



INTERNET INFINITY

Fiscal Year Ended March 31, 2018 Results Briefing Materials

internet infinity INC.

Securities code: 6545

May 22, 2018

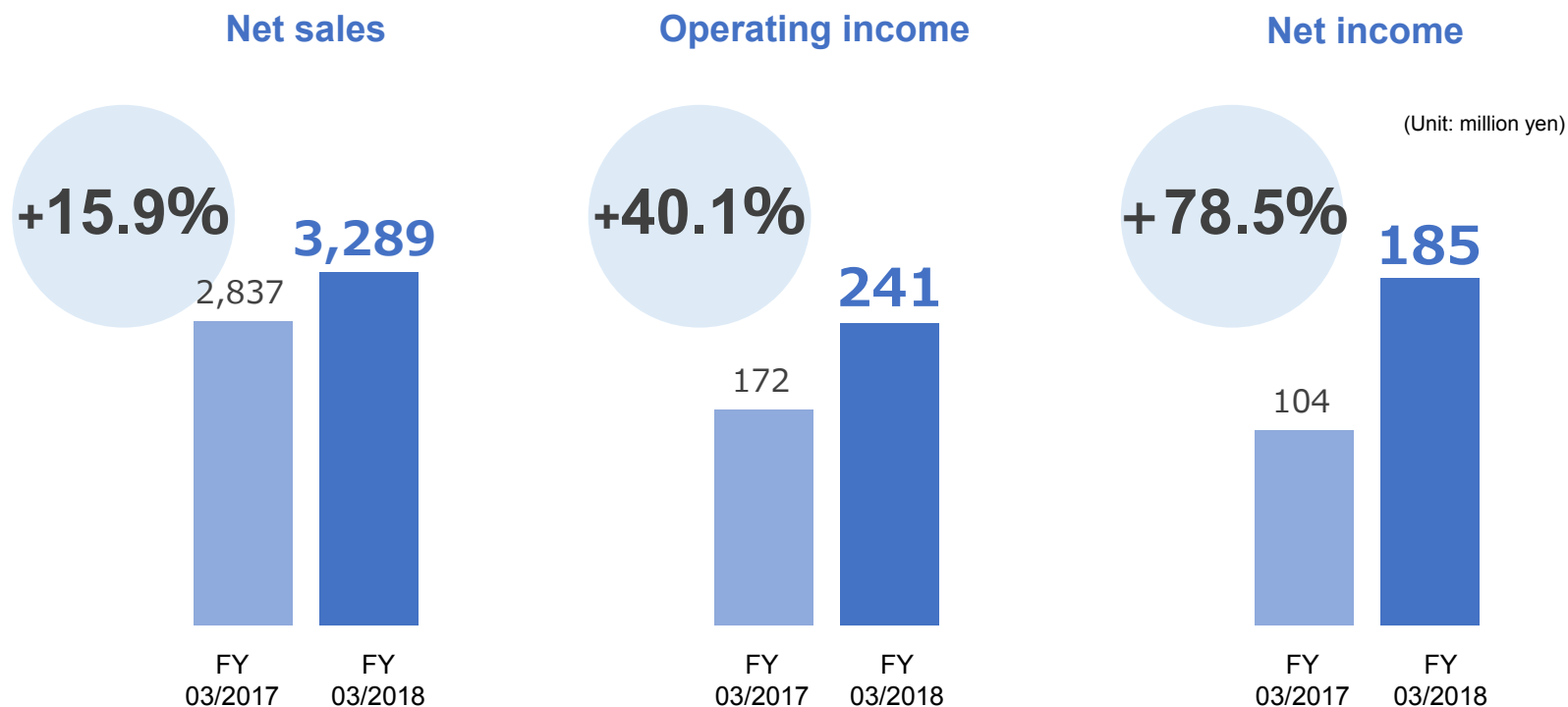


- 1. Fiscal year ended March 31, 2018 -
Summary of business results**
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Supplementary information

Fiscal year ended March 31, 2018
Summary of business results

Sales and earnings increased strongly compared with the previous fiscal year



Main factors driving financial results

- Growth driven by the Record Book Business (sales +31.0% compared with the previous fiscal year)
- Number of "Record book" care centers up by 44 from the end of the previous fiscal year
- The Web Solution Business posting steady growth with contributions to financial results (sales +32.8% compared with the previous fiscal year)

Fiscal year ended March 31, 2018
Financial summary

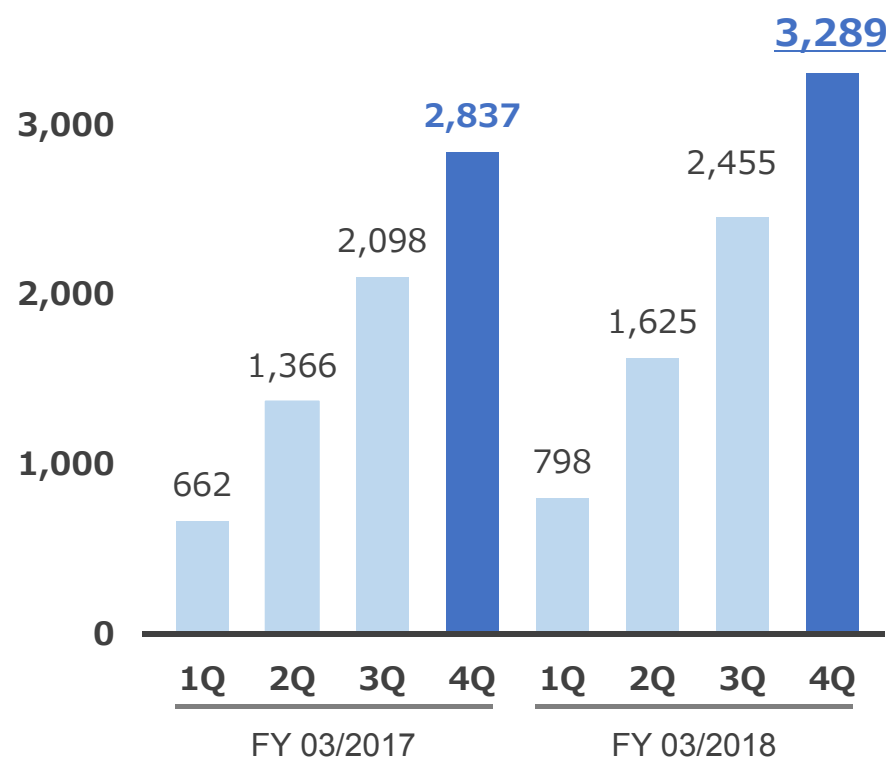
Sales and earnings marked new historical highs based on the growth at the Healthcare Solution Business

(Unit: million yen)	FY 03/2017	FY 03/2018 Actual results	YoY rate of change	Factors for change / Topics
Net sales	2,837	3,289	+15.9%	Record Book Business +31.0% YoY +44 number of care centers Web Solution Business +32.8% YoY
Operating income (Operating income margin)	172 (6.1%)	241 (7.4%)	+40.1%	Higher operating income margin due to increase in "Record book" franchise care centers
Ordinary income (Ordinary income margin)	146 (5.2%)	278 (8.5%)	+90.3%	Booked 45 million yen in non-operating income (+44 million yen compared to previous fiscal year) on shift from directly operated "Record book" care centers to franchise care centers
Net income (Net income margin)	104 (3.7%)	185 (5.7%)	+78.5%	Booked 9 million yen in costs related to the head office transfer and 7 million yen in impairment losses (5 million yen for Smart Times, 2 million yen for software) as extraordinary losses Changes to impact and categorization of income taxes

Both sales and operating income rise in 4Q due to increase in "Record book" franchise care center openings

