

## Flash Report for the 3rd Quarter of Fiscal Year ending December 31, 2013 [Japan GAAP] (on a consolidated basis)

October 25, 2013

Stock exchange listing: Tokyo

Company Name: OPT, Inc.

Stock Code: 2389 URL <http://www.opt.ne.jp/>

Representative: Noboru Hachimine, Founder, President and CEO

For inquiries: Masamichi Kudou, Executive Officer and CFO

Phone: +81-3-5745-3611

Scheduled date of commencement of dividend payment: —

Supplemental materials for the quarterly financial results: Yes

(Amounts of less than one million yen are rounded down and percentages are rounded to the first decimal place)

### 1. Consolidated Results for the 3rd Quarter of Fiscal Year 2013 (January 1, 2013 – September 30, 2013)

(1) Consolidated Business Results (% represents year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3rd Quarter of FY2013	53,548	(6.7)	1,041	18.0	937	43.0	265	(46.3)
3rd Quarter of FY2012	57,413	28.8	882	26.2	655	(26.2)	494	(18.5)

Note: Comprehensive income: 3rd Quarter of FY2013: 385 million yen (down 7.2%); 3rd Quarter of FY2012: 415 million yen (up 0.5%)

	Basic net income per share	Diluted net income per share
	Yen	Yen
3rd Quarter of FY2013	9.01	8.73
3rd Quarter of FY2012	16.81	16.76

Note: On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. In addition, basic net income per share for the 3rd quarter of FY2013 and FY2012 was calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

### (2) Consolidated Financial Position

	Total assets	Net assets	Net assets ratio
	Millions of yen	Millions of yen	%
3rd Quarter of FY2013	31,463	19,484	57.1
December 31, 2012	36,838	19,618	49.6

(Reference) Capital: 3rd quarter of FY2013 ended September 30, 2013: 17,961 million yen FY2012 ended December 31, 2012: 18,269 million yen

### 2. Dividends

	Dividend per share				
	End of 1 <sup>st</sup> quarter (Mar. 31)	End of 2 <sup>nd</sup> quarter (Jun. 30)	End of 3 <sup>rd</sup> quarter (Sep. 30)	Fiscal year-end (Dec. 31)	Annual
	Yen	Yen	Yen	Yen	Yen
FY2012	—	0.00	—	3,700.00	3,700.00
FY2013	—	0.00	—		
FY2013 (forecasts)				24.00	24.00

Notes:

1. Revisions of the forecasts of consolidated results since the latest announcement: None

2. Breakdown of dividend for the fiscal year ended December 31, 2012: Commemorative dividend: 2,000 yen Full-year dividend: 1,700 yen

On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. The above figures for FY2012 are based on actual dividend paid before the stock split.

3. Breakdown of dividend for the fiscal year ending December 31, 2013 (forecast): Commemorative dividend: 15 yen Full-year dividend: 9 yen

### 3. Consolidated Earnings Forecasts for Fiscal Year ending December 31, 2013 (January 1, 2013 - December 31, 2013)

(% represents year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	75,000	(5.0)	2,150	42.7	2,050	51.2	900	8.3	30.56

Revisions of the forecasts of consolidated results since the latest announcement: None

**Notes:**

(1) Changes in major subsidiaries during the quarterly period

(changes in specified subsidiaries resulting from changes in the scope of consolidation): Yes

Inclusion: Yes

New: 1 company (Company name) OPT America, Inc.

