

# **Q3 FY03/2023 Financial Results**

**Investor Presentation**

**OPTiM Corporation**

1. Q3 FY03/2023 Financial Results
2. Growth Strategy
3. FY03/2023 Financial Forecasts

## Disclaimer

All plans, forecasts, strategies, etc. described in this material are predictions based on information available at the time of creation, and are subject to variable factors, such as economic conditions, a competitive environment, and the Success or failure of new services. Accordingly, please be advised that the actual results of a business performance may Differ substantially from the projections described here. Market information and other statements contained in this Reports are based on information currently available, and we do not guarantee complete accuracy.

Note: This document is a translation of the original Japanese version and is provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

# **Q3 FY03/2023 Financial Results**

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# Q3 FY3/2023 Financial Results

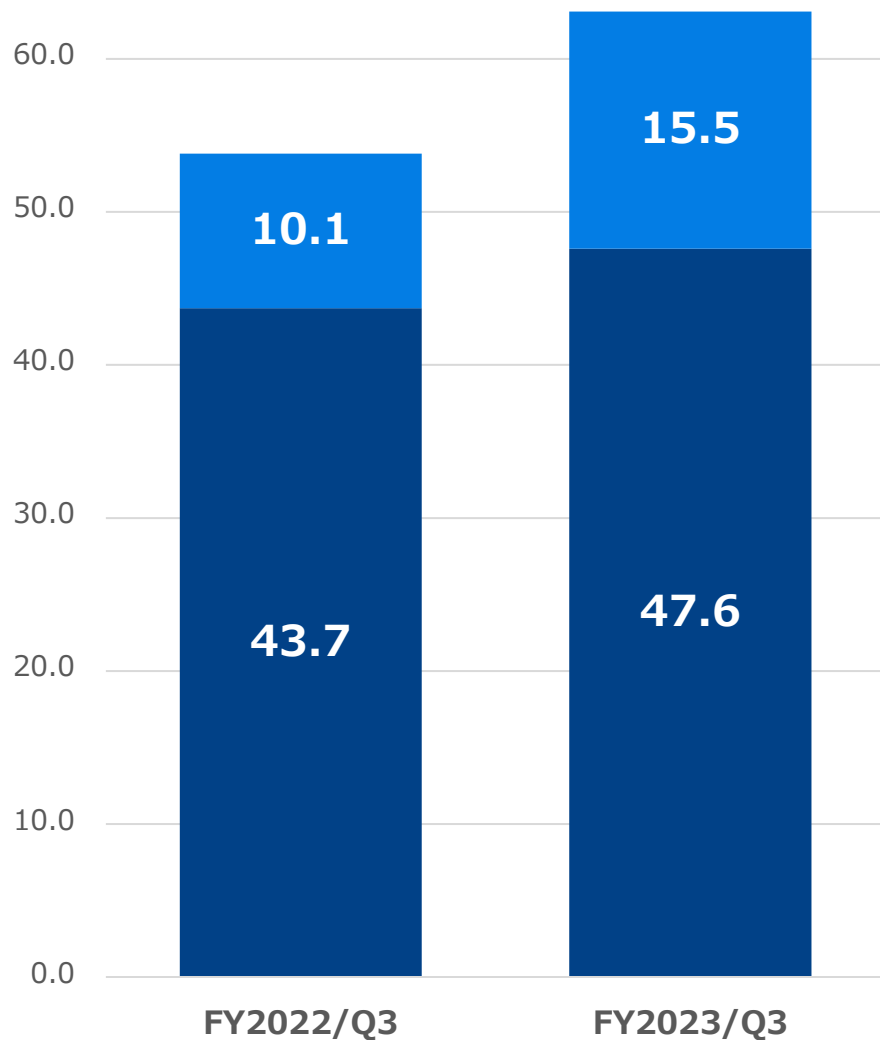
**On track to achieve record-high sales for the 23rd consecutive fiscal year since the company's founding**  
**We have been aggressively investing in growth fields to become a leading company in the Fourth Industrial Revolution**

(Consolidated operating results Unit: 1 million yen)

	Q3 FY3/2022 consolidates results	Q3 FY3/2023 consolidates results	Actual results year-on-year	FY3/2023 consolidated earnings forecast	Actual results year-on-year forecast
Net sales	5,388	6,324	117.4%	9,140	110.0%
Operating profit	824	797	96.7%	1,690	110.1%
Net profit	734	703	95.7%	1,590	107.1%
Profit attributable to owners of parent	436	399	91.5%※	947	100.4%

