

Q2 FY03/2023 Financial Results

Investor Presentation

OPTiM Corporation



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Q2 FY03/2023 Financial Results

Q2 FY3/2023 Financial Results



On track to achieve record-high sales for the 23rd consecutive fiscal year since the company's founding We have been aggressively investing in growth fields to become a leading company in the Fourth Industrial Revolution

(Consolidated operating results Unit: 1 million yen)

	Q2 FY3/2022 consolidates results	Q2 FY3/2023 consolidates results	Actual results year-on-year	FY3/2023 consolidated earnings forecast	Actual results year-on-year forecast
Net sales	3,521	4,151	117.9%	9,140	110.0%
Operating profit	571	573	100.3%	1,690	110.1%
Net profit	516	516	100.1%	1,590	107.1%
Profit attributable to owners of parent	319	298	93.4% [×]	947	100.4%

% Please see the slide 6, "Q2 FY3/2023 Financial Results [Profit] "

Sales Performance : Stock/Flow Ratio



(Unit: 100 million yen)

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OPTIM

Q2 FY3/2023 Financial Results



■ Performance Progress and Outlook

[Sales]

- Stock-type sales of both "Corporate DX" and "Industrial DX" are growing steadily, centering on "Optimal Biz" and "OPTiM Cloud IoT OS," which are the core products respectively.
- Flow-type sales are also strong, especially in the Healthcare x IT field, which we have been working on since the previous fiscal year.
- The sales structure is heavily weighted toward the second half of the fiscal year as stock-type license revenue is mainly generated through monthly billing, and flow-type customized sales tend to be concentrated in the second half of the fiscal year.

[Profit]

- Stock sales of Optimal Biz, OPTiM Cloud IoT OS, and AI-related services are steadily increasing.
- The cost to sales ratio increased due to an increase in the percentage of flow revenues and software amortization expenses compared to the previous year.
- Due to the impact of loss on devaluation of securities, deferred tax assets difference, etc., net income was negative year on year, but there is no impact on the full-year results.

As for the progress of the second quarter, both sales and profits are in line with the plan, and there is no impact on the earnings forecast. Although the impact of the new coronavirus has not become apparent at this time, we will promptly disclose any impact on the earnings forecast when it becomes known.



Growth Strategy

Continued Investment in Growth This Fiscal Year OPTIN Major investments needed for the TAM160 trillion yen* market and their uses

- 1) Investment to expand connected devices and covered industries through the further promotion of OO×IT
- 2) Investment to develop Industrial Killer Services
- 3) Investment to develop new Corporate DX Services for a customer base of 180,000 companies
- 4) Invest in AI/IoT platform "OPTiM Cloud IoT OS", to realize the above
- 5) Further investment in talented people who realize the above

Toward the TAM of 160 trillion yen

Continue **aggressive growth investment** while securing profits

* Please refer to the slide, [Market Size to Be Achieved By "We are becoming a leading company in the 4th Industrial Revolution"]

Industrial DX Strategy



Toward the Further Promotion of OOxIT Concept



quarter of the fiscal year ending March 31, 2021

Industrial DX Strategy



Industrial DX realized by OPTiM Cloud IoT OS one after another Industrial DX



OPTiM Cloud IoT OS

ID management · Device management · Remote control · Cloud management · Security · Eco-system operation · Billing management





Industrial DX Strategy : Agriculture



Efforts so far

Establishing a consumer- and producer-first business model. Rice is the largest single crop in the domestic market. Providing integrated services from cultivation to processing and sales (EC)





Establishing a consumer- and producer-first business model for "smart rice," which we grow and sell in partnership with producers. Managing "SMART AGRI", the future media of Agri/IT. More than 2,200 organizations, mainly producers, have joined the Smart Agriculture Alliance, which was launched by OPTIM. Working together to promote the DX of agriculture as a whole



ers. which was launched by OPTIM. governments, and Working together to promote the DX of agriculture as a whole. Developed unique DX (AI and IoT) services to improve efficiency and

add value to the entire agriculture and food industries



Providing pinpoint pesticide spraying and fertilization technology using drones (world's first, patented)



Providing "Agri Field Manager," a service that analyzes images and sensors in the field using AI and IoT



Providing Drone-Based Seeding Technology



Providing a Wide-Area Field Management System Using a Glider-Type Drone

Future Developments

DX of the entire rice industry

Providing DX services that cover the entire process from cultivation to processing, distribution, and sales of "smart rice" for which we have established know-how through cultivation and sales.



