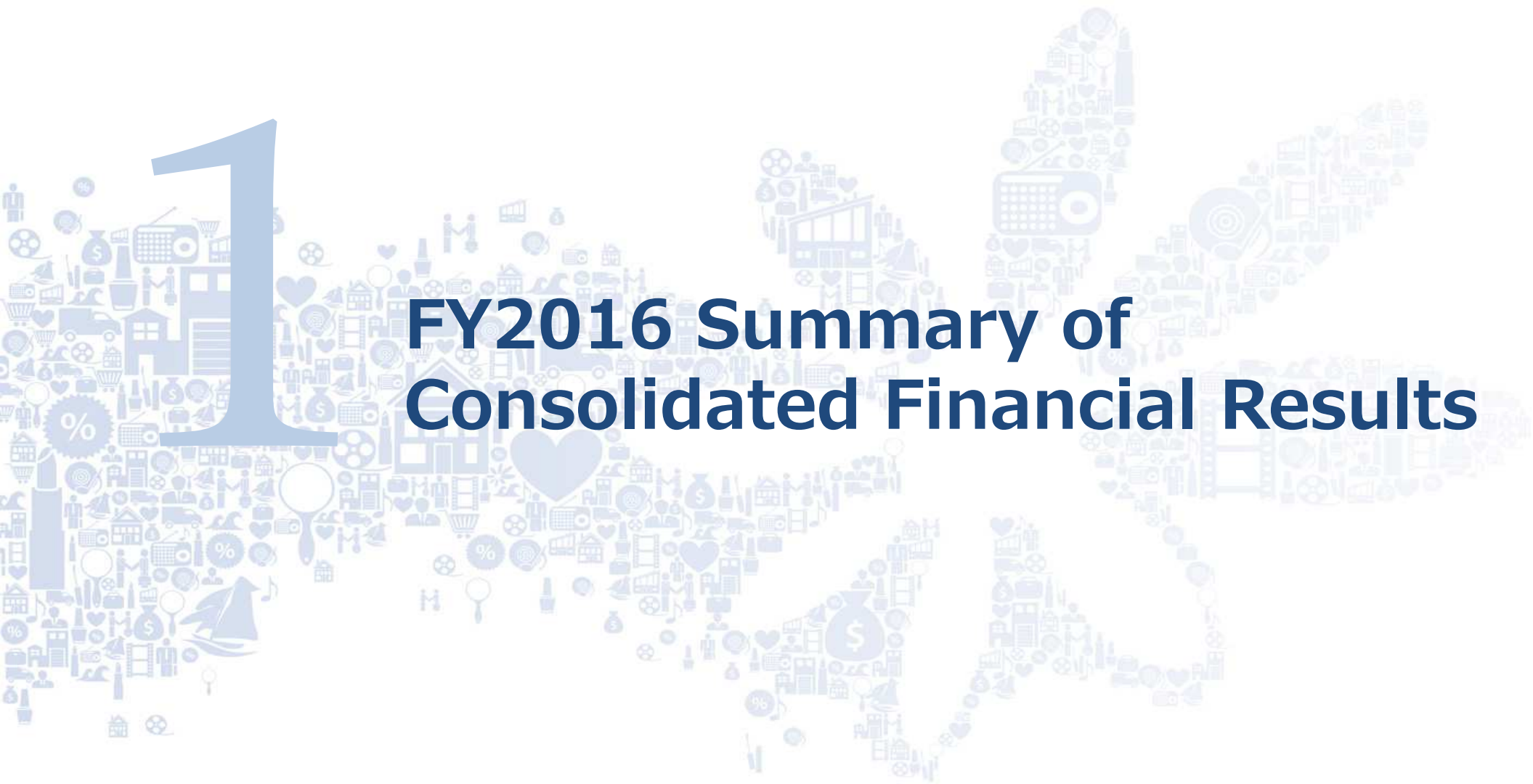




February, 15, 2017  
4th Quarter, Business Results for the  
Fiscal Year Ending December 31, 2016

- 1** FY2016 Summary of Consolidated Financial Results
- 2** FY2016 Results of Earnings Forecast
- 3** FY2016 Q4 Summary of Consolidated Financial Results
- 4** Road map to vision
- 5** Group management policy & strategy
- 6** FY2017 Earnings Forecast/ 3years management plan
- 7** Information
- 8** Reference Materials

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



# **FY2016 Summary of Consolidated Financial Results**

## ✓ Operating income reached a new high

(excluding the Investment and Value Creation Business)

- ✓ Due to a gain on investments in partnership and a gain on sales of investment securities, ordinary income and net income exceeded annual forecasts by a large margin.

The strategy for expanding revenue in the Marketing

- ✓ Business remained firm, resulting in an improvement in profitability.

Revenue increased 10.5% year on year, and operating income rose 46.9% year on year.

[Consolidated]

**Profitability improved significantly, and net income approximately tripled.**

	FY2015	FY2016	YoY
Revenue	64,052	69,815	+9.0%
Gross profit	13,347	14,405	+7.9%
SGA	11,727	12,486	+6.5%
EBITDA	2,689	2,910	+8.2%
Operating income	1,620	1,919	+18.4%
Ordinary income	1,191	2,004	+68.2%
Net income	267	745	Approx. 3times
Gross profit margin	20.8%	20.6%	(0.2p)
Operating income margin	2.5%	2.7%	+0.2p
Net income margin	0.4%	1.1%	+0.7p

## [Revenue and Operating Income (Loss) by Segment]

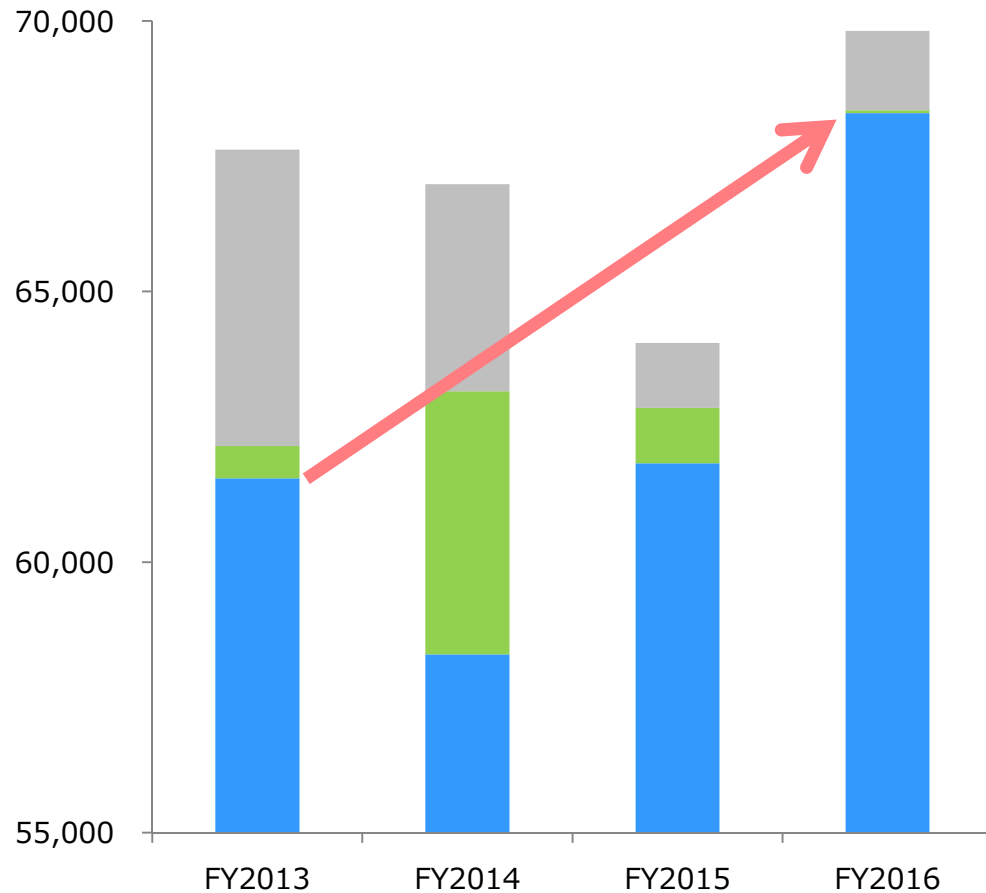
The Marketing Business remained strong and grew significantly for the third consecutive year, and the Investment and Value Creation Business made a significant contribution to non-operating and extraordinary income.

		FY2014	FY2015	FY2016	YoY
Marketing Business	Revenue	58,297	61,828	68,294	+10.5%
	Operating income	890	1,815	2,667	+46.9%
Investment and	Revenue	4,859	1,021	52	-
Value Creation Business	Operating income	4,375	606	(179)	-
Overseas Business	Revenue	1,750	1,424	1,480	+3.9%
	Operating income	(119)	(91)	(96)	-
Total	Revenue	66,984	64,052	69,815	+9.0%
	Operating income	4,471	1,620	1,919	+18.4%

The strategy for increasing revenue in the Marketing Business remained strong, and income increased.

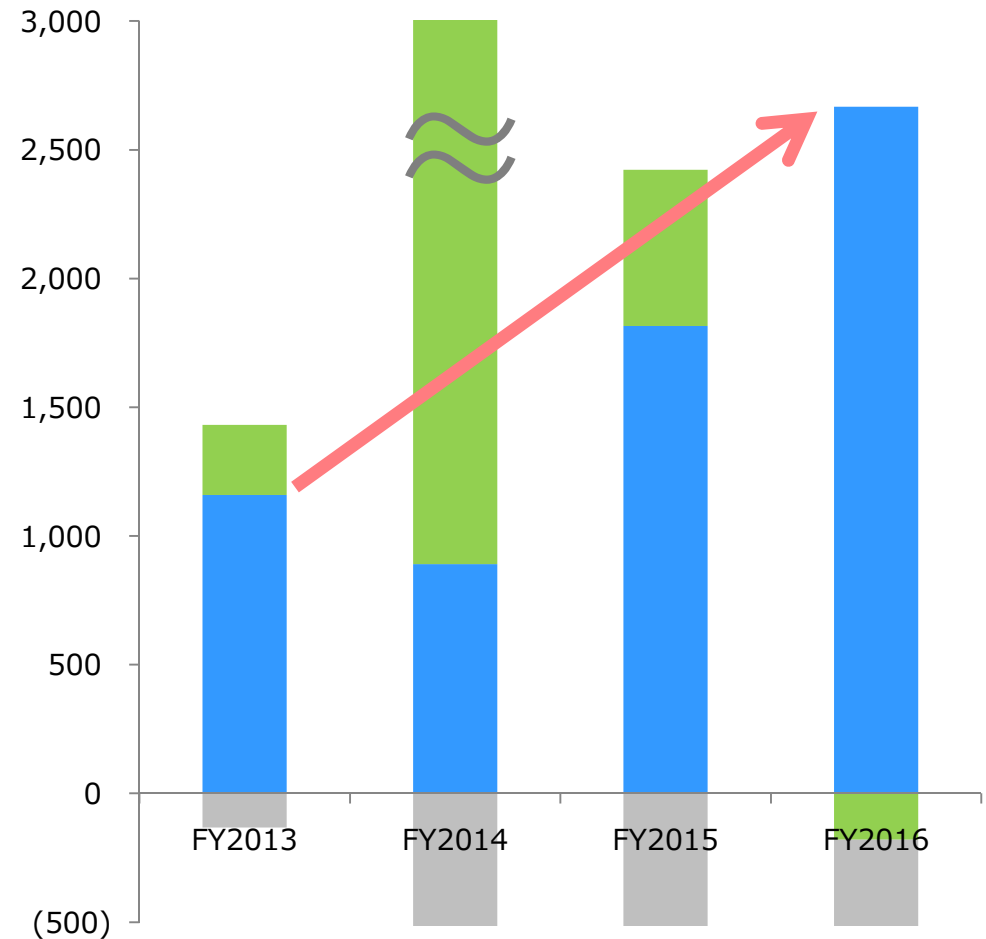
## [Revenue]

- Marketing Business
- Investment and Value Creation Business
- Overseas Business and Other



## [Operating income]

- Marketing Business
- Investment and Value Creation Business
- Overseas Business and Other



**[ Consolidated Balance Sheets ]**

	<b>FY2015</b>	<b>FY2016</b>
<b>Total current assets</b>	<b>27,010</b>	<b>36,950</b>
<b>Total noncurrent assets</b>	<b>10,411</b>	<b>9,374</b>
<b>Total assets</b>	<b>37,421</b>	<b>46,325</b>
<b>Total current liabilities</b>	<b>13,026</b>	<b>16,285</b>
<b>Total noncurrent liabilities</b>	<b>6,785</b>	<b>10,319</b>
<b>Total liabilities</b>	<b>19,811</b>	<b>26,604</b>
<b>Total net assets</b>	<b>17,609</b>	<b>19,720</b>
<b>Total liabilities and net assets</b>	<b>37,421</b>	<b>46,325</b>

