



INFOCOM CORPORATION

Financial Results Briefing for Q2 FY03/2024

| October 31, 2023 | Security code: 4348

Agenda

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Financial Results for Q2 FY03/24

Earnings Forecast for FY03/24

Initiatives in Key Businesses

The background features a white top and bottom section with light gray diagonal brushstrokes. A central horizontal band is split into a purple left half and a pink right half. A blue circle and a red asterisk are in the top white section, and a blue asterisk is in the bottom white section.

Financial Results for Q2 FY03/24

Q2 FY03/24 Financial Results

Consolidated Financial Results for Q2 FY03/24

- Strong e-comics led to **increase in sales and profit**
- Continuing to strengthen marketing

Net sales

¥40.0 billion

+21.2% YoY

Operating profit

¥4.1 billion

+12.6% YoY

Profit attributable to owners of the parent

¥2.8 billion

+65.3% YoY

Management Performance

(Billion yen)	FY03/23 Q2	FY03/24 Q2	YoY	
			Change	%
Net sales	33.0	40.0	+7.0	+21.2%
Operating profit (Operating margin)	3.7 (11.2%)	4.1 (10.4%)	+0.4	+12.6%
EBITDA	4.2	4.7	+0.5	+11.9%
Ordinary profit	3.7	4.2	+0.4	+11.9%
Profit attributable to owners of the parent*	1.7	2.8	+1.1	+65.3%

*We recorded an extraordinary loss in the previous consolidated fiscal year due to goodwill impairment related to a consolidated subsidiary

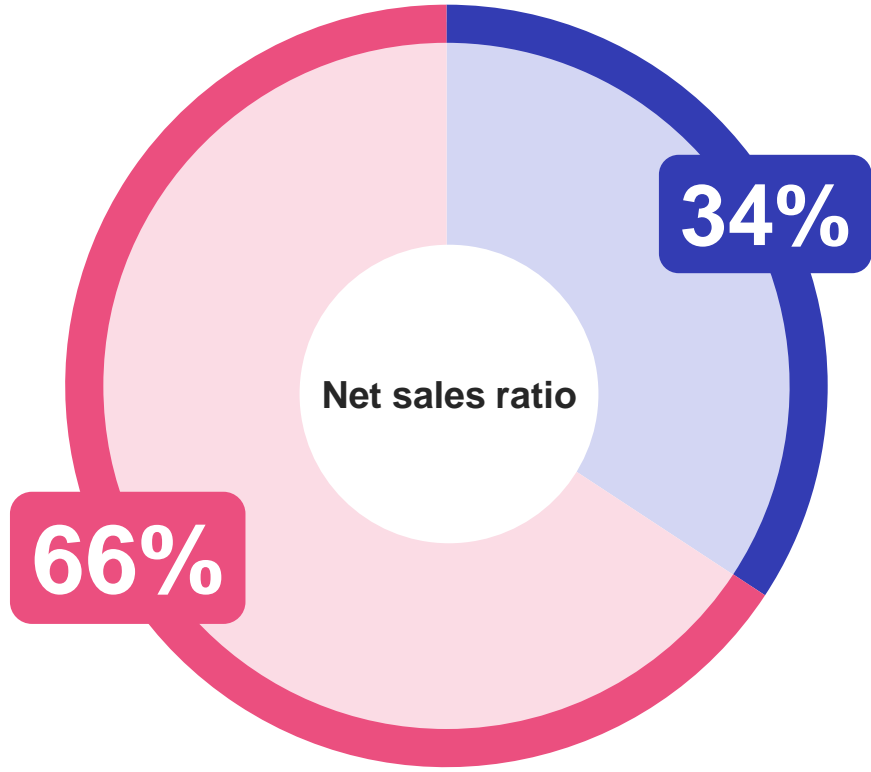
Segment Structure

Digital Entertainment

E-comic
E-Comic Distribution Service



FY03/23 Result



Business Solution

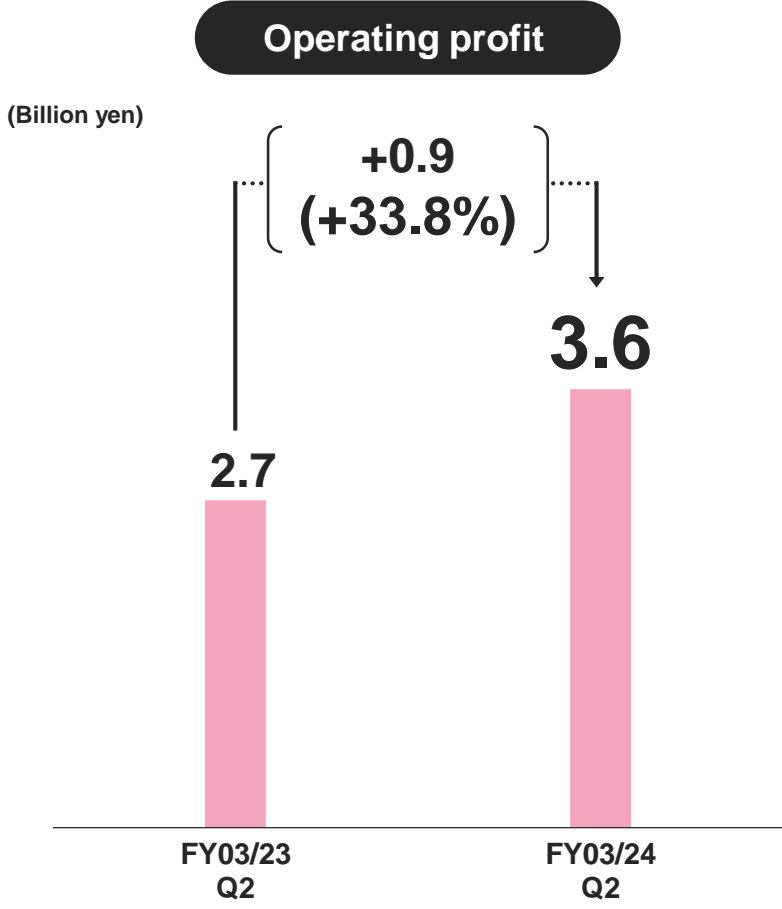
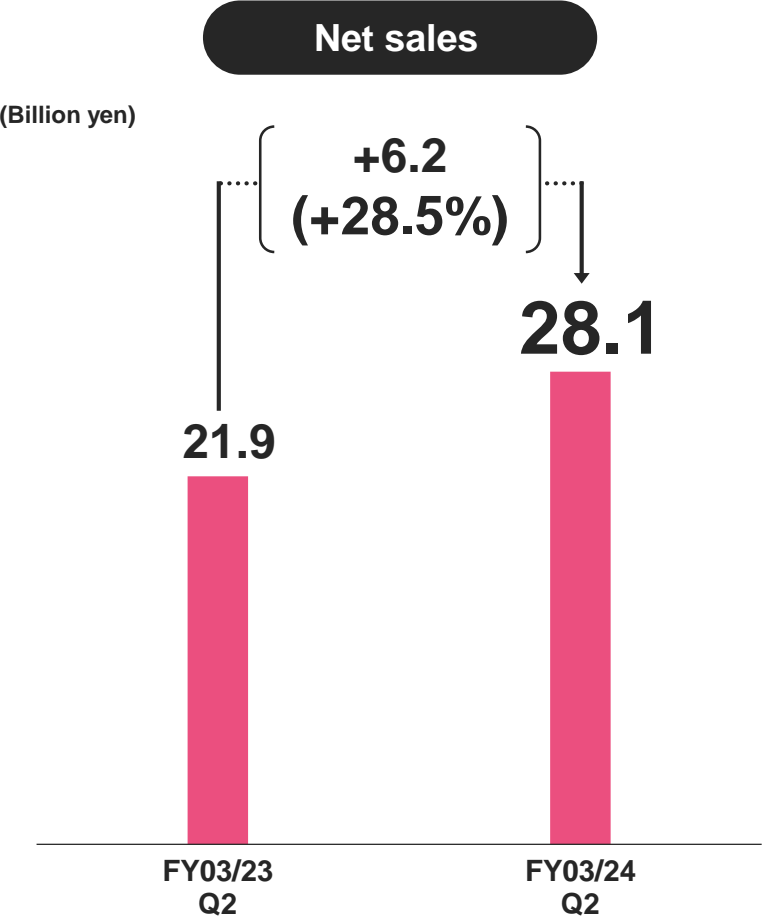
Health IT
Package services for medical institutions

