

Company name: FINDEX Inc
 Name of representative: Teruo Aibara, President & CEO
 (Securities code: 3649; PRIME Market)
 Inquiries: Atsushi Fujita, Director and Head of Administration
 (Telephone: +81-89-947-3388)

Notice of Completion of the Revision of Medium-Term Business Plan

On July 5, 2021, FINDEX Inc. (“The Company”), announced its five-year medium-term business plan "Vision for 2025," which begins in the fiscal year ending December 31, 2021. The Company announced on December 26, 2022, that it would be partially reviewing this plan, and the revisions of the content were approved at the meeting of the Board of Directors held today.

1. Overview of the Revisions and its background

The Company business is currently progressing about 1.5 to 2 years behind the original "Vision for 2025" established in 2021 and is expected to fall far short of the target figures for FY2023 and beyond. The Company takes this situation very seriously and has revised its plan based on a careful re-examination of the environment and issues facing. In this revision, the management targets were re-set in line with the current situation, due to the prolonged COVID-19 pandemic, which had partially restricted our sales activities to medical institutions, and the significant delay in the schedule for obtaining Medical Device Regulation

(MDR) in the EU region. The Company has also reconsidered guideline of non-financial information, such as human capital and sustainability policies, and has included more specific descriptions of its initiatives related to concentration of management resources and advanced R&D, which the Company has already been practicing as its strategy.

As mentioned above, although there is a delay in progress from the original business plan, the market condition remains unchanged, and there are no major amendments in the business strategies. The Company will continue to contribute to the advancement of healthcare and the improvement of people's well-being by applying the technologies and knowledge it has built over the years, as well as engaging in company-wide efforts in each of its businesses to achieve the targets in this report.

2. Management Targets

Original (Consolidated) :

(Millions of yen)

	FY2021 (Forecast)	FY2022 (Target)	FY2023 (Target)	FY2024 (Target)	FY2025 (Target)
Net Sales	4,600	5,600	7,000	8,500	10,800
Ordinary Income	1,010	1,600	2,400	3,400	4,900

Revised (Consolidated) :

(Millions of yen)

	FY2021 (Actual)	FY2022 (Actual)	FY2023 (Forecast)	FY2024 (Target)	FY2025 (Target)
Net Sales	4,968	4,541	5,065	5,754	6,330
Ordinary Income	944	1,055	1,330	1,710	2,100

Please refer to the attached explanatory materials for details of this plan.

Note: The above targets and this report was prepared based on the information available to the Company as of the date of the announcement, and actual results may differ from the target figures due to various factors.

This report is a translation of the press release of the Company prepared in accordance with the provisions set forth in the Securities and Exchange Law and its related accounting regulations. The original version of this press release is written in Japanese. In the event of any discrepancies in words, accounts, figures, or the like between this press release and the original, the original Japanese version shall govern.

FINDEX Inc. Vision for 2025 (Revised)

13th February 2023



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Overview

Management Targets (Consolidated) *M&A excluded

(¥ Millions)

	Original		Revised	
	Sales	Profit	Sales	Profit
FY2021	4,600	1,010	4,968*	944*
FY2022	5,600	1,600	4,541*	1,055*
FY2023	7,000	2,400	5,065	1,330
FY2024	8,500	3,400	5,754	1,710
FY2025	10,800	4,900	6,330	2,100

*Actual results

Background

● Impact of COVID-19 on software sales

1. Decrease in sales due to partial restrictions on sales activities for medical institutions
2. More investments were made on covid-19 preventions than the operation optimization solutions by the hospitals and clinics

● Medical device project (GAP) slowed down

1. Required more time than expected to build a sales framework for domestic medical facilities
2. A significant delay in the process of conforming the device to the latest EU-MDR
3. Required time to develop additional analytics to apply the device to different skeletal structures

2011-2022 - Executed active investments in R&D / Acquired technologies & knowledge

