



March 24th, 2023

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Name of representative: Teruo Aibara, President & CEO
(Securities code: 3649; PRIME Market)
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Plan to Comply with the Continued Listing Criteria of the Prime Market

As of December 31, 2022, FINDEX Inc. ("The Company") was no longer in compliance with the criteria to continue its listing on the Prime Market of the Tokyo Stock Exchange.

The Company hereby announces that it has prepared a plan to meet the requirements for the continued listing criteria as follows.

1. Status of the Company's Compliance with the Continued Listing Criteria and its Schedule

As of December 31, 2022, status of the Company's compliance with the criteria for maintaining its listing on the Prime Market was as follows, and it did not meet the requirement regarding Tradable Share Market Capitalization. As shown in the table below, the Company will take the following measures to meet the criteria for Tradable Share Market Capitalization for maintaining its listing by the end of fiscal year 2025, the final year of "Vision for 2025" the medium-term business plan.

	Number of shareholders	Number of tradable shares (units)	Tradable Share Market Capitalization (¥ Billions)	Tradable Share Ratio (%)	Daily Average Trading Value (¥ Millions)
Status of the Company (as of December 31, 2022)	5,738	138,094	7.7	51.8	70
Continued Listing Criteria	800	20,000	10.0	35	20
Eligibility	✓	✓	×	✓	✓
Period of Plan	-	-	End of December 2025	-	-

*The Company's compliance status is calculated based on the distribution of our share certificates, etc., as understood by the Tokyo Stock Exchange as of December 31, 2022.

2. Basic Policies, Challenges, and Initiatives to Comply with Continued Listing Criteria

The Company aims to comply with the criteria for Tradable Share Market Capitalization by achieving growth in business performance through the steady implementation of "Vision for 2025" the medium-term business plan, and to improve market capitalization by reducing the cost of capital through enhanced investor relations activities.

For details, please refer to the "Plan to Comply with the Continued Listing Criteria of the Prime Market".

Note: This is a translation of the document originally prepared in Japanese, based on information gathered at the time of its preparation and actual results may differ from the targets due to various factors. In the event of any discrepancies in words, figures or the like between this document and the original, the original Japanese version shall govern.

Plan to Comply with the Continued Listing Criteria of the Prime Market

FINDEX Inc.

24th March 2023



Compliance status as of December 31, 2022

As of December 31, 2022, the Company does not comply with the “tradable share market capitalization” among the criteria for maintaining its listing on the Prime Market.

	Continued Listing Criteria	FINDEX Inc.	Eligibility
Tradable share market capitalization (¥ Billions)	10.0	7.7	×
Number of shareholders	800	5,738	✓
Number of tradable shares (units)	20,000	138,094	✓
Tradable share Ratio (%)	35.0	51.8	✓
Daily average trading value (¥ Millions)	20.0	70.0	✓

Basic Policy for Meeting the Criteria

1. Basic Policy

In order to meet the criteria for market capitalization of tradable shares, the Company will enhance its corporate value by improving the quality and expanding the scale of its business and enhancing shareholder returns, thereby increasing its market capitalization and the market capitalization of its tradable shares.

2. Period of Plan

In accordance with the basic policy, the Company will steadily implement its medium-term business plan "Vision for 2025" in order to achieve the goals, and the due date has been set on December 31, 2025.

Initiatives for Each Segments to Achieve Basic Policies

Medical Business

- Proactively cross-sell software solutions to existing customers
- Increase profit margin by accelerating packaged solution sales by distributors
- Promptly launch next generation products and functions to support medical digitalization

⇒ Sales Target for FY2025 : **JPY 5,320 Mio**

Public Business

- Set our legally compliant public records management solution as the core product, focus on sales to municipalities and public corporations

⇒ Sales Target for FY2025 : **JPY 330 Mio**

Health Tech Business

- Strengthen the GAP sales teams at domestic distributors
- Start the sales of GAP in the EU (accelerate from 2023)
- Start the sales of GAP in India (within 2024)
- Start the sales of GAP in ASEAN region (within 2024)
- Start the sales of GAP in the USA (within 2025)
- Launch GAP as a medical device to assess MCI (Mild Cognitive Impairment) (within 2025)

