

The Second Quarter of the Fiscal Year Ending December 31, 2021 Financial Results Briefing Materials



VINX Corporation

2021/8/4

Stock Code : 3784

The Second Quarter of the Fiscal Year Ending December 31, 2021 Financial Results Briefing Materials

Financial Summary

Main Topics

Summary for the Second Quarter of the Fiscal Year Ending December 31, 2021

Net sales exceeded the plan and the previous year's actual results due to the growing needs for DX in the domestic retail industry and the success of further cultivating existing customers, despite a decrease in overseas sales due to the impact of the new coronavirus infection. Operating income exceeded both the plan and the previous year's results due to improved productivity and other factors.

Millions of yen (Amounts less than one million yen have been omitted)

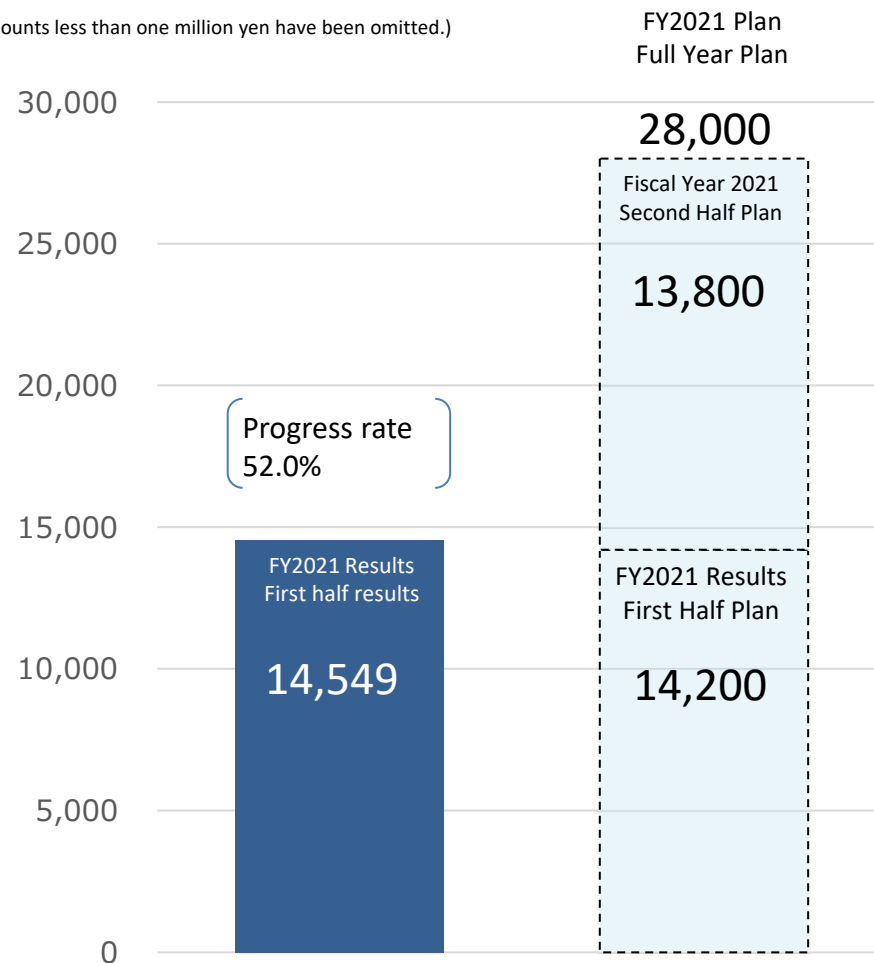
	First half of FY 2021		Project comparison (Released on February 9, 2021)				YoY change			
	Actual value	Sales ratio	Planned value	Relative to plan	Planned difference	Sales ratio	Actual value	YoY	Previous year difference	Sales ratio
Net sales	14,549	—	14,200	102.5%	349	—	14,082	103.3%	467	—
Gross profit (loss)	3,473	23.9%	3,492	99.5%	▲18	24.6%	3,453	100.6%	20	24.5%
Selling, general and administrative expenses	2,205	15.2%	2,357	93.6%	▲151	16.6%	2,331	94.6%	▲125	16.6%
Operating income	1,268	8.7%	1,135	111.7%	133	8.0%	1,122	113.0%	145	8.0%
Ordinary income	1,273	8.8%	1,130	112.7%	143	8.0%	1,130	112.7%	143	8.0%
Net income attributable to owners of the parent	804	5.5%	700	114.9%	104	4.9%	694	115.9%	110	4.9%

FY2021 Net Sales and Operating Income Progress

【Net sales】

Unit: Millions of yen

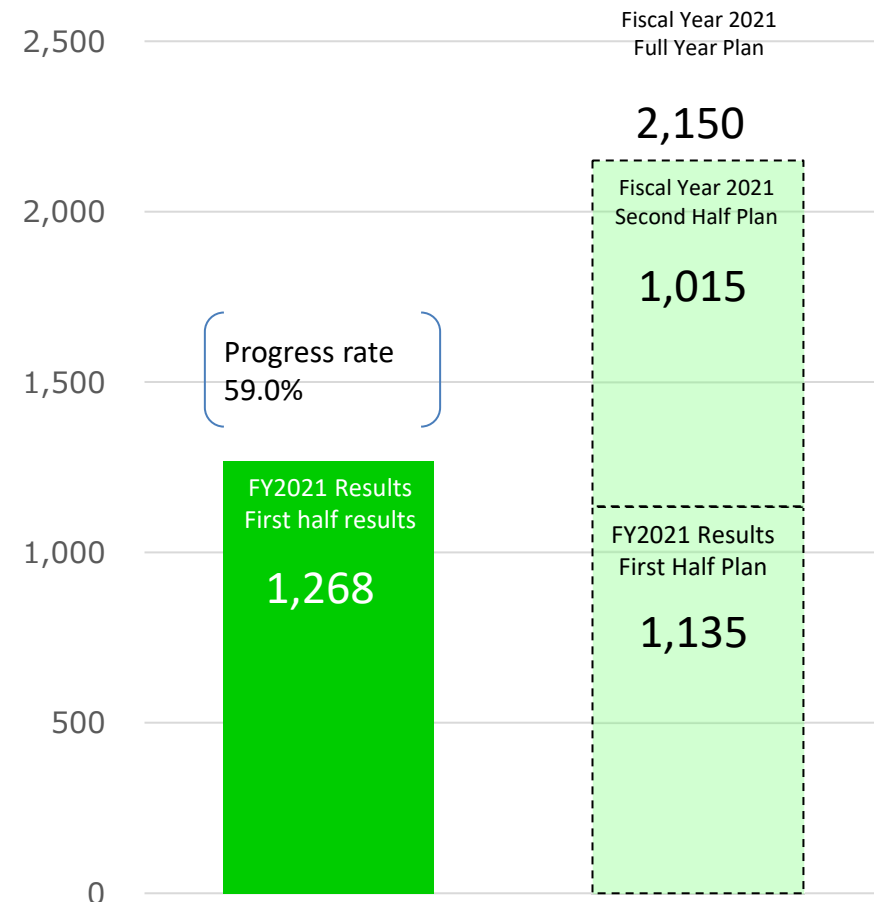
(Amounts less than one million yen have been omitted.)



【Operating income】

Unit: Millions of yen

(Amounts less than one million yen have been omitted.)

