



**internet infinity inc.**

Q2 Financial Results Briefing for the Fiscal Year Ending March 2021

November 19, 2020

## Event Summary

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<b>[Company Name]</b>	internet infinity inc.	
<b>[Company ID]</b>	6545-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Q2 Financial Results Briefing for the Fiscal Year Ending March 2021	
<b>[Fiscal Period]</b>	FY2020 Q2	
<b>[Date]</b>	November 19, 2020	
<b>[Number of Pages]</b>	25	
<b>[Time]</b>	11:00 – 11:40 (Total: 40 minutes, Presentation: 33 minutes, Q&A: 7 minutes)	
<b>[Venue]</b>	JPN 103-0025, Tokyo, Chuo-ku, 2-6-1 Kayabacho Nihonbashi, Nikkei Kayabacho Annex, B1F	
<b>[Venue Size]</b>	238 m <sup>2</sup>	
<b>[Participants]</b>	31	
<b>[Number of Speakers]</b>	1	
	Keiichi Beck	Representative Director
	Kenji Hoshino	Managing Director
	Takamasa Sugimoto	Head of Corporate Planning Division
	Toshikazu Kinami	Head of Administration Division
<b>[Analyst Names]*</b>	Masaaki Kitami	SMBC Nikko Securities Inc.

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A.

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## Presentation

**Moderator:** Now, we will hold a financial results briefing for internet infinity Inc. for the second quarter of the fiscal year ending March 2021.

At first, we would like to introduce you to four welcoming persons from the company.

Representative Director, Keiichi Beck; Managing Director, Kenji Hoshino; Head of Corporate Planning Division, Takamasa Sugimoto; and Head of Administration Division, Toshikazu Kinami.

We will receive an explanation from Representative Director Beck. Mr. Beck, will you give us your explanation?

**Beck:** Hello everyone. I am Keiichi Beck, Representative Director. We sincerely thank you for attending our financial results briefing despite how busy you are, due to the spread of novel coronavirus showing no sign of being resolved.

There is enough distance between you and I, so I would like to explain after removing my mask. Thank you for your understanding.

Now, I would like to start the financial results briefing. Today, I will proceed with today's briefing according to the procedure.

2021年3月期 第2四半期 業績サマリー

### 新型コロナの影響で減収もコストコントロールにより増益 通期業績予想を上方修正

			前年同四半期比
売上高	: 1,692百万円 (利益率)	▲90百万円	
営業利益	: 133百万円 (7.9%)	+6百万円	
経常利益	: 162百万円 (9.6%)	+33百万円	
四半期純利益	: 89百万円 (5.3%)	+5百万円	

#### 業績の主な要因

- 新型コロナウイルス感染症の影響を受け、サービス利用控えや営業制限等により、レコードブック（直営）、Webソリューションが前年同期比で減収
- 売上の減少による損失を最小限にするため、業務改善を進めるとともに、従業員の計画的な休業等を実施し、利益の確保に努める  
⇒ 雇用調整助成金も活用し、各段階利益は前年同期比で増加
- 上期の実績及び下期見通しの前提見直しを踏まえ、業績予想を上方修正

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This is a summary of the results for the second quarter of the period ending March 2021. I would like to explain the main factors behind our performance.

Due to the impact of the novel coronavirus, we have imposed restraints on the use of services, and sales restrictions in the Record Book Business, mainly directly managed stores. In addition, sales of Web Solutions declined YoY.

In order to minimize losses due to a decrease in sales, we made efforts to secure profits by improving operations and implementing measures such as the planned suspension of operations of employees.

Specifically, we used employment adjustment subsidies, and profit at each stage increased YoY.

Based on the results for the first half of the fiscal year and the revision of the assumptions for the second half forecast, we have revised the forecast upward, although we will explain it later.

As a result, sales are JPY1.692 billion. Compared to the same quarter of the previous year, it is negative JPY90 million. Operating income was JPY133 million, a YoY increase of JPY6 million. Ordinary income was JPY162 million, an increase of JPY33 million from the previous fiscal year, and quarterly net income was JPY89 million, resulting in an increase of JPY5 million from the previous fiscal year.

#### 新型コロナウイルス感染症による影響

##### レコードブック

- ✓ 高齢者の外出自粛等によるサービスの利用控えにより利用者数は減少  
⇒ 緊急事態宣言解除後の回復傾向は想定よりも早い
- ✓ F C新規出店数は感染拡大により減少するも、前年同期比+15店舗

##### Webソリューション

- ✓ 一定期間営業活動が制限されたことにより新規案件獲得は低調な推移

##### 在宅サービス

- ✓ 訪問介護事業、居宅介護支援事業は、長年培った地域社会との信頼関係により利用者数を維持、通所介護事業の影響も軽微

##### 全社

- ✓ 売上の減少による損失を最小限にするため、業務改善を進めるとともに、従業員の計画的な休業等を実施し、利益の確保に努める  
⇒ 休業手当の一部は特別損失に計上、特例措置適用を受け、支給決定を受けた雇用調整助成金等の助成金収入を営業外収益、特別利益に計上

Now, I would like to explain the impact of the novel coronavirus.

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First, in the Record Book Business, we refrained from using the service due to the voluntary restraint of elderly people from going out. As a result, the number of users has decreased. After the termination of the Emergency Declaration, the economy recovered from mid-June, and the recovery trend is faster than expected.

The number of new franchise store openings decreased due to the spread of the infection, but increased by 15 stores YoY.

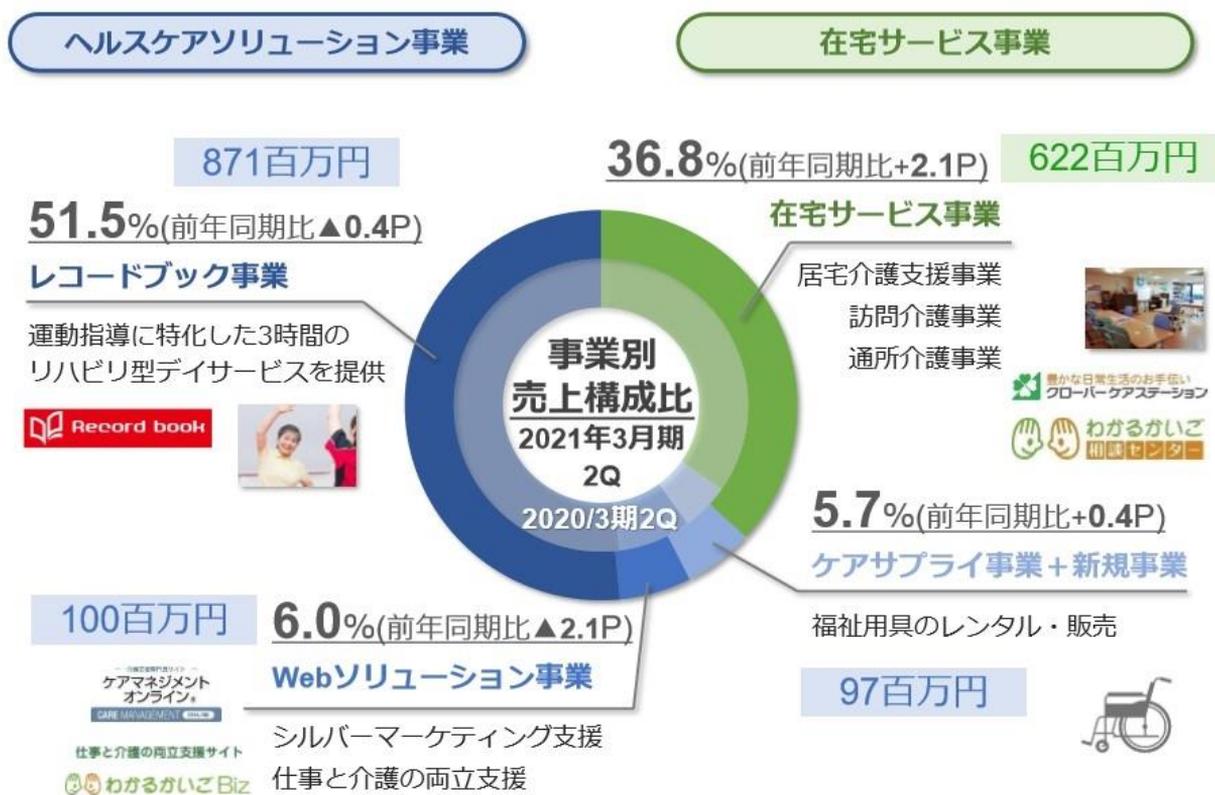
Next, I will explain about the Web Solutions Business. The acquisition of new projects has been sluggish because operating activities have been restricted for a certain period and have been considerably restricted.