Source: Yano Research Institute, "The Actual Situation and Future Prospects of the Rice Business and Rice Market, 2020 Edition" Market size of the rice market

Expansion of sales of agricultural DX service

We will provide a number of DX services through various channels to improve the efficiency and add value to cultivation, which has entered the stage of practical application.





TAM approx. 38.85 billion yen*

%Calculated by quoting "Next-generation farms," "Agricultural robots," and "Production platforms" from the market size forecast in "Food & Agritech in 2030" (edited by NAPA).

Industrial DX Strategy : Healthcare



Efforts so far

Collaborative development of network support system "MINS%" for surgical support robot system "hinotori ™ surgical robot system"



MINS[™] will enable: "Real-time collection of hinotori[™] operating status and error information", "Live distribution and viewing of operating room images", "Three-dimensional reproduction of operating status by digital twin", etc. [™]Medicaroid Intelligent Network System

Online Healthcare Platform

•February 2016: Announced "Online Healthcare Pocket Doctor" •February-September 2020: Providing "Pocket Doctor" free of charge to medical institutions to contribute to countermeasures against new coronavirus infections

•April 2020: Announcing the OEM provision of an online healthcare platform

•July 2021: Kobe University begins joint research on a new medical treatment format using "Pocket Doctor" and wearable electrocardiograph "duranta".





Future Developments

Expanded sales as a DX service for operating rooms

- Progressive introduction of MINS in line with the expansion of hinotori ™ shipments※
- *Establish a business foundation in Japan (10 billion yen in FY Mar.24) (From Sysmex Corporation FY03/2021 Financial Results Briefing)
- hinotori $\ensuremath{^{\text{int}}}$ filed for gynecology and gastroenterology indications (as of October 31, 2021)
- Expanding to hospitals nationwide, mainly for total prostate cancer resection, etc.(some examples)
 - September 2021: 1st case at Fujita Medical University Hospital
 - November 2021: 1st case at Musashino Tokushukai Hospital
- Joint development and deployment of DX services for operating rooms
 - •Expand the competitiveness of hinotori™ itself
 - ·Creation of new business related to operating rooms

Application to fields where needs are increasing by coronavirus

Widely deploy online healthcare platform to related services

TAM approx. **150** billion yen Total of online healthcare services, online medication guidance, online services for corporate health insurance such as health guidance, etc.

%1 Estimated figures for 2024. From the research firm Seed Planning, "Results of a Survey on the Current and Future Market for Online Medical Services (July 2020).

2 Multiply the total number of prescriptions nationwide, which is approximately 800 million (based on the Ministry of Health, Labor and Welfare's "Trends in Medical Expenditures for Drug Dispensing (Computerized Processing) in the Fiscal Year 2018"), by the unit price of 430 yen for medication guidance and assume that 10% of these prescriptions will go online.

※3 The number of establishments with 50 or more employees is approximately 164,000 (based on the 2010 Basic Survey on Industrial Safety and Health and the 2014 Economic Census (including some estimates)). Estimated at 50,000 yen per month per facility.

Industrial DX Strategy : Construction/Civil Engineering

Efforts so far

LANDLOG promotion with Komatsu



- Promote business and development of LANDLOG by providing OPTiM Cloud IoT OS together with EARTHBRAIN.
- SC retrofit kit (Hydraulic excavator)
- Management and analysis of devices such as excavators, dump trucks, drones, and various edge devices
- Collaborate in business and support dissemination of LANDLOG through LANDLOG Marketing.