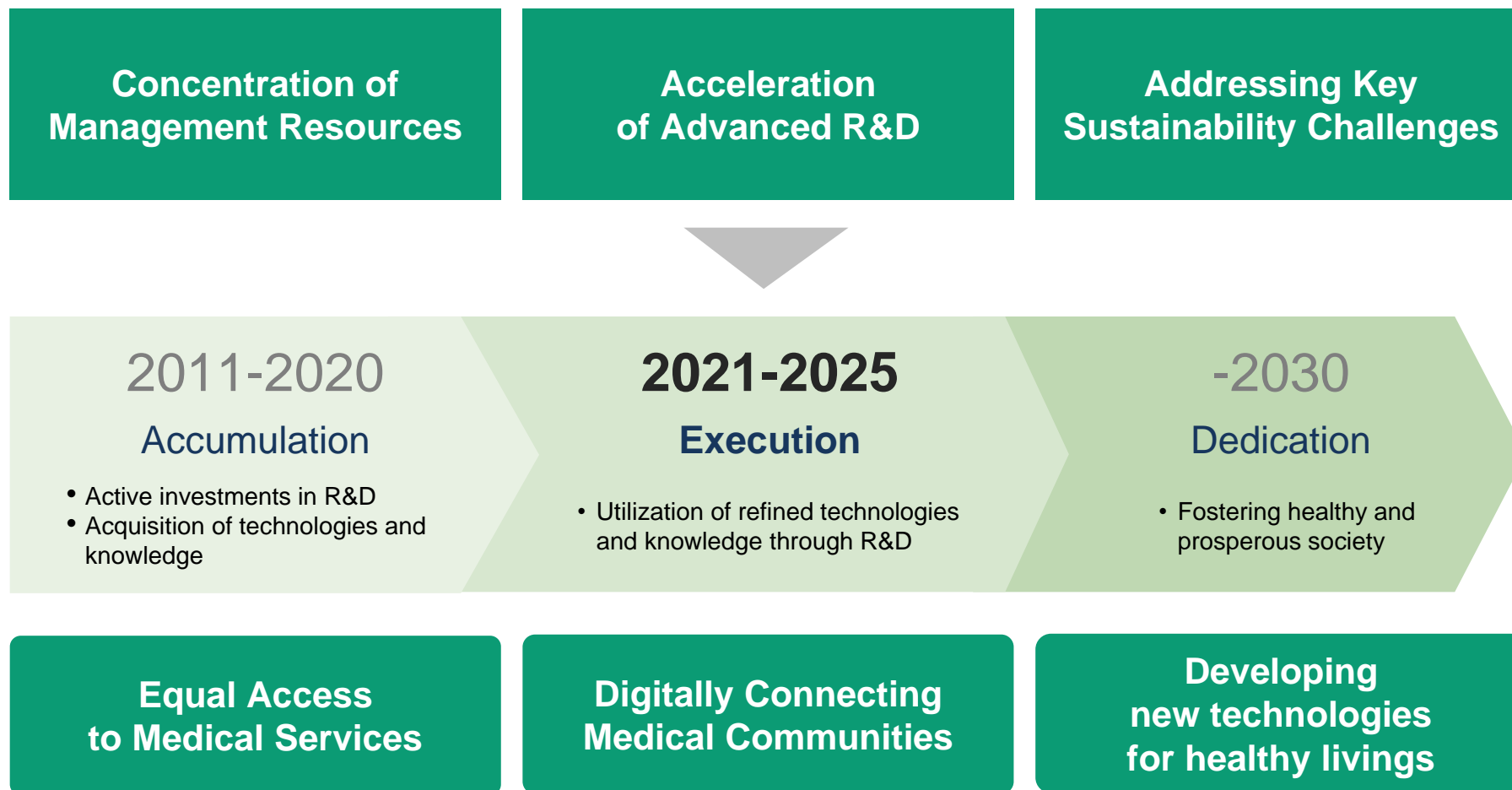
(¥ Millions)

