



Info Mart Corporation

FY12/22 Third Quarter

Financial Results

October 31, 2022
TSE Prime Market (2492)



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I . About Infomart

- Company Name Infomart Corporation
(TSE Prime Market / Stock code: 2492)
- Representative President and CEO Ken Nakajima
- Headquarters 13th Floor, Shiodome Shibarikyu Building,
1-2-3 Kaigan, Minato-ku, Tokyo, 105-0022, Japan
Yodogawa-ku, Osaka-city
Hakata-ku, Fukuoka-city
- Established February 13, 1998
- Capital 3.2 billion 12.51 million yen Consolidated
- Business Content Business to Business EC Trade Platform
- Subsidiaries Restartz Co., Ltd.
Infomart International Corporation
- Employees (consolidated) 680 (full-time 524 / temporary 156)
- URL <https://www.infomart.co.jp/>

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

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



Since its founding, we specialize in **B^{to}B Platform**

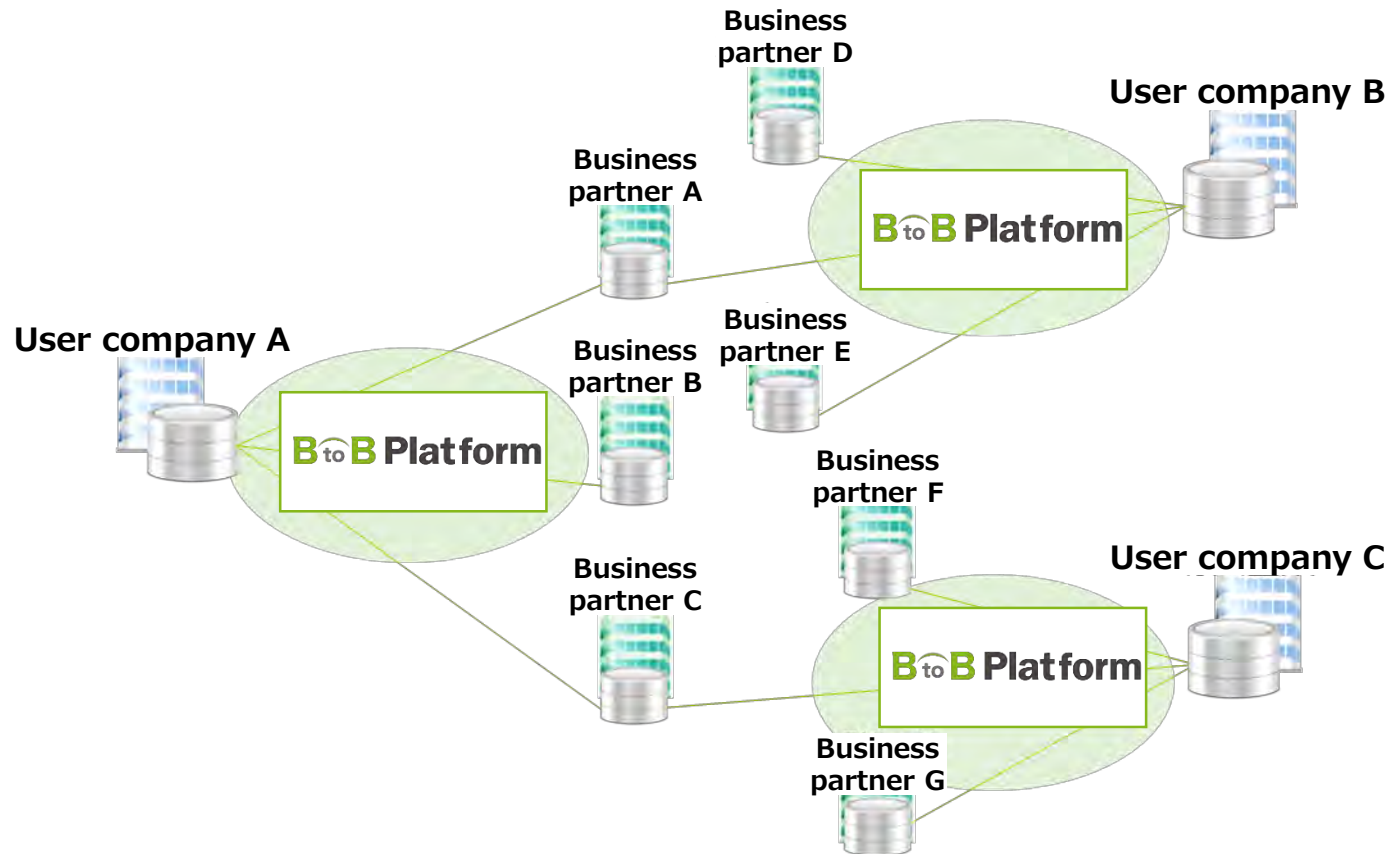
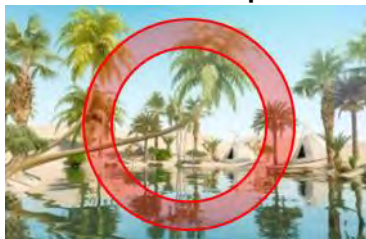
B^{to}B Platform = Services to digitise transactions between companies

Providing a standardized common platform that realizes paperless transaction information, which was conventionally done on paper

"One-to-one"
service provision



Building and providing
a valuable "place"



Characteristics of B^{to}B Platform



Cloud-based systems :
Companies can use the same screen with their business partners for daily operations.

Standardization

Not customized



Participation of many companies



Defactorization

Digitization

Efficiency enhancement



Management advancement



Minimize environmental impact

Low Rate

Increase in number of users \neq
Increase in proportional cost



High cost effectiveness

Continued use = Customer's natural choice

Stable recurring revenues: 90% of sales are from monthly system usage fees

→ Profit margin increases when the number of customers exceeds a certain level

BtoB-PF FOOD

Service

Overview

BtoB Platform Ordering

From February 2003

Electronic ordering between restaurants, wholesalers, and manufacturers. Significant efficiency was achieved from orders received and placed by telephone and fax.

Decreased verification work due to daily sharing of transaction data, and greatly reduced monthly verification work.

BtoB Platform Standards Database

From April 2005

A tool for managing allergens and origin information to promote food safety and security.

Efficiency is improved by electronically managing merchandise standard documents managed in different formats in a unified format.

BtoB-PF ES

Service

Overview

BtoB Platform Invoicing

From January 2015

A system that digitizes both invoicing and receipt operations, regardless of industry.

Realize more efficient accounting operations.

BtoB Platform Contract

From July 2018

Signing of business-to-business agreements on a blockchain platform.

It also incorporates an internal workflow function to further improve the convenience of business-to-business transactions and achieve paperless operations.

BtoB Platform Matching

From June 1998

A website where buyers and sellers of foodstuffs can match up on the Internet.

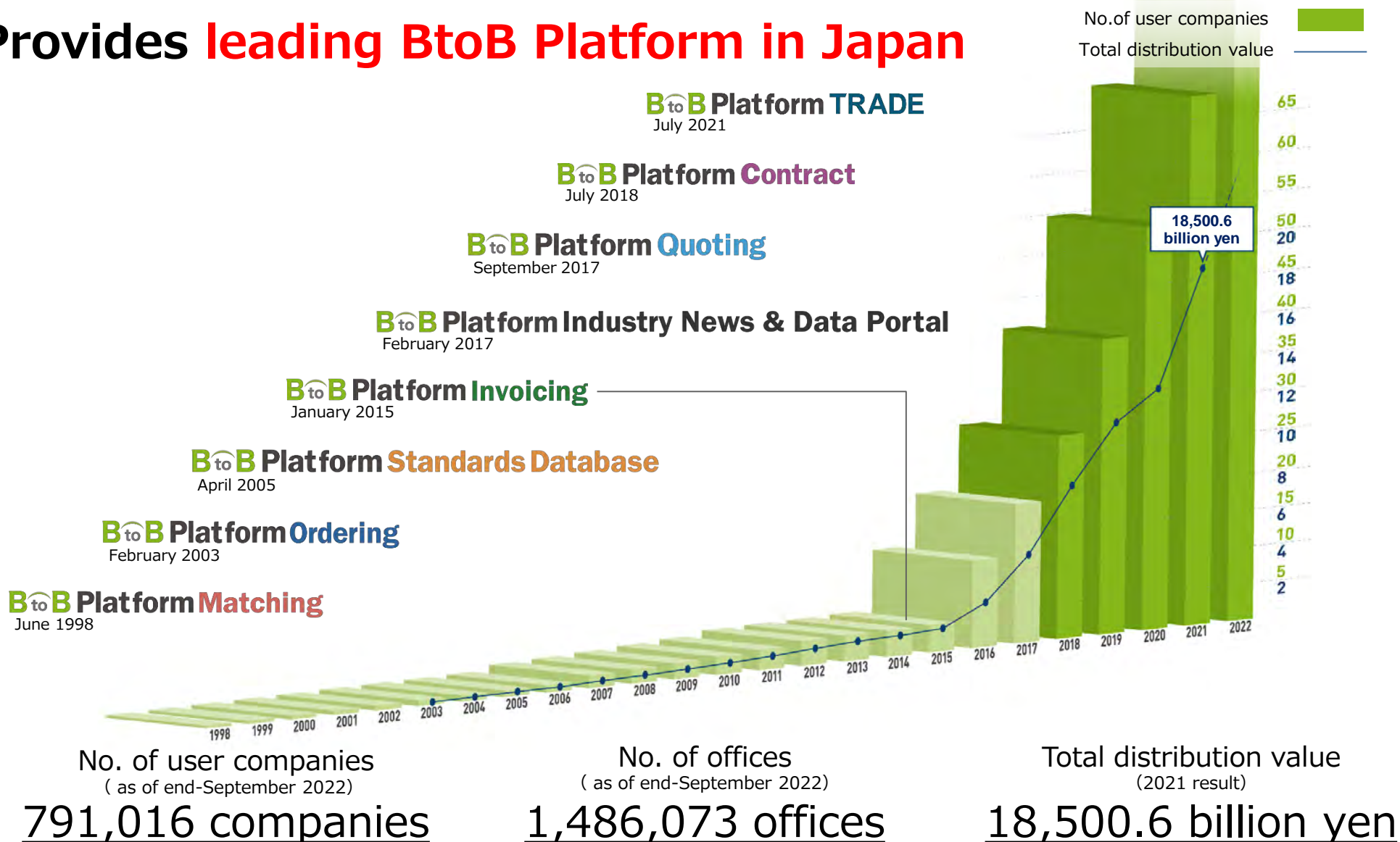
Offers one-stop services ranging from the development of business partners to business negotiations, estimates, ordering and receipt, and settlement.

Fee Structure by Service

as of end-September 2022

Business	Service	Fees (excluding taxes)		
BtoB-PF FOOD	BtoB Platform Ordering	<u><Buyer Company></u> «Monthly usage fee» •Head office : JPY18,000 •Store : JPY1,300 «Initial fee» from JPY300,000 (depending on store count)		<u><Seller Company></u> «Monthly usage fee» (choice: fixed fee or pay-for-use fee) •Fixed fee : JPY30,000 •Pay-for-use : 1.2% of monthly transaction amount (up to JPY100,000 transactions for free) •Adding IDs : JPY800 per ID
	BtoB Platform Standards Database	<u><Buyer Company></u> «Monthly system usage fee» JPY50,000 «Initial fee» from JPY300,000	<u><Wholesaler Ordering Function></u> «Monthly system usage fee» JPY35,000 «Initial fee» from JPY300,000	<u><Wholesaler Ordering Seller Function></u> «Monthly system usage fee» •Fixed fee : JPY35,000 or JPY50,000 •Pay-for-use : JPY3,000 to JPY20,000
BtoB-PF ES	BtoB Platform Invoicing	«Monthly system usage fee» [Fixed fee] JPY20,000 (Note) Applicable from new contracts in January 2022 + [Pay-for-use fee①] Number of invoices receiving invoices per month (Up to 50 invoices included in the fixed fee) • 51 to 1,000 transactions: JPY100 per transaction • 1,001 transactions and over: JPY90 per transaction + [Pay-for-use fee②] Number of invoices issued per month (Up to 100 invoices included in the fixed fee) • 101 to 1,000 invoices: JPY60 per invoice • 1,001 invoices or more: JPY50 per invoice «Initial fee» from JPY100,000		
	BtoB Platform Contract	<u><Gold Plan></u> «Monthly system usage fee» [Fixed fee] JPY30,000 + [Pay-for-use fee] Number of contract issued and received per month •Up to 100 contracts are included in the fixed fee. •101 or more: JPY50 per contract •In-house storage: Unlimited «Initial fee» estimate separately	<u><Silver Plan></u> «Monthly system usage fee» [Fixed fee] JPY10,000 + [Pay-for-use fee] Number of contract issued and received per month •1 or more: JPY50 per contract •In-house storage: Up to 3 contracts/month «Initial fee» estimate separately	
	BtoB Platform Matching	<u><Buyer Company></u> [Fixed fee] JPY5,000	<u><Seller Company></u> [Fixed fee] JPY25,000	

Provides leading BtoB Platform in Japan



II. FY12/22 Third Quarter Financial Results

FY12/22 Third Quarter Financial Results

Net sales increased steadily YoY, and profits decreased due to active investments.

