

Results Briefing Material For Fiscal Year 2021

(The period between 1st Jan 2021 and 31st Dec 2021)



VINX Corporation

9 February 2022

Securities Code: 3784

Results Briefing Material For FY 2021

- **Financial Summary**
- Sectors and Orders Received
- Main Topics
- Medium-term Policy and FY2022 Plan
- [Reference] B/S and C/F, etc.

YoY change for the Fiscal Year 2021, Sales up 7.7%, operating income up 18.7

Millions of yen (amounts less than ¥1 million have been omitted)

Despite the decline in overseas sales due to the impact of the new coronavirus infection, the growing need for DX in the domestic retail sector and Sales increased, achieving the plan, mainly due to the success of further cultivation of existing customers.

Profits at each stage achieved the plan and increased due to improved productivity, etc.

	Past results	Relative to plan	Planning difference	YoY	YoY change
Sales	29,867	103.0%	867	107.7%	2,146
Operating profit	2,526	108.0%	186	118.7%	398
Ordinary income	2,537	110.1%	232	121.1%	441
Net income Attributable to: Stockholders of the parent company	1,616	120.2%	271	132.2%	393

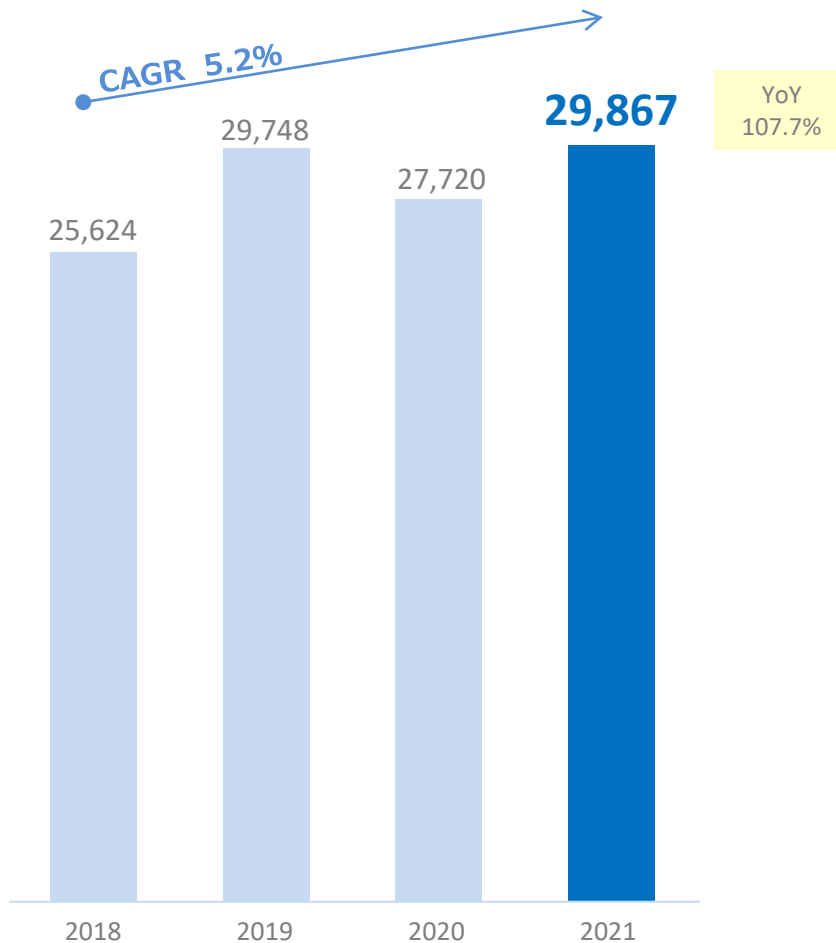
*Comparison with the announcement of November 10, 2021

Sales and Operating Income

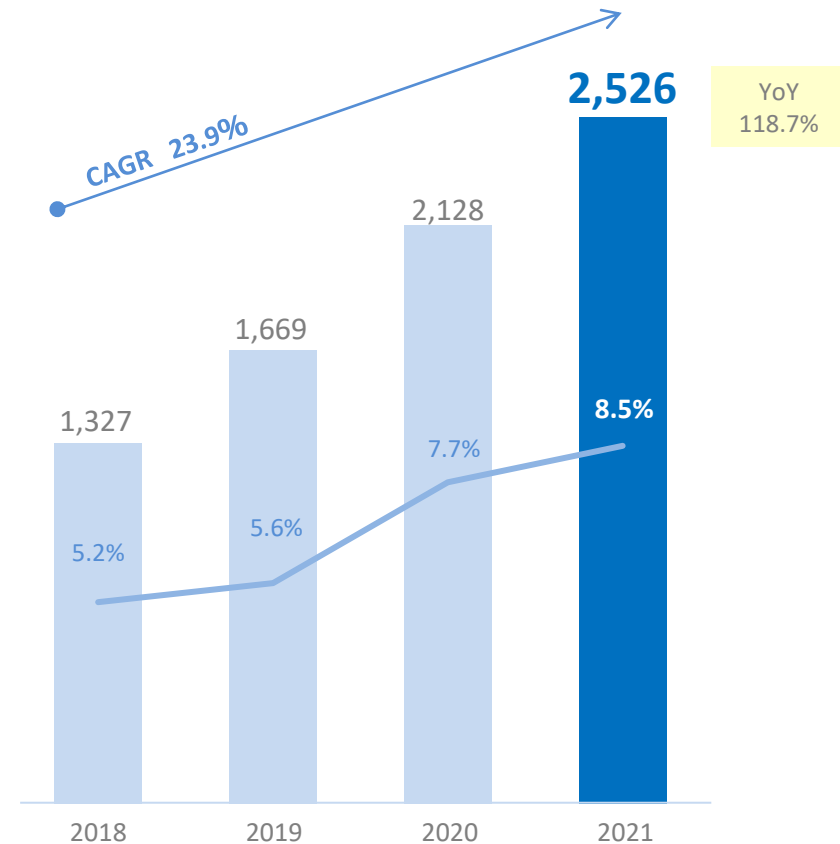
The average growth rate (CAGR) over the past four years was 5.2% for sales. Operating income up 23.9%.

(Millions of yen, %)

