

The Translation of Japanese Original Document



2nd Quarter, Business Results for the Fiscal Year Ending

August 9, 2018
December 31, 2018

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- 1 Summary of Consolidated Financial Results**
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1 Consolidated Financial Results

Marketing Business

Continued No.1 growth rate in industry
Steady progress on HR investment to expand business

Revenue JPY**19,861**million YoY +**22.1%**※
EBITDA JPY**899**million YoY +**24.5%**※

Synergy Investment Business

Temporary revenue decline from overseas subsidiaries
Significant EBITDA increase on capital gains from listing of consolidated subsidiaries

Revenue JPY**1,152**million YoY (10.7)%
EBITDA JPY**944**million YoY +JPY**980**million

Consolidated

Significant revenue increase due to growth of marketing business
Increased costs due to HR investment/reinforcement of management system, etc.

EBITDA increased due to capital gains

Revenue JPY**20,982**million YoY +**19.9%** ※
EBITDA JPY**1,395**million YoY +**69.5%** ※

2018Q2 Consolidated Financial Results

(Unit: JPY million)

	2018Q2	Adjusted ^{※1} 2017Q2	Year-on-Year		[Reference]		
			Increase/ (Decrease)	Growth Rate	2017Q2	Increase/ (Decrease)	Growth Rate
Revenue	20,982	17,501	3,480	19.9%	19,112	1,869	9.8%
Gross Profit	4,160	3,629	531	14.6%	3,902	258	6.6%
Operating Income	81	299	(217)	(72.7)%	345	(263)	(76.4)%
EBITDA ^{※2}	1,395	823	572	69.5%	871	523	60.0%
EBIT ^{※3}	1,127	448	678	151.3%	492	635	129.0%
Net income attributable to owners of parent	663	127	536	420.1%	147	516	349.5%
ROE(LTM) ^{※4,5}	7.3%				8.5%	—	(1.2)pts
Free cash flow ^{※6}	715				220	494	223.7%
EPS	29.35				6.53	22.82	349.5%
Diluted EPS	29.07				6.40	22.67	354.2%

※1 Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

※2 EBITDA= EBIT + Other finance-related profits (losses) + Depreciation + Amortization of intangible assets + Amortization of long-term prepaid expenses + Non-cash gain and loss

※3 EBIT=Net income before taxes and other adjustment + interest paid – interest received

※4 LTM= Last twelve months

※5 ROE= Net income attributable to owners of parent(LTM) ÷ (Average shareholders' equity as of June 30, 2017 and as of June 30, 2018)

※6 Free cash flow=Operating cash flow + Investment cash flow

2018Q2: Decomposition of Consolidated Financials **opt** Holding

(Unit: JPY million)

	Reporting Segment			HQ Cost	Others	Consolidated
	Marketing	Synergy Investment	Reporting Segment Total			
Revenue	19,861	1,152	21,014	-	(32)	20,982
Gross Profit	3,474	699	4,173	-	(13)	4,160
SG&A	(2,818)	(817)	(3,636)	(460)	18	(4,079)
Operating Income	655	(118)	537	(460)	5	81
EBITDA	899	944	1,844	(450)	1	1,395
EBIT	660	941	1,602	(480)	5	1,127
Finance income and expenses						(6)
Net income before taxes and other adjustments						1,120
Total income taxes						(421)
<i>Income taxes – current</i>						(474)
<i>Income taxes – deferred</i>						53
Net income attributable to non-controlling interests						(35)
Net income attributable to owners of parent						663



2018Q2 Consolidated Revenue Analysis

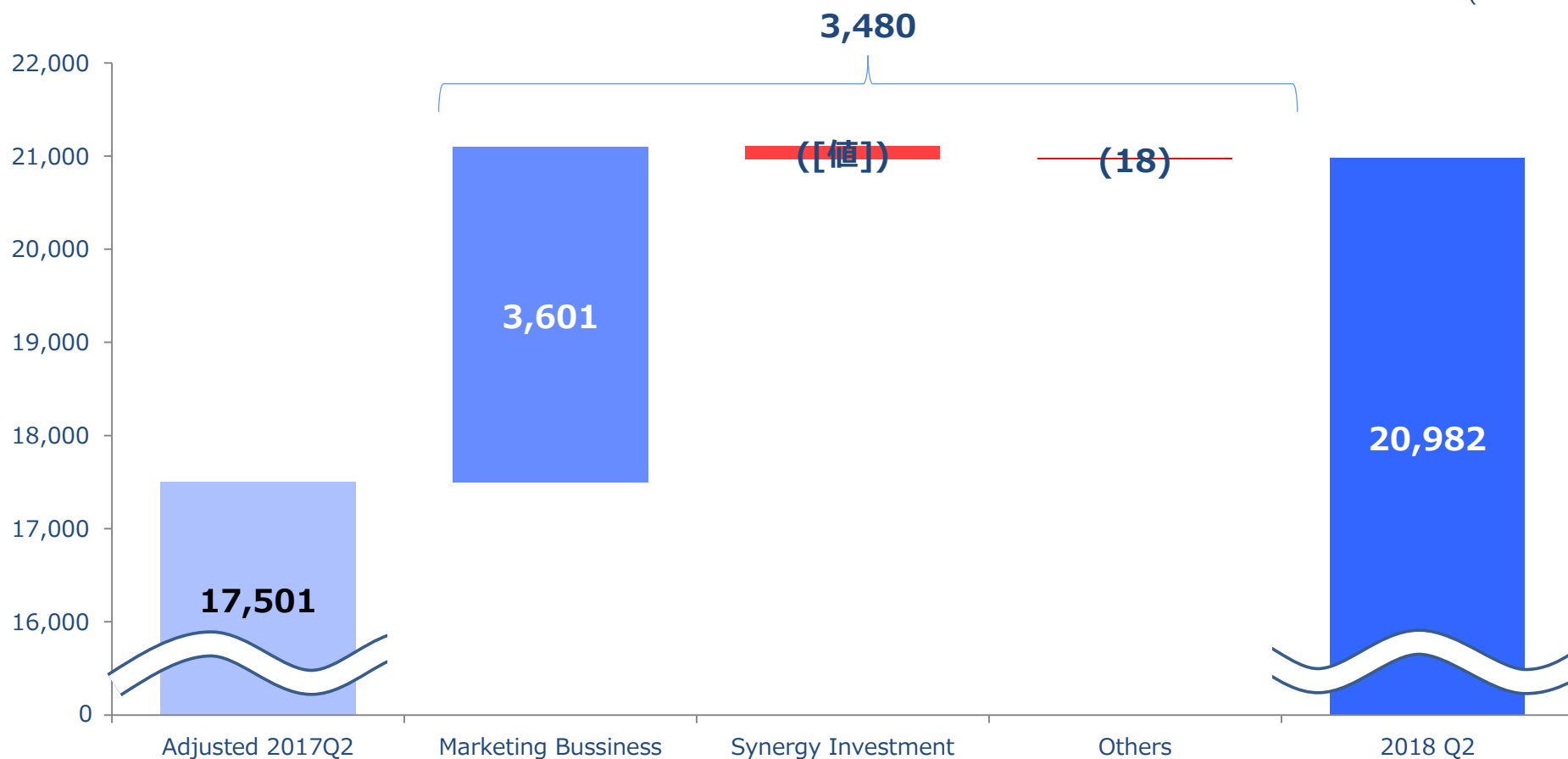
Marketing Business

Progress on finding new clients. Adjusted YoY +JPY 3,601 million (+22.1%)

Synergy Investment

Temporary revenue decline in overseas marketing subsidiaries. YoY JPY (138) million
Started reviewing the overseas marketing business

(Unit: JPY million)



※ Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Marketing Business

Increased sales and maintained profit despite the cost increase due to reinforced recruiting and others. Adjusted YoY* +JPY 176 million (+24.5%).

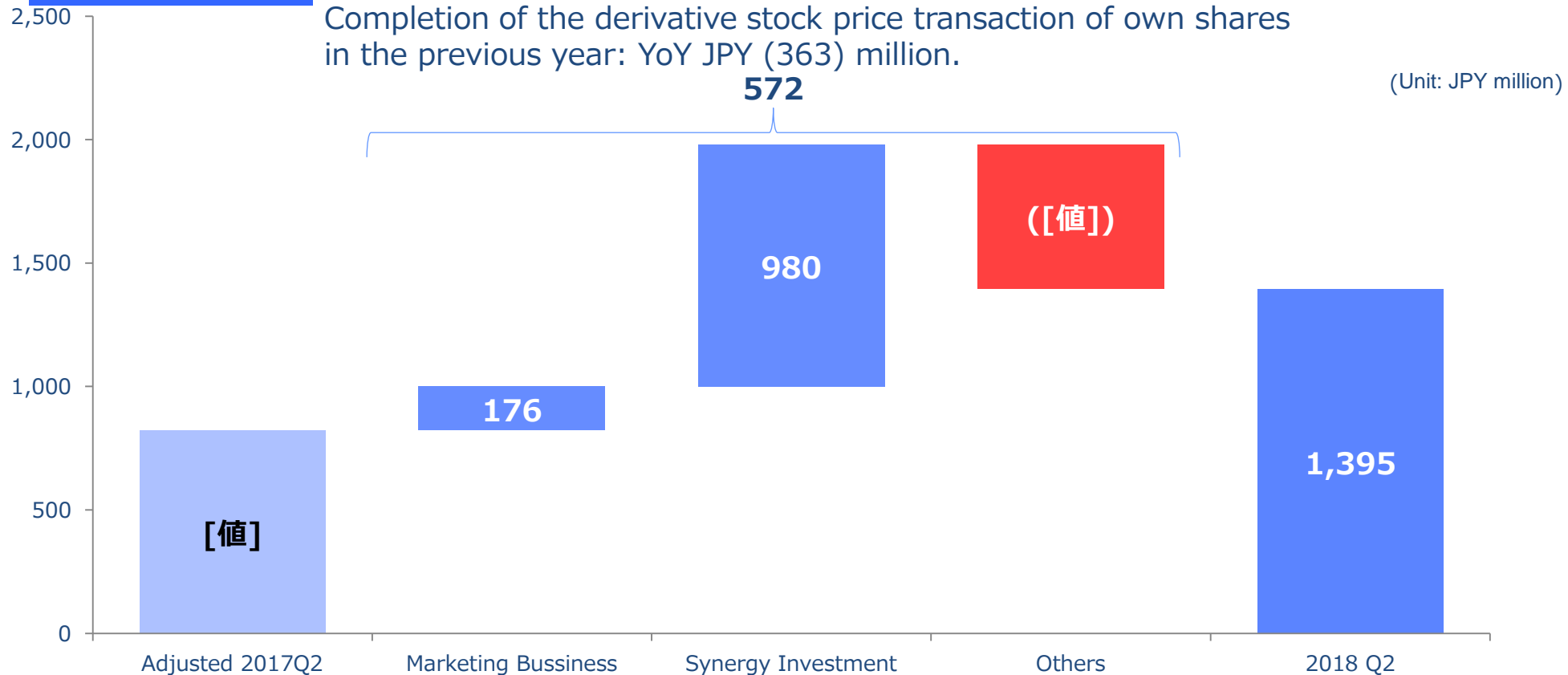
Synergy Investment

Despite temporary poor performance in overseas marketing and cost increase from increased consolidated subsidiaries, gain on sale from listing of consolidated subsidiary (Writeup Co., Ltd) produced YoY +JPY 980 million.

Others

Increased costs to reinforce the corporate management structure, etc.: YoY JPY (221) million.

Completion of the derivative stock price transaction of own shares in the previous year: YoY JPY (363) million.

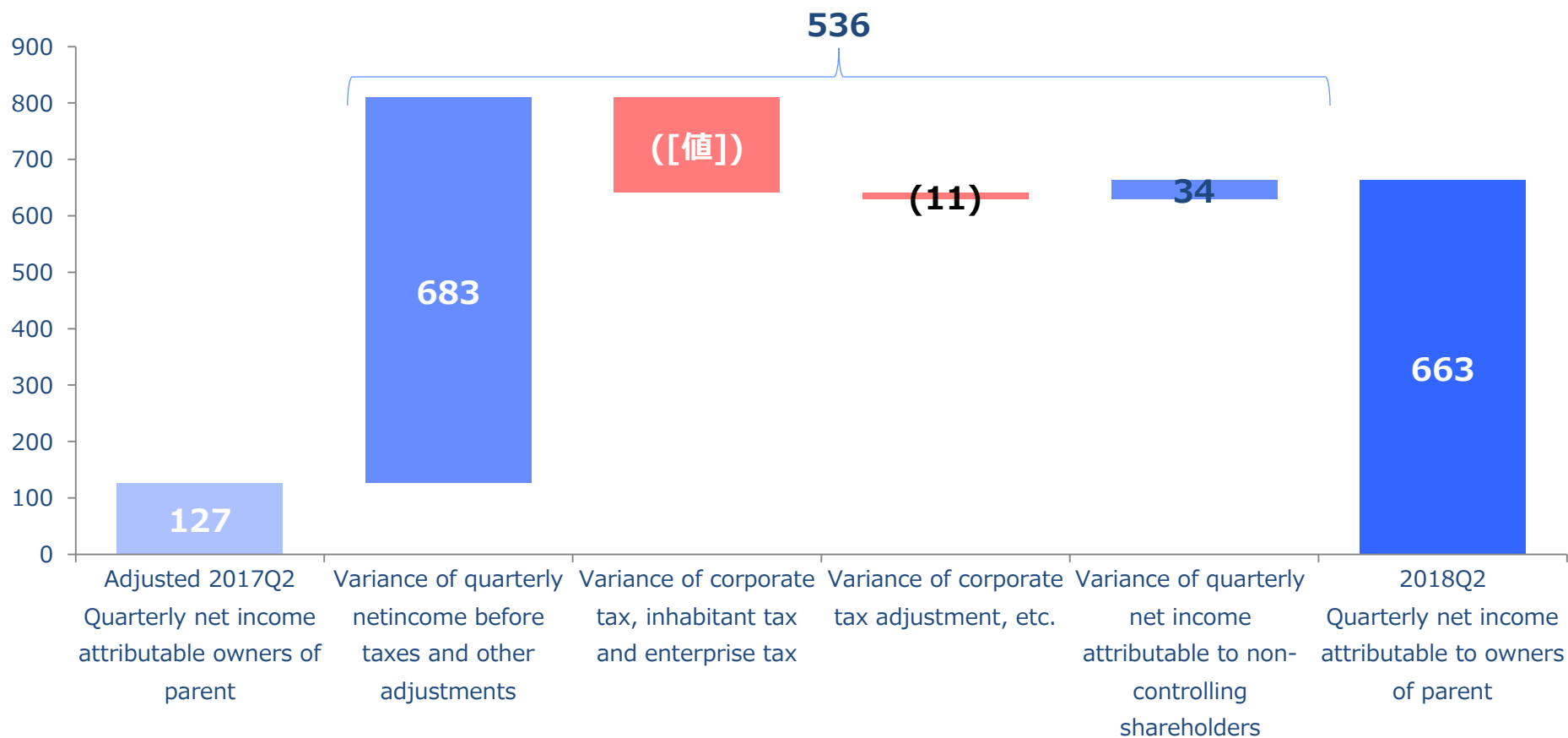


※ Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Quarterly net income before taxes: Adjusted YoY*JPY 683 million (+156.0%).

Quarterly net income attributable to owners of parent: Adjusted YoY*JPY 536 million (+420.1%).

(Unit: JPY million)



※ Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

- Continued growth higher than market. Revenue increased by 22.1% YoY.
- Reinforced resources to accelerate growth: Recruited/trained and enhanced creative talent, EBITDA increased by 24.5% YoY.

	Year-on-Year (Unit: JPY million)			
	2018Q2	Adjusted* 2017Q2	Increase/ (Decrease)	Growth Rate
Revenue	19,861	16,260	3,601	22.1%
Gross Profit	3,474	2,906	567	19.5%
SG&A	(2,818)	(2,383)	(435)	(18.3)%
Operating Income	655	523	132	25.2%
EBITDA	899	722	176	24.5%
EBIT	660	513	147	28.7%



Decomposition of Revenue Growth of Marketing Business

Marketing Business

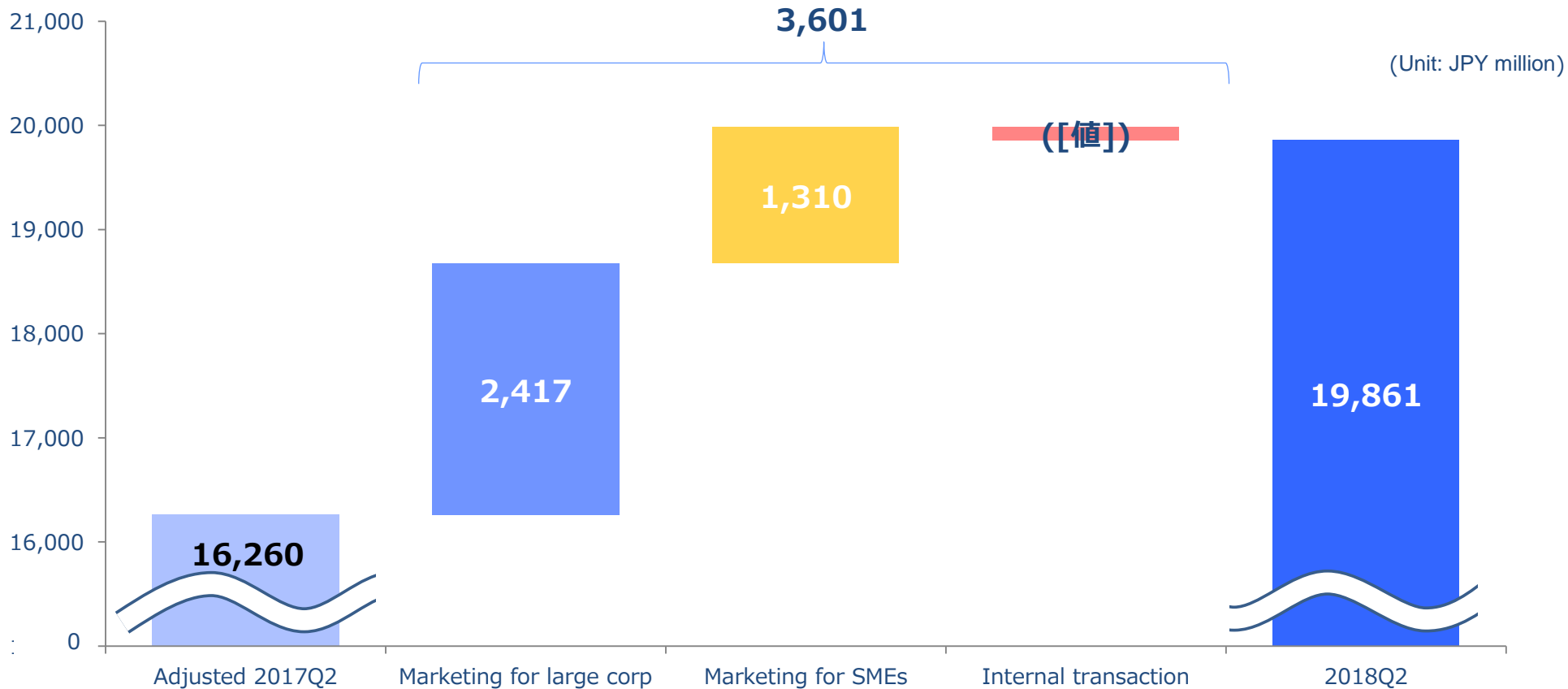
Adjusted YoY* +JPY 3,601 million (+22.1%).

