

Medium-Term Business Plan: *NEW STAGE 2020*

***THE LEADER
in DIGITAL SHIFT***

Support/Lead/Create Digital Industry Revolution

The Translation of Japanese Original Document

March 14, 2018

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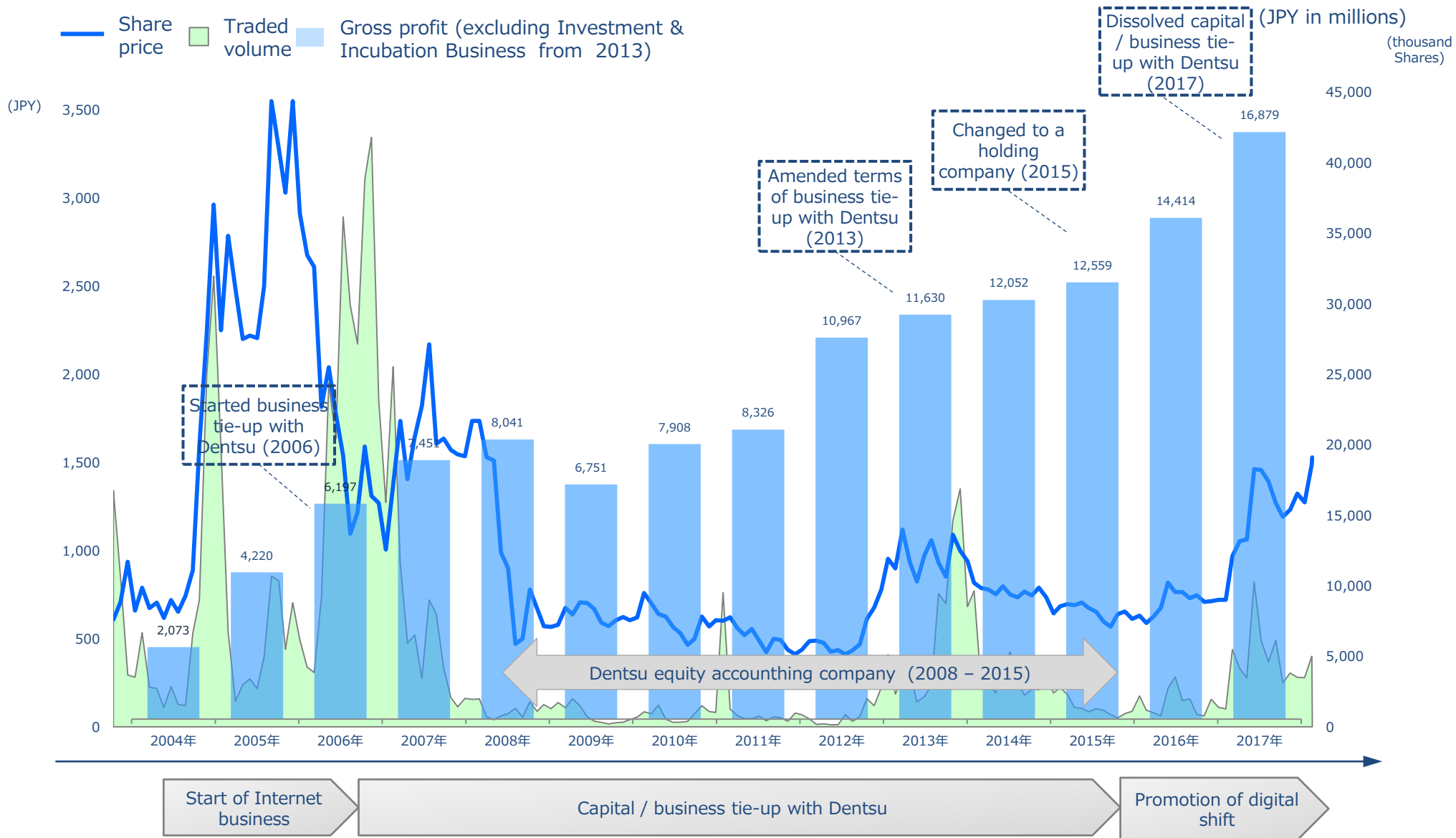
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Any information herein other than past or present facts represents our future outlook developed based on the input currently available, and includes various risks and uncertainties. Thus, please note that actual business results released at a later date may differ due to such factors.



