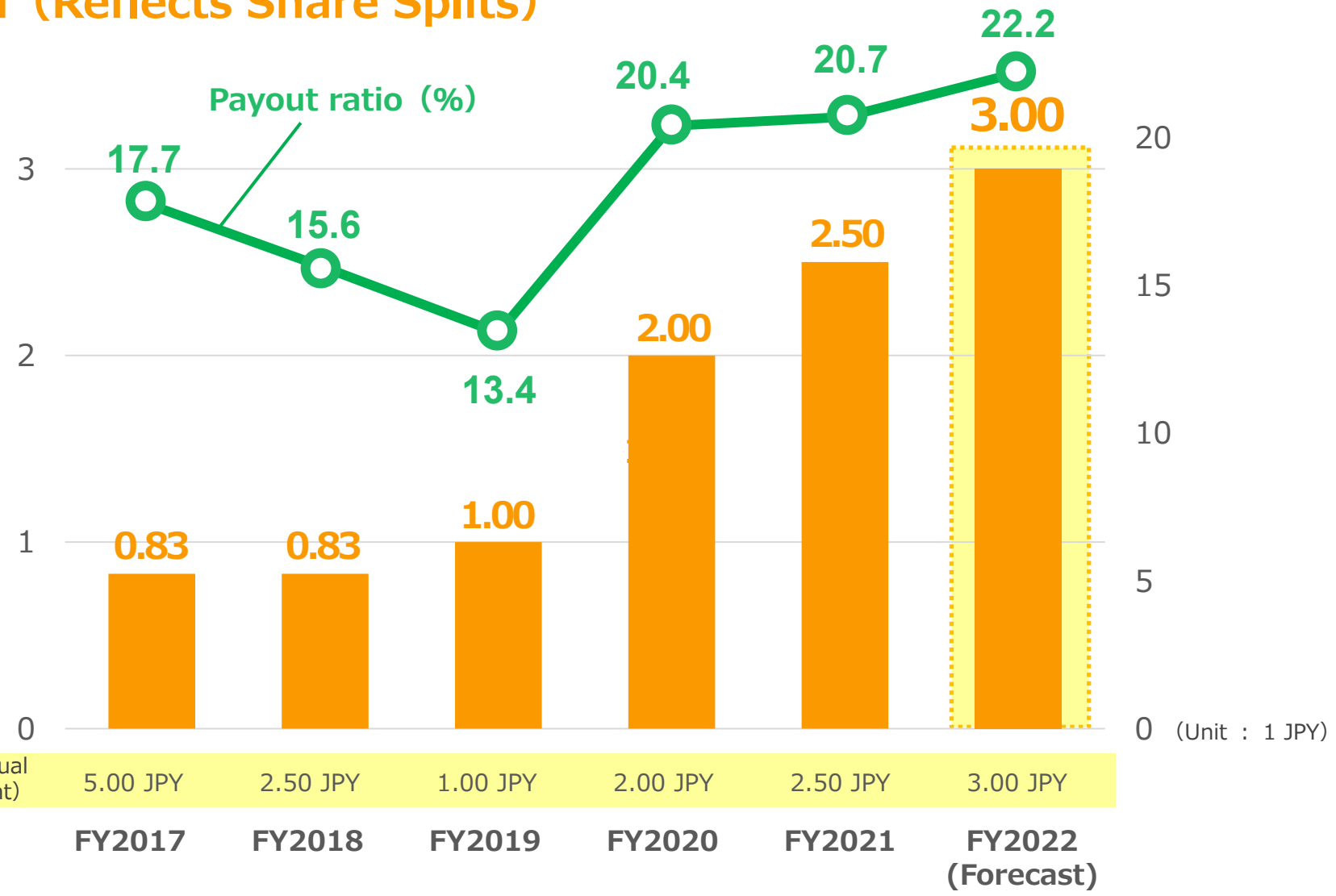
Growth **113%**

**Paying Users**

# 2-7. Dividends

From FY 2020, the target dividend payout ratio has been 20% or better.

## ■ Dividend (Reflects Share Splits)



# 2-8. Shareholder Benefits Program

To increase the attractiveness of our shares, and attract more shareholders Kanamic Network has implemented a lottery style shareholder benefit program

## Benefit ①

Shareholders recorded in Registry of Shareholders as of September 30<sup>th</sup> of each year who hold 100 or more shares

200,000 JPY worth of JCB Gift Cards presented to 10 shareholders by lottery

## Benefit ②

Shareholders who have held 100 or more shares continuously for 1 year or longer (recorded in the company's year end/interval Registry of Shareholders with the same shareholder number for at least 3 consecutive times)

200,000 JPY worth of JCB Gift Cards presented to 3 shareholders by lottery



The lottery will be impartially conducted at a lottery event, which follows the Ordinary General Shareholders' meeting, and in the presence of Mitsubishi UFJ Trust and Banking Corporation, the Company's shareholder registry administrator. The lottery results will be announced by posting successful shareholders' shareholder numbers on the company website. We plan to send the JCB Gift Cards during the 2<sup>nd</sup> third of January each year.

\*Please note that in cases where all shares are disposed, subsequently purchased shares will be assigned a different shareholder number.

\*For this fiscal year, the program is implemented for shareholders who are recorded or listed in the Registry of Shareholders as of September 30, 2021 and hold 100 or more shares and ② is applicable for shareholders recorded or listed in the Registry of Shareholders with the same shareholder number for all of the following reference dates: September 30, 2020, March 31, 2021, and September 30, 2021.

# 3.Topics



# 3-1. FY2021 Revision to the Long-term Care Insurance Law

April 2021: the long-awaited birth of the digital transformation in long-term care

**Promotion of the community comprehensive care framework**

Interdisciplinary collaboration using communications systems



**Promotion of undertakings in scientific nursing care (LIFE)**

Utilizing data to improve quality of long-term care



**Shifting from in-person meetings to online meetings**

Utilization of ICT in meetings and interdisciplinary collaboration



**Doing away with "signing and sealing"**

Digitally signed and time stamped electronic contracts/documents



**Relaxation of staffing requirements for providers who adopt IoT/ICT technology**

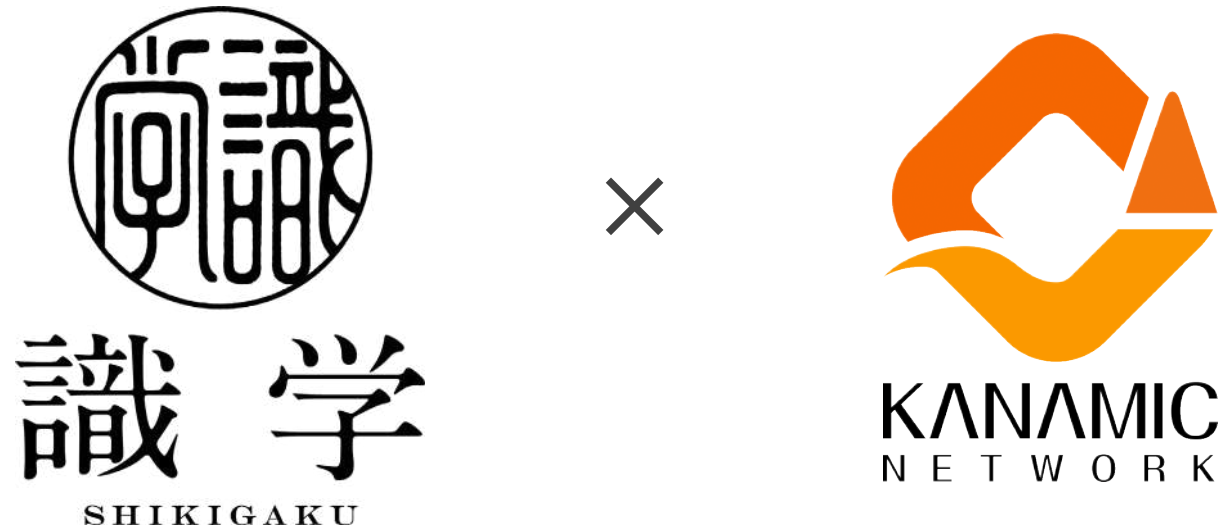
Fewer night staff required when care recipient monitoring devices are used



In the 2021 revision of the long-term care law, a policy of promoting and rewarding the utilization of IT towards the following ends was adopted: "for strengthening the ability to respond to infectious diseases and disasters", "for promoting efforts to help care recipients live independently and prevent their condition from worsening", and for "addressing personnel shortages and revolutionizing the long-term care front lines".

Announced November 18, 2020

Business alliance with Shikigaku to provide support to IPO-aspiring corporations in the long-term care industry

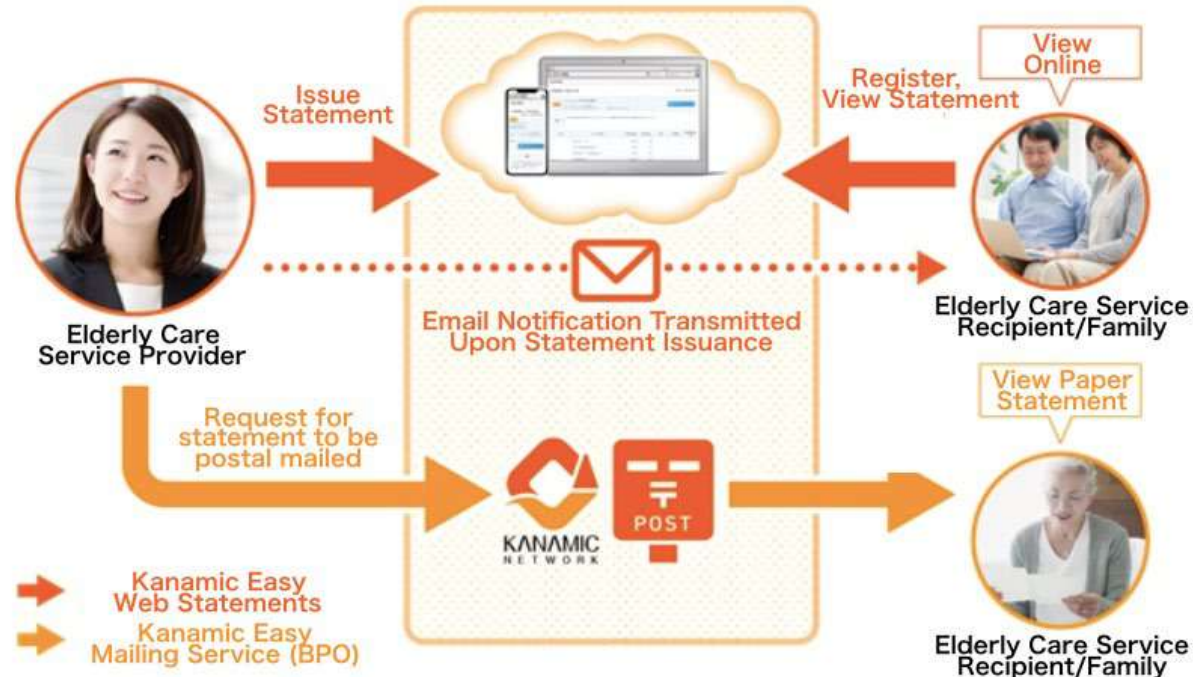


Kanamic will leverage Shikigaku's management consulting services to (1) help clients achieve sound management driven by increased business productivity and (2) support organizational reform at IPO-aspiring corporate clients. This will help transform healthcare and long-term care businesses (that face severe labor shortages and management challenges) into organizations capable of sustained business expansion.