Increased due to the formation of a syndicated loan consortium

Due to capital increase of OPT Ventures Fund

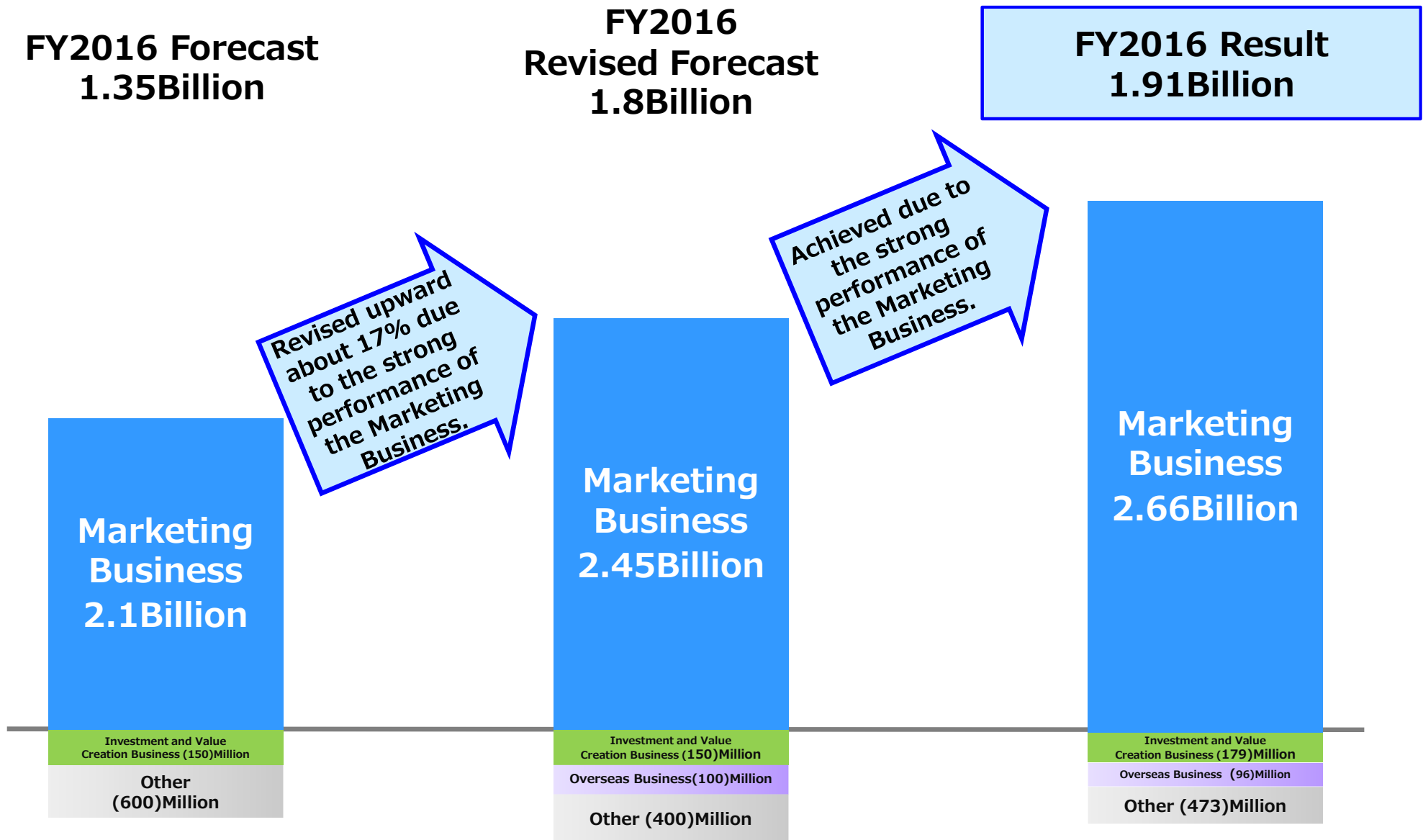




# **FY2016 Results of Earnings Forecast**

**All results exceeded the forecasts after upward revisions.**

	<b>FY2016 Forecasts</b>	<b>FY2016 Revised Forecasts</b>	<b>FY2016 Result</b>	<b>Achievement</b>
<b>Revenue</b>	<b>66,000</b>	<b>67,000</b>	<b>69,815</b>	<b>104.2%</b>
<b>EBITDA</b>	<b>2,250</b>	<b>2,700</b>	<b>2,910</b>	<b>107.8%</b>
<b>Operating income</b>	<b>1,350</b>	<b>1,800</b>	<b>1,919</b>	<b>106.6%</b>
<b>Ordinary income</b>	<b>1,000</b>	<b>1,300</b>	<b>2,004</b>	<b>154.2%</b>
<b>Net income</b>	<b>270</b>	<b>500</b>	<b>745</b>	<b>149.1%</b>





[Consolidated]

The strategy for increasing revenue in the Marketing Business remained strong.  
A loss on the valuation of investment securities settled within the assumed range.

	FY2015Q4	FY2016Q4	YoY
Revenue	15,628	17,444	+11.6%
Gross profit	3,519	3,774	+7.2%
SGA	2,936	3,226	+9.8%
EBITDA	847	804	(5.1%)
Operating income	583	547	(6.2%)
Ordinary income	491	570	+16.0%
Net income	26	(15)	—
Gross profit margin	22.5%	21.6%	(0.9P)
Operating income margin	3.7%	3.1%	(0.6P)
Net income margin	0.2%	—	—

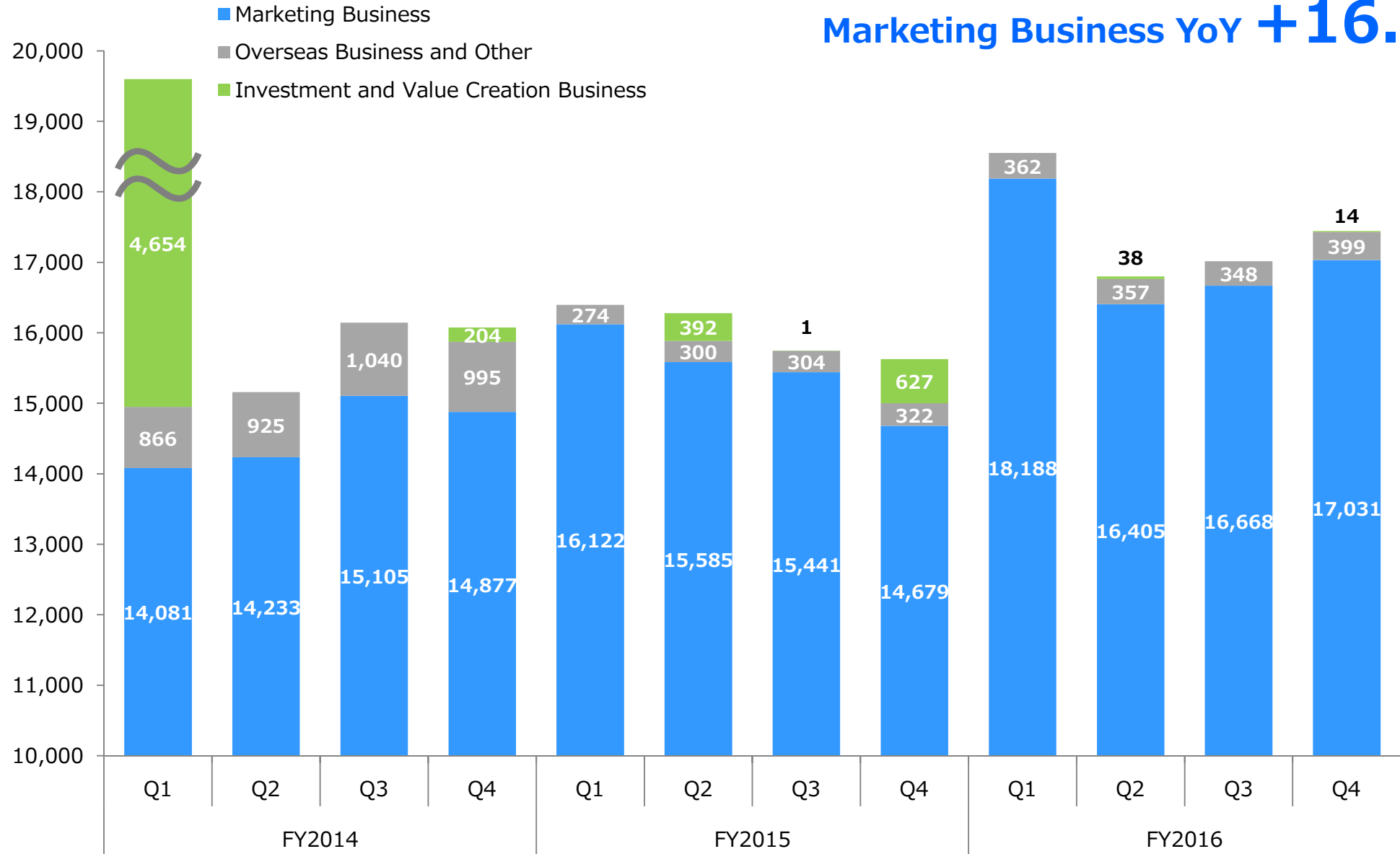
## [Consolidated Quarterly Revenue and Operating Income (Loss) by Segment]

		FY2014				FY2015				FY2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
Marketing Business	Revenue	14,081	14,233	15,105	14,877	16,122	15,585	15,441	14,679	18,188	16,405	16,668	17,031	+16.0%
	Operating income	125	178	298	289	633	340	496	345	1,052	463	437	713	Approx. 2times
Investment and Value Creation Business	Revenue	4,654	0	0	204	0	392	1	627	0	38	0	14	—
	Operating income	4,482	(15)	(31)	(60)	(55)	310	(38)	392	(46)	(34)	(53)	(44)	—
Overseas Business	Revenue	349	416	503	480	309	358	372	383	363	355	354	407	+6.2%
	Operating income	(46)	(70)	(2)	0	(29)	(10)	(34)	(15)	(16)	(62)	(31)	14	—
Other	Revenue	516	508	537	514	(34)	(57)	(68)	(61)	0	2	(5)	(8)	—
	Operating income	(173)	(216)	(144)	(143)	(183)	(186)	(204)	(139)	(100)	(92)	(145)	(136)	—
Total	Revenue	19,602	15,158	16,145	16,077	16,397	16,278	15,747	15,628	18,551	16,802	17,017	17,444	+11.6%
	Operating income	4,388	(123)	120	86	363	454	219	583	889	274	208	547	(6.2%)