Our History

Our History to Date: back on strong growth from 2017 **opt** Holding



* Share prices are developed by the Company based on the closing price at the end of the relevant month, taking stock splits into account.

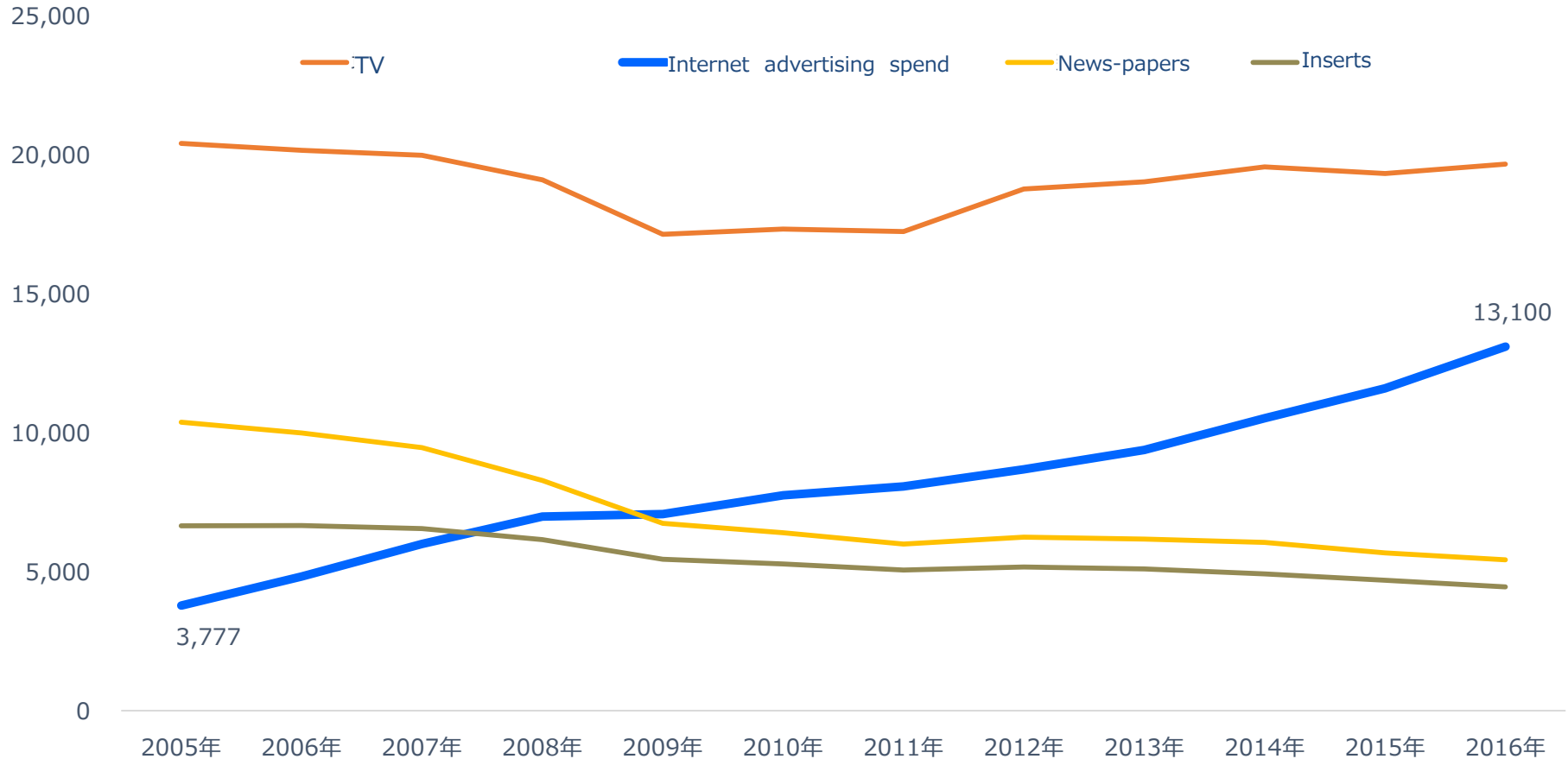


Entering into a New Stage: Digital Industrial Revolution

- 1 Digital Shift in Advertising / Promotion**
- 2 Digital Shift in Operations / HR**
- 3 Digital Shift in Business Processes / Models**

- Internet advertising spend increased to about JPY1.3trillion in 2016
- The market is expected to grow to JPY1.85 trillion in 2020 (*1)