# 3-3. Driving digital transformation in long-term care

Announced December 17, 2020

Helping clients streamline cumbersome billing operations / receipt issuance!



"Kanamic Easy Web Statements" allows clients to issue and transmit bills and receipts (created with the Kanamic Cloud Service) completely over the internet. The "Kanamic Easy Mailing Service" is a BPO service that helps clients (1) print, (2) enclose / seal, and (3) mail bills/receipts.

These services allow elderly care service providers to greatly reduce labor costs and man-hours associated with issuing bills/receipts, to go paperless, and to reduce the burden on elderly care workers on the caregiving front lines.

Announced March 5, 2021

### Kanamic Network Recognized under the “2021 Certified Health & Productivity Management Outstanding Organizations Recognition Program”



Through this award, the Ministry of Economy, Trade and Industry (METI), the Ministry of Health, Labour and Welfare (MHLW), and Nippon Kenko Kaigi jointly recognize outstanding large enterprises, SMEs and other organizations engaging in strategic efforts to advance employee health and productivity.

Announced March 9, 2021

# Kanamic Network and the "Healthy City Support Organization" (HCSO) commenced joint development of standardized community-based health-data system for municipalities

**Electronic Health Handbook Service (PHR): Information Sharing System** Basic Concept

System Screen (Main Screen)

**Individual**  
John Doe  
Room Administrator

**Healthcare Professionals**  
Public health nurse  
Registered dietitians  
Physical trainer  
Attending physician  
Pharmacist

**Main Screen (which shows changes in the user's condition) includes tabs detailing various information**

**Standardized Information on each individual:**

- Underlying conditions
- Health check results
- Cancer Screenings
- Medication
- Calendar

**Report sharing monthly changes:**

- Weight and abdominal circumference
- Number of steps / amount of activity
- Diet and nutrition
- Oral care
- Frailty score
- Cognitive function

**Only accessible to approved healthcare professionals invited by the individual**

ヘルスケアレポート



Based on the agreement and in support of the efforts of municipal governments to promote health and wellbeing in their communities, in March 2021, the Company and HCSO commenced joint development of a standardized community-based health-data system for municipalities. In doing so, the organizations are working toward the promulgation of a standardized framework for healthcare professionals to share and capitalize on scientifically-rooted, standardized data.

# 3-6. IR Information

Announced July 15, 2021

Funds raised for growth-oriented M&A

## Benefits of convertible bonds (Immediate financing)

- 20 billion JPY (**Immediate** financing)
- UoP: M&A funding for business expansion
- **Issuance over par (100.2)**
- **0% Interest Rate (Zero coupon)**
- Initial convertible price +135%
- Reset Convertible price at 1.5 years
- **Minimum exercise price after reset is fixed to the closing price of the resolution date**



## Benefits of warrants (Flexible financing)

- 3 billion JPY (**Future** Financing)
- UoP: M&A funding for business expansion
- **Exercise controlled by the issuer (Suspension of exercise)**
- Fixed Dilution
- **Minimum exercise price is set to the closing price of the resolution date**
- **Possible to raise capital at higher share price in an ascending stock market**

Scheme that allows the benefit of both CBs and Warrants.  
CB brings the immediate financing to a certain extent and warrant makes it possible to exercise while observing the movement of the market



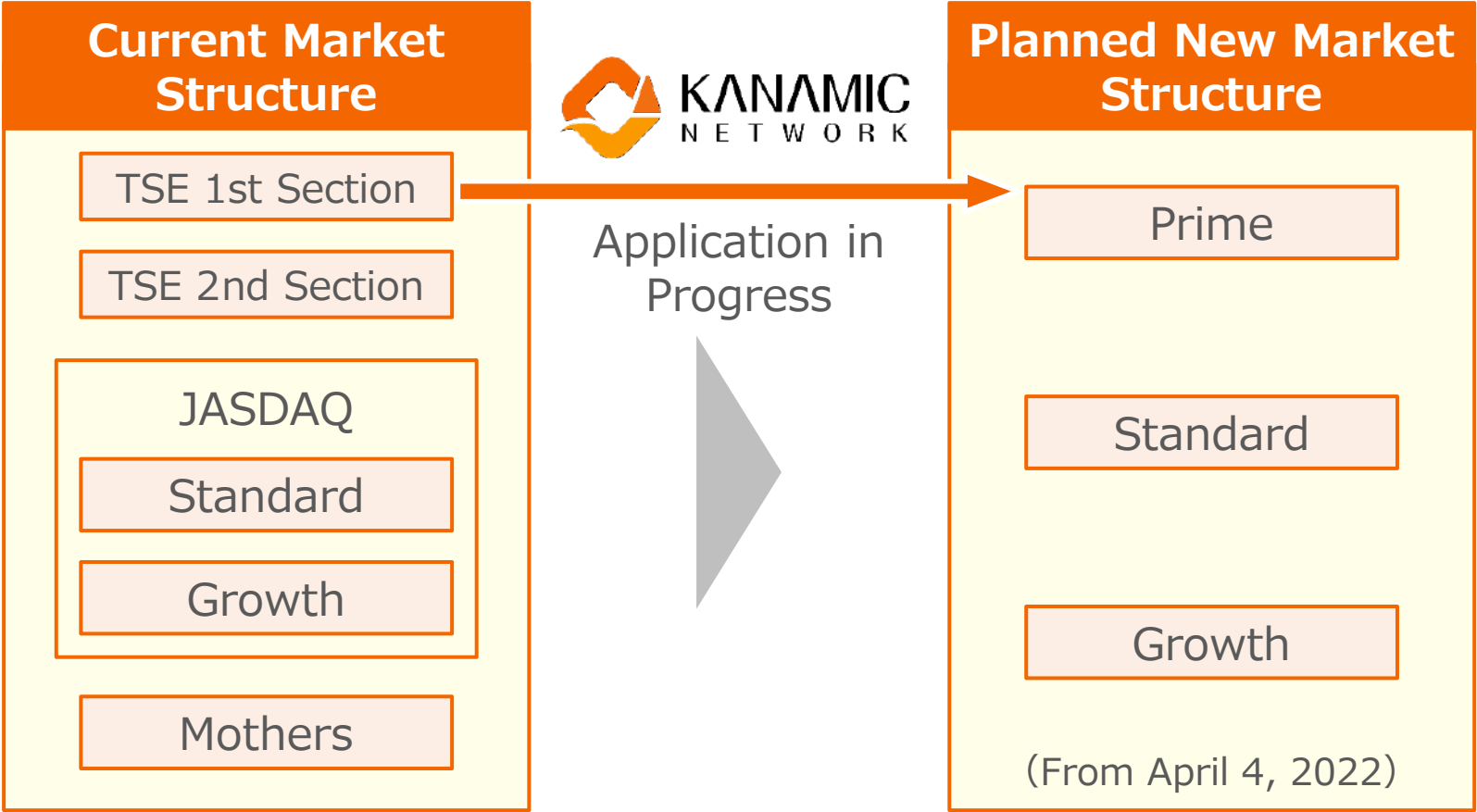
Additionally, **simultaneously implementing the Share Buyback** aims to care about the exiting shareholders, and to mitigate the short-term impact of the demand and supply of the market.

Kanamic raised ~2 billion JPY through issuing convertible bonds and also issued ~3 billion JPY of warrants via third-party allotment. In line with our corporate vision, going forward we will actively pursue M&A opportunities as a strategy to strengthen and broaden our “Contents”, “Reach”, and “Platform” as we strive to expedite the realization of the Kanamic Healthcare Platform.

# 3-7. IR Information

Announced September 3, 2021

Application to be listed on the "Prime Market" upon reorganization of the TSE's market into the planned new market segments



Kanamic received results of an initial assessment by the TSE which indicated that Kanamic is in compliance with the listing standards for the "Prime Market". In light of this, Kanamic filed an application to be included in the "Prime Market" upon the TSE's restructuring of its market into the new segments.

# 3-8. Helping Communities with Childrearing

Announced September 3, 2021

Solving Community Challenges in Toyohashi City (Aichi Prefecture)  
Kanamic Participates in the “Urban Innovation Toyohashi” Project

Urban Innovation TOYOHASHI



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KANAMIC NETWORK



\*stock image

Kanamic will construct a system to solve challenges faced by Toyohashi City related to assessing the severity of child abuse cases. The challenges to be solved by the system include the following: failure to evaluate all “judgement factors”, loss of knowledge due to staff changes, and inability to properly utilize past data. The new system will be constructed based on the “AI Evaluation System for the Identification of Children at Risk of Requiring Aid and Protection”, a system which utilizes Kanamic’s unique AI technology and was previously developed by Kanamic as part of the Ministry of Internal Affairs and Communications’ “2019 Initiative for the Promotion of Regional IoT Implementation”.



# 4. Strategy



KANAMIC NETWORK

# 4-1. Kanamic's Growth Strategy

## ■ The Growth Blueprint

We will expand on our "Contents", "Reach", and "Platform" in line with our corporate purpose and values as we continue to grow existing businesses organically and pursue new business opportunities. We are also actively considering M&A as a method of strengthening and expanding our business.

