



**Info Mart Corporation**

**FY2017 Second Quarter Financial Result**

We connect companies and people  
all over the world using a global platform

**FY2017/2Q**

**TSE First (1st) Section (2492)**



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# **I . About Infomart**

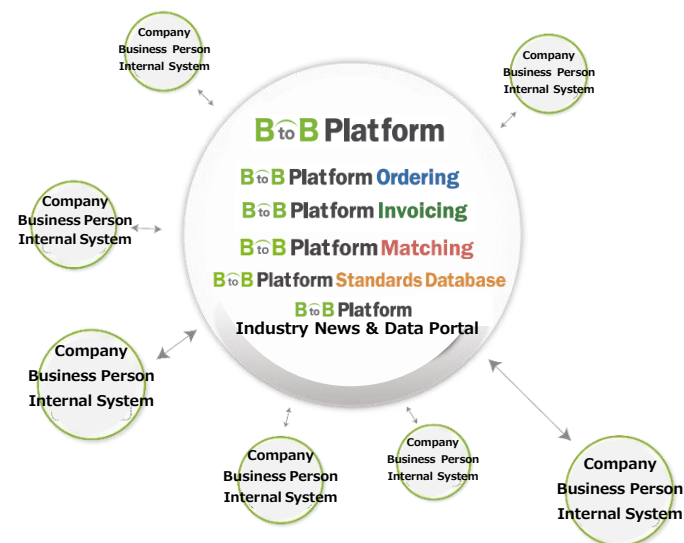
# Company Overview

- Company Name: Infomart Corporation  
( TSE First (1st) Section / Stock code: 2492 )
- Representative: President and CEO Shoji Metabi
- Head office: 13st Floor, Shiodome Shibarikyu Building,  
1-2-3 Kaigan,Minato-ku,Tokyo,  
105-0022, Japan
- Nishinihon sales office: Yodogawa-ku, Osaka-shi
- Customer center: Hakata-ku, Fukuoka-shi
- Established: February 13, 1998
- Capital: 3.2 billion 12.51 million yen (as of end-Jun 2017)
- Consolidated subsidiaries: InfoRise  
Infomart International
- No. of employees (connection): 472 (full-time 380 / temporary 92) (as of end-Jun 2017)
- URL: <http://www.infomart.co.jp/>

## B to B Platform

Our B2B Platform is a system that provides connections between businesspeople, between companies, and within companies, and significantly transforms company management and business style.

We build systems and businesses that naturally go beyond industry borders and beyond national borders, focusing on companies and people, with the aim of becoming a global B2B platform company.



▼ Please enjoy the video showing the world we envision with our B2B Platforms.

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



## Features

Specialize in BtoB (Business-to-Business EC) for 20 years since the company's founding

A cloud-based system which enables numerous companies to use the same screen for day-to-day business with customers

A recurring-revenue model with 95% of sales coming from monthly system usage fees

## Performance

**Provides leading B2B Platform in Japan**

No. of user companies (as of end-Jun 2017)

144,839 companies

No. of offices (as of end-Jun 2017)

442,332 offices

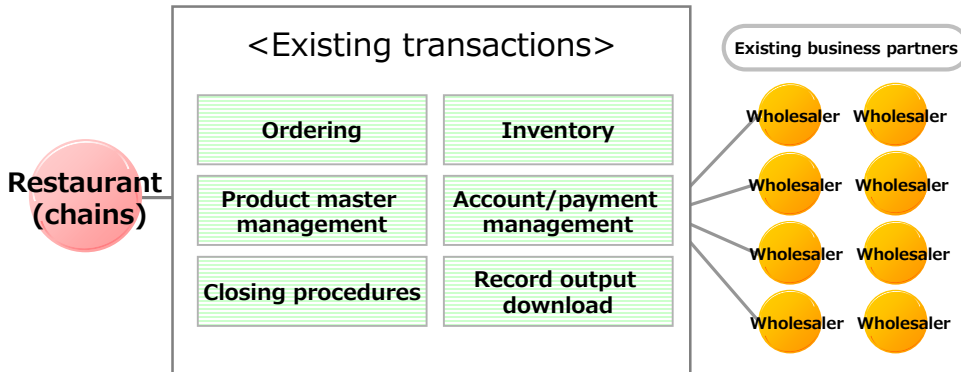
Total distribution value (2016 result)

