



Info Mart Corporation

FY12/21 Second Quarter

Financial Results

July 30, 2021
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
- Headquarters 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 Corporation
Infomart Beijing Consulting Co., Ltd.
- No. of employees (connection) 613 (full-time 514 / temporary 99)
- URL <https://www.infomart.co.jp/>

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

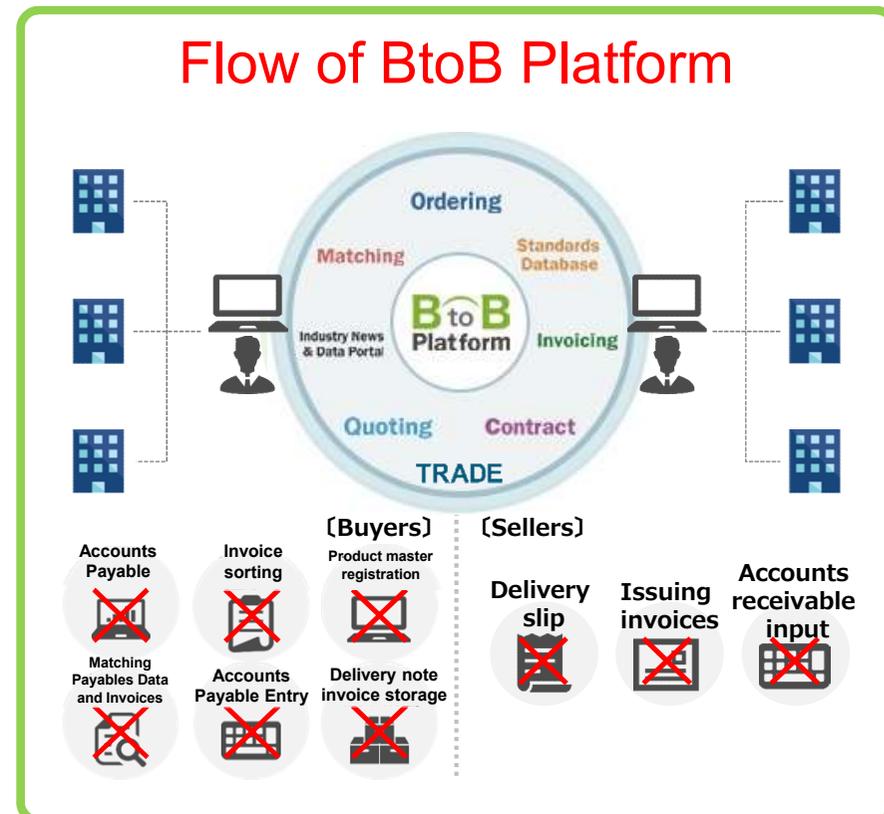
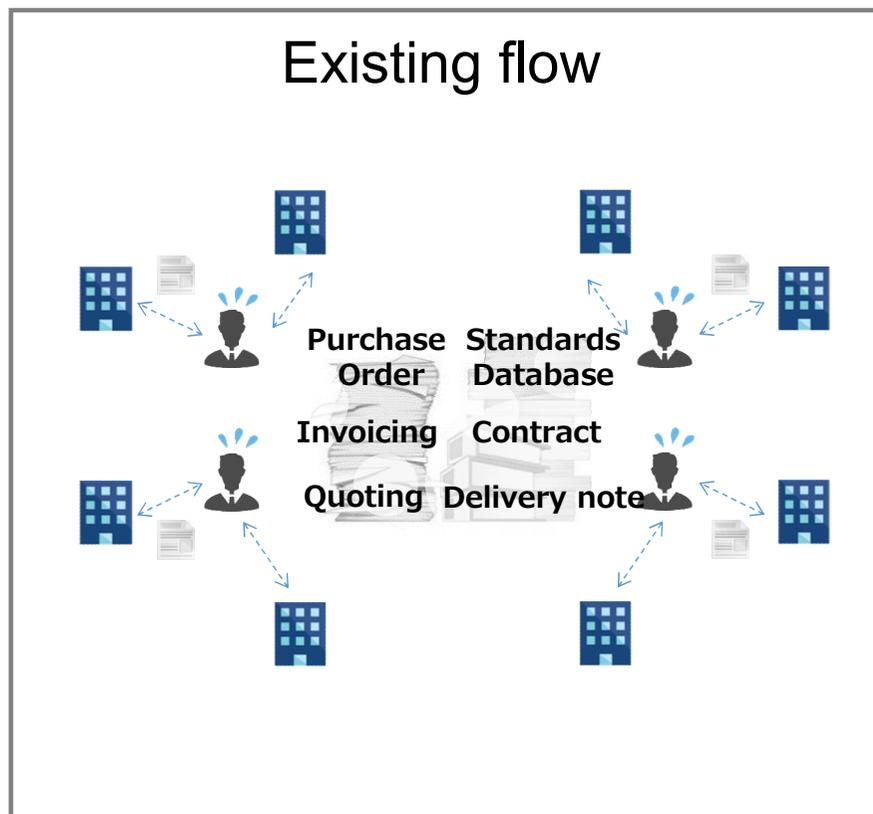
<https://www.infomart.co.jp/movie/>



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.