This is our Home Service Business. Through our Home-Visit Nursing Care Business, in-home nursing care support plans, and the relationships of trust we have built up with local communities over many years, we have maintained the number of users. The impact on the Day-Care Service Business for day-care centers was negligible this time.

As for the Company as a whole, we have made efforts to secure profits by implementing operational improvements to minimize losses due to a decrease in sales, and by implementing measures such as the planned suspension of operations of employees.

A portion of the leave allowance was recorded as an extraordinary loss and was subject to special measures. Regarding those for which the payment of employment adjustment grants has been decided, grant income is recorded as non-operating income and extraordinary income.

2021年3月期 第2四半期 事業別売上



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Next, I will explain the summary of the results for the second quarter of the period ending March 2021. Sales by business are shown in the figure here.

The Record Book and Web Solutions Businesses within the Healthcare Solutions Segment have been slightly negative YoY, and the percentage of the Home Care Services Segment has turned positive.

2021年3月期 第2四半期 セグメント別業績

## レコードブックFCは売上高・(調整前)営業利益ともに増加

(単位: 百万円)	2020/3期 2Q			2021/3期 2Q			増減額 (増減率)	
	売上高	構成比	営業利益	売上高	構成比	営業利益	売上高	営業利益
<b>ヘルスケアソリューション事業 計</b>	<b>1,163</b>	<b>65.3%</b>	<b>198</b>	<b>1,070</b>	<b>63.2%</b>	<b>193</b>	▲93 (▲8.1%)	▲5 (▲2.8%)
レコードブック	926	51.9%	154	871	51.4%	146	▲54 (▲5.9%)	▲7 (▲4.8%)
直営店	500	28.1%	80	435	25.7%	42	▲65	▲37
FC店	425	23.8%	74	436	25.7%	104	+10	+29
<b>Webソリューション</b>	<b>143</b>	<b>8.1%</b>	<b>26</b>	<b>100</b>	<b>6.0%</b>	<b>12</b>	▲43 (▲30.0%)	▲13 (▲52.5%)
シルバーマーケティング	47	2.7%		42	2.5%		▲4	
仕事と介護の両立支援	64	3.6%		57	3.4%		▲7	
メディカル	31	1.8%		1	0.1%		▲30	
その他 (ケアサプライ+新規事業)	93	5.3%	18	97	5.8%	34	+3 (+3.9%)	+15 (+83.8%)
<b>在宅サービス事業 計</b>	<b>619</b>	<b>34.7%</b>	<b>188</b>	<b>622</b>	<b>36.8%</b>	<b>207</b>	+3 (+0.5%)	+19 (+10.5%)
調整額	—	—	▲259	—	—	▲267	—	▲7
<b>合計</b>	<b>1,783</b>	<b>100%</b>	<b>127</b>	<b>1,692</b>	<b>100%</b>	<b>133</b>	▲90 (▲5.1%)	+6 (+4.9%)

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These are the details. First, as explained earlier, JPY1,692 million operating income and JPY133 million operating income are the breakdown of this.

Healthcare Solutions Segment sales: JPY1.07 billion. Operating income was JPY193 million, which is a negative YoY comparison of net sales of JPY93 million. This is a negative 8.1%. Operating income was negative JPY5 million, or 2.8% YoY.

Looking at the sub-segment, the Record Book Business recorded sales of JPY871 million and operating income of JPY146 million. Compared to the same period of the previous fiscal year, net sales were negative JPY54 million and negative 5.9%. Operating income was a negative 4.8%, or JPY7 million.

The Record Book Business is divided into directly managed and franchised stores. As we have seen, the directly managed stores were affected more greatly. Compared with the same period of the previous fiscal year, sales of directly managed stores were negative by JPY65 million. Operating income was a negative JPY37 million.

On the other hand, when compared with the same period of the previous fiscal year, franchise stores recorded positive net sales of JPY10 million. Operating profit was JPY29 million, and both sales and operating profit increased for franchising of the Record Book Business.

