



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

Info Mart Corporation

FY2020 Third Quarter Financial Results

FY2020/3Q

TSE First (1st) Section (2492)



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I . About Infomart

- Company Name: Infomart Corporation
(TSE First (1st) Section / Stock code: 2492)
- Representative: President and CEO Osamu Nagao
Vice President Naotake Fujita
- Head office: 13th Floor, Shiodome Shibarikyu Building,
1-2-3 Kaigan, Minato-ku, Tokyo,
105-0022, Japan
- Nishinohon sales office: Yodogawa-ku, Osaka-city
- Customer center: Hakata-ku, Fukuoka-city
- Established: February 13, 1998
- Capital: 3.2 billion 12.51 million yen Consolidated
- Subsidiaries: Infomart International
Infomart Beijing Consulting Co., Ltd.
- No. of employees (connection): 595 (full-time 505 / temporary 90)
- URL: <https://www.infomart.co.jp/>

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

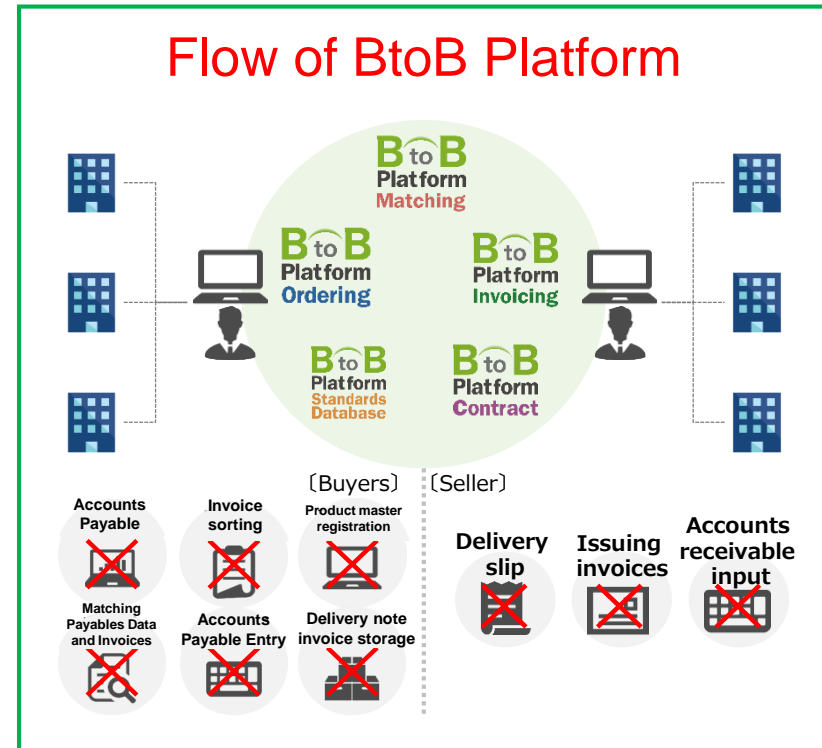
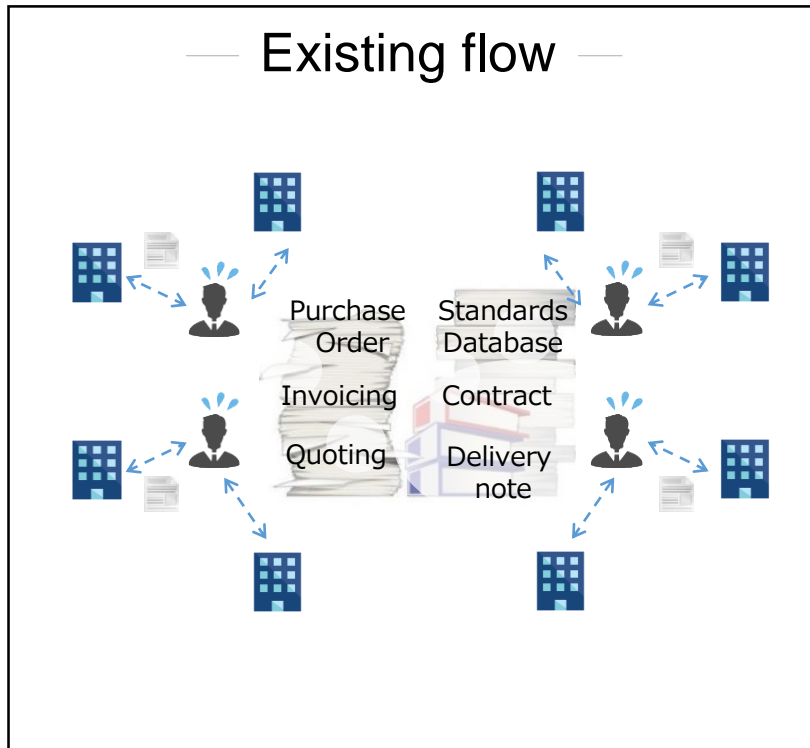
<https://www.infomart.co.jp/movie/>



Business Overview

Since its founding, we specialize in **BtoB Platform**

- Providing **a common system** as a place for streamlining transactions and exchanges between companies
- **Cloud-based systems**: Companies can use the same screen with their business partners for daily operations



Major BtoB Platform

Bto**B** 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.

Bto**B** 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.

Bto**B** 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.

Bto**B** Platform **Invoicing**

From January 2015

A system that digitizes both invoicing and receipt operations, regardless of industry. Realize more efficient accounting operations.

Bto**B** 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.

■ Characteristics of Our Business

■ Characteristics of BtoB Platform

- 1. Standardization:** Not customized → Promoting the participation of a large number of businesses → Defactorization → Enhancement of platform usage value
- 2. Digitization:** Electronic data processing → Efficiency enhancement + Management advancement + Minimize environmental impact
- 3. Low Rate:** Increase in number of users \neq Increase in proportional cost → High cost effectiveness