※ Please see the slide 6, "Q3 FY3/2023 Financial Results 【Profit】 "

# Sales Performance : Stock/Flow Ratio



**Stock sales** centered  
on Optimal Biz and  
OPTiM Cloud IoT OS  
**remained strong**

(Unit: 100 million yen)

# Q3 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】

- Continue to invest aggressively in growth.
- Stock sales of Optimal Biz, OPTiM Cloud IoT OS, and AI-related services are steadily increasing.
- The cost ratio increased due to a year-on-year increase in the ratio of flow-type income centered on license customization and in software amortization expenses. As a result, each of operating profit, ordinary profit and profit attributable to owners of parent decreased year on year, but we believe that this will have no impact on our full-year financial results.

As for progress in the third quarter, both sales and profits are progressing steadily as planned. Although the impact of the new coronavirus, etc. has not become apparent at this point in time, we will promptly disclose the impact on our business forecast if it becomes known.

# Growth Strategy

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# Continued Investment in Growth This Fiscal Year

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”」



## Toward the Further Promotion of OOxIT Concept

### Medium-Term Management Plan







**OPTiM<sup>®</sup>**

We will reinvent all industries into the fourth industrial revolution by combining each industry with IT (AI, IoT, etc.) through "OO x IT".

From the materials for the financial results briefing for the second quarter of the fiscal year ending March 31, 2021

Industrial DX realized by OPTiM Cloud IoT OS one after another

## Industrial DX

All industries	Construction	Healthcare	Agri · IoT	Robotics	Further promotion of OO×IT
PC · Smartphone · Tablet	Construction machinery · dump truck	Surgical robot	Drone/Sensor etc.	Various inspection robot	Deployed to a variety of industries and hardware, amounting to <b>45 billion units</b>
					
	<b>KOMATSU®</b> Landlog	hinoto Medicaroid	NTT e-DroneTechnology	<b>Kawasaki</b> Powering your potential	

### OPTiM Cloud IoT OS

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

### AI services

<b>OPTiM IoT</b>	<b>OPTiM AI Camera</b>	<b>OPTiM Geo Scan</b>	<b>MINS</b>	<b>Agri-DX service</b>	<b>Robotics-DX service</b>
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### Industrial services

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**New services to be launched one after another**

# Industrial DX Progress

**OPTiM®**

FY2022  
Q3

Q4

FY2023  
Q1

Q2

Q3

## IoT Platform Service



**Agri**

NTT e-Drone Technology

**OPTiM**  
AGRI MICHINOKE

Smart rice 2022  
sales starts

"Pinpoint Time Spraying" service  
provision started

スマート米2023  
販売開始



**Healthcare**

Medicaroid

D'PULA Medical Solutions Corporation

**OPTiM Cloud IoT OS**

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



**Construction/Civil Engineering**

**KOMATSU**

Landlog  
Marketing

**OPTiM Geo Scan**  
High-precision 3D surveying

Certified as "IT Introduction  
Subsidy 2021", Adopted in  
"Digitalization of Disaster  
Assessment" carried out by  
the Kyushu Regional  
Development Bureau, MLIT in  
Kumamoto pref

Geo Point  
available

Certified as "IT Introduction  
Subsidy 2022"

Geo Design  
available

Geo Design3D  
Data Support  
Introduced to Kyushu  
Regional Development  
Bureau, MLIT

Conducted test  
operation for use in  
measuring material  
volume on gut ships



**Food-Service**

**くらなび**

**All industries**

**Capital and business  
alliance in the field of DX  
services for the food-  
service industry**



PC・Smartphone  
Tablet



Camera

**OPTiM AI Camera**  
Visualize congestion to avoid 3Cs

Achieved No.1 market share in eight  
categories by Deloitte Tohmatsu MIC  
Research Institute Co., Ltd

Provision for one x one  
for Shinjuku MYLORD  
Provision for AKIBA-  
AKIBA, Marunouchi  
district

JR central POC

New feature  
added

New feature  
added

Provision for  
IIDA festival

Certified as "IT Introduction  
Subsidy 2022"  
New feature  
added

Provision for  
Saga airport,  
Kumamoto castle

## Remote Management Service

**Optimal Second Sight**  
Remote operation support



Smart Field

Second Sight:  
Xacti support  
SPIDERPLUS  
considering service  
cooperation

Smart Field :  
Xacti support

# Industrial DX Strategy : Agriculture

**OPTiM®**

## 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)



**SMART AGRI**  
農業とITの未来メディア



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.