Sales



Operating Profit / Operating Profit Margin



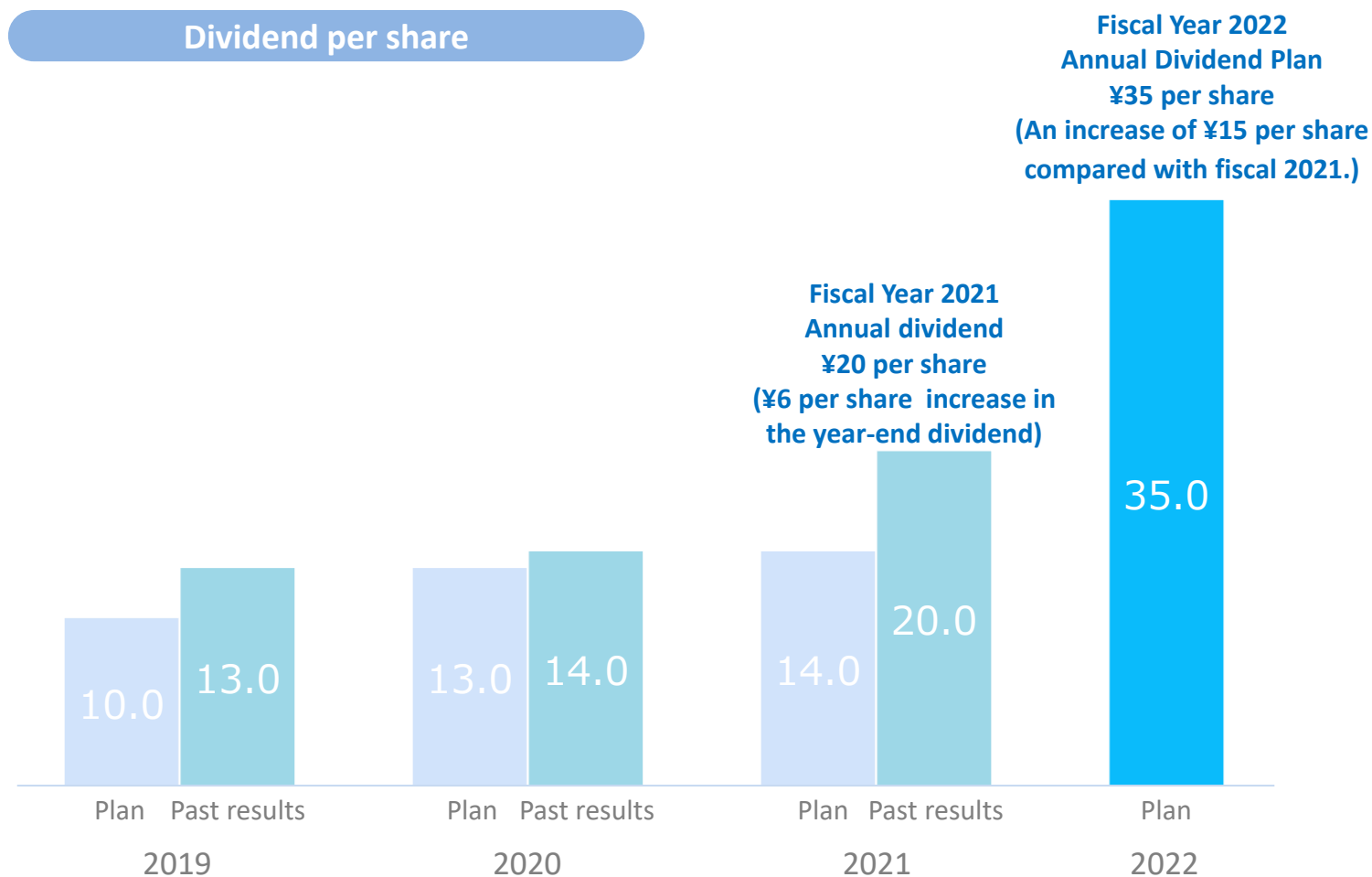
Shareholder Returns

As we are steadily improving our profit structure, we will review our dividend policy going forward.

The year-end dividend for 2021 will be 13 yen (annual dividend of 20 yen), an increase of 6 yen from the initial forecast.

For FY2022, we plan to increase the dividend payout ratio to 35.2%, or ¥15 per share, for a total annual dividend of ¥35 per share.

Unit: Yen



Results Briefing Material For FY 2021

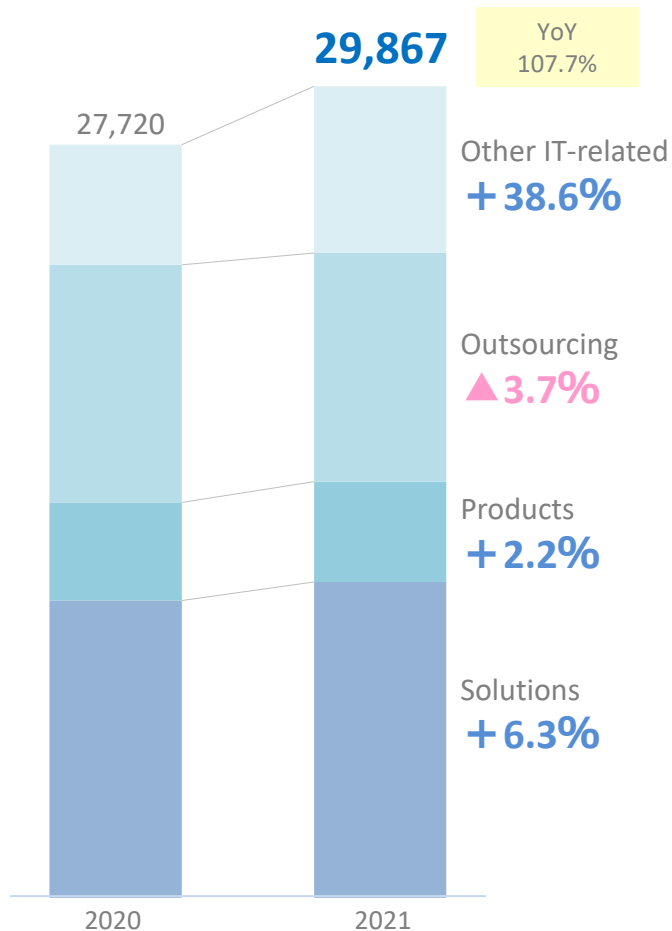
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Sales and Operating Income by Segment

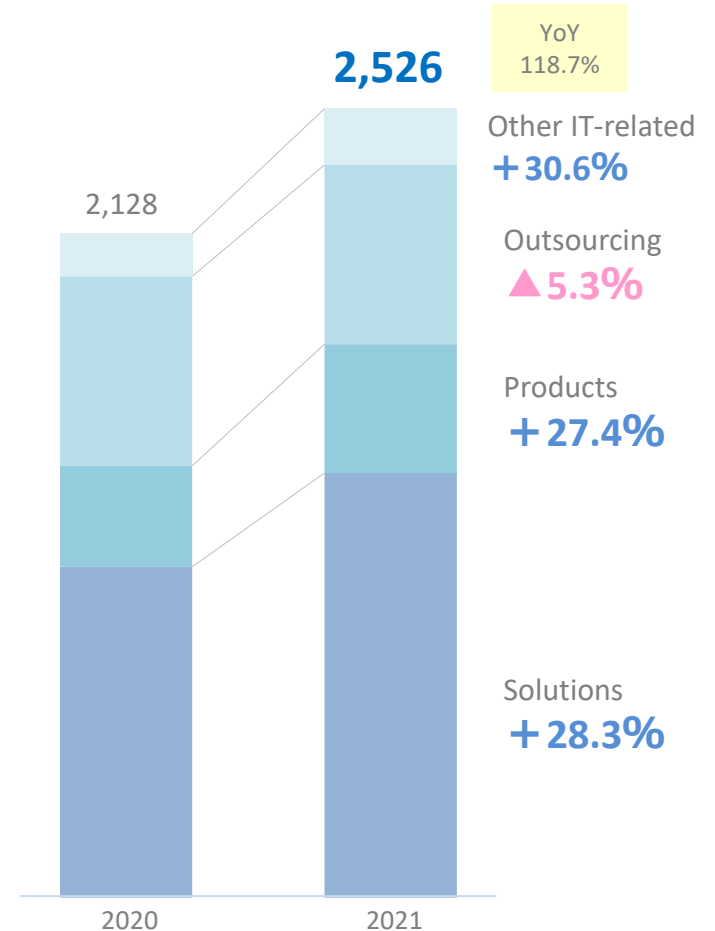
- Solutions : Productivity increased along with sales growth, resulting in a significant increase in profits.
- Products : Although the growth rate was temporarily low due to the timing of large projects, business growth is expected to continue in the future.
- Outsourcing : Sales decreased due to the impact of Corona overseas, but both sales and income increased in Japan
- Other IT-related : Strong hardware sales, including next-generation self-service POS

(Unit: million yen, %)

