

April 25, 2014



**1st Quarter, Business Results for the
Fiscal Year Ended December 31, 2014**

«Focus areas in 2014»

1. “Private Brand” (PB)

: Concentrate investment in value-added products

~Dawn of a huge expansion phase of digital marketing market~

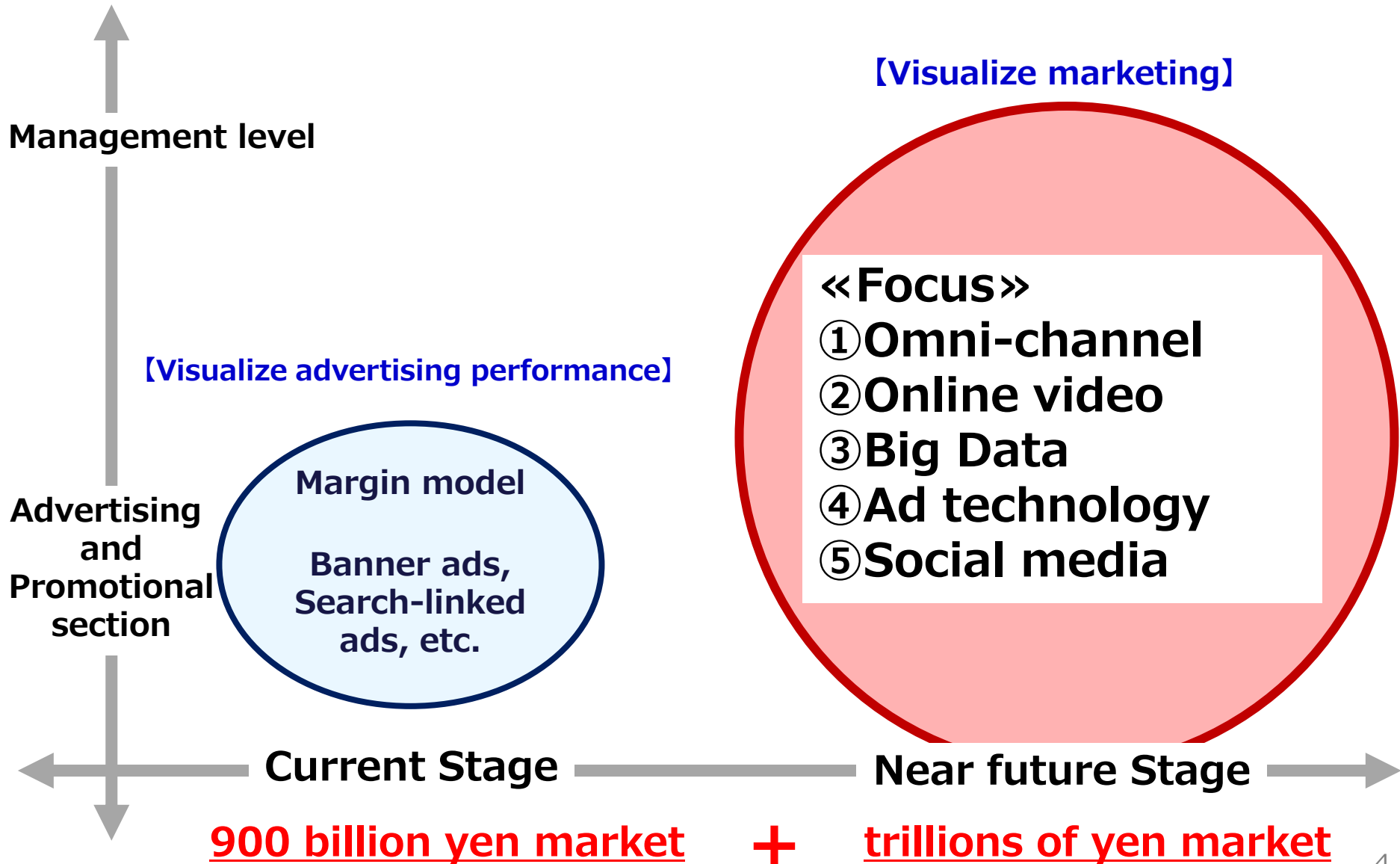
2. Accelerate “invest in internet-related venture companies”