⇒ Sales Target for FY2025 : **JPY 680 Mio**

Expansion of Business and Improvement of its quality

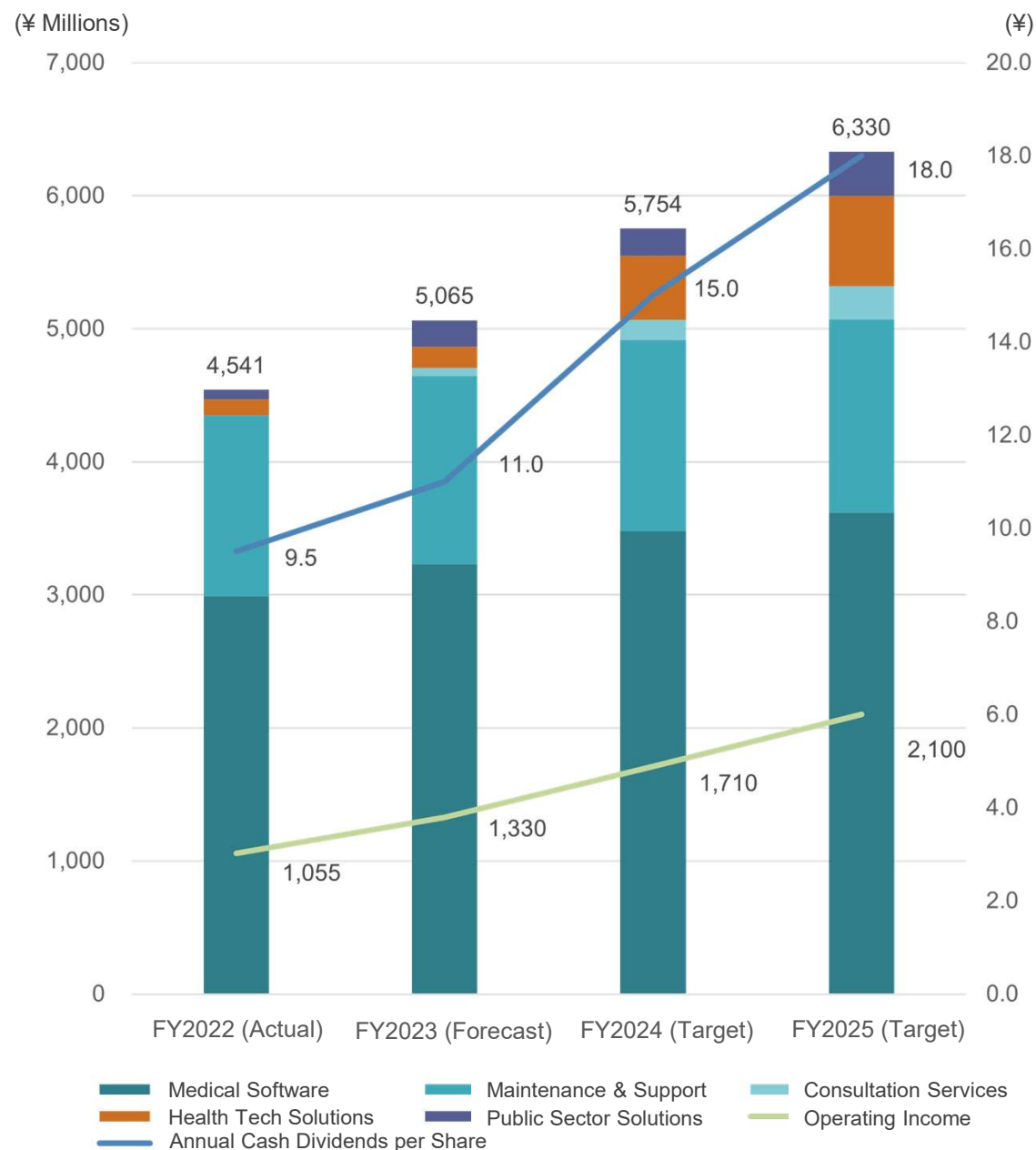
“Enriching Society with Technologies and Creation”

Fulfilling our responsibilities as a corporation supporting the mental and physical wellbeing of people, through Concentration of Management Resources, Acceleration of R&D and Human Capital Investment

1	Concentration of Management Resources	<ul style="list-style-type: none">• Restructure medical solutions business to sustain growth• Prioritize M&A as a key growth strategy• Strengthen partner sales
2	Acceleration of Advanced R&D	<ul style="list-style-type: none">• Reconceptualize our presence as a R&D-oriented company• Improve internal training system and enable dynamic staffing including management levels• Acquire and retain the right talent
3	Addressing Key Sustainability Challenges	<ul style="list-style-type: none">• Support and engage in international initiatives for climate change (E)• Contribute to reducing disparities in health care and improving wellbeing of people (S)• Ensure good corporate governance and foster a diverse and inclusive workplace culture (G)

Targets for Business Growth and Annual Cash Dividends toward FY2025 (consolidated)

	(¥ Millions)	Net income (Estimate, ¥ Millions)	Annual Cash Dividends per Share (Target, ¥)
FY2025		1,460	18.0
FY2024		1,188	15.0
FY2023		923	11.0
FY2022 (Actual)		722	9.5
2022-2025 Change in %		202%	189%



Basic data for estimating market capitalization of tradable shares

Reference 1 Performance Trends of the Past 5 Years

	Net Income (¥ Millions)	Closing Stock Price at Year-end (¥)	Market Capitalization at Year-end (¥ Millions)	P/E Ratio (x)
FY2022	722	494	12,656	17.5
FY2021	636	1,006	25,774	40.5
FY2020	430	1,161	29,745	69.1
FY2019	499	1,354	34,689	69.4
FY2018	398	538	13,784	34.9