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 ≠ 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

Major BtoB Platform

BtoB-PF FOOD

Service

Overview

B to 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.

B to 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.

BtoB-PF ES

Service

Overview

B to B Platform Invoicing

From January 2015

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

Realize more efficient accounting operations.

B to 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.

B to 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.

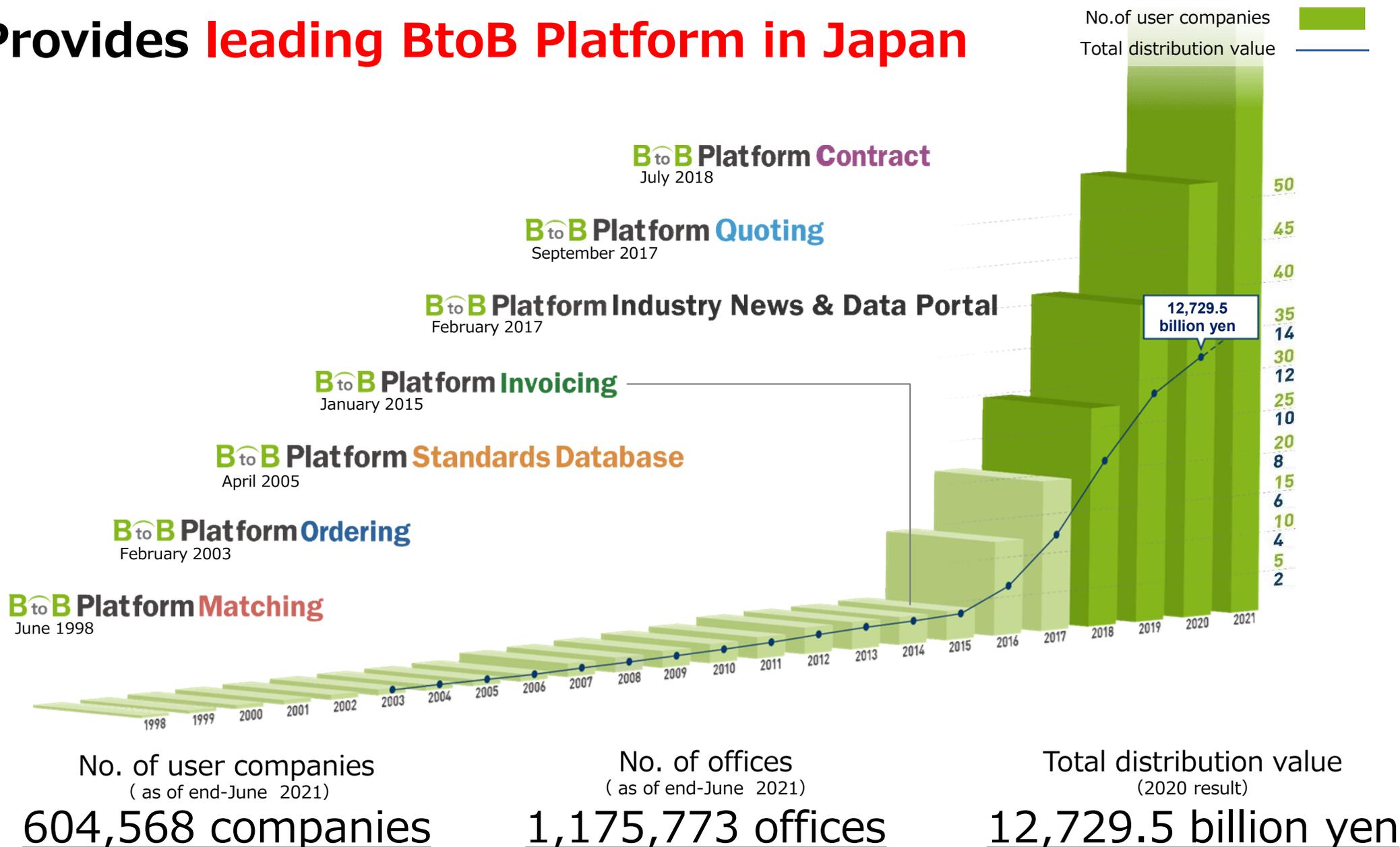
Fee Structure by Service

as of end-June 2021

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	<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
	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	