Sales

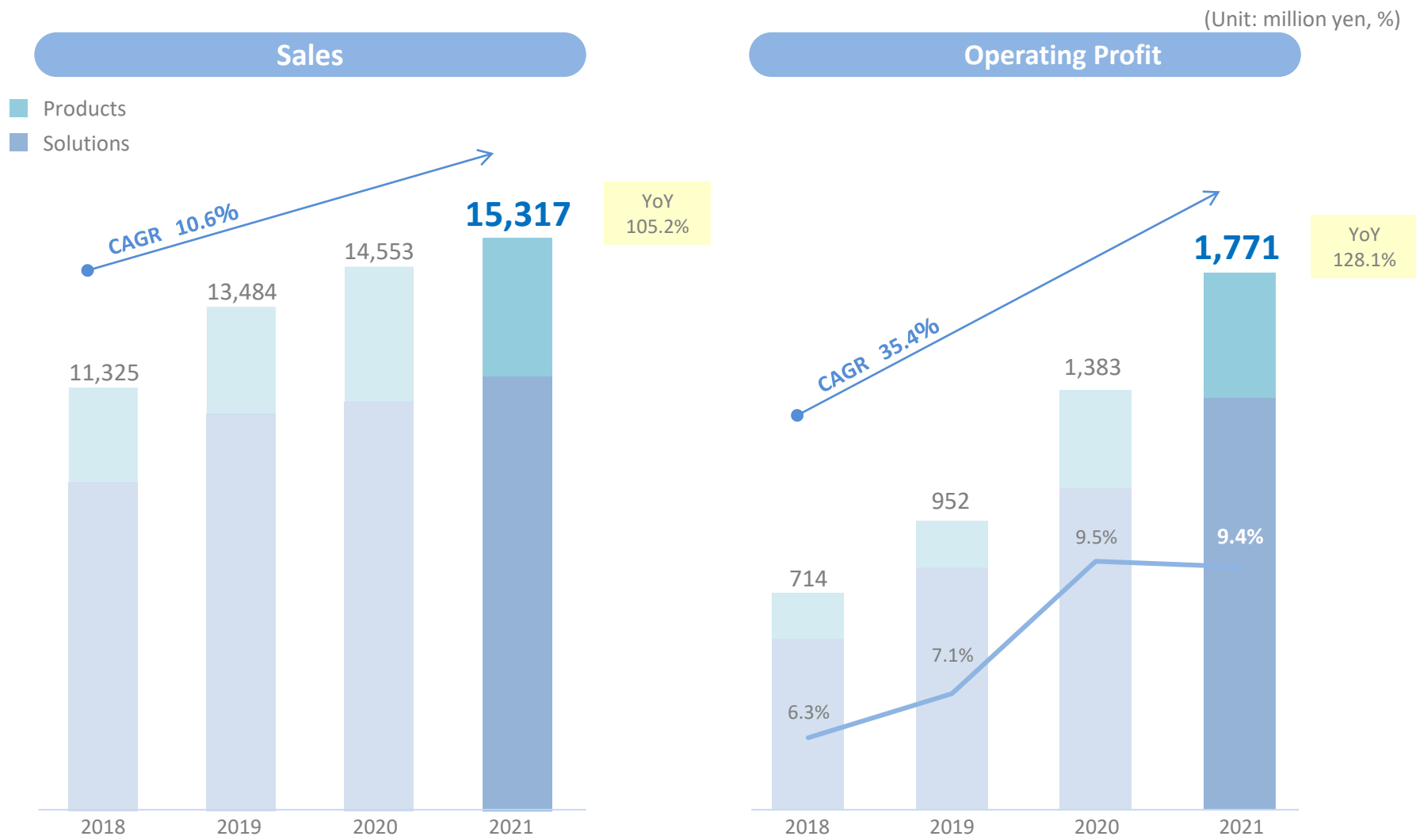


Operating profit



Solution and Product Segments

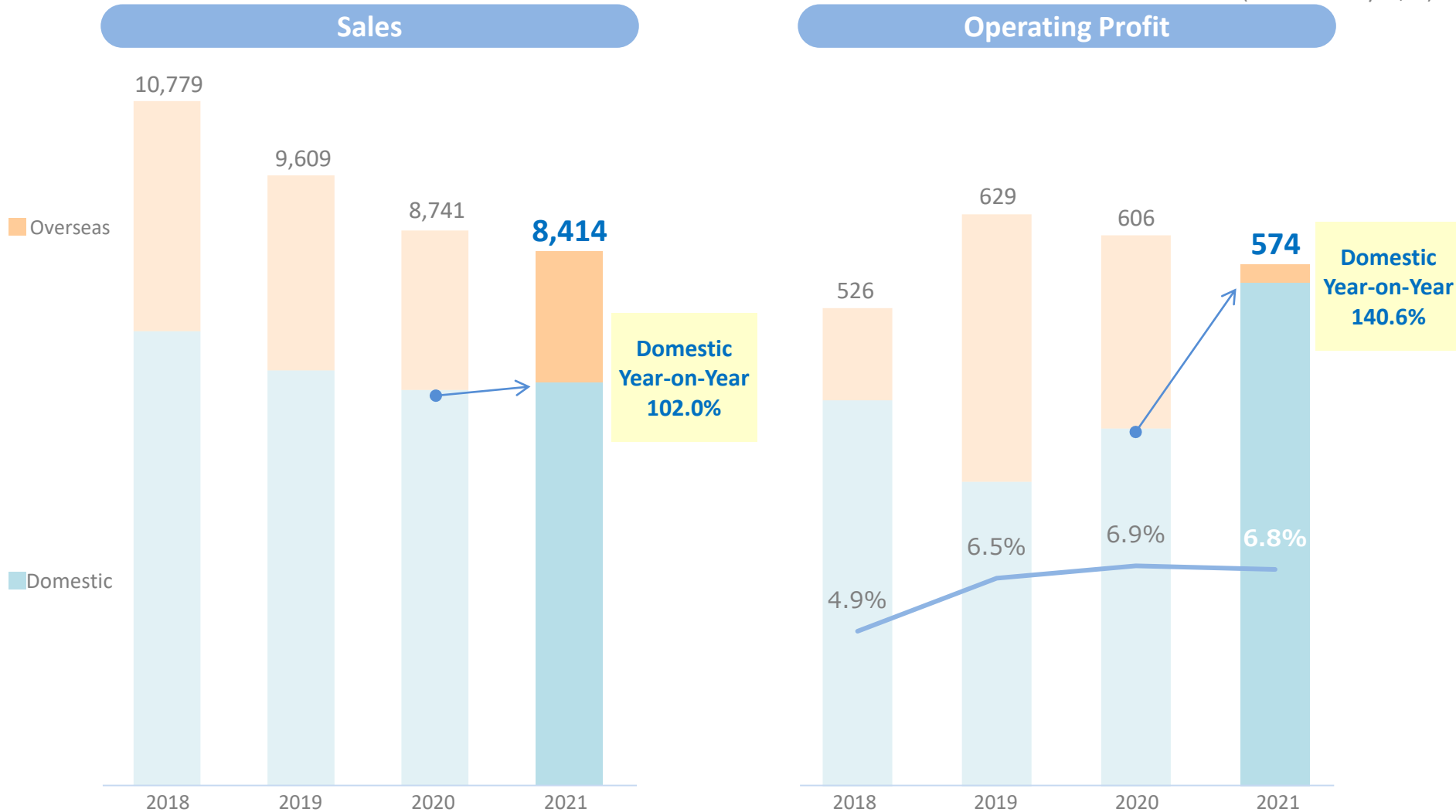
In the solutions and products, the growing need for DX has led to the introduction of hardware-independent POS systems (ANY-CUBE), and the development of new products such as the "Solution" and "Product". Core systems (MDware), automated ordering systems, etc. performed well.



Outsourcing Trends

In the outsourcing, sales declined due to the impact of Corona overseas, but sales and income increased in Japan.

(Unit: million yen, %)

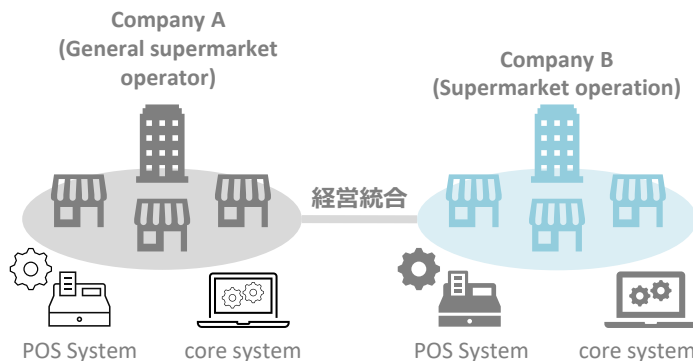




Flexible system independent for specific hardware and business type

- ✓ **Hardware can be used as-is during M&A and system integration**
 - Combination of hardware from multiple manufacturers is also possible (not only domestic but also international hardware)
- ✓ **Cloud-based system built on**
 - Flexibility to respond to business restructuring
 - Software can be used as-is even if the cash register changes its shape due to the smart store conversion (e.g., flexible from regular POS to tablet or smartphone POS, cart POS, etc.)

(Example) M&A case



POS system → Replace only the "software" while leaving the hardware in place

- ✓ **Eliminates the need to purchase additional POS hardware and store installation work**
⇒ Cost reduction of several hundred million yen or more is possible
- ✓ **Shorten the time it takes to start operating as a new store.**

Core system → Introduced "MDware" for large chain store operations

Issue How to integrate systems from different companies?

