

October 27, 2014



**3rd Quarter, Business Results for the
Fiscal Year Ended December 31, 2014**

2014Q3 (July-Sep)

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.

2014Q3 Consolidated Financial Results



	2013Q3	2014Q3	
	Results	Results	YoY
Revenue	15,303	16,145	+5.5%
Gross profit	2,853	3,232	+13.3%
SGA	2,753	3,111	+13.0%
Operating income	100	120	+19.8%
Ordinary income	48	110	+125.6%
Net income	(46)	(111)	—
Gross profit margin	18.7%	20.0%	+1.3p
Operating income margin	0.7%	0.8%	+0.1p
Net income margin	—	—	—

(Reference) 2014Q3 Consolidated Financial Results



※Excluding Investment and Value Creation Business

	2013Q3	2014Q3	
	Results	Results	YoY
Revenue	15,148	16,145	+6.6%
Gross profit	2,780	3,232	+16.2%
SGA	2,740	3,081	+12.4%
Operating income	40	151	Approx. 3.8 times
Gross profit margin	18.4%	20.0%	+1.6p
Operating income margin	0.3%	0.9%	+0.6p



2014Q3 Summary of Consolidated Financial Results

- ✓ **Advertising & Solution Business has recovered since June, 2014**
- ✓ **Increase in the rate of Private Brand(PB) products results in**
Gross profit margin +1.6p
Gross profit +16.2%
(Excluding Investment and Value Creation Business)
- ✓ **Investment in human capital in PB products**
(Assigned 400 employees, 25% of consolidated basis)



2014Q3 Summary of Consolidated Financial Results

✓ **Making up for investment cost in PB products results in increasing Operating income by 3.8 times**

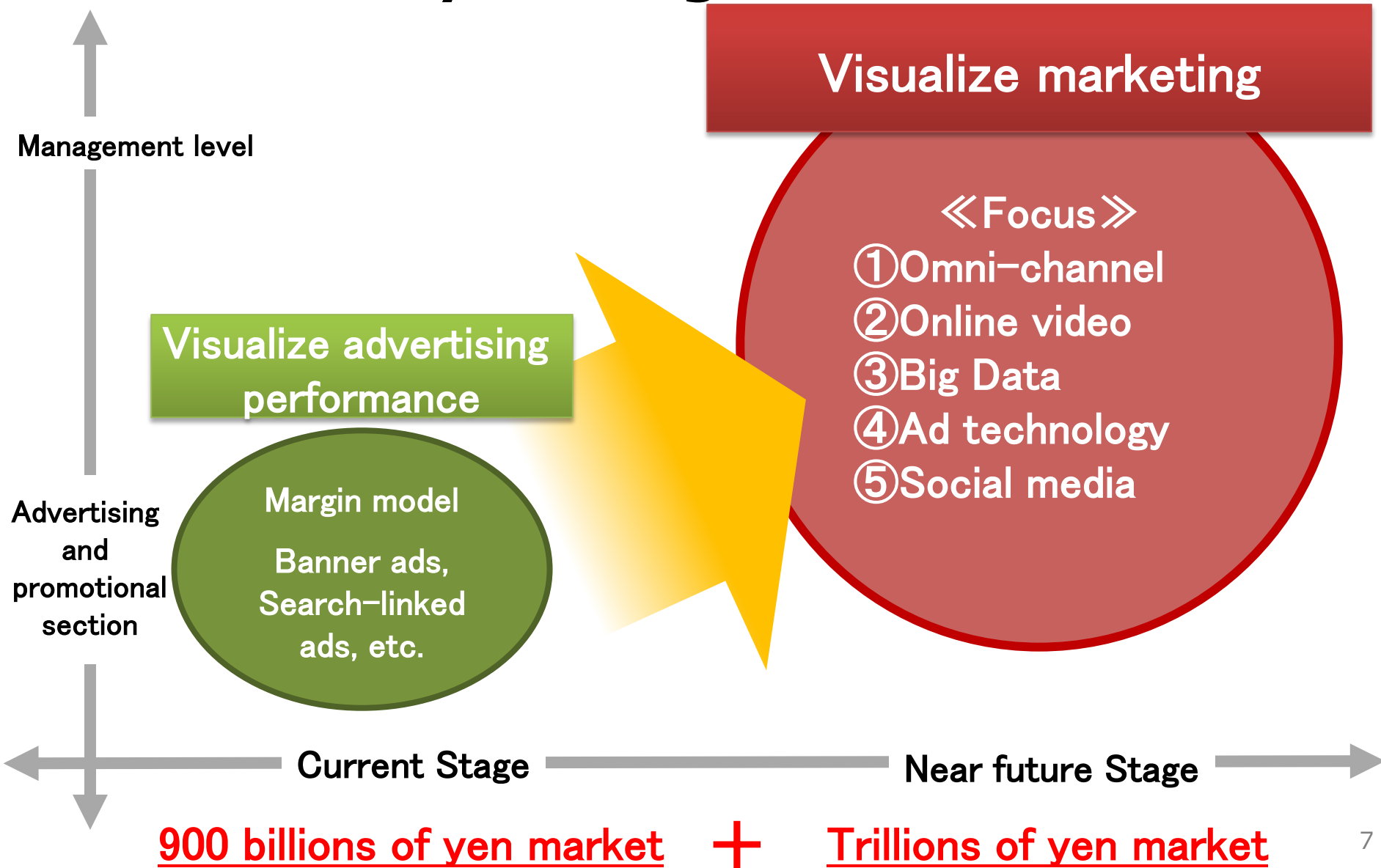
※Excluding Investment and Value Creation Business.

