

THE LEADER in DIGITAL SHIFT

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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.

- 1 Consolidated Financial Results
- 2 Four Turning Points and Topics on the Four Areas
- 3 Introduction of OPT Group:
Marketing business for local/SME clients
- 4 References



1 Consolidated Financial Results

Marketing Business

Revenue JPY**19,423**million YoY **+11.4%** ※1

EBITDA JPY**2,444**million YoY **+141.5%** ※1

- ✓ Expanded video/social/LINE adverts on strong demand for brand/O2O project in business for large corporations
- ✓ New orders for Digital Shift service increased.
- ✓ Continued success in business for local/SMEs. Cooperation with major platformers is progressing.

Synergy Investment Business

Revenue JPY**19,423**million YoY (32.0)%

EBITDA JPY**141**million YoY **+JPY182**million

AUM※ JPY**26,273**million

- ✓ EBITDA increased due to profits from overseas investment funds.
- ✓ AUM increased by JPY5,134 million from Q2 of 2018 mainly due to improved mark-to-market valuation of Raksul.

Consolidated

Revenue JPY**20,314**million YoY **+8.4%** ※1

EBITDA JPY**2,176**million YoY **+348.7%** ※1

- ✓ EBITDA increased on transfer of a part of SkillUP Video Technologies※3 operations.

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

※2 AUM: Sum of book value of shares of subsidiary companies and affiliated companies and FMV※4 of operating investment securities and investment securities

※3 The trade name was changed to "relaido, Inc." on September 1, 2018.

※4 FMV (fair market value): Amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(Unit: JPY million)

	2018Q3	Adjusted ^{※1} 2017Q3	Year-on-Year		【Reference】		
			Increase/ (Decrease)	Growth Rate	2017Q3	Increase/ (Decrease)	Growth Rate
Revenue	20,314	18,747	1,566	8.4%	20,279	34	0.2%
Gross Profit	4,031	3,794	237	6.2%	4,055	(23)	(0.6)%
Operating Income	134	461	(327)	(70.9)%	486	(352)	(72.4)%
EBIT ^{※2}	520	124	395	317.3%	149	370	246.8%
EBITDA ^{※3}	2,176	485	1,691	348.7%	514	1,661	322.7%
Net income attributable to owners of parent	56	(59)	116	—	(48)	105	—
ROE(LTM) ^{※4,5}	7.0%				4.8%	—	2.2pts
Free cash flow ^{※6}	1,554				(470)	2,024	—
EPS	2.51				(2.16)	4.67	—
Diluted EPS	2.05				—	—	—

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

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

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

※4 LTM= Last twelve months

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

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

2018Q3: Decomposition of Consolidated Financials **opt** Holding

(Unit: JPY million)

	Reporting Segment			HQ Cost	Others	Consolidated
	Marketing	Synergy Investment	Reporting Segment Total			
Revenue	19,423	920	20,343	–	(29)	20,314
Gross Profit	3,613	444	4,057	–	(25)	4,031
SG&A	(2,858)	(598)	(3,457)	(450)	10	(3,897)
Operating Income	755	(154)	600	(450)	(15)	134
EBIT	902	57	960	(322)	(117)	520
EBITDA	2,444	141	2,586	(288)	(121)	2,176
Finance income and expenses						(7)
Net income before taxes and other adjustments						513
Total income taxes						(400)
<i>Income taxes – current</i>						(543)
<i>Income taxes – deferred</i>						142
Net income attributable to non-controlling interests						(55)
Net income attributable to owners of parent						56

Revenue /Gross Profit

- ✓ Expanded video/social/LINE adverts on strong demand for brand/O2O in business for large corporations.
- ✓ Continued success in business for local/SMEs. Cooperation with major platformers is progressing.

EBIT/EBITDA

- ✓ Reinforced recruiting and training to accelerate growth.
- ✓ EBITDA increased on transfer of a part of SkillUP Video Technologies^{※1} operations.

(Unit: JPY million)

	2018Q3			Adjusted ^{※2} 2017Q3			Year-on-Year Increase/(Decrease)			TOTAL Growth Rate
	Business for large corp	Business for local/ SMEs	TOTAL	Business for large corp	Business for local/ SMEs	TOTAL	Business for large corp	Business for local/ SMEs	TOTAL	
	Revenue	15,326	4,238	19,423	14,389	3,141	17,434	937	1,097	
Gross Profit	2,713	880	3,613	2,458	706	3,160	255	173	453	14.4%
SG&A	(2,185)	(653)	(2,858)	(1,861)	(508)	(2,365)	(323)	(144)	(492)	(20.8)%
Operating Income	527	227	755	596	198	794	(68)	29	(39)	(5.0)%
EBIT	674	231	902	590	193	783	83	38	119	15.2%
EBITDA	2,193	257	2,444	798	213	1,012	1,394	43	1,432	141.5%

※1 The trade name was changed to "relaido, Inc." on September 1, 2018.

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

Revenue /Gross Profit

✓ Revenue/gross profit decreased due to exclusion of Writeup from consolidation.

EBIT/EBITDA

✓ Increased mainly due to profits from overseas investment fund.
 ✓ Transfer of eMFORCE shares to Septeni Co., Ltd. was cancelled, as announced on October 23.

(Unit: JPY million)

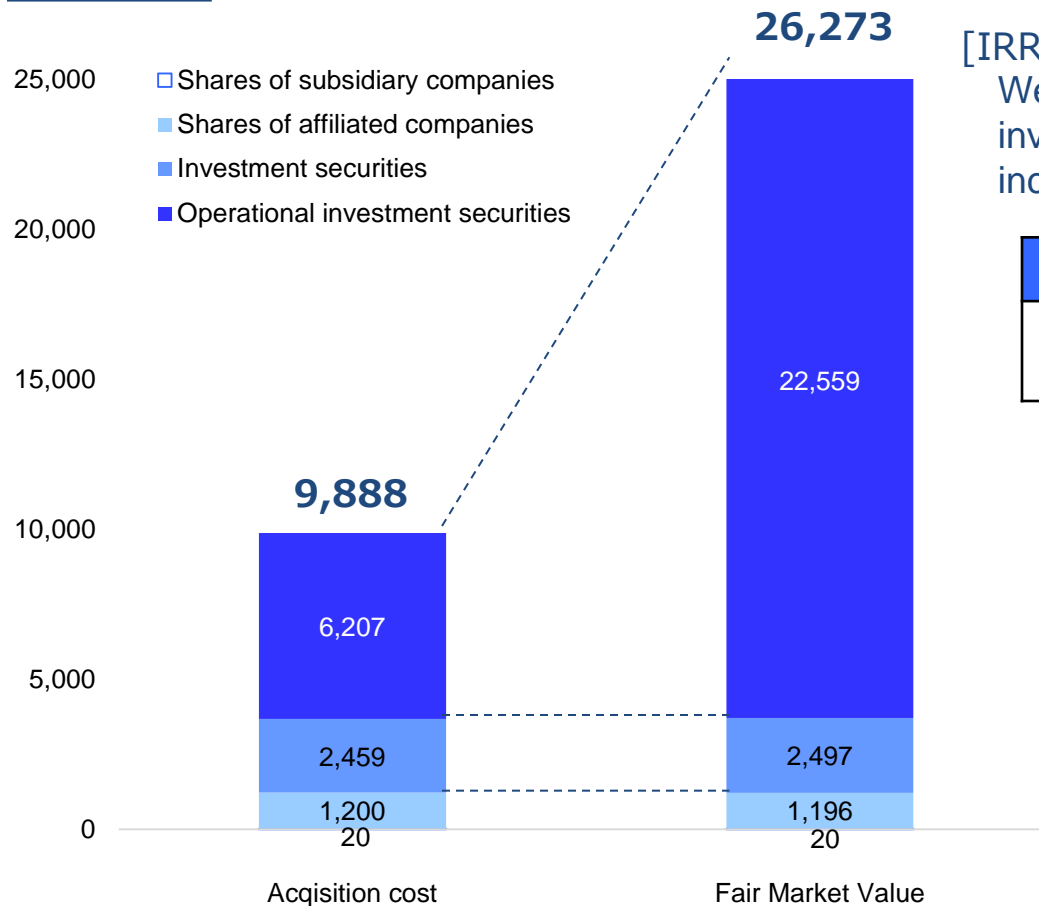
	2018Q3	2017Q3	Year-on-Year	
			Increase/ (Decrease)	Growth Rate
Revenue	920	1,353	(433)	(32.0)%
Gross Profit	444	628	(184)	(29.3)%
SG&A	(598)	(658)	59	9.1%
Operating Income	(154)	(30)	(124)	(414.7)%
EBIT	57	(131)	189	—
EBITDA	141	(40)	182	—

✓ AUM※1

- At the end of Q3 2018, AUM was JPY26,273 million (an increase of JPY16,385 million from acquisition costs, 165.7% up)
- Operating investment securities increased by JPY5,134 million from Q2 2018 mainly due to mark-to-market valuation of Raksul.

End of Q3 2018

(Unit: JPY million)



[IRR]※2

We started disclosing IRR associated with our investments from the end of Q2 under review to increase transparency of our investment performance.

End of Q3 2018	(Ref.) End of Q2
16.4%	17.7%

※1 AUM : sum of the book value of shares of subsidiary companies and affiliated companies and the FMV (※3) of operational investment securities and investment securities

※2 IRR : Internal Rate of Return

※3 FMV : Amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

[Free Cash Flow]

Cash flows from investing activities increased by JPY2,164 million as a result of transfer of some SkillUP Video Technologies[※] operations.

(Unit: JPY million)

	2018Q3	2017Q3	Increase/ (Decrease)	Growth Rate
Operating Cash Flow	(811)	(89)	(722)	—
Investment Cash Flow	2,366	(381)	2,747	—
Free Cash Flow	1,554	(470)	2,024	—

[EBITDA]

Non-cash loss increased by JPY1,394 million mainly due to goodwill impairment associated with transfer of some SkillUP Video Technologies[※] operations and impairment of software in the marketing activities.