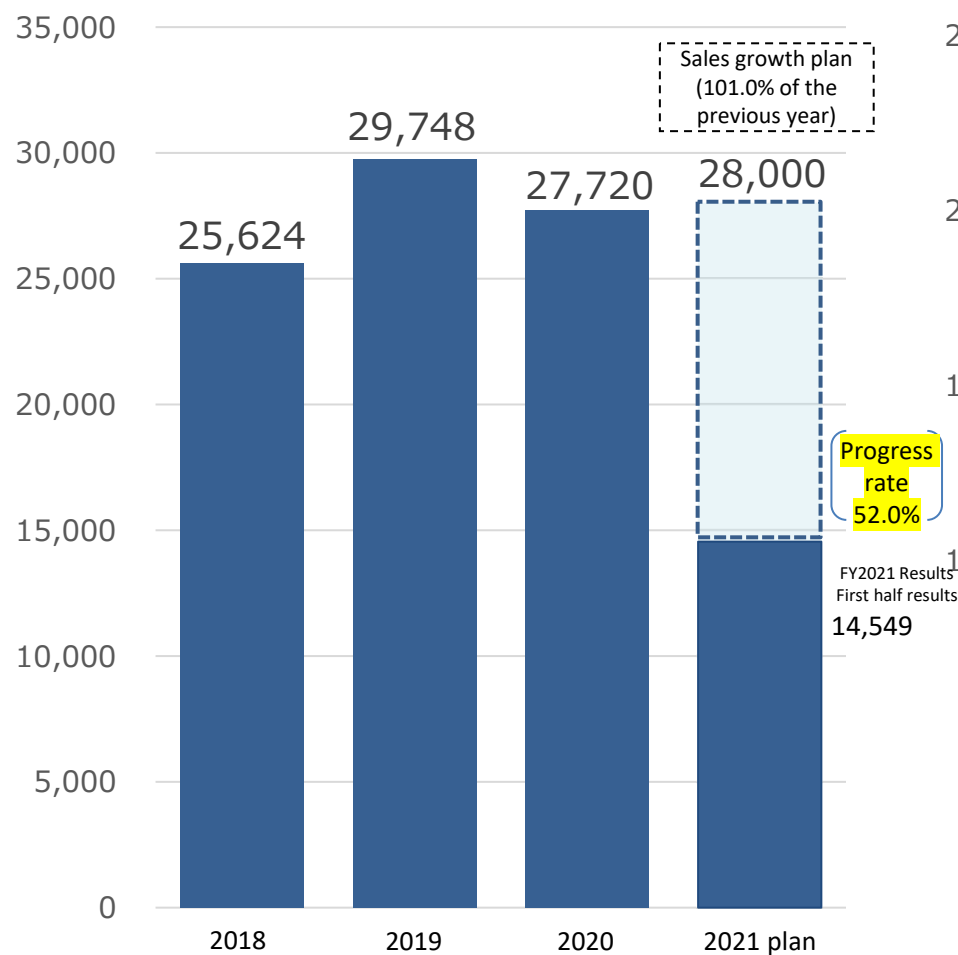


Sales and Operating Income

【Net Sales】

Unit: Millions of yen

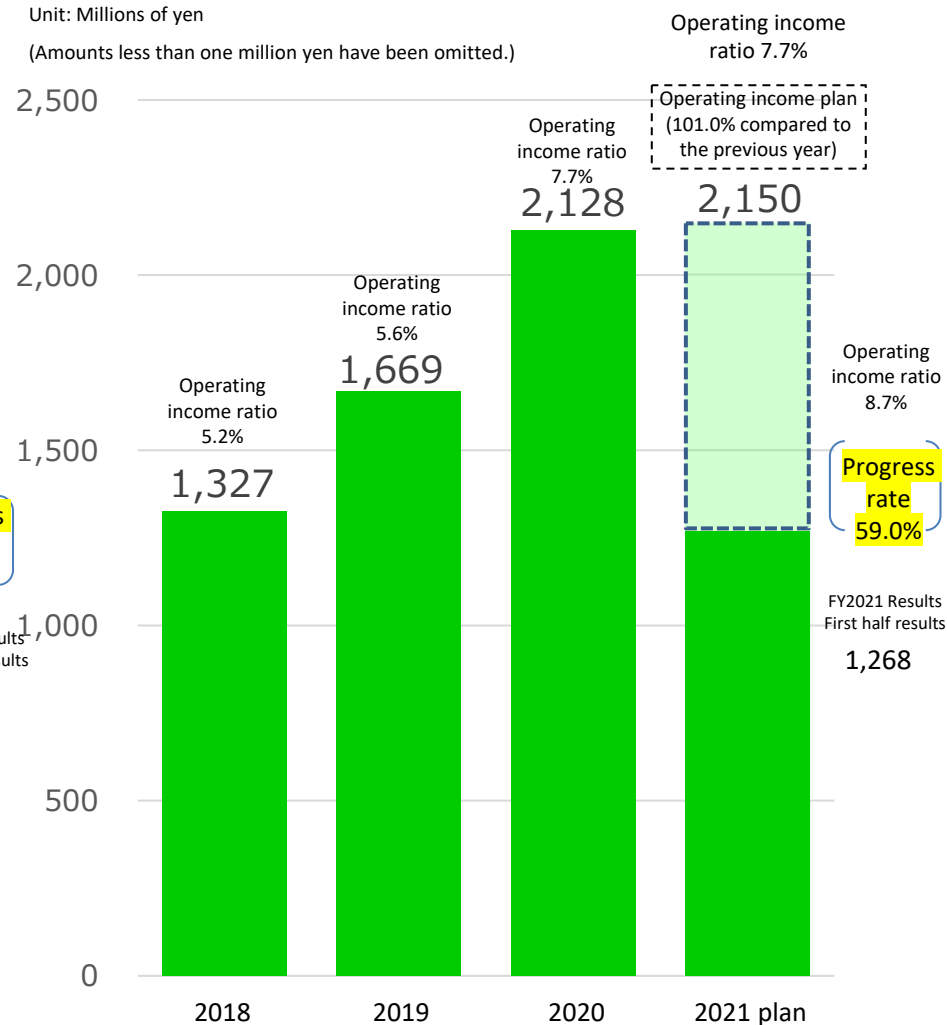
(Amounts less than one million yen have been omitted.)



【Operating income】

Unit: Millions of yen

(Amounts less than one million yen have been omitted.)



Status by Category

1. In the Outsourcing category, net sales and operating income both fell below the previous year's results due to the closure of stores and changes in service content by customers, mainly overseas.
2. In the Solutions category, both net sales and operating income exceeded the plan and the previous year's results due to development projects for core systems.
3. In the Product category, both net sales and operating income fell short of the planned and actual results for the previous year due to changes in the deployment schedule for large-scale projects.
4. In other IT-related fields, both net sales and operating income exceeded the plan and the previous year's results due to an increase in sales of equipment for stores.

Millions of yen (Amounts less than one million yen have been omitted)

【Net Sales】	First half of 2021		Compared with Plan			YoY comparison		
Category	Actual value	Sales ratio	Planned value	Compared with plan	Difference in plan	Actual value	Previous year	YoY difference
Outsourcing	4,204	28.9%	4,194	100.2%	10	4,371	96.2%	▲ 166
Solutions	5,949	40.9%	5,778	103.0%	170	5,537	107.4%	411
Product	1,743	12.0%	1,995	87.3%	▲ 252	1,774	98.3%	▲ 30
Other IT-related	2,651	18.2%	2,231	118.9%	420	2,398	110.6%	253
Total	14,549	100.0%	14,200	102.5%	349	14,082	103.3%	467

【Operating income】	First half of 2021		Compared with Plan			YoY comparison		
Category	Actual value	Sales ratio	Planned value	Compared with plan	Difference in plan	Actual value	Previous year	YoY difference
Outsourcing	303	7.2%	289	104.8%	14	319	95.2%	▲ 15
Solutions	698	11.7%	575	121.5%	123	532	131.2%	166
Product	177	10.2%	203	87.0%	▲ 26	197	89.9%	▲ 19
Other IT-related	87	3.3%	65	133.2%	21	73	120.2%	14
Total	1,268	8.7%	1,135	111.7%	133	1,122	113.0%	145

Status by Category (Solutions & Products)