Business Software
ERP
Cloud services
Business package

Enterprise Service Management
System integration for major companies

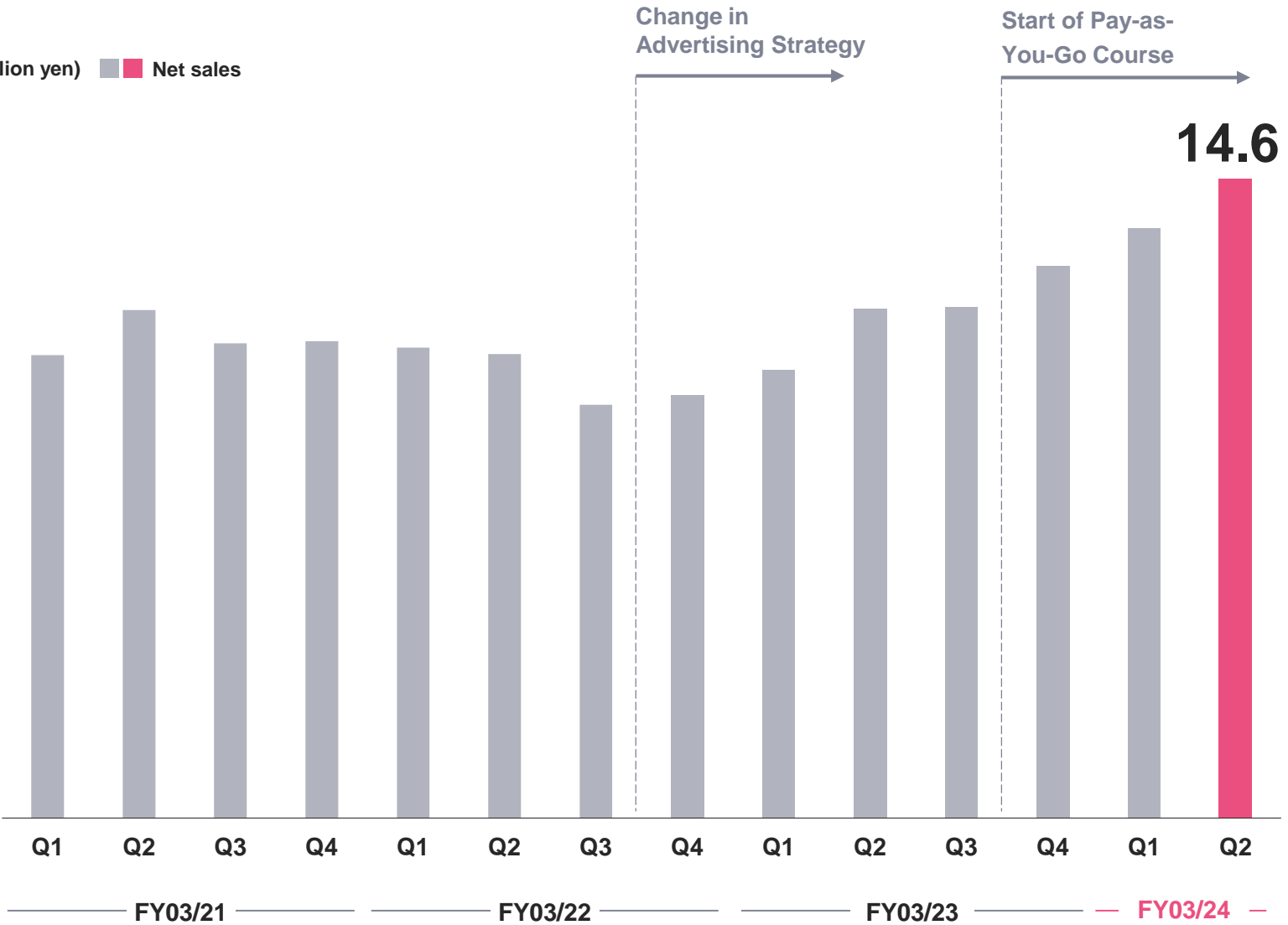
Digital Entertainment Results

Pay-as-you-go courses are performing well; effective marketing is keeping the segment on a growth path



E-Comic Business Results

(Billion yen) ■ Net sales



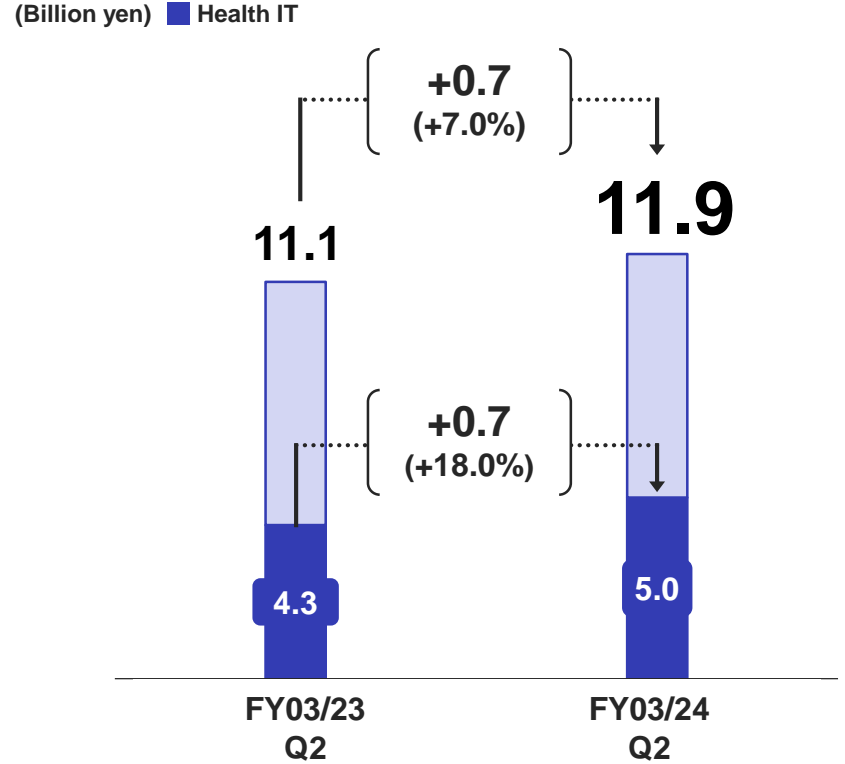
- Effective advertising investments
- Impact of pay-as-you-go
- Promotions for ongoing usage

Business Solution Results

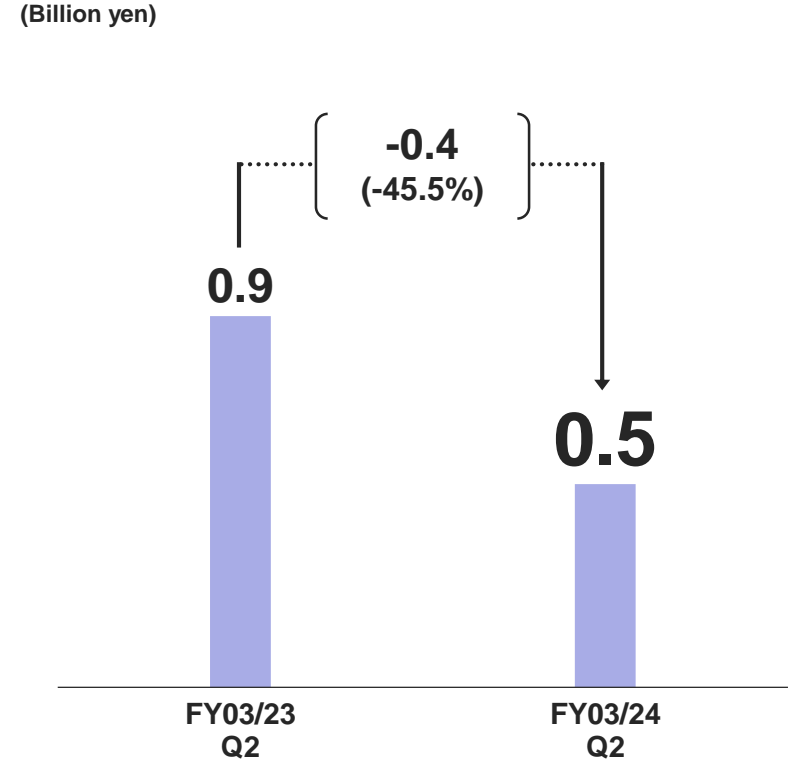
Solid performance in hospital and corporate software sales