(JPY in billions)



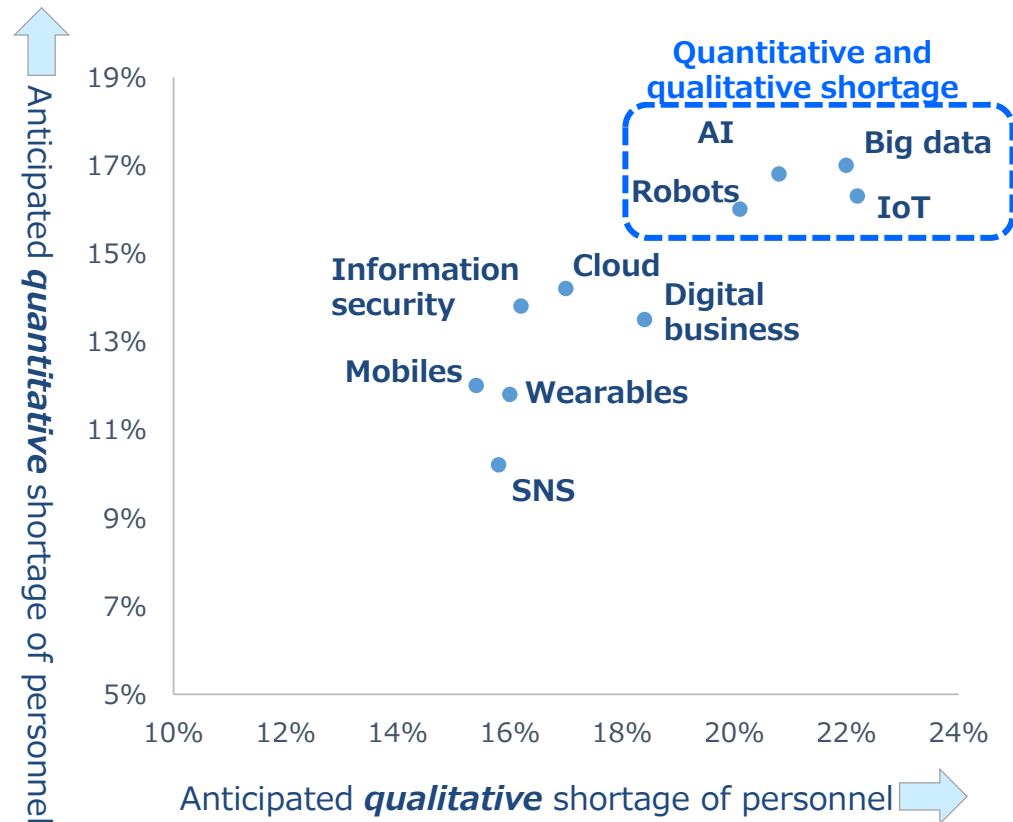
Source : Based on "Advertising Expenditures in Japan" published by DENTSU in 2016

*1: "Reality and Outlook of the Internet Advertising Market, 2017" from Yano Research Institute Ltd.

- Shortage of both quantity and quality “advanced” IT personnel (big data, IoT, AI, and robotics)
- Shortage of “general” IT personnel

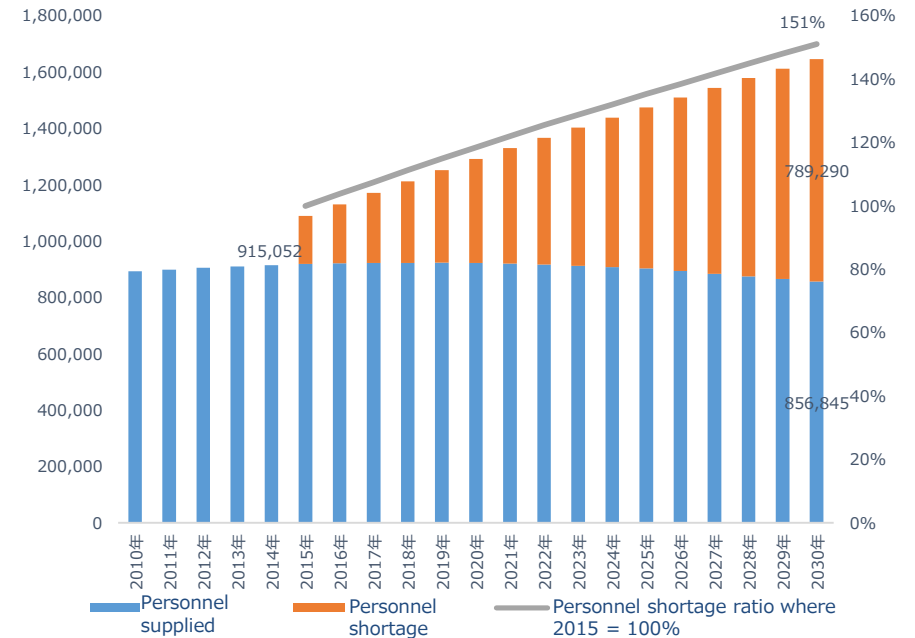
Advanced IT personnel shortage in the future

