

FINANCIAL RESULTS BRIEFING FOR Q3 FY2018

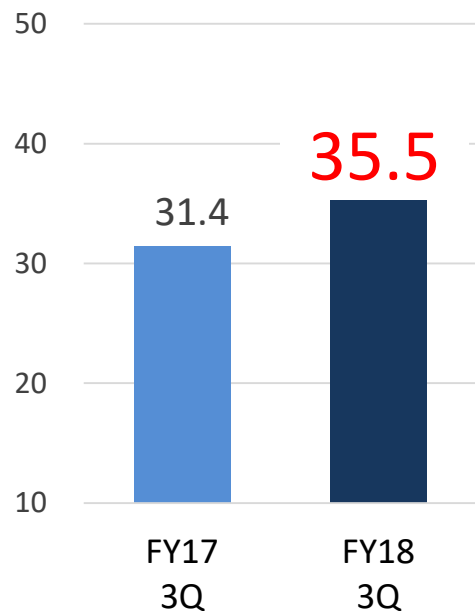
Infocom Corporation
31/1/2019

FY18 3Q Earnings Highlights (Consolidated)

Net sales

+ 13.0%

(Billion yen)

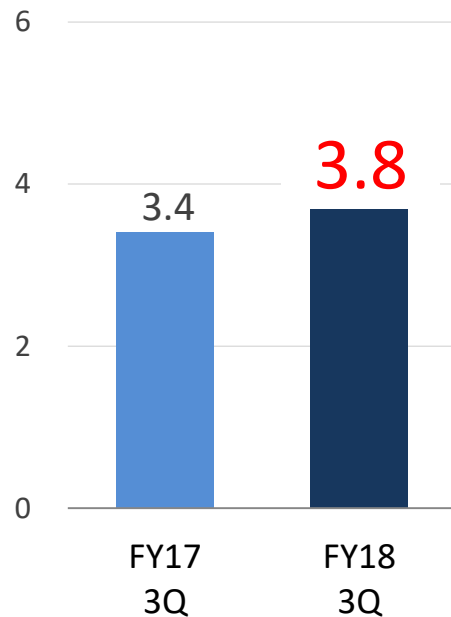


◆ Higher sales due to strong e-comic sales and favorable healthcare performance

Operating income

+ 11.8%

(Billion yen)

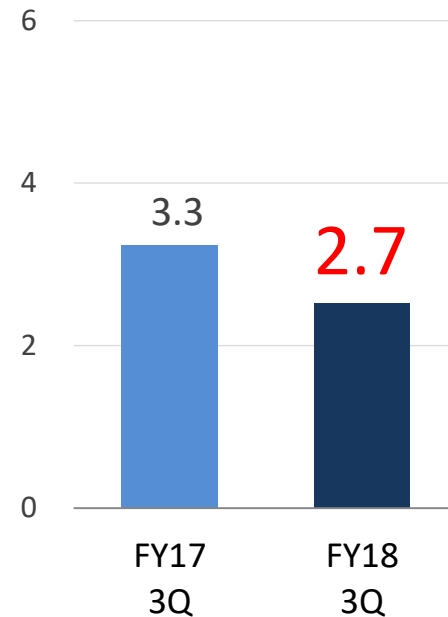


◆ Higher profits due to higher sales

Profit attributable to owners of the parent

(19.0%)

(Billion yen)



◆ Prior year includes extraordinary gains from sale of data center

Management Performance (Consolidated)

(Unit : Billion yen,%)	FY17 3Q	FY18 3Q	Vs. PY	
			YoY	%
Net sales	31.4	35.5	+4.0	+13.0
Operating income	3.4	3.8	+0.4	+11.8
(Operating margin)	(10.8)	(10.7)		
EBITDA	4.2	4.6	+0.3	+8.7
Ordinary income	3.7 ^{*1}	3.8	+0.1	+4.0
Profit attributable to owners of the parent	*2 3.3	2.7	(0.6)	(19.0)

◆ Higher sales and income year on year

*1 Partnership gain recorded as non-operating income (+0.2)

*2 Gain on sale of data center recorded as extraordinary income (+1.1)

Business Areas and Segment Structure

Business Solution Group


Digital Entertainment Group



Health IT

Package services for medical institutions


- Hospitals
- Pharmaceutical companies
- Nursing-care companies
- Health industry



Business Software

ERP • RPA
Business package
cloud services

- Companies
- Government offices
- Local governments



Enterprise Service Management

System integration for major companies

- Textile manufacturers
- Trading companies
- Pharmaceutical wholesalers
- Mobile phone companies