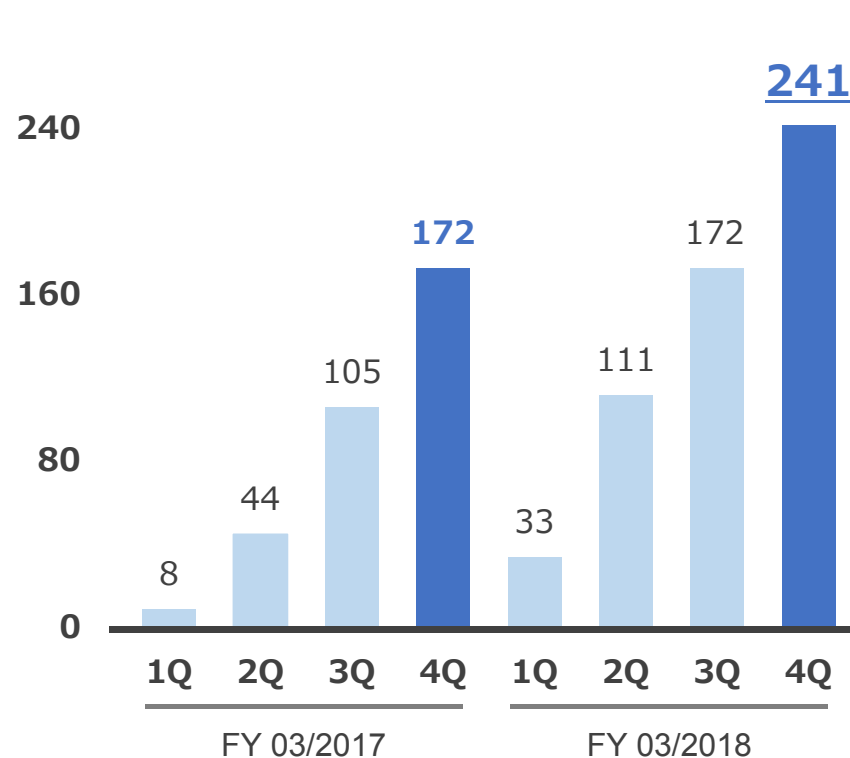
Net sales YoY: +15.9%

(Unit: million yen)
4,000

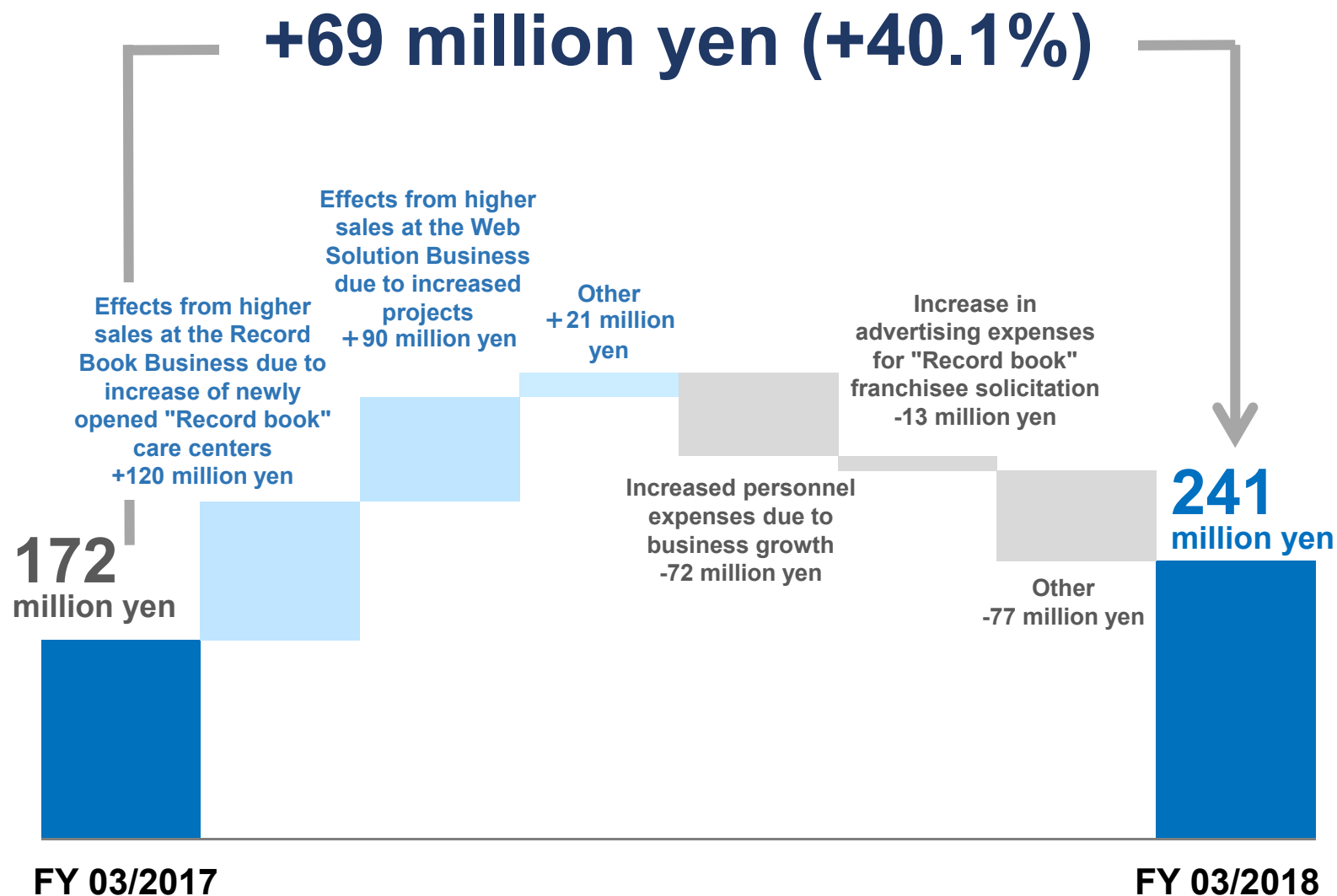


Operating income YoY: +40.1%

(Unit: million yen)
320



Analysis of change in operating income



Healthcare Solution Business

44.1% 1,450 million yen

Record Book Business

The Record Book Business offers 3-hour rehabilitation day care services specializing on instruction in physical exercises



330 million yen

介護支援専門員サイト
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オンライン®

CARE MANAGEMENT ONLINE

仕事と介護の両立支援サイト



10.1% Web Solution Business

Marketing support for the senior consumer market
Support in reconciling employment duties and eldercare requirements

Home-Centered Service Business

39.5% 1,300 million yen

Home-Centered Service Business

In-home eldercare support services
Visit based eldercare services
Ambulant eldercare services



6.3% 208 million yen

Care supplies business and new business operations

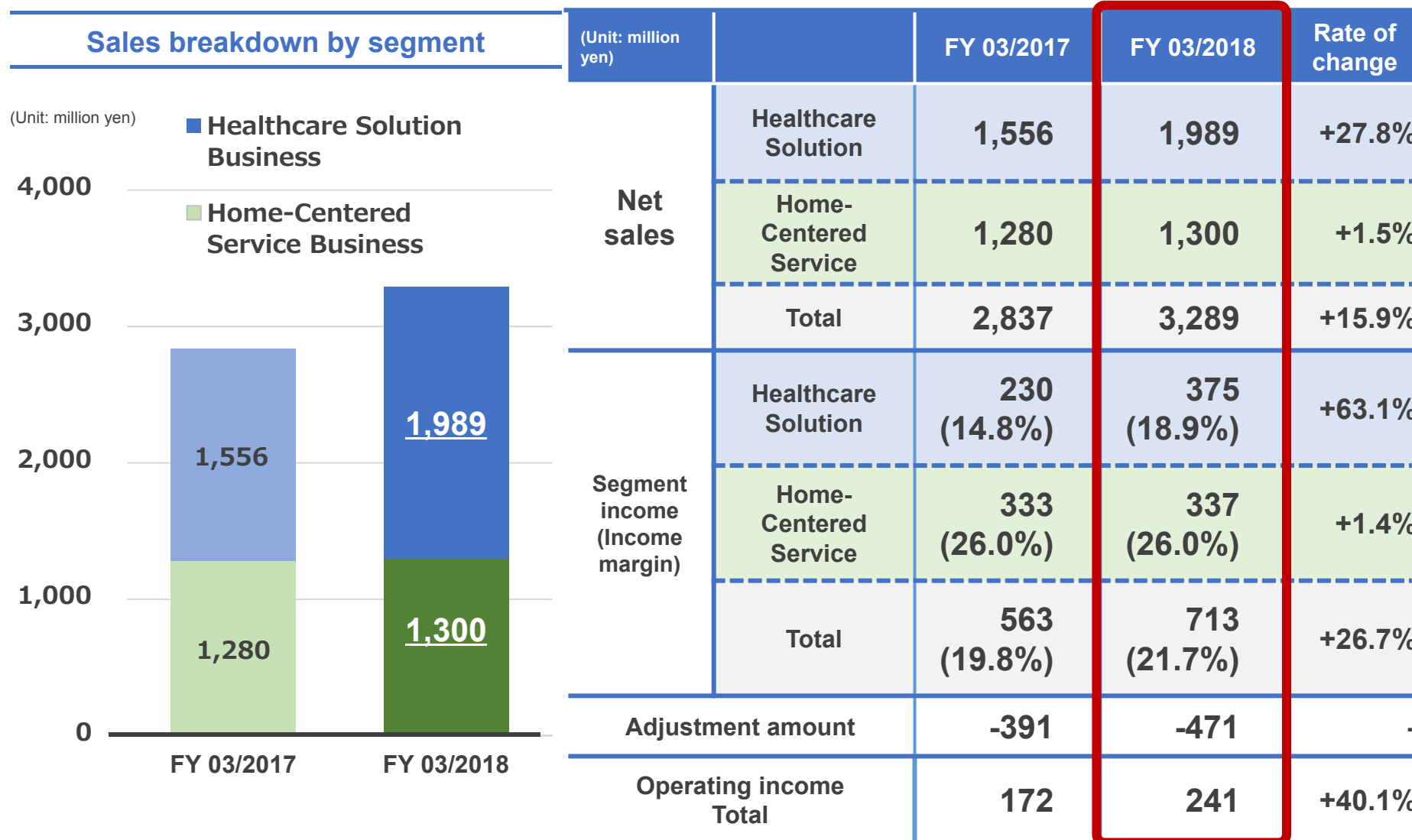
Leasing and sales of eldercare utensils



**Composition
ratio
of sales by
business**

Fiscal year ended
March 31, 2018

Healthcare Solution Business posted strong growth

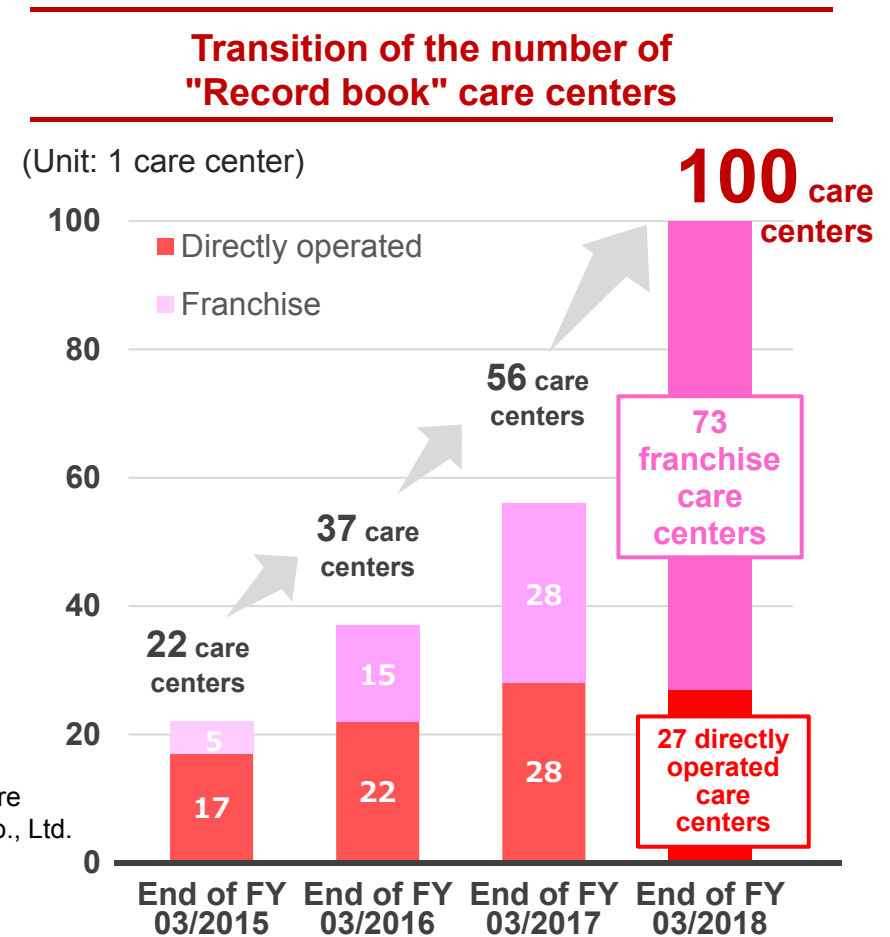
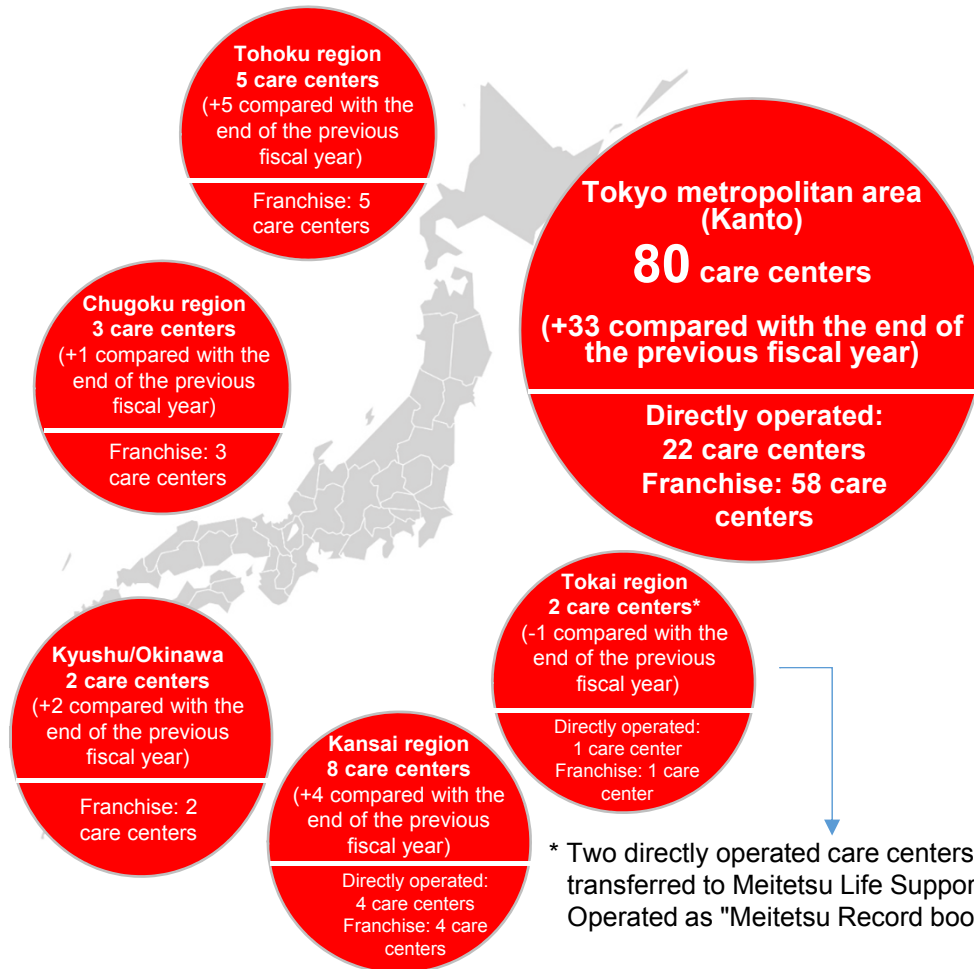


