

Financial Result for Q2

Fiscal year Ending March 31, 2018

Infoteria Corporation (TSE:3853)

November 13, 2017



Corporate Profile

As of September 30, 2017

- ✓ Founded: **September 1998**
- ✓ Business: **“Tunagu” software development and sales**
- ✓ Locations: **9 locations globally after This Place Limited acquisition.**

England

● **London**

China

● **Hangzhou**
● **Shanghai**
● **Hong Kong**

Japan

● **Tokyo**
● **Osaka**

U.S.A.

● **Seattle**
● **Cupertino**

Singapore

✓ Capital

✓ Employee

✓ Philosophy

2,268,410,000yen
112 (Consolidated)
Challenge for Ideas
Global perspective
Chain of Happiness



President and CEO
Yoichiro Hirano

Highlights

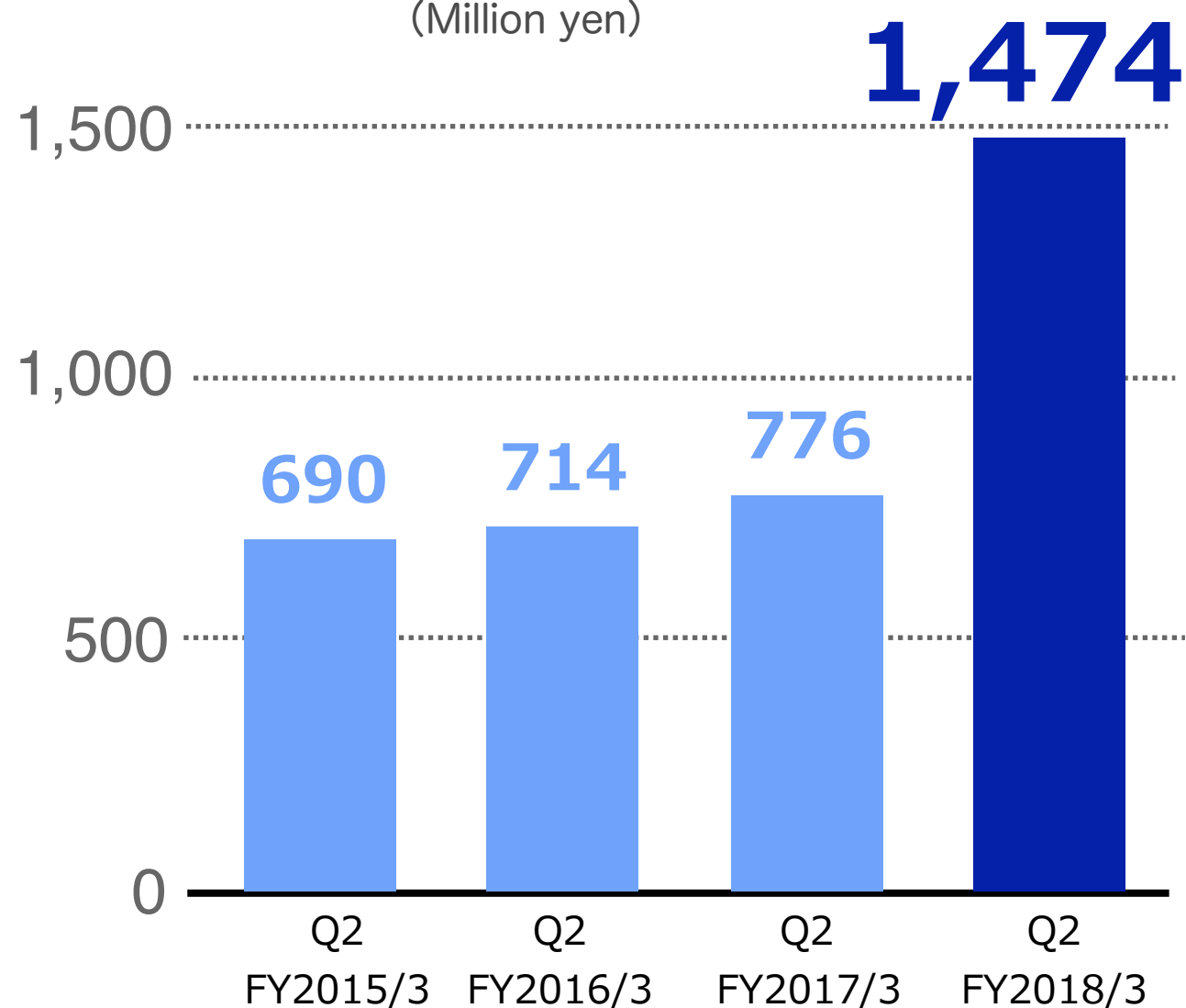
Q2 FY Ending 2018/3
(IFRS)

**Significant
Increase in
Revenue and Profit**

✓ Revenue: **89.9% up**
✓ Operating profit: **143.3% up**
(Compared with Q2 FY2017/3)