~Dawn of the internet industrial revolution~

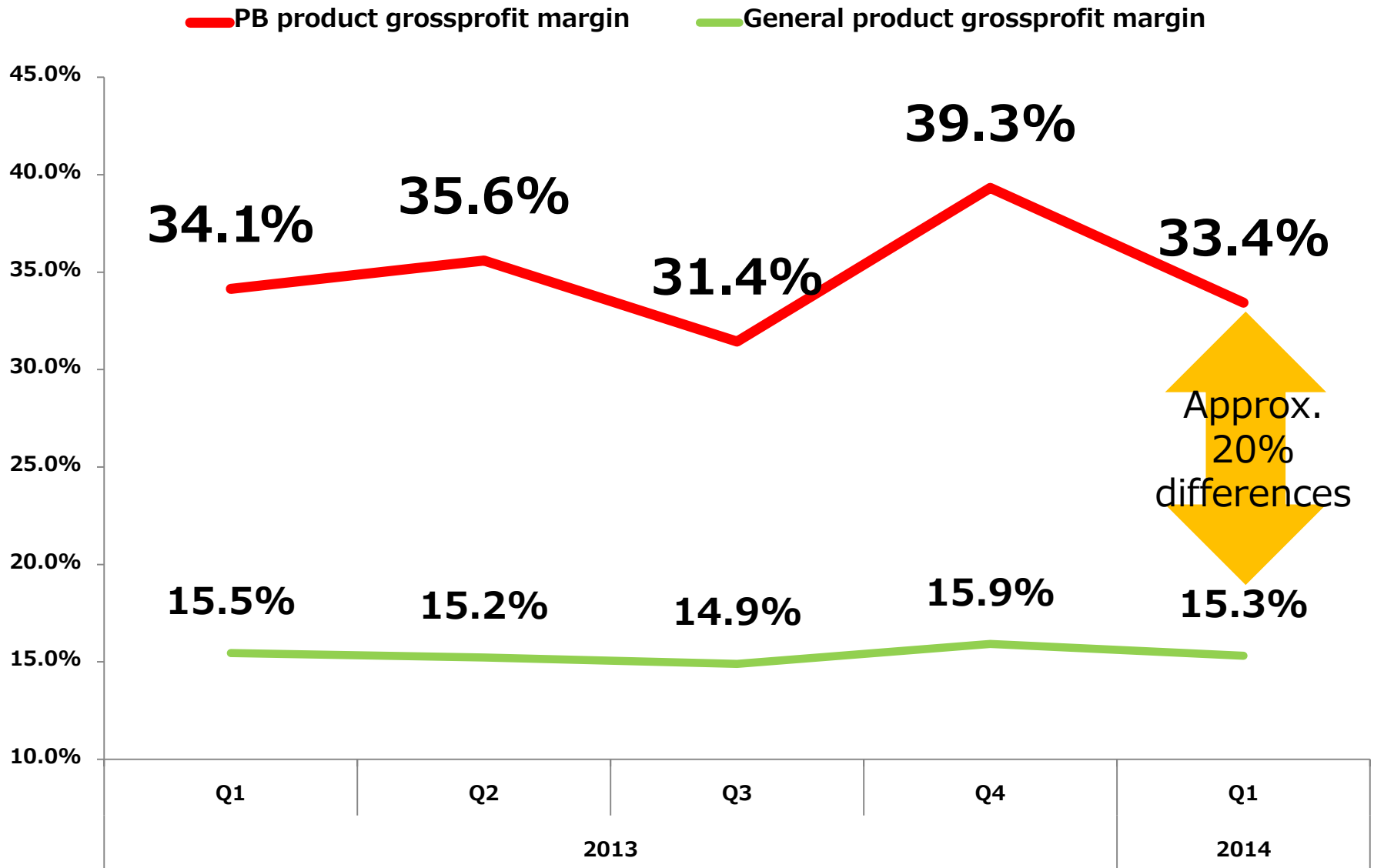
1. Concentrate investment in PB

~ Dawn of a huge expansion phase of digital marketing market ~

Structural reform by concentrating investment in PB



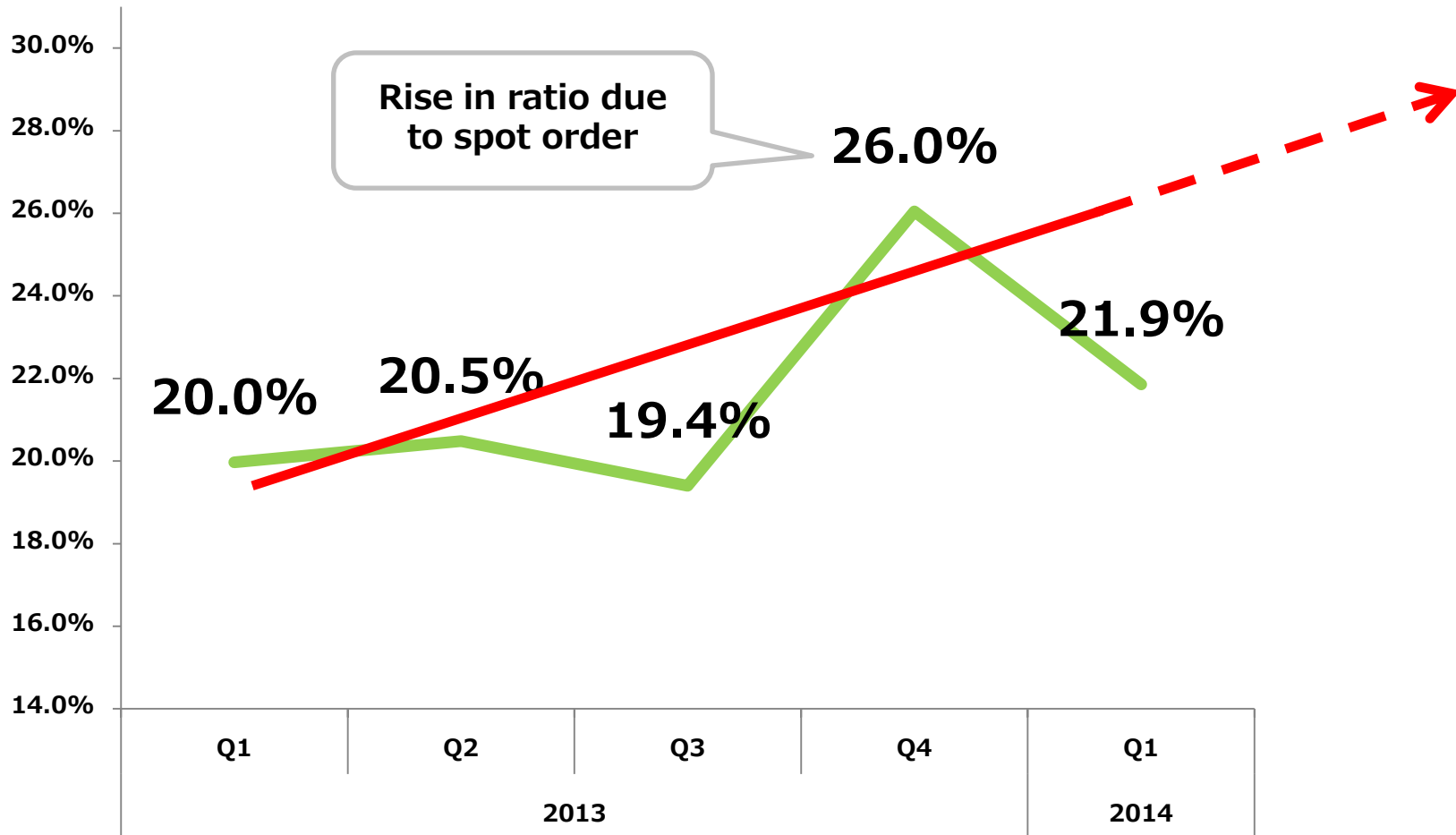
Differences between PB products and general products



Gross profit shares of PB products




Product mix of PB targets 30%



Topix of OPT



- ✿ Established new company named ConnectOM specializing in support of Omni-channel marketing.
- ✿ Acquired shares of SkillUp Video Technologies, which provides distribution platform of online video contents.
- ✿ Founded OPT Data Science Lab, specializing in Big Data analysis.

The background features several light blue, elongated, teardrop-shaped abstract elements scattered across the white space. These shapes vary in size and orientation, creating a subtle, organic pattern. The text is centered in the lower half of the image.

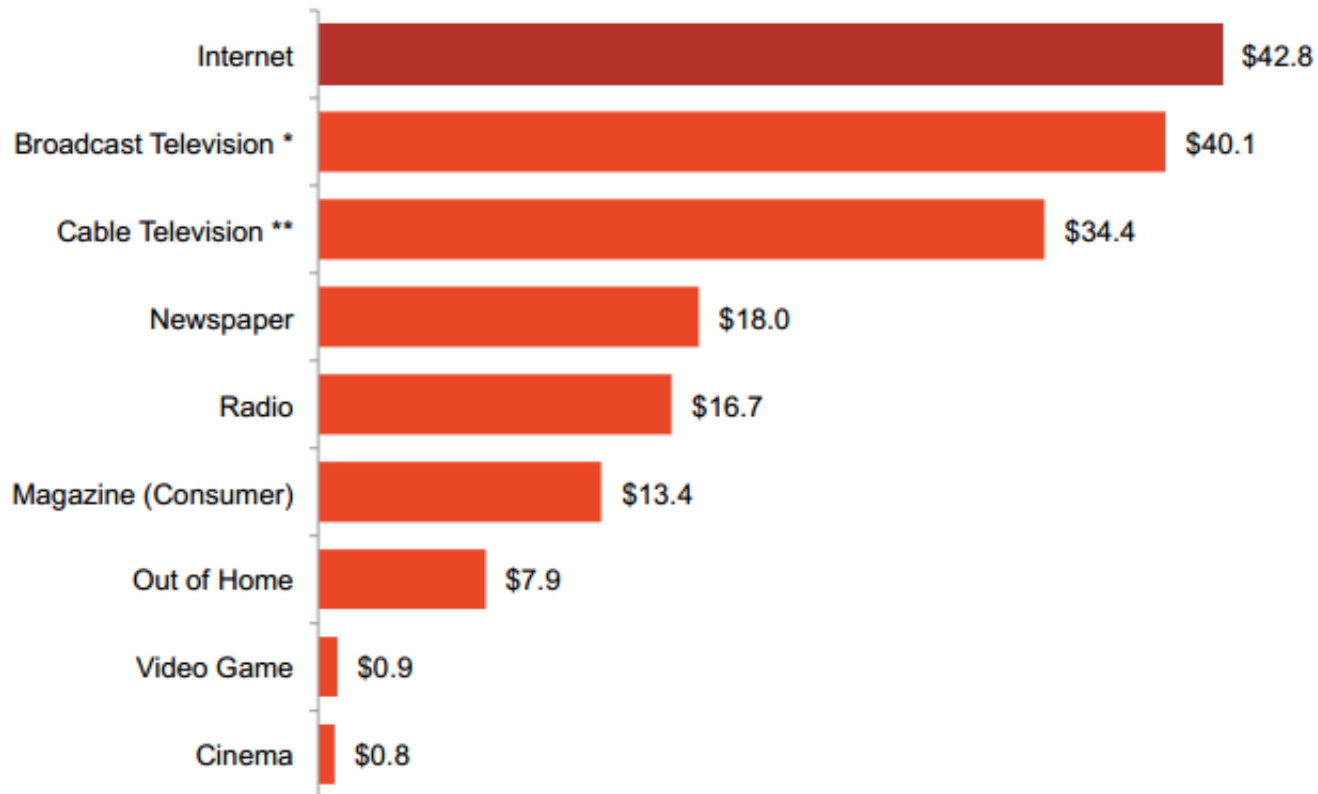
Focus areas and Market prospects

Advertising market (US)



Internet advertising market has already exceeded Broadcast TV market in the United States in 2013.

Advertising revenue market share by media - 2013 (\$ billions)

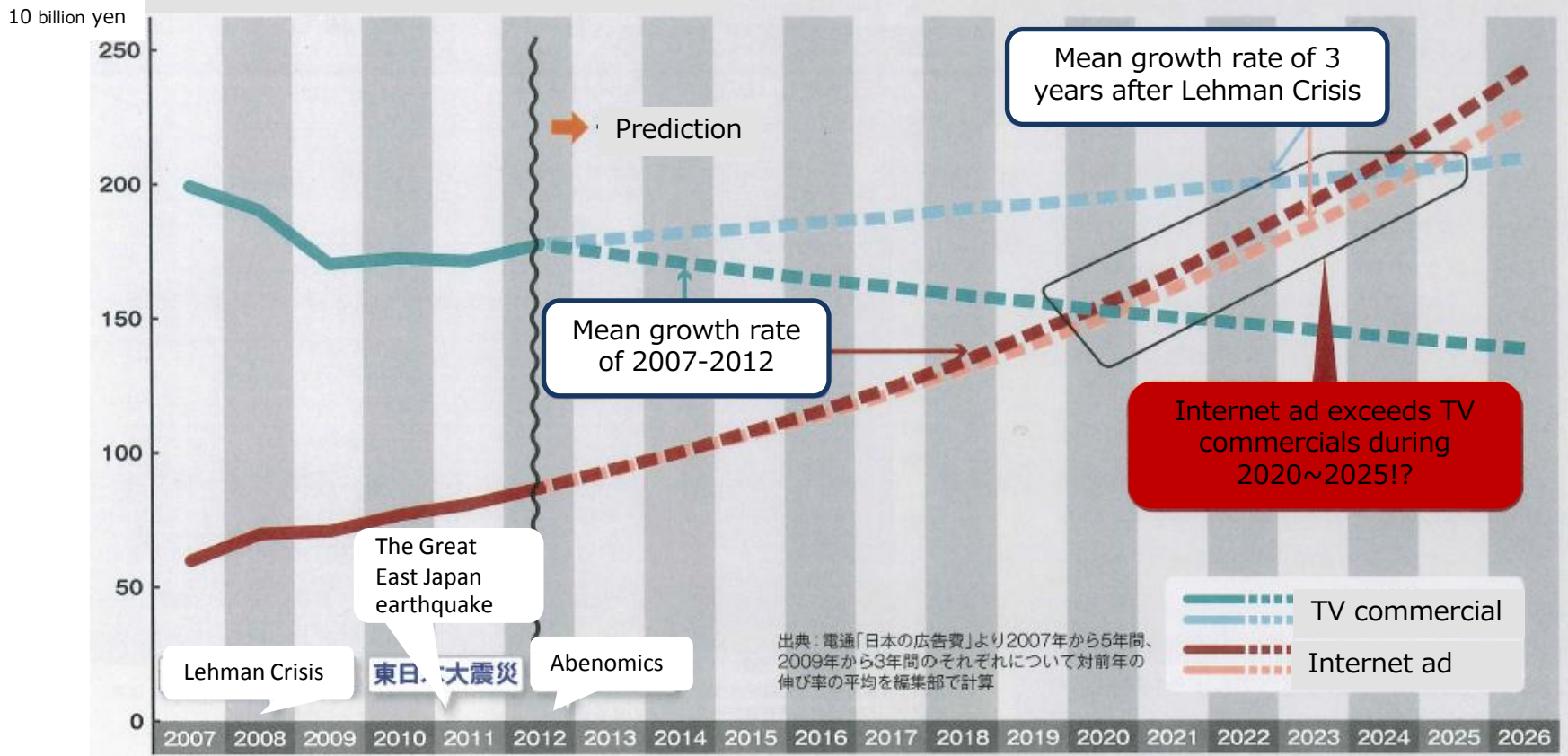


Advertising market (JP)



Internet advertising market will expand more in future.
Expected to exceed TV commercials in 2020.