Financial results overall were driven by the Record Book Business +31.0% compared with the previous fiscal year

(Unit: million yen)

	FY 03/2017		FY 03/2018		YoY	
	Net sales	Composition ratio	Net sales	Composition ratio	Change in amount	Rate of change
Record Book	1,106	71.1%	1,450	72.9%	+343	+31.0%
Web Solution	249	16.0%	330	16.6%	+81	+32.8%
(Breakdown) Marketing support for the senior consumer market	151	9.7%	213	10.7%	+62	+41.0%
Support in reconciling employment duties and eldercare requirements	97	3.4%	116	5.9%	+19	+19.9%
Other (Care supplies and new business operations)	200	12.9%	208	10.5%	+7	+6.3%
Healthcare Solution Business - Total	1,556	100%	1,989	100%	+450	+15.9%

Number of care centers increasing at a steady pace centered on franchises



Meitetsu Life Support Co., Ltd., a joint-venture company with Nagoya Railroad Co., Ltd., began operation from October

June 2017	Nagoya Railroad Co., Ltd. and internet infinity enter into a collaborative agreement and establish joint-venture company Meitetsu Life Support Co., Ltd.
October 2017	Open Meitetsu "Record book" Jingumae (transfer of directly operated care center)
December 2017	Open Meitetsu "Record book" Ikeshita
March 2018	Open Meitetsu "Record book" Amagasaka (transfer of directly operated care center)

It is planned to successively open further Meitetsu "Record book" care centers in Aichi prefecture

<Meitetsu "Record book" Jingumae>



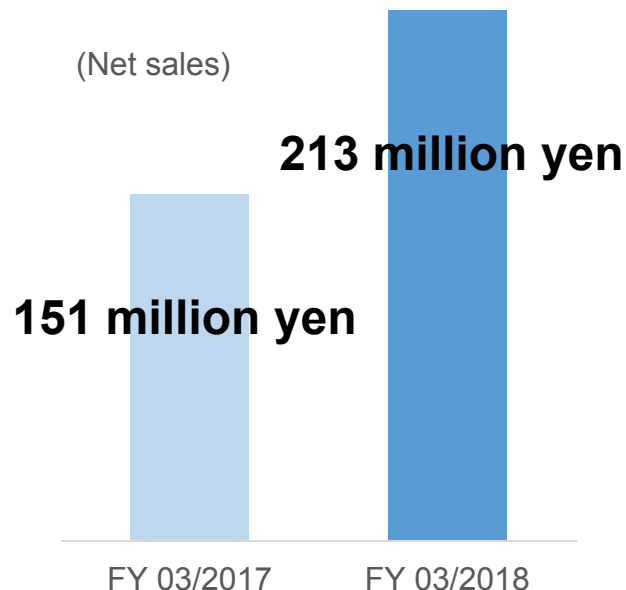
+32.8% compared to previous fiscal year due to increased awareness, including impact of stock listing

Marketing support for the senior consumer market

Marketing requests from companies targeting the expanding seniors market have increased

Rate of change for sales
Compared with the
previous fiscal year:

41.0%

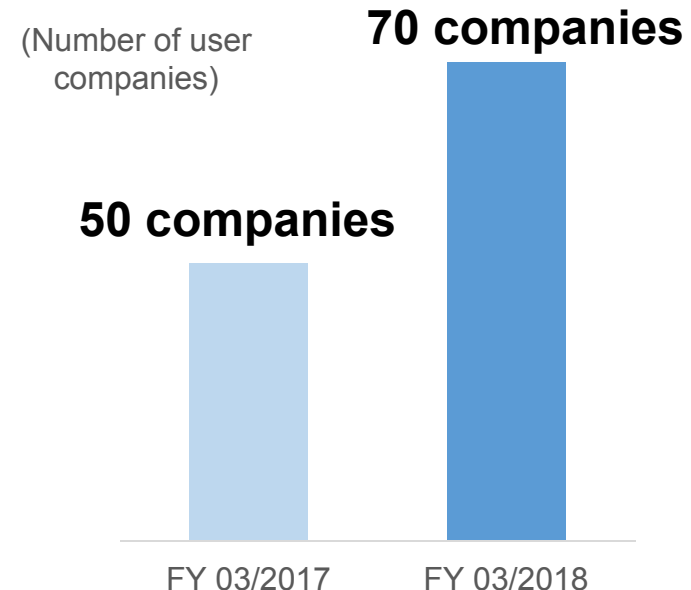


Support in reconciling employment duties and eldercare requirements

Securing stable, continuous results as a **stock-based business**

Rate of change for sales
Compared with the
previous fiscal year:

19.9%



Fiscal year ended March 31, 2018 - Balance sheet

(Unit: million yen)

	FY 03/2017	FY 03/2018	Change in amount
Current assets	1,031	1,074	+43
Cash and deposits	442	405	-37
Notes and accounts receivable-trade	518	552	+47
Other	69	116	+47
Non-current assets	434	658	+224
Property, plant and equipment	295	431	① +135
Intangible assets	19	25	+5
Investments and other assets	118	202	+83
Total assets	1,465	1,733	+267

	FY 03/2017	FY 03/2018	Change in amount
Current liabilities	807	710	-96
Short-term loans payable	350	40	② -350
Current portion of long-term loans payable	91	162	+70
Income taxes payable	71	87	+16
Provision for bonuses	17	55	+37
Other	276	365	+88
Non-current liabilities	171	349	+178
Bonds payable	5	—	-5
Long-term loans payable	66	250	② +184
Asset retirement obligations	27	38	+10
Other	72	60	-12
Total net assets	486	672	+185
Capital	211	211	—
Capital surplus	196	196	—
Retained earnings	78	264	+185
Total liabilities and net assets	1,465	1,733	+267

- ① Property, plant and equipment: Increase due to expansion of "Record book" care centers
- ② Short-term and long-term loans payable: Shift from short-term to long-term loans with a view to maintaining financial stability

Fiscal year ended March 31, 2018 - Cash flows

(Unit: million yen)

	FY 03/2017	FY 03/2018	YoY (change in amount)
Cash flows from operating activities	120	321	+200
Cash flows from investing activities	-65	-248	-182
Cash flows from financing activities	230	-109	-339
Net increase (decrease) in cash and cash equivalents	285	-36	-321
Balance of cash and cash equivalents at the beginning of the period	155	441	+285
Balance of cash and cash equivalents at the end of the period	441	405	-36

Fiscal year ending March 31, 2019
Financial results projections

Fiscal year ending March 31, 2019 - Financial results projections

- ✓ **Sales and earnings are poised to mark new historical highs based on the accelerated pace of new "Record book" care center openings and customer growth at the Web Solution Business**
- ✓ **Further testing and investment to establish business for Smart Times**
- ✓ **Upfront investments for business expansion and acceleration starting from the next fiscal year**

(Unit: million yen)	FY 03/2018	FY 03/2019 Forecast	YoY rate of change
Net sales	3,289	3,751	+14.0%
Operating income (Operating income margin)	241 (7.4%)	286 (7.6%)	+18.6%
Ordinary income (Ordinary income margin)	278 (8.5%)	290 (7.7%)	+4.2%
Net income (Net income margin)	185 (5.7%)	190 (5.1%)	+2.5%

Healthcare Solution

Growing number of "Record book" care centers

- Further accelerate nationwide deployment, focusing on franchises

Web Solution

- Strengthen efforts to tap into new customer bases to support in reconciling employment duties and eldercare requirements

Home-Centered Service

Delivering steady financial results as a stable earnings base

(Unit: million yen)

	FY 03/2018		FY 03/2019 (forecast)	
	Net sales	YoY (rate of change)	Net sales	YoY (rate of change)
Healthcare Solution Business	1,989	+15.9%	2,436	+22.5%
Record Book	1,450	+31.0%	1,810	+24.8%
Web Solution	330	+32.8%	395	+19.6%
Other (Care supplies and new business operations)	208	+6.3%	231	+11.0%
Home-Centered Service Business	1,300	+1.5%	1,314	+1.1%

Growth

Accelerate growth of existing businesses

Record Book Business

- ✓ Accelerate nationwide deployment of "Record book" care centers, focusing on franchises
 - Increase locations at a 60 and more per year pace
- ✓ Work with top local companies in local areas

Web Solution Business

- ✓ Strengthen efforts to tap into a new customer base to support in reconciling employment duties and eldercare requirements - Increase by 30 companies
- ✓ In marketing support for the senior consumer market, focus on medical solutions which utilize the user base of care managers