(Unit: JPY million)

	2018Q3	2017Q3	Increase/ (Decrease)	Growth Rate
Pretax Income	513	141	371	262.9%
Interest Paid (+)	8	9	(1)	(17.5)%
Interest Received (-)	(1)	(1)	0	(10.6)%
EBIT	520	149	370	246.8%
Depreciation (+)	143	154	(11)	(7.4)%
Amortization of intangible assets (+)	118	127	(9)	(7.1)%
Amortization of long-term prepaid expenses (+)	0	0	0	43.9%
Non-cash losses and gains(+)	1,394	82	1,312	1,599.3%
EBITDA	2,176	514	1,661	322.7%



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Four turning points and Topics on the Four Areas

- (1) Four turning points
- (2) Marketing business for large corporations
- (3) Marketing business for local/SME clients
- (4) Synergy Investment /Financial Investment
- (5) Synergy Investment /Business Development

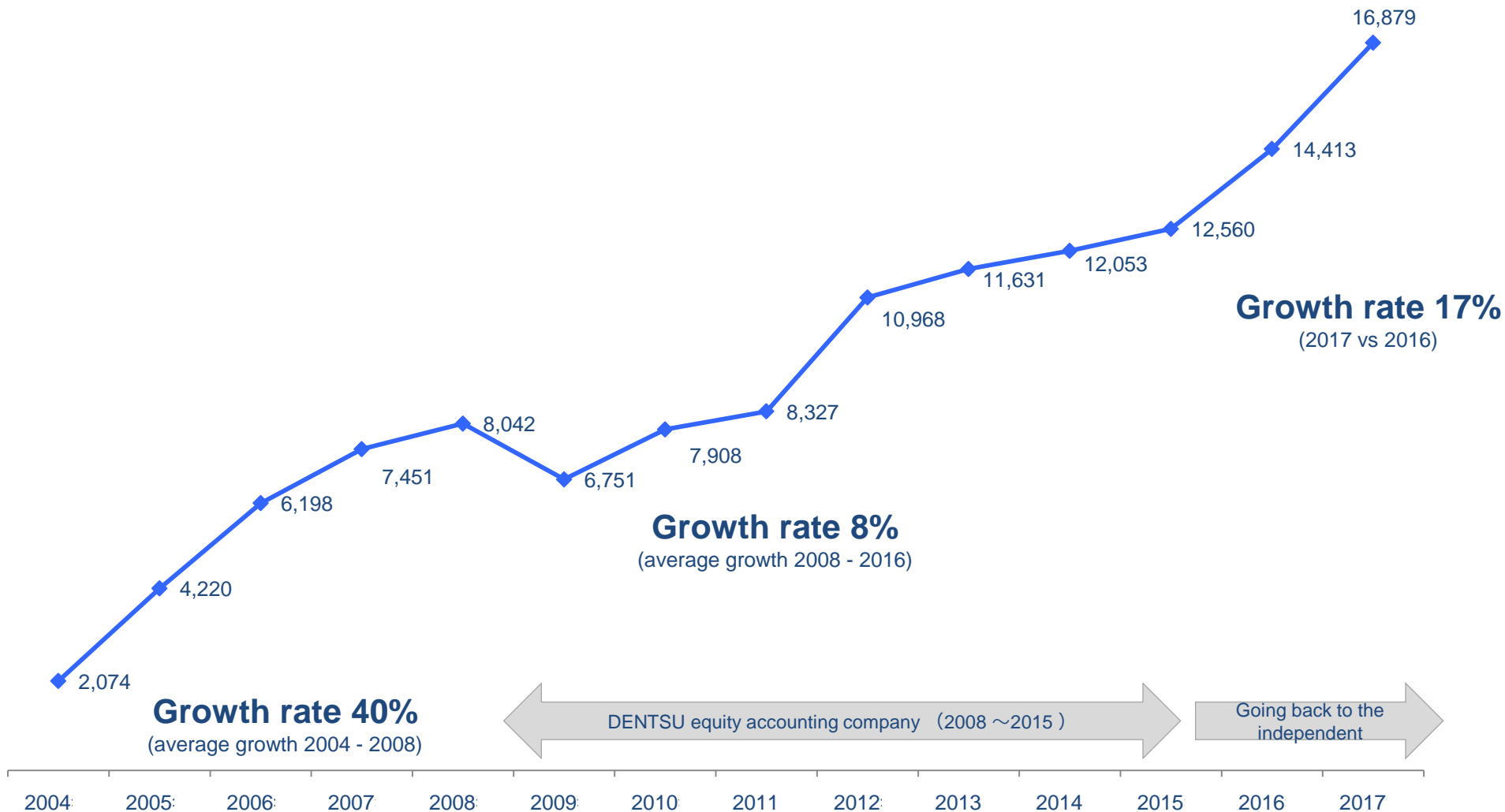
- ① **【Management】**
Powerful growth on becoming independent
- ② **【Marketing business for large corporations】**
Back on industry's top-class growth rate
- ③ **【Marketing business for local/SME clients】**
Overwhelming no.1 market share
- ④ **【Synergy Investment】**
AUM expansion (more IPOs from investment)
“SIGNATE,” AI business segment on a growth trajectory



Going back to independent and achieving high growth rate

Changes in gross profit

(Unit: JPY million)





2

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1. Major growth in strategic targets (brands/O2O)

- ✓ Year-on-year sales up 70%
- ✓ Major growth in video/social/LINE advertising

2. Increase in orders for corporate digital shift

- ✓ **Digital corporate training**
Provide “bundled services” from strategy planning, to in-house training, to promotion programs
- ✓ **Corporate promotion via in-house support**
Launch in-house digitalization projects to meet onsite needs of clients

Basic strategy for marketing for large corporations

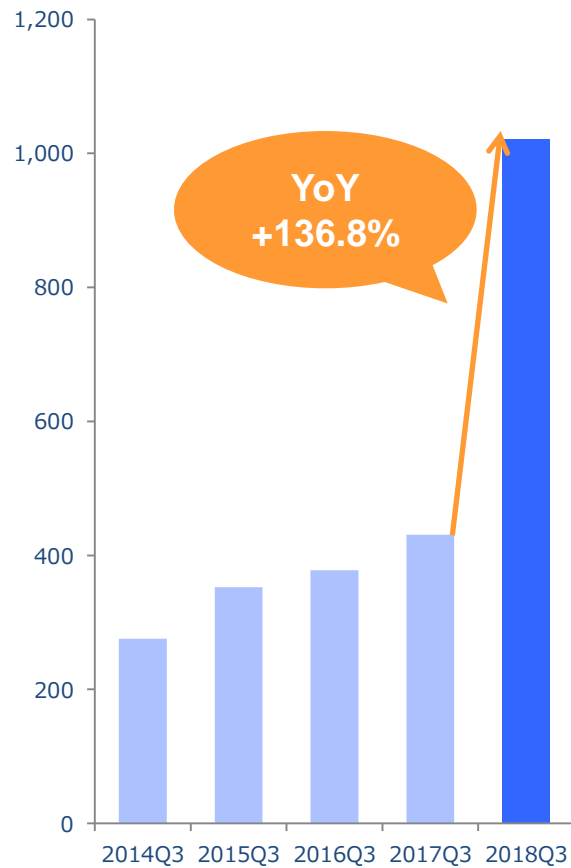


Maintain high growth focused on strategic targets by executing the above strategy

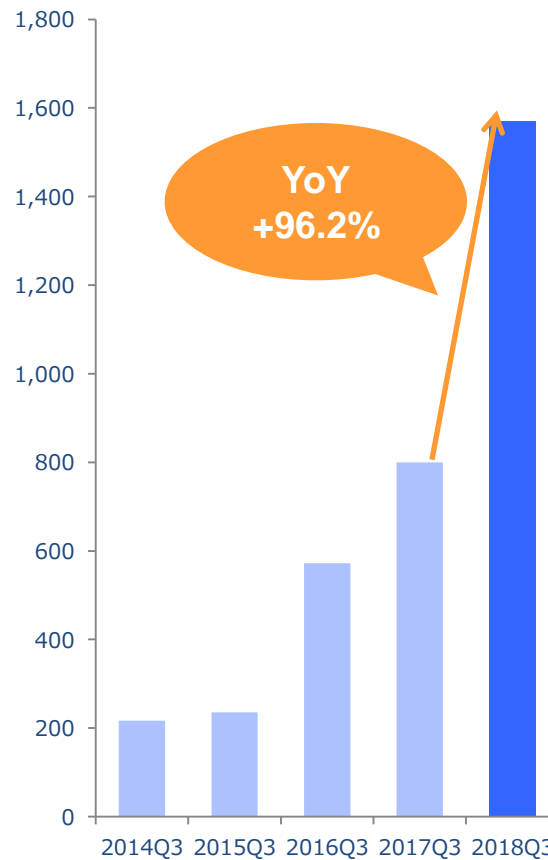
Focus on strategic targets (brands/O2O) to maintain high growth in video/social/LINE advertising

(Unit: JPY million)

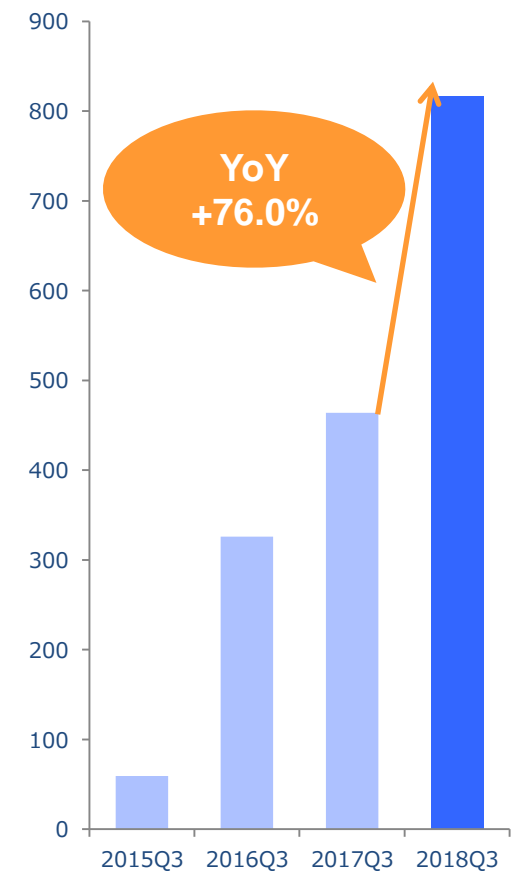
Video Advertising



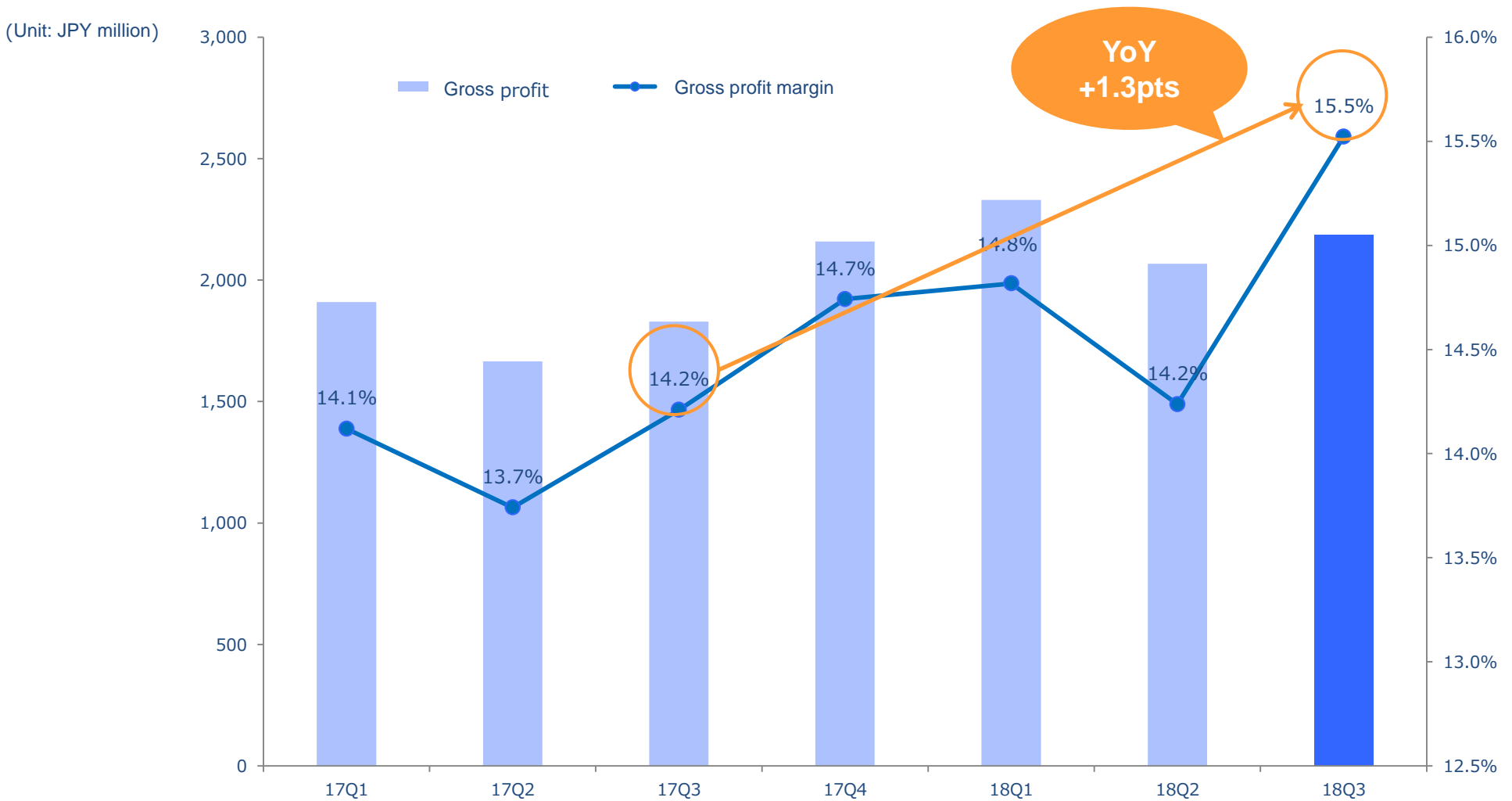
SNS Advertising



LINE Advertising



Higher gross profit margin
+19.5% year-on-year gross profit, gross profit margin +1.3 pts year-on-year