Sales of TV commercials and internet advertising

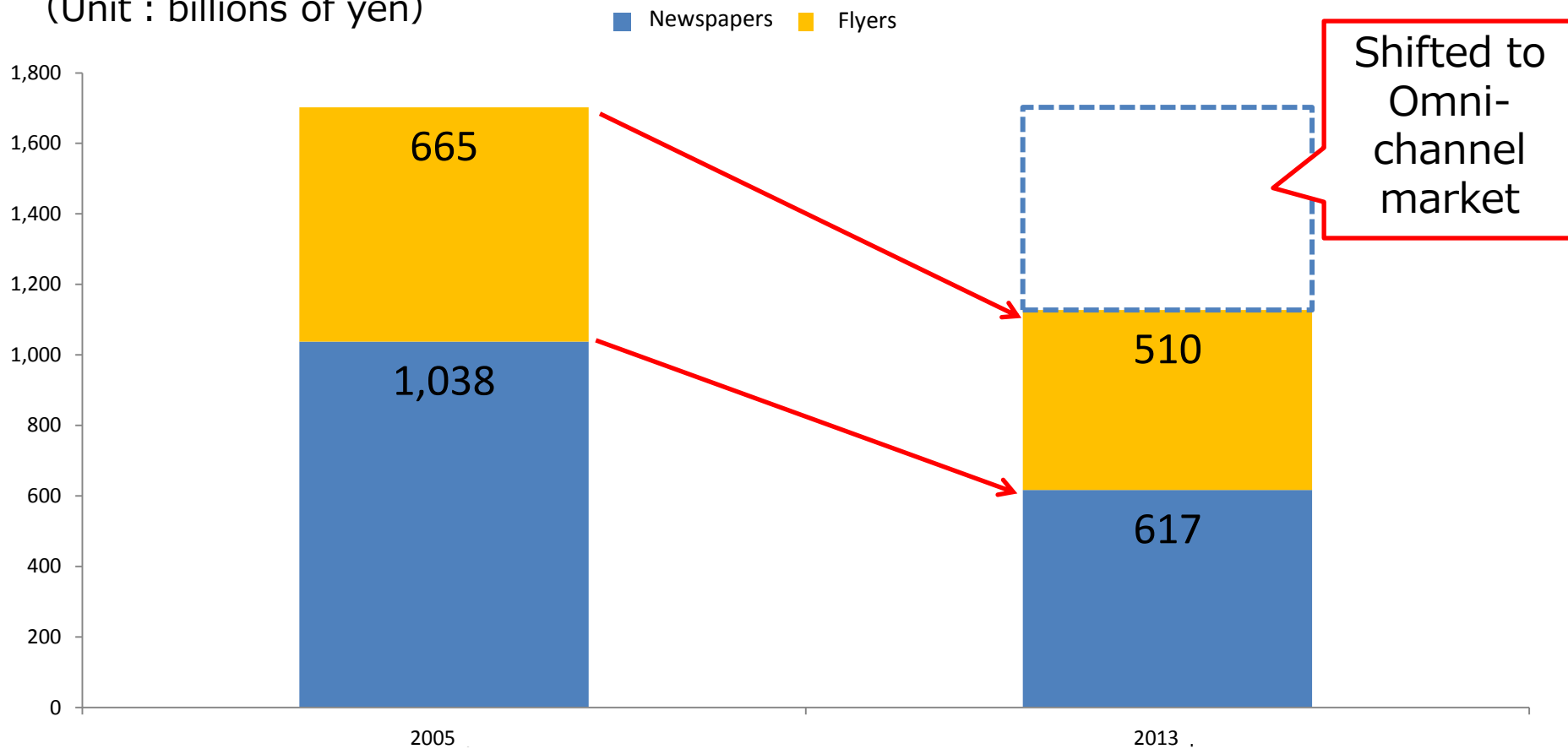


Omni-channel market (JP)



The fall of a newspaper ads and flyers markets will lead to activation of the Omni-channel market.

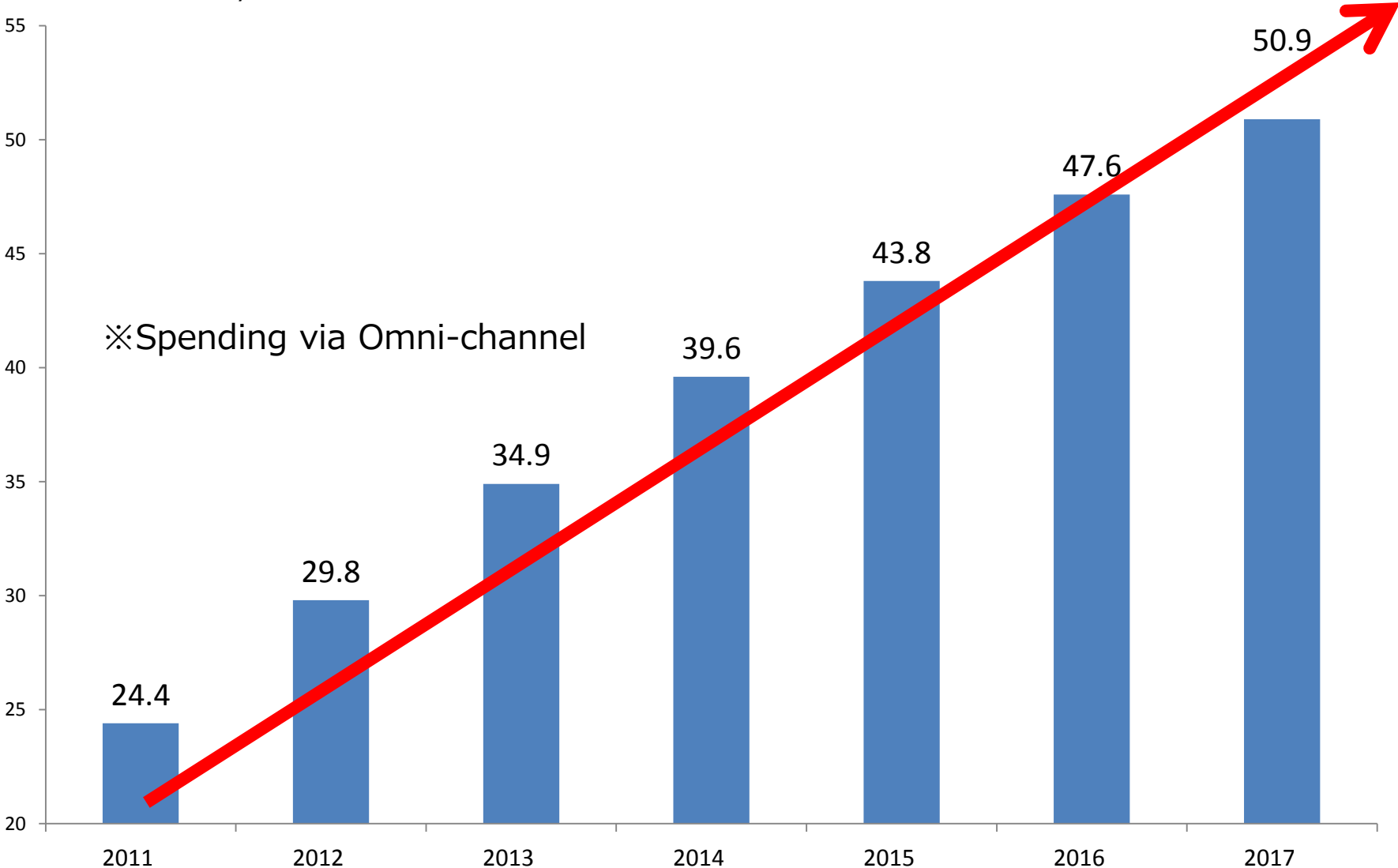
(Unit : billions of yen)



Omni-channel market (JP)



(Unit : trillions of yen)