Reference 2

• Lowest P/E Ratio of the period above	17.5x
• P/E Ratio based on February 14, 2023 ^{*1} stock price	22.3x
• Average P/E Ratio of indirect competitors	19.7x^{*2}
• Average P/E Ratio of the Information and Communication sector in the prime market	23.0x^{*3}

*1 : The Company released its financial results for the fiscal year ended December 31, 2022 at 3:30pm JST on February 13, 2022

*2 : Average of 3 companies, based on our research (February 2023)

*3 : Values published by Japan Exchange Group (February 2023)

Estimated Tradable Share Market Capitalization

Estimated Tradable Share Market Capitalization

Prerequisites

From Reference 2

P/E Ratio: **17.5 to 23.0x** / Tradable shares: **51.8%**

(¥ Millions)

	Net income	P/E Ratio (x)	Market capitalization	Tradable share market capitalization
FY2025	1,460	23.0	33,580	17,394
		17.5	25,550	13,234
FY2024	1,188	23.0	27,324	14,153
		17.5	20,790	10,769
FY2023	923	23.0	21,229	10,996
		17.5	16,152	8,366

Strengthening IR Activities and Shareholder Return Policies

Strengthening IR Activities

The Company believes that providing a broader range of information about itself to a greater number of shareholders and investors will lead to bridge information gap and increase understanding of its business.

The Company will strive for appropriate and fair disclosure of information in a timely manner and enhance various initiatives aimed at creating opportunities to raise awareness.

- Proactively publish press releases to our stakeholders for their deeper understandings of the Company's business performance and its growth.
- Timely distribution of recorded presentations of financial results briefings and its full-text transcripts.
- Disclose financial materials and related information in English to overseas investors, and arrange 1-on-1 meetings throughout the years.

Shareholder Return Policy

The Company will execute well balanced payment of dividends steadily in line with the growth of its business. Considering its future capital policy, business strategy and the current growth stage, the Company aims to further return profits to shareholders by increasing net income to achieve payout ratio of 30% which is the basic policy regarding the shareholder returns.

- Flexibly consider increasing shareholder returns, including share buybacks, after reaching the target for market capitalization of tradable shares.
- Aggressively invest in business, including M&A, to increase corporate value and realize shareholder returns in exchange for dividends.

Appendix

Vision for 2025 (Revised)

13th February 2023

excerpted

2011-2022 - Executed active investments in R&D / Acquired technologies & knowledge

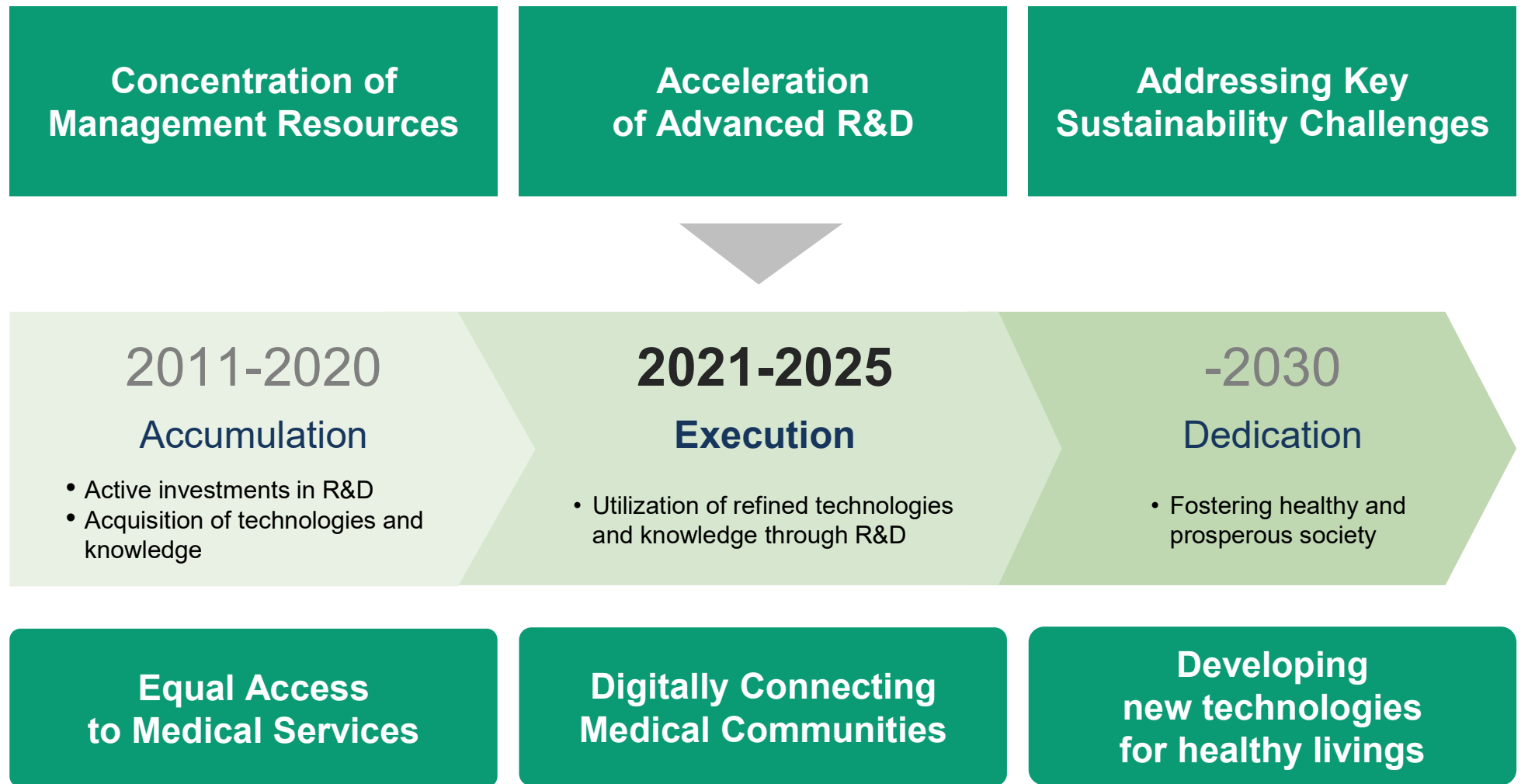
(¥ Millions)