Exclusion: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policy arising from revision of accounting standards etc.: Yes

(b) Changes in accounting policy other than those noted in (a) above: None

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: None

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding at the end of the period (including treasury stock)

FY2013 3Q (As of September 30, 2013)	29,907,400 shares	FY2012 (As of December 31, 2012)	29,875,600 shares
---	----------------------	-------------------------------------	----------------------

(b) Number of shares of treasury stock at the end of the period

FY2013 3Q (As of September 30, 2013)	440,000 shares	FY2012 (As of December 31, 2012)	440,000 shares
---	-------------------	-------------------------------------	-------------------

(c) Average number of shares during period

FY2013 3Q (As of September 30, 2013)	29,452,190 shares	FY2012 3Q (As of September 30, 2012)	29,425,600 shares
---	----------------------	---	----------------------

Note: On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. The number of shares outstanding at year-end, the number of shares of treasury stock at year-end, and the average number of shares during the third quarter of FY2012 were calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

**\*Indication of quarterly review procedure implementation**

This financial report is not subject to quarterly review procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, quarterly review procedures of consolidated financial statements required pursuant to the Financial Instruments and Exchange Act have not been completed.

**\* Explanations about the proper use of earnings forecasts and other specific matters**

Forward-looking statements including earnings forecasts and other specific matters in this document are based on information currently available to management and certain assumptions considered by management to be reasonable. A variety of factors could cause actual results and events to differ significantly from those projected.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Thousands of yen)

	<b>FY2012</b>	<b>3rd Quarter of FY2013</b>
	(As of December 31, 2012)	(As of September 30, 2013)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	¥ 14,303,768	¥ 11,237,651
Notes and accounts receivable—trade	12,869,988	9,380,763
Short-term investment securities	500,000	1,000,656
Operational investment securities	—	777,137
Inventories	15,540	42,959
Other	1,043,558	1,180,643
Allowance for doubtful accounts	(179,197)	(190,010)
<b>Total current assets</b>	<b>28,553,658</b>	<b>23,429,802</b>
<b>Noncurrent assets</b>		
<b>Total property, plant and equipment</b>	<b>750,113</b>	<b>696,988</b>
<b>Intangible assets</b>		
Goodwill	680,896	600,613
Other	952,931	1,087,624
<b>Total intangible assets</b>	<b>1,633,827</b>	<b>1,688,237</b>
<b>Investments and other assets</b>		
Investment securities	4,510,724	4,202,798
Other	1,439,454	1,505,564
Allowance for doubtful accounts	(49,458)	(60,324)
<b>Total investments and other assets</b>	<b>5,900,720</b>	<b>5,648,038</b>
<b>Total noncurrent assets</b>	<b>8,284,662</b>	<b>8,033,264</b>
<b>Total assets</b>	<b>¥ 36,838,321</b>	<b>¥ 31,463,066</b>

(Thousands of yen)

	<b>FY2012</b> (As of December 31, 2012)	<b>3rd Quarter of FY2013</b> (As of September 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	¥12,358,980	¥8,607,809
Short-term loans payable	459,528	468,000
Income taxes payable	260,411	136,813
Provision for bonuses	268,684	135,440
Other	3,117,290	1,945,026
Total current liabilities	16,464,895	11,293,090
Noncurrent liabilities		
Long-term loans payable	62,957	91,304
Provision for retirement benefits	126,200	156,907
Asset retirement obligations	132,555	114,346
Other	433,172	322,596
Total noncurrent liabilities	754,885	685,154
Total liabilities	17,219,781	11,978,244
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,600,567	7,614,942
Capital surplus	7,694,938	7,709,289
Retained earnings	3,030,216	2,738,725
Treasury stock	(217,646)	(217,646)
Total shareholders' equity	18,108,076	17,845,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117,127	33,300
Foreign currency translation adjustment	44,572	82,893
Total accumulated other comprehensive income	161,700	116,193
Subscription rights to shares	64,124	41,477
Minority interests	1,284,638	1,481,839
Total net assets	19,618,539	19,484,822
Total liabilities and net assets	¥36,838,321	¥31,463,066

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income****Consolidated Statements of Income**

(Thousands of yen)

