



Info Mart Corporation

FY2014 First Quarter Financial Results

(January 1, 2014 – March 31, 2014)

April 30, 2014
TSE Mothers (2492)

 **Info Mart Corporation**



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I . About Infomart

Infomart Corporation

Tokyo Stock Exchange Mothers market

(Listing: August 8, 2006)

Stock code: 2492

- Business description: Operation of FOODS Info Mart, a B2B e-commerce focused on food industry
- Head office: Shibadaimon 116 Building, Shibadaimon 1-16-3, Minato-ku, Tokyo
- Sales office: Nishinihon sales office (Nishinakajima, Yodogawa-ku, Osaka-shi)
Customer center (Tenjin, Chuo-ku, Fukuoka-shi)
- Established: February 13, 1998
- Capital : 1,029.02 million yen (as of end-March 2014)
- No. of employees : 287 (full-time 229/temporary 58) (as of end-March 2014)



Specialize in BtoB (Business-to-Business ecommerce) for 17 years since the company's founding

Provide a “BtoB platform” in the food industry linking a business relationship between companies since the company's founding in 1998.

Grew to No.1 BtoB platform in the food industry

“FOODS Info Mart”: No. of users 34,830 companies, 161,829 offices, annual transaction value 861.8 billion yen, market share 12.4%.

ASP (cloud) system

Provide a wide range of companies with a system to use on the same screen.

Customers can use up-to-date services at low cost every month with no expensive introduction cost if you have the Internet environment.

Stable revenue model

Build a stable revenue model through monthly system usage fees

To a management focusing on IT technology

Released and launched “BtoB & cloud platform (next-generation platform) last year

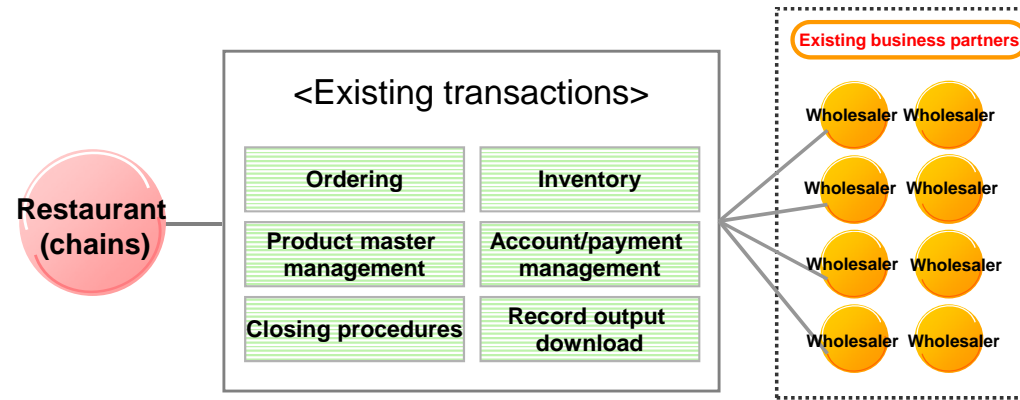
By 2020

Aim to be a global BtoB infrastructure company providing BtoB platforms across various sectors.



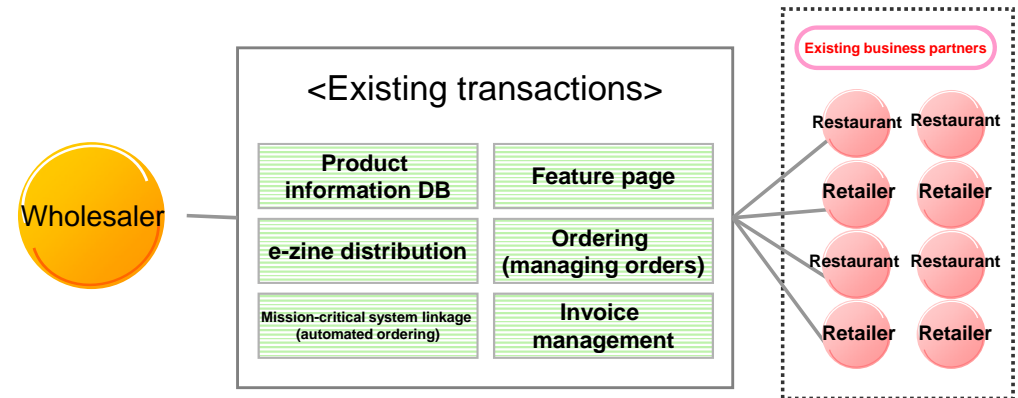
ASP Ordering System

(Ordering between restaurant chains and wholesalers)



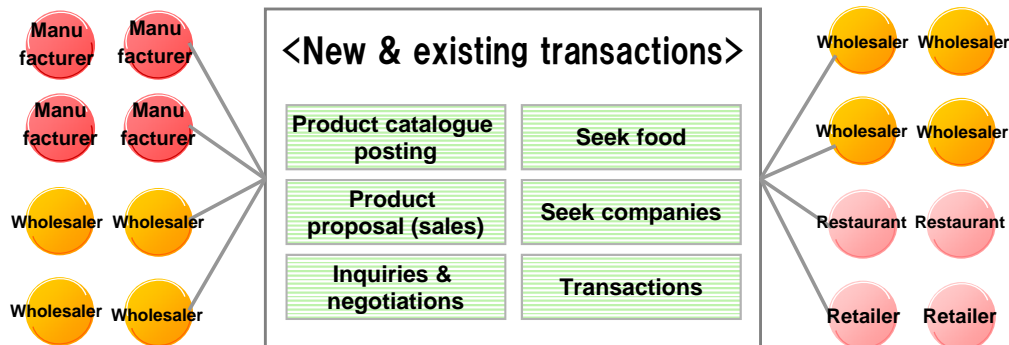
ASP Sales Promotion & Ordering System

(Sales promotion and managing orders between wholesalers and restaurants)



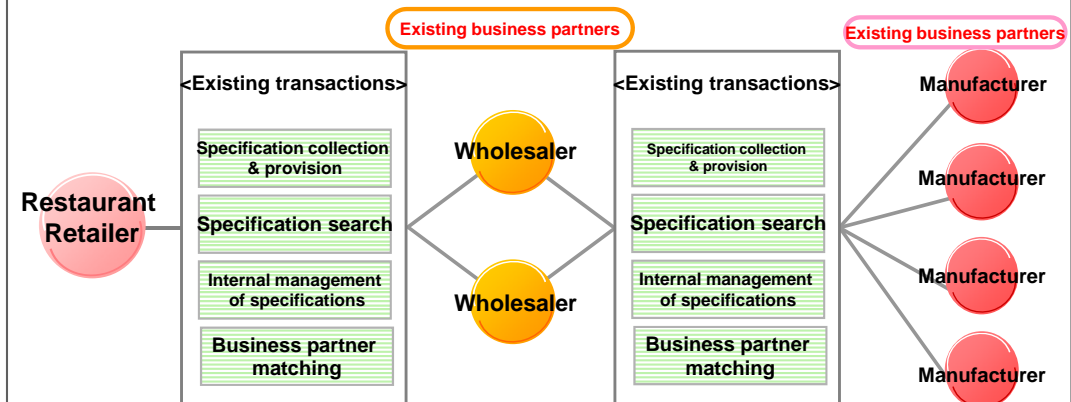
ASP Matching & Transaction System

(New transactions)



ASP Food Standards Database

(Product specification DB of food hygiene & safety)



■ [Restaurant industry market size]

Restaurant industry market size (2012)	23,238.6 billion yen
Purchase amount (calculated based on 30% of market size)	6,971.5 billion yen

*Restaurant industry market size extracted from Foodservice Industry Research Institute data

**Infomart system
transaction value**

(2013 result)

861.8 billion yen

(12.4% of the entire market size)

■ [No. of food industry customers]

Classification	No. of customers
Food manufacturers & Producers, etc.	59,458 customers
Food wholesalers	73,004 customers
Restaurants, Stores & Hotels, etc.	766,615 customers
Supermarkets & Retailers, etc.	355,461 customers
Total	1,254,538 customers

Infomart system users

(as of end-March 2014)

161,829 customers

(12.9% of the entire customers)

*2012 Economic Census for Business Activity (announced on August 27, 2013), Ministry of Internal Affairs and Communications

Composed of 3 companies and 6 segments

Name	Segment
Infomart Corporation	ASP Ordering System
	ASP Sales Promotion & Ordering System
	ASP Food Standards Database
	ASP Matching & Transaction System
Info Rise Corporation	Cloud Service
Infomart International Ltd.	Overseas

Ⅱ . FY2014 First Quarter Financial Results

(Million Yen)

	FY12/13 1 Q Actual	FY12/14 1 Q Actual	YoY
Sales	1,005	1,157	15.1%
CoGS	327	271	-17.0%
Gross Profit	678	886	30.5%
SG&A	431	462	7.2%
Operating Profit	247	423	71.3%
Recurring Profit	253	419	65.7%
Net Income	155	243	56.9%
RPM	25.2%	36.2%	11.1%

1Q TOPICS

- **Sales:** System usage fees increased due to increase in the use of “ASP Ordering System,” “ASP Food Standards Database” and other systems in Japan.
- **Cost of sales:** Depreciation of the existing platform, which the schedule was shortened, associated with the release of “next-generation platform” completed at the end of the previous fiscal year and software depreciation decreased substantially.
- **SG&A expenses:** Increase in personnel expenses due to increase in personnel (mainly new graduates) toward future business growth, etc.
- **Operating income:** Substantial increase due to increased sales and reduced costs. “ASP Sales Promotion & Ordering System” turned profitable.