2,294.2 billion yen

# Info Mart's BtoB Platform

## BtoB Platform Ordering

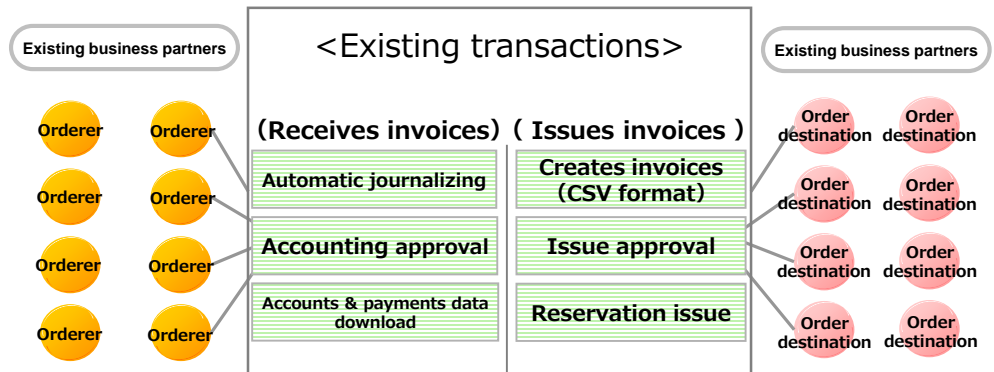
An ordering platform which dramatically improves a variety of ordering and invoicing operations



Optimizes ordering and invoicing operations

## BtoB Platform Invoicing

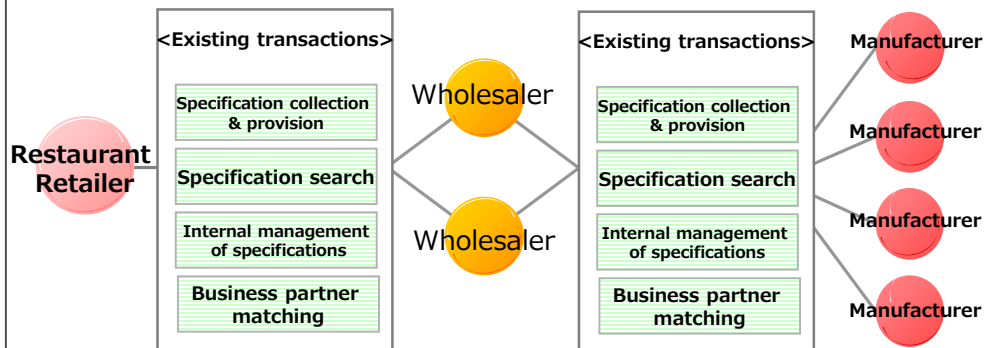
An electronic invoicing platform that helps cut costs, save time, and improve productivity of invoicing operations



Electronically receive and issue invoices

## BtoB Platform Standards Database

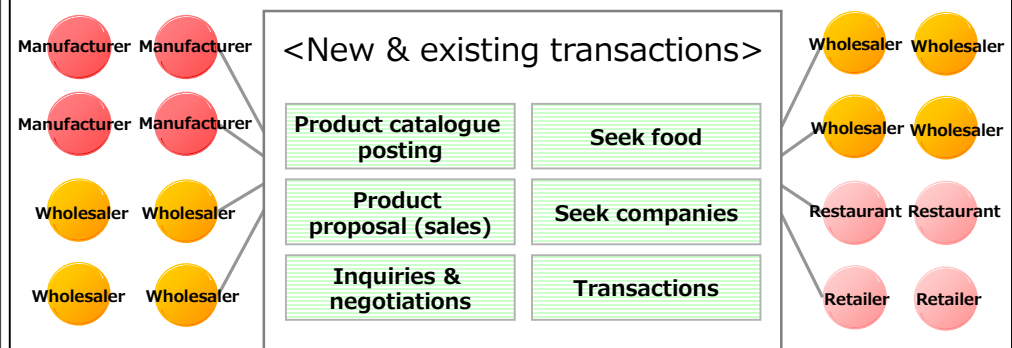
Covers all the latest regulations and quality control standards! The most-used standards database platform in the food industry



Contributes to food safety and security in the food industry

## BtoB Platform Matching

A business negotiations platform which strengthens sales capabilities, purchasing power, and internal organizational effectiveness



Completely reforms sales and purchase schemes

## **II. FY2017 Second Quarter Financial Result**

# FY12/17 Second Quarter (YoY)

(Million yen / %:YoY)

