

Earnings Results Briefing for **FY2022**
(22nd Fiscal Year)

And **Corporate Profile**

November 15, 2022 Securities Code: 3939

KANAMIC NETWORK

1 Company Profile

2 Earnings

3 TOPICS

4 Strategy

5 Business Outline

6 Strengths

1. Company Profile



1-1. Overview of the Kanamic Group

Company Name

Kanamic Network Co., Ltd

April 4, 2022
Shift to Prime Market

Date of Establishment

October 20th, 2000

Paid in Capital

JPY324,120,000 as of November 16, 2016



Securities Code: 3939

Stock Listings

Tokyo Stock Exchange Prime Market (Securities Code: 3939)

Business Offices

Tokyo Head Office, Nagoya Sales Office, Osaka Sales Office, Hiroshima Sales Office, Fukuoka Sales Office, Okinawa Sales Office

Business Area

To provide cloud services in medical, nursing and childrearing fields
To provide cloud services in medical, nursing and childrearing fields

Group Companies

 **KANAMIC NETWORK**
康纳美克(大连)科技有限公司 Kanamic (Dalian) Technology Co., Ltd.

Software development (web systems, AI/IoT, apps)

 **URBAN FIT24** Urban Fit Co., Ltd.

24-hour fitness gyms and franchise operation

Number of Group Employees

181 (Including full-time, contract, and part-time employees)



Representative Director and President **Takuma Yamamoto**

- 1978** Born in Kyoto, Kyoto Prefecture
- 2000** 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.
- 2005** Joined Kanamic Network Co., Ltd., Executive Director
- 2011 -** Joint researcher, Institute of Gerontology, The University of Tokyo
- 2012 -** Visiting Researcher, National Cancer Center
- 2014** Representative Director and President of Kanamic Network (current position)
- 2016** Kanamic Network listed on the Mothers Market of the Tokyo Stock Exchange (TSE)
- 2018** Advisor, Japan Startup Support Association (current position)
Kanamic Network listed on the 1st Section of the TSE
- 2020** Director, The Tokyo New Business Conference (current position)
- 2022** Shift to Prime Market of the TSE
Chairman of the Board, Urban Fit Co., Ltd. (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

Cloud technology for all stages of life

Purpose & Values

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

Kanamic Network traces the origins of our name to our ideal of developing a network to breathe life into elderly care, and it is composed of three keywords: “KAigo” (Japanese for “elderly care”) + “DyNAMIC” + “Network.”

Phase1: User Acquisition (BtoB、 BtoG)

- Cloud service (healthcare / elderly care / childcare)

Phase2: Expansion of Platform Services (BtoB、 BtoBtoC)

- Internet Ads
- Fintech
- Web Statements/BPO
- AI/IoT
- Talent Recruitment / Dispatch
- Physical Product Sales
- System Engineering Service(SES)
- IT Lab
- Sharing Economy

Phase3: Branding (BtoC)

- Healthcare related
- Data Business
 - Pharmaceutical-related
 - Talent Recruitment
- Business related to prolonging the healthy lifespan
 - ※Nutrition/Excercise/Community
 - ※Business targeting active seniors
- Pharmacy related
- Elderly care related



Phase4: Global Expansion

- ICT for healthcare / elderly care
 - Business related to prolonging the healthy lifespan
- Improve the lives of seniors around the world with “Kaigo” (Jananese-style elderly care)

2020

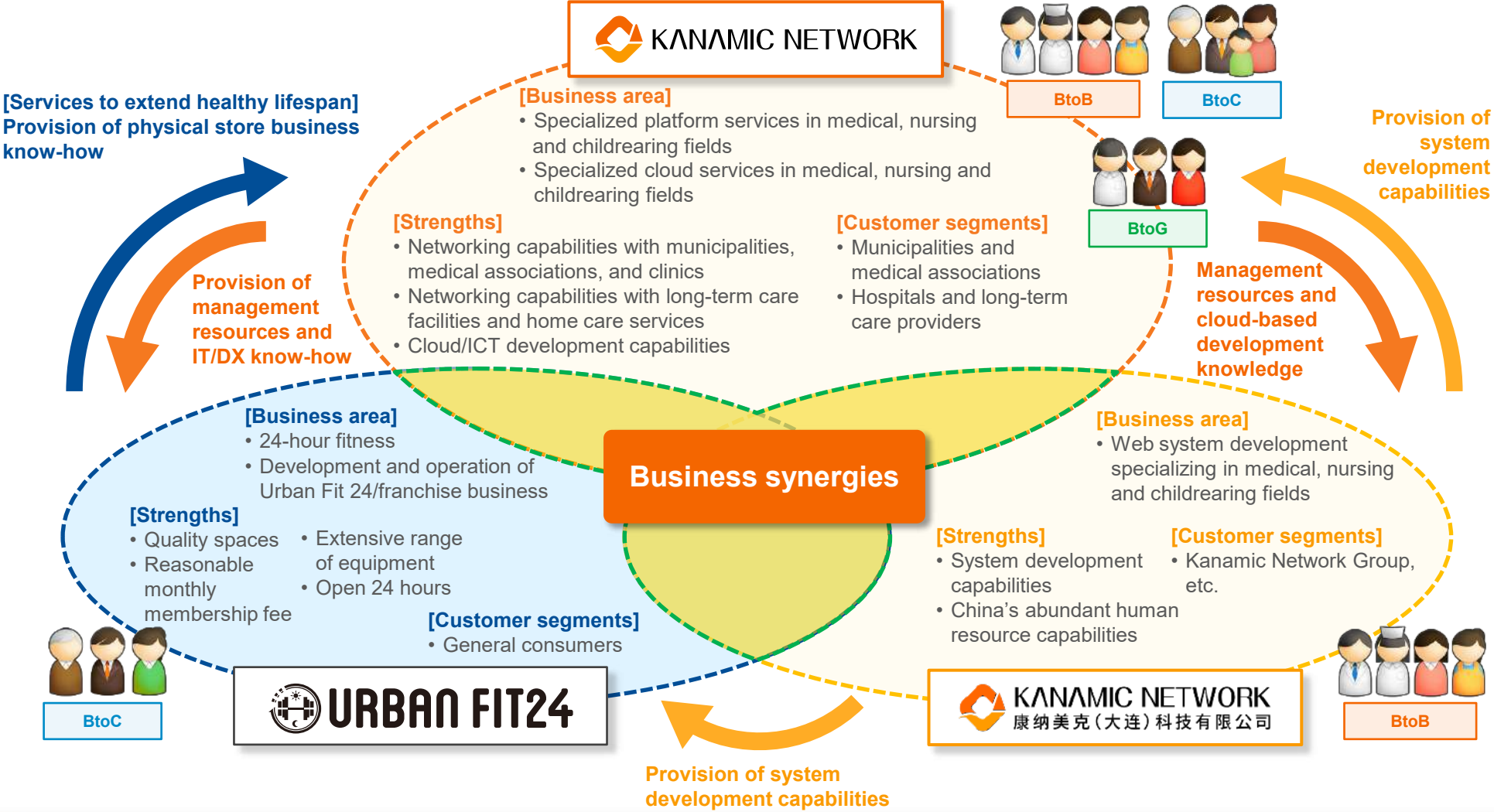
2025

2030

- : Japan
- : Global
- Increased attention to wellness due to pandemic
- Increased usage of social security numbers in Japan; Implementation of “sciencebased elderly care”
- Digital transformation of LTC industry
- Seniors as a percentage of Japan population surpasses30%
- Baby boomers(as defined in Japan) all now older than 75 y/o
- Seniors as a percentage of population surpasses 20% for western nations
- Global non-communicable disease (NCD) deaths rise to 55 million by 2030
- Japanese boomers all now older than 80
- Seniors as percentage of population for Asian countries (ex Japan)reaches 15-20%

1-5. Group Structure and Business Synergies

We leverage the strengths of each company to promote the “construction of healthcare platforms that people around the world can use,” which is the Company’s mission.



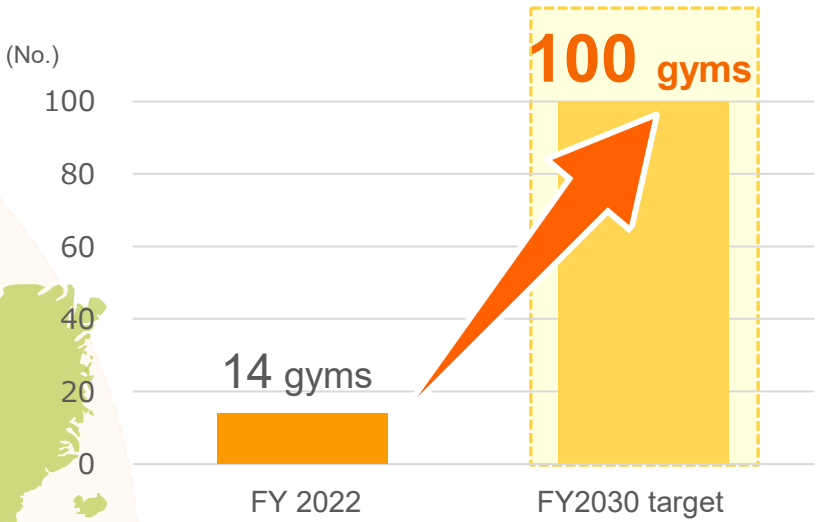
1-6. Target Number of Urban Fit Gyms

Urban Fit aims to open more than 100 gyms (including franchise gyms) by 2030.



Urban Fit, which joined the Group in May 2022, operates a 24-hour fitness business with high customer satisfaction levels. The business features high quality spaces, fitness equipment from Italian-based company Technogym, and a variety of rental services that can be used without bringing anything else.

In the future, we will utilize the Group's business synergies to increase the number of gyms and aim for further growth of services to extend healthy lifespan.



As of September 30, 2022, there were 14 gyms, mainly in Osaka.



2. Earnings



KANAMIC NETWORK

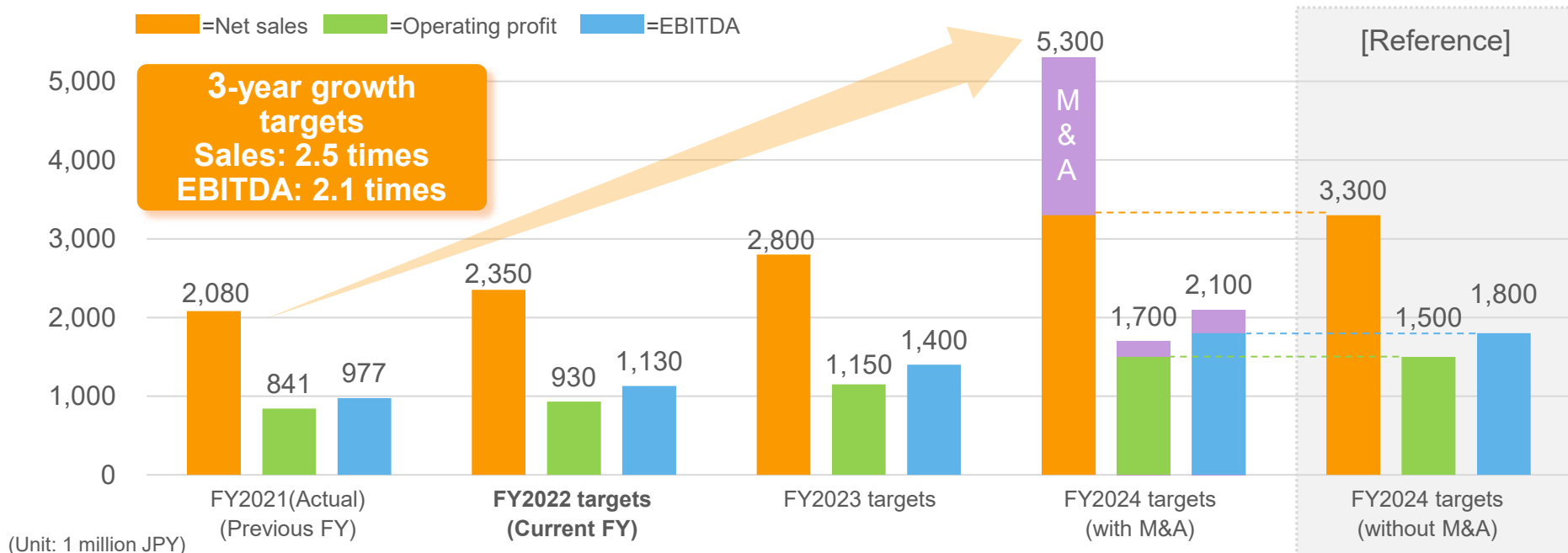
2-1. Financial Targets

■ 3-year growth targets (FY2022 to FY2024)

Continue to record high-margin organic growth centered around cloud service/platform services.

*A contract with a major elderly care service provider has been secured with implementation scheduled for FY2023. Ahead of this, preparatory investments will be made during FY2022.