Initiatives of the past 11 years 2011~2022
<ul style="list-style-type: none"> Established de facto standard products for hospital internal information and data infrastructure
<ul style="list-style-type: none"> Proceeded advanced joint R&D with university hospitals, focusing on the development of medical software
<ul style="list-style-type: none"> Executed R&D of medical devices and its application to clinical data analysis
<ul style="list-style-type: none"> Developed DocuMaker Office with a core function of public document managements to enter into the public sectors market

5Yrs KPI	FY2017*1	FY2022	Growth Rate
Net Sales	3,311	4,541	↑ +37.1%
Ordinary Profit	547	1,055	↑ +92.8%
Ordinary Profit Margin	16.5%	23.2%	↑ +6.7pp
ROE	13.0%	17.9%	↑ +4.9pp
Research Progress on GAP*2	40%	100%	
Research progress on DMO*3	15%	97%	

*1 Consolidated in 2017. / *2 GAP: Gaze Analyzing Perimeter / *3 DMO: DocuMaker Office

Engaging in business/social contribution activities towards the healthy and sustainable society



“Enriching Society with Technologies and Creation”

Fulfilling our responsibilities as a corporation supporting the mental and physical wellbeing of people, through Concentration of Management Resources, Acceleration of R&D and Human Capital Investment

1 Concentration of Management Resources	<ul style="list-style-type: none">• Restructure medical solutions business to sustain growth• Prioritize M&A as a key growth strategy• Strengthen partner sales
2 Acceleration of Advanced R&D	<ul style="list-style-type: none">• Reconceptualize our presence as a R&D-oriented company• Improve internal training system and enable dynamic staffing including management levels• Acquire and retain the right talent
3 Addressing Key Sustainability Challenges	<ul style="list-style-type: none">• Support and engage in international initiatives for climate change (E)• Contribute to reducing disparities in health care and improving wellbeing of people (S)• Ensure good corporate governance and foster a diverse and inclusive workplace culture (G)

1. Concentration of Management Resources

Restructure medical solutions business to sustain growth

- Efficiently sell the packaged software products and services to realize the sales operation optimization and high profit margins
- Strengthen the fundamentals of medical solutions that will set our products apart as an advanced feature for the coming years



- Minimize the software customization to allocate development resources to the following business areas:
- Digitalization of medical information infrastructure - Participate in Japan medical data standardization project as a key player in 2023
- Refining solutions for public sectors - Launch a full version of DocuMaker Office by 2024

Prioritize M&A as a key growth strategy

- Reinvest equity capital in business acquisitions
- Strengthen existing businesses
- Extend the scope of business into peripheral areas



- Set up a M&A team within 2023
- Achieve desired ROI of 15% by 2024, with a total of JPY 3 billion in planned investments

Strengthen partner sales

- Allocate sales resources to marketing planning by delegating software sales and support activities to distributors
- Provide trainings to medical device distributors to accelerate sales delegation
- Implement regional exclusive distributor sales models for overseas



- Transfer 20% of business in large medical institutions from direct to partner sales by 2025
- Develop 5 or more expert sellers for GAP sales among distributors
- Establish strong overseas sales structures with distributors in each regions by 2025

Reconceptualize our presence as a R&D-oriented company

- Proactively conduct joint research based on industry-academia-government collaboration to develop innovative products
- Flexible transfer of human resources from the system development division to the R&D unit



- Develop a screening device for MCI (Mild Cognitive Impairment) by 2025, together with Kyoto University and AMED (Japan Agency for Medical Research and Development)
- Start a new R&D project on:
 - Utilization of virtual space
 - AI technologies to support medical practices and operations

Improve internal training system and enable dynamic staffing including management levels

- Maximize the talent development of employees by allowing them to change divisions in a flexible manner based on their preferences



- Implement a job-based talent management system from 2023
- Apply cross-departmental internships to 20% of the employees to deepen and support their careers by 2025