✓ **5 focus areas are steadily growing**

※5 focus areas : Omni-channel, Online video, Big data, Ad technology and Social media

Concentrated investment in 5 focus areas

~Steadily making the transition~



5 focus areas Case examples of major products

✓ **OPT**

- "beable!", how-to related Video Ad service
- "Minna-no-make", Video posting website
- "ADPLAN", website analysis tool
- "Data Science Lab", analysis service of Big Data

✓ **Platform ID**

- Xrost DSP、 Xrost SSP

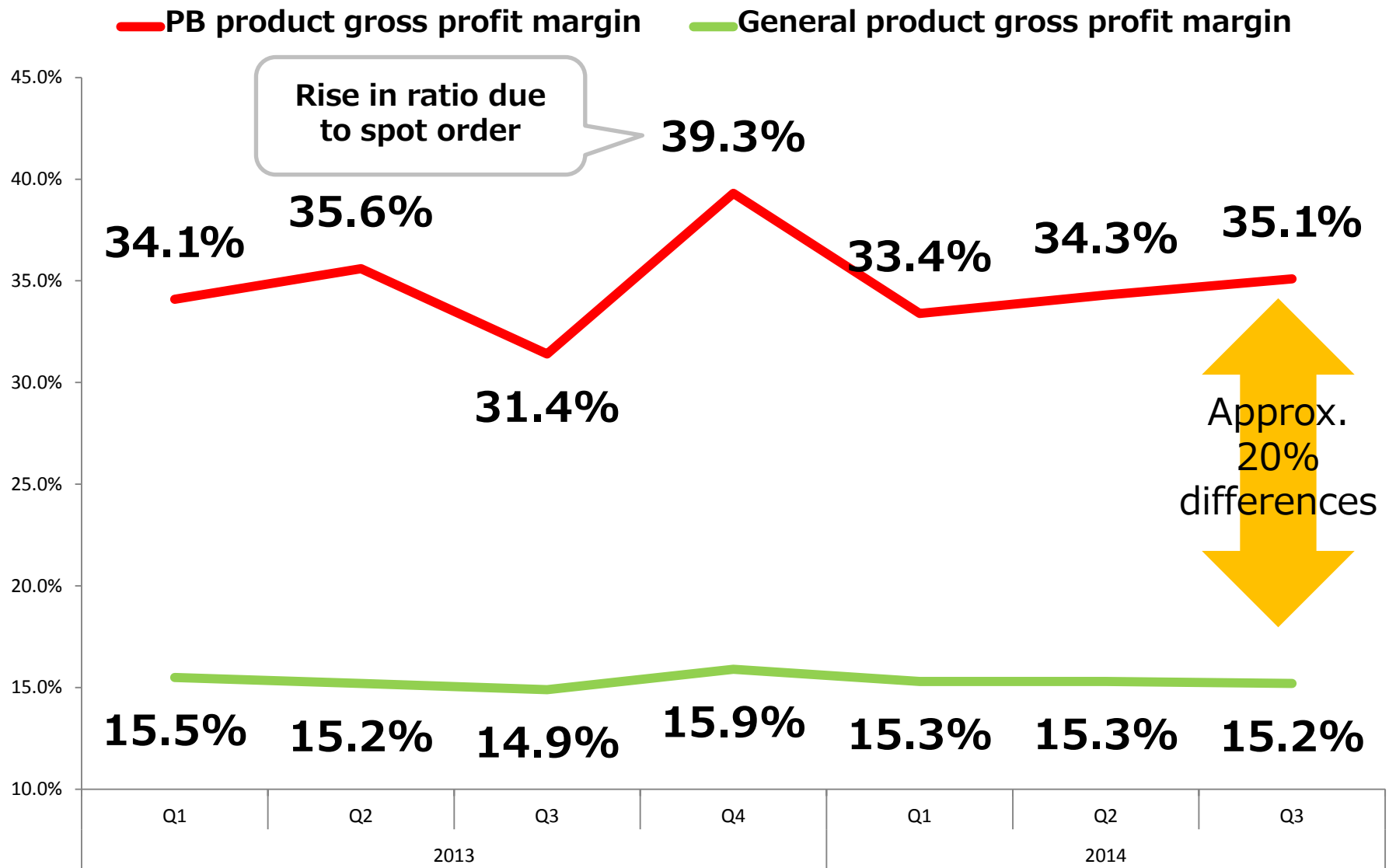
✓ **SkillUP Video Technologies**

- "ULIZA Premium Video Network"
-Online Video Ad Distribution Network

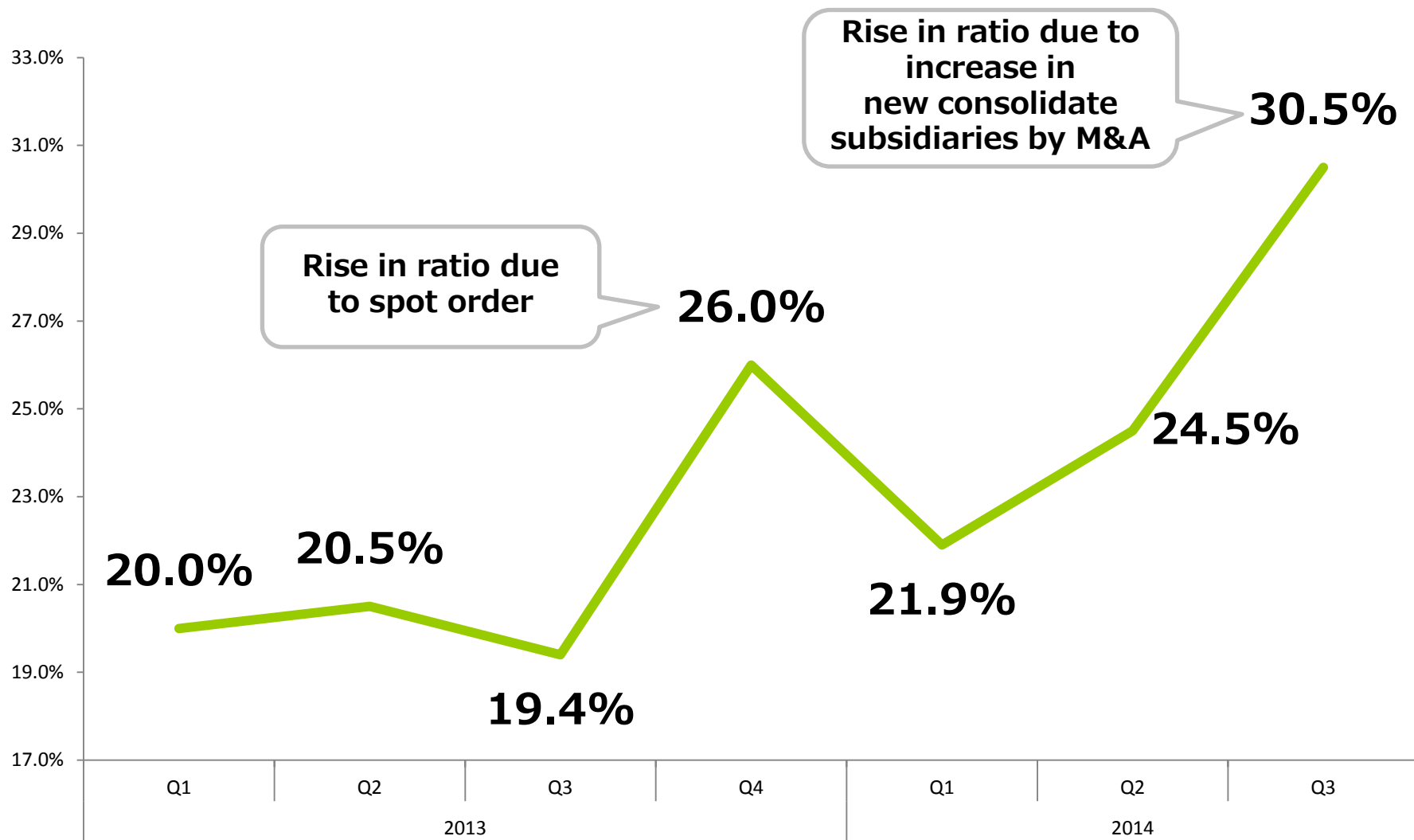
✓ **ConnectOM**

- "Retailigence"
-Ad distribution system using linkage with inventory data and location information

Differences between PB products and general products



Product mix of PB targets 30% share





Advertising & Solution Business

Revenue 14,672

Operating Income 137

- **The amount of profit(YoY)**
 - **Gross profit increased 40.3%**
 - **Operating Income increased by approx. 22 times**
- **Profit ratio(YOY)**
 - **Gross profit ratio improved +3.3p**
 - **Operating Income ratio improved**



Advertising & Solution Buisness

- **Steadily expanding the sales of high profit margin products including PB**
- **New big sales such as leading companies etc. are growing**
- **Substantially improved in productivity by strengthening cost management of each project**
- **Significant increase in Online video ads service(YoY)**



Database Business

Revenue 504

Operating Loss 17

➤ **Xrost DSP**

- **Continual Investment in additional development**
- **Increasing accounts by expanding sales effort from Aug. 2014**