Promote "integrated services" from strategy planning, to in-house training, to promotion programs



Examples of services provided by
OPT Group

- Online training programs by SearchLIFE Co., Ltd.
- Training programs by OPT HR Development
- AI technician training programs by SIGNATE Inc.



SIGNATE



Services to cosmetics/musical instrument/consumer goods manufacturers/systems integrators, etc.

Digital shift training services of the OPT Group

	Basic	Applied	Expansion
	<ul style="list-style-type: none"> • Tours • Seminars • Online learning 	<ul style="list-style-type: none"> • Workshops • Planning • Advanced courses 	<ul style="list-style-type: none"> • Strategy planning • Implementation • PDCA cycle
Business Model Research	<p>Silicon Valley/China tours</p> <p>opt Holding </p> <p>Provide touchpoints with online ventures</p> <p> Opt Ventures</p>	<p>opt </p> <p>Digital shift workshops</p> <p>opt Holding </p>	<p>opt </p> <p>Joint business building</p> <p> STUDIO OPT OPT Incubate</p>
Digital Marketing	<p>Online courses </p> <p>opt </p> <p>Marketing workshops</p> <p></p>	<p>Workshops</p> <p>opt </p> <p></p>	<p>opt </p> <p>Onsite engagement</p> <p>Heartlass</p>
Tech Innovation	<p>Programming courses</p> <p> Opt Technologies</p>	<p>Online AI courses</p> <p>SIGNATE</p>	<p>AI technology transfer training</p> <p>SIGNATE</p>

• Holding digital shift workshops

[Examples of participating companies]

Management executives of major pharmaceutical companies, automobile manufacturers, real estate companies, food manufacturers, IT equipment manufacturers, financial institutions, etc.

• 100 companies attended in our China tours



Established Omni-Channel Innovation Center



Create solution-based teams for retail business sales promotion via changes in marketing support (fully real-time/interactive communication)

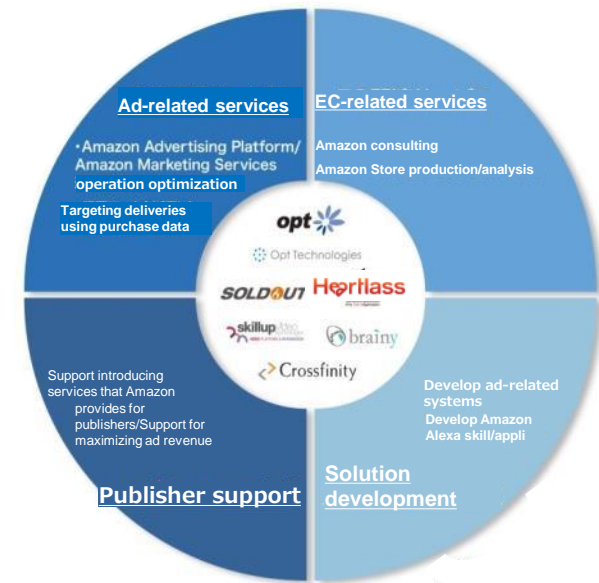
Launched Advertising Council Marketing Lab and O2O Marketing Lab



Support retail industry digital shift by providing ideas/information focused on digital shift to attract customers/promote sales for retail businesses

Established special organization for Amazon Enhanced Amazon channel-shift support services

OPT Group gives full-scale support for Amazon's channel-shift



Concentrate/coordinate knowledge and service functions for Amazon in OPT Group's Amazon Strategy Office. Develop Amazon channel shift services for client corporations

Awards and Partner Certifications

indeed

- ✓ Certified Gold (top) Partner by recruiting search engine, indeed
- ✓ Commended as the Top Sales Agent by sales in the first half of 2018



LINE

- ✓ Certified by LINE as a partner for developing sales and corporate services
- Certified as gold and silver in two categories of the LINE Biz-Solutions Partner Program



Criteo

- ✓ Certified as top-ranked five-star agent in Japan for the third year by Criteo Certified Partners (Star Agent system)



Adjust Solutions Partner program

- ✓ Partner program for agents started in Japan by Adjust (Berlin, Germany)
- Certified as first Japanese partner under the Adjust Solutions Partner program





2

Four turning points and Topics on the Four Areas

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- (3) Marketing business for local/SME clients**
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- (5) Synergy Investment /Business Development

1. Overwhelming No.1 position in local SME market

✓Year-on-year +42.7% total sales for Jan. to Sep. 2018

2. Progress in cooperation with outside partners

- ✓Progress in cooperation with major platformers
- ✓Business alliances with outside partners,
cooperation with local cities

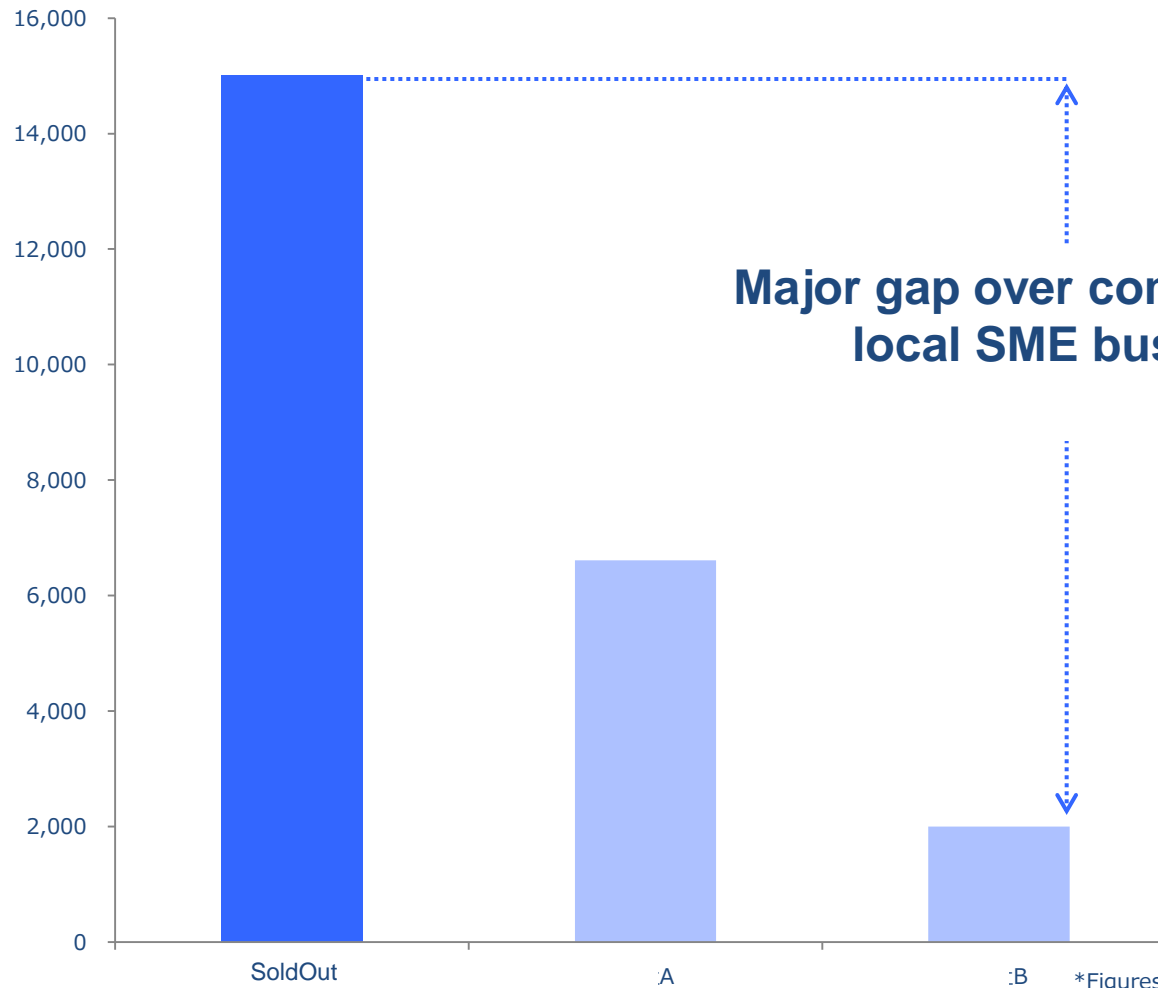
**Accelerated growth triggered by listing @TSE.
Maintain high sales growth: year-on-year +42.7% for total Jan. to Sep. 2018**



Overwhelming No.1 position in Internet advertising market for local SMEs

[For reference: competitive comparison of local SMEs]

(Unit: JPY million)



2018 guidance sales forecast

*Figures for A and B are according to our own research

Major platformers that want to enter into local SME market are partnering with the SoldOut Group

Overwhelming purchasing power for local SMEs

Major platformers

Yahoo!