Decrease in profit due to sales composition difference and up-front investments to create service

Net sales

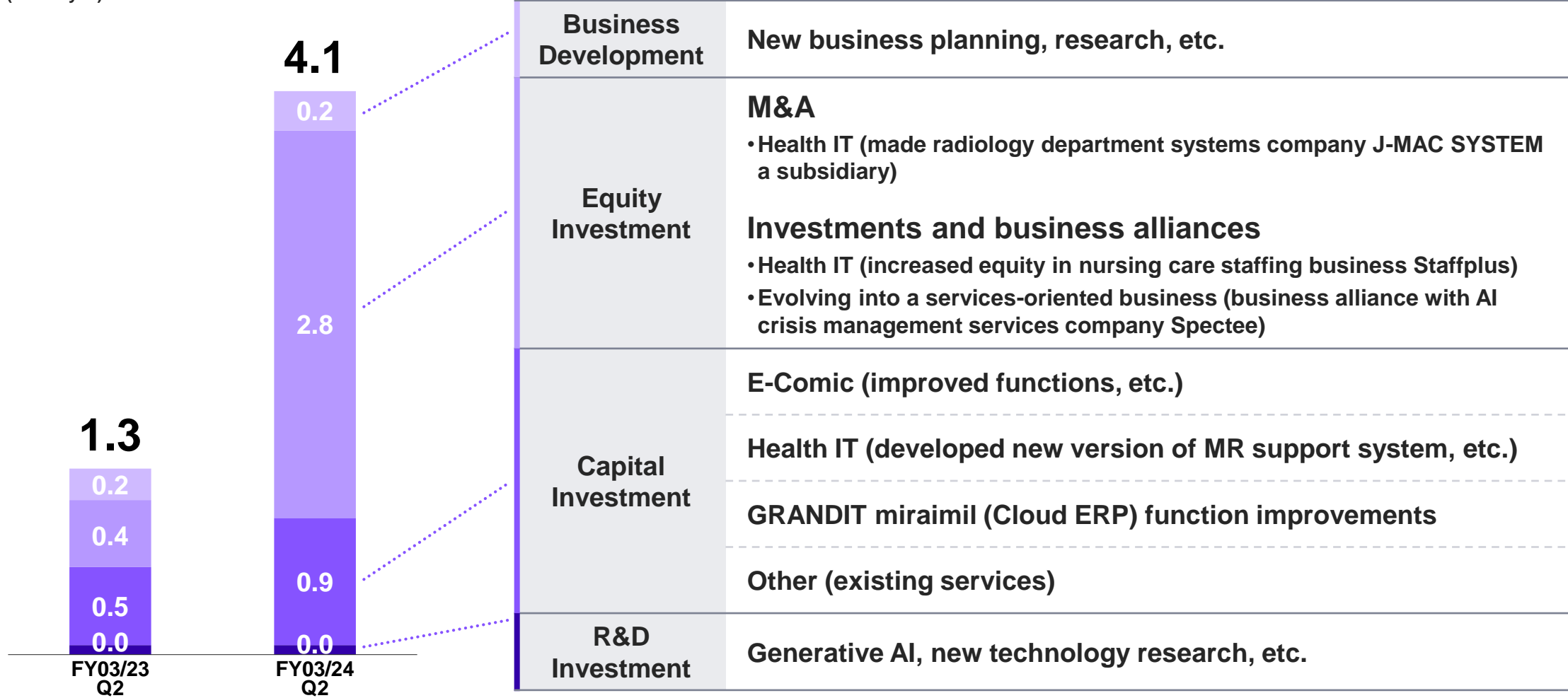


Operating profit



Investments

(Billion yen)

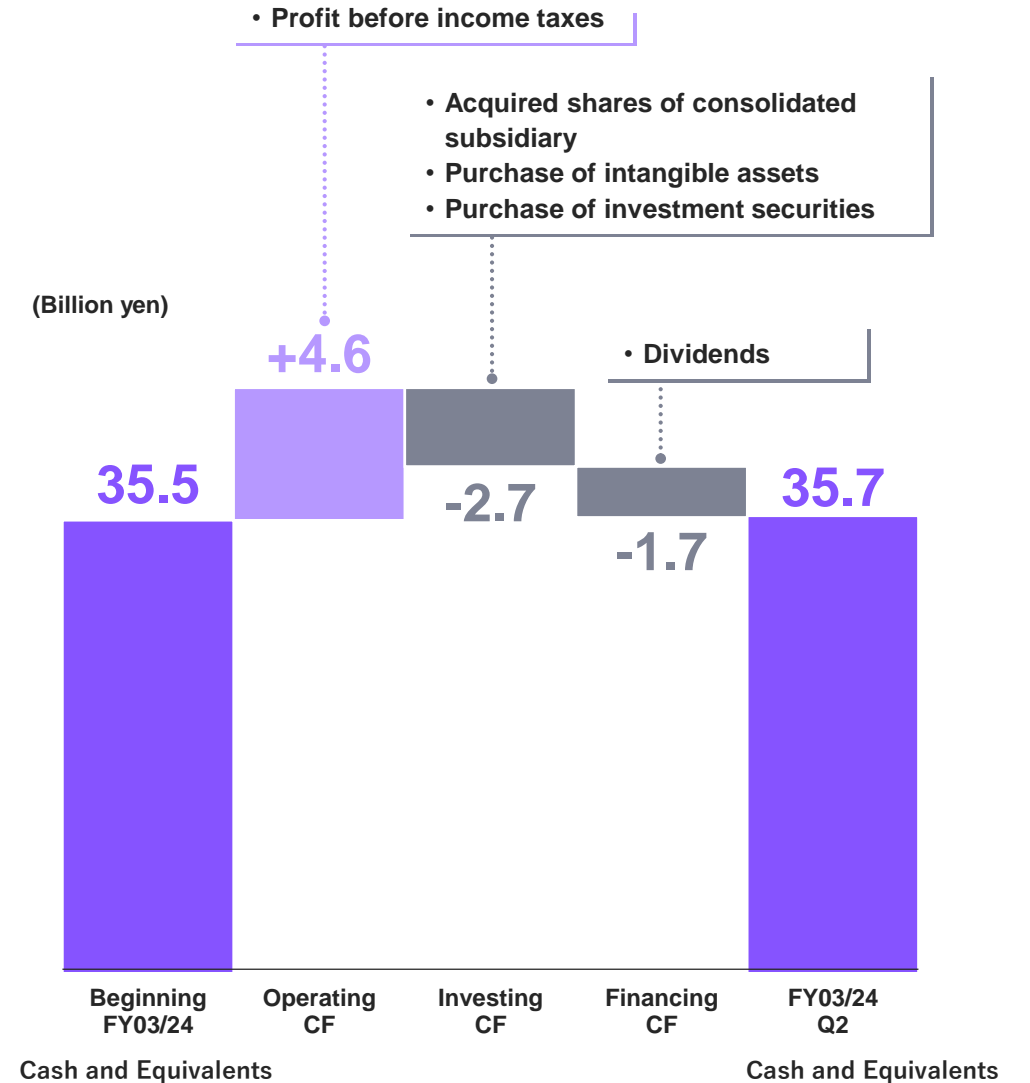


Balance Sheets

(Billion yen)	FY03/23	FY03/24 Q2	Change	Major Change Factors
Current assets	49.1	49.4	+0.2	• Cash and deposits
Fixed assets	11.1	13.8	+2.6	• Goodwill, Investment securities
Total assets	60.2	63.2	+2.9	
Current liabilities	14.6	15.9	+1.3	
Non-current liabilities	0.4	0.8	+0.3	
Total liabilities	15.0	16.7	+1.6	
Total net assets	45.1	46.4	+1.2	• Retained earnings
Total liabilities and net assets	60.2	63.2	+2.9	
Shareholders' equity ratio	74.3%	73.0%	-	

Cash Flows

(Billion yen)	FY03/23 Q2	FY03/24 Q2	Change
Operating CF	4.3	4.6	+0.2
Investing CF	(0.3)	(2.7)	(2.3)
Free CF	3.9	1.8	(2.0)
Financing CF	(2.0)	(1.7)	+0.2
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	(0.0)
Change in cash and cash equivalents Change	1.9	0.1	(1.7)
Cash and cash equivalents, beginning of period	31.7	35.5	+3.8
Cash and cash equivalents, end of quarter	33.6	35.7	+2.0



The slide features a white background with several light gray, rounded, diagonal shapes. A central horizontal band is split into a purple left half and a pink right half. The title "Earnings Forecast for FY03/24" is centered in white text within this band. There are also decorative icons: a red asterisk in the top left, a blue circle in the top center, and a blue asterisk in the bottom right.