<Changes 4 years>

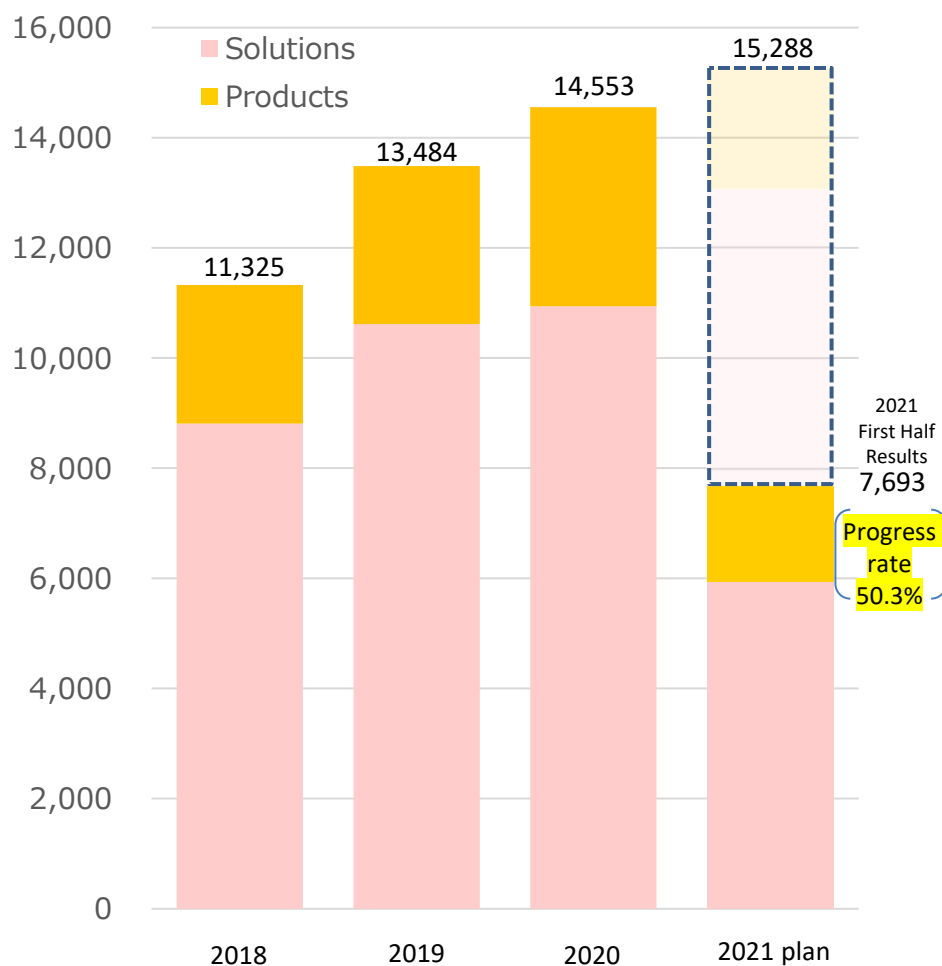
Sales and operating income in the Solutions and Products segments, which are our main businesses, have been growing steadily.

Unit: Millions of yen

(Amounts less than one million yen have been omitted.)

【Net Sales】

Sales growth plan
(105.1% of the previous year)

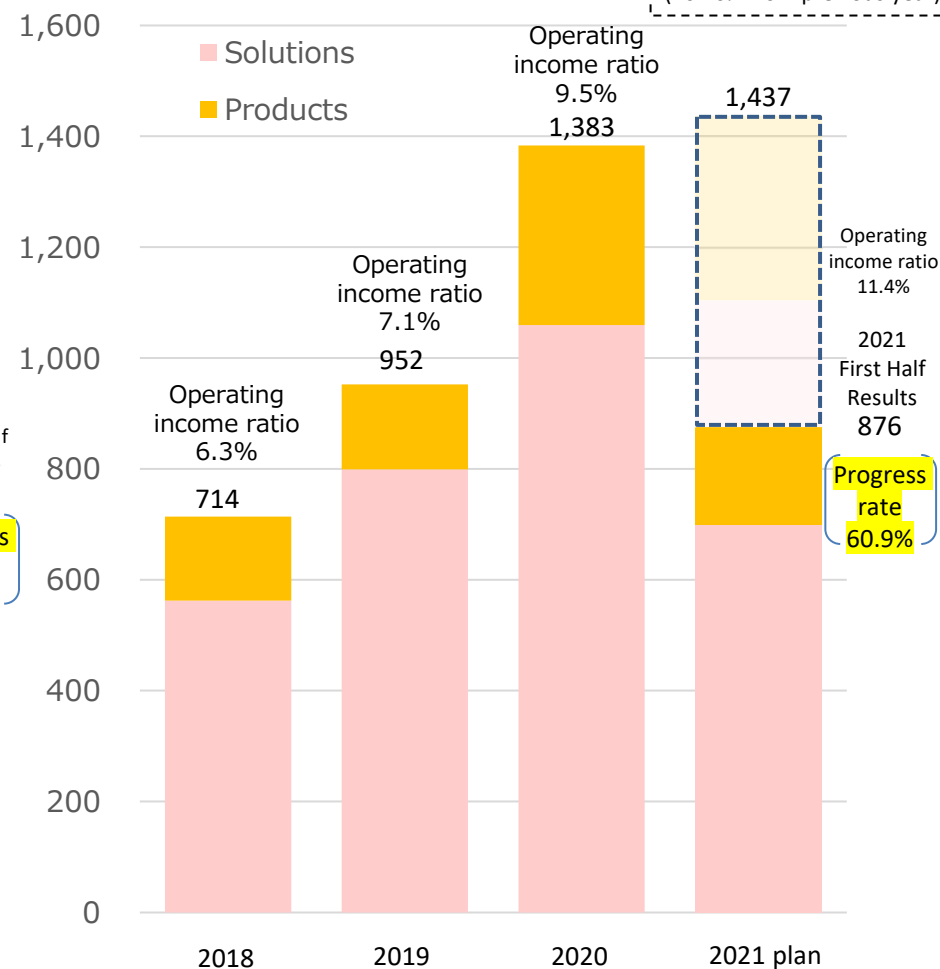


Unit: Millions of yen

(Amounts less than one million yen have been omitted.)

【Operating income】

Operating income ratio plan 9.4%
Operating income plan (104.0% from previous year)



Status by Category (Outsourcing)

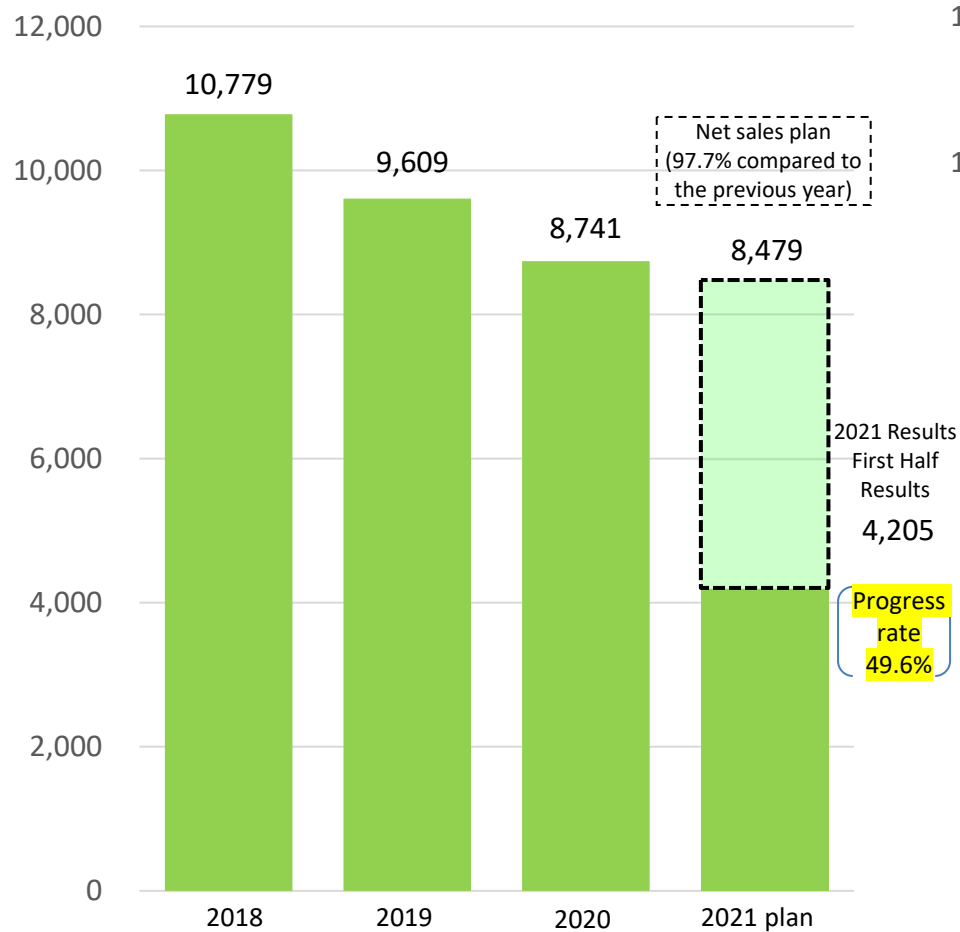
<Changes 4 years>

Although net sales decreased due to changes in business format, such as the shift from on-premise to cloud computing, as well as the closure of stores and changes in service content by clients, mainly overseas, operating income was maintained.