### Kanamic's Purpose & Values:

**"Helping People and Communities with a Cloud Service for ALL Stages in Life"**

**PHR Solutions: Empower children, adults and seniors alike with Personal Health Data**

**Contents**

**For a GLOBAL Userbase  
(Japan and Abroad)**

**Reach**

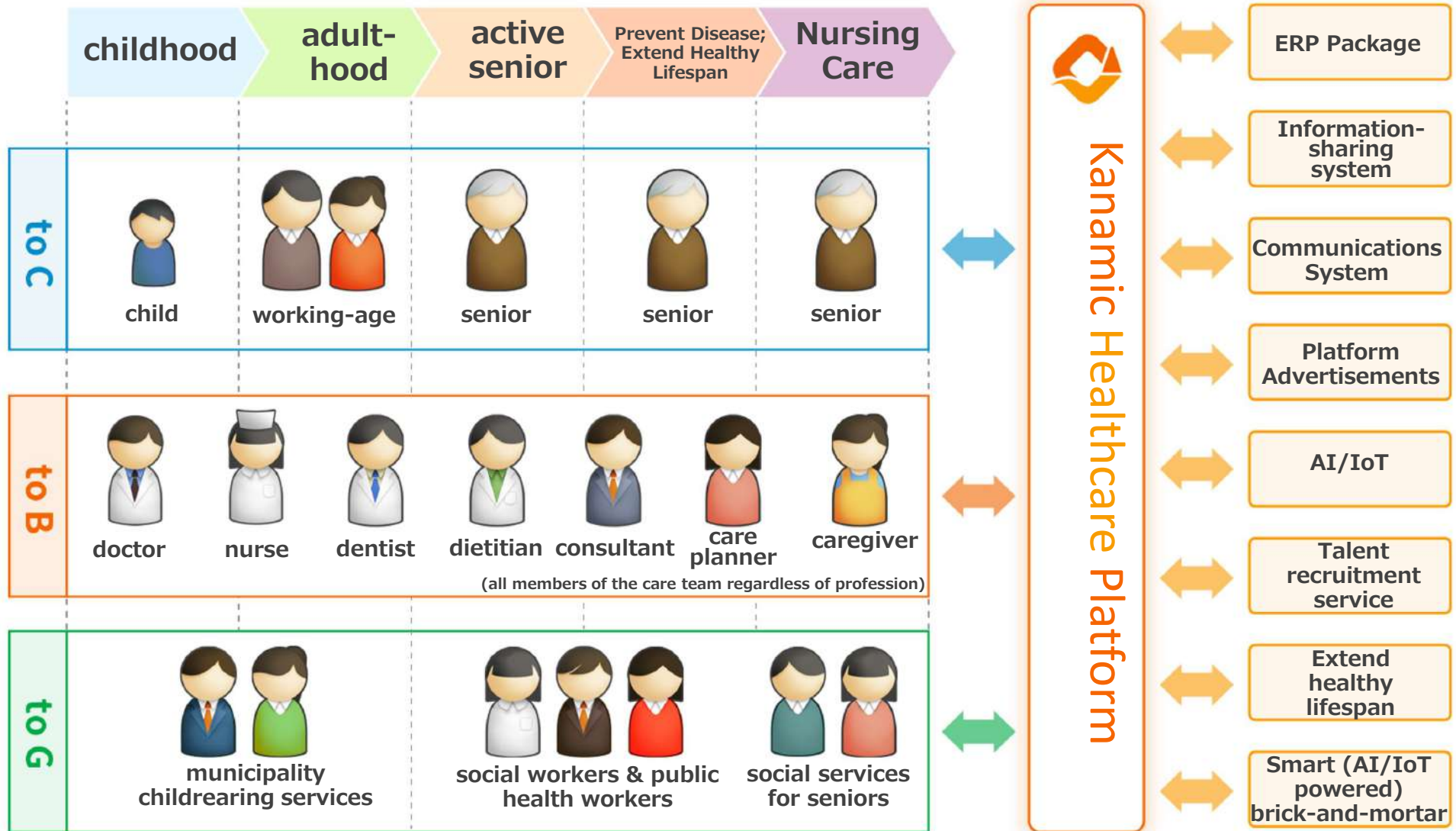
**Healthcare Platform for  
Adding Value to People AND Businesses**

**Platform**

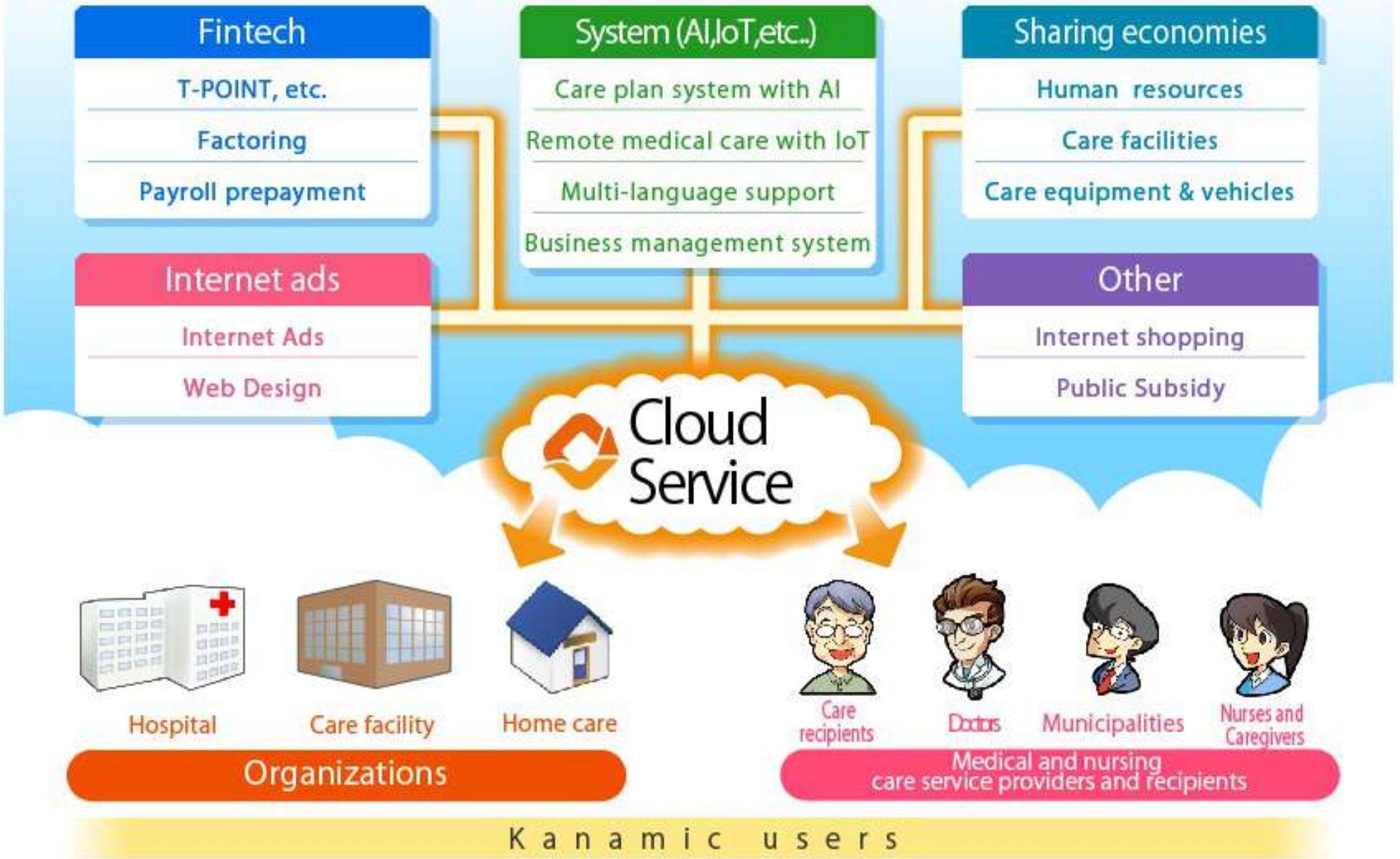
# 4-2. Kanamic's Growth Strategy

## ■ “Helping People and Communities with a Cloud Service for ALL Stages in Life”

Developing PHR-based health management solutions for people of all biological ages and constructing a healthcare platform for use around the world



# 4-3.Growth Strategy / Platform Strategy

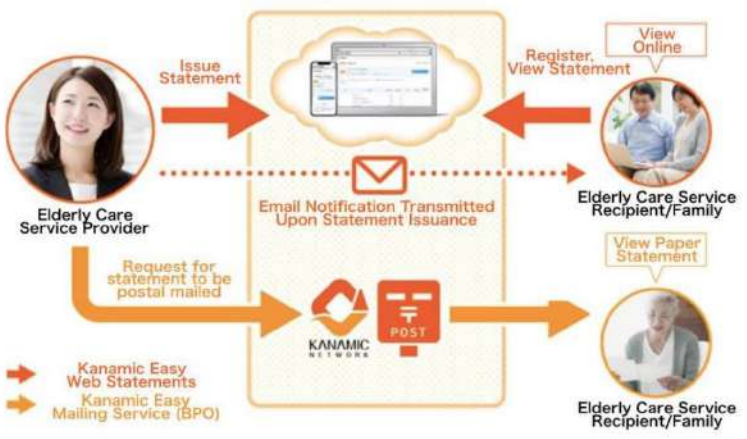


# 4-4. New service areas

■ Kanamic has begun expanding into new service areas where it can capitalize on healthcare/LTC expertise

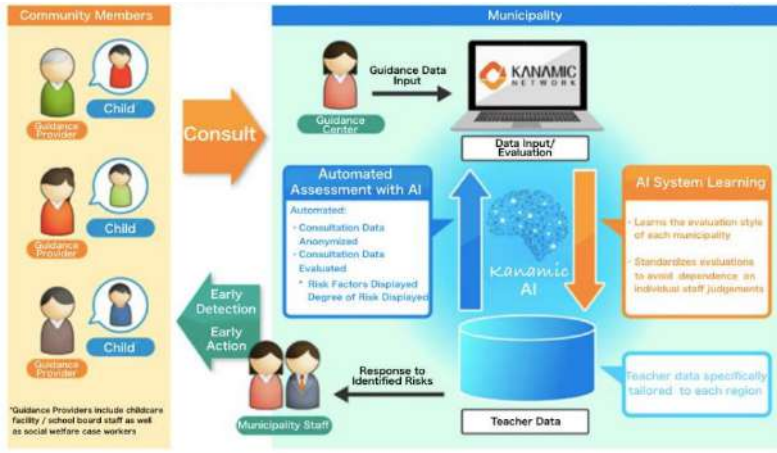
BtoC services that build upon the existing cloud service

## [Web Statements & BPO]



Lengthening the "Disability-Free-Life-Expectancy" through Personal Health Records (PHR) –based services