Initiatives of the past 11 years 2011~2022
<ul style="list-style-type: none"> Established de facto standard products for hospital internal information and data infrastructure
<ul style="list-style-type: none"> Proceeded advanced joint R&D with university hospitals, focusing on the development of medical software
<ul style="list-style-type: none"> Executed R&D of medical devices and its application to clinical data analysis
<ul style="list-style-type: none"> Developed DocuMaker Office with a core function of public document managements to enter into the public sectors market

5Yrs KPI	FY2017*1	FY2022	Growth Rate
Net Sales	3,311	4,541	↑ +37.1%
Ordinary Profit	547	1,055	↑ +92.8%
Ordinary Profit Margin	16.5%	23.2%	↑ +6.7pp
ROE	13.0%	17.9%	↑ +4.9pp
Research Progress on GAP*2	40%	100%	
Research progress on DMO*3	15%	97%	

*1 Consolidated in 2017. / *2 GAP: Gaze Analyzing Perimeter / *3 DMO: DocuMaker Office

Engaging in business/social contribution activities towards the healthy and sustainable society



“Enriching Society with Technologies and Creation”

Fulfilling our responsibilities as a corporation supporting the mental and physical wellbeing of people, through Concentration of Management Resources, Acceleration of R&D and Human Capital Investment

1	Concentration of Management Resources <ul style="list-style-type: none">• Restructure medical solutions business to sustain growth• Prioritize M&A as a key growth strategy• Strengthen partner sales
2	Acceleration of Advanced R&D <ul style="list-style-type: none">• Reconceptualize our presence as a R&D-oriented company• Improve internal training system and enable dynamic staffing including management levels• Acquire and retain the right talent
3	Addressing Key Sustainability Challenges <ul style="list-style-type: none">• Support and engage in international initiatives for climate change (E)• Contribute to reducing disparities in health care and improving wellbeing of people (S)• Ensure good corporate governance and foster a diverse and inclusive workplace culture (G)

1. Concentration of Management Resources

Restructure medical solutions business to sustain growth

- Efficiently sell the packaged software products and services to realize the sales operation optimization and high profit margins
- Strengthen the fundamentals of medical solutions that will set our products apart as an advanced feature for the coming years



- Minimize the software customization to allocate development resources to the following business areas:
- Digitalization of medical information infrastructure - Participate in Japan medical data standardization project as a key player in 2023
- Refining solutions for public sectors - Launch a full version of DocuMaker Office by 2024

Prioritize M&A as a key growth strategy

- Reinvest equity capital in business acquisitions
- Strengthen existing businesses
- Extend the scope of business into peripheral areas



- Set up a M&A team within 2023
- Achieve desired ROI of 15% by 2024, with a total of JPY 3 billion in planned investments

Strengthen partner sales

- Allocate sales resources to marketing planning by delegating software sales and support activities to distributors
- Provide trainings to medical device distributors to accelerate sales delegation
- Implement regional exclusive distributor sales models for overseas



- Transfer 20% of business in large medical institutions from direct to partner sales by 2025
- Develop 5 or more expert sellers for GAP sales among distributors
- Establish strong overseas sales structures with distributors in each regions by 2025

2. Acceleration of Advanced R&D

Reconceptualize our presence as a R&D-oriented company

- Proactively conduct joint research based on industry-academia-government collaboration to develop innovative products
- Flexible transfer of human resources from the system development division to the R&D unit

Improve internal training system and enable dynamic staffing including management levels

- Maximize the talent development of employees by allowing them to change divisions in a flexible manner based on their preferences

Acquire and retain the right talent

- Efficiently open regional and overseas offices to extend job opportunities
- promote graduate schools and MBA programs for employees
- Adopt flexible work styles

- Develop a screening device for MCI (Mild Cognitive Impairment) by 2025, together with Kyoto University and AMED (Japan Agency for Medical Research and Development)
- Start a new R&D project on:
 - Utilization of virtual space
 - AI technologies to support medical practices and operations

- Implement a job-based talent management system from 2023
- Apply cross-departmental internships to 20% of the employees to deepen and support their careers by 2025