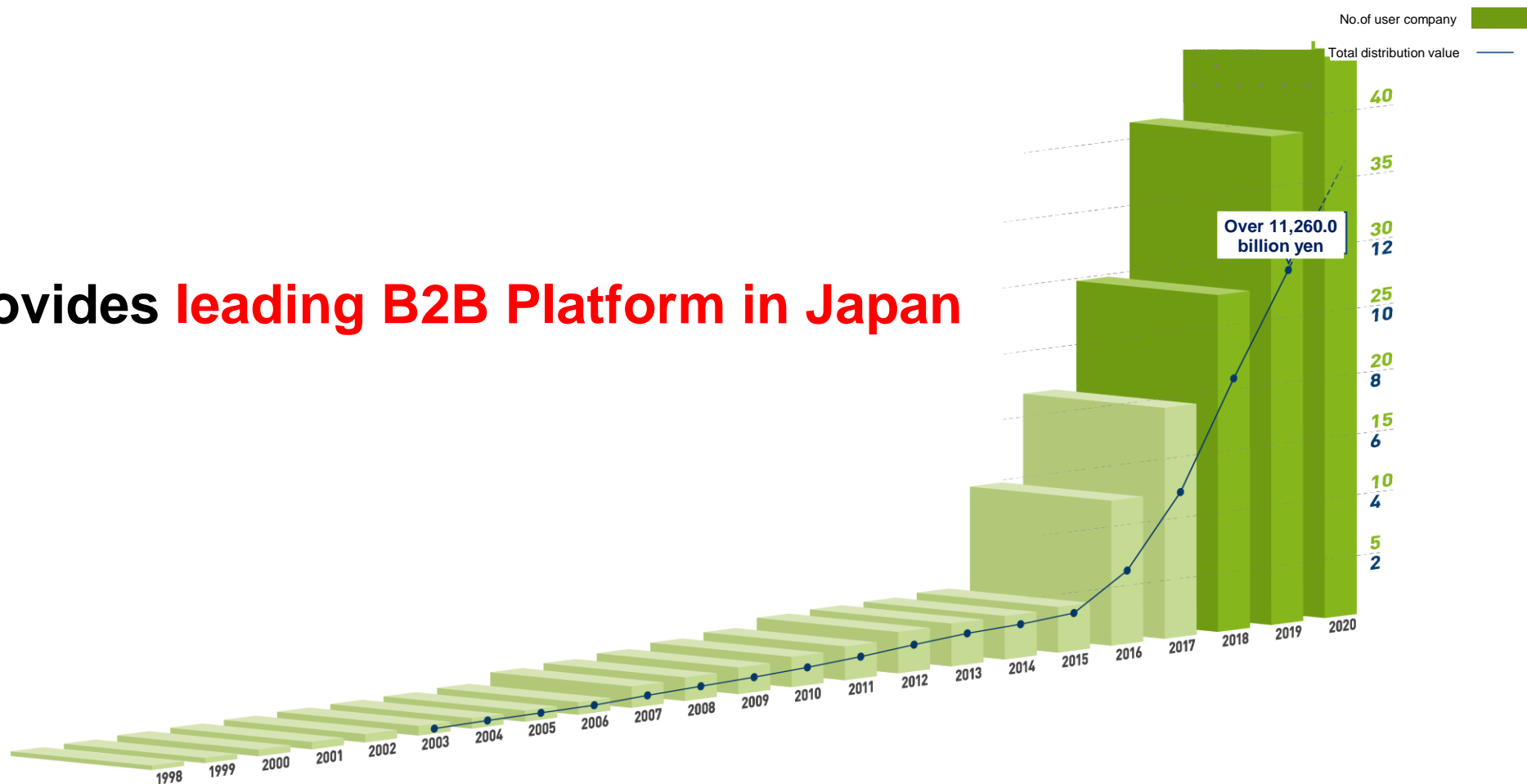


Customer's natural choice = Continued use

Stable recurring revenues: 95% of sales are from monthly system usage fees
→ Profit margin increases when the number of customers exceeds a certain level

Our business results

Provides **leading B2B Platform in Japan**



No. of user companies (as of end- September 2020)

475,619 companies

No. of offices (as of end- September 2020)

958,713 offices

Total distribution value (2019 result)

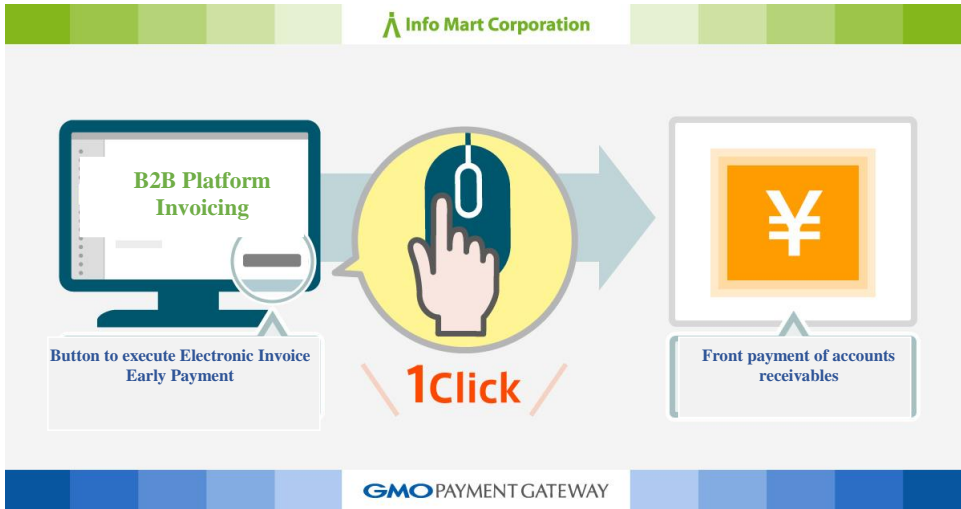
11,269.0 billion yen

II. FY2020 Third-Quarter Financial Results

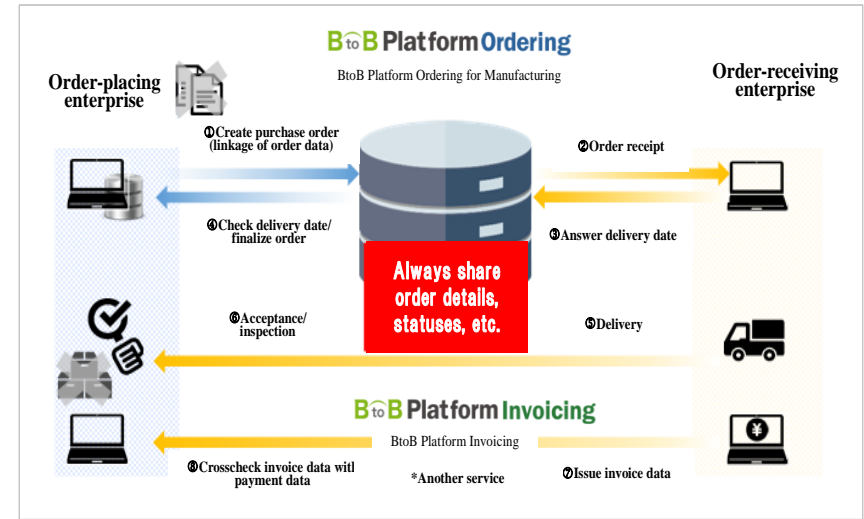
Introduction of new service

B2B businesses improve their cash flow through the front payment of accounts receivables with one click

Info Mart Corporation



Outline of "BtoB Platform Ordering for Manufacturing"



Smart mat

Service for automating the replenishment



1 Products are placed on Smart Mats.
(Fresh food, supplies, fixtures, etc.)

2

If the amount of stock falls below the order point, an order will be placed automatically.
(Measurement frequency can be set by each user.)