## [Electronic Health Record Handbook]

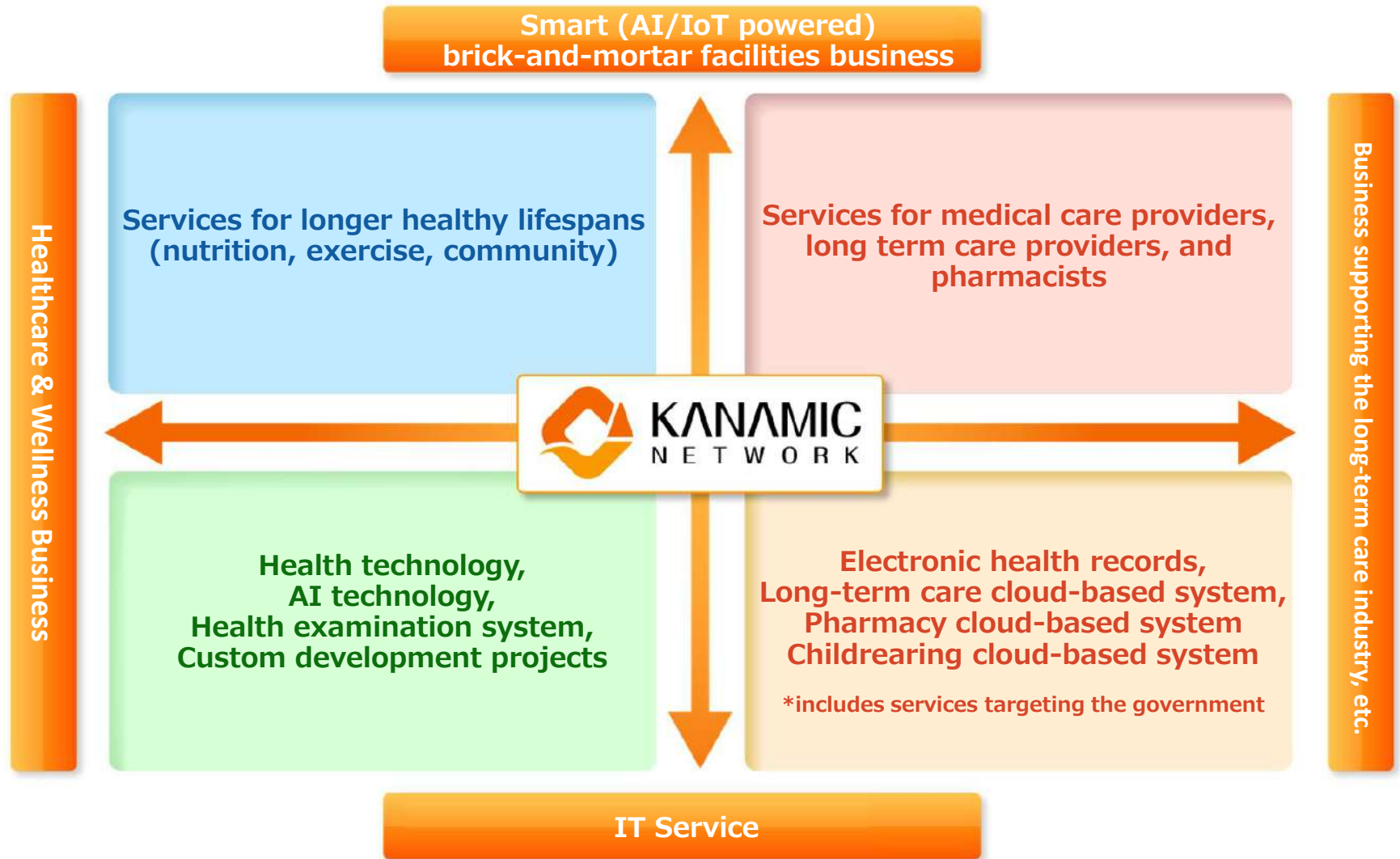


AI services that capitalize on operational data  
[AI System for the identification of children at risk of requiring aid]

# 4-5 Kanamic's M&A Strategy

## ■ Targeting M&A (and capital/business alliance) candidates that fit Kanamic's purpose & values

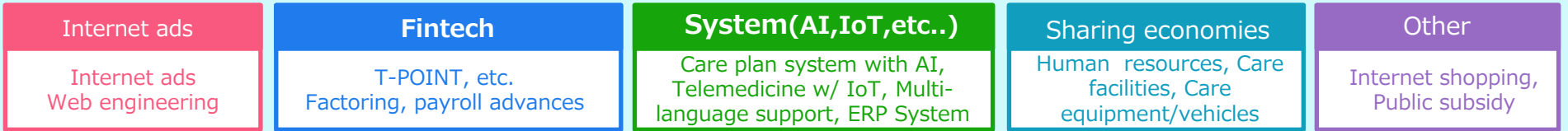
- Identifying strategic synergies to accelerate the realization of the Kanamic Healthcare Platform;
- Smart (AI/IoT powered) brick-and-mortar facilities present opportunities for data gathering



## 5. Business Outline



# 5-1. Business Outline



- Public administration
- Medical treatment
- Nursing care

- Public administration
- Child care
- Medical examination

Platform Service



We provide care for all generations



# 5-2.Cloud Service : Medical & Nursing Care

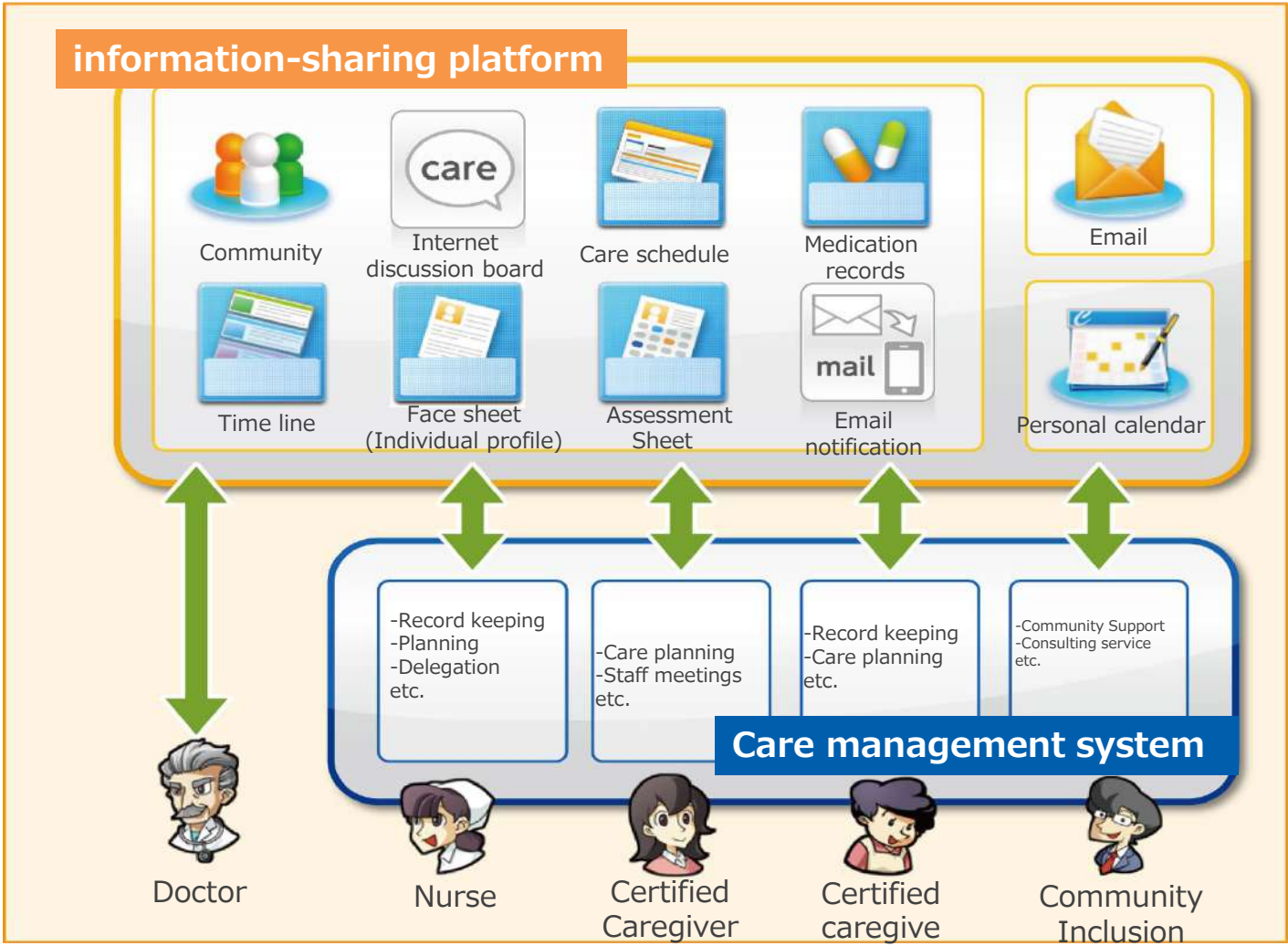
\*Many other functions are available

## 2<sup>nd</sup> layer

### 2nd layer Paying user

information-sharing platform is introduced into the whole area with an aspect

- Municipalities
- Regional Comprehensive support centers
- Medical associations
- Central hospitals
- Home care doctors



### 1st layer Paying user

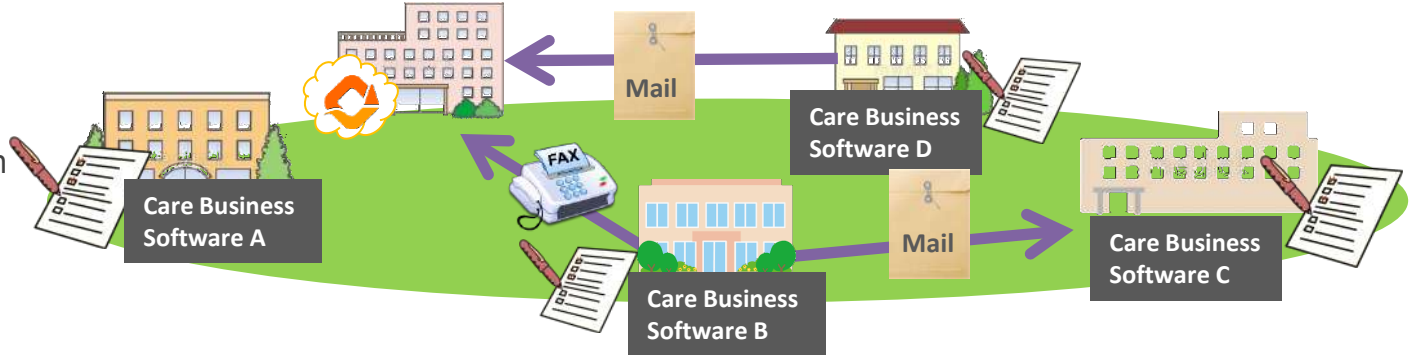
- Care manager
- Care providers
- Community inclusion support center