	2022 (Actual)	2025 (Target)
# of employees in remote areas	0	5
# of employees offshore	0	2
# of employees applied for graduate school scholarship by Findex	0	4
# of employees applied for reduced working hours	19	25

3. Addressing Key Sustainability Challenges

Support and engage in international initiatives for climate change (E)

- Promote disclosure of non-financial information in line with the TCFD framework
- Support the challenges of external organizations in their efforts to develop a sustainable society

Contribute to reducing disparities in health care and improving wellbeing of people (S)

- [External] Increase access to early detection of glaucoma and other eye diseases by promoting the use of GAP, an in-house developed perimeter
- [External] Realize a framework that allows any person to receive smooth and efficient medical care at large hospitals, introducing telemedicine and utilizing location information
- [Internal] Creating and maintaining a healthy work environment with high levels of employee engagement

Ensure good corporate governance and foster a diverse and inclusive workplace culture (G)

- Strengthen information security and ensure compliance
- Foster an organizational culture that can withstand changes in the external environment by facilitating diversity in hiring and promotion
- Support employees develop their talents in line with their career goals through internal programs and make adjustments required for employees to accept promotions

- Explanation of our sustainability related activities: To be announced in the annual securities report in March 2024
- Enhance disclosure via corporate website
- ESG investment target to be planned: Up to 100 million yen by December 2025

	2022 (Actual)	2025 (Target)
# of visual field tests performed with GAP at checkups organized by local governments	707	10,000
# of medical facilities implemented GAP	35	1,550
# of medical facilities implemented Medical Avenue	1	5
Employee Survey Response Rate	96.0%	96.0%
Employee Turnover Rate	6.5%	4.0%

	2022 (Actual)	2025 (Target)
# of incidents related to information security	1	0
% of employees with disabilities	1.0%	2.0%
% of foreign employees	0.3%	1.5%
% of female managers	3.8%	8.0%
% of independent outside Directors	33.3%	44.4%

Restructuring and optimization of our business portfolio

Challenging future for innovation, leveraging our strengths and specialties

Medical Business

- Proactively cross-sell software solutions, to more than 1,900 existing customers (as of December 2022) mainly the large hospitals
- Extensively install packaged solutions via distributors to achieve higher profit margin
- Promptly penetrate the market with self-developed data infrastructure which support medical digitalization

Public Business

- Set our legally* compliant “DocuMaker Office” the public records management solution as the core product, focusing the target on municipalities, public companies, and external organizations of ministries and agencies

*Law Concerning Management of Public Records, Law No. 66 of 2009, enacted on July 1, 2009.

Health Tech Business

- Overseas: Establish sales structures not only in the EU countries but also in India, ASEAN countries, and the U.S. to boost sales of GAP, a perimeter equipped with eye tracking technologies
- Domestic: Establish a consulting sales system at medical equipment dealers by training and assigning sales professionals capable of explaining the technical aspects of GAP

