

## Flash Report for the 3rd Quarter of the Fiscal Year Ending December 31, 2015 [Japan GAAP] (on a consolidated basis)

October 30, 2015

Stock Exchange Listing: Tokyo

Company Name: OPT Holding, Inc.

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

Representative: Noboru Hachimine, Founder, President and CEO

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Scheduled date of commencement of dividend payment: —

Supplemental materials prepared for quarterly financial results: Yes

Holding of quarterly financial results explanatory meeting: No

(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 2014 (January 1, 2015 – September 30, 2015)

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

	Revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY2015	48,423	(4.9)	1,037	(76.3)	699	(83.3)	240	(86.9)
3Q FY2014	50,906	(4.9)	4,385	321.0	4,201	348.1	1,837	592.1

Note: Comprehensive income (loss): 3Q FY2015: 45 million yen (—%) 3Q FY2014: (2,743) million yen (—%)

	Basic net income per share		Diluted net income per share	
	Yen		Yen	
3Q FY2015	9.31		—	
3Q FY2014	67.50		67.02	

(Notes)

• Gains (losses) on the sale of operational investment securities relating to the Investment and Value Creation Business are included in the consolidated results for the fiscal year ended December 31, 2014.

• There were no issued and outstanding shares with dilutive effect as of the end of the third quarter of the fiscal year under review. Accordingly, diluted net income per share data is not presented.

### (2) Consolidated Financial Position

	Total assets		Net assets		Net assets ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
September 30, 2015	38,859		17,871		42.2		635.28	
December 31, 2014	39,436		17,703		42.9		655.43	

(Reference) Capital: September 30, 2015: 16,415 million yen

December 31, 2014: 16,936 million yen

### 2. Dividends

	Dividend per share				
	End of 1st quarter (Mar. 31)	End of 2nd quarter (Jun. 30)	End of 3rd quarter (Sep. 30)	Fiscal year-end (Dec. 31)	Annual
	Yen				
FY2014	—	0.00	—	13.00	13.00
FY2015	—	0.00	—	—	—
FY2015 (forecasts)	—	—	—	—	—

(Notes)

• Revisions to the most recently announced dividend forecast: None

• Forecast for the FY2015-end dividend is yet to be determined.

### 3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2015 (January 1, 2015 - December 31, 2015)

(% represents year-on-year change)

	Revenue		Operating income		Ordinary income		Net income		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full fiscal year	70,000	4.5	1,500	(66.5)	900	(77.9)	300	(72.6)	11.61	

(Note) Revisions to the most recently announced consolidated earnings forecast: No

**Notes:**

(1) Changes in major subsidiaries during the period  
(changes in specified subsidiaries resulting from changes in the scope of consolidation): None  
Inclusion: None Exclusion: None

(2) Application of special accounting practices in the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements  
(a) Changes in accounting policies arising from the revision of accounting standards, etc.: None  
(b) Changes in accounting policies other than those noted in above (a): None  
(c) Changes in accounting estimates: None  
(d) Retrospective restatements: None

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding as of the end of the period (including treasury stock)	September 30, 2015	29,980,000 shares	December 31, 2014	29,980,000 shares
(b) Number of shares of treasury stock as of the end of the period	September 30, 2015	4,140,000 shares	December 31, 2014	4,140,000 shares
(c) Average number of shares during the period	3Q FY2015	25,840,000 shares	3Q FY2014	27,215,419 shares

\* Regarding the status of audit procedure implementation

This flash report is outside the scope of audit procedures as prescribed under the Financial Instruments and Exchange Act of Japan. Audit procedures for financial statements as prescribed under the Act have not been completed at the time of disclosure.

\* 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)

	As of December 31, 2014	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	10,398,180	10,876,900
Notes and accounts receivable—trade	9,750,338	10,040,965
Short-term investment securities	3,996,780	—
Operational investment securities	1,585,459	4,540,962
Inventories	61,528	109,605
Deferred tax assets	154,984	171,100
Other	1,108,738	2,103,574
Allowance for doubtful accounts	(216,157)	(215,363)
Total current assets	<u>26,839,853</u>	<u>27,627,745</u>
Noncurrent assets		
Property, plant and equipment	792,655	657,293
Intangible assets		
Goodwill	2,326,018	2,022,363
Other	1,272,709	1,295,315
Total intangible assets	<u>3,598,727</u>	<u>3,317,678</u>
Investments and other assets		
Investment securities	7,043,462	6,178,204
Other	1,837,463	1,747,196
Allowance for doubtful accounts	(675,711)	(668,478)
Total investments and other assets	<u>8,205,214</u>	<u>7,256,922</u>
Total noncurrent assets	<u>12,596,597</u>	<u>11,231,895</u>
Total assets	<u>39,436,451</u>	<u>38,859,641</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	8,408,015	8,501,692
Short-term loans payable	220,000	1,405,000
Current portion of long-term loans payable	907,553	894,942
Income taxes payable	1,687,236	250,452
Deferred tax liabilities	—	47,881
Provision for bonuses	434,055	195,074
Other	2,536,486	2,590,171
Total current liabilities	<u>14,193,346</u>	<u>13,885,216</u>
Noncurrent liabilities		
Long-term loans payable	7,006,347	6,588,471
Net defined benefit liability	159,313	152,323
Deferred tax liabilities	35,807	75,578
Asset retirement obligations	128,781	123,194
Other	208,974	163,111
Total noncurrent liabilities	<u>7,539,225</u>	<u>7,102,677</u>
Total liabilities	<u>21,732,571</u>	<u>20,987,894</u>