3

Products will be delivered, after BtoB Platform Ordering processes the order.



BtoB Platform Ordering



■ Establishment of a fund specializing in Food Tech

- Purpose
To grow and reform our food business
- Investment target
Targeting Foodtech* companies mainly in Japan
*A term that combines Food and Technology
- Investment condition and term
Condition: 50 million yen per company, total 200 million yen
Term: End of December 2021

BtoB Platform Ordering

Enter into a business alliance with Goals to jointly develop a next-generation menu management system

Contributing to the sophistication of management and reform of business models in the restaurant industry

Investment in July 2020

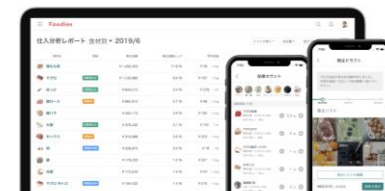
Goals Inc.

■ Order Forecasting Cloud Service

Development and provision of cloud-based business support services for restaurants, based on order forecasting system utilizing AI

Established: July 2018

Capital:
55,440 thousand yen



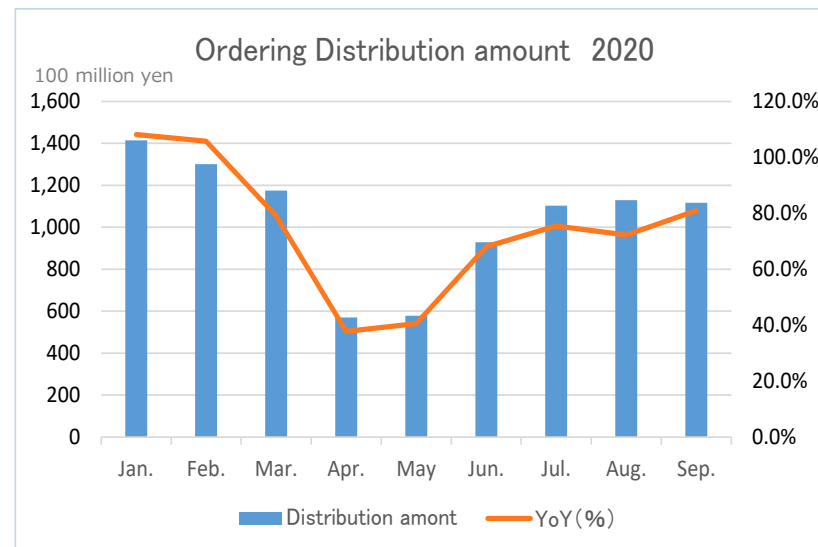
Distribution amount of foodstuffs (Jan.-Sep. 2020)

BtoB Platform Ordering

■ BtoB-PF FOOD

- Distribution amount of foodstuffs has been recovering after bottoming out in April.

(In September, 80.9% YoY.)



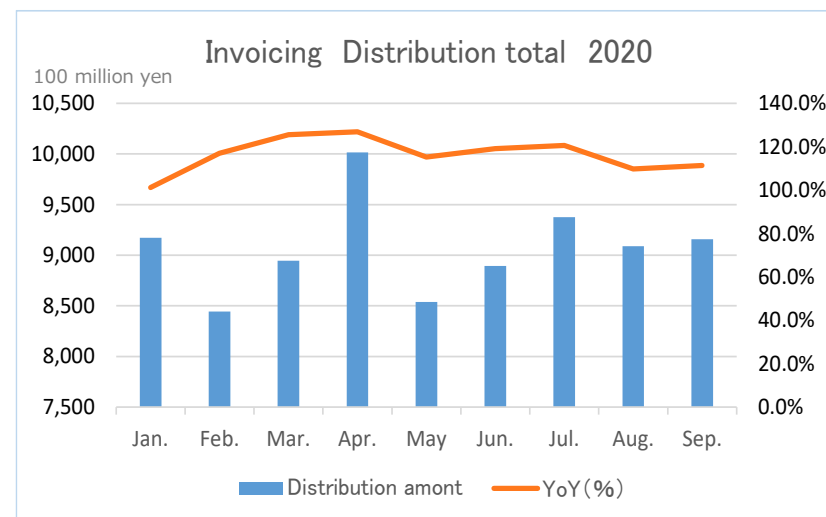
Distribution amount of electronic invoice (Jan.-Sep. 2020)

BtoB Platform Invoicing

■ BtoB-PF ES

- The monthly distribution amount of the invoice exceeded 1 trillion yen in April.

(In September, 111.4% YoY.)



FY12/20 Third Quarter (YoY)

(Million yen / %:YoY)

