



**FreeBit Co., Ltd.**

Q3 Financial Results Briefing for the Fiscal Year Ending April 2020

March 13, 2020

## Presentation

**Tanaka:** I am Tanaka from FreeBit Co., Ltd. Today, I will explain our financial results for the third quarter of the fiscal year ending April 2020.

### 2020年4月期 第3四半期 連結業績



(単位：百万円)	20年04期 第3四半期	19年04期 第3四半期	増減額	増減率
売上高	<b>40,060</b>	34,118	+5,942	17.4%
EBITDA	<b>2,653</b>	2,750	△97	△3.6%
営業利益	<b>1,198</b>	1,628	△430	△26.4%
経常利益	<b>1,113</b>	1,294	△180	△13.9%
親会社株主に帰属 する四半期純利益	△238	△23	△215	—
1株当たり純利益	△10円75銭	△1円06銭	△9円69銭	—

**2020年4月期第3四半期連結業績は、エドテック事業開始及び不動産テック事業のマンションインターネットが堅調に推移したことにより前年同期比売上高17.4%増**

- ・売上高：エドテック事業開始及び不動産テック事業の拡大により増収
- ・営業利益：エドテック事業の既存事業減少及びデジタル領域への事業転換の遅延に加えアドテック事業利益減等により前年同期比26.4%減
- ・経常利益：営業利益減により前年同期比13.9%減
- ・親会社株主に帰属する：経常利益減により前年同期比215百万円減  
四半期純利益

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4

First, I will explain about the consolidated results.

Net sales for the third quarter in the fiscal year ending April 2020 was JPY4.006 billion. EBITDA was JPY2.653 billion. Operating income was JPY1.198 billion. Ordinary income was JPY1.113 billion. Net income was negative JPY238 million.

On a YoY basis, net sales increased by JPY5.942 million, or 17.4%. However, operating income was down 26.4% and ordinary income was down 13.9%. The reason for this is that net sales was about JPY5.9 billion compared with the previous year, due to the start of EdTech business and the growth of the Real Estate Tech business. The increase in net sales was 17.4%, resulting in a relatively steady increase.

However, operating profit was negative compared to the previous fiscal year. One of the major reasons for this is that the progress of the existing business in the EdTech business, which began last fiscal year, is not satisfactory. Another reason is that even though we have purchased the EdTech business with a plan to grow by expanding the business in the digital domain and have been moving forward, the progress of the conversion

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into this digital business has lagged behind, and this has resulted in a 26.4% decline in operating income from the previous fiscal year.

Ordinary income decreased by approximately 14% on a YoY basis, due to a decrease in operating income.

Net income declined JPY215 million on a YoY basis as operating income and ordinary income decreased.

## 2020年4月期通期連結業績予想の修正



(単位：百万円)	今回修正予想 (B)	前回発表予想 (A)	増減額 (B-A)	増減率 (%)	(ご参考) 前期実績 (2019年4月期)
売上高	<b>55,000</b>	57,000	△2,000	△3.5%	50,365
営業利益	<b>2,400</b>	4,000	△1,600	△40.0%	2,981
経常利益	<b>2,300</b>	3,800	△1,500	△39.5%	2,569
親会社株主に帰属 する四半期純利益	<b>400</b>	1,000	△600	△60.0%	279
1株当たり純利益	<b>18円02銭</b>	45円05銭	—	—	12円59銭

### 売上高修正の背景

ヘルステック事業：Googleのアルゴリズム変更の影響等による予約サービスの低迷  
 インフラテック事業：不採算事業の連結外への切り離しや通信回線事業の競争激化に伴う影響  
 エドテック事業：デジタル領域への事業転換の遅延に加え、新型コロナウイルス感染症の拡大により、企業向け研修事業の受注数急減等

### 営業利益、経常利益、親会社に帰属する当期純利益修正の背景

売上高の減収要因による減益のほか、アドテック事業の既存事業効率化によるコスト削減効果の遅れによる影響等

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5

Based on the results up to this point, the Company has released a revised forecast for the full fiscal year. Regrettably, we have made downward revisions to net sales and profits.

Let me briefly explain the details. As I mentioned earlier, although net sales were steady compared to the previous fiscal year, we were expecting to achieve much higher net sales according to the full-year forecast. On the contrary, we are still lagging the target in the reservation service of the HealthTech business, due in part to changes in Google's search algorithms, and other factors.

In addition, in the InfraTech business, there was a telecommunications service for corporations, and this has not yet generated profits, so some businesses have been sold to a third party. As a result of the sale of these businesses, their sales have fallen short of the plan, which is why they are falling short of the plan.

In the EdTech business, sales from existing businesses have not been met as planned so far, and the digital transformation service has been delayed, resulting in negative results.

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3

In the EdTech business, the number of orders actually declined due to the rapid cancellation of overseas training and study services as a result of the expansion of the new coronaviruses. In light of these factors, we have revised our sales forecast.

Compared to the JPY57 billion target, we expect net sales of JPY55 billion, a 3.5% decrease.

However, as the previous fiscal year reached JPY5.0365 billion throughout the year, we expect to see an increase in revenue of around JPY5 billion.

Furthermore, with regard to operating income and ordinary income, we expect operating income of JPY2.4 billion and ordinary income of JPY2.3 billion from JPY3.8 billion, respectively, which are approximately 40% below our initial forecast of JPY4 billion.

Accordingly, we forecast net income of JPY0.4 billion, compared with JPY1 billion.

However, this net income is expected to be negative even based on the expected results of the sale of the businesses within the InfraTech business, which is expected to be a gain on the sale of the businesses.

Although we are making positive progress in terms of sales growth in our business, we regret to report that our profit targets have not been met. Based on these results, we would like to take steps toward the next fiscal year and to create a new growth trajectory.

## 自己株式取得に係る事項の決定に関するお知らせ



### 取得に係る事項の内容

取得対象株式の種類	当社普通株式
取得し得る株式の総数	2,500,000株（上限） （発行済株式総数（自己株式を除く）に対する割合：11.26%）
株式の取得価額の総額	2,000,000,000円（上限）
取得期間	2020年3月16日～2020年9月30日
取得方法	東京証券取引所における市場買付

（ご参考）2020年3月12日時点の自己株式の保有状況

発行済株式総数（自己株式を除く）	22,204,925株
自己株式数	1,209,075株

In addition to the revision of the business results in the release announced today, the Board of Directors made a decision regarding the acquisition of treasury stock, and we have also announced that decision.

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The spread of the new coronavirus has greatly shaken the global market, and the Japanese stock market has also fallen sharply. Our stock has also been greatly affected, and we have judged that the significantly reduced price of our stock due to the impact that the market had is quite different from the fair value that we think. Therefore, we intend to implement measures to increase earnings per share by acquiring the Company's treasury stock and returning profits to the market.

In terms of the actual acquisition scale, the maximum number of shares that can be acquired is expected to be 2.5 million shares. This represents approximately 11% of the total number of shares issued by the Company. In addition, the total acquisition price for the shares is set at a maximum of JPY2 billion.

Up until now, the scale of the share buybacks we have conducted has been around JPY300 million. However, given that the current stock market is in an emergency, we have decided to acquire treasury stock in considerably larger scale than in the past.

The purchase period will start on March 16, next Monday, and is scheduled to expire on September 30, 2020, which will be approximately six months.

I hope you will understand this, thank you.

## 2020年4月期 第3四半期連結業績トピックス



連結業績

- ・売上高は、エドテック事業開始及び不動産テック事業の拡大により前年同期比17.4%増
- ・営業利益は、エドテック事業の既存事業減少及びデジタル領域への事業転換の遅延に加えアドテック事業の利益減等により前年同期比26.4%減



インフラテック事業

- ・12月1日付でトーンモバイル事業をCCCグループより承継
- ・働き方改革によるテレワーク需要の高まり及びエンジニア不足によるクラウド化需要増に伴いクラウドサービスの販売が拡大



不動産テック事業

- ・マンションインターネットが牽引し前年同期比売上高34.2%増、セグメント利益61.2%増を達成



ヘルステック事業

- ・FBEPHの成長により売上高は順調に推移し前年同期比11.0%増
- ・不採算事業の整理により利益改善し、セグメント損益は3Q会計期間で黒字化を達成



エドテック事業

- ・既存事業の減少、デジタル領域への事業転換の遅延及び消費税改定に関わる差額補填等により減収減益

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7

Let me now return to the results of the third quarter and continue the explanation.

First, I would like to talk about the topic of qualitative information. As I mentioned earlier, sales increased by 17.4%. This is due to the start of the EdTech business and the expansion of the Real Estate Tech business.

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Operating income declined 26.4% due to a decline in the existing businesses in the EdTech business and a delay in advancing into the digital field.

By segment in the consolidated results, as a topic for the InfraTech business, it was transferred from Tone mobile inc., which was an affiliate company accounted for using the equity method, on December 1 last year, and we took it over.

In the InfraTech business, the demand for teleworking is increasing considerably in the world, and we are receiving a great deal of inquiries for our Cloud services.

In the Real Estate Tech business, although some areas have not yet reached the targets, sales have grown significantly compared to the previous fiscal year, and have increased by 34.2% up to now. Segment profit also rose 61.2%, and the results were favorable.

In the HealthTech business, our Group Company, FreeBit EPARK Health Care, Inc. steadily increased its sales, up 11.0% from the previous fiscal year. However, as we have not yet achieved the target number of reservations, we are working to increase the number.