Unit: Millions of yen

(Amounts less than one million yen have been omitted.)

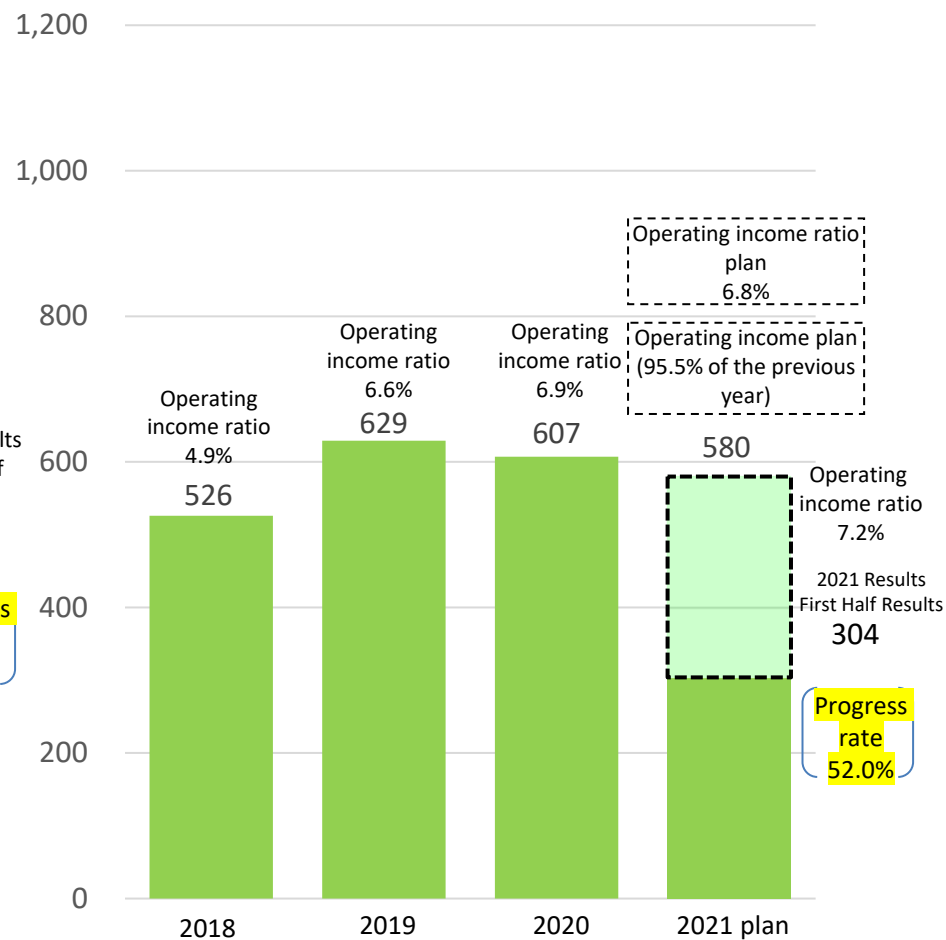
【Net Sales】



Unit: Millions of yen

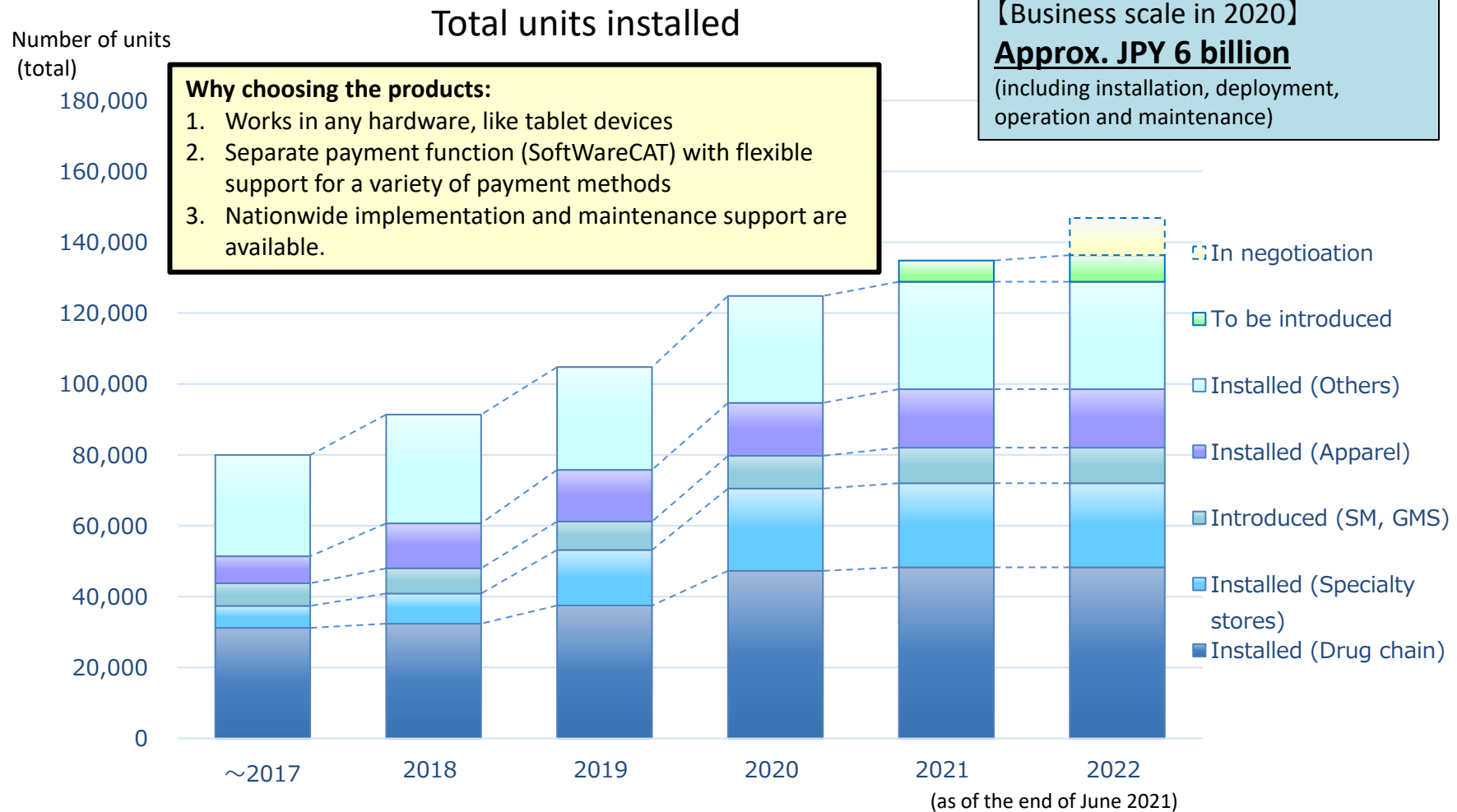
(Amounts less than one million yen have been omitted.)