*Since it is difficult to estimate when M&A transactions will begin contributing to financial results, FY2024 is used as an assumption (amortization of goodwill not taken into account)



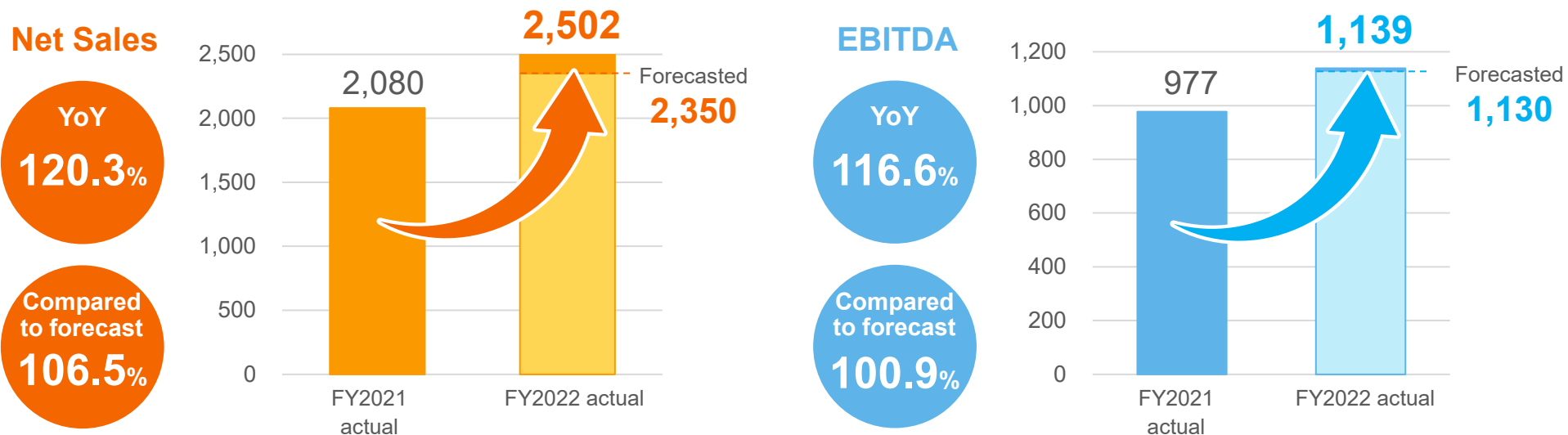
(Unit: 1 million JPY)

	FY2021 (previous FY)		FY2022 (current FY)		FY2023		FY2024 (with M&A)		FY2024 (without M&A)	
	Actual	YoY	Target	YoY	Target	YoY	Target	YoY	Target	YoY
Net Sales	2,080	110.6%	2,350	112.9%	2,800	119.1%	5,300	189.3%	3,300	117.9%
Operating Profit	841	128.6%	930	110.5%	1,150	123.7%	1,700	147.8%	1,500	130.4%
EBITDA	977	123.8%	1,130	115.6%	1,400	123.9%	2,100	150.0%	1,800	128.6%

*Revised citing 2-1. Financial Targets in Medium-Term Management Plan (2022 - 2024) as of November 2, 2021

2-2. FY2022, Consolidated Results

Achieved amounts forecast in Medium-Term Management Plan for both sales and profit



	PREV FY	FY 2022			Difference	
	Actual	Forecasted	Actual	Composition Ratio (%)	(% of Net Sales)	Compared to forecast (%)
Net Sales	2,080	2,350	2,502	100.0	120.3	106.5
EBITDA	977	1,130	1,139	45.5	116.6	100.9
Operating Profit	841	930	962	38.5	114.4	103.5
Ordinary Profit	829	930	980	39.2	118.2	105.5
Profit	579	640	685	27.4	118.3	107.1
Profit Per Share		13.50	14.45			

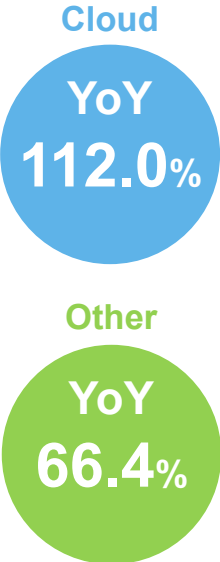
(Unit : 1 million JPY)

*The forecast amount is the full-year forecast disclosed on November 2, 2021.

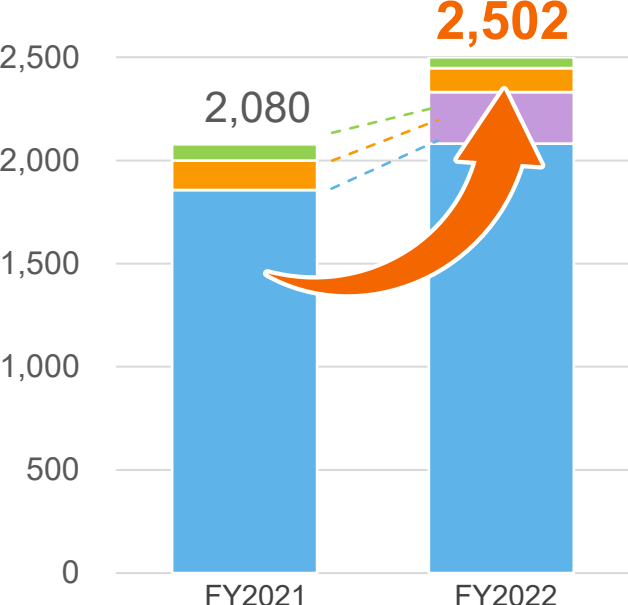
*EBITDA is operating profit plus amortization (depreciation and amortization of goodwill).

2-3. FY2022, Consolidated Results (by product)

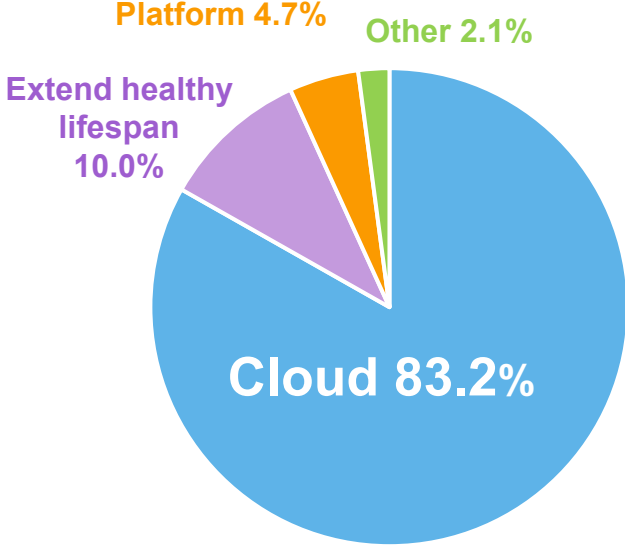
■ Net sales (YOY, %)



■ Net sales



■ Composition of net sales

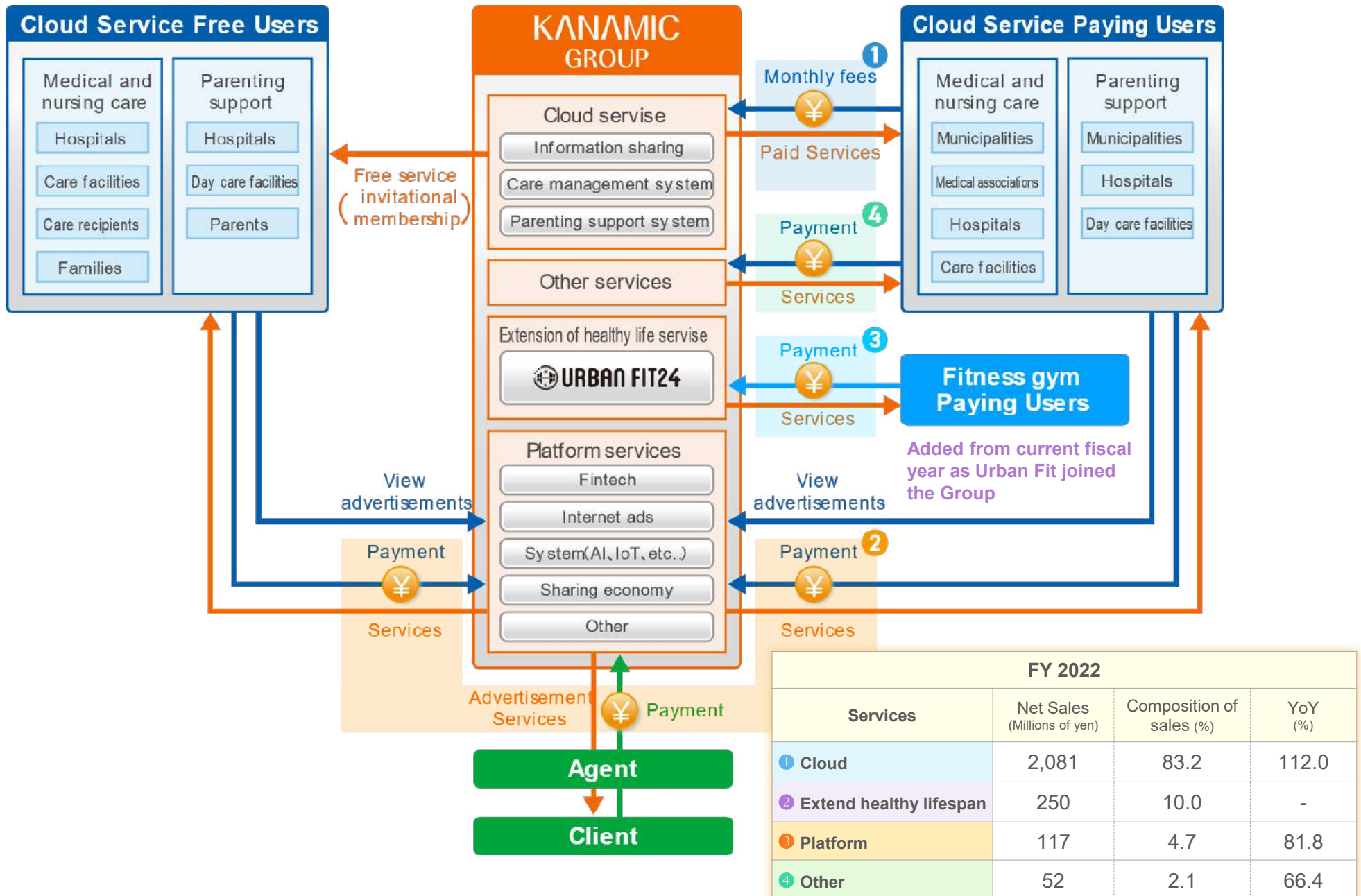


(Unit : 1 million JPY)

	FY2021		FY2022		YOY	
	Net Sales	Composition Ratio (%)	Actual	Composition Ratio (%)	Net Sales	(%)
Cloud	1,857	89.3	2,081	83.2	223	112.0
Extend healthy lifespan	0	0.0	250	10.0	250	-
Platform	143	6.9	117	4.7	-26	81.8
Other	79	3.8	52	2.1	-26	66.4
Total	2,080	100.0	2,502	100.0	421	120.3

*For other services, despite being contracted to develop customizations for large customers, sales were not recorded in the fiscal year under review.

2-4. Medical, Nursing Care, and Health Cloud Service Overview

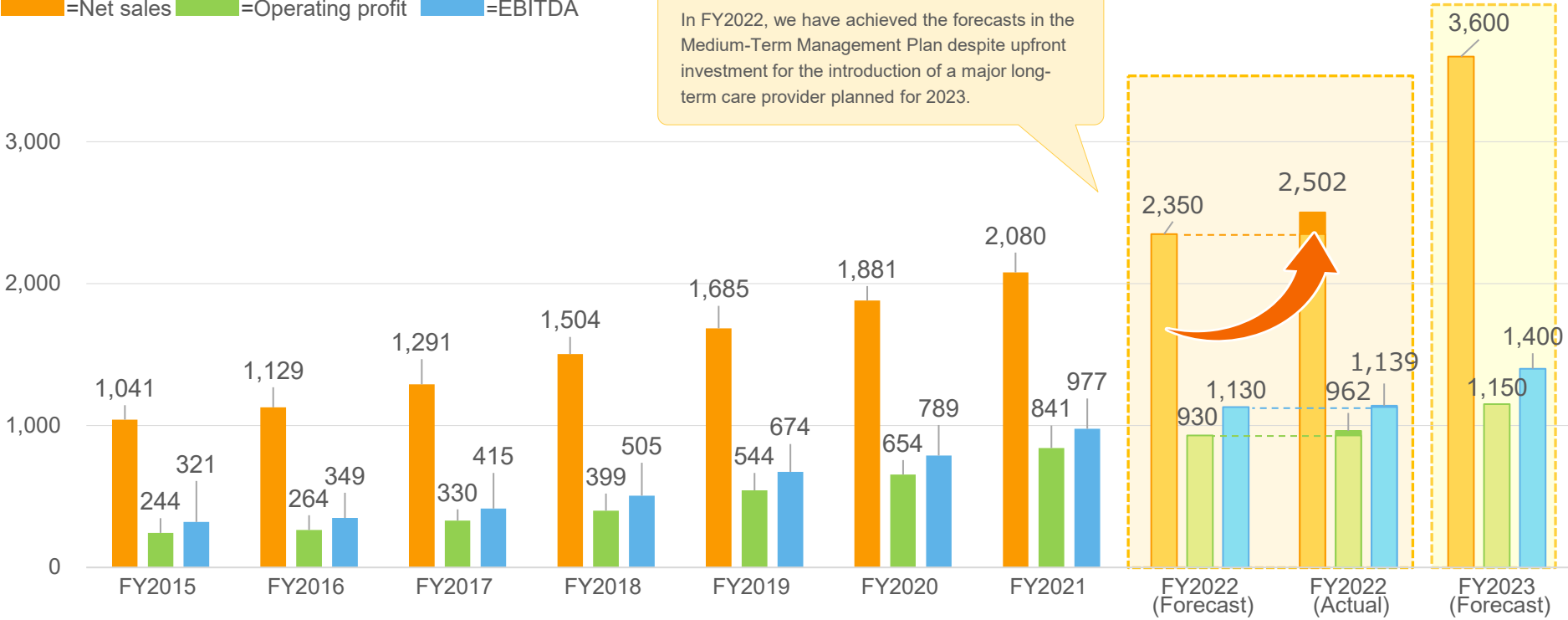


FY 2022			
Services	Net Sales (Millions of yen)	Composition of sales (%)	YoY (%)
① Cloud	2,081	83.2	112.0
② Extend healthy lifespan	250	10.0	-
③ Platform	117	4.7	81.8
④ Other	52	2.1	66.4

2-5. FY2023 Estimate

■ =Net sales
 ■ =Operating profit
 ■ =EBITDA

In FY2022, we have achieved the forecasts in the Medium-Term Management Plan despite upfront investment for the introduction of a major long-term care provider planned for 2023.