(Note) consolidated business Plan for the FY12/22, which were announced on July 20, 2022

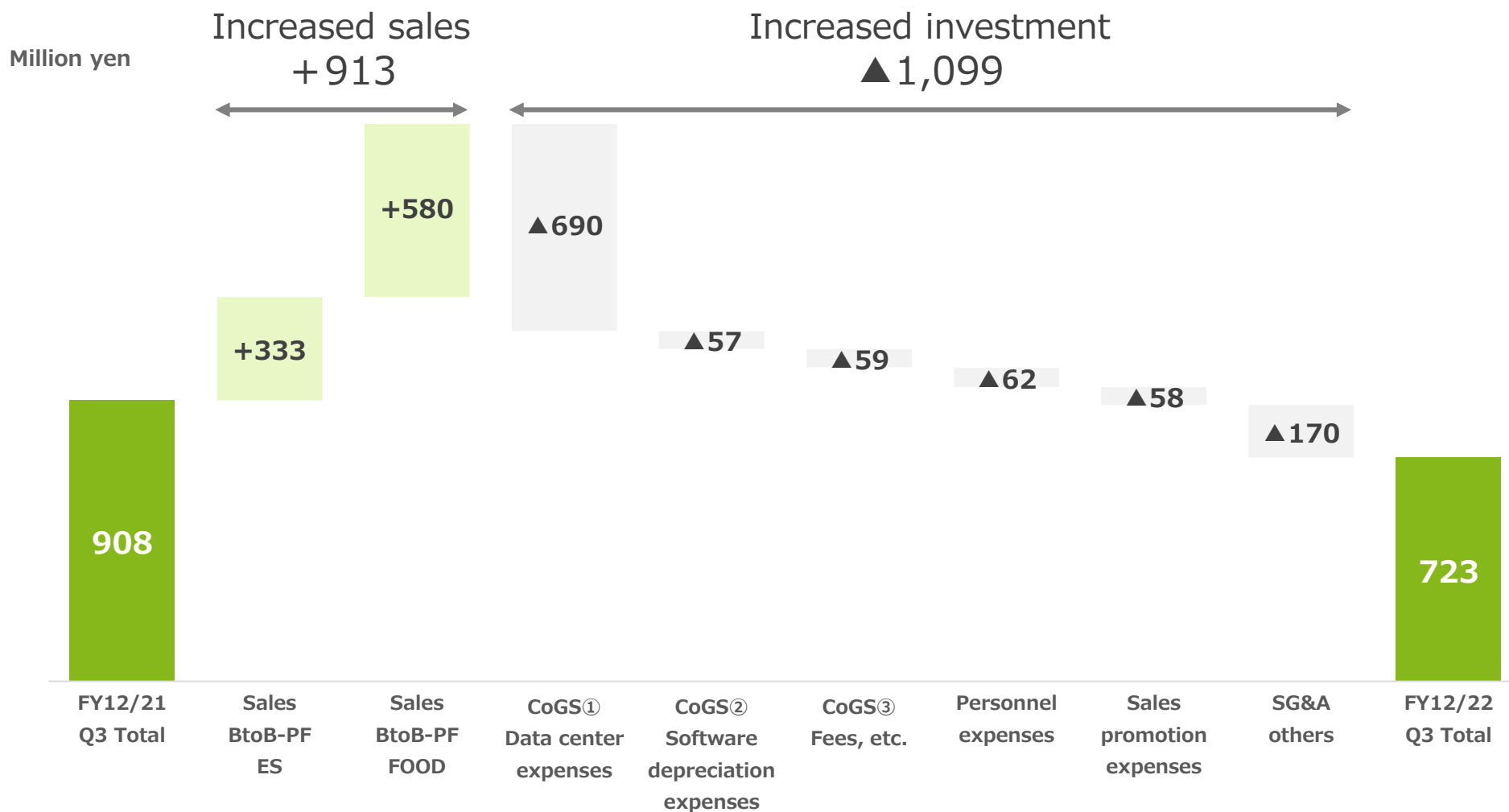
Million yen

	FY12/21 Q3 Total Actual	FY12/22 Q3 Total Actual	YoY	Full-year plan progress rate
Sales	7,154	8,067	12.8%	72.6%
CoGS	2,578	3,386	31.4%	68.3%
Gross Profit	4,575	4,680	2.3%	76.0%
High gross profit margin	64.0%	58.0%		
SG&A	3,666	3,957	7.9%	69.5%
Operating Profit	908	723	-20.5%	157.2%
Operating profit margin	12.7%	9.0%		
Recurring Profit	921	680	-26.2%	167.8%
Recurring profit margin	12.9%	8.4%		
Corporate tax	264	233	-11.7%	150.2%
Net Income	585	484	-17.4%	170.8%

(Note) Net income denotes net income attributable to owners of the parent

Factors of increase / decrease in consolidated operating profit from the previous fiscal year

Data center expenses accounted for 690 million yen of the 1,099 million yen increase in investment.



FY12/22 Third Quarter (YoY)

(Million yen / % : YoY)

	FY12/22 Q1		FY12/22 Q2		FY12/22 Q3		FY12/22 Q3 Total	
	Actual	YoY	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,806	9.0%	1,929	13.3%	1,951	11.6%	5,687	11.4%
BtoB-PF ES	754	17.3%	793	14.9%	832	16.8%	2,380	16.3%
【Sales】	2,560	11.4%	2,723	13.8%	2,783	13.1%	8,067	12.8%
BtoB-PF FOOD	734	59.6%	710	44.0%	726	10.5%	2,171	34.8%
BtoB-PF ES	371	20.8%	409	31.6%	439	23.4%	1,220	25.2%
【CoGS】	1,103	44.3%	1,118	39.4%	1,164	15.1%	3,386	31.4%
BtoB-PF FOOD	1,072	-10.4%	1,219	0.8%	1,224	12.3%	3,516	0.5%
BtoB-PF ES	382	14.2%	383	1.2%	393	10.1%	1,159	8.2%
【Gross Profit】	1,457	-5.1%	1,604	0.8%	1,619	11.7%	4,680	2.3%
BtoB-PF FOOD	582	-1.5%	612	-2.2%	625	2.0%	1,820	-0.6%
BtoB-PF ES	692	24.4%	734	14.6%	712	12.5%	2,139	16.9%
【SG&A】	1,273	10.6%	1,346	6.2%	1,338	7.3%	3,957	7.9%
BtoB-PF FOOD	489	-19.1%	606	4.0%	599	25.6%	1,695	1.8%
BtoB-PF ES	-309	-	-351	-	-319	-	-980	-
【Operating Profit】	183	-52.1%	258	-20.0%	280	39.0%	723	-20.5%
【Recurring Profit】	169	-57.8%	243	-25.2%	267	37.9%	680	-26.2%
【Net Income】※	110	-61.3%	164	-6.8%	209	68.6%	484	-17.4%

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

BtoB-PF FOOD	59.4%		63.2%		62.8%		61.8%	
BtoB-PF ES	50.7%		48.4%		47.2%		48.7%	
High gross profit margin	56.9%		58.9%		58.2%		58.0%	
BtoB-PF FOOD	27.1%		31.5%		30.7%		29.8%	
OPM	7.2%		9.5%		10.1%		9.0%	
RPM	6.6%		8.9%		9.6%		8.4%	

■ Sales

【BtoB-PF FOOD】

In the BtoB Platform Ordering, system usage fees from buyer companies increased thanks to an increase in the number of new contracts with food industry seeking management and cloud systems (restaurant chains, hotels, school meal services, takeaway/delivery restaurants) and their stores. In addition, the easing of regulations concerning COVID-19 led to an increase in the distribution value of food staffs, etc., and system usage fee sales by seller companies (pay-for-use) exceeded the previous year's results.

System usage fees rose as the number of companies using BtoB Platform Standards increased.

【BtoB-PF ES】

In BtoB Platform Invoicing, system usage fees and initial fees increased due to an increase in the number of new paid contracts for the receiving and issuing models and steady progress in the operation of the system (digitization of invoice data) by major companies as companies intends to improve business efficiency and remote working took root.

■ CoGS

Data center expenses increased due to the expansion of the server system in response to the increased number of users and the implementation of Disaster Recovery/ disaster recovery ("DR") measures.

■ SG&A expenses

Commissions paid increased due to the outsourcing of operations in BtoB Platform Ordering and BtoB Platform Invoicing. In addition, Personnel expenses increased due to the reinforcement of sales and sales support personnel required for business expansion, and sales promotion expenses increased due to an increase in the number of companies using the service.

■ Operating profit

Operating profit decreased due to aggressive investment in some costs, prioritizing the acceleration of sales growth.

■ Net income

Net income decreased due to a decrease in ordinary income.

FY12/22 Third Quarter (vs. Plan)

(Note) consolidated business Plan for the FY12/22, which were announced on July 20, 2022

(Million yen)

	FY12/22	FY12/22	FY12/22		FY12/22
	Q2 Total	Q3	Q3 Total	Full-year plan progress rate	Full-Year Plan
	Actual	Actual	Actual		
BtoB-PF FOOD	3,736	1,951	5,687	73.8%	7,708
BtoB-PF ES	1,547	832	2,380	69.9%	3,405
【Sales】	5,283	2,783	8,067	72.6%	11,113
BtoB-PF FOOD	1,444	726	2,171	71.9%	3,022
BtoB-PF ES	781	439	1,220	63.1%	1,933
【CoGS】	2,222	1,164	3,386	68.3%	4,955
BtoB-PF FOOD	2,291	1,224	3,516	75.0%	4,686
BtoB-PF ES	766	393	1,159	78.8%	1,471
【Gross Profit】	3,061	1,619	4,680	76.0%	6,158
BtoB-PF FOOD	1,194	625	1,820	70.4%	2,587
BtoB-PF ES	1,427	712	2,139	68.8%	3,111
【SG&A】	2,619	1,338	3,957	69.5%	5,698
BtoB-PF FOOD	1,096	599	1,695	80.8%	2,099
BtoB-PF ES	-661	-319	-980	-	-1,639
【Operating Profit】	442	280	723	157.2%	460
【Recurring Profit】	413	267	680	167.8%	405
【Net Income】※	274	209	484	170.8%	283

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

BtoB-PF FOOD	61.3%	62.8%	61.8%		60.8%
BtoB-PF ES	49.5%	47.2%	48.7%		43.2%
High gross profit margin	57.9%	58.2%	58.0%		55.4%
BtoB-PF FOOD	29.4%	30.7%	29.8%		27.2%
OPM	8.4%	10.1%	9.0%		4.1%
RPM	7.8%	9.6%	8.4%		3.6%

■ Sales

Both the BtoB-PF FOOD Business and the BtoB-PF ES Business generally performed as planned.

■ CoGS

Recording of data center expenses and software depreciation expenses were postponed to the fourth quarter.

■ SG&A expenses

Recording of sales promotion expenses (expenses for physical events, etc.) and commissions paid (outsourcing expenses for operations) were postponed to the fourth quarter.

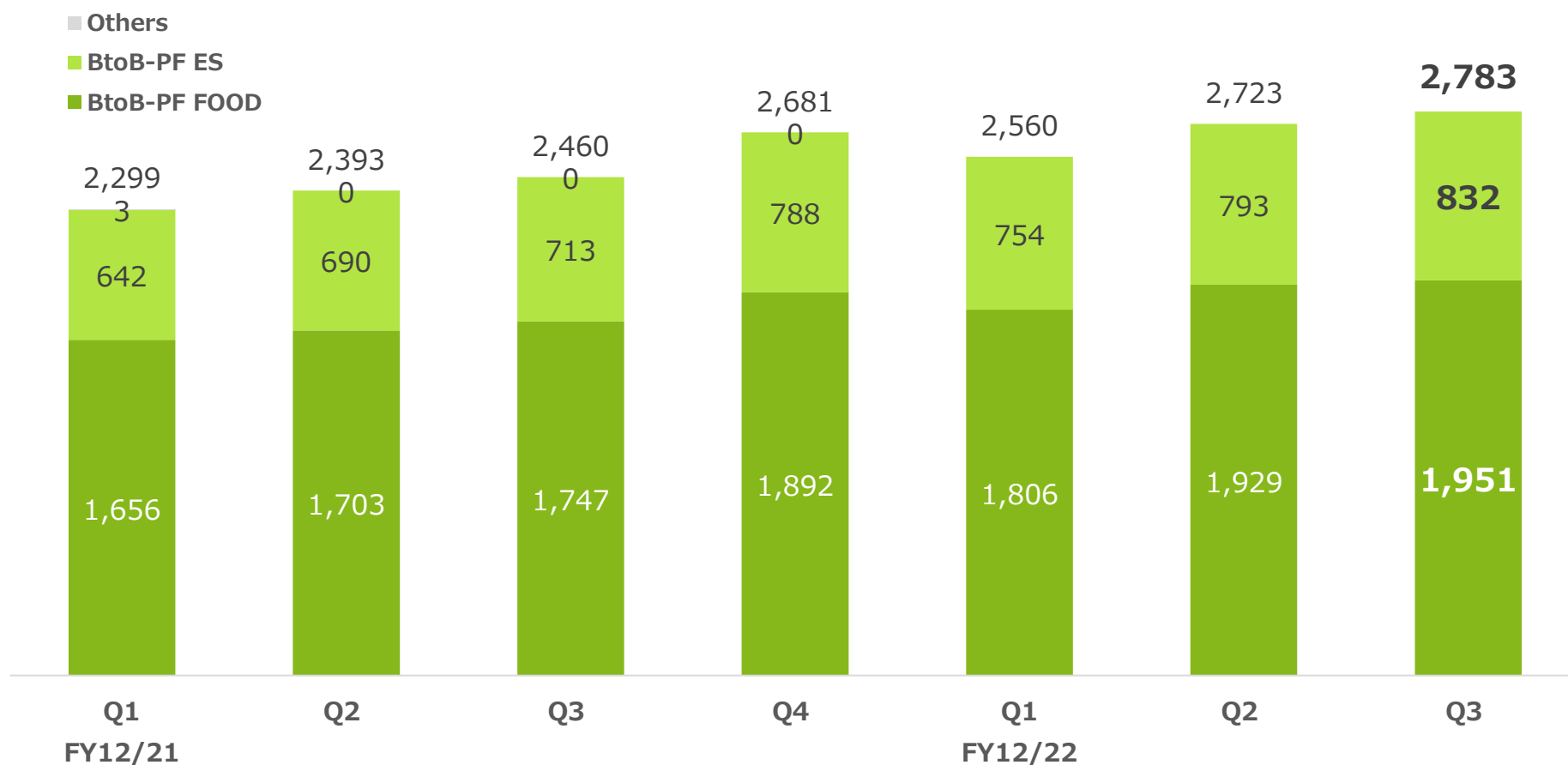
■ Operating profit

CoGS and SG&A expenses were postponed to the fourth quarter, resulting in a Progress against the full-year plan was significantly higher.