Business for large corp

Successful finding new brand advertisers and retail clients. YoY +JPY 2,417 million (+17.8%).

Business for local/SMEs

Successful finding new EC-related advertisers and other clients. Adjusted YoY*+JPY 1,310 million (+48.3%).



* Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Decomposition of EBITDA of Marketing Business

Marketing Business

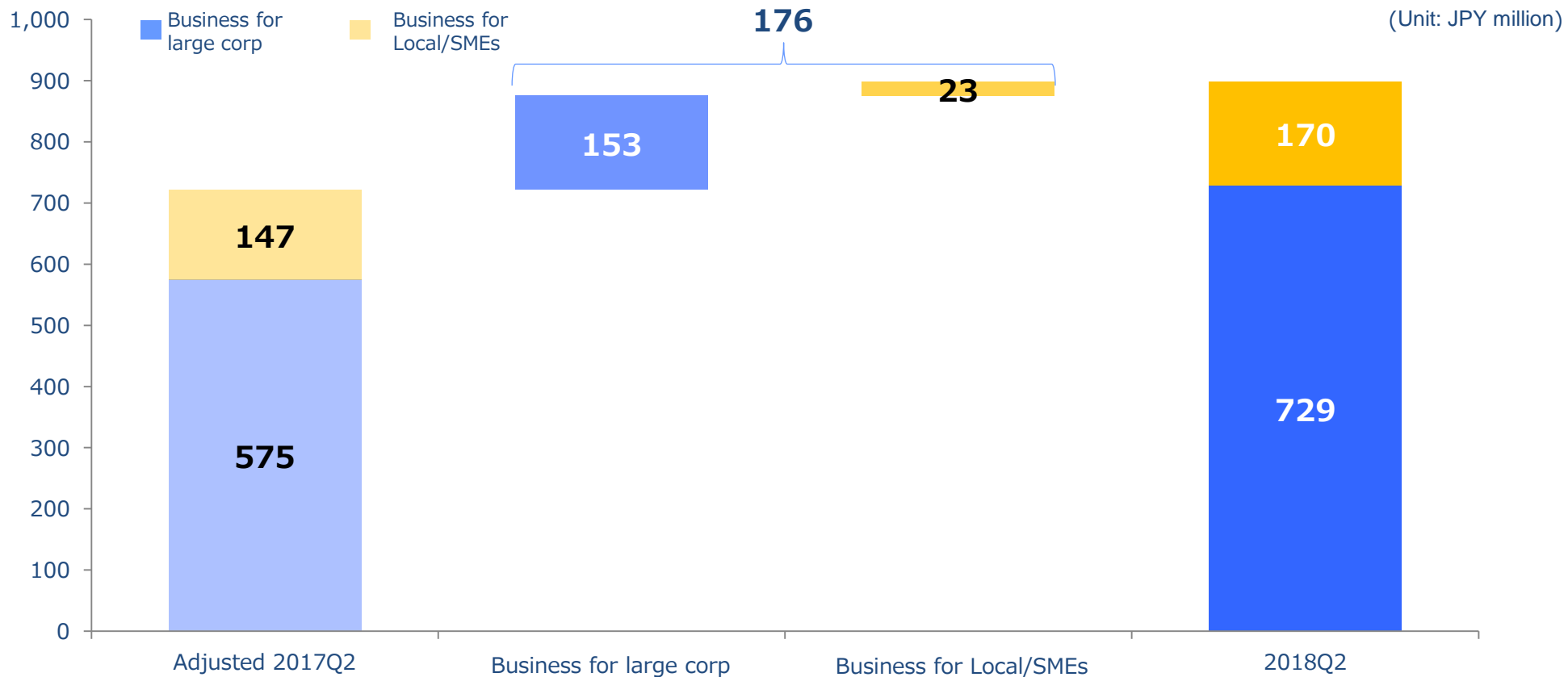
Adjusted YoY* + JPY 176 million (+ 24.5%).

Business for large corp

Increased labor costs (e.g., hiring of new graduates) and others covered by increased revenue. YoY +JPY 153 million (+26.7%).

Business for local/SMEs

Established first-mover advantage: Reinforced investments in businesses while maintaining profit. Adjusted YoY* +JPY 23 million (+ 15.9%).



* Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Summary Financials of Synergy Investment Business **spt** Holding

Financial investment

Listed a consolidated subsidiary (Writeup Co., Ltd.). Its partial sale produced capital gain of approximately JPY 1.1 billion.

Overseas Marketing

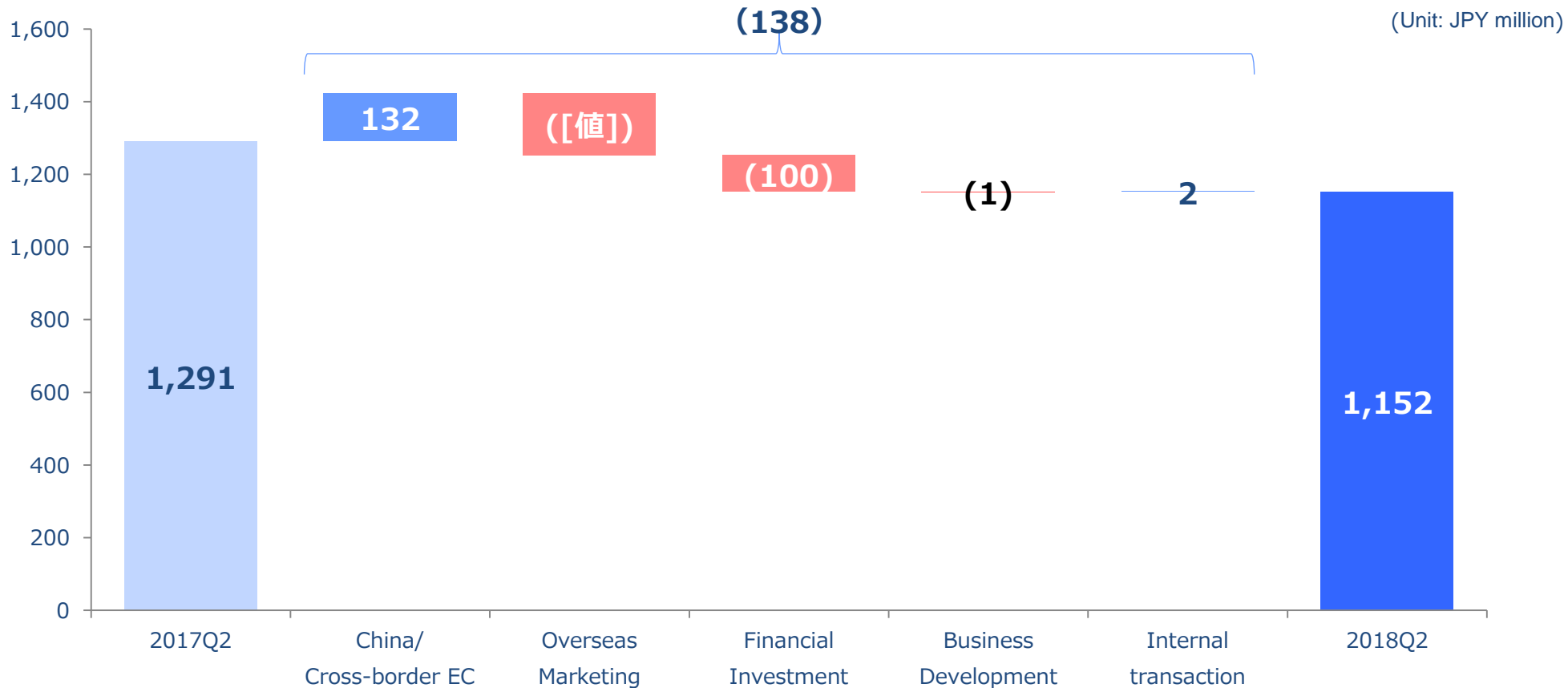
Started reviewing its business portfolio.

Revenue decreased due to temporary factors in overseas marketing subsidiaries.

	Year-on-Year ^(Unit: JPY million)			
	2018 Q2	2017 Q2	Increase/ (Decrease)	Growth Rate
Revenue	1,152	1,291	(138)	(10.7)%
Gross Profit	699	710	(10)	(1.5)%
SG&A	(817)	(649)	(168)	(25.9)%
Operating Income	(118)	61	(179)	—
EBITDA	944	(35)	980	—
EBIT	941	(150)	1,092	—

China/Cross-Border EC Robust cross-border EC business. YoY + JPY 132 million (+462.8%).

Overseas Marketing Temporary revenue decrease. YoY JPY (171) million. Started reviewing the business portfolio.



Financial investment

Listing of Writeup produced capital gain of approx. JPY 1.1 billion.
Recognized impairment of some investments in overseas funds.
YoY JPY (192) million.

Equity Accounting Companies

Business growth reduced loss. YoY +JPY 121 million.

Overseas Marketing

Temporary decrease in revenue/profit. YoY JPY (106) million.
Started reviewing the business portfolio.



•Increased costs due to reinforcement of management system (e.g., preparation for introduction of ERP) to accelerate the Group's growth.

(Unit: JPY million)

	2018 Q2	2017 Q2	Year-on-Year
			Increase/ (Decrease)
SG&A	(460)	(228)	(232)
Operating Income	(460)	(228)	(232)
EBITDA	(450)	(182)	(268)
EBIT	(480)	(219)	(262)

Free Cash Flow

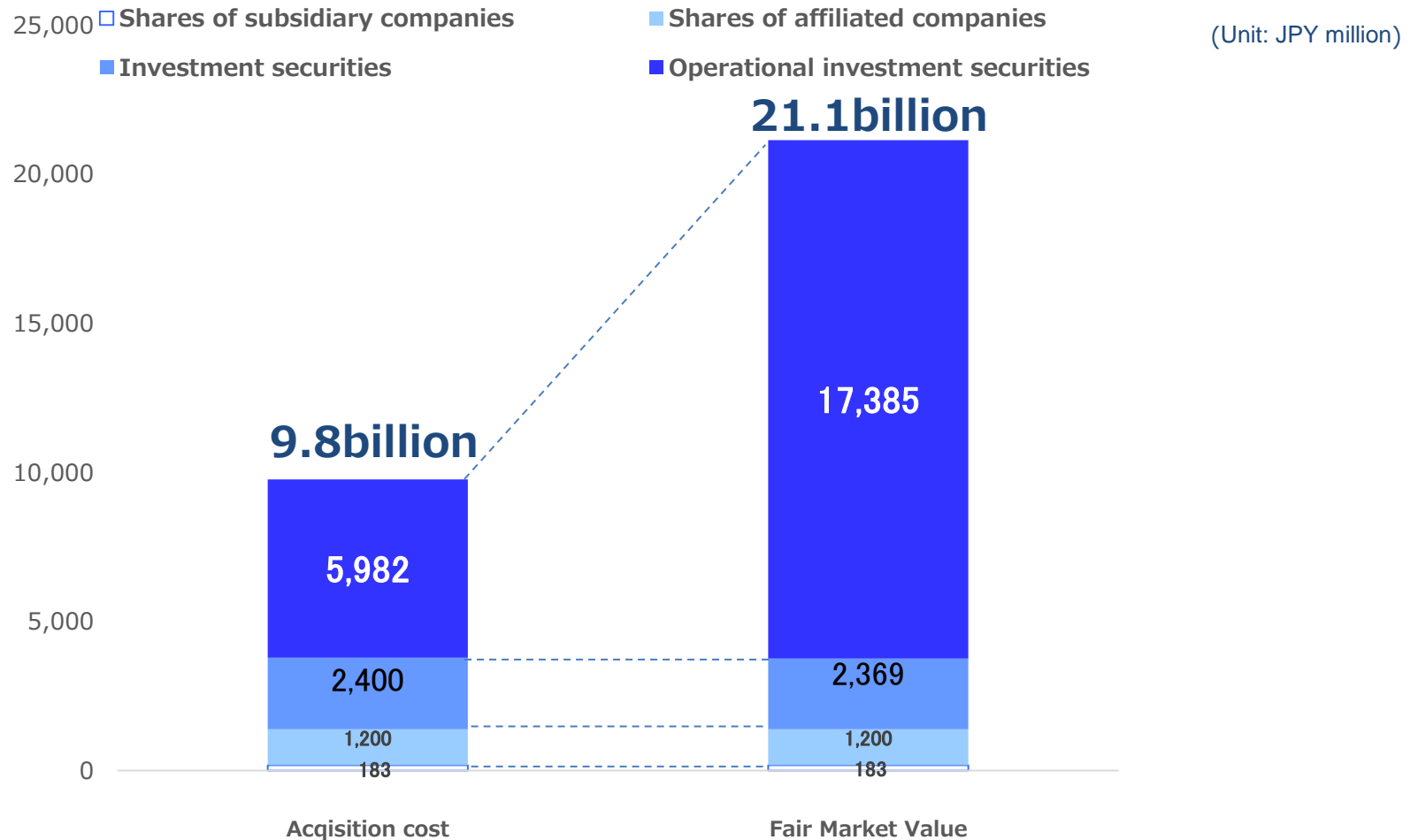
(Unit: JPY million)

	2018Q2	2017Q2	Increase/ (Decrease)	Growth Rate
Operating Cash Flow	854	469	384	81.8%
Investment Cash Flow	(139)	(248)	109	(44.1)%
Free Cash Flow	715	220	494	223.7%

EBITDA

	2018Q2	2017Q2	Increase/ (Decrease)	Growth Rate
EBIT	1,120	483	637	131.8%
Interest Paid (+)	8	9	(1)	(15.3)%
Interest Received (-)	(1)	(0)	(0)	(58.2)%
EBIT	1,127	492	635	129.0%
Depreciation (+)	159	145	14	9.9%
Amortization of intangible assets (+)	127	130	(3)	(2.4)%
Amortization of long-term prepaid expenses (+)	0	0	0	(19.4)%
Non-cash losses and gains(+)	(19)	103	(122)	(119.0)%
EBITDA	1,395	871	523	60.0%

- FMV as of the end of June 2018: JPY 21.1 billion (increased by 116.4% to +JPY 11.3 billion compared with the acquisition cost).
- Operating investment securities: Impact of gain on fair market valuation of Raksul Inc.



✓ How we calculate fair market value

1) The FMV for shares of subsidiaries and affiliated companies are calculated based on their book value.

2) The FMV for operating investment securities and investment securities are calculated on an issue-by-issue basis in the following manner.

- Issues with a small investment amount: Acquisition cost.
- Issues of listed companies: Market value as of the end of June 2018.
- Issues with recent financing (equity financing): Valuation amount based on the value of the relevant financing.
- Other issues are calculated based on the comparable multiple valuation method, discounted cash flow (DCF) method, or net asset method according to the condition of the business.

KPMG AZSA LLC has provided us with guidance and advice in calculating FMV for the investment business.

Started disclosing IRR associated with our investments from 2018 Q2 to improve transparency of our investment performance.

IRR after taxes as of the end of June 2018: a little less than 18%.

※ Details of IRR calculation

Investment	Those we invested in or after 2003 (including business investments).	
Reference date for calculation	End of June 2018.	
Method	Impaired investment	Calculated as if they were sold at the net asset value after impairment.
	Investment with recent financing	Calculated as if they were sold at the valuation amount of the share value at the time of financing.
	IPOed investment	Calculated as if they were sold at the market value as of the reference date.
	Fund	Calculated with the amount collected before the end of June 2018 and the book value as of the end of June 2018.
	Others	Any other investment with no change in their acquisition cost due to sale, impairment, financing, IPO or the like are calculated as if they were sold on the reference date at the acquisition cost.
Income taxes	Income taxes are taken into account.	



2

Milestones Up to 2020

THE LEADER in DIGITAL SHIFT: NEW STAGE 2020
Revenue of approx. JPY 130 billion and EBITDA of approx. JPY 6.5 billion

2020

Marketing Segment

Transform the marketing of every client as a change agent for digital shift

Revenue: approx. JPY 126.0 B
 EBITDA: approx. JPY 7 B

Synergy Investment Segment

Create new businesses by investing in the affiliated companies in the digital area

EBITDA: approx. JPY 1.2 B

Headquarters Functions

Professionals accelerating corporate value creation

EBITDA: approx. JPY (1.7) B

- ✓ Reinforce recruiting and organizational structure
- ✓ Invest in training for early strategization
- ✓ Enhance creatives
- ✓ Create specialized organizations
- ✓ Increase and expand revenue of own products
- ✓ Increase and expand revenue of non-ad products
- ✓ Find new clients through strategic alliances

Revenue: approx. JPY 84.0 B
 EBITDA: approx. JPY 4.5 B

Financial investment

- ✓ Capital gains
- ✓ Cutting-edge information/networks
- ✓ Formation of second fund

Business development

- ✓ Develop/create new businesses
- ✓ M&A

EBITDA: approx. JPY 1.6 B
 (Prior to upward revision: approx. JPY 0.5 B)

[2019 – 2020]

- ✓ Transition to IFRS
- ✓ Introduce common ERP to Group
- ✓ Integrate Group HQ functions
- ✓ Maintain the management personnel ratio, reduce man-hours, accumulate know-how

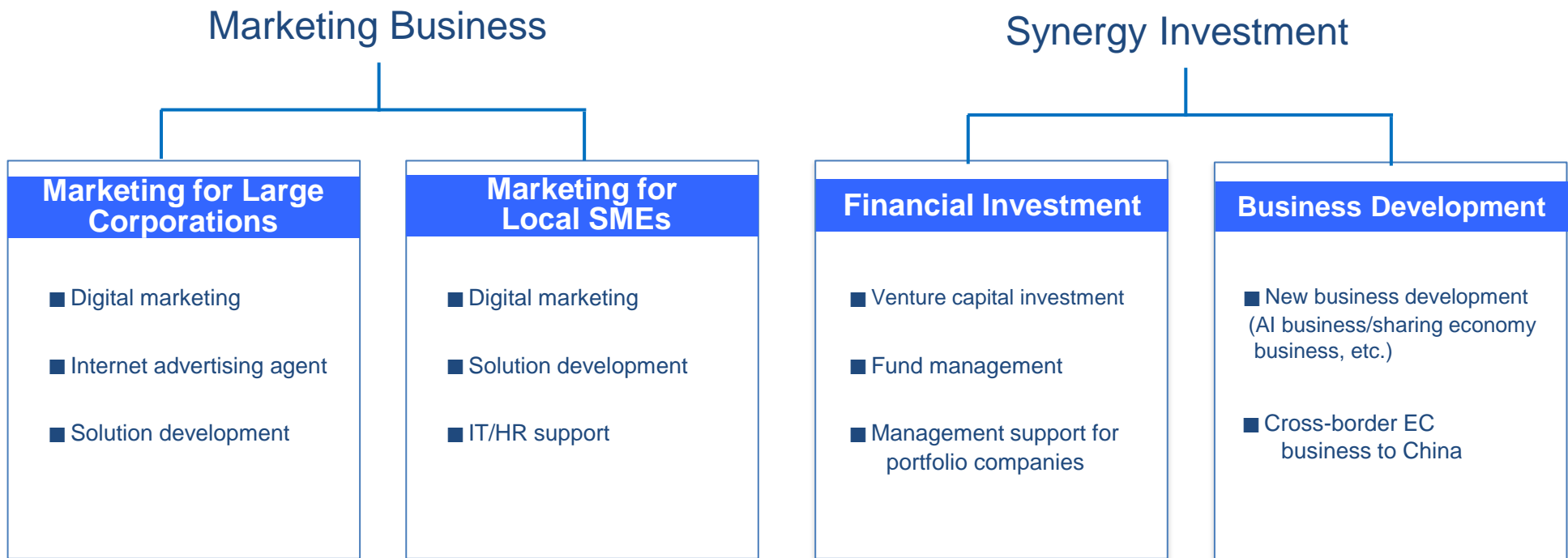
[Actions in 2018]