	2017/12 (Actual)					
	1Q		2Q		2QTotal	
Ordering	964	9.5%	1,012	10.3%	1,977	9.9%
Standards Database	310	15.1%	310	7.0%	621	10.9%
ES	304	4.4%	302	2.0%	606	3.2%
Other	18	-45.9%	17	-7.5%	36	-32.5%
<b>[Sales]</b>	<b>1,587</b>	<b>8.2%</b>	<b>1,633</b>	<b>7.9%</b>	<b>3,220</b>	<b>8.0%</b>
Ordering	260	24.0%	275	28.2%	536	26.1%
Standards Database	87	57.2%	95	56.9%	183	57.1%
ES	164	5.2%	194	15.8%	359	10.7%
Other	10	-35.6%	11	-10.1%	21	-24.9%
<b>[CoGS]</b>	<b>514</b>	<b>19.2%</b>	<b>567</b>	<b>27.4%</b>	<b>1,082</b>	<b>23.4%</b>
Ordering	703	4.9%	737	4.8%	1,441	4.8%
Standards Database	222	4.1%	215	-6.3%	437	-1.2%
ES	139	3.3%	107	-16.1%	247	-6.1%
Other	7	-55.7%	6	-2.6%	14	-41.5%
<b>[Gross Profit]</b>	<b>1,073</b>	<b>3.6%</b>	<b>1,065</b>	<b>-0.3%</b>	<b>2,138</b>	<b>1.6%</b>
Ordering	239	6.4%	272	21.9%	512	14.1%
Standards Database	79	-42.0%	86	-39.2%	165	-40.6%
ES	217	19.7%	249	32.5%	466	26.2%
Other	20	-1.6%	19	11.1%	40	4.2%
<b>[SG&amp;A]</b>	<b>556</b>	<b>-1.1%</b>	<b>627</b>	<b>9.9%</b>	<b>1,184</b>	<b>4.4%</b>
Ordering	463	4.1%	464	-3.2%	928	0.3%
Standards Database	143	85.2%	129	47.0%	272	64.9%
ES	-77	-	-141	-	-219	-
Other	-12	-	-13	-	-25	-
<b>[Operating Profit]</b>	<b>516</b>	<b>9.2%</b>	<b>437</b>	<b>-12.0%</b>	<b>953</b>	<b>-1.7%</b>
<b>[Recurring Profit]</b>	<b>507</b>	<b>11.2%</b>	<b>435</b>	<b>-8.5%</b>	<b>943</b>	<b>1.2%</b>
<b>[Net Income]※</b>	<b>341</b>	<b>15.6%</b>	<b>-548</b>	<b>-</b>	<b>-207</b>	<b>-</b>

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

Ordering	48.1%		45.9%		47.0%	
Standards Database	46.2%		41.5%		43.9%	
OPM	32.5%		26.8%		29.6%	
RPM	32.0%		26.7%		29.3%	

## □ Sales

### [Ordering business]

System usage fees increased on steady growth in the number of buyer companies such as restaurant chains and hotels, and seller companies such as food wholesalers, which supply the buyer companies.

### [Standards Database business]

System usage fees increased on growth in the number of companies using the buyer, wholesale, and manufacturer functions.

### [ES business]

The number of paid-service contracting companies (invoice receiver model and issuer model users) expanded in the food and other industries, and corresponding usage drove up system usage fees.

## □ CoGS

Increased system development for each platform resulted in higher software amortization costs.

## □ SG&A expenses

Hiring costs for college graduates and mid-career employees, as well as other expenses increased.

## □ Recurring profit

Profit grew supported by increases in operating profit in the Ordering business and the Standards Database business.

## □ Net income

Posted net loss due to booking of impairment loss on fixed assets as an extraordinary loss.



# FY12/17 Second Quarter (vs. Plan)

(Million yen)

	2017/12								
	1Q			2Q			2QTotal		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
Ordering	947	964	17	1,066	1,012	-54	2,013	1,977	-36
Standards Database	316	310	-6	339	310	-29	655	621	-34
ES	300	304	4	360	302	-58	660	606	-54
Other	23	18	-5	69	17	-52	92	36	-56
<b>[Sales]</b>	<b>1,577</b>	<b>1,587</b>	<b>10</b>	<b>1,825</b>	<b>1,633</b>	<b>-192</b>	<b>3,402</b>	<b>3,220</b>	<b>-182</b>
Ordering	301	260	-41	323	275	-48	624	536	-88
Standards Database	81	87	6	89	95	6	170	183	13
ES	151	164	13	168	194	26	318	359	41
Other	17	10	-7	19	11	-8	36	21	-15
<b>[CoGS]</b>	<b>543</b>	<b>514</b>	<b>-29</b>	<b>592</b>	<b>567</b>	<b>-25</b>	<b>1,135</b>	<b>1,082</b>	<b>-53</b>
Ordering	646	703	57	743	737	-6	1,389	1,441	52
Standards Database	236	222	-14	250	215	-35	486	437	-49
ES	149	139	-10	192	107	-85	342	247	-95
Other	6	7	1	50	6	-44	56	14	-42
<b>[Gross Profit]</b>	<b>1,034</b>	<b>1,073</b>	<b>39</b>	<b>1,233</b>	<b>1,065</b>	<b>-168</b>	<b>2,267</b>	<b>2,138</b>	<b>-129</b>
Ordering	305	239	-66	322	272	-50	627	512	-115
Standards Database	107	79	-28	106	86	-20	213	165	-48
ES	269	217	-52	263	249	-14	533	466	-67
Other	22	20	-2	24	19	-5	46	40	-6
<b>[SG&amp;A]</b>	<b>702</b>	<b>556</b>	<b>-146</b>	<b>713</b>	<b>627</b>	<b>-86</b>	<b>1,415</b>	<b>1,184</b>	<b>-231</b>
Ordering	341	463	122	422	464	42	763	928	165
Standards Database	129	143	14	144	129	-15	273	272	-1
ES	-120	-77	43	-71	-141	-70	-191	-219	-28
Other	-16	-12	4	26	-13	-39	10	-25	-35
<b>[Operating Profit]</b>	<b>333</b>	<b>516</b>	<b>183</b>	<b>520</b>	<b>437</b>	<b>-83</b>	<b>852</b>	<b>953</b>	<b>101</b>
<b>[Recurring Profit]</b>	<b>332</b>	<b>507</b>	<b>175</b>	<b>519</b>	<b>435</b>	<b>-84</b>	<b>851</b>	<b>943</b>	<b>92</b>
<b>[Net Income]※</b>	<b>213</b>	<b>341</b>	<b>128</b>	<b>349</b>	<b>-548</b>	<b>-897</b>	<b>563</b>	<b>-207</b>	<b>-770</b>