- ✓ **Operating in major companies in a variety of business categories to accommodate business restructuring.**
⇒ Can unify the operations of multiple companies.
- ✓ **Easily scalable as it is built on a cloud-based platform**

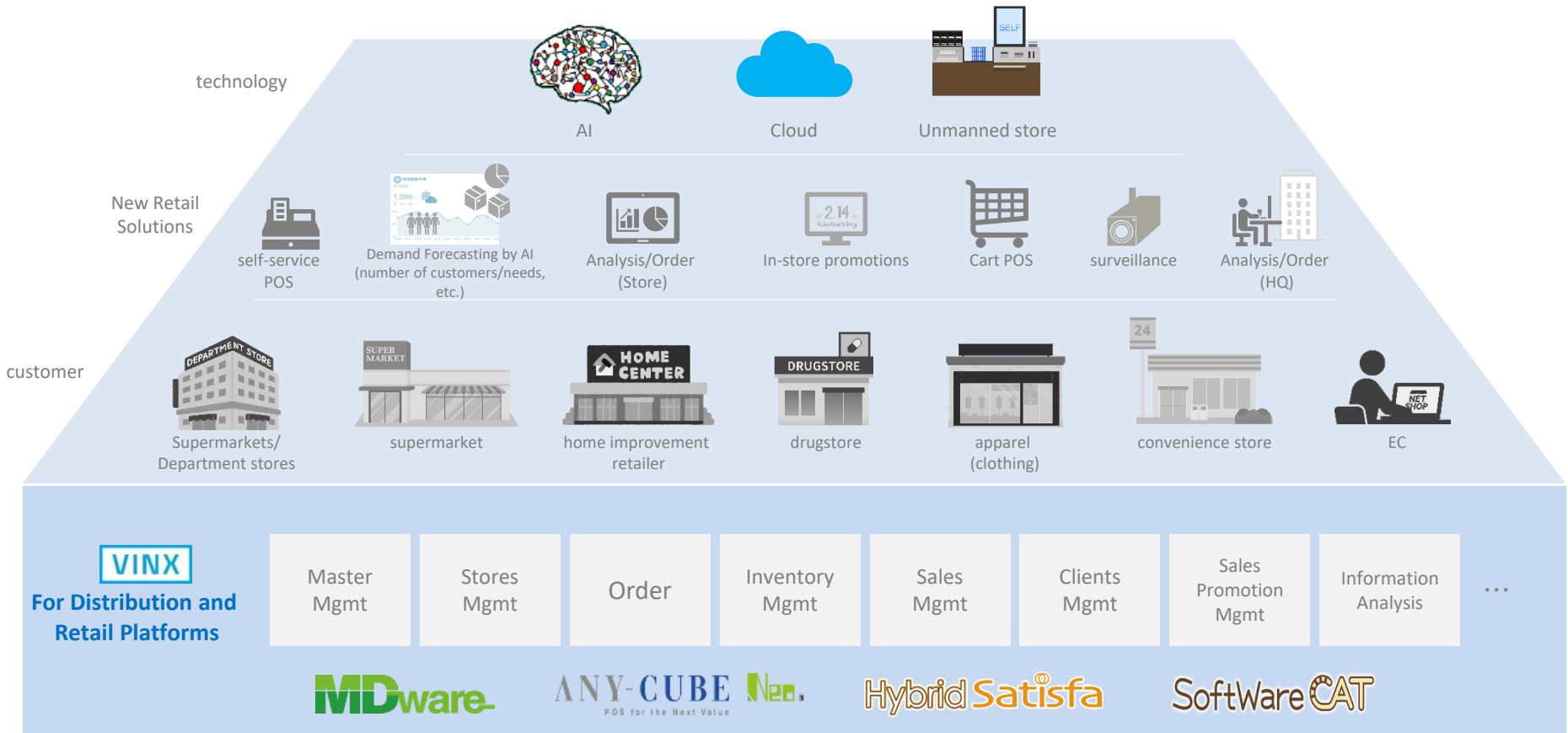
Reasons for choosing VINX 2



VINX

Distribution and retail industry platform to promote DX

- ✓ **Have DX solutions for various operations**
 - Smooth implementation and deployment of new retail solutions because we have a core retail platform (promoting DX)
 - Flexible response to changes in store business types and group consolidation
- ✓ **Contribute to business innovation through systems that use the latest technologies, such as AI**
 - Improved accuracy of demand forecasting using AI to improve efficiency of store operations and reduce out-of-stocks and waste



Reasons for choosing VINX 3



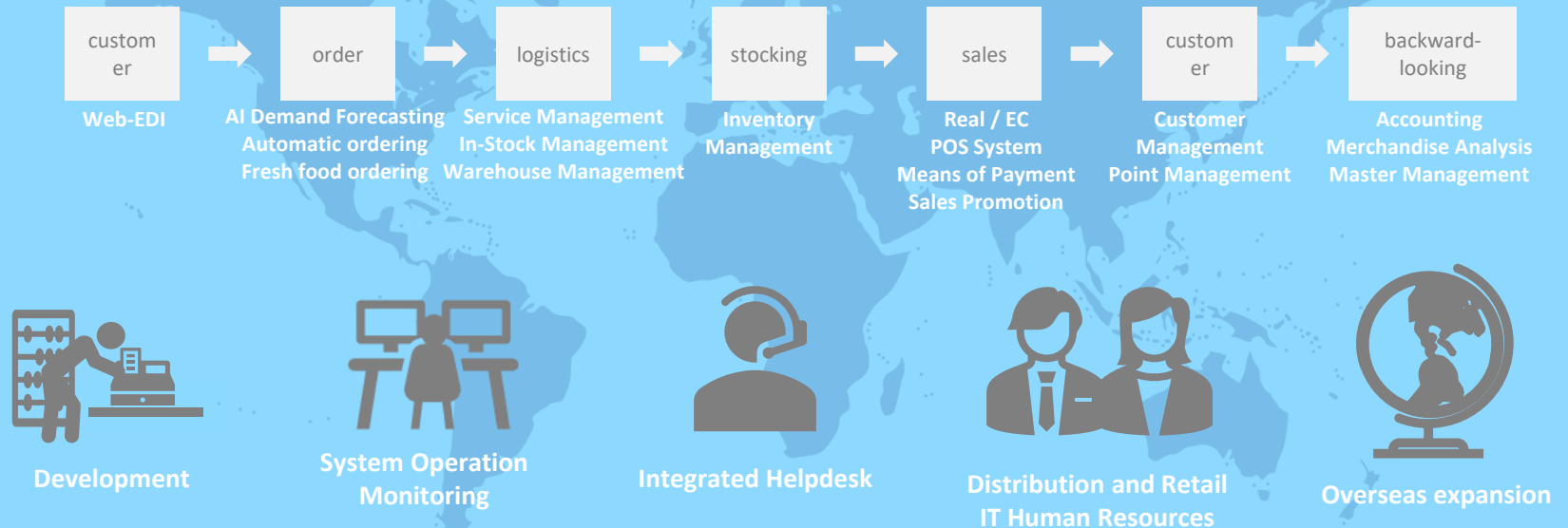
VINX

Consistently provide the necessary services to major national distributors and retailers

- ✓ Provides solution services necessary for the distribution and retail industry, including store systems, core systems, customer management, and e-commerce
- ✓ System implementation, deployment, maintenance, operation monitoring, and helpdesk support throughout Japan and in ASEAN
- ✓ DNA as a former subsidiary of a distribution information systems company, and can provide human resources support to the IT Systems Department

VINX

Total Retail Solutions Service



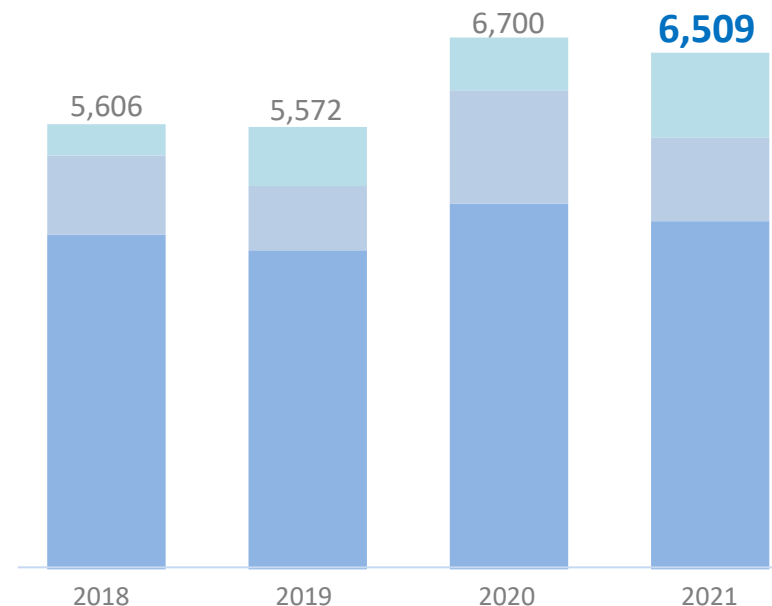
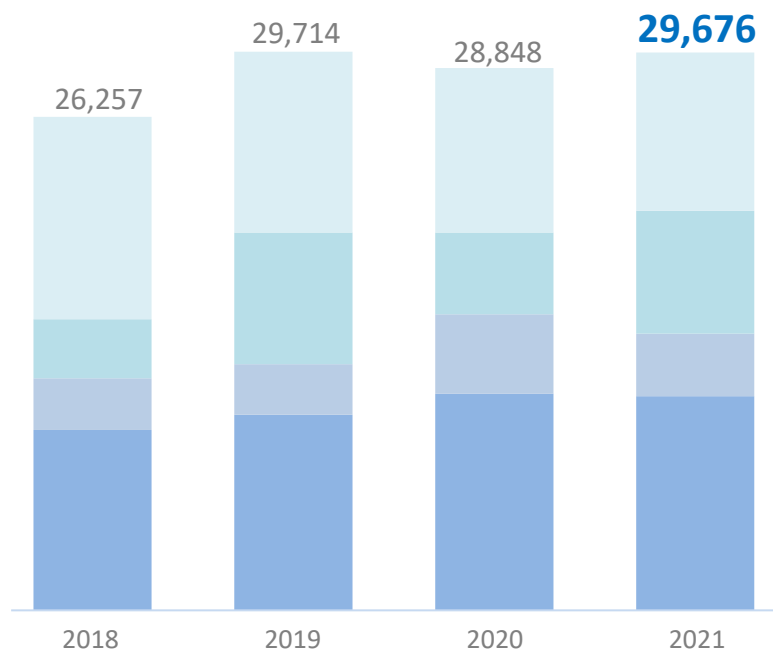
Status by Sector < the amount of orders received/ orders backlog >