Earnings Forecast for FY03/24

Earnings Forecast for FY03/24

No changes to the earnings forecasts as published on July 31, 2023

(Billion yen)	FY03/23 Results			FY03/24 Forecast			Difference	
	1H	2H	FY	1H	2H	FY	Change	%
Net sales	33.0	37.3	70.3	40.0	42.4	82.5	+12.1	+17.3%
Operating profit (Operating margin)	3.7 (11.2%)	4.8 (12.9%)	8.5 (12.1%)	4.1 (10.4%)	5.8 (13.7%)	10.0 (12.1%)	+1.4	+17.3%
EBITDA	4.2	5.3	9.5	4.7	6.2	11.0	+1.4	+14.7%
Ordinary profit	3.7	4.8	8.5	4.2	5.7	10.0	+1.4	+16.3%
Profit attributable to owners of the parent	1.7	1.8	3.5	2.8	3.8	6.7	+3.1	+87.6%
Net income per share (yen)	65.20			122.28			+57.0	+87.5%
ROE	8.0%			14.3%			+6.3pt	-

Earnings Forecast by Segment

... Digital Entertainment ...

(Billion yen)	FY03/23 Results			FY03/24			Difference	
	1H	2H	FY	1H (Results)	2H (Forecast)	FY (Forecast)	Change	%
Net sales	21.9	24.3	46.2	28.1	29.3	57.5	+11.2	+24.3%
Operating profit (Operating margin)	2.7 (12.6%)	3.2 (13.5%)	6.0 (13.1%)	3.6 (13.1%)	3.8 (13.0%)	7.5 (13.0%)	+1.4	+24.1%

... Business Solution ...

(Billion yen)	FY03/23 Results			FY03/24			Difference	
	1H	2H	FY	1H (Results)	2H (Forecast)	FY (Forecast)	Change	%
Net sales	11.1	12.9	24.0	11.9	13.0	25.0	+0.9	+3.7%
Health IT	4.3	5.5	9.8	5.0	5.9	11.0	+1.1	+11.2%
Operating profit (Operating margin)	0.9 (8.6%)	1.5 (11.8%)	2.4 (10.3%)	0.5 (4.4%)	1.9 (15.1%)	2.5 (10.0%)	+0.0	+0.7%

Shareholder Returns

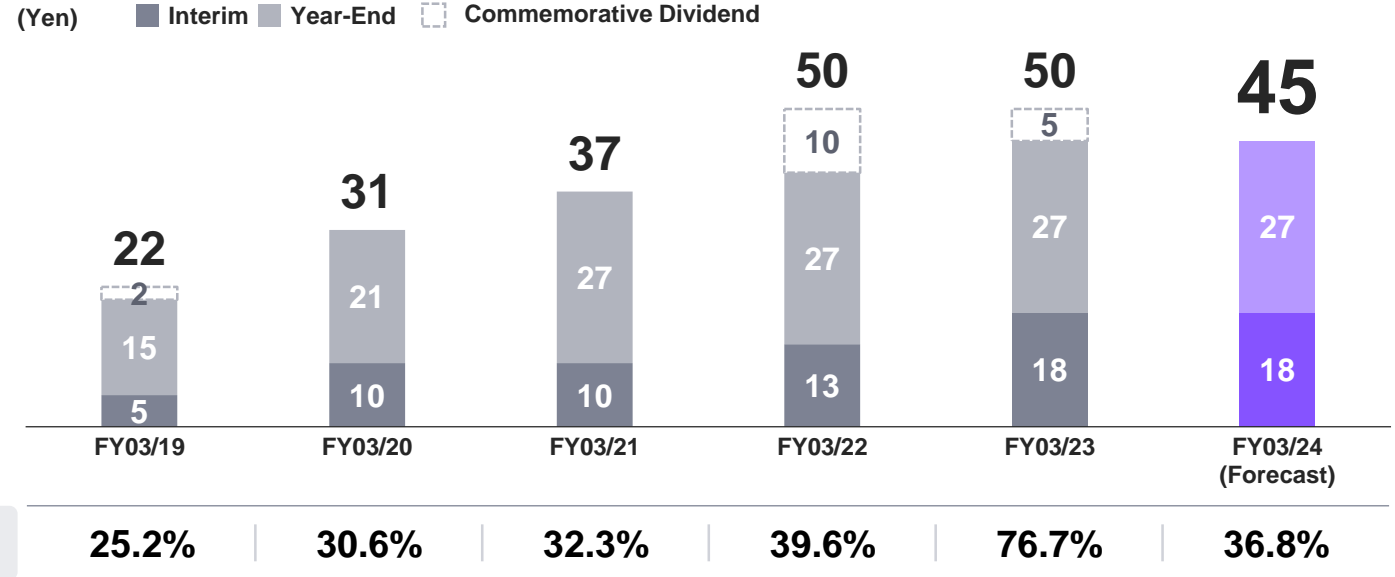
Dividends In addition to stable dividends, we strive to increase dividends in line with improved business performance and to maintain a dividend payout ratio of 30%

FY03/24 Forecast

Annual Dividends Per Share
¥45

Dividend Payout Ratio
36.8%

Annual Dividends Per Share



Shareholder Benefits

We plan to provide shareholder benefits to shareholders owning at least one trading unit per the register of shareholders as of September 30, 2023 (announcement planned for late November)

A horizontal band with a purple-to-pink gradient background, featuring blurred silhouettes of people in the background.

Initiatives in Key Businesses

A red pill-shaped button with a white border.