Sales trends (quarterly)

Sales increased YoY in both FOOD and ES businesses thanks to an increase in the number of user companies.

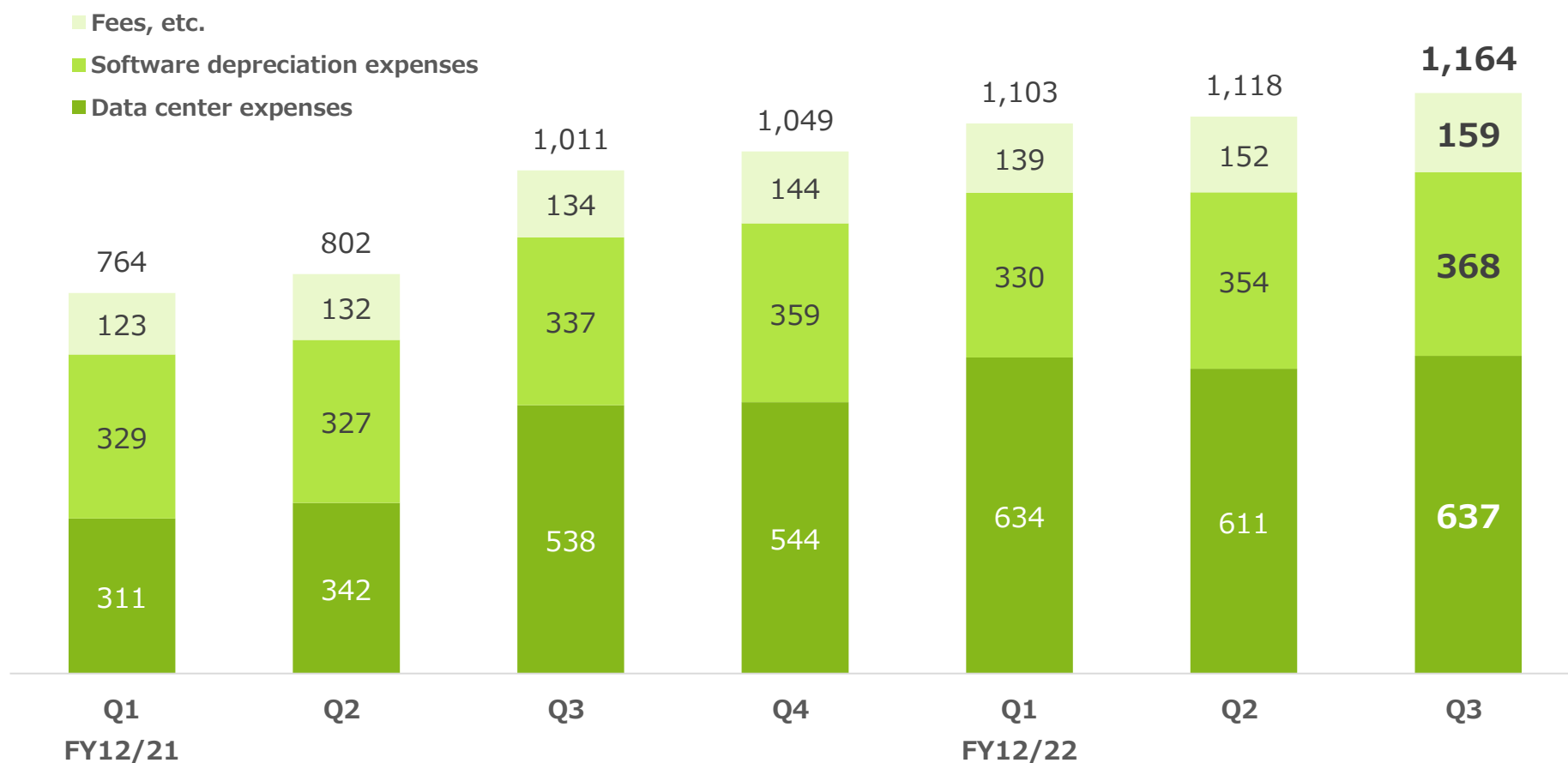
Million yen



CoGS trends (quarterly)

Data center expenses increased due to the expansion of the server system.

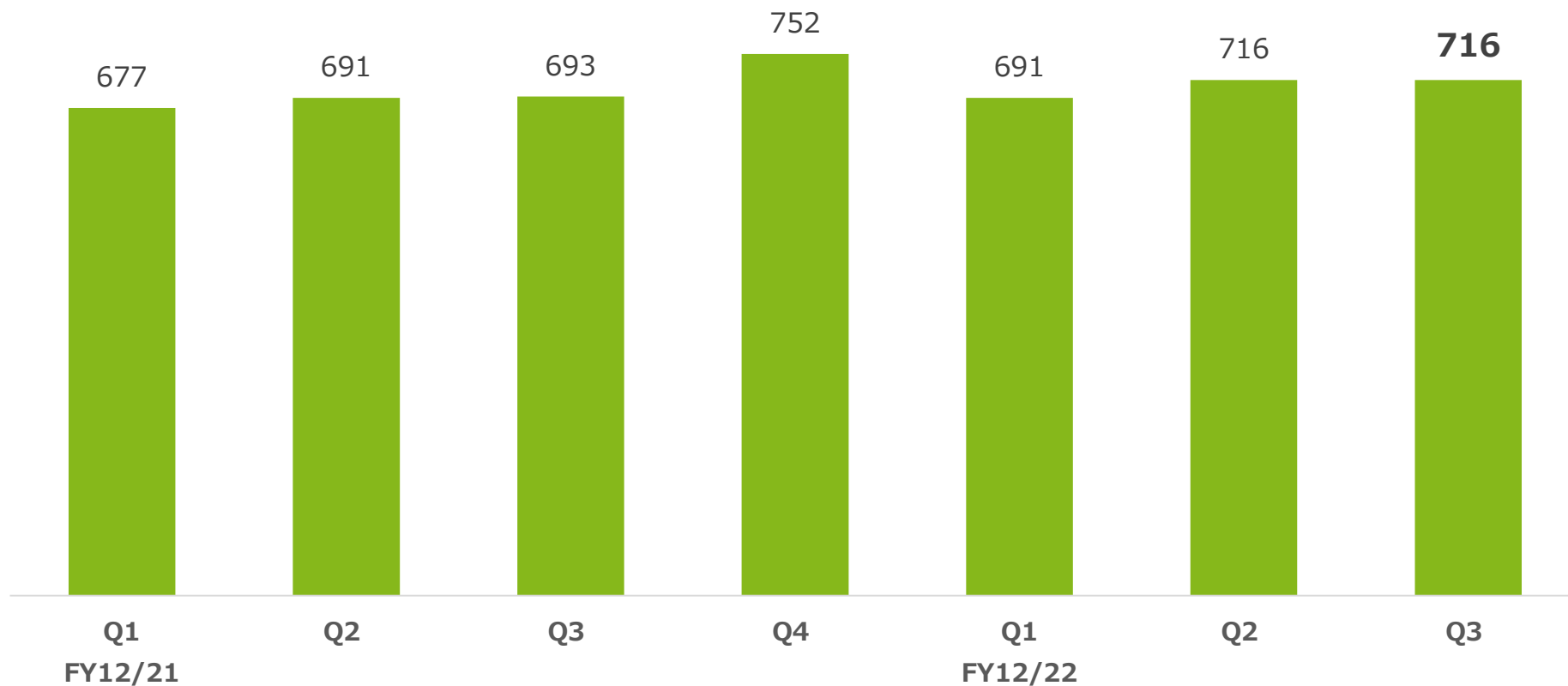
Million yen



Personnel expenses trends (quarterly)

Continue hiring to reinforce sales divisions.

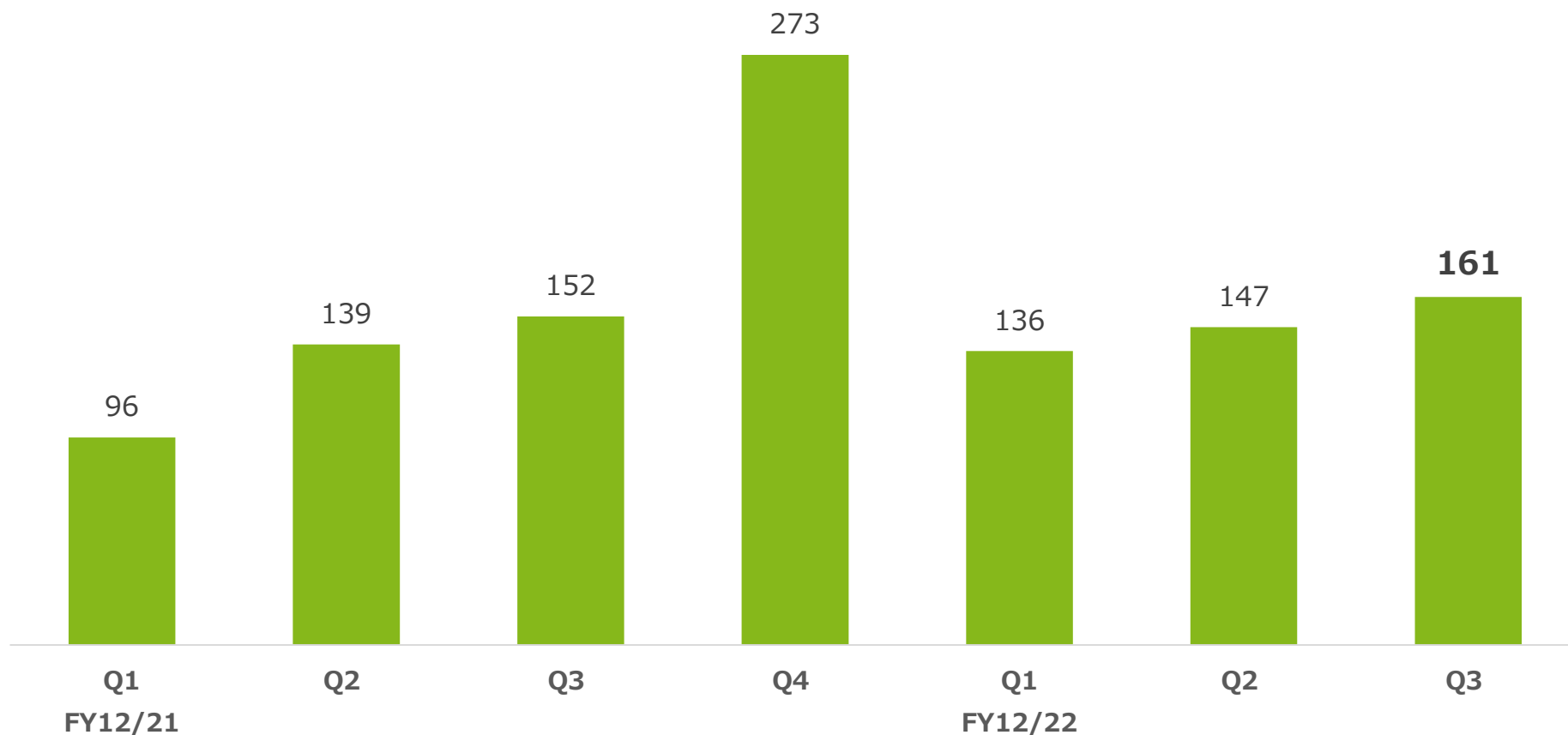
Million yen



Sales promotion expenses trends (quarterly)

Sales Promotion Expenses were impacted by the postponement of the holding of physical events due to the 7th wave of COVID-19 but is expected to rise in the fourth quarter.