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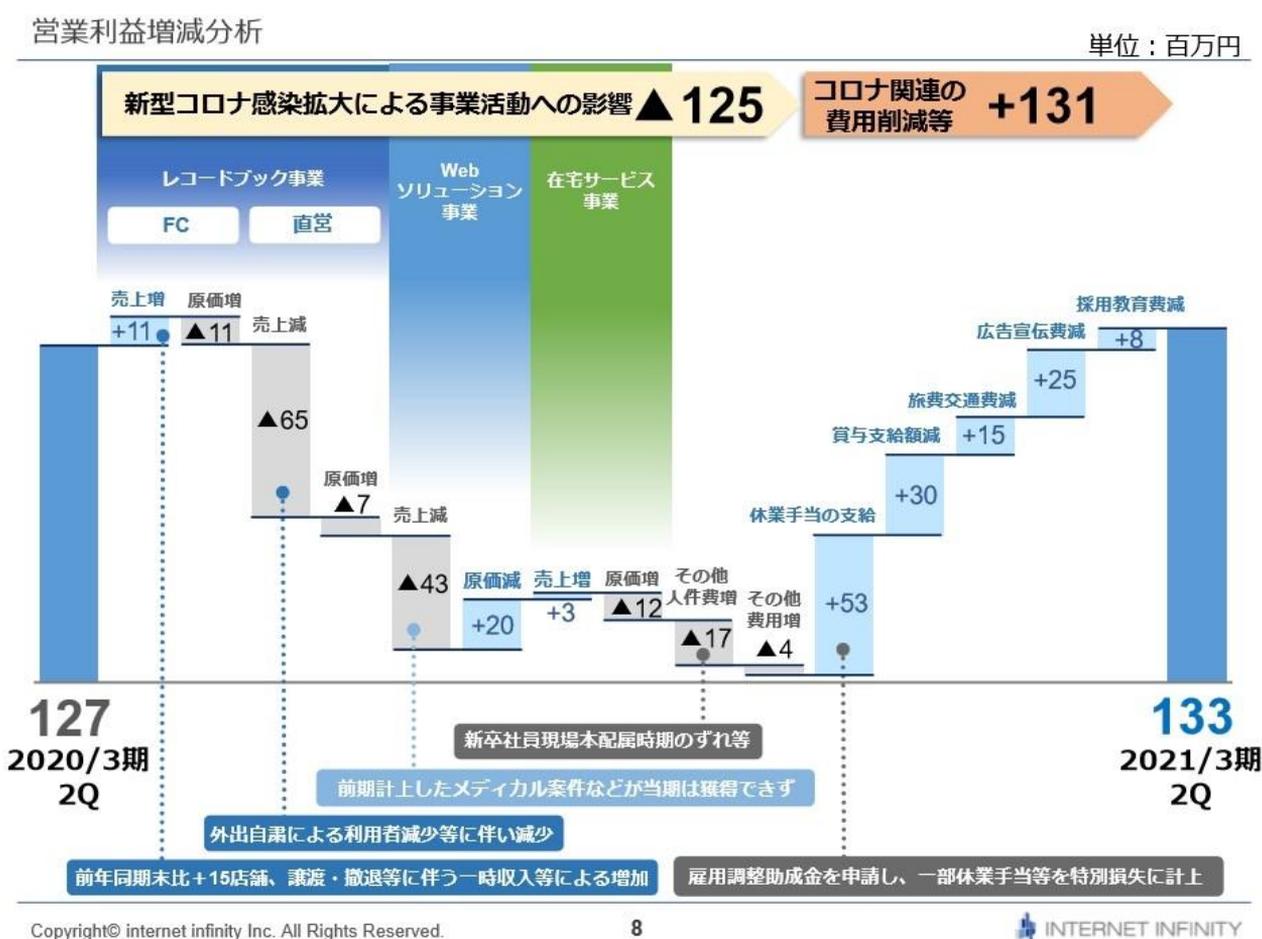
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Looking at Web Solutions, Web Solutions sales are JPY100 million. Operating income was JPY12 million, a YoY decrease of JPY43 million in net sales. This is 30% negative. Operating income is negative JPY13 million and negative 52.5%.

In the breakdown, only sales are shown, but the medical portion is large. In the first half of the fiscal year, sales were approximately JPY30 million due to the absence of large-scale projects as in the previous fiscal year. Compared with the previous fiscal year, this is a negative figure.

Other businesses are the Care Supply Business and the Welfare Equipment Rental Business; sales here are JPY97 million and operating income is JPY34 million. Compared to the same period of the previous fiscal year, net sales were positive at JPY3 million, or 3.9%. Operating income was JPY15 million, a positive figure of 83.8%.

In addition, in the Home Service Business Segment. Net sales were JPY622 million, a positive JPY3 million YoY. Operating income was JPY207 million, which was JPY19 million positive and 10.5% positive.



This is an analysis of changes in operating income.

As shown in the bar graph, first, looking at the main point, sales decline is shown in the fourth bar graph from the left. This is the Record Book Business. Sales at directly managed stores declined by JPY65 million. The number of users of these stores declined temporarily due to restraints on going out, resulting in a negative figure.

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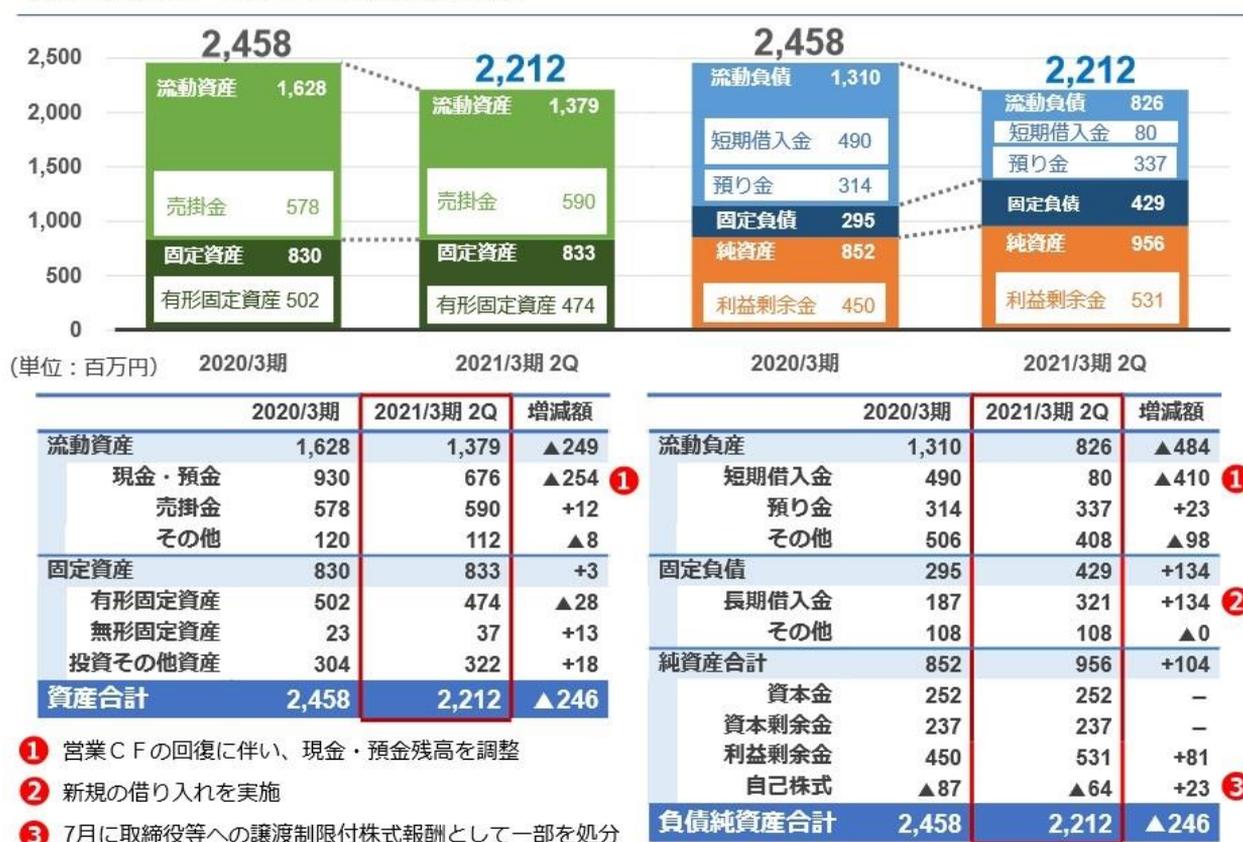
Next to the right, Web Solutions. Sales have also declined significantly, falling by JPY43 million. This is negative because we were unable to acquire the medical projects we recorded in the previous fiscal year, or so-called large-scale projects, for the time being.

Sales of Home Care Services were up slightly, but cost controls resulted in a negative JPY12 million.