Our business results

Provides **leading BtoB Platform in Japan**



II. FY12/21 Second Quarter Financial Results

FY12/21 Second Quarter (YoY)

(Million yen / %:YoY)

	2021/1Q		2021/2Q		2021/2Q Total	
	Actual	YoY	Actual	YoY	Actual	YoY
BtoB-PF FOOD	1,656	-3.3%	1,703	10.6%	3,360	3.3%
BtoB-PF ES	642	37.9%	690	41.9%	1,333	40.0%
【Sales】	2,299	5.5%	2,393	18.1%	4,693	11.6%
BtoB-PF FOOD	459	24.8%	493	23.4%	953	24.1%
BtoB-PF ES	307	21.8%	311	28.2%	619	25.0%
【CoGS】	764	23.9%	802	25.7%	1,567	24.8%
BtoB-PF FOOD	1,197	-11.0%	1,209	6.1%	2,406	-3.1%
BtoB-PF ES	334	57.0%	379	55.5%	713	56.2%
【Gross Profit】	1,534	-1.8%	1,591	14.6%	3,125	5.9%
BtoB-PF FOOD	591	1.8%	625	5.2%	1,217	3.5%
BtoB-PF ES	556	12.9%	641	21.9%	1,197	17.5%
【SG&A】	1,151	6.8%	1,268	12.8%	2,419	9.9%
BtoB-PF FOOD	605	-20.7%	583	7.1%	1,189	-9.1%
BtoB-PF ES	-221	-	-262	-	-483	-
【Operating Profit】	383	-20.8%	323	22.1%	706	-5.7%
【Recurring Profit】	402	-16.9%	325	23.7%	728	-2.6%
【Net Income】※	285	-14.4%	176	-2.4%	461	-10.2%

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

BtoB-PF FOOD	72.2%		71.0%		71.6%	
BtoB-PF ES	52.1%		54.9%		53.6%	
High gross profit margin	66.7%		66.5%		66.6%	
BtoB-PF FOOD	36.5%		34.3%		35.4%	
OPM	16.7%		13.5%		15.1%	
RPM	17.5%		13.6%		15.5%	

■ Sales

〔BtoB-PF FOOD〕

In the BtoB Platform Ordering, sales from system usage fees and initial fees from buyer companies increased reflecting an increase in the number of new contracts from new business formats such as take-away and delivery stores, as well as from hotels and school meal services for improving operational efficiency. As well as from seller companies in the BtoB Platform Ordering, sales from system usage fees (pay-for-use) increased as the distribution amount of foodstuffs and other items exceeded the previous year level. Moreover, in the BtoB Platform Database, sales from system usage fees and initial fees increased thanks to an increase in the number of companies using this service.

〔BtoB-PF ES〕

In the BtoB Platform Invoicing, sales from system usage fees and initial fees were 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) to improve business efficiency and shift to remote working.

■ CoGS

Data center expenses increased due to the reinforcement of the server system in response to increased users.

■ SG&A expenses

Personnel expenses increased due to the reinforcement of sales staffs and sales support staffs for business expansion until the previous year.

■ Operating profit

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

■ Net income

Net income decreased due to a decrease in Recurring profit.

FY12/21 Second Quarter (vs. Plan)

	2021/1Q			2021/2Q			2021/2Q Total		
	Plan	Actual	Diff	Plan	Actual	Diff	Plan	Actual	Diff
BtoB-PF FOOD	1,606	1,656	50	1,692	1,703	11	3,298	3,360	62
BtoB-PF ES	579	642	63	648	690	42	1,226	1,333	107
【Sales】	2,184	2,299	115	2,339	2,393	54	4,523	4,693	170
BtoB-PF FOOD	477	459	-18	505	493	-12	982	953	-29
BtoB-PF ES	325	307	-18	341	311	-30	666	619	-47
【CoGS】	799	764	-35	843	802	-41	1,642	1,567	-75
BtoB-PF FOOD	1,128	1,197	69	1,187	1,209	22	2,316	2,406	90
BtoB-PF ES	254	334	80	307	379	72	560	713	153
【Gross Profit】	1,385	1,534	149	1,496	1,591	95	2,881	3,125	244
BtoB-PF FOOD	646	591	-55	647	625	-22	1,293	1,217	-76
BtoB-PF ES	607	556	-51	653	641	-12	1,260	1,197	-63
【SG&A】	1,255	1,151	-104	1,301	1,268	-33	2,556	2,419	-137
BtoB-PF FOOD	482	605	123	541	583	42	1,023	1,189	166
BtoB-PF ES	-354	-221	133	-346	-262	84	-700	-483	217
【Operating Profit】	130	383	253	195	323	128	325	706	381
【Recurring Profit】	110	402	292	176	325	149	285	728	443
【Net Income】※	75	285	210	119	176	57	194	461	267