- ✓ Capital and business alliances
- ✓ API coordination with our own tools

Google

- ✓ API coordination with our own tools

Facebook

- ✓ API coordination with our own tools
- ✓ Business partners*

Line

Amazon

Plan to partner with new platformers to grow business

Rakuten

SoldOut Group

SOLDOUT
ベンチャー専用のネット販促サポーター

Search LIFE

techloco

Growth Gear



Lead local SME market partnering with major platformers



* Selected as a business support partners for the Business Partnership Agreement for Development of Local Economies/Communities signed by Facebook Japan and Kobe City

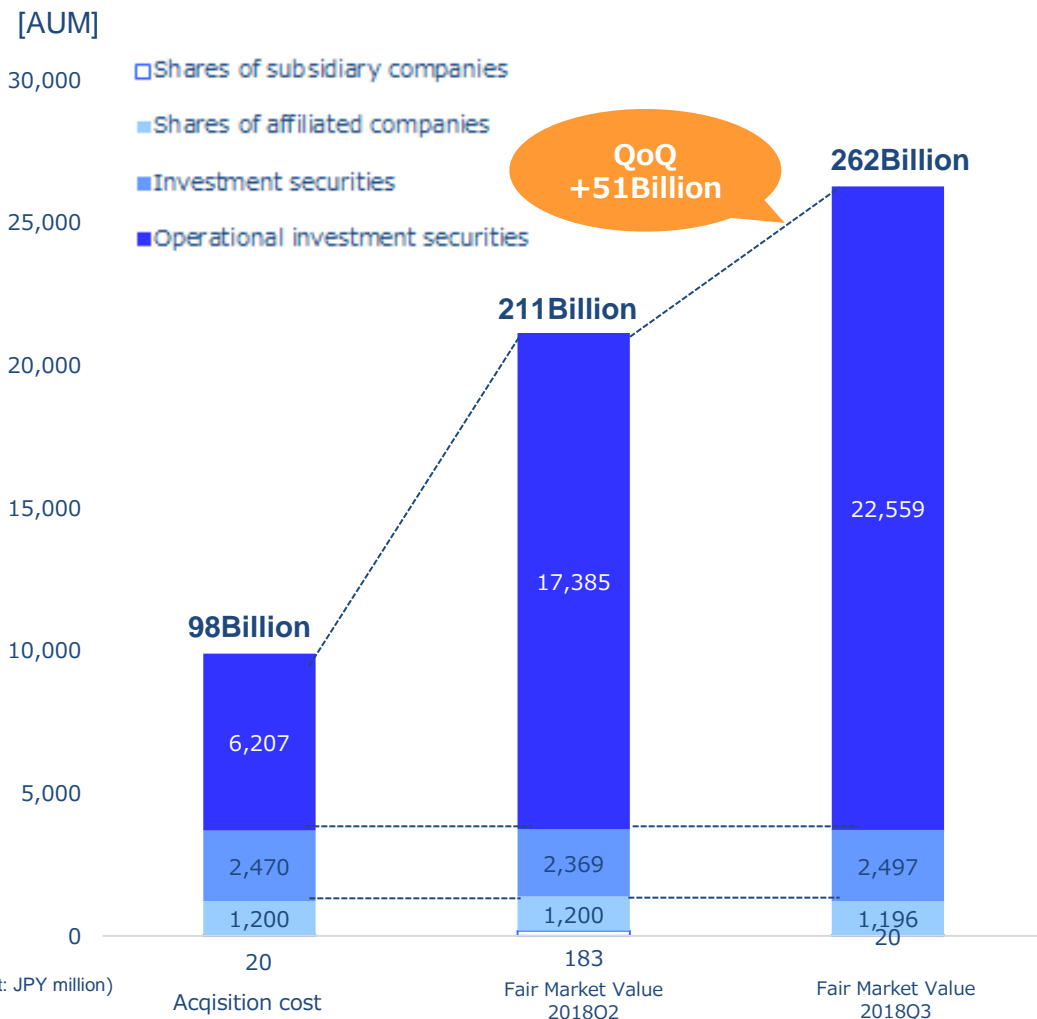


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- (4) **Synergy Investment /Financial Investment**
- (5) Synergy Investment /Business Development

Fair value with listing of Raksul and Writeup: maintaining high value at JPY 26.2 billion/IRR: 16.4%



[Portfolio]

Investment centered on sharing economy
Many ventures like Raksul are set for higher growth

Sharing Economy



Direct Trading



Disruptive Technology



To create businesses and network through fund investment
Second Fund being formed

	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 6.0 billion	JPY 10.0 billion (tentative)						
Investment themes (targets)	Venture companies using Internet technologies (1) Sharing economy (2) Direct trading (3) Disruptive technology	<p>◆ <u>For investment</u> Companies with top industry potential</p> <p>◆ <u>Investment themes</u> "IT x Industry (X-Tech)"</p> <table border="1"> <thead> <tr> <th><u>IT</u></th> <th></th> <th><u>Industry</u></th> </tr> </thead> <tbody> <tr> <td>AI, IOT, Blockchain, Robot, Data, Software, Information Technology etc.</td> <td>×</td> <td>Medicine, health care, construction, finance, real estate, apparel/retail, travel, HR, bars and restaurants, education, beauty care, mobility, sports, etc.</td> </tr> </tbody> </table>	<u>IT</u>		<u>Industry</u>	AI, IOT, Blockchain, Robot, Data, Software, Information Technology etc.	×	Medicine, health care, construction, finance, real estate, apparel/retail, travel, HR, bars and restaurants, education, beauty care, mobility, sports, etc.
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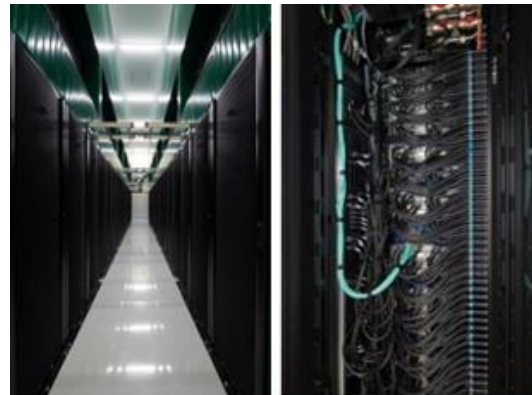
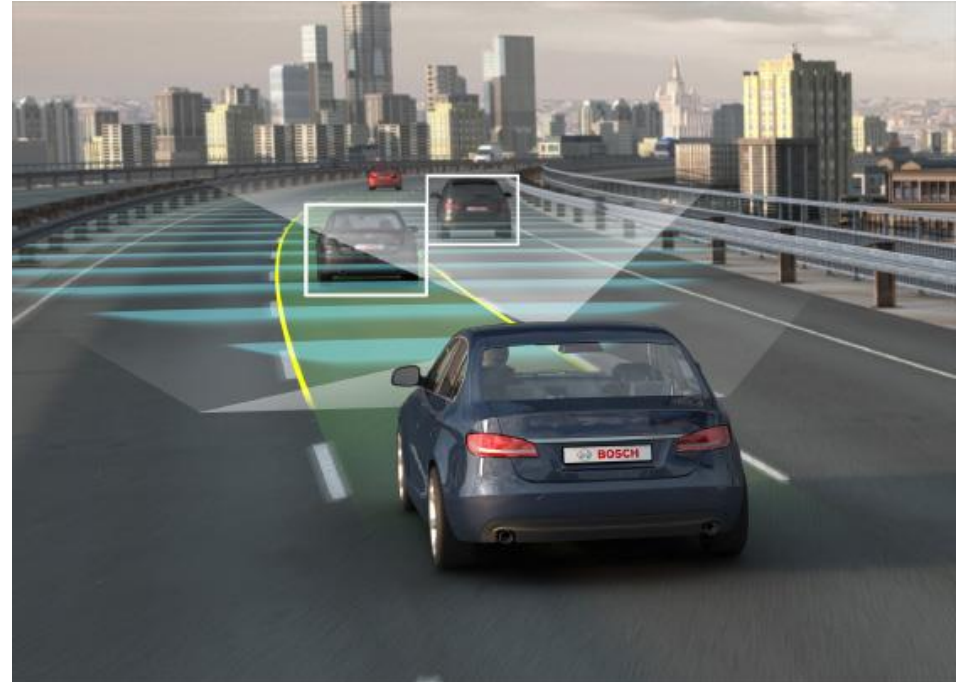
“SIGNATE,” AI business on a growth trajectory

(Our fully-owned subsidiary)

- 1. Overwhelming lead in Japan**
Establishing a position as AI human resources platform
- 2. Rapid increase in AI development/consulting service orders**
- 3. Rapid increase in AI training orders**

AI talents use any country's platform for registration; companies use their home country's platform.







3

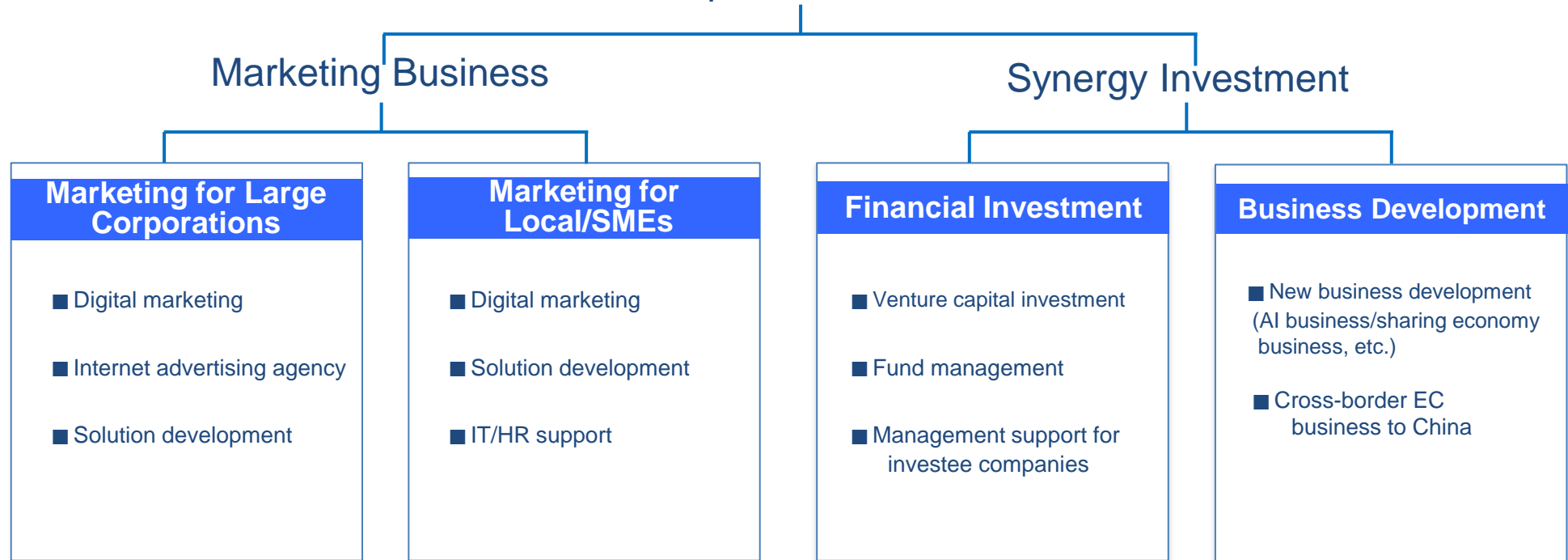
Introduction of OPT Group

Marketing business for local/SME clients

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

Group CEO Hachimine

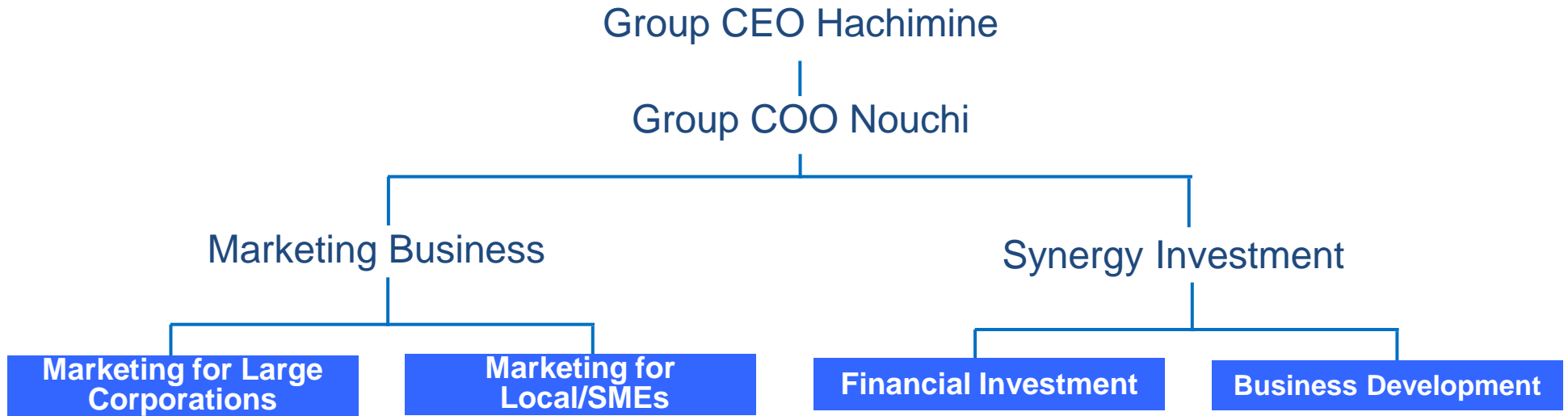
Group COO Nouchi



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

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

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



Head of Marketing for large corporations
OPT Inc.
CEO
Daisuke Kanazawa
(Speaker at the Q1 2018 financial results briefing)