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

Ordering	36.0%	48.1%	12.1%	39.6%	45.9%	6.3%	37.9%	47.0%	9.1%
Standards Database	40.7%	46.2%	5.5%	42.5%	41.5%	-1.0%	41.6%	43.9%	2.3%
OPM	21.1%	32.5%	11.4%	28.5%	26.8%	-1.7%	25.1%	29.6%	4.5%
RPM	21.0%	32.0%	11.0%	28.4%	26.7%	-1.7%	25.0%	29.3%	4.3%

## □ Sales

[Ordering business]

In conventional Ordering (restaurants-wholesalers), new usage by buyer companies progressed steadily, and system usage fees from seller companies exceeded the target. In new system Ordering (wholesalers-manufacturers), system usage fees and setup expenses for the new system came in below the target because the launch of the new system was pushed back from May to June.

[Standards Database business]

New contract acquisitions lagged targets for all functions, and system usage fees finished below plan.

[ES business]

Usage by existing contracting companies for the Invoicing platform lagged the target, and system usage fees came in below plan.

## □ CoGS

Software amortization and data center expenses incurred were within the plan.

## □ SG&A expenses

Differences arose due to conservatively estimated personnel expenses and the pushing forward of sales promotion and commission fees to Q3.

## □ Recurring profit

Profit came in above the target as a shortfall in sales was offset by lower-than-expected CoGS and SG&A expenses.

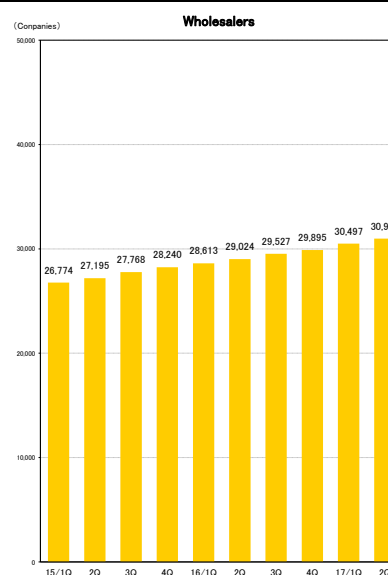
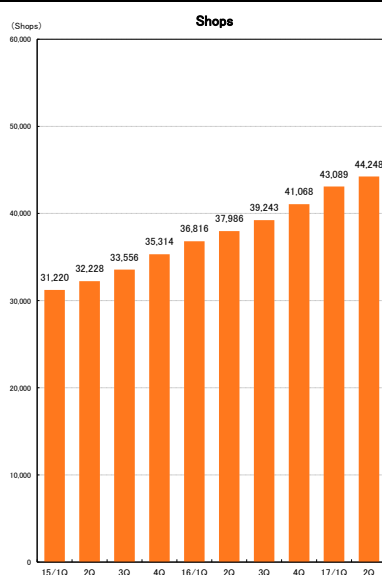
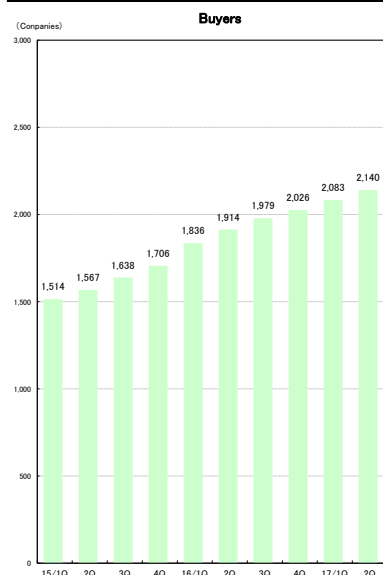
## □ Net income

Profit finished considerably below the target due to the booking of an impairment loss on fixed assets as an extraordinary loss.