To the far right-hand side, in large part, the payment of leave allowance is JPY53 million. However, we applied for the employment adjustment subsidy and booked a partial leave allowance as an extraordinary loss. In terms of level profit and operating profit, it is positive JPY53 million.

In addition, the amount of bonuses paid was reduced resulting in a positive JPY30 million. We also controlled the cost of travel expenses, advertising expenses, and the like. In the first half of the fiscal year, we have cut costs considerably, so the cost side has contributed to a positive turnaround. As a result, it will be JPY133 million.

2021年3月期 第2四半期貸借対照表



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Next, I will refer to the balance sheet for the second quarter. As shown in the diagram here, I would like to explain only the main points, where the increase or decrease is large, compared to the end of the previous term.

First, see the column attached to one. In terms of cash and deposits, we have adjusted cash and deposit balances in line with the recovery in operating cash flows. At the end of the fiscal year, due to the lack of a clear outlook due to COVID-19, we mainly utilized short-term borrowings to accumulate cash and reached the end of the fiscal year. However, we are now seeing a little stabilization, and have adjusted cash and deposits.

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Next, two. We made new loans and increased long-term debt. This was due to the repayment of short-term borrowings and the shift to a partially long-term loan. We have shifted to long-term borrowing, and there is a transfer of long-and short-term borrowing.

Now look at three. In July, the Company partially disposed of restricted stock awards to Directors and others.

## 2021年3月期 第2四半期キャッシュ・フロー



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Next, I refer to cash flow for the second quarter. This is also shown in the figure. Looking at the bottom panel, we see a comparison between the previous fiscal year and the same quarter of the previous fiscal year.

Net cash provided by operating activities was JPY99 million, which, when compared YoY, appears to have decreased net cash provided by operating activities. This is mainly due to the decline in sales in the directly managed the Record Book and Web Solutions Businesses, which I mentioned earlier, mainly in the first quarter and second quarter.

Cash flows from investing activities of the fiscal year in the second column were positive compared with the same period of the previous fiscal year. In the first half of the year, it is a type with fixed assets, primarily the Record Book franchise, so-called B plan. Due to restricted store openings, fixed asset acquisitions have decreased and cash flows from investing activities have become positive. In comparison with this, it looks positive.

In the third column, cash flows from financing activities have been significantly negative. As I explained earlier in the BS section, we accumulated cash at the end of the fiscal year, but we will try to optimize this. This is mainly due to the repayment of short-term borrowings.

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## 高水準の感染拡大防止対応

- ✓ 利用者や社員等の安全確保に努め、社会インフラとして継続的にサービスを提供



⇒ 感染拡大の影響を受け減少した利用者数は、回復基調へ <<p.12 利用者数推移参照>>

## トピックス

- ✓ フランチャイズは全体として増収増益を継続  
総店舗数・・・前年同期比で増加傾向 ⇒ 売上増  
新規出店・・・新規出店のための営業活動の制限、開業時期の遅れ ⇒ 売上減
- ✓ 利用を促す新たな取組みを積極的に展開 <<p.14 レコードブック新規サービスの展開参照>>  
⇒ 自宅でのサービス（訪問サービス、安否確認サービスなど）も展開

Now, I would like to explain the recent state of the Record Book Business.

In the Record Book Business, the State of Emergency Declaration was issued. However, even when the State of Emergency Declaration was issued, some franchise member stores and all stores in Nagoya were absent from work, but all stores are directly operated.

This is because we have received requests from local governments to continue the business without closing stores as much as possible by positioning this Record Book Business on a par with medical institutions. We have continued business after thoroughly preventing the spread of high-level infections and operated by continuing our services.

Specifically, as stated above, we continuously provide services as a social infrastructure by striving to ensure the safety of users, customers, employees, and others.

Specifically, employees and users always wear masks and we inspect their temperature thoroughly. In the case of the Record Book Business, a person's temperature should be checked before leaving their house because we take them to and from the office by car. Therefore, if they have a fever, we are giving them a day off that day to see how they are doing.

In addition, sanitizing and ventilating store-delivered vehicles. In the morning and afternoon, all in-store sanitation is carried out for each service by our staff.

Securing social distancing and introducing acrylic partitions into stores. When customers do exercise, they keep away from each other as far as possible to secure social distancing. There is a communication time like

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teatime between exercise sessions, and there is a time when customers and staff communicate with each other. At that time, we sit on chairs around tables, but we have installed acrylic partitions and are carrying out activities to prevent the spread of the infection.

As a result, the number of customers is currently on a recovery track, although it declined temporarily due to the impact of the spread of the infection.

As a topic, franchise sales and profits continued to increase as a whole. The total number of stores increased YoY and sales increased.

New store openings and franchise member development are restricted. Since most of the new operations were stopped in the first half of the fiscal year, the delay in the opening period have the effect of a decline in sales.

We have aggressively developed new initiatives to encourage use. I will explain this later. This service was mainly provided around April, May, and June from the time of the Emergency Declaration, although it continues to be partially available at home. The Ministry of Health, Labor and Welfare has taken extraordinary measures, and we will actively provide services and, if agreements are reached with customers, we may claim insurance.

Visit Service. This is a service in which trainers visit for exercise at home and to provide exercise guidance. In addition, the safety confirmation service is mainly for elderly people living alone, using a telephone, to refrain from going out and stay at home, so staff members should contact them regularly by telephone to confirm their safety.

In the Record Book Business, we have also been offering exercise guidance by telephone.

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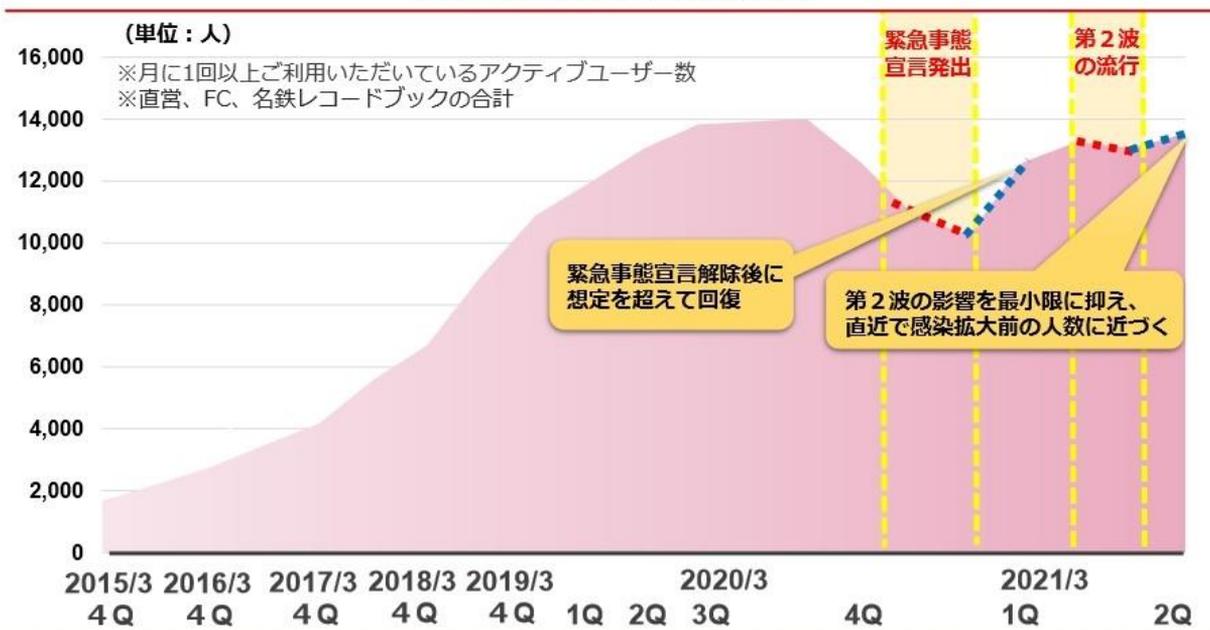
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**外出自粛が続き、高齢者の継続的な運動習慣の重要性が再認知**

**➡ 感染予防対策の徹底や新たな取組みにより利用者は回復基調に**

レコードブック 月間利用者数推移



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Here is the change in number of users.