In addition, some businesses in the HealthTech business were not successfully generating profits, and therefore we sold them during the third quarter. This, in part, has allowed us to make a profit in the HealthTech segment as a whole.

Lastly, in regard to the EdTech business, as I have mentioned several times, progress in the digital domain and the transition have been delayed. In addition, due to the revision of the consumption tax, we paid the difference in past payments, resulting in a decrease in both sales and profits.

These are the performance topics for the third quarter.

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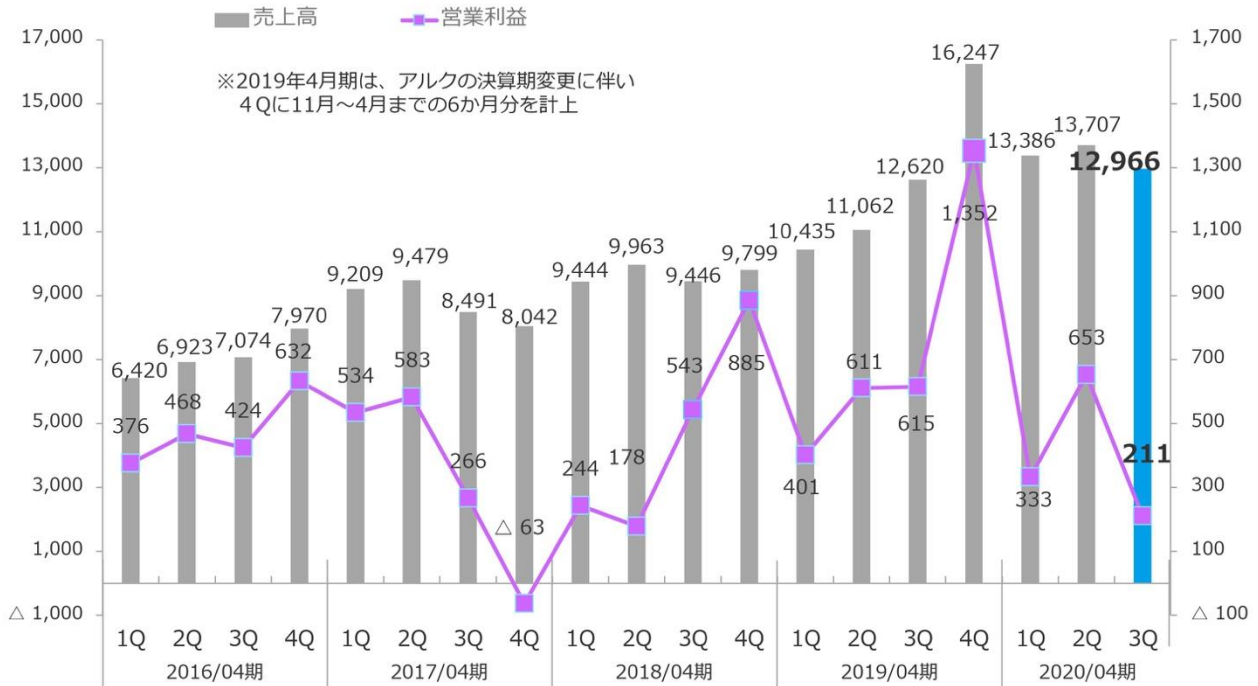
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不動産テック事業における2Q増税前の需要増及び  
エドテック事業の既存事業減少等により2Qを下回る

(単位：百万円)



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8

Next, the slide is showing the quarterly performance trends.

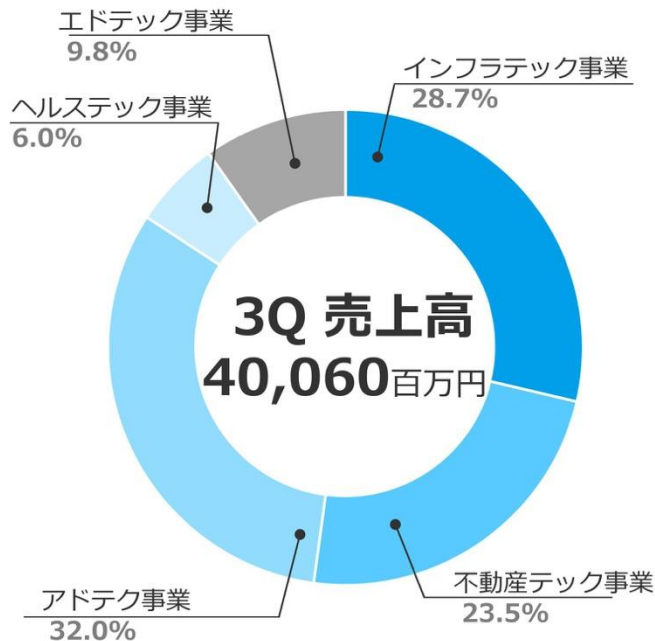
Some businesses in the second quarter captured the demand coming from the consumption tax hike, so for the current quarter, sales were slightly lower than the previous quarter.

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## 不動産テック事業の拡大が増収を牽引



売上高	セグメント損益
<b>インフラテック事業</b>	
11,599 百万円 YoY $\Delta$ 0.8%	432 百万円 YoY $\Delta$ 18.7%
<b>不動産テック事業</b>	
9,499 百万円 YoY +34.2%	829 百万円 YoY +61.2%
<b>アドテック事業</b>	
12,973 百万円 YoY +6.9%	645 百万円 YoY $\Delta$ 18.1%
<b>ヘルステック事業</b>	
2,418 百万円 YoY +11.0%	$\Delta$ 255 百万円 YoY $\Delta$ 17百万円
<b>エドテック事業</b>	
3,984 百万円	$\Delta$ 473 百万円

※エドテック事業については、事業開始が前第3四半期のため前年との比較は省略

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9

As a result, the sales composition ratio has gradually changed, and the Real Estate Tech business is currently seeing significant growth in sales. This represents a 34.2% increase over the previous year, and a 61.2% increase in profits.

In other areas, the AdTech business has been steadily increasing its sales. Nevertheless, the growth rate turned to about 7% from double-digit rate. As a result, the share of the Real Estate Tech business in sales has increased considerably.

Since the EdTech business was newly launched last year, its sales have simply been added. However, profits were negative due to the delayed plan and negative JPY473 million. In light of the consolidated results, now is a very difficult time, and the Group as a whole urgently needs to turn this business into a profit and convert it into a growth business as soon as possible.

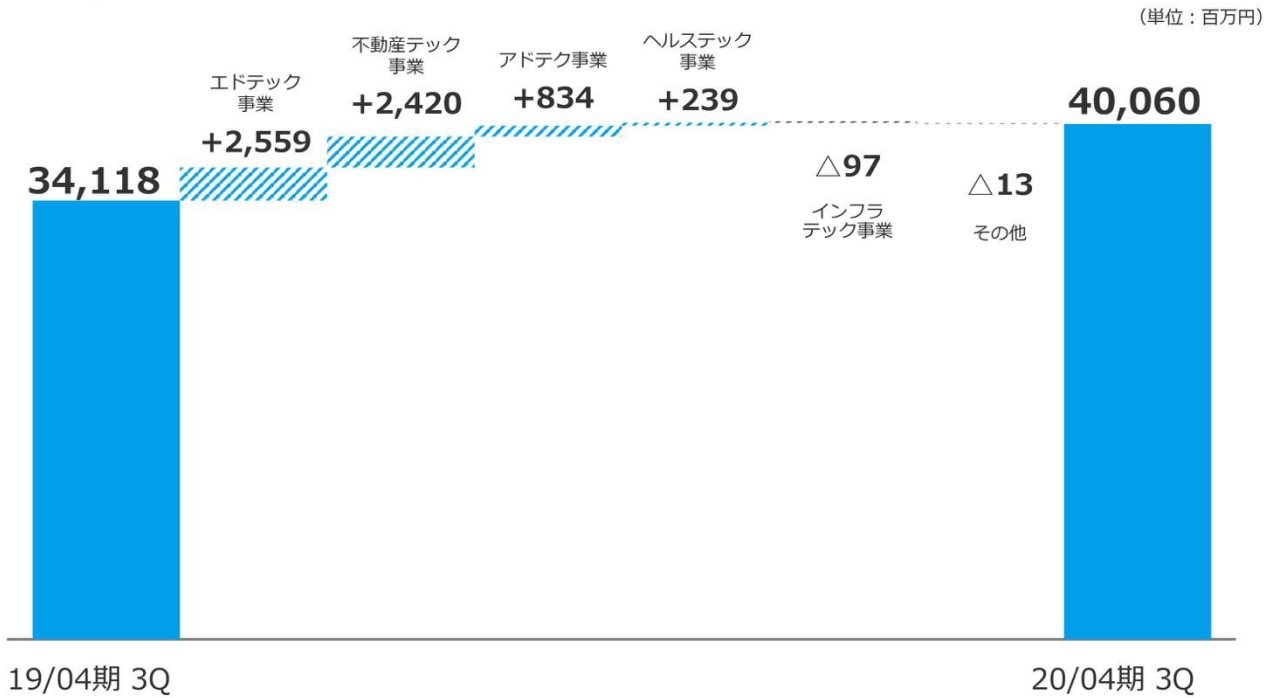
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エドテック事業開始による売上増に加え、不動産テック事業の拡大により前年同期比17.4%増