## [Revenue]

Consolidated YoY +11.6%

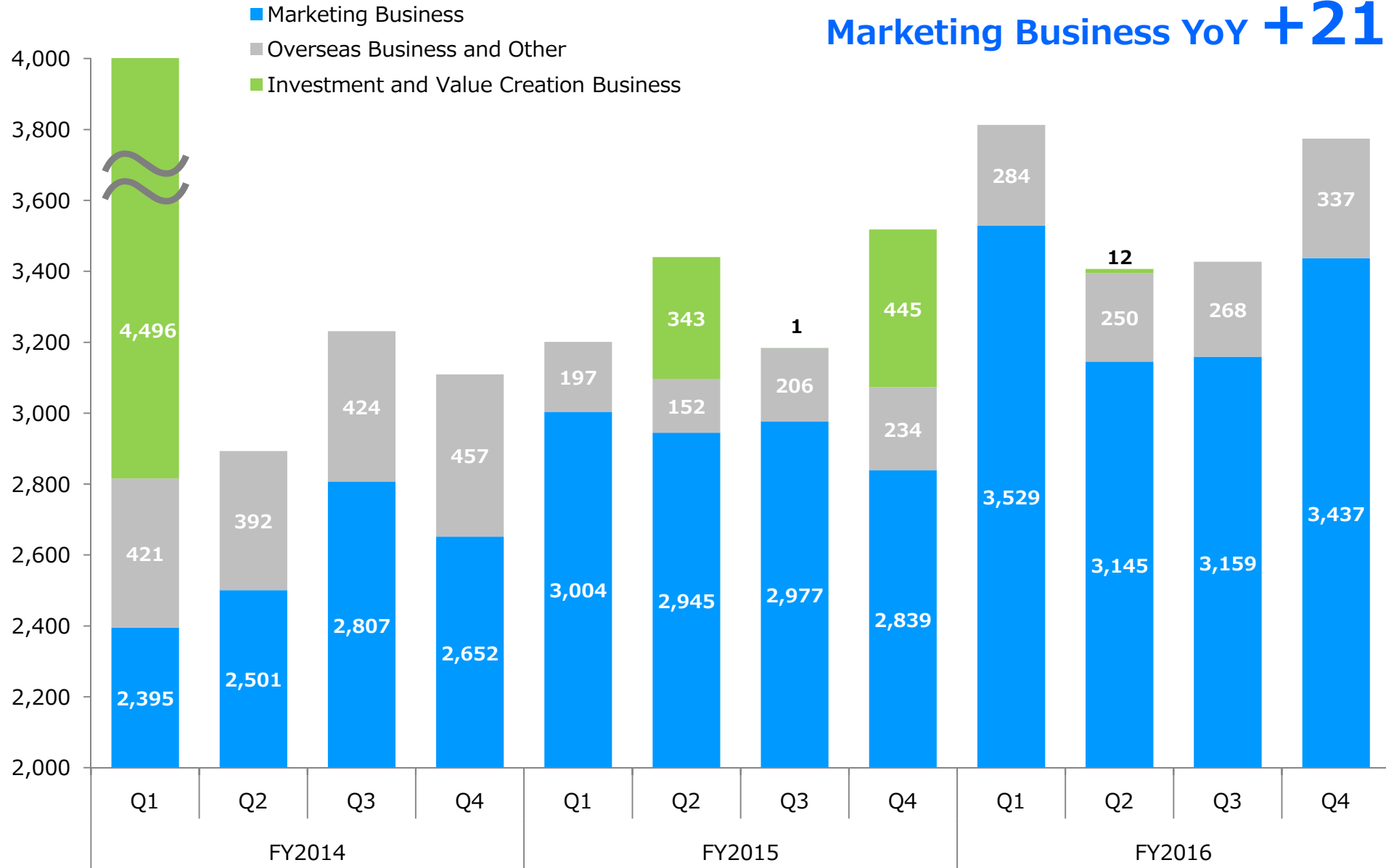
Marketing Business YoY +16.0%



**[Gross profit by segment]**

Consolidated YoY+7.2%

Marketing Business YoY +21.1%

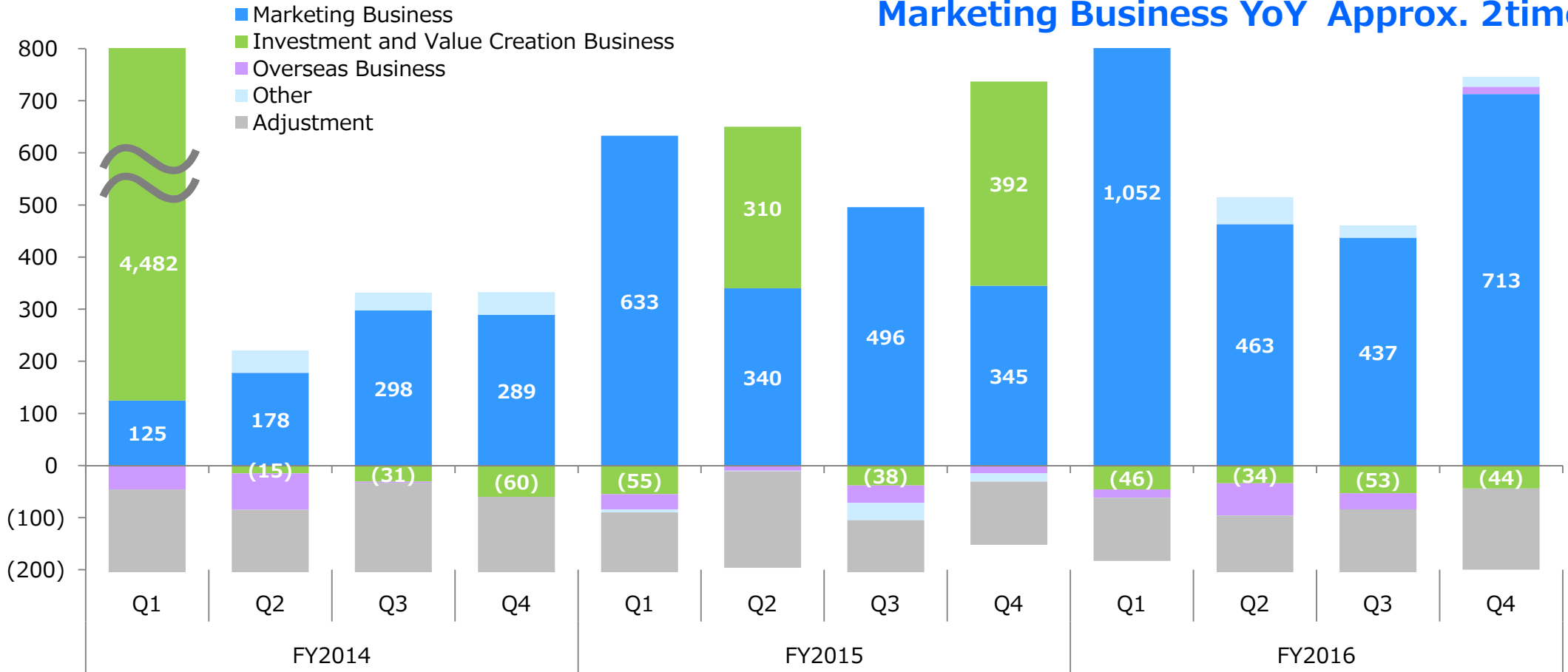




## [Operating income by segment]

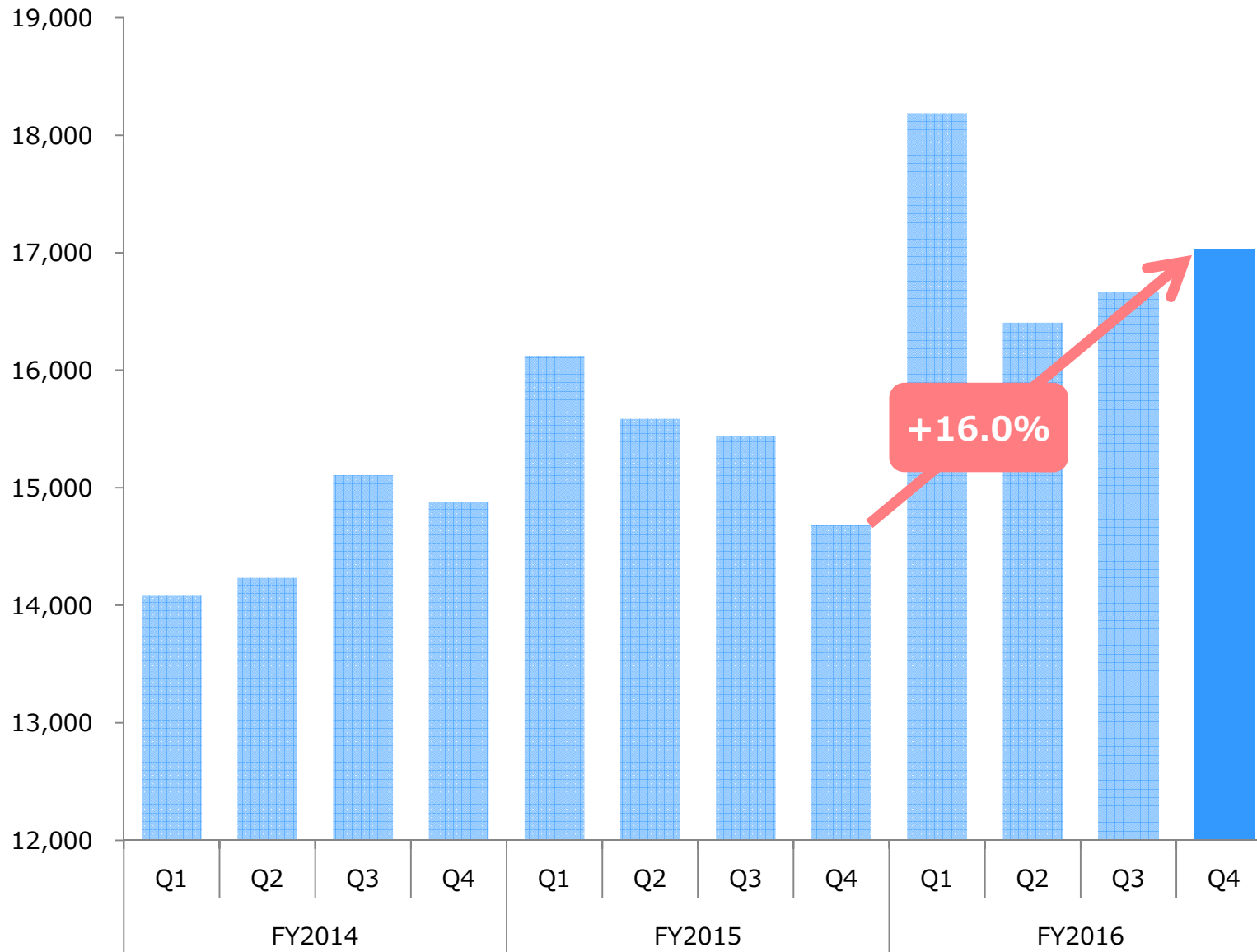
Consolidated YoY(6.0%)

Marketing Business YoY Approx. 2times



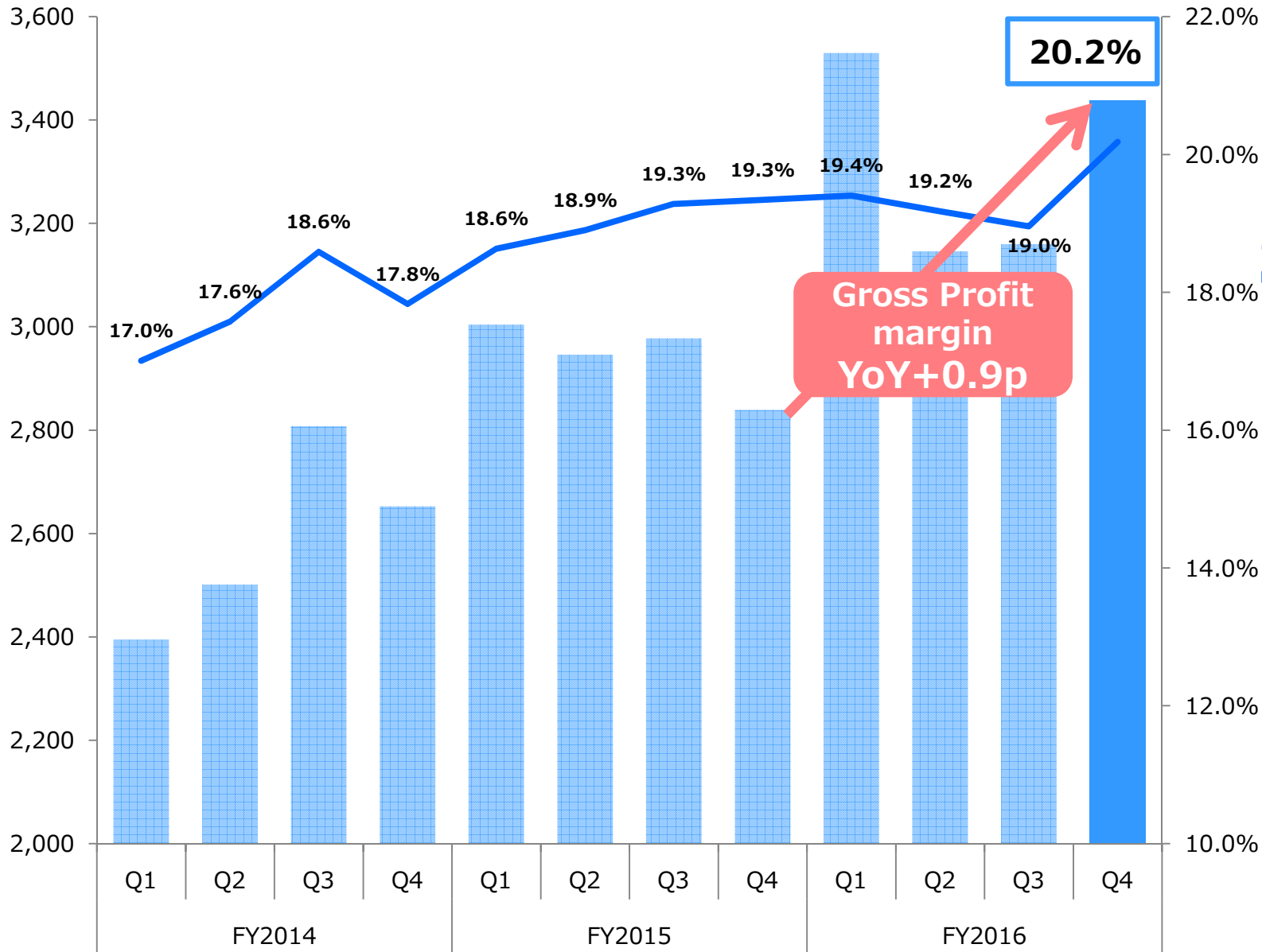
Total operating income	4,388	(123)	120	86	363	454	219	583	889	274	208	547
Total Operating Income Excluding Investment and Value Creation Business	(94)	(108)	151	146	419	143	257	190	935	308	261	592

**[Revenue]**



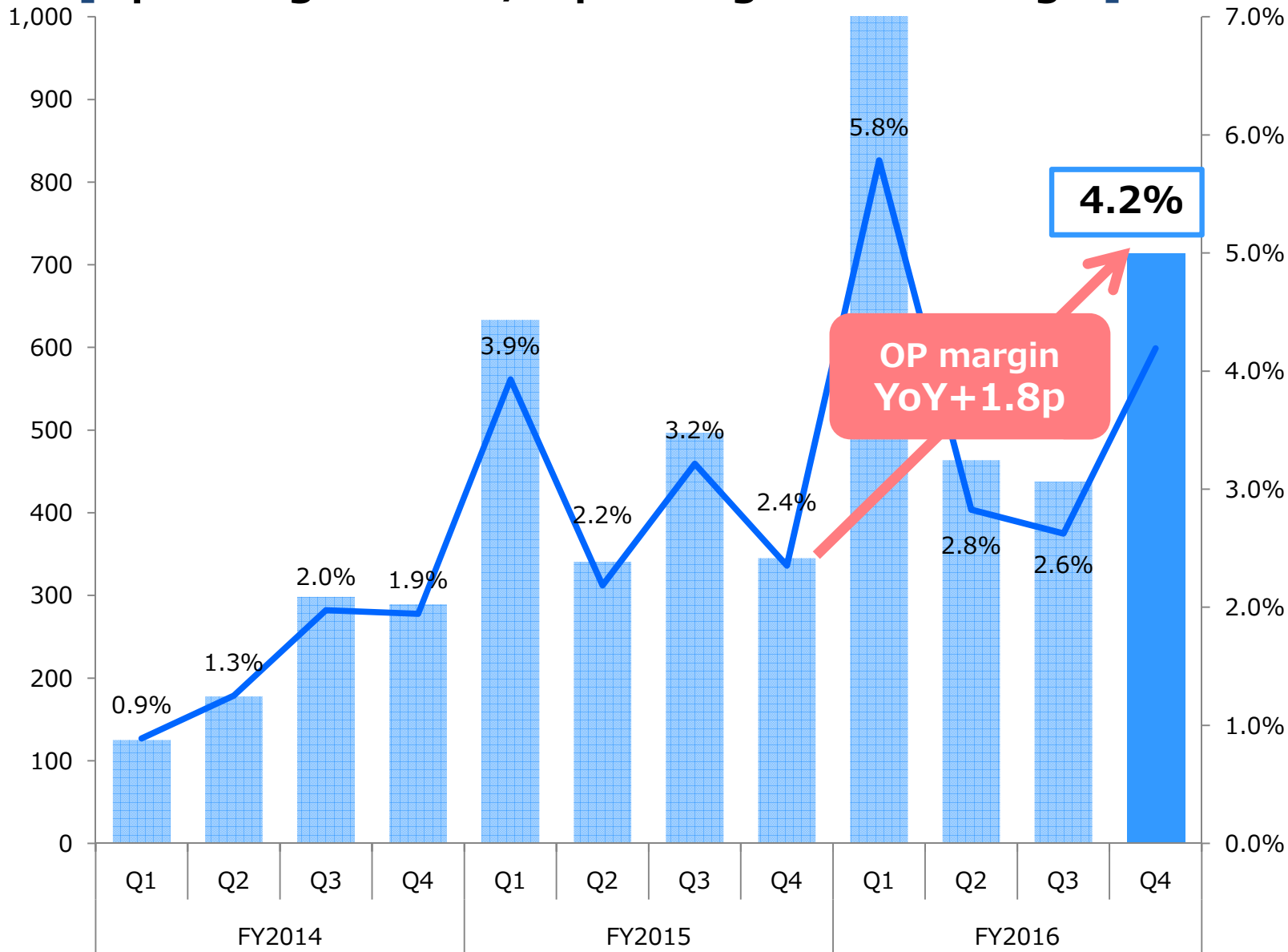
**Enhanced  
revenue  
Share  
YoY +16%**