Million yen

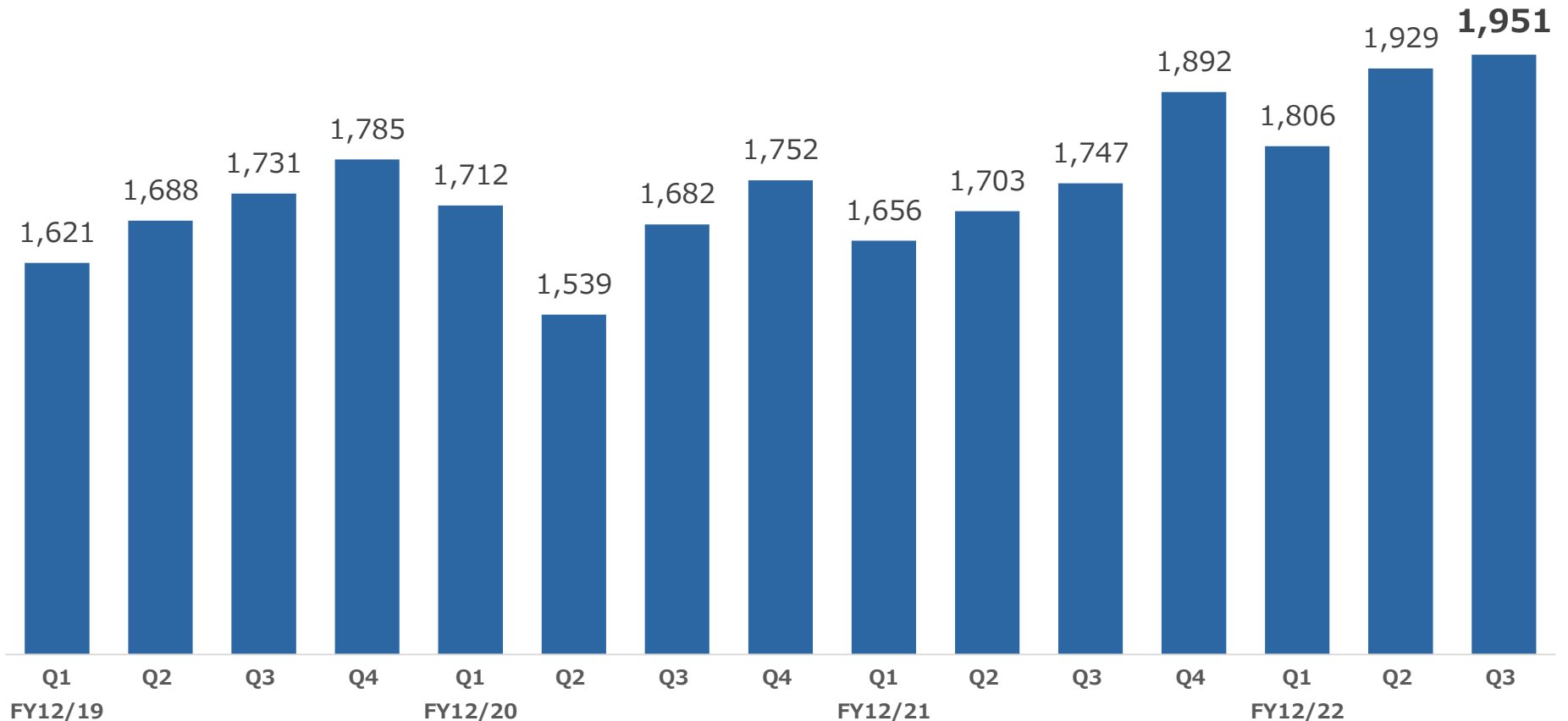


III. Business trends

BtoB-PF FOOD Sales trends

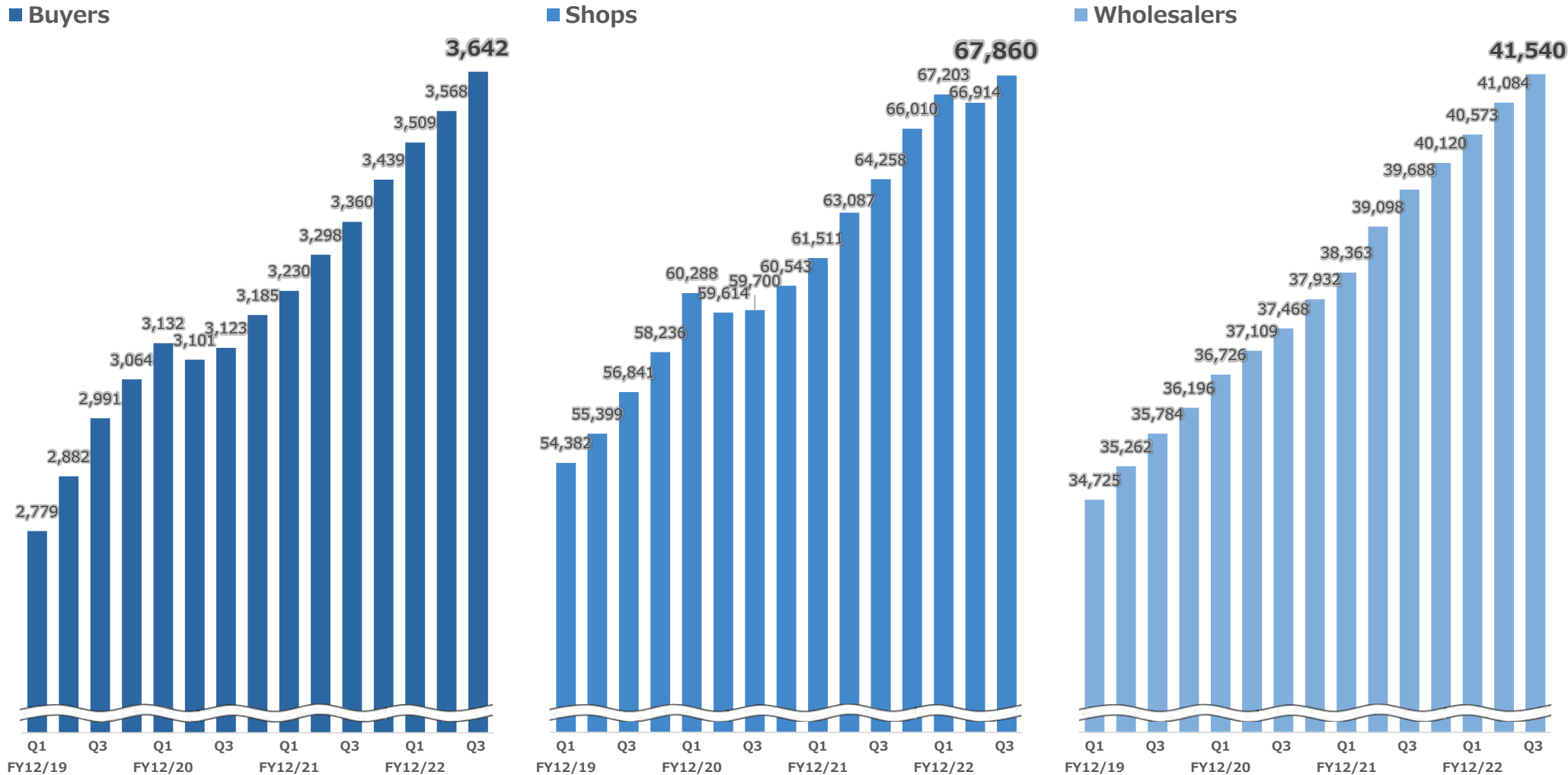
- Recovery in distribution amount of foodstuffs led to an increase in pay-for-use sales from seller companies using BtoB Platform Ordering.
- Monthly system usage fees increased steadily during the quarter due to an increase in the number of companies using the system.

Million yen



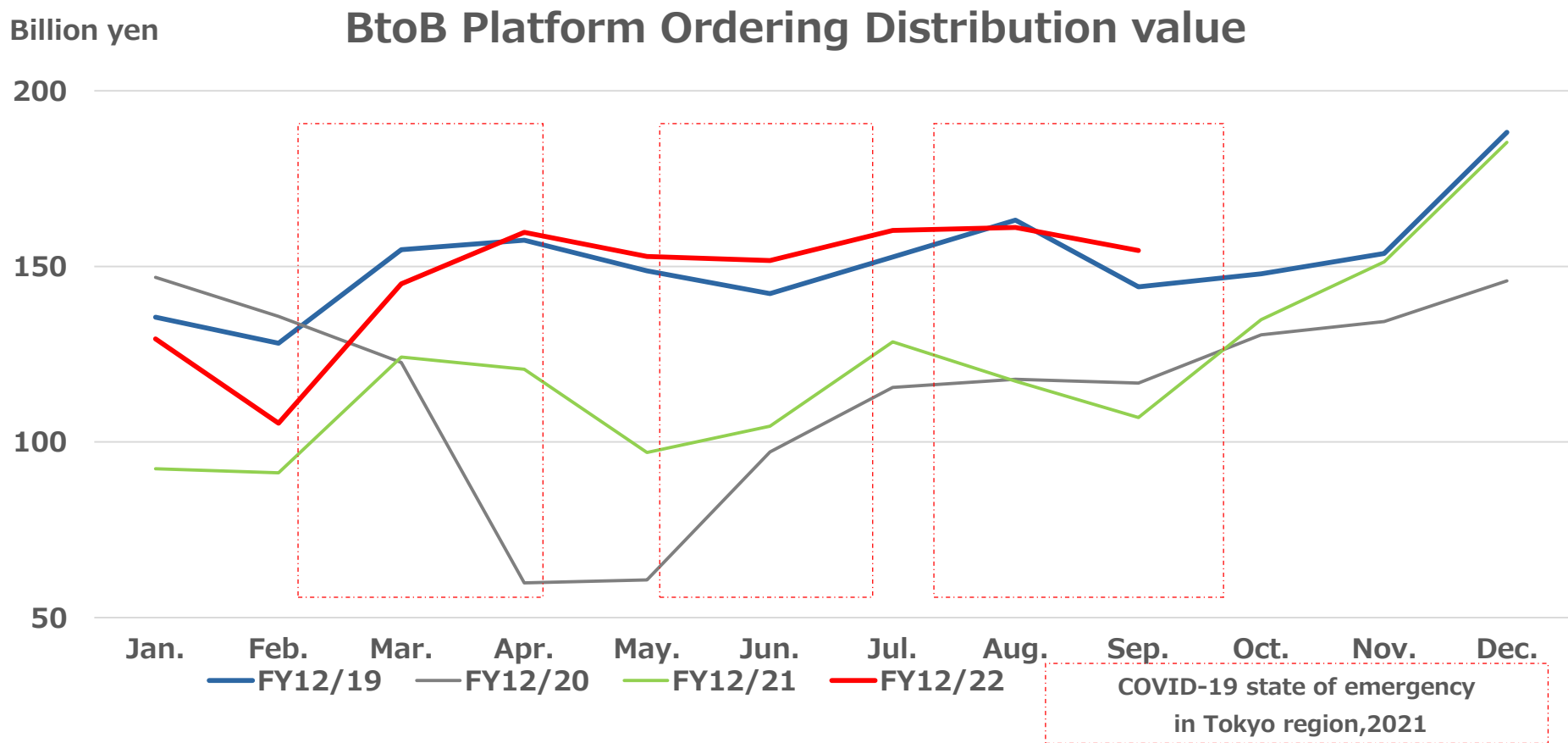
BtoB-PF FOOD Number of companies

Increase in buyer companies in the food industry seeking management and cloud systems (restaurant chains, hotels, school meal services, takeaway/delivery restaurants) and its stores, and their business partners (seller companies).