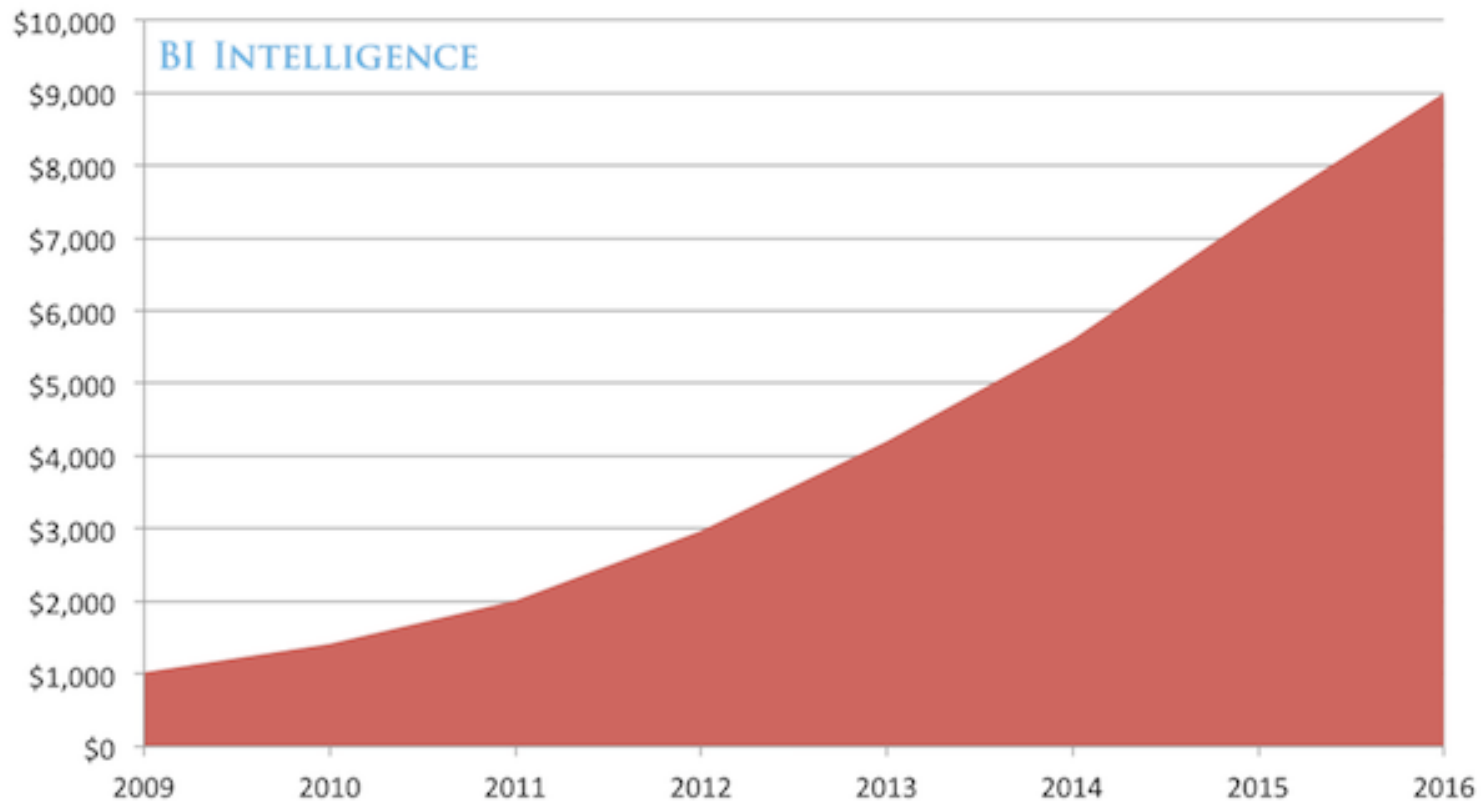
Source : IT navigator2013、 Nomura Research Institute, Ltd. Toyo Keizai

Online video-ad market (US)



Online video-ad market in the US will reach 9 billion dollars in 2016.

Online Video Ad Revenue Forecast (U.S.)

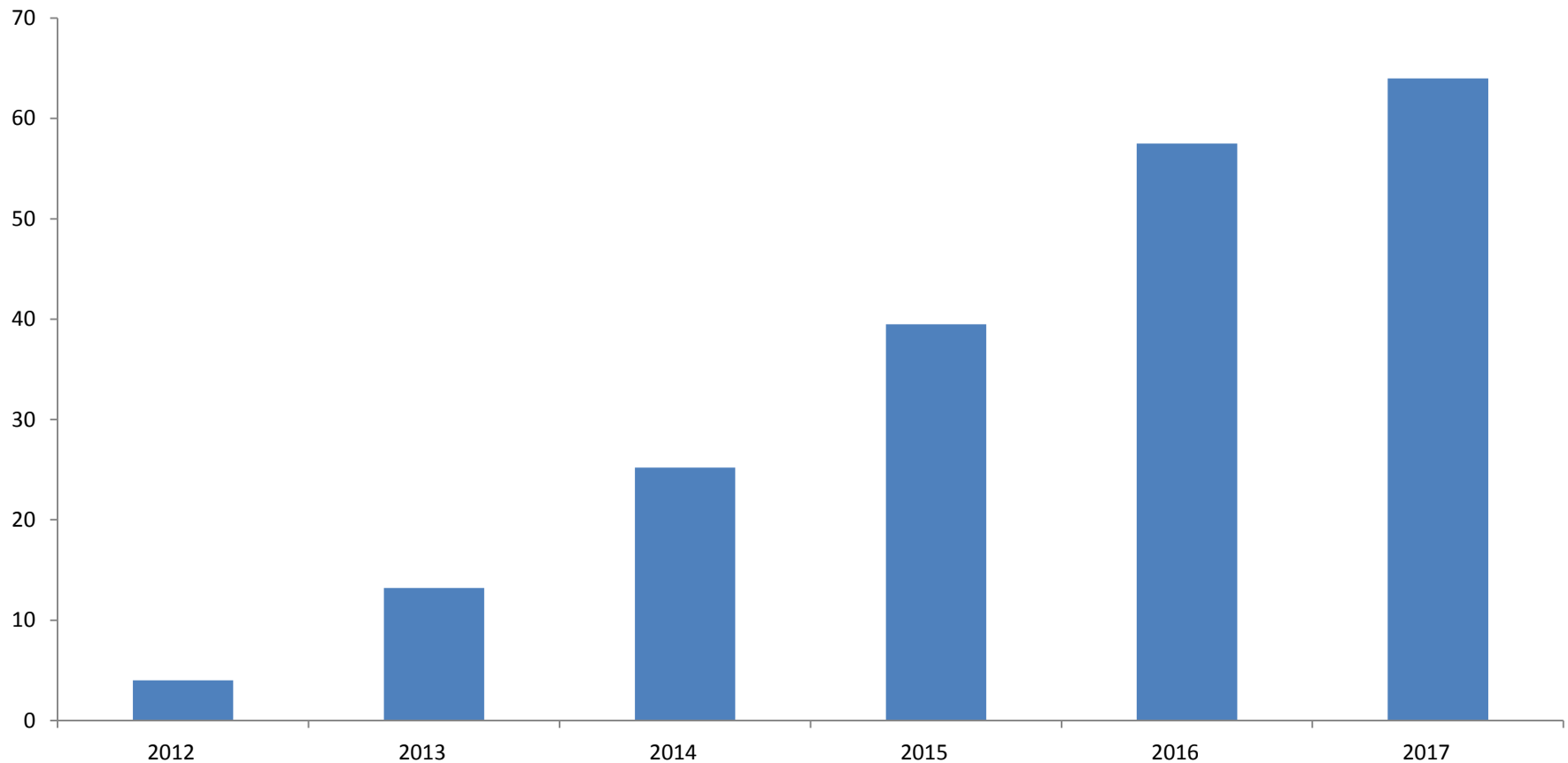


Online video-ad market (JP)



Online video-ad market in Japan will reach 64 billion yen in 2017.

(Unit : billions of yen)