- ✓ Establish business management base
- ✓ Introduce the restricted stock compensation plan
- ✓ Introduce an employees' shareholding plan

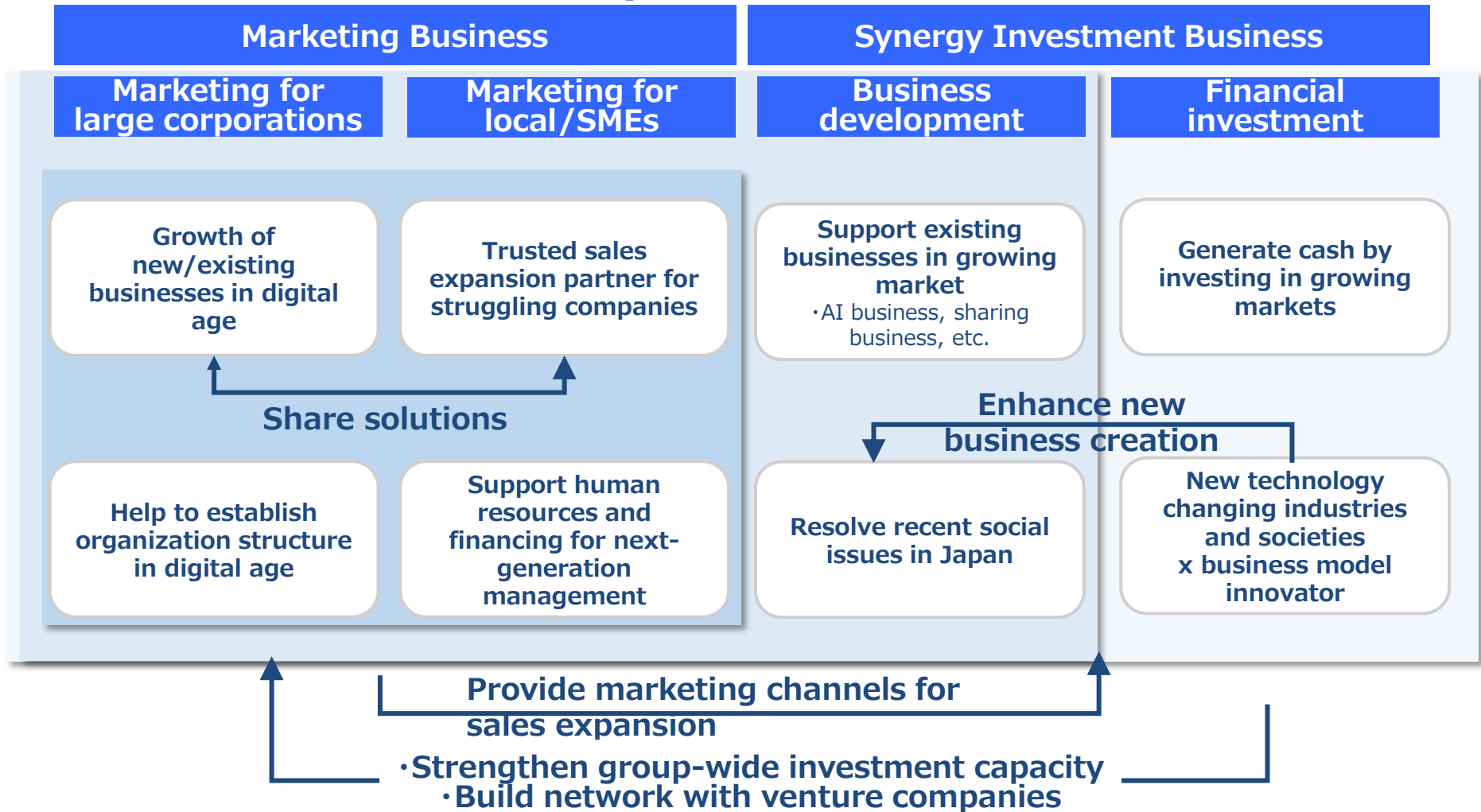
EBITDA: approx. JPY (1.5) B

Actions from 2018

Management resources in four areas



Maximize cash flows through Group cooperation and optimization





3 Topics on the Four Areas

Marketing Business

- ✓ Marketing for large corporations: Continued finding new brand advertisers and retail advertisers successfully. ※
- ✓ Established a design innovation organization “Studio Opt.” Enhance not only technology, but also design.
- ✓ Marketing for local/SMEs: Robust revenue increase (48% up YoY).

Synergy Investment Business

- ✓ Listing of largest investment, Raksul, produced unrealized gain of approx. JPY 10 billion.
- ✓ Writeup is listed as well. Sale of some shares produced a capital gain.
- ✓ Full-scale launch of AI business. Established SIGNATE Inc.
- ✓ China/cross-border EC business: Successfully increasing revenue.
- ✓ Operating income decreased due to temporary poor performance by eMFORCE in Korea.

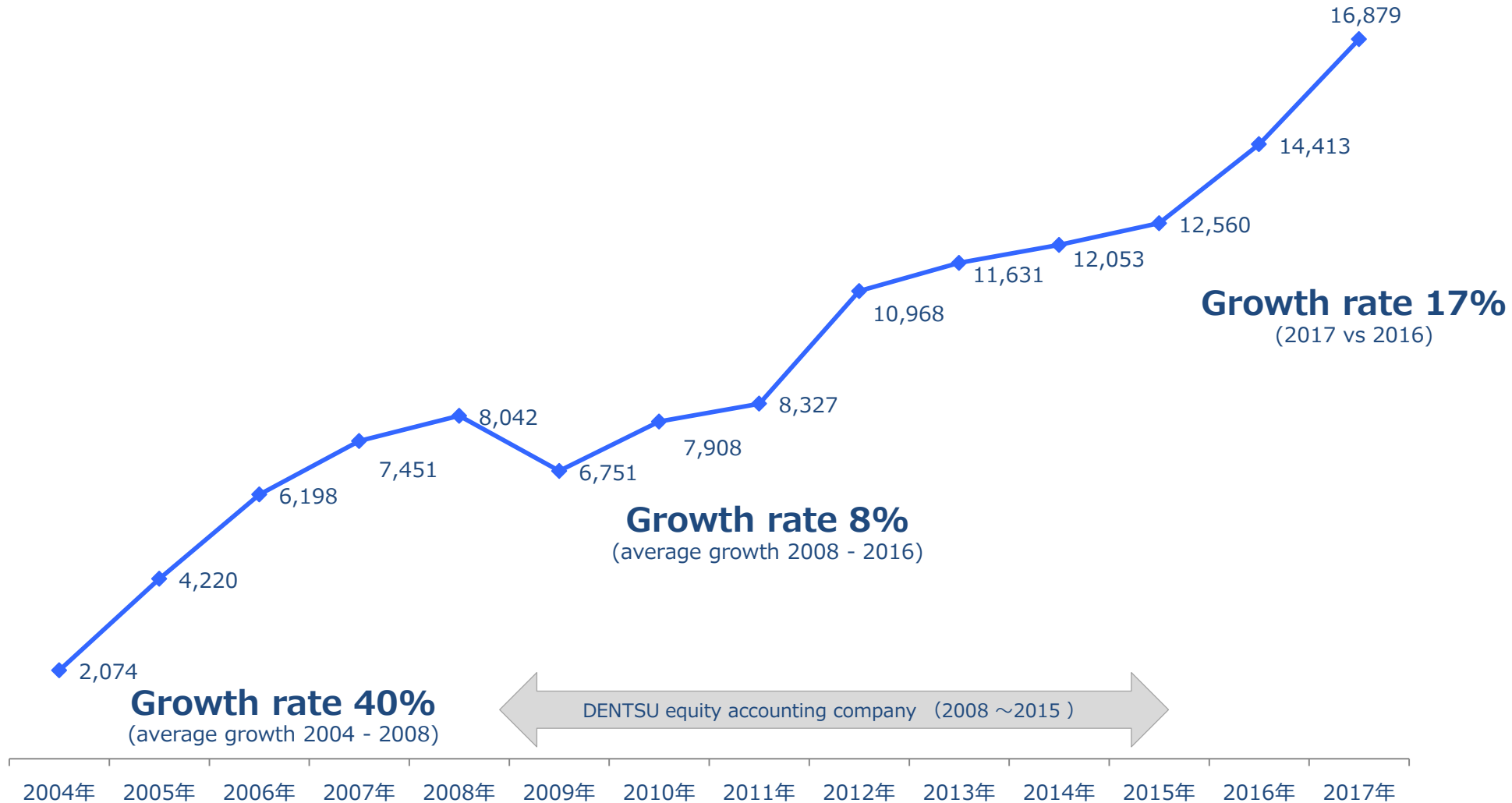
Group-wide

- ✓ Established “OPT HR Development Center,” R&D institute for digital marketers: quick development of digital talents and professionals in the Group.
- ✓ Reinforced Group cooperation, for example, by introducing a common system to the Group.
- ✓ Portfolio review: eMFORCE in Korea and the distribution business of SkillUp Video Technologies are to be sold.



Back on Strong Growth

(Unit: JPY million)

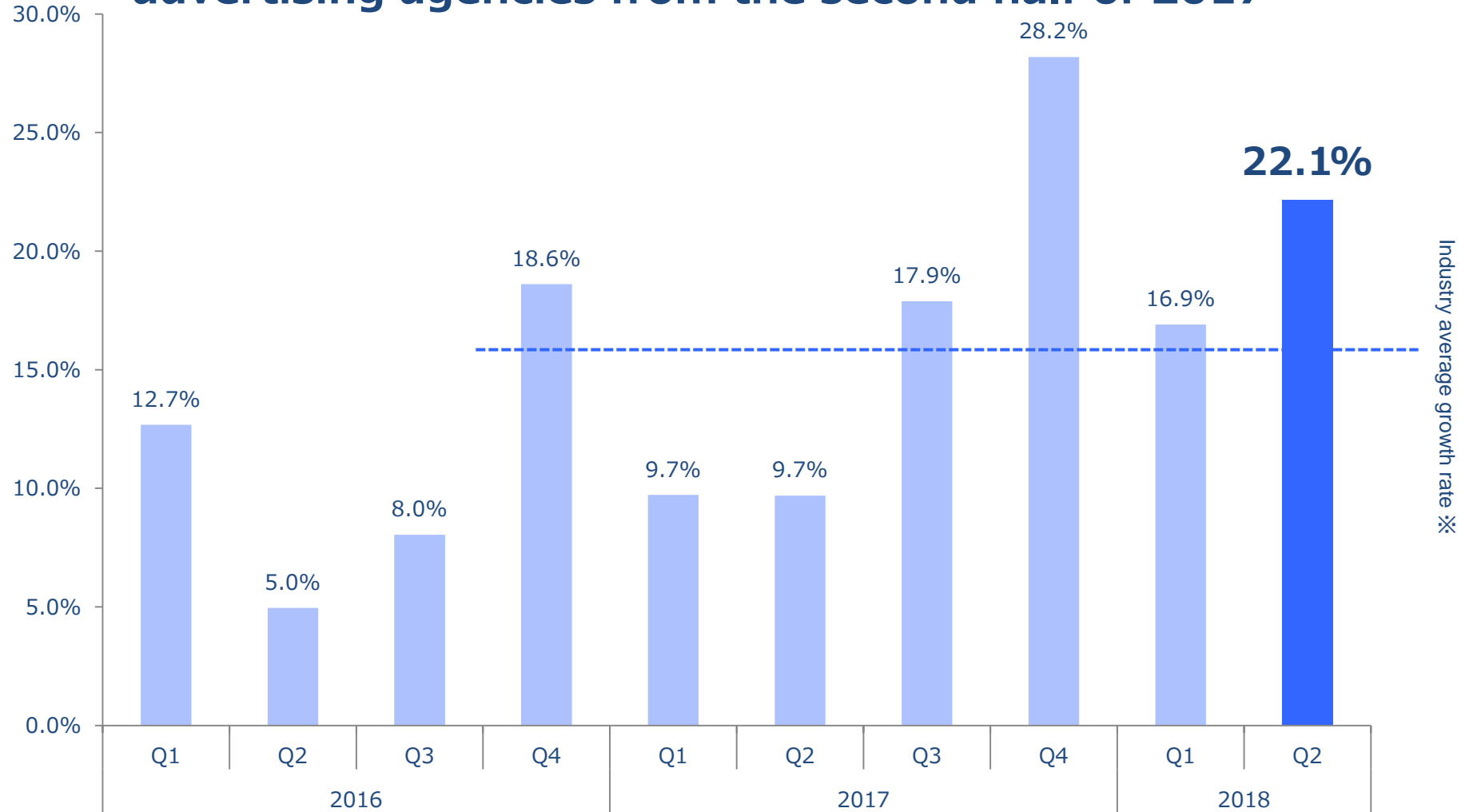




3 Topics on the Four Areas

- (1) Marketing for Large Corporations**
- (2) Marketing for SMEs**
- (3) Financial Investment**
- (4) Business Development**

Restored revenue growth rate higher than the major internet advertising agencies from the second half of 2017

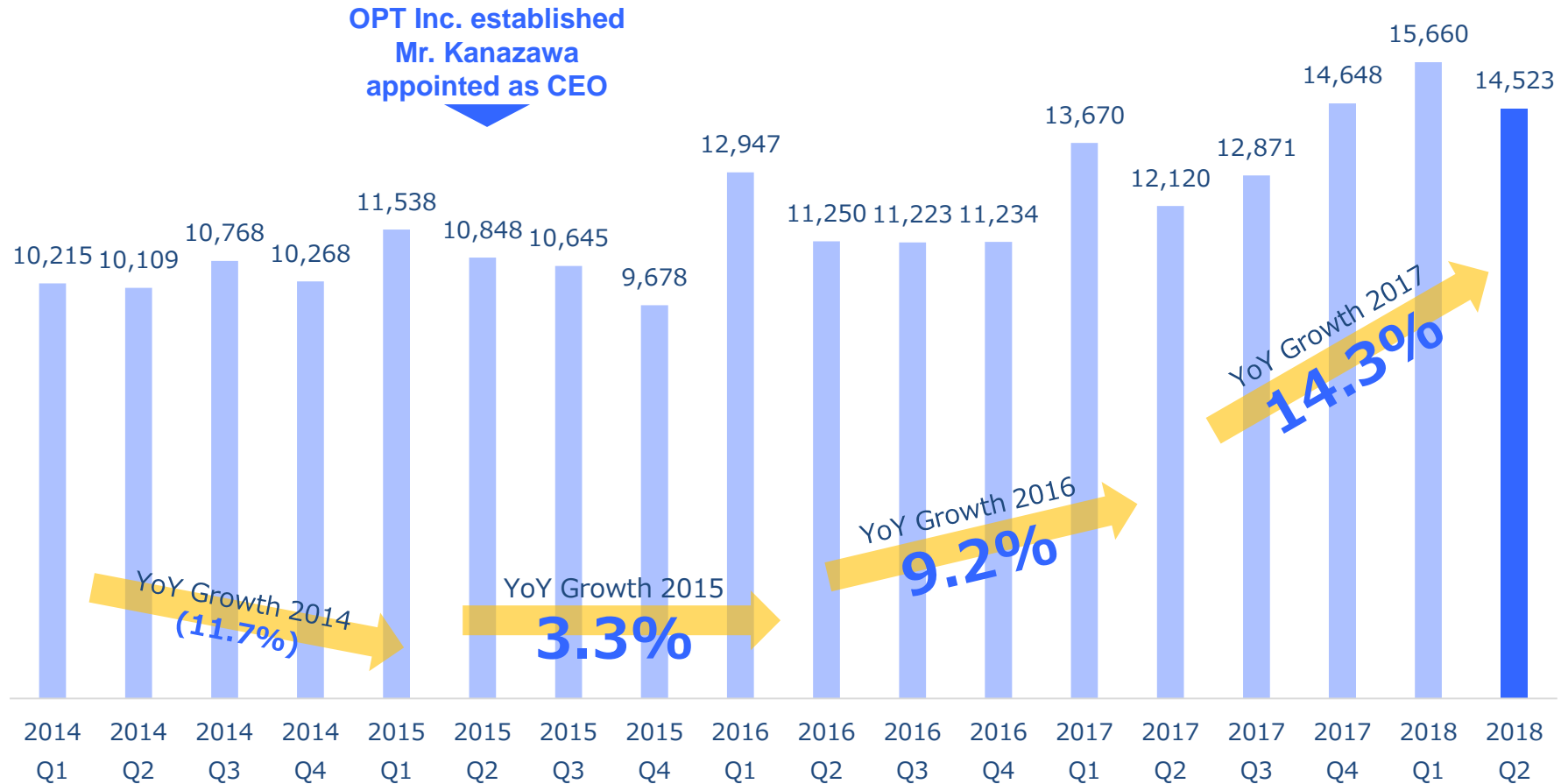


※1 dentsu,Hakuhodo DY holdings,Septeni Holdings,CyberAgent,D.A.Consortium

※2 Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Restored Strong Growth Momentum 2018 Q2 revenue increased by 19.8% YoY

(Unit: JPY million)



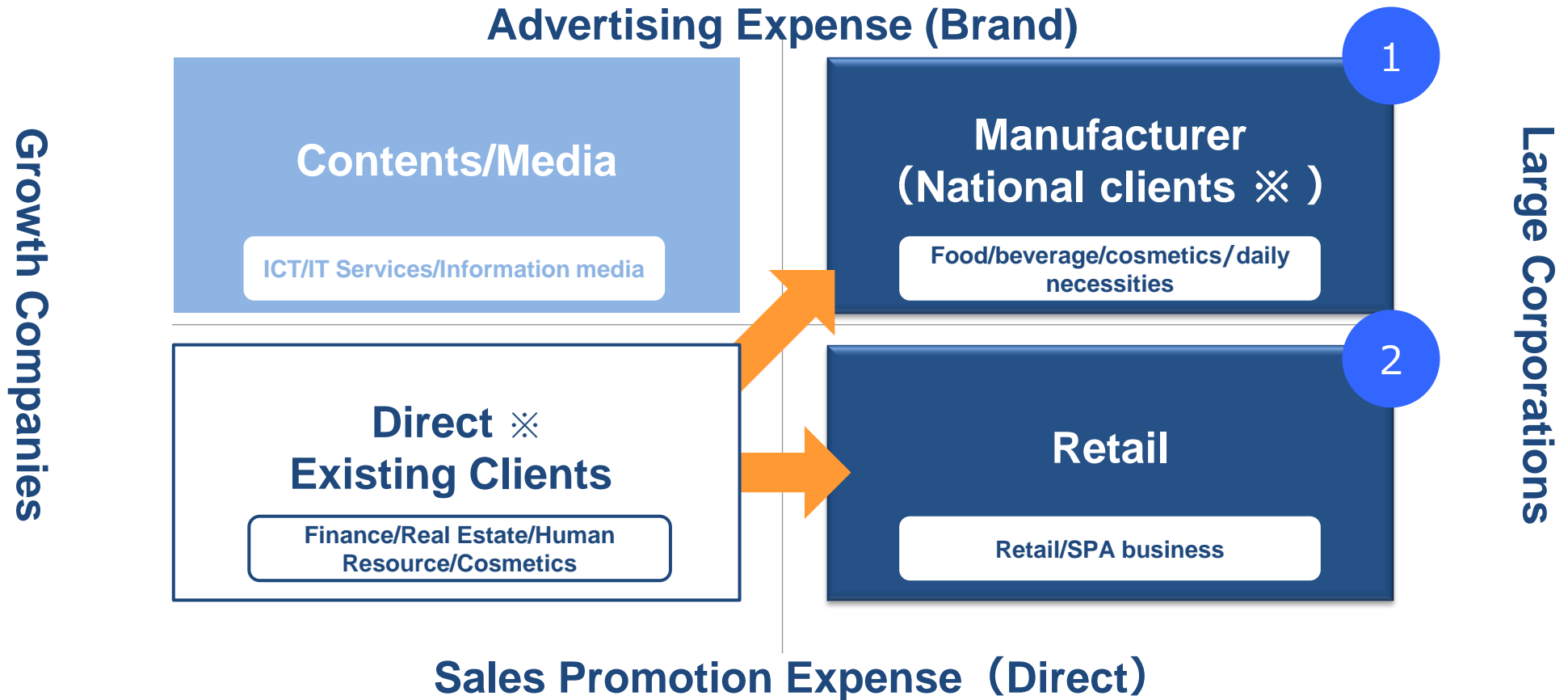
※ Revenue of OPT Inc. : Until FY2014, out of sales of former OPT Inc. excludes sales of non-advertising business such as Investment Incubation Business, etc.
After FY2015, revenue of current OPT Inc.