Advanced IT personnel for big data, IoT, and AI



Demand/supply forecast for IT overall personnel

Overall IT personnel including user companies, IT vendors, and Internet companies

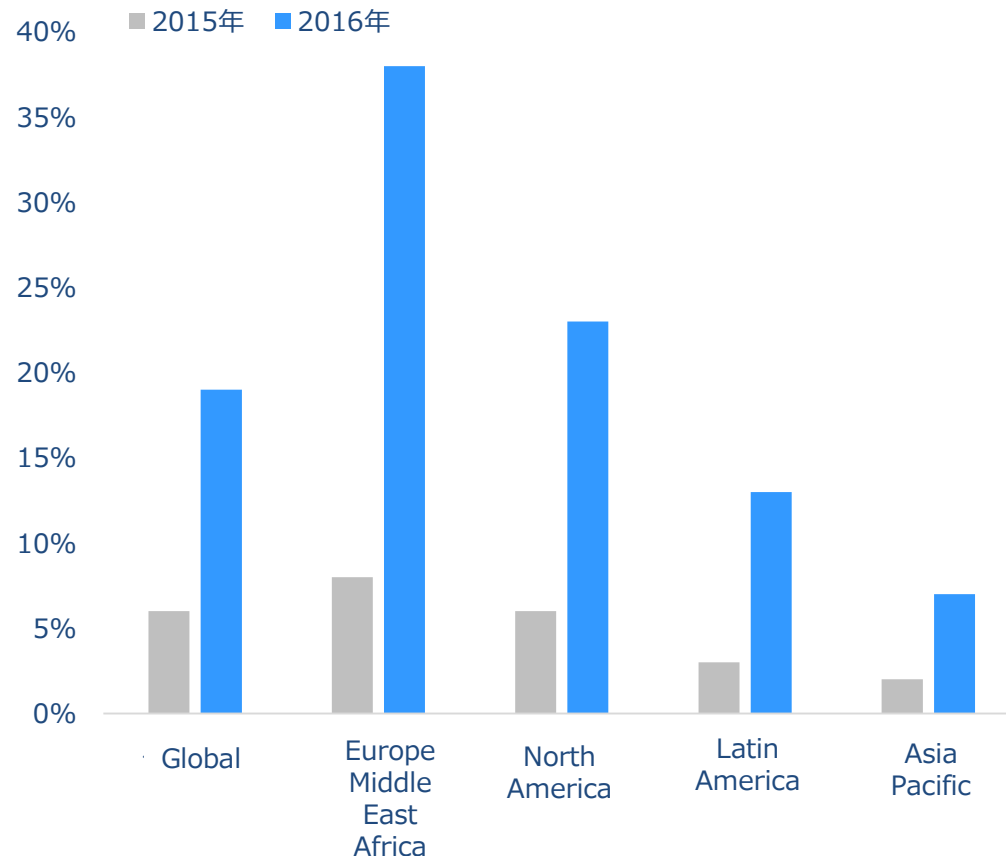


- Source: Prepared by the Company based on Figure 3-30, “Estimated Shortage of Overall IT Personnel [Higher-level / Overall]” in “Model Businesses for Development and Securement of Human Resources to Promote Innovation through IT Ventures,” Mizuho Information & Research Institute, March 2016