## 1<sup>st</sup> layer

Care management system is introduced into every corporation, company

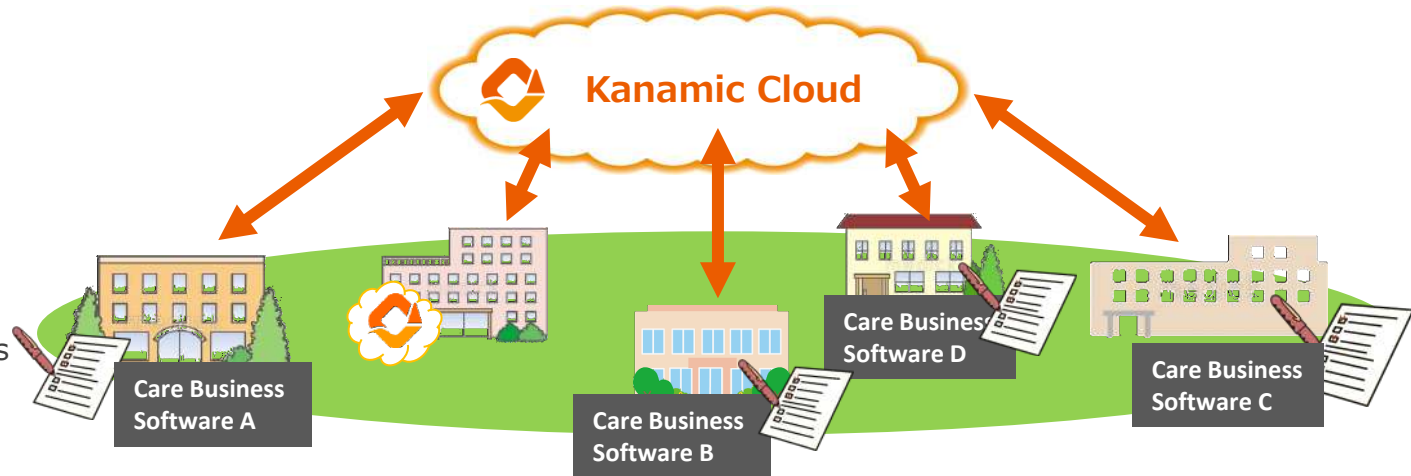
## STEP.1

No information distribution system is in place. Each facility uses different software and there are separate communication channels among parties that utilize postal and FAX.



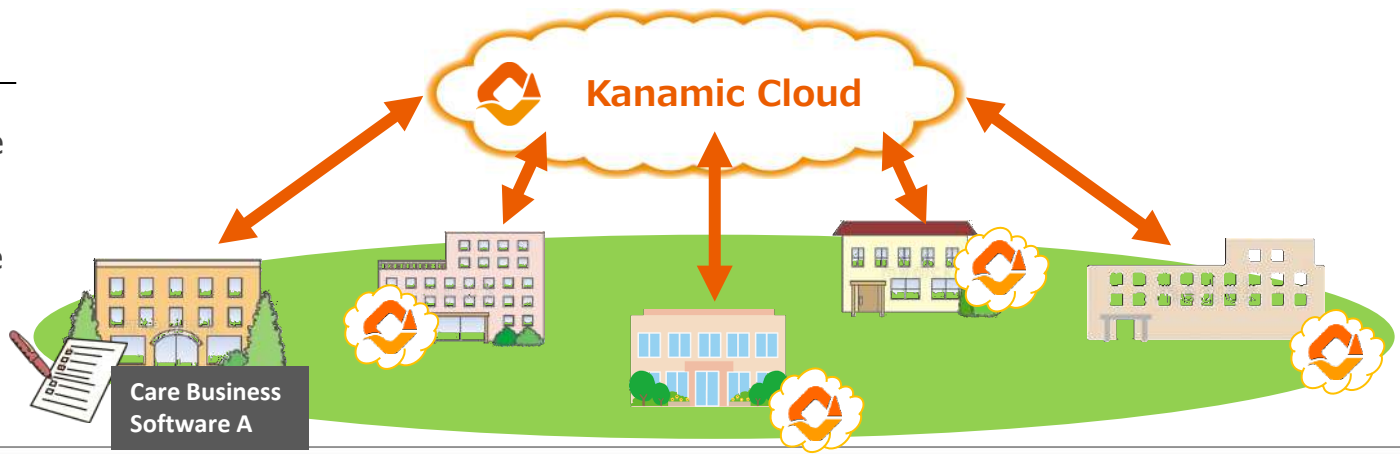
## STEP.2

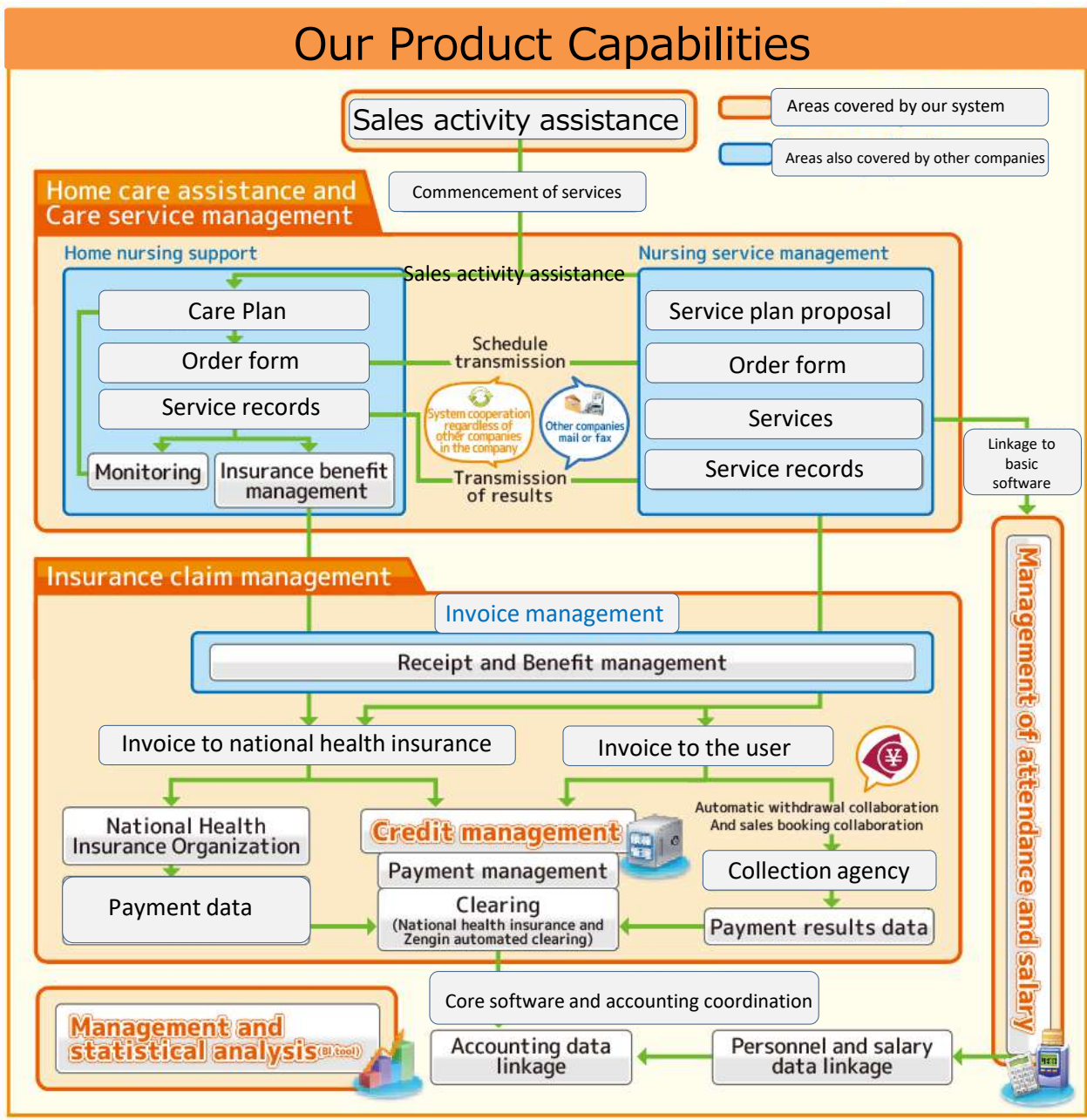
Our product is installed for regional nursing care information distribution (2<sup>nd</sup> layer), which leads to smoother distribution of information. However paperwork is still required on site.



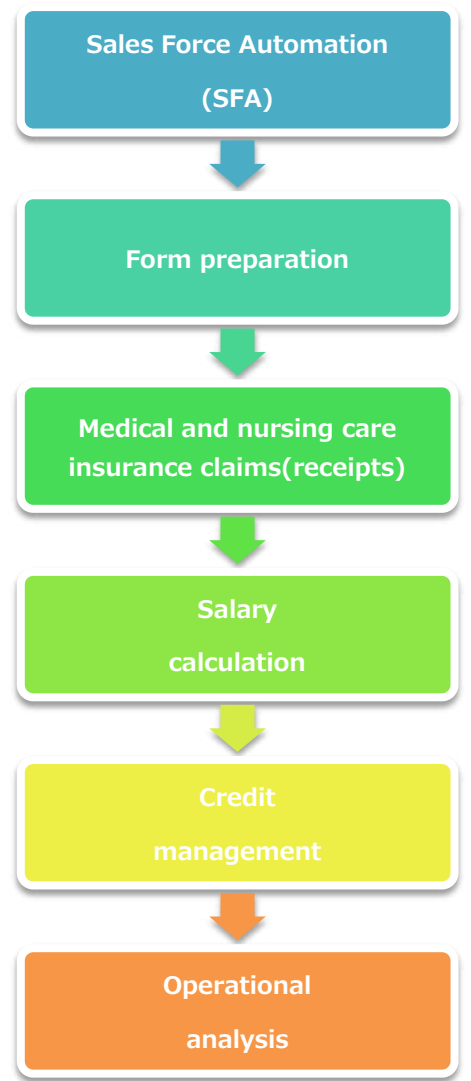
## STEP.3

Our product is used in nursing care business administration (1<sup>st</sup> layer). By using KANAMIC Cloud, administrative work becomes more efficient and leads towards achieving a paperless operation.