FY2014 First Quarter Business Results (YoY / Details)

(Million Yen / %: YoY)

	FY12/13 (Actual)						FY12/14 (Actual)	
	1Q	2Q	3Q	4Q	FY		1Q	
ASP Ordering System	613	644	671	701	2,631	11.8%	685	11.7%
ASP Food Standards Database	131	139	153	161	585	27.5%	168	28.8%
ASP Matching & Transaction System	171	176	181	187	717	8.5%	187	9.2%
ASP Sales Promotion & Ordering System	72	81	87	92	334	24.7%	89	22.5%
Cloud Service	17	18	16	20	72	75.2%	27	56.7%
Overseas	3	15	9	9	39	147.2%	10	168.1%
Sales	1,005	1,060	1,110	1,162	4,339	14.7%	1,157	15.1%
ASP Ordering System	131	132	154	232	652	28.4%	160	22.0%
ASP Food Standards Database	32	49	50	50	182	40.7%	32	-0.4%
ASP Matching & Transaction System	83	82	83	92	341	-7.2%	37	-54.7%
ASP Sales Promotion & Ordering System	56	56	59	58	231	7.0%	19	-65.5%
Cloud Service	15	16	14	17	63	15.5%	19	31.1%
Overseas	11	15	10	6	43	33.7%	9	-18.2%
CoGS	327	342	367	452	1,490	14.1%	271	-17.0%
ASP Ordering System	481	511	516	468	1,979	7.3%	524	8.9%
ASP Food Standards Database	98	90	102	110	402	22.3%	136	38.4%
ASP Matching & Transaction System	88	94	97	94	375	28.2%	149	69.4%
ASP Sales Promotion & Ordering System	16	25	28	34	103	98.3%	69	333.9%
Cloud Service	2	2	1	3	9	-	7	219.1%
Overseas	-7	0	0	3	-4	-	1	-
Gross Profit	678	717	742	710	2,849	15.0%	886	30.5%
ASP Ordering System	189	193	192	194	768	18.1%	196	4.0%
ASP Food Standards Database	86	86	87	88	348	22.5%	91	4.9%
ASP Matching & Transaction System	71	73	80	79	305	8.4%	85	20.0%
ASP Sales Promotion & Ordering System	54	56	56	58	225	-27.5%	62	14.9%
Cloud Service	15	14	15	14	59	-12.8%	16	6.0%
Overseas	15	11	11	12	51	-31.0%	10	-30.3%
SG&A	431	433	442	446	1,754	5.5%	462	7.2%
ASP Ordering System	292	318	324	274	1,210	1.4%	327	12.0%
ASP Food Standards Database	11	4	15	22	54	21.1%	45	284.8%
ASP Matching & Transaction System	16	21	17	14	70	514.2%	63	279.1%
ASP Sales Promotion & Ordering System	-38	-31	-28	-24	-122	-	6	-
Cloud Service	-12	-11	-13	-11	-50	-	-8	-
Overseas	-22	-11	-12	-9	-56	-	-9	-
Operating Profit	247	283	300	263	1,094	34.3%	423	71.3%
Recurring Profit	253	286	297	270	1,107	35.8%	419	65.7%
Net Income	155	166	176	132	631	27.1%	243	56.9%
RPM	25.2%	27.0%	26.8%	23.2%	25.5%	4.0%	36.2%	11.1%

(Million Yen)

	FY12/14 1 Q Plan	FY12/14 1 Q Actual	Diff
Sales	1,137	1,157	20
CoGS	273	271	-2
Gross Profit	864	886	22
SG&A	501	462	-39
Operating Profit	363	423	60
Recurring Profit	361	419	58
Net Income	215	243	28
RPM	31.7%	36.2%	4.5%

1Q TOPICS

A good start in the first quarter with planned net sales of 5.2 billion yen and ordinary income of 2.0 billion yen for the full year.

□Sales: Operation of “ASP Ordering System” by new buyers exceeded the plan and system usage fees increased.

□Cost of sales: Software depreciation was reduced as planned.

□SG&A expenses: Posting of sales promotional expenses, etc. postponed to 2Q onward.

□Operating income: Exceeded the plan due to increase in sales of “ASP Ordering System,” etc. and delay in the posting of SG&A expenses.

FY2014 First Quarter Business Results (vs. Plan / Details)

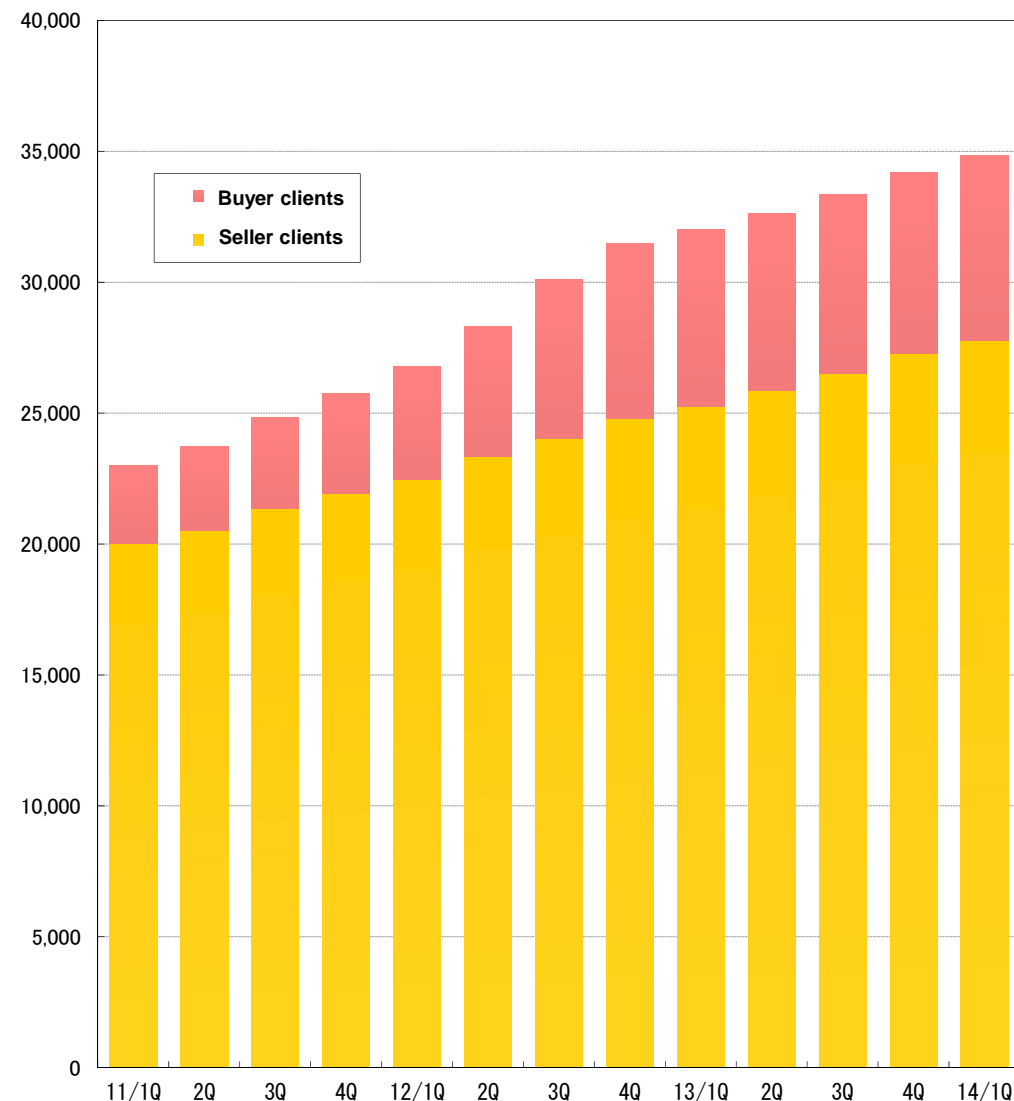
(Million Yen / %: YoY)