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10

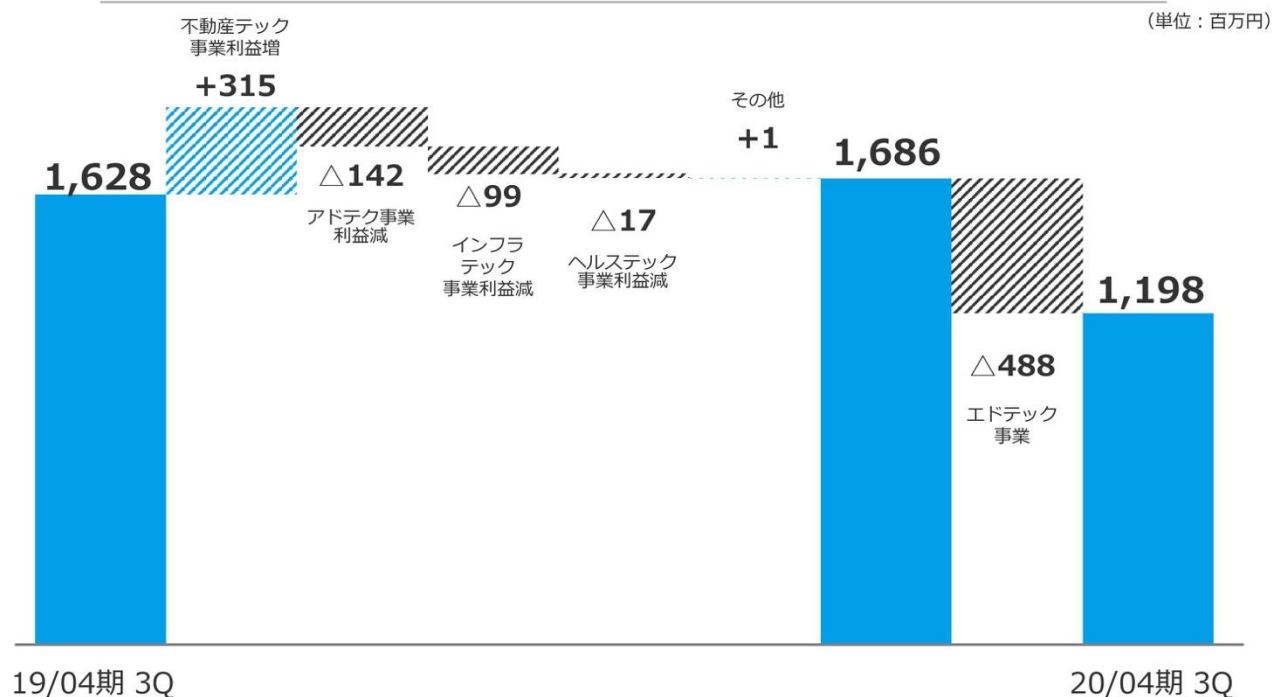
As shown in the waterfall chart, third-quarter sales increased from JPY34 billion to JPY40 billion, mainly attributable to the addition of the Real Estate Tech and EdTech businesses.

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## EdTech事業の既存事業減少及びデジタル領域への事業転換の遅延に加え、アドテク事業利益減等により前年同期比26.4%減



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Next, even though the Real Estate Tech business significantly increased profit, the AdTech business posted negative profit despite sales increase, and the EdTech business also posted considerable negative profit. As a result, operating income as a whole decreased.

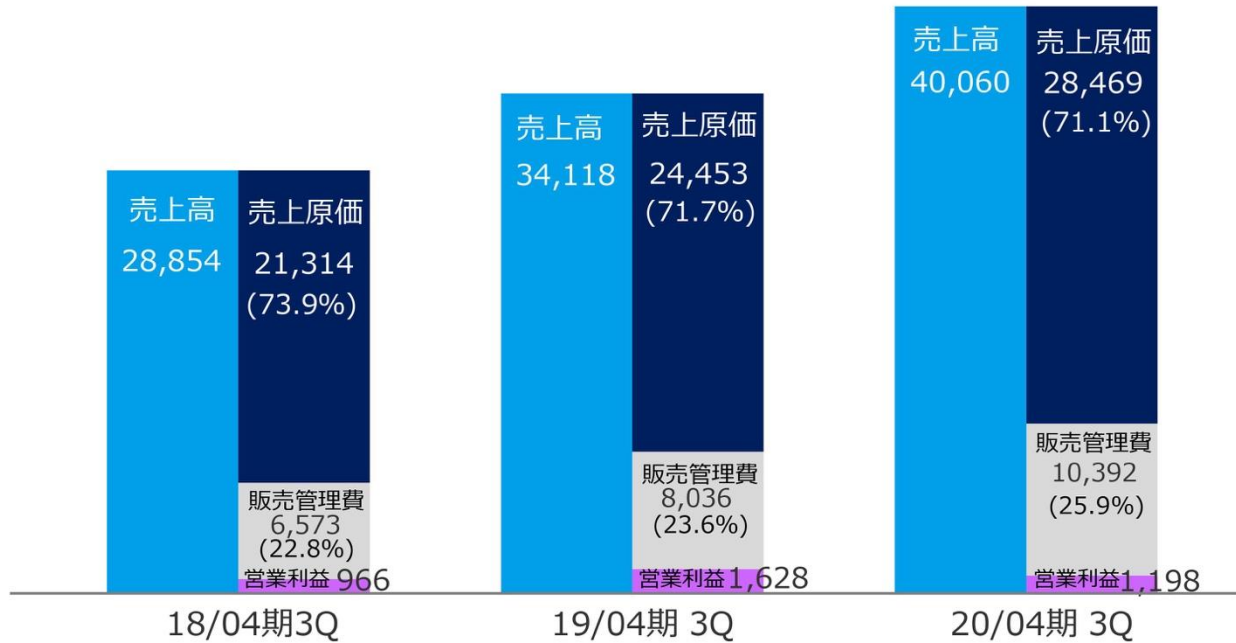
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## エドテック事業開始に伴い、事業規模が拡大

(単位：百万円)



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In terms of the differences in the profit structure of P&L, from the graphs shown, you will understand that the scale of the business is growing quite large. The cost-to-sales ratio has remained largely unchanged despite the fact that the scale of our business has grown, and we are now in a position to seek further improvements in profitability.

However, we think this gradual growth of our business will make it easier for us to generate profits in the future, which is a positive step towards structural progress. We deem profitability improvement as one of the issues to be tackled.

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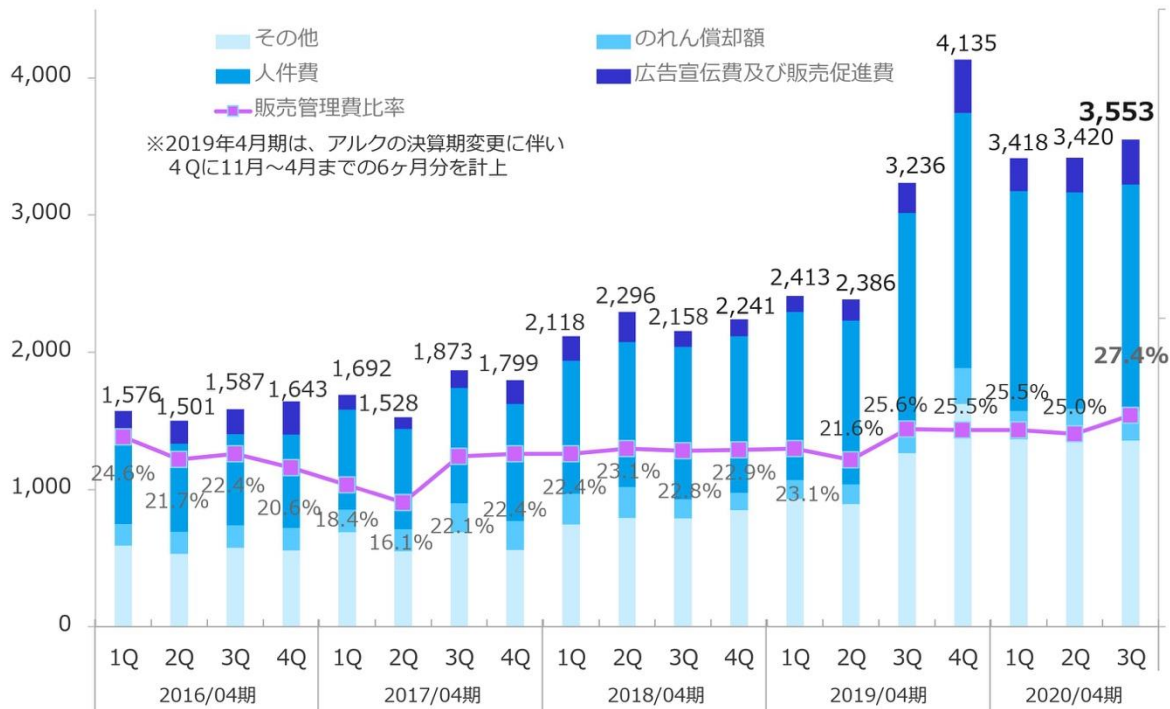
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## トーンモバイル事業承継に伴い、人件費及び広告宣伝費増

(単位：百万円)



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13

Next, SG&A expenses.

SG&A expenses increased, due to the addition of personnel expenses and advertising expenses, in conjunction with the business succession of Tone mobile.