We feel that the importance of the continual exercise habits of the elderly has been reaffirmed as the self-restraint on going out is continuing. Currently, users and customer numbers are recovering, but the number of users dramatically declined from the middle of the fourth quarter of the previous fiscal year, returning from the first quarter, from around June.

However, in the summer in the second wave, it slightly decreased, and the customer number has been recovering since August and September. I have been worried about the third wave over the past few weeks, but for now, the number of users has been recovering smoothly.

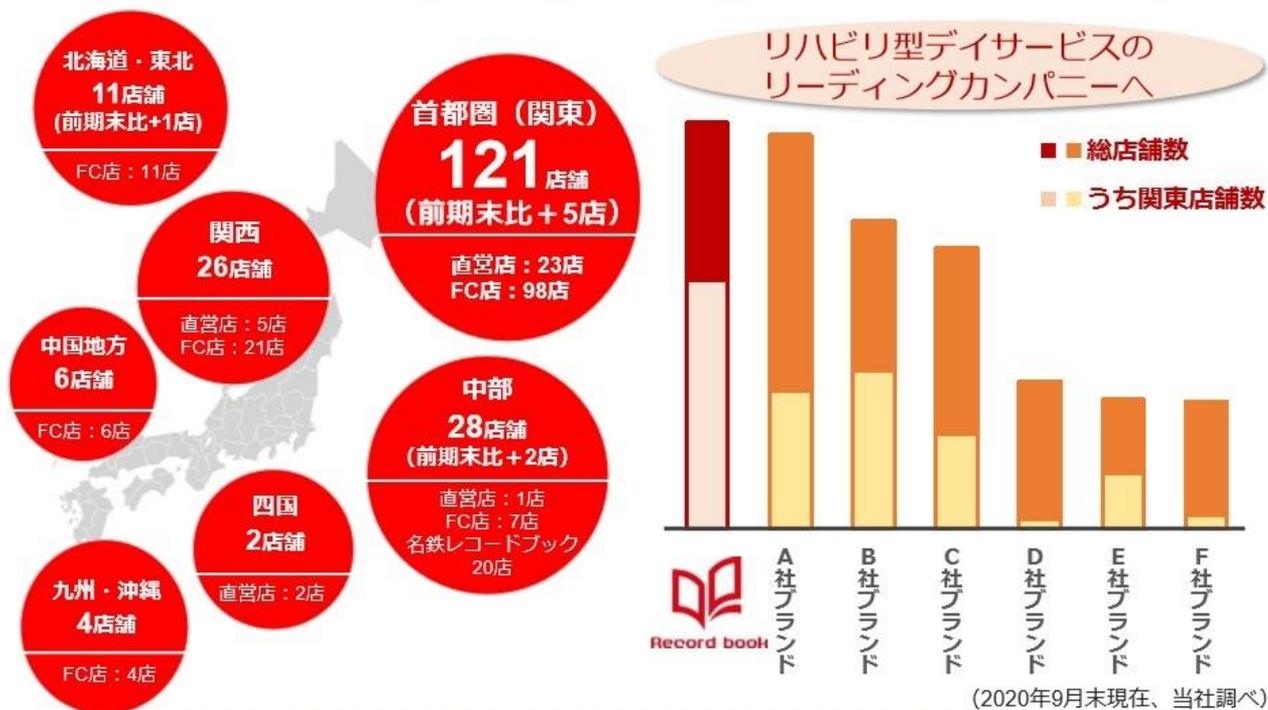
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## レコードブック・ブランド全体で198店舗に成長

⇒当第2四半期までに、直営3店舗、FC4店舗、名鉄レコードブック1店舗が増加



This is the number of record bookstores. The total number of record book brands as a whole has grown to 198. In the field of rehabilitation-type day service and short-time day service with exercise guidance as its focus, our number of stores nationwide now ranks number one in Japan.

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### 店舗での物販サービス

- ✓ 介護保険外サービスの充実に向け  
一部の店舗にて利用者向けの物販のテストを開始  
⇒ミネラルウォーター、銘菓、寝具、食品など

利用者にとっても運動以外の楽しみが増え  
好評を博し、実施店舗を順次拡大中  
⇒キャンセル減少、利用者数増加に貢献



キューピー(株)の商品等を店舗内に展示

### レコードブックアプリに新たに食事・栄養のコンテンツを追加

- ✓ 健康意識の高いアクティブシニアに向けた情報配信を強化
  - ・ 自宅にしながら簡単にできる運動プログラム
  - NEW** レシピ、食事・栄養に関する専門家コラム等のお役立ち情報

高齢者の生活範囲が感染症により制限される中  
生活習慣改善に必要な「運動」「栄養・食事」の  
情報を自宅にしながら取得可能



(株)オールアバウト社から情報提供

We are now developing new services in the Record Book Business.

There are mainly two services. One is Product Sales Services. To enhance services outside of nursing care insurance, we have begun testing product sales to users at some of our stores.

Specifically, we are selling mineral water bottles wrapped in Record Book films at low prices. Other products include confectionery, pillows, and food. We have partnered with manufacturers to develop and sell them.

Photographs of foods are shown. Products of Kewpie Corporation are displayed in stores, so customers have other things to enjoy than exercising. Many people have stayed in their homes for a long time, so it has been well received when there are other enjoyments besides exercising.

As a result, the number of cancellations of Record Book is decreasing and it is contributing to an increase in the number of customers, so we are currently expanding the number of stores.

In addition, the Record Book App. We have already released the app, and we have newly added food and nutritional contents. Our aim is to strengthen information dissemination toward active seniors with a high level of health consciousness.

One of those is an easy exercise program while staying at home. At the same time, we collaborated with All About Inc. to receive information and deploy it on the app and provide it, so our customers can read a column of experts on recipes, meals, and nutrition.