【Operating income】

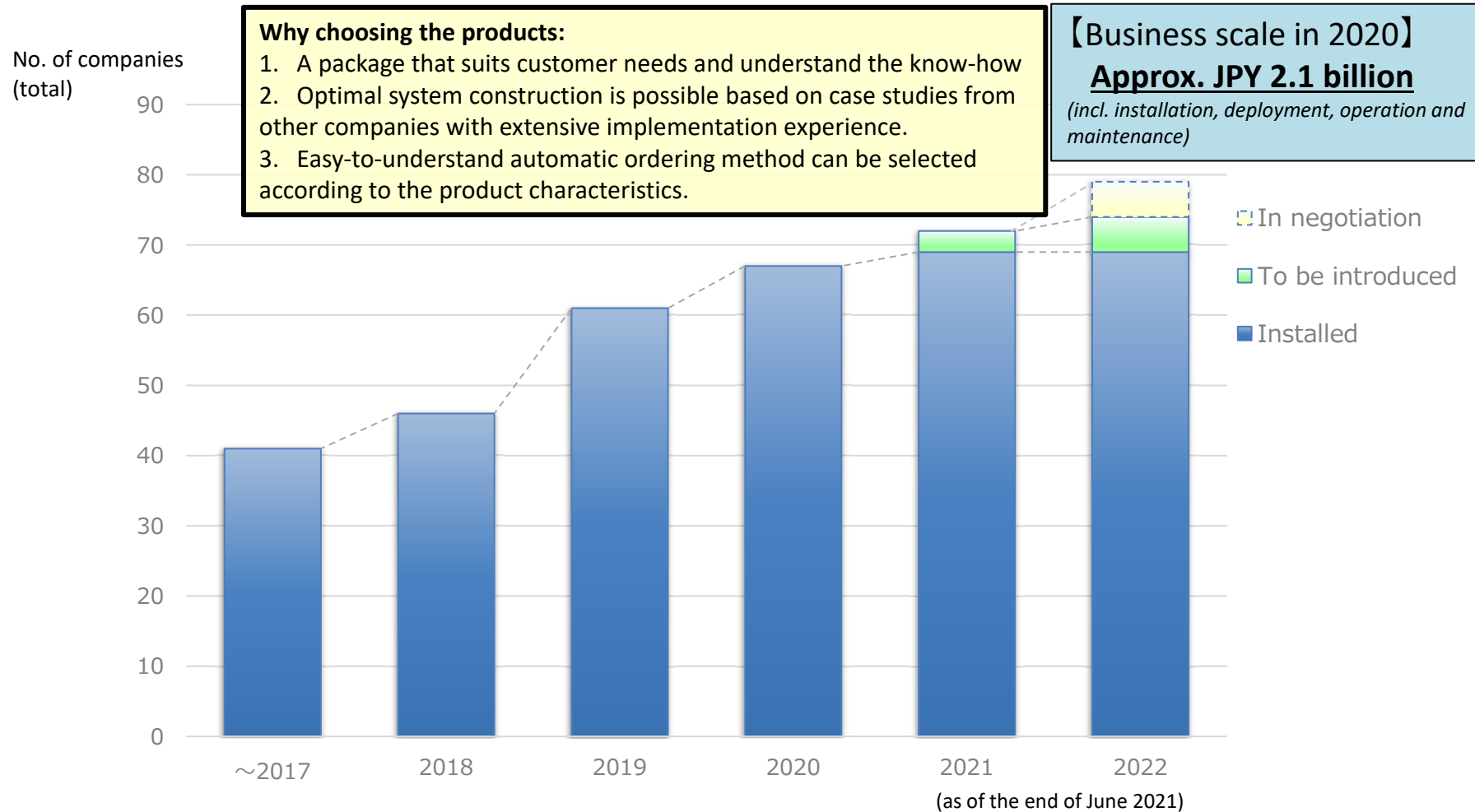


Performance of Main Products <POS-related>

The introduction of POS packages (ANY-CUBE and SoftWareCAT) is progressing steadily.