[For major clients]
Digital marketing support



Head of Marketing for local SME
SoldOut Inc.
CEO
Takeshi Ogiwara
(Speaker at the Q3 2018 financial results briefing)

[For local/SME clients]
Digital marketing support



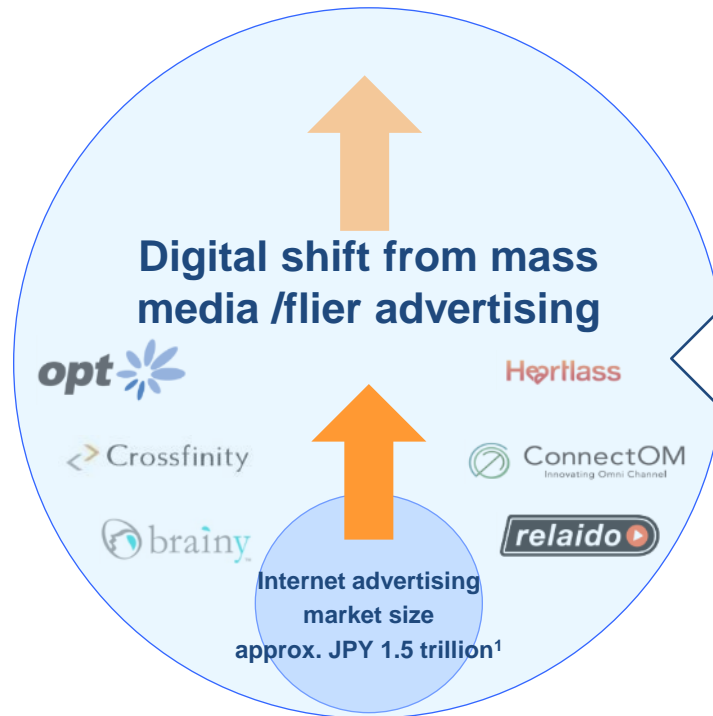
Head of Synergy Investment
COO of OPT Holding Group
Atsushi Nouchi
(Speaker at the Q2 2018 financial results briefing)

Venture capital investment/support
Fund operation
New business development

Leveraging a broad range of client basis covering SMEs to major corporations Create and accelerate the digital shift market via group cooperation

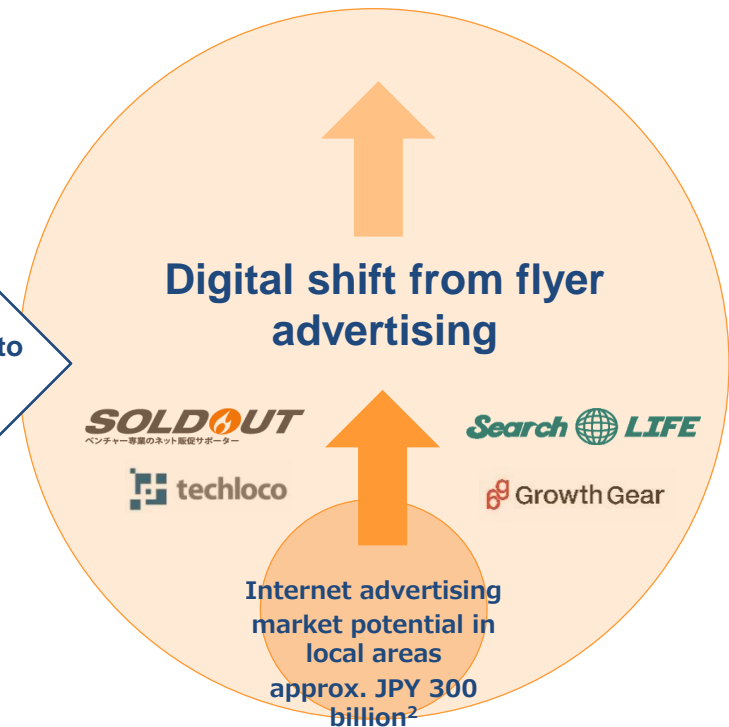
Marketing for Large Corporations

Support the digital shift of "medium/major clients in the greater Tokyo area"



Marketing for Local/SMEs

Support and create the digital shift of untapped local regions



1. Source: *Advertising Expenditures in Japan 2017*, Dentsu Inc.
2. Source: Financial results supplementary material of SoldOut Inc., published on October 31, 2018

What's behind the launch of SoldOut Inc.

- Father's company bankrupted when he was 10.
- Started a business with friends after graduating college; the business failed.
- Convinced that increasing sales is the most critical for SMEs.
- Convinced that SMEs can sell products via e-commerce.
- Wanted to support SMEs rather than major corporations.
- Gained knowledge of online marketing in the past 10 years.

From my own experiences, I understand:

"I am the one who can help business owners solve these problems"

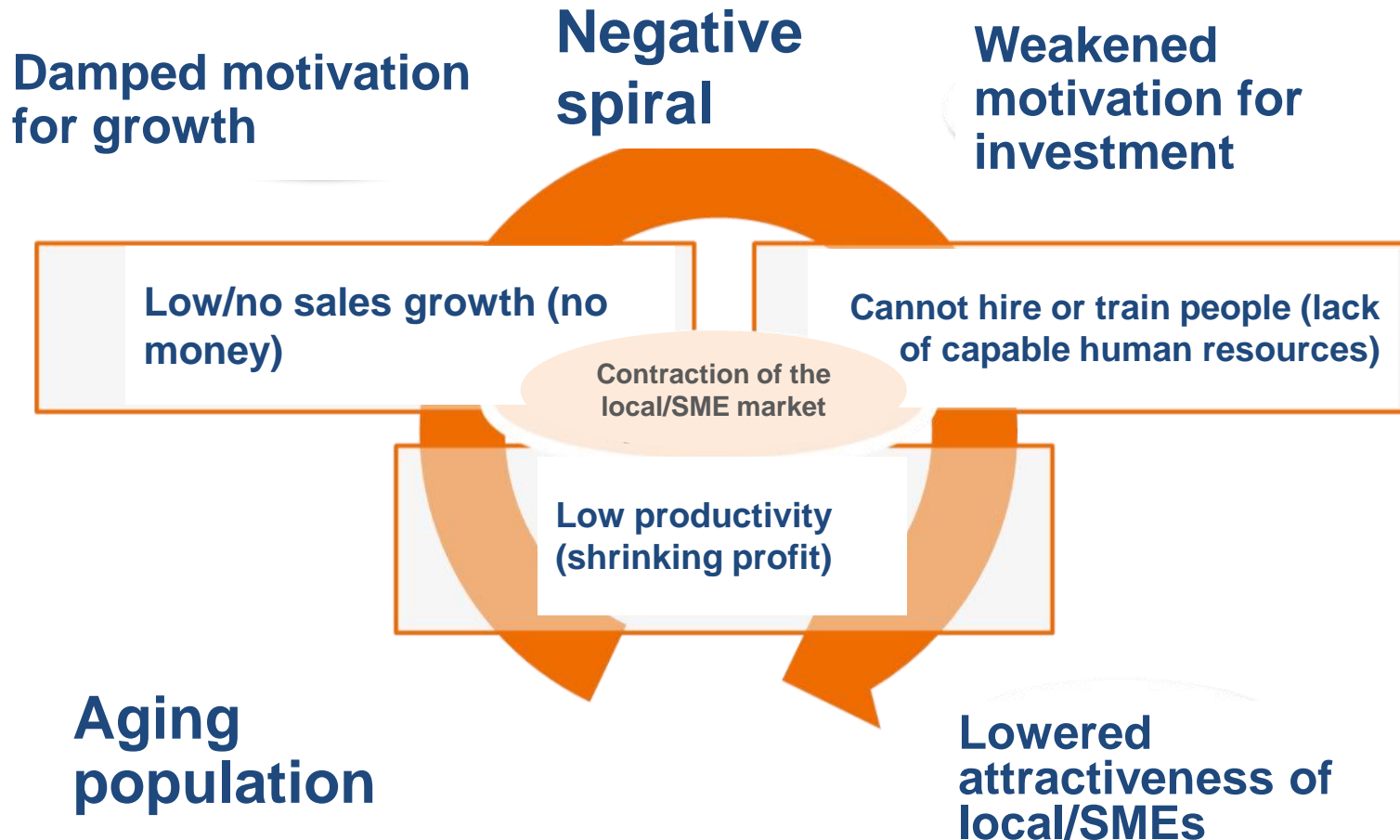
"It is my mission is to help and support SMEs"

Committing to my belief, I started SoldOut Inc.