(Unit: million yen, %)

The amount of orders received

End-of-period orders backlog

Outsourcing Other IT-related Products Solutions



Large projects not included in orders received and ending orders backlog (forecast)

- ① We received an informal offer for a POS system development project from a major food supermarket that operates mainly in the Kanto region.
- ② We received an informal offer from a major retail group in the Kansai region for an MD core system development project.
- ③ We received an informal offer for an automated ordering system project from a major home center that operates nationwide from the northern Kanto region.

*Actual figures for 2018 have been converted to 12 months due to a change in the fiscal year end.

*Outsourcing business is not a make-to-order business; therefore, the year-end order backlog is omitted.

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Major Topics in Sales Activities

new retail Strategy Execution	Cosmetics Sales	<ul style="list-style-type: none"> ○ EC Back Office System We have been working with a major cosmetics brand company to build an EC back-office system using Salesforce cloud computing and have received the order.
(software) path Business deep plunging	Distribution Service	<ul style="list-style-type: none"> ○ Core system Received an order from a major general retailer for the replacement of their facility-related core system.
Product Strengthening Business	Supermarkets Drug Stores, etc.	<ul style="list-style-type: none"> ○ Core system Received an order for the MD-ware implementation in food supermarkets mainly in the Kanto and Hokuriku regions, drugstores mainly in the Kansai region.
Retail Solution Business Expansion	Fashion Brand	<ul style="list-style-type: none"> ○ Point system We have received an order for the integration of a point system from a fashion brand company operating in Japan and China.
	Supermarkets Drug Stores, etc.	<ul style="list-style-type: none"> ○ POS System We have been selected by a supermarket, home center, and a major nationwide dispensing and drugstore to provide a POS system for the next phase of their business and have received an order from a major food supermarket mainly in the Kanto region and a major supermarket mainly in the Hokuriku region and western Japan.
	Supermarkets Apparel, etc.	<ul style="list-style-type: none"> ○ RPA * We have received orders for RPA implementation from 9 customers including supermarkets, apparel stores, and drugstores.
Global Business Expansion	Drugs store	<ul style="list-style-type: none"> ○ Expansion in Asia We have received an order from a major nationwide drugstore for a project to expand its business in Asia.

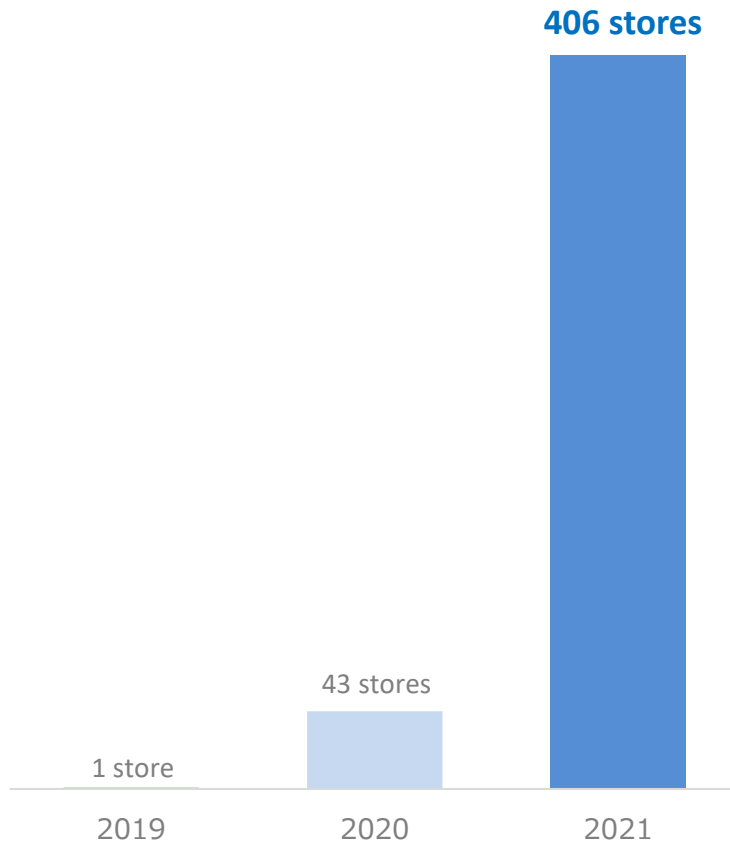
* RPA (Robotic Process Automation)

Automation of routine computer operations that have been performed by human operators using software robots.

New Retail Strategy Initiatives 1

Unattended POS Installation Experience ~Next generation cashless self-service POS

Number of stores (cumulative)



ANY-CUBE Neo[®]
POS for the Next Value



Cashless self-service



E-money charger

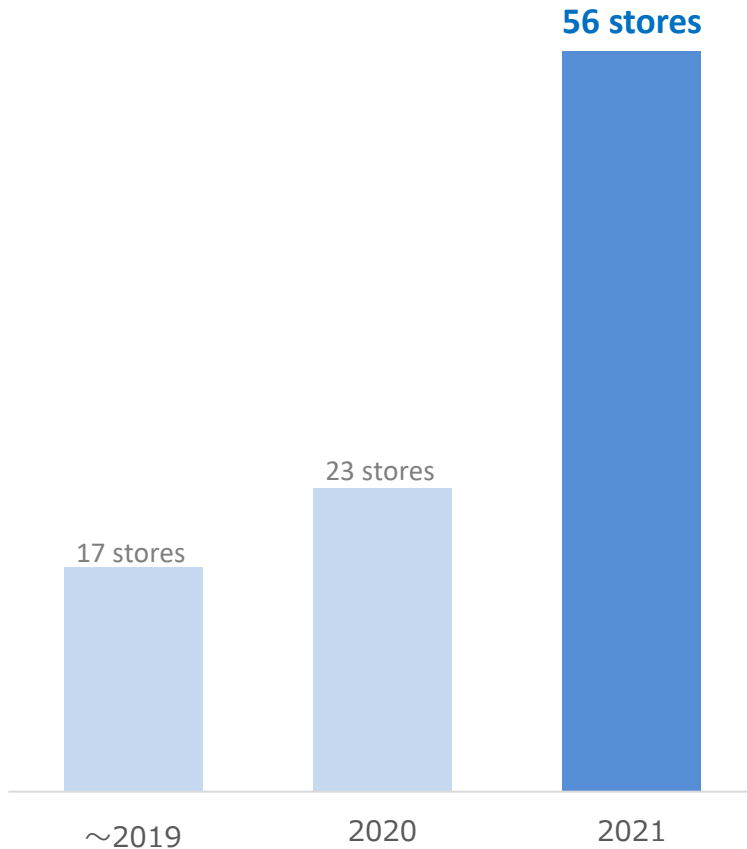
New Retail Strategy Initiatives 2

VINX

Cart POS Installation Results

~Smart Next Generation POS

Number of stores (cumulative)



RS
Retail SHIFT inc.