Develop and expand sales of DX services for construction and civil engineering



- "OPTIM Geo Scan", a 3D surveying application using the iPhone, officially released.
 - Obtained NETIS certification and compatible with finished shape management guidelines from the Ministry of Land, Infrastructure, Transport, and Tourism
 - Released "OPTIM Geo Point", a GNSS surveying and pile driving application (free option)
 - Released "OPTIM Geo Design", a Civil engineering graphic data creation application (free option) with update(3D point cloud data can be used to create drawing)



Future Developments

DX of the construction and civil engineering industry

- Continue to promote LANDLOG business and development with EARTHBRAIN by providing OPTiM Cloud IoT OS.
- Further development of OPTiM Geo Scan The first LiDAR surveying application using a mobile device in Japan to comply with the Ministry of Land, Infrastructure, Transport and Tourism's "Guidelines for Formwork Management Using 3D Measurement Technology (Draft)".

This facilitates its use throughout the entire construction process from the start of construction to the end of inspection at sites of all sizes, enabling its introduction at even more sites.

Expansion of sales of killer DX service for construction and civil engineering

 Development and deployment of construction and civil engineering DX services centered on OPTiM Geo Scan TAM **360** billion yen

OPTIM

• Provide services to 360,000^{*} target construction-related companies*.

% Calculated from 1.3 million construction companies that can be prime contractors for civil engineering work, taking into account the size of the company

Corporate DX Strategy

OPTIM[®]

Partner strategy to build a customer network of about 180,000 companies centered on Optimal Biz customers

Mobile carrier	:omo SoftBank				
Fixed carrier ONTT RELA NTT DELA OPTÁGE OTT J:COM					
FUIFILM MFP manufacture FFARE F	SIer Panasonic バリンコック パリンコック パリン パー パー パー パー パリン パー パリン パリン パー パー パー パー				
ISP ISP Splain TOKAIJEJE	MACNICA KANADEN FUITSU				
SMB					

Corporate DX Progress



Optimal Remote Provision to Sofmap No.1 remote support service in Japan **Optimal Remote IoT** 5 Service Free provision offer Easy and high security remote control service started Service **Optimal Remote Web** 5 provision started Web screen sharing and remote control Copyright © OPTiM Corp. All Right Reserved.

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Market Size to Be Achieved By "We are becoming a leading company in the 4th Industrial Revolution"

45 billion units^{**} \times 300 JPY/month =

(IoT device shipment forecast) (Optimal Biz Average Monthly Price)

TAM approx. 160 trillion yen*2

Domestic market TAM approx. 9 trillion yen TAM approx. 3.6 trillion yen*3 by acquiring a 40% share of the domestic market

- % 1 : Source: Ministry of Internal Affairs and Communications, 2019 White Paper on Information and Communications, Part 1, Section 2, Trends in ICT Supporting the Digital Economy,
 (2) Rapid Spread of IoT Devices, Figure 1-2-1-3, Trends and Forecasts of the Number of IoT Devices in the World.
 https://www.soumu.go.jp/johotsusintokei/whitepaper/ja/r01/html/nd112120.html
- ×2 : Calculated based on the Optimal Biz pricing, an average monthly price of 300 yen per device and annual price of 3,600 yen per device.
- \times 3 : Estimated domestic market based on global market TAM and Japanese GDP ratio; Optimal Biz share is about 40%.



FY03/2023 Financial Forecasts

FY3/2023 Financial Forecasts – Sales Plan

We aim to achieve record-high sales for the 23rd consecutive year since our foundation.

9.14 billion yen(110% YOY)

Our business model is based on a sales structure centered on stock-type license revenues, and our position in the market remains strong, and we expect this trend to continue.

In the previous fiscal year, we examined our current services from various perspectives, including market potential, our superiority in the market, market share, and the status of competitors, and determined the priority of services to focus on.

Based on these priorities, we plan to make this fiscal year a year of raising the level of stock-type sales that will support stable growth in the future by aggressively investing in growth to strengthen the development of killer services and promoting sales of killer services by utilizing our strong sales network, as we did in the previous fiscal year.