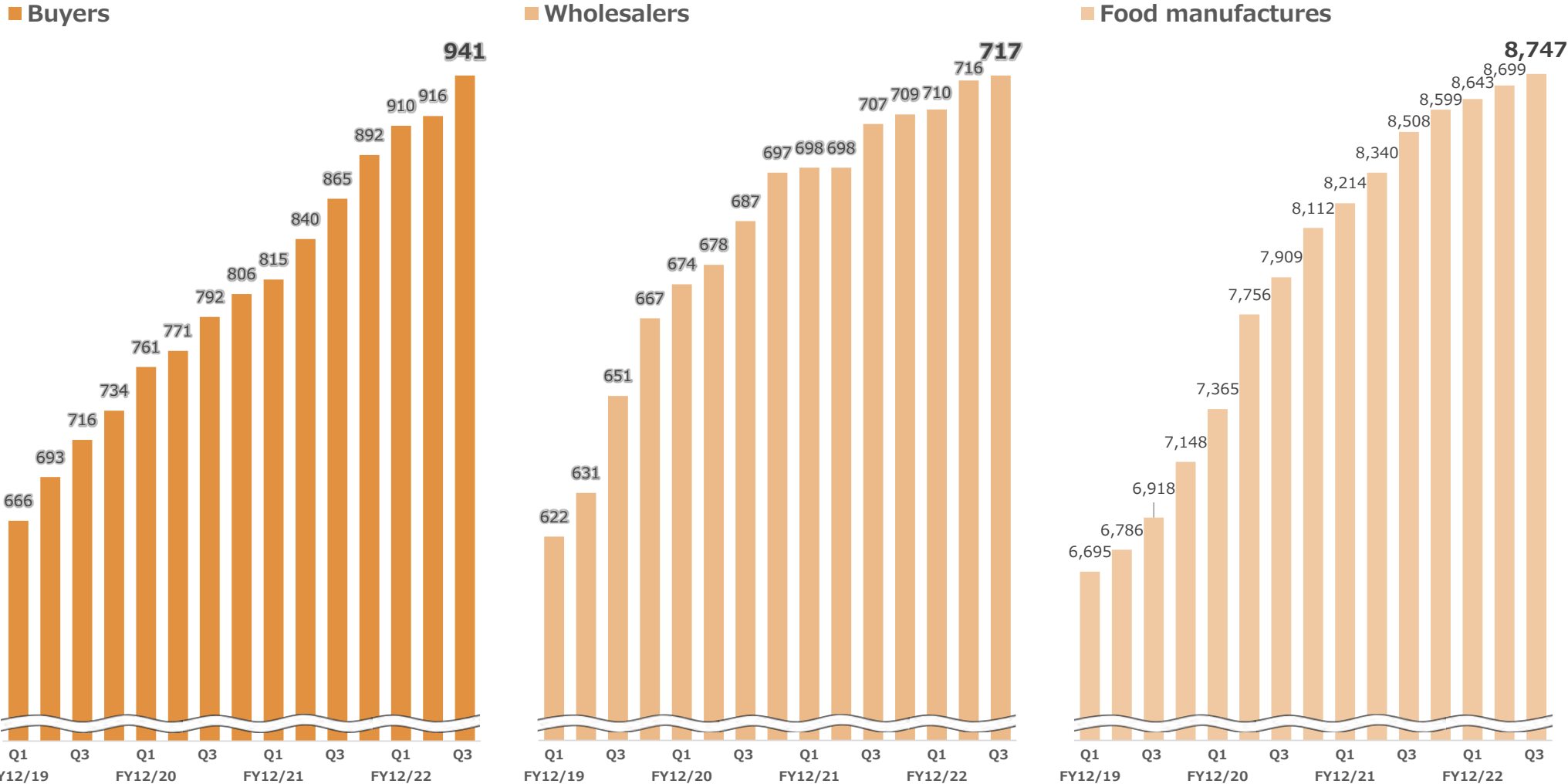
(Note) Number of companies and stores of the graph is the number at the end of each quarter.

Despite the impact of the re-expansion of COVID-19, the distribution amount of foodstuffs remained at a high level in July-September.



(Note) 10% of total sales are generally proportional to the distribution amount of foodstuffs

The number of buyers and companies using each function increased due to the acceleration of management systems and shifting to cloud-based management systems by major restaurant companies.

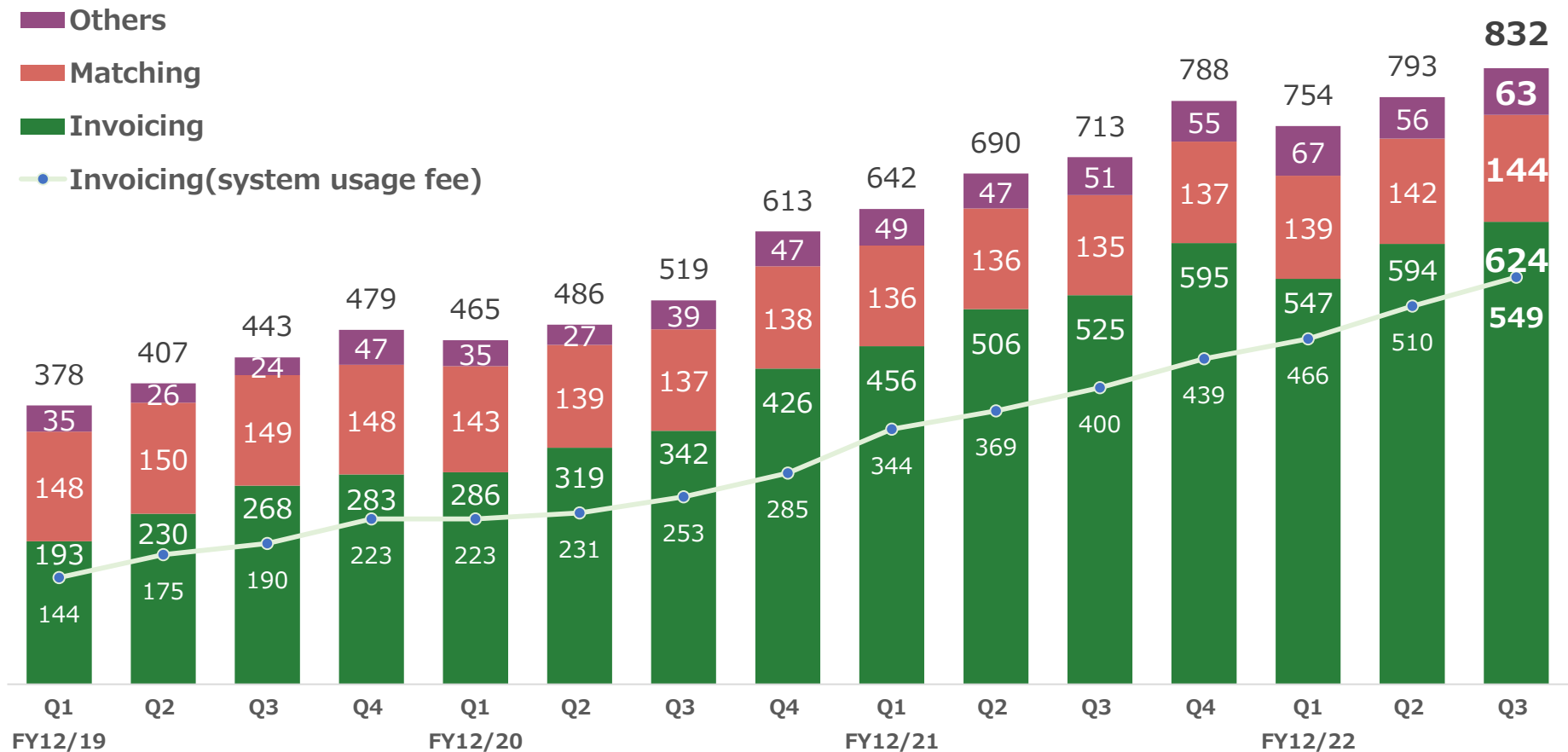


(Note) Number of companies and stores of the graph is the number at the end of each quarter.

BtoB-PF ES Sales trends

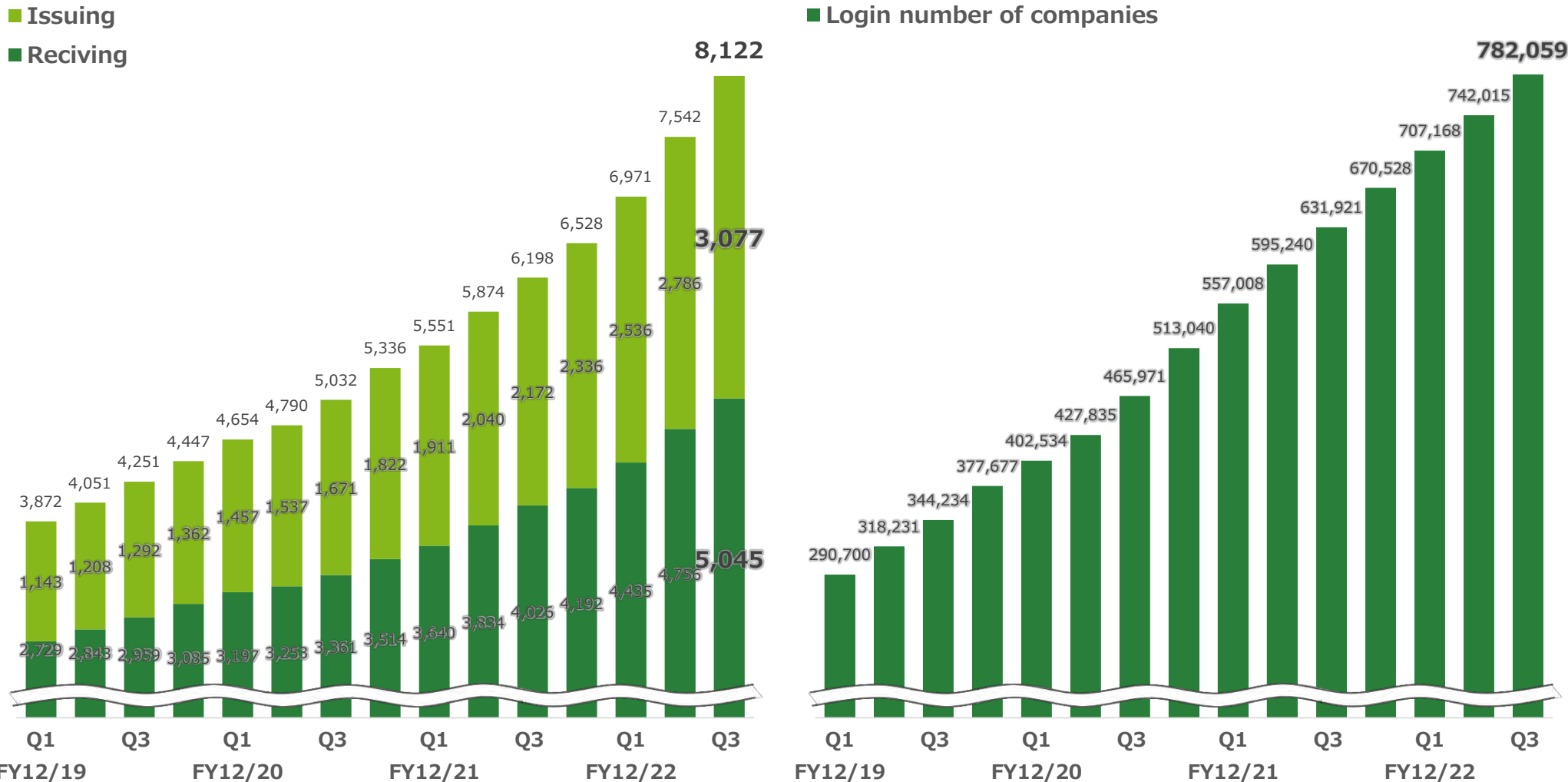
The number of new paid contracts for the BtoB Platform Invoicing increased and the operation (digitization of invoice data) remained steady due to the companies' efforts to improve business efficiency and adoption of remote work. As a result, sales from monthly system usage fee increased in the quarter under review.

Million yen



The number of companies logging in exceeded 780,000 due to promotion of digitization of invoices by existing paid-service contracting companies.

Steady growth in the number of paid subscribing companies, including recruitment by major companies.

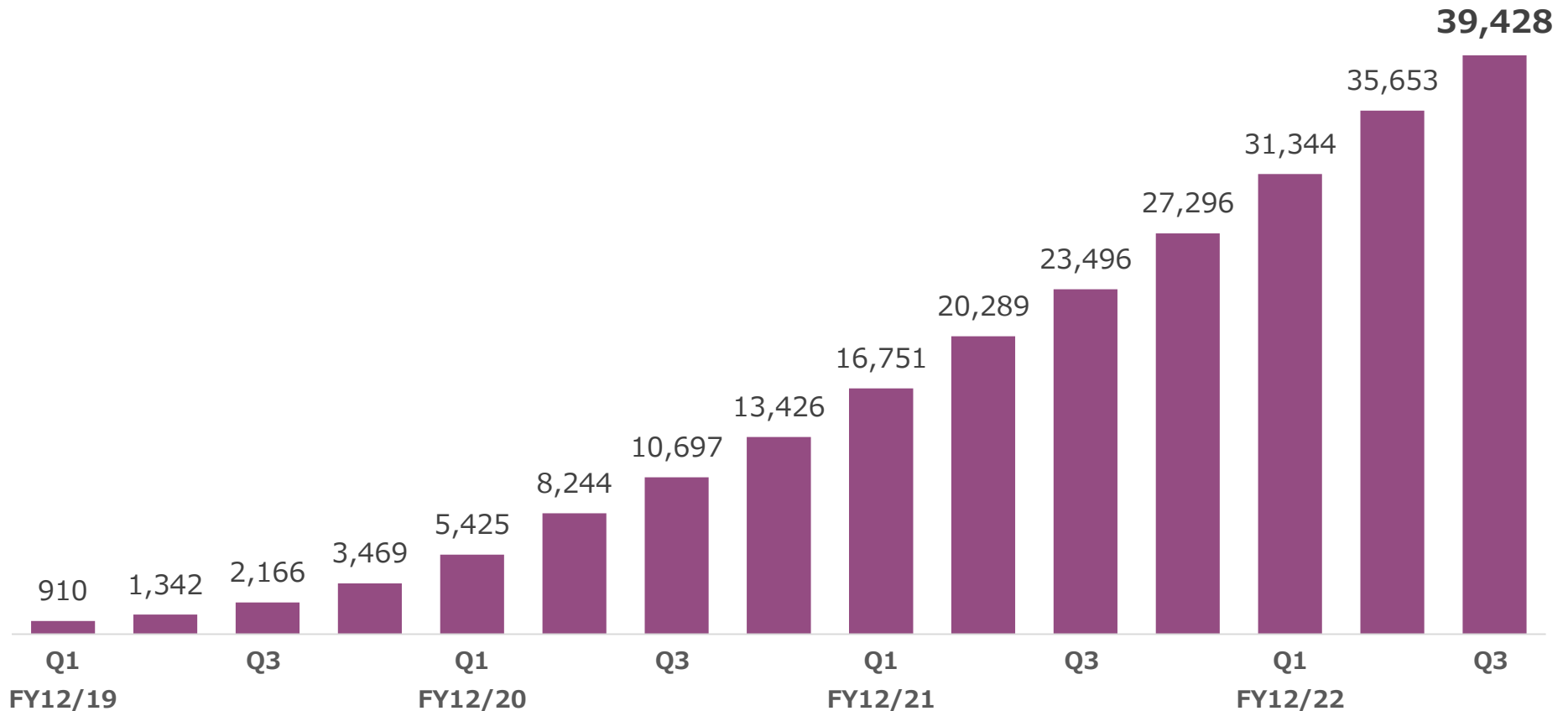


(Note) Number of companies and stores of the graph is the number at the end of each quarter.