	FY 2022	FY2023	YoY (Forecasted)	
		Forecasted	Difference	(%)
Net Sales	2,502	3,600	+1,097	143.8
Operating Profit	962	1,150	+187	119.4
Ordinary Profit	980	1,150	+169	117.2
Profit	685	800	+114	116.7
EBITDA	1,139	1,400	+260	122.8

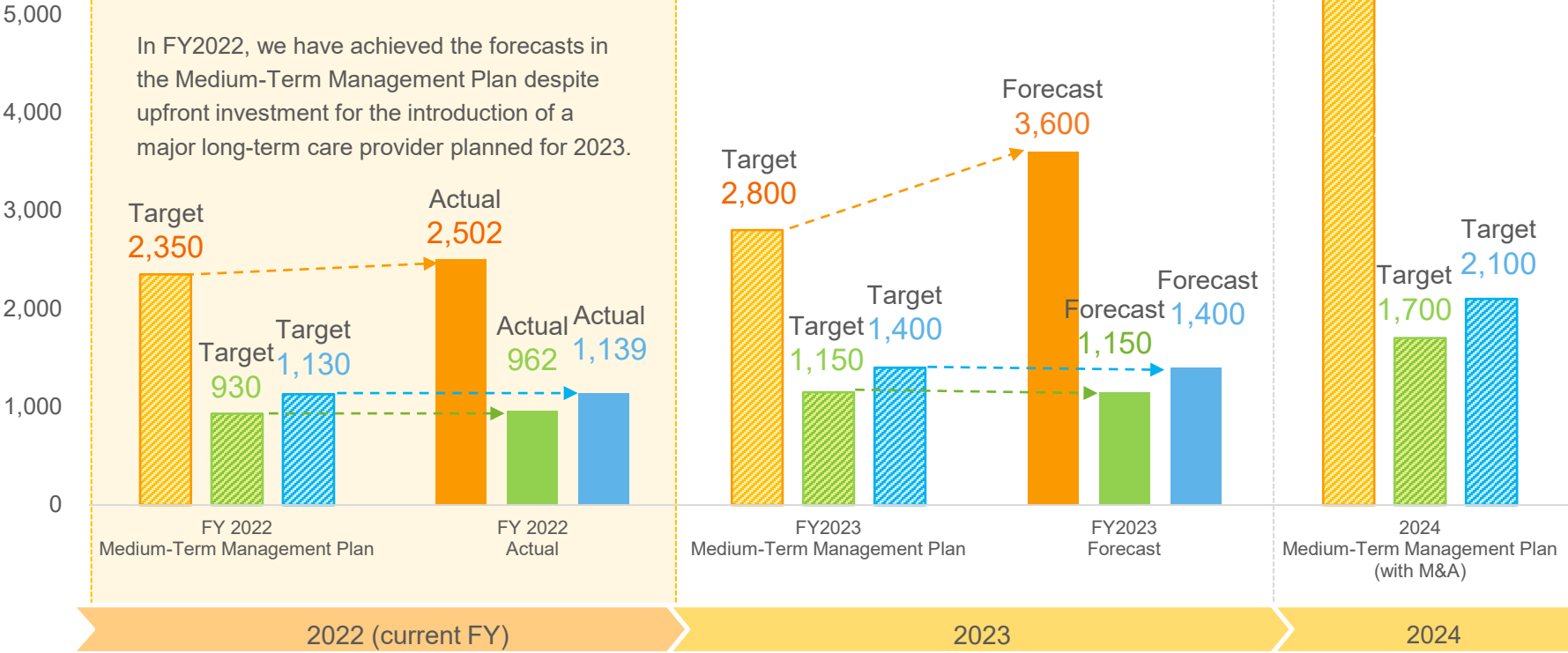
(Unit : 1 million JPY)

*Results prior to FY2020 are non-consolidated as the Company adopted consolidated accounting in FY2020.

*EBITDA is operating profit plus amortization (depreciation and amortization of goodwill).

2-6. Medium-Term Management Plan and Progress

■ =Net sales
 ■ =Operating profit
 ■ =EBITDA



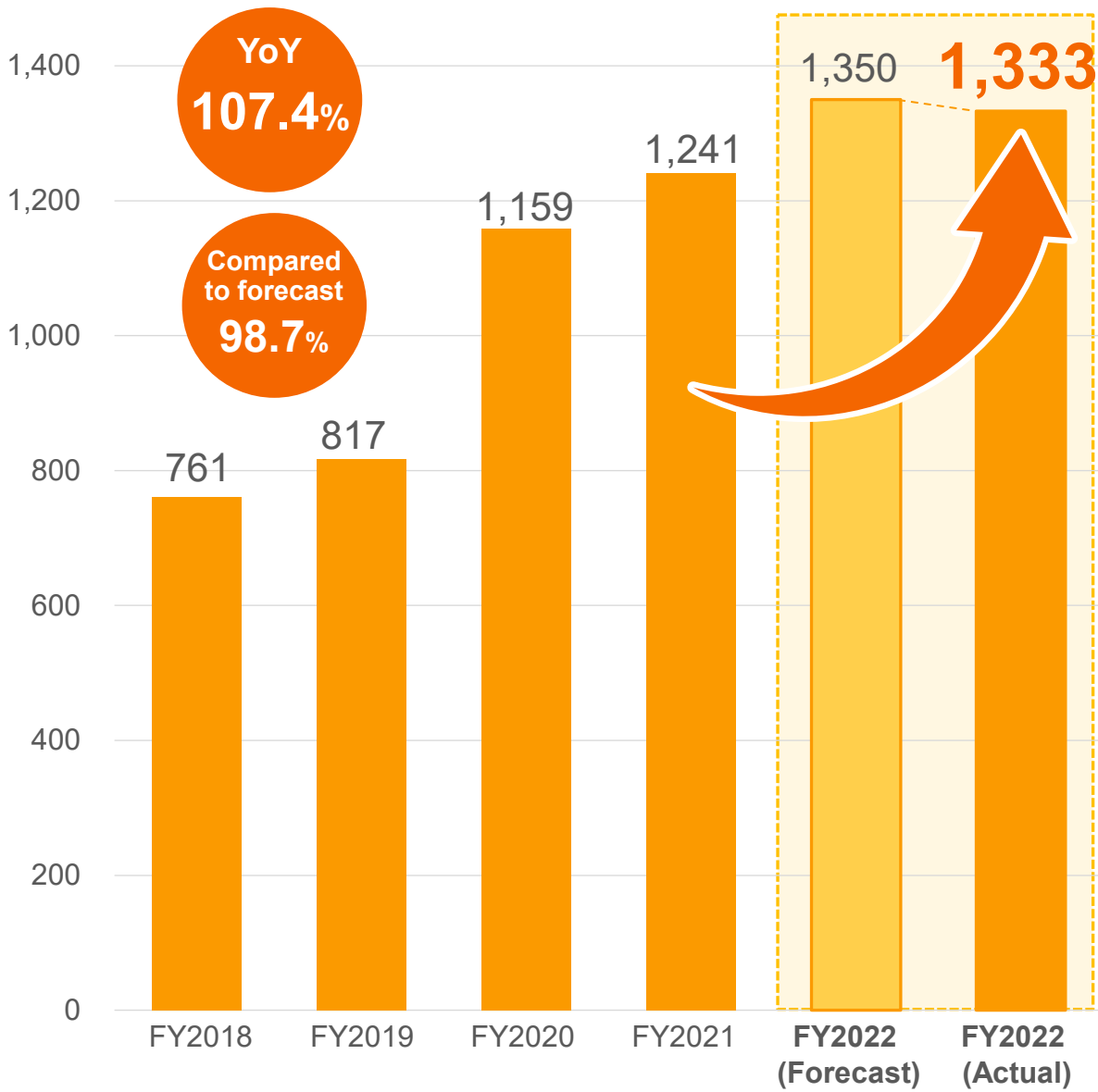
	2022 (current FY)		2023		2024
	FY 2022 Medium-Term Management Plan target	FY 2022 Actual	FY2023 Medium-Term Management Plan target	FY2023 Forecasted	FY2024 Medium-Term Management Plan target (with M&A)
Net Sales	2,350	2,502	2,800	3,600	5,300
Operating Profit	930	962	1,150	1,150	1,700
EBITDA	1,130	1,139	1,400	1,400	2,100

*Forecast profit for FY2023 has been left unchanged despite the increase in sales due to investment in growth of Urban Fit.

(Unit : 1 million JPY)

*EBITDA is operating profit plus amortization (depreciation and amortization of goodwill).

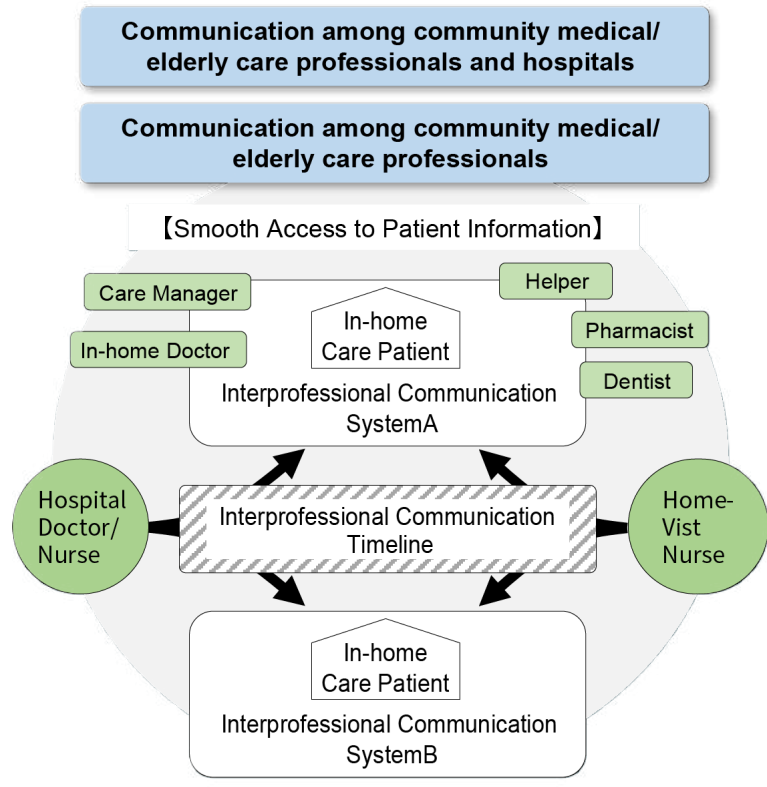
2-7. Number of Regions Using Our Cloud Service



*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

All areas of Tokyo
 Contracted for operation of Tokyo's multi-service collaboration portal site

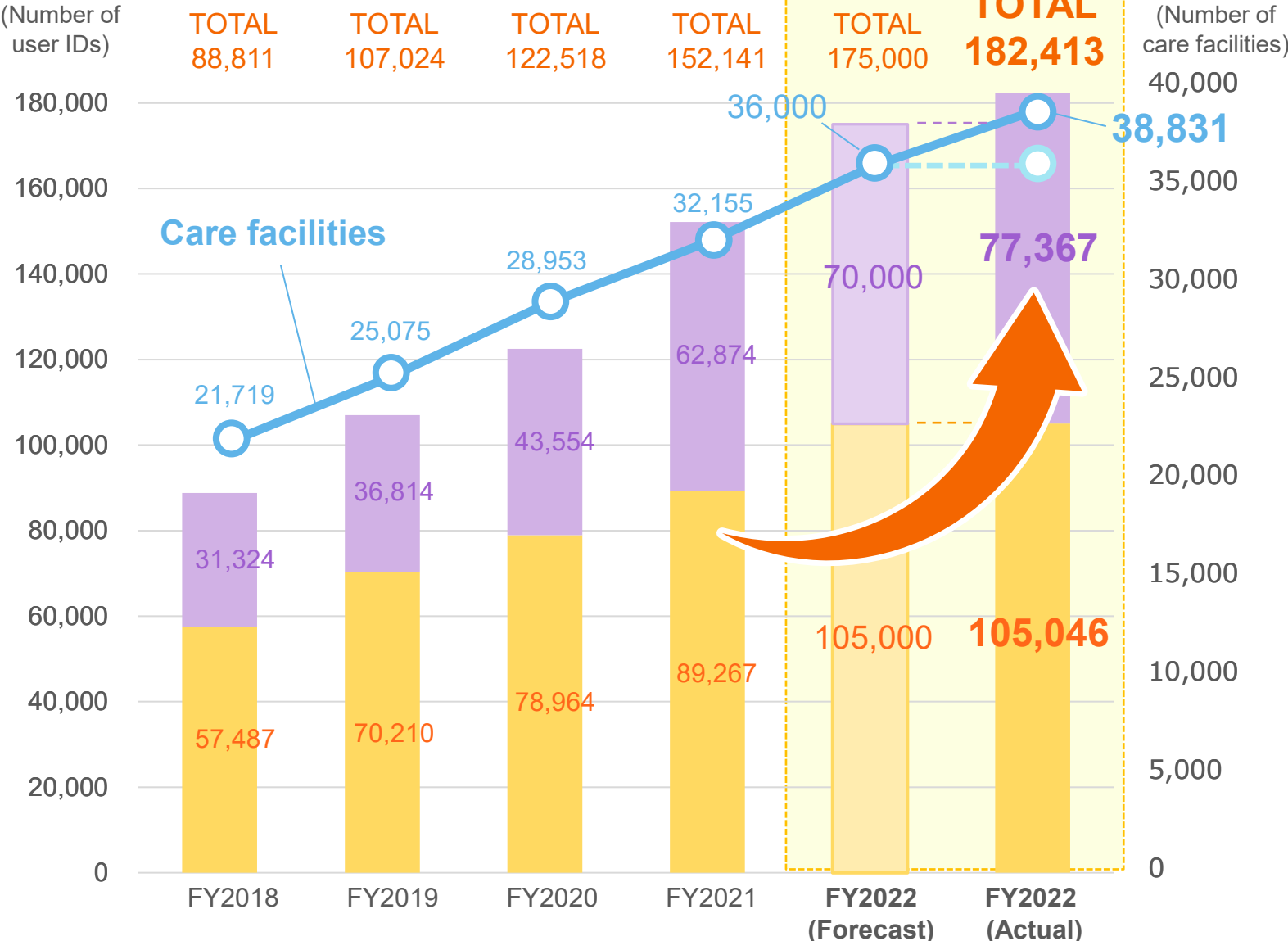
① Interprofessional Communication Timeline