E-comic

E-Comic Business Initiatives

1 Profitable Growth in Domestic Distribution Business

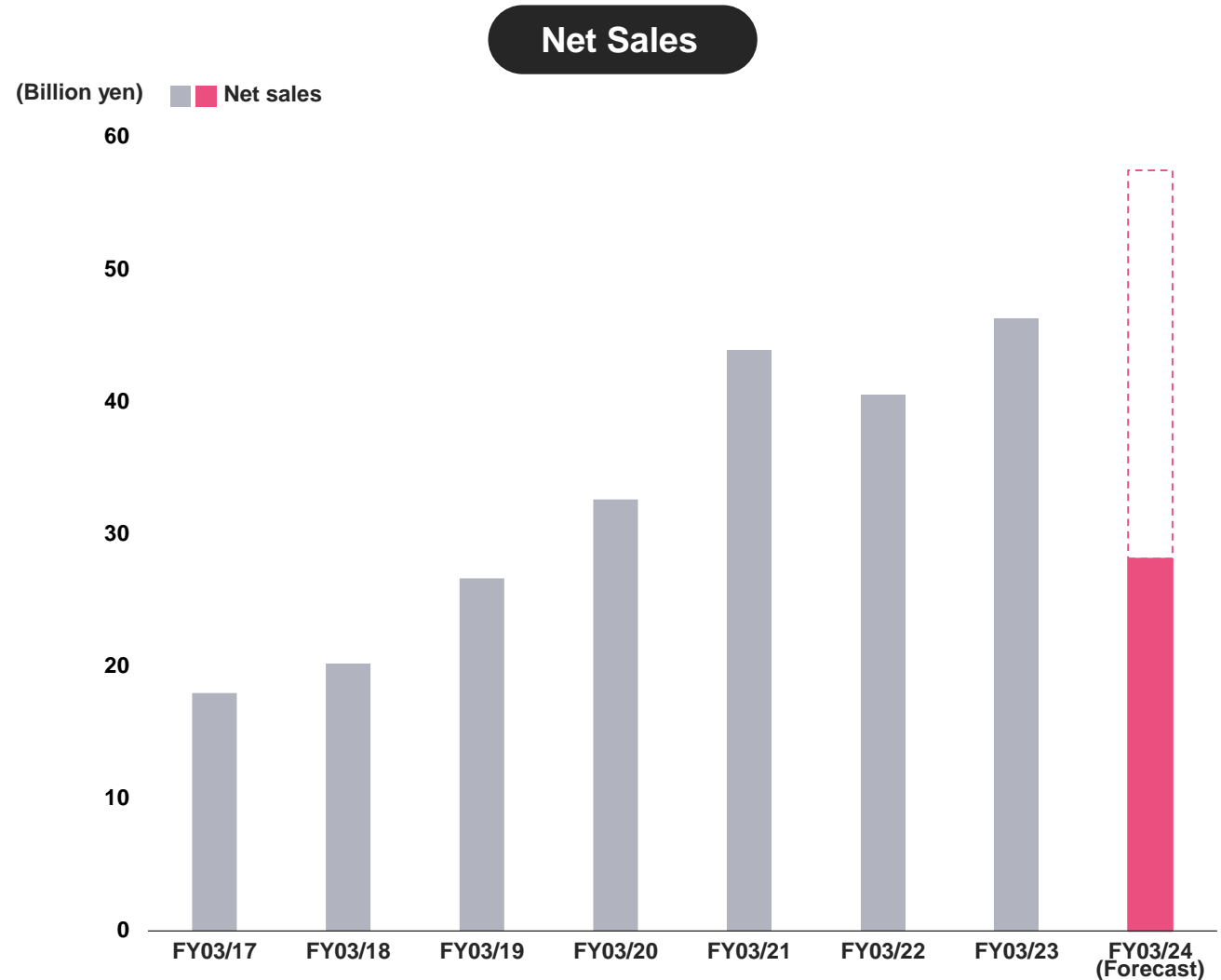
- Aggressive and effective advertising investments
- Attract pay-as-you-go members and encourage service usage
- Improve quality of original titles

2 Market Growth (Overseas Expansion)

- Further growth of Peanutoon in South Korea
- Put U.S. distribution business on growth trajectory

3 Business Field Expansion

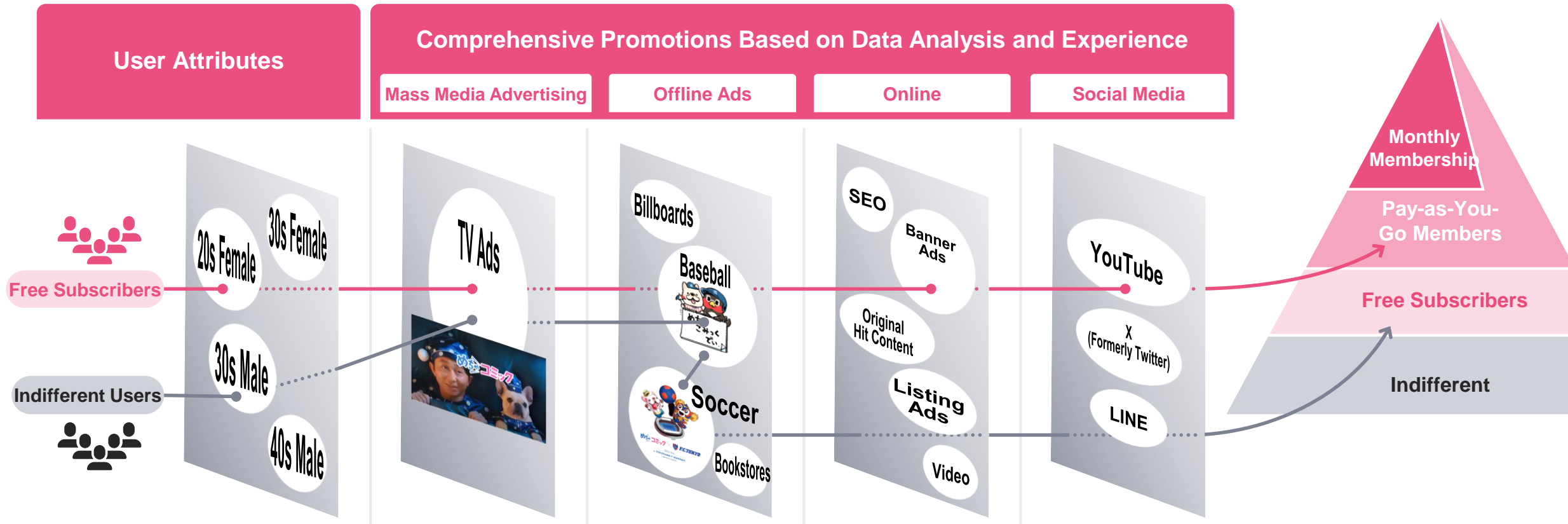
- IP development
- Investigate opportunities (including M&A) in peripheral fields



E-Comic Initiatives

1 Profitable Growth in Domestic Distribution Business

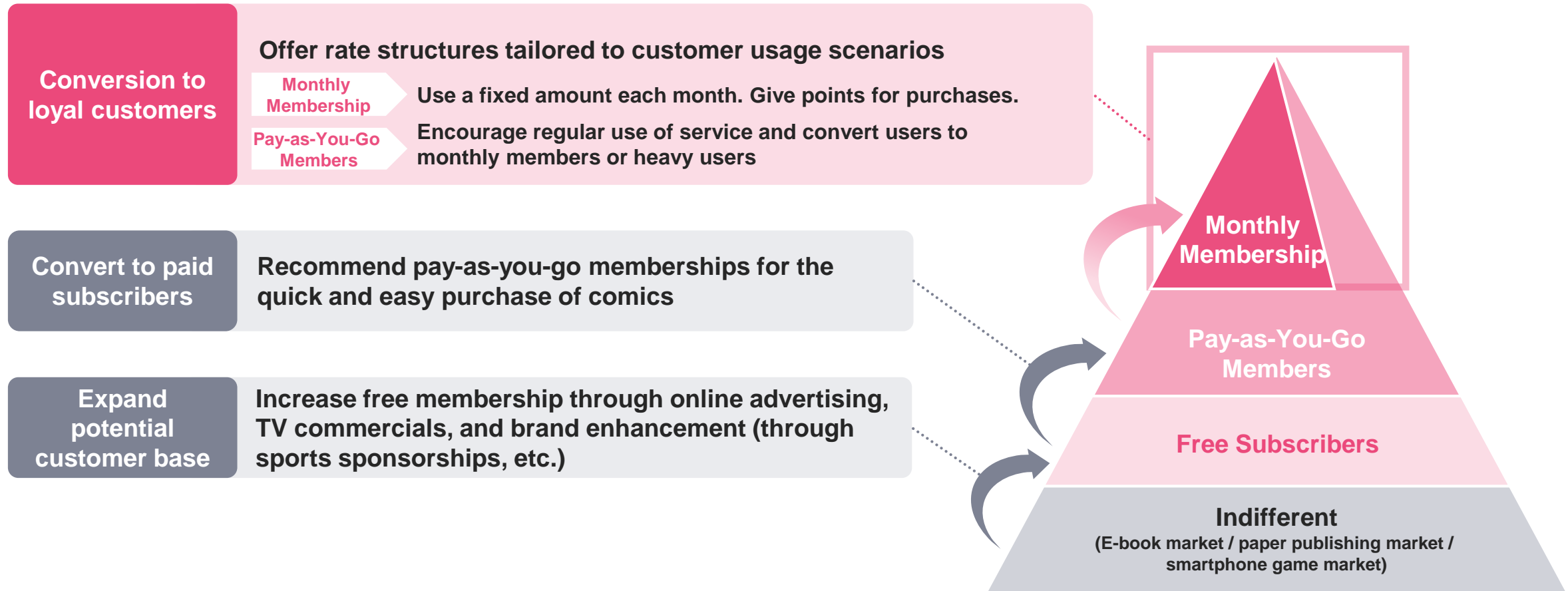
- Aggressive and effective advertising investments
 1. Engage in appropriate promotional measures for target users
 2. Acquire light users through pay-as-you-go system
 3. Attract users through original and exclusive distribution of hit content