The number of user companies exceeded 39,000 in response to the trend toward digitalization of contracts through breaking away from traditional seal usage.

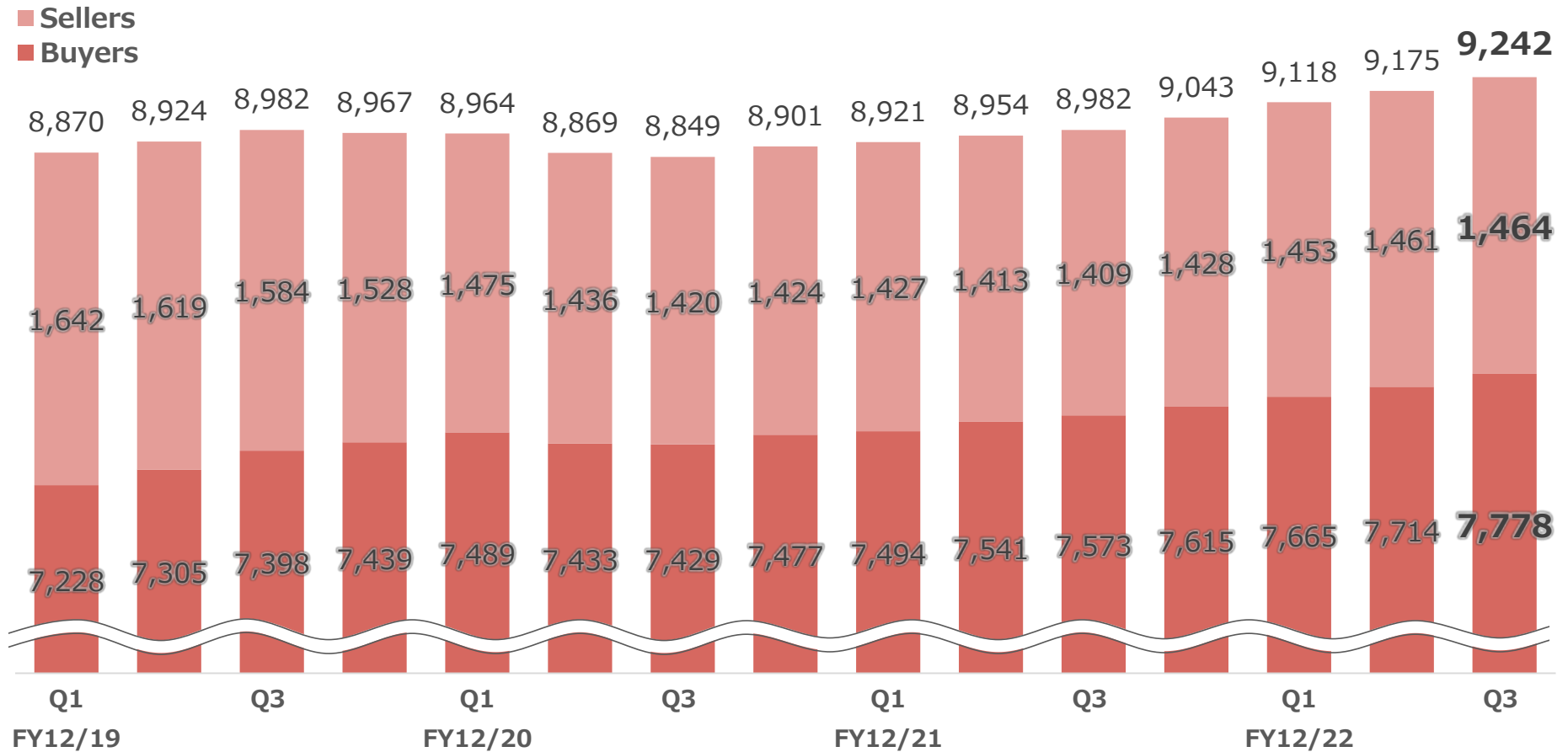
Strengthen collaboration with other companies' systems and expand collaboration partners (scanning companies, document warehouses, etc.).

■ Login number of companies



(Note) Number of companies and stores of the graph is the number at the end of each quarter.

Due to an increase in the number of new subscribers, both seller and buyer companies continued to increase.



(Note) Number of companies and stores of the graph is the number at the end of each quarter.

IV. Medium-term management policy

■ Aggressive investment for growth

- Promote collaboration with other companies and business acquisitions, and work to increase the value and solidify BtoB Platform in the FOOD and ES businesses.
- Invoicing: Aggressive investment in sales promotion, system development, and personnel expenses. Acquire an advantageous position over competitors when the invoicing system will be introduced in 2023.

■ Accelerating the diversification of revenue sources

- Accelerate existing and new initiatives that have been nurtured into a "To diversify our revenue sources".
- Creating a new business model based on an overwhelming corporate membership base together with partner companies, aiming to become the de facto standard in various fields and services.

Medium-term performance targets

Profit plan from a long-term perspective. Targeting five years from now in fiscal year 2026.

Billion yen

	FY12/21 Actual	FY12/26 Plan	Theme
Sales	9.83	20.0	Double increase
Operating Profit	1.03	5.0	Record profit

<5-year average CAGR> (Sales growth rate)

⇒ **As a whole : 16%** (BtoB-PF FOOD : 8%、BtoB-PF ES : 30%)

✓ **BtoB-PF FOOD : 8%** (**Ordering** : 5%、**Ordering** light : 10%)

✓ **BtoB-PF ES : 30%** (**Invoicing** : 35%)

(Note) Monthly system usage fee (stock type sales) only

Medium-term management strategy

■ Basic policy

- Based on the principle of "Aggressive investment for growth," we will expand and increase value of our BtoB Platform service, effectively incorporate external management resources as appropriate, and make a leap forward to realize our vision for the future.

■ Expansion of existing businesses in BtoB Platform

Grow up

- Maintain overwhelming positions in food and realize No.1 positions in ES-related businesses such as invoices, contracts, and TRADE. For this reason, we will optimize our organizational structure so that we can demonstrate our on-site capabilities, and use planning abilities and ingenuity to realize sales results.

■ Launch of new businesses by utilizing existing management resources

Utilizing

- Continuously expand results from the launch of new businesses that leverage our advantages, such as our presence in the food industry and all industries, customer base, and commercial distribution data. It will also clarify the path to securing diverse revenue sources other than royalties from existing BtoB Platform.

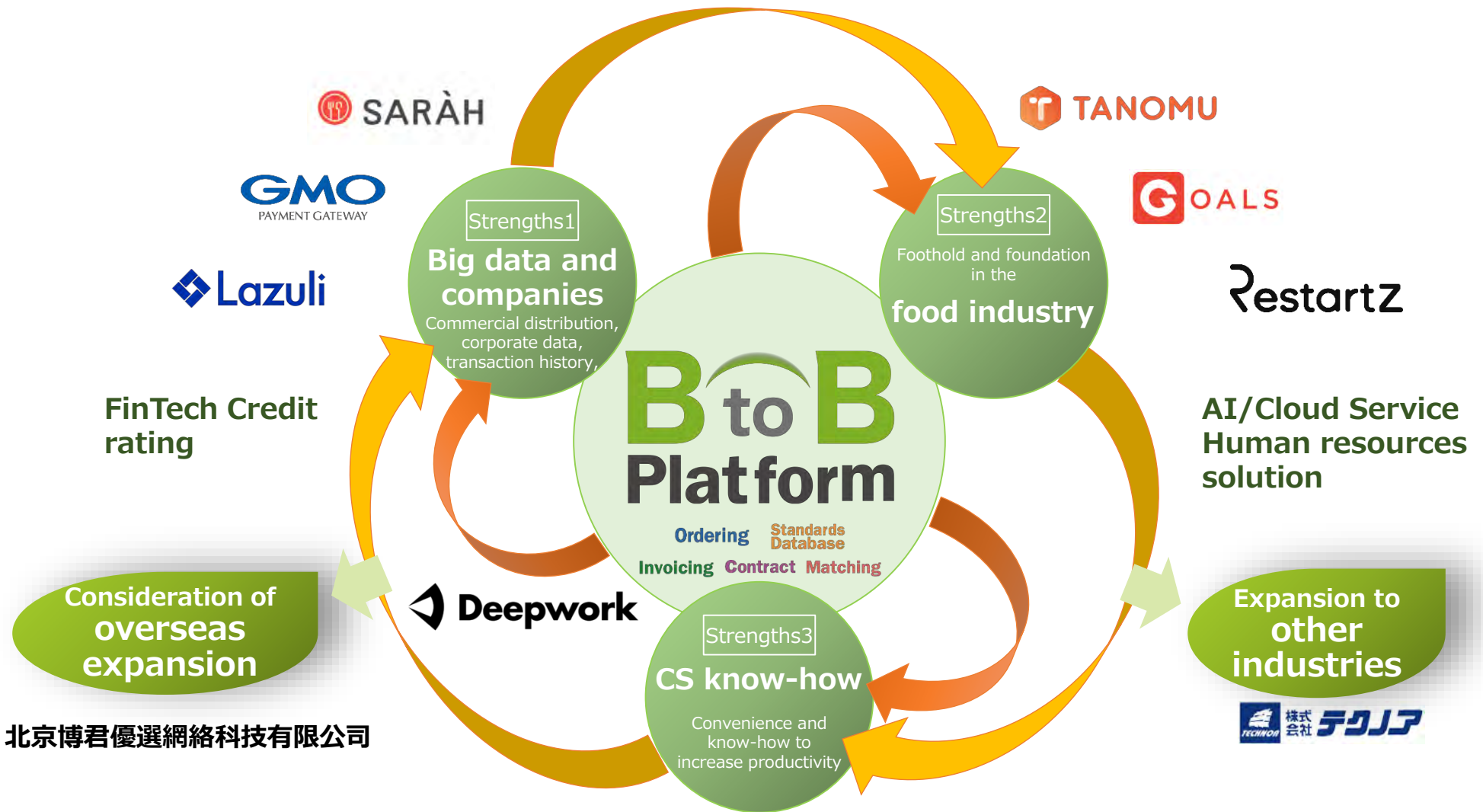
■ Future-oriented measure

Make great leaps

- For our company, where we have a successful experience in BtoB businesses, we define the most crucial knowledge as "know-how to make our business a de facto standard," and thoroughly accumulate and utilize its know-how. We will also continue to conduct surveys and research in industries, services, and countries that can take the de facto approach.

Direction for development and strengthening of Infomart

Marketing/Advertising Consulting services



Consideration of overseas expansion

北京博君優選網絡科技有限公司

Expansion of the platform
Collaboration Next-generation platform

B to B Platform TRADE

Diversification achievements (BtoB-PF FOOD)

Partners

■ Goals Inc.

Alliance from July 2020

■ Tanomu Inc.

Alliance from February 2021

■ Beijing Bojunyouxuan Technology Co., Ltd.

Alliance from March 2021

■ Restartz Co., Ltd.

Established in October 2021

Overview

Order Forecasting Cloud Service (for chain restaurants)

Joint development of a next-generation new menu management system, contributing to the advancement of management and the reform of business models in the restaurant industry.

Cloud service to support efficient order processing and sales promotion (for wholesalers)

Accelerating sales expansion in the food wholesaling industry and promoting further digital transformation (DX) of BtoB transactions under the COVID-19 crisis.

Supply chain management services in the Chinese restaurant industry

Promoting the revitalization of business in China by combining the technology of top Chinese food tech companies with our knowledge.

Restaurant Operations Platform App

By visualizing the business process of a restaurant from opening to closing, we can create safe and lean store operations.