2014Q3 Performance



S & C Business

Revenue	612
Operating Income	34

Overseas Business

Revenue	503
Operating Loss	2

Investment and Value

Creation Business

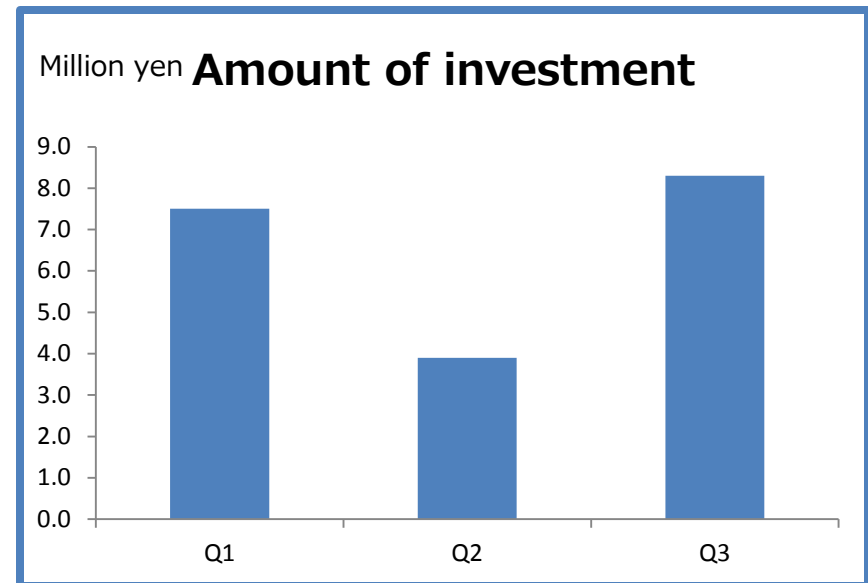
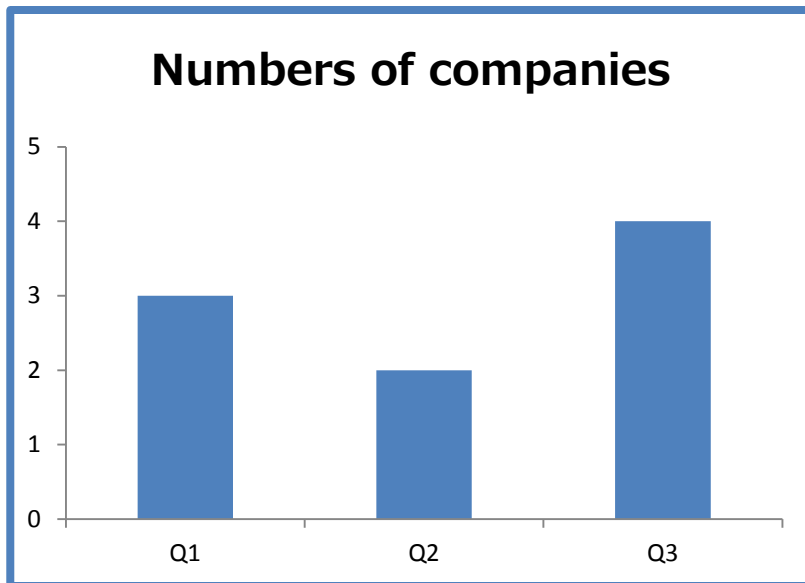
Operating Loss	31
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- Continue active investment in focus areas
- Strengthen human resource
- No sales of Operational Investment Securities in Q3



Investment and Value Creation Business

- **Totally invested in 9 companies (approx. 2 billion yen) in 2014**
- **Planning to invest in several companies in Q4**



Reference:

Investment and Value Creation Business and M&A



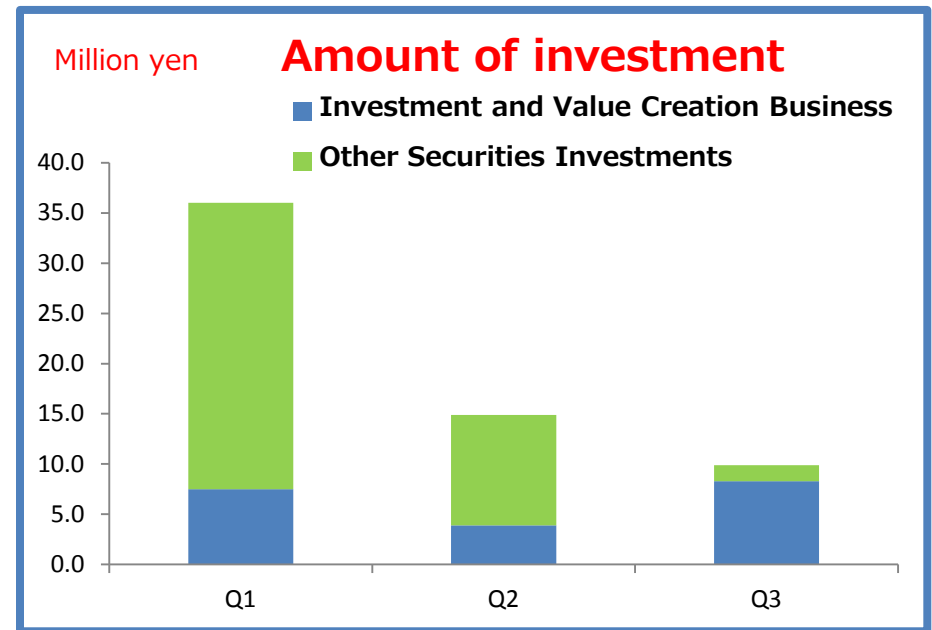
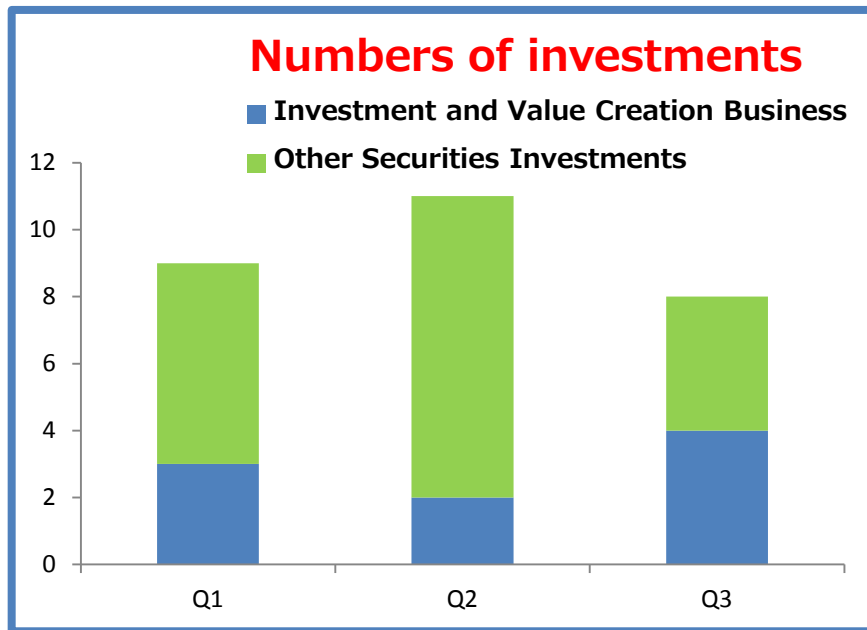
<Enhancing investment decision and Monitoring system>

- ✓ Assigned professional investment team
- ✓ Assigned inside lawyers etc. to strengthen due diligence activities
- ✓ Assigned an advisory board from outside

Reference:

Investment and Value Creation Business and M&A <Previous Investment Records>

- ✓ Numbers of investments : 125 companies
- ✓ Amount of investment : 20.3 billion yen
- ✓ Performance : IRR 12.2%



Reference:

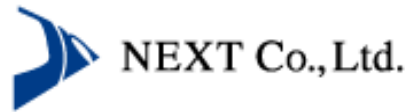
Investment and Value Creation Business and M&A

✓ Previous investments

Major investment
(already exited)



SynergyMarketing



There are other investments such as DIGITAL FOREST etc. in addition to the above

Revenue and Operating Income by Segment (Q)