Investment to accelerate growth from the next fiscal year

New business operations

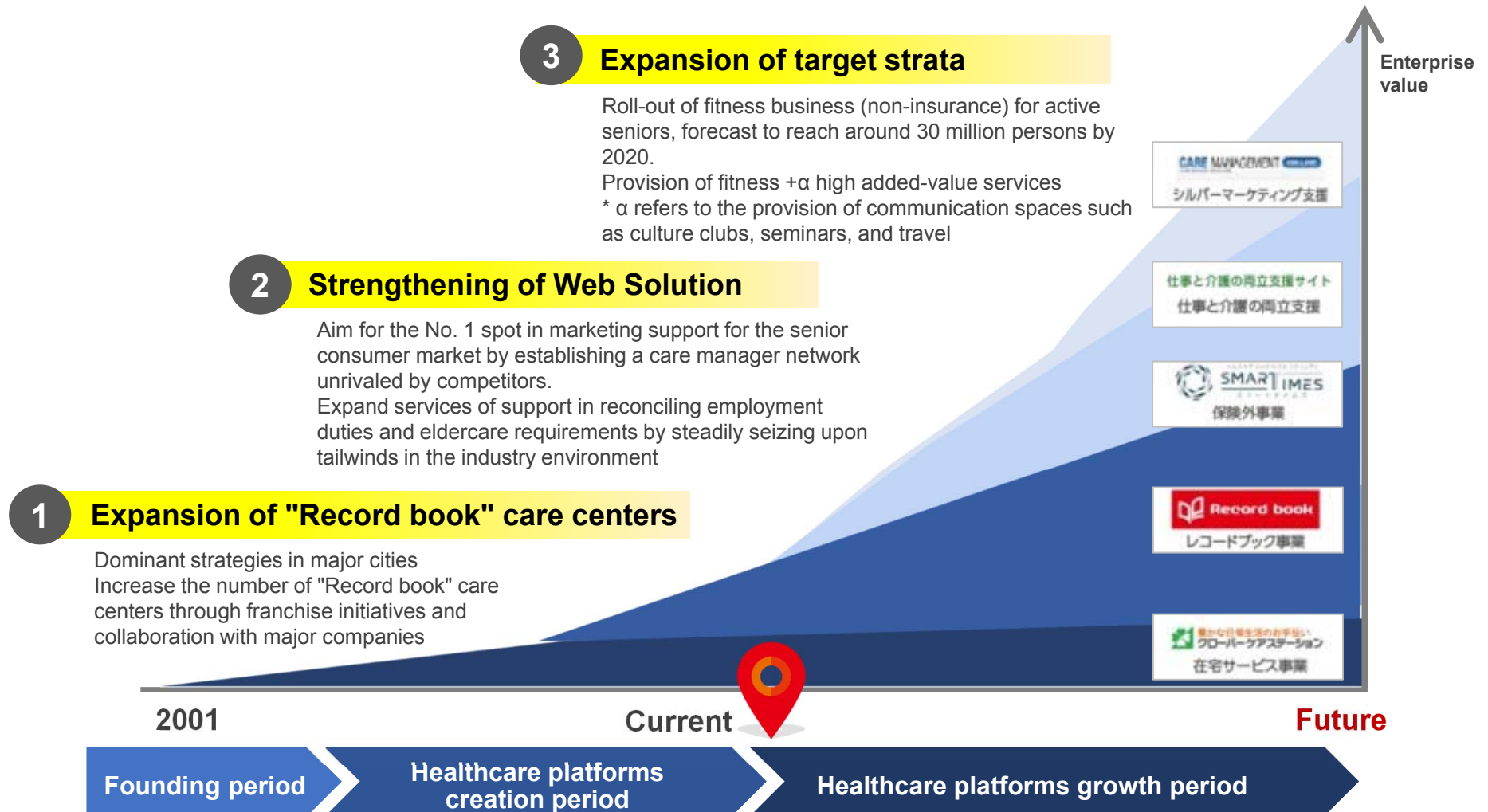
- ✓ Test the second Smart Times location to head toward establishing a business
- ✓ Expand product sales at "Record book" care centers

Invest in "people" for business expansion and nationwide development of the Record Book Business

- ✓ Establish training center - Manage quality and train personnel at directly operated and franchise "Record book" care centers
- ✓ Promote employees' "work style reform"
 - Review benefits - Enact gradual bonuses increase system
 - Reduce work burden with ICT - Consider implementation of system to improve operational efficiency
- ✓ Increase personnel with future business expansion in mind - Proactively hire management-level personnel

**New
investment,
etc.**

Aim to expand target strata and raise enterprise value by strengthening healthcare platforms



Topics

Support in reconciling employment duties and eldercare requirements

Collaboration with Lawson, Inc.

Deployment of "Eldercare Consultation Centers" in convenience stores



わかるかい 相談センター

Opening of an "Eldercare Consultation Center" for face-to-face eldercare consultation in the Lawson Higashinarashino store.



<Consultation center exterior illustration>

<About the "Eldercare Consultation Center">

- Service started in July 2017
- Facilities for face-to-face eldercare consultation
- Currently available in 8 locations centered on the Tokyo metropolitan area
(Chuo and Edogawa ward in Tokyo, Narashino, Funabashi, Nagareyama, Ichikawa city and Higashinarashino in Chiba, and Tenjinbashi in Osaka) and scheduled to be gradually expanded

In addition to consultation by phone call and e-mail,

Now also with **face-to-face consultation!**



Service expansion of support in reconciling employment duties and eldercare requirements

Start of "Understanding Dementia" service



1 out of 4 persons aged 65 years or higher*

is said to suffer from dementia in the form of mild cognitive impairment (MCI), which is at the focus of support provided by this specialized consultation service

- Symptoms and types, treatment, prevention, and introduction of support systems such as emergency call services, etc.
- Consultation regarding all aspects of dementia
- Helping adopter companies of "Understanding Eldercare Biz" to reduce the number of personnel retiring from providing eldercare

* Source: Ministry of Health, Labour and Welfare, "Comprehensive Strategy for Promoting Dementia Measures"

Easy physical exercises by "Record book" care center trainers also for home use!

Smartphone app for 5-minutes/daily exercise program to prevent locomotive syndrome

A health improvement app based on exercise programs actually in use at "Record book" care centers customized for "5-minute daily exercise" sessions that can be easily performed at home

The best-suited exercise program is automatically recommended after users have answered questions on health concerns such as exercise frequency and painful locations

* Locomotive syndrome

A condition of reduced mobility due to impairment of locomotive organs. Deterioration increases the likelihood that eldercare will become necessary



New function additions to "Care Management Online" "CMO Answer" app for conversations among care managers



Collective knowledge enhances the quality of care management

- A new service to enable enhanced care management by sharing the collective knowledge of the 87,000 care managers who have registered on the site
- Usage is restricted to care managers who have registered and whose qualification and identity have been verified. An environment reserved for the exclusive use by care managers permits the safe and convenient exchange of opinions, consultations, and discussions.

* A PC version was released ahead

Supplementary information

Business lines

Company outline

Established May 7, 2001

Capital 211,170,300 yen (as of March 31, 2018)

Head office location Gate City Ohsaki, East Tower 4F, 11-2, Ohsaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan

Representative Representative director

Keiichi Beck

Corporate officers
(As of March 31, 2018)

Executive director
Director Kenji Hoshino
Director (external director)
Executive officer
Executive officer
Executive officer
Executive officer
Corporate auditor
Corporate auditor
Corporate auditor

Takashi Fujisawa

Tatsuo Watanabe
Yohei Nakao
Koso Nakajima
Junpei Ogura
Yasuhiko Ueno
Shinya Kinugawa
Kazuo Goto
Masahiko Sato

Number of employees
(As of March 31, 2018)

267 (regular employees)

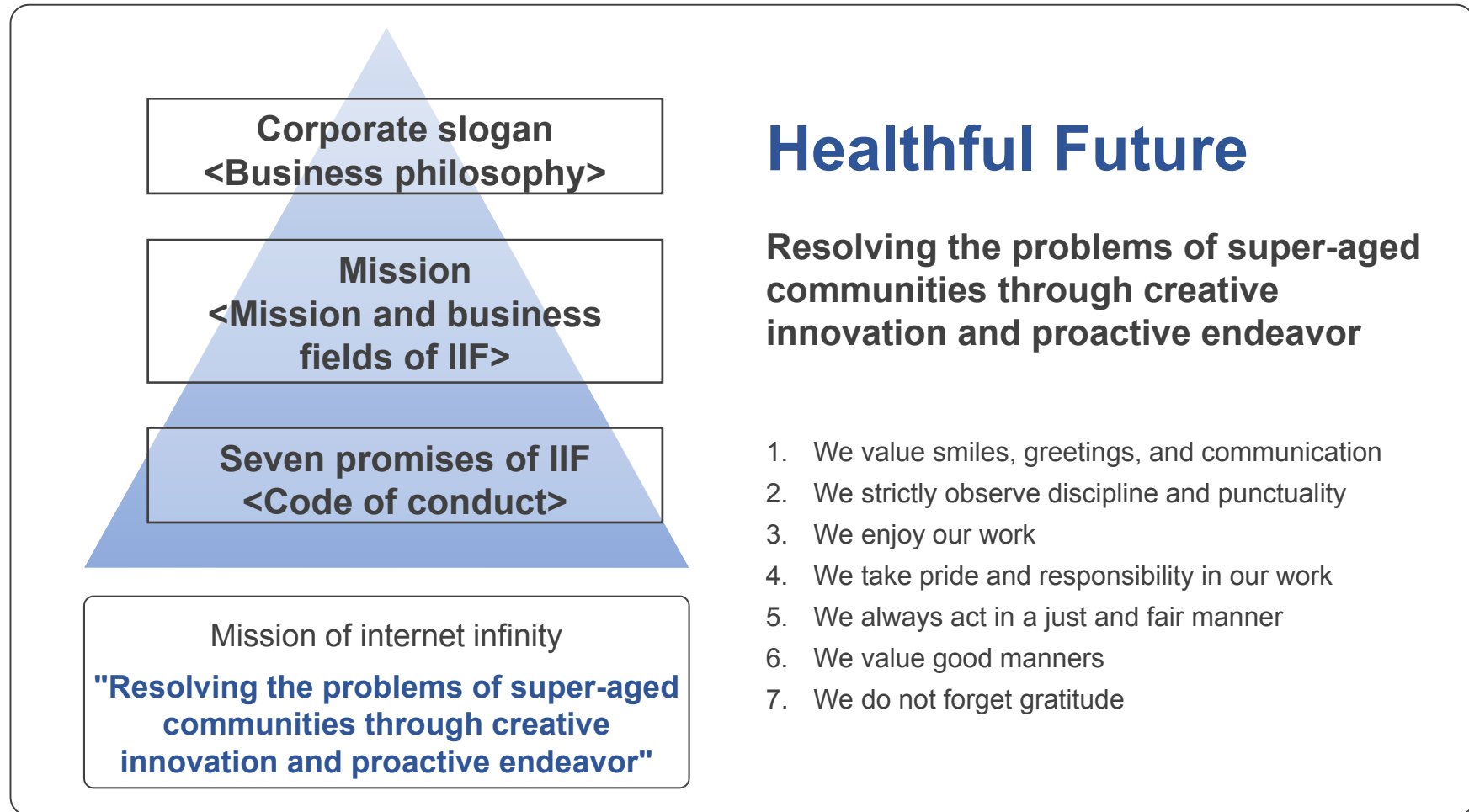
ISMS certification acquisition



In January 2016, the Company passed the examination of the Information Security Management System (ISMS) conformity assessment scheme of the Japan Information Processing and Development Center (JIPDEC) and was registered as certified by JIPDEC.