	FY 12/14								
	1Q			2Q		3Q	4Q	FY	
	Plan	Actual	Diff	Plan	Plan	Plan	Plan	Plan	
ASP Ordering System	674	685	11	701	722	750	2,847	8.2%	
ASP Food Standards Database	168	168	0	179	190	200	737	25.9%	
ASP Matching & Transaction System	190	187	-3	198	207	217	812	13.2%	
ASP Sales Promotion & Ordering System	83	89	6	134	189	233	639	91.2%	
Cloud Service	22	27	5	31	40	63	156	116.7%	
Overseas	10	10	0	11	21	22	64	64.1%	
Sales	1,137	1,157	20	1,244	1,358	1,475	5,212	20.1%	
ASP Ordering System	165	160	-5	169	174	177	686	5.2%	
ASP Food Standards Database	32	32	0	32	33	34	131	-28.1%	
ASP Matching & Transaction System	38	37	-1	39	39	40	156	-54.2%	
ASP Sales Promotion & Ordering System	19	19	0	22	26	30	97	-58.1%	
Cloud Service	18	19	1	20	20	24	82	29.5%	
Overseas	8	9	1	9	11	11	40	-8.0%	
CoGS	273	271	-2	285	296	308	1,161	-22.1%	
ASP Ordering System	508	524	16	532	547	574	2,161	9.2%	
ASP Food Standards Database	136	136	0	146	157	166	606	50.7%	
ASP Matching & Transaction System	152	149	-3	159	167	177	656	74.8%	
ASP Sales Promotion & Ordering System	64	69	5	112	163	203	542	426.2%	
Cloud Service	5	7	2	11	20	39	74	727.3%	
Overseas	1	1	0	2	10	11	24	-	
Gross Profit	864	886	22	960	1,063	1,166	4,053	42.3%	
ASP Ordering System	206	196	-10	196	207	210	819	6.7%	
ASP Food Standards Database	106	91	-15	104	107	108	425	22.1%	
ASP Matching & Transaction System	93	85	-8	95	98	99	385	26.4%	
ASP Sales Promotion & Ordering System	69	62	-7	65	68	69	270	20.2%	
Cloud Service	17	16	-1	19	19	19	73	24.2%	
Overseas	11	10	-1	12	11	13	47	-7.1%	
SG&A	501	462	-39	489	509	517	2,017	15.0%	
ASP Ordering System	303	327	24	336	340	363	1,342	10.9%	
ASP Food Standards Database	30	45	15	43	50	58	181	235.0%	
ASP Matching & Transaction System	59	63	4	64	70	77	270	286.1%	
ASP Sales Promotion & Ordering System	-5	6	11	48	95	134	272	-	
Cloud Service	-13	-8	5	-8	1	20	1	-	
Overseas	-10	-9	1	-10	-1	-2	-23	-	
Operating Profit	363	423	60	470	554	649	2,035	85.9%	
Recurring Profit	361	419	58	468	551	647	2,026	83.0%	
Net Income	215	243	28	279	332	388	1,214	92.4%	
RPM	31.7%	36.2%	4.5%	37.6%	40.6%	43.8%	38.9%	+13.4%	

The number of FOODS Info Mart users **increased to 34,830 companies**, up **628 companies** from the end of the previous fiscal year due to steady increase in “ASP Ordering System” users (Total no. of IDs is **161,829 IDs**)

			(companies)				
			FY12/13				FY12/14
			1Q	2Q	3Q	4Q	1Q
ASP Ordering System	New Clients	Seller	431	600	563	781	536
		Buyer	47	56	63	57	66
		Total	478	656	626	838	602
	Cancell- ations	Seller	△ 31	△ 49	△ 44	△ 47	△ 44
		Buyer	△ 6	△ 11	△ 10	△ 13	△ 11
		Total	△ 37	△ 60	△ 54	△ 60	△ 55
	Balance	Seller	400	551	519	734	492
		Buyer	41	45	53	44	55
		Total	441	596	572	778	547
	No. of Clients at Q-End	Seller	22,242	22,793	23,312	24,046	24,538
		Buyer	1,123	1,168	1,221	1,265	1,320
		Total	23,365	23,961	24,533	25,311	25,858
ASP Food Standards Database	New Clients	Seller	137	212	313	166	149
		Buyer	12	27	51	57	24
		Total	149	239	364	223	173
	Cancell- ations	Seller	△ 50	△ 73	△ 52	△ 66	△ 51
		Buyer	△ 4	0	△ 2	△ 5	0
		Total	△ 54	△ 73	△ 54	△ 71	△ 51
	Balance	Seller	87	139	261	100	98
		Buyer	8	27	49	52	24
		Total	95	166	310	152	122
	No. of Clients at Q-End	Seller	4,755	4,894	5,155	5,255	5,353
		Buyer	389	416	465	517	541
		Total	5,144	5,310	5,620	5,772	5,894
ASP Matching & Transaction System	New Clients	Seller	167	153	161	90	150
		Buyer	106	130	130	164	177
		Total	273	283	291	254	327
	Cancell- ations	Seller	△ 100	△ 122	△ 104	△ 110	△ 134
		Buyer	△ 79	△ 91	△ 79	△ 68	△ 68
		Total	△ 179	△ 213	△ 183	△ 178	△ 202
	Balance	Seller	67	31	57	△ 20	16
		Buyer	27	39	51	96	109
		Total	94	70	108	76	125
	No. of Clients at Q-End	Seller	2,091	2,122	2,179	2,159	2,175
		Buyer	6,567	6,606	6,657	6,753	6,862
		Total	8,658	8,728	8,836	8,912	9,037
FOODS Info Mart Total	Adjustment	Seller	△ 3,827	△ 3,942	△ 4,137	△ 4,203	△ 4,294
		Buyer	△ 1,349	△ 1,421	△ 1,503	△ 1,590	△ 1,665
		Total	△ 5,176	△ 5,363	△ 5,640	△ 5,793	△ 5,959
	Balance	Seller	486	606	642	748	515
		Buyer	26	39	71	105	113
		Total	512	645	713	853	628
	No. of Clients at Q-End	Seller	25,261	25,867	26,509	27,257	27,772
		Buyer	6,730	6,769	6,840	6,945	7,058
		Total	31,991	32,636	33,349	34,202	34,830

(Companies)

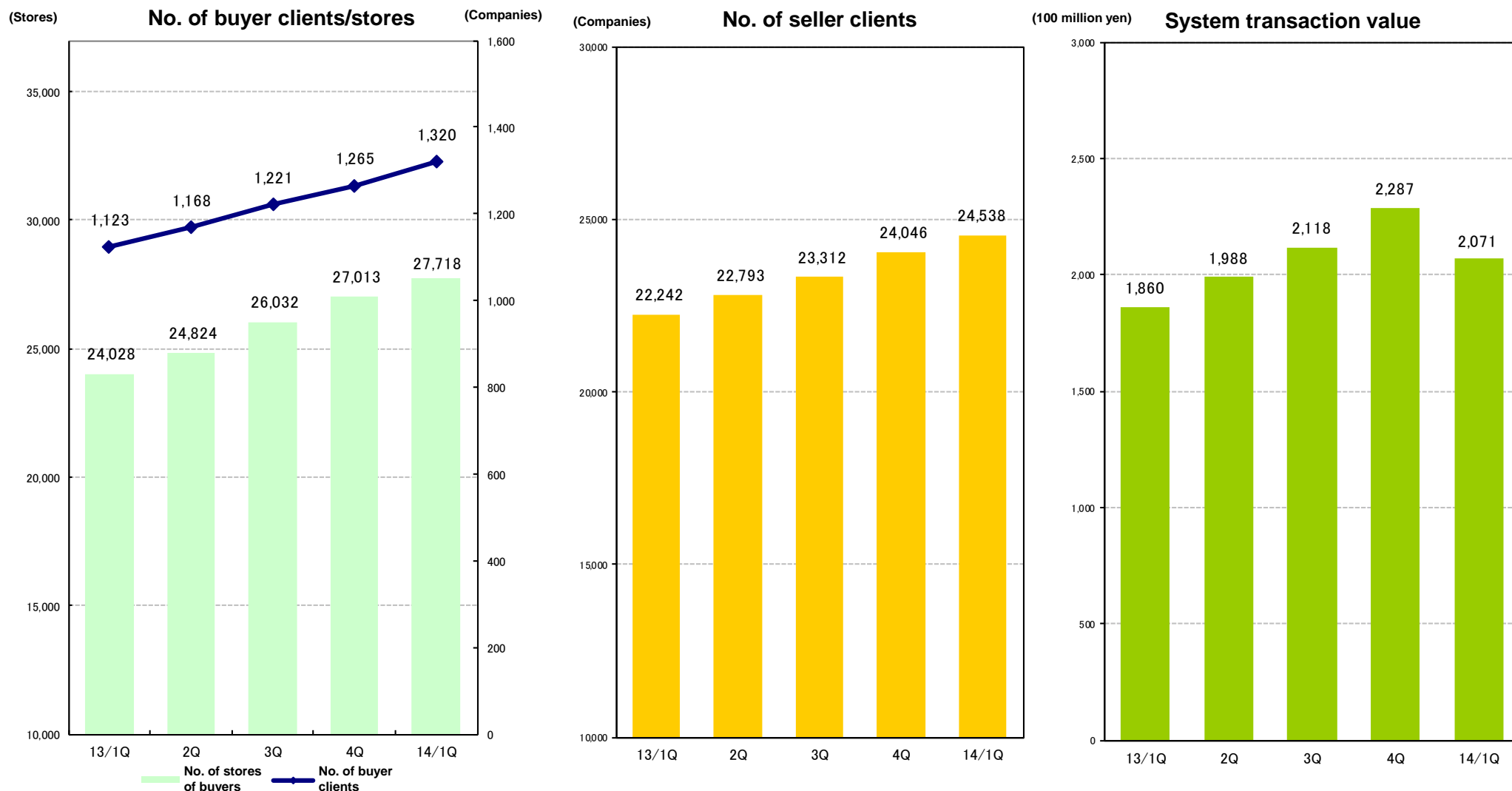


*The number of companies on the bar chart represents the figures at the end of each quarter.