Growth in four priority industry clients and new business wins (by brand sponsors and retail clients)



※Long-term client: Client who continue to have transaction for more than 24 month, New to existing client: Client who has transaction for longer than 12 months and less than 24 months
 New client: Client who has transaction for longer than 1 month and less than 12 months, Non-continuous (spot, etc.): Client who has continuous transaction for less than 3 months

Enhanced our approach to large corporations (manufacturers and retailers) with big market size in addition to existing direct clients

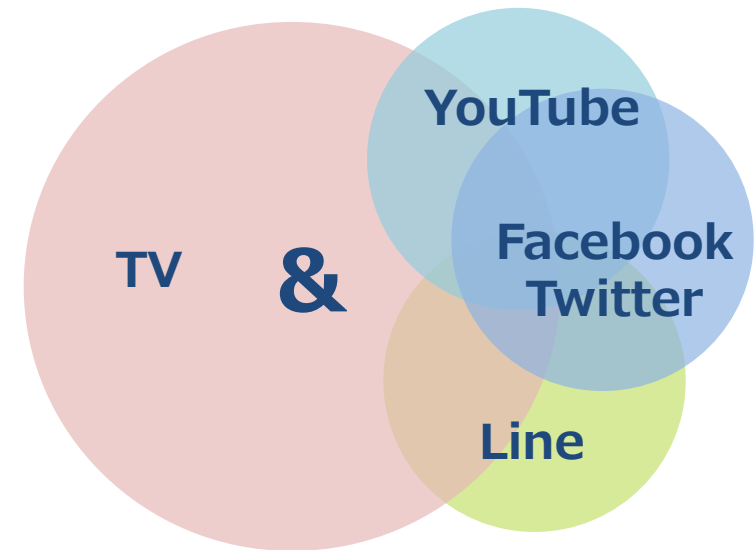
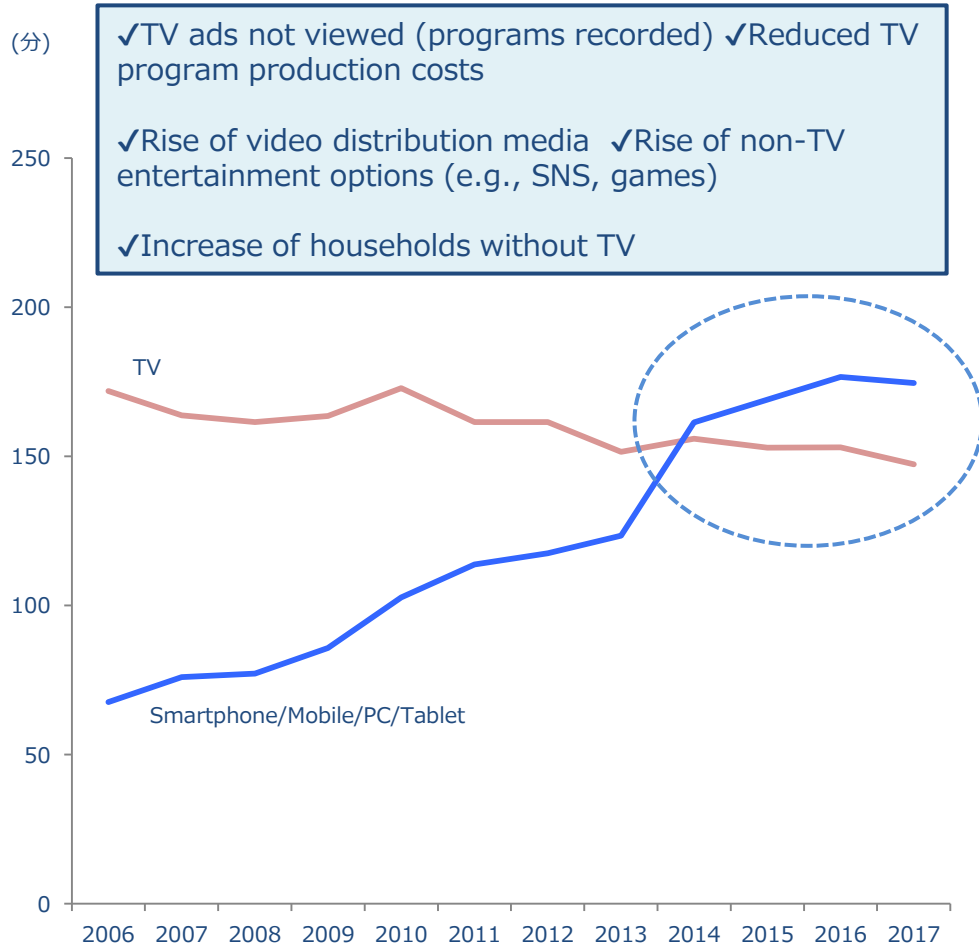


※National client: Major advertisers selling their own brand products / services nationwide/overseas

※Direct: Promotional activities aimed for sales promotion

Improving branding through combination of TV and digital ads

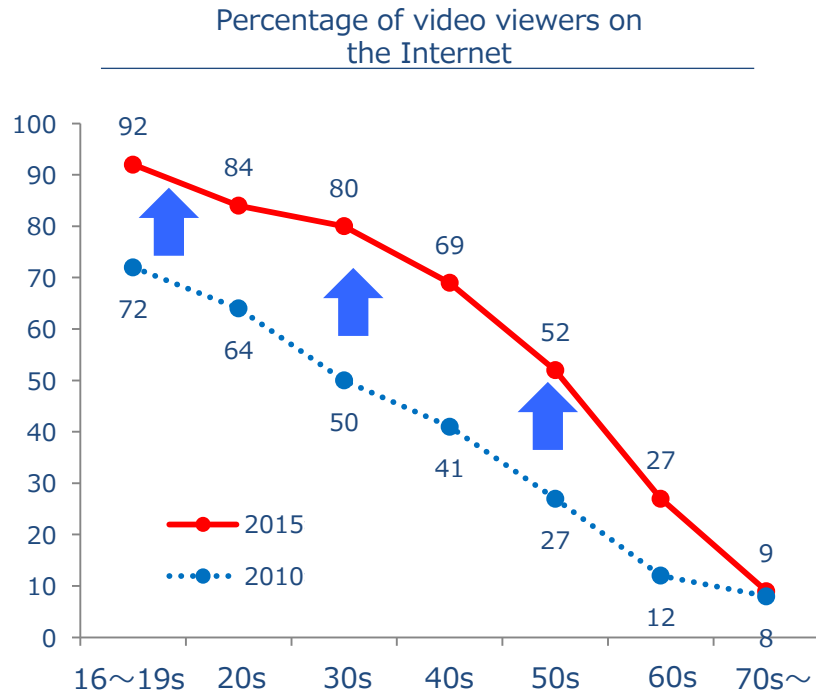
[Change in total media exposure time (daily average/per week) in the Tokyo area]



Video advertising: Higher expectations for both reach and effectiveness

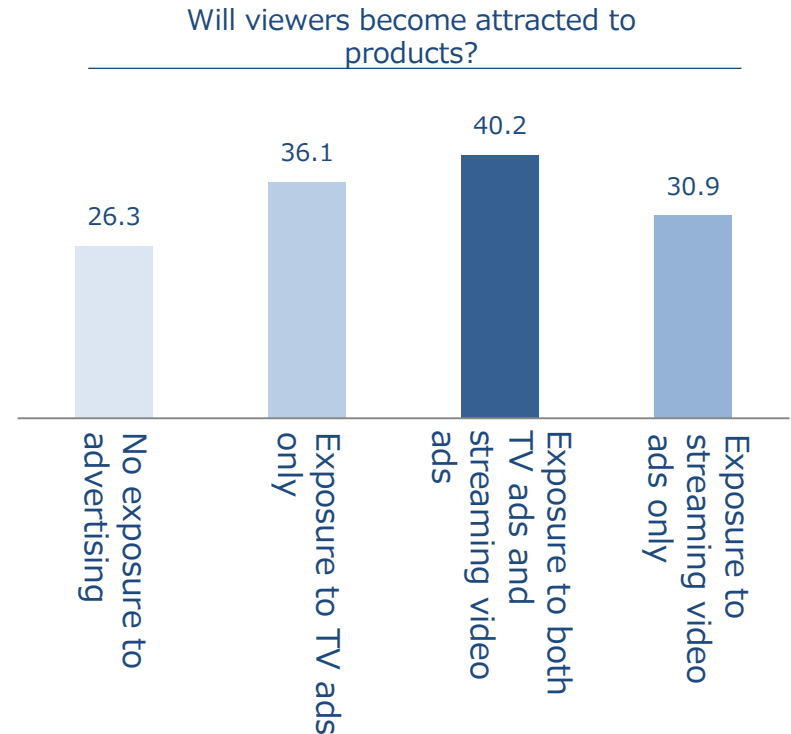
Reach

- ✓ Viewers in their 30s and 40s: 70% to 80% reached



Expression

- ✓ Attitude change effect enhanced by simultaneous use with TV advertising



Brand advertisers can optimize the budget allocation between TV and Internet by utilizing our own tool "ADPLAN Reach Simulator."

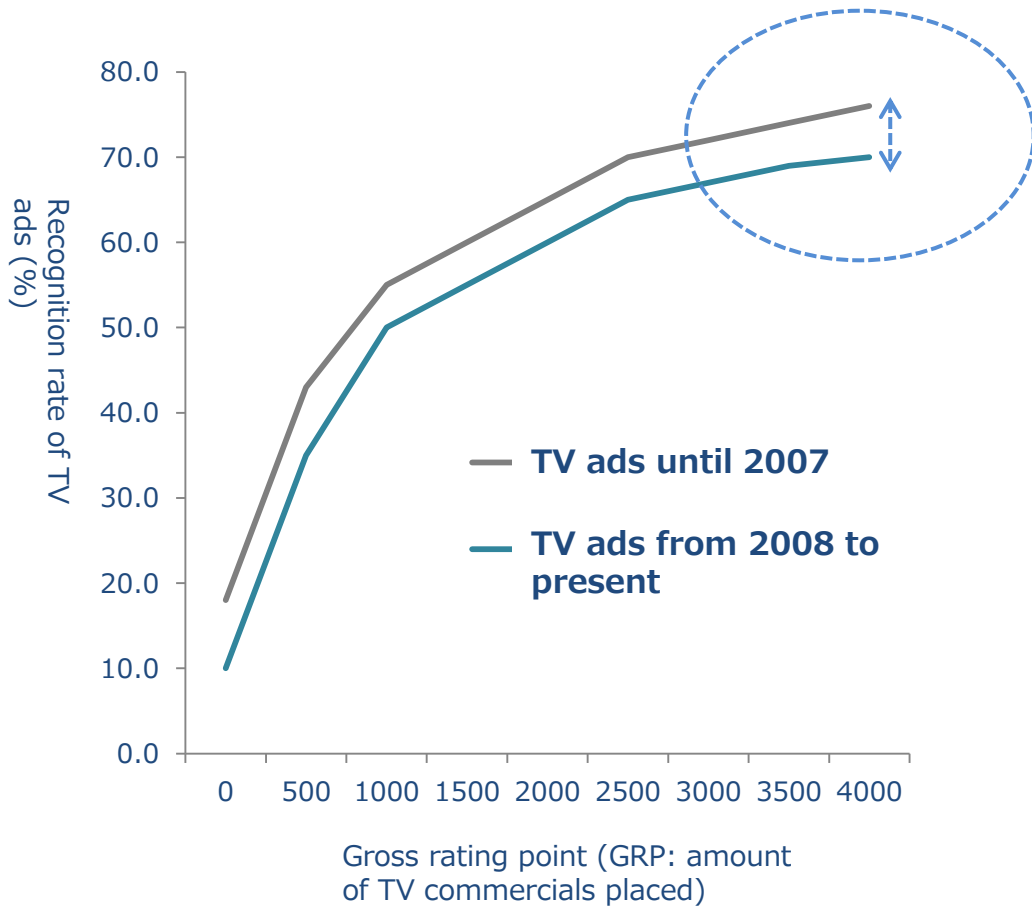
As a result, transaction volume of brand advertisers are dramatically increasing.



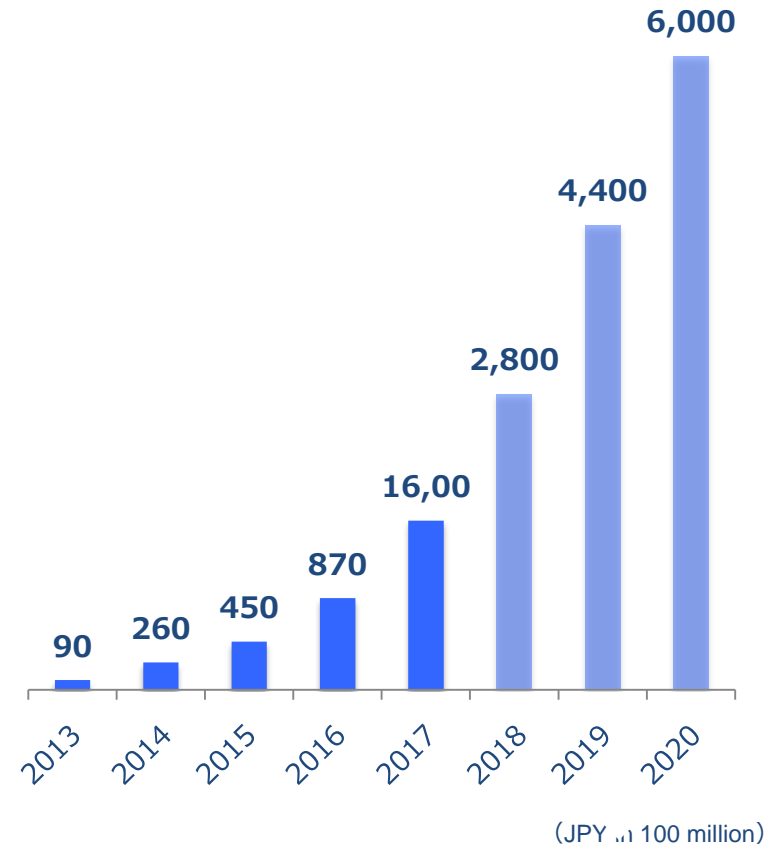
Maximize return on investment by TVCM X Internet advertisement

Set target value based on campaign information and delivers industry's first frequency and distribution analysis

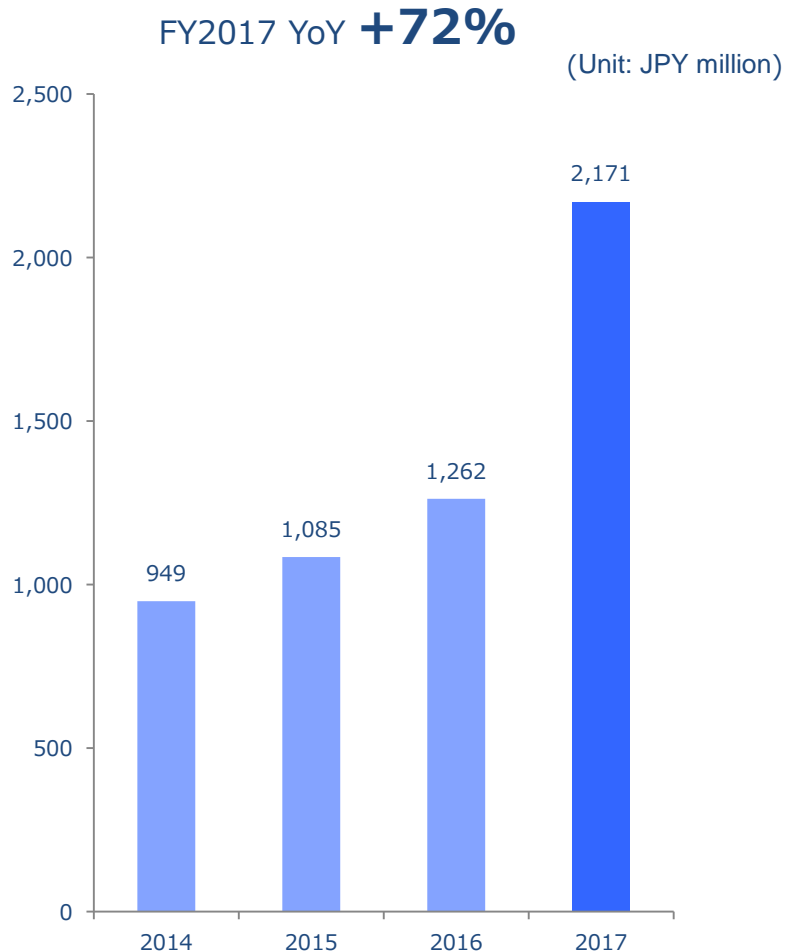
Budget shift to digital ads when utility of TV ads decline



[Video Advertising Market Forecast]



Video Advertising Revenue



Our Focus/Differentiation

✓Company-wide video-first policy

✓Loaned personnel to Dentsu became key resources in the Video Unit

✓Established dedicated creatives office in Okinawa

✓Established group-wide unit specializing in videos



✓ADPLAN Reach Simulator



✓Opened a film studio, "Studio CANVAS"



tSTORE Video Ad.

