

# Flash Report for the 1st Quarter of the Fiscal Year Ending December 31, 2016 [Japan GAAP] (on a consolidated basis)

April 28, 2016

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 1st Quarter of Fiscal 2016 (January 1, 2016 – March 31, 2016)

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

	Revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q FY2016	18,551	13.1	889	144.3	817	183.4	180	50.2
1Q FY2015	16,397	(16.3)	363	(91.7)	288	(93.3)	120	(95.2)

Note: Comprehensive income (loss): 1Q FY2016: (22) million yen (—%) 1Q FY2015: 203 million yen (—%)

	Basic net income per share		Diluted net income per share	
	Yen		Yen	
1Q FY2016	6.99		—	
1Q FY2015	4.65		—	

(Note)

• There were no issued and outstanding shares with a dilutive effect as of the end of the first quarter of FY2015 and FY2016. 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
March 31, 2016	41,467	18,237	38.6	619.01
December 31, 2015	37,421	17,609	43.2	625.82

(Reference) Capital: March 31, 2016: 15,995 million yen

December 31, 2015: 16,171 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
FY2015	Yen —	Yen 0.00	Yen —	Yen 13.00	Yen 13.00
FY2016	—	—	—	—	—
FY2016 (forecasts)	—	0.00	—	—	—

(Notes)

• Revisions to the most recently announced dividend forecast: None  
• Forecast for the FY2016-end dividend is yet to be determined.

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2016 (January 1, 2016 - December 31, 2016)

(% 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
Interim	—	—	—	—	—	—	—	—	—
Full fiscal year	66,000	3.0	1,350	(16.7)	1,000	(16.1)	270	1.0	10.45

(Note) Revisions to the most recently announced consolidated earnings forecast: None

**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: None

(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.: Yes  
(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)	March 31, 2016	29,980,000 shares	December 31, 2015	29,980,000 shares
(b) Number of shares of treasury stock as of the end of the period	March 31, 2016	4,140,000 shares	December 31, 2015	4,140,000 shares
(c) Average number of shares during the period	1Q FY2016	25,840,000 shares	1Q FY2015	25,840,000 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, 2015	As of March 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	10,670,933	13,628,871
Notes and accounts receivable—trade	9,910,191	12,270,075
Operational investment securities	4,242,530	4,328,814
Inventories	50,709	87,398
Deferred tax assets	283,768	293,164
Other	2,080,958	1,187,098
Allowance for doubtful accounts	(228,683)	(230,569)
Total current assets	<u>27,010,408</u>	<u>31,564,852</u>
Noncurrent assets		
Property, plant and equipment	687,447	663,046
Intangible assets		
Goodwill	1,837,378	1,565,035
Other	1,302,432	1,554,470
Total intangible assets	<u>3,139,810</u>	<u>3,119,506</u>
Investments and other assets		
Investment securities	5,501,910	5,037,683
Other	1,750,017	1,748,411
Allowance for doubtful accounts	(668,182)	(666,215)
Total investments and other assets	<u>6,583,746</u>	<u>6,119,879</u>
Total noncurrent assets	<u>10,411,004</u>	<u>9,902,431</u>
Total assets	<u>37,421,413</u>	<u>41,467,284</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	8,051,088	10,801,289
Short-term loans payable	410,000	402,500
Current portion of long-term loans payable	836,395	1,108,268
Income taxes payable	314,254	507,022
Provision for bonuses	309,137	197,760
Other	3,105,877	2,401,400
Total current liabilities	<u>13,026,752</u>	<u>15,418,241</u>
Noncurrent liabilities		
Long-term loans payable	6,336,409	7,340,016
Net defined benefit liability	155,273	153,722
Deferred tax liabilities	20,947	61,481
Asset retirement obligations	123,527	123,865
Other	149,041	132,135
Total noncurrent liabilities	<u>6,785,198</u>	<u>7,811,220</u>
Total liabilities	<u>19,811,951</u>	<u>23,229,461</u>

(Thousands of yen)

	As of December 31, 2015	As of March 31, 2016
Net assets		
Shareholders' equity		
Capital stock	7,645,948	7,645,948
Capital surplus	7,740,278	7,814,418
Retained earnings	3,275,303	3,273,178
Treasury stock	(3,148,046)	(3,148,046)
Total shareholders' equity	15,513,483	15,585,499
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,482	(82)
Foreign currency translation adjustment	640,280	409,834
Total accumulated other comprehensive income	657,762	409,751
Subscription rights to shares	5,824	5,111
Non-controlling interests	1,432,390	2,237,460
Total net assets	17,609,461	18,237,822
Total liabilities and net assets	37,421,413	41,467,284

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

(Thousands of yen)

	1Q FY2015 (From January 1, 2015 to March 31, 2015)	1Q FY2016 (From January 1, 2016 to March 31, 2016)
Revenue	16,397,479	18,551,559
Cost of sales	13,197,103	14,737,558
Gross profit	3,200,375	3,814,000
Selling, general and administrative expenses	2,836,466	2,924,991
Operating income	363,908	889,009
Non-operating income		
Interest income	5,847	3,694
Other	16,981	41,645
Total non-operating income	22,828	45,340
Non-operating expenses		
Interest expenses	7,311	5,409
Loss on investments in partnership	69,409	18,770
Equity in losses of affiliates	1,315	75,835
Other	20,276	16,861
Total non-operating expenses	98,312	116,876
Ordinary income	288,424	817,472
Extraordinary income		
Gain on sales of investment securities	587,533	23,399
Other	3,497	2,791
Total extraordinary income	591,031	26,191
Extraordinary loss		
Loss on retirement of noncurrent assets	17,133	789
Impairment loss	—	13,290
Loss on valuation of investment securities	279,656	247,758
Other	700	1,338
Total extraordinary loss	297,489	263,175
Income before income taxes	581,966	580,487
Income taxes-current	197,125	315,043
Income taxes-deferred	218,908	33,280
Total income taxes	416,033	348,324
Quarterly net income	165,932	232,163
Net income attributable to non-controlling interests	45,750	51,624
Net income attributable to owners of the parent	120,182	180,539

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

(Thousands of yen)

	1Q FY2015 (From January 1, 2015 to March 31, 2015)	1Q FY2016 (From January 1, 2016 to March 31, 2016)
Quarterly net income	165,932	232,163
Other comprehensive income		
Valuation difference on available-for-sale securities	170,731	(21,319)
Foreign currency translation adjustment	(103,438)	(222,404)
Share of other comprehensive income of associates accounted for using equity method	(29,519)	(10,904)
Total other comprehensive income (loss)	37,772	(254,628)
Comprehensive income (loss)	203,705	(22,465)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	164,819	(67,471)
Comprehensive income attributable to non-controlling interests	38,886	45,006

## Segment Information

1Q FY2016 (From January 1, 2016 to March 31, 2016)

### 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	18,188,943	—	349,605	18,538,548	13,010	18,551,559	—	18,551,559
Intersegment sales or transfers	30	—	14,140	14,170	111,799	125,969	(125,969)	—
Total	18,188,973	—	363,746	18,552,719	124,809	18,677,528	(125,969)	18,551,559
Segment income (loss)	1,052,138	(46,165)	(16,697)	989,275	21,659	1,010,934	(121,925)	889,009

Notes:

1. Other is comprised of business segments that are not included in reportable segments and includes the Social & Consumer Business.
2. The (121,925) thousand yen adjustment to segment income (loss) is attributable to intersegment eliminations.
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)

Not applicable.

(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.

(Significant subsequent events)

Not applicable.