The number of buyer clients, mainly restaurant chains **increased 55 to 1,320 companies** from the end of the previous fiscal year, and the number of stores **increased 705 to 27,718 stores**.

The number of seller clients **increased 492 to 24,538 companies** from the end of the previous fiscal year, and system transaction value **increased to 207.1 billion yen, up 11.3%** from the same period a year earlier.

The number of new users introduced by alliance partners (existing seller clients and alliance system companies) accounts for **45% of the total**.



Buyers **increased 17** to **243 companies** from the end of the previous fiscal year, wholesalers **increased 7** to **298 companies** and food manufacturers **increased 91** to **5,055 companies**.

Use of the system in the company and with business partners increased.

The number of companies using the new “ASP Menu Management System” reached **100 companies** in a year from the launch of the service.

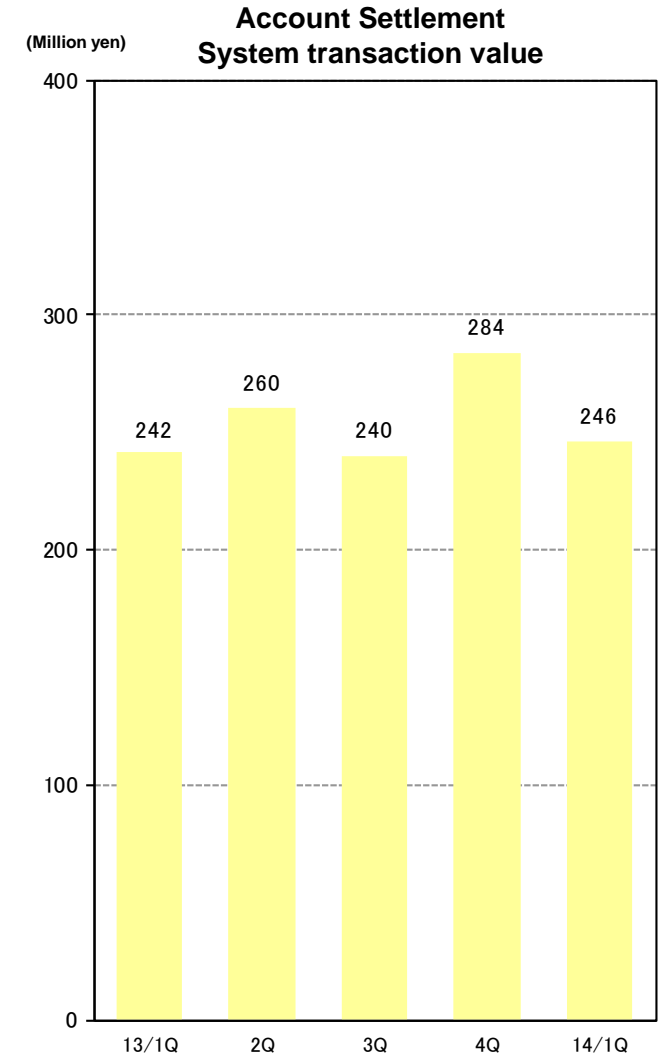
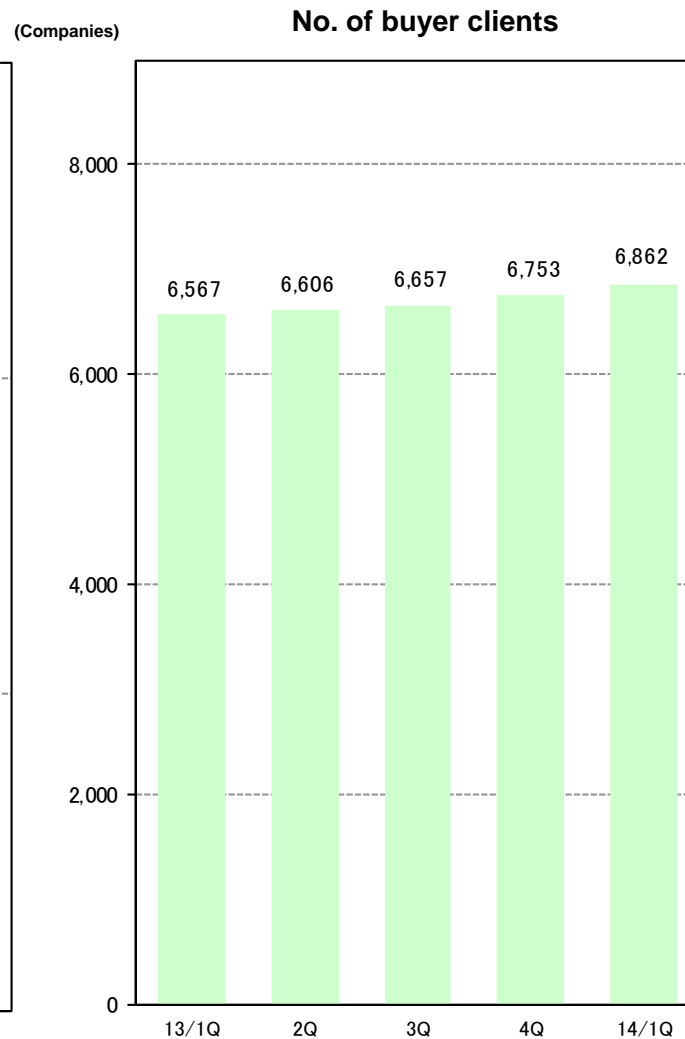
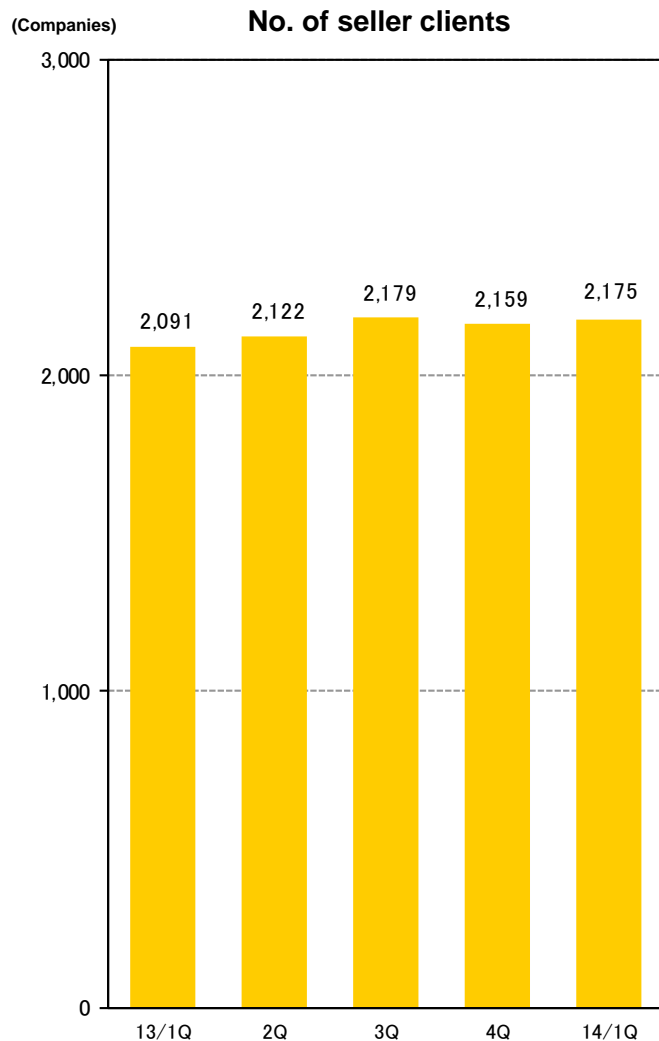


*The number of companies and stores on the bar chart represent the figures at the end of each quarter.