Digital Entertainment

E-comic
E-commerce

- General consumers

Business Solution Group Earnings (Consolidated)

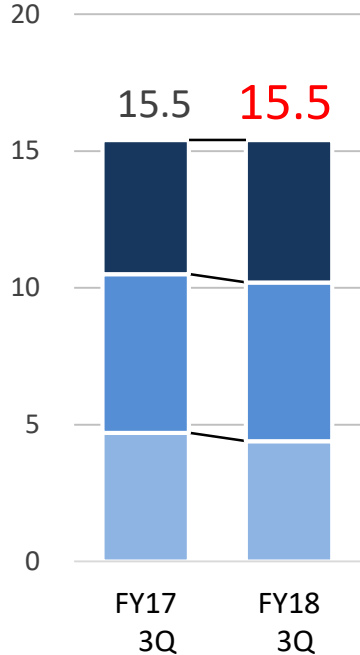
(Unit: Billion yen, %)

Net sales

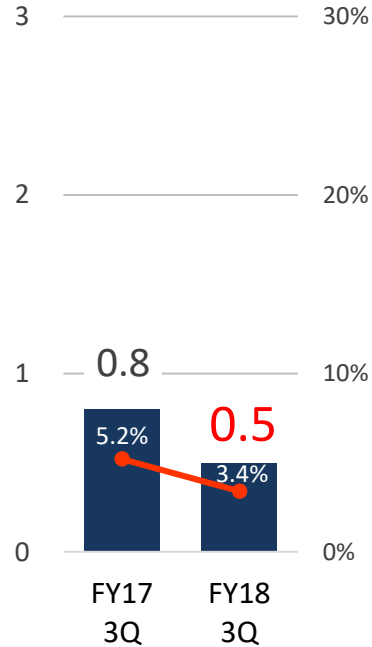
Operating income

(Billion yen)

■ 1Q ■ 2Q ■ 3Q



(Billion yen)



	FY17 3Q	FY18 3Q	Vs. PY	
			YoY	%
Net sales	15.5	15.5	+0.0	+0.5
Operating income	0.8	0.5	(0.2)	(33.8)
(Operating margin)	(5.2)	(3.4)		

Net sales

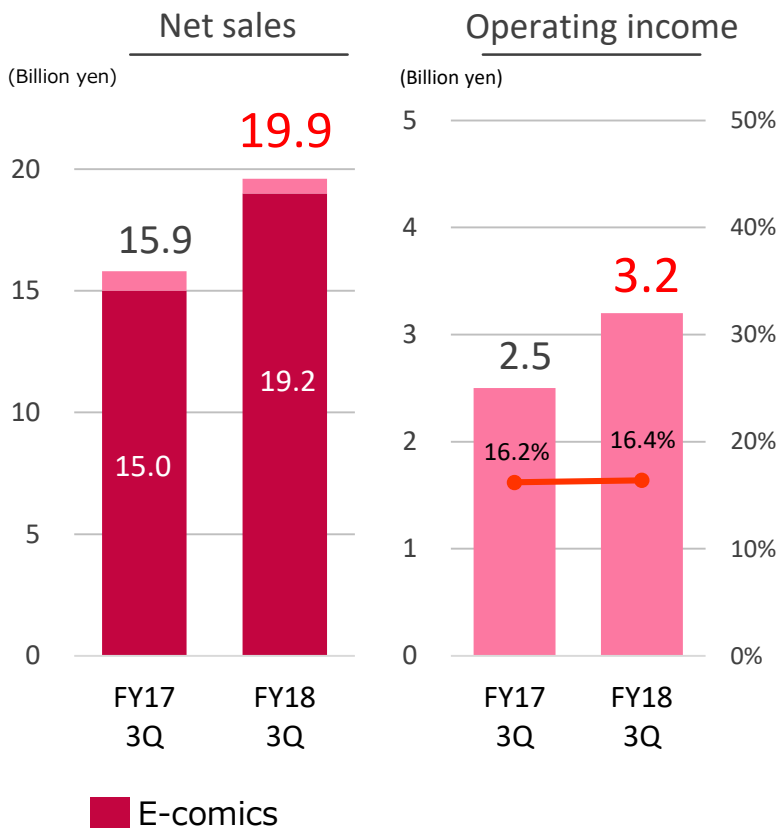
Steady growth in healthcare, driven by services for hospitals

Operating income

Lower profits due to declining profitability in major systems integration projects

Digital Entertainment Segment Earnings (Consolidated)

(Unit: Billion yen, %)