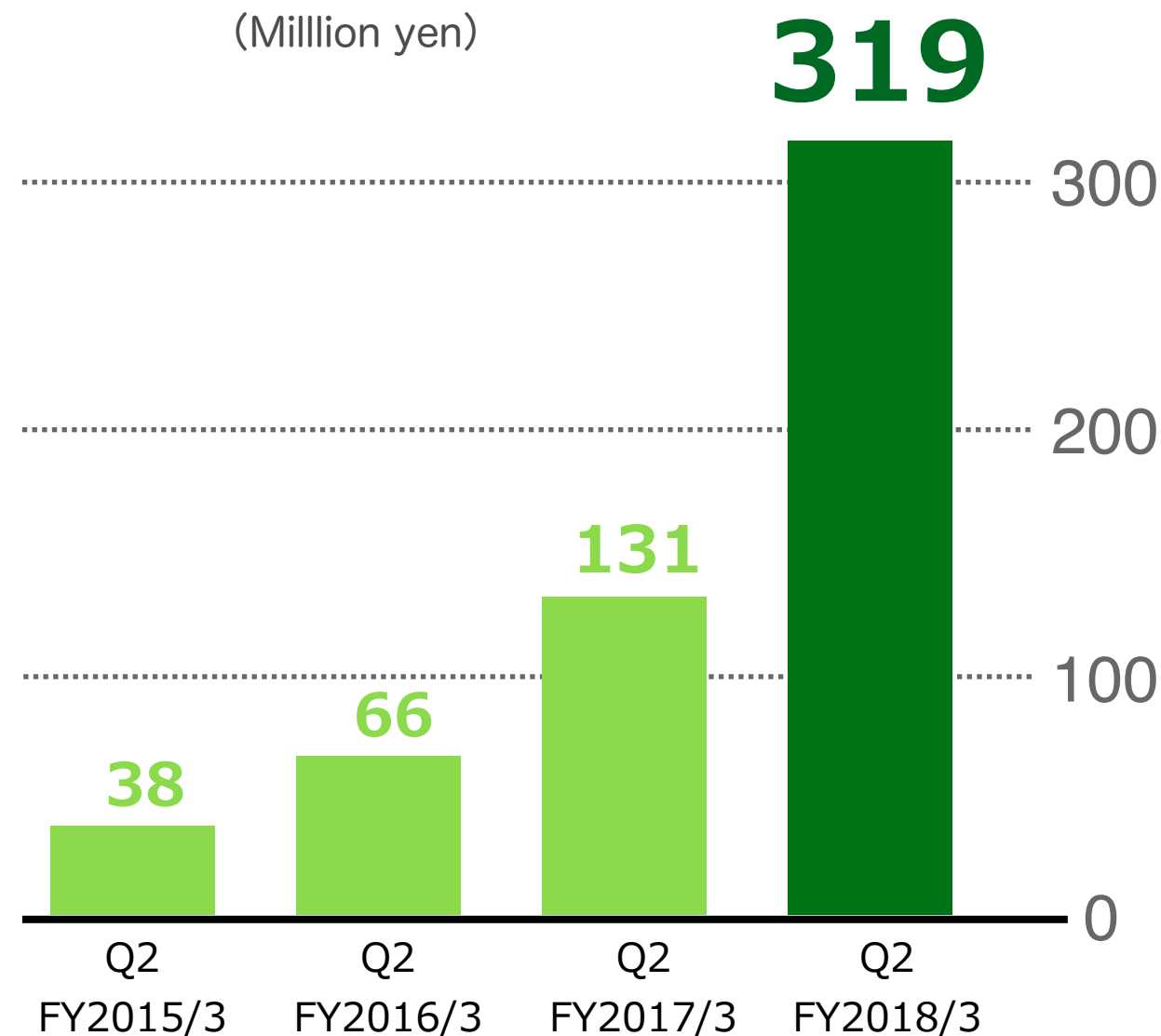
Revenue

(Million yen)



Operating profit

(Million yen)

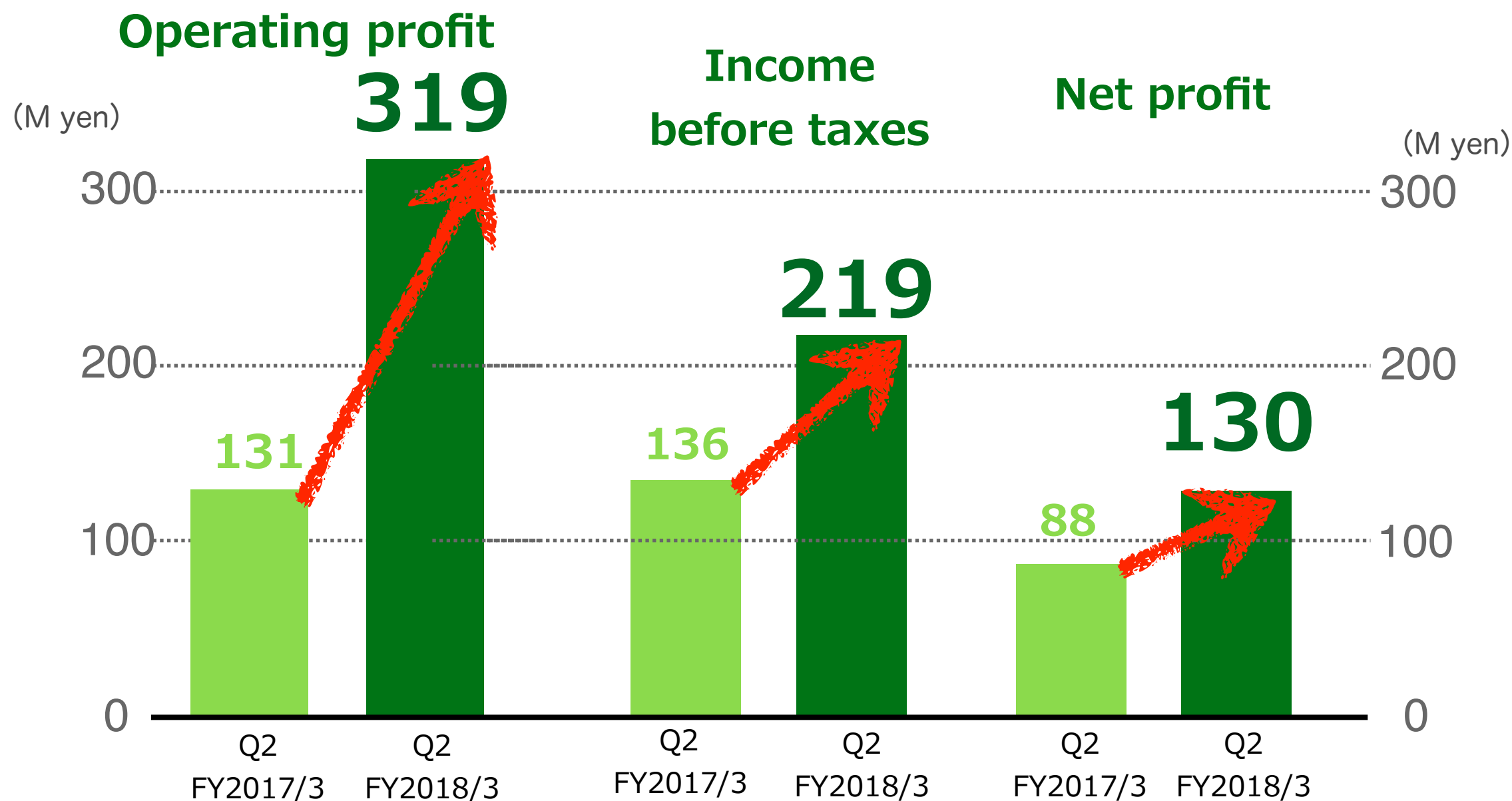


※IFRS basis

**Significant
Increase in
Revenue and Profit**

- ✓ **Operating profit:** **143.3% up**
- ✓ **Income before taxes:** **61.0% up**
- ✓ **Net profit:** **47.8% up**

(Compared with Q2 FY2017/3)