- New usage by buyers in the Ordering business (restaurants-wholesalers) advanced steadily driven mainly by restaurant chains and hotels. Business area expanded across Japan.
- Continued introductions through alliance partners (existing seller companies, affiliated systems companies, etc.).
- Improved customer convenience through better system connectivity (currently connected to 112 systems from 92 companies).
- The new system (wholesalers-food manufacturers) in the Ordering business was launched from June; moved forward with service startup.

(Companies)

		2016/12				2017/12		
		1Q	2Q	3Q	4Q	1Q	2Q	YoY
Ordering (Restaurants-Wholesaler)	Buyer Companies (Restaurants)	1,836	1,914	1,979	2,026	2,083	2,140	+ 114
	Seller Companies (Wholesaler)	28,613	29,024	29,527	29,895	30,497	30,982	+ 1,087
Ordering (Wholesaler-Manufacturer)	Buyer Companies (Wholesaler)	-	-	-	-	-	6	+ 6
	Seller Companies (Wholesaler-Manufacturer)	-	-	-	-	-	69	+ 69



## ■ Fees

### Ordering (restaurants-wholesalers)

#### <Buyer Company>

- Monthly usage fee
- Head office: JPY18,000
- Store: JPY1,300
- Initial fee
- from JPY300,000 (depending on store count)

#### <Seller Company>

- Monthly usage fee (choice: fixed fee or pay-for-use)
- Fixed fee: JPY30,000
- Pay-for-use: 1.2% of monthly transaction amount (up to 100,000 transactions for free)
- Adding IDs: JPY800 per ID

### Ordering (wholesalers-food manufacturers)

#### <Buyer Company >

- Monthly usage fee
- Head office: JPY18,000
- Adding IDs: JPY2,000 per ID

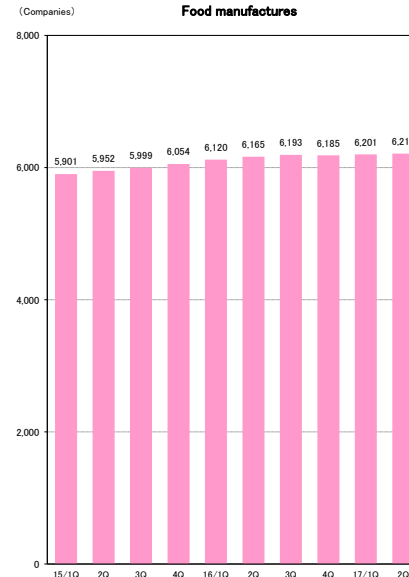
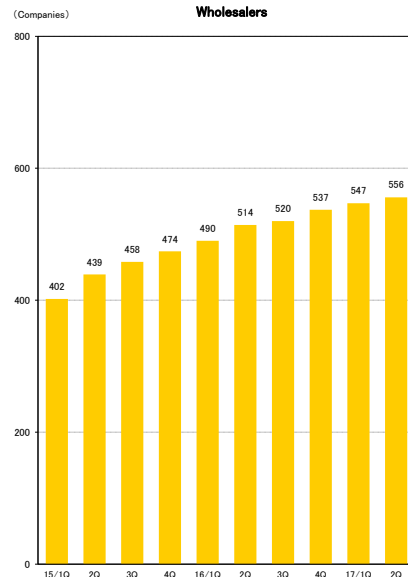
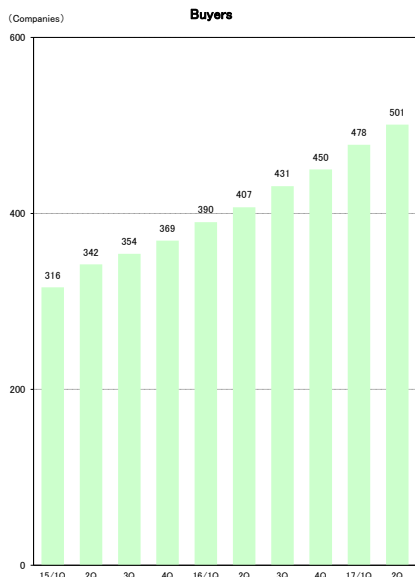
#### <Seller Company >

- Monthly usage fee (choice: fixed fee or pay-for-use)
- Fixed fee : JPY100,000
- Pay-for-use: 1.2% of monthly transaction amount (up to 100,000 transactions for free)
- Adding IDs: JPY2,000 per ID

※Number of companies and the number of stores of the graph is the number at the end of each quarter.

- Against a backdrop of stronger response to food safety, security, and allergens, the number of companies increased across all functions.
- Promoted sales of Ordering and Standards Database services packaged as “Safe and Secure Food Ordering.”
- Progress in usage of in-house standards database management function among major manufacturers and of menu management function in the food industry.