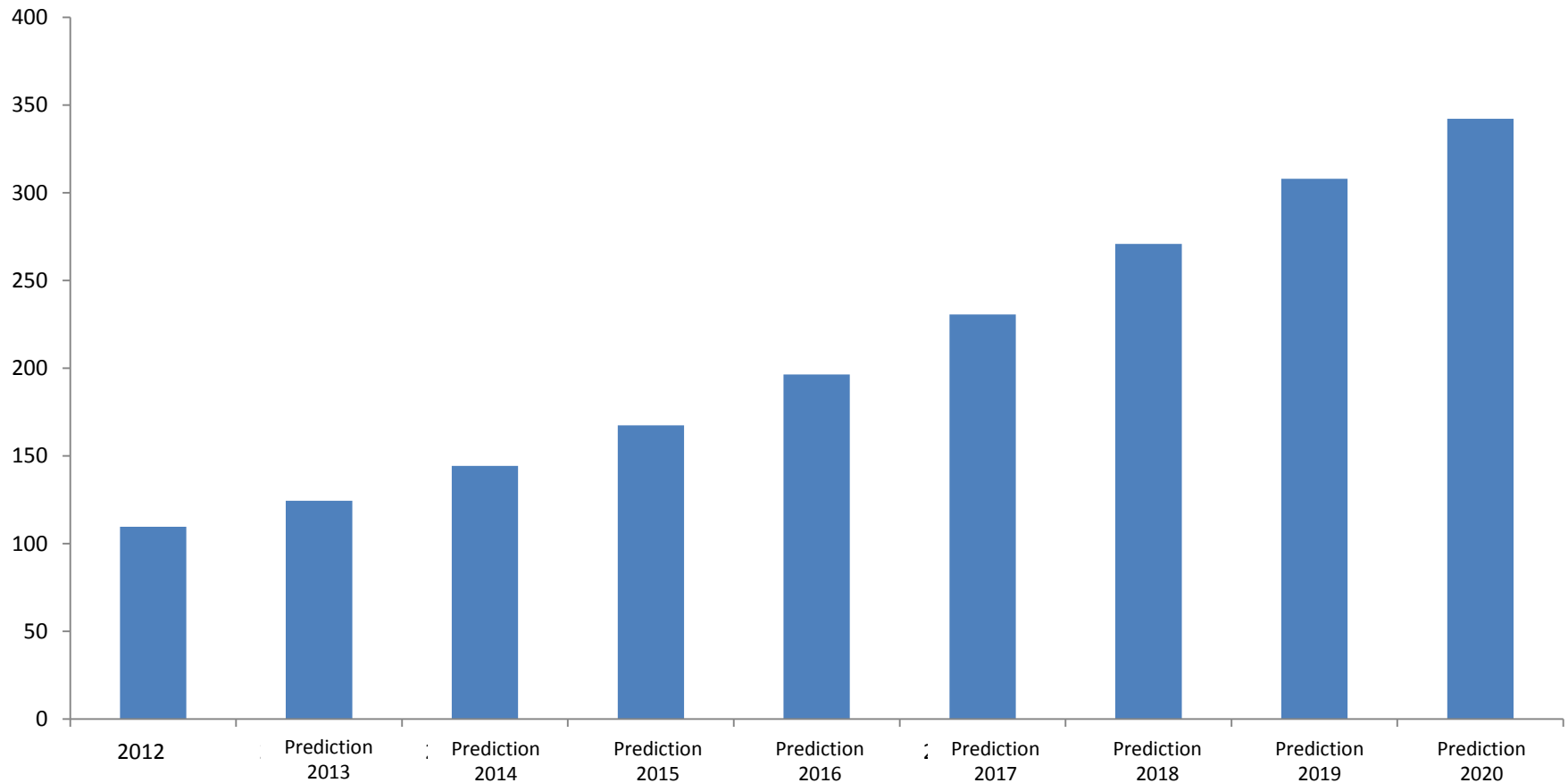


Big data market (JP)



Big data market is expected to reach 342 billion yen in 2020.

(Unit : billions of yen)



Source : Yano Research Institute Ltd. 「Findings about big data analytics market in 2013」 19, Dec.2013
Big data analytics market size and prediction

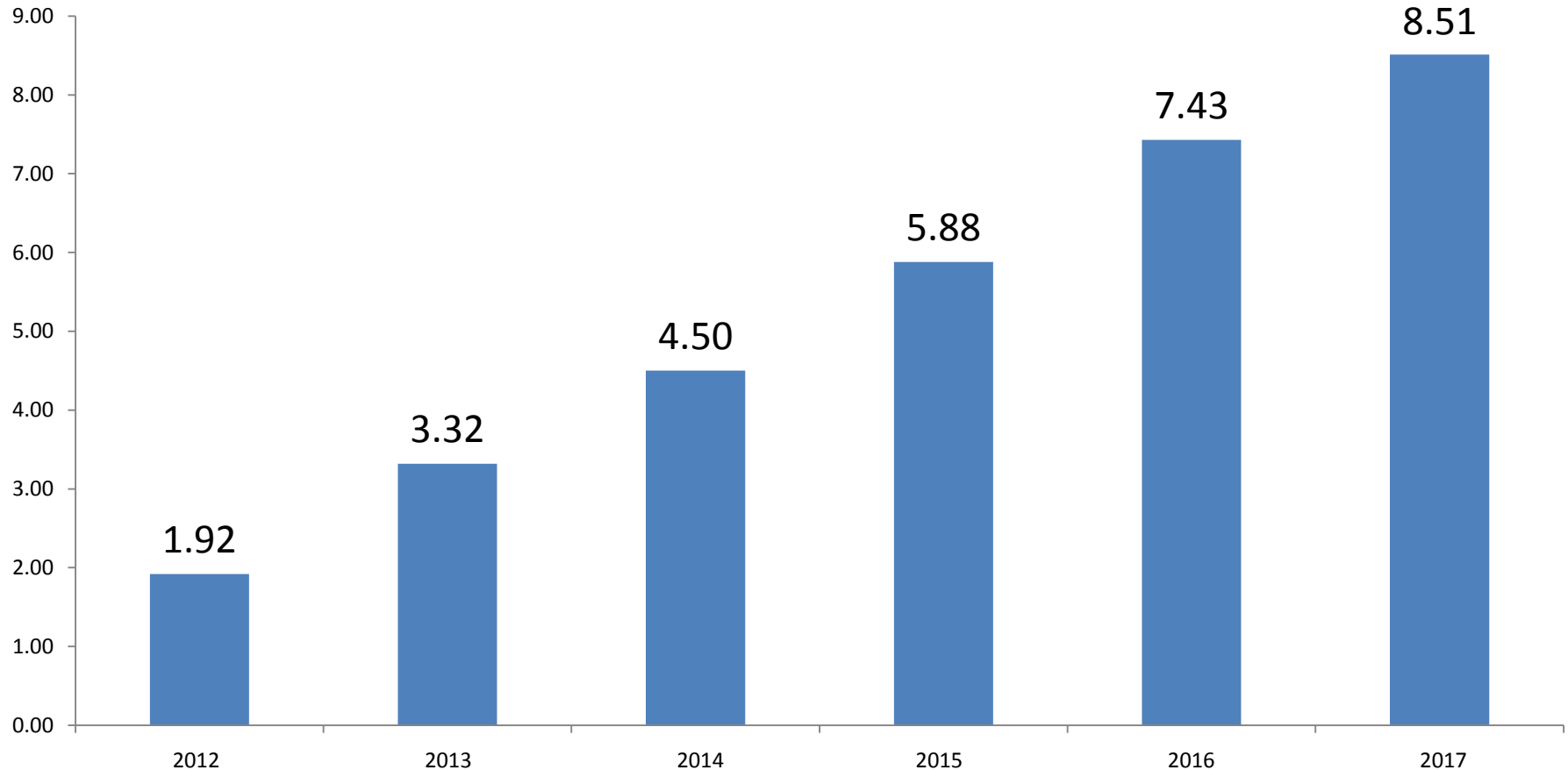
RTB market (US)

RTB= abbreviation of Real Time Bidding



RTB market in the United States, will reach 8.51 billion dollars in 2017.

(Unit : 1 billion dollars)

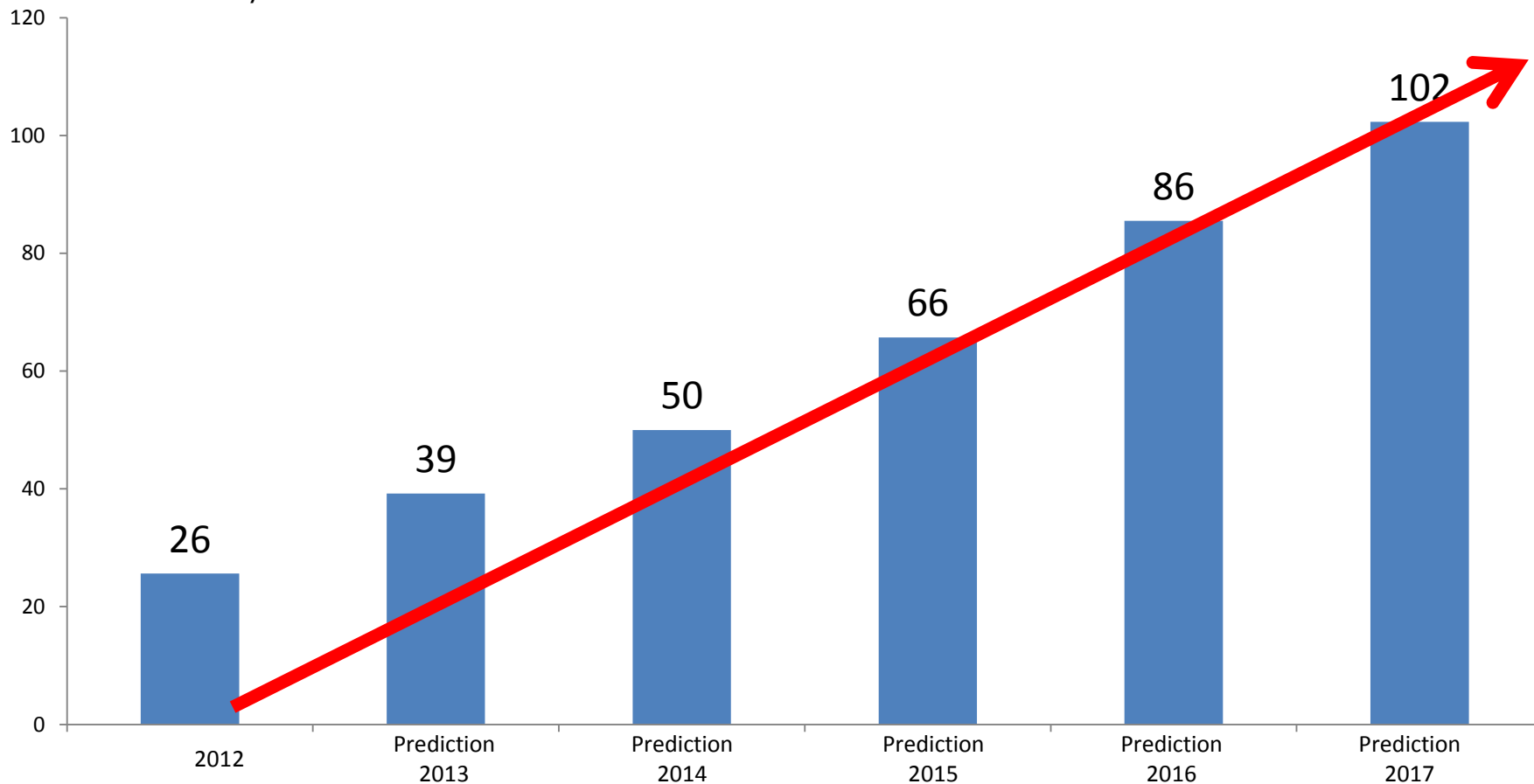


RTB market (JP)



RTB market in Japan is expected to reach 102 billion yen in 2016.