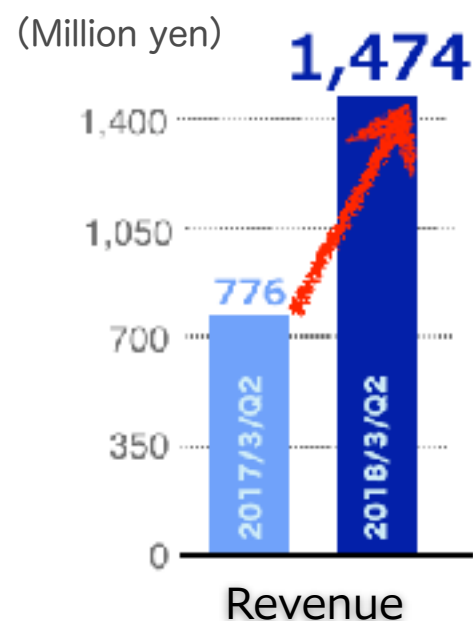


※IFRS basis

Q2 FYE 2018/3

Reason of Strong Results

- ✓ Revenue: **Highest ever**
- ✓ Operating profit: **Highest ever**
- ✓ Net profit: **Highest ever**



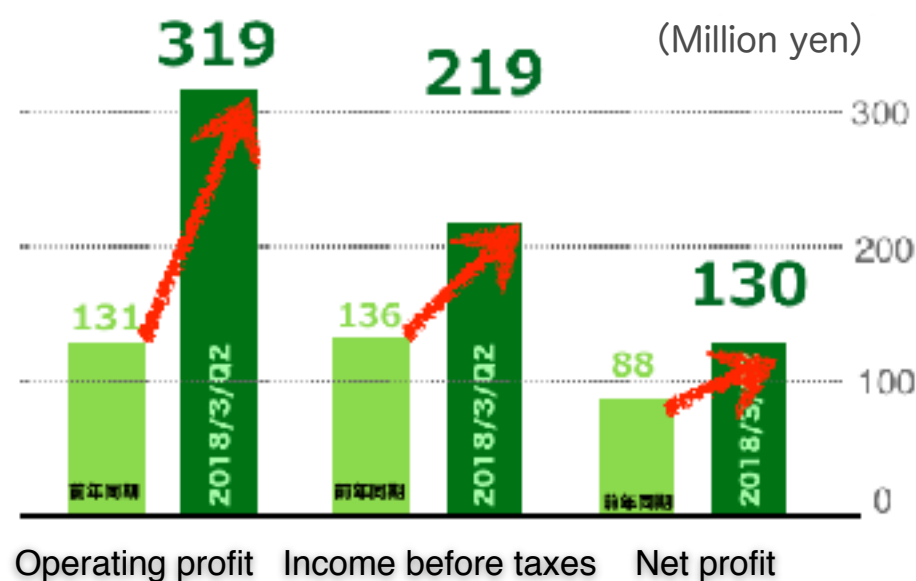
Revenue

“Design Service” contributed significantly

- Additional sales from This Place Limited merger

Strong growth of core products & service

- ASTERIA: **14.9% up**、Handbook: **11.3% up**



Profit

- ✓ Operating margin improved significantly in spite of This Place Limited merger expense.
- ✓ Income before taxes increased in spite of foreign exchange loss, 95 million yen.

Sales by Product

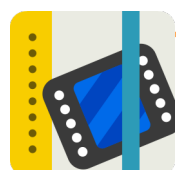
- ASTERIA, Handbook sales increased **double digits**. Design Service sales contributed significantly.



ASTERIA

“Adapter development program” increased integration partner companies. Market share No.1 for continuous 11 years.

- ✓ Revenue **740 million yen** (**14.9%** up)
- ✓ Total **6,497** companies have integrated ASTERIA



Handbook

Latest version, Handbook 5 delivery launched.
Expanded implementation by the functional expansion.

- ✓ Revenue **132 million yen** (**11.3%** up)
- ✓ **1,326** organizations have signed up for accounts.



Others

Design Service, Platio, Gravio, SnapCal, lino and ExtenXLS

- ✓ Revenue **602 million yen** (**13,284,000** yen Q2 FY2017/3 actual)
- ✓ Design Service accounted for majority of others sales.

Financial Details

Q2 FY Ending 2018/3
(IFRS)