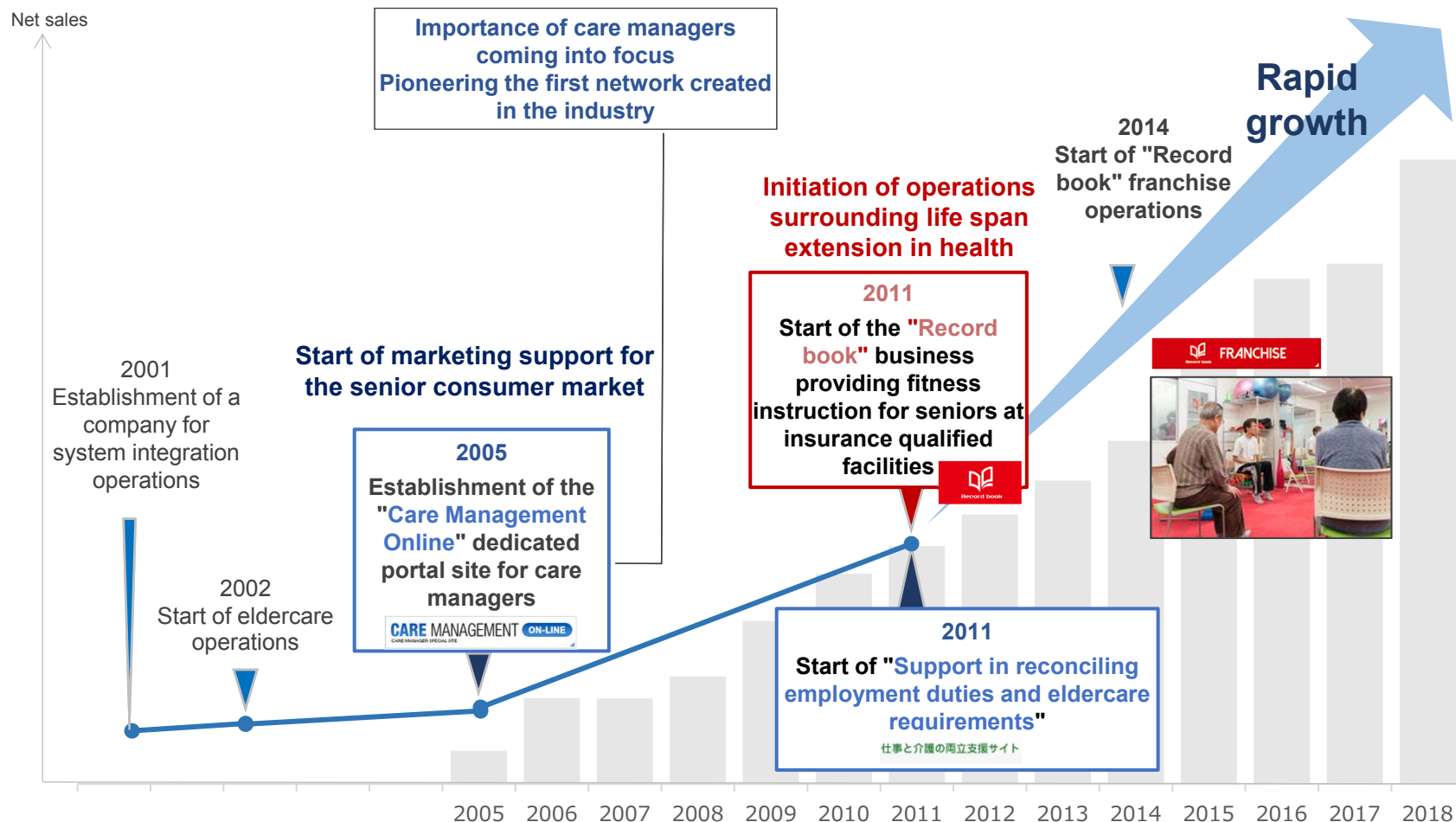
- Certification Registration No. JP16/080384
- Certification registration scope
 1. Marketing support for the senior consumer market
 2. Support in reconciling employment duties and eldercare requirements
 3. Member customer-satisfaction enhancement support

For a **"longer life in health"** through our services.

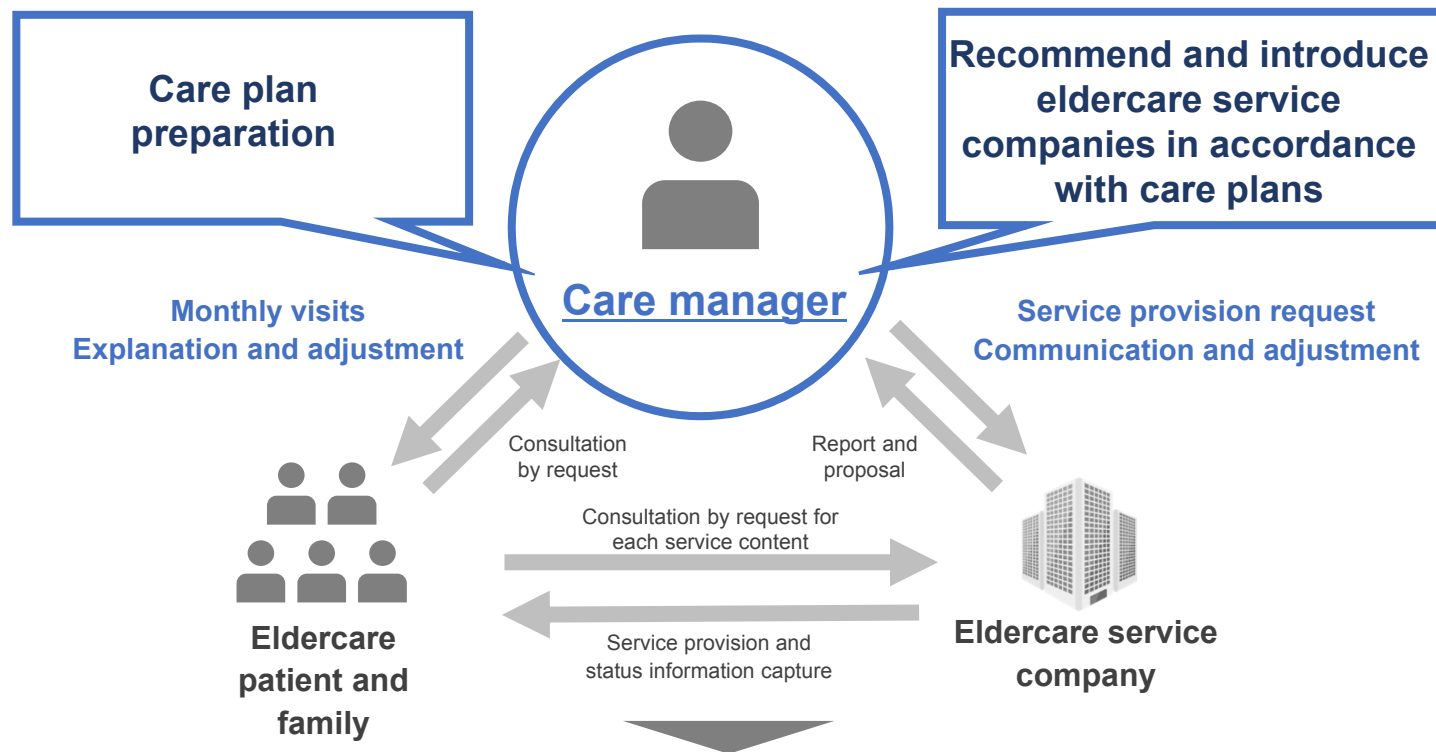


Note: IIF is the short form of our company name "internet infinity"

Roll-out of new healthcare services through on-site and online operations



Care managers, who prepare the care plans, have significant power to influence decisions on eldercare services



The care manager is the key person in the long-term care insurance system

Care Management Online

Registration free
of charge



Running **Japan's**
largest care manager
operations support portal site

Number of
registered
care
managers

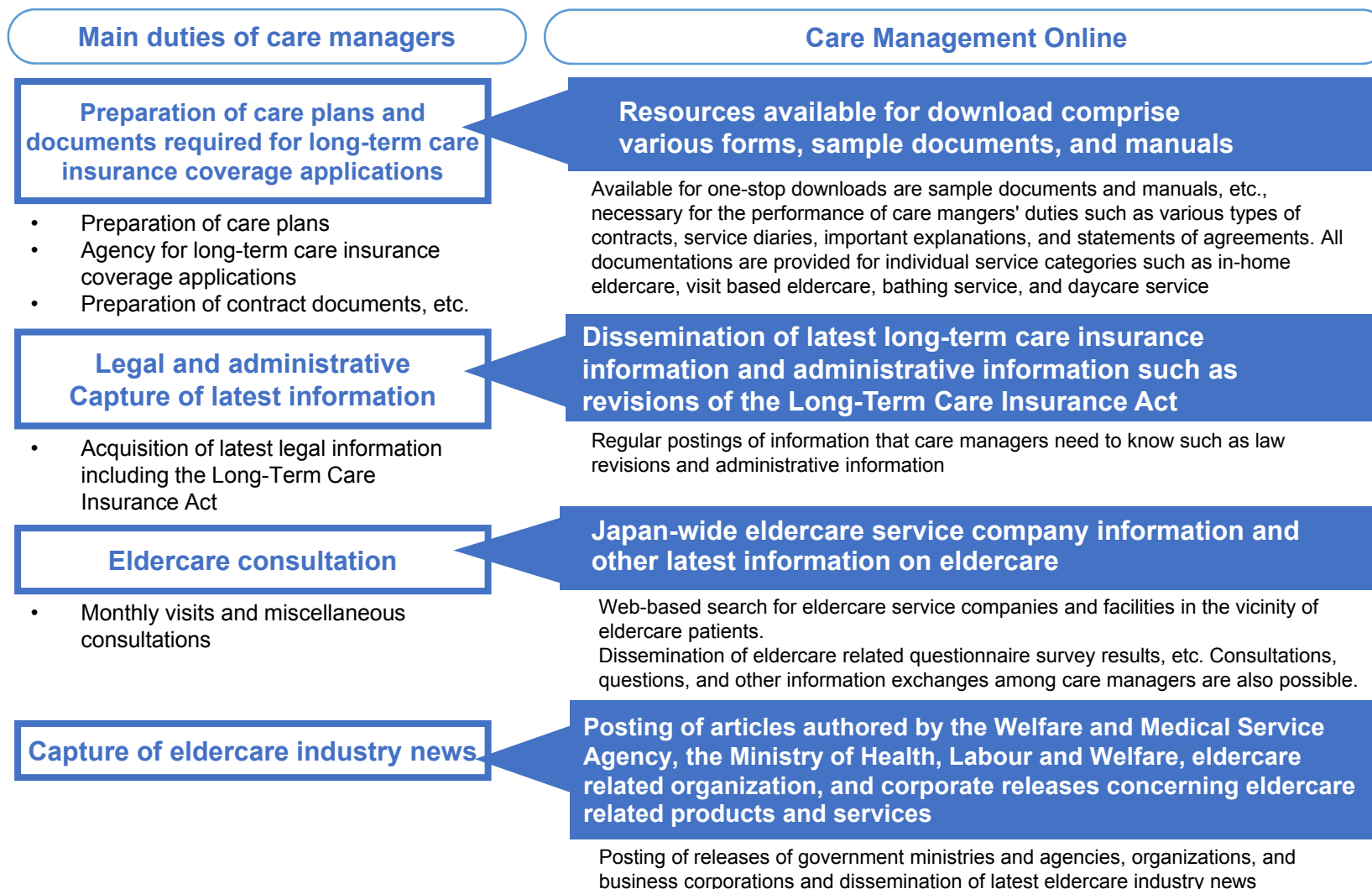
Around **60%**
of total number of care managers in Japan
(approx. 89,000 managers)