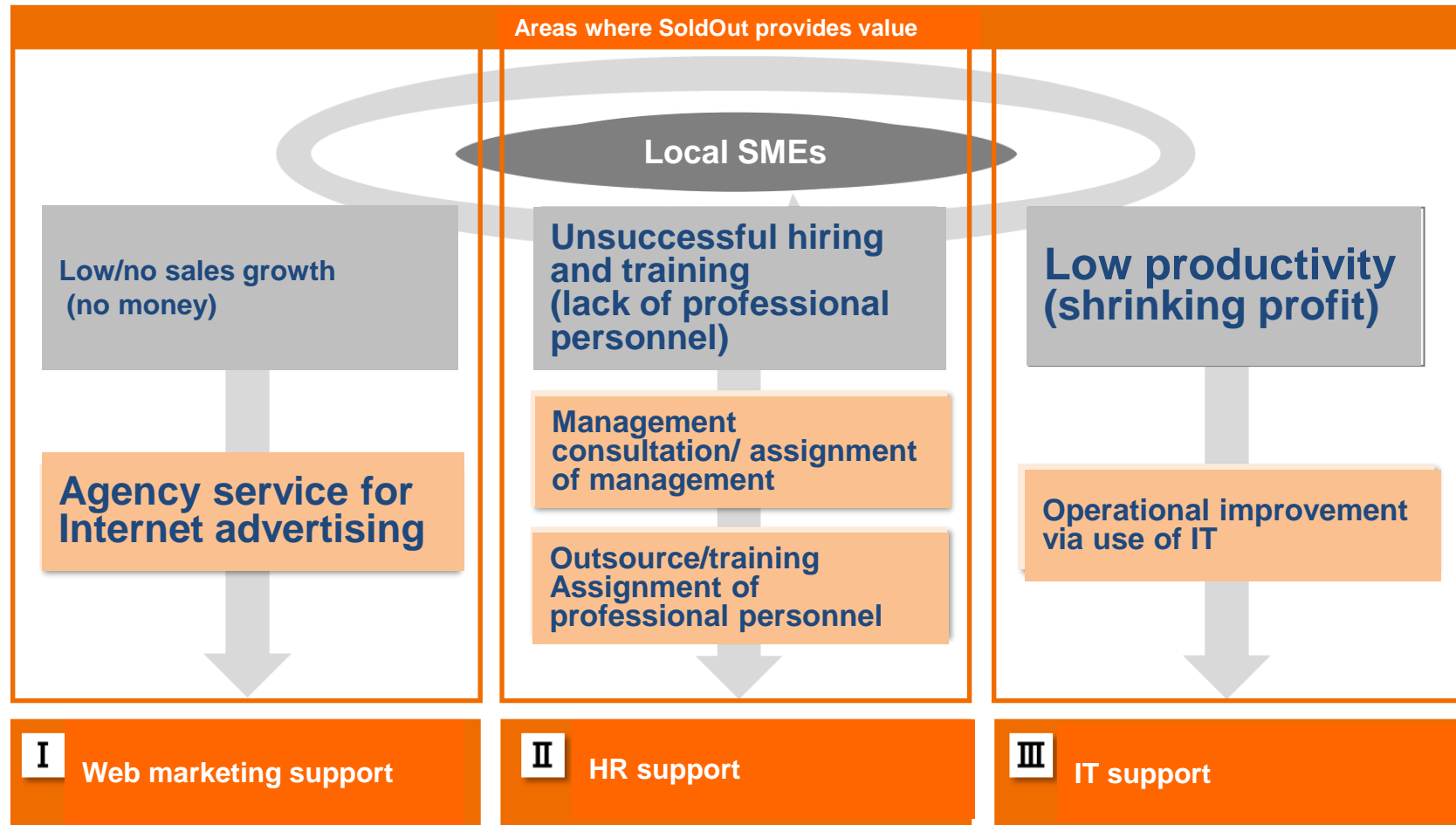


Takeshi Ogiwara CEO, SoldOut Inc.
Born August 24, 1973
Graduated from the Chuo Graduate
School of Strategic Management
Masters of Business Administration (Marketing)

By stopping the negative spiral of local/SMEs and accelerating growth of local/SMEs, shall revitalize Japan

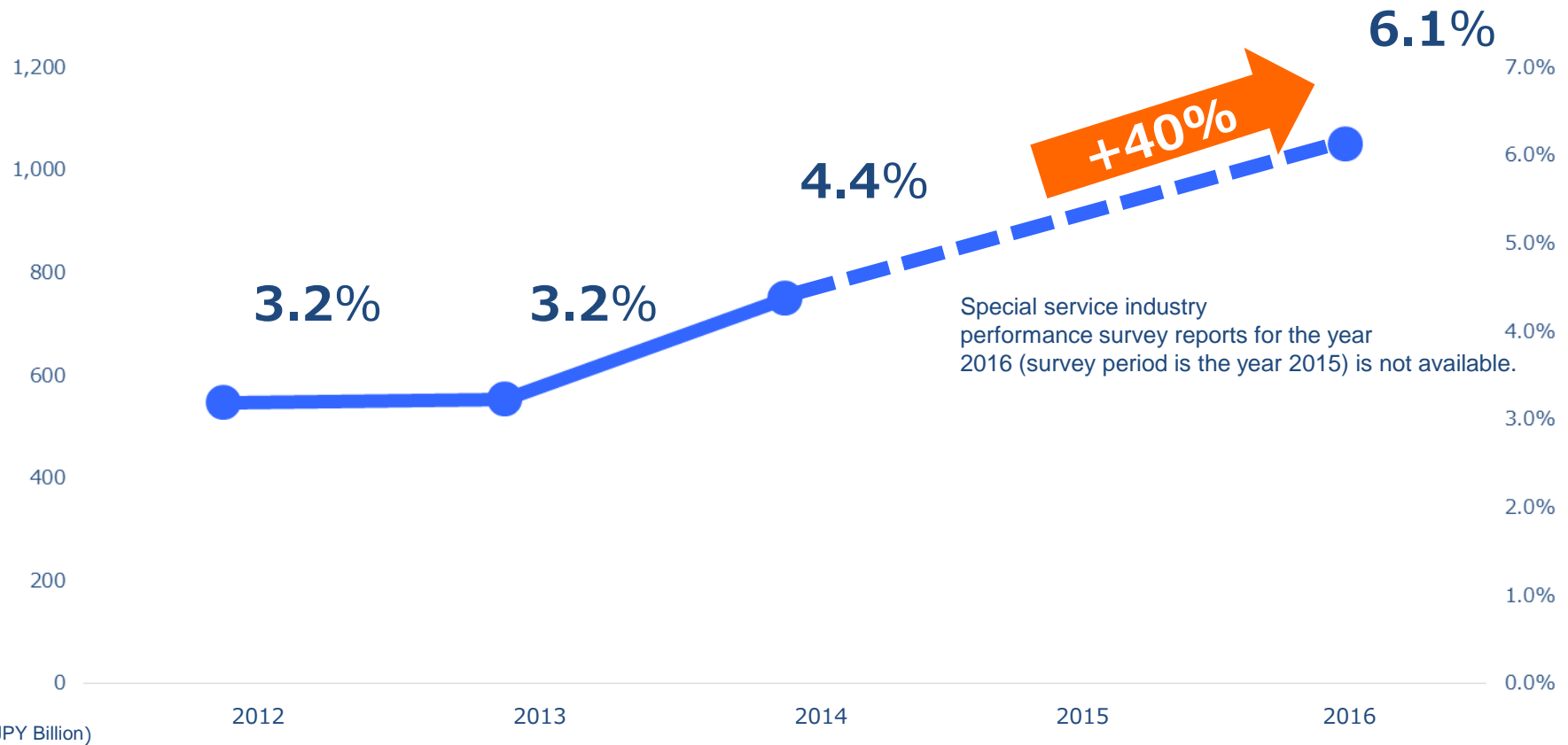


Support the expansion of online businesses by providing web marketing, HR and IT services to local/SMEs which have potential for growth through internet





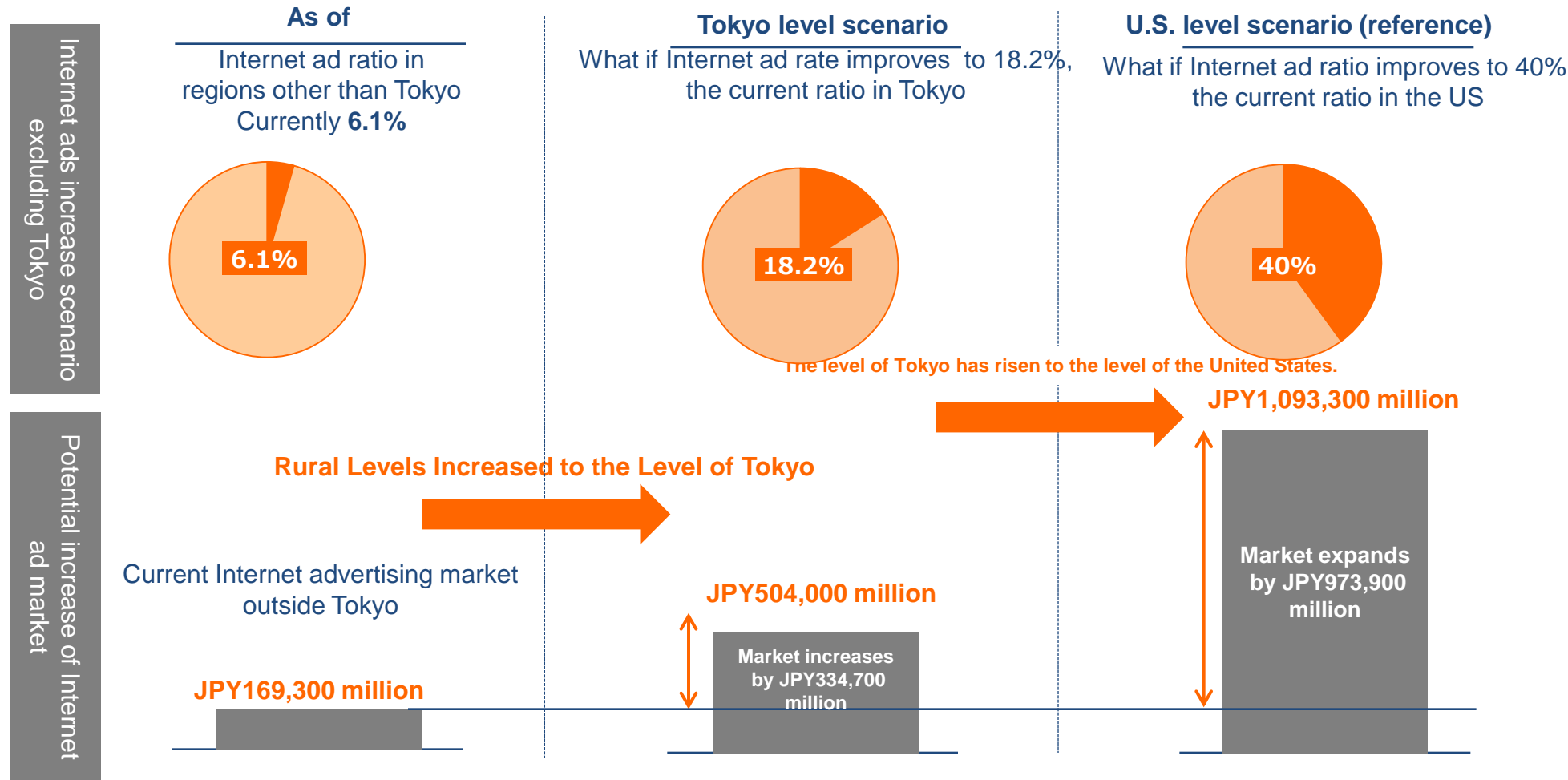
Internet advertising expenditures increasing in 46 prefectures excluding Tokyo



* Source: advertising segment of special service industry performance survey reports for 2013, 2014, 2015, 2017 (Ministry of Economy, Trade and Industry)