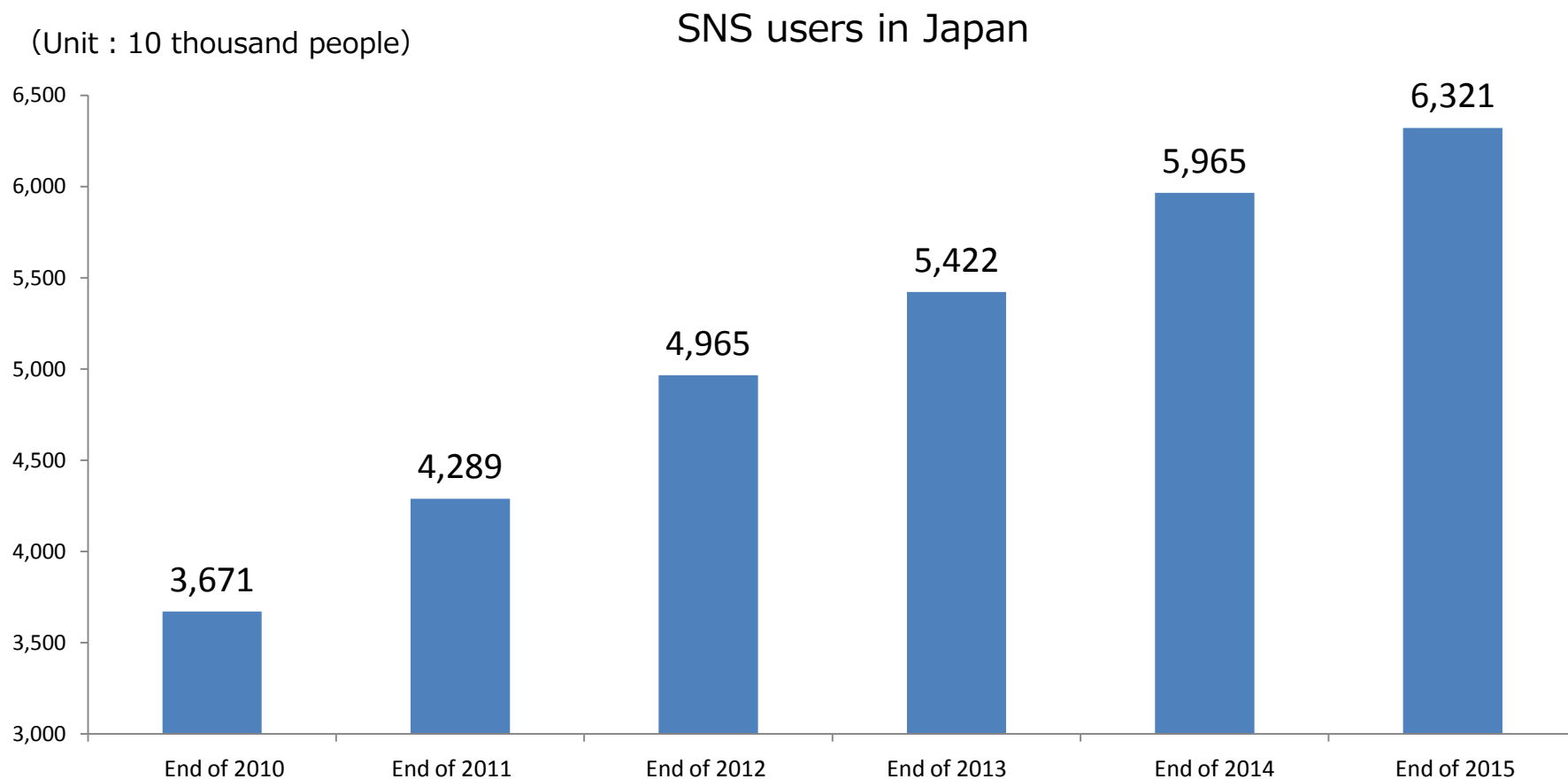
(Unit : billions of yen)



Social media market (JP)



Increase of SNS users will stimulate
for social media ads.



2. Accelerate "invest in internet-related venture companies"

~ Dawn of the internet industrial revolution ~

Investment policy : Investment in companies causing innovation by "Internet revolution".

Amount of money to invest : About 5 billion yen.

Investment results in Q1 : Approx. 750 million yen total into three companies.



rakusul
ネット印刷の [ラクスル]

Pathee

Medium-to-long term investment theme

Productivity improvement of business people

Supporting services for direct commerce

Personalized services

Short term investment targets

Business cloud

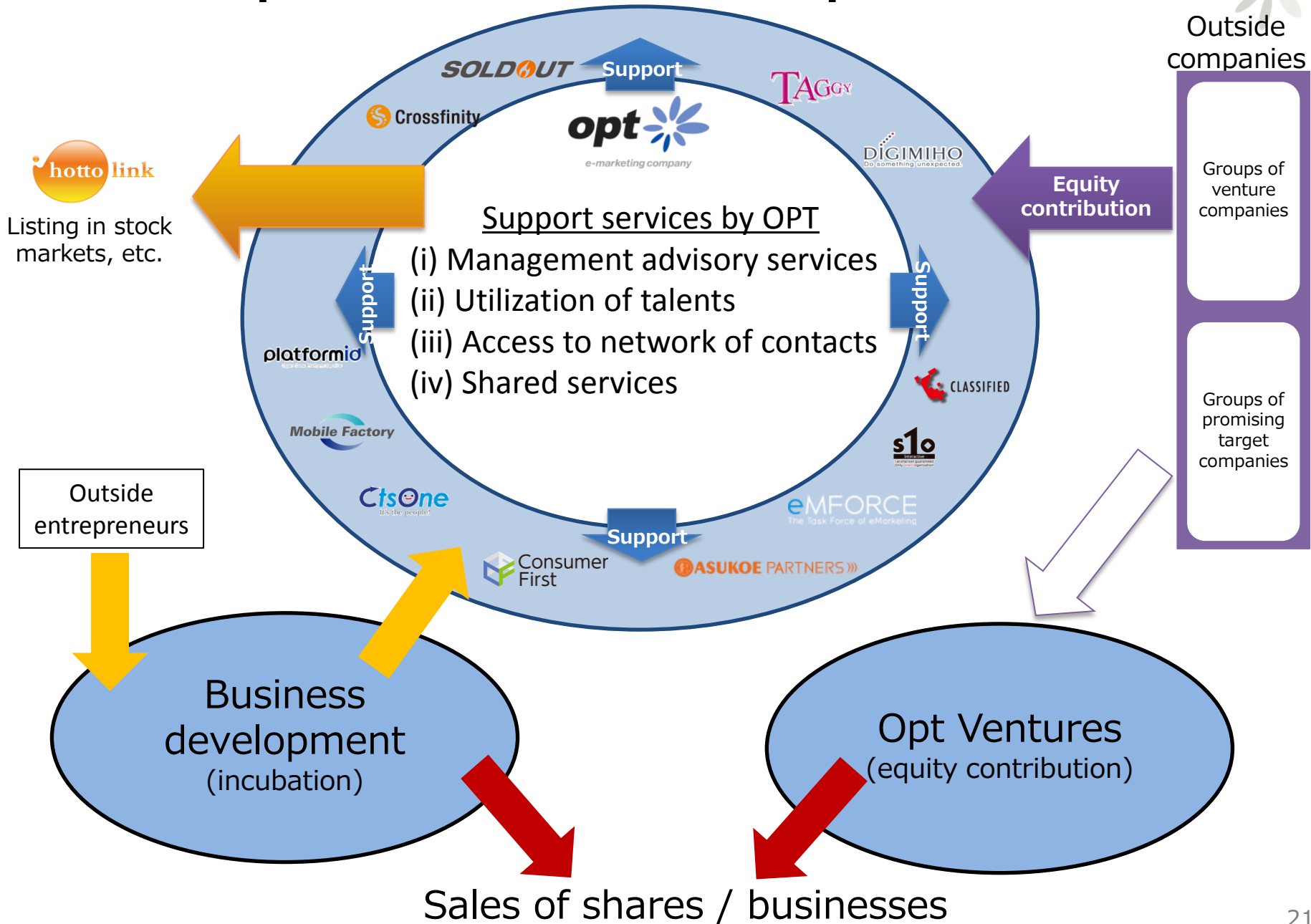
Direct commerce

Crowd sourcing

Edu×Tech

Ad Technology

The concept of business creation platform



History of OPT's support for Hottolink

Hottolink is a leading cloud service company in Japan. Since its equity participation in 2005, Opt has been supporting Hottolink's growth by dispatching a COO, conducting marketing support for its SaaS products, etc. As a result, Hottolink listed its shares on the Tokyo Stock Exchange Mothers market in December 2013.