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### Webソリューション

- ✓ オンラインの活用により工夫を凝らした営業活動を展開し、新規案件を着実に取り込む方針
- ✓ コロナ禍においてライフスタイルの変化による在宅介護の需要増に向け、わかるかいごサービスを積極的に展開

2020年10月より  
(株)日立製作所向けに  
わかるかいごBiz  
介護コンシェルジュ  
を提供開始！

### 在宅サービス

- ✓ レコードブックと比べ感染拡大による影響は軽微
- ✓ 訪問介護では前期下期から取得している加算等の影響により、顧客単価が上昇

### 全社

- ✓ 計画的な休業等や雇用調整助成金の受給に加え、アフターコロナを踏まえた生活スタイルの変化を注視しつつ、営業戦略の見直しなどコストコントロールを積極的に実施
- ✓ 本社勤務の従業員を中心に、在宅勤務や時差出勤を取り入れた勤務体制を継続

Next, I would like to explain the status of the Web Solutions Business and the Home Service Business.

First of all, Web Solutions Business. Our policy is to engage steadily in new projects by developing creative sales activities using online services.

We did not conduct new sales activities in Q1 for Web Solutions before, but since Q2, we have shifted to sales activities based on web-based interviews using Zoom and other methods.

In the aftermath of the coronavirus pandemic, we are aggressively developing services that can be understood in preparation for an increase in demand for home nursing care due to changes in lifestyles. We started providing Biz and nursing care concierges to Hitachi, Ltd. in October.

Next, Home Service. When compared with the Record Book Business, the impact of the spread of the infection was minor. In addition, the average spend per customer for home-visit nursing care increased due to additions and other factors in the second half of the previous fiscal year.

Specifically, although the special treatment improvement incentives were a minor revision of the law, the unit price is rising because of revision, and new incentives have been made since October of the previous year.

As for the Company as a whole, in addition to systematic suspension of business and receiving employment adjustment subsidies, we are currently actively implementing cost controls, including a review of our sales strategy, while paying attention to changes in lifestyles based on sales after COVID-19.

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In addition, the head office of our Company continues to maintain a work system that incorporates telecommuting and staggered working times, mainly for employees working at the head office. Since it is impossible to close the stores, staggered working is also impossible there.

Employees of our Company are divided into Groups A and B, with Group A for employees engaged in stores and Group B for indirect departments at headquarters. Group B can take a holiday as much as possible, and works from home. In addition, telecommuting is conducted. We are currently operating in this way.

## 2021年3月期 業績見通し

2020年5月15日公表の通期業績予想を上方修正							
(単位：百万円)	2021/3期 当初予想	2021/3期 修正予想	当初予想比 増減率	(参考) 2020/3期	前期比 増減率	2021/3期 2Q実績	進捗率 (対修正予想)
<b>ヘルスケア ソリューション事業</b>	2,087	<b>2,125</b>	<b>+1.8%</b>	2,357	▲9.8%	1,070	50.4%
<b>レコードブック</b>	1,672	<b>1,733</b>	<b>+3.6%</b>	1,908	▲9.2%	871	50.3%
直営店	850	<b>855</b>	<b>+4.1%</b>	986	▲10.3%	435	49.2%
FC店	822	<b>848</b>	<b>+3.2%</b>	921	▲8.0%	436	51.4%
Web ソリューション	225	<b>194</b>	<b>▲13.9%</b>	264	▲26.5%	100	51.8%
その他 (ケアサブライ等)	189	<b>197</b>	<b>+4.1%</b>	184	+7.2%	97	49.5%
<b>在宅サービス事業</b>	1,185	<b>1,236</b>	<b>+4.3%</b>	1,218	+1.5%	622	50.4%
<b>売上高 計</b>	3,273	<b>3,361</b>	<b>+2.7%</b>	3,575	▲6.0%	1,692	50.4%
<b>営業利益</b> (営業利益率)	52 (1.6%)	<b>84</b> (2.5%)	<b>+61.7%</b>	216 (6.1%)	▲60.8%	133 (7.9%)	157.1%
<b>経常利益</b> (経常利益率)	45 (1.4%)	<b>161</b> (4.8%)	<b>+257.4%</b>	216 (6.1%)	▲25.4%	162 (9.6%)	100.6%
<b>当期純利益</b> (純利益率)	29 (0.9%)	<b>127</b> (3.8%)	<b>+333.5%</b>	122 (3.4%)	+3.9%	89 (5.3%)	70.3%

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Now, I will explain the forecast for the full year ending March 2021.

Only the sales of each segment will be discussed. First, net sales of JPY3.361 billion are flat compared to the full-year forecast and the initial forecast announced on May 15, but net sales are 2.7% positive.

Operating income was JPY84 million, which is 61.7% up when compared to the announcement on May 15. Ordinary income is expected to be JPY161 million, which is 257.4% up compared to the initial forecast. Net income is expected to be JPY127 million, a growth of 333.5%.

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## 2020年5月15日公表の通期業績予想を上方修正

新型コロナウイルス感染症による経済活動への影響は、不透明な状況が継続  
⇒上期の実績及び下期見通しの前提条件見直しを踏まえ業績予想を修正

(単位：百万円)	2020/3期			2021/3期修正予想			増減額 (増減率)	
	売上高	構成比	営業利益	売上高	構成比	営業利益	売上高	営業利益
ヘルスケアソリューション事業 計	2,357	65.9%	399	2,125	63.2%	242	▲231 (▲9.8%)	▲157 (▲39.3%)
レコードブック	1,908	53.4%	307	1,733	51.5%	163	▲174 (▲9.2%)	▲144 (▲47.0%)
直営店	986	27.6%	135	885	26.3%	11	▲101	▲123
FC店	921	25.8%	172	848	25.2%	151	▲73	▲20
Webソリューション	264	7.4%	45	194	5.8%	16	▲70 (▲26.5%)	▲28 (▲63.3%)
その他 (ケアサプライ+新規事業)	184	5.2%	46	197	5.9%	62	+13 (+7.2%)	+16 (+35.0%)
在宅サービス事業 計	1,218	34.1%	335	1,236	36.8%	374	+17 (+1.5%)	+38 (+11.4%)
調整額	—	—	▲518	—	—	▲531	—	▲12
合計	3,575	100%	216	3,361	100%	84	▲214 (▲6.0%)	▲131 (▲60.8%)

Segments are shown on the following page. Forecasts by segment and segment profits are also included.

In the Healthcare Solutions Business, net sales are expected to JPY2.125 billion and operating income is expected to be JPY242 million. The segment consisted of JPY1.7333 billion for the Record Book Business and JPY163 million for operating income.

Web Solutions sales are expected to be JPY194 million and operating profits are expected to be JPY16 million.

In addition, in the Care Supply Business, sales are expected to be JPY197 million and operating income is expected to be JPY62 million.

The Home Service Business recorded sales are expected to be JPY1.236 billion, and operating income is expected to be JPY374 million.

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  - ✓ 上期の利用者数減少の影響は、当初予想よりも限定的
  - ✓ 下期にも感染再拡大により利用者数落ち込みの波を想定
- Webソリューション**
  - ✓ 期末まで大きく状況は変わらず、低調に推移
- 在宅サービス**
  - ✓ 利用者の減少はあまり見られず、当初予想を上回る
- 全社**
  - ✓ 計画休業等による営業費用削減は下期にかけて減少

I would like to explain the details of the factors behind the revisions to the full-year earnings forecasts.