POS4U CLOUD
POS as a Service



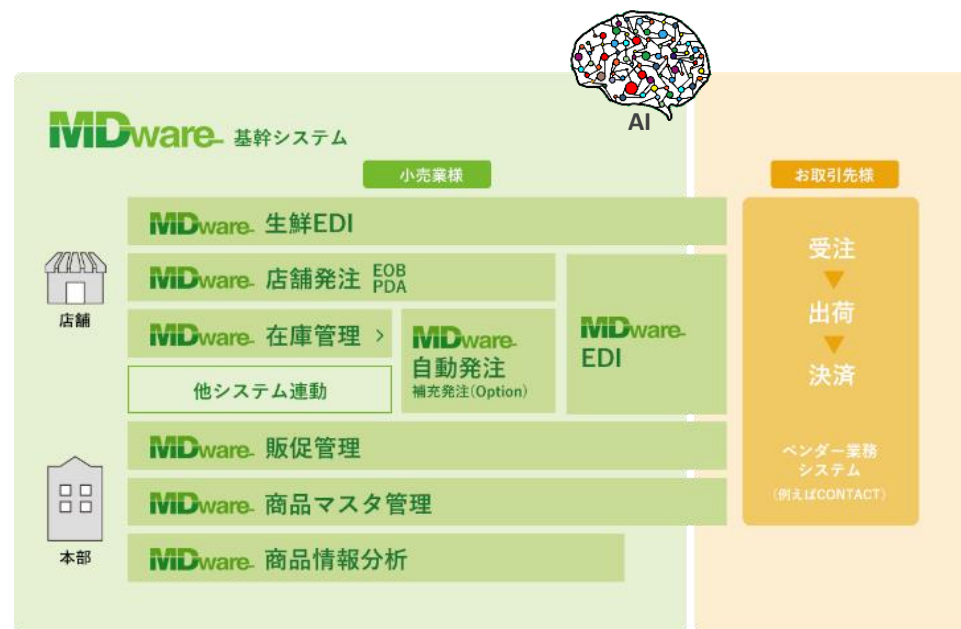
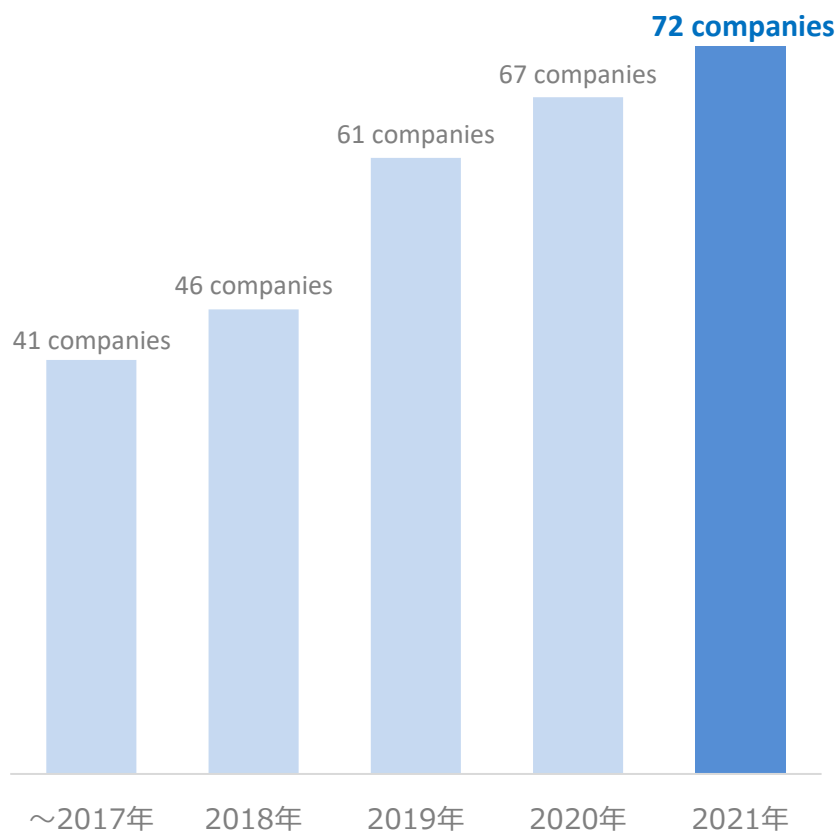
Trial Smart Shopping Cart

New Retail Strategy Initiatives 3

MD Core System Introduction Results

~Retailing platform to promote DX~.

MD Core System • Number of companies that have introduced automated ordering (cumulative total)

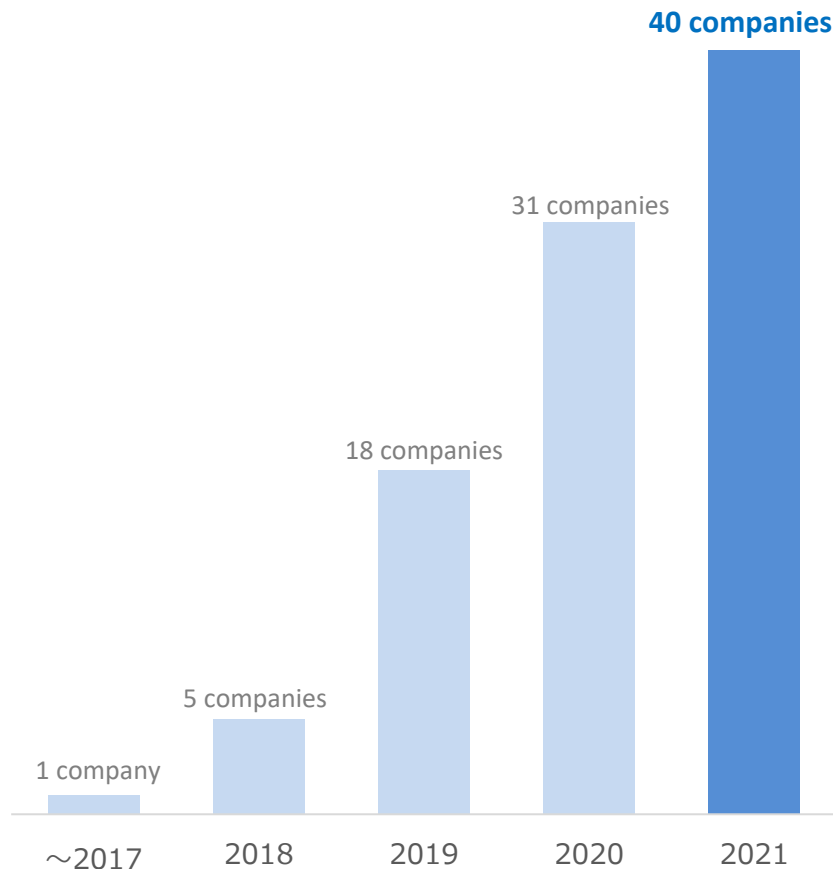


New Retail Strategy Initiatives 4

RPA implementation results

~Improvement of retail customer operations through automation~.

Number of RPA deployed



- BizRobo! Family Awards Award History



* BizRobo!" is an RPA product of RPA Technologies, Inc.
VINX will be the distributor partner.

Notice of Acquisition of "Eruboshi" (third level)

On October 21, 2021, the Ministry of Health, Labor and Welfare (MHLW) granted Eruboshi, a certification mark for companies promoting women's activities (the third stage).

Eruboshi" is a certification system based on the Law Concerning the Promotion of Women's Advancement in Employment and is a certification mark issued to companies that meet certain standards and have an excellent status in promoting women's advancement in their workplaces.

In order to further promote women's activities, we will continue to support flexible work styles and promote childcare leave for fathers, etc.

We aim to create an environment in which women can work more comfortably and achieve a good work-life balance.

We are committed to ensuring that all employees can fully demonstrate their abilities. ◦



Notice of Recognition as one of the "100 Pioneers of Telework

On November 17, 2021, the Ministry of Internal Affairs and Communications recognized us as one of the 100 telework pioneers.

The "100 Telework Pioneers" are companies and organizations that have been promoting the introduction and utilization of telework and are recognized as "Telework Pioneers. \

The Ministry of Internal Affairs and Communications (MIC) has recognized companies with sufficient achievements among them as one of the "100 Telework Pioneers" and publicly announced them. ◦

We will continue to enhance creativity and productivity through flexible work styles and

The use of telework is promoted with the aim of contributing to the realization of a work-life balance.

We are committed to ensuring that all employees can fully demonstrate their abilities. ◦



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New Retail Strategy

Strengthening New Retail Initiatives and Leading the Transformation of the Distribution and Retail Industry.

Specific Customerization Strategy

Expand stock business to major retailers to promote specific customers.