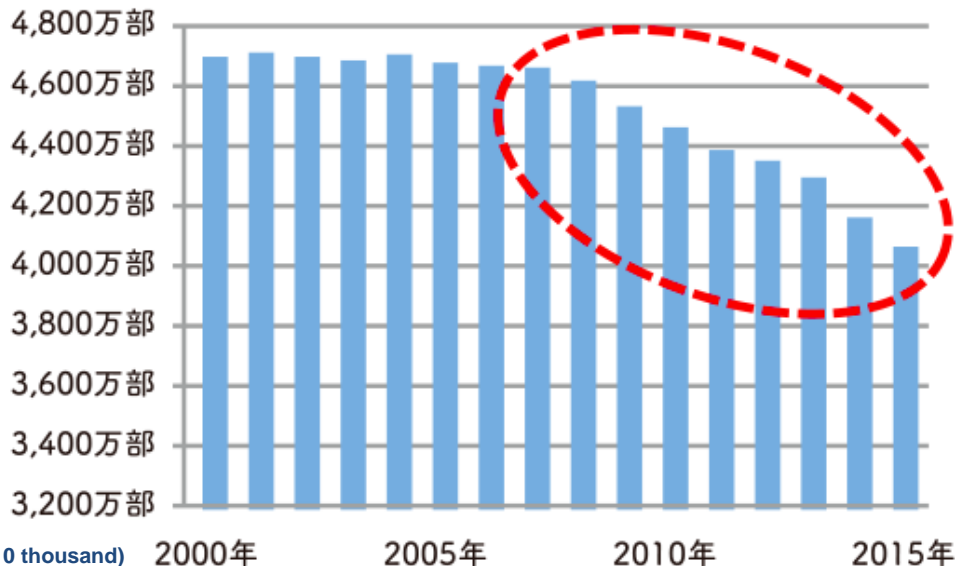
✓Developing video products

Sharp decline of newspaper subscription, consequent decline of flyer ad effectiveness as a tool to increase store traffic.

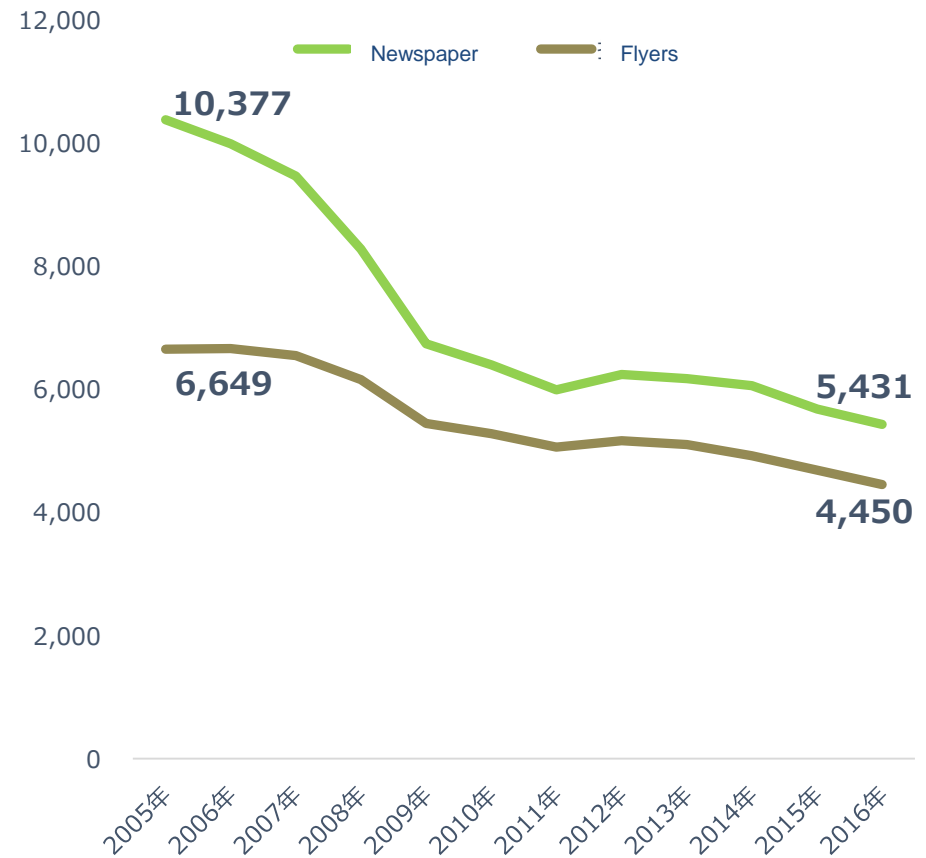
Launch of smartphone tool leveraging GPS information; the ad budget is shifting to Internet.

Decline of Newspaper Readers

Newspaper Subscription



(JPY in 100 million)



Delivery of ads leveraging GPS information and effectiveness measurement on own product: strong support form retail stores

t@STORE

~ Turn potential customers into real customers by providing the last mile fulfilment~

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)



Project



Cross-channel geo-behavior history / area characteristics

External data

Store data



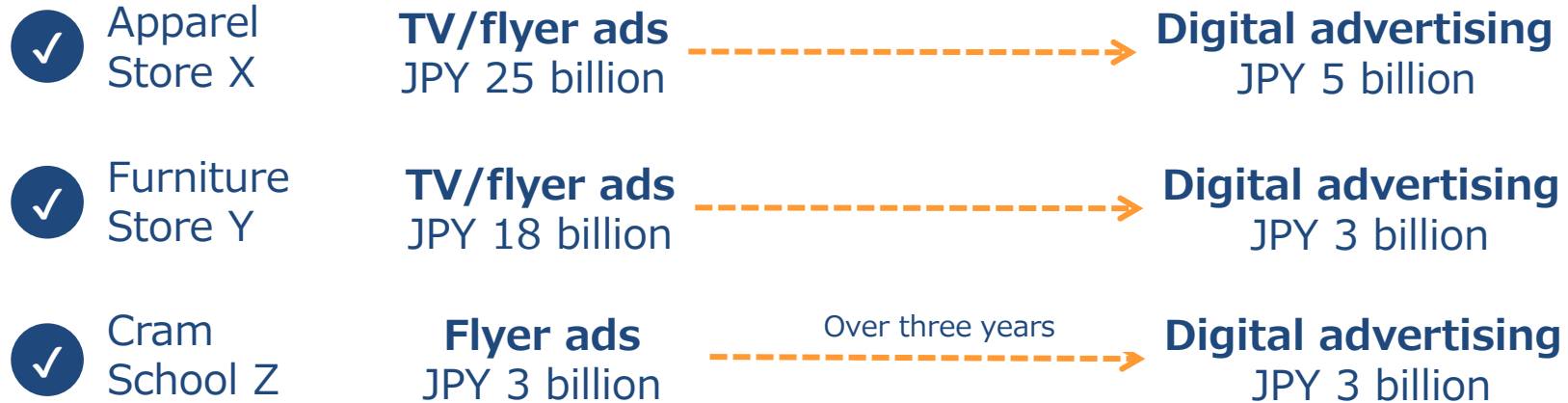
Measure effectiveness

Weather /word of mouth/ demographics

Store / product/ inventory/ sales



Retail industry accelerated its digital advertising shift



Deep understanding of clients' businesses supported by own investments and industry-specific organizations



1 Reinforce recruiting
 ✓Deep resources and strong organizations

2 Enhance creatives 
 ✓Established a design innovation firm

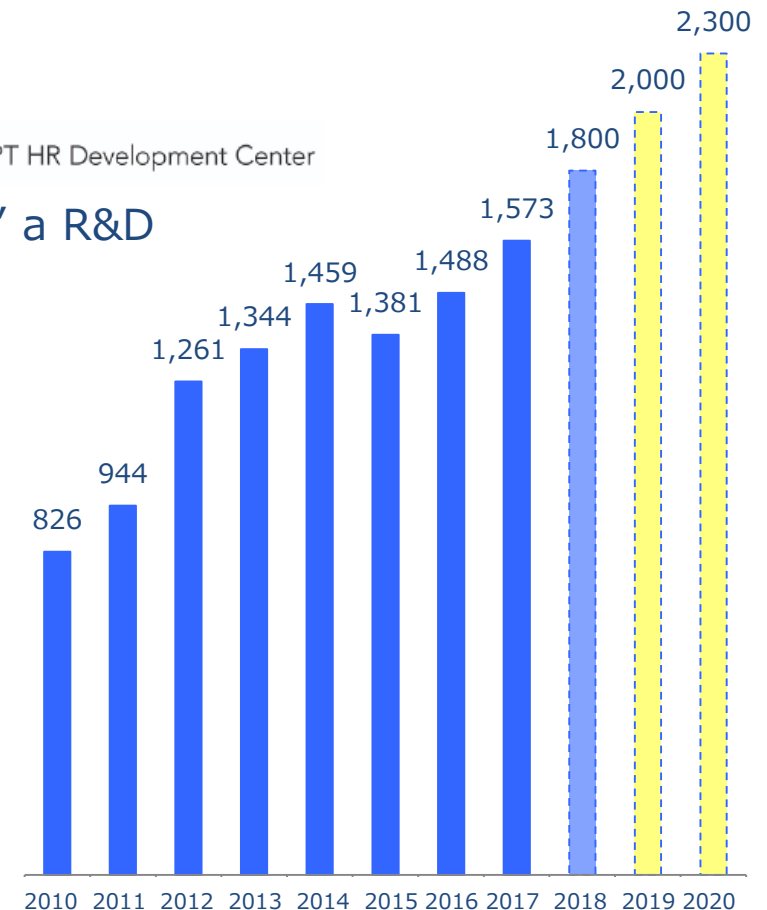
3 Strengthen personnel training  OPT HR Development Center
 ✓Established the “OPT HR Development Center,” a R&D institute for digital marketers

4 Create specialized organizations
 ✓Organizations specialized in retail and new media

5 Increase and expand revenue of own products
 ✓Successfully address the needs of clients

6 Increase and expand revenue of non-ad products
 ✓Expand revenue of success-based fee products → improve profitability

Increase human resources up to 2,300 headcounts by 2020





3 Topics on the Four Areas

- (1) Marketing for Large Corporations
- (2) **Marketing for local/SMEs**
- (3) Financial Investment
- (4) Business Development

Marketing Business Local/SME Clients: Overwhelming Market Share and Strengths

SoldOut is the only company with over JPY10 billion revenue among web marketing companies focusing on local/SMEs

Face-to-Face support at 20 sales offices nationwide

Sales capabilities



SOLDOUT

SoldOut Inc.
(Spun off from OPT Inc. in December 2009)

Solid customer base
Transactions

as of March 31, 2017

3,243 companies

Accumulated

Training Support
Use of external resources

Supply capacity



Over 200 inquiries per month

Marketing capabilities



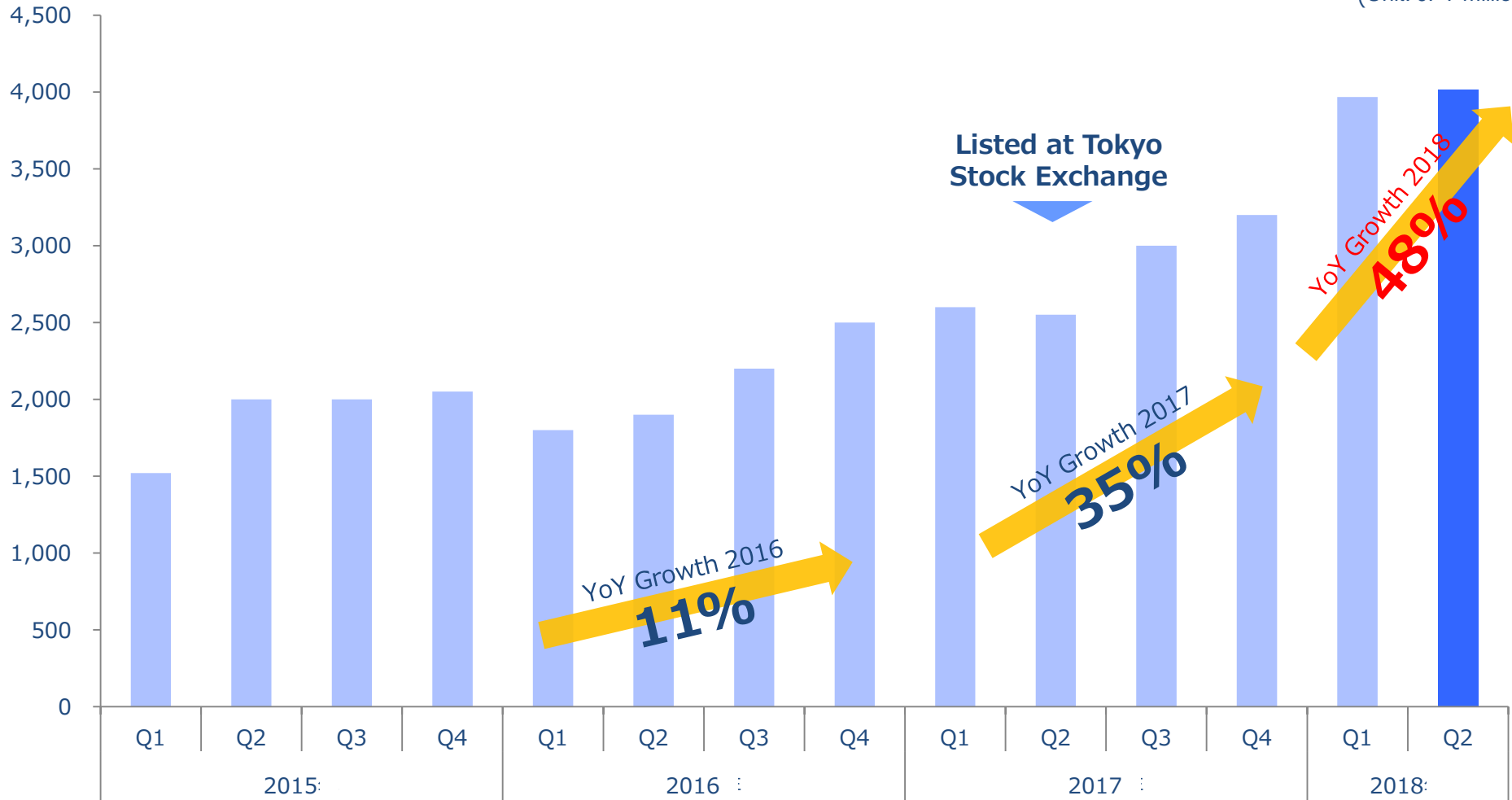
Based on 44 thousand accounts (automatic bidding)

Analytical capabilities

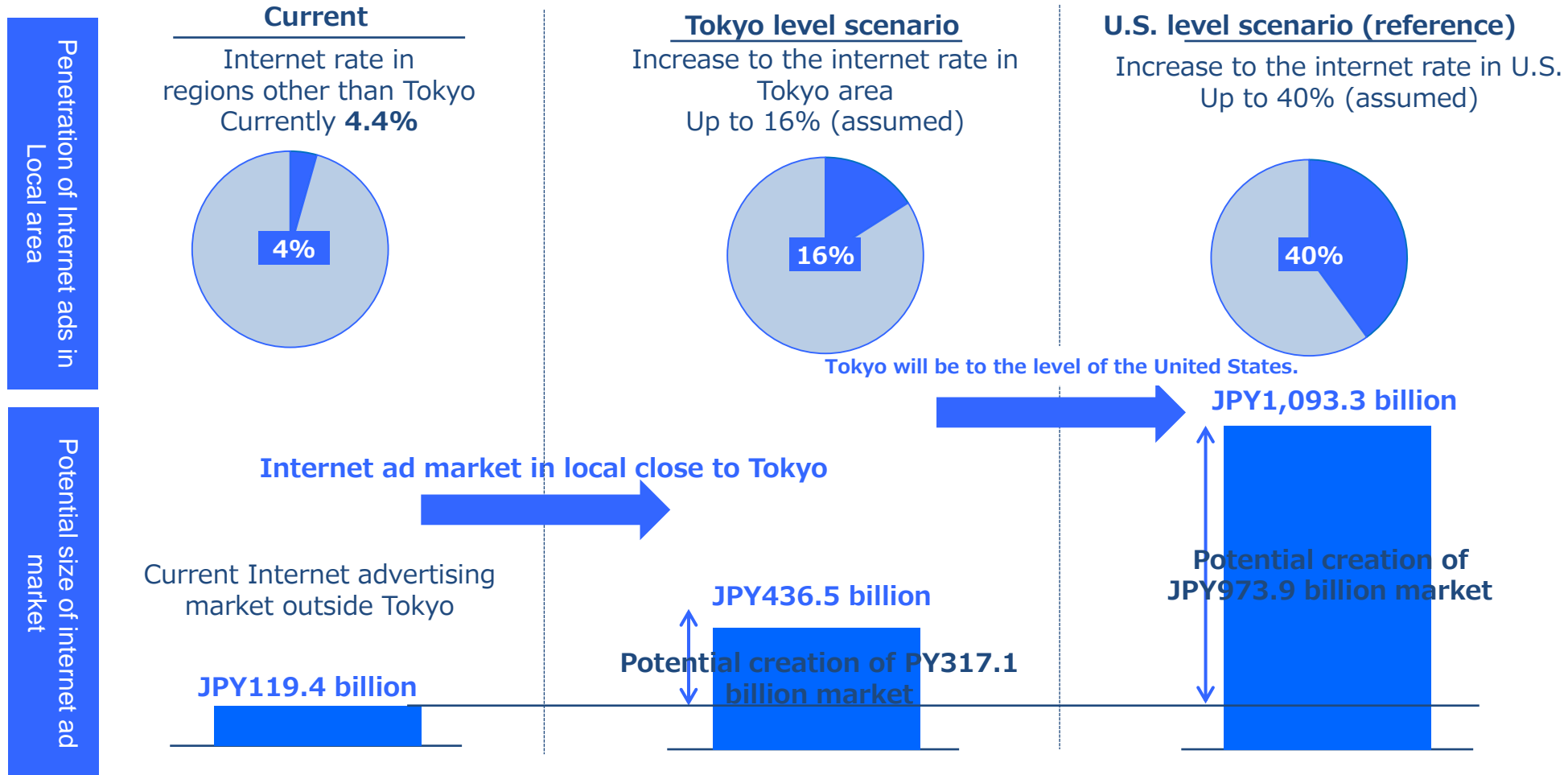


Accelerated growth triggered by listing @TSE. 48.1% increase YoY

(Unit: JPY million)



Accelerated Digital Shift in Local/SME Market Simulation of "Internet Ad Spends" in Local Areas





3 Topics on the Four Areas

- (1) Marketing for Large Corporations
- (2) Marketing for local/SMEs
- (3) Financial Investment**
- (4) Business Development

✓ **Listed on May 31. Market capitalization: approx. JPY 78.7 billion^{※1}**

✓ **Ownership: approx. 16%^{※2}. Unrealized gain: approx. JPY 10 billion**

✓ **Started cooperation to produce full-scale business synergy**

※1 Market capitalization as of August 7, 2018

※2 Percentage as of June 30, 2018 after taking into account dilutive shares

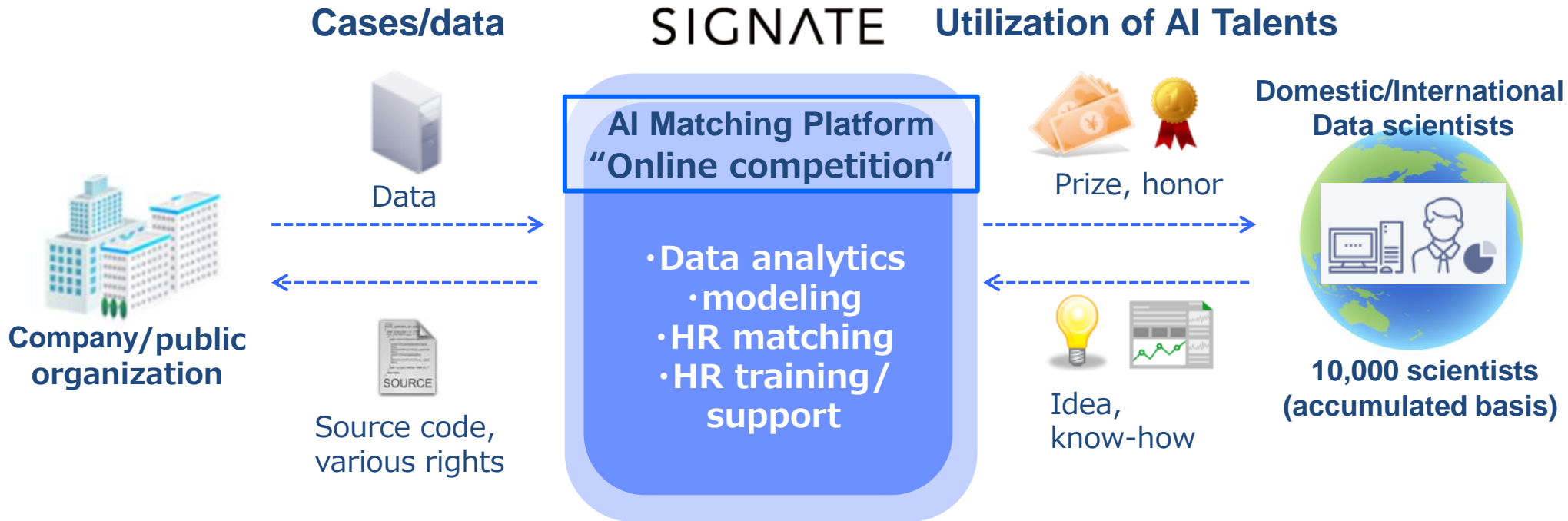
- ✓ Listed on June 13. Market capitalization: approx. JPY 8.3 billion ※
- ✓ Sold approx. 20% of Writeup equity and posted extraordinary income of approx. JPY 1.1 billion
- ✓ Unrealized gain of approx. JPY 1.7 billion
- ✓ Transferred from a consolidated subsidiary to operating investment securities in accounting category
- ✓ Seventh successful venture investment with an investment ratio of 40% or more: Track record with a high rate of success



3 Topics on the Four Areas

- (1) Marketing for Large Corporations
- (2) Marketing for local/SMEs
- (3) Financial Investment
- (4) Business Development**

※
Accumulated 10,000 data scientists, Japan's largest AI talent pool,
providing data analysis.