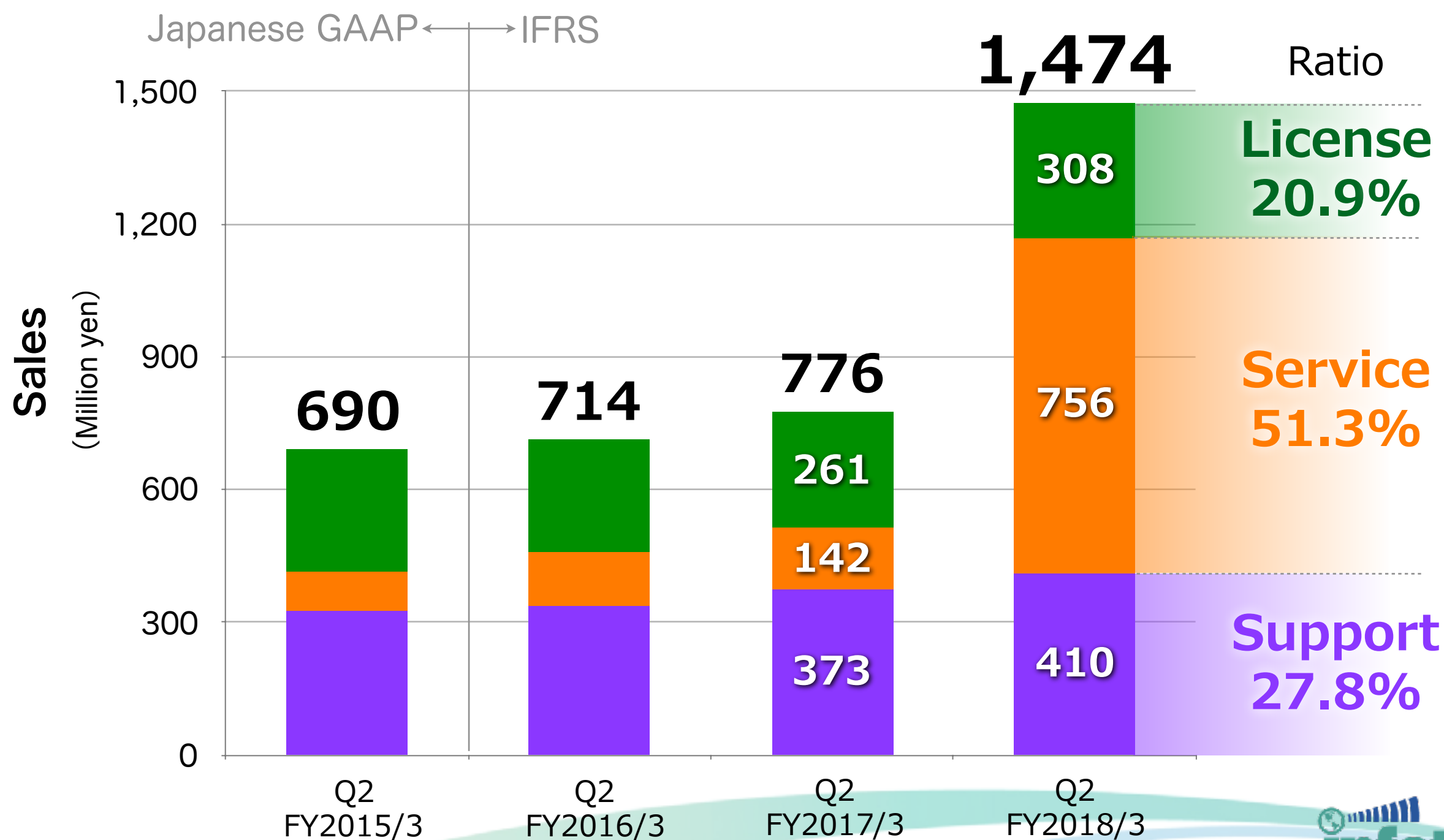
Profit and Loss

- Revenue **189.9%**, gross margin **168.2%** (compared with Q2 FY2017/3)
- Gross margin 130 million yen **147.8%** (compared with Q2 FY2017/3)

(Million yen)	Q2 FY2015 (Japanese GAAP)	Q2 FY2016 (IFRS)	Q2 FY2017 (IFRS)	Q2 FY2018 (IFRS)	Compared with Q2 2017
Revenue	690	714	776	1,474	189.9%
Gross Margin	571	595	671	1,128	168.2%
SG&A	532	527	539	804	149.0%
Operating profit	38	66	131	319	243.3%
Income before taxes	26	61	136	219	161.0%
Net profit	▲10	▲0	88	130	147.8%

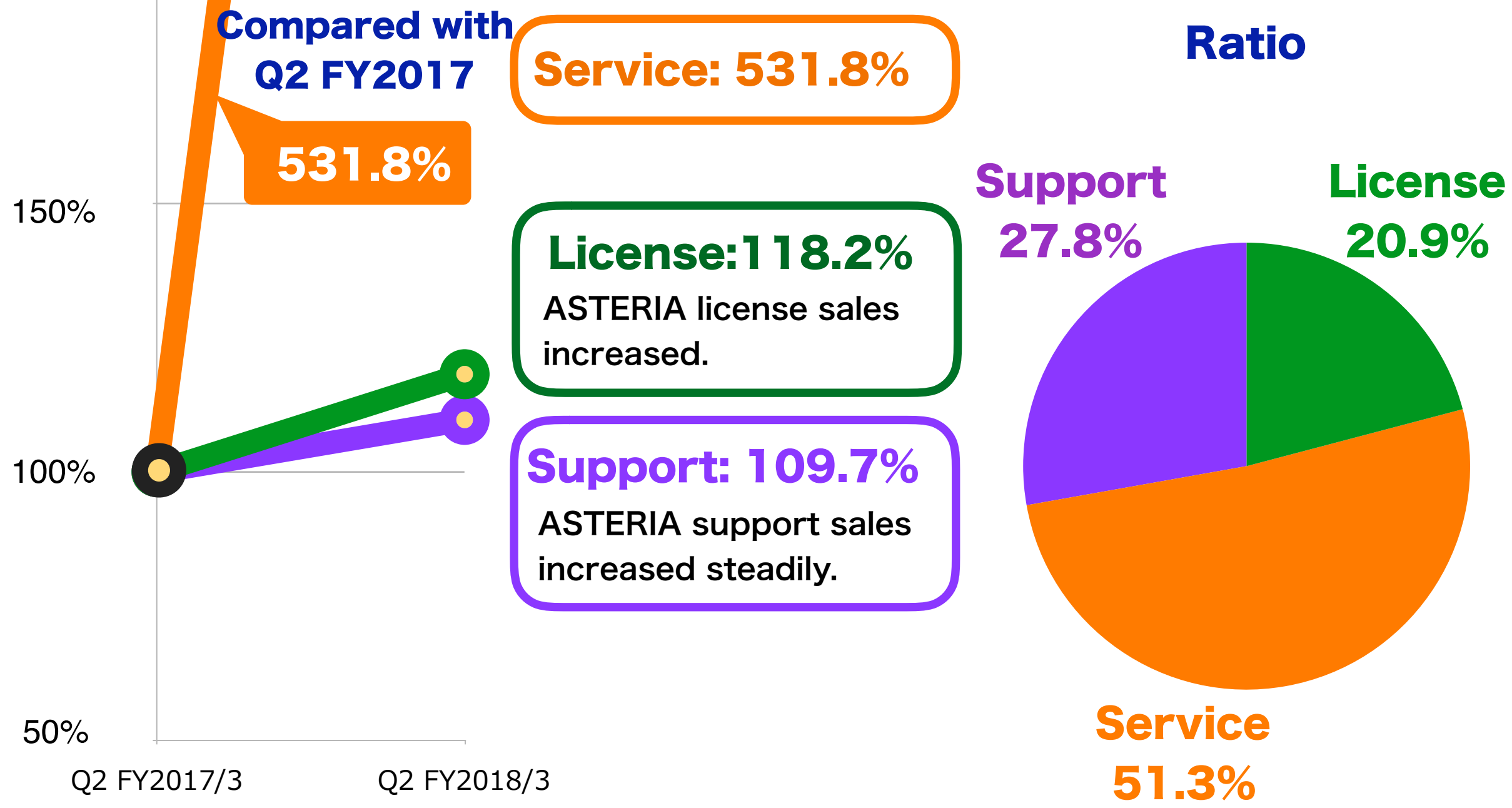
Revenue Details

- Service revenue grew to more than 50% of total revenue.
- License revenue grew more than 15% and resulted in 20%+ of total sales.