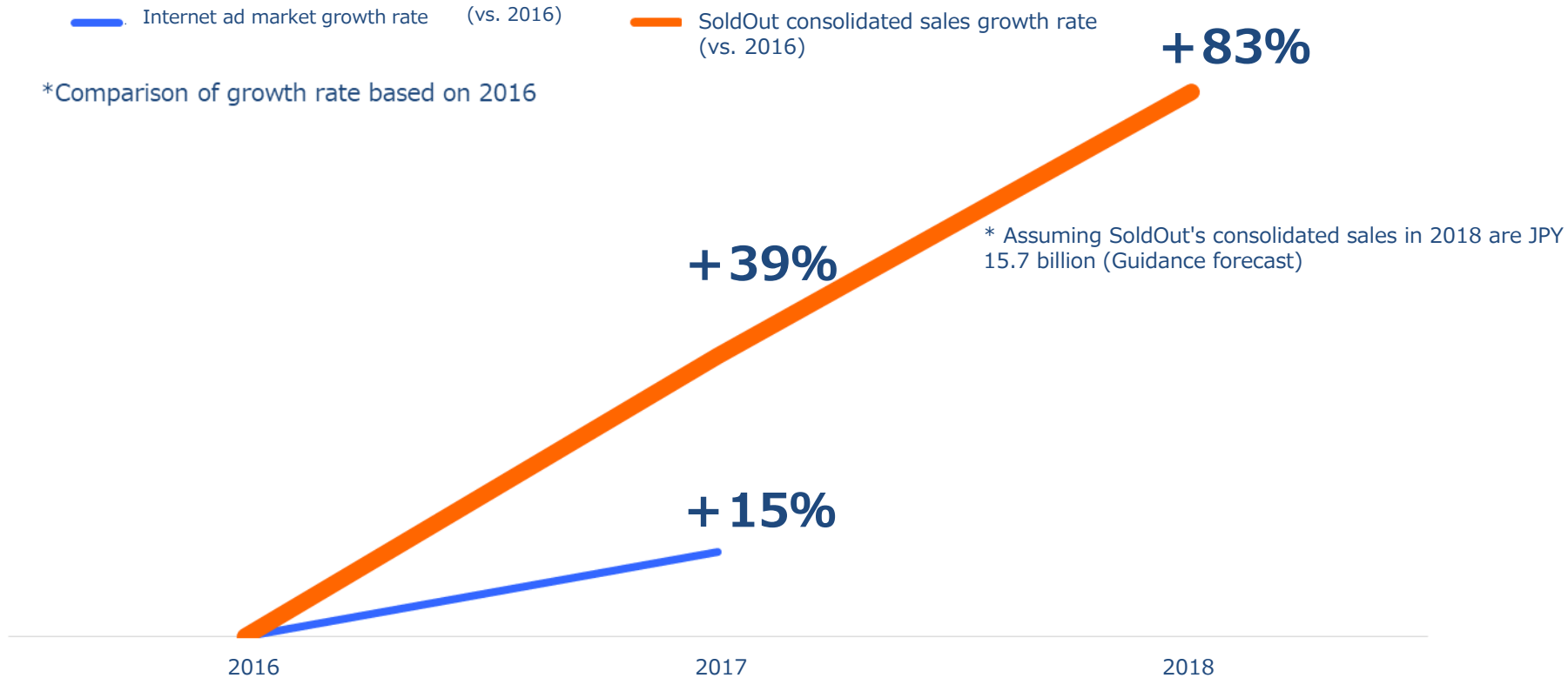
Internet advertising expenditures in 46 prefectures excluding Tokyo Potential of an increase by JPY 300 billion plus

Expansion simulation for local online advertising expenditures/advertising expenditures

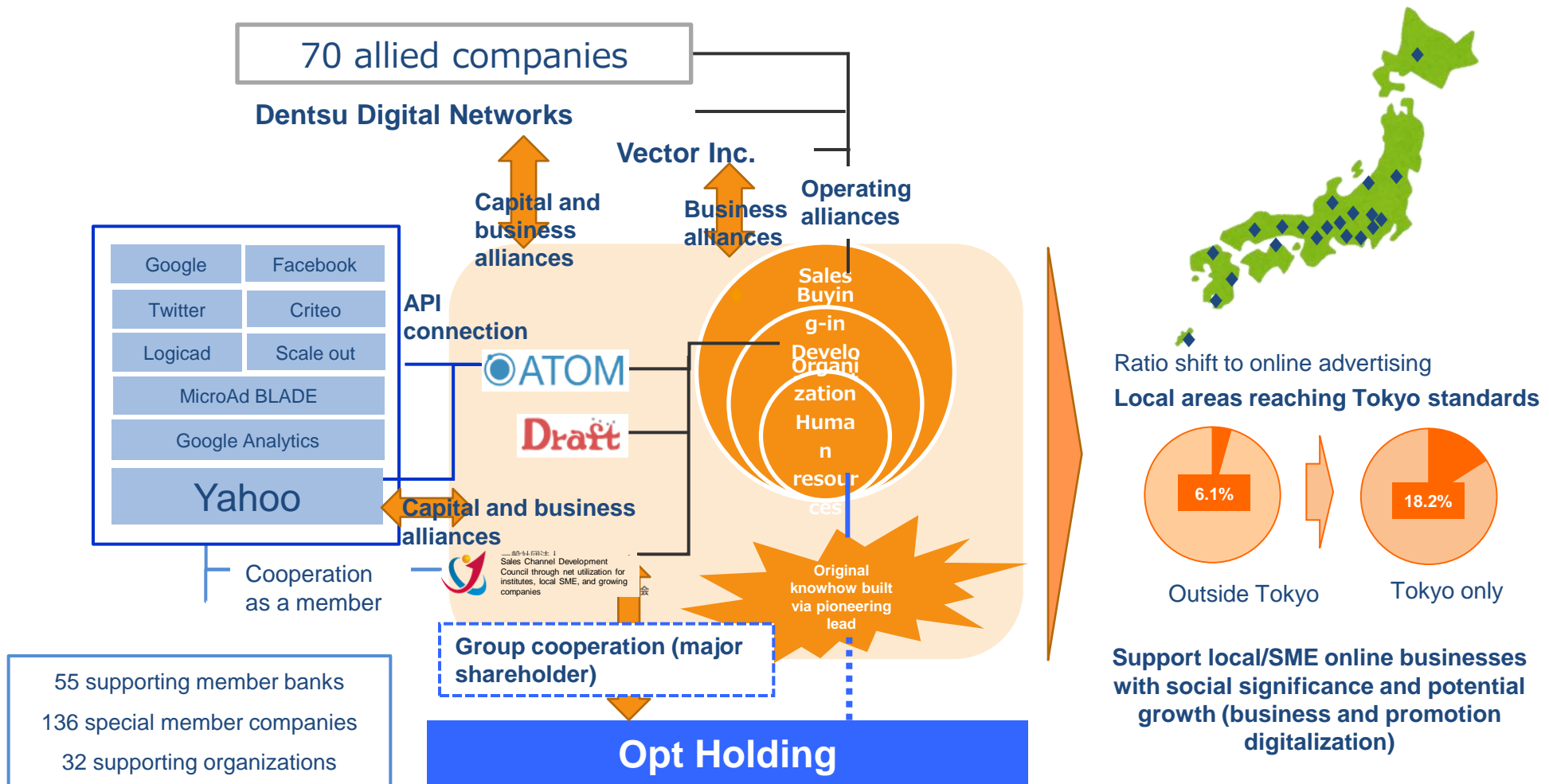


※ Source: SoldOut, Inc "Supplementary Materials Consolidated Financial Results 1Q of FY2018".

Use our position as a leader supporting the digital shift in local/SME market to maintain growth much higher than the market



By improving productivity with ATOM (connected with main media through API) and extending operating alliances, leading the revitalization of local/SMEs





4

References



2018Q3 Consolidated Revenue Analysis

Marketing Business

✓ Increased due to stable growth of business for large corporations and strong growth of business for local/SMEs. Adjusted YoY +JPY 1,989 million

Synergy Investment

✓ Decreased mainly due to exclusion of Writeup from consolidation. YoY JPY (433) million

(Unit: JPY million)



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



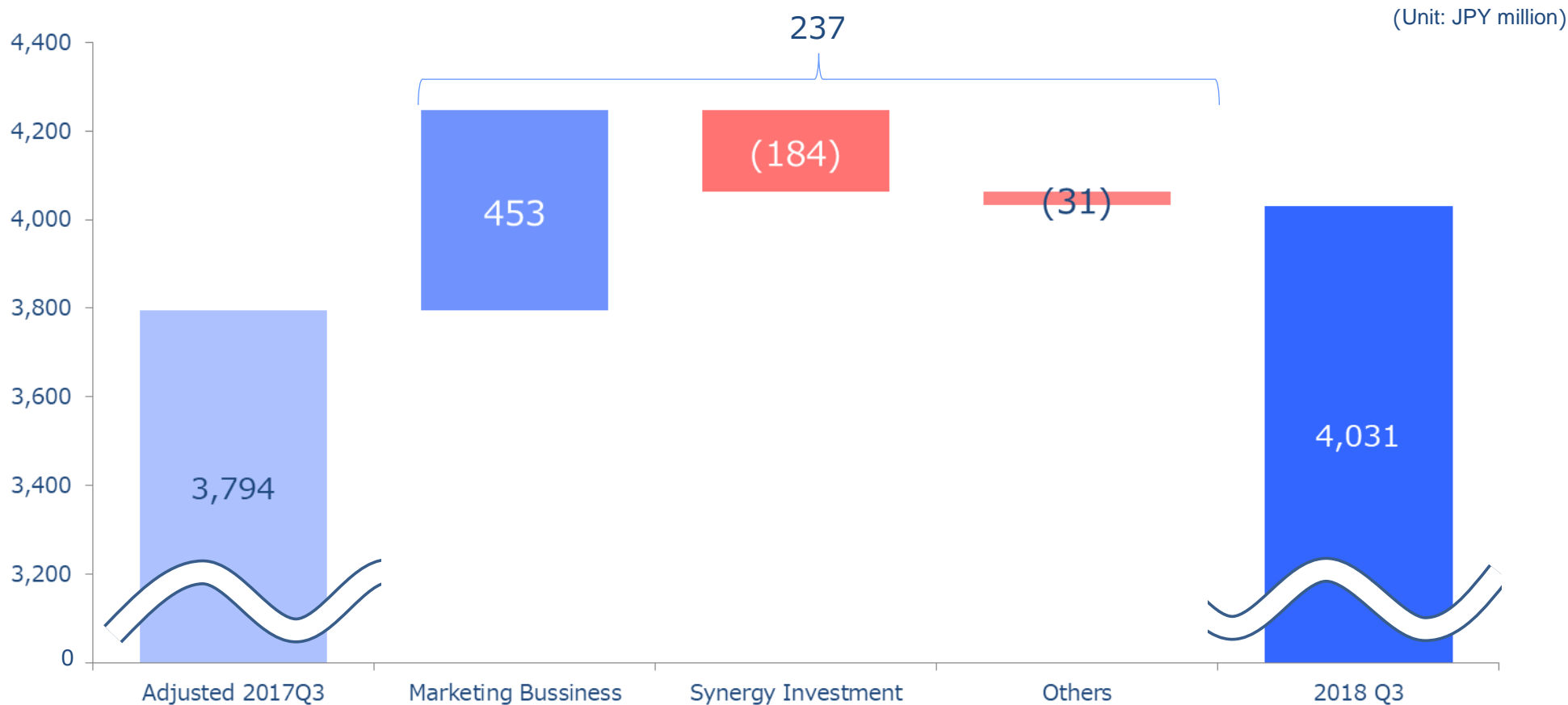
2018Q3 Consolidated Gross Profit Analysis

Marketing Business

✓ Increased due to revenue growth in business for large corporations and business for local/SMEs. Adjusted YoY +JPY 453 million

Synergy Investment

✓ Decreased mainly due to exclusion of Writeup from consolidation. YoY JPY (184) million