	2020/1Q		2020/2Q		2020/3Q		2020/3Q Total	
	Actual	YoY	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,712	5.6%	1,539	-8.8%	1,682	-2.8%	4,935	-2.1%
BtoB-PF ES	465	23.3%	486	19.3%	519	17.2%	1,472	19.7%
Other	11	-0.1%	10	-0.1%	11	7.6%	33	2.4%
【Sales】	2,179	9.0%	2,027	-3.3%	2,203	1.3%	6,410	2.2%
BtoB-PF FOOD	368	10.6%	399	26.1%	429	35.0%	1,198	23.7%
BtoB-PF ES	252	35.3%	242	17.8%	259	13.9%	755	21.6%
Other	8	-6.5%	8	-7.7%	8	1.1%	24	-4.6%
【CoGS】	617	19.1%	638	22.3%	687	26.1%	1,942	22.6%
BtoB-PF FOOD	1,344	4.4%	1,139	-16.9%	1,252	-11.3%	3,737	-8.2%
BtoB-PF ES	213	11.5%	243	20.8%	260	20.6%	716	17.8%
Other	2	27.8%	2	30.4%	3	28.2%	8	28.8%
【Gross Profit】	1,562	5.4%	1,388	-11.8%	1,516	-7.0%	4,468	-4.7%
BtoB-PF FOOD	581	22.8%	594	16.1%	567	7.8%	1,743	15.3%
BtoB-PF ES	492	41.6%	525	36.9%	642	68.7%	1,661	49.2%
Other	3	-14.7%	3	-16.6%	3	-16.9%	10	-16.1%
【SG&A】	1,077	30.5%	1,123	24.8%	1,213	33.2%	3,415	29.5%
BtoB-PF FOOD	762	-6.3%	544	-36.5%	685	-22.7%	1,993	-22.1%
BtoB-PF ES	-279	-	-282	-	-382	-	-944	-
Other	0	-	0	-	0	-	-1	-
【Operating Profit】	484	-26.1%	264	-60.8%	303	-57.9%	1,052	-48.7%
【Recurring Profit】	483	-26.1%	263	-60.4%	298	-58.4%	1,045	-48.7%
【Net Income】※	333	-44.6%	180	-60.4%	202	-59.0%	717	-53.8%

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

BtoB-PF FOOD	78.5%	-1.0%	74.0%	-7.2%	74.5%	-7.2%	75.7%	-5.1%
BtoB-PF ES	45.8%	-4.8%	50.1%	0.6%	50.0%	1.4%	48.7%	-0.8%
High gross profit margin	71.7%	-2.4%	68.5%	-6.6%	68.8%	-6.1%	69.7%	-5.0%
BtoB-PF FOOD	44.5%	-5.7%	35.4%	-15.5%	40.7%	-10.5%	40.4%	-10.4%
OPM	22.2%	-10.6%	13.1%	-19.1%	13.8%	-19.3%	16.4%	-16.3%
RPM	22.2%	-10.5%	13.0%	-18.8%	13.5%	-19.4%	16.3%	-16.2%

□ Net sales

【B2B-PF FOOD】

System usage fees for flat-rate service increased as the number of companies using B2B Platform Ordering and BtoB Standards Database increased. In B2B Platform Ordering, the distribution amount of foodstuffs, etc. continued to recover in 3Q after bottoming out in April due to the effect of COVID-19. However, it declined on YoY basis, leading to a decreased system usage fees for sellers (pay-for-use model).

【B2B-PF ES】

The number of paid contracts of B2B Platform Invoicing for both receiving and issuing model increased, thanks to an increase in needs for business efficiency and remote working under the COVID-19 crisis. Therefore, system usage fees and setup sales increased along with its increased operation (digitization of invoices).

□ Cost of sales

Data center expenses increased due to the reinforcement of the server system in the previous fiscal year (Sept. 2019)

□ SG&A expenses

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 income

Profits decreased reflecting a decrease in sales of B2B-PF FOOD due to COVID-19, and aggressive investment prioritizing acceleration of sales growth.

□ Net income

Net income decreased due to an increase in ordinary income.

FY12/20 Third Quarter (vs. Plan)

(Million yen / %: YoY)

	2020/2Q	2020/3Q			2020/3Q Total			2020/4Q	2020/
	Total	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Full Year
	Actual								Plan
BtoB-PF FOOD	3,252	1,629	1,682	53	4,881	4,935	53	1,699	6,580
BtoB-PF ES	952	507	519	12	1,459	1,472	12	627	2,087
Other	22	10	11	1	32	33	1	10	42
【Sales】	4,207	2,136	2,203	67	6,343	6,410	67	2,327	8,670
BtoB-PF FOOD	768	416	429	13	1,184	1,198	13	540	1,724
BtoB-PF ES	495	292	259	-33	787	755	-33	348	1,135
Other	16	9	8	-1	25	24	-1	9	34
【CoGS】	1,255	707	687	-20	1,962	1,942	-20	887	2,849
BtoB-PF FOOD	2,484	1,213	1,252	39	3,697	3,737	39	1,159	4,856
BtoB-PF ES	456	216	260	44	672	716	44	280	952
Other	5	2	3	1	7	8	1	2	9
【Gross Profit】	2,951	1,433	1,516	83	4,384	4,468	83	1,441	5,825
BtoB-PF FOOD	1,176	613	567	-46	1,789	1,743	-46	659	2,449
BtoB-PF ES	1,018	532	642	110	1,550	1,661	110	674	2,224
Other	6	4	3	-1	10	10	-1	4	14
【SG&A】	2,201	1,149	1,213	64	3,350	3,415	64	1,337	4,687
BtoB-PF FOOD	1,307	600	685	85	1,907	1,993	85	499	2,407
BtoB-PF ES	-561	-316	-382	-66	-877	-944	-66	-394	-1,272
Other	-1	-2	0	2	-3	-1	2	-2	-5
【Operating Profit】	749	282	303	21	1,031	1,052	21	103	1,135
【Recurring Profit】	747	266	298	32	1,013	1,045	32	97	1,110
【Net Income】※	514	184	202	18	698	717	18	47	744

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

BtoB-PF FOOD	76.4%	74.5%	74.5%	0.0%	75.7%	75.7%	0.0%	68.2%	73.8%
BtoB-PF ES	48.0%	42.5%	50.0%	7.5%	46.0%	48.7%	2.7%	44.6%	45.6%
High gross profit margin	70.2%	67.1%	68.8%	1.7%	69.1%	69.7%	0.6%	61.9%	67.2%
BtoB-PF FOOD	40.2%	36.8%	40.7%	3.9%	39.1%	40.4%	1.3%	29.4%	36.6%
OPM	17.8%	13.2%	13.8%	0.5%	16.3%	16.4%	0.2%	4.4%	13.1%
RPM	17.8%	12.4%	13.5%	1.1%	16.0%	16.3%	0.3%	4.2%	12.8%

Net sales

〔B2B-PF FOOD〕

System usage fees for sellers (pay-for-use model) were higher than planned due to a faster-than-expected recovery of the decrease in the distribution amount of foodstuffs, etc. in B2B-PF Ordering due to COVID-19.

〔B2B-PF ES〕

In B2B-PF Invoicing, system usage fees were higher than planned due to steady progress in both receiving and issuing model (digitization of invoice data) as a result of increased operational efficiency and needs for remote working.

Cost of sales

Recording of software amortization expenses were postponed to the fourth quarter.