FY3/2023 Financial Forecasts – Profit Plan

We will continue to invest aggressively in growth while securing profits to become a leading company in the 4th Industrial Revolution.

Operating Profit 1.69 billion yen (Operating margin 18.6%) (110.1% compared to the previous year)

In the current fiscal year, we intend to continue to invest aggressively in growth, and if good investment opportunities arise during the period, we intend to invest flexibly and aggressively.

Operating Profit Forecasts







To become a leading company in the 4th Industrial Revolution, we will **aggressively invest** in growth.

In terms of sales, we aim to achieve **record-high sales** for **the 23rd consecutive year** since our establishment.

As for profits, we aim to achieve 110.1% of the previous year's operating profit while aggressively investing in growth.





Appendix

Japanese Smart City/Urban OS Solution "OPTiM City OS" Is Now Available

Developed Based on the AI and IoT Platform "OPTiM Cloud IoT OS", and Can Also Build Solutions Linked to FIWARE

Smart City Reference Architecture "Overview of City OS"

Smart City Service

Services currently offered by OPTiM (partial)



2022.10.26 press release

Corporate DX



Launched "OPTiM Asset" That Makes the Management of Things as Simple as Breathing

Linkage with Optimal Biz, No. 1 in MDM market share, enables management of offline assets



Features of OPTiM Asset

- 1. Intuitive UI provides powerful support for inventory operations
- 2. Expected to be effective for internal control of companies
- 3. Detects hidden idle items and contributes to effective use of goods



Advantages of Introduction

 Annual savings of 2.94 million yen^{*} in inventory-related operations for approximately 4,000 items, including PCs and smartphones

% Based on our research, the reduction effect is assumed for a company with 600 employees and 4,000 or so managed items.

2022.09.05 press release

Corporate DX



Launched "AI Invoice Management Service (temp) β version"

Automatic data entry of national tax-related documents, including receipts and purchase orders, to comply with the revised Electric Ledger Law. Scheduled to support unified management including invoice system and contracts linked with OPTiM Contract



Background of provision

Effective January 1, 2022, the revised Electronic Bookkeeping Act has come into effect, significantly changing the legal requirements for the digitization of national tax-related documents such as invoices, receipts, and purchase orders. Previously, national tax-related documents exchanged electronically could be printed on paper for storage, but after January 1, 2022, printing on paper will be prohibited and the documents must be stored in data form in accordance with the requirements of the Electronic Bookkeeping Act. In addition, in order to store electronic transaction data, it is necessary to input data so that it can be searched by "transaction date, amount, and counterparty" information. Furthermore, the invoice system will be introduced in October 2023 as a method to deduct consumption tax on purchases, and both "sellers" and "buyers" will be required to save invoices (qualified invoices) in order to receive tax credits for purchases.

2022.09.15 press release

Corporate DX : Optimal Remote No.1* remote support service in Japan



Provided to "Phone & Remote Support," a Support Service Offered by Sofmap, a Member of the BIC CAMERA Group



Background of provision

Sofmap is promoting "strengthening initiatives for a recycling-oriented society (circular economy)" and is reinforcing its businesses including sales, warranty, repair, purchase, and recycling of PCs, tablets, software, and various peripherals. In addition, the BIC CAMERA Group is working to enhance its customer support system by providing "Service Support Counters" that offer inspection, diagnosis, setting, and repair services for digital devices, and "Telephone & Remote Support" services that enable customers to have expert staff solve problems related to how to use and set up PCs and smartphones. This service is part of BIC Camera Group's efforts to enhance its customer support system. Against this backdrop, we have decided to provide the remote support service "Optimal Remote" to the support service "Telephone & Remote Support" that can solve "problems" of PCs and tablets by telephone or remotely.