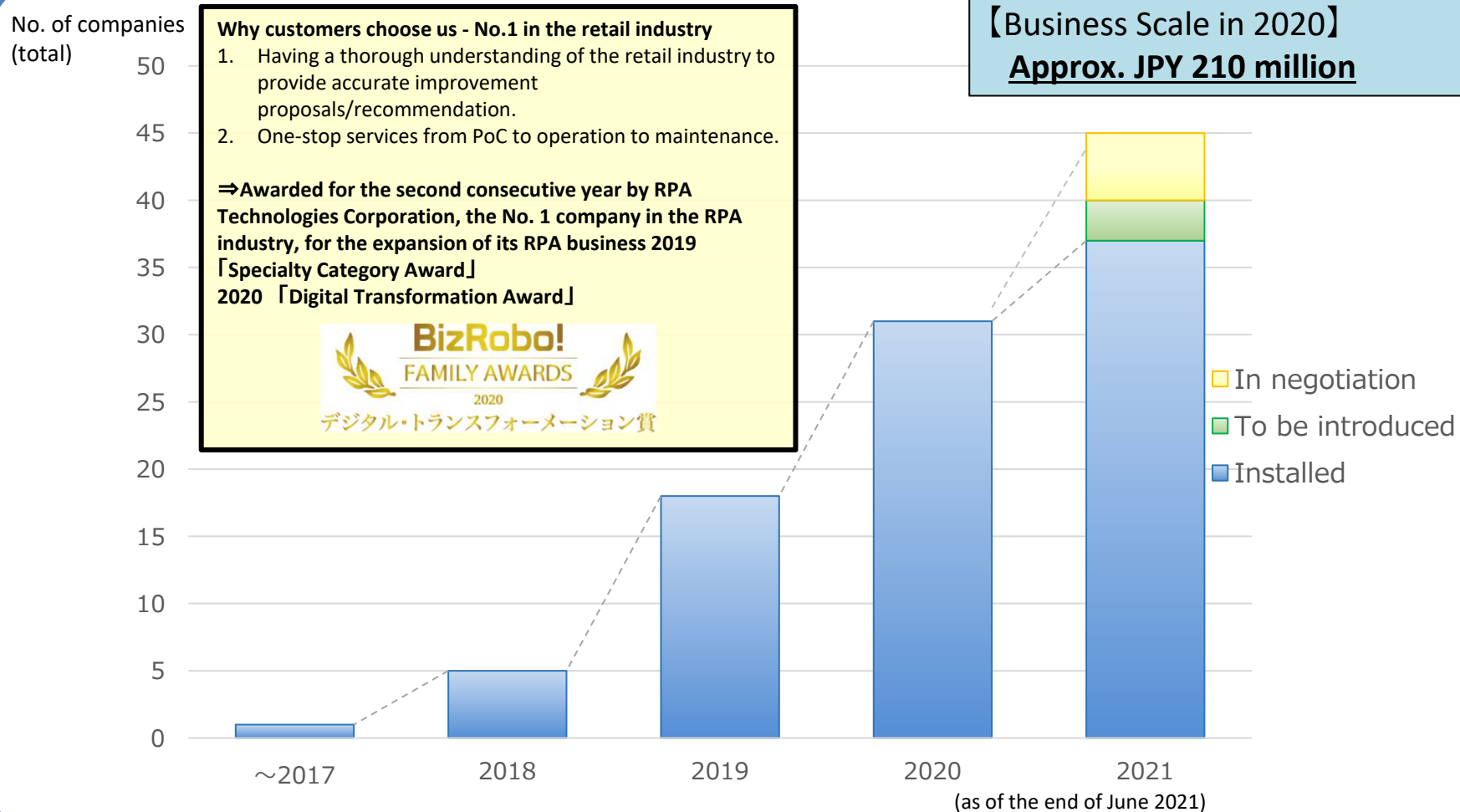


Number of installations of MD and automated ordering



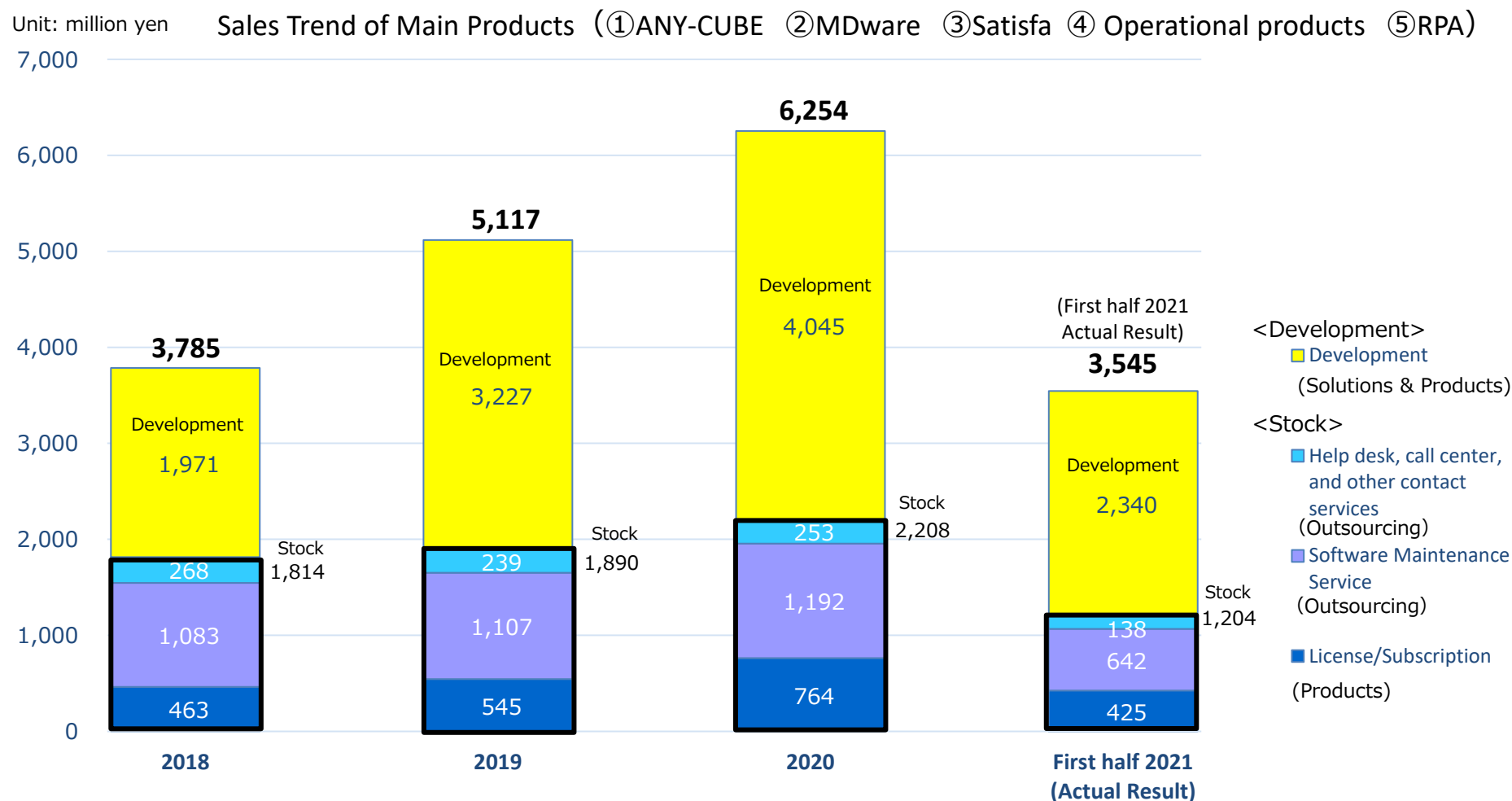
RPA Implementation

Since 2017, we have been promoting the introduction of RPA mainly to customers in the retail industry as a sales partner of BizRobo! The number of companies introducing RPA has been steadily increasing and we are contributing to the improvement of our customers' operations.



Progress in converting main products to stock

In line with the increase in sales of development of main products, sales of stock are also growing steadily.