SG&A expenses

Sales promotion expenses were higher than planned because we brought forward the airing of regional TV commercial of B2B-PF Invoicing from the fourth quarter to the third quarter.

Operating income

Net sales exceeded the plan as the increase in sales more than offset the increase in sales promotion costs in SG&A expenses.

Net income

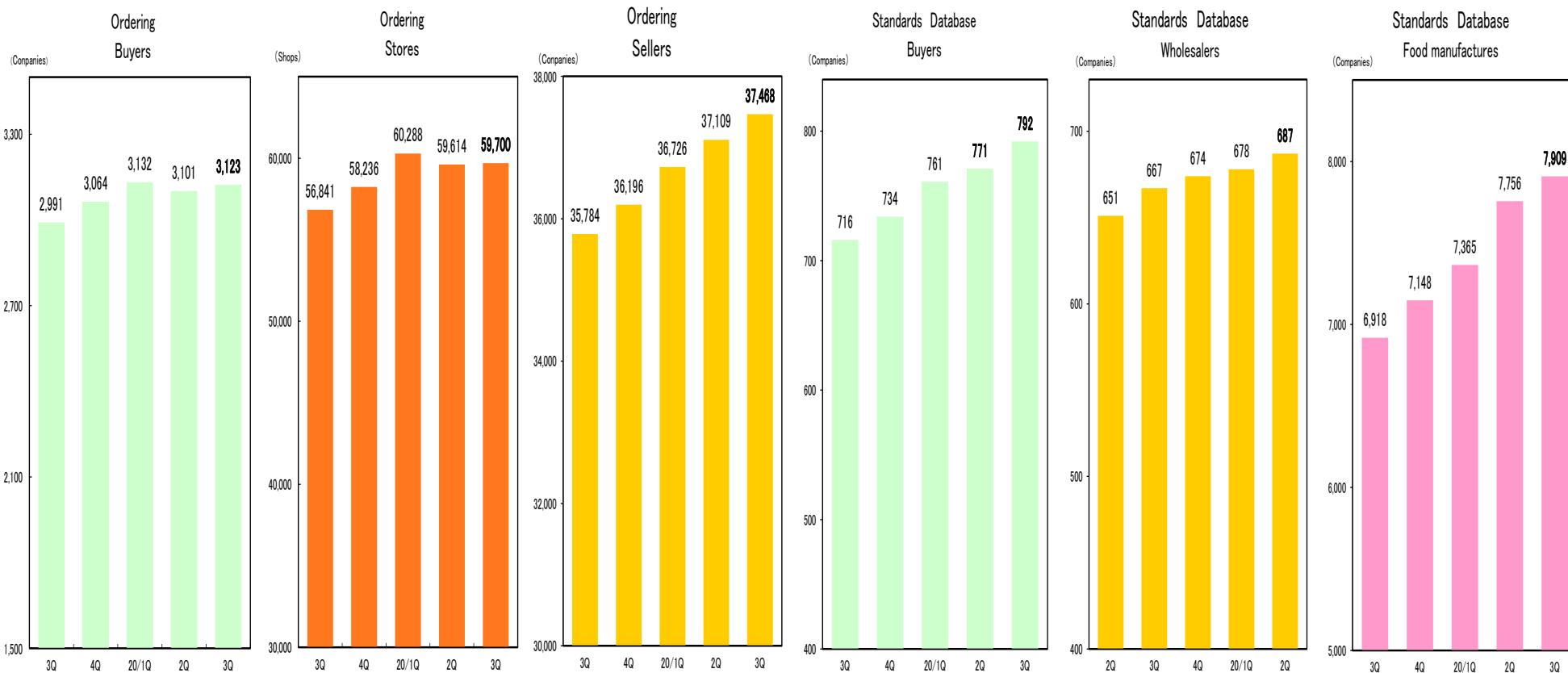
Net income exceeded the plan due to an increase in ordinary income.

[B2B Platform Ordering]

- The number of buying companies and stores increased in 3Q mainly from restaurant chains, recovering from a decline in 2Q.
- Distribution amount of foodstuffs, etc. using our ordering system has been recovering after bottoming out in April.

[B2B Platform Standards Database]