Source: ITR Market View: Unified Endpoint Management Market 2020, published by ITR in August 2020, "Chapter 7: Remote Desktop / Remote Control Market Trends in Japan," 7-4-3 Remote Control Market

2022.09.13 press release

Corporate DX : OPTIM ID+ Adding security to your ID





OPTiM ID+" is single sign-on service linked to "Optimal Biz", the No.1 MDM in Japan



2022.04.27, 06.16 press release





JIIMA certification acquired

(E-Transaction Software Legal Requirements)







Reduce input work with AI's automatic data extraction

allows you to find contracts quickly

Flexible search function Notify contract renewal and reduce economic losses

Compatible with electronic transaction data storage of national tax-related documents in accordance with the revised Electronic Book Storage Law

OPTIM Contract" automatically extracts and inputs contract data at high speed by AI, and centrally manages it in the cloud to reduce management costs and prevent losses due to omission of contract renewal



Industrial DX : OPTIM Geo Design Drawing application



3D Point Cloud Data Can Be Also Used to Create Drawing

"OPTiM Geo Design", free option of "OPTiM Geo Design", has been updated

Anyone can easily create graphics data of Plan, Profile, Cross Sections

from 3D point cloud data acquired by "OPTiM Geo Scan"



"OPTiM Geo Scan", "OPTiM Geo Point", and "OPTiM Geo Design" provide a one-stop solution from 3D surveying to drawing.

2022.10.18 press release

Industrial DX : Smart Field

On-site data management solution that revolutionizes the workplace with AI and IoT



Compatible With Xacti Professional Wearable Cameras

Anyone can easily receive hands-free remote work support without worrying about camera shake or tilting



On-site data management solution "Smart Field"

The "Smart Field" on-site data management solution, which revolutionizes the workplace with AI and IoT, is a solution that enables easy and hassle-free data management by automatically uploading photos and videos taken with smart devices such as smart glasses and smart phones to the cloud, as well as providing remote work support through video sharing. This solution enables remote work support through video sharing. Compared to conventional systems, this solution can be expected to reduce administrative work time, such as work records and report preparation, and travel time to the site, resulting in a cost reduction of up to 60%^{*1} and a threefold increase in productivity^{*2}.

%1 As of September 16, 2022, based on our own research. Estimate based on management of 10 job sites at 3,000 yen per hour.%2 As of September 16, 2022, based on our own research. Estimates based on actual results of users who introduced the system.

2022.10.03 press release

Others



Developed the World's First* Externally Connected LiDAR Surveying Application and Succeeded in Greatly Expanding the Scannable Distance

Inexpensive high-precision LiDAR sensor enables smartphone 3D surveying at many sites

	iPhone/iPad built-in LiDAR sensor	External LiDAR sensor
Scannable distance	\sim Approx.5m	~Approx.40m
Assumed usage scenarios	Easy surveying at small sites	 Surveying of high slopes and other elevated areas Surveying landslides and other disaster sites Surveying and inspecting bridges, pylons, utility poles, and other tall structures

External LiDAR sensor Prototype image



Example of point cloud data that can be obtained (each taken from one point)







Telephone poleDisaster siteStructures (elevated)%As of September 30, 2022, based on our research. Enables connection of external
LiDAR sensors in smartphone applications for surveying2022, 09, 30, pross ro

2022.09.30 press release

ESG/SDGs

Management Philosophy

Try hard to create universal technology/services/business models that influence people all over the world in a good way.

Don't aim to exist without having ambitions and enjoying challenges.

Understand each other's position and be warm-hearted rather than being conscious of each other's boundaries and property.

OPTIM believes that the very reason for its existence as a company is to contribute to many people, and as part of this, we are actively working on environmental and social issues. Profit generation is positioned as necessary to perpetuate the contribution or to maximize and streamline the contribution by investing in innovation.

We also emphasize diversity and relationships with local communities and have been promoting the above management philosophy since our founding. In addition, by strengthening governance, we will strive to prevent corporate scandals and fraud, create a rewarding work environment for each OPTiM staff member, and realize a prosperous life by ensuring transparency.

We will also contribute to the achievement of our goals through our business activities for the SDGs (Sustainable Development Goals) adopted by the United Nations.

Initiatives for ESG/SDGs



Initiatives for ESG/SDGs