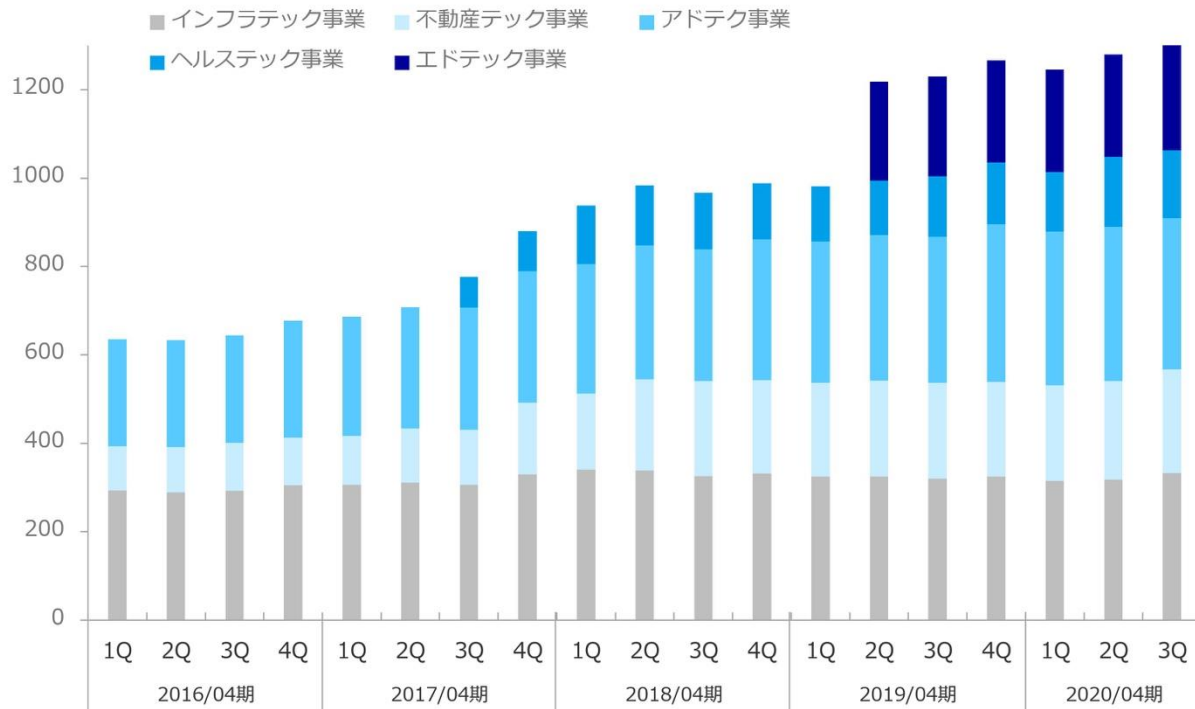
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## トーンモバイル事業承継に伴い、従業員数は微増

(単位：人)



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This graph shows employees I just mentioned. The acquisition of one business didn't lead to a dramatic increase, but it resulted in a slight increase on the whole.

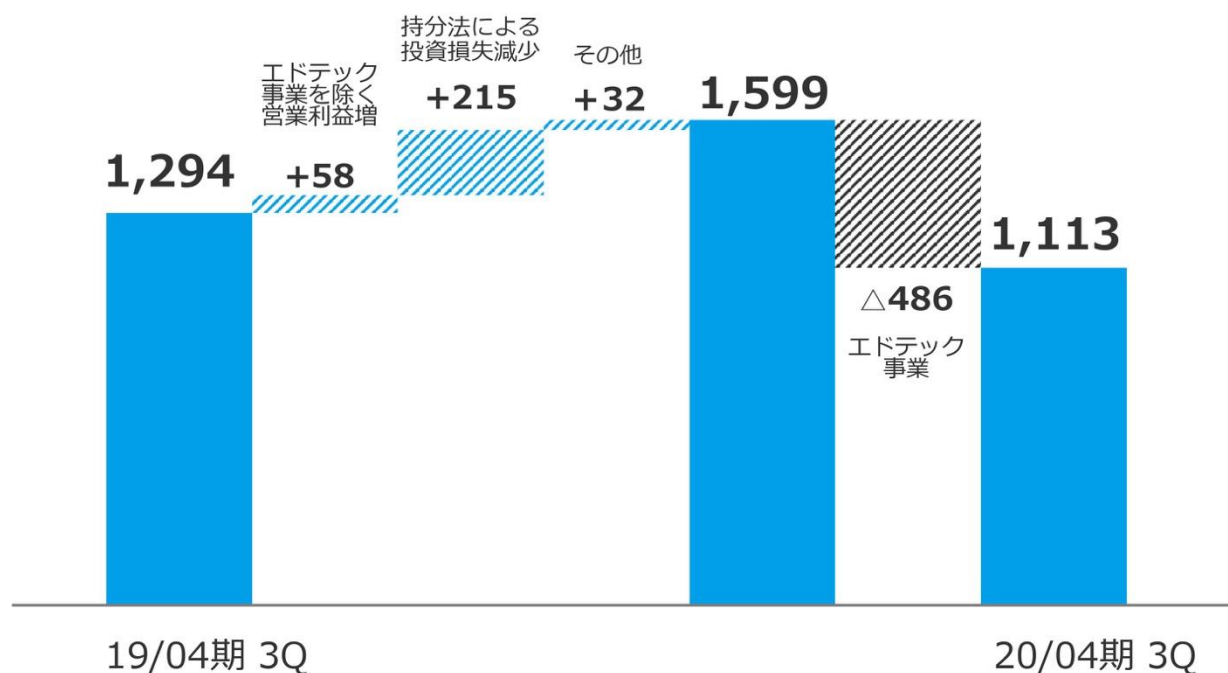
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## エドテック事業の営業利益減により前年同期比13.9%減

(単位：百万円)



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15

Next is the variance analysis in ordinary income.

Equity in losses of affiliates decreased JPY215 million YoY, which positively affected the results. While on the other hand, as I mentioned multiple times, the decrease in the EdTech business had a negative impact, and resulted in a 13.9% YoY decrease in ordinary income.

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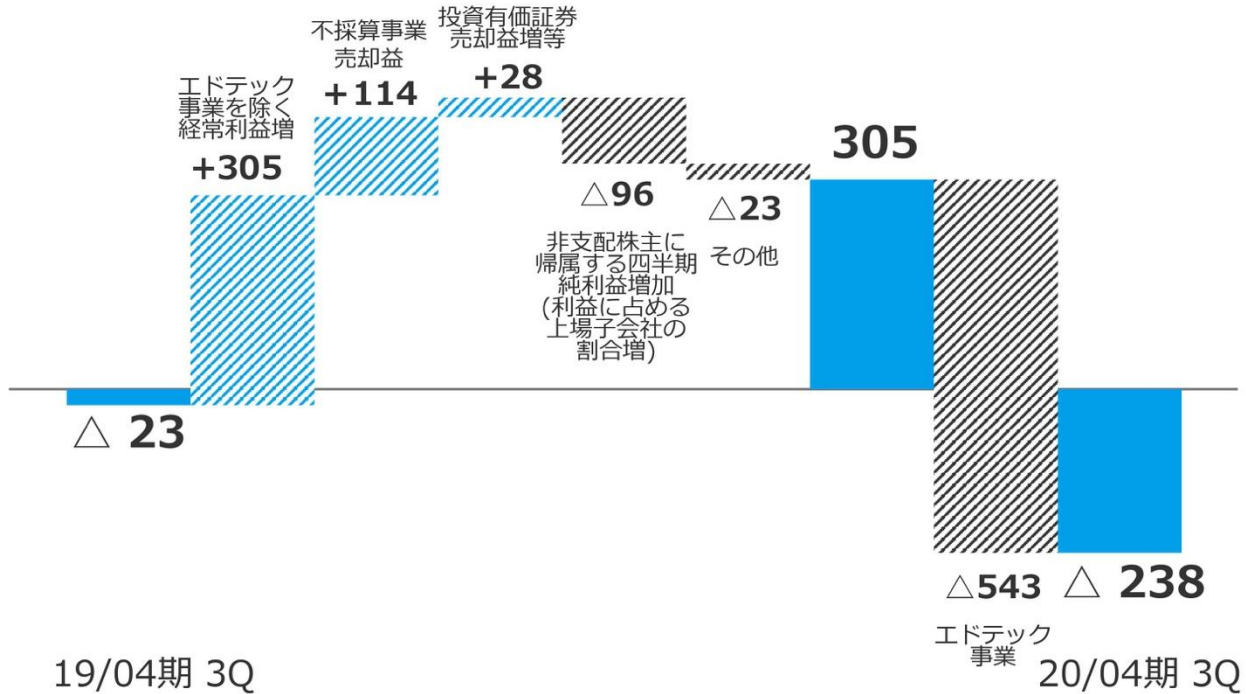
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エドテック事業の経常利益減により前年同期比215百万円減

(単位：百万円)



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The major factor for negative net income is the decline in the EdTech business.

Looking ahead, there is an environment in which we can significantly increase profit in areas other than the EdTech business. Some segments have not reached their targets as expected in this fiscal year. However, the non-EdTech business is structurally growing, and we have an organization system in place that enables us to grow in the next fiscal year and beyond as well, so I am not worried about that.

Since the EdTech business has just started last year, there are more things left to revamp the EdTech business, so we think of it as a way to improve its structure and speed up while reviewing it.