Business Strategy 2023-2025

Our Targets and the Roadmap – Medical Business

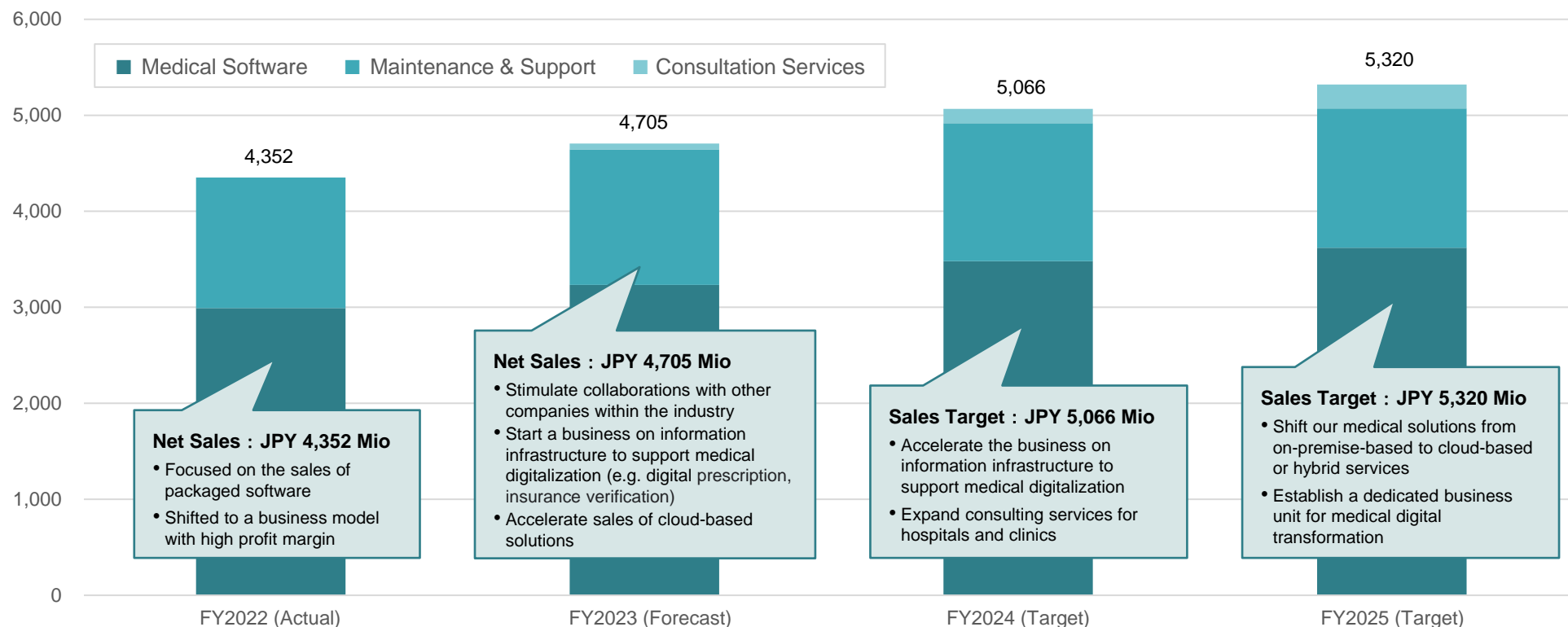


Promote comprehensive support for smooth hospital operations by upgrading our primary businesses to the next level, to continue a stable growth

Medical Solutions Sales Strategy

- Focus on the sales of packaged solutions with high profit margin (e.g. Claio, DocuMaker)
- Extend cloud-based solutions for supporting medical operations and hospital management
- Roll out and nurture a business on information infrastructure to support medical digitalization
- Acquire new customers with new features (e.g. Updated security systems and backup solutions for clinical records)
- Start consulting service for medical institutions and public organizations

(¥ Millions)



Net Sales : JPY 4,352 Mio

- Focused on the sales of packaged software
- Shifted to a business model with high profit margin

Net Sales : JPY 4,705 Mio

- Stimulate collaborations with other companies within the industry
- Start a business on information infrastructure to support medical digitalization (e.g. digital prescription, insurance verification)
- Accelerate sales of cloud-based solutions

Sales Target : JPY 5,066 Mio

- Accelerate the business on information infrastructure to support medical digitalization
- Expand consulting services for hospitals and clinics

Sales Target : JPY 5,320 Mio

- Shift our medical solutions from on-premise-based to cloud-based or hybrid services
- Establish a dedicated business unit for medical digital transformation