	3rd Quarter of FY2012 (From January 1, 2012 to September 30, 2012)	3rd Quarter of FY2013 (From January 1, 2013 to September 30, 2013)
Net sales	¥ 57,413,852	¥ 53,548,340
Cost of sales	49,549,164	44,539,658
Gross profit	7,864,688	9,008,681
Total selling, general and administrative expenses	6,981,701	7,966,946
Operating income	882,986	1,041,735
Non-operating income		
Interest income	29,483	25,882
Dividends income	3,228	40
Gain on investments in partnership	—	39,727
Other	26,646	26,492
Total non-operating income	59,358	92,144
Non-operating expenses		
Interest expenses	3,252	10,807
Provision of allowance for doubtful accounts	36,876	12,250
Loss on investments in partnership	131,482	—
Equity in losses of affiliates	104,072	118,719
Other	11,127	54,471
Total non-operating expenses	286,812	196,248
Ordinary income	655,532	937,630
Extraordinary income		
Gain on change in equity	220	31,590
Gain on sales of investment securities	160,987	30,723
Gain on reversal of subscription rights to shares	—	22,228
Gain on negative goodwill	128,421	—
Other	250	0
Total extraordinary income	289,880	84,542
Extraordinary loss		
Loss on retirement of noncurrent assets	9,976	29,360
Impairment loss	27,116	27,194
Loss on valuation of investment securities	59,223	66,037
Head office transfer cost	68,296	—
Other	—	9,119
Total extraordinary loss	164,612	131,712
Income before income taxes	780,800	890,461
Total income taxes	207,428	478,791
Income before minority interests	573,372	411,670
Minority interests in income	78,687	146,249
Net income	¥ 494,685	¥ 265,421

**(2) Consolidated Statements of Comprehensive Income**

(Thousands of yen)

	3rd Quarter of FY2012 (From January 1, 2012 to September 30, 2012)	3rd Quarter of FY2013 (From January 1, 2013 to September 30, 2013)
Income before minority interests	¥ 573,372	¥ 411,670
Other comprehensive income		
Valuation difference on available-for-sale securities	(191,650)	(83,833)
Foreign currency translation adjustment	17,488	23,150
Share of other comprehensive income of associates accounted for using equity method	16,139	34,594
Total other comprehensive income	(158,022)	(26,088)
Comprehensive income	415,349	385,582
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	334,350	220,218
Comprehensive income attributable to minority interests	80,999	165,363

**(3) Items related to going concern assumption**

Not applicable

**(4) Segment Information****Third Quarter of FY2013 (January 1, 2013 – September 30, 2013)****1. Information on Net Sales, Income (Loss), Assets, and Other Amounts by Reporting Segment**

(Thousands of yen)

	Reportable Segment						Adjustments (Note 1)	Amounts recorded in consolidated financial statements (Note 2)
	Internet Advertising & Solution Business	Database Business	Social & Consumer Business	Overseas Business	Investment and Value Creation Business	Total		
Net sales								
Sales, external	46,022,805	1,988,597	1,760,056	3,177,697	599,182	53,548,340	—	53,548,340
Intersegment sales or transfers	1,412	234,235	32,668	—	—	268,317	(268,317)	—
Total	46,024,218	2,222,833	1,792,725	3,177,697	599,182	53,816,657	(268,317)	53,548,340
Segment income (loss)	635,237	215,191	55,853	(152,594)	284,745	1,038,433	3,301	1,041,735

Notes:

1. The 3,301 thousand yen adjustment to segment income (loss) is attributable to intersegment eliminations.
2. Segment income (loss) refers to operating income (loss) as reported in the consolidated statements of income, after adjustment.

**2. Changes to reporting segment**

From the 2nd quarter of FY2013, the Investment and Value Creation Business has been added as a reportable segment following the Company's establishment of a special department to accelerate the growth of Internet-related venture companies.

**3. Information Concerning Loss on Impairment of Noncurrent Assets and Goodwill by Reporting Segment**

(Significant loss on impairment of noncurrent assets)

Not applicable

(Significant changes in amount of goodwill)

Not applicable

(Significant gain on negative goodwill)

Not applicable

**(5) Note Regarding Significant Changes in the Amount of Shareholders' Equity**

Not applicable

**(6) Significant Subsequent Events**

Not applicable