Global Market Strategy

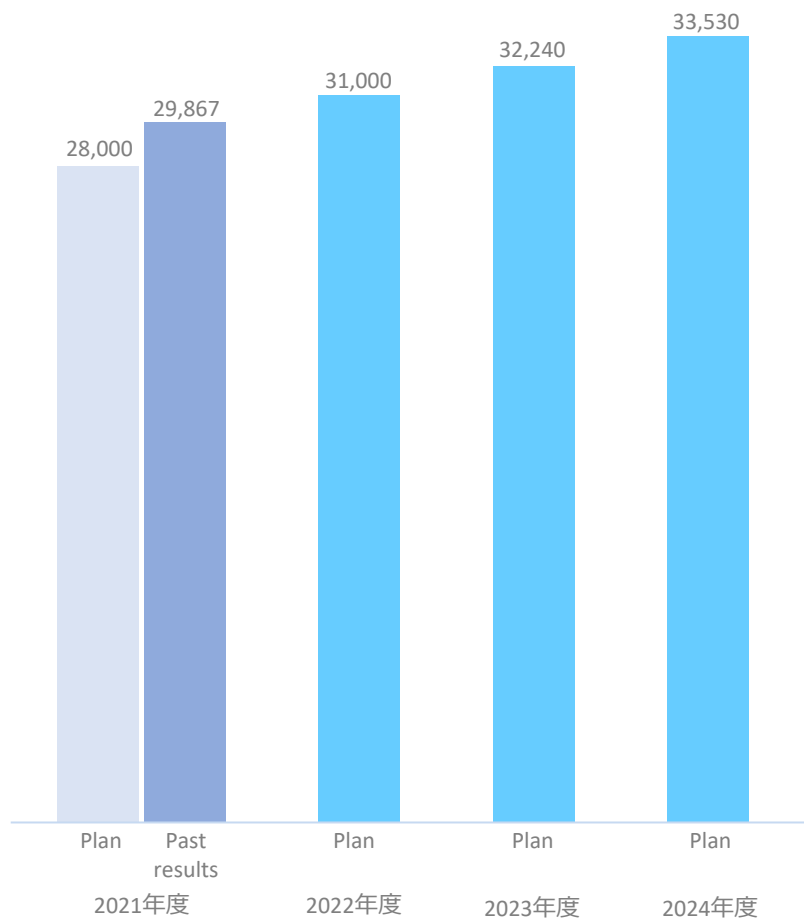
Strengthen the solutions business for Japanese and local companies and build a new business model.

Business Restructuring

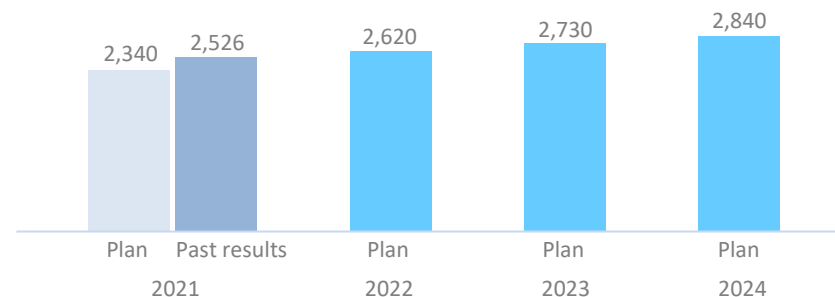
Aim for sustainable growth by promoting business structure reforms and strengthening the organization.

(Millions of yen) Sales

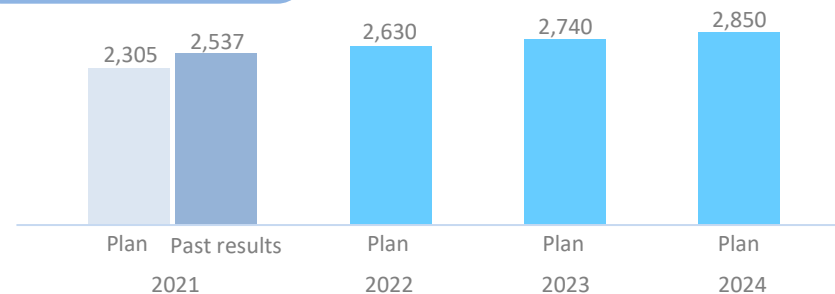
Sales



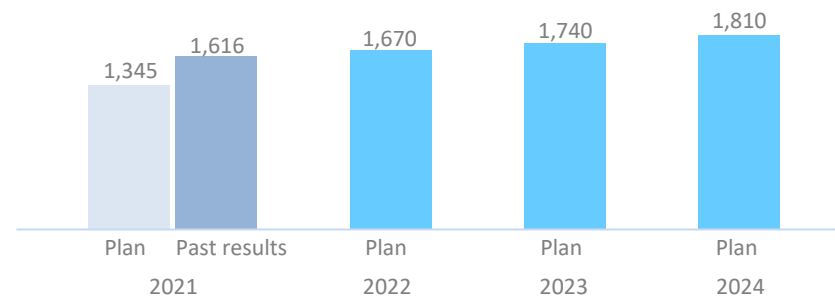
Operating profit



Ordinary income



Current Interest



FY2022 Numerical Plan (Consolidated)

As "the industry's largest IT company specializing in distribution IT systems, we will continue to upgrade our existing businesses and realize our new retail business and achieve sustainable business growth.

Millions of yen (amounts less than ¥1 million have been omitted), %.

	2022 financial year		
	Expected value	Sales ratio	Previous year than
Sales	31,000	—	103.8%
Operating profit	2,620	8.5%	103.7%
Ordinary income	2,630	8.5%	103.7%
Attributable to: Shareholders of the parent company Net income	1,670	5.4%	103.3%

As we are steadily improving our profit structure, we will review our dividend policy going forward. The year-end dividend for 2021 will be 13 yen (annual dividend of 20 yen), an increase of 6 yen from the initial forecast. For FY2022, we plan to increase the dividend payout ratio to 35.2%, or ¥15 per share, for an annual dividend of ¥35 per share.

	Annual dividend			Total dividends (Million JPY)	Payout Ratio (Linkage) (%)	Dividend to net assets ratio (Linkage) (%)
	End of the 2nd semester (JPY)	End of term (JPY)	Total amount (JPY)			
2020	6.5	7.5	14.0	235	19.3	2.9
2021	7.0	13.0	20.0	336	20.8	3.5
2022 (Plan)	17.5	17.5	35.0	—	35.2	—

As an effort to “achieve an affluent society”, we will make further efforts in ESG (Environmental, Social and Governance) management.

Environment

Toward the realization of a carbon-neutral society by 2050 and creating new environmental value, such as creating the next generation of retail stores.



Social

We will contribute to various social issues, including the declining birthrate and aging population, and support safe, secure, and comfortable lifestyles. We will also create an environment in which employees can feel fulfilled and maximize their abilities and promote diversity to enable a diverse range of people to play an active role.



Governance

We will ensure sound and transparent management, enhance timely, appropriate, and fair disclosure of information, and strengthen risk management for risks associated with business expansion.



Major Initiatives	
	<p>(1) To reduce CO2 emissions, which are seen as a major cause of climate change</p> <p>We are working to save energy in our offices.</p> <p>(2) We use recycled products and reduce waste generated by our business activities.</p> <p>Reduction。</p>
	<p>(1) Human Rights and Labor</p> <ul style="list-style-type: none"> • Respect for basic human rights and prevention of harassment • Appropriate management of working hours • Maintain and improve health and mental health • Supporting employee skill and career development • Childcare and Nursing Support <p>(2) Contributions to Society</p> <ul style="list-style-type: none"> • Cultural and sports support • Support for disaster victims, etc.
	<p>(1) compliance</p> <p>(2) risk management</p> <p>(3) Corporate Governance</p> <p>(4) Stakeholder Dialogue</p>

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Balance Sheet

Millions of yen (amounts less than ¥1 million have been omitted), %.