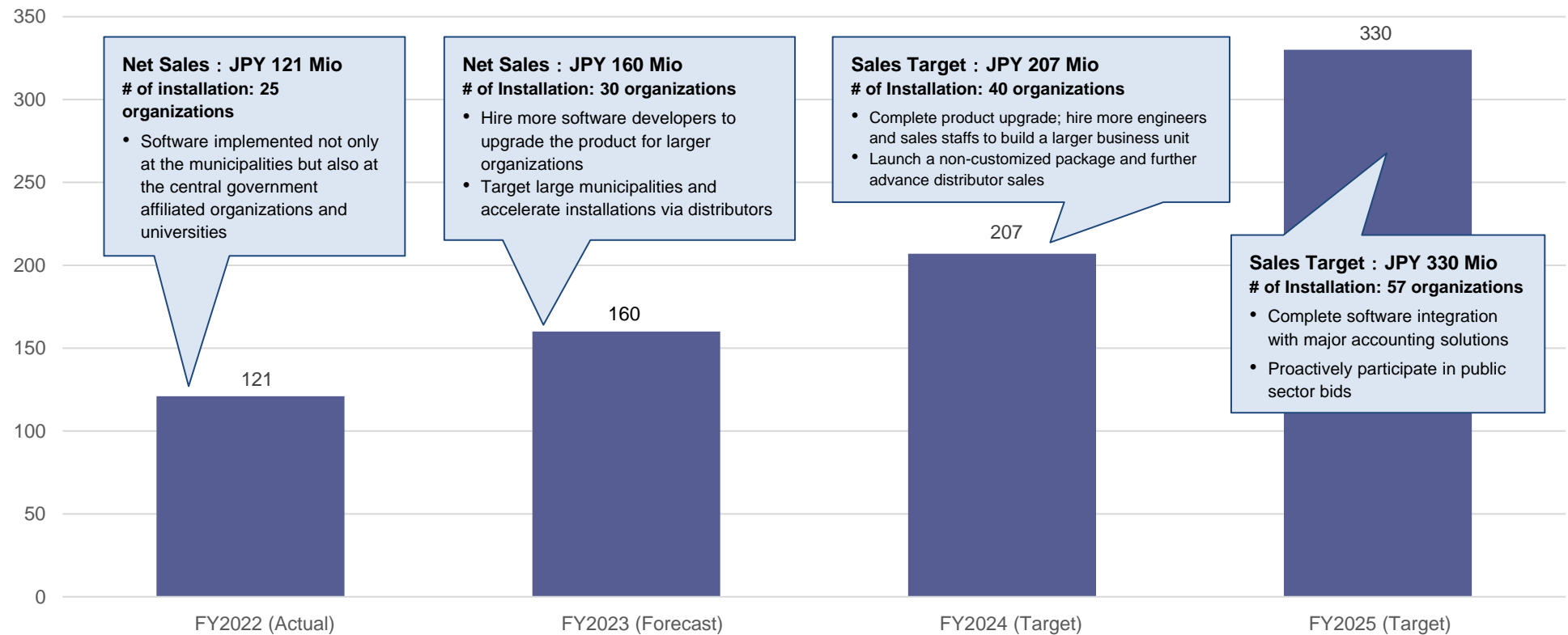
- Utilize medical data for drug discovery and medical device development (2026)
- Promote My Number Card connected to cloud-based network to improve usability, enabling patients to access good health care regardless of their locations (2025-2030)
- Install our digitalization solutions to over 50,000 medical facilities and pharmacies (2026)

Rapidly increase our market share in public sector with our public records management and e-approval solutions

DocuMaker Office Sales Strategy

- Hire more engineers and sales staffs to enlarge our implementation capacity
- Find the right target who needs the public record management (municipalities and public hospitals)
- Promote subscriptions and provide the latest functions steadily through a recurring revenue model
- Deploy tailored functions for each region / organization to differentiate our user-oriented product
- Accelerate sales via already contracted medical solutions distributors

(¥ Millions)



- Lead users to subscribe DocuMaker Office to establish a stable recurring revenue model
- Aim to install to 220 organizations in total by 2027