**[Gross profit/Gross profit margin]**



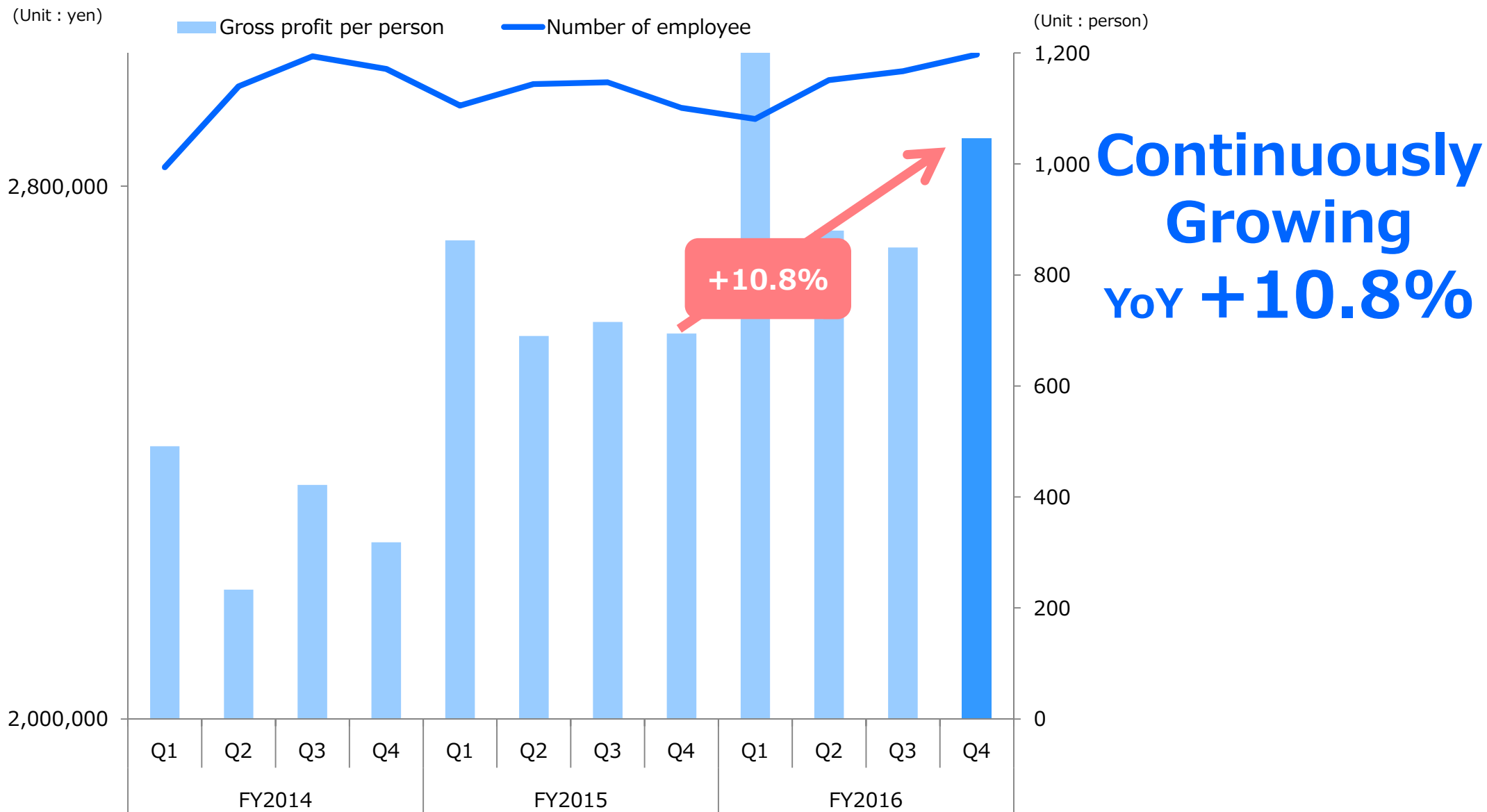
**Gross profit  
Substantial  
increase  
YoY+21%**

**[Operating income / Operating income margin]**

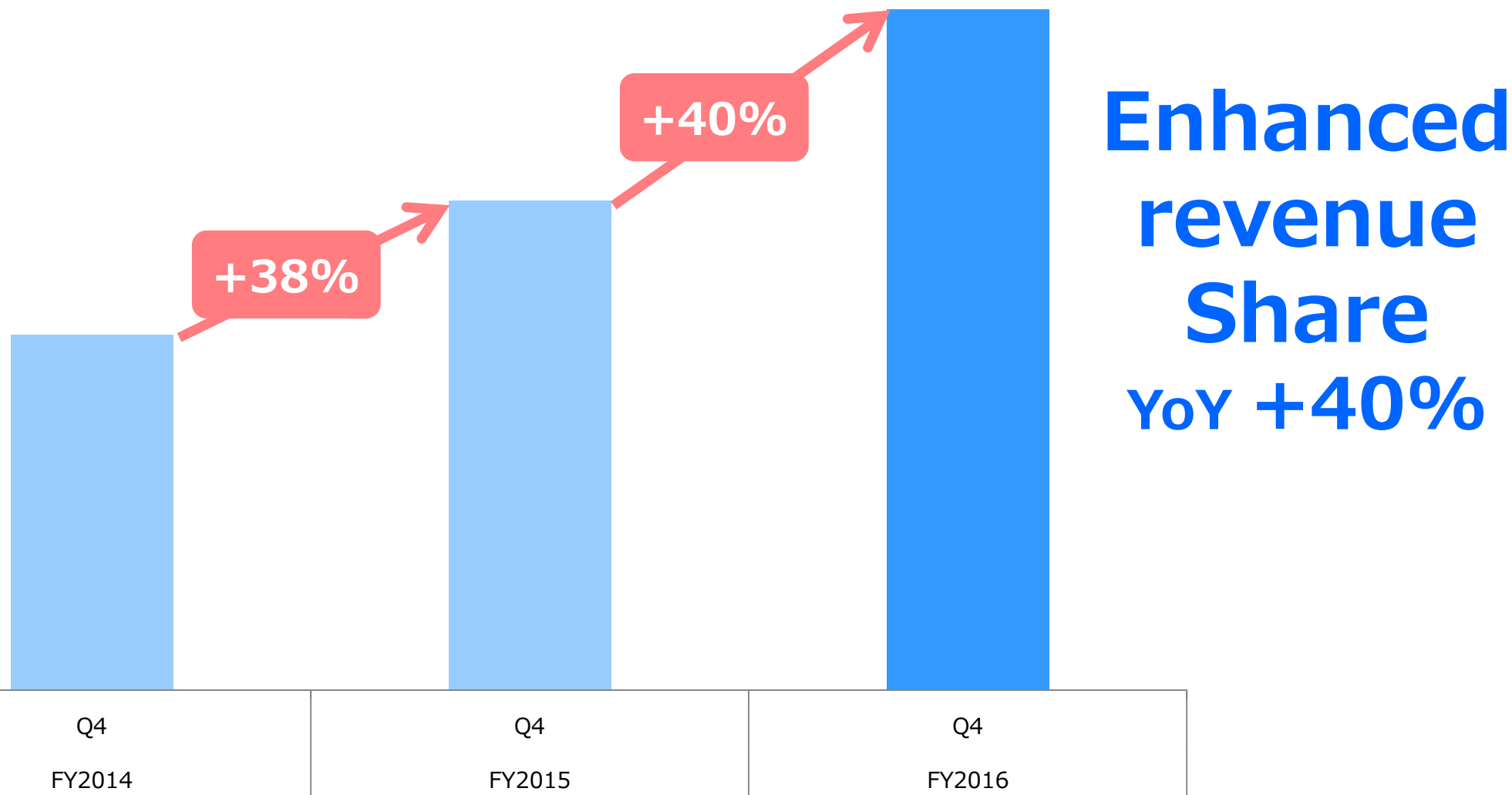


**Operating income**  
**Substantial**  
**increase**  
**YoY 2times**

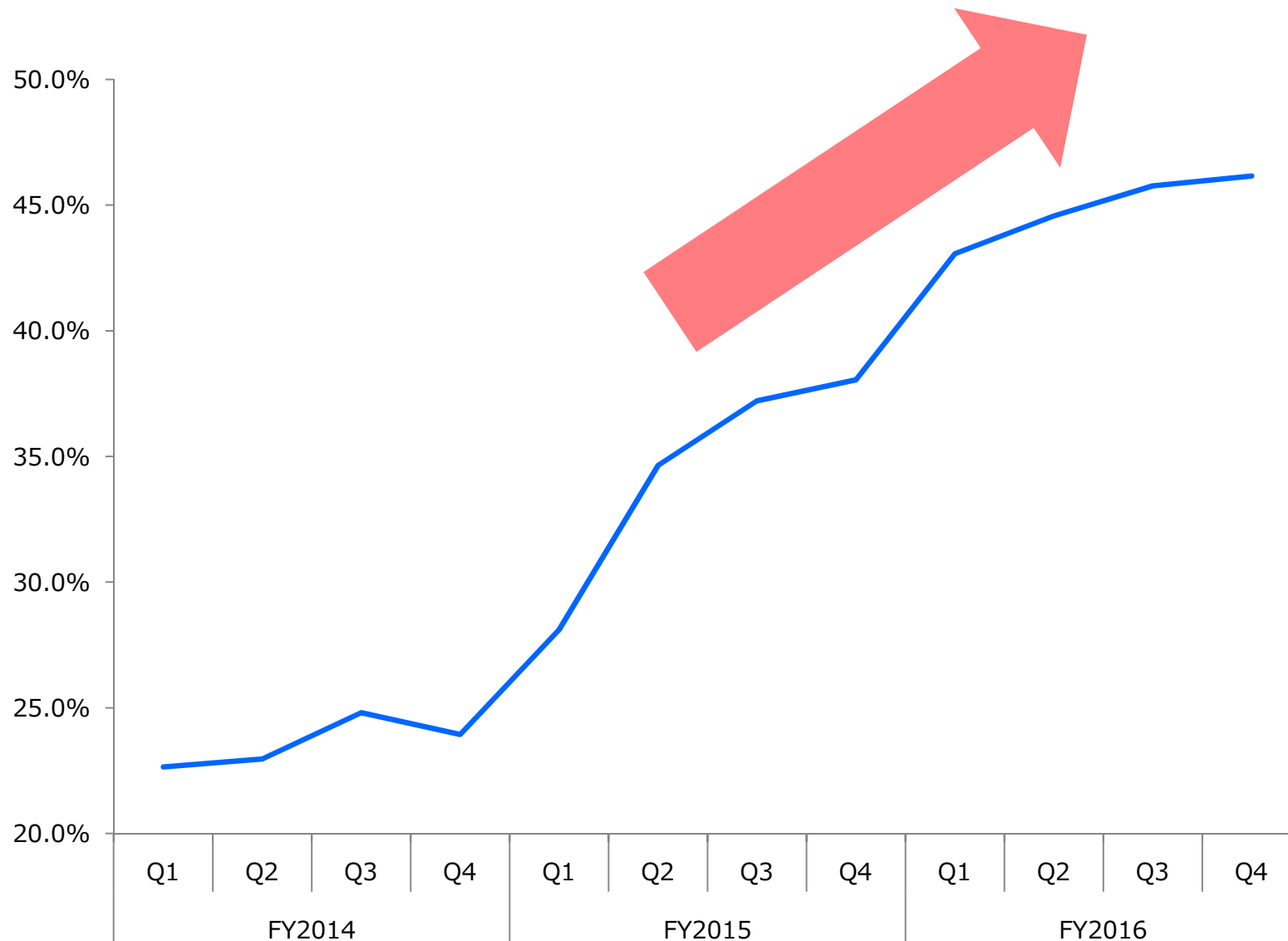
**[Gross profit per person / Number of employee]**