### Extensive lineup supporting the management of nursing care business



## System screen

Room for each care recipient



**2nd layer Manager**

- Municipality
- Medical association
- Central hospital
- Home care doctor

Only accessible to approved persons involved in the care of care recipient



ログアウト

サンプル事業所のケアマネ 花子さん こんにちは。

コミュニティ
マイページ
参加コミュニティ一覧
介護カナさんの部屋

前の画面へ戻る

介護 カナさんの部屋

本人・家族招待

[利用者情報の名寄せ]

この部屋の管理者

サンプル事業所

ケアマネ 花子

管理番号

説明・確認事項	基本情報・地図	住宅情報	家族情報	医療情報	介護情報
身体・生活	認知・精神	社会	温度板	食事・排泄	備考

上の項目をクリックして表示・非表示できます→

過去の記録を見る

フェイスシート  
新規作成

サービス  
カレンダー

おくすD手帳

アセスメント  
(設定調査票)

訪問口腔ケア  
チェックシート

データフォルダ

タイムライン

ケアレポート

新しくトピックをつくる ?

トピック	書込数(未読数)	最終更新日
利用者情報共有板	>>見る 3(未2)	2012/2/16 11:07
【重要】蕎麦アレルギーについて	>>見る 3(未1)	2010/7/14 18:35

Tabs to monitor changes in the care recipients condition

Information on each care recipient

- Face sheet (collaborative information)
- Care schedule
- Medication records

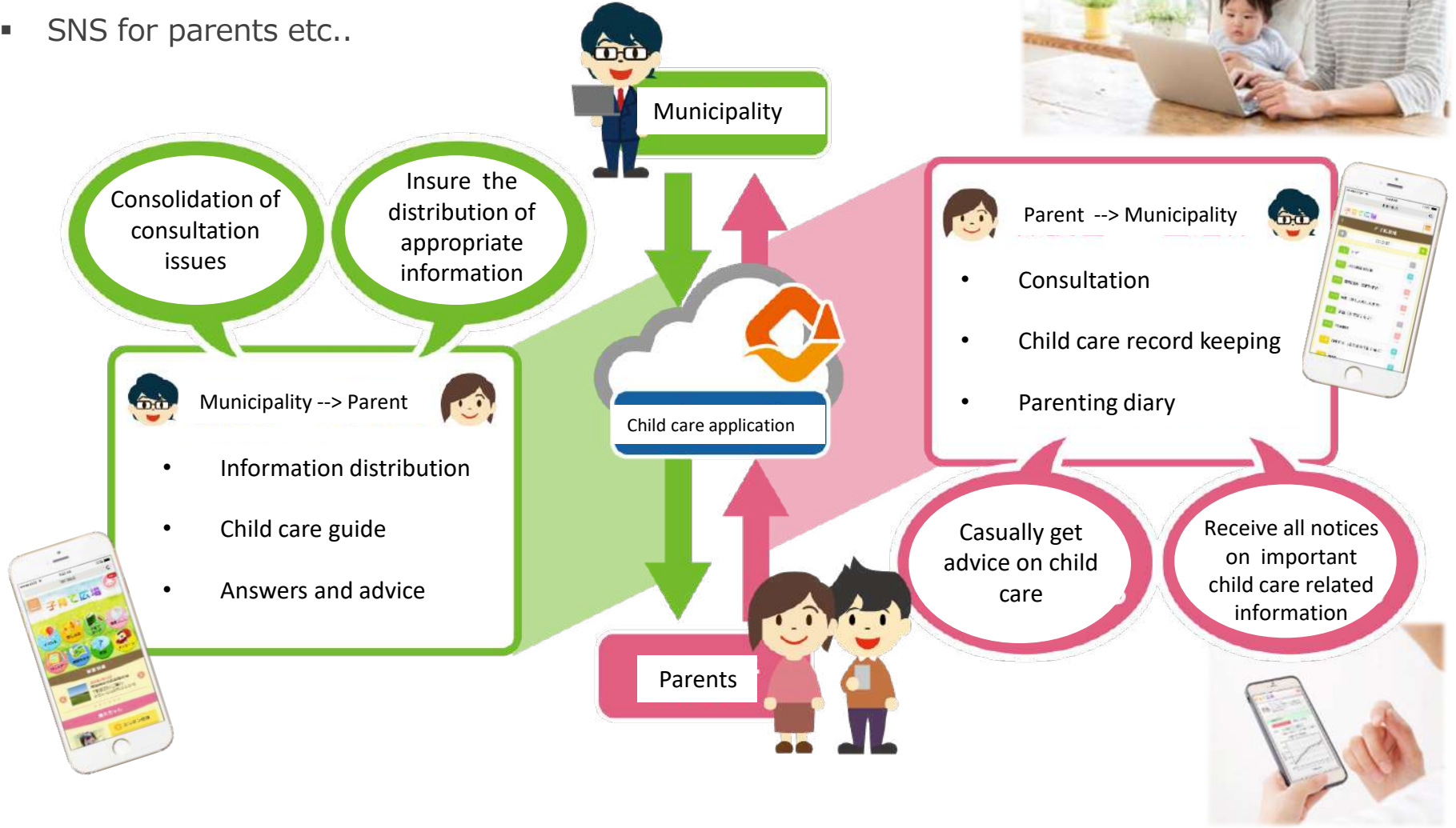
Care record for daily changes

- Care recipient information
- Shared diary
- Care plan
- Vital sign information
- Consumption /excretion records
- Instructions for visiting nurses
- Medical information etc.

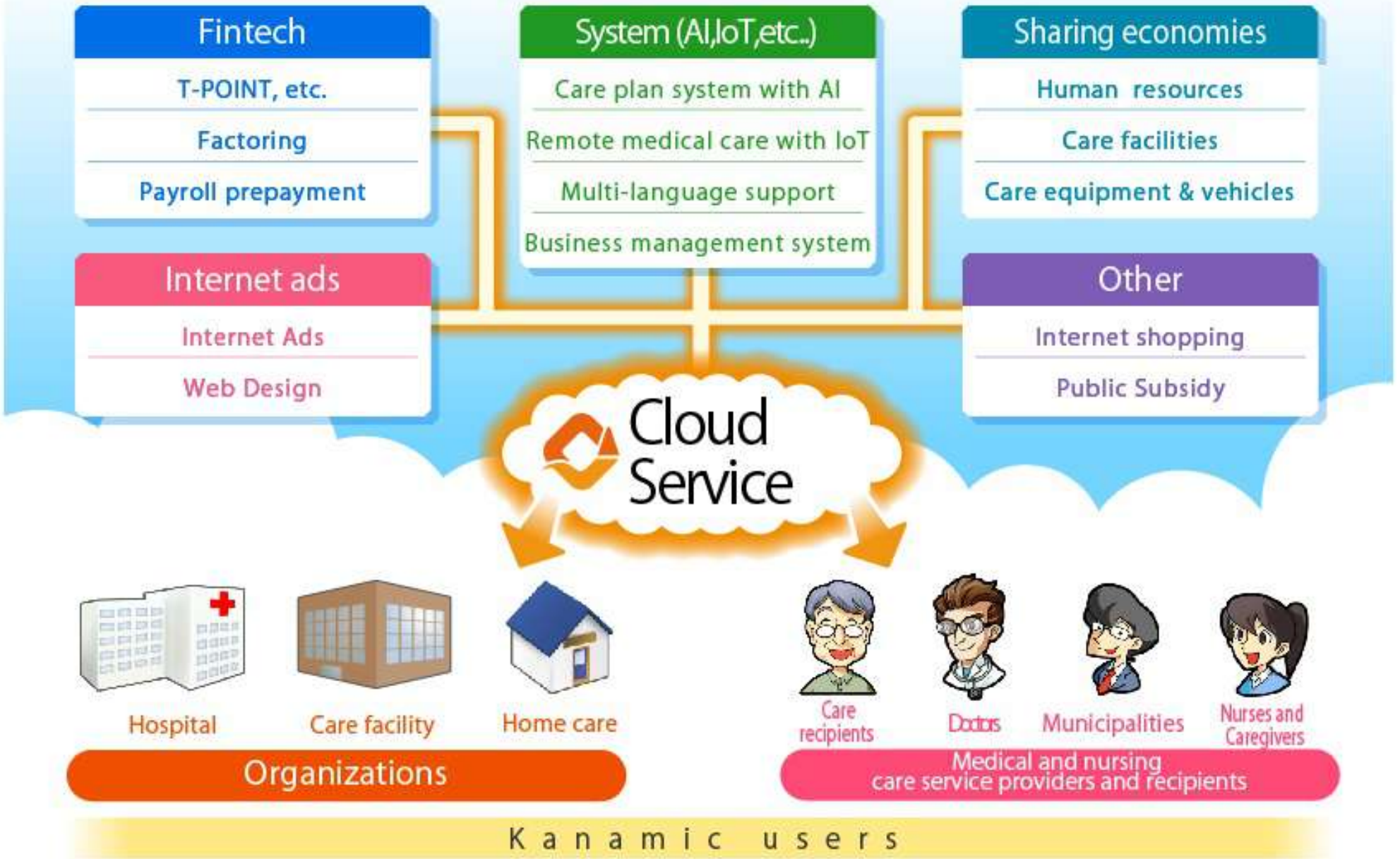
# 5-6. Parenting Support System

## Local municipal project

- News distribution and event information distribution to connect municipalities with parents.
- Blog function based on electronic parent and child diaries
- SNS for parents etc..