E-Comic Initiatives

1 Profitable Growth in Domestic Distribution Business

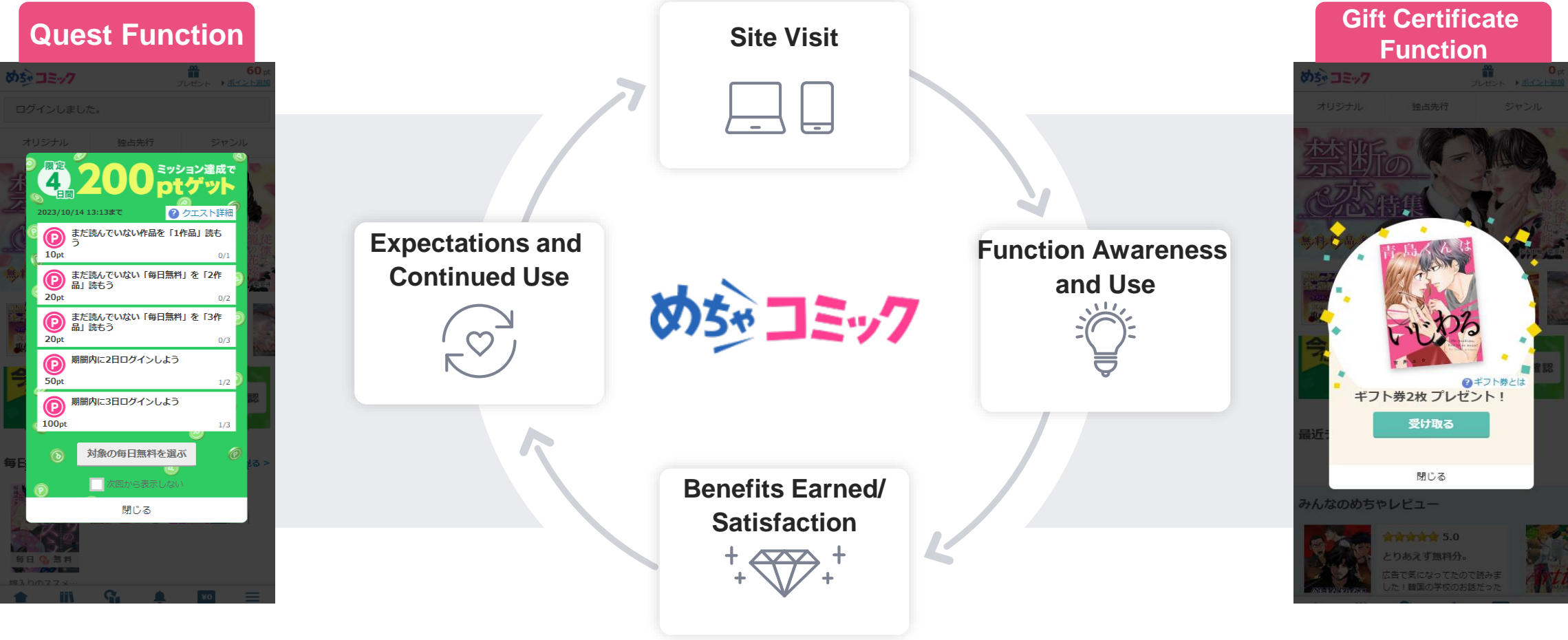
- **Attract pay-as-you-go members and encourage service usage**
 - Pay-as-you-go system lowers the hurdle to becoming a paying member and increases the number of active users



E-Comic Initiatives

1 Profitable Growth in Domestic Distribution Business

- Attract pay-as-you-go members and encourage service usage
 - Encourage continued use of the system through measures aimed at turning users into loyal customers



E-Comic Initiatives

1 Profitable Growth in Domestic Distribution Business

● Improve quality of original titles

- Pursue division of labor to improve production quality and expand production scope to more popular genres

Romance



**Konya, Uchi ni Oide.
Reitetsu Joushi no Risei ga
Toketara**

Imeri Tsubakino

Mecha Comic
September Ranking
No.2 Overall



**Otoko Tomodachi ga
Gekiyama Kareshi ni
Narimashita**

Hato Okachimachi

Historical



**Rien ha
Itashikanemasu!**

Megumi Yamaguchi

Otherworldly Fantasy



**Outaishi no
Hanayome**

Shima Kurage/Kumasaburo

Manga Adaptations (Novels, Etc.)



**Iyashi no Otonarisan
ni ha
Himitsu ga Aru**

Ro Shimafuku/Natsuko
Umezawa

Mecha Comic
April Ranking
No.6 Overall



Sumire no Yoridokoro

Shu Fujikura

Submission Service Works



**Oboro no Hanayome
Karisome no Konyaku
ha, Aoku, Amaku**

Taki Inase/Michifumu

Mecha Comic
June Ranking
No.8 Overall

Manga Adaptations (Novels, Etc.)



**Kouhi Sama no
Ikujiron
Nidome ha Shippai
Itashimasen!**

Anne/Steak/Jaha

Manga Adaptations (Novels, Etc.)

Manga Adaptations
(Novels, Etc.)

TV Dramatizations

E-Comic Initiatives

2 Market Growth (Overseas Expansion)

3 Business Field Expansion

② Market Growth (Overseas Expansion)

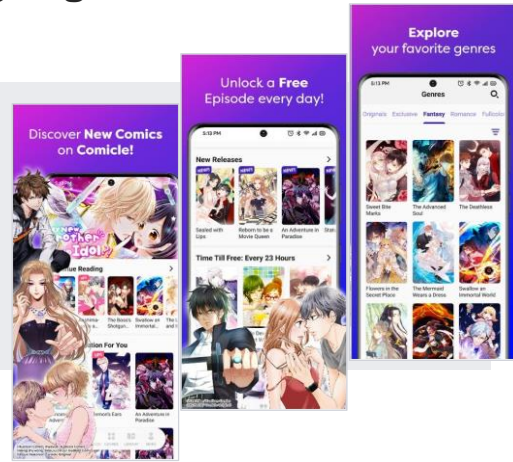
Korea Growth through differentiation by genre of expertise

- Strengthen purchase promotions by activating point discounts and other measures within the site
- Growth slowed due to intensifying competition for content; strengthening original works



U.S. Measures targeting the younger generation of users

- Understand user preferences across genres of comics
- Measures to promote usage (login bonuses, etc.)



③ Business Field Expansion

- Discussions are underway with TWIN ENGINE to develop a film project
- Dramatization of original comics



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Initiatives in Key Businesses