**[Ad-Network ad Revenue]**

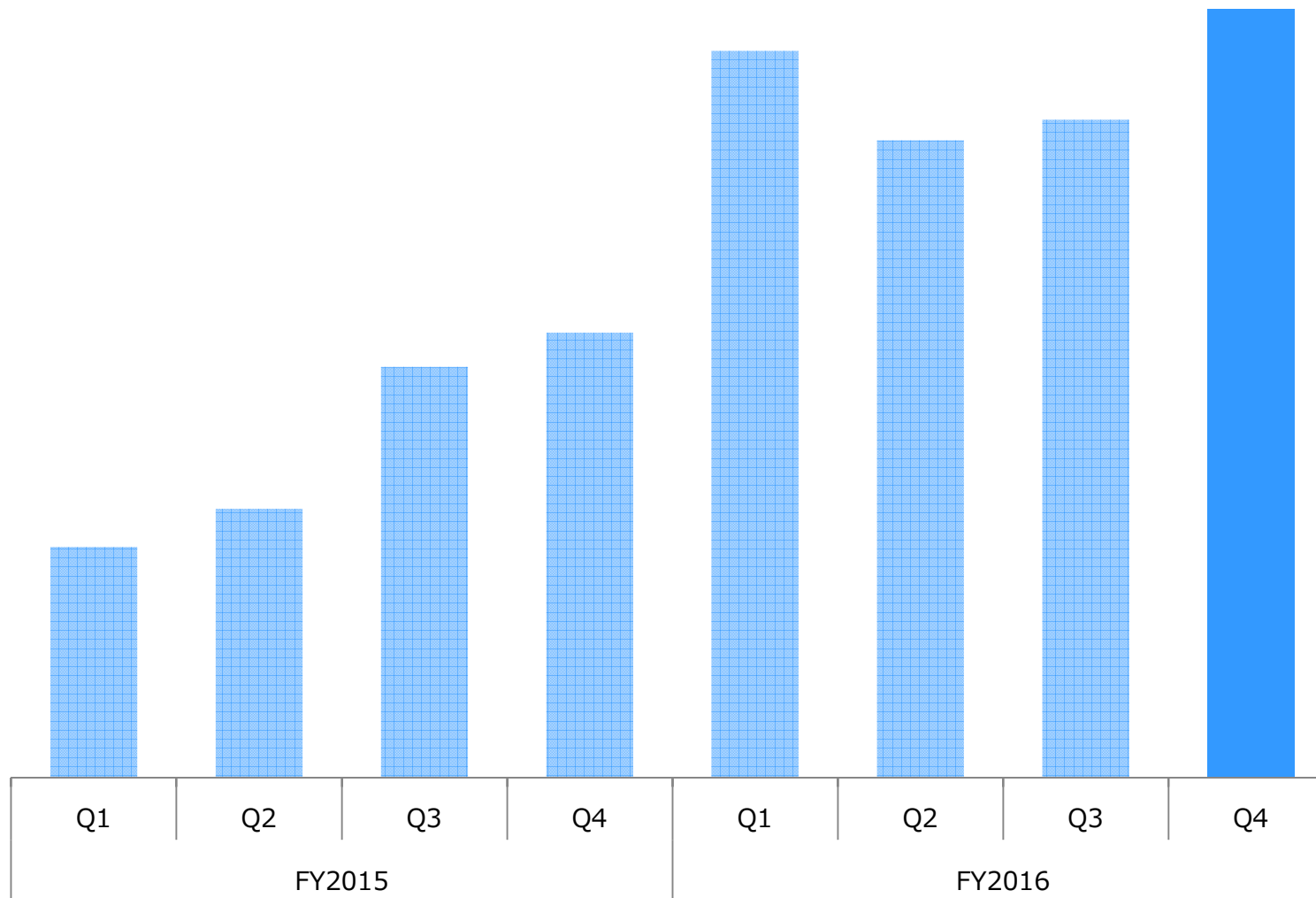


**[Focus Products : Smartphone ads share]**



**Keep  
increasing  
YoY+22%**

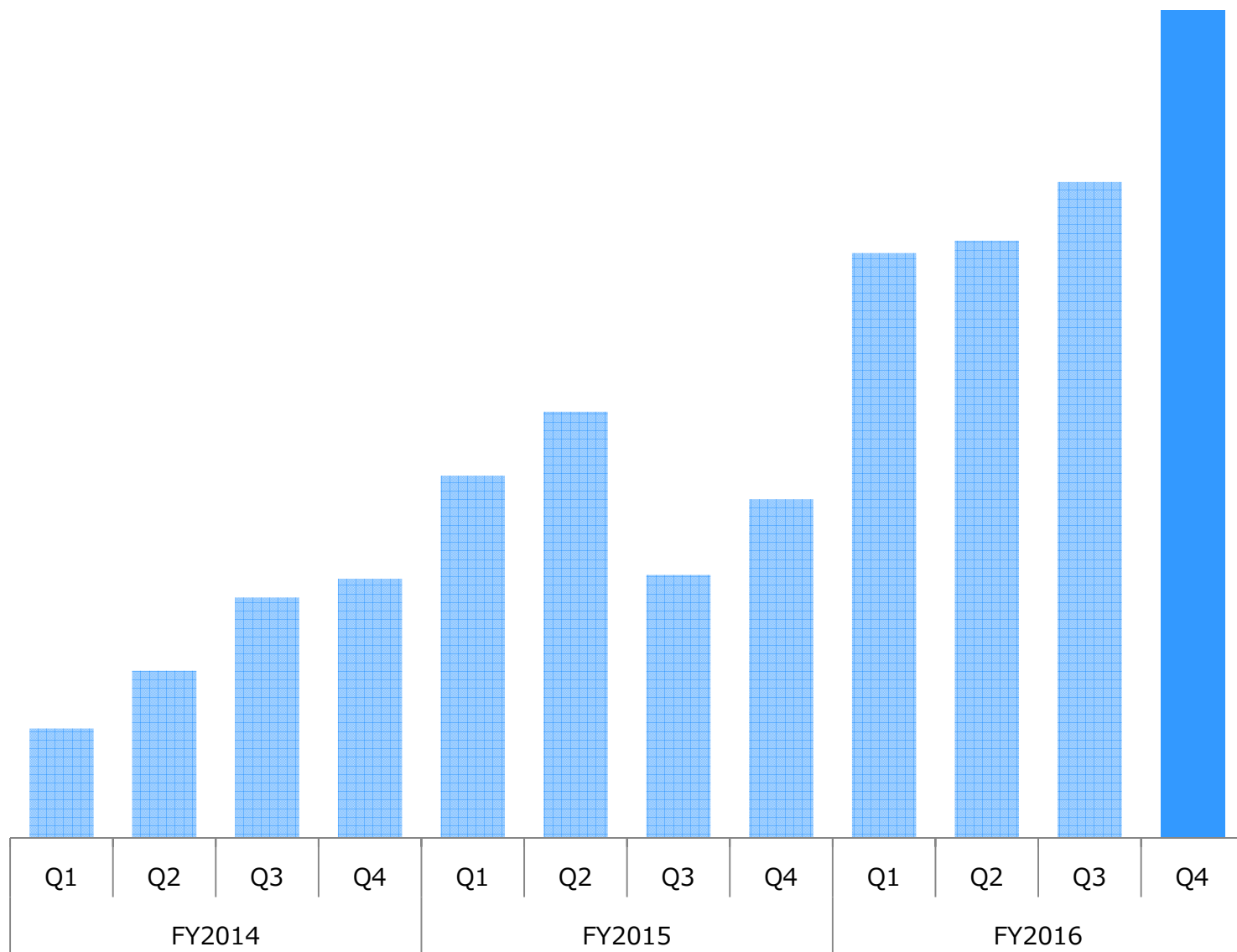
**[Focus Products: Infeed ads revenue]**



**Accelerating  
Growth  
YoY  
1.8times**

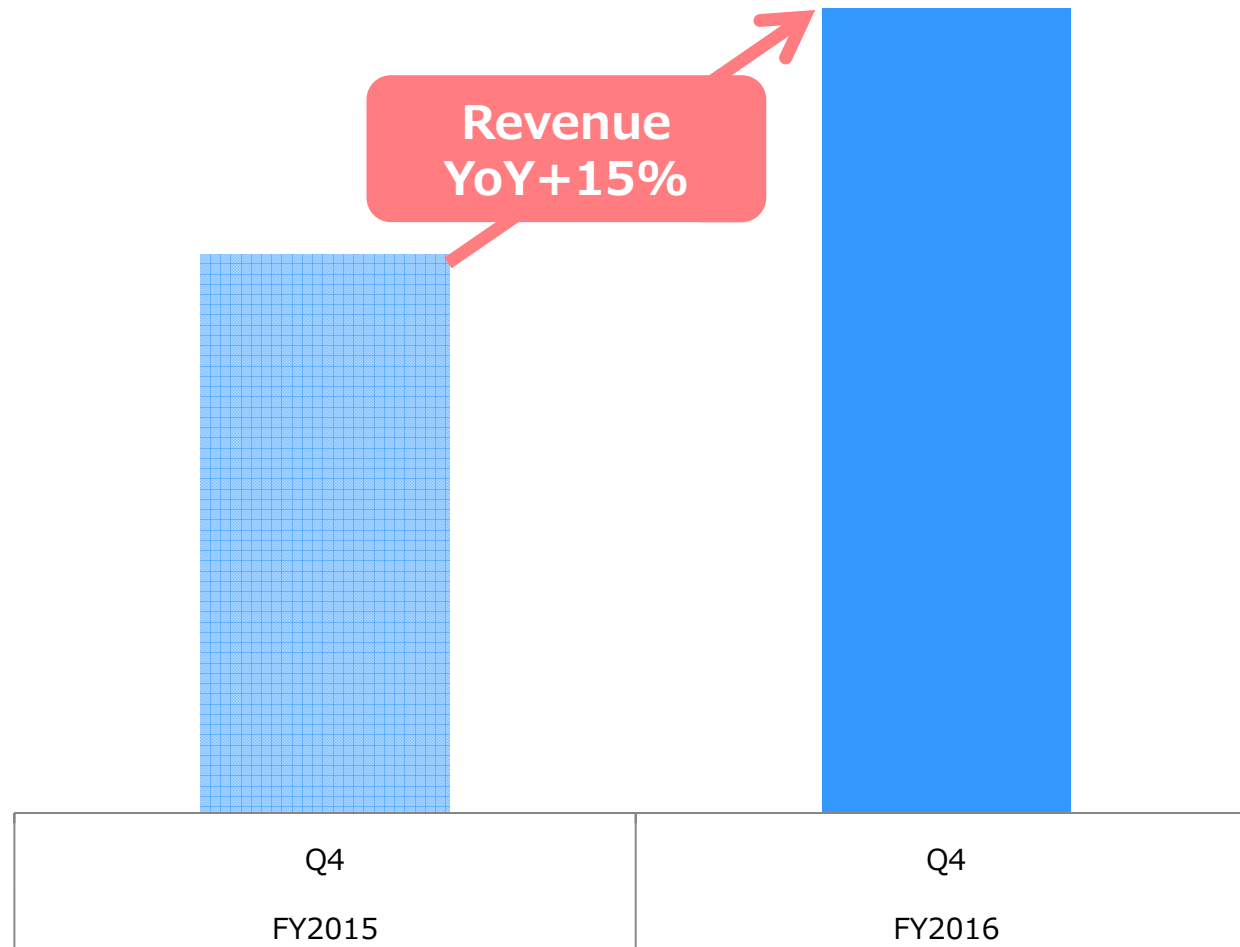


**[Focus Products :Social ads revenue]**



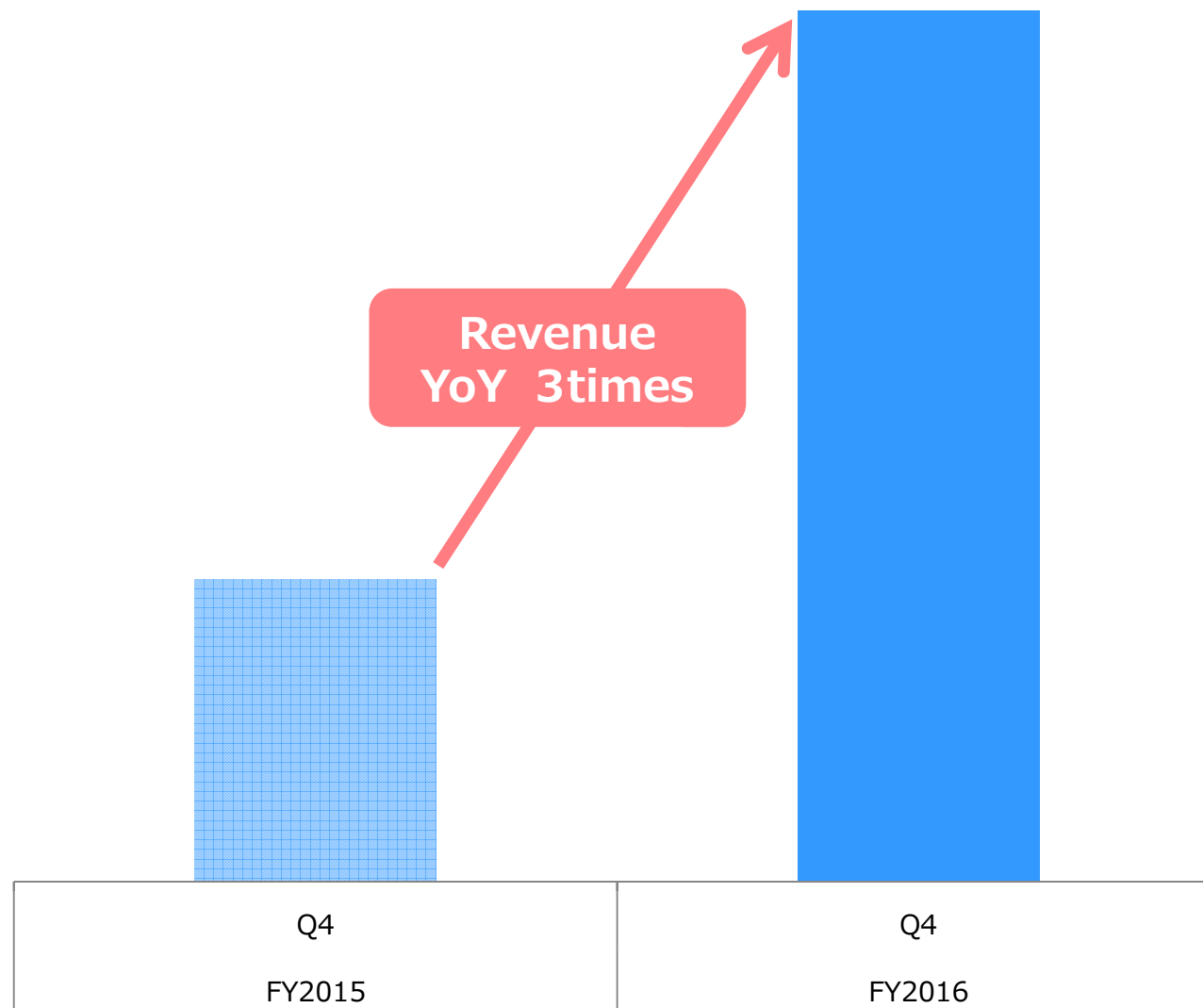
**Enhanced  
revenue  
Share  
YoY  
2.5times**

**[Focus Products : Movie ads revenue]**



**Steadily  
Increase  
YoY +15%**

**[Focus Products :LINE revenue]**



**Enhanced  
revenue  
Share  
YoY 3times**

**4**

**Road map to vision**



---

**OPT Group Vision**

---

# **New Value Creation**

**Leveraging the digital industrial revolution as a key player for “creation, inspiration and support.”**

## Meaning of existence

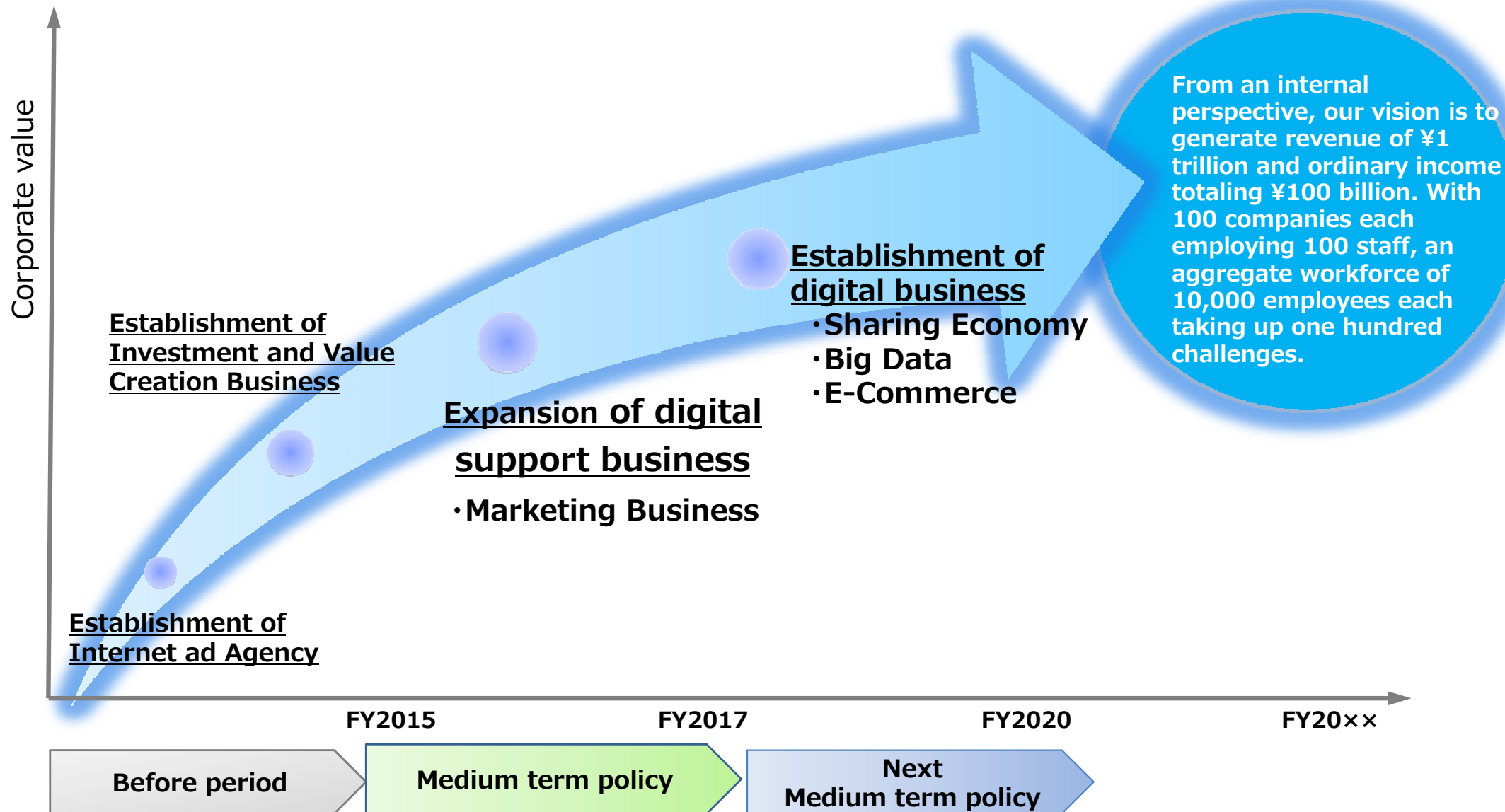
Create future prosperity by continuing to take on the challenge of **“New Value Creation”** by creating, inspiring and supporting the digital industrial revolution with a group of independent human resources (fellow employees)!