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

BtoB-PF FOOD	70.3%	72.2%	2.0%	70.2%	71.0%	0.9%	70.2%	71.6%	1.4%
BtoB-PF ES	43.9%	52.1%	8.2%	47.3%	54.9%	7.6%	45.7%	53.6%	7.9%
High gross profit margin	63.4%	66.7%	3.3%	64.0%	66.5%	2.5%	63.7%	66.6%	2.9%
BtoB-PF FOOD	30.0%	36.5%	6.5%	32.0%	34.3%	2.3%	31.0%	35.4%	4.4%
OPM	6.0%	16.7%	10.7%	8.3%	13.5%	5.2%	7.2%	15.1%	7.9%
RPM	5.0%	17.5%	12.5%	7.5%	13.6%	6.1%	6.3%	15.5%	9.2%

(Million yen / %:YoY)

2021/3Q	2021/4Q	2021/Full Year	
Plan	Plan	Plan	YoY
1,764	1,837	6,899	3.2%
680	735	2,642	26.7%
2,444	2,572	9,540	8.7%
684	677	2,343	41.6%
383	395	1,444	37.1%
1,065	1,070	3,779	40.3%
1,080	1,160	4,556	-9.5%
297	340	1,198	16.2%
1,379	1,502	5,761	-5.3%
622	627	2,543	8.5%
622	629	2,511	11.6%
1,246	1,257	5,061	9.8%
457	533	2,013	-25.1%
-325	-288	-1,313	7.8%
133	245	700	-52.4%
114	226	625	-57.1%
77	154	425	-58.1%

■ Sales

【BtoB-PF FOOD】

In the BtoB Platform Ordering, in the first quarter sales from system usage fees from seller companies (pay-for-use) exceeded the plan, since the distribution amount of foodstuffs and other items exceeded our expectations. However, in the second quarter sales from system usage fees from seller companies (pay-for-use) were below the plan due to the lower-than-expected distribution amount of foodstuffs and other items reflecting the impact of the extension of the State of Emergency for the spread of COVID-19, which was declared in April. Meanwhile, sales from buyer companies for BtoB Platform Ordering exceeded the plan in the BtoB-PF FOOD Business as a whole. This was attributable to the fact that sales from system usage fees and initial fees exceeded the forecast reflecting an increase in the number of new contracts from new business formats such as take-away and delivery stores, as well as from hotels and school meal services for improving operational efficiency.

【BtoB-PF ES】

Sales from system usage fees and initial fees exceeded the plan from the first to second quarters thanks to an increase in the number of new paid contracts for BtoB Platform Invoicing and the steady progress in the operation of the system (digitization of invoice data) to improve business efficiency and shift to remote working.

■ CoGS

Recording of data center expenses and software depreciation costs were postponed to the third quarter onward.

■ SG&A expenses

Recording of sales promotion expenses, etc. were postponed to the third quarter onward. In addition, due to self-restraint in domestic business travel, travel and transportation expenses were not incurred.

■ Operating profit

In addition to the increase in sales, cost of sales and SG&A expenses were postponed to the third quarter onward, resulting in a higher-than-expected operating income.

■ Net income

Net income exceeded the plan due to an increase in Recurring profit.

Impact of COVID-19 on our business

■ Impact on sales from existing food business customers

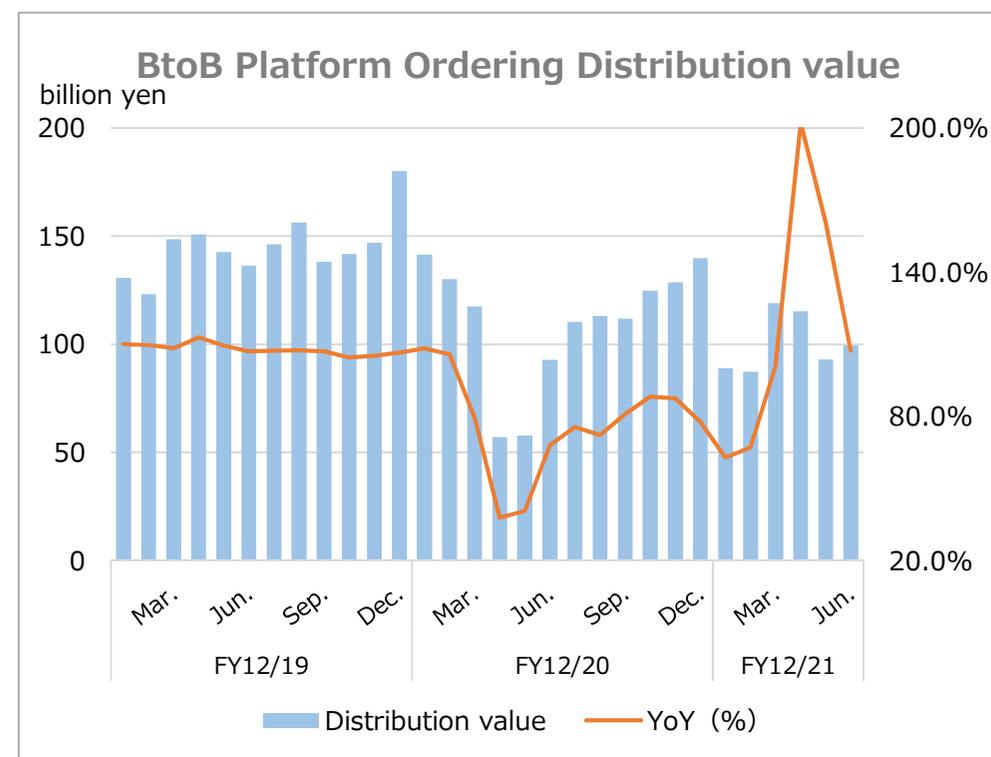
- 10% of total sales are generally proportional to the distribution amount of foodstuffs
- The number of user stores decreased as the restaurant and tourism industries suspend its operations or close its stores, due to
- On the other hand, the number of stores are maintained, as restaurants have launched new business models to meet the needs of the new normal society, and change business models to take-away, delivery, and mobile catering by utilizing government support systems