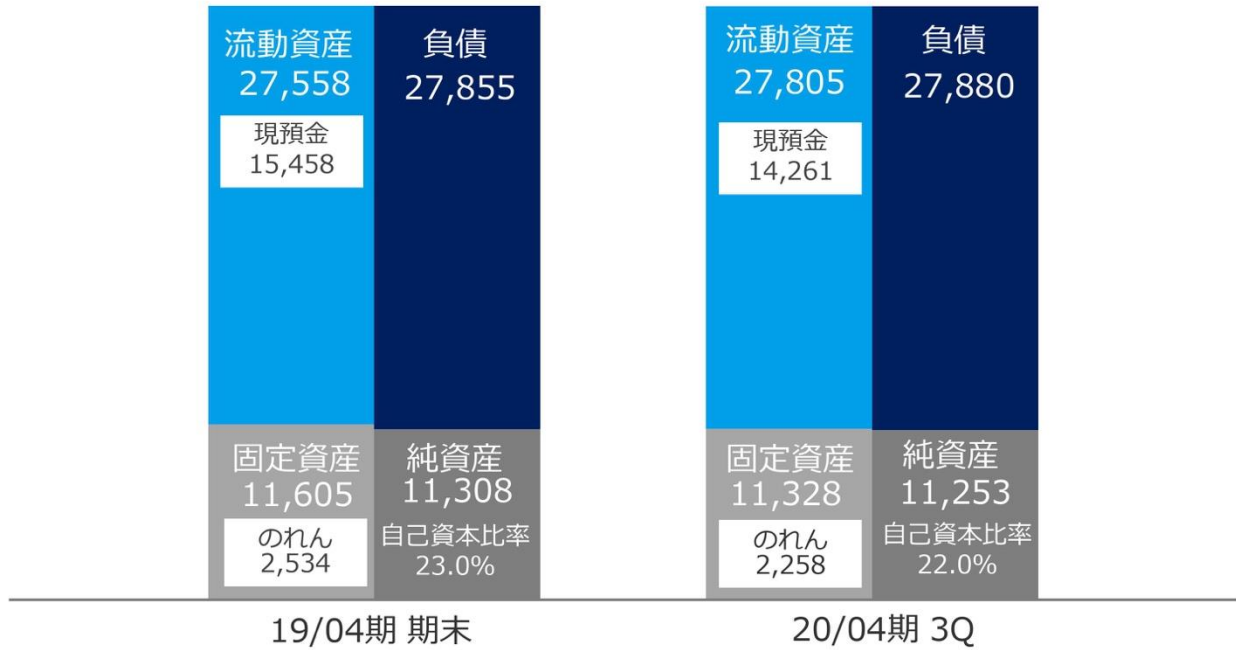
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## 前期末と比較し大きな変動なし

(単位：百万円)



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In terms of balance sheet comparisons, there has been little change from the end of the previous fiscal year.

That's it about the topics of the third quarter.

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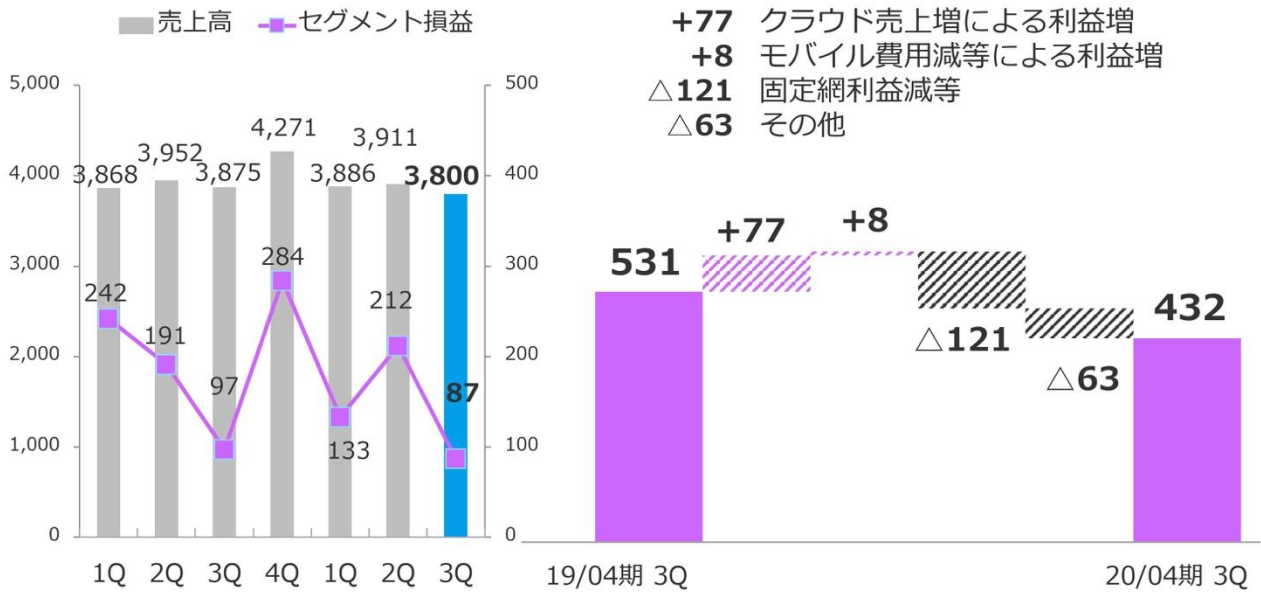
## 前年同期比 売上高0.8%減、セグメント損益18.7%減

固定網利益減等により減益

(単位：百万円)

### 売上高・セグメント損益

### セグメント損益前期比差異分析



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Looking at the progress of each business segment, first, net sales in the InfraTech business is flat. It declined 0.8% but remained almost unchanged. However, profits have been negative on the whole, partly due to a decline in gross profit coming from the landline telephone network.

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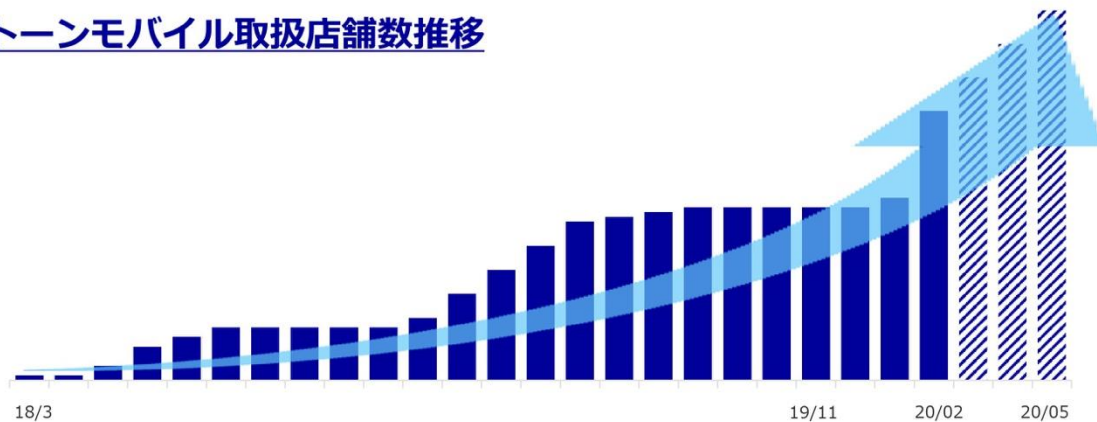
## 12月1日付で、DTIがトーンモバイル(株) (現TMC(株)) より 全事業を承継

「トーンモバイル事業」及び「通信プラットフォーム事業」等を承継し  
事業ポートフォリオの最適化を図る

## カメラのキタムラにおけるトーンモバイル取り扱い店舗数が拡大

トーンモバイルは全国63店舗のカメラのキタムラで展開。今後も店舗数を順次拡大していく予定

### トーンモバイル取扱店舗数推移



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As we acquired the Tone mobile business, the results will be reflected in the profit from the fourth quarter onwards. The number of stores that offer the Tone mobile service has been increasing as a whole, partly due to the fact that more and more Camera Kitamura stores are handling the service now.

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CASE/MaaS時代の「シームレスカーライフ」実現に向けアルプスアルパイングループとの連携を加速

**第1弾 2018.9**  
「TONE Platform」第1弾、子育て家族のカーライフを支援するアプリを発表

**第2弾 2019.1**  
ブロックチェーン技術を活用した「デジタルキー」基礎技術を共同開発

**第3弾 2019.7**  
アルプスアルパイン(株)と包括的提携を発表  
インターネット/IoTインフラの改ざんリスク対策の基礎技術「The Log」を発表

**第4弾 2020.X**  
「デジタルキー」基礎技術の実用化に向けてアルプスアルパイン社との連携を強化

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In addition, we have worked with Alps Alpine. Since September 2018, we have repeatedly made PR activities, and this has been transferred to us, including the cooperation between Tone mobile and Alps Alpine, so we have inherited the know-how and technology that they have built up in their business from the past.

We are planning to implement new initiatives toward the practical application of digital key basic technologies within 2020. Even though it is not sure when it will start, we are currently advancing these initiatives behind the scenes.

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トーンモバイル新端末「TONE e20」2月20日より販売開始



**TONE e20**

- 19.5:9 フルスクリーン
- HD+ 1520x720
- 顔認証
- 指紋認証
- 13 MP トリプルカメラ
- 3,900mAh 長時間バッテリー
- 64GB ストレージ
- 2.0 GHz OCTACORE CPU

世界初 オンデバイスAIフィルター搭載  
AIにより自画撮り被害を防ぐ  
**TONEカメラ**

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22

In addition, Tone mobile launched a new device on February 20, which is highly regarded by the market as a highly functional device as a low-priced Android device.