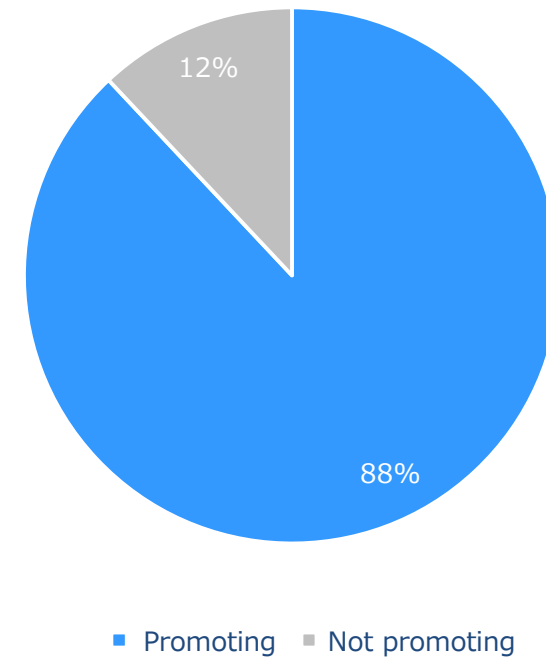
* Source: Prepared by the Company based on “Study Results on Latest Trends and Future Estimates for IT Personnel,” METI, June 10, 2016

- Chief Digital Officers (CDOs) increasing globally
- About 90% of large companies are promoting digitalization

Percentage of Companies with a CDO



Promoting Digitalization
(Japanese Companies with 500+ employees)



* Source: Strategy & CDO Survey (Global) 2015 & 2016

* Source: Strategy & CDO Survey (Japan) 2015 & 2016

THE LEADER in DIGITAL SHIFT: NEW STAGE 2020

OPT Group

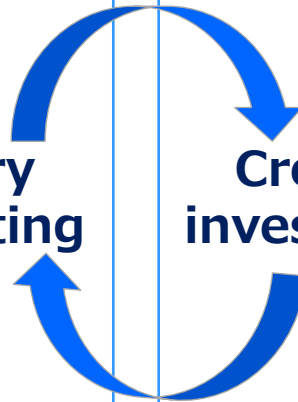
Lead the digital shift by utilizing our assets developed since its establishment (customer / information network, technology / know-how (*), connoisseur's eyes as investors)

Marketing Business

Serve as a change agent to transform every customer's way of marketing

Synergy Investment

Create new businesses by investing in digital companies



* Big data, deep analytics, AI, etc.