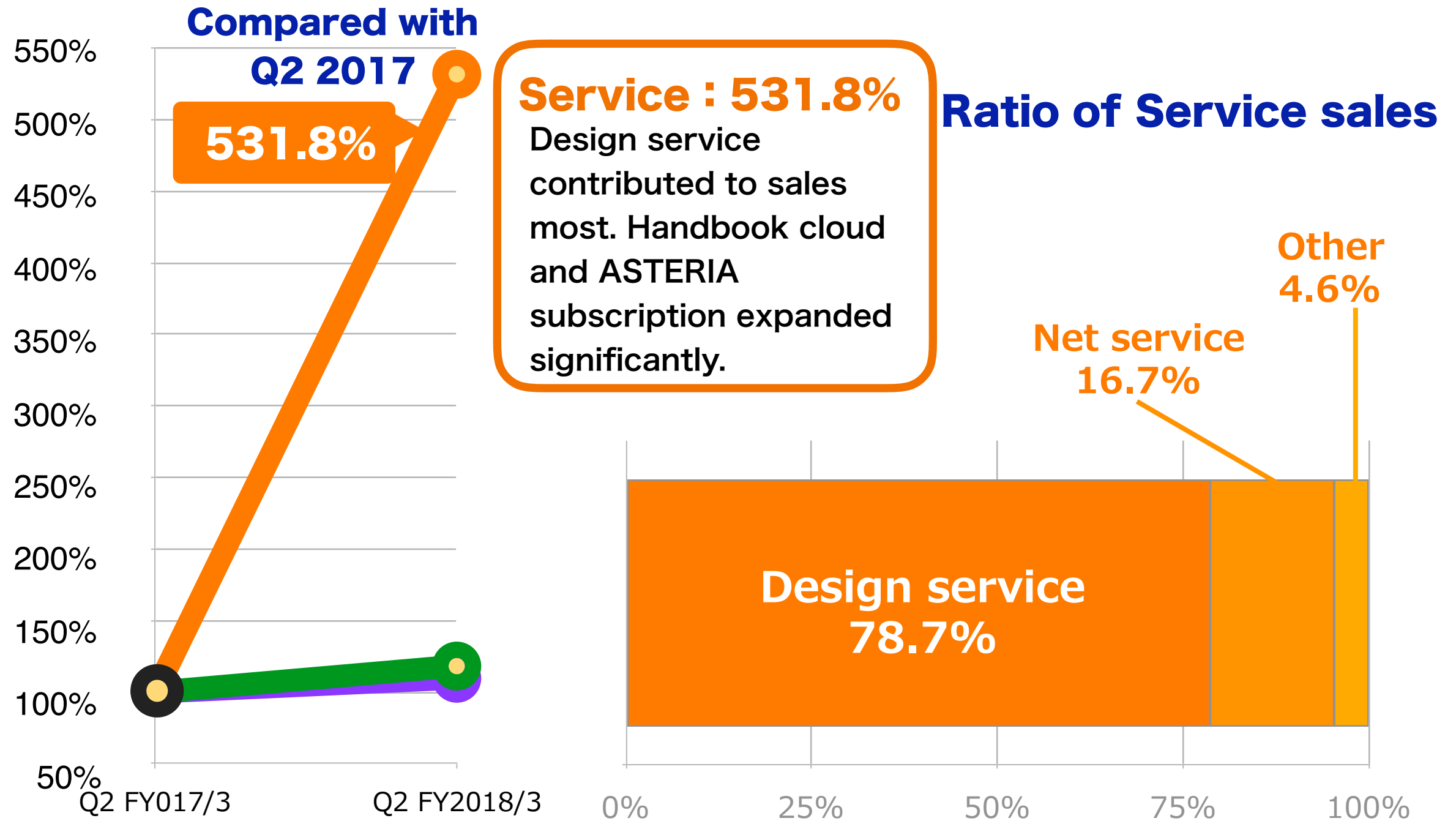
Revenue mix

- Service revenue grew significantly while License and Support revenue grew.
- Service revenue is now more than 50% of total revenue.



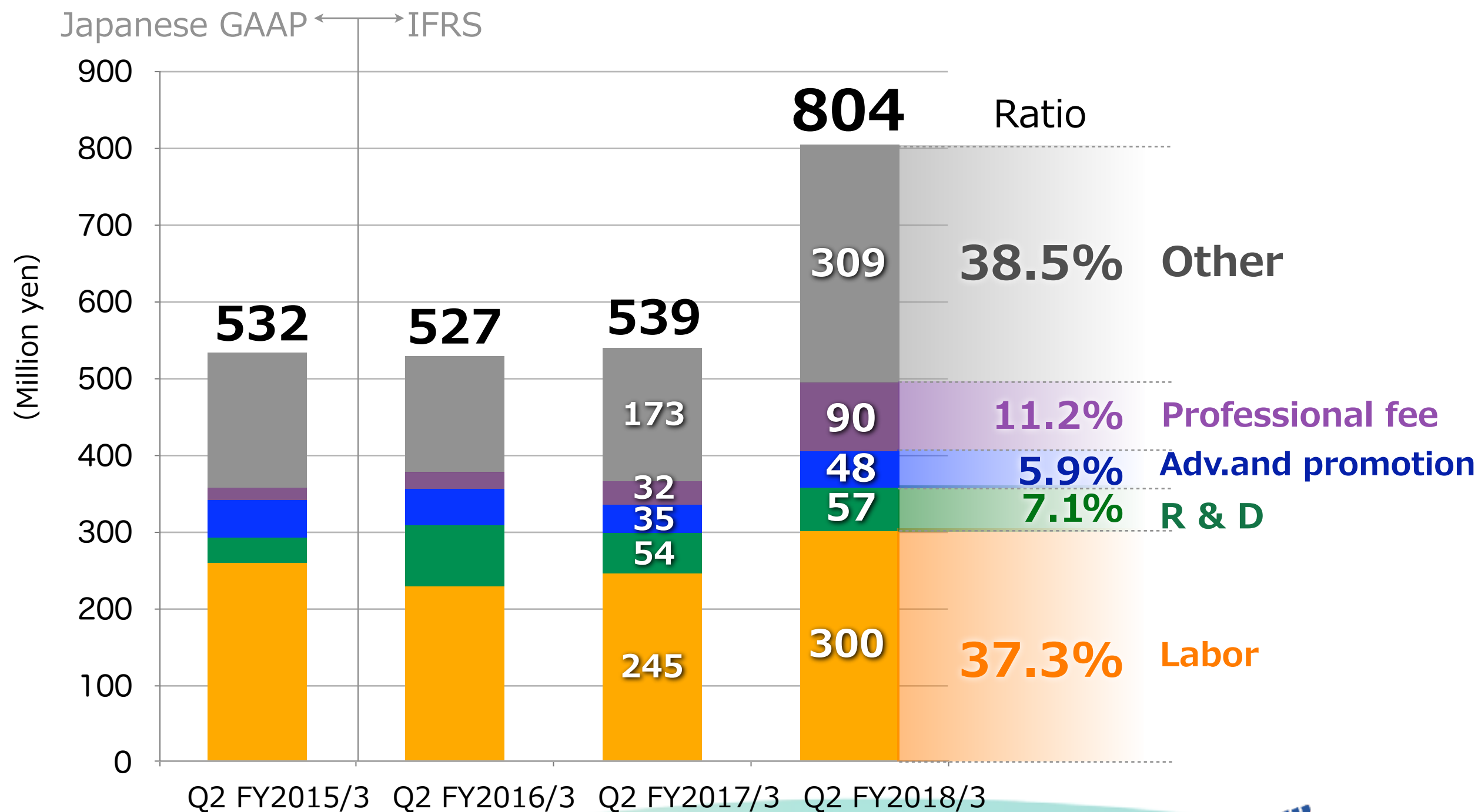
Detail of Services revenue

- “Design service” is almost 80% of total “services” revenue.
- “Other” consists of subscription service and educational service.