■ Changes associated with the progress of teleworking

- Growing interest in digitization from potential customers
- Adaptation of teleworking system by our employees
- Changes in the process of acquiring and operating new contracts

BtoB-PF FOOD

In the second quarter (April-June), the recovery in the distribution amount of foodstuffs slowed down as restaurants continued to close or shorten their hours of operation due to the extended declaration of a State of Emergency. (June 2021: 107.3% compared to the previous year)



Confirmation of business resilience as a result of simulation of the impact on our business performance

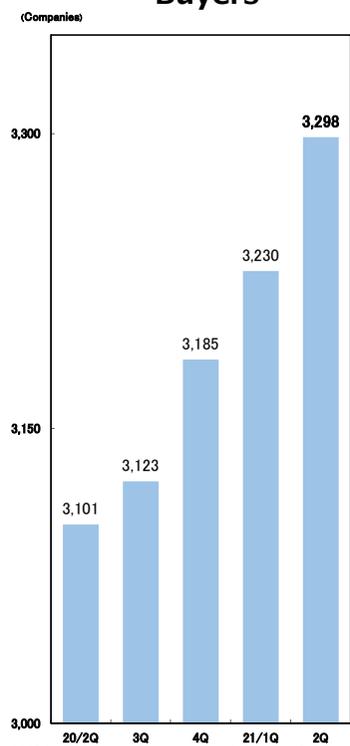
[BtoB Platform Ordering]

- In addition to increased demand from new business formats such as take-away and delivery stores, as well as from hotels and school meal services, there has been a large increase in the number of buyer companies and their stores in the food industry who are seeking to use cloud-based management systems, as well as in the number of sellers who are their business partners.

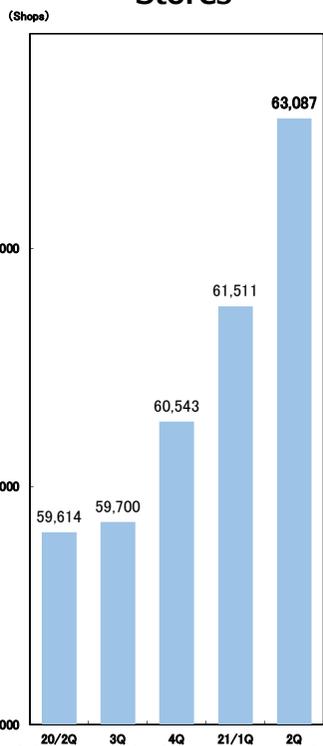
[BtoB Platform Standards Database]

- The number of companies using buyer and manufacturer functions increased due to the acceleration of shifting to cloud-based management systems by major companies.
- Companies introducing Menu plus also performed strongly. Demands for cost management and use of recipes at restaurants are expanding.