Diversification achievements (BtoB-PF ES)

Partners

■ SARAH Inc.

Alliance from August 2021

■ Deepwork Inc.

Alliance from October 2021

■ Lazuli Inc.

Alliance from April 2022

Overview

Gourmet community services and restaurant big data services

We expect future collaboration potential and synergies of data sharing in menu recipe data for restaurants and word-of-mouth data for each menu.

Integrating technology and human capabilities to provide unique solutions

Further support for companies working on the digitization of back-office operations and DX for billing processing.

Supporting corporate data utilization with advanced technology

Improve user convenience by developing a data base on the "BtoB Platform" to increase the data accuracy.

Service

BtoB Platform TRADE

From July 2021

Overview

Digitize transactions from quotation, order, order receipt, delivery, receipt and inspection.

Seamlessly complete a series of business transactions between companies by linking with BtoB Platform Invoice and BtoB Platform Contract.

V. Consolidated Business Forecasts for FY12/22

FY12/22 Consolidated Business Forecasts (Overview)

We will maintain its aggressive stance and prioritize measures to accelerate medium-term sales growth while paying close attention to COVID-19 situation, although profits will decline.

■ **BtoB-PF FOOD**

Responding to the needs of restaurant chains, individual stores, and wholesalers, and promoting the digitization of transactions between restaurants and wholesalers.

■ **BtoB-PF ES**

Comprehensively work to expand digitization of invoices to establish a leading position in electronic invoicing.



- Maintain reliability by expanding the server system as the number of users increases.
- In addition to the core businesses, we will invest in development and sales promotion expenses for new businesses and refocusing on existing areas.
- Strengthen collaboration with other companies' services and systems, and seek to provide multiple services and information to users.



**To expand sales growth and resume profit growth
from FY12/23 onward**

Summary of Consolidated Business Forecasts for FY12/22

Secure profitability and solidify our footing while making aggressive investments.

(Note) consolidated business Plan for the FY12/22, which were announced on July 20, 2022

Million yen

	FY12/21 Actual	FY12/22 Plan	YoY
Sales	9,835	11,113	13.0%
CoGS	3,627	4,955	36.6%
Gross Profit	6,207	6,158	-0.8%
High gross profit margin	63.1%	55.4%	
SG&A	5,177	5,698	10.1%
Operating Profit	1,030	460	-55.4%
Operating profit margin	10.5%	4.1%	
Recurring Profit	1,021	405	-60.3%
Recurring profit margin	10.4%	3.6%	
Corporate tax	270	155	-42.7%
Net Income	538	283	-47.4%

<Annual average CAGR >
(Sales growth rate)

⇒ As a whole : 13%

✓ BtoB-PF FOOD : 10%

(Ordering : 11%、Ordering light : 23%)

✓ BtoB-PF ES : 20%

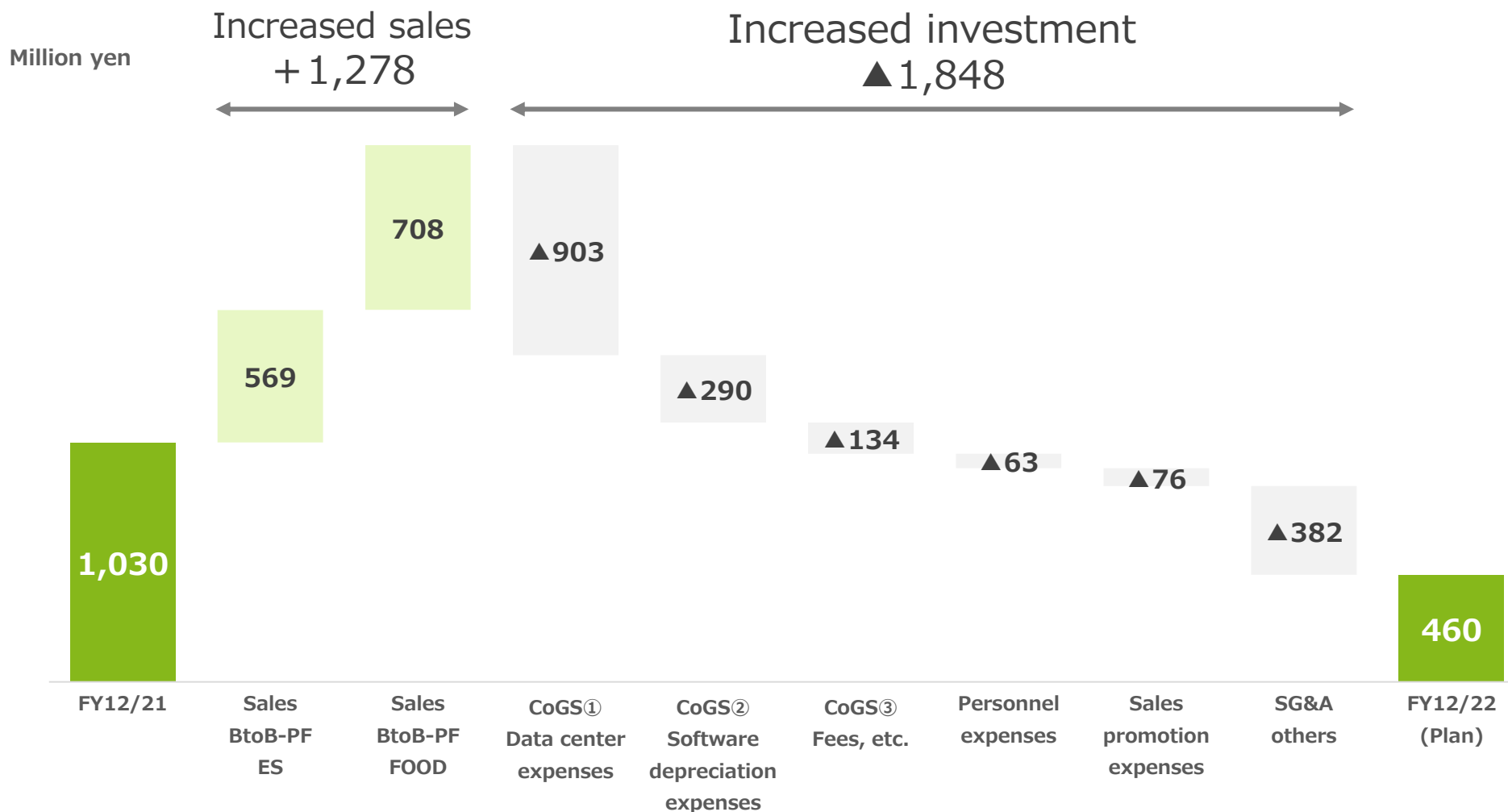
(Invoicing : 39%)

(Note) Monthly system usage fee (stock type sales) only

(Note) Net income denotes net income attributable to owners of the parent

Factors of increase / decrease in consolidated operating profit from the previous fiscal year

Prioritize sales growth and continue aggressive investment as in the previous year



Consolidated Business Forecasts for FY12/22

(Note) consolidated business Plan for the FY12/22, which were announced on July 20, 2022

(Million yen / % : YoY)

	FY12/21 Full-Year		FY12/22 Full-Year	
	Actual	YoY	Plan	YoY
BtoB-PF FOOD	7,000	4.7%	7,708	10.1%
BtoB-PF ES	2,835	36.0%	3,405	20.1%
【Sales】	9,835	12.1%	11,113	13.0%
BtoB-PF FOOD	2,284	38.0%	3,022	32.3%
BtoB-PF ES	1,352	28.4%	1,933	42.9%
【CoGS】	3,627	34.6%	4,955	36.6%
BtoB-PF FOOD	4,715	-6.3%	4,686	-0.6%
BtoB-PF ES	1,482	43.7%	1,471	-0.7%
【Gross Profit】	6,207	2.1%	6,158	-0.8%
BtoB-PF FOOD	2,552	8.9%	2,587	1.4%
BtoB-PF ES	2,619	16.4%	3,111	18.8%
【SG&A】	5,177	12.3%	5,698	10.1%
BtoB-PF FOOD	2,163	-19.5%	2,099	-2.9%
BtoB-PF ES	-1,137	-	-1,639	-
【Operating Profit】	1,030	-30.0%	460	-55.4%
【Recurring Profit】	1,021	-29.9%	405	-60.3%
【Net Income】※	538	-46.9%	283	-47.4%

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

BtoB-PF FOOD	67.4%		60.8%	
BtoB-PF ES	52.3%		43.2%	
High gross profit margin	63.1%		55.4%	
BtoB-PF FOOD	30.9%		27.2%	
OPM	10.5%		4.1%	
RPM	10.4%		3.6%	

■ Sales

【BtoB-PF FOOD】

In this business, net sales are expected to increase thanks to an increase in the number of companies using BtoB Platform Ordering and an increase in system usage fees. This was attributable to the growing need for more sophisticated management in the food industry due to digitalizations triggered by COVID-19. In addition, as the number of user companies increases, pay-for-use sales are also expected to increase in line with the distribution value of foodstuffs.

【BtoB-PF ES】

BtoB Platform Invoicing, which has been the driving force behind the growth of this business, is expected to continue to maintain high growth as the number of new paid contract companies increases and existing paid contract companies digitize their invoices, capturing the need for DX with the start of the invoice system (2023), in addition to the establishment of remote working among companies and the revision of the Electric Book Storage Act.

■ CoGS

Data center expenses are expected to rise due to expenses incurred throughout the year in the current fiscal year for Disaster Recovery (DR) measures implemented in July last year. In addition, we anticipate an increase in software depreciation and other expenses due to continued aggressive investment in software development.

■ SG&A expenses

Personnel expenses are expected to increase due to the reinforcement of the sales divisions necessary for business expansion. Sales promotion expenses are also expected to increase as a result of aggressive marketing measures.

■ Operating profit

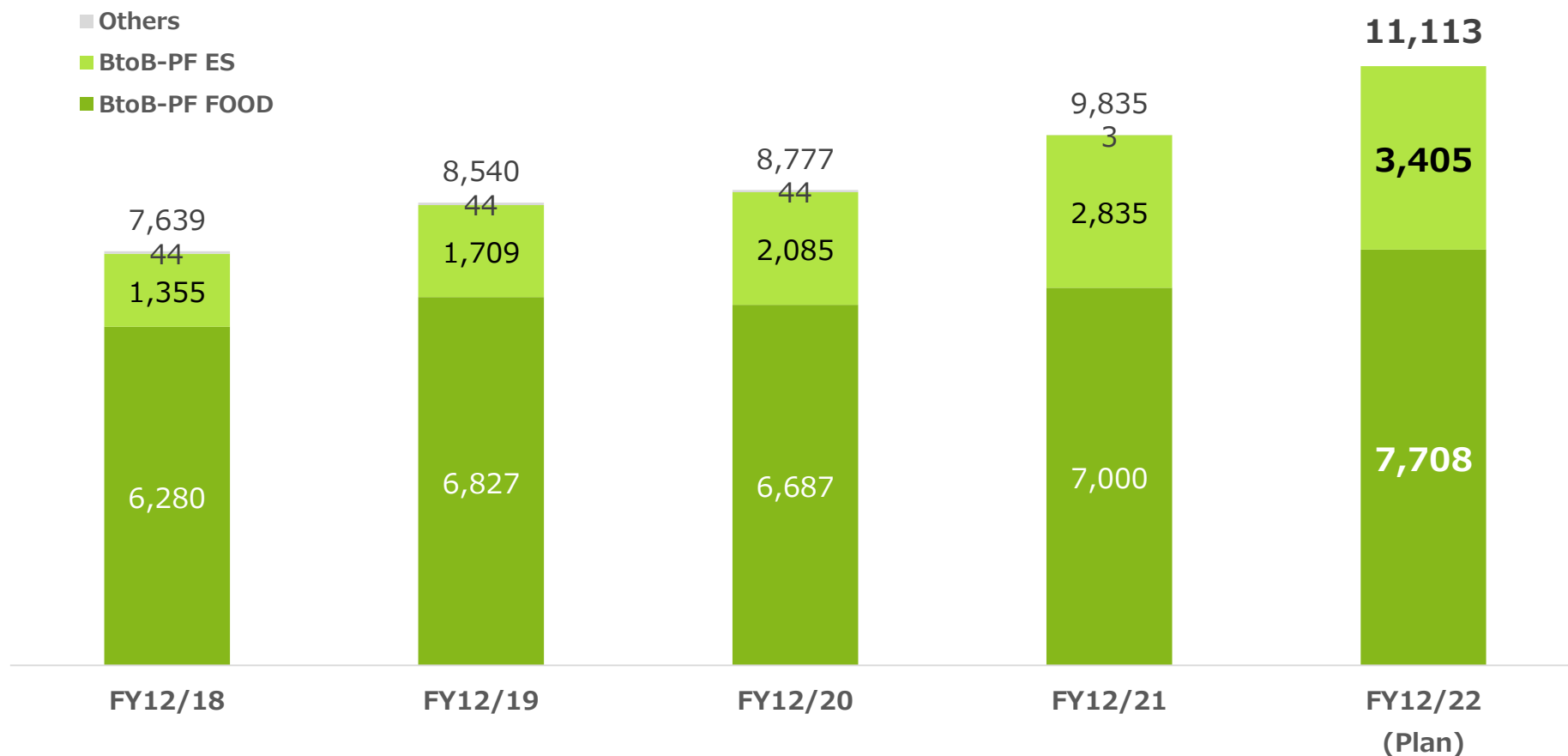
Operating profit is expected to decrease due to an increase in investment costs aimed at accelerating sales growth in the medium term.