Conducted many advanced joint research with Ministry of Agriculture, Forestry and Fisheries, local governments, and producers

Establishing a consumer- and producer-first business model for "smart rice," which we grow and sell in partnership with producers.

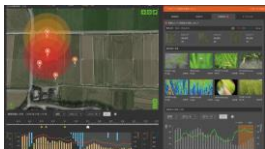
Developed unique DX (AI and IoT) services to improve efficiency and add value to the entire agriculture and food industries



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



Providing Drone-Based Seeding Technology



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



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

**TAM**  
approx.  
**2.3**  
trillion yen※

### 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

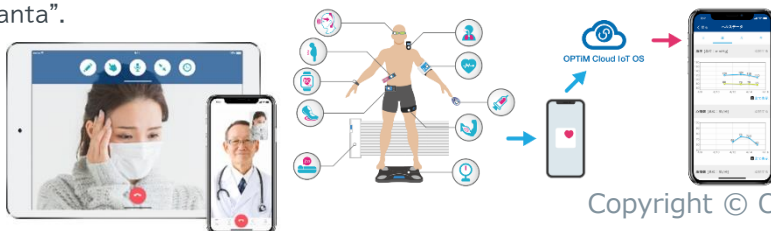
Collaborative development of network support system "MINS※" for surgical support robot system "hinotori™ surgical robot system"



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™ 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.



## Efforts so far

### LANDLOG promotion with Komatsu

SC Edge(On-site)



SC Fleet device  
(dump trucks, etc)

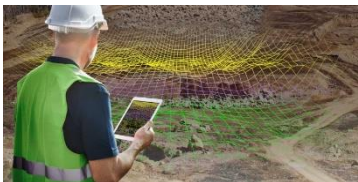


SC retrofit kit  
(Hydraulic excavator)

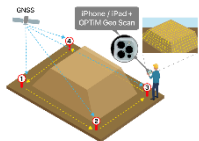


- Promote business and development of LANDLOG by providing OPTiM Cloud IoT OS together with EARTHRAIN.
- Management and analysis of devices such as excavators, dump trucks, drones, and various edge devices
- Collaborate in business and support dissemination of LANDLOG through LANDLOG Marketing.

### 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 EARTHRAIN 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
- Provide services to 360,000※ target construction-related companies\*.