		2016/12				2017/12		
		1Q	2Q	3Q	4Q	1Q	2Q	YOY
Food Standards Database	Companies with Buyer Function	390	407	431	450	478	501	+ 51
	Companies with Wholesaler Function	490	514	520	537	547	556	+ 19
	Companies with Manufacturer Function	6,120	6,165	6,193	6,185	6,201	6,211	+ 26



## ■ Fees

### <Buyer Company>

- 《Monthly system usage fee》  
JPY50,000
- 《Initial fee》  
from JPY300,000

### <Wholesaler Ordering Function>

- 《Monthly system usage fee》  
JPY35,000
- 《Initial fee》  
from JPY50,000

### <Wholesaler Ordering Seller Function>

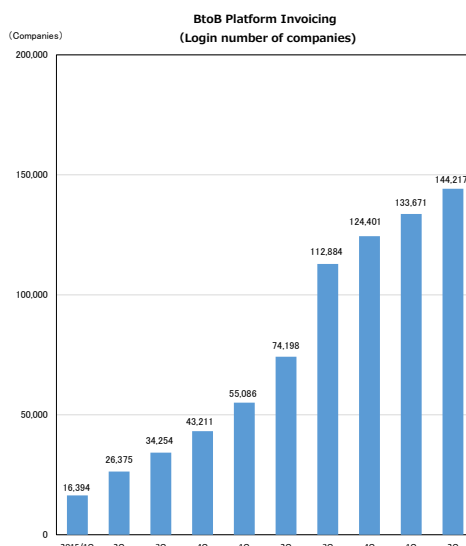
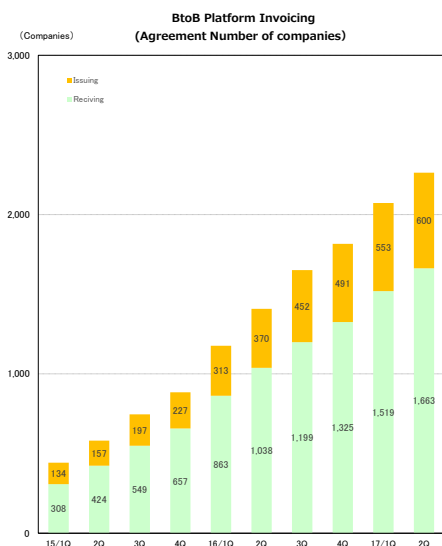
- 《Monthly system usage fee》
  - Fixed fee: JPY35,000 or JPY50,000
  - Pay-for-use: JPY3,000 to JPY20,000

※Number of companies and the number of stores of the graph is the number at the end of each quarter.

- Number of companies logging in exceeded 140,000 due to advances in electronic invoicing at existing paid-service contracting companies.
- Number of new companies signing up for paid services steadily increased not only in the food industry, but also in the pharmaceutical wholesale, amusement, and other industries.
- Conducted campaign (May to September) to promote adoption of electronic invoicing in collaboration with Sumitomo Mitsui Banking Corporation.

(Companies)

		2016/12				2017/12		
		1Q	2Q	3Q	4Q	1Q	2Q	YOY
Invoicing	Contracting Companies (receiving)	863	1,038	1,199	1,325	1,519	1,663	+ 338
	Contracting Companies (issuing)	313	370	452	491	553	600	+ 109
	Contracting Companies (total)	1,176	1,408	1,651	1,816	2,072	2,263	+ 447
	Companies	55,086	74,198	112,884	124,401	133,671	144,217	+ 19,816
Matching	Buyer Companies	6,837	6,879	6,872	6,855	6,857	6,838	-17
	Seller Companies	1,838	1,821	1,752	1,712	1,676	1,584	-128



※Number of companies and the number of stores of the graph is the number at the end of each quarter.

## ■ Fees

### BtoB Platform Invoicing

#### <Receiving Company>

- 《Monthly system usage fee》
- 〔Fixed fee〕 JPY5,000 + 〔Pay-for-use fee〕
- Number of invoices receiving invoices per month
  - Up to 50 invoices included in the fixed fee
  - 51-2,000 invoices : JPY5,000 to JPY95,000
- 《Initial fee》 from JPY50,000

#### <Issuing Company>

- 《Monthly system usage fee》
- 〔Fixed fee〕 JPY5,000 + 〔Pay-for-use fee〕
- Number of invoices issued per month
  - Up to 100 invoices included in the fixed fee
  - 101 to 1,000 invoices: JPY40 per invoice
  - 1,001 invoices or more: JPY30 per invoice
- 《Initial fee》 from JPY150,000

### BtoB Platform Matching

- 《Monthly system usage fee》

#### <Buyer Company>

- 〔Fixed fee〕 JPY5,000

#### <Seller Company>

- 〔Fixed fee〕 JPY25,000

### **III. 2016- 2018 Fiscal Year Medium-Term Management Plan**

(FY2017 is the second year of the plan.)