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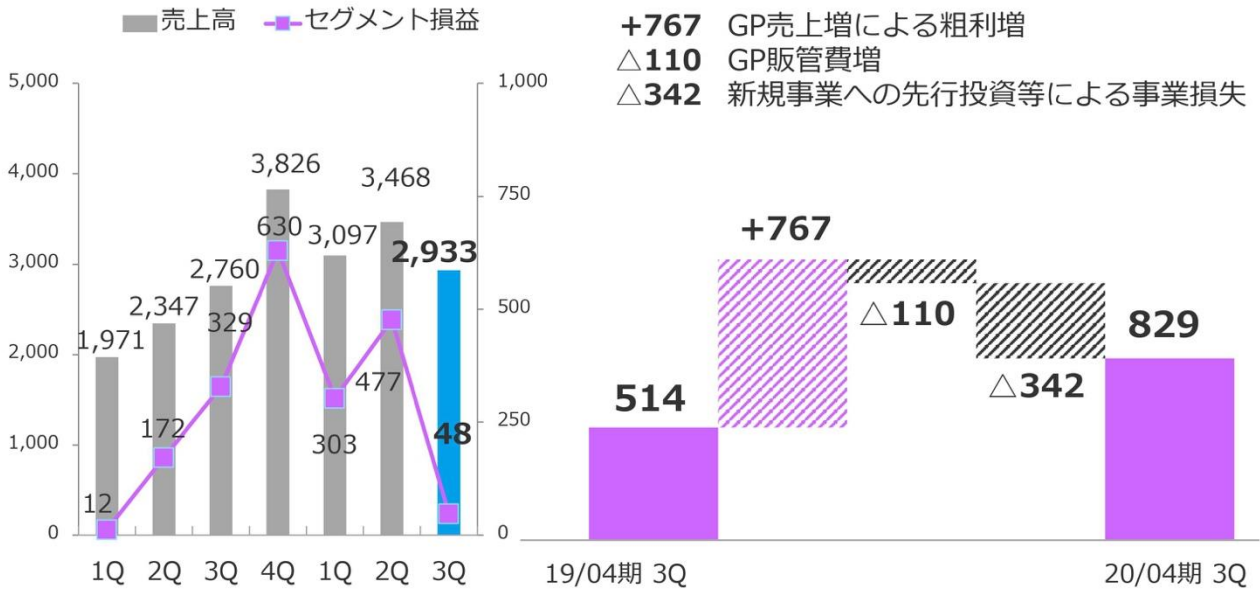
前年同期比 売上高34.2%増、セグメント利益61.2%増

マンションインターネットの堅調な推移により増収増益

(単位：百万円)

売上高・セグメント損益

セグメント損益前期比差異分析



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23

This is about the Real Estate Tech business.

In a word, this business is making steady progress. However, profits are significantly different depending on quarters for this fiscal year. In the previous fiscal year, there was an upward trend from the first quarter to the fourth quarter. However, there were some variations in each quarter due to a variety of factors. We have been hearing concerns from shareholders.

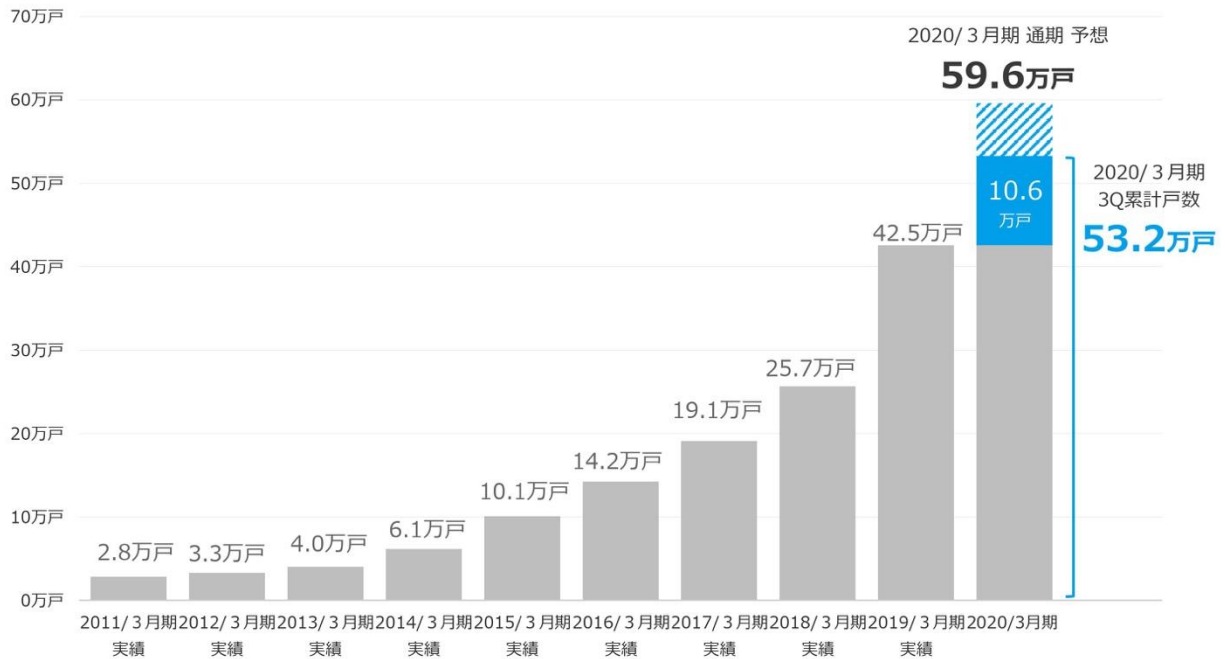
We do not have major problems. There are some changes in each quarter depending on the measures or plans of the major house builders who have been partnered with us. We have received considerably more orders than last year, which will lead us to continue to grow in the future as well.

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サービス提供戸数は、前年同期比47.1%増の53.2万戸を達成  
 今期予想累計戸数59.6万戸に向けて順調に推移



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24

This shows the number of condominium internet installations, and we have achieved a 47.1% YoY increase to 532,000 units. As of the end of March, the cumulative total is 596,000 units. The business is making much progress this month as well, and I think you will see that the business is continuing to grow considerably.

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## ユーザーニーズに応える新サービスを提供開始

新サービス「SPES」の販売を開始。不動産事業においては、ITを活用し、モデルハウスを360度VRで体感できる「VR展示場」の展開を促進

### 2020年1月販売開始

#### 世界初 集合住宅向けISP新サービス「SPES（エスピーエズ）」を発表

「SPES」は、既存物件へのサービス導入にかかる時間的コストや費用等を縮小し、短期間でインターネット接続を可能とするサービスで、2020年1月より販売開始



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### 2019年12月～

#### 全国のイオンモール店内に「どこでも住宅展示場™」をオープン

ギガプライズとナーブ株式会社は、イオンモール店内でモデルハウスを360度VRで体感できる「どこでも住宅展示場™」をオープン

■「どこでも住宅展示場™」筐体イメージ



25

While the number of houses offered continues to increase, we are continuing to provide new services. As our new initiative, we have announced the SPES service for collective houses, which started offering in January this year.

This is a service that allows existing facilities to be effectively utilized for existing buildings. We developed and launched this service jointly with Broadcom and NEC. Its installation work for a new building is very easy, but there are a number of issues when it comes to installation to existing buildings since there are already residents. We developed this service to solve the issue and have received great expectations from house builders, so that we expect this to become a trigger to greatly increase the number of houses we offer in the next fiscal year and beyond.

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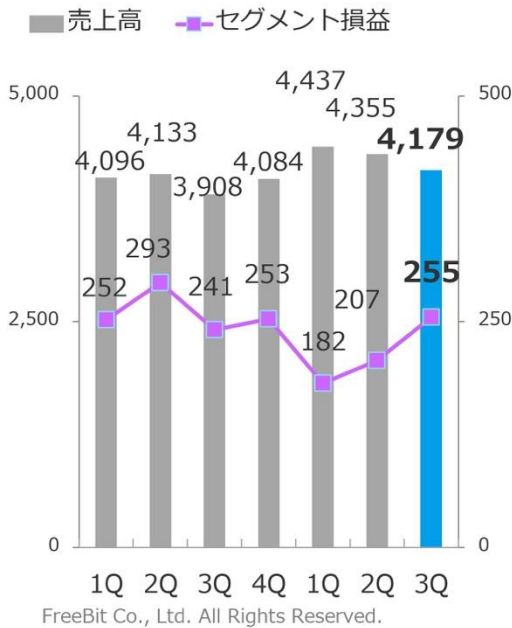
## 前年同期比 売上高6.9%増、セグメント損益18.1%減

戦略ドメインへの先行投資（人件費・システム開発費）により減益

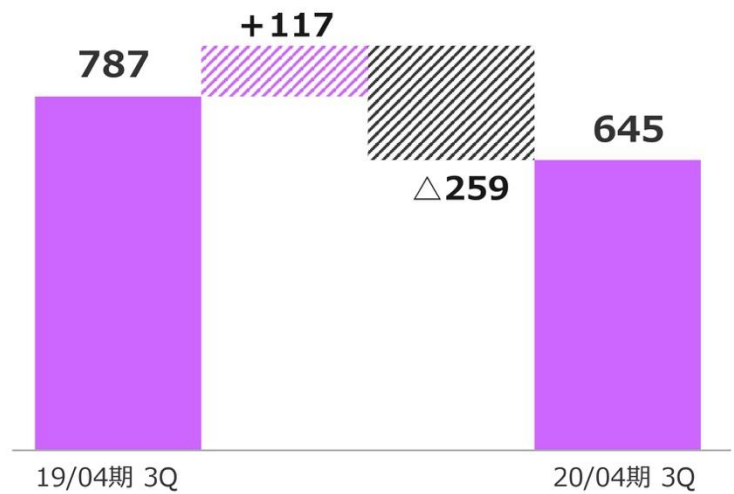
(単位：百万円)

売上高・セグメント損益

セグメント損益前期比差異分析



+117 FSG売上増加に伴う粗利増等  
 △259 FSG人件費及び業務委託費増等



26

Next, I will talk about the progress in the AdTech Business.