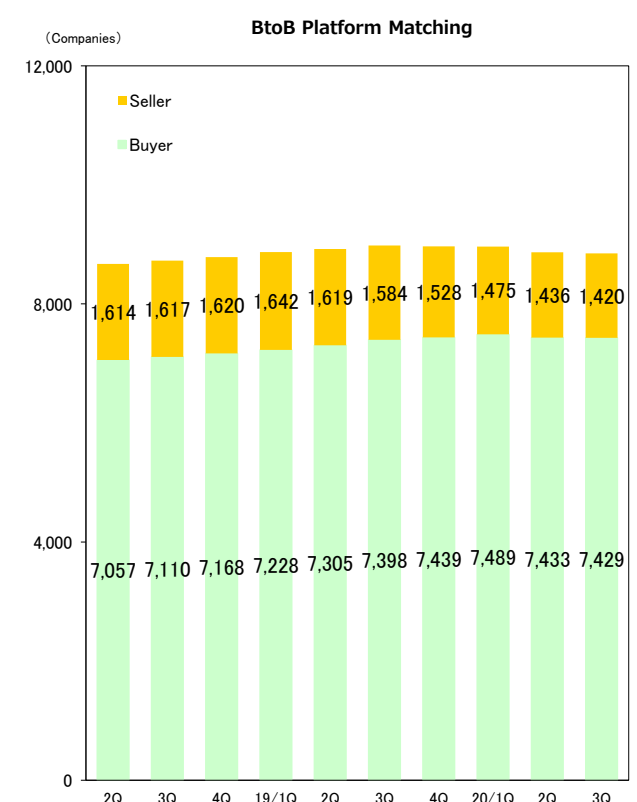
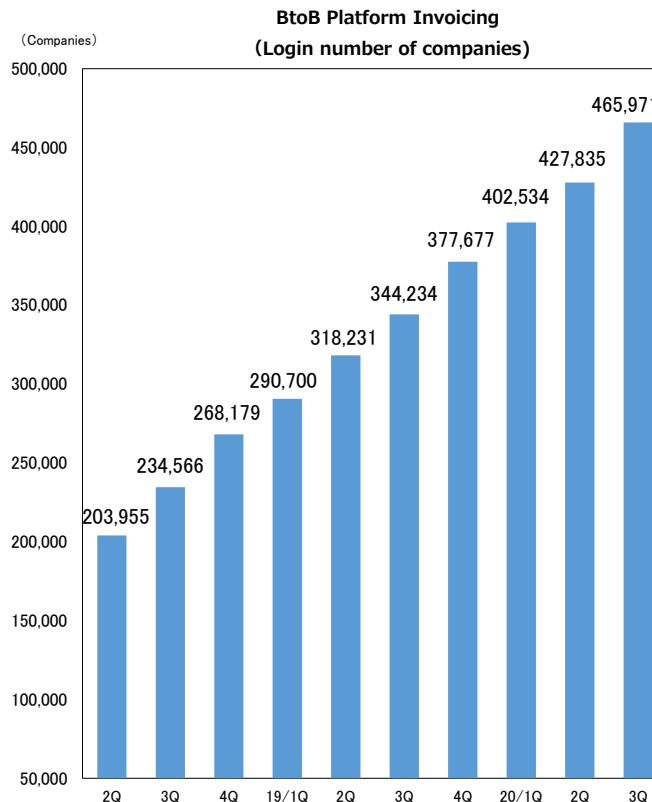
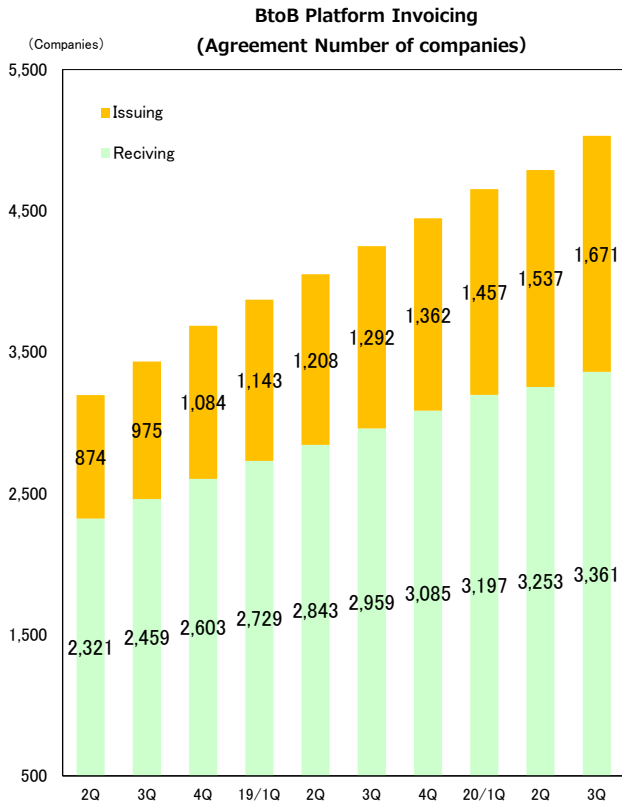
- Increased awareness of food safety and allergy issues has led to an increase in the number of companies using each function.
- HACCP compliance became mandatory due to revisions to the Food Sanitation Law (enforced partially in June 2020).



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

- [B2B Platform Invoicing]**
- The number of companies logging in exceeded 470,000 as a result of the promotion of electronic invoicing by existing paid-service contracting companies. (As of October 2020)
 - New paid-service contracts increased in a wide range of industries, including food, pharmaceutical wholesaling, amusement, finance, IT, and services.
 - Participated as a founding sponsor in the "Electronic Invoice Promotion Council" to establish a standardization and system for electronic invoicing.
 - Expand business matching agreements with 21 regional banks nationwide.

- [B2B Platform Matching]**
- Strengthened support and launched the latest functions in August (website renewal, web exhibition and web business meeting) to improve convenience.



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

Fee Structure by Service

(as of September 30, 2020)

Business	Service	Fees (excluding taxes)		
BtoB-PF FOOD	B2B 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) •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
	B2B 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 JPY50,000	<u><manufacturer Function></u> «Monthly system usage fee» •Fixed fee : JPY35,000 or JPY50,000 •Pay-for-use : JPY 3,000 to JPY20,000
BtoB-PF ES	B2B Platform Invoicing	<u><Receiving Company></u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] 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 «Initial fee» from JPY300,000		<u><Issuing Company></u> «Monthly system usage fee» [Fixed fee] JPY15,000+ [Pay-for-use fee] Number of invoices issued per month • Up to 100 invoices included in the fixed fee • 101 to 1,000 invoices: JPY60 per invoice • 1,001 invoices or more: JPY50 per invoice «Initial fee» from JPY300,000
	B2B Platform Matching	<u><Buyer Company></u> [Fixed fee] JPY5,000	<u><Seller Company></u> [Fixed fee] JPY25,000	

III. Consolidated Business Forecasts for FY12/20

Consolidated Financial Results Forecast for FY12/20 (Highlights)

In view of the impact of the new corona virus on the fiscal year under review,
The Company revised its earnings forecasts for the year ending December 31, 2020 on July31,2020.

(Million yen / %)

	2020 /Full Year			
	Previous forecasts	Revised forecasts	Increase/ decrease	Rate of change
BtoB-PF FOOD	7,287	6,580	-707	-9.7%
BtoB-PF ES	2,358	2,087	-270	-11.5%
Other	42	42	0	0.0%
【Sales】	9,649	8,670	-978	-10.1%
BtoB-PF FOOD	1,720	1,724	4	0.2%
BtoB-PF ES	1,244	1,135	-109	-8.8%
Other	34	34	0	0.0%
【CoGS】	2,962	2,849	-113	-3.8%
BtoB-PF FOOD	5,567	4,856	-711	-12.8%
BtoB-PF ES	1,114	952	-161	-14.5%
Other	9	9	0	0.0%
【Gross Profit】	6,689	5,825	-864	-12.9%
BtoB-PF FOOD	2,761	2,449	-312	-11.3%
BtoB-PF ES	2,406	2,224	-182	-7.5%
Other	17	14	-3	-17.6%
【SG&A】	5,185	4,687	-498	-9.6%
BtoB-PF FOOD	2,806	2,407	-399	-14.2%
BtoB-PF ES	-1,292	-1,272	20	-1.6%
Other	-8	-5	3	-37.5%
【Operating Profit】	1,505	1,135	-370	-24.6%
【Recurring Profit】	1,500	1,110	-390	-26.0%
【Net Income】※	1,026	744	-282	-27.5%

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

BtoB-PF FOOD	76.4%	73.8%		
BtoB-PF ES	47.2%	45.6%		
High gross profit margin	69.3%	67.2%		
BtoB-PF FOOD	38.5%	36.6%		
OPM	15.6%	13.1%		
RPM	15.5%	12.8%		

□ Net sales

Reason for revision

【B2B-PF FOOD】

System usage fees by sellers (pay-for-use model) for B2B Platform Ordering are expected to fall below the plan in the second half, as the volume of foodstuffs purchased by restaurants, etc. is expected to continue to decline due to the impact of COVID-19.