# FY12/16-FY12/18 (Medium-Term Management Plan)

Theme		FY12/16	FY12/18 target
<p><b>Steadily expand market share in the food industry</b></p> <p>– Expand utilization of the B2B Ordering System Platform</p>	<p>Number of user companies</p> <p>System transaction value (share of restaurants)</p>	<p>40,000 companies</p> <p>JPY1.3tn (18%)</p>	<p><b>50,000 companies</b></p> <p><b>JPY2tn (30%)</b></p>
<p><b>Make B2B Electronic Invoicing Platform a de facto industry standard</b></p> <p>– Expand the B2B Invoicing Platform to all industries</p>	<p>Number of user companies</p> <p>System transaction value</p>	<p>124,000 companies</p> <p>JPY909.5bn</p>	<p><b>1mn companies</b></p> <p><b>JPY3tn</b></p>
<p><b>Build a B2B E-Commerce Transaction Platform</b></p> <p>– Heavily invest in system development using funds procured in the previous year</p>	<p>System concept</p>	<p>Shifting from the ASP System to the B2B Platform</p>	<p><b>B2B Platform for all industries</b></p>

# FY12/16-FY12/18 (Medium-Term Plan : Highlights)

(Million yen / %:YoY)

	FY12/16		FY12/17		FY12/18	
	Actual	YoY	Forecast	YoY	Forecast	YoY
Ordering	3,730	11.1%	4,829	29.5%	5,637	16.7%
Standards Database	1,157	20.7%	1,376	18.9%	1,544	12.2%
ES	1,211	-0.8%	1,535	26.7%	2,085	35.9%
Other	95	-29.5%	197	107.4%	273	38.6%
<b>【Sales】</b>	<b>6,154</b>	<b>9.3%</b>	<b>7,900</b>	<b>28.4%</b>	<b>9,500</b>	<b>20.3%</b>
Ordering	876	8.9%	1,279	46.0%	1,423	11.3%
Standards Database	249	28.0%	362	45.2%	406	12.2%
ES	669	34.5%	678	1.4%	755	11.3%
Other	55	-10.5%	83	50.9%	71	-14.5%
<b>【CoGS】</b>	<b>1,814</b>	<b>18.7%</b>	<b>2,377</b>	<b>31.0%</b>	<b>2,628</b>	<b>10.6%</b>
Ordering	2,853	11.8%	3,550	24.4%	4,213	18.7%
Standards Database	908	18.8%	1,015	11.8%	1,138	12.1%
ES	541	-25.1%	857	58.4%	1,330	55.3%
Other	39	-45.9%	114	192.3%	202	77.2%
<b>【Gross Profit】</b>	<b>4,340</b>	<b>5.8%</b>	<b>5,524</b>	<b>27.3%</b>	<b>6,872</b>	<b>24.4%</b>
Ordering	870	6.4%	1,358	56.1%	1,578	16.2%
Standards Database	601	37.9%	409	-31.9%	452	10.3%
ES	833	24.5%	1,065	27.9%	1,142	7.2%
Other	78	-12.1%	96	23.1%	106	10.4%
<b>【SG&amp;A】</b>	<b>2,383</b>	<b>18.6%</b>	<b>2,920</b>	<b>22.5%</b>	<b>3,269</b>	<b>12.0%</b>
Ordering	1,983	14.3%	2,192	10.6%	2,636	20.2%
Standards Database	307	-6.5%	606	97.3%	686	13.3%
ES	-292	-	-209	-	188	-
Other	-39	-	18	-	96	433.3%
<b>【Operating Profit】</b>	<b>1,956</b>	<b>-6.6%</b>	<b>2,603</b>	<b>33.1%</b>	<b>3,603</b>	<b>38.4%</b>
<b>【Recurring Profit】</b>	<b>1,947</b>	<b>-4.6%</b>	<b>2,600</b>	<b>33.5%</b>	<b>3,600</b>	<b>38.5%</b>
<b>【Net Income】※</b>	<b>1,205</b>	<b>-7.9%</b>	<b>887</b>	<b>-26.4%</b>	<b>2,423</b>	<b>173.2%</b>

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

OPM	31.8%		33.0%		37.9%	
RPM	31.6%		32.9%		37.9%	

## □ Sales

[Ordering and Standards Database Businesses]  
Accelerate market share expansion in the food industry by providing Ordering and Standards Database packaged as food safety and security ordering to existing and new companies.

## [ES Business]

The business will see growth once again by accelerating invitations to companies receiving and issuing Invoices in various industries and expanding the scope of the electronic platform.

## □ CoGS

Through new versions of each platform and strengthening system development for all industries, software amortization expenses will increase.

## □ SG&A

Personnel expenses will increase due to increased hiring necessary for business growth; sales promotion expenses will grow to acquire new customers.