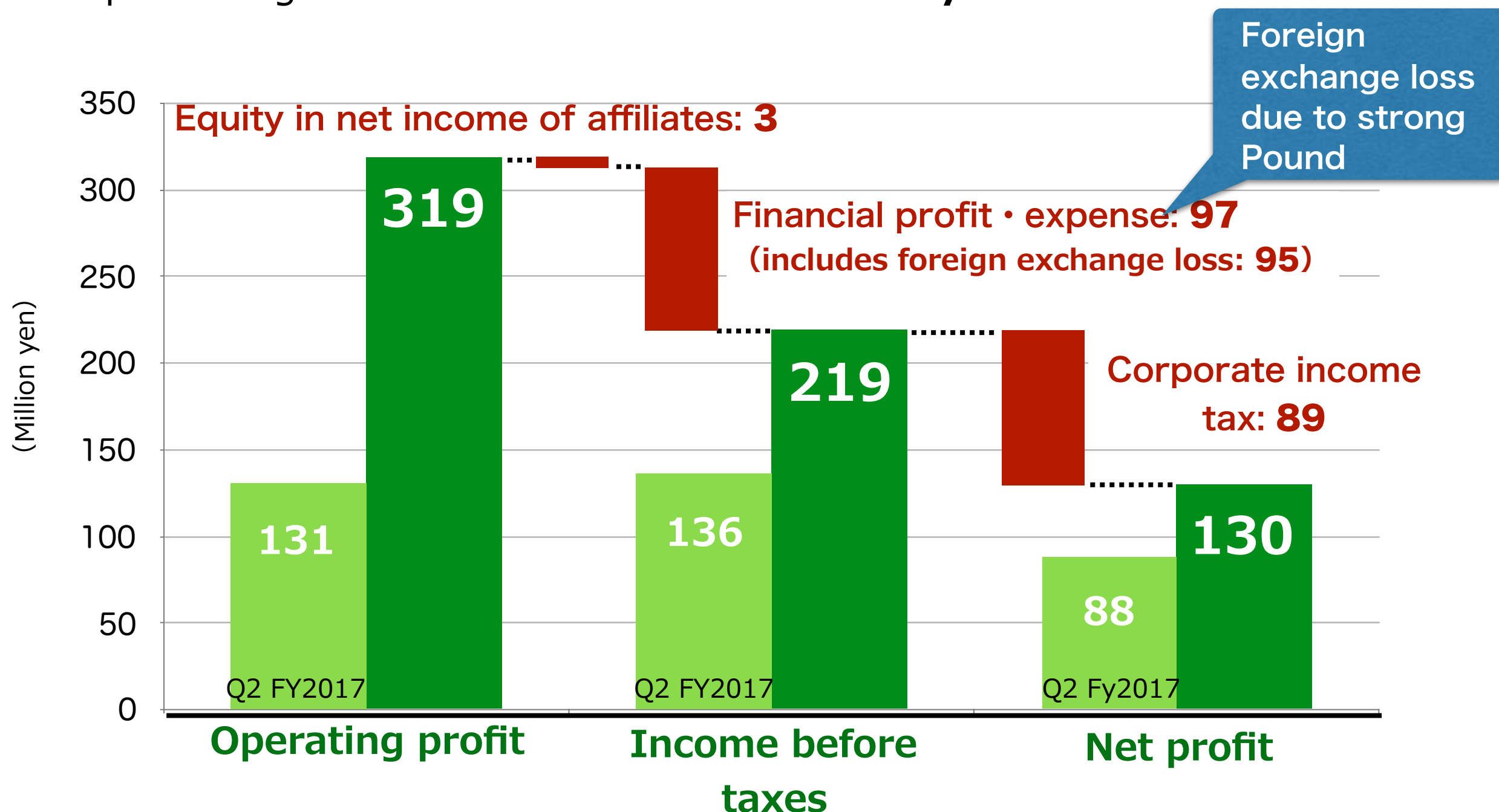
SG&A

- Continuous increase: "Labor" cost increased due to This Place acquisition.
- One-time increase: "Professional fee" increased by acquisition expenses.