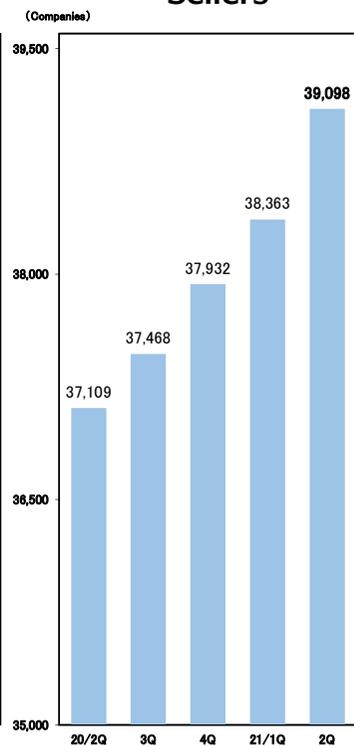
Ordering Buyers



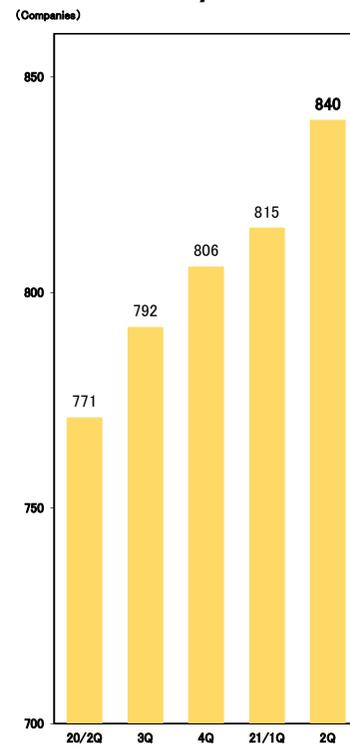
Ordering Stores



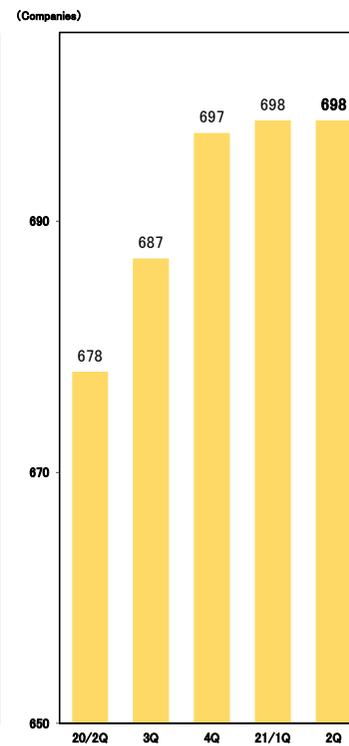
Ordering Sellers



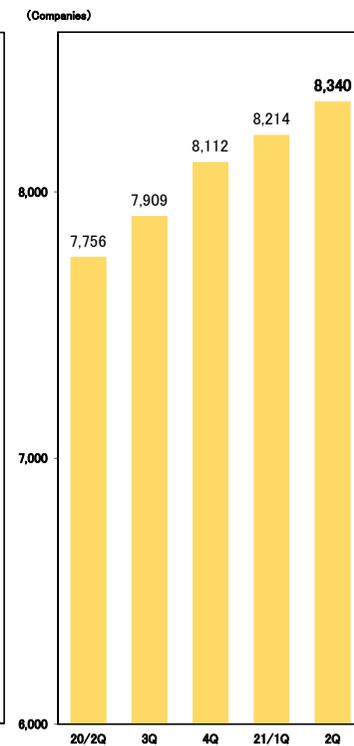
Standards Database Buyers



Standards Database Wholesalers



Standards Database Food manufactures



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

[BtoB Platform Invoicing]