Sales trends (by year)

Maintaining growth in both FOOD and ES Businesses through continued large-scale investment.

Million yen

(Note) FY12/22 figures have been revised to the figures which were announced on July 20, 2022

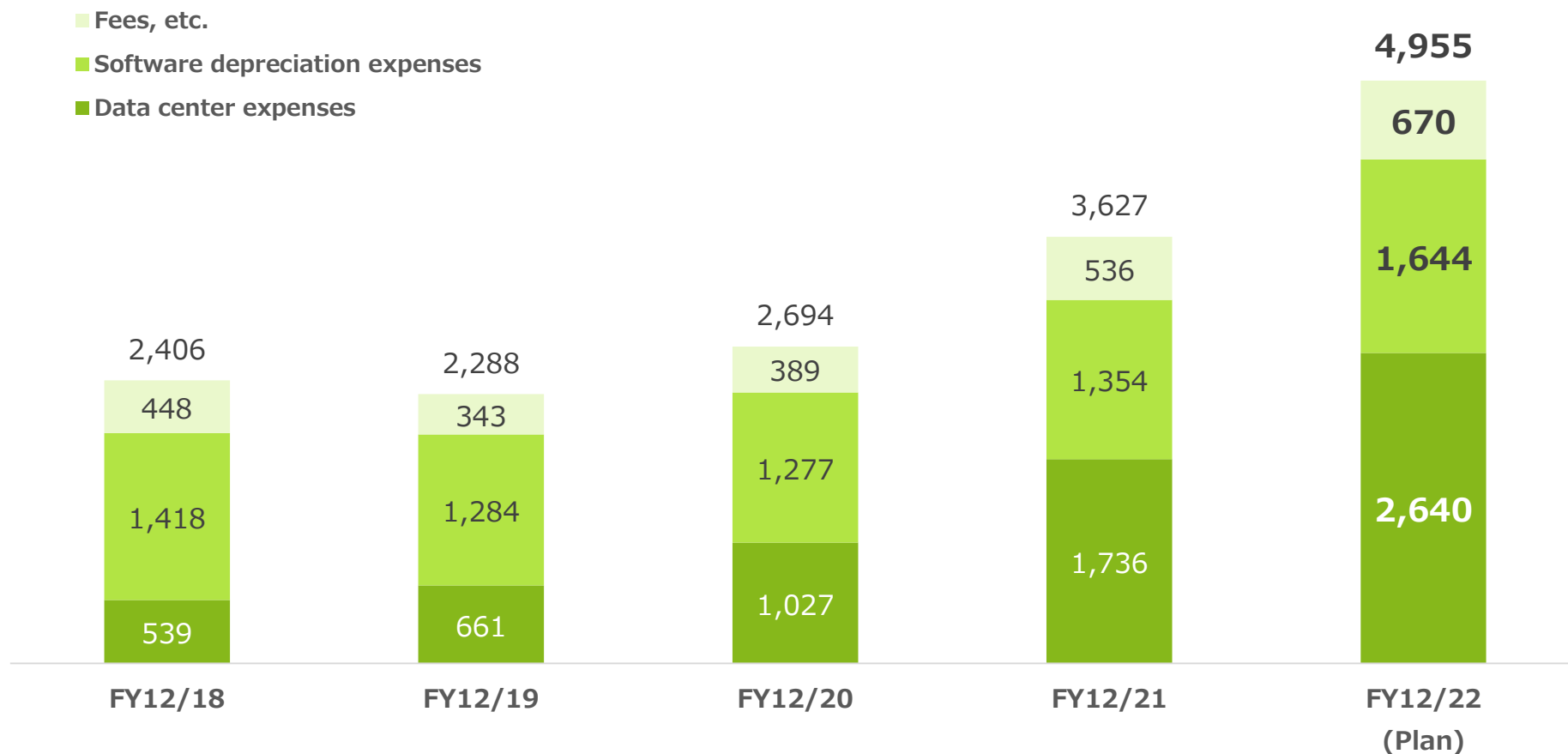


CoGS trends (by year)

Server costs, which began in July 2021, are expected to be incurred for the full fiscal year.

Million yen

(Note) FY12/22 figures have been revised to the figures which were announced on July 20, 2022

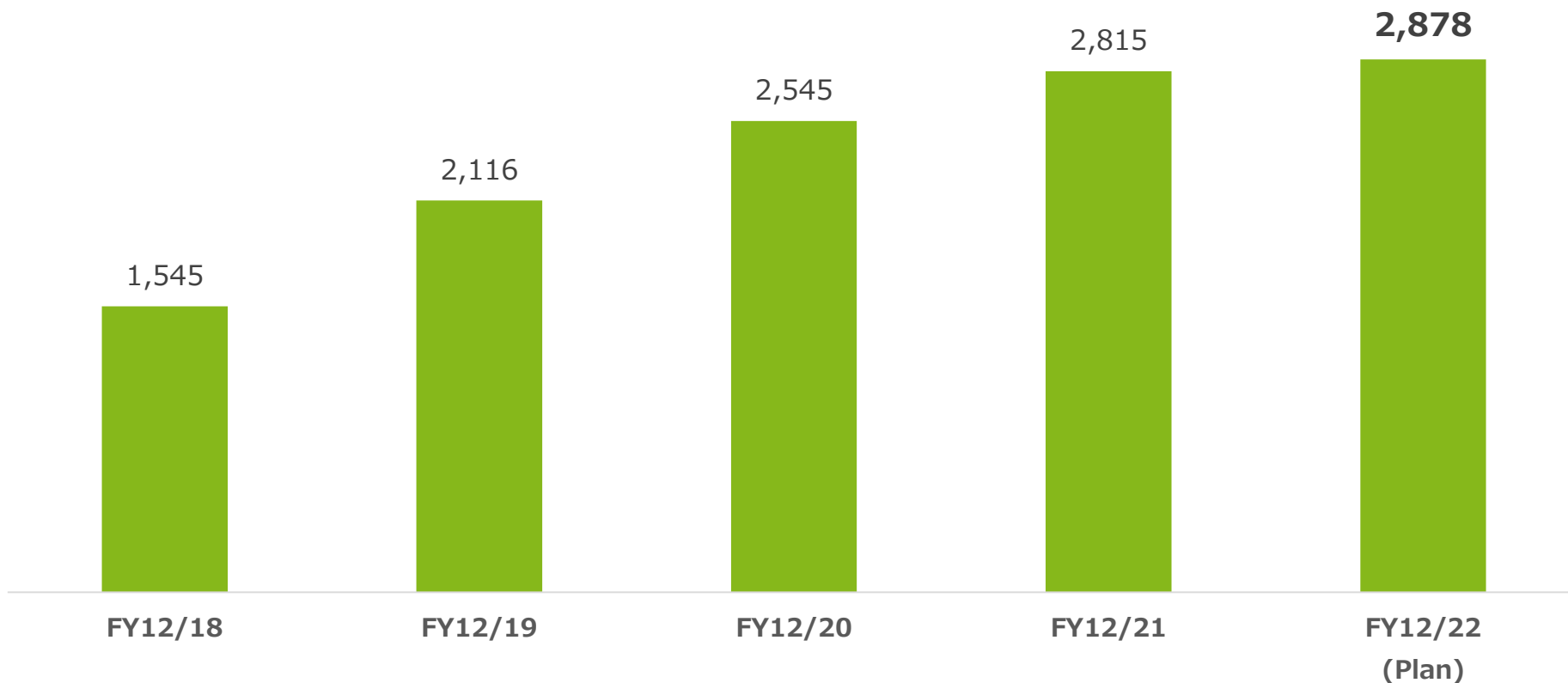


Personnel expenses trends (by year)

Continue hiring to reinforce sales divisions.

Million yen

(Note) FY12/22 figures have been revised to the figures which were announced on July 20, 2022

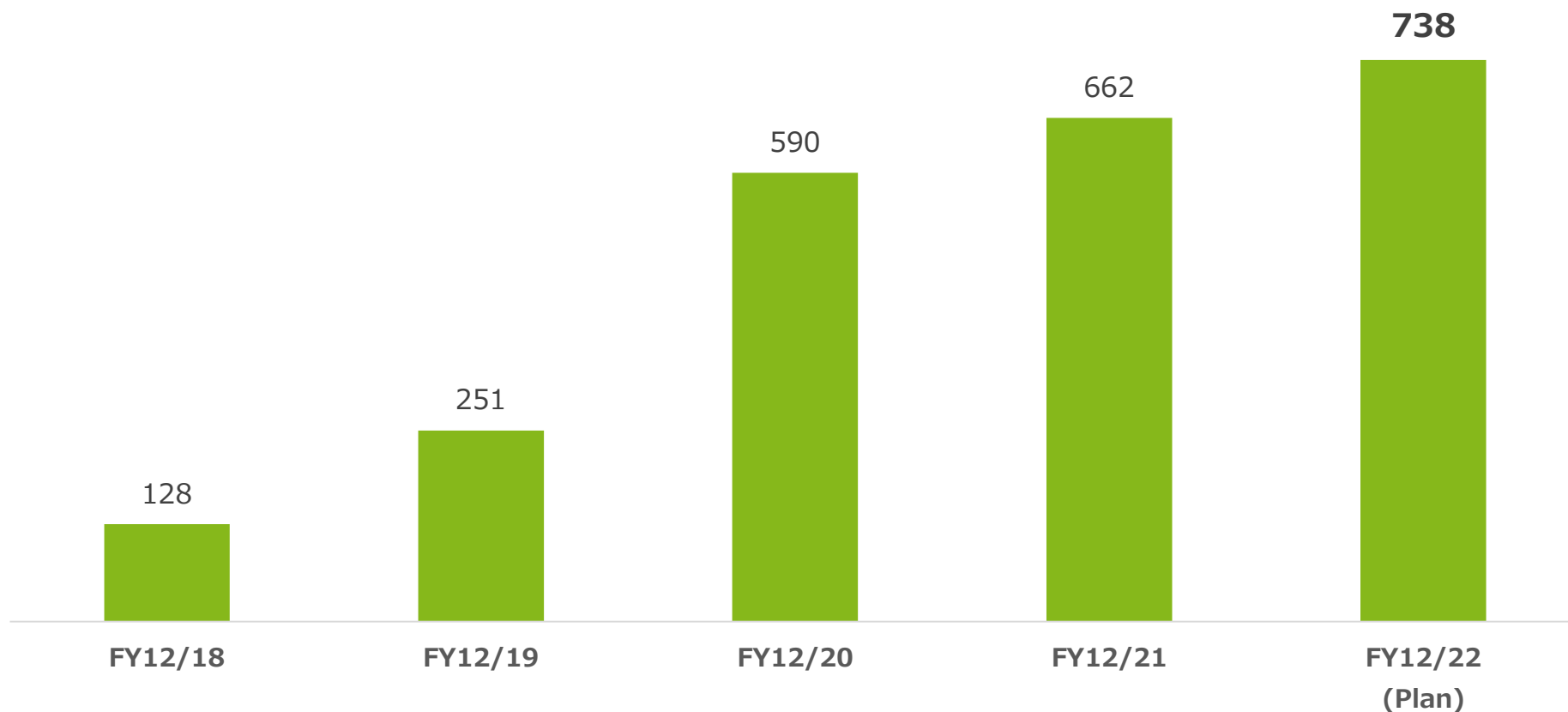


Sales promotion expenses trends (by year)

Significant increase due to aggressive marketing measures.

Million yen

(Note) FY12/22 figures have been revised to the figures which were announced on July 20, 2022



VI. Return Profits to Shareholders

Dividend policy

Infomart considers most important to pay dividends to shareholders and the company aims for a “**basic dividend payout ratio of 50% based on Infomart’s non-consolidated business results**” while improving operating results and strengthening financial position.

Our management base remains strong, we believe that in the current economic environment, it is becoming increasingly important to secure sufficient funds to respond to sudden changes in the future.

We will strive to further increase returns to our shareholders by improving our business performance while strengthening our financial structure.

(Note) FY12/22 figures have been revised to the figures which were announced on July 20, 2022

yen

	FY12/18	FY12/19	FY12/20	FY12/21	FY12/22 (Plan)
Interim dividend	1.83	1.84	1.85	0.47	0.36
Year-end dividend	1.83	1.87	1.86	0.96	0.36
T o t a l	3.67	3.71	3.71	1.43	0.72

(Note)

The company conducted a 2-for-1 stock split on January 1, 2020. Dividends in tables are calculated assuming that the stock splits were conducted.

This material is prepared based on economic, social and other situations, and certain assumptions that the company deems to be reasonable as of October 31, 2022.

However, the material is subject to change without prior notice due to the changing management environment and other reasons.

Readers are asked to make investment decisions at their own discretion.

This material was prepared by Infomart Corporation.