In the Record Book Business, the impact of the decline in the number of users in the first half of the fiscal year was more limited than originally expected. In the second half of the fiscal year, we have factored in the wave of a decline in the number of users due to the spread of infections again.

As a result, the left side shows sales and the franchise is plus JPY26 million. A directly managed Record Book Business is also positive. Operating income was negative for the direct management of the Record Book Business.

In the Web Solutions Business, the situation remains unchanged until the end of the fiscal year and sales remain sluggish. We plan to continue this in the second half of the fiscal year, as it was in the first half of the fiscal year.

In-Home Care Services, there was almost no decline in the number of users in the first half of the fiscal year, so we have revised our plan to exceed our initial forecast.

As for the Company as a whole, we estimate the reduction in operating expenses due to the suspension of operations and planned suspension of operations will decrease a little in the second half of the fiscal year. In the first half of the fiscal year, particularly Q1 took leaves and used a subsidy to adjust the number of jobs. We plan to decrease the amounts toward the second half of the fiscal year.

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## 新型コロナウイルスの影響の前提条件を上期を踏まえ一部変更

見通しの前提	修正予想				当初予想			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>外部環境</b>	X	▲	▲	▲	X	▲	●	●
	1Qに感染拡大、外出自粛等の経済活動の制限により景気が大幅に落ち込む。その後も期末まで不透明な状況が続き、冬場にかけて感染再拡大の懸念も。				1Qが感染拡大のピーク。外出自粛等の経済活動の制限により景気が大幅に落ち込む。2Qが回復途上、3Q以降に正常化の想定。			
<b>ヘルスケアソリューション事業</b>	売上・利益前期比(2Qまで実績)				売上・利益 前期比			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>レコードブック</b>	▼	▼	▼	▼	▼	▼	▼	▼
	新規出店出店数は前期比で大幅減。1Qで減少した既存店舗（直営・FC）の利用者は2Q以降比較的早期に回復が進むも、3Q-4Qに再び利用控えが進む想定。利益面は人件費の減少（休業等の活用）の影響は期末にかけて減少、その他新規出店減に伴う原価減少等を想定。				新規出店は1Q中心に営業活動を大幅縮小年間出店数は大幅減。既存店舗（直営・FC）は1Q中、利用控えの影響を強く受け2Q以降徐々に回復。利益面は新規出店減に伴う原価減少、店舗の人員配置調整による人件費の減少等を想定。			

I would like to explain the assumptions used to calculate the outlook for business results.

These are the assumptions for the outlook. For the external environment, our initial forecast is like this. Since Q1 is inactive, the economy expected to fall dramatically due to the peaking of the pandemic in Q1 and restricted economic activities such as restrictions on going out.

Q2 was still recovering, therefore we had initially expected it to become almost normal after Q3. In this revision, Q1 and Q2 were replaced with actual results. We are concerned that even after Q3, uncertainty will persist until the end of the period, particularly in the winter, when COVID-19 might spread. Therefore, Q3 and Q4 were turned into triangles from circles. We have also reflected the results of Q1 and Q2.

Now, I would like to explain the Healthcare Solutions Business.

The Record Book Business is as given in this diagram. Sales activities for new store openings greatly reduced, mainly in Q1. Our plan was to reduce significantly the number of new store openings by the end of the year. Gradually recovered after Q2 due to the strong impact of customers refraining from using stores in Q1. With regard to profits, we anticipated a decrease in costs due to a decrease in new store openings, and a decrease in personnel expenses due to adjustments to store staffing.

Reflecting Q1 and Q2 results, we have some places where the figures were not as severe as initially expected, but we assume that customers will refrain from using stores again in Q3 and Q4.

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In terms of profits, the impact of the decrease in personnel expenses will decrease toward the end of the fiscal year although the written explanation may be somewhat difficult to understand. However, the use of work stoppages will decrease. In addition, we anticipate a decrease in costs due to a decrease in new store openings.

2021年3月期 業績見通し算出の前提について ②

## 新型コロナウイルスの影響の前提条件を上期を踏まえ一部変更

見通しの前提	修正予想				当初予想			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Webソリューション	↓	↘	↗	↘	↓	↓	↘	↘
	営業活動は直接訪問からオンラインが中心に。新規案件は下期も前期のような大型案件は見込めず低調に推移。利益面では売上減に伴う原価減少を見込む。				1Qは新規顧客獲得に向けた直接訪問による営業活動が制限。利益面では売上減に伴う原価減少や人件費の減少、広告宣伝費の削減等を想定。			
その他 (ケアサプライ等)	→	↗	↗	↗	↘	→	↗	↗
	感染症の影響は殆ど受けず、引き続き在宅での福祉用具等の需要増を想定。				1Qに若干落ち込むが、在宅での福祉用具等の需要増を想定。			
在宅サービス事業	→	↗	↗	↗	↘	→	→	→
	通所は若干影響を受けるが、訪問・居宅は大きく影響なし。訪問で加算取得等もありやや増加。				訪問・通所は1Qに若干落ち込むが2Qに回復、3Q以降平常化。居宅は年間通じて大きな影響はなし。			

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As for Web Solutions Business, we initially forecast Q1 and Q2 with the arrows heading down and Q3 and Q4 with gradual recovery.

This revision reflects Q1 and Q2 and results. Q2 with the arrows showing a slight downward trend. This shows sales activities changed to online from direct visits.

New projects are expected to remain sluggish in the second half, as large projects as in the previous fiscal year are not expected. Profits are also expected to be impacted due to a decline in costs associated with a decline in sales, and Q3 and Q4 are forecast with a slight downward trend.

In addition, as for the Welfare Equipment, although our initial forecast has first quarter declined slightly, we have almost returned to the current level in Q3 and Q4, and our image is for a slight positive over the previous fiscal year.

In the revised forecast, it is slightly firmed up. Although there may be a slight impact in the winter, we anticipate a continued increase in demand for welfare equipment at home, so this is not a pessimistic forecast.