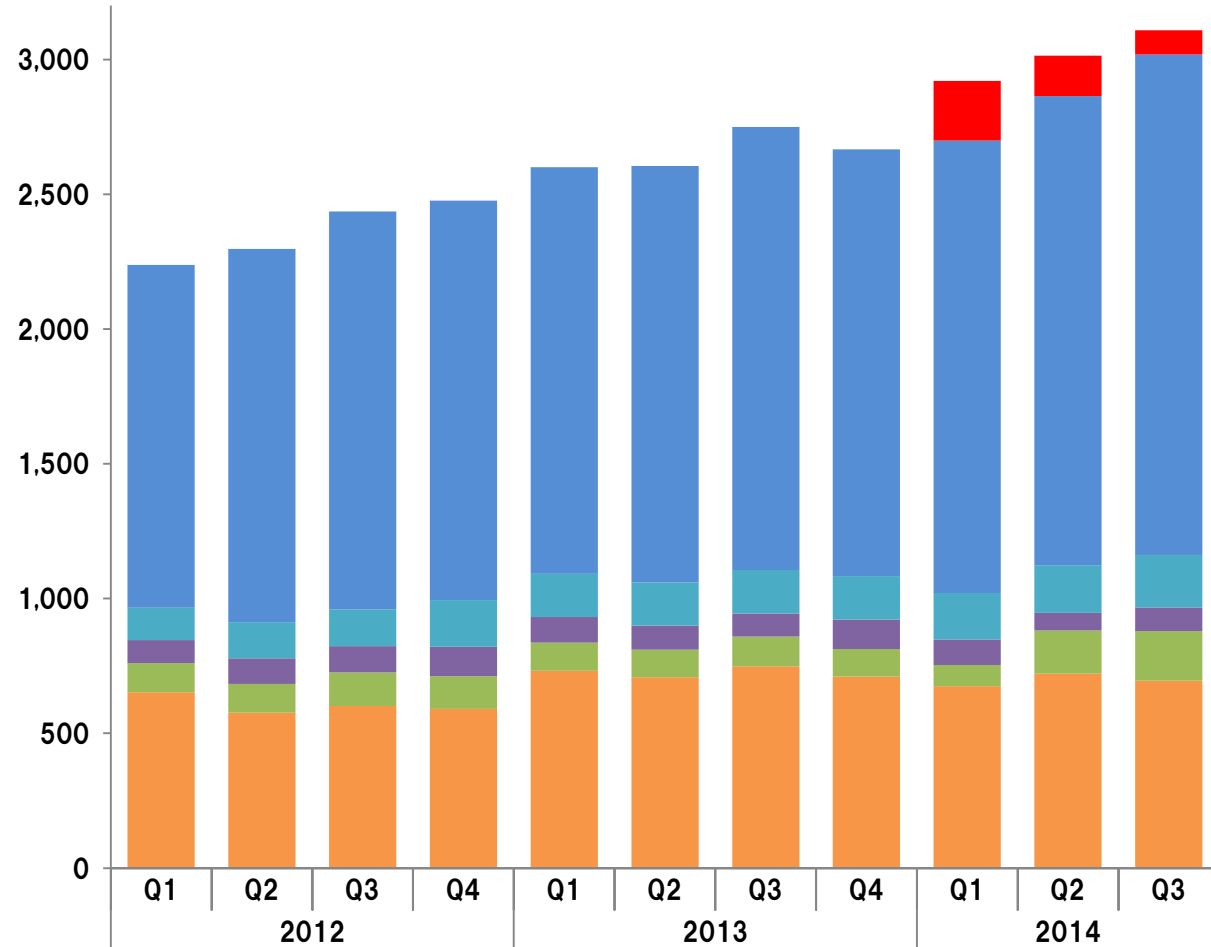


Changes to business alliance
with Dentsu from 2013 Q2

		2013				2014			14Q2 Comparison	13Q3 Comparison
		Q1	Q2	Q3	Q4	Q1	Q2	Q3		
Advertising & Solution Business	Revenue	20,134	13,132	12,756	12,390	13,608	13,822	14,672	+6.1%	+15.0%
	Operating income	436	191	6	70	(117)	(86)	137	Surplus	Significant growth
Database Business	Revenue	738	694	789	909	575	500	504	+0.7%	(36.1%)
	Operating income	104	42	68	237	40	5	(17)	-	-
S&C Business (Social & Consumer)	Revenue	575	575	641	572	588	585	612	+4.6%	(4.5%)
	Operating income	(19)	56	19	(26)	29	43	34	(20.3%)	+82.0%
Overseas Business	Revenue	948	1,149	1,079	311	349	416	503	+20.7%	(53.4%)
	Operating income	(52)	(46)	(54)	(12)	(46)	(70)	(2)	Reducing deficit	Reducing deficit
Investment and Value Creation Business	Revenue		444	154	0	4,654	0	0	-	-
	Operating income		224	60	(11)	4,482	(15)	(31)	-	-
Total	Revenue	22,329	15,915	15,303	14,075	19,602	15,158	16,145	+6.5%	+5.5%
	Operating income	471	469	100	258	4,388	(123)	120	Surplus	+19.8%
			245	40	270	(94)	(108)	151	-	by 3.8 times

(without Investment and Value Creation Business)