Acquire and retain the right talent

- Efficiently open regional and overseas offices to extend job opportunities
- promote graduate schools and MBA programs for employees
- Adopt flexible work styles



	2022 (Actual)	2025 (Target)
# of employees in remote areas	0	5
# of employees offshore	0	2
# of employees applied for graduate school scholarship by Findex	0	4
# of employees applied for reduced working hours	19	25

Support and engage in international initiatives for climate change (E)

- Promote disclosure of non-financial information in line with the TCFD framework
- Support the challenges of external organizations in their efforts to develop a sustainable society

Contribute to reducing disparities in health care and improving wellbeing of people (S)

- [External] Increase access to early detection of glaucoma and other eye diseases by promoting the use of GAP, an in-house developed perimeter
- [External] Realize a framework that allows any person to receive smooth and efficient medical care at large hospitals, introducing telemedicine and utilizing location information
- [Internal] Creating and maintaining a healthy work environment with high levels of employee engagement

Ensure good corporate governance and foster a diverse and inclusive workplace culture (G)

- Strengthen information security and ensure compliance
- Foster an organizational culture that can withstand changes in the external environment by facilitating diversity in hiring and promotion
- Support employees develop their talents in line with their career goals through internal programs and make adjustments required for employees to accept promotions

- Explanation of our sustainability related activities: To be announced in the annual securities report in March 2024
- Enhance disclosure via corporate website
- ESG investment target to be planned: Up to 100 million yen by December 2025

	2022 (Actual)	2025 (Target)
# of visual field tests performed with GAP at checkups organized by local governments	707	10,000
# of medical facilities implemented GAP	35	1,550
# of medical facilities implemented Medical Avenue	1	5
Employee Survey Response Rate	96.0%	96.0%
Employee Turnover Rate	6.5%	4.0%

	2022 (Actual)	2025 (Target)
# of incidents related to information security	1	0
% of employees with disabilities	1.0%	2.0%
% of foreign employees	0.3%	1.5%
% of female managers	3.8%	8.0%
% of independent outside Directors	33.3%	44.4%

Restructuring and optimization of our business portfolio

Challenging future for innovation, leveraging our strengths and specialties

Medical Business

- Proactively cross-sell software solutions, to more than 1,900 existing customers (as of December 2022) mainly the large hospitals
- Extensively install packaged solutions via distributors to achieve higher profit margin
- Promptly penetrate the market with self-developed data infrastructure which support medical digitalization

Public Business

- Set our legally* compliant “DocuMaker Office” the public records management solution as the core product, focusing the target on municipalities, public companies, and external organizations of ministries and agencies

*Law Concerning Management of Public Records, Law No. 66 of 2009, enacted on July 1, 2009.

Health Tech Business

- Overseas: Establish sales structures not only in the EU countries but also in India, ASEAN countries, and the U.S. to boost sales of GAP, a perimeter equipped with eye tracking technologies
- Domestic: Establish a consulting sales system at medical equipment dealers by training and assigning sales professionals capable of explaining the technical aspects of GAP