Competition Examples



- West Japan Railway Company
- Case: Estimate the amount of snow on a running Hokuriku Shinkansen bullet train



- Fast Retailing Co., Ltd.
- Case: Classification of “colors” of clothing in fashion images



- Cookpad Inc.
- Case: JSAI Cup 2018 The Japanese Society for Artificial Intelligence Data Analysis Competition



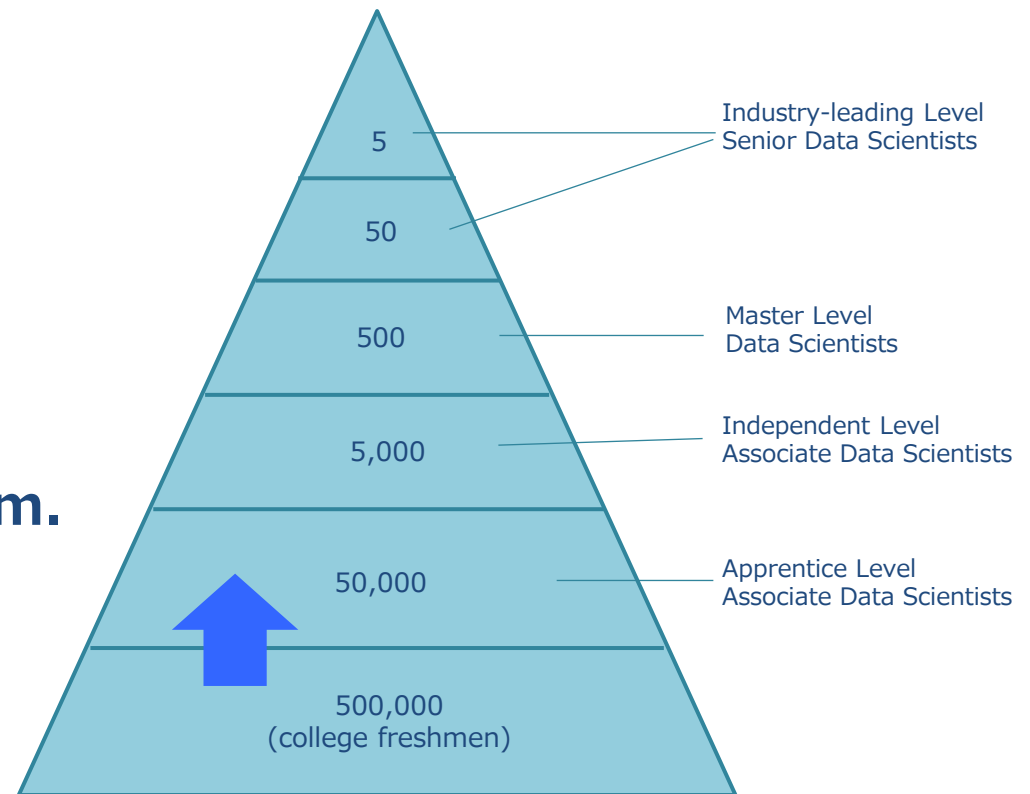
- National Institute of Advanced Industrial Science and Technology (AIST)
- Case: AIST

Could hire and evaluate IT technical personnel as well

✓Government moved to develop data scientists; colleges are requested to set up departments/faculties.

✓Increase from 50,000 data scientists in 2014 to 500,000.

✓Colleges may introduce SIGNATE's competition platform.



Skill levels established by The Japan Data Scientist Society (December 2014)

OPT HD's 100% subsidiary			
Company	PKSHA Technology (Securities code 3993)	Preferred Networks	SIGNATE
Characteristics	Solution development and license offering using algorithms (machine learning / deep learning • natural language processing • image recognition)	Focus on IoT R&D / product development • distribution of natural language processing with the aim of business utilization of real time opportunity learning technology	<ul style="list-style-type: none"> • AI development by competition and recruiting / training AI talents • Accumulated 10,000 data scientists (As of July 2018)
Monetization Method	<ul style="list-style-type: none"> • Solution development • License fees 	<ul style="list-style-type: none"> • R&D • Product development / distribution 	<ul style="list-style-type: none"> • Development of competition-type AI algorithm • Executive search of AI talents
Market Cap.	169.8 billion yen (as of August 7, 2018)	Unlisted 232.6 billion yen (Article on NEXT Unicorn, Nikkei Shinbun, November 20, 2017)	Unlisted



3 Introduction of OPT Group

Synergy Investment Business

Group senior executives will discuss our business at quarterly earnings conference.

Group COO Nouchi

Marketing Business

Synergy Investment

Marketing for Large Corporations

- Digital marketing
- Internet advertising agent
- Solution development

Marketing for Local SMEs

- Digital marketing
- Solution development
- IT/HR support

Financial Investment

- Venture capital investment
- Fund management
- Management support for portfolio companies

Business Development

- Cross-border EC business to China
- New business development (AI business/sharing economy business, etc.)

Discussion about OPT Inc. at 1st quarter earnings conference by CEO Kanazawa

Discussion about SoldOut inc. by CEO Ogiwara at 3rd quarter earnings conference

Discussion about Synergy Investment by Group COO Nouchi at 2nd quarter earnings conference



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Efforts for Creating Businesses

- Co-founder of OPT Inc. (currently, OPT Holding Inc.)
- Developed many businesses; he maintains cutting-edge information through networks in the Internet/venture investment fields.
- Hands-on leadership as Group COO and Head of Synergy Investment Business Segment.

Achievements in the OPT Group

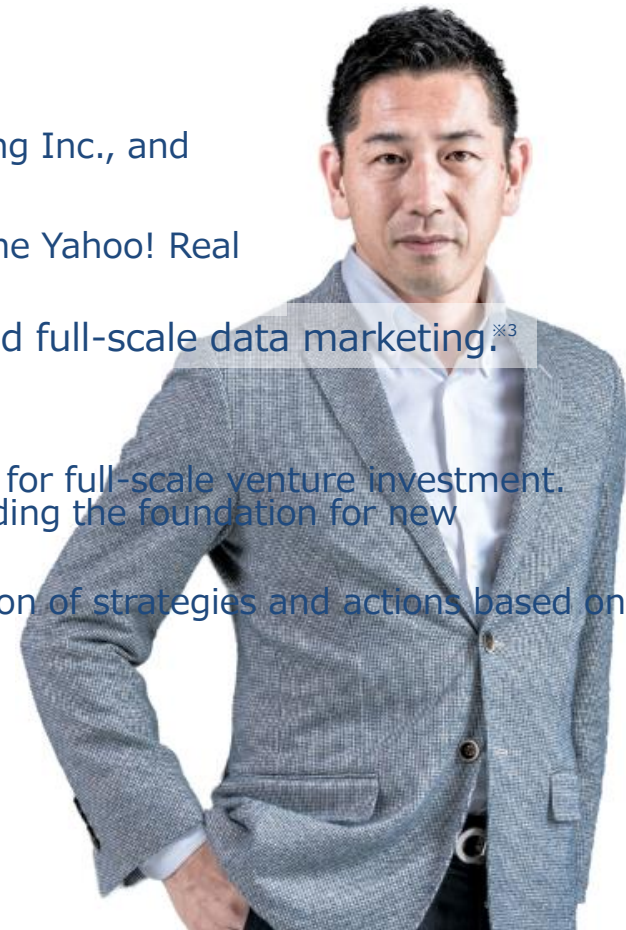
- 1994 Involved in establishing Deca Legs, the predecessor of OPT Holding Inc., and joined in 1996.
- 2005 Established CLASSIFIED, specializing in placing property ads on the Yahoo! Real Estate website, and promoted expansion of its business.※1
- 2011 Established Platform ID, a joint venture with CCC,※2 and started full-scale data marketing.※3
- 2013 The head for investment business
- 2015 Established OPT Ventures as a corporate venture capital business for full-scale venture investment. Established OPT Incubate as an incubation business. Started building the foundation for new business development.
- 2017 Assumed Group COO, leading the development and implementation of strategies and actions based on "Group Cooperation."

[PR Table Stories]

◆ "After Failing from Over-confidence and Succeeding from Reflection — The COO of the OPT Group Looks ahead to the Next Generation"
<https://www.pr-table.com/optgroup/stories/1754>

◆ Is Just Pursuing the Upside True Investment? The OPT Group Invests in the Future of Japan
<https://www.pr-table.com/optgroup/stories/1827>

※1: All shares were transferred to Yahoo Japan Corporation at the end of December 2017. ※2: It was transferred from Culture Convenience Club Co., Ltd. to CCC Marketing Co., Ltd.
※3: All the shares were purchased from CCC Marketing Co., Ltd. at the end of December 2017.



Toward JPY 1 trillion in 2030

- Businesses that have social/economic impact
- Businesses that lead to resolving social issues in Japan
- Businesses that supplement the Group business portfolio

Support OPT Group's growth through realizing three commitments



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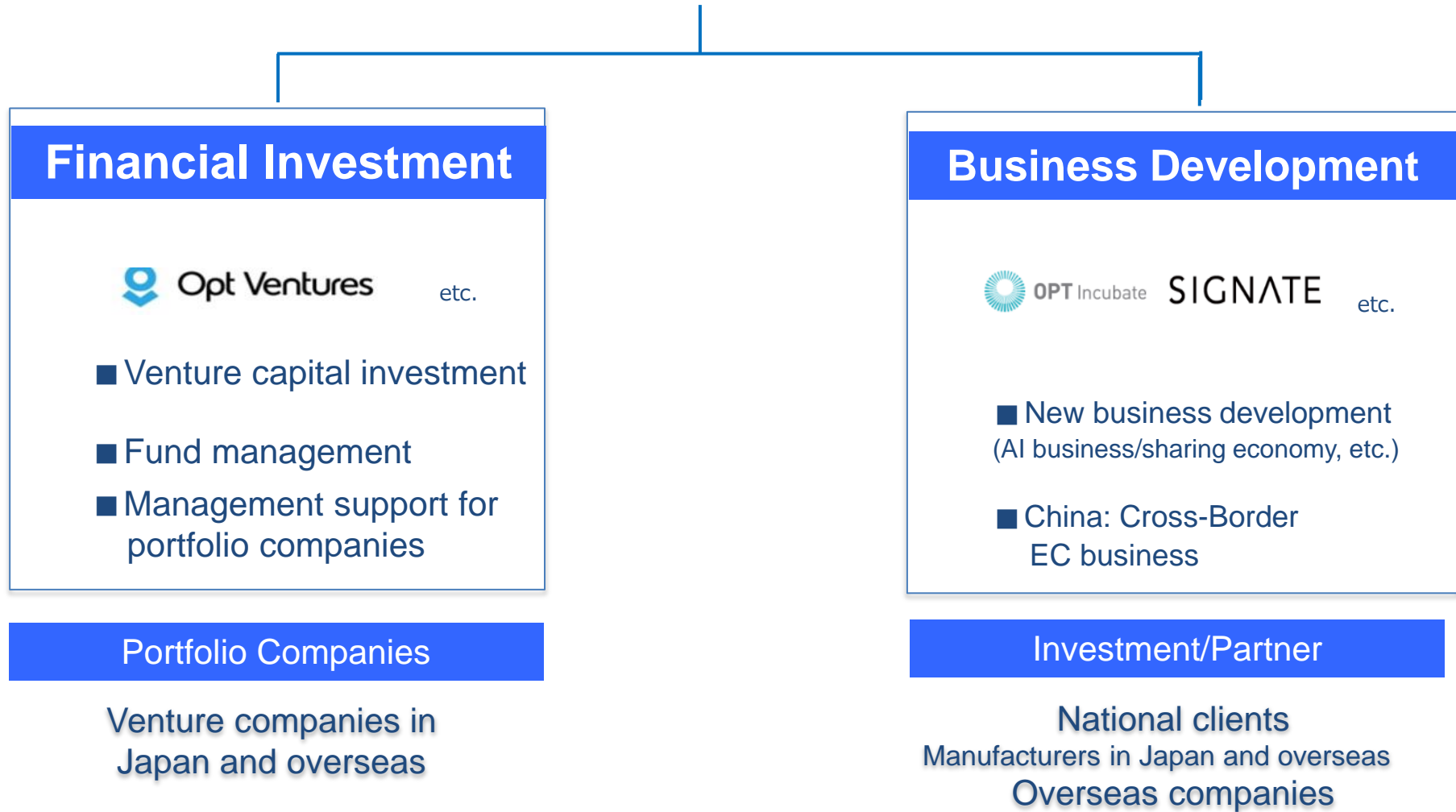
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Efforts for Creating Businesses

Synergy Investment Business





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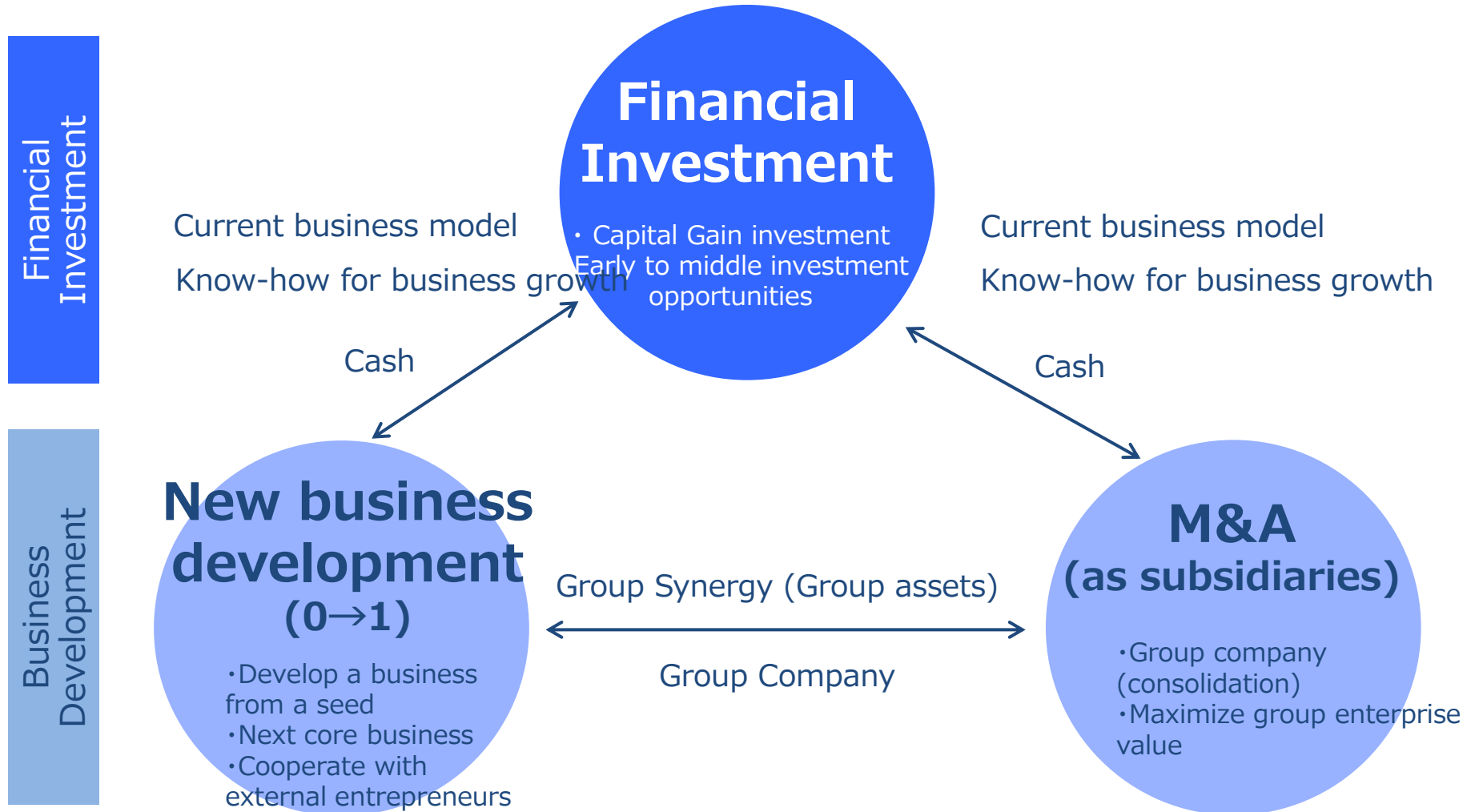
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Efforts for Creating Businesses

Businesses that “create a system for producing new businesses”





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Efforts for Creating Businesses

Started full-scale financial investment from 2013



Portfolio companies after re-start of financial investment
Example of corporate brands that help solve social issues

Sharing Economy



Direct Trading



Disruptive Technology



Extremely High Successes

	ROI	Gross IRR	Success rate ※3
Total (in and after 2013)	2.9 times	39%	91%
Realized ※1	4.2 times	47%	82%
Unrealized ※2	1.7 times	20%	94%

※1 Realized: Trade sale or IPO

※2 Unrealized: other than those realized

※3 Success rate: % of investment with ROI that is more than 1.