Consolidated SGA Costs

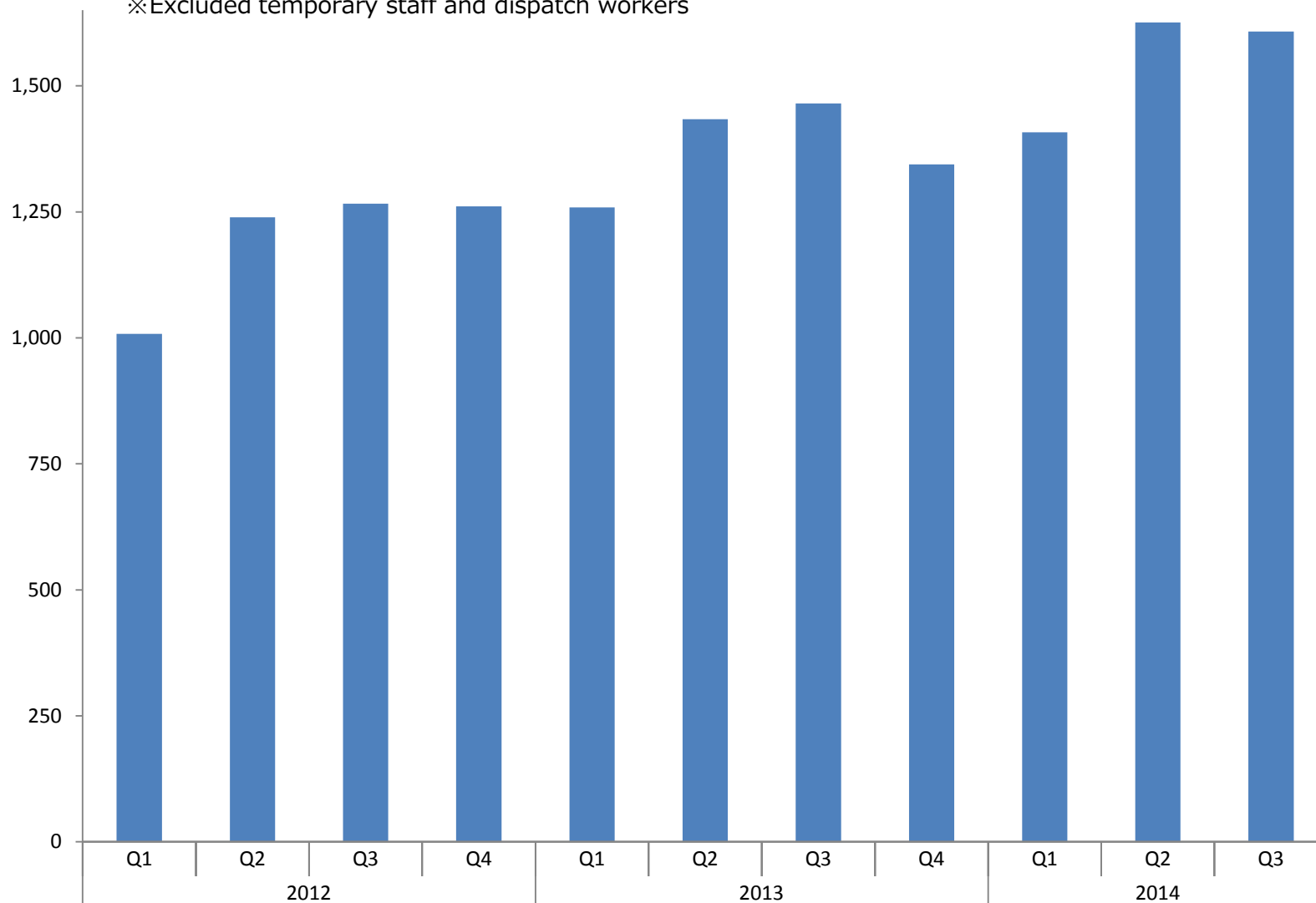


	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2012				2013				2014		
Total SGA	2,241	2,301	2,439	2,479	2,604	2,609	2,753	2,669	2,924	3,017	3,111
Earning Incentives (non-consolidated basis)									221	150	90
Personal expenses	1,273	1,385	1,477	1,483	1,509	1,546	1,644	1,585	1,679	1,741	1,857
Rents	120	134	137	174	161	161	161	161	173	177	195
Advertising expenses	85	96	97	109	94	88	86	109	95	65	88
Depreciation and amortization	109	107	124	121	105	103	110	102	78	161	184
Others	652	576	602	591	732	708	749	711	675	721	695

Consolidated Number of Employees



※Excluded temporary staff and dispatch workers



	2012	2013	2014
Consolidated number of employees	1,008	1,465	1,626

The background features several light blue, abstract, teardrop-shaped elements scattered across the white space. These shapes vary in size and orientation, creating a modern, minimalist aesthetic. The largest shape is a horizontal oval on the right side, while others are more vertical or diagonal.

Progress on Earnings Forecasts

Progress on Earnings Forecasts



	FY2014	2014Q3(accumulate)	
	Forecasts	Results	Progress
Revenue	67,000	50,906	76.0%
Operating Income	5,100	4,385	86.0%
Ordinary Income	4,950	4,201	84.9%
Net Income	2,700	1,837	68.0%

The background features several light blue, abstract, teardrop-shaped elements scattered across the white space. These shapes vary in size and orientation, creating a modern, minimalist aesthetic.

Vision to become a holding company



<Feasibility study for a holding company structure> (planning to become on Apr. 1st, 2015)

- ✓Speeding up decision-making by delegation of authority
- ✓Creating Value and Synergy of each subsidiaries
- ✓Creating drastic growth opportunity
- ✓Optimising distribution of management resources
- ✓Detecting early and making an action quickly as OPT group

**Enhancing corporate value
of entire OPT Group**

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.