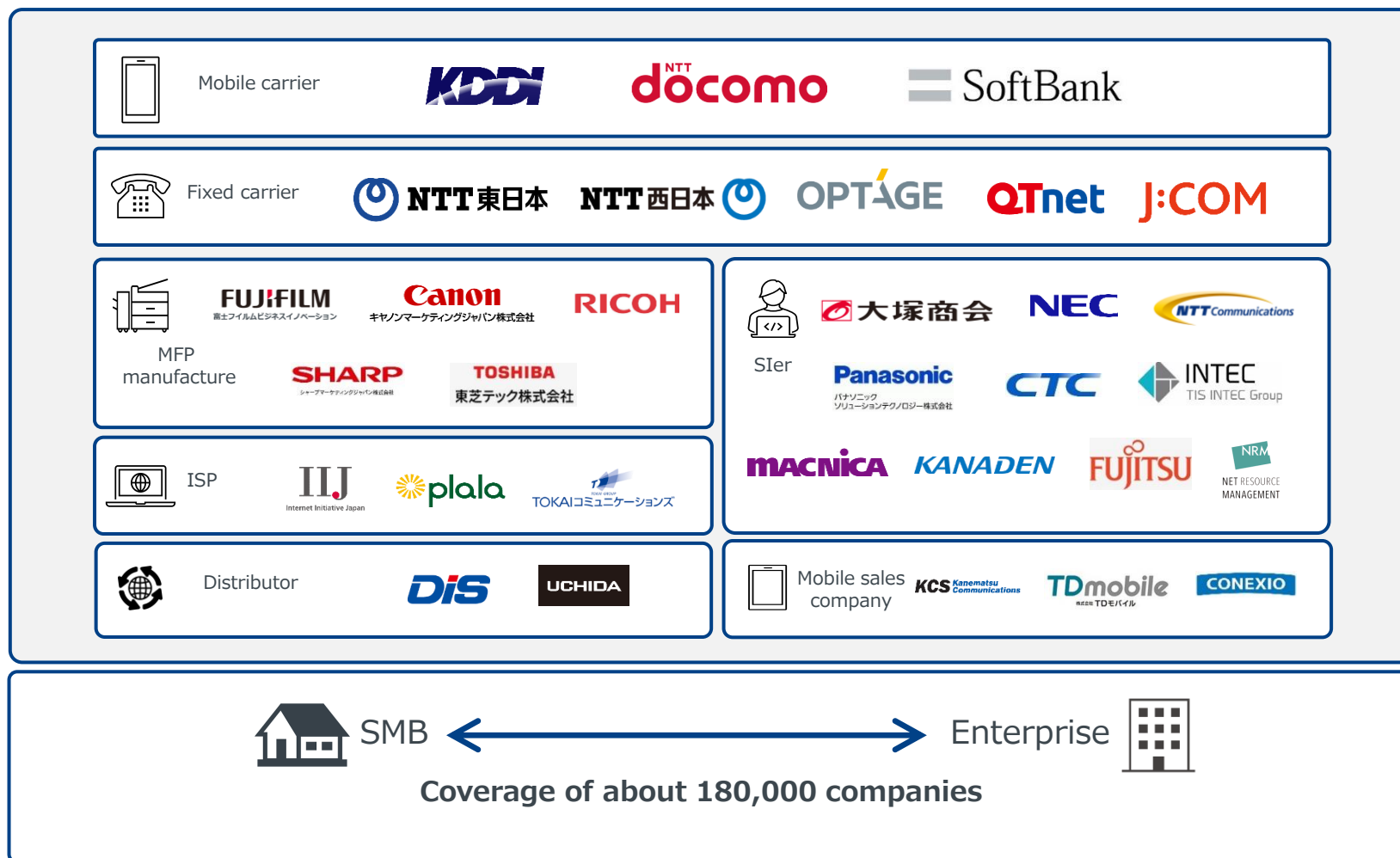
**TAM**  
**360**  
billion yen

※ 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



# Corporate DX Progress

FY2021  
Q3

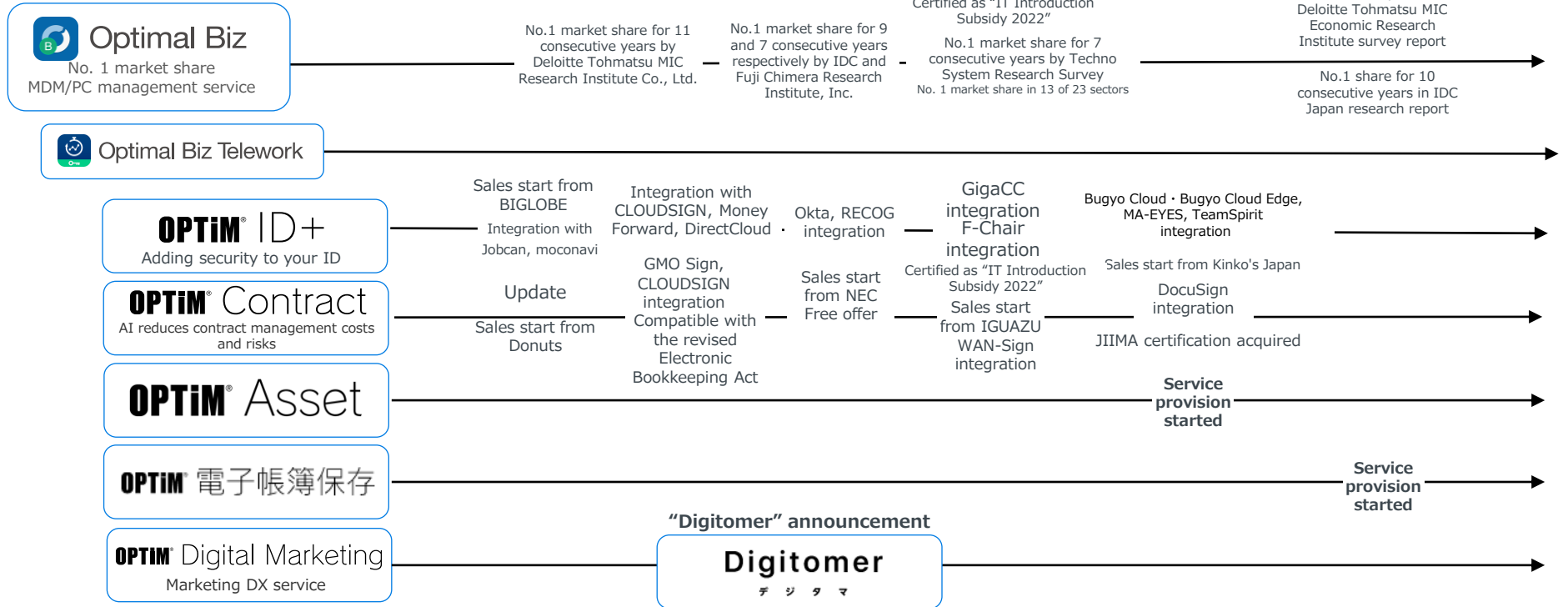
Q4

FY2022  
Q1

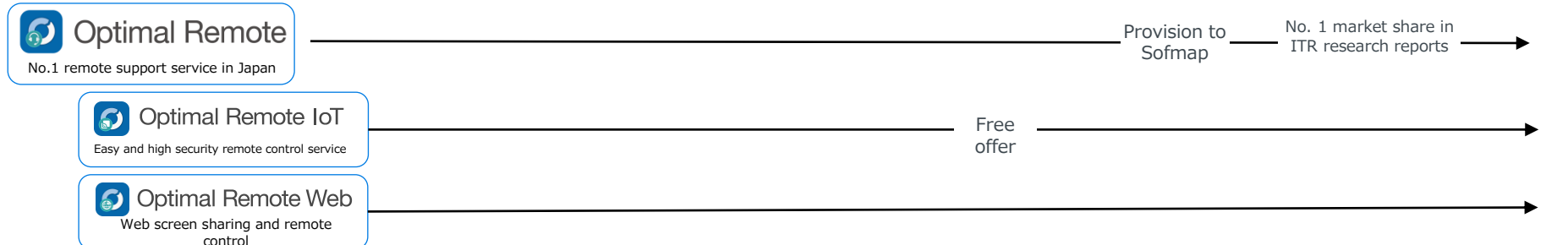
Q2

Q3

## IoT Platform Service



## Remote Management Service





## Market Size to Be Achieved By

“We are becoming a leading company in the 4th Industrial Revolution”

45 billion units<sup>※1</sup> × 300 JPY/month =