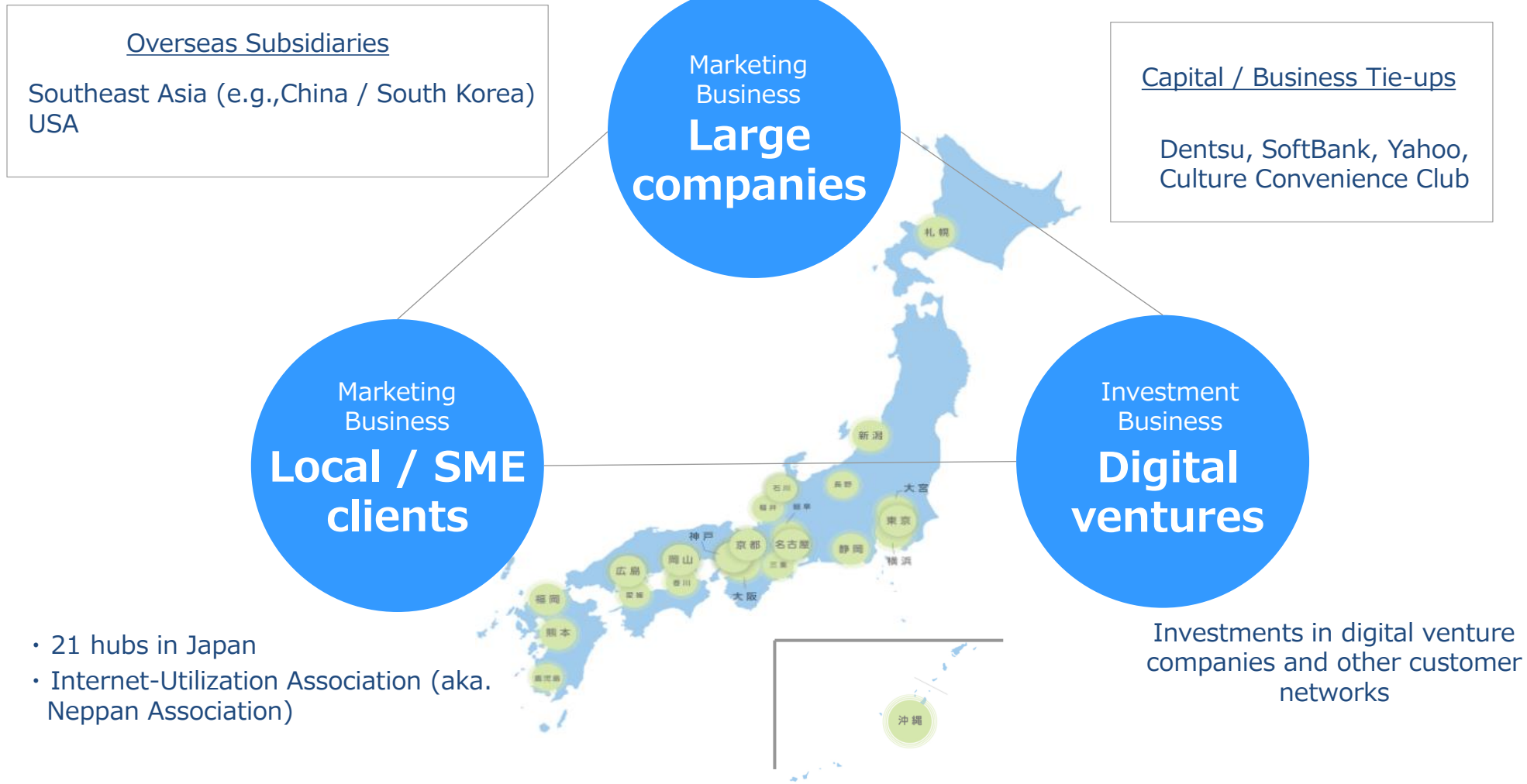


Strengths of OPT Holding as Leader in the Digital Shift

- 1 Customer Base**
- 2 Digital Support Service Capabilities**
- 3 Investments (Connoisseur / Network)**

- 1 Customer Base**
- 2 Digital Support Service Capabilities
- 3 Investments (Connoisseur / Network)

- Large size companies: clients, partnership/capital tie-up
- SMEs and local companies in great needs for digital shift covered by 21 local hubs
- Overseas customers covered by our overseas affiliates















- 1 Customer Base
- 2 Digital Support Service Capabilities**
- 3 Investments (Connoisseur / Network)

Digital Support Service Capabilities - 1:

A wide range of adverts related products/services

- Providing a wide range of internally-developed products and services for any type of digital advertising
- Providing cutting-edge marketing know-how

<p>Original products supporting advertising management</p>	<p>Advertising effectiveness measurement tool</p>  <p>Measuring advertising effectiveness with transparent cost-effectiveness</p>	<p>LINE business marketing tool</p>  <p>Providing companies and LINE users with optimal communication</p>	<p>Application data management tool</p>  <p>Data management tool in applications</p>	<p>Data management tool</p>  <p>Centralized management tools including data collection, integration, and editing</p>
<p>Web marketing Products / services for marketing efficiency / automation tools</p>	<p>Owned media for Web marketing</p>  <p>Providing know-how including cost-effective methodologies utilizing listing advertisement</p>	<p>Integrated management platform</p>  <p>Integrated management platform for managed advertising</p>	<p>Web marketing support</p>  <p>Web marketing service platform for SMEs</p>	<p>Web marketing tool</p>  <p>Web analysis, improvement support tool</p>
<p>Original services / products for video marketing</p>	<p>Video consulting service</p>  <p>Consulting services for optimizing TVCM x Web advertising</p>	<p>Internal creative studio</p>  <p>"Studio CANVAS" to provide speedy and high-quality production</p>	<p>Video PR service</p>  <p>New PR techniques enabling instant editing and same-day delivery of event footage</p>	<p>Original product for videos</p>  <p>Ad network for premium videos</p>

- Trading area analysis and target adverts leveraging GPS information
- Introducing services to many large companies; marketing expertise accumulated

t@STORE

Turn potential customers into real customers by providing the last mile fulfillment

Analysis of trading area and store traffic
(For higher project accuracy)

Target adverts delivery
(Support for increasing store traffic)

Consumer behavior data
(200 million smartphone geolocation data points per day)



Cross-channel geo-behavior history / area characteristics



Weather, word of mouth, demographics

Store, merchandise, inventories, sales



- Providing e-learning platform for web and digital marketing
- Introducing the service to large companies

デジタルゼン!