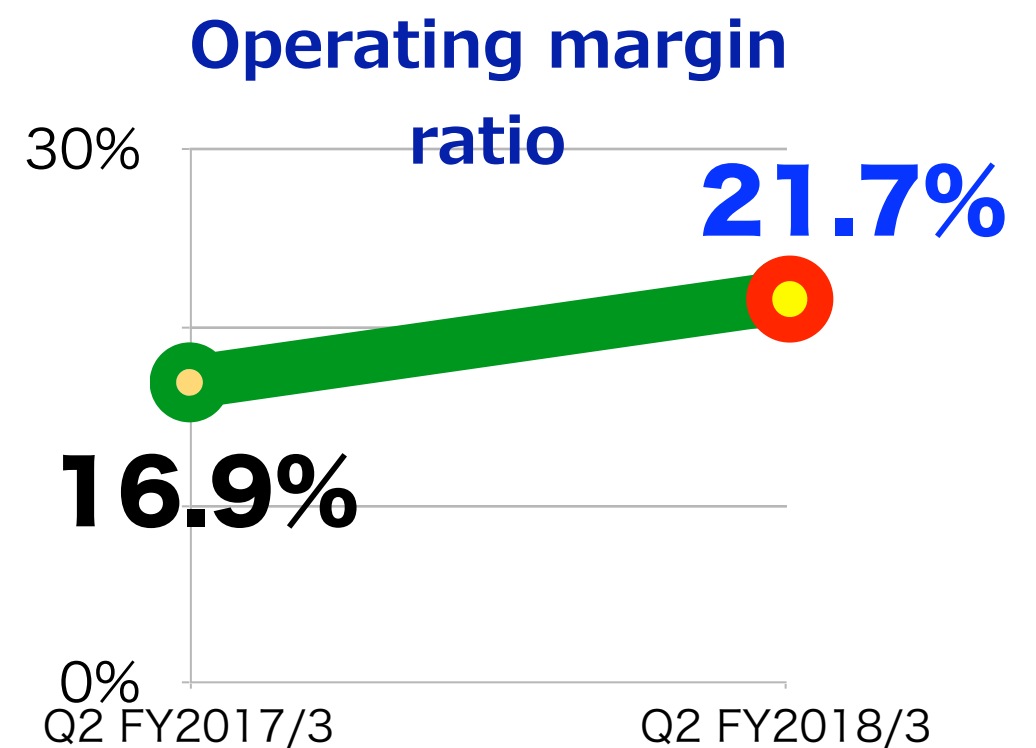
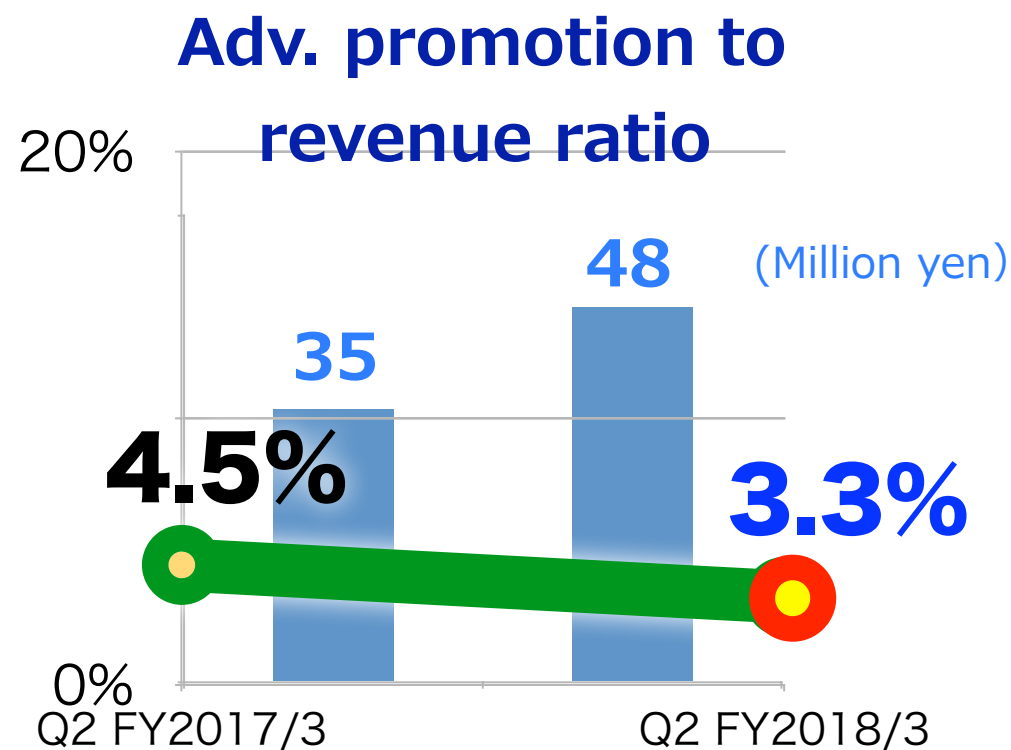
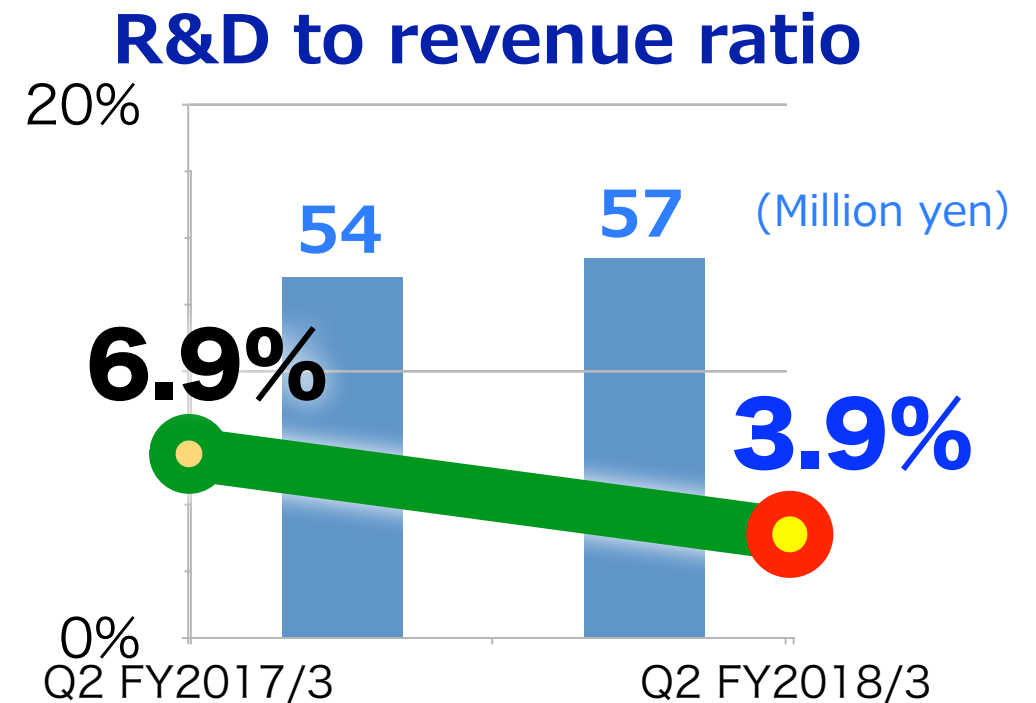
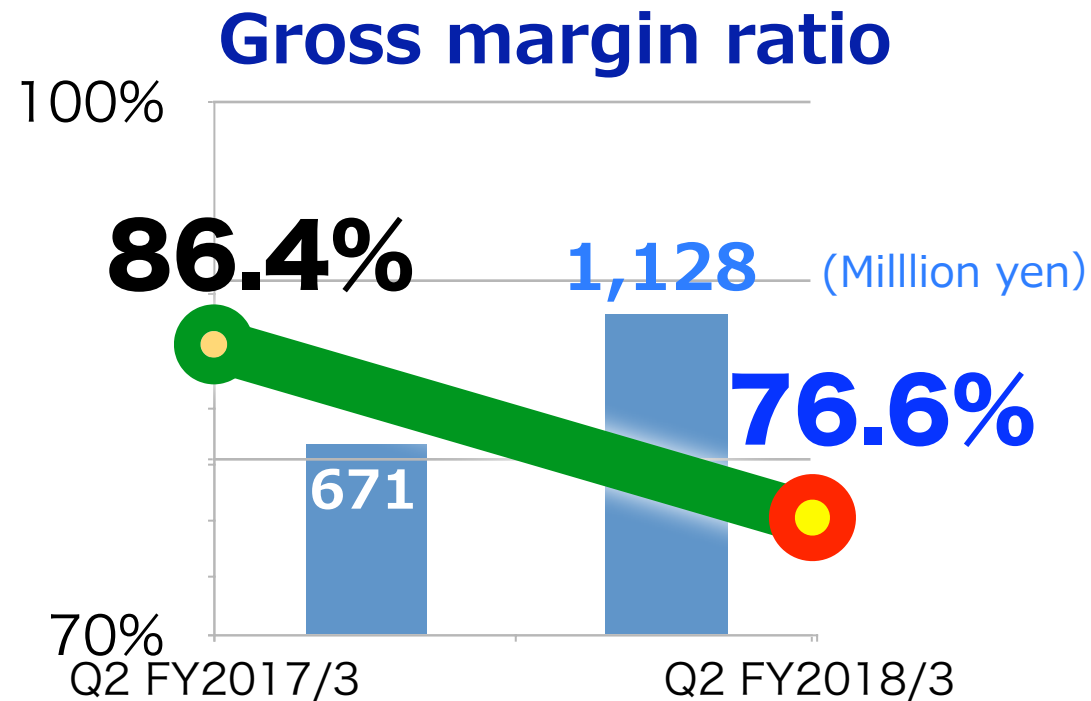
Operating Profit/Income Before Taxes/Net Profit

- Operating profit: Highest since IPO. Over **300 million yen** in the last 6 months.
- Net profit: Highest since IPO. Over **100 million yen** for the first time.