The number of seller clients **increased 16** from the end of the previous fiscal year **to 2,175 companies** and buyer clients **increased 109 to 6,862 companies**.

Attracted more new clients by holding seminars nationwide.

Account Settlement System and Outlet Mart transactions increased in March.



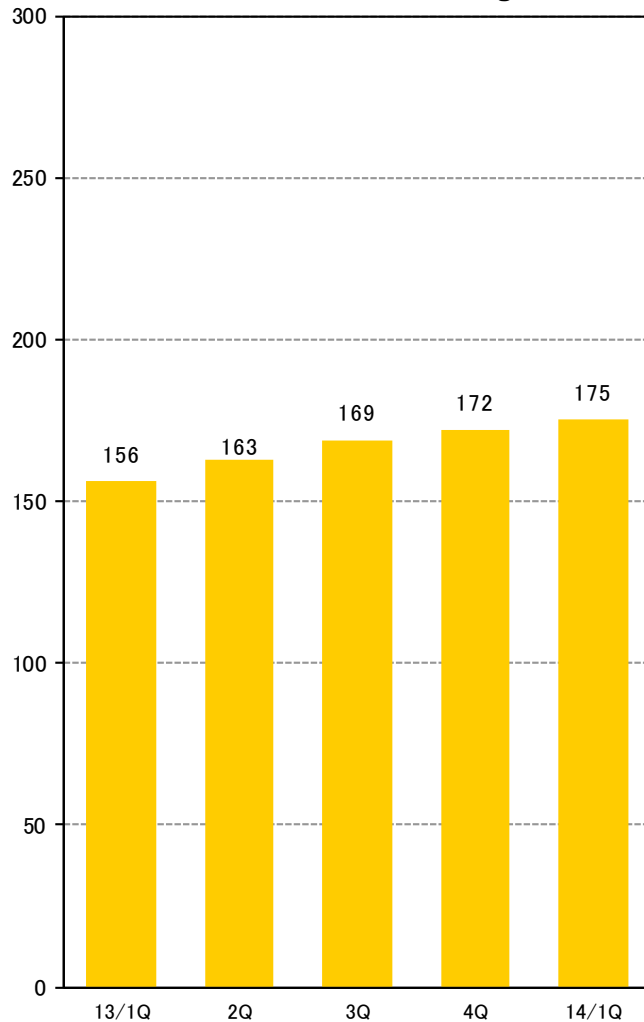
*The number of companies and stores on the bar chart represent the figures at the end of each quarter.

The number of wholesalers receiving orders **increased 3** from the end of the previous fiscal year **to 175 companies**, the number of stores placing orders **increased 418 to 22,785 stores** and transaction value **increased to 10.5 billion yen, up 31.6%** from the same period a year earlier.

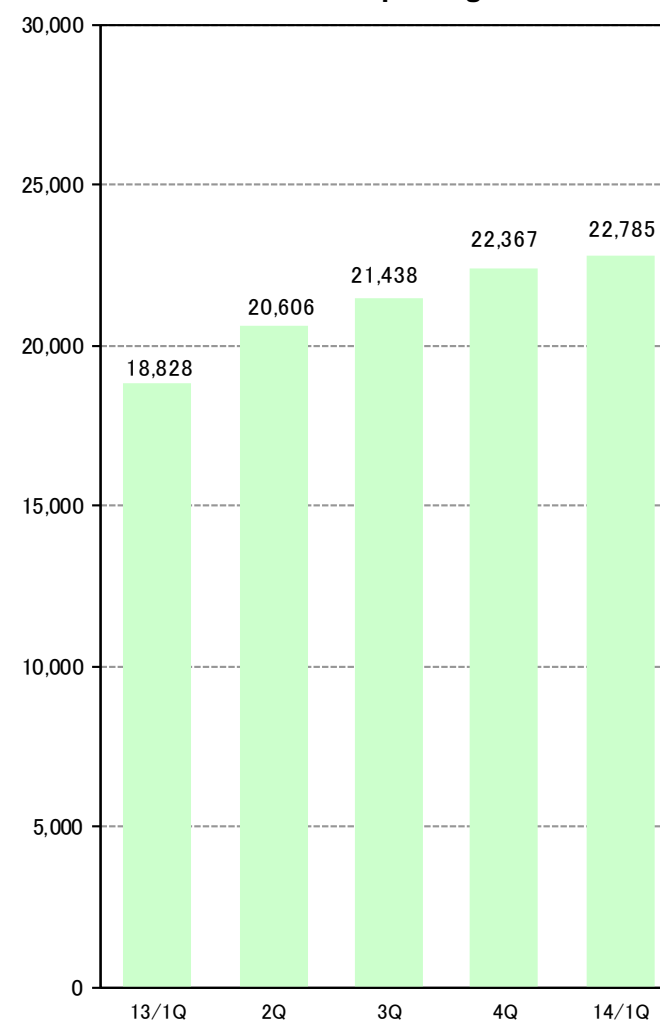
Promoted consulting to increase wholesaler's rate of orders received and sales, and linked data with the main system.

Developed a track record of BtoB (Beauty, Medical Info Mart) in other businesses.

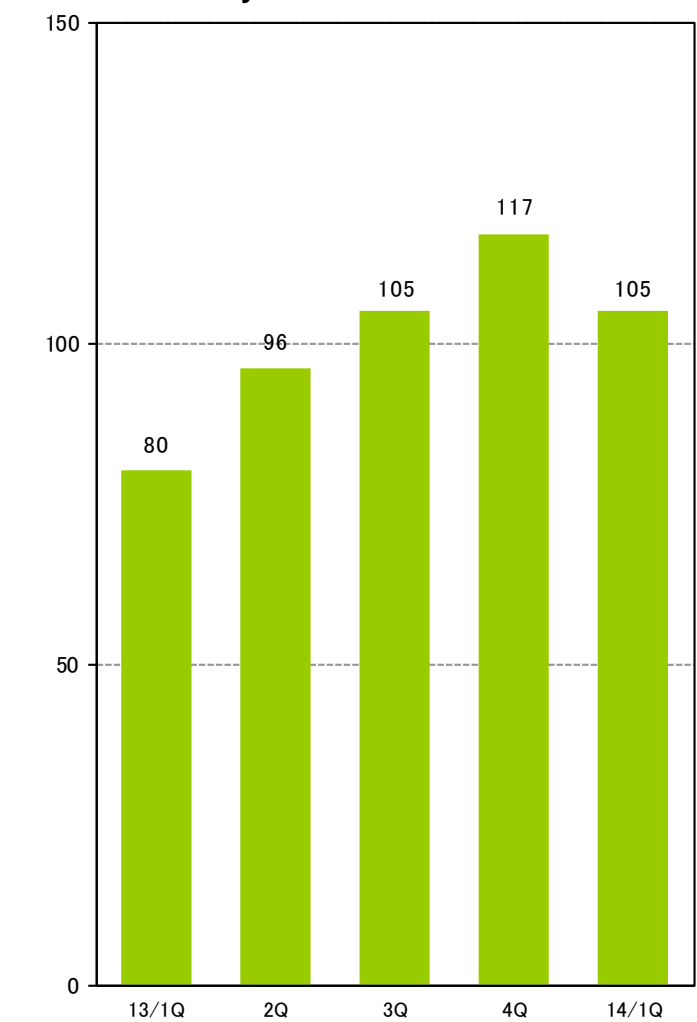
(Companies) No. of wholesalers receiving orders