2005
Equity participation
Enterprise value:
1 billion yen



2007
Dispatch of
COO



2010
OEM
production of
ADPLAN* SM



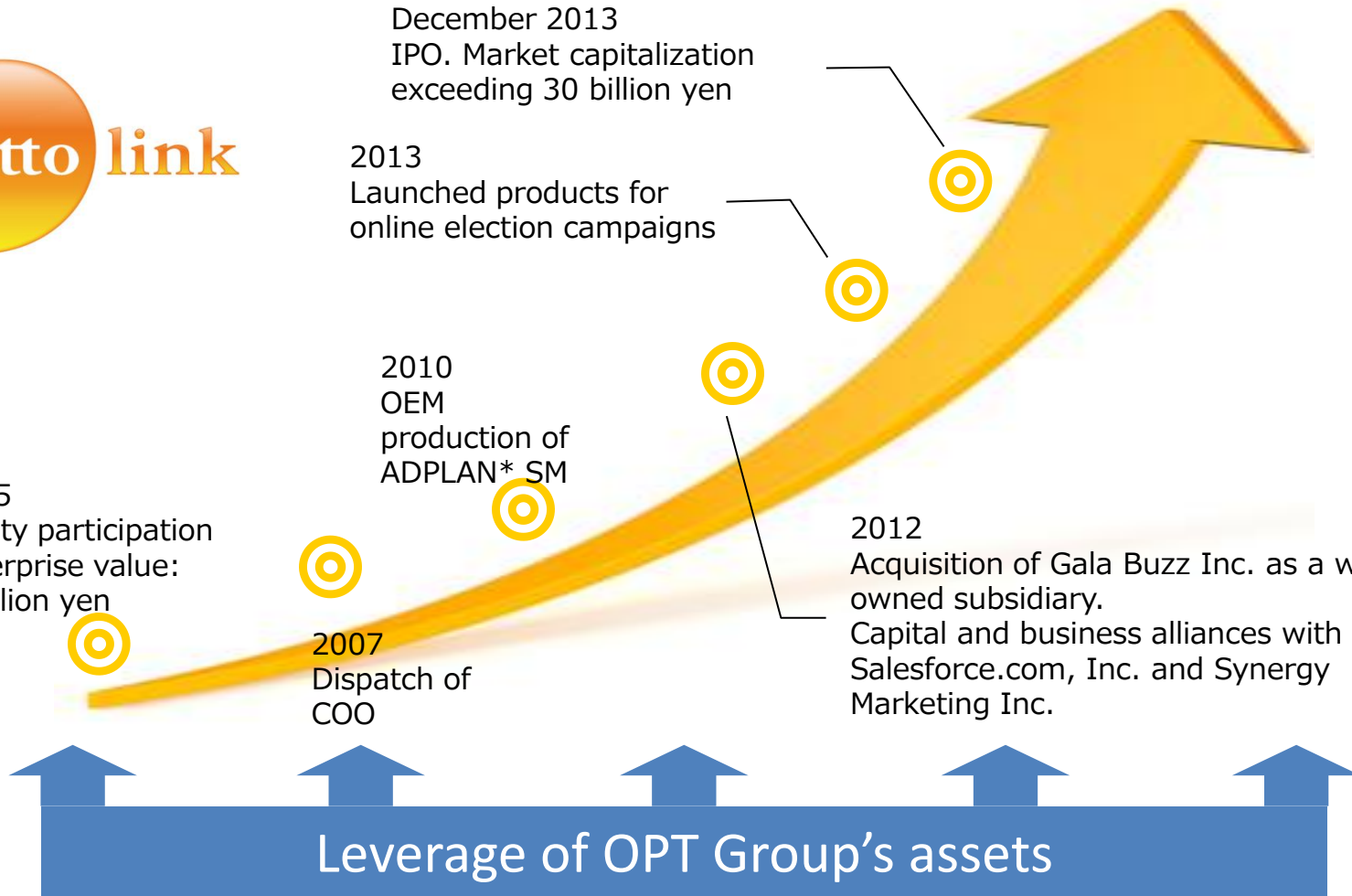
2013
Launched products for
online election campaigns



2012
Acquisition of Gala Buzz Inc. as a wholly
owned subsidiary.
Capital and business alliances with
Salesforce.com, Inc. and Synergy
Marketing Inc.



December 2013
IPO. Market capitalization
exceeding 30 billion yen



Leverage of OPT Group's assets

*ADPLAN is an e-marketing platform provided by OPT

Major invested companies (Exited)



SynergyMarketing



上記以外にもDIGITAL FOREST他の実績あり。

Examples of current portfolio companies



2014Q1 (Jan-Mar)

Summary of Consolidated Financial Results

* Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.

2014Q1 Summary



✓ Increase profits by sales of the Operational Investment Securities.

✓ Accelerating investments.
(PB R&D and human capital etc.)

✓ Q on Q :

Net sales+1.1%、 Gross profit+6.4%.

※Excluding business alliance with Dentsu , Investment and Value Creation Business, and changes in scope of consolidation.

Gross profit margin improves 5.1pts.

※Excluding Investment and Value Creation Business.

2014Q1 Consolidated Financial Results



	2013Q1	2014Q1	
	Results	Results	YoY
Net sales	22,329	19,602	(12.2%)
Gross profit	3,075	7,312	approx. 2.4times
SGA	2,604	2,924	+12.3%
Operating income	471	4,388	Approx. 9.3times
Ordinary income	456	4,303	Approx. 9.4times
Net income	195	2,498	Approx. 12.8times
Gross Profit margin	13.8%	37.3%	+23.5p
Operating income margin	2.1%	22.4%	+20.3p
Net income margin	0.9%	12.7%	+11.8p

Net Sales and Operating Income by Segment (by Quarter)



		Changes to business alliance with Dentsu from 2013Q2						
		2013				2014	13Q4 Comparison	13Q1 Comparison
		Q1	Q2	Q3	Q4	Q1		
Advertising & Solution Business	Net sales	20,134	13,132	12,756	12,390	13,608	+9.8%	(32.4%)
	Operating income	436	191	6	70	(117)	-	-
Database Business	Net sales	738	694	789	909	575	(36.7%)	(22.0%)
	Operating income	104	42	68	237	40	(83.2%)	(61.7%)
S&C Business (Social & Consumer)	Net sales	575	575	641	572	588	+2.8%	+2.3%
	Operating income	(19)	56	19	(26)	29	-	-
Overseas Business	Net sales	948	1,149	1,079	311	349	+12.4%	(63.1%)
	Operating income	(52)	(46)	(54)	(12)	(46)	-	-
Investment and Value Creation Business	Net sales		444	154	0	4,654	-	-
	Operating income		224	60	(11)	4,482	-	-
Total	Net sales	22,329	15,915	15,303	14,075	19,602	+39.3%	(12.2%)
	Operating income	471	469	100	258	4,388	Approx. 17 times	Approx. 9 times
	Operating income (without Investment and Value Creation Business)		245	40	270	(94)	-	27



Advertising & Solution Business

Net Sales 13,608

Operating Loss 117

- **Without the changes to business alliance with Dentsu, Net sales increased 0.8%, gross profit increased 8.5%, gross profit ratio improved approx. 1.1points**
- **Decrease of operating income for accelerating investments in PB products**



Database Business

Net Sales 575

Operating Income 40

- **With the influence of Hottolink exclusion from consolidated, Net Sales increased by 7.8%.**
- **Intensive investment in Xrost for adding new functions.**