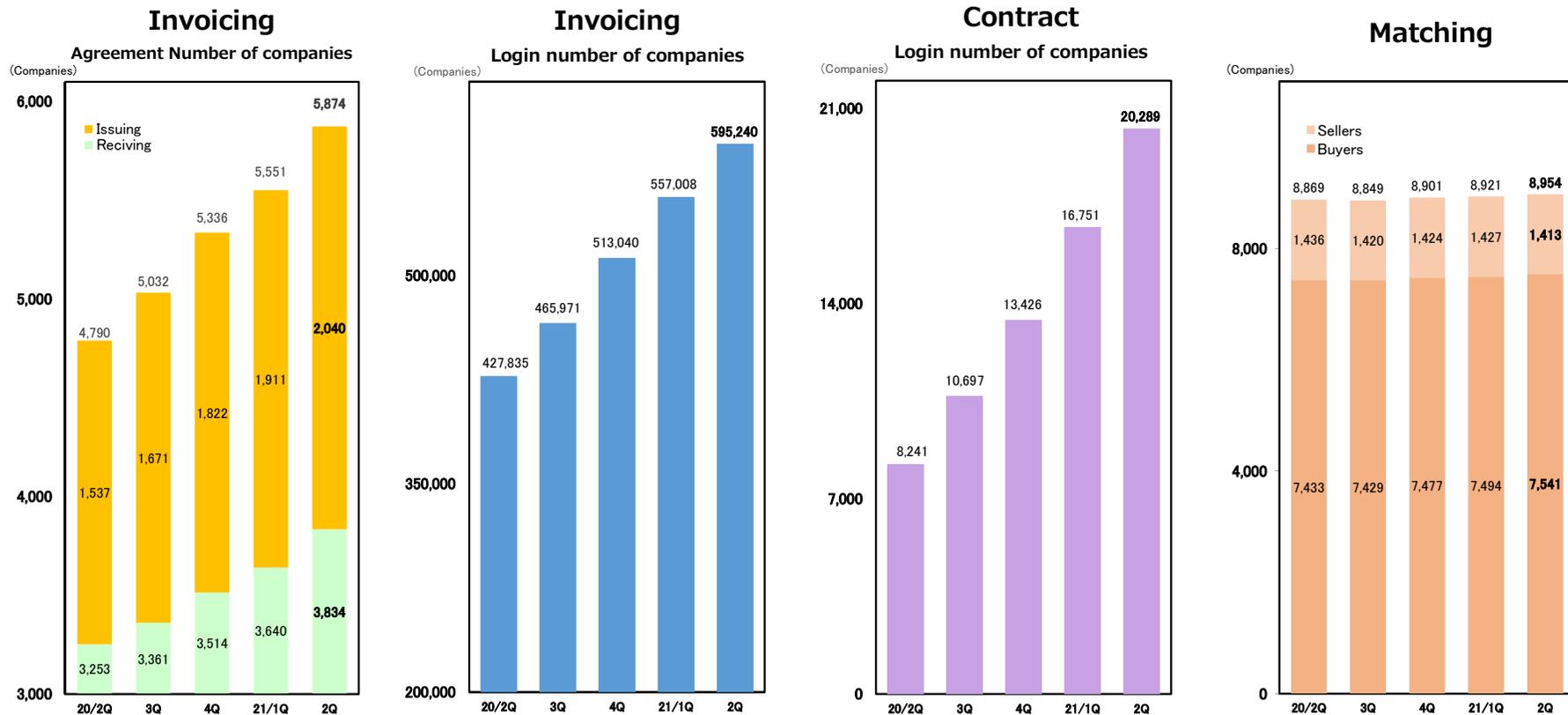
- The number of companies logged in exceeded 600,000 due to the promotion of digitization of invoices by existing paid contract companies. (As of July, 2021)
- AI-OCR function, which converts paper invoices into data, also contributed to an increase in new contracts.

[BtoB Platform Contract]

- The number of user companies exceeded 20,000 in response to the trend toward digitalization of contracts through breaking away from traditional seal usage. (As of July, 2021)

[BtoB Platform Matching]

- In a situation where purchases by restaurants are declining, there will be a net decrease in the number of seller companies whose new contracts were sluggish. However, buyer companies saw an increase in new contracts due to the functions released in August last year (website renewal, web exhibitions and business negotiations).



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

III. Management Policies
Consolidated Business Forecasts for FY12/21

■ Balance between growth and profits

- Expand our BtoB Platform and basically remain the current growth ratio and the profit margin.
- Incorporate external management resources and work to increase the value of BtoB Platform.

■ To diversify our revenue sources

- To realize our future vision of "Covering the entire BtoB space all over the world", we will lay the groundwork strategically while making profitable businesses through various initiatives.

■ Mid-Term Business Goal

- Achieve sales of over **10 billion yen**, operating profit of over **3 billion yen**, and recurring profit margin of over **30%**.

(Ratio: 60~40%)

■ Thoroughly expand BtoB Platform

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

(Ratio: 30~20%)

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

Utilizing

- In order to maximize the value of our BtoB 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 BtoB Platform.

Direction for development and strengthening of Infomart

Marketing / Advertising
Consulting services



Alliance from January 2020



Alliance from July 2020



Alliance from February 2021

Data and companies
gathered on the platform

Foothold and foundation in the
food industry

B to B
Platform

Ordering Standards Database
Invoicing Contract Matching TRADE

FinTech Credit
rating

AI/Cloud Service
Human resources
solution

Consideration of
overseas
expansion

Expansion to
other
industries

Provision of convenience
For corporations and business people

Expansion of platform

北京博君優選網絡科技有限公司
Alliance from March 2021



Alliance from March 2020

Partners

■ Goals Inc.

Alliance from July 2020

■ Tanomu Inc.

Alliance from February 2021

■ Beijing Bojunyouxuan Technology Co., Ltd.

Alliance from March 2021

- In connection with this capital and business alliance, the Company and Mitsui established a special purpose company, named "I&M Co., Ltd." (hereinafter "I&M"), on October 21, 2020.
- Bojun is a member company of the top Chinese food tech group "Acewill Information Technology (Beijing) Co., Ltd. (Acewill)" (Headquarters: Beijing, China; Chairman: Kong Lingbo; hereinafter "Acewill") engaged in developing supply chain management services in the food service industry, with 500 companies using its services in China across more than 14,000 stores.