	FY17 3Q	FY18 3Q	Vs. PY	
			YoY	%
Net sales	15.9	19.9	+4.0	+25.2
E-comics	15.0	19.2	+4.2	+28.2
Operating income	2.5	3.2	+0.6	+26.0
(Operating margin)	(16.2)	(16.4)		

Net sales

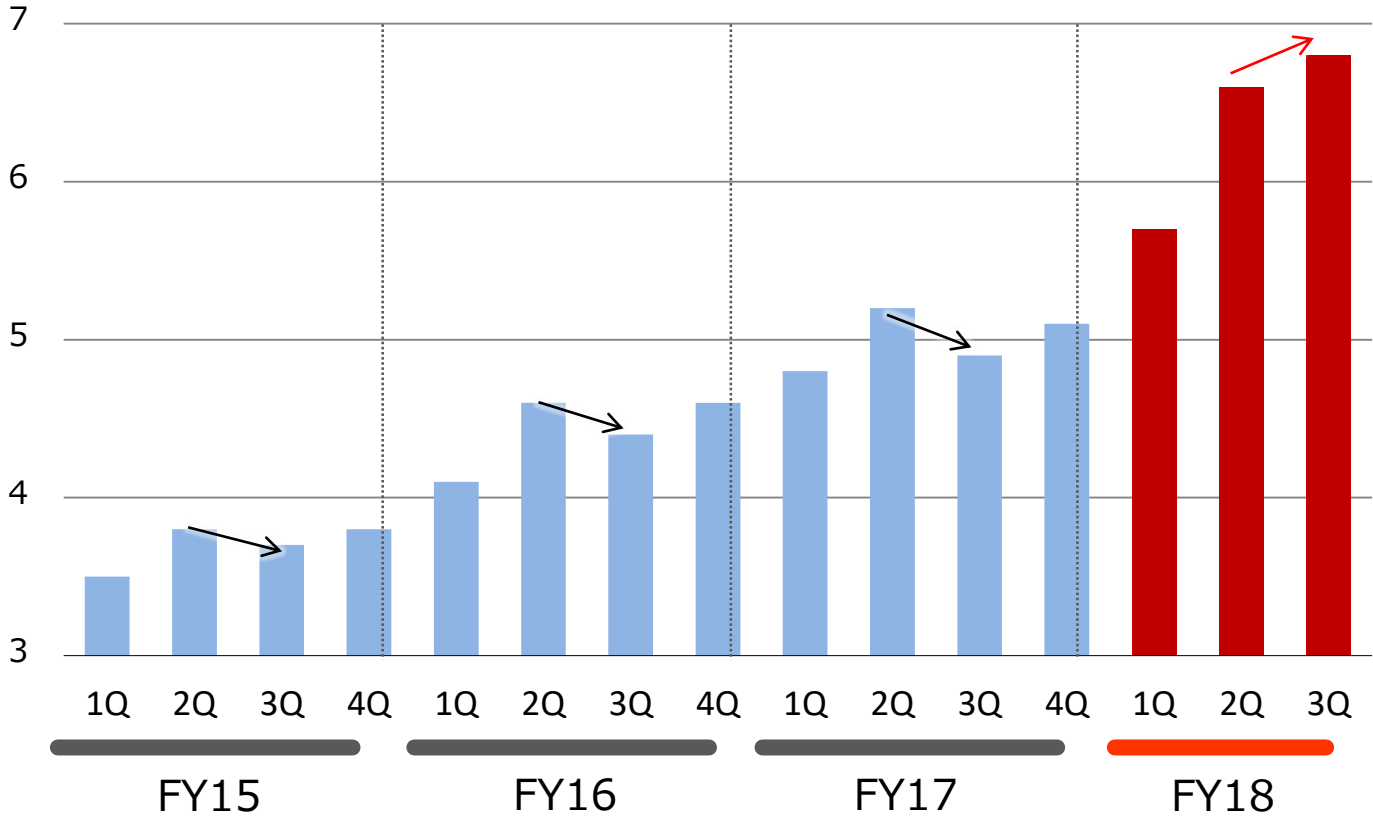
Greater advertising effectiveness in Q3 for e-comics by conducting more sophisticated data analysis. Growth offset seasonality leading to higher sales (Oct.-Dec. sales up 38.1% YoY)

Operating income

Higher profits due to higher sales in e-comics.