② Patient Transfer Support System

2-8 Growth in the Number of User IDs & Care Facilities

■ = Paying users ■ = Free Users



FY 2022

YoY
120%

TOTAL

YoY
123%

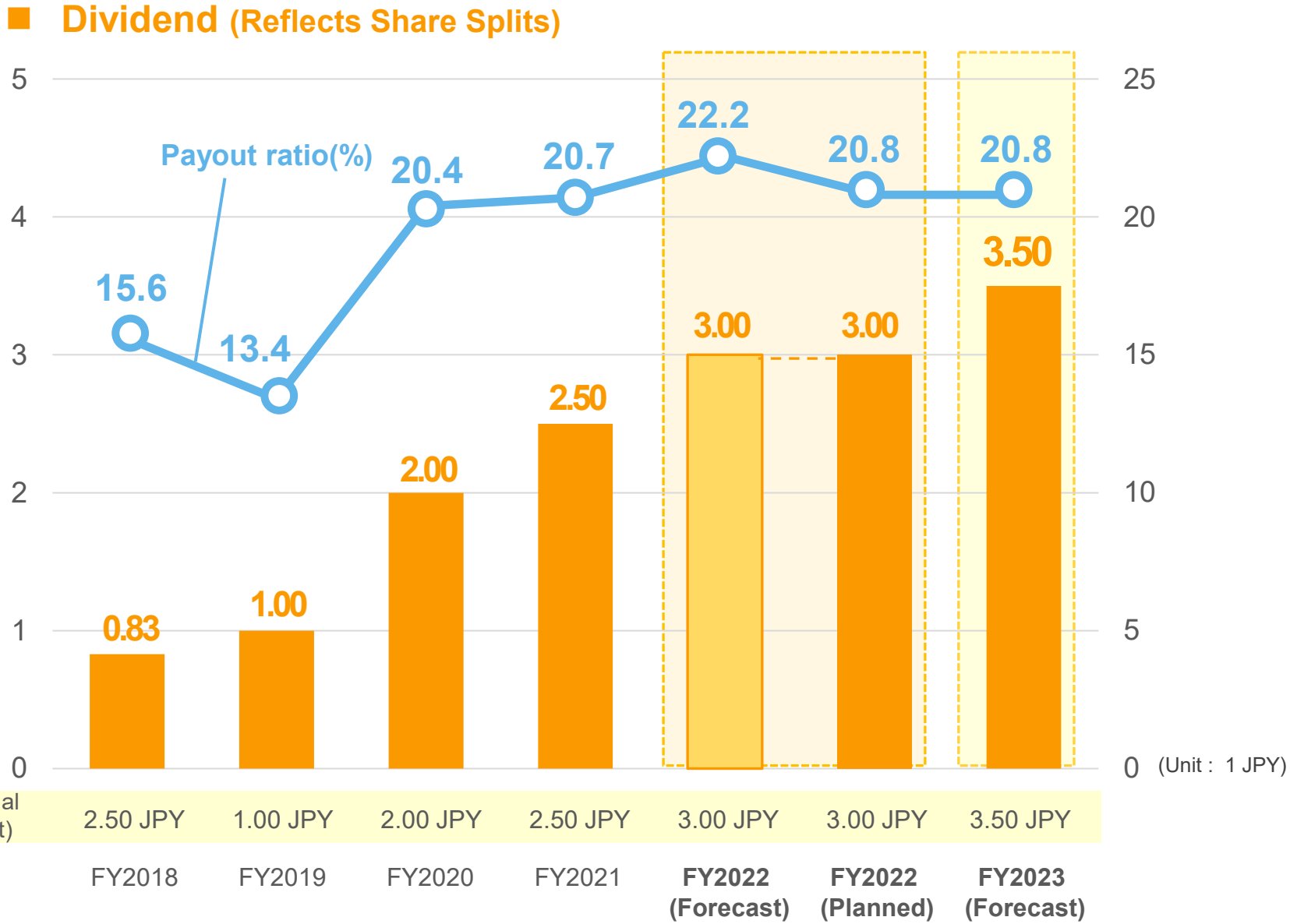
Free Users

YoY
118%

Paying users

2-9. Dividends

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



2-10. Dividends

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 30th of each year who hold 100 or more shares

Ten winners selected by lottery to receive a prize worth **¥200,000** JCB gift card

W
chance

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)

Three winners selected by lottery to win a prize worth **¥200,000** JCB gift card

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 2nd third of January each year.

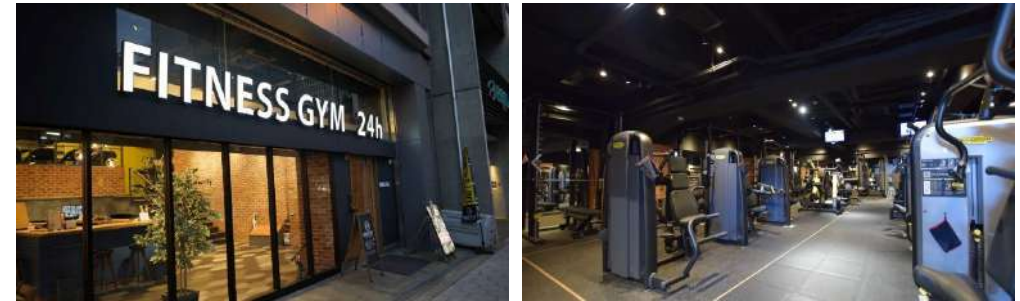
*Please note that in cases where all shares are disposed, subsequently purchased shares will be assigned a different shareholder number.

*For the current fiscal year, the plan will be implemented starting with shareholders who are recorded or listed in the shareholders' register as of September 30, 2022 and who hold at least 100 shares. Shareholders listed or recorded in the shareholders' register on all record dates of September 30, 2021, March 31, 2022, and September 30, 2022 with the same shareholder number will be eligible for (2).

3.Topics

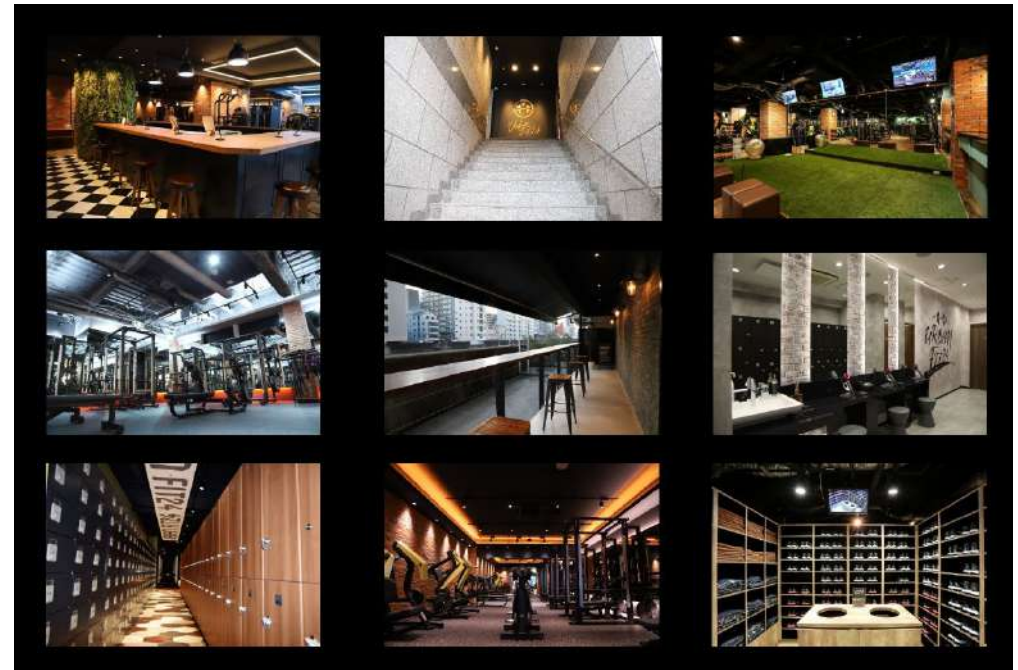
Announced May 10, 2022

Urban Fit Co., Ltd. became a wholly owned subsidiary



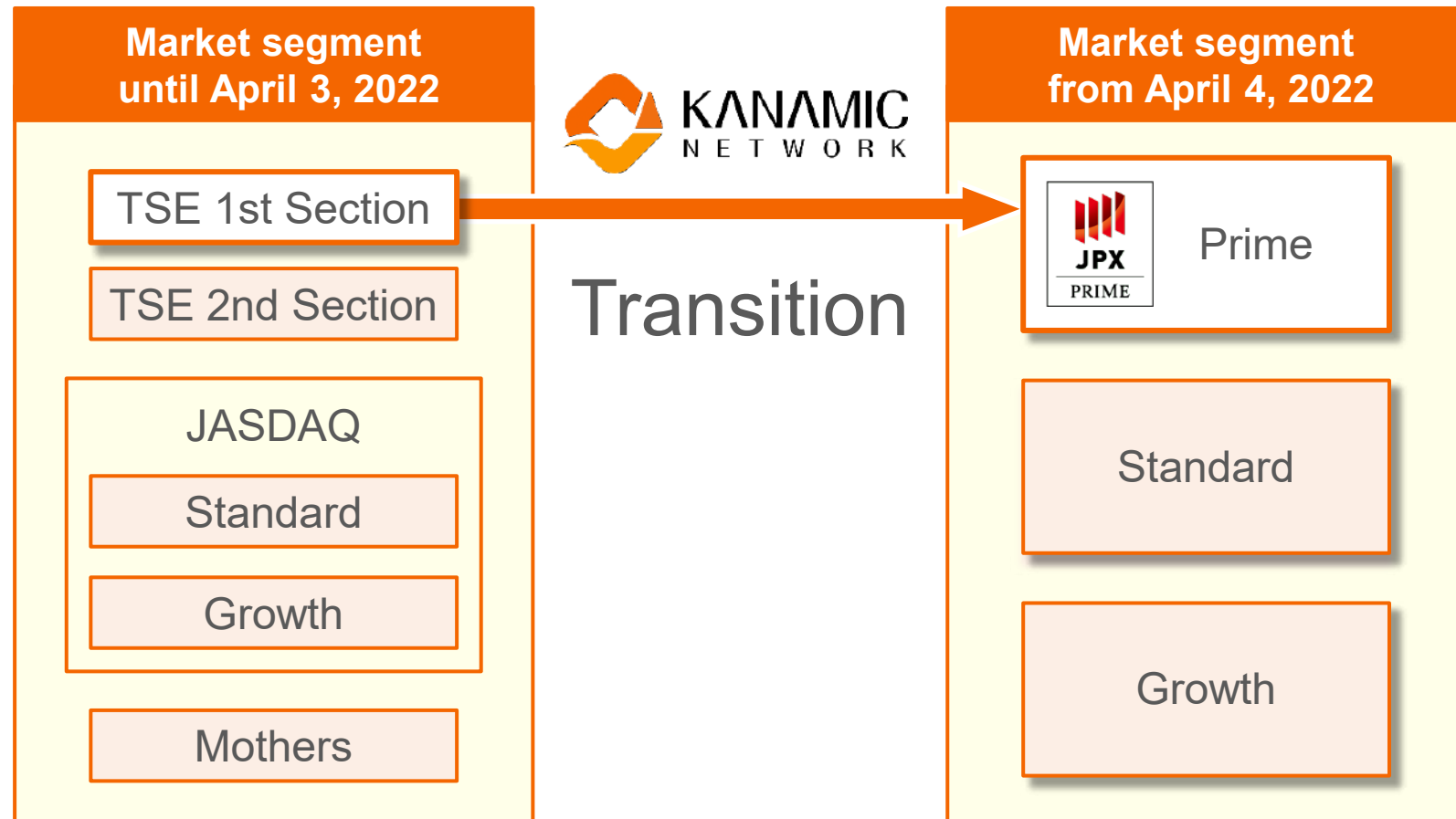
The Company acquired the shares of Urban Fit Co., Ltd., which operates 24-hour fitness gyms, mainly in Osaka, and develops franchises as its main businesses, and made it a wholly owned subsidiary.

To achieve further growth and development, we recognize the need to create new value added by pursuing businesses that are strongly related to the healthcare sector in a super-elderly society. We will continue to aggressively pursue M&A to expand our business portfolio from healthcare to insurance services, and from physical stores to IT-based services.



April 4, 2022

Transition to the Prime Market segment of the TSE



With the reorganization of the TSE's market into new market segments, the Company transitioned to the new Prime Market.

Announced March 9, 2022

Kanamic Network Recognized under the “2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program”



2022

健康経営優良法人

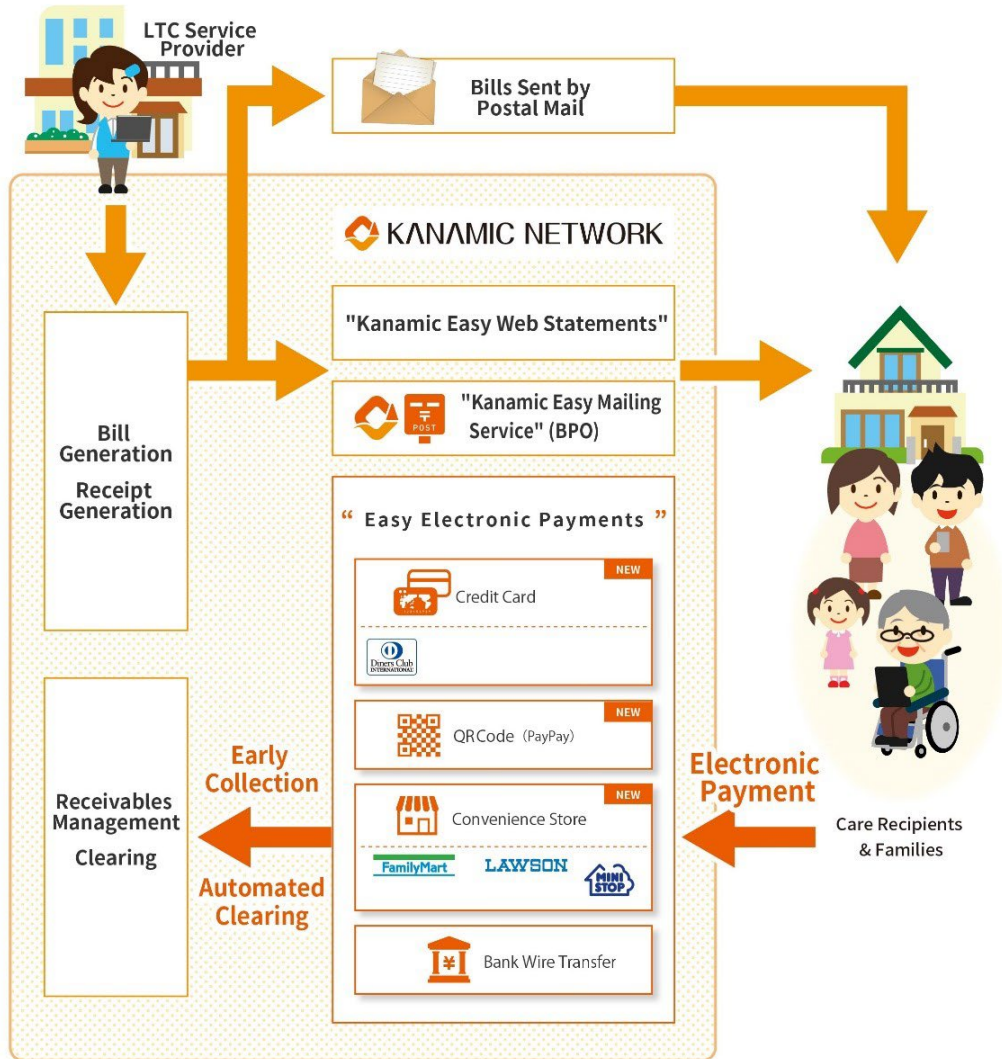
Health and productivity

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.

3-4. Driving Digital Transformation in Long-Term Care

Announced March 8, 2022

Launch of "Kanamic Easy Electronic Payment Service"!