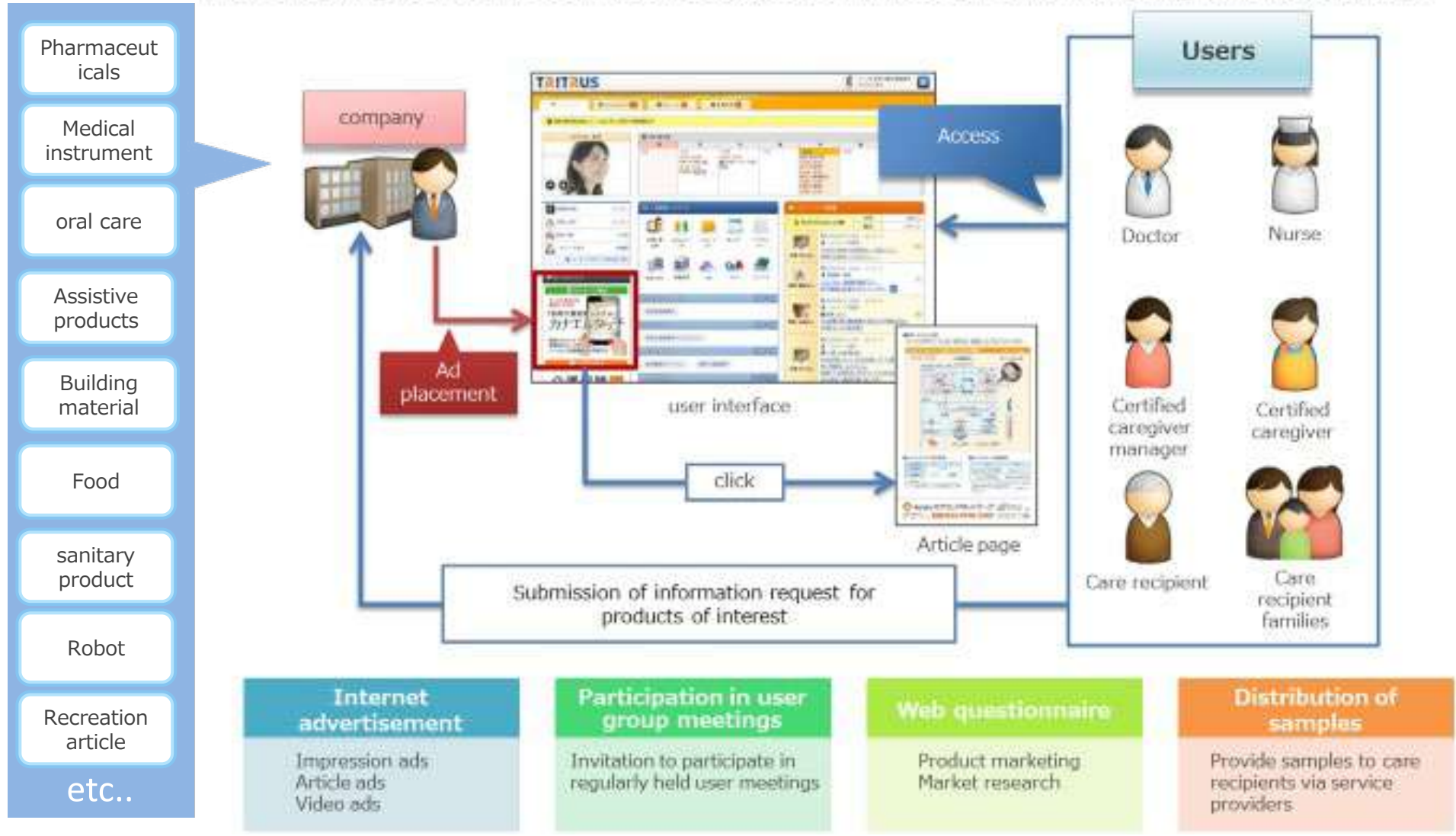


# 5-7. Growth Strategy / Platform Strategy (Repeated)



# 5-8. Advertising Content Service

Advertising content service focused on medical and nursing professionals



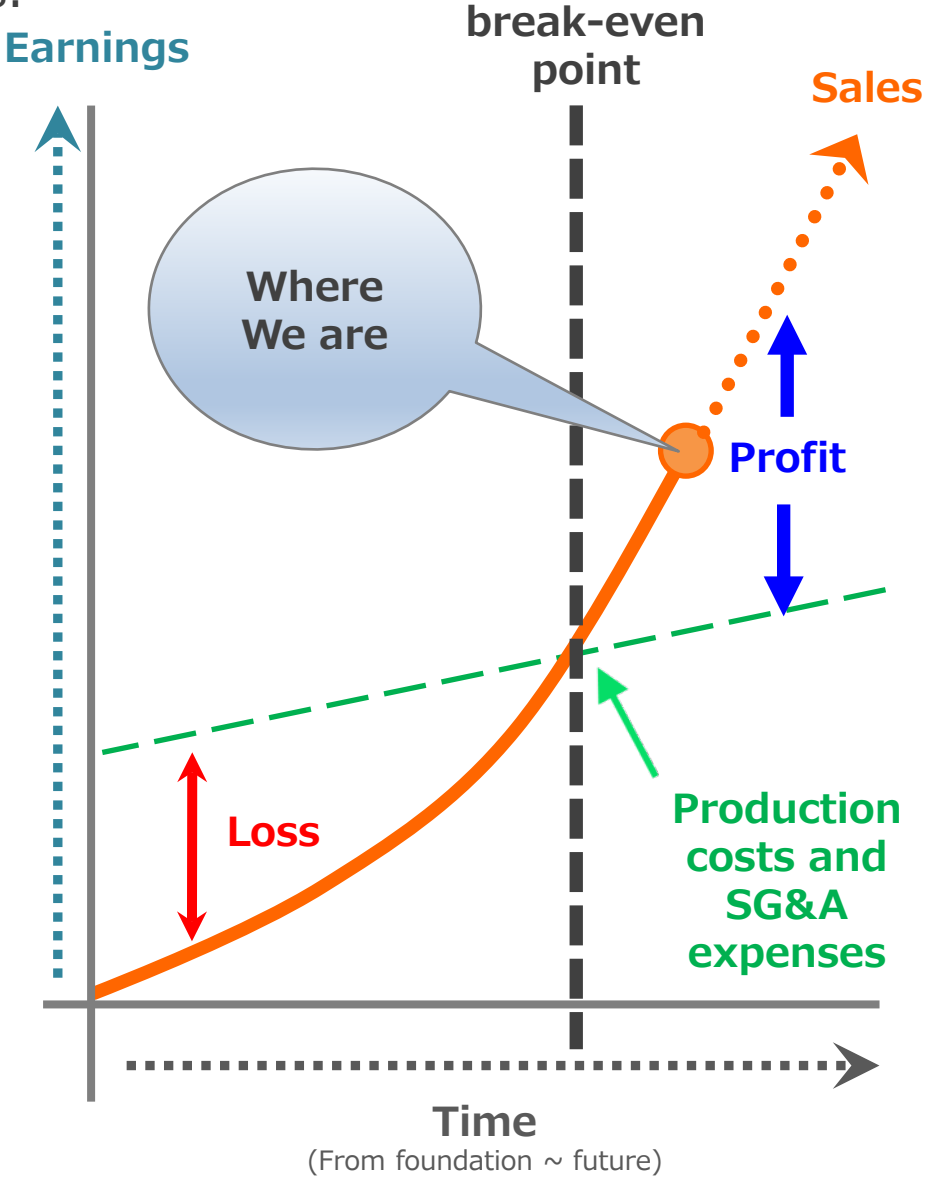
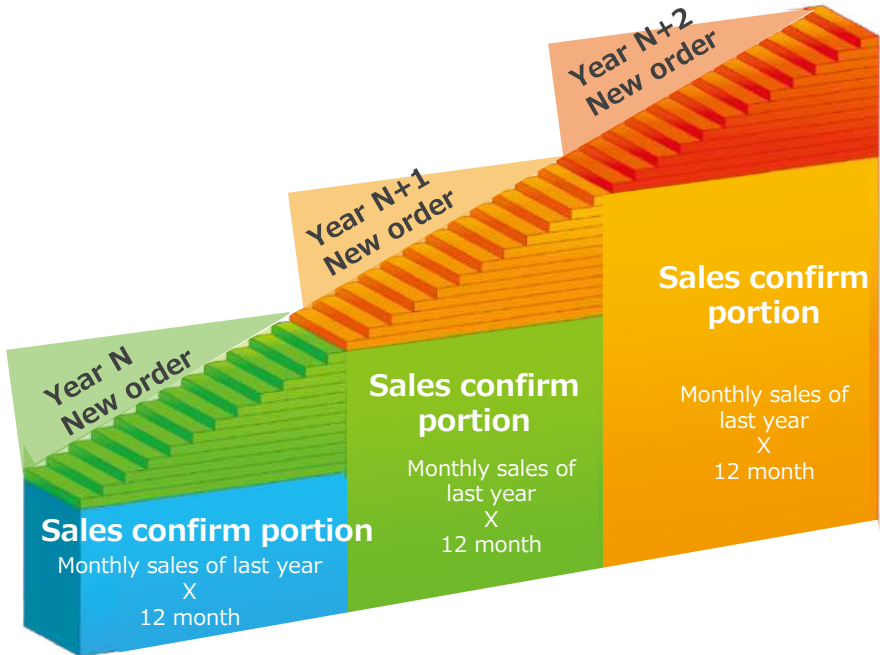
## 6. Strengths



# 6-1.Profit structure

Our current focus of providing cloud services results in a "Recurring Business Model" leading to high returns.