Business Strategy 2023-2025

Our Targets and the Roadmap – Medical Business

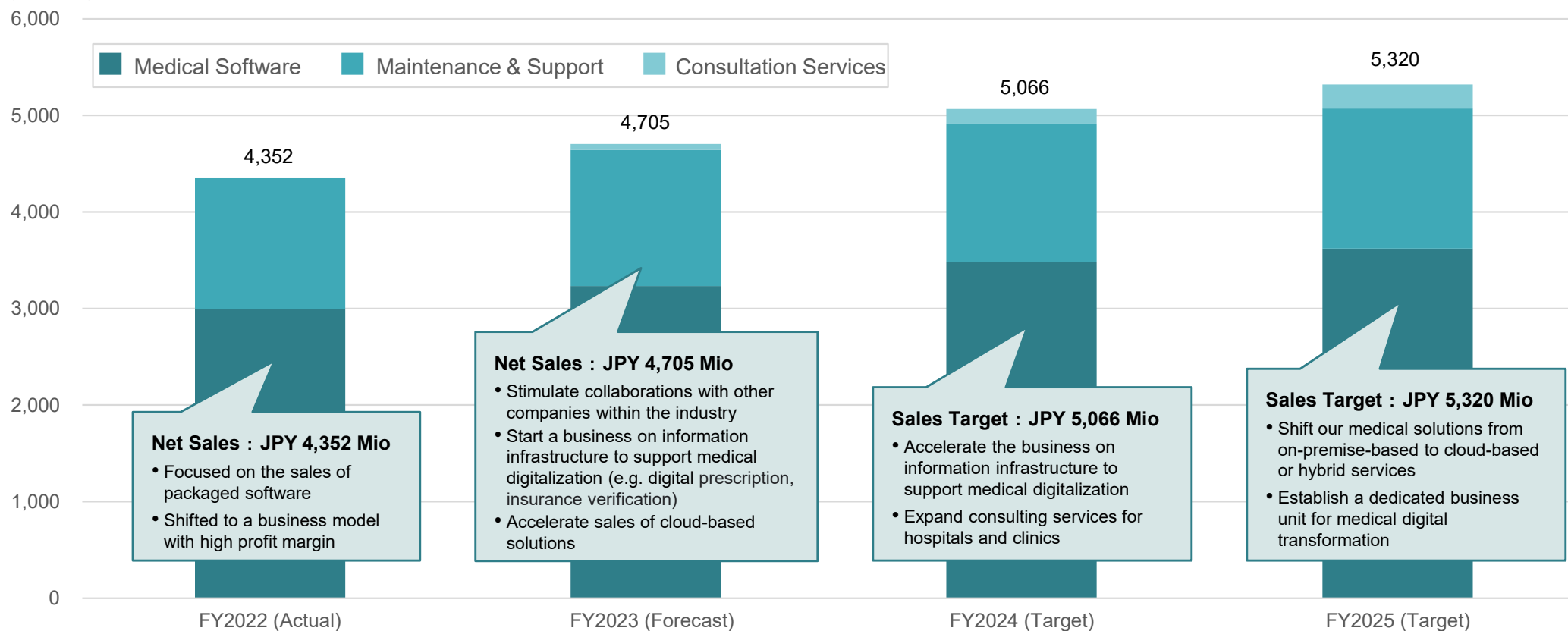


Promote comprehensive support for smooth hospital operations by upgrading our primary businesses to the next level, to continue a stable growth

Medical Solutions Sales Strategy

- Focus on the sales of packaged solutions with high profit margin (e.g. Claio, DocuMaker)
- Extend cloud-based solutions for supporting medical operations and hospital management
- Roll out and nurture a business on information infrastructure to support medical digitalization
- Acquire new customers with new features (e.g. Updated security systems and backup solutions for clinical records)
- Start consulting service for medical institutions and public organizations

(¥ Millions)



Net Sales : JPY 4,352 Mio

- Focused on the sales of packaged software
- Shifted to a business model with high profit margin

Net Sales : JPY 4,705 Mio

- Stimulate collaborations with other companies within the industry
- Start a business on information infrastructure to support medical digitalization (e.g. digital prescription, insurance verification)
- Accelerate sales of cloud-based solutions

Sales Target : JPY 5,066 Mio

- Accelerate the business on information infrastructure to support medical digitalization
- Expand consulting services for hospitals and clinics

Sales Target : JPY 5,320 Mio

- Shift our medical solutions from on-premise-based to cloud-based or hybrid services
- Establish a dedicated business unit for medical digital transformation

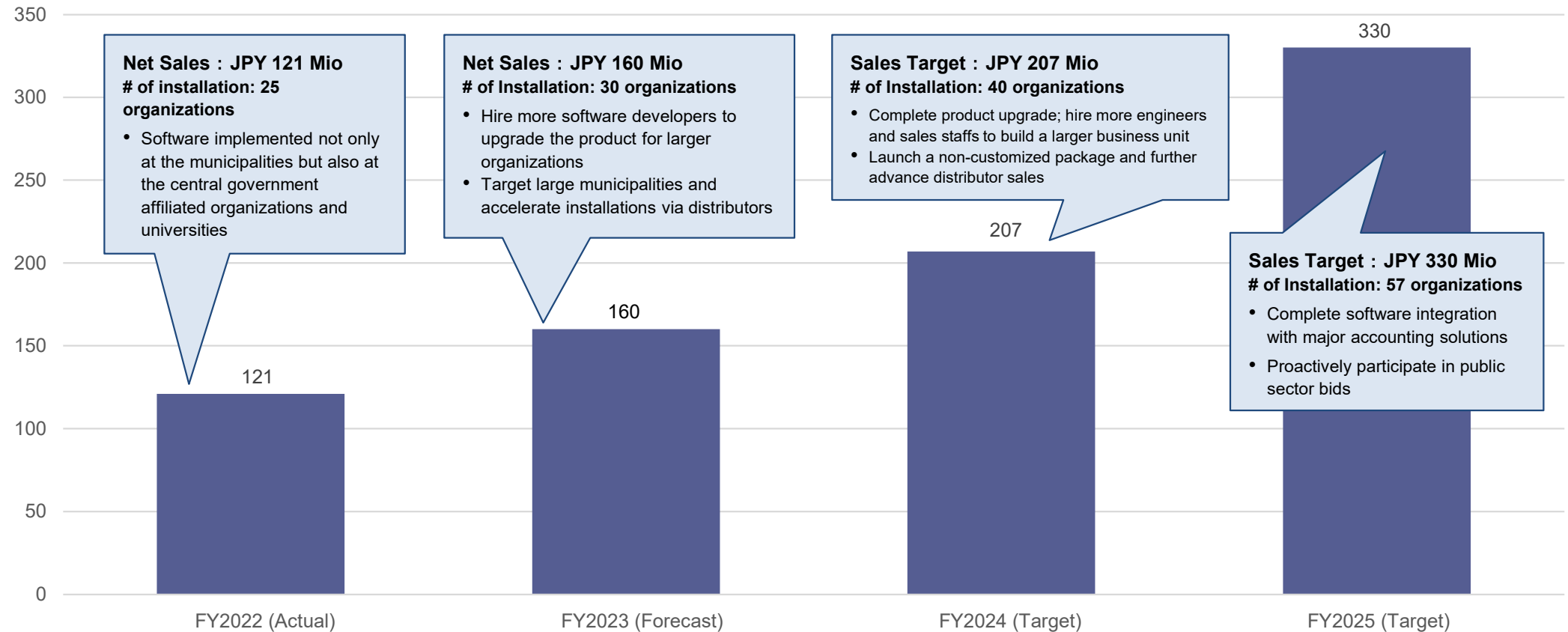
- Utilize medical data for drug discovery and medical device development (2026)
- Promote My Number Card connected to cloud-based network to improve usability, enabling patients to access good health care regardless of their locations (2025-2030)
- Install our digitalization solutions to over 50,000 medical facilities and pharmacies (2026)