In addition to the existing bank transfer method of payment for nursing care service user invoices generated by the Kanamic Cloud Service and Kanamic Web statements, we will begin offering payment using the Fintech services of credit cards, QR code payments (PayPay), and payments at convenience stores. This will reduce the administrative workload at nursing care facilities, make payments earlier, and avoid human error using automatic reconciliation which is part of the credit card management function of Kanamic cloud service.

4. Strategy



KANAMIC NETWORK

4-1. Kanamic's Growth Strategy

■ The Growth Blueprint

We will develop contents, reach, and platforms based on our Purpose & Value.

We will actively meet the challenge of organic growth in existing businesses and entry into new businesses.

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

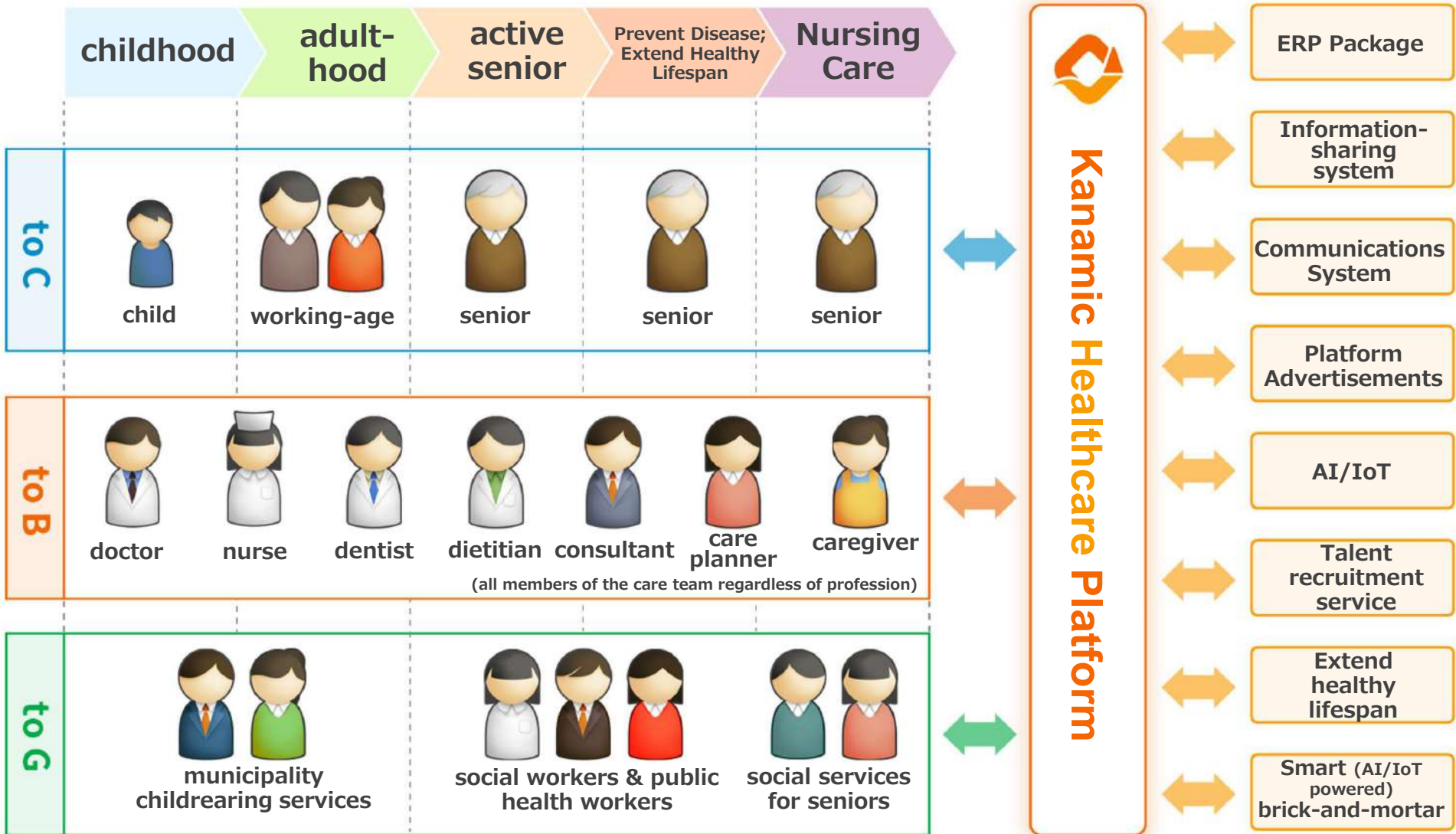
Healthcare Platform for Adding Value to People AND Businesses

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

Fintech

- T-POINT, etc.
- Factoring
- Payroll prepayment

System (AI, IoT, etc..)

- Care plan system with AI
- Remote medical care with IoT
- Multi-language support
- Business management system

Sharing economies

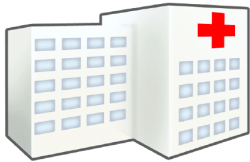
- Human resources
- Care facilities
- Care equipment & vehicles

Internet ads

- Internet Ads
- Web Design

Other

- Internet shopping
- Public Subsidy



Hospital



Care facility



Home care



Care recipients



Doctors



Municipalities



Nurses and Caregivers

Organizations

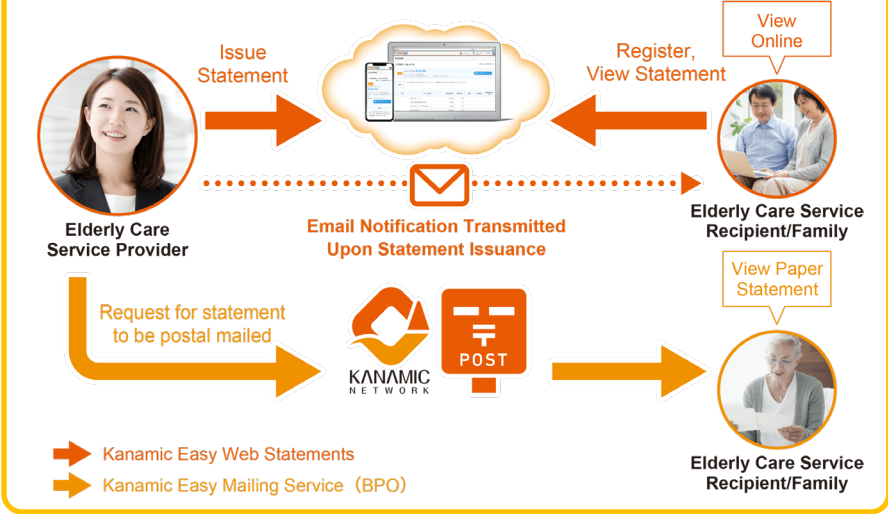
Medical and nursing care service providers and recipients

Kanamic users

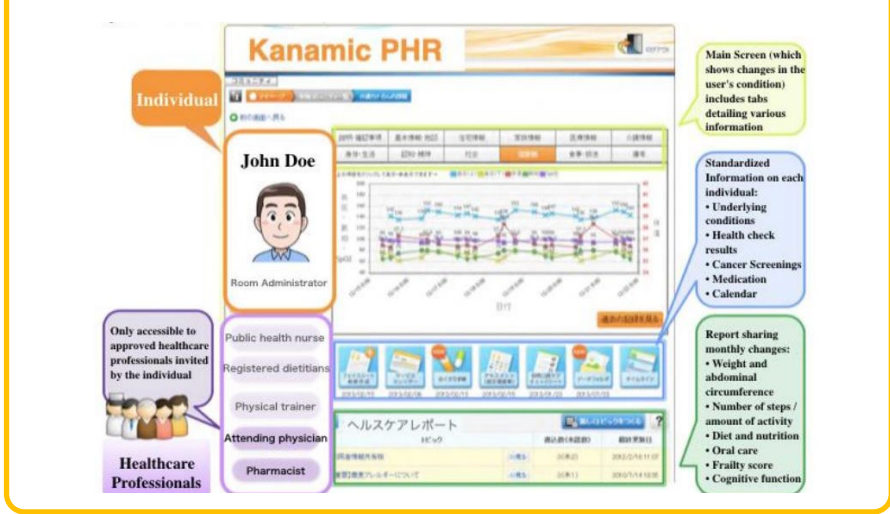
4-4. New Service Areas

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

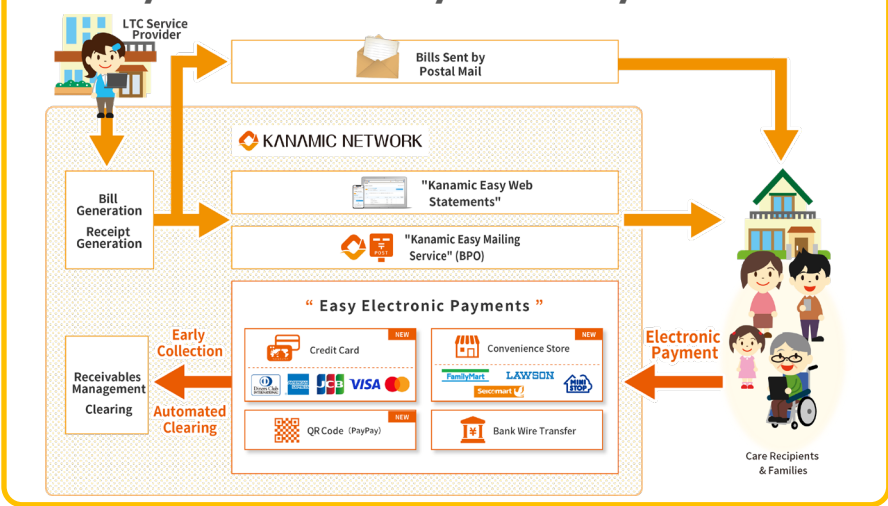
[Web Statements & BPO]



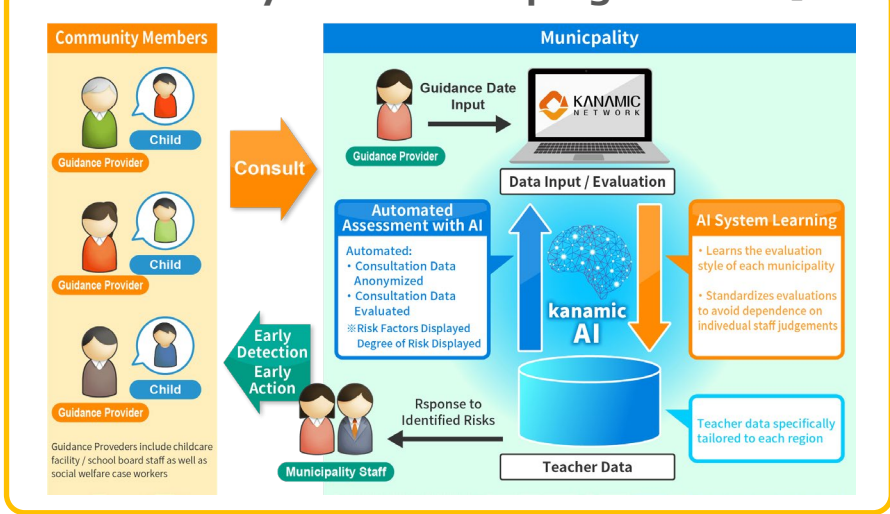
[Electronic Health Record Handbook]



[Easy Electronic Payments by Kanamic]



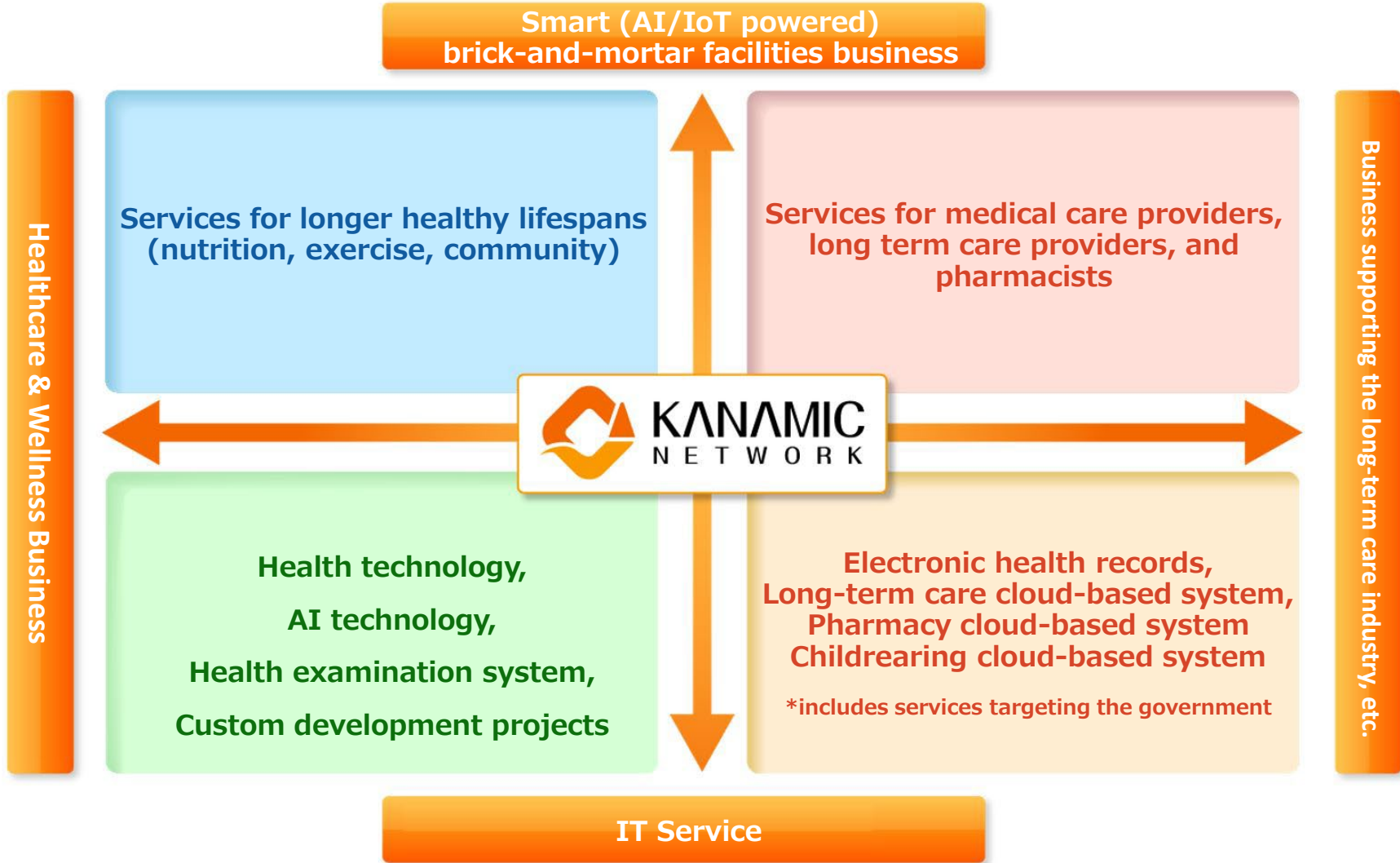
[AI System for Helping Children]



4-5.Kanamic's M&A Strategy

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

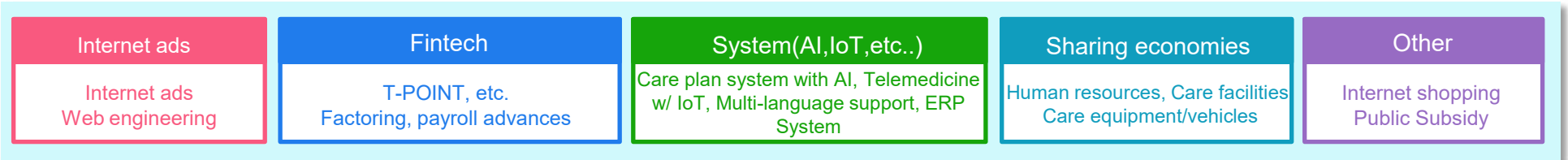
Identifying strategic synergies to accelerate the realization of the Kanamic Healthcare Platform;
Smart (AI/IoT powered) brick-and-mortar facilities present opportunities for data gathering



5. Business Outline



5-1. Our Goals



Platform Service

Public administration,
medical care & nursing care

Public administration, child
care & medical examinations

Collaboration in medical
treatment and nursing care

Parenting support



Continuing Care Retirement
Community

Parenting support

We introduce our operational
software to nursing care
administrators.