※4 Assumptions for ROI / Gross IRR calculation:

Investment	Fund	In terms of fund investment, the OPT Ventures #1 fund investments are only calculated.
	Non-fund	Either of the following: •invested after 2013 as financial investment •the investments by OPT Holding which OPT Ventures overseas.
Reference date		End of June 2018
Method	Impairment issues	Calculated as if they were sold at the net asset value as of impairment.
	Issues with financing	Calculated as if they were sold at the value of the most recent financing.
	IPOed investment	Calculated as if they were sold at the market value as of the reference date.
	Fund investment	Calculated by taking into account impairment and financing under the Limited Liability Partnership Act on a issue-by-issue basis.
	Other investment	Any other issues with no change in acquisition cost due to sale, impairment, financing, IPO, or the like are calculated as if they were sold on the reference date at the acquisition cost.
Handling of income taxes		Income taxes are not taken into account.

IPO Track Record: Six Companies

Listed on TSE Mothers in
May 2015



MarketEnterprise Co., Ltd.

(Market capitalization:
JPY 4.3 billion)

Listed on TSE Mothers in
April 2015



Gunosy Inc.

(Market capitalization:
JPY 41.8 billion)

Listed on New York Stock
Exchange in November
2015



Square, Inc.

(Market capitalization:
USD 21.4 billion)

Listed on TSE Mothers in
December 2017



Geniee, Inc.

(Market capitalization:
JPY 32.6 billion))

※ Listed after transfer of holdings

Listed on TSE Mothers in
May 2018



Raksul Inc.

(Market capitalization:
JPY 78.7 billion)

Listed on TSE Mothers in
June 2018



Writeup Co., Ltd.

(Market capitalization:
JPY 8.3 billion)

- 1**

Investment stance & Selection

 - ✓ Invest in “opportunities that solve social issues in the world.”
 - ✓ “How and what approach will solve issues” is the criteria for investment.
 - ✓ “Sharing Economy,” “Direct Trading,” and “Disruptive Technology.”
- 2**

Creation of new businesses

 - ✓ Experience with our own IPO.
 - ✓ Experience with our subsidiaries’ IPOs (Hotto Link, Mobile Factory, SoldOut, Writeup).
 - ✓ Professional investment team with hands-on experience in creating new businesses
- 3**

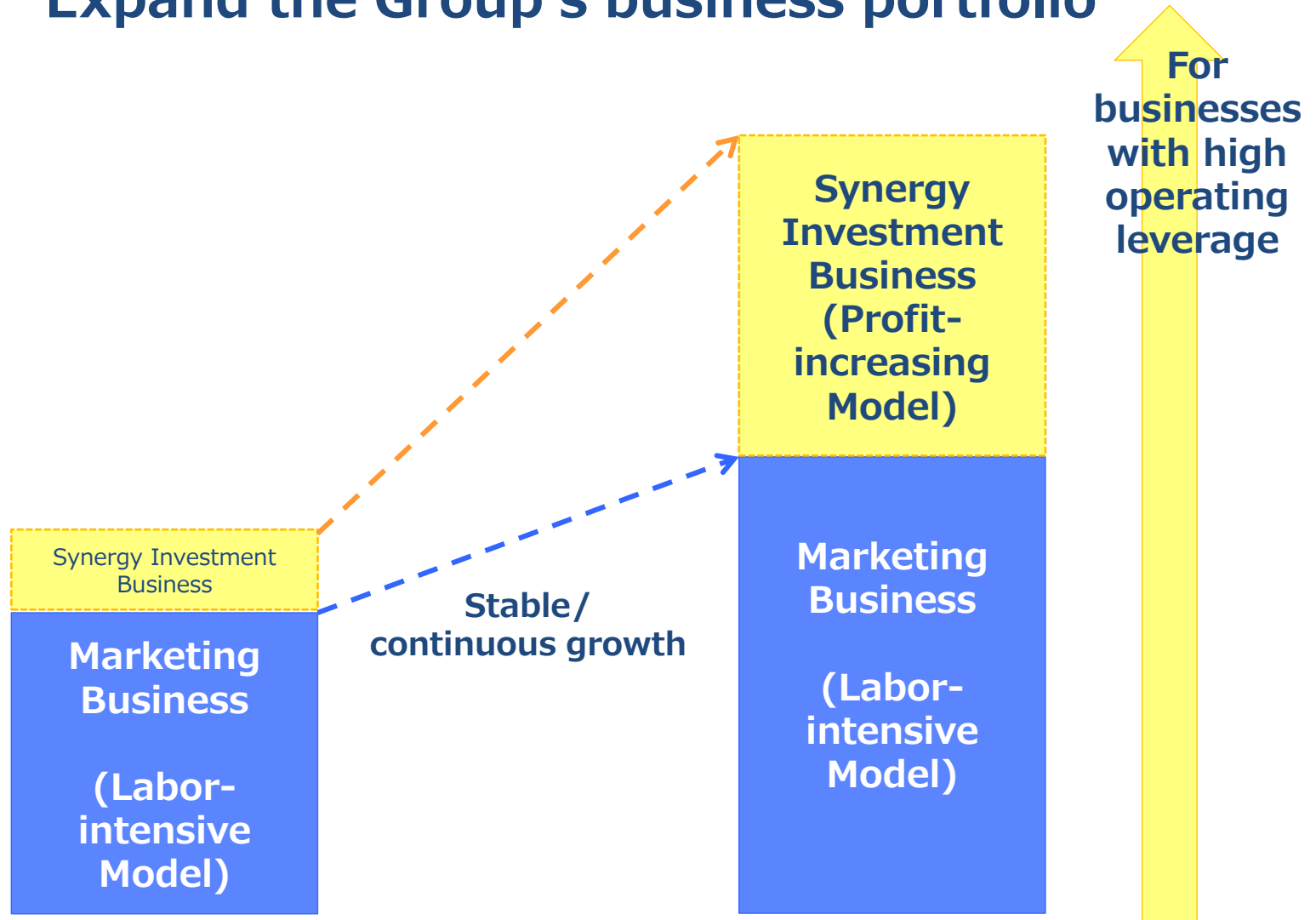
Up-to-date overseas information

 - ✓ VB information from VCs in the United States.
 - ✓ Up-to-date information about China.
 - ✓ Investment activities in Asian countries.
- 4**

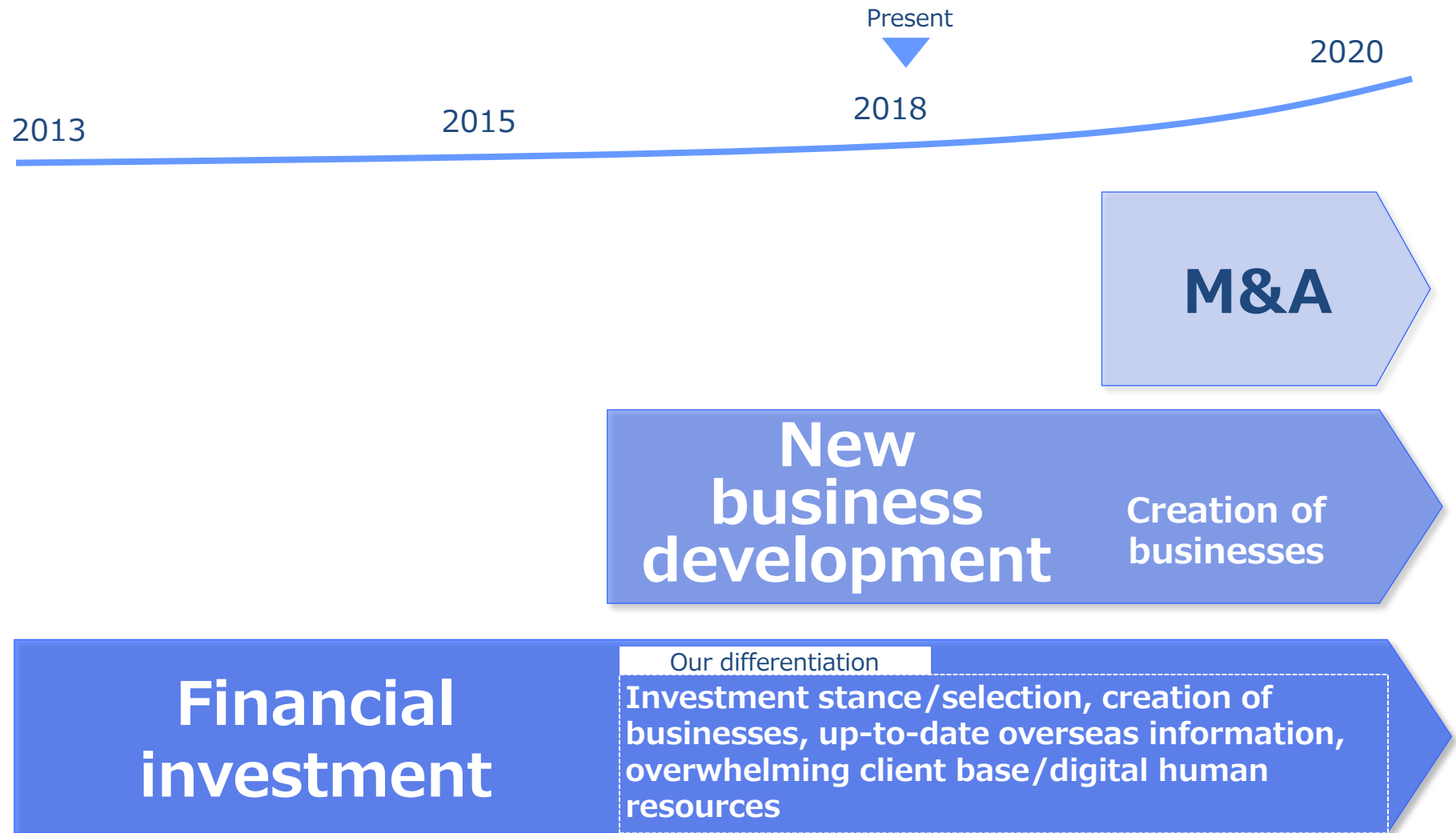
Overwhelming client base & Digital human resources

 - ✓ Clients in the marketing business (ranging from large corporations to local/SME entities).
 - ✓ Approx. 1,600 individuals familiar with digital marketing.
 - ✓ Network in the venture investment industry.
 - ✓ Management resource networks

Expand the Group's business portfolio



New Business Development Based on Know-how Gained from Financial Investment





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Creating businesses and building own network through the fund

OPT Ventures #1 Investment Limited Partnership		OPT Ventures #2 Investment Limited Partnership
Date of formation	April 2015	By end of 2018 (tentative)
Size of fund	JPY 6 billion	JPY 10 billion (tentative)
Investment themes (targets)	Venture companies using Internet technologies (1) Sharing economy (2) Direct trading (3) Disruptive technology	<div style="border: 1px solid blue; padding: 10px;"> <p>Focus on investing in the following elements to solve social issues.</p> <p>(1) Solve social issues and contribute value (2) Innovative business models (solutions) (3) Disruptive technology</p> </div>

Creating OPT Group Eco-system: Sharing economy businesses

Financial investment

Invest in sharing economy brands



Business development

[Examples of internally created businesses]

Asset sharing economy

New service to promote new working practices



Subscription model to create a world where people can work anytime and anywhere

Ability sharing economy

AI matching platform



Corporate data analyses by a cumulative total of 10,000 data scientists, the largest resources in Japan
(As of the end of July 2018)



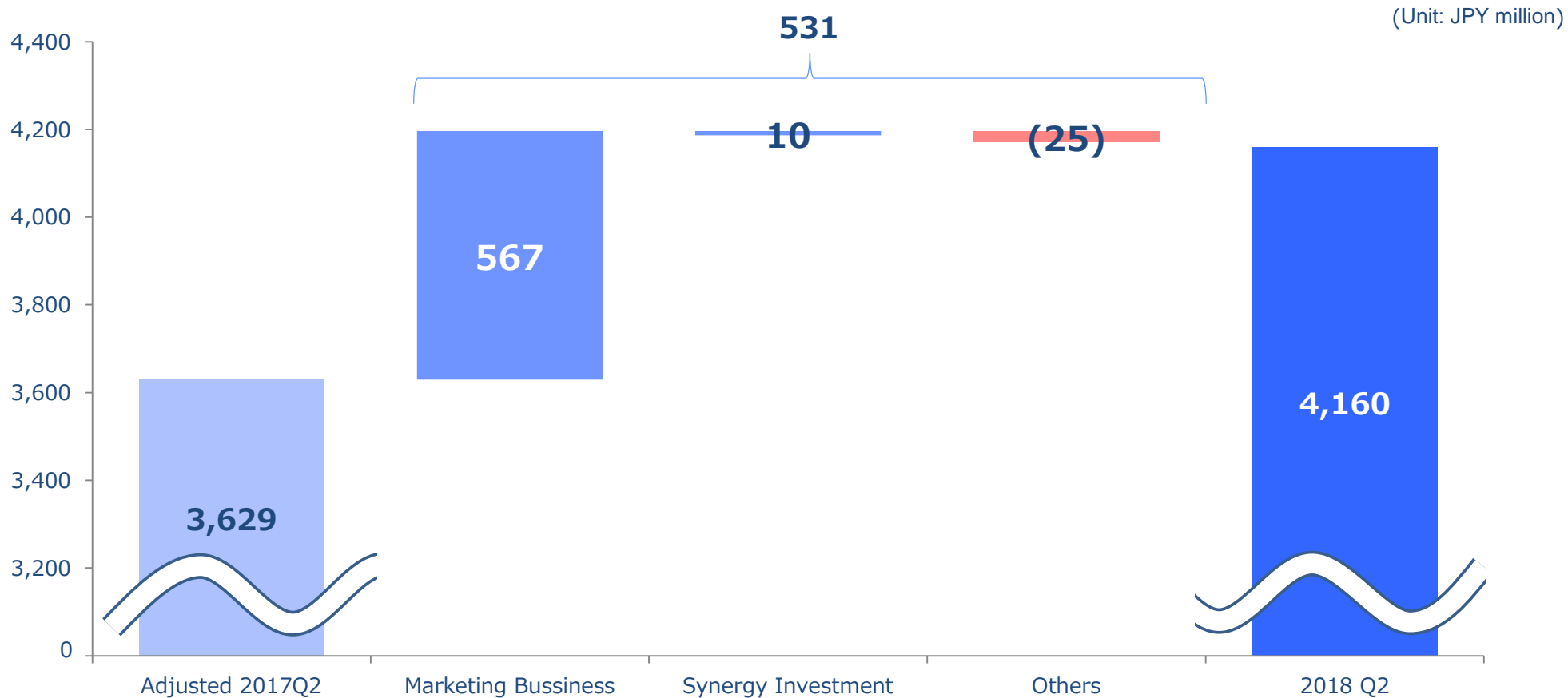
4 References

Marketing Business

Retained existing customers and acquired new ones. Adjusted YoY: +JPY 567 million (+19.5%) ※
 Preferentially sold advertising agency products according to market needs and saw a lower gross margin rate as expected.

Synergy Investment

Temporary poor performance in the overseas marketing business: YoY JPY (10) million
 Intend to review the overseas marketing business by reviewing its business portfolio.



※ Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Marketing Business

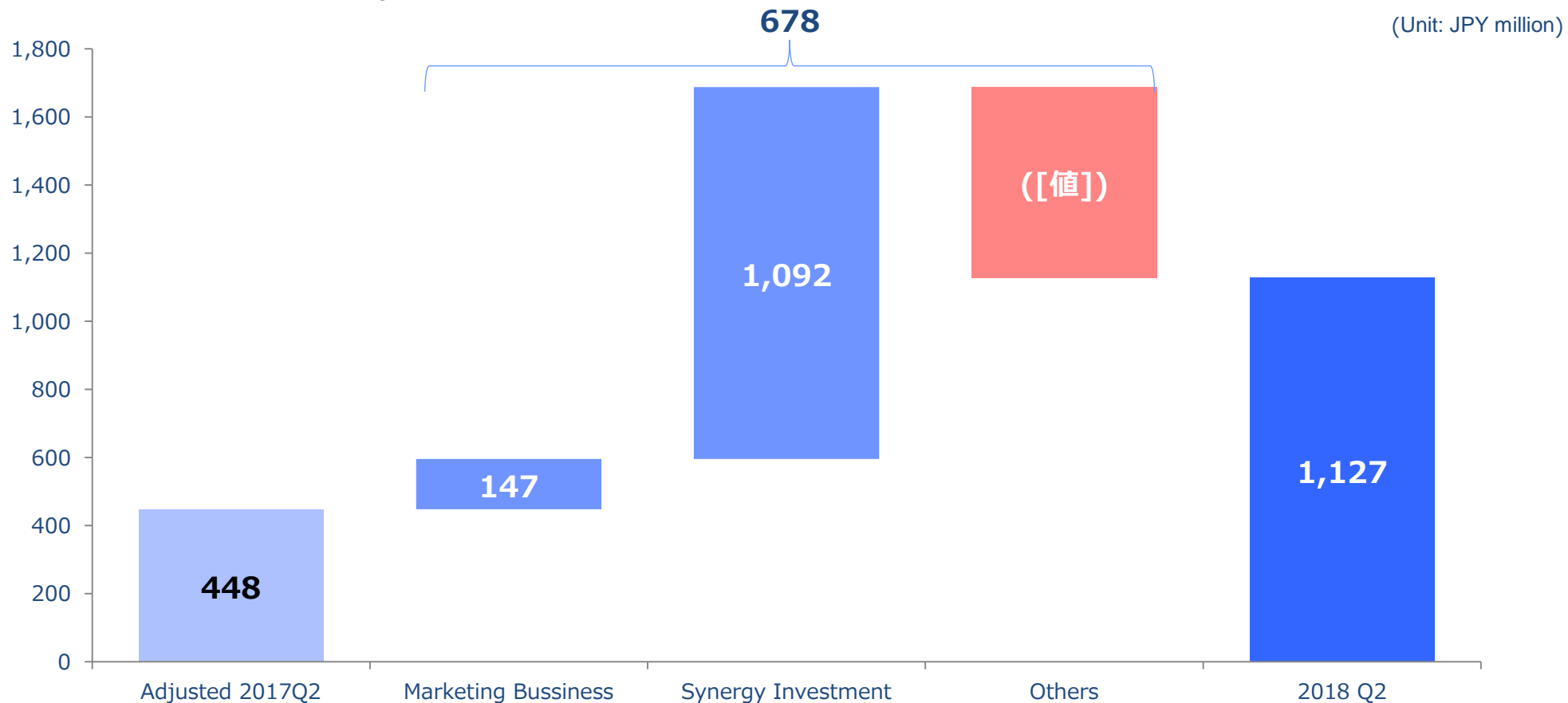
Adjusted YoY: +JPY 147 million ※

Synergy Investment

Gain on sale of shares associated with listing of a consolidated subsidiary (Writeup Co., Ltd), etc.: YoY +JPY 1,092 million

Others

Increase in costs due to reinforcement of management system, etc.: YoY JPY (198) million
Completed reserved stock price transaction of own shares in the previous year: YoY JPY (363) million