Appendix

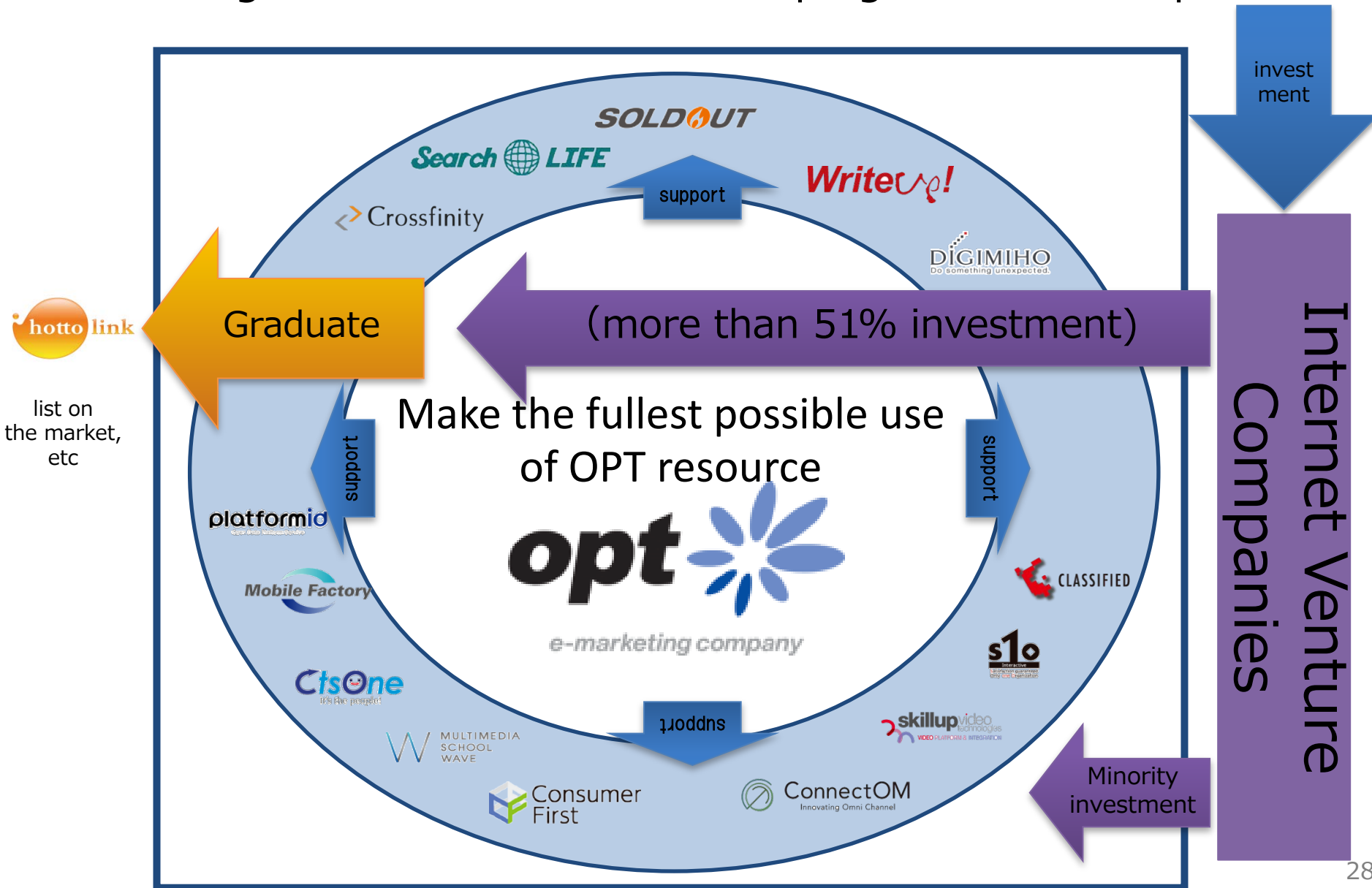
Reference: Sales Ratio (non-consolidated)



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

Business Creation Platform

Structuring the new model of developing Venture Companies



Changes in Scope of Consolidation (2014 Q3)



Advertising & Solution Business



Database Business



Investment and Value Creation Business



S&C Business



Overseas Business



Major Group Companies (2014 Q3)



Name	Business	Ownership	Consolidation Status
CLASSIFIED 	Planning and sales classifieds	66.01%	Consolidated subsidiary
Crossfinity 	SEO and media consulting business	90.00%	Consolidated subsidiary
SOLDOUT  <small>ベンチャー専門のネット販促ポータル</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	90.00%	Consolidated subsidiary
ConnectOM 	Omni-channel solution business	100.00%	Consolidated subsidiary
Search LIFE 	Internet advertising operation business	(80.00%)	Consolidated subsidiary
Writeup.co.,Ltd 	Internet related business	40.00%	Consolidated subsidiary
DIGIMIHO Co. Ltd 	Web Marketing Consulting and Communication Media Business	40.00%	Consolidated subsidiary
Grooover, Inc 	Native Ad and Media Business(incl. Consulting) of Smart device	100.00%	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 	Consulting, investment and alliance business in US	100.00%	Consolidated subsidiary
glocom 	Internet advertising operation business	51.00%	Consolidated subsidiary

※Parentheses represent the percentage of indirect ownership



e-marketing company

OPT, Inc.
TSE 1st Section 2389
[http://www.opt.ne.jp /](http://www.opt.ne.jp/)

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