S & C Business

Net Sales 588

**Operating
Income 29**

Overseas Business

Net Sales 349

**Operating
Loss 46**

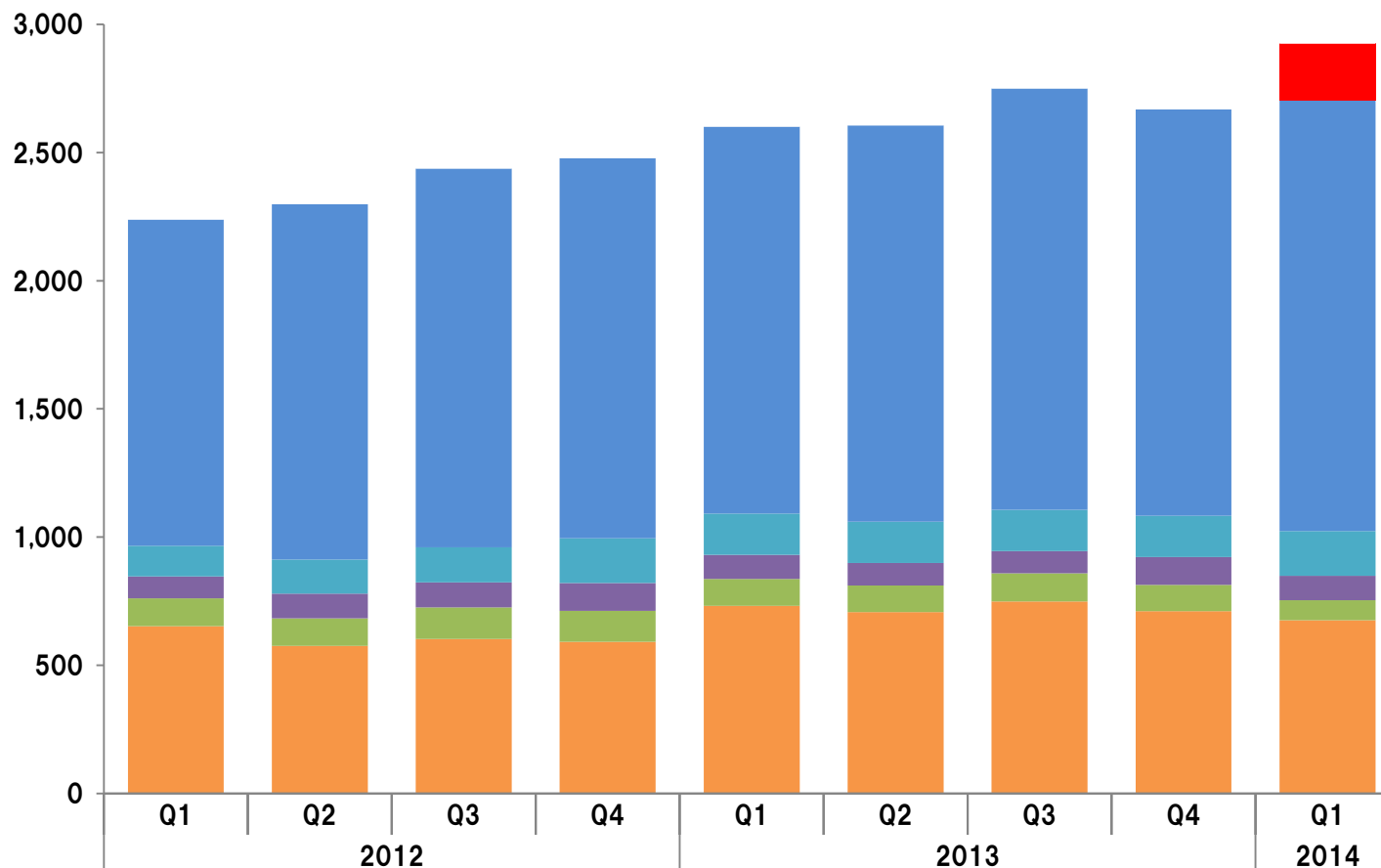
Investment and Value Creation Business

Net Sales 4,654

**Operating
Income 4,482**

- Operating Income increased approximately 4,500 million yen by selling Hottolink stocks.
- Continue active investments.

Consolidated SGA Costs

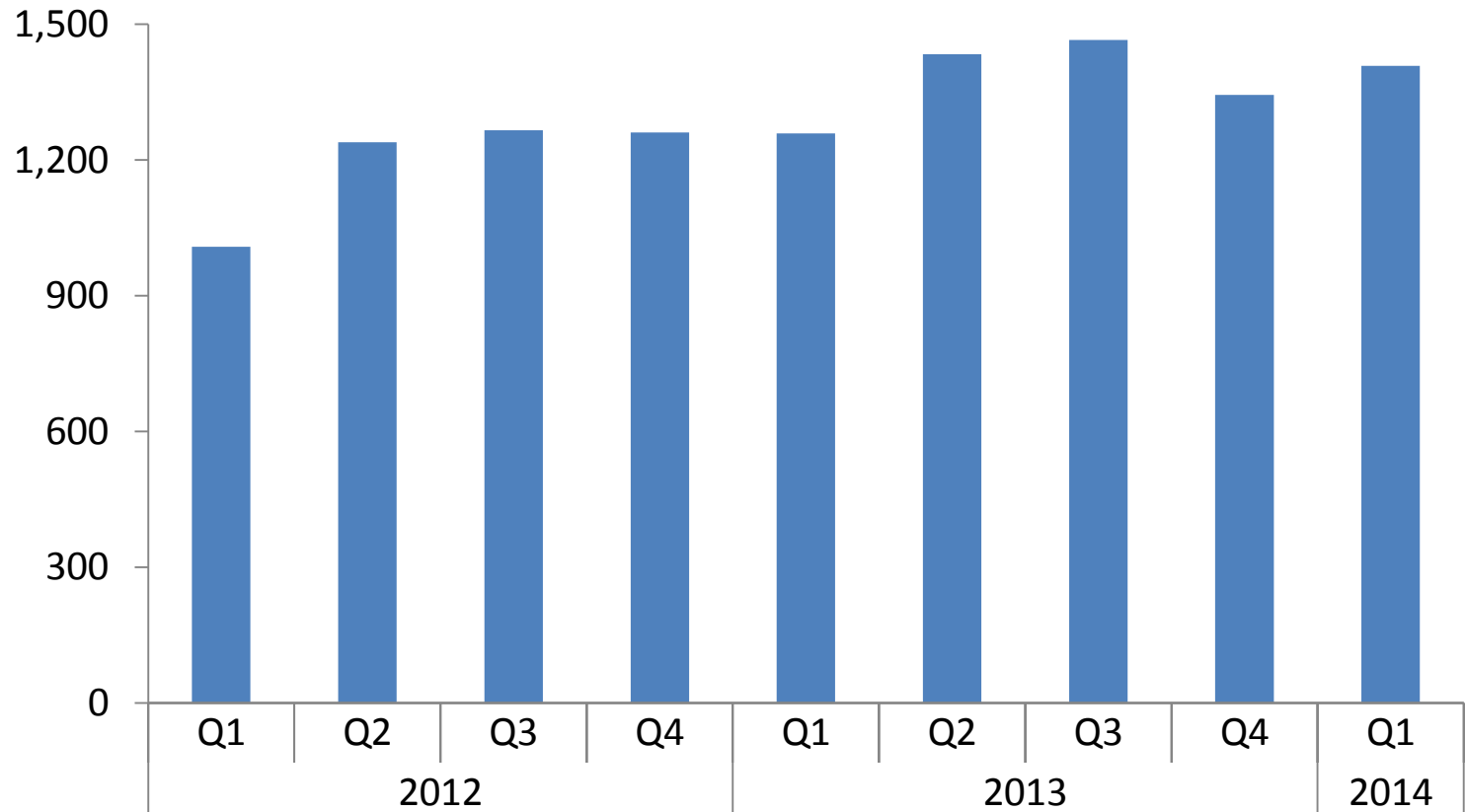


	2012				2013				2014
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Total SGA	2,241	2,301	2,439	2,479	2,604	2,609	2,753	2,669	2,924
■ Earning incentives (non-consolidated basis)									221
■ Personal expenses	1,273	1,385	1,477	1,483	1,509	1,546	1,644	1,585	1,680
■ Rents	120	134	137	174	161	161	161	161	173
■ Advertising expenses	85	96	97	109	94	88	86	109	95
■ Depreciation and amortization	109	107	124	121	105	103	110	102	79
■ Others	652	576	602	591	732	708	749	711	675

Consolidated Number of Employees



SkillUp Video Technologies and 2 other companies are added to consolidated subsidiary through M&A.



Consolidated number of employees	1,008	1,239	1,266	1,261	1,259	1,434	1,465	1,344	1,408
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※Excludes temporary staff and dispatch workers

Reference : Sales Ratio (non-consolidated)



	2012				2013				2014
Segments	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Financial	22%	20%	21%	29%	31%	31%	32%	31%	30%
Real Estate	17%	14%	15%	15%	16%	13%	12%	12%	14%
Human Resources & Education	13%	9%	9%	9%	10%	9%	8%	10%	11%
Cosmetics	12%	26%	21%	17%	15%	21%	16%	16%	14%
Information & E-Commerce	9%	6%	7%	7%	6%	5%	10%	11%	11%
Others	27%	25%	27%	23%	22%	21%	22%	20%	20%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Changes in the Scope of Consolidation (2014 Q1)



OPT Group's scope of consolidation consists of 15 companies, since SkillUp Video Technologies, ConnectOM and Search LIFE joined to consolidated subsidiaries.

Advertising & Solution Business

Investment and Value Creation Business

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Database Business

S&C Business

Overseas Business

Major Group Companies (2014 Q1)



Name	Business	Ownership	Consolidation status
CLASSIFIED 	Planning and sales classifieds	66.01%	Consolidated subsidiary
Crossfinty 	SEO and media consulting business	90.00%	Consolidated subsidiary
SOLDOUT  <small>ベンチャー企業のネット募集ポータル</small>	Advertising agency for mid-sized and venture companies	100.00%	Consolidated subsidiary
s1o interactive 	Trading desk business	100.00%	Consolidated subsidiary
SkillUp Video Technologies 	Digital contents platform business	87.50%	Consolidated subsidiary
ConnectOM 	Omni-channel solution business	100.00%	Consolidated subsidiary
Search LIFE 	Internet advertising operation business	(80.00%)	Consolidated subsidiary
Platform ID 	Database business	51.00%	Consolidated subsidiary
Consumer first 	Data analysis business utilizing C-Finder data analysis platform	100.00%	Consolidated subsidiary
Mobile Factory 	Mobile contents business	40.00%	Consolidated subsidiary
Contents One 	Development, consulting and training business for web applications	100.00%	Consolidated subsidiary
Multimedia School Wave 	School for IT and web engineers	(100.00%)	Consolidated subsidiary
eMFORCE 	Internet advertising agency in South Korea	88.50%	Consolidated subsidiary
OPT America, Inc. 	Consulting, investment and alliance business in US	100.00%	Consolidated subsidiary
glocom, Inc.	Internet advertising operation business	51.00%	Consolidated subsidiary
Accounted for by the equity method	TAGGY, MCN Asia Holdings, Pte.Ltd., Chai Communication		
Other Group companies	Asukoe Partners Inc., Catcha Digital Asia, etc.		

※Parentheses represent the percentage of indirect ownership



e-marketing company

OPT, Inc.
TSE 1st Section 2389
<http://www.opt.ne.jp> /

Contact for IR is below :
Monitoring Service dep. Accounting Services Div.
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<Notice>

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