## □ Recurring profit

Profits will steadily grow as increased sales will absorb development investments and higher personnel costs.

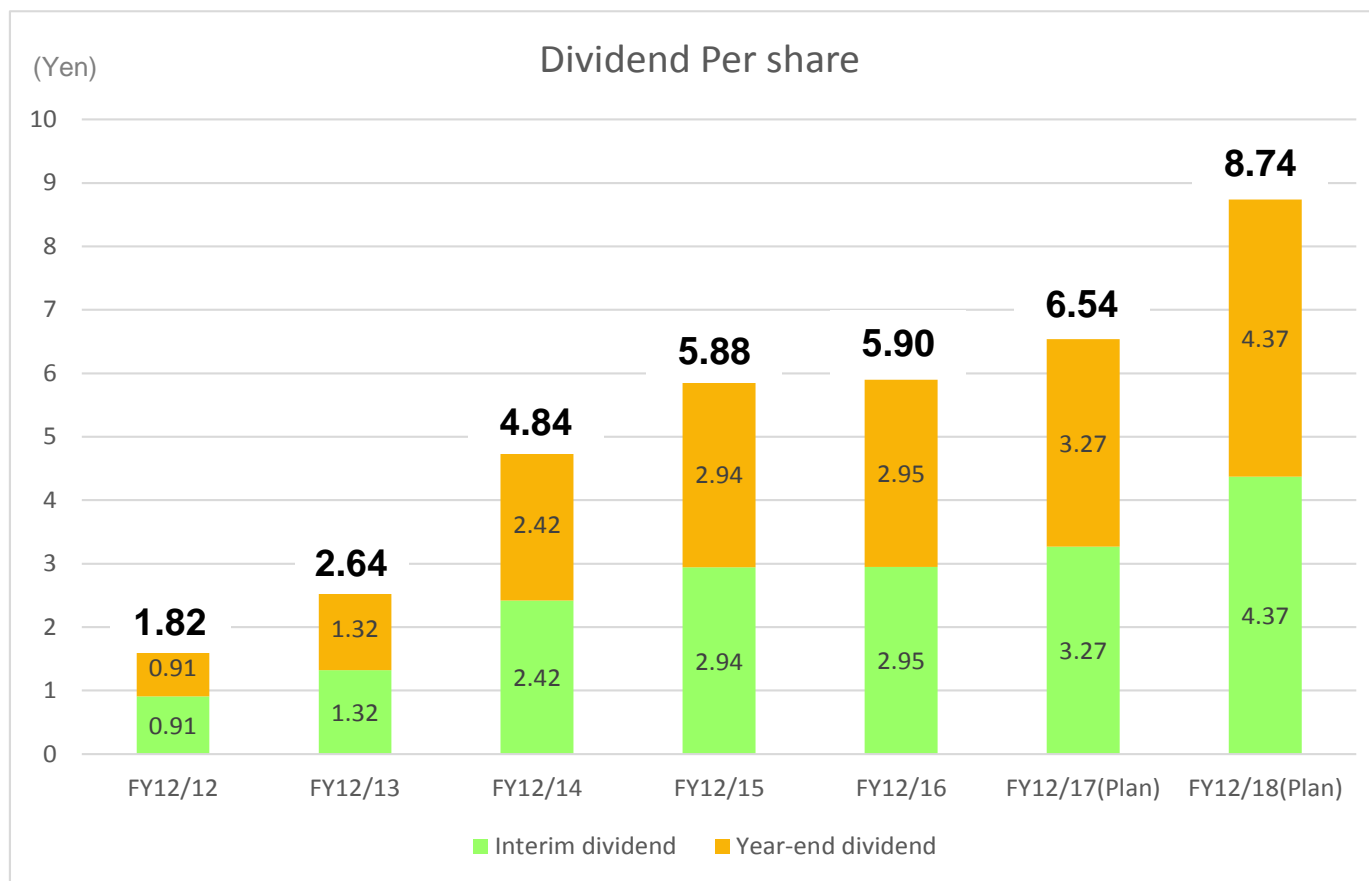
\*Total sales, operating profit, recurring profit, for FY2017 and FY2018 have not been changed from the medium-term plan announced last year. Net income figure for FY2017/12 has been changed to reflect the booking of impairment losses on fixed assets and revision to the earnings forecasts announced on July 25, 2017.

## **IV. Return Profits to Shareholders**



# Return Profits to Shareholders

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.



(Note)

The interim dividend for FY12/17 was approved at the Board Meeting held on July 31, 2017 (effective as of September 11, 2017).

The company conducted a 200-for-1 stock split on January 1, 2013, a 2-for-1 stock split on July 1, 2013, a 2-for-1 stock split on January 1, 2014, a 2-for-1 stock split on January 1, 2015 and a 2-for-1 stock split on January 1, 2017. Dividends on the bar chart 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 July 31, 2017. 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.**