Business Strategy 2023-2025

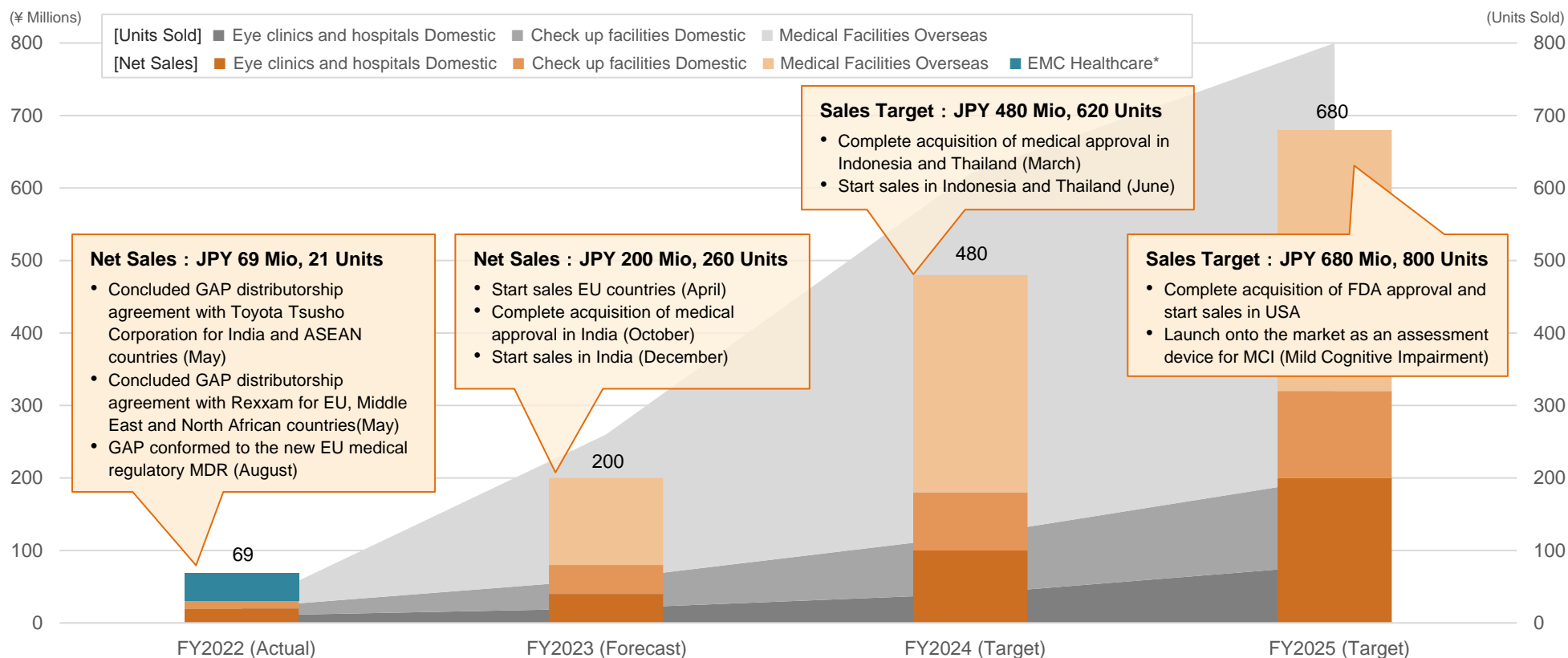
Our Targets and the Roadmap – Health Tech Business



Aim for global use of GAP from developed to emerging countries, leveraging its uniqueness and affordability as the strong points

GAP/GAP-screener Sales Strategy

- Improve the speed and accuracy of the test through additional R&D
- Strengthen the internal technical sales team to increase the number of domestic/overseas sales
- Develop and allocate technical sales resources within distributors
- Acquire medical regulatory in respective countries to accelerate the sales
- Proceed joint R&D with domestic/overseas key players, publish research papers to drive product awareness
- Proactively participate in exhibitions and congresses both inside and outside Japan