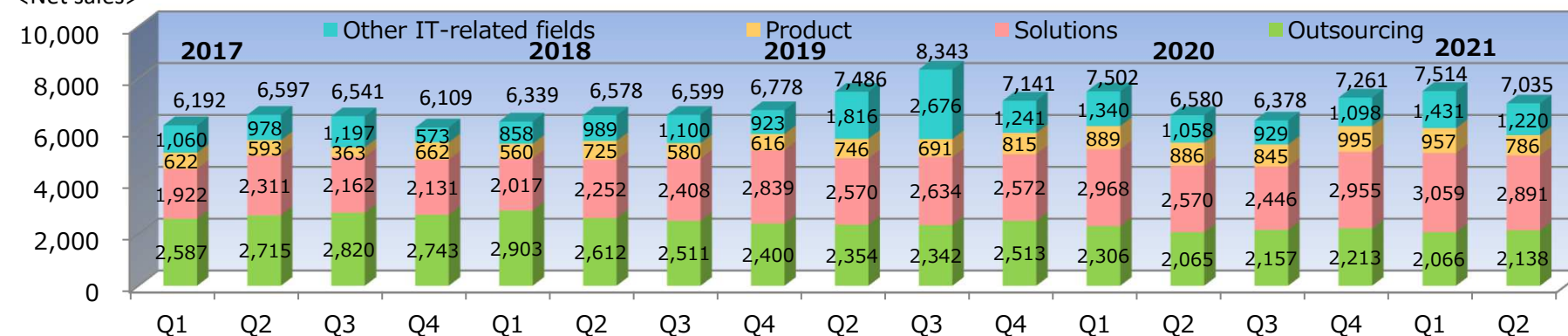


Status by Category

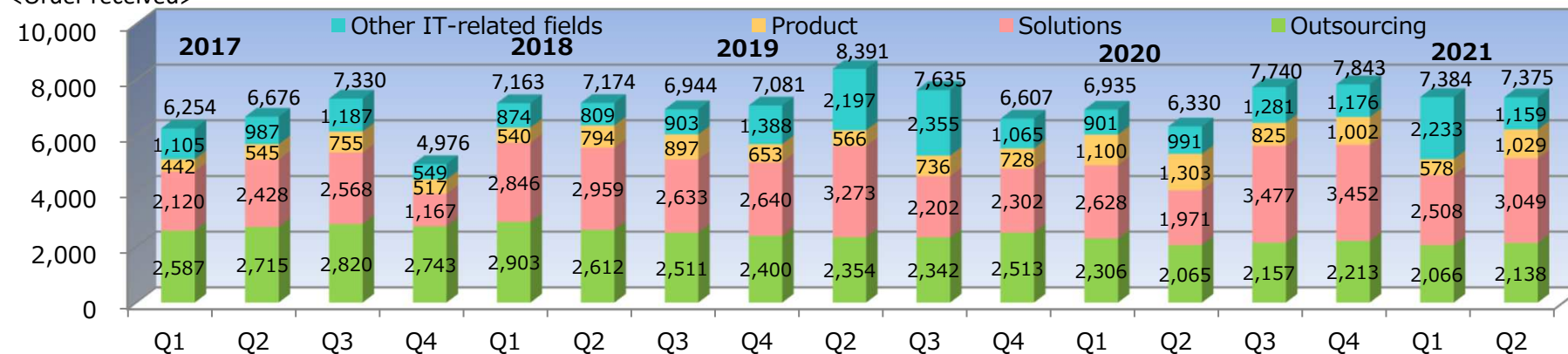
VINX

<Net sales>

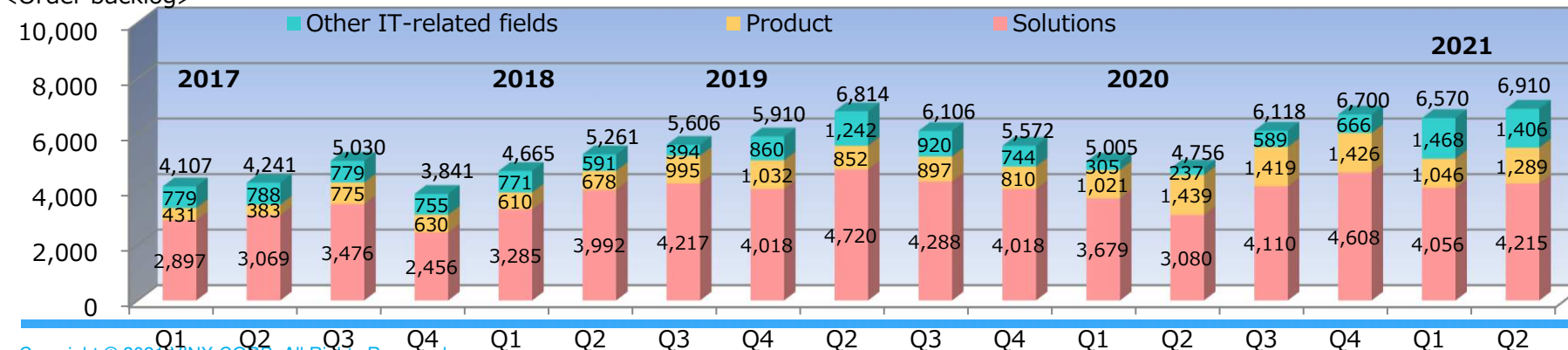
(Unit: million yen)



<Order received>



<Order backlog>



The Second Quarter of the Fiscal Year Ending December 31, 2021

Financial Results Briefing Materials

■ Financial Summary

■ Main Topics

Main Topics in Business Activities

New Retail Strategy Execution	<div data-bbox="398 233 667 403"> SM </div> <div data-bbox="678 233 2000 403"> <p>○ Next generation cashless self POS, smart POS Received an order from a major supermarket mainly in the Kanto region to expand the introduction of a next-generation cashless self-service POS system and a smart POS system that uses smartphones.</p> </div>
Deepening customer needs	<div data-bbox="398 432 667 576"> Retail services </div> <div data-bbox="678 432 2000 576"> <p>○ Core System Received an order from a major general retail group for the replacement of their core system for store-related operations.</p> </div>
	<div data-bbox="398 604 667 748"> Discount store </div> <div data-bbox="678 604 2000 748"> <p>○ Logistics System Received an order for the integration of a distribution center from a major discount store that operates mainly in the Kanto region.</p> </div>
Strengthen product business	<div data-bbox="398 772 667 898"> Railway-related Specialty Stores </div> <div data-bbox="678 772 2000 898"> <p>○ Core System Received an order for the introduction of the core system "AP-Vision" from a group of railroad companies operating mainly in the Kansai region.</p> </div>
Retail solutions expansion	<div data-bbox="398 927 667 1054"> Food services </div> <div data-bbox="678 927 2000 1054"> <p>○ Cashless Received an order for a cashless system from a major fast-food company that operates nationwide.</p> </div>
	<div data-bbox="398 1083 667 1227"> SM, Apparel </div> <div data-bbox="678 1083 2000 1238"> <p>○ RPA (Robotic Process Automation) Received orders for RPA implementation from six customers in the supermarket and apparel industries.</p> </div>
Global business expansion	<div data-bbox="398 1259 667 1418"> Hotel </div> <div data-bbox="678 1259 2000 1418"> <p>○ Check-in System Received an order from a major Malaysian conglomerate group to implement and deploy a check-in system for their hotel.</p> </div>

Main Topics

Connection interface between POS system and store IoT devices is adopted as an international standard specification

As a result of our proposal to the international standardization body (OMG *3) as "UPOS 1.16 RCSD" (*2) through the OPOS Technology Council (*1) for the specifications of the connection interface between POS systems in the retail industry and IoT devices in stores, it was decided to adopt it as an international standard specification.

This is the result of the activities of “the Retail Communication Service Device Subcommittee”, which was established within the OPOS Technology Council in 2017, and in which VINX has taken the lead in examining standardization specification.

This adoption is expected to lead to the expansion of our next-generation store system.

※1 OPOS Technology Council (Open Point of Service Technology Council)

A technical council that aims to realize open and diverse POS terminals and to continuously improve the productivity and quality of POS application development.

※2 UPOS(Unified POS)

A global standard specification for connecting peripheral devices to POS systems. Depending on the operating environment, there are three types: OPOS, JavaPOS, and POS for .NET

※3 OMG (Object Management Group)

An international non-profit organization established in Boston, USA in 1989 to promote the standardization of object-oriented technologies. It is composed of ICT-related companies, ICT users, universities, research institutes, and government agencies from around the world.

No.	Devices	No.	Devices
1	Drawer	26	Banknote deposit machine
2	Line display	27	Coin deposit machine
3	Hardware total	28	Banknote withdrawal machine
4	Key lock	29	Image scanner
5	Magnetic strip reader	30	Electronic Value Reader/Writer
6	POS printer	31	RFID scanner
7	Scanner (barcode scanner)	32	Check scanner
8	POS keyboard	33	Belt
9	Coin dispensers	34	Gate
10	MICR (Magnetic Ink Reader)	35	Item dispenser
11	Weighing machine	36	Light (Addition to existing specifications)
12	Signature capture	37	Video Capture
13	Automatic fare change machine	38	Individual recognition
14	Tone indicators	39	Sound recorder
15	Physical printer	40	Voice recognition
16	PIN card	41	Sound player
17	Remote order display	42	Voice synthesis
18	Bump bars	43	Gesture control
19	CAT (CREDIT AUTHORIZATION TERMINAL)	44	Device monitor
20	Point card machines	45	Graphic display
21	Power management (addition to existing specifications)		
22	Smart card reader/writer		
23	Biometrics		
24	E-journals		
25	Motion sensors		



New Specifications

Recently adopted as an international standard specification
9 devices in “new specifications”
2 devices in “addition to existing specifications”

Expansion of industries adopting main products

VINX main products like POS and MD are increasingly being adopted by major companies in different industries and business categories.



Supermarket



ANY-CUBE Neo
POS for the Next Value
MDware

Home improvement retailer



ANY-CUBE Neo
POS for the Next Value
MDware



GMS



MDware

Furniture



ANY-CUBE Neo
POS for the Next Value

Drugstore



ANY-CUBE Neo
POS for the Next Value
MDware

100-yen store



ANY-CUBE Neo
POS for the Next Value

A leading IT company in the distribution and retail industry

Lead the transformation of the distribution and retail industry through IT
to create a more affluent society.

KEYWORD

DX New Retailing

- Smart stores
- IOT Integration
- Transforming stores into digital

Partnership with Leading Companies

※Press release arranged

- Joint Venture
 - Trial HD
 - Satsudora HD
- Business Partners
 - Salesforce.com
 - Panasonic
 - Microsoft

Contribution to society

- Cooperation with Japan Retailers Association
- POS global standardization
- Support for DX in the distribution and retail industry

VINX will make further efforts in ESG (Environmental, Social, and Governance) management as a concrete approach to the goal of a prosperous society.

Environment

Create new environmental values, such as creating the next generation of retail stores, toward the realization of a carbon-neutral society in 2050



Social

Contribute to various social issues such as the declining birthrate and aging population, and support safe, secure, and comfortable living. In addition, we will create an environment where employees can feel fulfilled and can demonstrate their full potential and promote diversity so that diverse human resources can play an active role.



Governance

While ensuring management soundness and transparency, enhance timely, appropriate, and fair information disclosure and strengthen risk management in response to risks associated with business expansion.



Main initiatives

- Saving energy in our offices to reduce CO2 emissions, which are seen as a major cause of climate change.
- Using recycled products and reduce the amount of waste generated by our business activities.

(1) Human rights and labor

- Respect for basic human rights and prevention of harassment
- Appropriate management of working hours
- Improvement of health and mental health
- Support for employees' skill enhancement and career development
- Support for childcare and nursing care

(2) Social contribution

- Support for culture and sports
- Support for disaster victims, etc.