Number of
registered
site users

Around **140** thousand
users

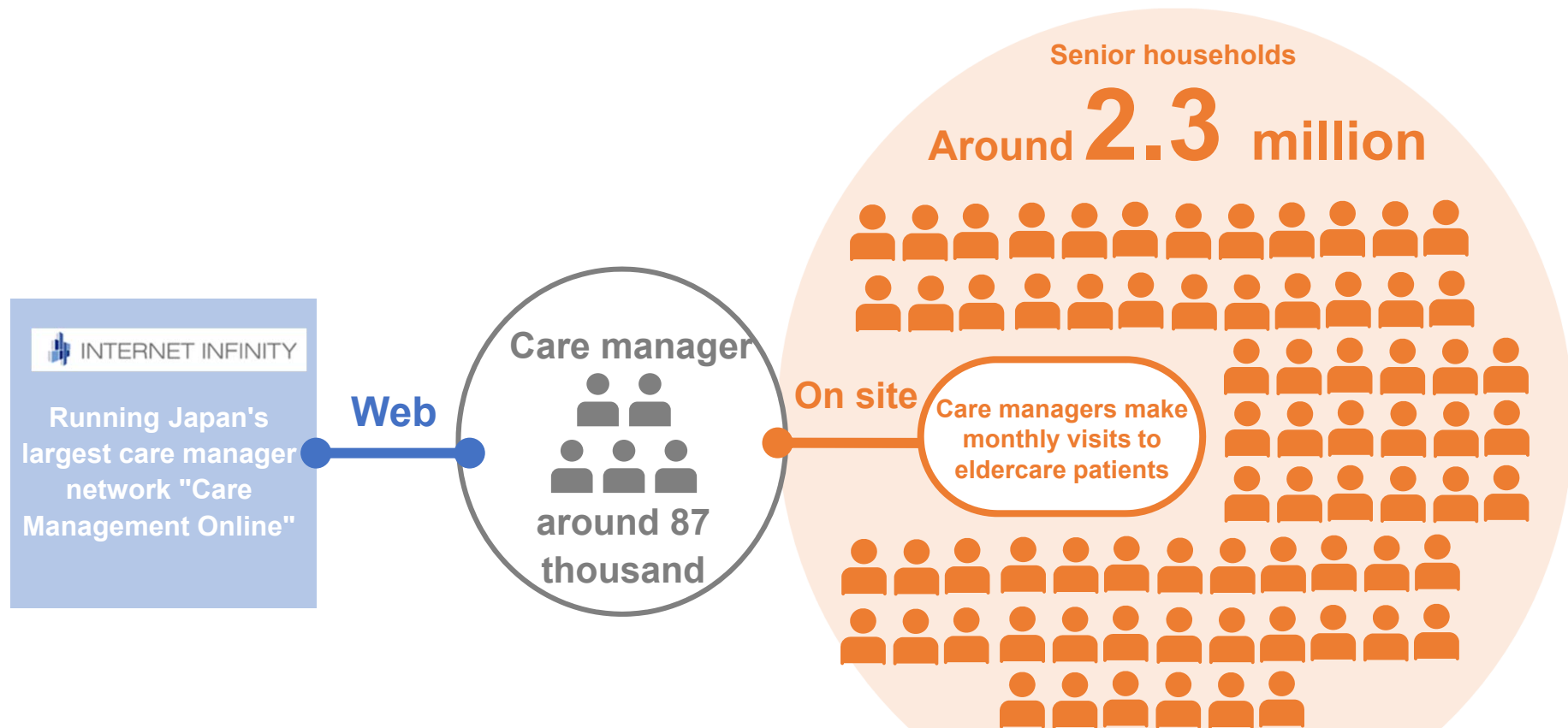
* As of March 2017 care managers in Japan totaled around 150,000 persons

Care Management Online has established itself as an irreplaceable tool for care managers' duties



Japan's largest care manager network capable of reaching senior households

Care Management Online connects the Company with senior households



* A care manager is responsible for around 26 eldercare patients

The Record Book Business offers 3-hour rehabilitation day care services specializing on instruction in physical exercises

(Scope of application: Certified eldercare patients up to eldercare level 2)

Feature
1

High subscriber retention ratio

(1) Creation of environments for eldercare patients enabling ease of use of facilities

Exercise guidance
provided by
experts

Interiors designed to
avoid an eldercare
atmosphere

Hospitality



Maximum class size: 18 persons per class (morning and afternoon)

Number of sessions: 1.5 - 2.0 session per week

(2) Proactive participation by users who want to "stay healthy"

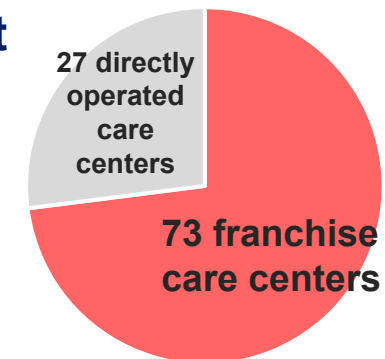
Feature
2

Growing number of franchise care centers

(1) Payback period of franchise investments somewhat over 2 years

- High customer attraction power and user retention ratios through combined Web-based and on-site operations enable comparatively short payback periods
- Support systems emphasizing wellbeing and fulfillment

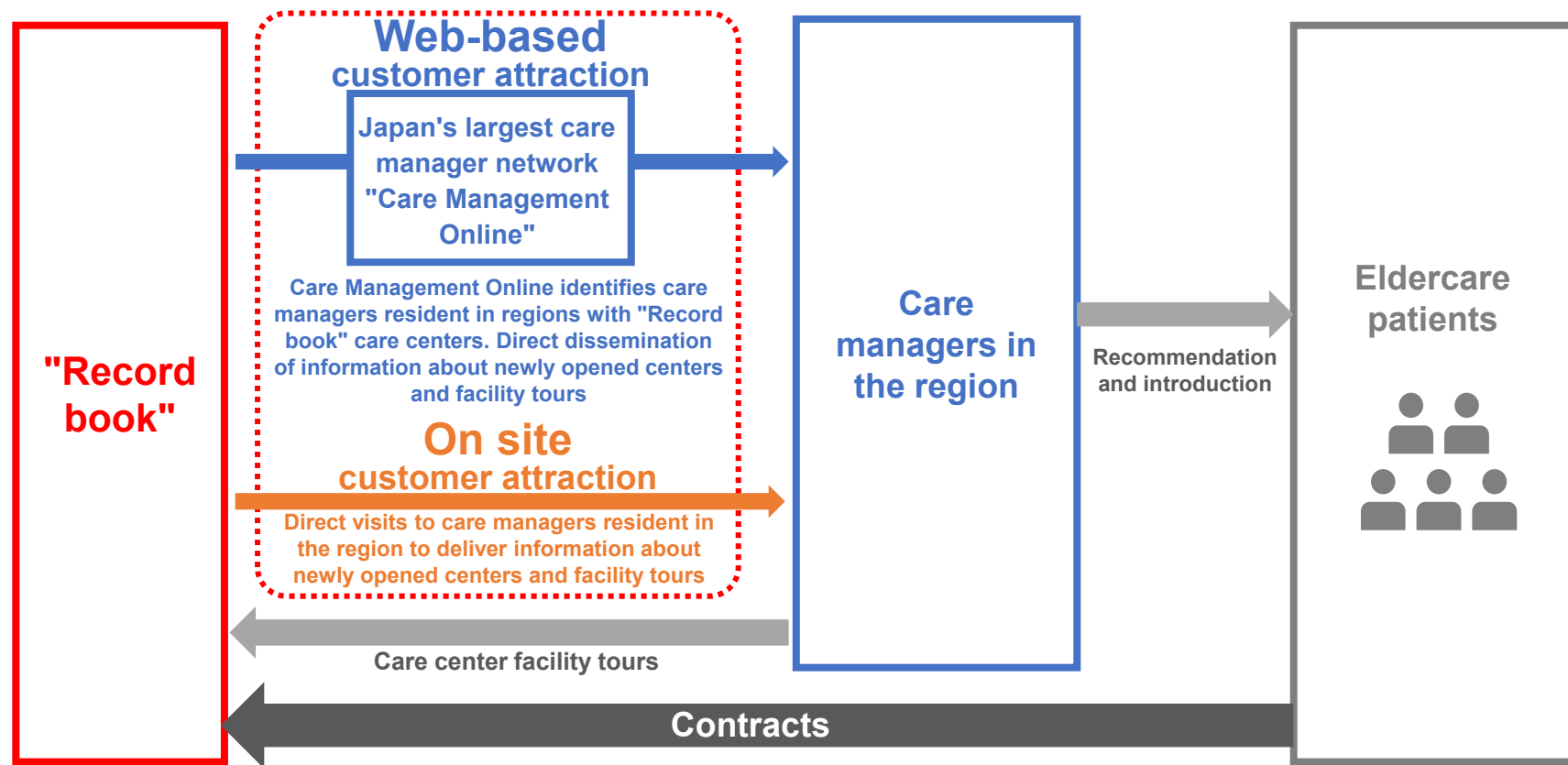
(2) Inquiries for franchises from potential franchisees increased after the stock listing



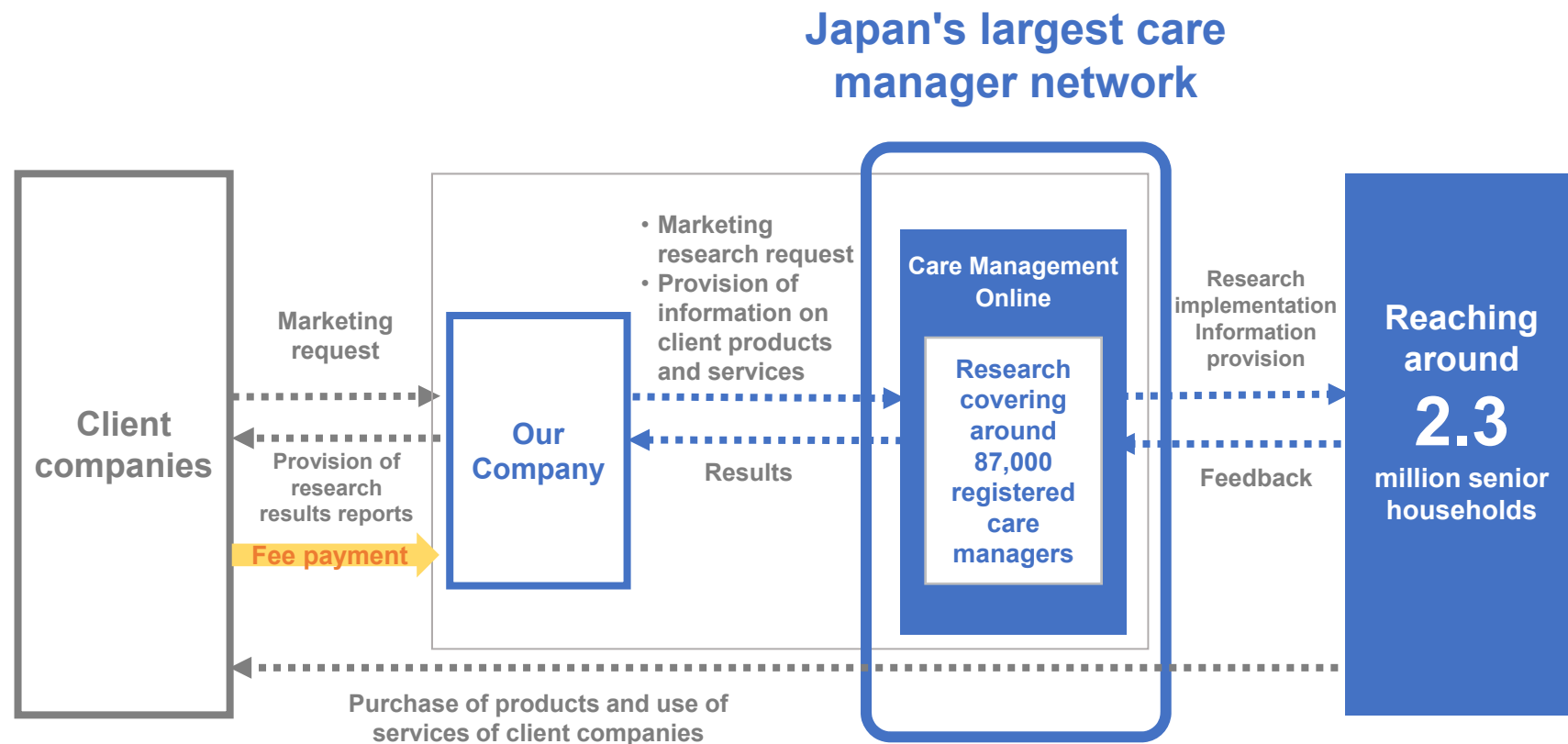
As of September 30, 2017

Feature
3

Customer attraction power of Web-based and on-site operations through the efficient use of Japan's largest care manager network