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

**TAM approx. 160 trillion yen<sup>※2</sup>**

**Domestic market TAM approx. 9 trillion yen**

**TAM approx. 3.6 trillion yen<sup>※3</sup> 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.

※ 3 : Estimated domestic market based on global market TAM and Japanese GDP ratio; Optimal Biz share is about 40%.

# **FY03/2023 Financial Forecasts**

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

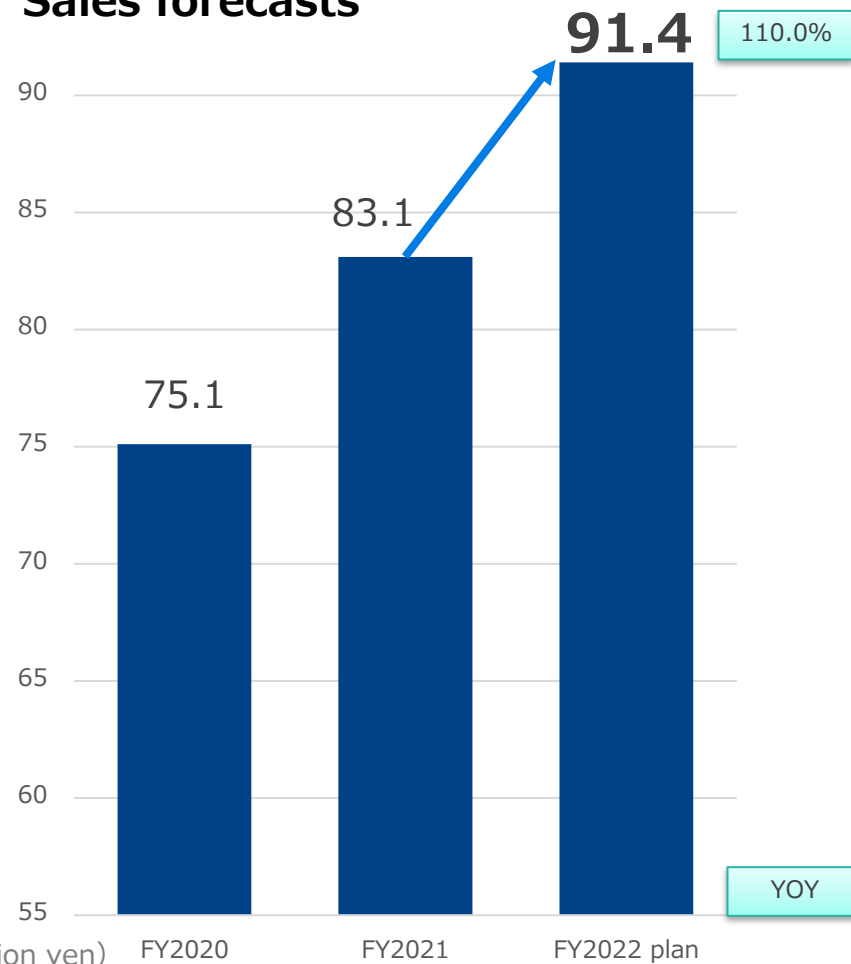
**9.14 billion yen**(110% YOY)