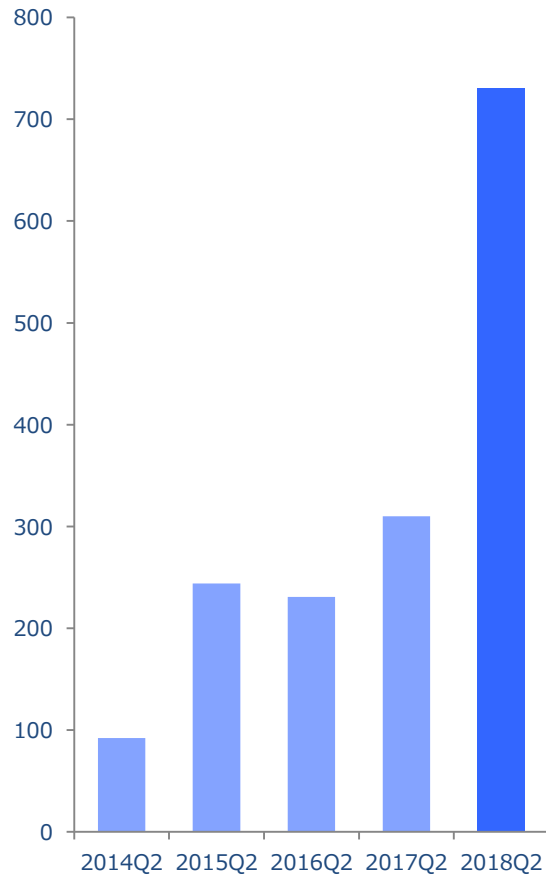
※ Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

• Increased billing of video/SNS advertising due to newly acquired clients (most of which are brand advertisers)

(Unit: JPY million)

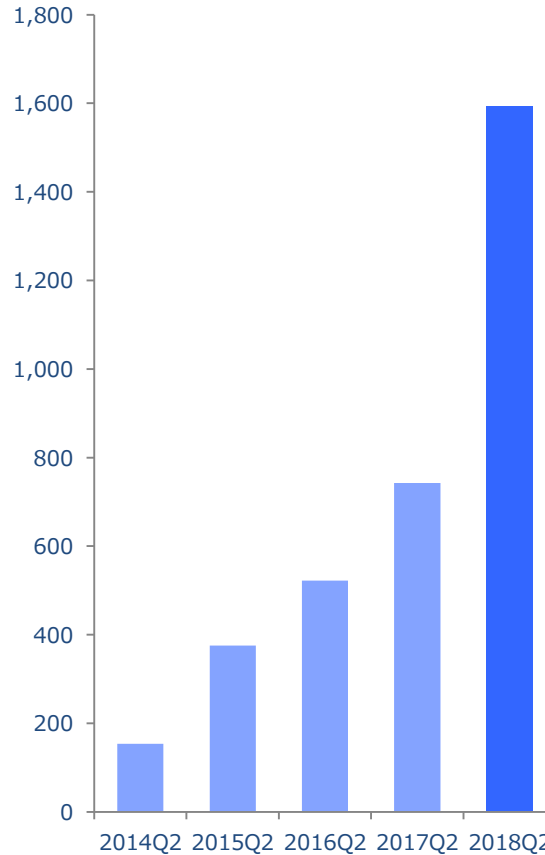
Video Advertising

YoY: 135.3% increase



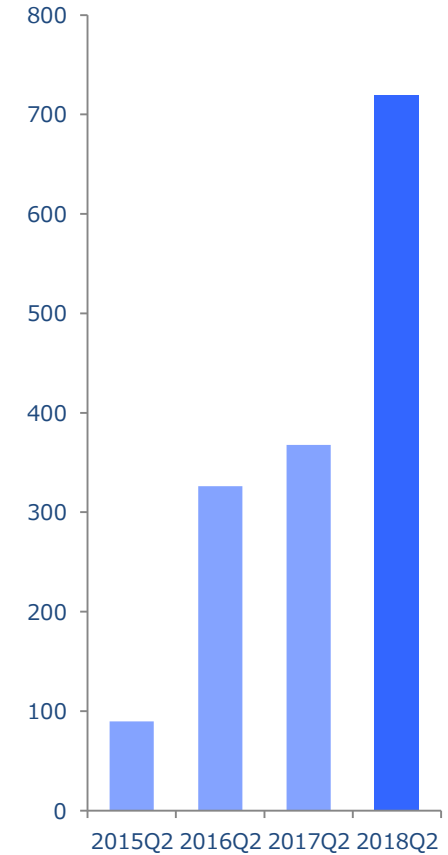
SNS Advertising

YoY: 122.2% increase



LINE Advertising

YoY: 95.8% increase

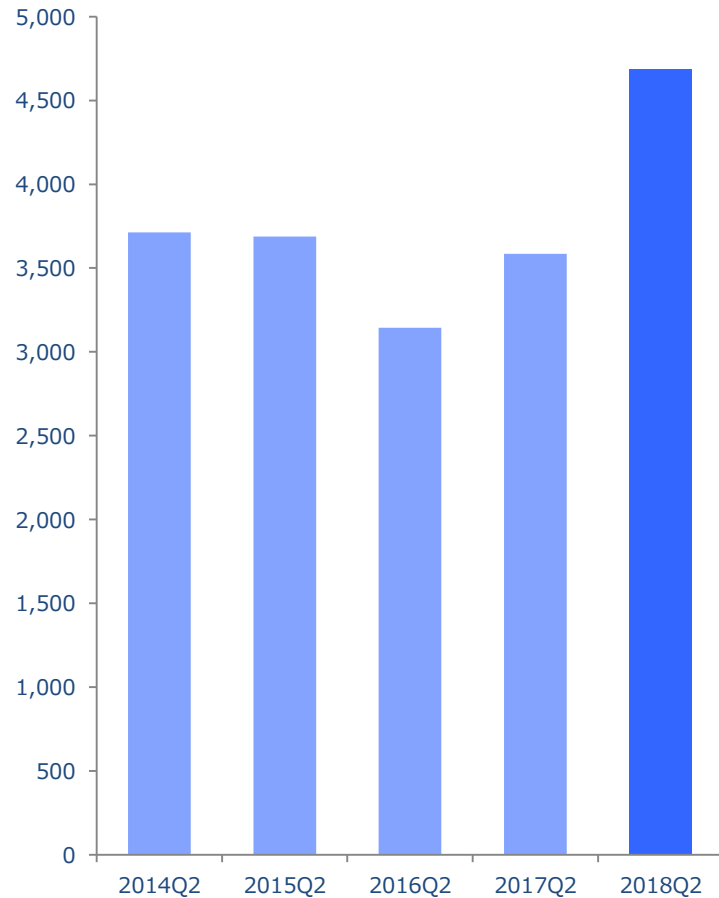


- Increasing budget for listing advertising of new clients

(Unit: JPY million)

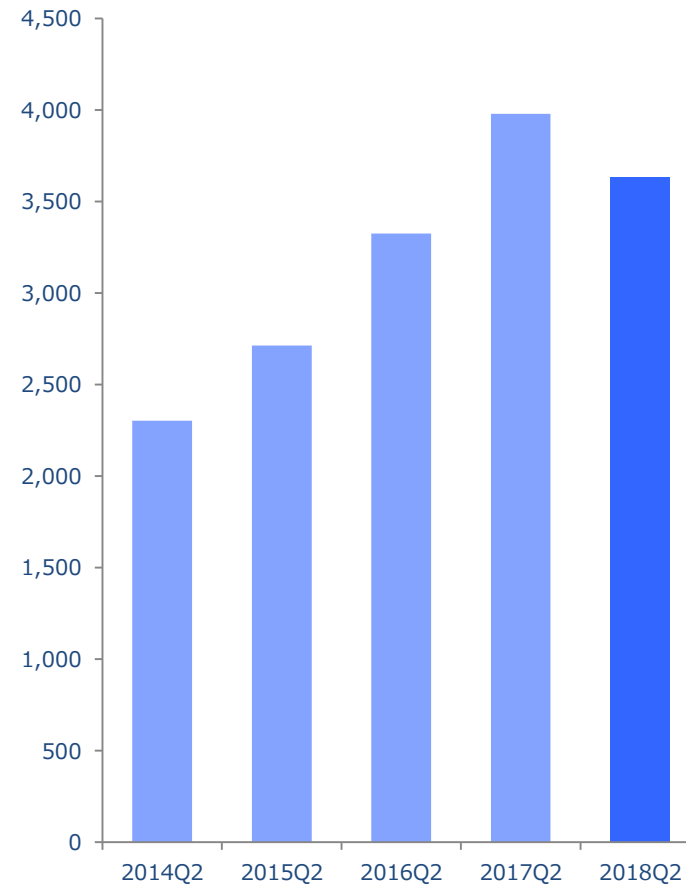
Listing Advertising

YoY: 30.8% increase



Ad Network Advertising

YoY: 8.7% decrease



Investment

Portfolio companies (Examples of portfolio companies that include direct investment and fund management)

Sharing Economy

System where goods, services, places are shared, exchanged and utilized with many people



Direct Trading

System that enhances consumers' convenience by shortening information communication flow on Internet



Disruptive Technology

Technologies/companies that destroy existing market and network and create new value network



Others



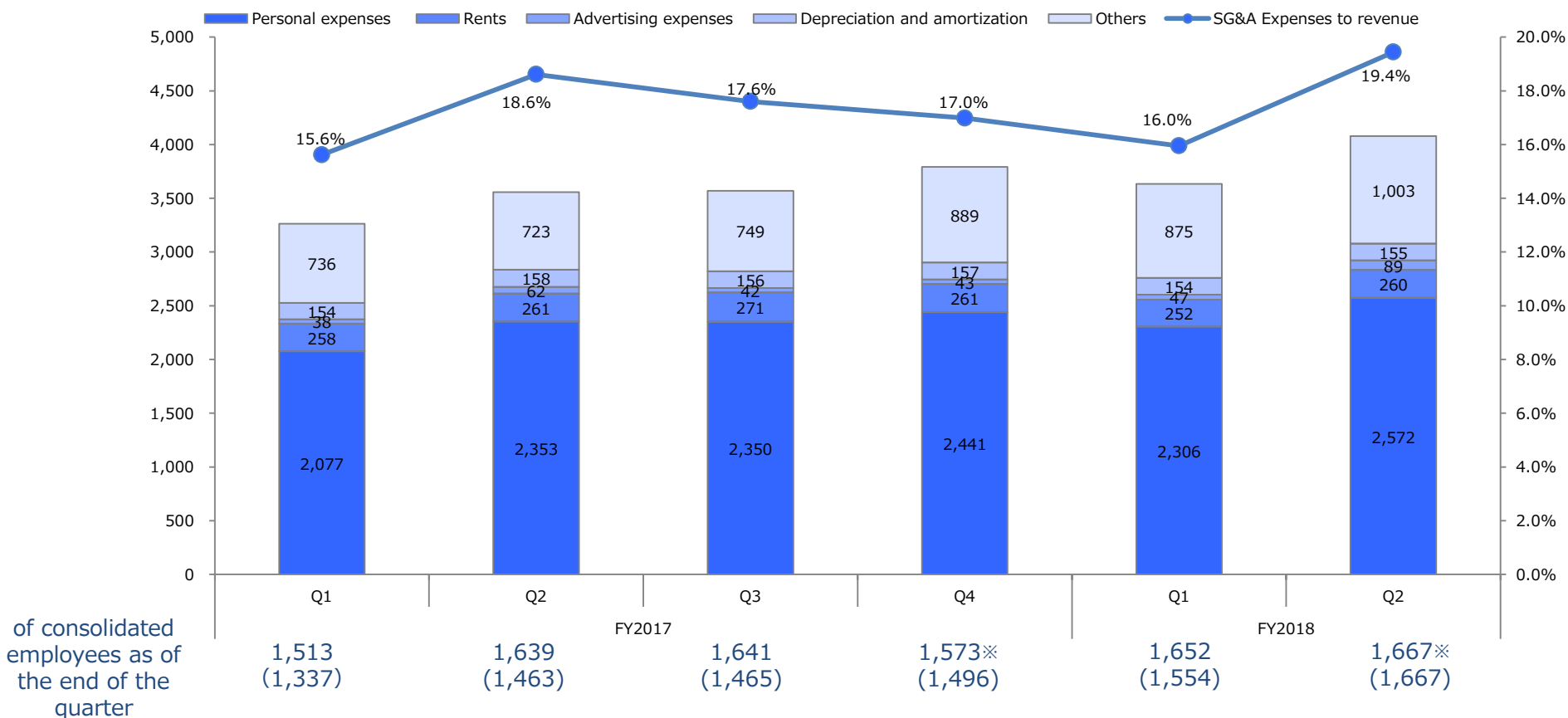
·Increased costs due to HR investments (hiring/training) for growth/expansion as well as due to reinforcement of group business management.

- ✓ Increased labor costs associated with personnel growth due to strengthened recruiting.
- ✓ Increased costs due to investments for reinforcement of group management.



Monetization anticipated in or after 2019/2020 due to development and training of human resources.
Strengthened business management is anticipated.

(Unit: JPY million)



* The parenthesized figures represent the numbers excluding employees of the companies removed from the consolidation by the end of June 2018.

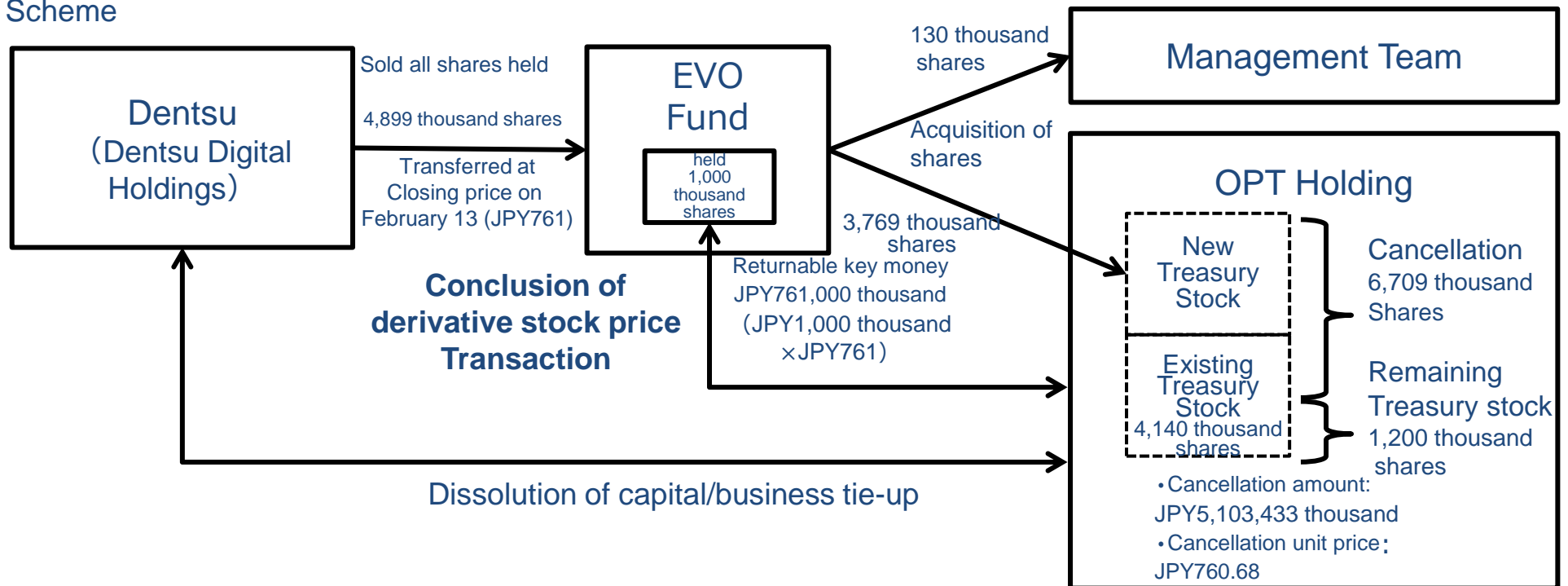
■ Background

1. Dissolution of capital/business tie-up with Dentsu on Feb 13, 2017.
2. Dentsu sold 4,899 thousand shares of our company to EVOFund.
3. Purchased back our own shares of 3,769 thousand shares from EVOFund and cancelled 6,709 thousand stocks.
4. Entered into the derivative stock transaction with EVOFund based on 1 million shares owned by EVOFund.
5. The derivative stock transaction contract terminated on Feb 13, 2018.

■ Derivative contract with EVOFund

Signed on February 13, 2017 (Starting date of settlement: December 12, 2017, Ending date: February 12, 2018)

■ Scheme





Derivative Valuation Gains and Losses: ended on Feb 13, 2018

February 14, 2017
(Date of transaction executed)

End of March 2017
(End of 2017 1Q)

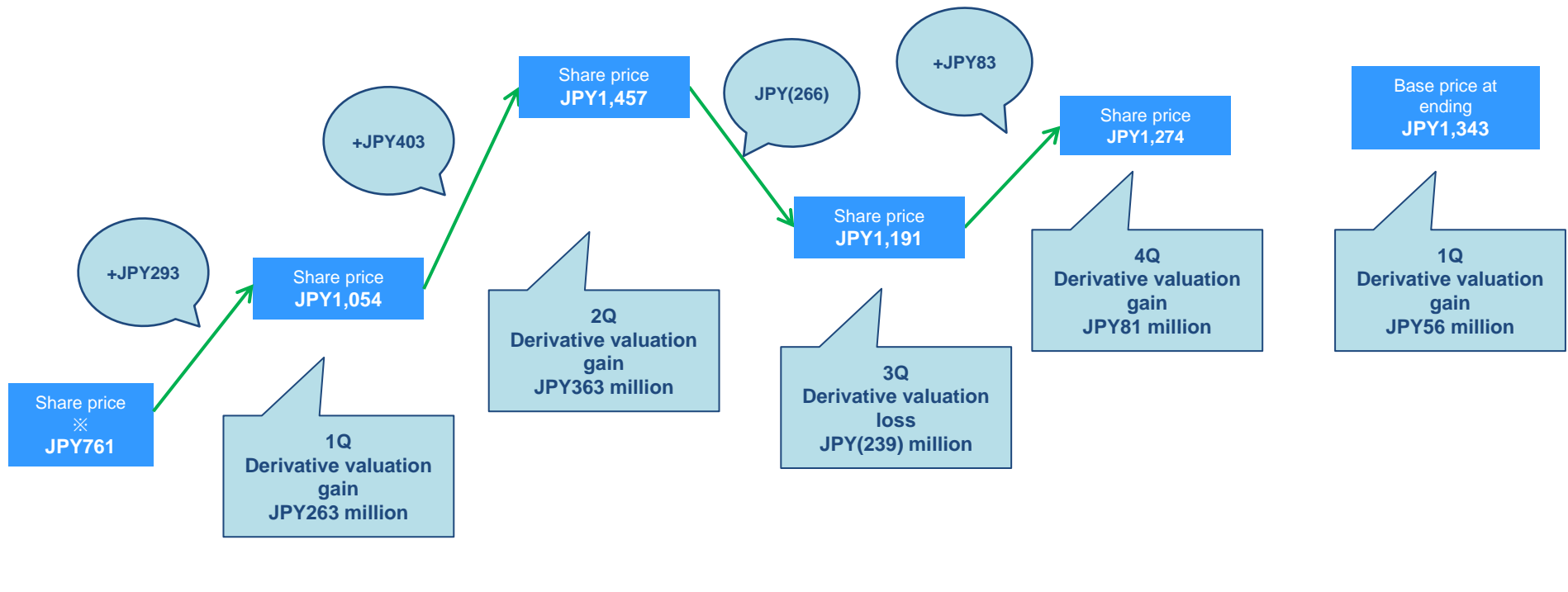
End of June 2017
(End of 2017 2Q)

September 30, 2017
(End of 2017 3Q)

December 29, 2017
(End of 2017 4Q)

March 31, 2018
(End of 2018 1Q)

株価



※ Base price of reserved transaction of stock price of own shares



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