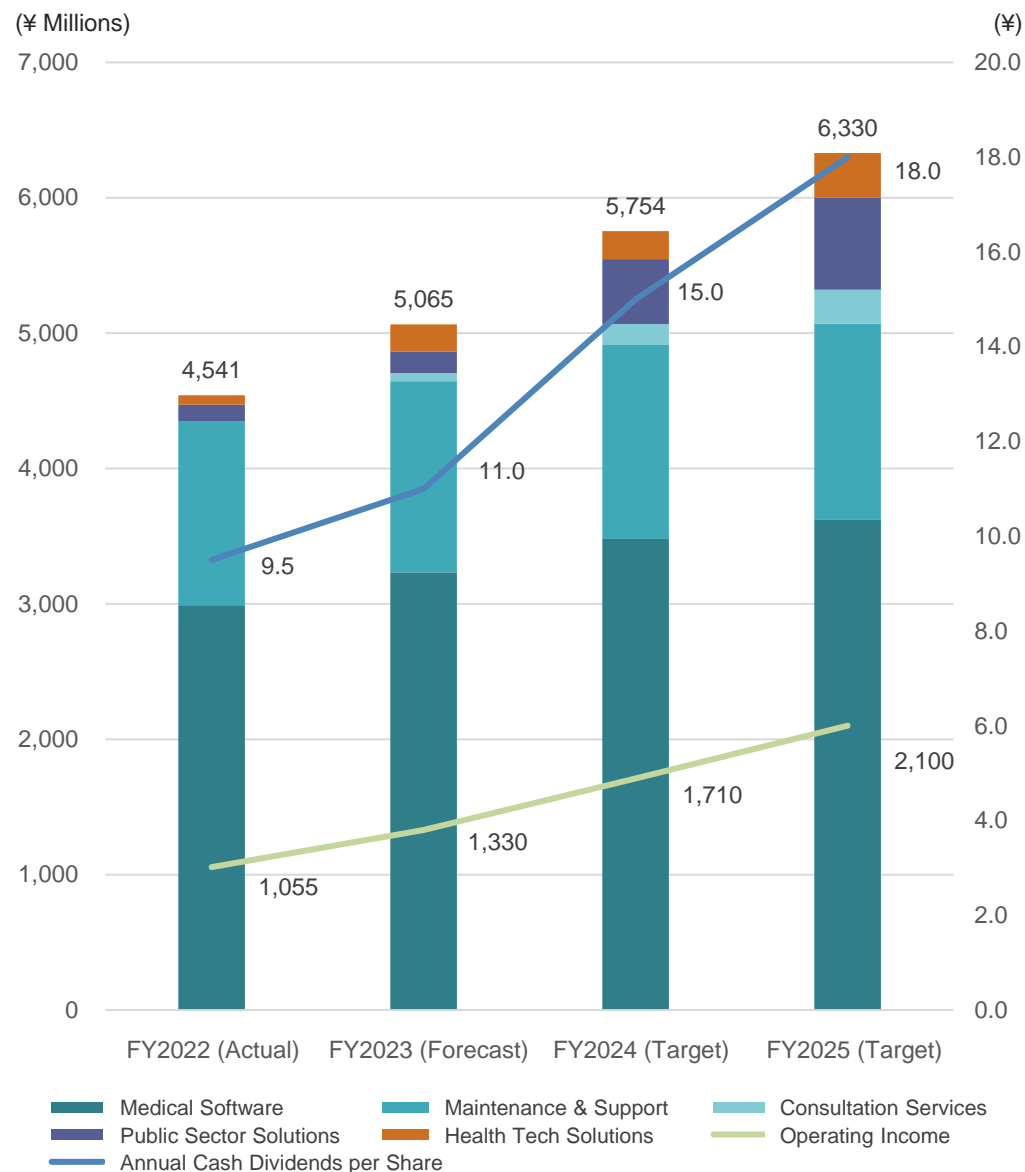


- Develop a new standard of examination which multiple diseases can be diagnosed with a single test (FY2027)
- Establish a new business involving drug discovery and development of medical treatment by utilizing data acquired by GAP (FY2027)

Numerical Targets (Consolidated)



(¥ Millions)	FY2022 (Actual)	FY2025 (Target)
Net Sales	4,541	6,330
Ordinary Income	1,055	2,100
Ordinary Profit Margin	23.2%	33.2%
Payout Ratio	33.7%	31.2%
Annual Cash Dividends per Share	JPY 9.50	JPY 18.00



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