(Stores) No. of stores placing orders



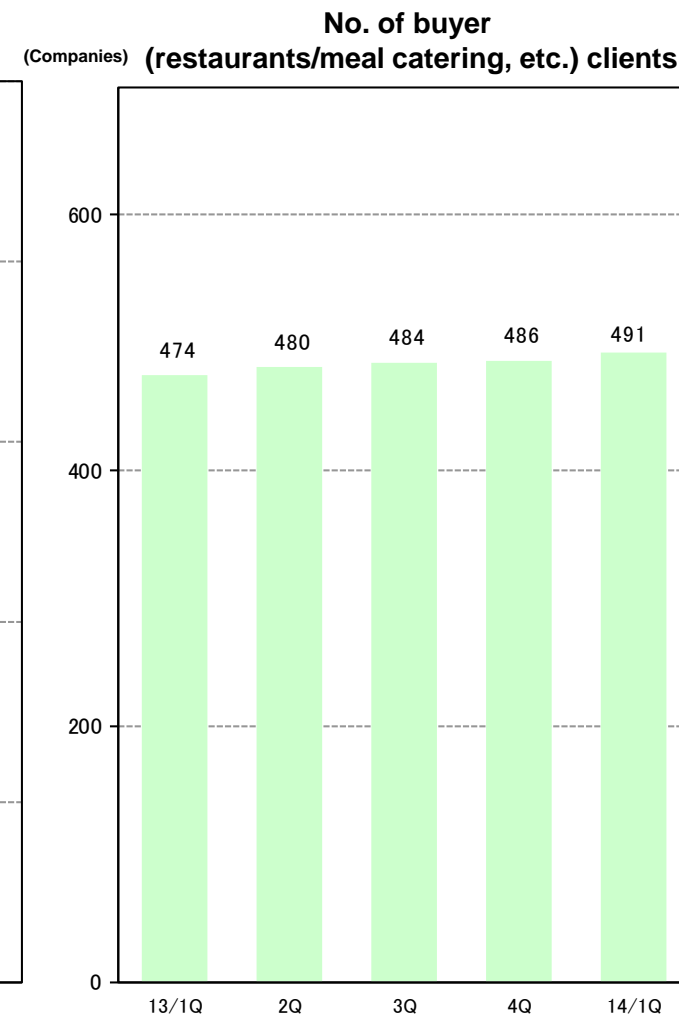
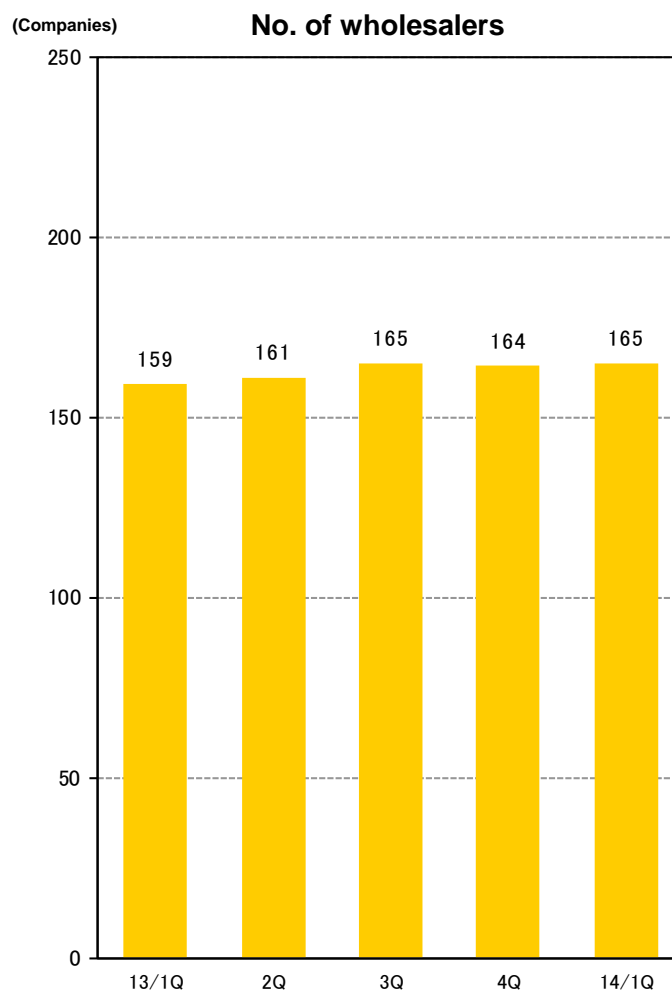
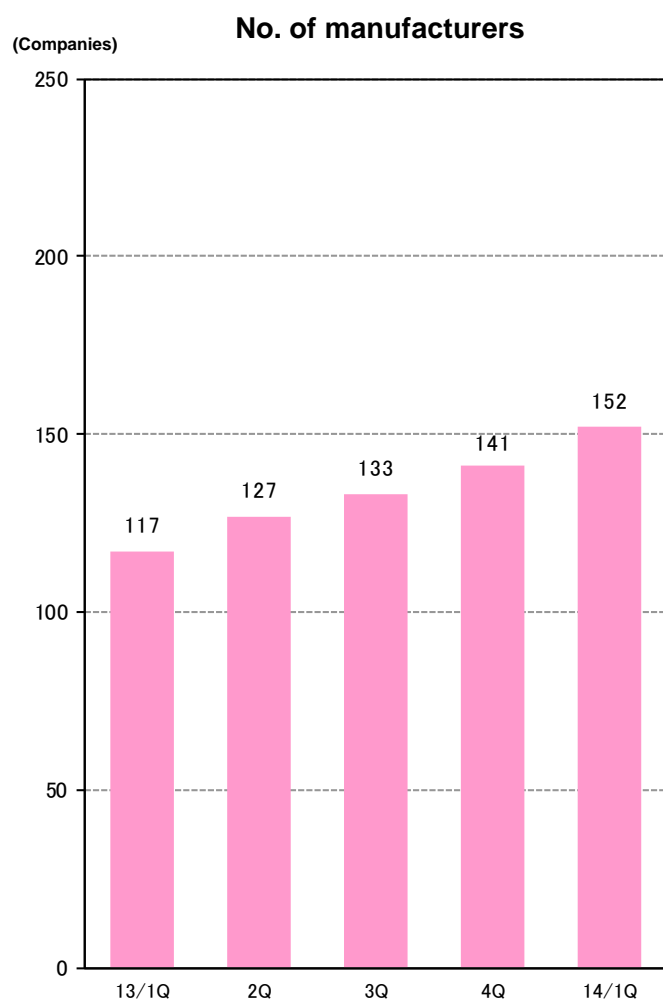
(100 million yen) System transaction value



*The number of companies and stores on the bar chart represent the figures at the end of each quarter.

The number of “Promotion Support System” manufacturers **increased 11** from the end of the previous fiscal year to **152 companies**, the number of wholesalers **increased 1 to 165 companies** and the number of buyer clients **increased 5 to 491 companies**.

Sales of menu (recipe) development services, and social data utilization/analysis services showed steady increases.

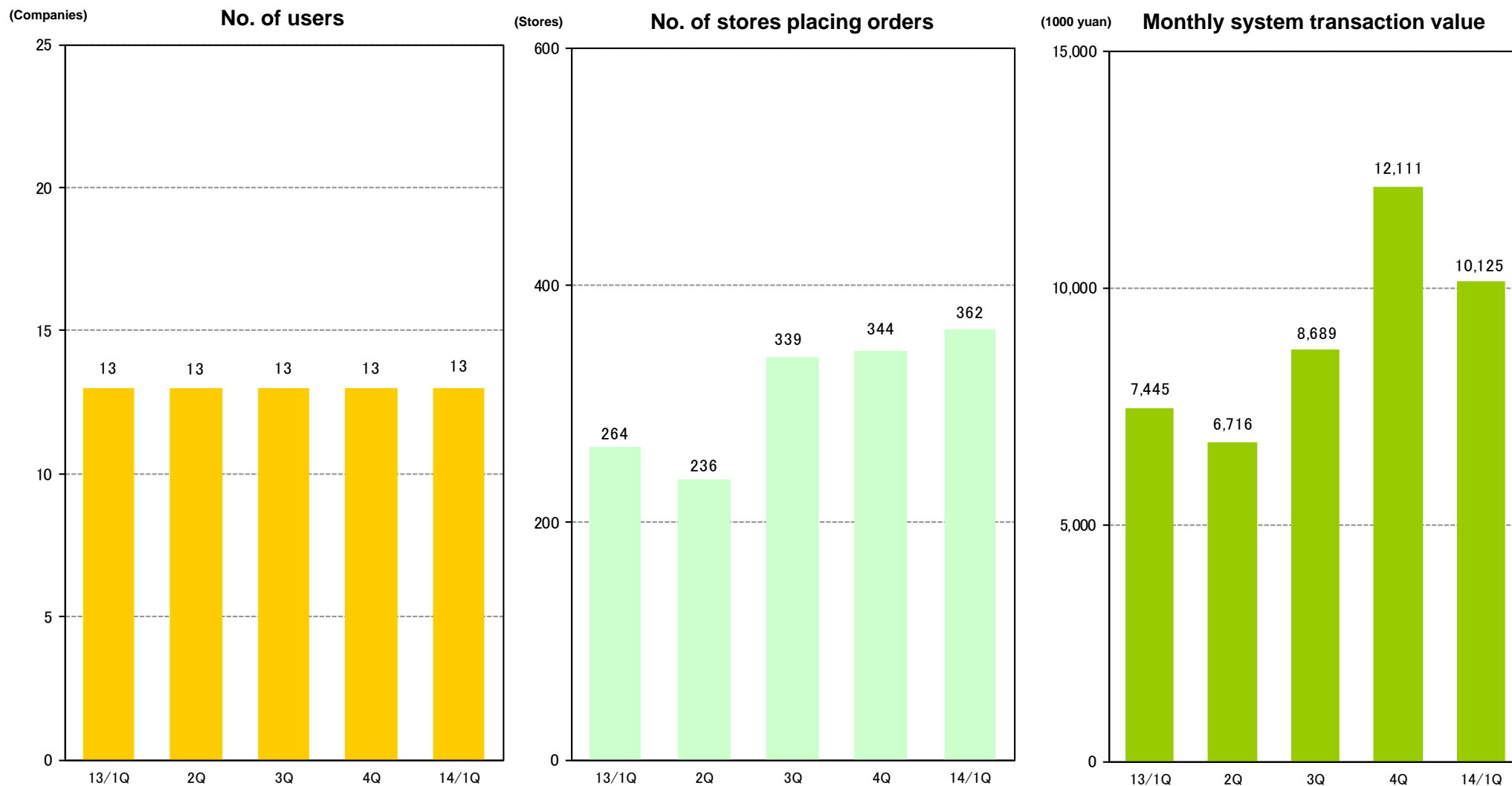


*The number of companies and stores on the bar chart represent the figures at the end of each quarter.