Classification	As 31 Dec 2021		As 31 Dec 2021	
		proportion(%)		Balance
Current assets	15,976	77.9	13,437	2,539
Fixed assets	4,528	22.1	5,331	▲ 802
<Tangible Fixed Assets>	1,066	5.2	1,357	▲ 290
<Intangible fixed assets>	1,536	7.5	1,895	▲ 359
<Investments and other assets>	1,925	9.4	2,078	▲ 152
Total assets	20,505	100.0	18,768	1,736
Current liabilities	6,972	34.0	6,330	641
Fixed liabilities	2,394	11.7	3,011	▲ 616
Total liabilities	9,366	45.7	9,341	24
Net assets	11,138	54.3	9,426	1,711
Total liabilities and net assets	20,505	100.0	18,768	1,736

< Balance Sheet Points >

The main factors of change from the previous period are as follows

- Assets
 - Cash and deposits Increase JPY 764 million
 - Notes and accounts receivable Increase JPY 1,532 million
 - Tools, furniture and fixtures SW Decrease JPY 223 million
 - Decrease JPY 300 million
- Liabilities
 - Accounts payable Increase JPY 1,064 million
 - Short-term debit Decrease JPY 486 million
 - Long-term Debit Decrease JPY ¥549 million
- Net assets
 - Retained earnings Increase JPY 1,372 million
 - Foreign currency translation adjustments Increase JPY 202 million

Cash flows from operating activities

Millions of yen (amounts less than ¥1 million have been omitted)

Current net income before adjustment for taxes, etc.	2,510
Depreciation and amortization	1,029
Other	▲586
Subtotal	2,953
Interest, income taxes paid, etc.	▲630
Cash flows from operating activities ①	2,322
Payments for purchase of property, plant and equipment	▲58
Payments for acquisition of intangible fixed assets	▲332
Payments into time deposits	▲170
Other	62
Cash flows from investing activities ②	▲499
Proceeds from short-term loans	2,765
Repayment of short-term loans payable	▲3,252
Repayment of long-term loan	▲719
Other	▲186
Cash flows from financing activities ③	▲1,393
Effect of exchange rate changes on cash and cash equivalents	164
Net increase (decrease) in cash and cash equivalents	593
Cash and cash equivalents at beginning of year	6,730
Cash and cash equivalents at end of period	7,324

<Key Points of the Statement of Cash Flows>

Cash and cash equivalents at end of period
The balance was 7,324 million yen.
Details are as follows

(1) Cash Flows from Operating Activities
Operating activities resulted in an increase of 2,322 million yen

<Main Factors>

Income before income taxes and minority interests

(2) Net cash provided by (used in) investing activities
Investment activities resulted in a decrease of 499 million yen

<Main Factors>

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

(3) Net cash provided by (used in) financing activities
Financing activities resulted in a decrease of 1,393 million yen

<Main Factors>

- Repayment of short-term and long-term debt

Sales and Operating Income by Segment

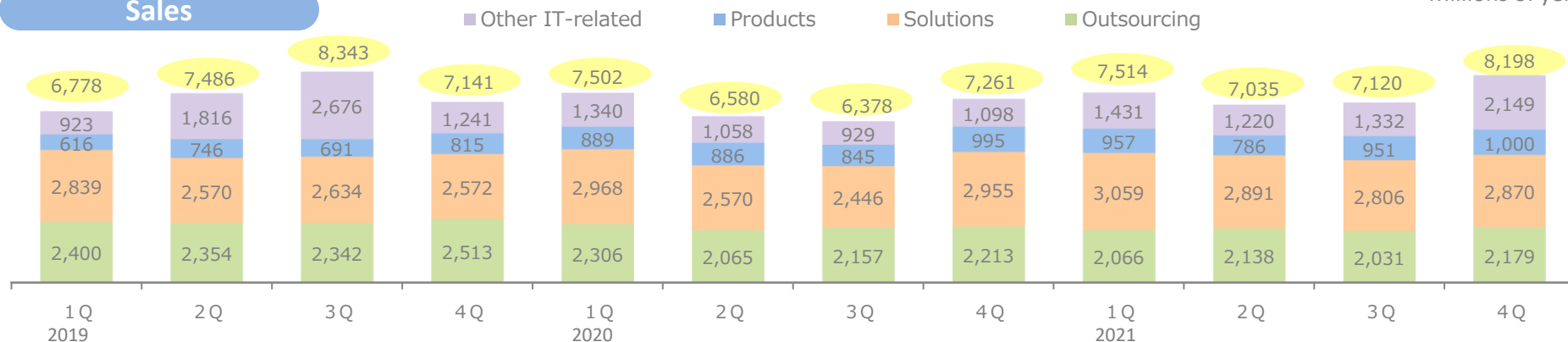
Millions of yen (amounts less than ¥1 million have been omitted), %.

Sales	2021		Compared to initial plan			YoY Comparison		
Segment	Actual value	Operating profit ratio	Initial plan value	Compared to initial plan	Initial plan difference	Actual value	Previous year	YoY change
1. Outsourcing	8,414	28.2%	8,479	99.2%	▲ 64	8,741	96.3%	▲ 326
2. Solutions	11,624	38.9%	11,337	102.5%	287	10,938	106.3%	686
3. Products	3,693	12.4%	3,951	93.5%	▲ 257	3,613	102.2%	80
4. Other IT-related	6,133	20.5%	4,232	144.9%	1,901	4,426	138.6%	1,707
Total amount	29,867	100.0%	28,000	106.7%	1,867	27,720	107.7%	2,146

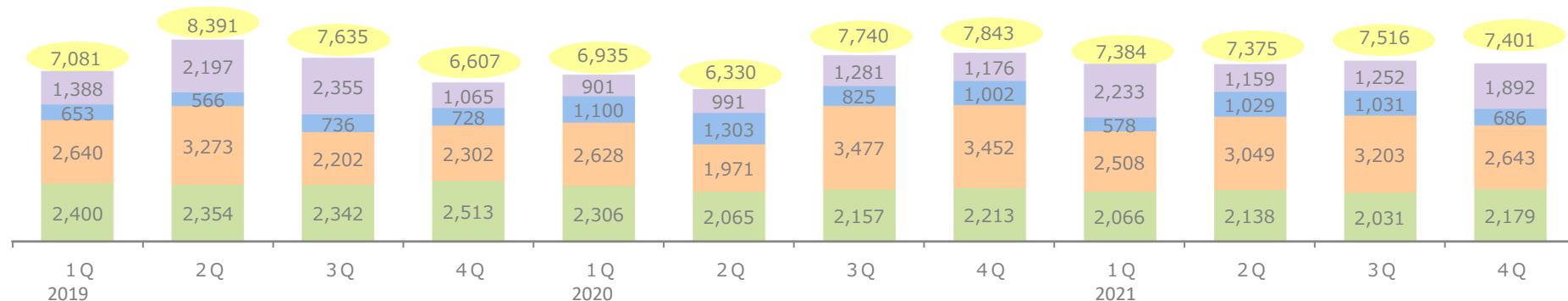
Operating profit	2021		Compared to initial plan			YoY Comparison		
Segment	Actual value	Operating profit ratio	Initial plan value	Compared to initial plan	Initial plan difference	Actual value	Previous year	YoY change
1. Outsourcing	574	6.8%	579	99.1%	▲5	606	94.7%	▲32
2. Solutions	1,359	11.7%	1,105	122.9%	253	1,059	128.3%	299
3. Products	412	11.2%	332	124.2%	80	323	127.4%	88
4. Other IT-related	180	2.9%	132	136.1%	47	137	130.6%	42
Total amount	2,526	8.5%	2,150	117.5%	376	2,128	118.7%	398

Millions of yen

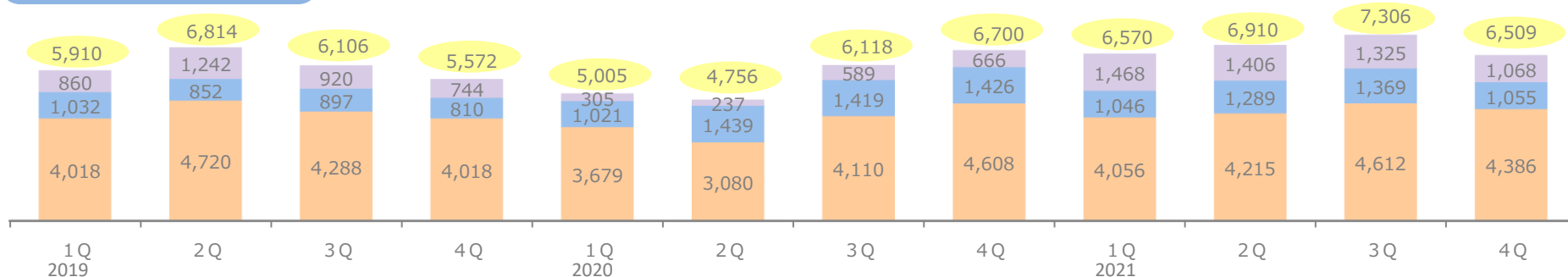
Sales



Orders Received



Orders Backlog



*Outsourcing business is not a make-to-order business; therefore, the year-end order backlog is omitted.

Precautions for handling this material

This material was prepared for the purpose of understanding our company and is not intended as a solicitation to invest in our company. Although every effort has been made to ensure accuracy, we cannot guarantee the accuracy or completeness of this information.

The above is not intended to be a guarantee of the accuracy or completeness of the information. The forecasts and forward-looking statements in this document are based on information available at the time this document was prepared based on information available to us and are subject to potential risks and uncertainties.

Therefore, changes in the business environment and other various factors may cause changes.

Please note that actual results may differ materially from our forward-looking statements.

Inquiries about this document

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