Cumulative sales has continued to increase, but sales of this third quarter has declined slightly compared to the second quarter.

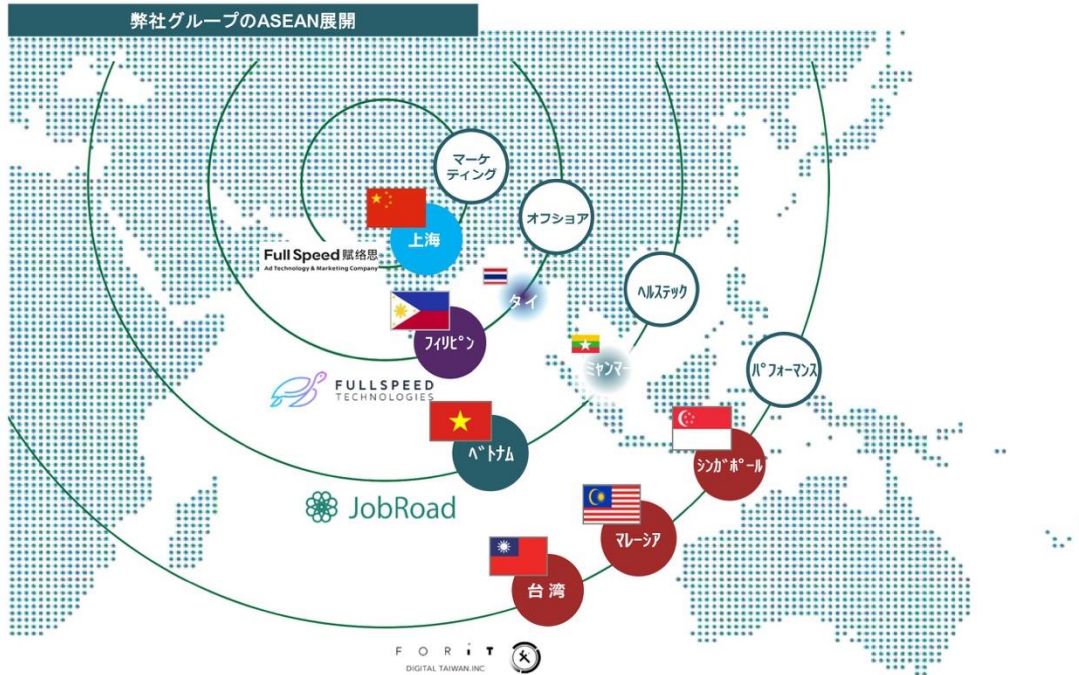
Operating profit and segment profit have increased compared to the previous quarter because of not only the sales increase, but also structural reforms within the Company and reforms to improve productivity. We will continue to strengthen these efforts to grow from the next fiscal year onward.

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戦略ドメイン「クロスボーダー領域」における事業を展開



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27

We are also working on offering, in Asia, the successful web marketing models in Japan, which has been our medium- to long-term theme for the past few years. We are expanding this business into Taiwan, Malaysia, and elsewhere.

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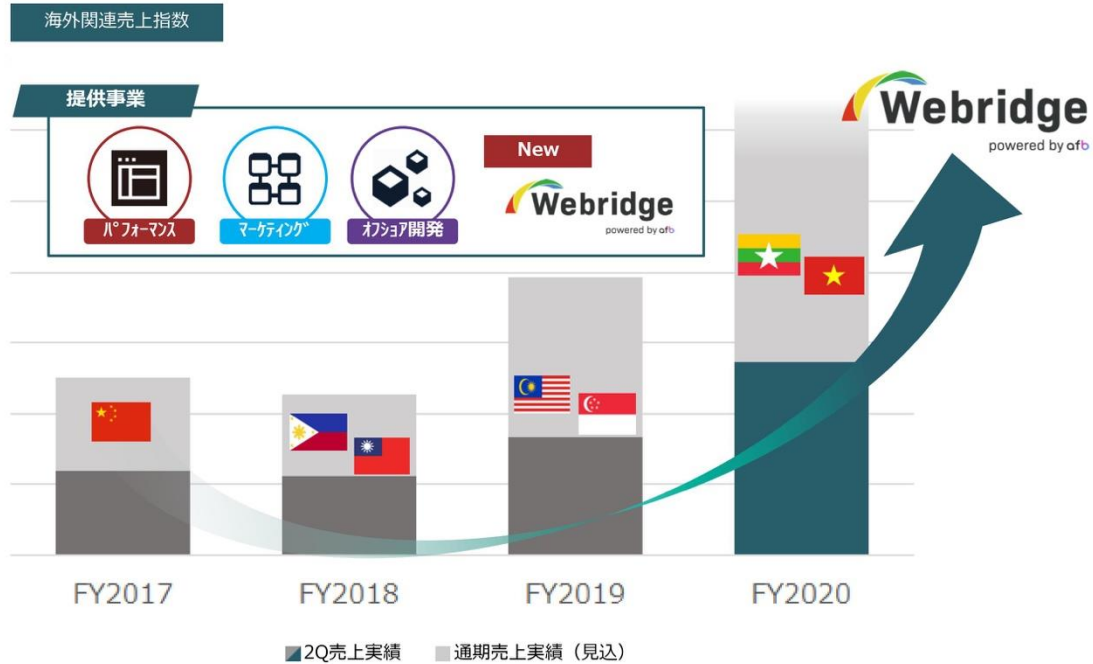
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## 戦略ドメイン「クロスボーダー領域」の事業展開を実施

中長期的な成長を見込み、国内企業の海外展開ニーズを取り込む



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28

You may be worried that the recent coronavirus problem put us in a difficult situation. However, since this is a new medium- to long-term growth initiative, it has generated almost no sales and profits as a whole at this point. So, our business results are completely unrelated to the current coronavirus problem.

The coronavirus is expected to settle down in the future, and as a medium- to long-term initiative, we will continue to develop this area.

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マレーシア拠点 FORIT DIGITAL SDN. BHD. の設立完了

台湾地域における事業立上げ成功を経て、マレーシア・シンガポール地域への展開強化

The image shows a screenshot of the Webridge website interface. The website header includes the FORIT logo and 'DIGITAL SDN. BHD.' followed by the Webridge logo and 'powered by ofo'. The main content area features a video player with the text 'Grow With Your Business' and statistics: 'around 917,700 Total number of registered sites' and 'around 11,100 Total number of promotions'. Below the video, there is a red banner with Japanese text: '今後はアジア圏だけでなくアメリカやヨーロッパ各国・地域へと拡大予定'. To the right of the website screenshot is a diagram of Southeast Asia with circular callouts for Taiwan (台湾), Malaysia (マレーシア), and Singapore (シンガポール). A red banner above the diagram reads 'クロスボーダー展開を本格強化'. Blue arrows indicate a flow from Taiwan to Malaysia and then to Singapore.

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Under such a situation, we have established a Malaysian base in the third quarter, and this business will be nurtured from a long-term perspective.

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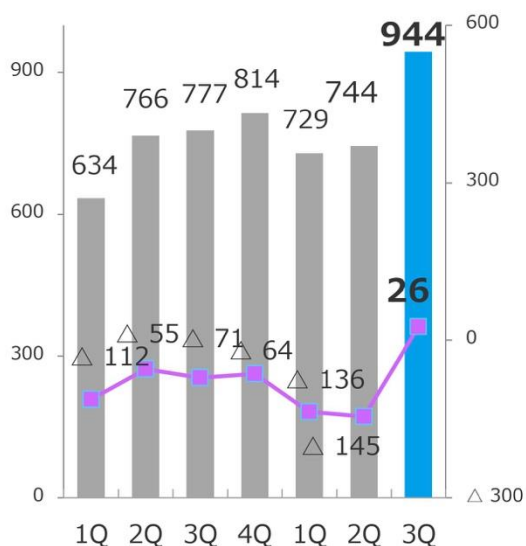
## FBEPHの成長により売上高は前年同期比11.0%増を達成

不採算事業の整理により利益改善し、セグメント損益は3Q会計期間で黒字を達成

(単位：百万円)

### 売上高・セグメント損益

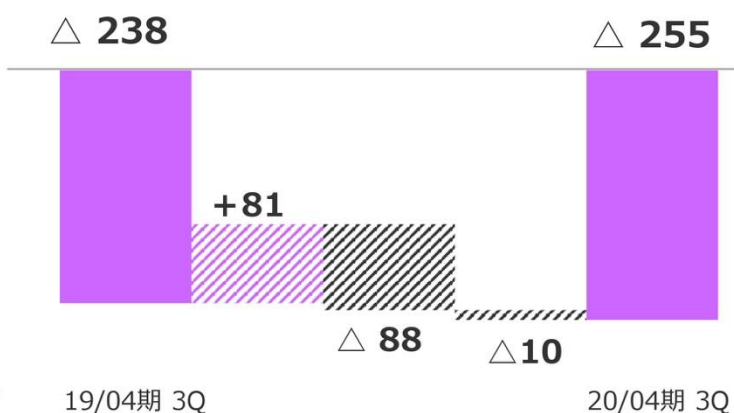
■売上高 ▲セグメント損益 (単位：百万円)



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### セグメント損益前期比差異分析

+81 不採算事業の整理による利益改善等  
 △88 FBヘルステック事業の体制強化  
 △10 その他



30

Shown is the results of the HealthTech business.