Earnings structure in recurring business



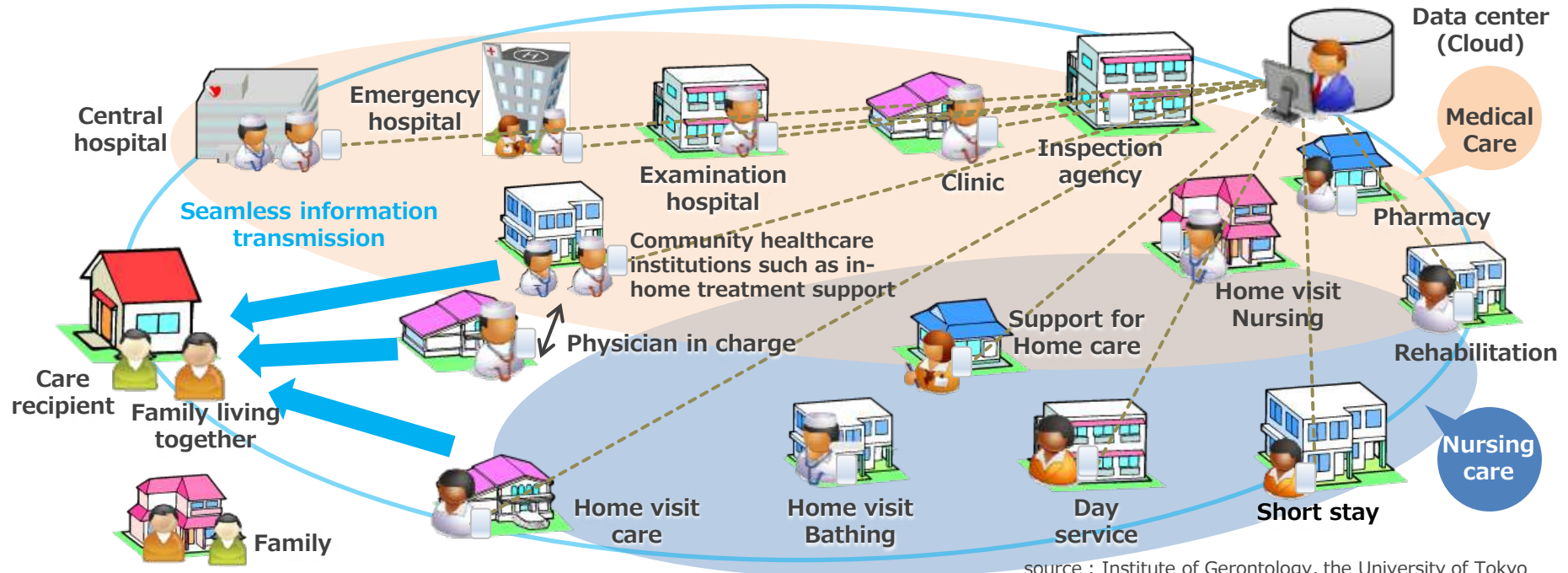
# 6-2. Research Collaboration with The University of Tokyo in Development of "Kashiwa Model"

Our medical care collaboration cloud has been developed through joint research with the Institute of Gerontology, the University of Tokyo. It has been built as a local & comprehensive care system which we call "Kashiwa Model"



## About ideal town for this institute

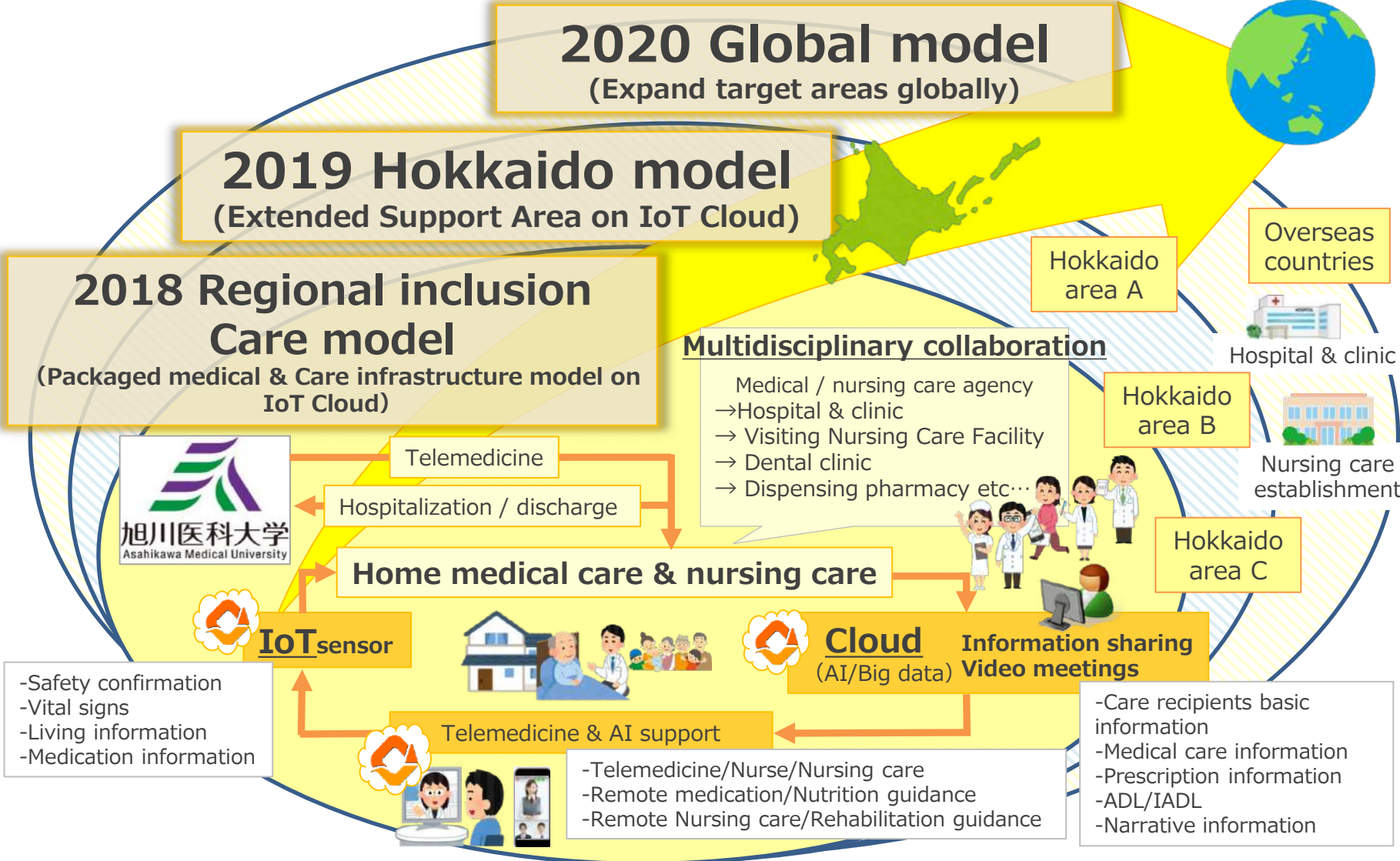
- In order to accomplish a local & comprehensive care system,
  1. Construct home medical care system
  2. Create more visiting nursing care (enabling a 24 hours visiting nursing care system)
  3. Create more care services (enabling a 24 hour care system)
  4. Provide housing for the elderly with inclusive services
- In order to get jobs for elderly people,
  1. Follow land agriculture, small-sized vegetable factory, rooftop farming
  2. Better childcare services, founding child rearing support centers, reserving spaces for child visitations
  3. Livelihood support service
  4. Services to support local food such as the creation of dining rooms and the implementation of delivery food services
- Constructing information sharing systems  
 An easier way to share information that allows for multidisciplinary collaboration in home medicine and nursing care services.



source : Institute of Gerontology, the University of Tokyo

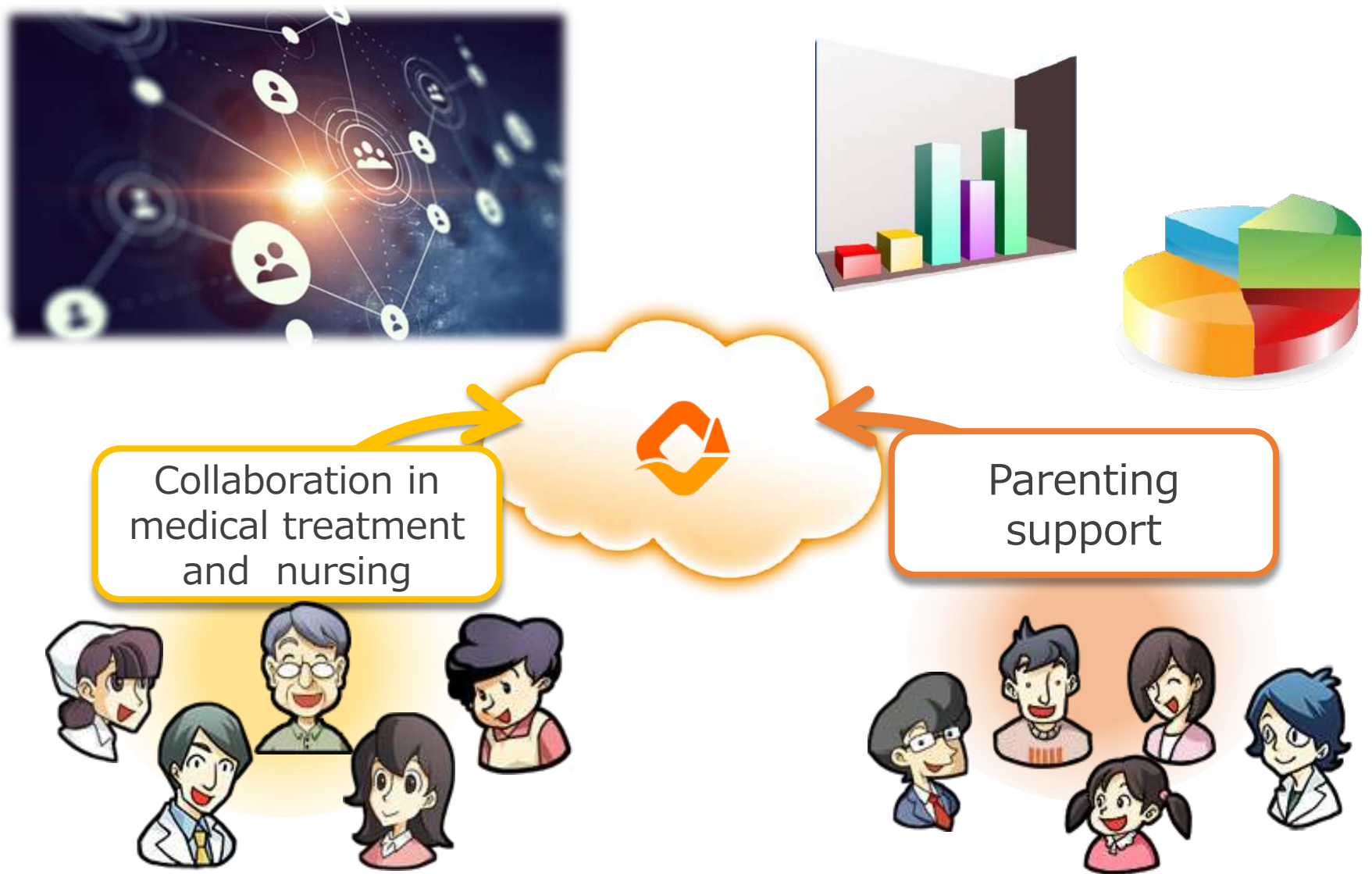
# 6-3. Growth Strategy / Research Collaboration

We set up a collaborative research course at Asahikawa Medical University. Together we aim to "create a global model using IoT clouds". Our role in this project is to research and develop new information sharing and support systems related to telemedicine and nursing support.



# 6-4. Big-data & IoT(Internet of Things)

By analyzing big-data on regional networks and daily business tasks, we are aiming to establish AI to improve medical and nursing care service.



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