## Vision

FY2030 OPT Group  
Revenue ¥1trillion, Ordinary income ¥100Billion  
100person×100business×¥10Billion

## OPT ism

1. Moral principles come first, and profit comes second.
2. Challenge (keep transforming constantly )
3. Optimism (positive thinking)
4. Employee happiness (self-reliance) is the most important thing.
5. Each employee is the president.





5

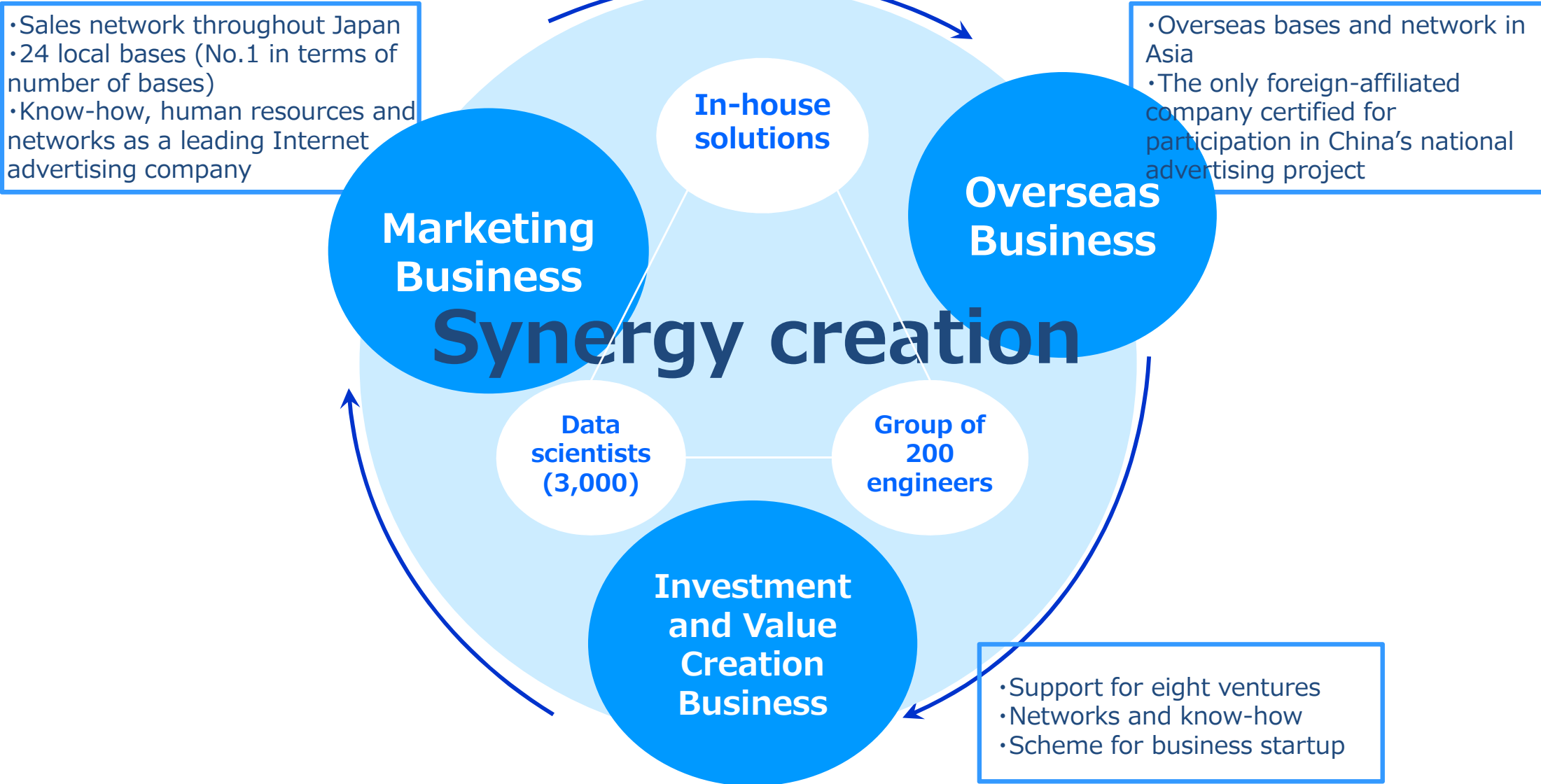
## Group management policy & strategy



# From individual optimization to Group optimization

For the further acceleration of growth by synergy effects

## For the further acceleration of growth by leveraging the strengths and assets of each business



~For the further acceleration of growth through synergy effects



**Marketing  
Business**

**Higher revenue (increases in the number of customers and the revenue per customer)**

- ✓ Strengthen the development of new large customers.
- ✓ Further enhance the local market where we are overwhelmingly strong.
- ✓ Cross-selling based on Group collaboration

**Investment and  
Value Creation  
Business**

**Creation of business synergy**

- ✓ Review and optimize the portfolio.
- ✓ Cultivate existing portfolio companies and enhance collaborations with them.
- ✓ Startup of new consolidated businesses and more acquisitions

**Overseas  
Business**

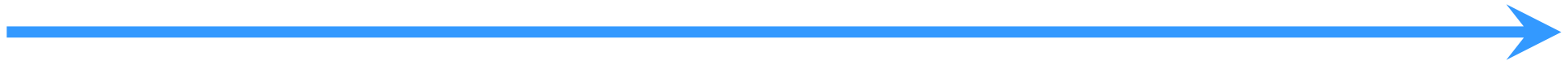
**Stronger Group collaboration**

- ✓ Use of overseas network and the development of new customers
- ✓ Stronger inbound and outbound support



# Marketing Business

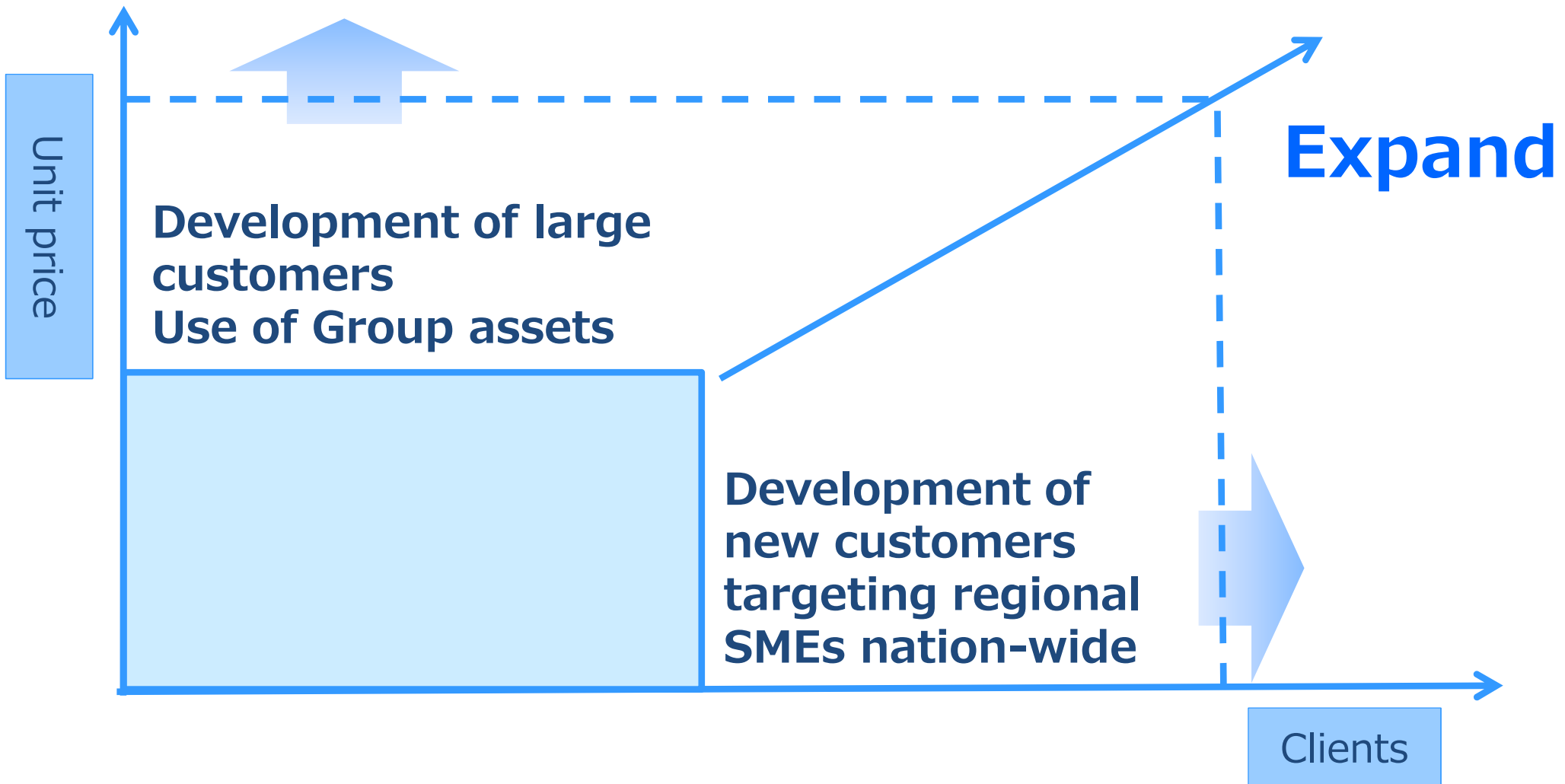
# Expand the revenue share



From measures to improve  
profitability

to the phase of revenue expansion

**Share expansion = Number of customers × Revenue per customer**



# Use of strengths and assets of the OPT Group

**Development of new customers**

Support the digital shift of customers by developing new customers and strengthening local operations.

**Large customers**  
Form a specialized unit and continuously build know-how.

+

**Local SMEs**  
Nationwide network and overwhelming No.1 in local bases

+

**New industry sectors**  
Challenge to new industry sectors

**Increase in revenue per customer**


**Cross-selling through the Group collaboration**

**Opt Technologies**  
A group of engineers (200)  
Development of the technology business

+

**Data Science Lab**  
A group of data scientists (3,000)  
Ai and IOT

+

**In-house products**  


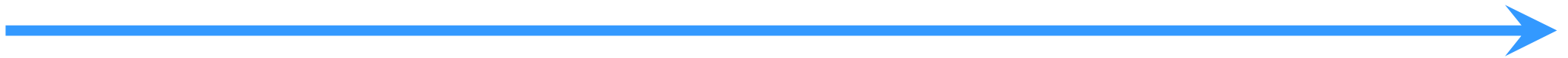


# Investment and Value Creation Business





From active **investment**  
**to creation of business synergy**



**Maximize Group value**

## Past record

# Returned gains on sales to the Group

- Total number of portfolio companies: 150
- Total amount of investments: 25.0 billion yen
- Valuation amount: 45.0 billion yen

## Strengths of the OPT Group

### Eight venture support services

- Shared services for the administrative division
- Mediation of a management team
- Human resources support
- Funding
- Management guidance
- Referral of customers
- e-marketing support
- Latest information on the U.S.

### Human resources

(Persons with experience in business startup)

### Company structure

(3 companies by function)

### Network in the industry

(Information and reference)

## In the past

Returned gains  
on sales to  
the Group

- Industry network
- Know-how
- Scheme for business startup

**Use** 

## In the future

Further enhance  
**creation of business synergy** 

- ✓ Review and optimize the portfolio.
- ✓ Cultivate the existing portfolio companies and enhance collaborations with them.
- ✓ Launch new businesses in the Group and enhance acquisitions.

Launch  
of new  
businesses

**Opt Holding Group**

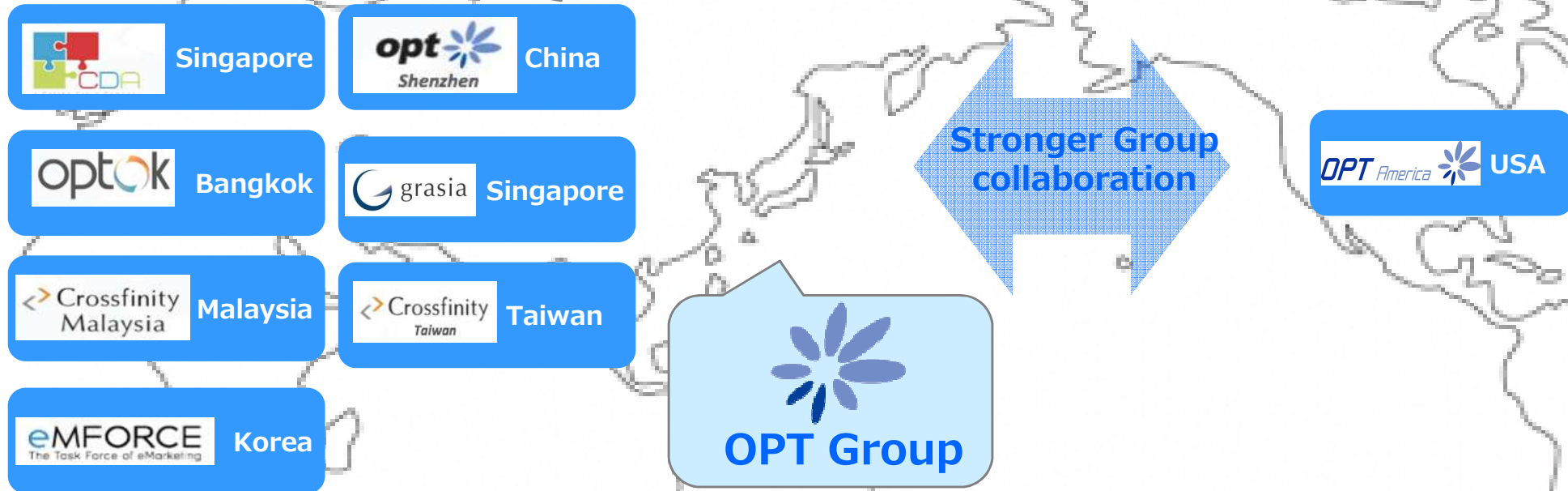
Cultivation  
and  
support



# Overseas Business

## Use of sales promotion network mainly in Asia Development of new customers and stronger inbound and outbound support

- Cross-border EC
- The only foreign-affiliated company certified for participation in China's national advertising project





6

**FY2017 Earnings Forecast/  
3 yaers management plan**

**Share expansion “Development of new customers” ×**  
**“Increase in revenue per customer”**

~ Creation of synergy through stronger Group collaboration and further improvement in profitability through Group optimization ~

	<b>FY2016 Result</b>	<b>FY2017 Forecast</b>	<b>YoY</b>
<b>Revenue</b>	<b>69,815</b>	<b>80,000</b>	<b>+14.6%</b>
<b>EBITDA</b>	<b>2,910</b>	<b>3,350</b>	<b>+15.1%</b>
<b>Operating income</b>	<b>1,919</b>	<b>2,400</b>	<b>+25.1%</b>
<b>Ordinary income</b>	<b>2,004</b>	<b>1,750</b>	<b>(12.7%)</b>
<b>Net income</b>	<b>745</b>	<b>1,000</b>	<b>+34.1%</b>

\*Earnings forecast includes costs only and does not incorporate the sale of operational investment securities.