Rapidly increase our market share in public sector with our public records management and e-approval solutions

DocuMaker Office Sales Strategy

- Hire more engineers and sales staffs to enlarge our implementation capacity
- Find the right target who needs the public record management (municipalities and public hospitals)
- Promote subscriptions and provide the latest functions steadily through a recurring revenue model
- Deploy tailored functions for each region / organization to differentiate our user-oriented product
- Accelerate sales via already contracted medical solutions distributors

(¥ Millions)



- Lead users to subscribe DocuMaker Office to establish a stable recurring revenue model
- Aim to install to 220 organizations in total by 2027

Business Strategy 2023-2025

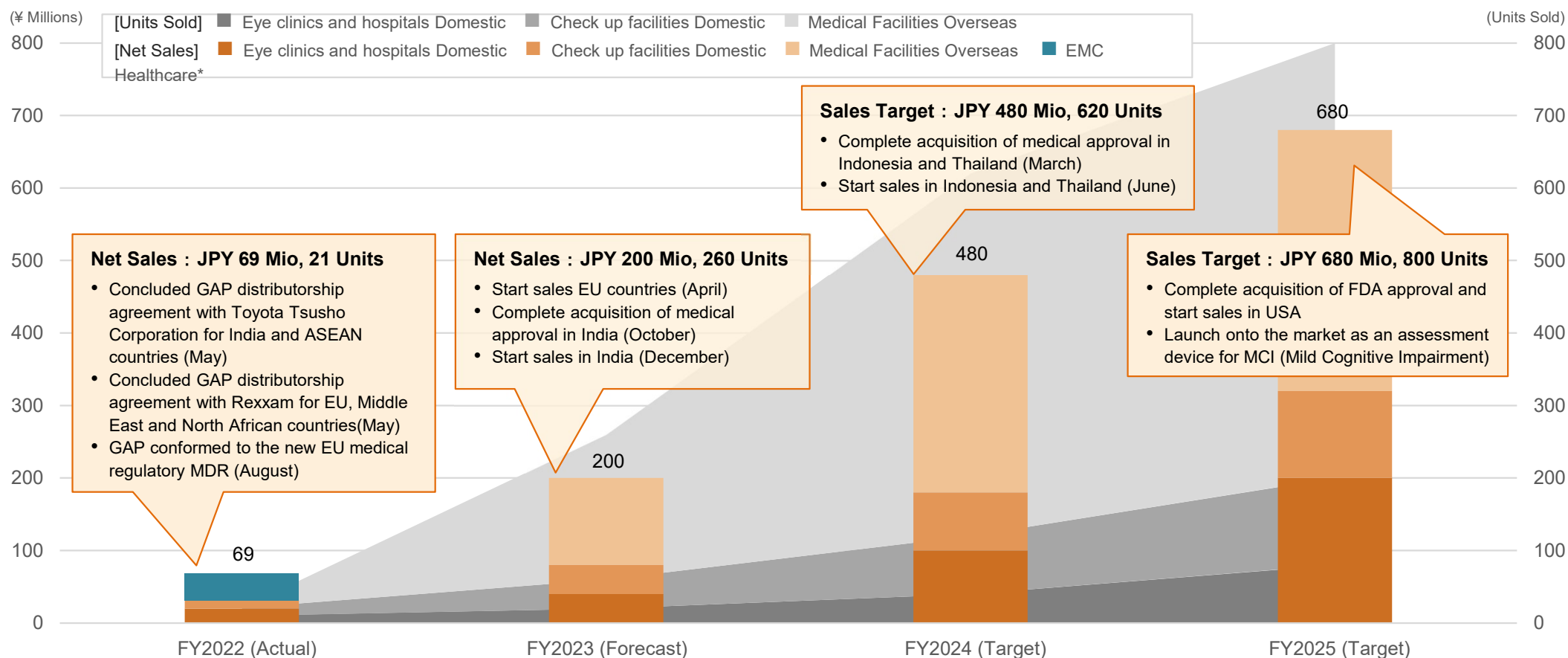
Our Targets and the Roadmap – Health Tech Business



Aim for global use of GAP from developed to emerging countries, leveraging its uniqueness and affordability as the strong points