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.

Sales forecasts



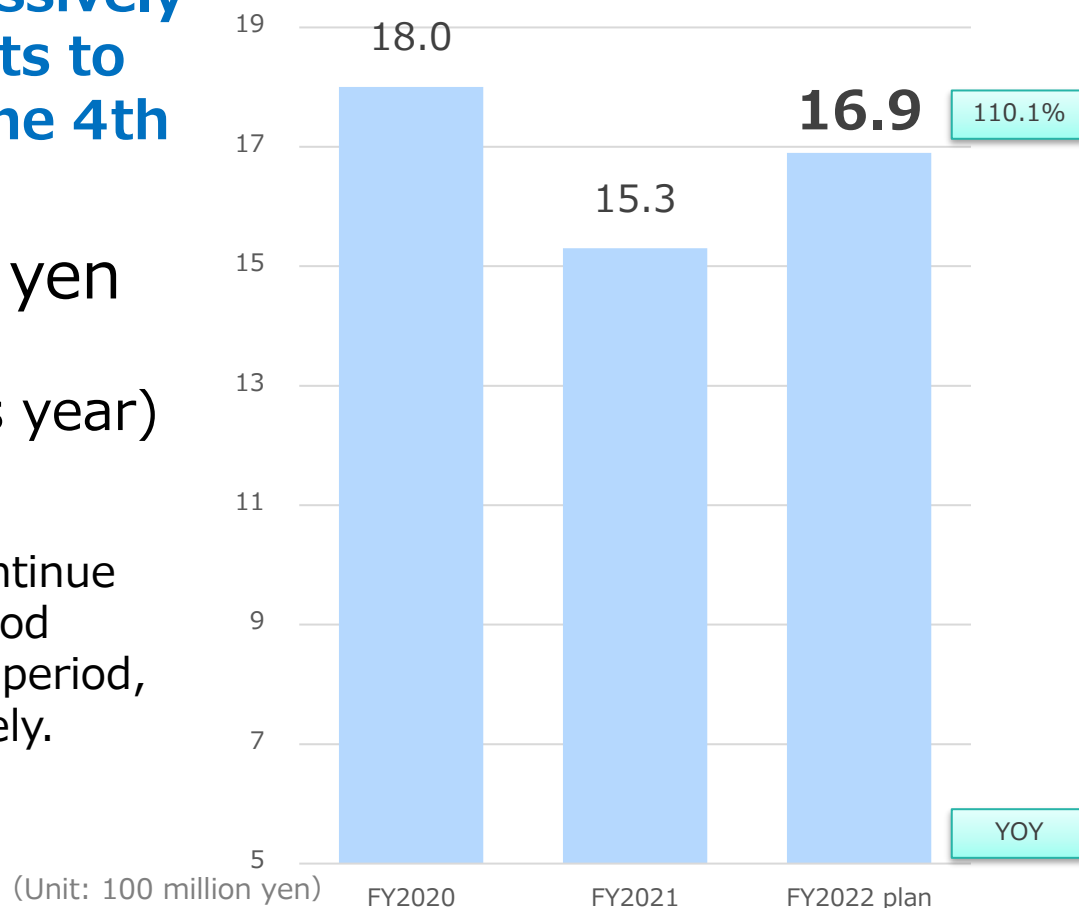
# FY3/2023 Financial Forecasts – Profit Plan

**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.