Health IT

Health IT Initiatives

1 Expand Domestic Hospital Business

- Redesigned radiology system products
- Converted J-MAC SYSTEM to subsidiary

2 Expand Care Staff Management (CWS) System

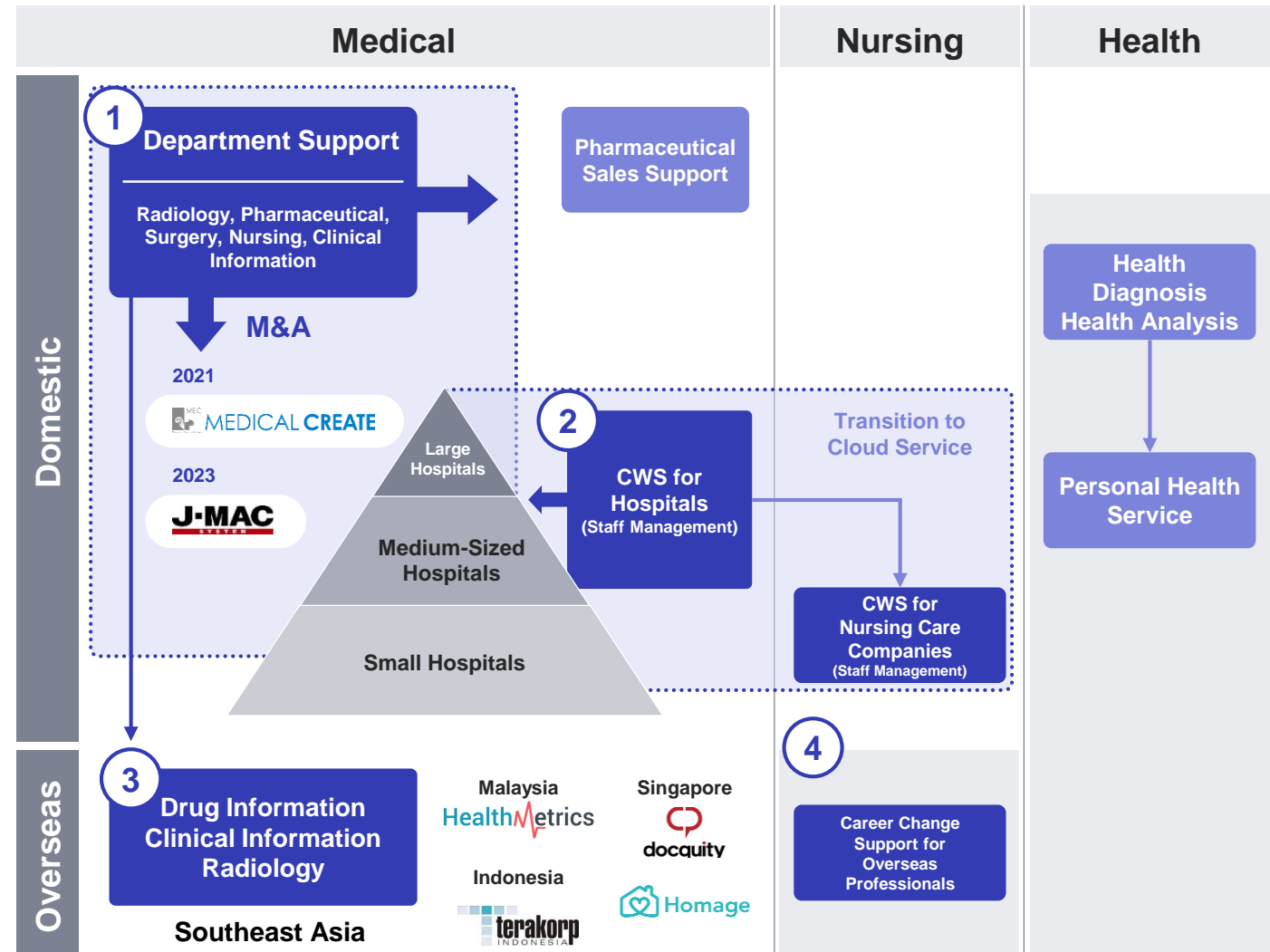
- Released products offering rapid deployment
- Expanding and diversify sales channels
- Offering cloud services for nursing care companies

3 Expand Into Other Fields Overseas

- Accelerating the spread of digital healthcare in Asia
- Resuming collaborative ventures with local companies

4 Establish Foundation for New Businesses

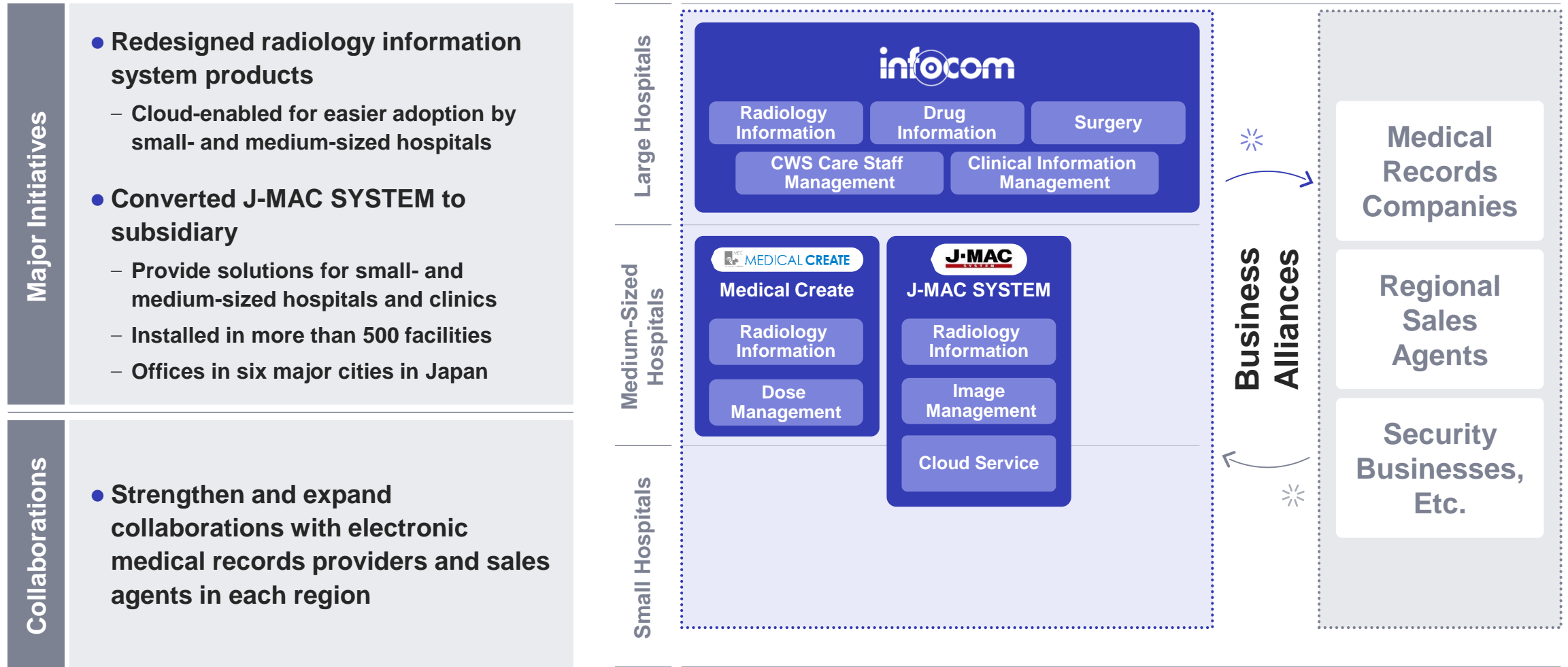
- Full-scale entry into foreign national nursing care staffing service



Health IT Initiatives

1 Expand Domestic Hospital Business

- Expanding medical IT service fields through M&A, business alliances, and product redesigns