GAP/GAP-screener Sales Strategy

- Improve the speed and accuracy of the test through additional R&D
- Strengthen the internal technical sales team to increase the number of domestic/overseas sales
- Develop and allocate technical sales resources within distributors
- Acquire medical regulatory in respective countries to accelerate the sales
- Proceed joint R&D with domestic/overseas key players, publish research papers to drive product awareness
- Proactively participate in exhibitions and congresses both inside and outside Japan



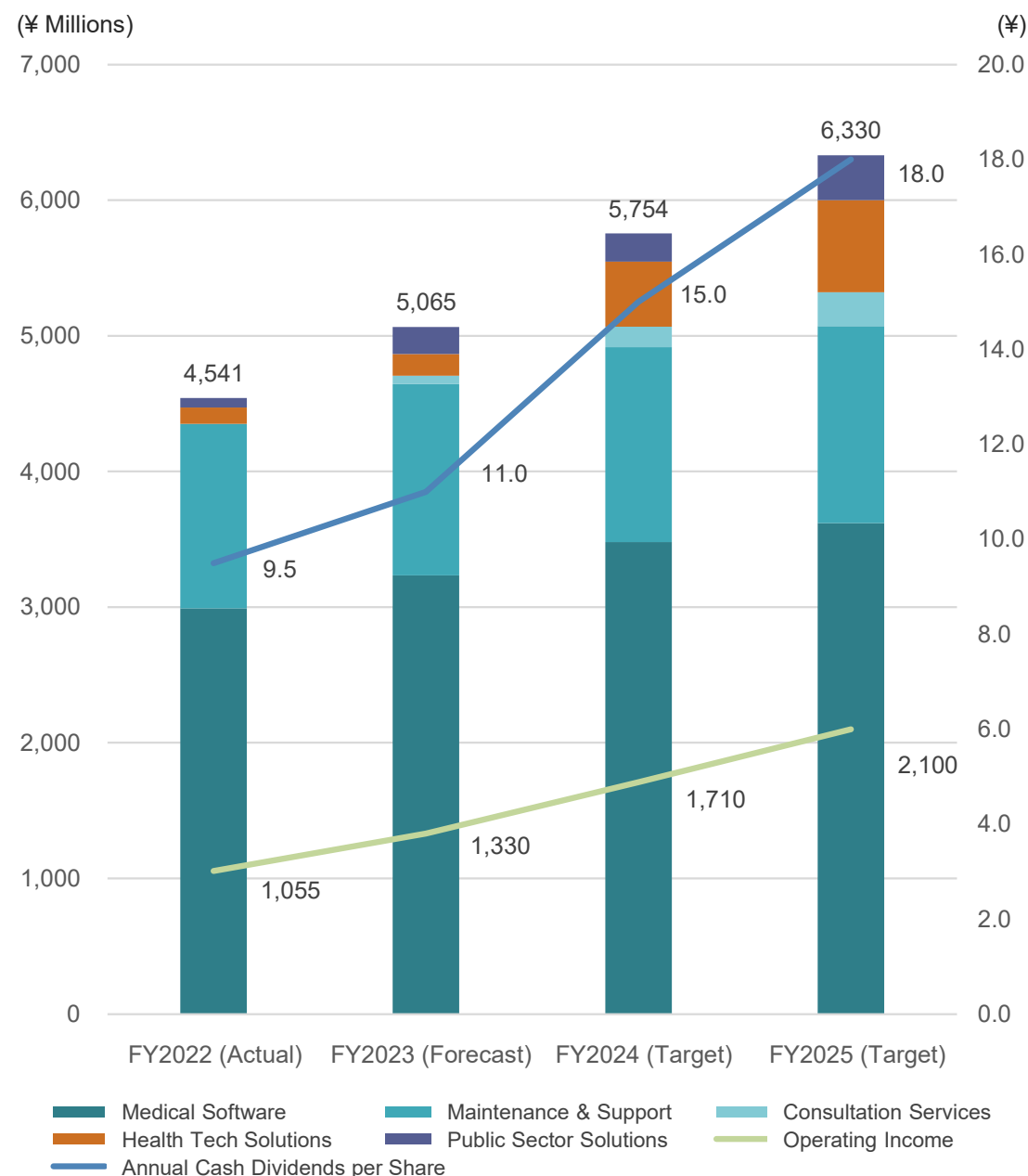
- Develop a new standard of examination which multiple diseases can be diagnosed with a single test (FY2027)
- Establish a new business involving drug discovery and development of medical treatment by utilizing data acquired by GAP (FY2027)

*EMC Healthcare (Changed from consolidated subsidiary to equity method affiliate effective July 2022)

Numerical Targets (Consolidated)



(¥ Millions)	FY2022 (Actual)	FY2025 (Target)
Net Sales	4,541	6,330
Ordinary Income	1,055	2,100
Ordinary Profit Margin	23.2%	33.2%
Payout Ratio	33.7%	31.2%
Annual Cash Dividends per Share	JPY 9.50	JPY 18.00



Cautionary Statements Regarding Forward - Looking Statements



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