CCRC

Reduce burden
Enhance social
involvement

Local
revitalization

Creating the ideal
work environment
for young people



We provide care for all generations

5-2.Cloud Service : Medical & Nursing Care

*Many other functions are available

2nd layer

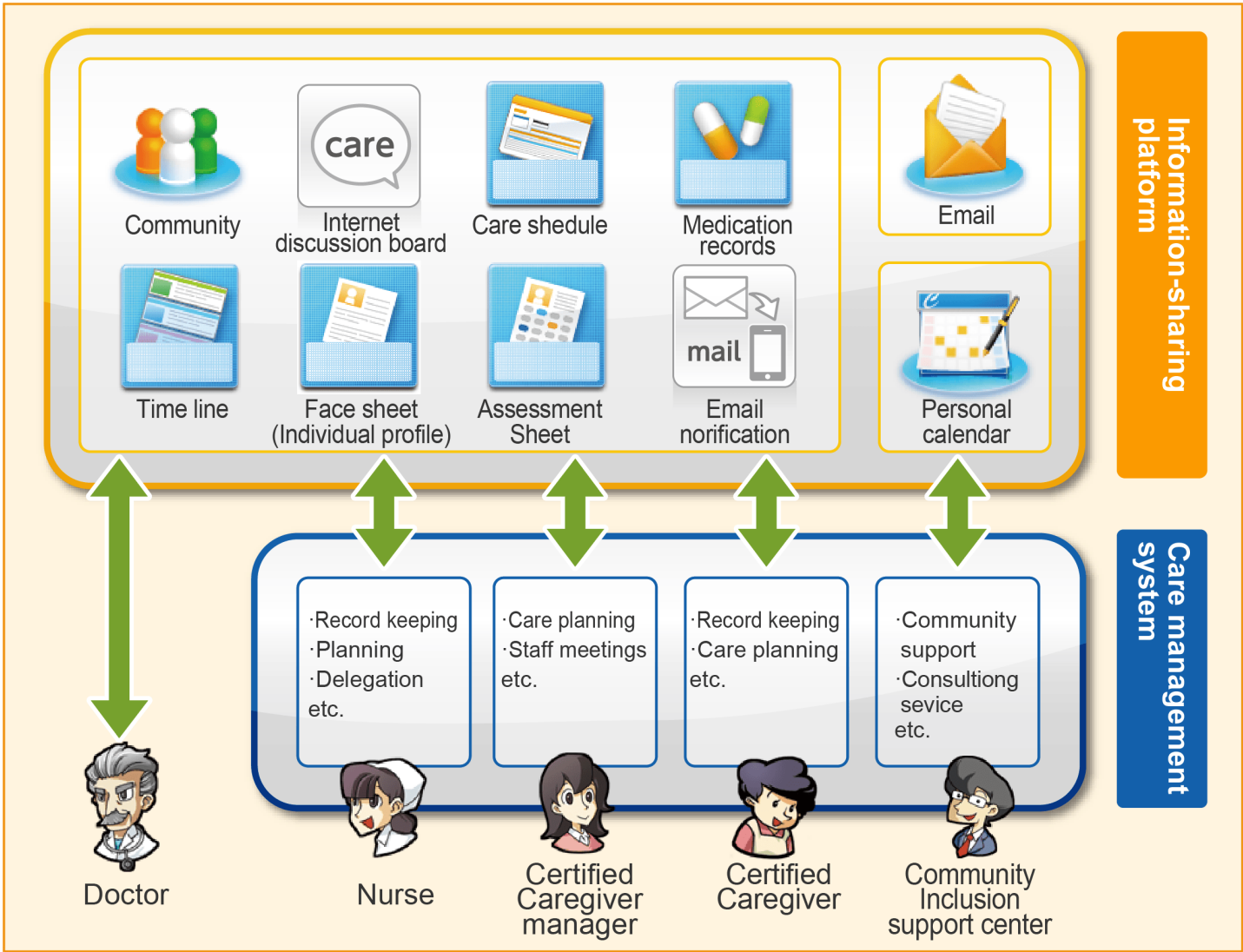
information-sharing platform is introduced into the whole area with an aspect

2nd layer Paying user

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

1st layer Paying user

- Care manager
- Care providers
- Community inclusion support center

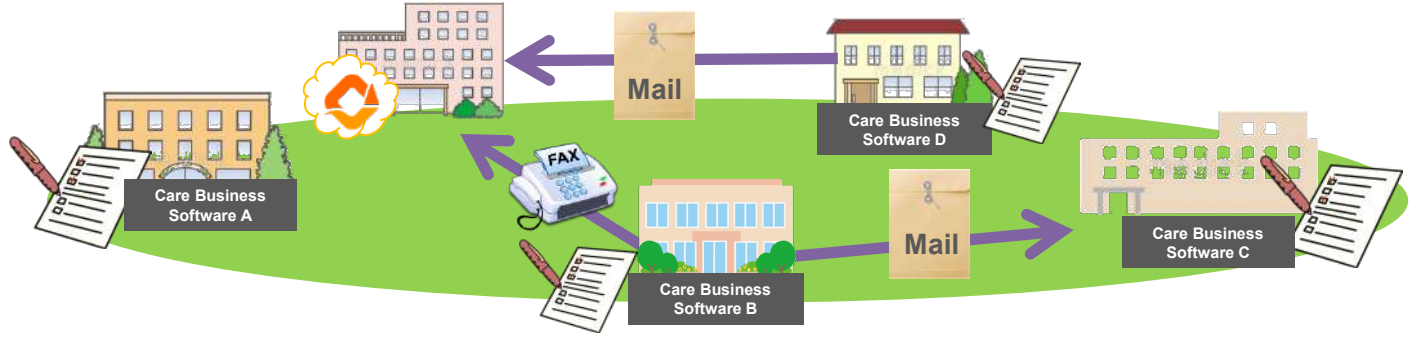


1st layer

Care management system is introduced into every corporation, company

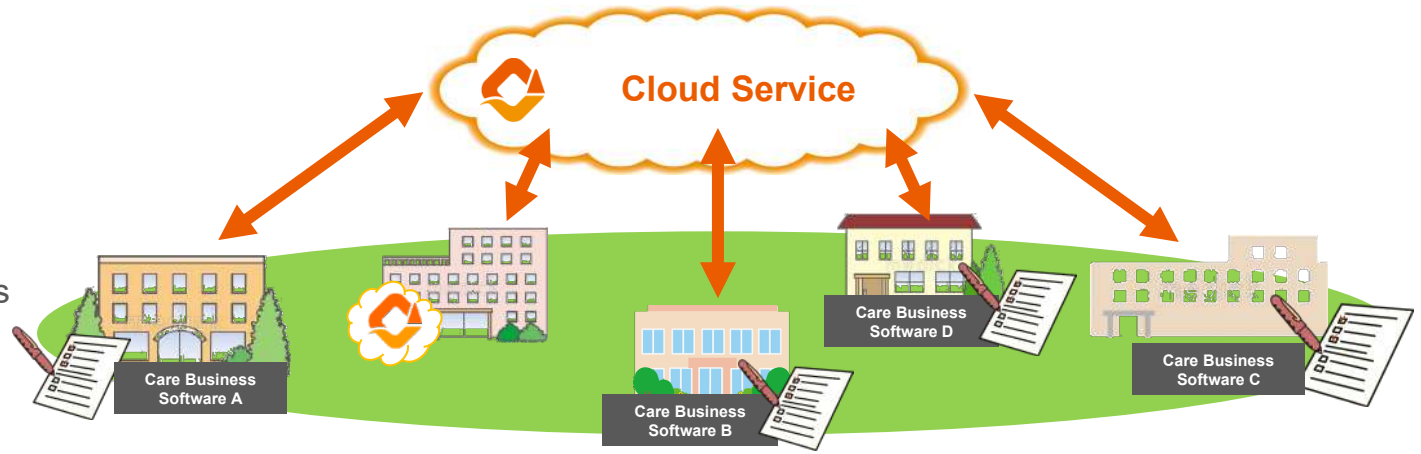
STEP.1

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.



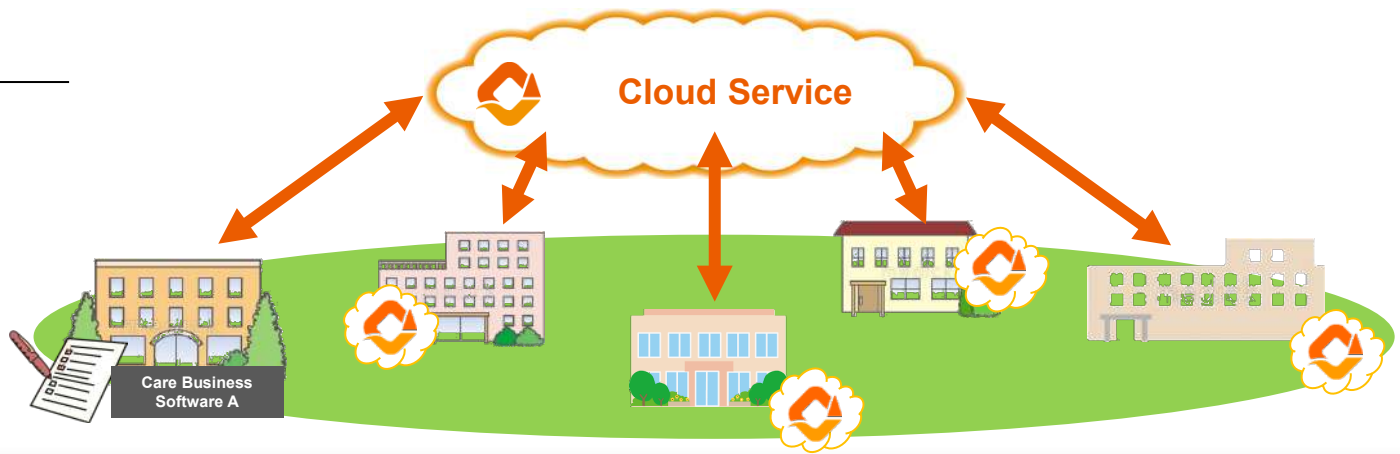
STEP.2

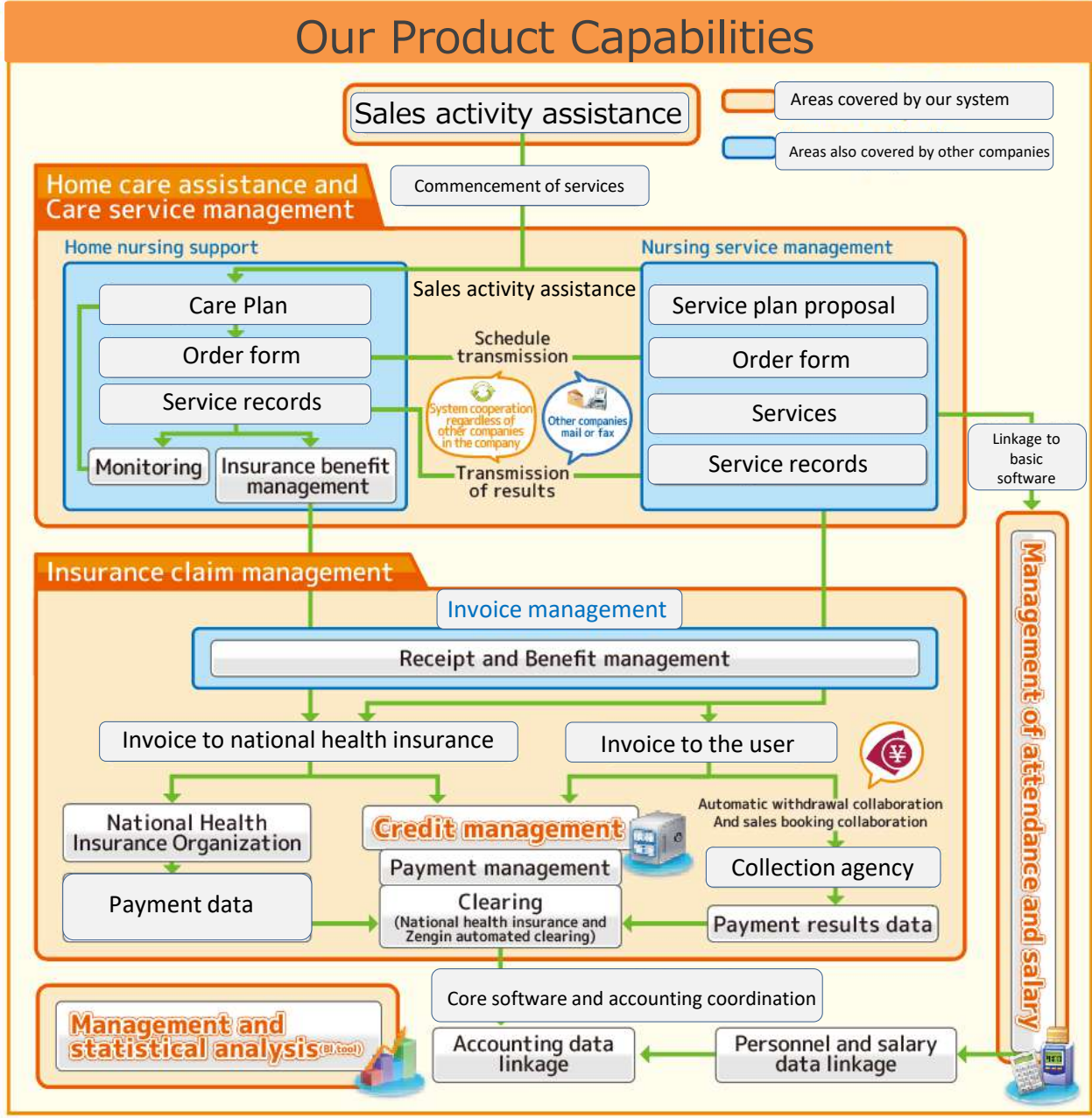
Our product is installed for regional nursing care information distribution(2nd layer),which leads to smoother distribution of information. However paperwork is still required on site.