First six months of FY ending March 31, 2018

Financial KPIs (Compared with Q2 FY2017/3)



Financial Position Statement

	IFRS (Million yen)	March 31, 2017	September 30, 2017	Gain/ Loss
Assets	Cash and depopsit	2,340	4,499	964
	Operating receivable	170	332	37
	Current assets	19	30	▲1
	Tanible fixed assets	65	107	▲8
	Goodwill	-	1,406	▲17
	Intangible fixed assets	128	261	137
	Investments and other	879	771	▲174
	Total assets	3,601	7,406	937
Liabilities	Debts	167	133	▲17
	Operating debts	86	176	▲63
	Accrued income taxes	31	206	37
	Other current liabilities	385	641	▲125
	Long-term debts	-	-	-
	Other non current liabilities	59	800	87
	Total liabilities	727	1,956	▲80
Equity	Shareholder's equity	2,889	5,218	838
	Other items of owner's equity	▲15	232	180
	Total equity	2,874	5,450	1,017

(Million yen)

■ Total assets

3,601 → **7,406**
(Beginning of the year)

✓ Additional funds
(Stock warrants)

2,250

✓ "Goodwill" rose by
acquisition

1,406

(Million yen)

■ Equity ratio

73.6%

✓ Long term debts: none
→ Healthy financial position
for active investments

Cash Flow Statement

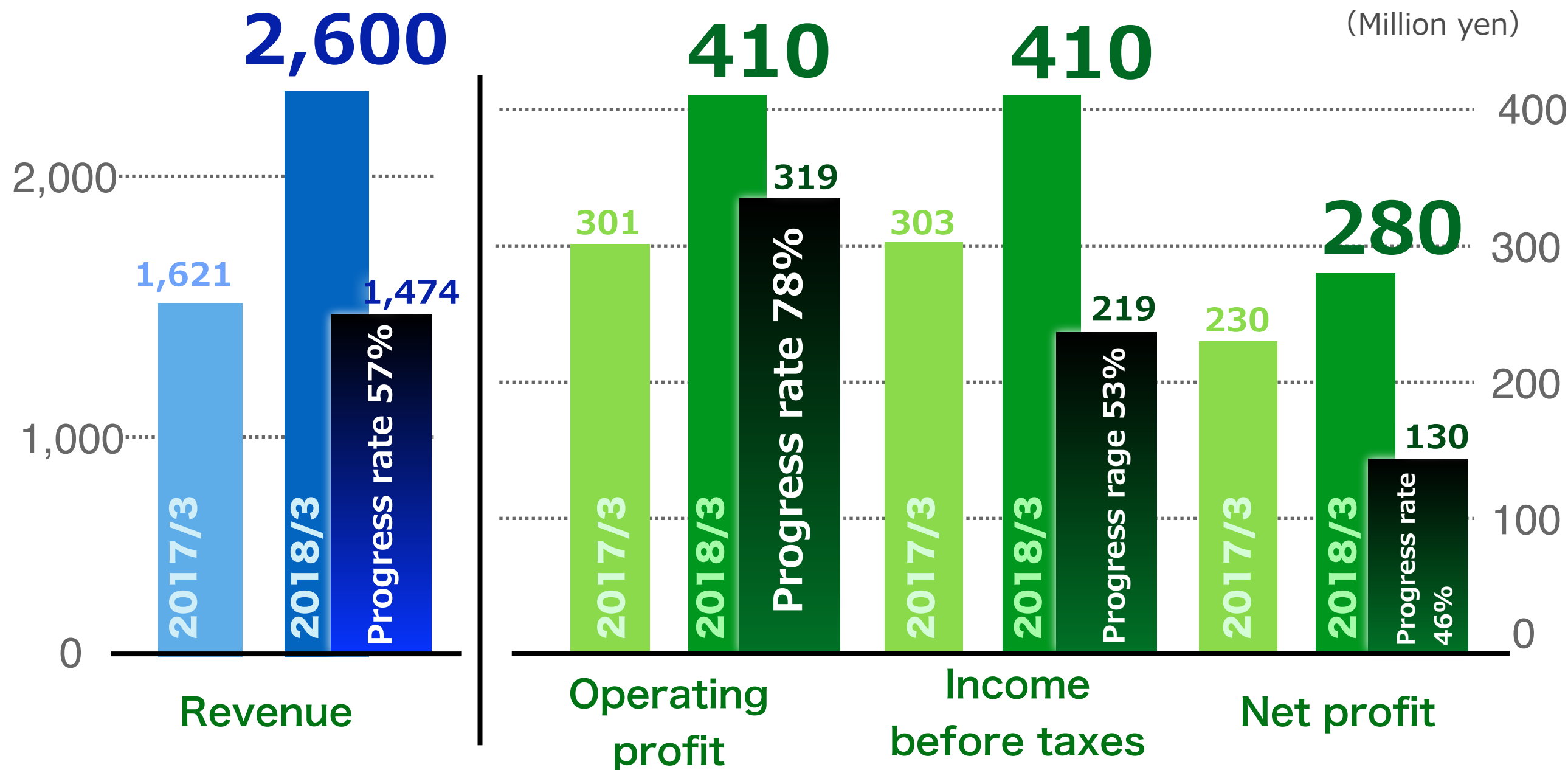
- Cash flow increased significantly by operating activities due to good sales and profit results and by Financing activities due to stock warrants.

(Million yen)	Q2 FY2017 ended March 31, 2017	Q2 FY2018 ending March 31, 2018
Cash flow by Operating activities	164	548
Cash flow by Investing activities	▲ 177	▲ 815
Cash flow by Financing activities	▲ 68	1,958
Cash and cash equivalent at the end of quarter	1,747	3,484

Projections

FY2018

- ✓ Q 2 performance exceeded our expectations.
- ✓ Q2 operating profit's progress rate is 78%, already exceeded FY2017's rate.





Financial Results for Q2

Fiscal Year Ending March 31, 2018

The information used in this meeting and the presentation includes forward-looking statements. These descriptions are based on current assumptions of Infoteria and involves uncertainties. Please be informed that changes in market conditions and other factors could cause actual results to differ materially from those discussed in the forward-looking statements.

(Securities Identification Code : 3853)