ネットで勉強、明日から実践! Webマーケ&デザインの学校

Powered by

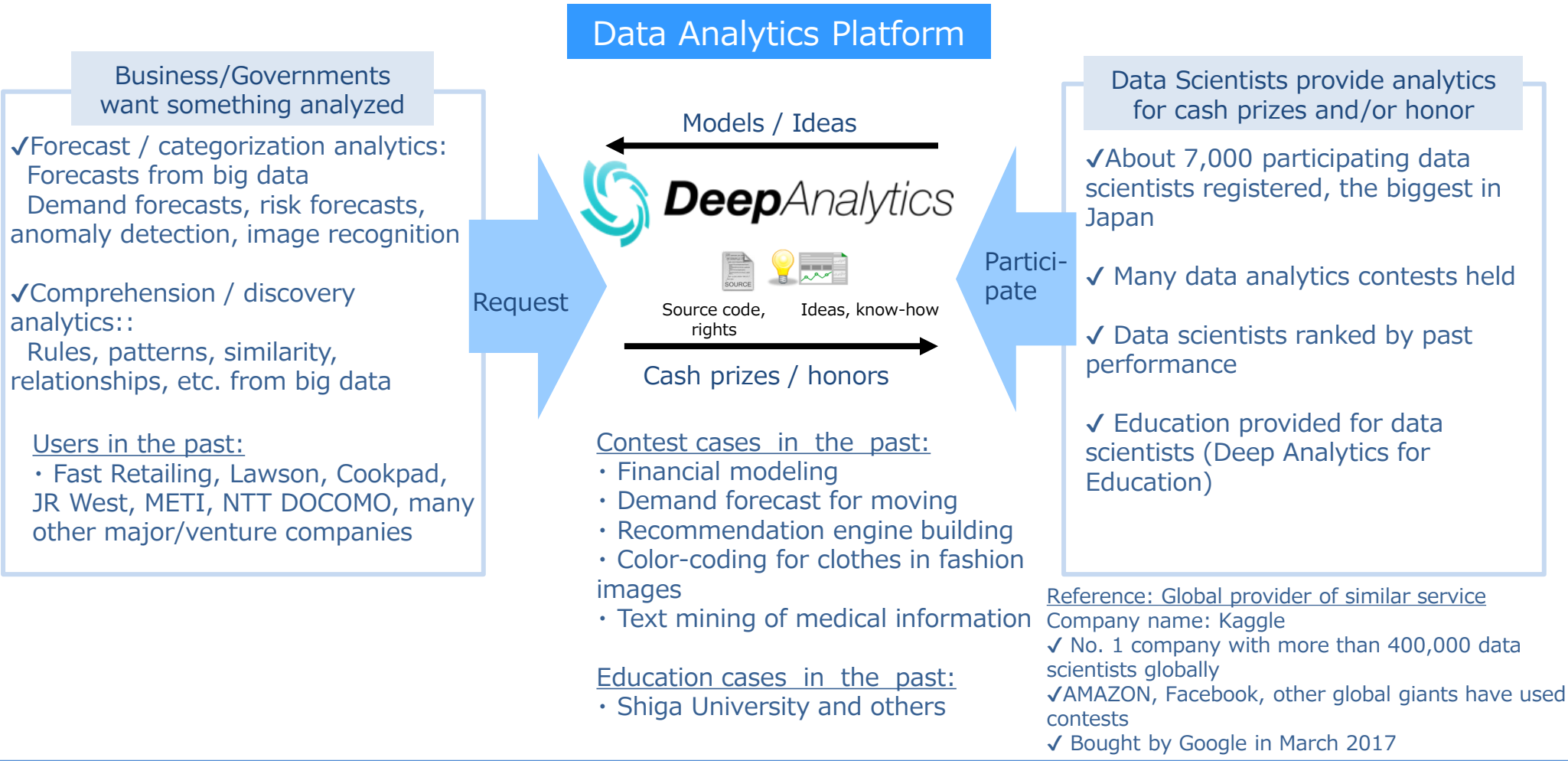


Web / digital marketing learning platform

Rich lineup of courses for systematic learning

Ongoing learning support through the learning history on the "My Info" page

- Providing Japan’s largest data analytics platform where data scientists competing for forecast accuracy/algorithm
- Solution for IT personnel shortage by sharing “data scientists”



- 1 Customer Base
- 2 Digital Support Service Capabilities
- 3 Investments (Connoisseur / Network)**

Since our founding, we have invested in venture companies, provided support for creating businesses, and many of them IPOed



Domains

Investees (example companies included in direct investments and fund investments)

Sharing Economy

Share and exchange things, services, and places with many people



Direct Trading

Improves convenience for consumers through faster commercial distribution of information on the Net



Disruptive Technology

Create a new value network by disrupting an existing market and network



Others





Medium-Term Business Plan

Maximize free cash flows leveraging optimization / collaboration of group companies

Investment for Growth

- Digital businesses are facing a revolutionary stage with rapid advances in IT (e.g., AI, IoT, and big data). Will make proactive/strategic investments for growth by leveraging our first-mover advantage in the digital business and maximize free cash flows.