Health IT Initiatives

2 Expand Care Staff Management (CWS) System

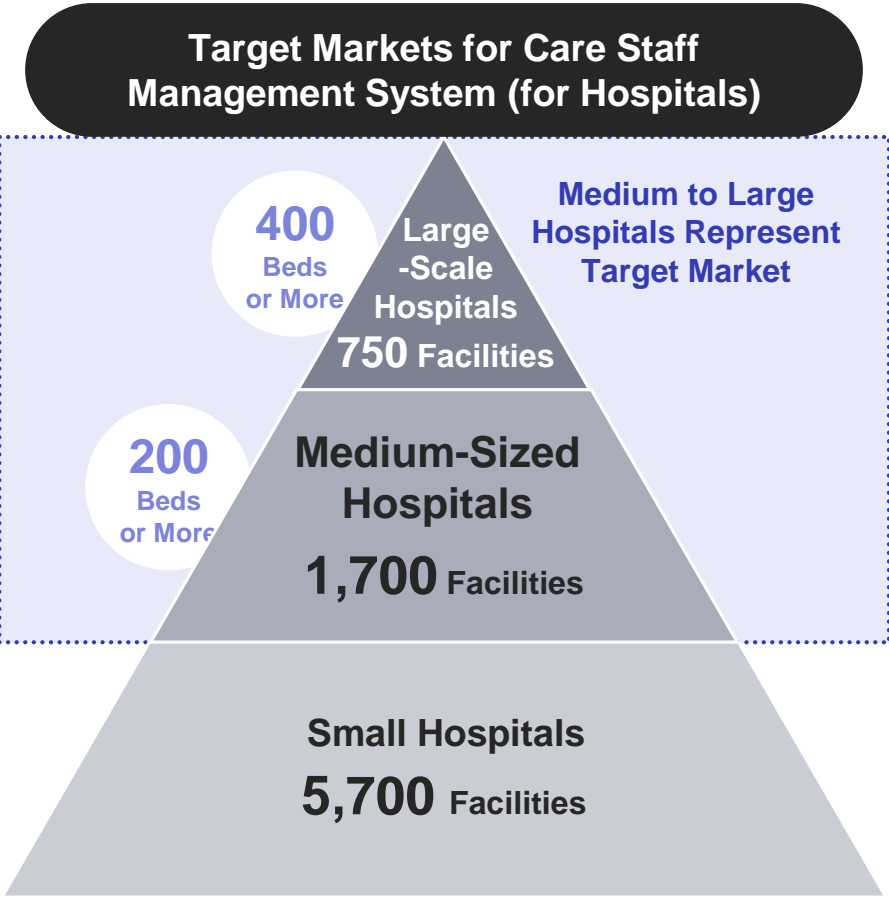
For Hospitals

No. of business discussions: +60% year on year

For Nursing Care

New version released to meet the needs of more customers

Market	<ul style="list-style-type: none"> Beginning of maximum work-hour rules for physicians has increased interest in adoption of the system
Major Initiatives	<ul style="list-style-type: none"> Expand product offerings For Hospitals <ul style="list-style-type: none"> Launched rapidly deployable physician-specialized packages (April) Introduced interval check option (April) Expand sales channels For Hospitals <ul style="list-style-type: none"> Began collaborating with a wide range of businesses, including access control and security businesses Expanding sales and installation systems to meet increasing demand Expand products offerings For Nursing Care <ul style="list-style-type: none"> Released a new version of the product as a cloud service Meeting the needs of an even wider range of nursing care companies



Source: 2021 Survey of Medical Facilities (Ministry of Health, Labour and Welfare)

Health IT Initiatives

3 Expand Into Other Fields Overseas

● Advance Asia Healthcare Project

- Focus on Indonesia, which is advancing digital medicine as a national strategy
- Collaborate with local partners to pursue overseas sales of products developed in Japan for domestic hospitals

Market	<ul style="list-style-type: none"> ● Increased healthcare costs in Southeast Asia <ul style="list-style-type: none"> – Per capita health care costs have more than tripled in the past 20 years ● Indonesia is pursuing digital medicine as a national strategy
Major Initiatives	<ul style="list-style-type: none"> ● Localize products and services for hospitals ● Form equity alliances with health IT companies

Indonesia

Alliances and Collaborations	<div style="text-align: center; margin-bottom: 10px;">  <p>Network of more than 8,000 medical institutions in Indonesia and Malaysia</p> </div> <hr/> <div style="text-align: center; margin-bottom: 10px;">  <p>Hospital information systems vendors</p> </div>	<p>Started collaboration with hospitals and clinics to expand sales channels for the Health IT Drug Information System product (DI)</p> <p>In addition to medical imaging system products for hospitals, we also initiated a sales alliance for DI</p>
Results		<p>Jakarta Heart Center adopted our DI</p> <p>Future expansion to group hospitals, etc.</p>
Strengthen	 <p>PT. Infocom Global Indonesia</p>	<p>Strengthen local offices for collaborations and activities with local partners in Indonesia</p>



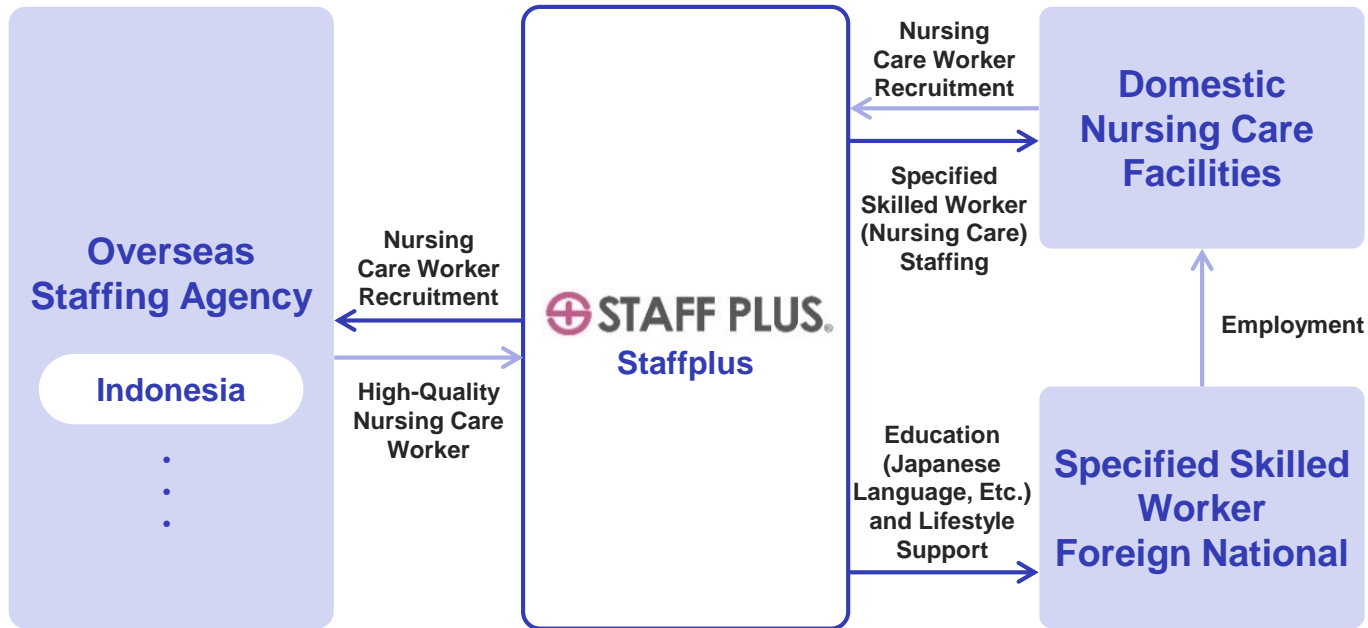
Health IT Initiatives

4 Establish Foundation for New Businesses

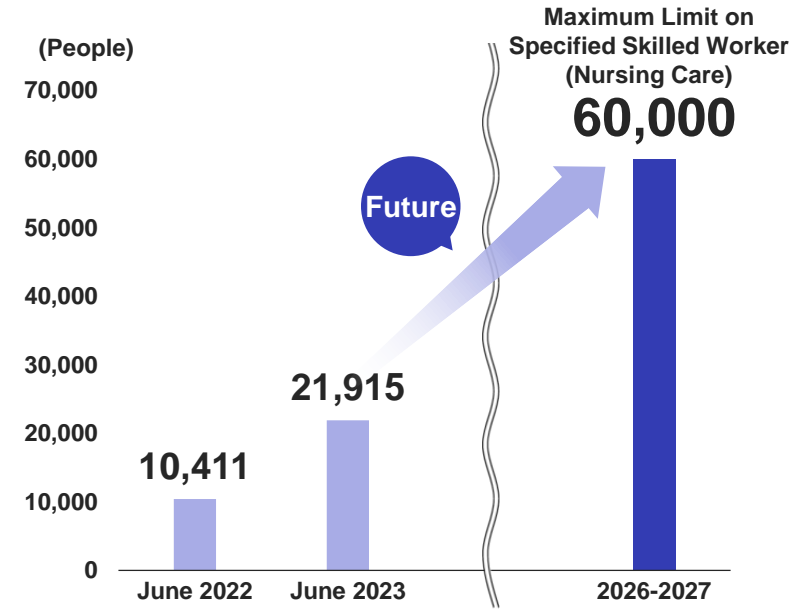
● Full-scale entry into foreign national nursing care staffing service

- Full-scale entry of Group company Staffplus entering foreign national nursing care staffing business
- Features include staffing of highly qualified and educated nursing care workers from overseas and detailed online training and lifestyle support services
- Planning to accept 3,000 specified skilled foreign nursing care workers by fiscal 2027

Foreign National Nursing Care Staffing Service Framework



No. of Foreign Specified Skilled Worker (i; Nursing Care)



*Prepared from data published by the Immigration and Naturalization Service



Other Business Initiatives



Expansion of Crisis Management Business Service Areas Evolve Services

- Capital and business alliance with disaster prevention Tech Venture Spectee (June 2023)

Alliance with existing service that collects a company's disaster information and provides a **broad overview of external conditions**

Develop Total Crisis Management Service



Becoming a services company that delivers new value through the co-creation of ICT and real-world businesses

Contact

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