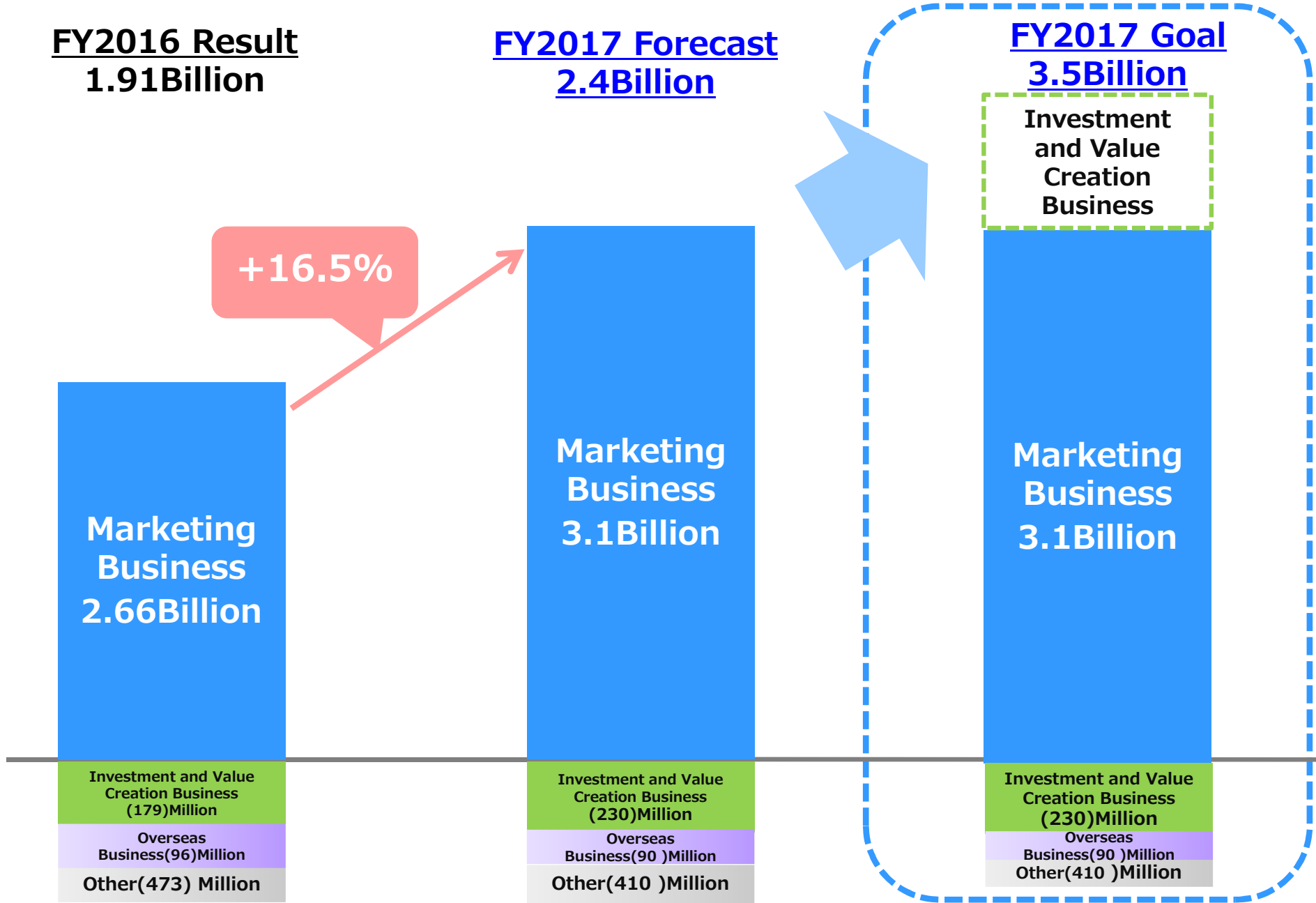
**3years plan**

	<b>FY2017 Goal</b>
<b>Revenue</b>	<b>90,000</b>
<b>EBITDA</b>	<b>4,800</b>
<b>Operating income</b>	<b>3,500</b>
<b>Ordinary income</b>	<b>3,890</b>
<b>Net income</b>	<b>1,680</b>
<b>ROE</b>	<b>8~10%</b>

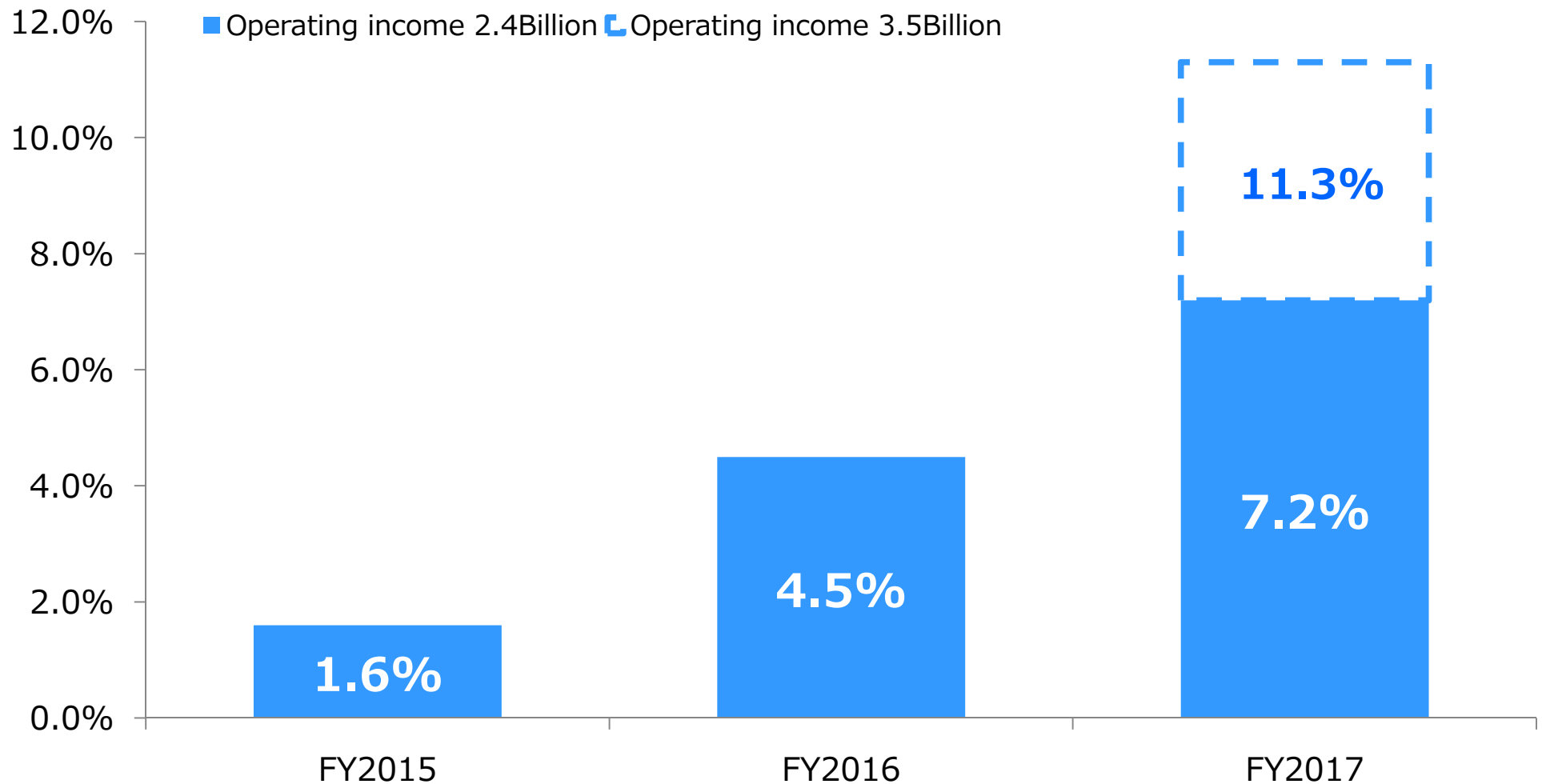
**Progress**

	<b>FY2015 Result</b>	<b>FY2016 Result</b>	<b>FY2017 Forecast</b>
	<b>64,052</b>	<b>69,815</b>	<b>80,000</b>
	<b>2,689</b>	<b>2,910</b>	<b>3,350</b>
	<b>1,620</b>	<b>1,919</b>	<b>2,400</b>
	<b>1,191</b>	<b>2,004</b>	<b>1,750</b>
	<b>267</b>	<b>745</b>	<b>1,000</b>
	<b>1.6%</b>	<b>4.5%</b>	<b>7.2%</b>





## Improvement in ROE due to higher net income and the acquisition of own shares



# 7

## Information

- ✓ Measures to strengthen governance for Group management
- ✓ Dissolution of capital and business alliance with Dentsu
- ✓ Shareholder return



## Establishment of the nominating committee and the compensation committee (voluntary)

To be established in April 2017

April 2015 ~

Shift to a holding company system

Establishment of OPT Holding Inc.

April 2016 ~

Shift to a company with an audit and supervisory committee

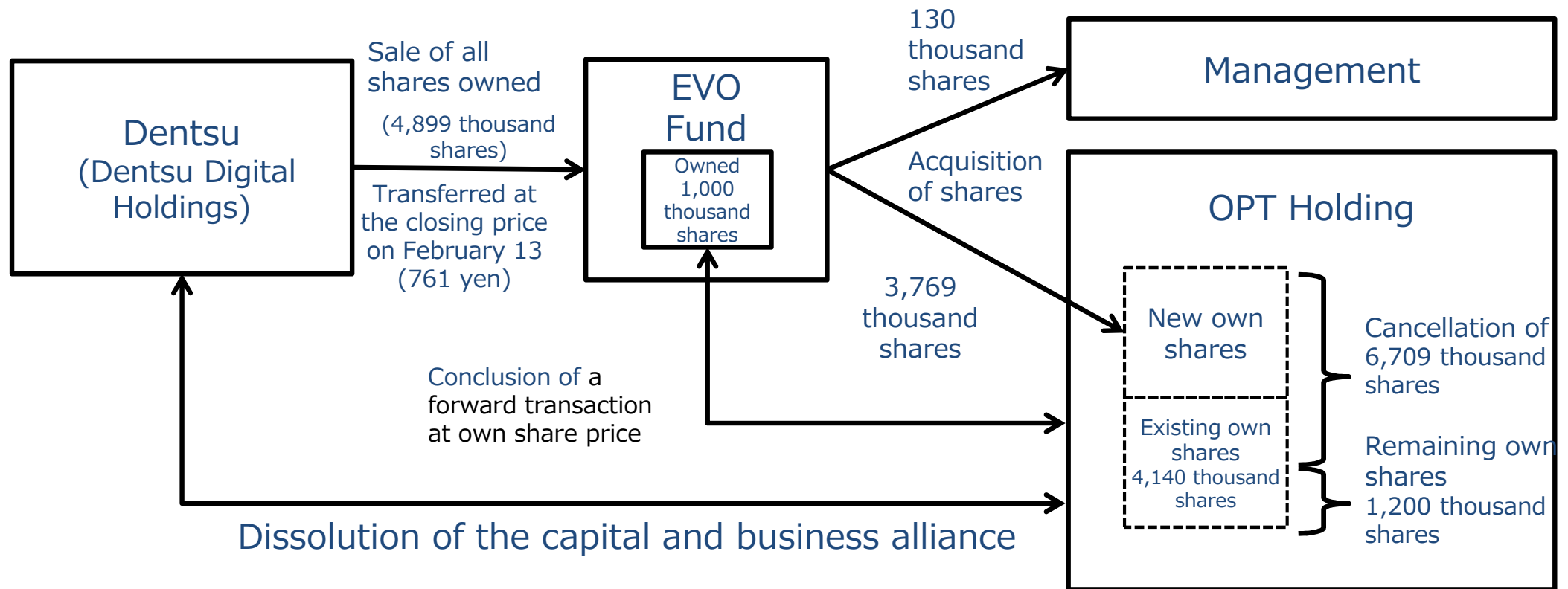
April 2017 ~

Establishment of the nominating committee and the compensation committee (voluntary)

## ■ Background

Both parties agreed to dissolve the alliance because they decided that they had achieved certain results for the purpose of capital and business alliance and made changes in the environment for the Internet advertising business.

## ■ Overview of releases published on February 13 and 14



	As of end of 2016 Number of stock share	As of Feb.13 2017 Number of stock share	As of Feb.14 2017 Number of stock share	As of Feb.28 2017 After cancel treasury stock Number of stock Share
Dentsu Digital Holdings	4,899,000 18.87%	—	—	—
EVO FUND	—	4,899,000 18.87%	<u>1,000,000</u> <u>3.85%</u>	1,000,000 <u>4.50%</u>
Treasury stock	4,140,000	4,140,000	<u>7,909,000</u>	<u>1,200,000</u>
Time & Space (※1)	260,800 1.00%	260,800 1.00%	<u>390,800</u> <u>1.56%</u>	390,800 <u>1.76%</u>
Atsushi Nouchi (Boad of director)	885,000 3.41%	885,000 3.41%	885,000 3.41%	885,000 <u>3.99%</u>
H I B C (※2)	4,899,200 18.88%	4,899,200 18.88%	4,899,200 18.88%	4,899,200 <u>22.08%</u>

※1:Time & space is an asset management company whose shares are solely held by Mr. Atsushi Nouchi, director of OPT Holding,Inc.

※2:HIBC Co., Ltd. is an asset management company whose shares are solely held by Mr. Noboru Hachimine, Founder, President and CEO of OPT Holding,Inc.