The number of companies using “SaaS System” in China remained at **13 companies** because introductions will be after 2Q.

The number of stores placing orders **increased 18** from the end of the previous fiscal year **to 362 stores** and monthly system transaction value was **10 million yuan** (about 170 million yen), **up 36.0%** from the same period a year earlier.

Contracted system development progressed as planned and sales increased.



*The number of companies and stores on the bar chart represent the figures at the end of each quarter.

*The transaction values on the bar chart represent the figures of the last month of each quarter.

Ⅲ. FY2014 Plan

*It is the third year (final year) of the “FY2012 – FY2014 Medium-Term Management Plan” announced on February 14, 2012.

Strengthening of the food industry B2B business to build it into the industry standard

Aim for more than 36,000 companies that use “FOODS Info Mart” with 1 trillion yen in system transaction value.

Achieving profitability at subsidiaries Infomart International and InfoRise

Increase the number of companies that use “Cloud Service” and “Overseas” to make both segments profitable

Development of B2B outside the food industry

Develop B2B outside the food industry centered on “BEAUTY Info Mart” and “MEDICAL Info Mart” to build a mechanism for IT in each industry

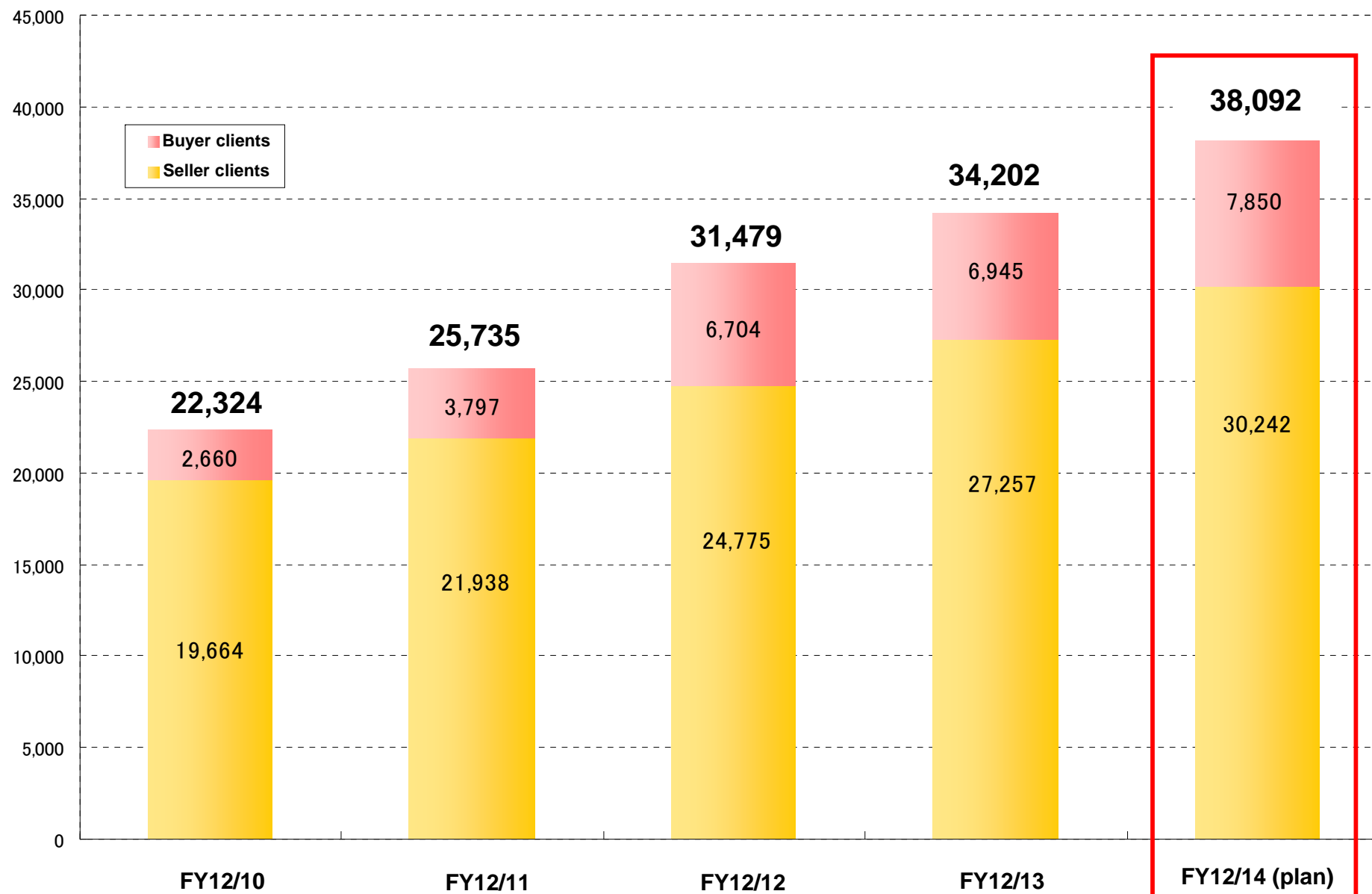
Launch of BtoB & Cloud Platforms

Promote management focusing on IT technology starting with the launch of “the next-generation” BtoB & Cloud Platforms in September 2013.

FY2014 (Planned Number of FOODS Info Mart User Companies)

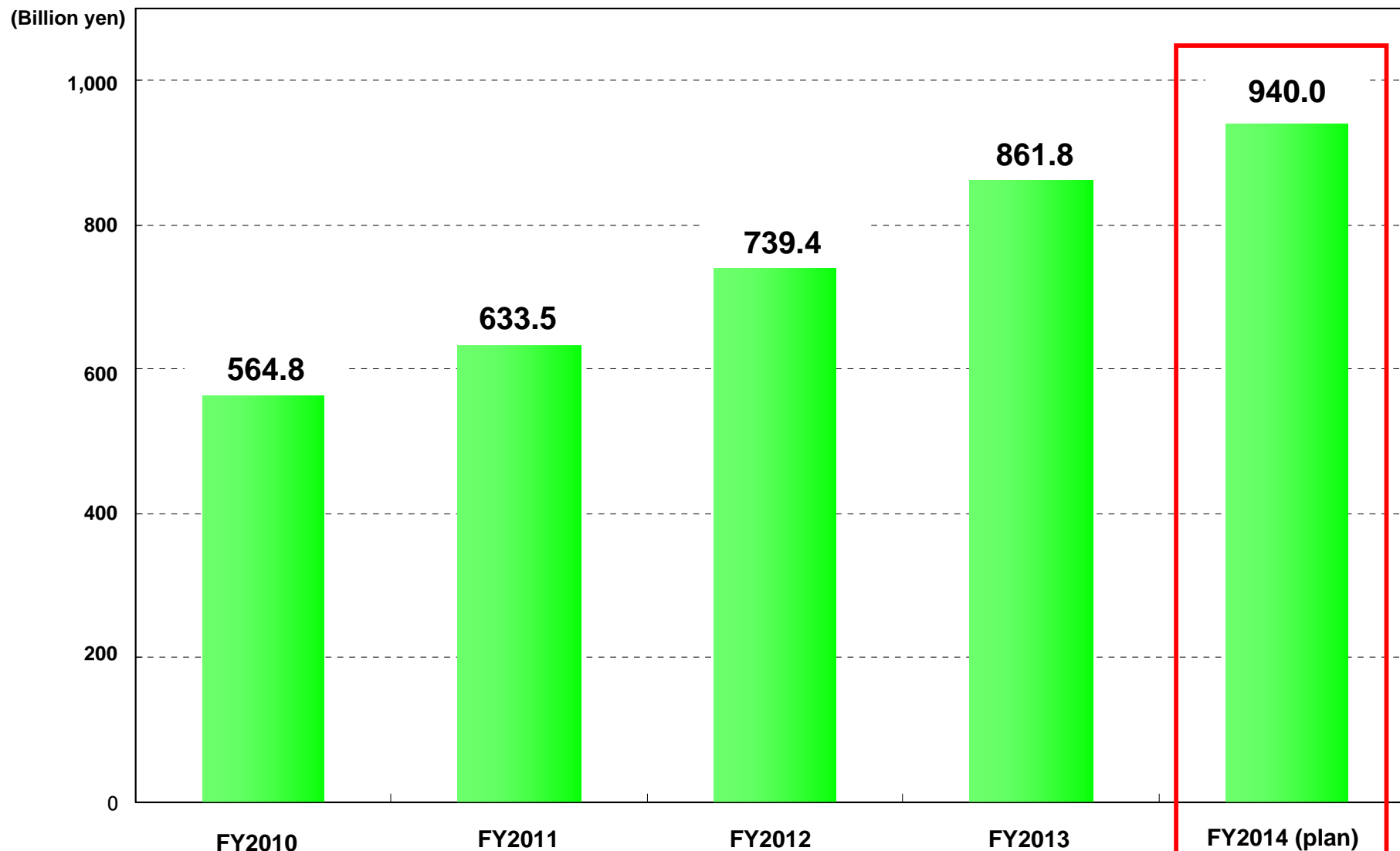
Increase the number of user companies to 38,092 companies,
up 3,890 from the end of the previous fiscal year for food industry's standard platform