E-Comic Distribution Service Earnings (Net Sales by Quarter)

(Billion yen)



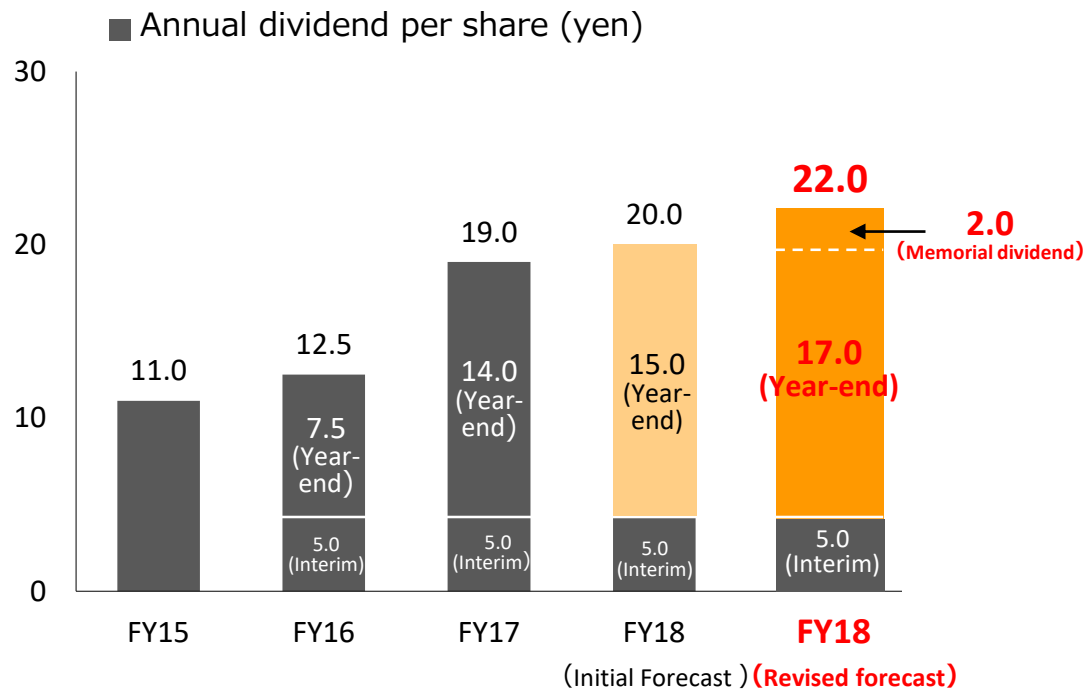
◆ Q3 higher than Q2 this year, contrary to past trends

Earnings Forecast for FY18 (Consolidated)

(Unit : Billion yen,%)	FY17 Actual	FY18 Previous Forecast	FY18 Revised Forecast	Vs. PY	
				YoY	%
Net sales	45.7	51.0	51.5	+5.7	+12.5
IT Services	24.4	25.0	24.0	(0.4)	(2.0)
Digital Entertainment	21.2	26.0	27.5	+6.2	+29.2
Operating income	5.8	6.7	6.7	+0.8	+14.9
IT Services	2.4	2.5	2.3	(0.1)	(6.5)
Digital Entertainment	3.3	4.2	4.4	+1.0	+30.9
(Operating margin)	(12.7)	(13.1)	(13.0)		
EBITDA	6.9	7.9	7.9	+0.9	+13.0
Ordinary income	5.9	6.7	6.7	+0.7	+12.0
Profit attributable to owners of the parent	4.6	4.6	4.6	(0.0)	(0.9)
ROE (%)	17.9	15.3	15.3	(0.2)	—

- ◆ Upward revision of FY2018 forecasts (originally announced 10/29/2018) based on e-comic performance
- ◆ Revised sales and profit shares for each segment based on Q3 performance

(Reference) Stock split and revised dividend forecast



	FY15	FY16	FY17	FY18	FY18
Net income per share	13.32	59.64	84.85	84.10	84.10

◆ Stock split

A two-for-one stock split will be instituted to the shares of common stock.
(Effective date : March 1, 2019)

◆ Year-end dividend (Increased dividend)

Initial Forecast 15 yen
Revised forecast 17 yen
(Commemorative Dividend 2 yen for the market change)

◆ Dividend payout ratio

FY2017 22.4%
Initial Forecast 24.3%
Revised forecast 26.2%

*Figures for dividend per share and net income per share reflect calculations after to stock split.

On November 28, 2018, Infocom Corporation changed its stock listing from the JASDAQ market of the Tokyo Stock Exchange to the First Section.

Infocom management has rededicated to our mission, continuing to strive for new growth and higher levels of corporate value as a company that meets the expectations of our stakeholders.

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