This business increased sales, and the segment profit/loss also turned to positive, partly due to the very strong growth of FreeBit EPARK Health Care, Inc.

As we are still working on this as a venture business, the first quarter and the second quarter of this fiscal year did not proceed as planned in the first half of this fiscal year. As a result, the segment profit/loss was negative, but the business has improved from the third quarter and has returned to profitability based on the experience up to the first quarter. Therefore, we consider this business to be a business that its sales and profit will be positive or maintain a growth trajectory from the next fiscal year onward.

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## 月間薬局予約件数は順調に推移

**EPARK**  
くすりの窓口

薬局 & ドラッグストア検索・予約サイト

### くすりの窓口コンテンツ

処方箋  
ネット受付



おくすり  
宅配予約



くすりの窓口  
クーポン



ジェネリック  
検索



**Pharmacy  
Support**

### ファーマシーサポートの6つの機能

予約管理



お薬手帳  
管理



顧客管理



決済機能



経営支援



みんなの  
お薬箱



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31

Looking at the user numbers that form the basis for the business, the number of monthly contracts with pharmacies is steadily increasing, as shown in the graph. In addition, we have been steadily developing services for pharmacies, and the expansion of these services has been highly evaluated by pharmacies, resulting in an increase in the number of contracts.

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「EPARKお薬手帳」は累計ダウンロード数110万件を突破



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32

In addition, the number of actual users, who are patients who get drug prescription, is also increasing. We are offering a web service that enables users to make an appointment, and our electronic drug notebook app is also increasingly gaining users as a replacement for a paper drug notebook. This app allows users to digitally record their drug usage history, not in the form of paper. So once users use it, they can keep storing the history, and it will result in higher repeated usage for our services. For that reason, we are working to increase this number of users.

The total number of downloads exceeded 1.1 million. Among several types of electronic pharmaceutical notebooks apps, compared to our competitors, our app has the largest number of users and market share, so we intend to continue to do our best in this area.

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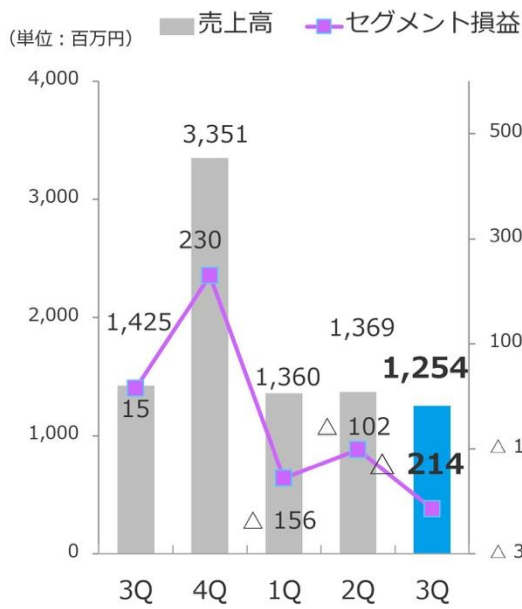
## デジタル領域への事業転換に向けて先行投資を実施

既存事業の減少及び消費税改定に関わる差額補填等により減収減益

※2019年4月期は、アルクの決算期変更に伴い4Qに11月～4月までの6ヵ月分を計上

(単位：百万円)

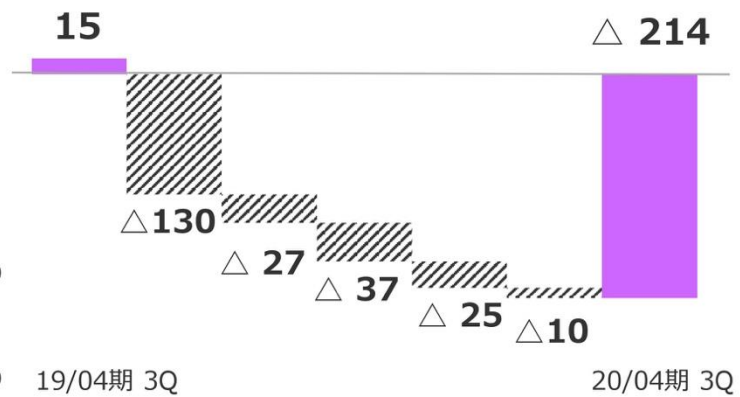
### 売上高・セグメント損益



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### セグメント損益前年同期比差異分析

- △130 アルク既存事業の減少による粗利減
- △27 消費税改定に関わる差額補填
- △37 アルク人件費増等
- △25 アルク広告宣伝費増
- △10 その他



※エドテック事業については、事業開始が前第3四半期のため第3四半期会計期間での比較を行っております

33

In regard with the EdTech business, we have lost some of the existing businesses. This is due in part to the recent coronavirus problem, but it is mainly attributable to the normal business operation. In this area, there are many venture companies emerging, and even companies other than venture companies are becoming more competitive compared to the past. Nevertheless, we have not yet been able to strengthen our business competitiveness, so we are continuing to lower our share.

We will continue our efforts to improve the productivity of the existing businesses. We have acquired ALC PRESS INC. with the aim to digitize our educational business and transform it into EdTech business. A little one year has passed since the acquisition, but we have not made much progress. We are therefore planning to increase the speed of our efforts to digitize our business and to compete with other digital companies by taking advantage of our competitive strengths.

Figures have fallen in this fiscal year compared to the previous fiscal year when we acquired them, and this is different from what we envisioned. Therefore, we plan to take a serious stance in responding to this situation.

These are the results of our segments.

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インフラテック	<ul style="list-style-type: none"> <li>・12月1日付でトーンモバイル事業をCCCグループより承継</li> <li>・カメラのキタムラにおけるトーンモバイル取り扱い店舗数拡大</li> <li>・「フリービットクラウドVDC」の拡販を強化</li> </ul>
不動産テック	<ul style="list-style-type: none"> <li>・マンションインターネットは、提携先大手ハウスメーカー向け提供戸数が増加。さらなる売上拡大を企図した新サービス「SPES」の提供開始</li> <li>・不動産事業においてはVR展示場の展開を促進</li> </ul>
アドテック	<ul style="list-style-type: none"> <li>・東南アジアを中心にサービスを展開しているグローバルアフィリエイトサービス「webridge」が堅調に推移。更なる拡大を視野にマレーシア現地法人を設立</li> <li>・中長期的な成長を見込み、クロスボーダー領域の事業展開を実施</li> </ul>
ヘルステック	<ul style="list-style-type: none"> <li>・FBヘルステック事業の介護記録システムにおいてグループシナジーを発揮し、フリービットEPARKヘルスケアと連携した“お薬情報連携機能”を提供開始</li> <li>・医薬品の不動態在庫管理や薬局の生産性改善を実現するファーマシーシステム事業が立ち上がり収益に貢献</li> </ul>
エドテック	<ul style="list-style-type: none"> <li>・デジタル領域への事業転換に向けて先行投資を実施</li> </ul>

From here on, I will discuss about the focusing areas in each segment, as stated in the revisions to our business results.

First of all, in the InfraTech business, Cloud services are extremely becoming popular, and demand is growing for teleworking, including the coronavirus problem, so we will strengthen our services in the areas.

Since the Tone mobile service is expanding in cooperation with Camera Kitamura, the Company plans to increase the number of its stores that offer the service.

In the Real Estate Tech business, we are continuing to strengthen our collaboration with major home builders, and our goal is to have them properly install new services such as SPES.

In the AdTech business, sales continue to increase, but the domestic market environment in Japan has various difficulties due in part to the current problem of coronaviruses. However, we are expanding our services to the Asia region, so as soon as the problem of coronaviruses settles down, we will expand our business not only in Japan but also in the Asian market.

As previously mentioned, the HealthTech business for pharmacies has been making steady progress. As another measure, we are working with the nursing care market, and we are providing a nursing care system for major nursing facilities as FreeBit. We are collaborating the business with the FreeBit EPARK Health Care business to develop them into a large business.

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With respect to EdTech, as I mentioned earlier, we are focusing on the transformation into the digital domain, which is the primary objective of the Group. Our theme is to implement the digital transformation in a proper manner.

This is the status of our third quarter financial results.

In addition to the results, the Company has revised its earnings forecasts today. Unfortunately, this is a downward revision, and we are sincerely reflecting on this and intend to make a fresh start to the next growth.

Since there has been some recent market turmoil, we have decided to conduct share repurchases. The Company desires to take the buyer's perspective to stabilize the market demand and turmoil as much as possible. In terms of our current share price, we believe that there is a considerable divergence from the fair value that we believe. Therefore, we have announced that we will conduct share repurchases on a considerably different scale from the past.

We still have a few months to go for this fiscal year, and we look forward to your continued support. Thank you very much for your attention.

[END]

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#### **Document Notes**

1. *Portions of the document where the audio is unclear are marked as follows: [Inaudible].*
2. *This document has been translated by SCRIPTS Asia.*

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