Returns to Shareholders

- Target dividend payout ratio of 20% to “net income attributable to parent company shareholders plus amortization of goodwill.”
- Will increase returns to shareholders by allocating internal reserves to investments in growing digital businesses and accelerating the medium to long-term EPS growth.

Capital Structure

- Will build an optimal capital structure for business growth and improved corporate value by having a right balance between capital and debt.
- Over 10% ROE in the medium term.

Segment

From three to two segments:

- Marketing Segment
- Synergy Investment Segment (previously, Incubation & Investment Business and Overseas Business)

Profit

Additional KPIs including EBIT, EBITDA and AUM.
Segment profit before allocation of OPT Holding admin costs.

(million yen)

Fiscal Year 2017	Marketing business	Investment training business	Integration	Foreign operation	Other	Adjustment	Consolidation
Revenue	79,459	174		3,026	445	(502)	82,602
Operating income	3,487	(766)		(25)	271	(742)	2,224
EBIT	-	-		-	-	-	-
EBITDA	-	-		-	-	-	-

Scheduled to be disclosed from 2018

EBIT

Net income before taxes and other adjustments + Interest expenses – Interest income

EBITDA

EBIT + Other finance-related profits (losses) + Depreciation + Amortization of intangible assets + Amortization of long-term prepaid expenses + Non-cash items

AUM

Total book value of operational investment securities and investment securities

2018 Guidance & 2020 Target on Consolidated Basis

(JPY million)

	2018 Guidance	2017 Actual	Year-on-Year basis	
			Amount	%
Revenue	91,000	82,602	8,398	10.2%
Operating income	2,100	2,224	(124)	(5.6%)
Ordinary income	1,500	1,921	(422)	(21.9%)
Net income attributable to owners of parent	600	1,011	(411)	(40.7%)
Net income per share	26.53	43.95	(17.42)	(39.6%)
EBITDA	3,500	3,815	(315)	(8.2%)

2020 Target	<ul style="list-style-type: none"> • Revenue growth rate: 16% - 18% p.a. • EBITDA growth rate: 18% - 20% p.a. <p>Growth rates compared to 2017</p>
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A restricted stock compensation plan will be introduced by aligning the interests of shareholders and management team to achieve the medium-term plan. This proposal will be submitted to the annual meeting of shareholders on March 29, 2018.

2018 Target

- **Revenue: JPY 84 billion, 9% increase, YoY**
- **EBITDA*: JPY 4.5 billion, 7% increase, YoY**

2020 Target

- **Revenue growth rate: 16% - 18% p.a.**
- **EBITDA growth rate*: 16% - 18% p.a.**

Growth rates compared to 2017

Before allocation of OPT Holding admin costs

2018 goals

- **EBITDA* : JPY 0.4 billion**
- **AUM growth rate: 20% - 30%**

2020 goals

- **EBITDA* : JPY 1 billion+**
- **AUM growth rate: 15% - 20% p.a.**

Growth rates compared to 2017

Before allocation of OPT Holding admin costs



THE LEADER in DIGITAL SHIFT

~Support for digital industry revolution · towing · creation existence~



Appendix

*The Leader in Digital Shift
Helping Businesses Make It Happen*

Noboru Hachimine
Group CEO



Apr. 1991 Joined Mori Building Co., Ltd.
Mar. 1994 Established Deca Legs, Ltd. (currently,
OPT Holding, Inc.) and became President
of the Company
Mar. 2017 President of the Company and Group CEO
(current position)

Atsushi Nouchi
Group COO



Apr. 1991 Joined Mori Building Co., Ltd.
Oct. 1996 Joined the Company
Mar. 1999 Director of the Company
Feb. 2015 CEO of OPT Ventures, Inc. (current position)
Mar. 2017 Vice President of the Company and Group
COO (current position)