(1) Compliance with laws and regulations

(2) Risk management

(3) Corporate governance

(4) Dialogue with Stakeholders

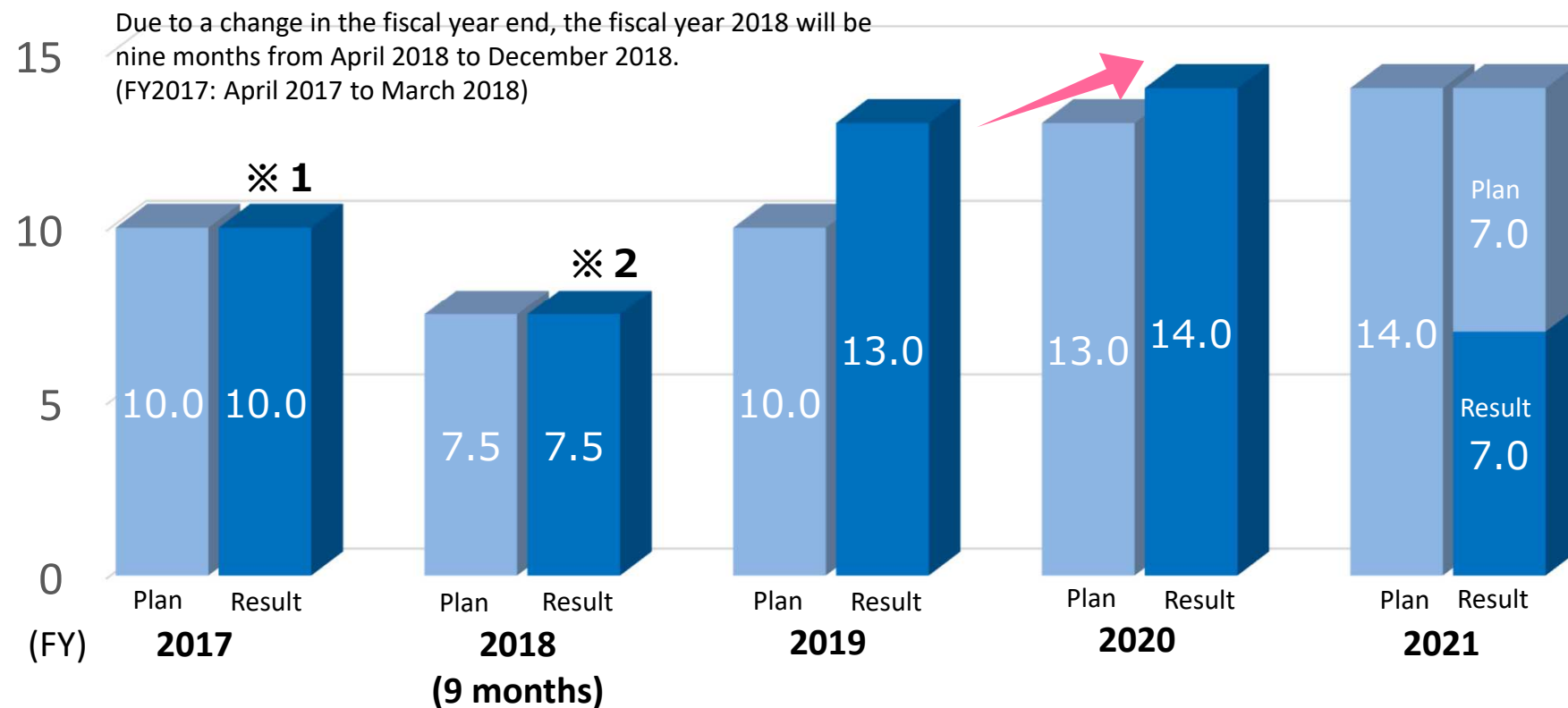
**The Second Quarter of the Fiscal Year Ending December
31, 2021
Financial Results Briefing Materials**

Reference

Dividends

【Dividend per share (yen)】

(JPY)



※1 Results for FY2017

- March 2018, the Company conducted a 2-for-1 stock split.
- FY2017 results before the stock split were 20.0 yen, but the results are expressed in terms of one-half after the split.

※2 Results for FY2018

- As fiscal 2018 is a nine-month fiscal year, the year-end dividend is 2.5 yen for three months.

【Balance Sheet】

(Millions of yen, %, amounts less than one million yen have been omitted)

Classification	End of June 2021		FY Dec 2020	Balance
		Ratio (%)		
Current assets	14,028	74.0	13,437	591
Fixed assets	4,939	26.0	5,331	▲391
<Tangible fixed assets>	1,218	6.4	1,357	▲138
<Intangible fixed assets>	1,780	9.4	1,895	▲114
<Investments and other assets>	1,940	10.2	2,078	▲137
Total assets	18,968	100.0	18,768	199
Liabilities	5,950	31.4	6,330	▲380
Fixed liabilities	2,682	14.1	3,011	▲328
Total liabilities	8,632	45.5	9,341	▲709
Net assets	10,335	54.5	9,426	908
Total liabilities and net assets	18,968	100.0	18,768	199

<Balance Sheet Key Points>

The change from 31 March 2021 are as follows.

• Assets	
Cash & deposit	278 million yen↑
Notes & accounts receivable	239 million yen↑
Work in progress	55 million yen↓
Tools, furniture and fixtures	108 million yen↓
Software	85 million yen↓
• Liabilities	
Accounts payable	228 million yen↑
Accrued liability	296 million yen↓
Short-term borrowing money	247 million yen↓
Repayment within 1 year	
Long-term loan	102 million yen↓
Long-term loan	302 million yen↓
• Net assets	
Retained earnings	678 million yen↑
Foreign currency adjustments	113 million yen↑
Stock option rights	102million yen↑

Cash Flow

(Millions of yen, %, amounts less than one million yen have been omitted)

Taxes and other adjustments to net income in the second quarter of the year	1,273
Depreciation and amortization	490
Others	▲254
Subtotal	1,508
Interest, income taxes paid, etc.	▲329
Net cash provided by (used in) operating activities ①	1,179
Payments for acquisition of tangible fixed assets	▲43
Payments for acquisition of intangible fixed assets	▲213
Proceeds from collection of guarantee-money deposited	80
Others	▲47
Net cash provided by (used in) investing activities ②	▲225
Proceeds from short-term loans	1,832
Repayment of short-term loans	▲2,080
Repayment of long-term debt	▲408
Others	▲141
Net cash provided by (used in) financing activities ③	▲798
Net cash provided by (used in) financing activities	94
Net increase (decrease) in cash and cash equivalents (▲ represents decrease)	250
Cash and cash equivalents at beginning of period	6,730
Cash and cash equivalents at end of period	6,980

< Key points of the statement of cash flows >

Cash and cash equivalents at the end of the second quarter of the fiscal year totaled 6,980 million yen.

Details are asfollows:

① Cash flows from operating activities

Net cash provided by operating activities increase was 1,179 million yen.

② Cash flows from investing activities

Net cash used in investing activities decreased by 225 million yen as a result of investing activities.

< Main factors >

- Acquisition of intangible fixed assets
- Development of product software, etc.

③ Cash flows from financing activities

As a result of financing activities, cash and cash equivalents decreased by 798 million yen.

< Main factors >

- Repayment of short-term loans payable and long-term loans payable

Precautions for handling this document

This document has been prepared for the purpose of providing an understanding of the Company and is not intended to solicit investment in the Company.

Although careful efforts have been made to ensure accuracy, accuracy and completeness are not guaranteed.

The forecasts and projections in this document are based on information available at the time this document was prepared. This document contains forward-looking statements that are based on management's assumptions and beliefs in light of the information currently available to it. They are subject to potential risks and uncertainties.

Therefore, please be aware that actual results may differ materially from those in the forward-looking statements

Inquiries about this document

VINX Corporation

Planning Division, Corporate Planning Department

Contact: 03-5637-7607