(Thousands of yen)

	As of December 31, 2014	As of September 30, 2015
Net assets		
Shareholders' equity		
Capital stock	7,645,948	7,645,948
Capital surplus	7,740,278	7,740,278
Retained earnings	3,490,800	3,252,768
Treasury stock	(3,148,046)	(3,148,046)
Total shareholders' equity	15,728,980	15,490,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	487,380	310,740
Foreign currency translation adjustment	719,931	613,931
Total accumulated other comprehensive income	1,207,311	924,671
Subscription rights to shares	6,836	6,836
Minority interests	760,750	1,449,289
Total net assets	17,703,879	17,871,746
Total liabilities and net assets	39,436,451	38,859,641

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

(Thousands of yen)

	3Q FY2014	3Q FY2015
	(From January 1, 2014	(From January 1, 2015
	to September 30, 2014)	to September 30, 2015)
Revenue	50,906,688	48,423,380
Cost of sales	37,467,921	38,595,635
Gross profit	13,438,767	9,827,745
Selling, general and administrative expenses	9,053,525	8,790,003
Operating income	4,385,241	1,037,741
Non-operating income		
Interest income	20,802	12,139
Dividends income	3,341	4,547
Other	40,820	55,072
Total non-operating income	64,964	71,760
Non-operating expenses		
Interest expenses	14,788	20,622
Loss on investments in partnership	53,102	154,455
Equity in losses of affiliates	142,480	190,725
Other	38,409	43,770
Total non-operating expenses	248,781	409,573
Ordinary income	4,201,423	699,928
Extraordinary income		
Gain on change in equity	55,292	—
Gain on sales of investment securities	57,590	587,533
Gain on reversal of subscription rights to shares	21,011	—
Other	—	89,408
Total extraordinary income	133,893	676,941
Extraordinary loss		
Loss on retirement of noncurrent assets	70,635	17,133
Impairment loss	95,789	184,411
Loss on valuation of investment securities	126,579	242,900
Provision of allowance for doubtful accounts	275,173	—
Other	33,432	14,854
Total extraordinary loss	601,611	459,299
Income before income taxes	3,733,705	917,570
Income taxes	1,784,648	584,811
Income before minority interests	1,949,057	332,759
Minority interests in income	112,013	92,235
Net income	1,837,043	240,523

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

(Thousands of yen)

	3Q FY2014 (From January 1, 2014 to September 30, 2014)	3Q FY2015 (From January 1, 2015 to September 30, 2015)
Income before minority interests	1,949,057	332,759
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,802,534)	(178,030)
Foreign currency translation adjustment	79,935	(82,364)
Share of other comprehensive income of associates accounted for using equity method	29,883	(26,430)
Total other comprehensive income (loss)	(4,692,715)	(286,825)
Comprehensive income (loss)	(2,743,658)	45,933
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(2,857,519)	(44,738)
Comprehensive income attributable to minority interests	113,861	90,671

### (3) Segment Information

3Q FY2015 (From January 1, 2015 to September 30, 2015)

#### 1. Information on Revenue, Income (Loss), Assets and Other Amounts by Reporting Segment

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustments (Note 2)	Amounts Recorded in Consolidated Financial Statements (Note 3)
	Marketing Business	Investment and Value Creation Business	Overseas Business	Total				
Revenue								
Sales, external	47,149,104	393,963	849,693	48,392,761	30,618	48,423,380	—	48,423,380
Intersegment sales or transfers	—	—	191,808	191,808	164,403	356,212	(356,212)	—
Total	47,149,104	393,963	1,041,501	48,584,570	195,022	48,799,592	(356,212)	48,423,380
Segment income (loss)	1,470,718	213,528	(75,647)	1,608,599	(60,503)	1,548,096	(510,354)	1,037,741

Notes:

1. Other is comprised of business segments that are not included in reportable segments and includes the Social & Consumer Business.
2. The 510,354 thousand yen adjustment to segment income (loss) is attributable to intersegment eliminations and Companywide expenses that are not allocated to each reportable segment.
3. Segment income (loss) refers to operating income (loss) as reported in the consolidated statements of income after adjustment.

#### 2. Information concerning Loss on Impairment of Noncurrent Assets and Goodwill by Reporting Segment

(Significant loss on impairment of noncurrent assets)

An impairment loss on software has been recorded in the Marketing Business. The amount of impairment loss recorded for the cumulative third quarter period of the fiscal year ending December 31, 2015 was 184,411 thousand yen.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

#### 3. Matters concerning Changes in Reportable Segments

Effective April 1, 2015, the OPT Group transitioned to a holding company structure. As a result, steps were taken to reorganize the structure of business operations. Reportable segments, which were previously classified into the Internet Advertising & Solution, Database, Social & Consumer, Overseas, and Investment and Value Creation businesses have been classified into the Marketing, Investment and Value Creation, and Overseas business from the second quarter of the fiscal year ending December 31, 2015.

Reportable segment information for the third quarter of the fiscal year ended December 31, 2014 has been adjusted to match this newly adopted reportable segment classification.

(Significant subsequent events)

Not applicable.