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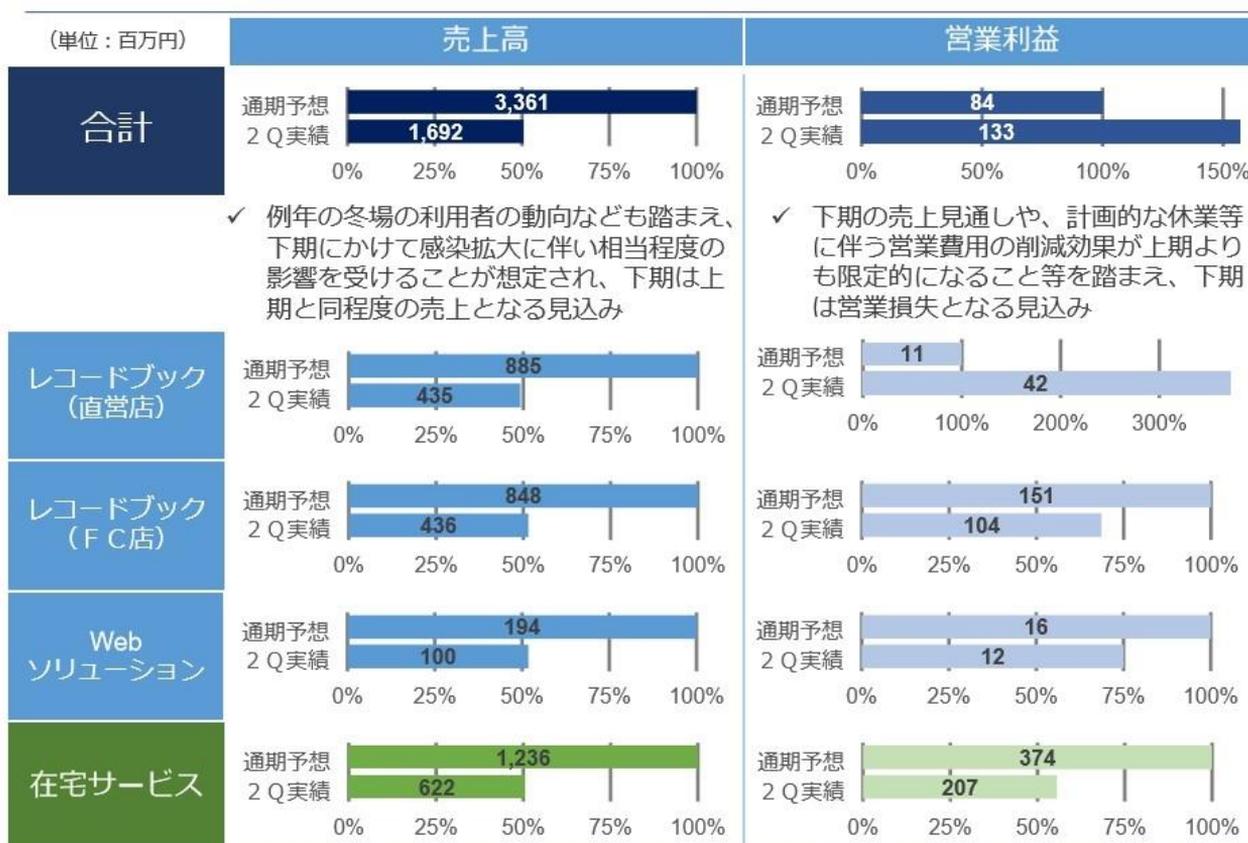
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This is our Home Service Business.

Initial forecasts were a slight drop in Q1, a rebound in Q2, and normal conditions from Q3. This business is almost unchanged, so we have planned it to remain flat at normal levels from Q3. In the new revised forecast, day-care services were slightly affected, but there was little impact in other areas.

In addition, as I mentioned earlier, in the field of visiting nursing care, the unit price has risen, so we have replaced Q1 and Q2 with actual results and replaced it with a revised forecast of a slight increase in Q3 and Q4.

### 2021年3月期 修正後の業績見通しに対する達成状況



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We have achieved the revised earnings forecasts.

In light of the trend in the number of users in the winter, we see that sales decrease every year in the winter. The number of customers tends to decrease a little during the hot season in midsummer and the cold season in winter, so we will consider this.

In addition, as I explained earlier in each segment, we have incorporated the fact that COVID-19 might spread again. This is our plan.

Therefore, the progress is about 50% right now. In the second half, sales are expected to be about the same as in the first half, so I think that each segment is exactly 50% or so.

There is an operating profit. Given the sales outlook for the second half and the fact that the effects of reductions in operating expenses resulting from planned suspension of operations and other factors may be

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more limited than in the first half of the fiscal year, in the second half of the fiscal year, we are planning to incur an operating loss. Therefore, at Q2 stage, the actual result is 150% lower. Here are the details.

The pages after this are references, so I hope everyone will look when you have time. That is about it. Thank you very much.

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## Question & Answer

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**Moderator:** Thank you for your explanation. Let us start the question and answer session.

**Kitami:** Thank you for your explanation. I am Kitami from SMBC Nikko Securities Inc.

I would like to ask you two questions. The first is about the Record Book Business. I understand that the service is at home and probably supports training at home.

If this Record Book Business is online, is it possible to take steps to popularize remote interactions? I think it may be difficult because it is a matter of mindset on the part of seniors, IT literacy, regulations on the part of the nursing care administration, and so on.

If you have any ideas on this, please let me know if it is possible to do this. This is the first one.

The second question is about recovery trend in the number of users that is described on page 12. I suppose this will naturally become uneven when the infection spreads.

Considering the current situation from the sentiment on the ground, although there are some waves, if we look back over a long term of two to three years, this is likely to go on a recovery trend despite repeated fluctuations. Therefore, the way we are looking at the situation under a pandemic is not as pessimistic as in the past. Do you think my understanding is good?

Alternatively, I would like to know if you think this situation is one where the number of users will end up plateauing to a certain extent. Thank you very much.

**Beck:** Thank you. I will answer you.

First, I explained that the first Record Book service is home service. This time, we have received special measures from the Ministry of Health, Labor and Welfare for customers who have been discouraged from using our services due to COVID-19. This is real.

The trainer visits the home and checks things, including safety. We provide exercise instruction services at home, and people can claim insurance just like when they came to the Record Book Business. This is how we have handled the situation.

Therefore, the problem comes after this. Record Book has a limited number of staff for visiting homes, so it is not realistic to do it continuously. As you pointed out, I think we will explore using online and other means. Therefore, I would like to explore various possibilities.

In terms of regulations, there is no problem whether particular licensing is necessary or not. I do not think there are any regulations in particular. As I said at the beginning of the explanation, a special measure was made by the Ministry of Health, Labor and Welfare, and the insurance is calculated by people visiting the company. Currently, there is no insurance score when it is the service moves online.

Therefore, that it will be a bit ahead of time for the government to recognize and score points, but I think there may be possibilities in the future.

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We are moving forward with implementation. As I explained earlier, when the third and fourth waves come, we would like to use the Record Book App for those customers who want to go to Record Book but cannot do anything. We are currently preparing for it.

There are literacy issues and infrastructure issues. Those who are considering using the system are living with their families, and their families support the infrastructural aspects of the system, such as tablets and Wi-Fi. We assume that people will open the app on a tablet and exercise on it.

Regarding the elderly who are living alone, some kind of support is necessary. The number of Record Book customers who range in average age from 75 to 80 years old is increasing compared to 2010 when Record Book was first launched, as more people have smartphones and can operate smartphones.

If we make solid preparations from now on, for example, looking ahead to the post-2025 period when the baby boomers will become the late-stage elderly, there is plenty of potential for the online service to appeal, and it will also be a foundation. We would like to be firmly prepared for this.

The second point is the trend of the recovery of customers at Record Book. As shown in the graph, as you asked us right now, we have recovered strongly, looking at sentiment on the ground. In the second wave, as shown in the picture, it decreases a little, and even in the third wave, even in the last week or two weeks, there is a slight impact.

I hear from many people that the elderly do not go out because they are afraid of COVID-19, but if they get stuck at home, they will lose their physical strength so much they can see this happening themselves. They are very concerned about this.

When the Emergency Declaration was issued, the number of burns decreased sharply, but I do not think this is going to be the case so much in the future. I am aware of this from the sentiment on the ground.

**Moderator:** Thank you. That is all. Today's financial results briefing is over. Thank you so much for participating in today's briefing.

[END]

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