【B2B-PF ES】

Sales of B2B Platform Ordering setup fees are expected to fall short of the plan in the second half as same in the first half. It is because the speed and efficiency of operations for the acquisition of new contracts have been slowed as it is unable to come into the office and face-to-face sales, despite the increased inquiries reflecting the growing demand for teleworking due to COVID-19.

□ Cost of sales

The number of referrals from alliance partners declined due to the impact of COVID-19, and referral fees and other fees are expected to fall below the plan in the second half. In addition, data center expenses and software depreciation costs were postponed to the second half.

□ SG&A expenses

Due to the impact of COVID-19, personnel costs (temporary suspension of mid-career recruitment), and travel expenses (voluntary restraint on business trips in Japan) are expected to fall short of the plan for the second half as same in the first half.

□ Operating income

Due to the revision of net sales forecast, operating income for the second half is expected to fall short of the plan as same in the first half.

□ Net income

Due to the decline in ordinary income, net income for the second half is expected to fall short of the plan as same in the first half.

Consolidated Financial Results Forecast for FY12/20 (Quarterly Details)

(Million yen)

	2020/2Q	2020/3Q		2020/4Q		2020 /Full Year	
	Total						
	Actual	Plan	Increase/ decrease	Plan	Increase/ decrease	Plan	Increase/ decrease
BtoB-PF FOOD	3,252	1,629	-221	1,699	-215	6,580	-707
BtoB-PF ES	952	507	-124	627	-101	2,087	-270
Other	22	10	0	10	0	42	0
【Sales】	4,207	2,136	-345	2,327	-315	8,670	-978
BtoB-PF FOOD	768	416	-2	540	51	1,724	4
BtoB-PF ES	495	292	-26	348	-2	1,135	-109
Other	16	9	1	9	1	34	0
【CoGS】	1,255	707	-27	887	49	2,849	-113
BtoB-PF FOOD	2,484	1,213	-219	1,159	-266	4,856	-711
BtoB-PF ES	456	216	-98	280	-99	952	-161
Other	5	2	0	2	0	9	0
【Gross Profit】	2,951	1,433	-314	1,441	-364	5,825	-864
BtoB-PF FOOD	1,176	613	-84	659	-59	2,449	-312
BtoB-PF ES	1,018	532	-64	674	43	2,224	-182
Other	6	4	0	4	0	14	-3
【SG&A】	2,201	1,149	-147	1,337	-16	4,687	-498
BtoB-PF FOOD	1,307	600	-135	499	-207	2,407	-399
BtoB-PF ES	-561	-316	-34	-394	-142	-1,272	20
Other	-1	-2	0	-2	0	-5	3
【Operating Profit】	749	282	-169	103	-349	1,135	-370
【Recurring Profit】	747	266	-184	97	-353	1,110	-390
【Net Income】※	514	184	-124	47	-261	744	-282

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

BtoB-PF FOOD	76.4%	74.5%		68.2%		73.8%
BtoB-PF ES	48.0%	42.5%		44.6%		45.6%
High gross profit margin	70.2%	67.1%		61.9%		67.2%
BtoB-PF FOOD	40.2%	36.8%		29.4%		36.6%
OPM	17.8%	13.2%		4.4%		13.1%
RPM	17.8%	12.4%		4.2%		12.8%

IV. Management Policies

(Ratio: 60~40%)

■ Thoroughly expand B2B platforms

Grow up

- Food (Ordering/Standards Database) → Establish an overwhelming position
- Invoicing → Aiming to make it a "profit pillar"
- Contract → Launch with strong results
- Matching/Industry News & Data Portal → Improve profits for future growth

■ Start to make new sources of profits by utilizing our advantages

(Ratio: 30~20%)

Utilizing

- In order to maximize the value of our B2B Platform, we began harvesting the results by utilizing our commercial distribution data, ordering data, user access data, and industry, business knowledge.

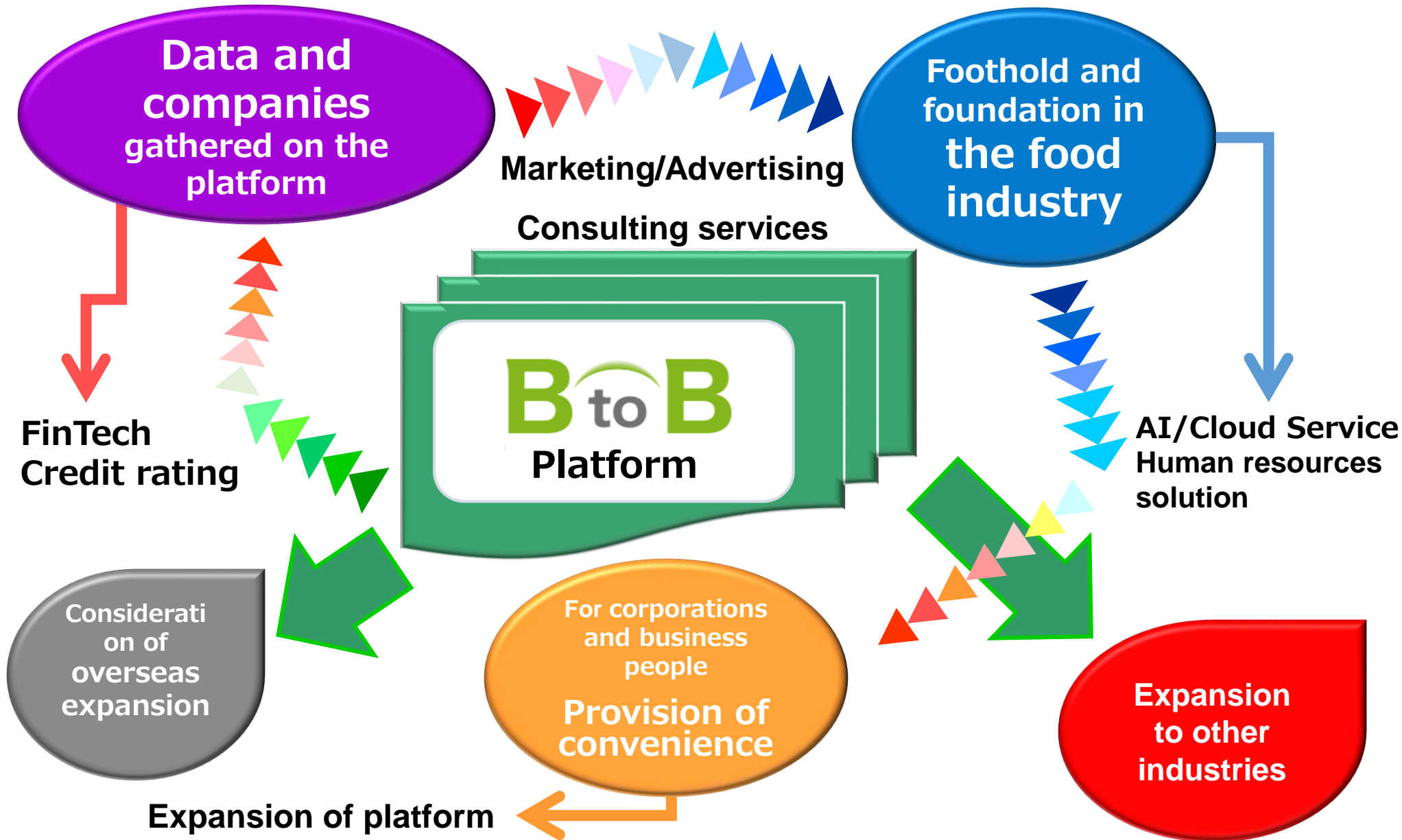
(Ratio: 10~20%)