(Company)



FY2014 (Planned FOODS Info Mart System Transaction Value)

Expand restaurant market share to 13.5% increasing ASP Ordering System and ASP Sales Promotion & Ordering System by 9.1% YoY to 940.0 billion yen.



Purchase amount will be 6,971.5 billion yen when calculating based on 30% of 2012 restaurant industry market size of 23,238.6 billion yen (Source: Foodservice Industry Research Institute data) and infomart's 2013 transaction value of 861.8 billion yen is 12.4% of the entire market size. (infomart's calculation)

(Million Yen)

	FY12/13 Actual	FY12/14 Plan	YoY
Sales	4,339	5,212	20.1%
CoGS	1,490	1,161	-22.1%
Gross Profit	2,849	4,053	42.3%
SG&A	1,754	2,017	15.0%
Operating Profit	1,094	2,035	85.9%
Recurring Profit	1,107	2,026	83.0%
Net Income	631	1,214	92.4%
RPM	25.5%	38.9%	13.4%

TOPICS

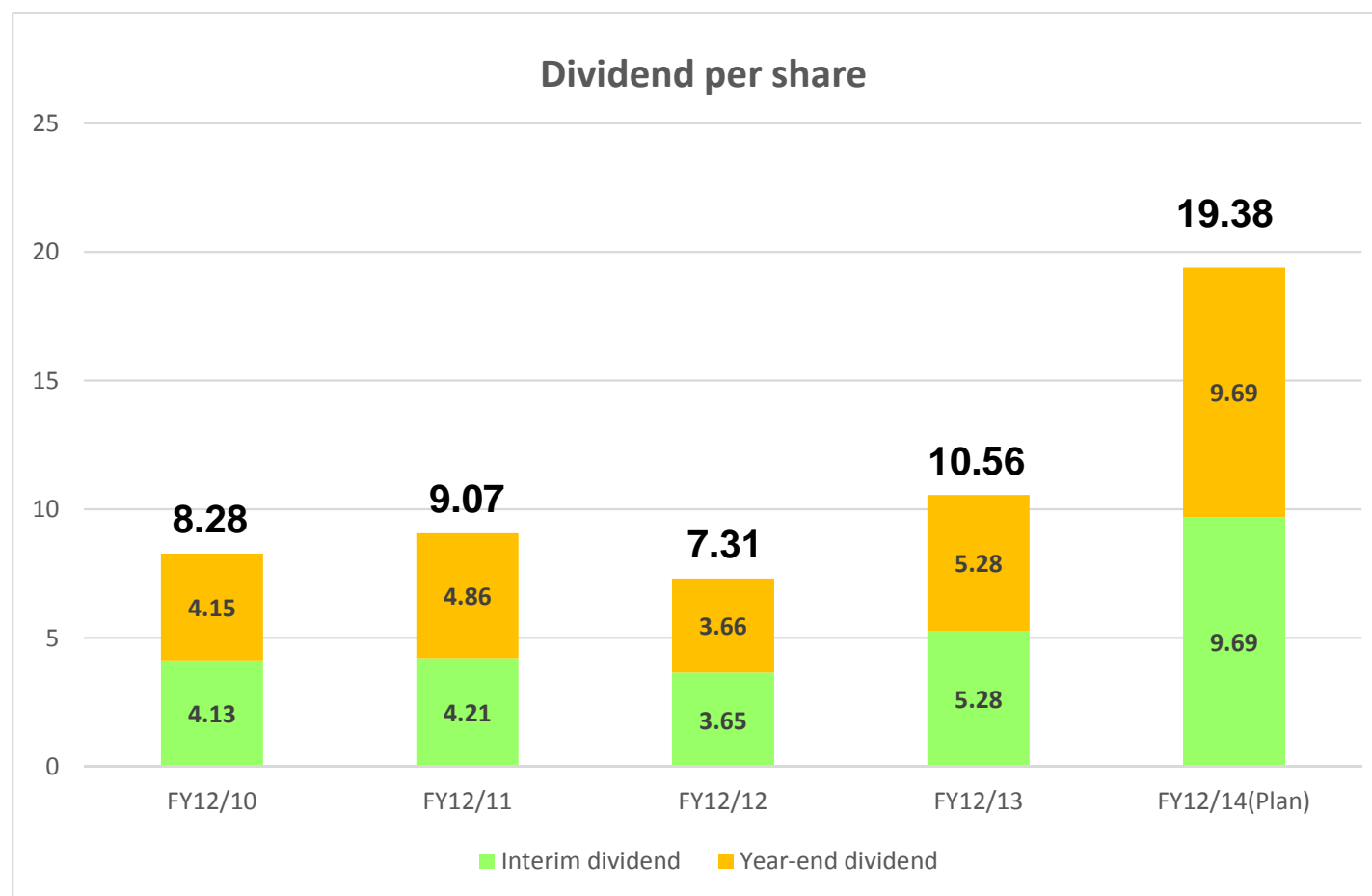
- ☐ **Net sales:** Increase in system usage fees due to increase in the number of user companies of six businesses
- ☐ **Cost of sales:** Depreciation of the existing platform associated with the release of “next-generation platform” completes at the end of the previous fiscal year and software depreciation decreases substantially.
- ☐ **SG&A expenses:** Increase in personnel expenses due to increase in personnel (mainly new graduates) toward future business growth, etc.
- ☐ **Operating income:** Substantial increase due to increased sales and reduced costs. “ASP Sales Promotion & Ordering System” and “Cloud Service” turn profitable.

*There are no changes to the above forecasts from the planned figures in the “FY2012-FY2014 Medium-Term Management Plan” announced on February 14, 2012.

IV. Shareholders Return

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.

(Yen)



(Note) The company conducted a 200-for-1 stock split on January 1, 2013, a 2-for-1 stock split on July 1, 2013 and a 2-for-1 stock split on January 1, 2014. Dividends on the bar chart are calculated assuming that the stock splits were conducted.

V . Supplementary Materials

Monthly system usage fees are major revenue streams

System	Monthly payment plans
ASP Ordering System	<p>Buyers – Chain restaurant HQs: 18,000 yen; Restaurants/stores: 1,300 yen *Initial fee 300,000 yen – 1,000,000 yen (depending on the no. of restaurants/stores)</p> <p>Sellers – Choose between flat and volume-linked fees Flat rate: 28,000 yen; Additional ID: 800 yen Volume-linked fee: 1.1% of monthly transaction value (Volume worth less than 100,000 yen is free)</p>
ASP Sales Promotion & Ordering System	<p>Sellers transaction value based system (1)+2)+3))</p> <ol style="list-style-type: none"> 1) 3.0% of monthly transaction value up to 10 million yen in monthly transactions 2) 0.5% of monthly transaction value above 10 million yen in monthly transactions 3) 0.1% of monthly transaction value above 100 million yen in monthly transactions <p>*Initial fee 300,000 yen</p>
ASP Food Standards Database	<p>Buyers 30,000 yen *Initial fee 300,000 yen- Wholesalers 25,000 yen *Initial fee 50,000 yen- Food manufacturers choose between a flat rate or volume-linked fee Flat rate fee 25,000 yen Volume-linked fee 1,000 – 15,000 yen</p>
ASP Matching & Transaction System	<p>Buyers 5,000 yen Sellers 25,000 yen (Optional services)</p> <ul style="list-style-type: none"> • Account Settlement System (Commission for sellers: Handling charge of 5% of transaction value) • Outlet Mart (Commission for sellers: Handling charge of 10% of transaction value)



**Aim to be a global B2B infrastructure
company providing B2B platforms
across various sectors by 2020.**

This material is prepared based on economic, social and other situations, and certain assumptions that the company deems to be reasonable as of April 30, 2014. 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.