Acquisition and  
cancellation of own  
shares

**Rise in EPS**

**Acquisition: 12.52% \*1**

**Cancellation: 22.30% \*2**

Dividends

**Increase dividends  
by 3 yen from the  
previous year**

**16.00 yen**

Total number of shares outstanding as of December 31, 2016: 30,089,600 shares

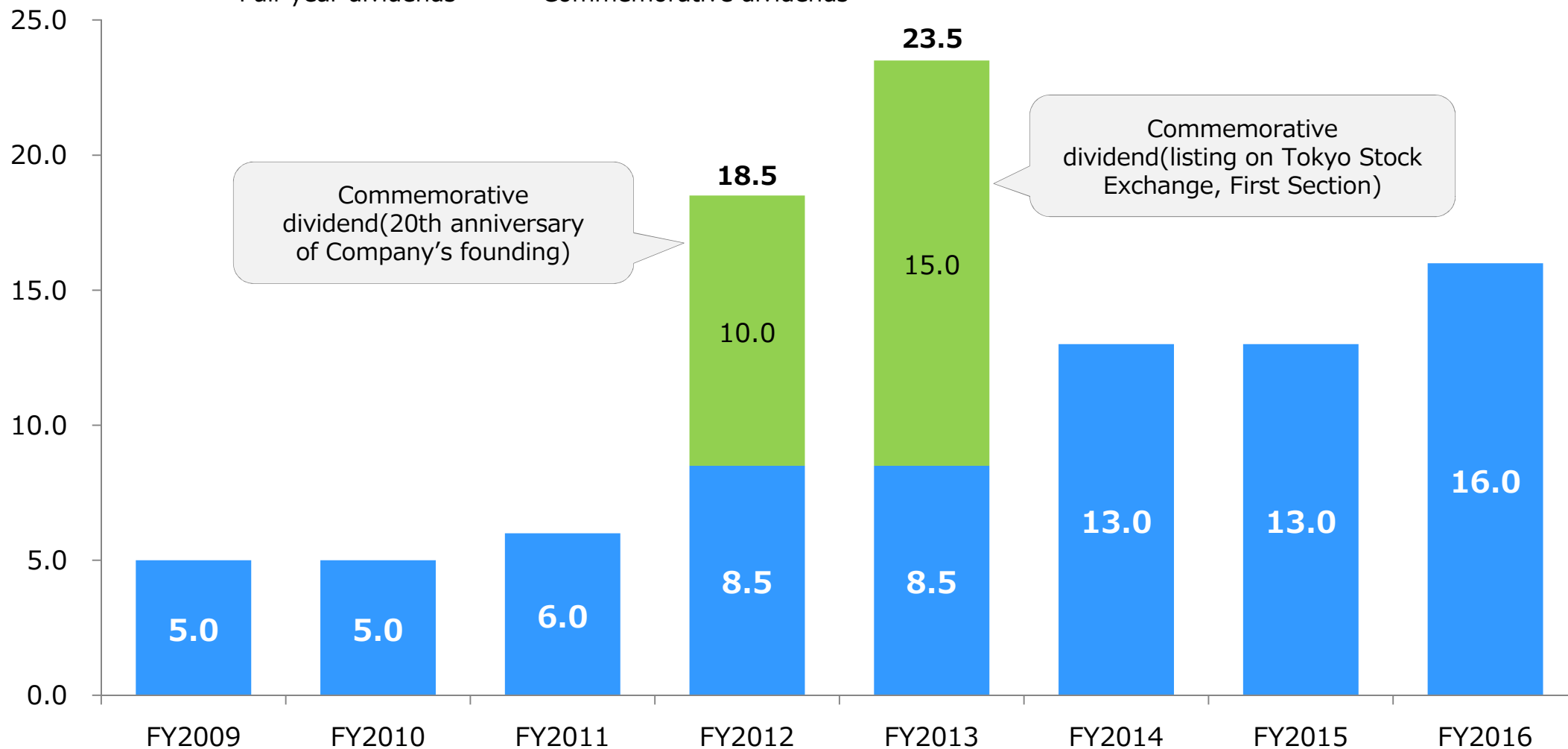
\*1: Own shares acquired this time: 3,769,000 shares

\*2: Treasury shares owned in the past 4,140,000 shares + 2,569,000 shares of those that were acquired this time = 6,709,000 shares were cancelled.

**■ YoY +3yen : 16.00yen**

Unit : Yen

■ Full-year dividends    ■ Commemorative dividends



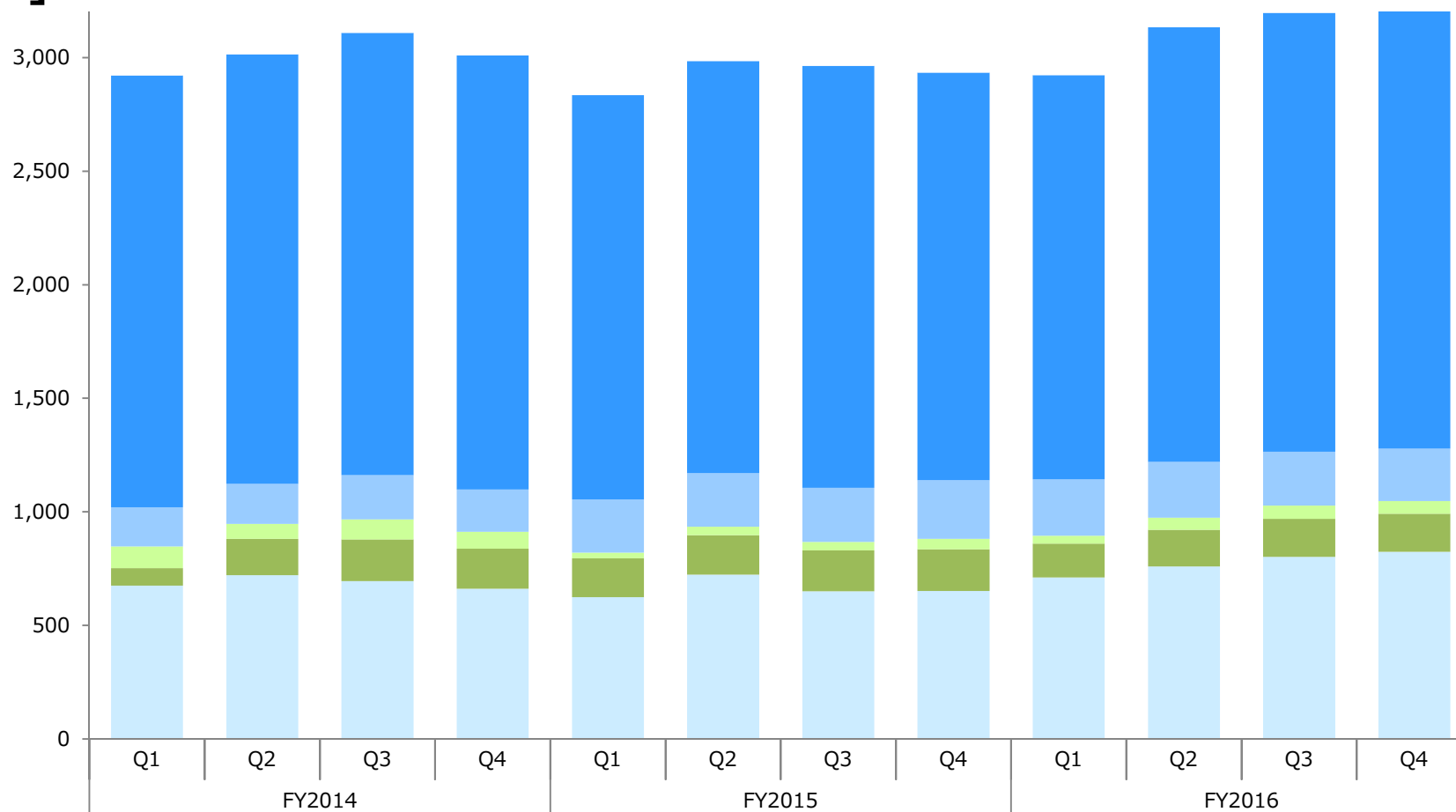


# 8

## Reference Materials

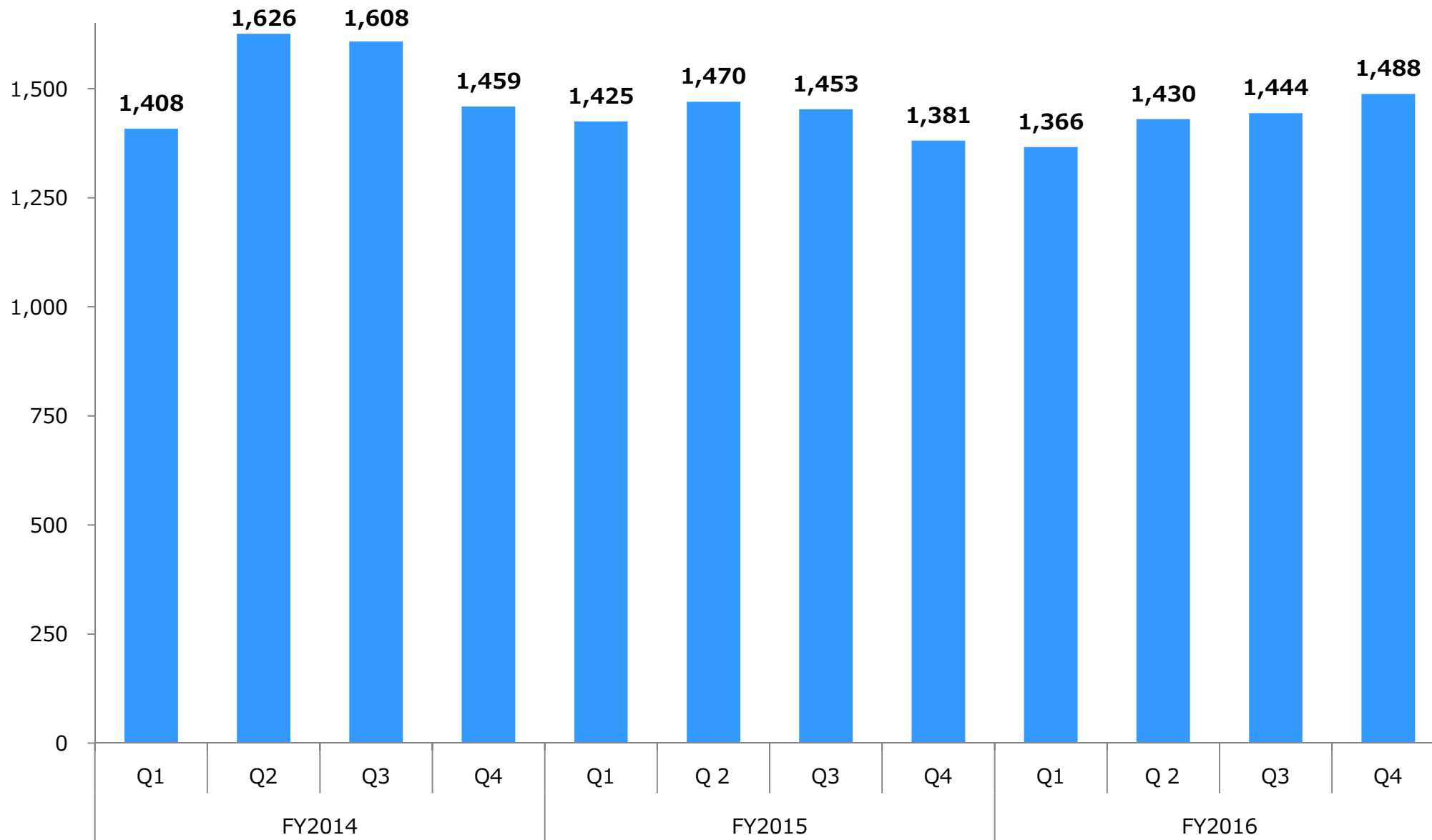


## [SGA costs]




















	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FY2014				FY2015				FY2016			
Total SGA	2,924	3,017	3,111	3,011	2,836	2,986	2,966	2,937	2,924	3,134	3,200	3,226
Personal expences	1,900	1,891	1,947	1,910	1,779	1,815	1,858	1,795	1,780	1,913	1,932	1,946
Rents	173	177	195	186	234	235	238	257	248	246	237	230
Advertising expences	95	65	88	75	25	37	37	47	35	53	59	56
Depreciation and amortization	78	161	184	176	172	174	180	183	149	161	167	168
Others	675	721	695	662	624	724	651	652	711	760	802	824

**[Number of employees]**



※Excluding temporary staff and dispatch workers

## Major consolidated Companies (As of FY2016 Q4-End)

Name	Business	Ownership	Status
OPT, Inc. 	Marketing business	100.00%	Consolidated subsidiary
CLASSIFIED 	Planning and sales of classifieds	66.01%	Consolidated subsidiary
Crossfinity 	SEO and media consulting business	90.00%	Consolidated subsidiary
SOLDOUT 	Advertising agency for mid-sized and venture companies	66.60%	Consolidated subsidiary
s1o interactive 	Trading desk business	100.00%	Consolidated subsidiary
SkillUp Video Technologies 	Digital contents platform business	92.50%	Consolidated subsidiary
ConnectOM 	Omni-channel solution business	100.00%	Consolidated subsidiary
Search LIFE 	Internet advertising operation business	(53.28%)	Consolidated subsidiary
Writeup. Co., Ltd 	Internet-related business	40.00%	Consolidated subsidiary
Groover, Inc. 	Native Ad and media business (incl. consulting) of smart device	100.00%	Consolidated subsidiary
TechLoCo, Inc. 	Marketing technology proposal business for mid-, small- and medium-sized as well as growth companies	(66.66%)	Consolidated subsidiary
Growth Gear Co.,Ltd 	Human resource support services business for mid-, small- and medium-sized as well as growth companies	(66.66%)	Consolidated subsidiary
Platform ID 	Database business	51.00%	Consolidated subsidiary
eMFORCE 	Internet advertising agency in South Korea	92.82%	Consolidated subsidiary
OPTSEA 	Marketing business and Investment business in Taiwan, Hong Kong and South East Asia	94.19%	Consolidated subsidiary
OPT America 	Consulting, investment, and alliance business in the US	100.00%	Consolidated subsidiary
OPT Ventures, Inc. 	VC business, investment business, public offering advisory business, management information service, other	100.00%	Consolidated subsidiary



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

**For all IR-related inquiries including requests for interviews, please contact the Group Management Planning Office as follows:  
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**<Notice>**

**This document is based on information available and views held at the time of its preparation. Statements contained in this document that are not historical facts (including but not limited to plans, forecasts and strategies) are “forward-looking statements.” These forward-looking statements, both expressed and implied, may differ materially from actual results and future developments.**