■ Initiatives for future prospects

Make great leaps

- Clarify the path to creating a variety of revenue sources other than existing system usage fees.
- Ordering from multiple industries, vertical development of the food industry, overseas expansion, etc.
- Continue researching cutting-edge technologies to build next-generation B2B Platform.

Direction for development and strengthening of Infomart



V. Return Profits to Shareholders

Return Profits to Shareholders

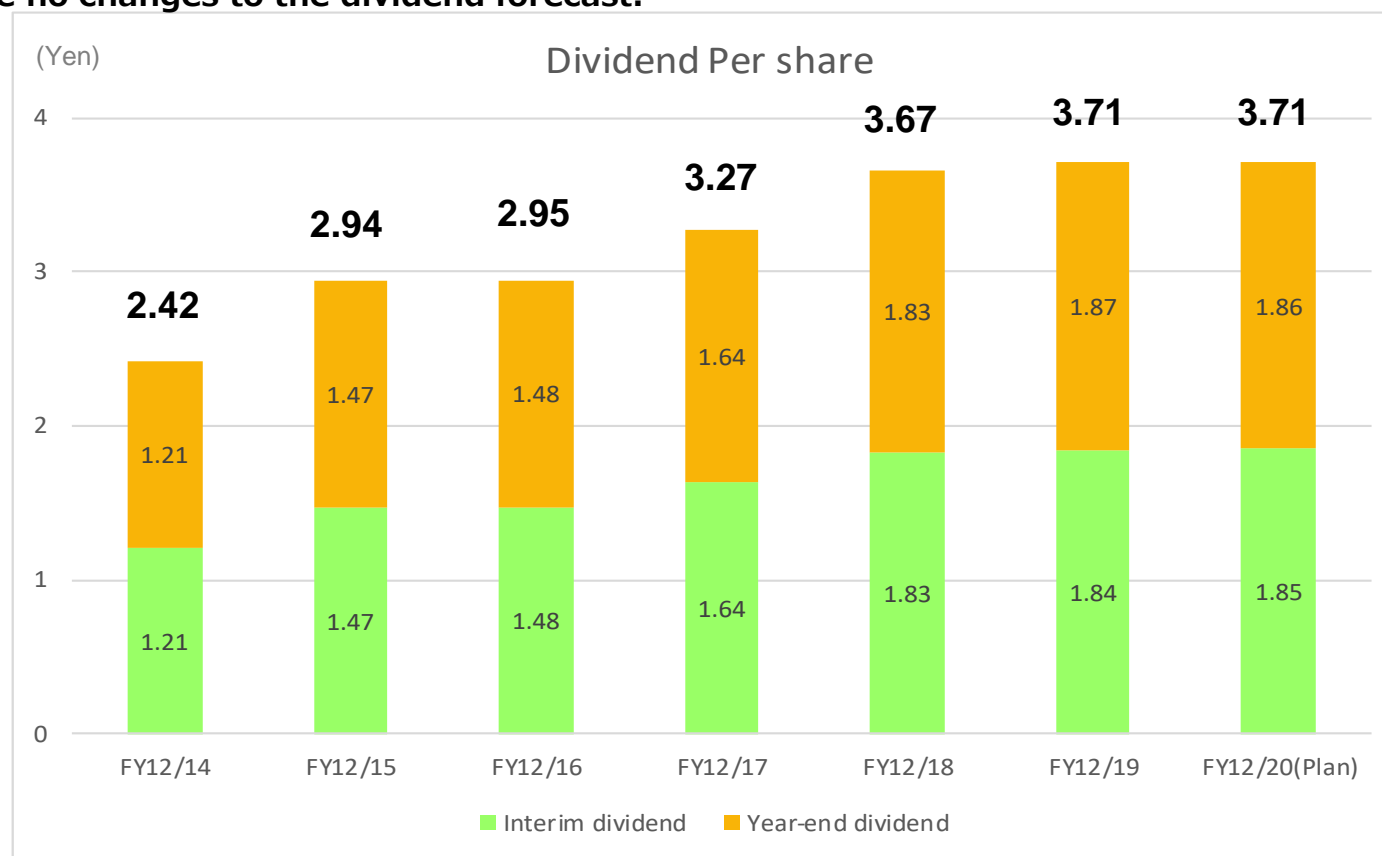
[Dividend policy]:

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.

[Dividend forecast]:

Based on this idea, **for FY12/20 we will pay the same dividend as FY12/19**, although there would be a temporary decrease in profits in FY12/20.

We have revised the full-year business forecasts for FY12/20 on July31,2020 , but there are no changes to the dividend forecast.



The company conducted a 2-for-1 stock split on January 1, 2014, a 2-for-1 stock split on January 1, 2015, a 2-for-1 stock split on January 1, 2017 and a 2-for-1 stock split on January 1, 2020. 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 October 30, 2020. 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.