Marketing support through Japan's largest care manager network capable of reaching around 2.3 million senior households



(Example case) Marketing support for the senior consumer market

Marketing support for development and manufacturing of eldercare food products by major food manufacturers

Development and manufacture of eldercare food products

- ① Request for eldercare food product sampling research
- ② Request for advertisement postings on Care Management Online
- ③ Distribution of eldercare food product samples

Miscellaneous kinds of marketing requests

Submission of research report

Our Company



Implementation of marketing through efficient use of Care Management Online

- ① Distribution through care managers to families of eldercare patients
- ② Posting of banner advertisement and media tie-up advertisement on Care Management Online
- ③ Distribution of eldercare food product samples through care managers to families of eldercare patients

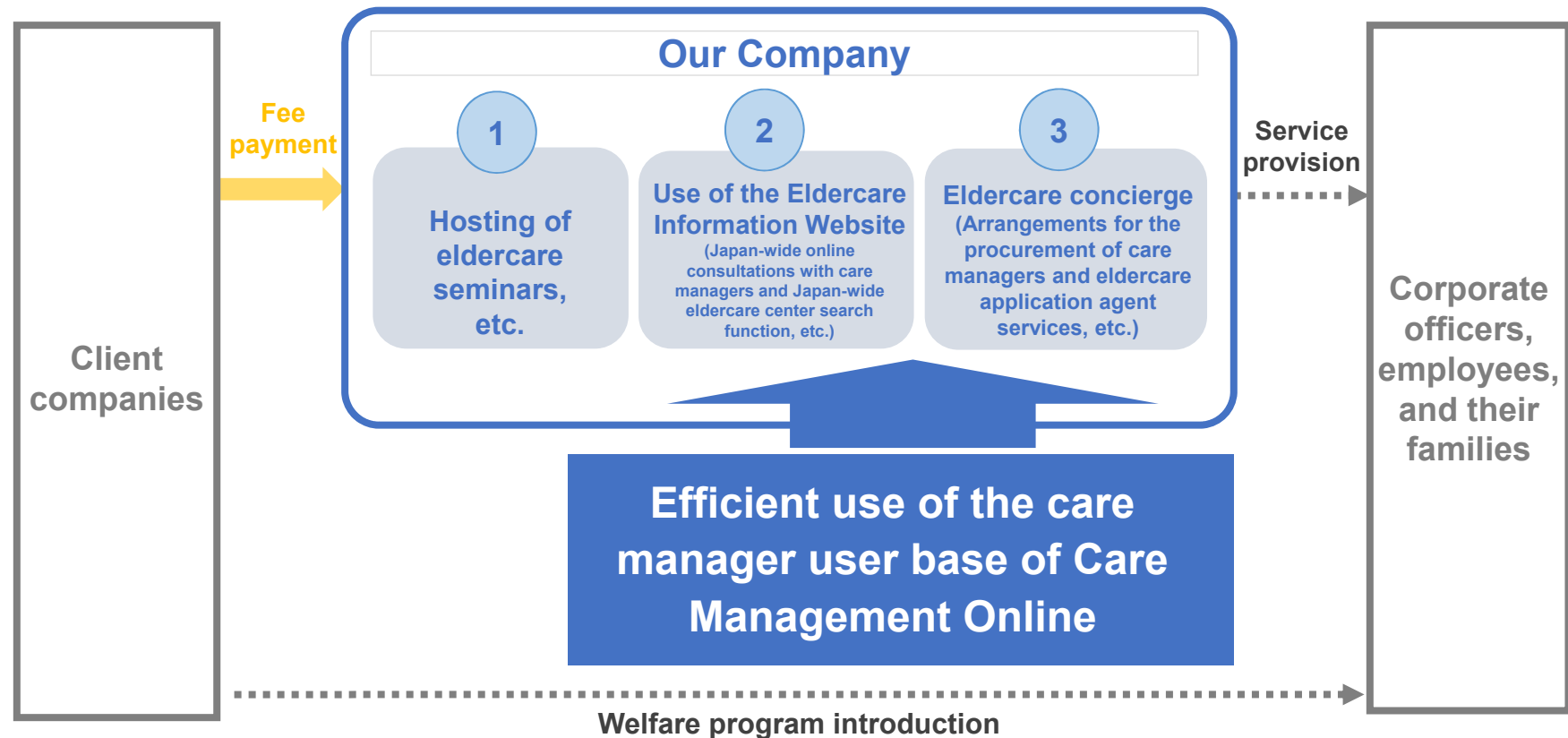
Seniors and families of eldercare patients

Tasting of eldercare food product and completion of the questionnaire form

Adopted by 70 companies with over 1.2 million users Adoption mainly as part of corporate welfare programs

Support in reconciling employment duties and eldercare requirements delivered over the Internet, etc., to users at subscriber companies

**Delivering high added-value solutions at a low cost
through the efficient use of care manager network**



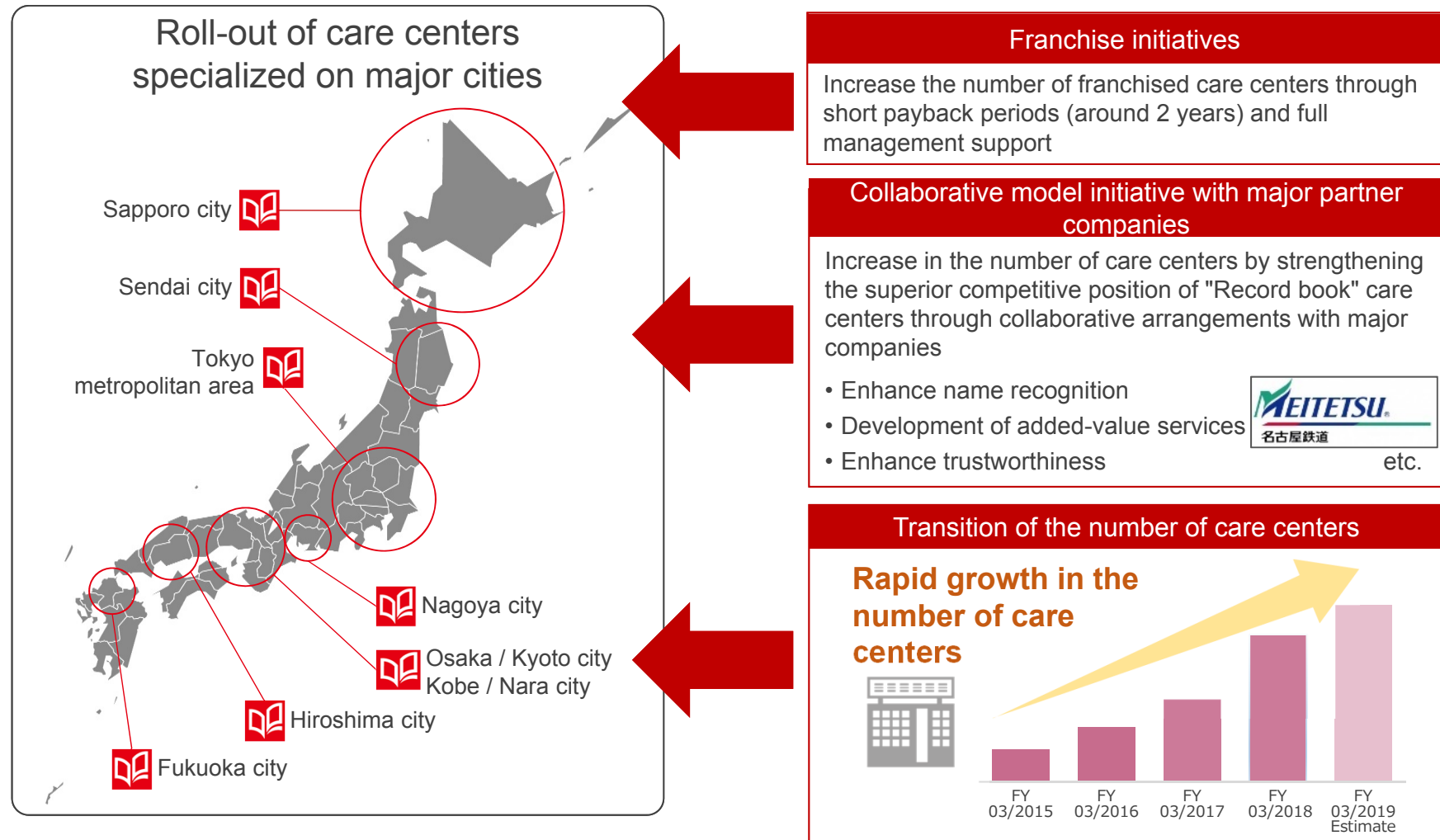
Growth strategies

- (1) Expansion of the Record Book Business**
- (2) Expansion of target strata**
- (3) Strengthening of the Web Solution Business**

Strategy (1): Expansion of the Record Book Business

Dominant strategies for major cities

Increase the number of care centers based on collaborative models between franchise initiatives and partners