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.

FY12/21 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 margin growth from FY12/22 onward

Consolidated Business Forecasts for FY12/21

We remain unchanged the consolidated business forecasts for the fiscal year ending December 2021.

*Announced on February 15, 2021

(Million yen / %:YoY)

	FY12/20(Actual)		FY12/21(Plan)	
	Full Year	YoY	Full Year	YoY
BtoB-PF FOOD	6,687	-2.0%	6,899	3.2%
BtoB-PF ES	2,085	22.0%	2,642	26.7%
【Sales】	8,777	2.8%	9,540	8.7%
BtoB-PF FOOD	1,655	24.7%	2,343	41.6%
BtoB-PF ES	1,053	8.6%	1,444	37.1%
【CoGS】	2,694	17.7%	3,779	40.3%
BtoB-PF FOOD	5,032	-8.5%	4,556	-9.5%
BtoB-PF ES	1,031	39.5%	1,198	16.2%
【Gross Profit】	6,082	-2.7%	5,761	-5.3%
BtoB-PF FOOD	2,344	10.3%	2,543	8.5%
BtoB-PF ES	2,250	37.4%	2,511	11.6%
【SG&A】	4,610	21.9%	5,061	9.8%
BtoB-PF FOOD	2,687	-20.3%	2,013	-25.1%
BtoB-PF ES	-1,218	-	-1,313	7.8%
【Operating Profit】	1,471	-40.4%	700	-52.4%
【Recurring Profit】	1,457	-40.7%	625	-57.1%
【Net Income】※	1,014	-40.2%	425	-58.1%

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

BtoB-PF FOOD	75.2%		66.0%	
BtoB-PF ES	49.5%		45.3%	
High gross profit margin	69.3%		60.4%	
BtoB-PF FOOD	40.2%		29.2%	
OPM	16.8%		7.3%	
RPM	16.6%		6.6%	

■ Sales

〔BtoB-PF FOOD〕

The first half performance exceeded forecasts, but in the initial plan, the distribution amount of foodstuffs and other items is assumed to recover toward the end of the second half. In contrast, the State of Emergency and other measures to combat COVID-19 are continuing at present, so we conservatively planned system usage fees, etc. for the seller companies (pay-for-use) of the BtoB Platform Ordering.

〔BtoB-PF ES〕

BtoB Platform Invoicing, which has been the driving force behind the growth of this business, is expected to continue to grow at a high rate, supported by an increase in the number of new paid contract companies and the digitization of invoices at existing paid contract companies, supported by the establishment of corporate remote working and the introduction of an invoicing system (launched in 2023) and the rapid spread of DX. In addition, the number of companies using BtoB Platform Contract is also expected to rise due to the growing demand for digitization of contracts.

■ CoGs

Data center expenses are expected to increase due to plans to expand the server system and maintain reliability in response to the expansion in the number of users. In addition, the majority of the delayed costs in the first half is expected to be eliminated in the full year.

■ SG&A expenses

In the BtoB-PF ES Business, sales in excess of the plan for the first half will be allocated to additional promotion expenses for the purpose of increasing the number of new paid contract companies to BtoB Platform Invoicing and accelerating the digitization of invoicing at existing paid contract companies. In addition, the majority of the delayed costs in the first half is expected to be eliminated in the full year.

■ Operating Profit

In addition to the above, we are prioritizing measures to accelerate medium-term sales growth and re-increase profit margins, and are forecasting a decrease in profits to maintain our aggressive stance.

IV. 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.

In the last fiscal year, we left the dividend amount unchanged to cope with a temporary decrease in profits, but in the fiscal year ending December 2021, we will return to the basic policy. Although 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.

(Yen)

	FY12/15	FY12/16	FY12/17	FY12/18	FY12/19	FY12/20	FY12/21 (Plan)
I n t e r i m d i v i d e n d	1.47	1.48	1.64	1.83	1.84	1.85	0.47
Y e a r - e n d d i v i d e n d	1.47	1.48	1.64	1.83	1.87	1.86	0.47
T o t a l	2.94	2.95	3.27	3.67	3.71	3.71	0.94

(Note)

The interim dividend for the FY12/21 was resolved at the meeting of the Board of Directors held on July 30, 2021. (Effective date: September 6, 2021)

The company conducted 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.

On July 9, 2021, from the Tokyo Stock Exchange, Inc., we have received the "Results of the Primary Judgment of Compliance with the Criteria for Listing in the New Market Category". We have confirmed that we are in compliance with the criteria for listing on the Prime Market.

Based on this result, we will proceed with the procedures for the application for the listing on the prime market for new markets, which will be transitioned to April 4, 2022.

This material is prepared based on economic, social and other situations, and certain assumptions that the company deems to be reasonable as of July 30, 2021.

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.