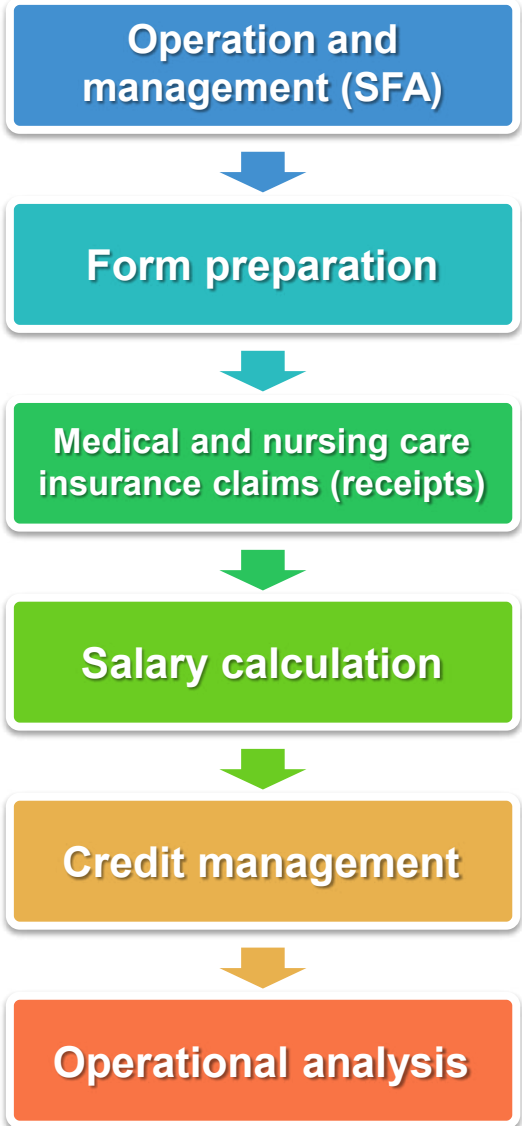
STEP.3

Our product is used in nursing care business administration (1st 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

- Municipalities
- Medical associations
- Central hospitals
- Home care doctors

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



TRITRUS ログイン

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 介護力ナさんの部屋

前の画面へ戻る

介護力ナさんの部屋

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

⇒管理者機能

参加者

サンプル事業所

- ケアマネ 花子 主担当者
- 米養士 和子 副担当者
- ヘルパー 千恵子 主担当者
- ヘルパー 次郎 主担当者

サンプル居宅介護支援事業

- ケアマネ 幸子

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

● 血圧(上) ● 血圧(下) ● 体温 ● 脈拍 ● SpO2

日付	血圧(上)	血圧(下)	体温	脈拍	SpO2
12/15 0:00	142	99	37.3	98	92
12/16 0:00	136	98	37.0	99	99
12/17 0:00	153	99	36.6	100	99
12/18 0:00	144	99	37.3	95	95
12/19 0:00	142	99	37.0	95	95
12/20 0:00	150	99	36.6	99	99
12/21 0:00	144	99	37.3	95	95
12/22 0:00	153	99	37.0	95	95

過去の記録を見る

フェイスシート 新規作成 2013/02/15

サービス カレンダー 2013/02/06

おやすみ手帳 2013/02/15

アセスメント (設定調査票) 2013/02/15

訪問口読ケア チェックシート 2013/01/23

データフォルダ 2013/07/23

タイムライン

ケアレポート

トピック	書込数(未読数)	最終更新日
利用者情報共有板	3(未2)	2012/2/16 11:07
重要]蕎麦アレルギーについて	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)
- Calendar (Schedules of Relevant Persons)
- Medication records (Sharing of Drug Information)

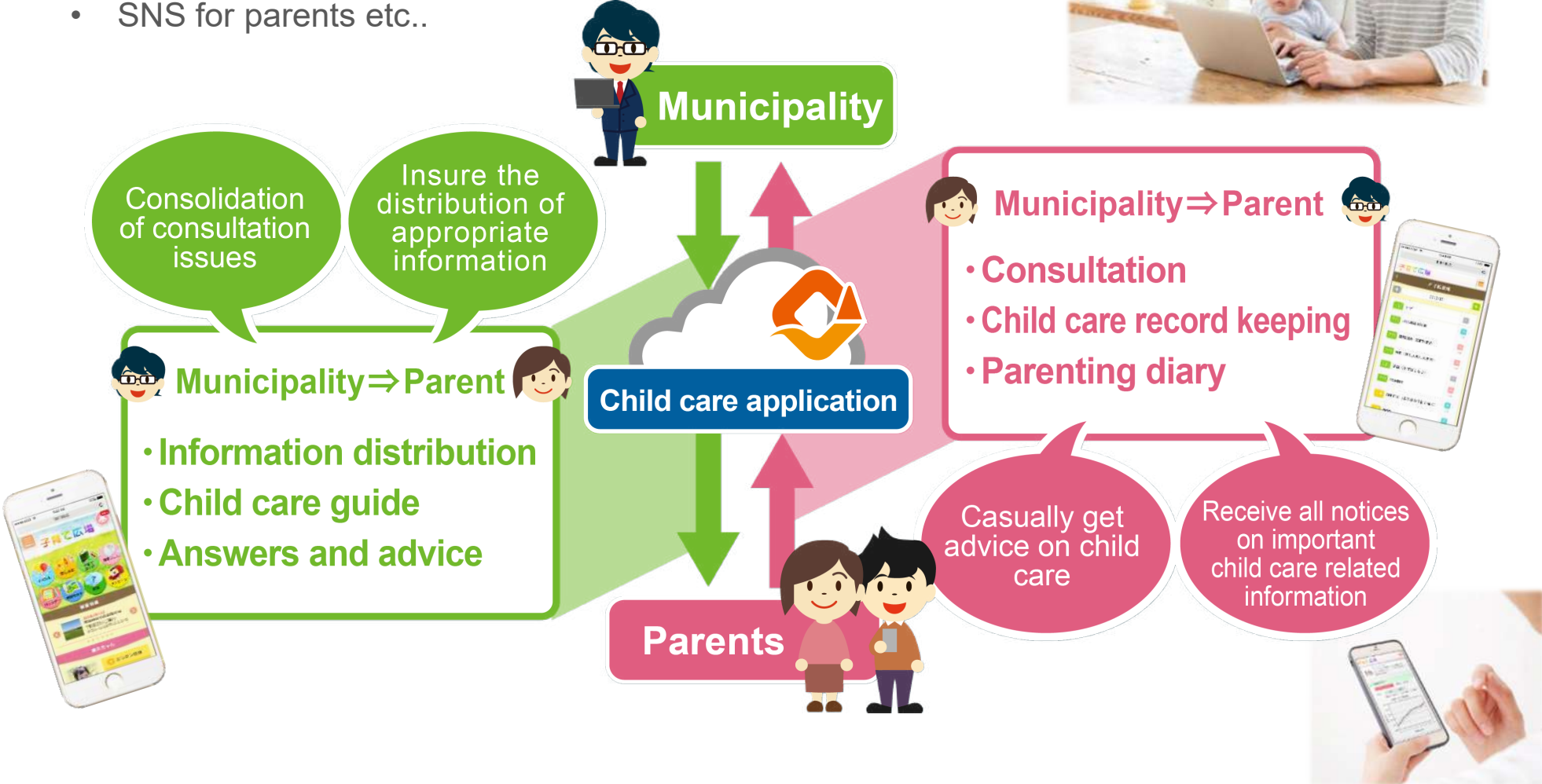
Care record for daily changes

- 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. Increase Revenue through Platform Introduction

Fintech

- T-POINT, etc.
- Factoring
- Payroll prepayment

System (AI, IoT, etc..)

- Care plan system with AI
- Remote medical care with IoT
- Multi-language support
- Business management system

Sharing economies

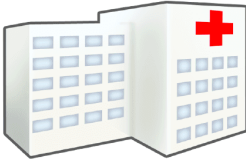
- Human resources
- Care facilities
- Care equipment & vehicles

Internet ads

- Internet Ads
- Web Design

Other

- Internet shopping
- Public Subsidy



Hospital



Care facility



Home care



Care recipients



Doctors



Municipalities



Nurses and Caregivers

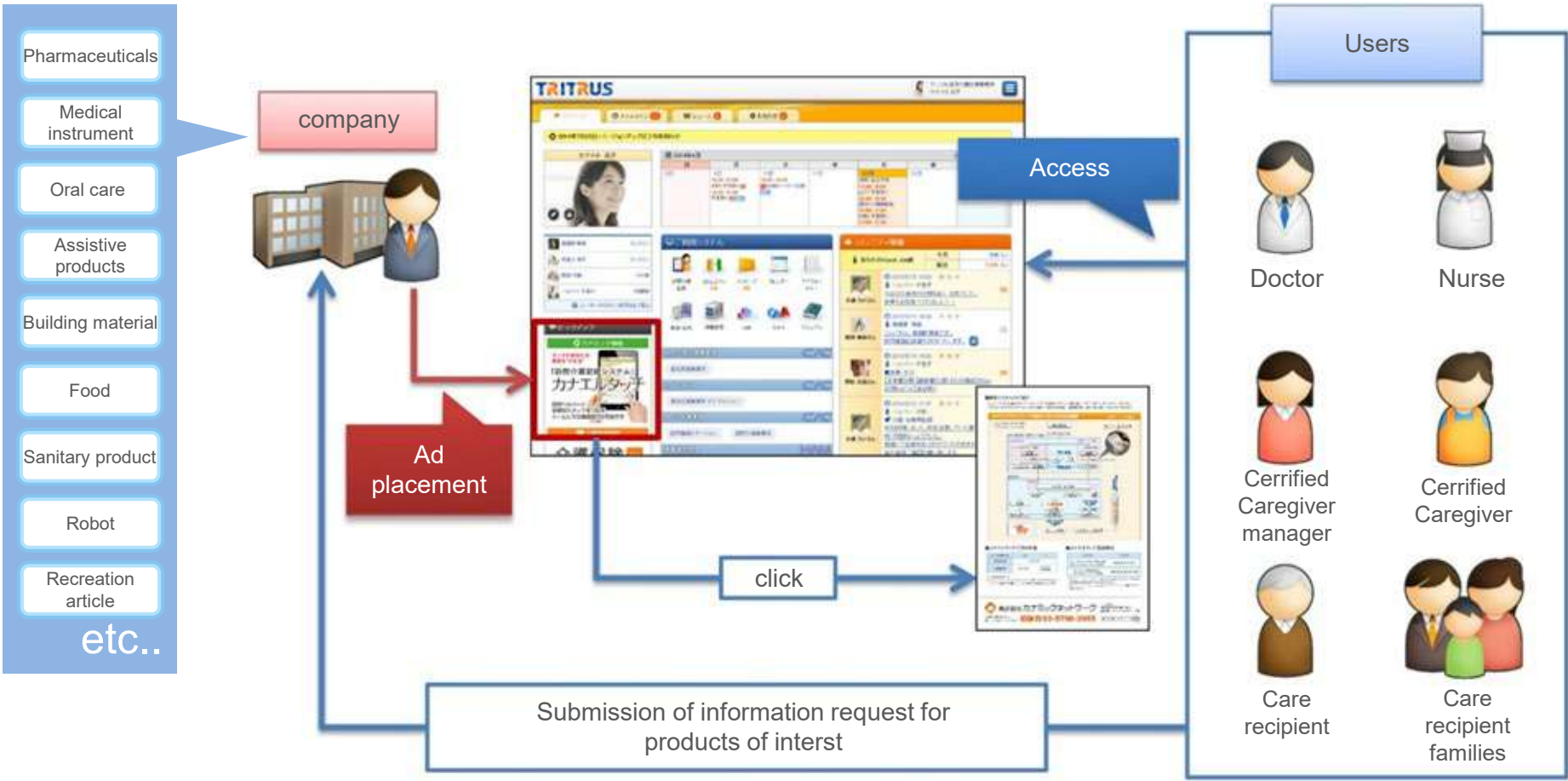
Organizations

Medical and nursing care service providers and recipients

Kanamic users

5-8. Advertising Content Service

Advertising content service focused on medical and nursing professionals



Internet ads

- Impression ads
- Article ads
- Video ads

Participation in user group meetings

- Invitation to participate in regularly held user meetings

Web questionnaire

- Product marketing
- Market research

Distribution of samples

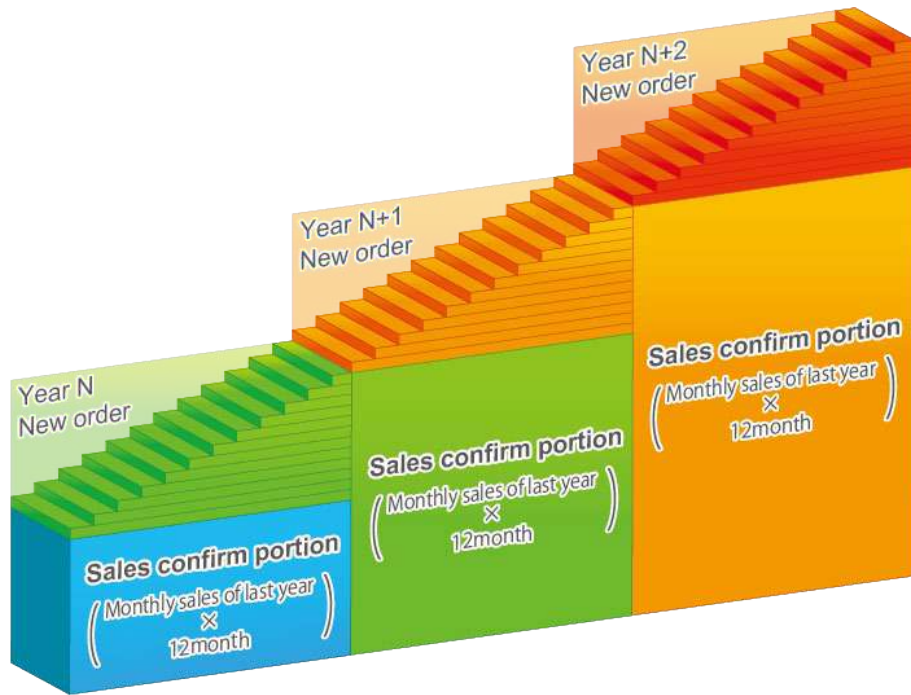
- Provide samples to care recipients via service providers