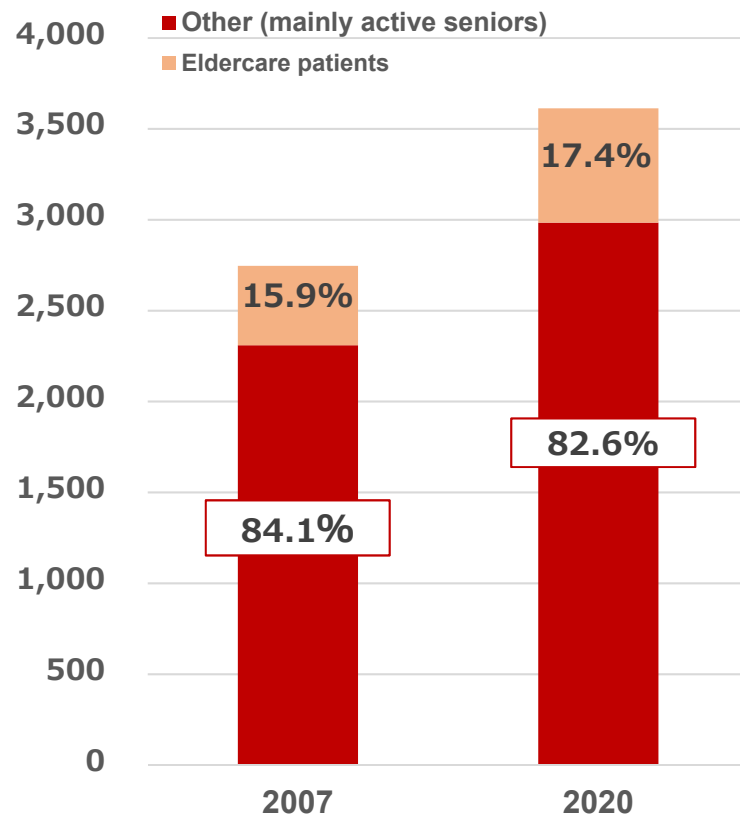
Growth strategy (2): Expansion of target strata

Business area expansion by inclusion of the **volume zones** of super-aged communities

Start of non-insurance business geared at active seniors

Transition of the active senior population

(Unit: 10,000 persons)



**Active seniors
in 2020 seen around
30 million**

Non-insurance long-term care

Approximately 80% of seniors are active and in good health

Expansion of target strata

||

**Growing needs surrounding the
extension of health life expectancy**

Source: Ministry of Internal Affairs and Communications "ICT Super Aging Society Conference Report" (from Mizuho Bank Industry Research Division "Mizuho Industrial Focus Vol. 39 Medium-Term Prospects of the Japanese Industry" (May 2012)) * Figures for 2020 are estimates

Growth strategy (2): Expansion of target strata

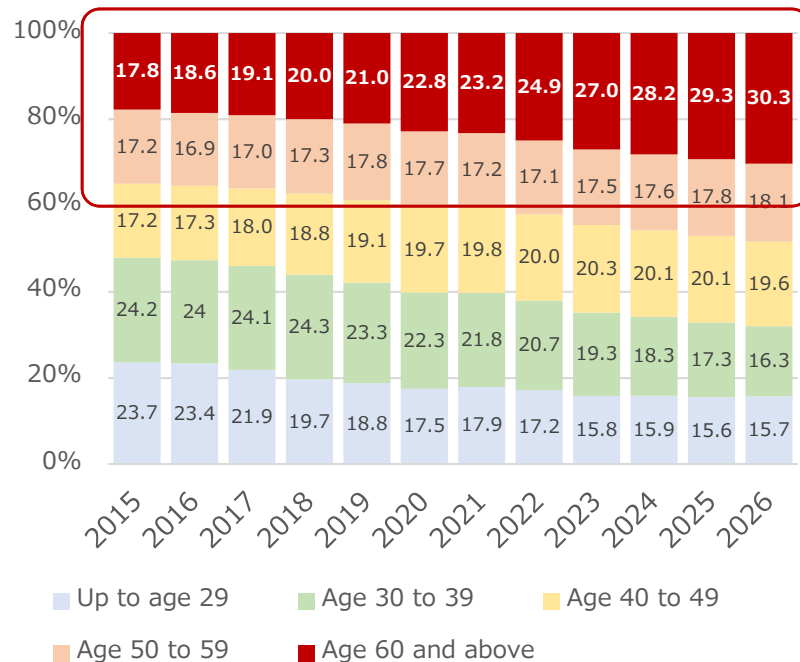
Start of "Smart Times" fitness business +α for active seniors



Rising health consciousness among seniors

Transition of the age range composition ratio of fitness club members

Rising percentage of members aged 60 and higher



Source: Industry activity analysis of the Ministry of Economy, Trade and Industry (Retrospectively for 2012)

Provision of +α services by our Company



Fitness



α = Provision of community space

Culture club



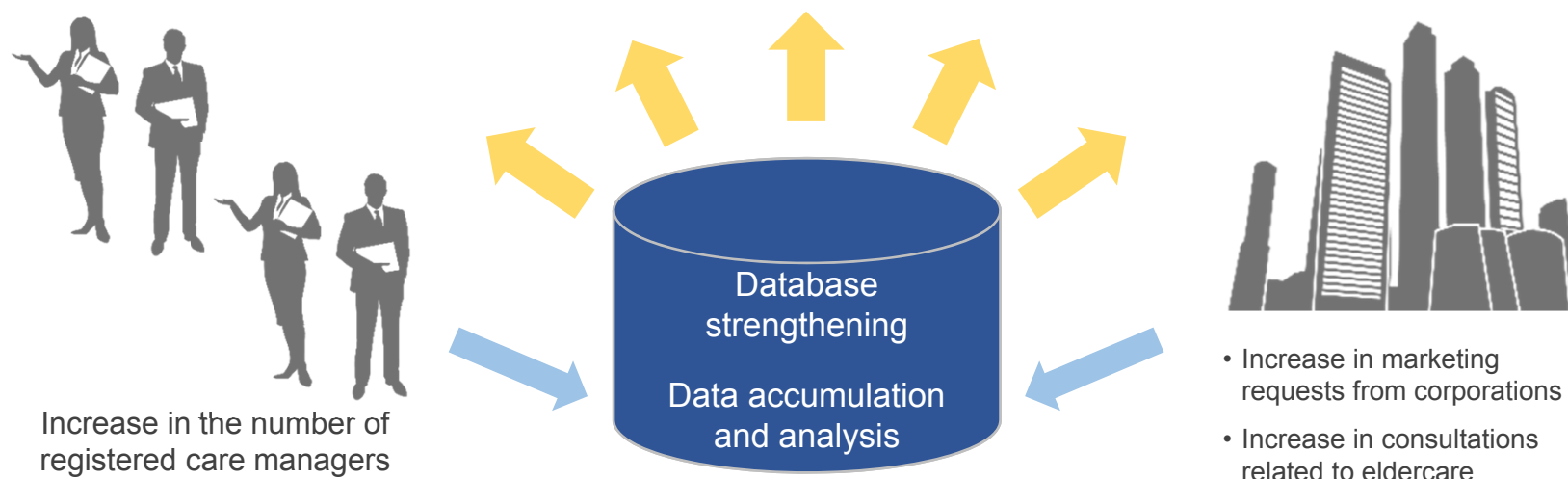
Seminars



Travel



Business growth through **intense sourcing** of **projects** by **capitalizing** on **tailwinds** in the **industry environment**, and through **new order acquisition**



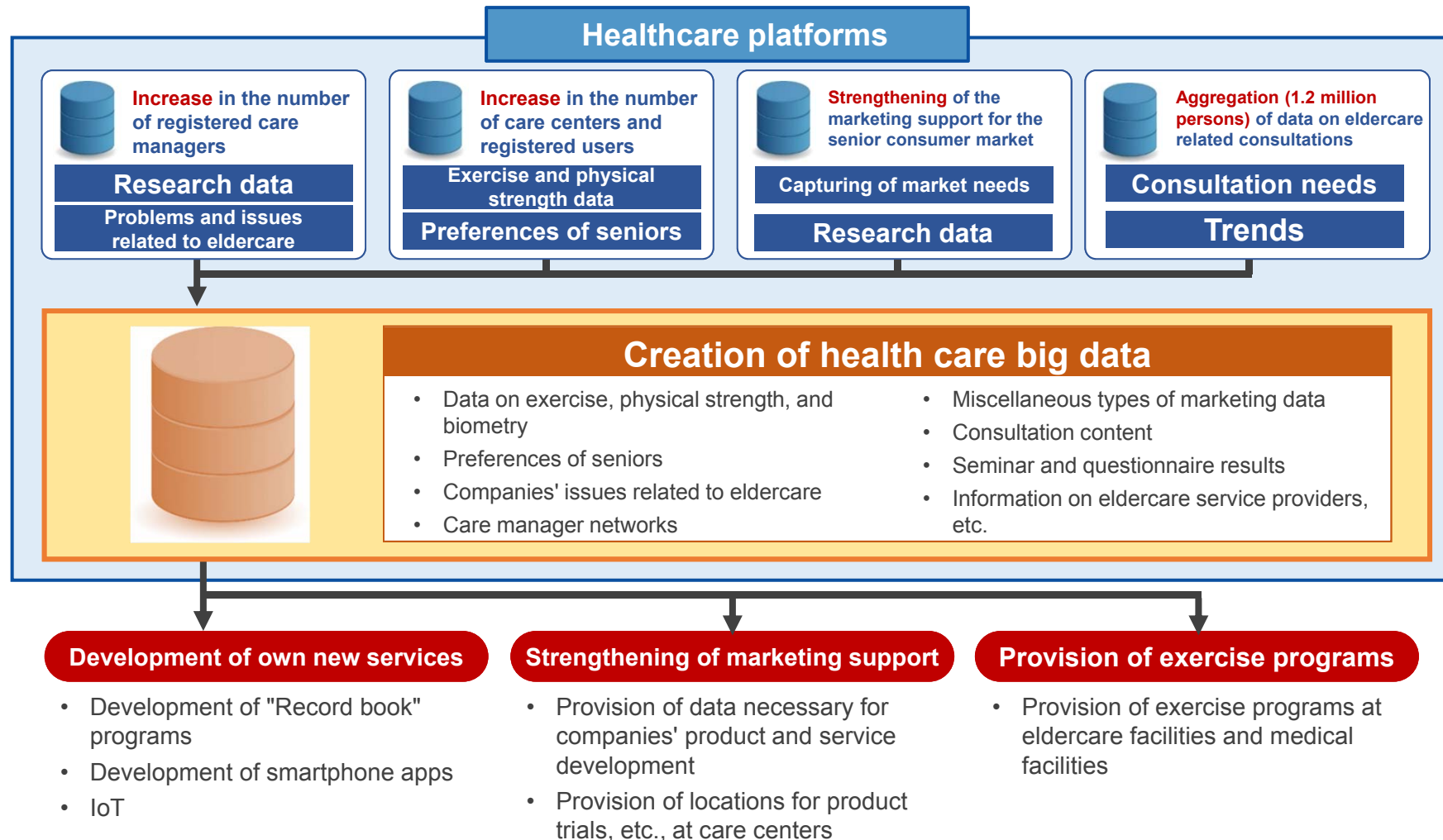
**Marketing support
for the senior
consumer market**

Aim for the No. 1 spot in marketing support for the senior consumer market by establishing a care manager network unrivaled by competitors accompanied by data accumulation and analysis

**Support in reconciling
employment duties and
eldercare requirements**

Intensive sourcing of projects by capitalizing on transaction records with large customers (over 70 companies) and case examples of effective use by over 1.2 million users

Initiatives surrounding **new services and businesses** by combining **healthcare platforms and big data**



The numerical business results projections stated in these materials are based on judgments and expectations derived from the information available at the time. The materials have been prepared based on numerous assumptions and perceptions obtained from information that includes risks and uncertainties. Readers of these materials are reminded that actual financial results can materially differ from financial results projections due to a variety of factors. Factors that have the potential to affect actual business results include, without limitation, deterioration in the business environment or economic conditions, trends surrounding laws, regulations, and related rules, and unfavorable rulings in litigation.

Contact for inquiries: Corporate Planning Division
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