6. Strengths

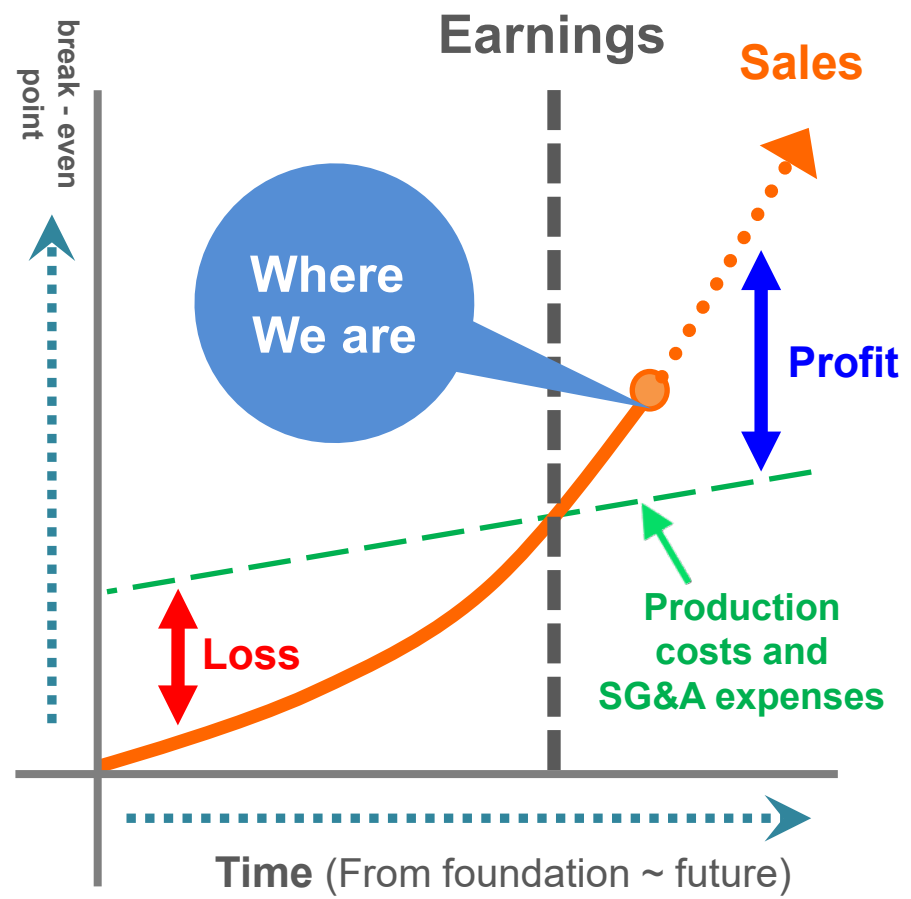
6-1. Profit structure

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

- Earnings structure in recurring business



- Stages for Kanamic



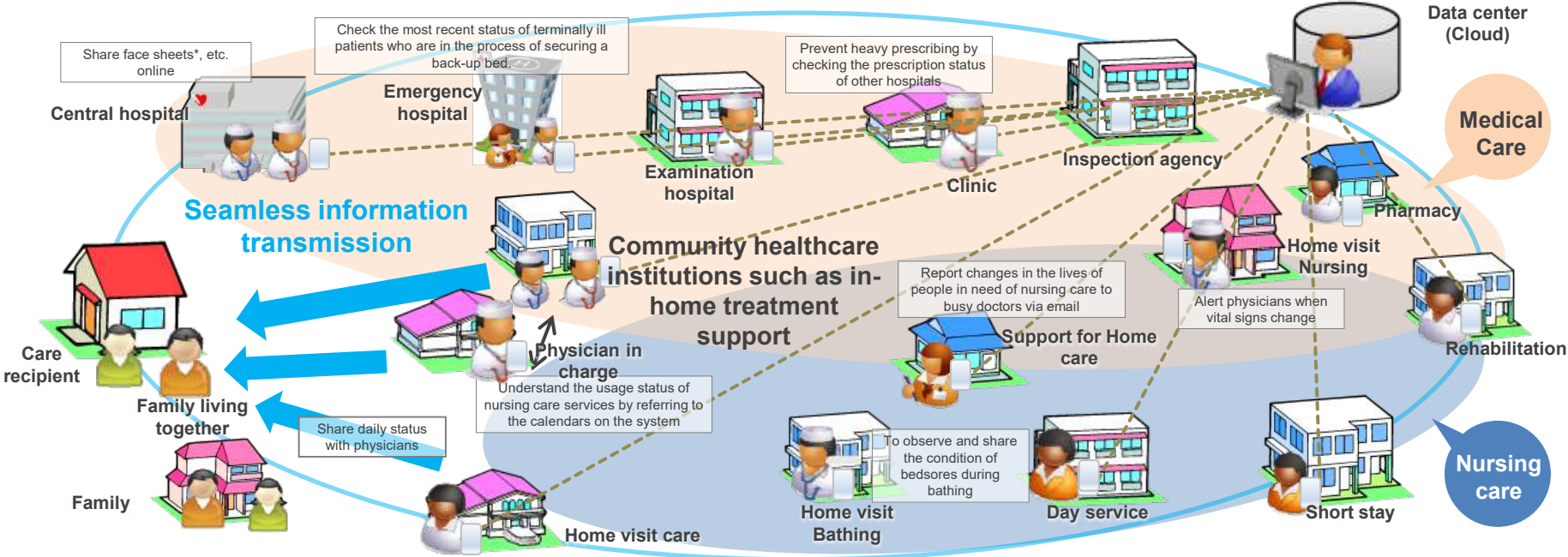
6-2. Research Collaboration with The University of Tokyo in Development of "Kashiwa Model"

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.

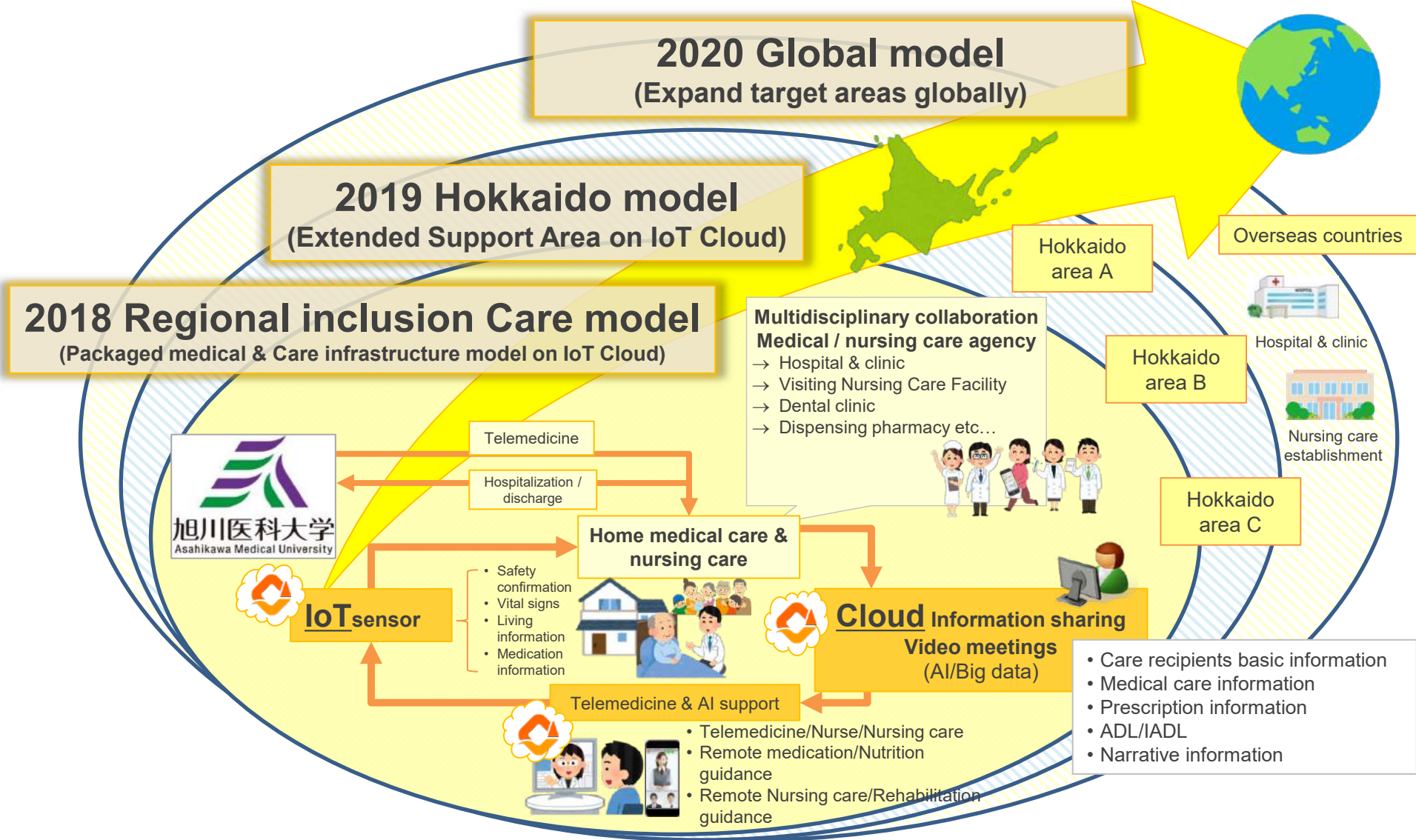


Questionnaire conforms to Chiba Prefecture Community Livelihood Coordination Sheet, etc.

source : Institute of Gerontology, the University of Tokyo

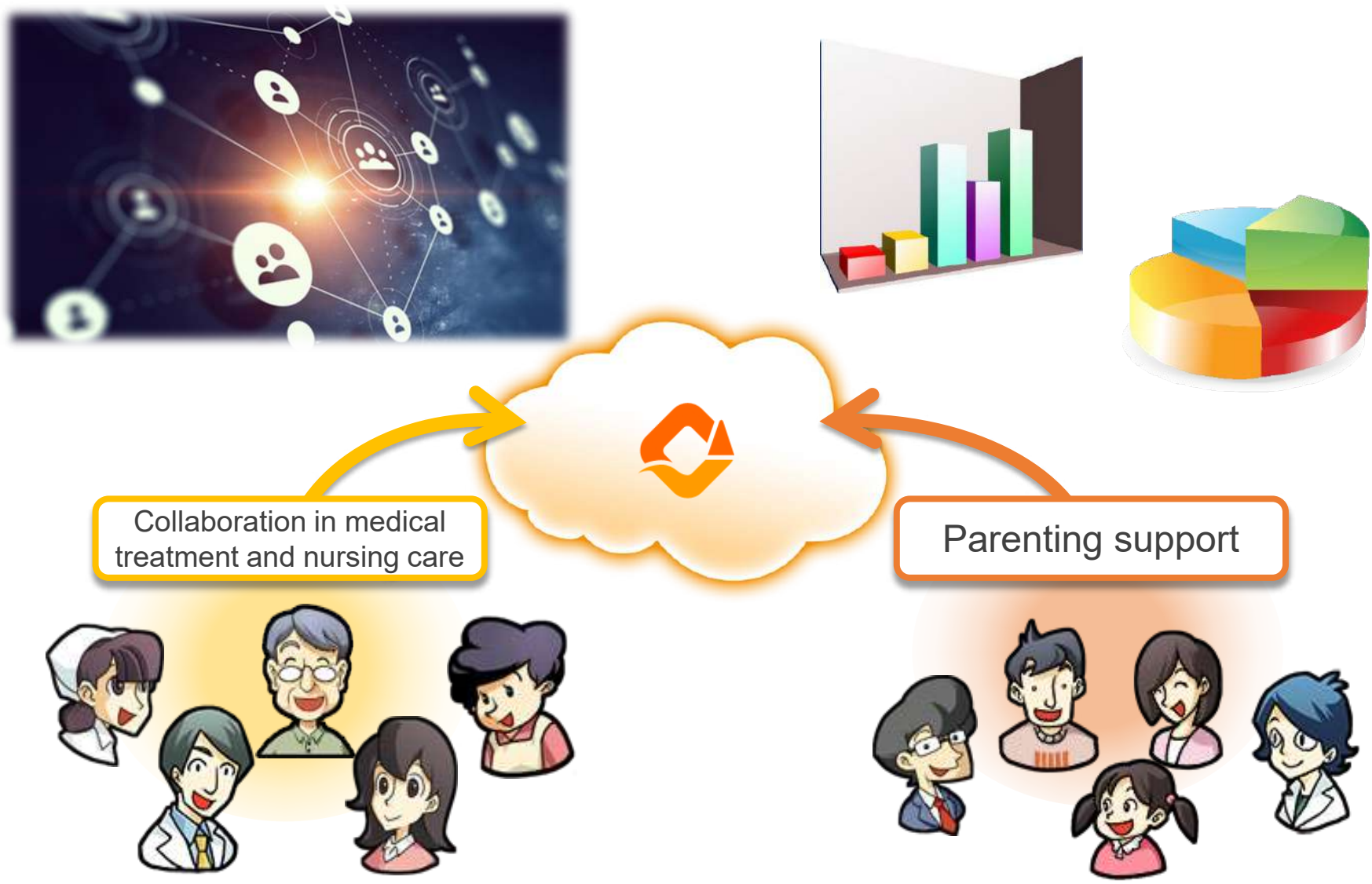
6-3. Growth Strategy / Research Collaboration

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) & AI

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



The materials and information provided herein include so-called "forward-looking statements."

These forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

These risks and uncertainties include general industry and market conditions, general domestic and international economic conditions such as interest rates and currency exchange rate fluctuations.

The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information or future events.