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

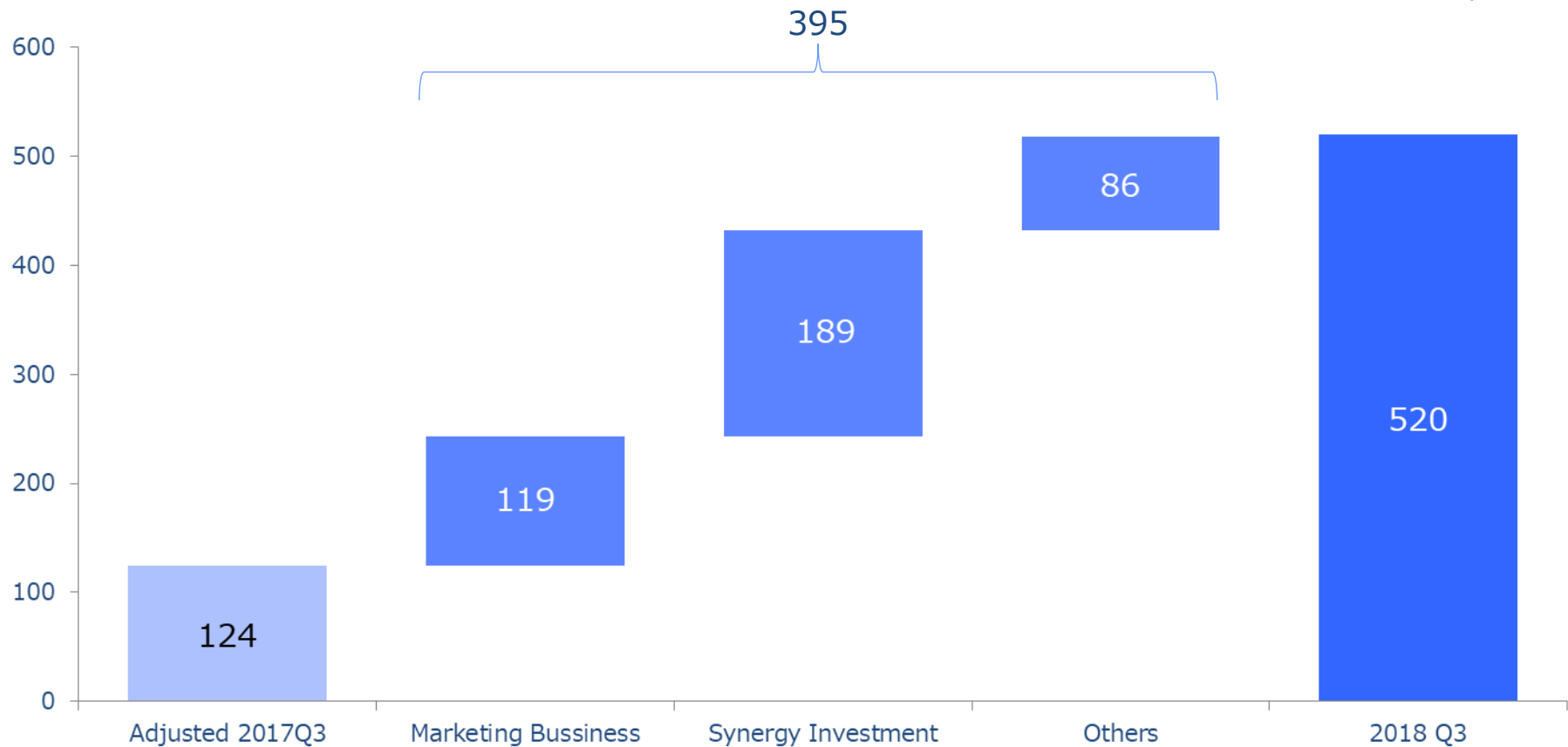
Marketing Business

✓ Gain on sale of businesses (JPY506 million) was produced by transfer of some SkillUP Video Technologies[※] operations. Mainly due to impairment of consolidated goodwill, the increase in consolidated EBIT was limited compared with EBITDA

Synergy Investment

✓ Increased mainly due to profits from overseas funds. YoY + JPY 189 million

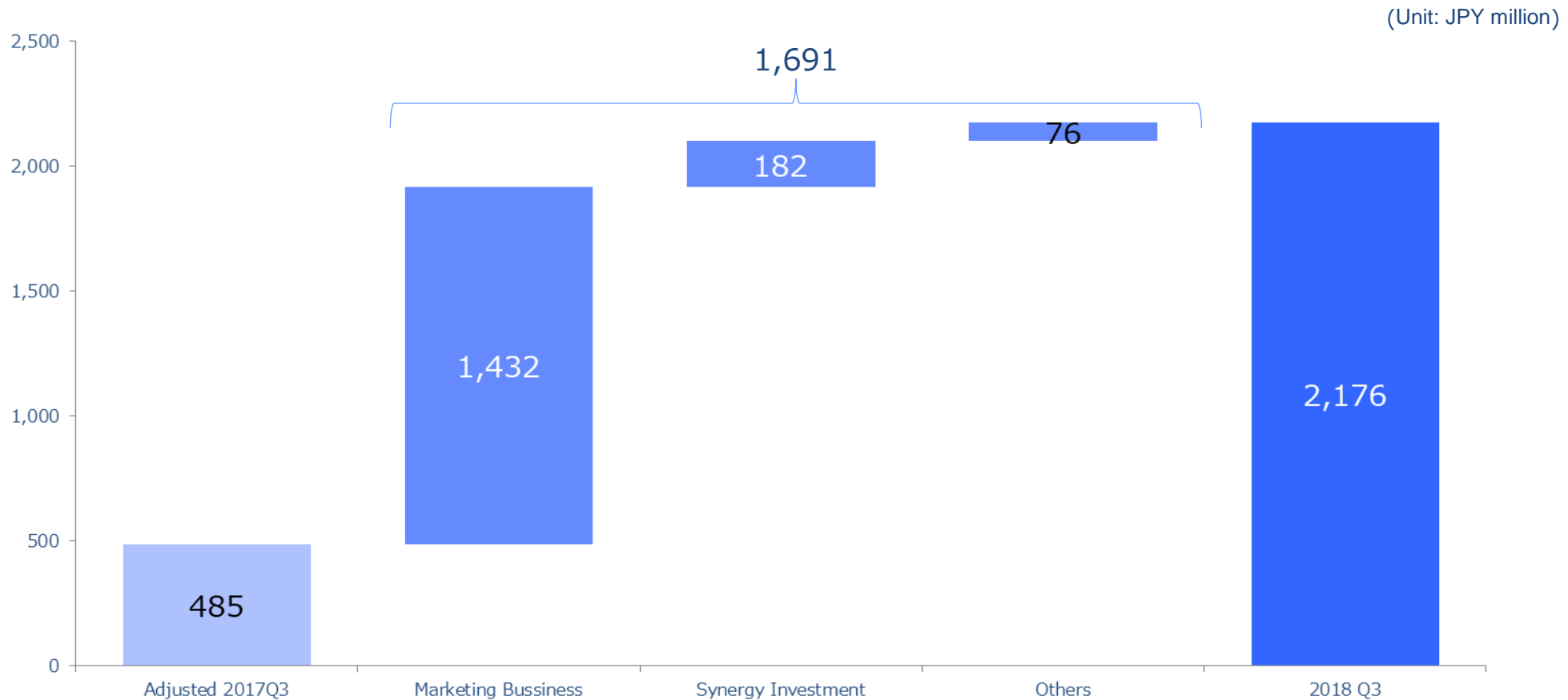
(Unit: JPY million)



※The trade name was changed to "relaido, Inc." on September 1, 2018.

Marketing Business ✓ Increased by transfer of some SkillUP Video Technologies※ operations YoY + JPY 1,394 million

Synergy Investment ✓ Increased mainly due to profits from overseas funds. YoY + JPY 182 million



※The trade name was changed to "relaido, Inc." on September 1, 2018.

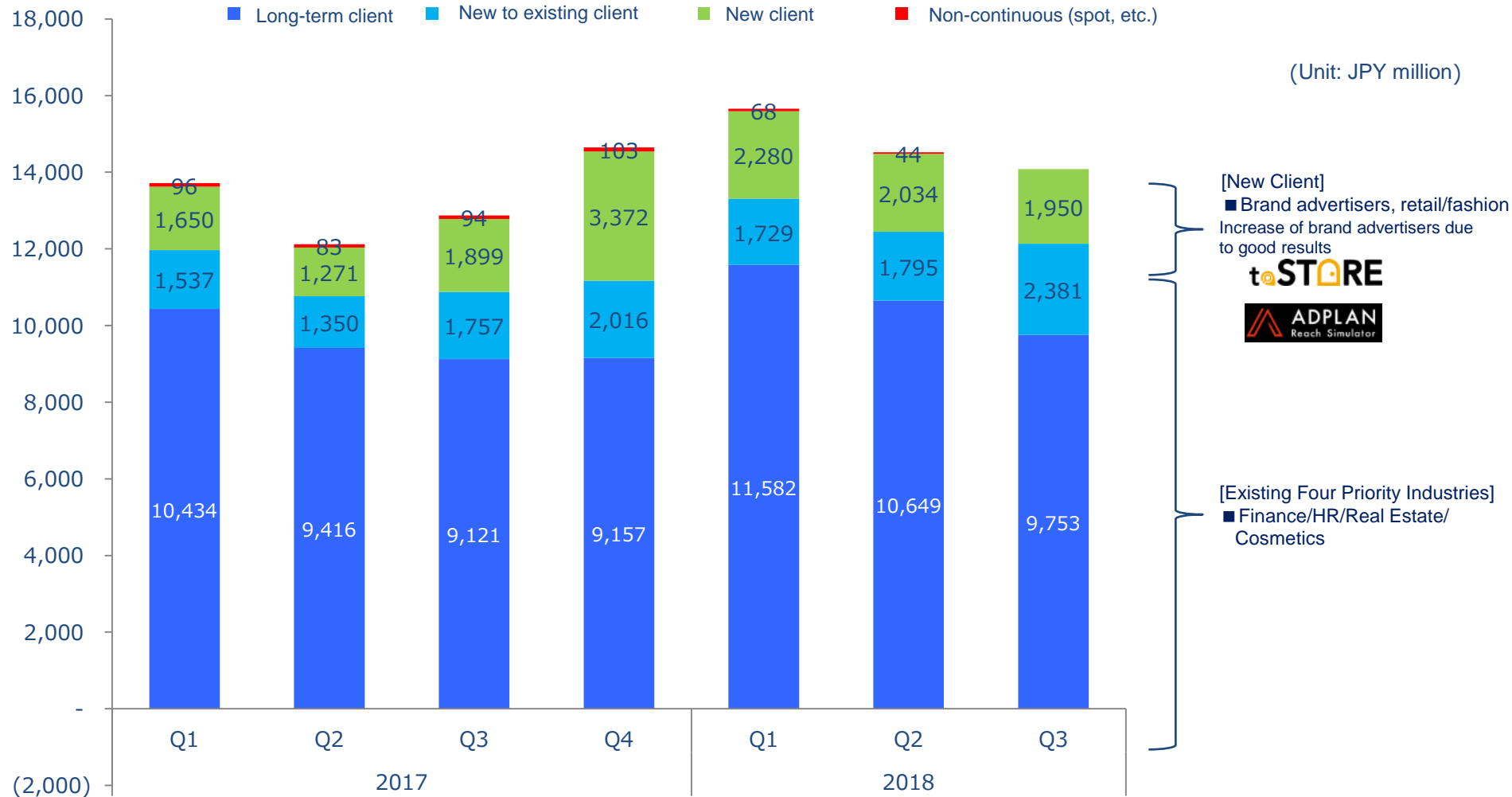
Quarterly net income before taxes: Adjusted YoY +JPY 397 million*

Quarterly net income attributable to owners of parent: Adjusted YoY +JPY 56 million*



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

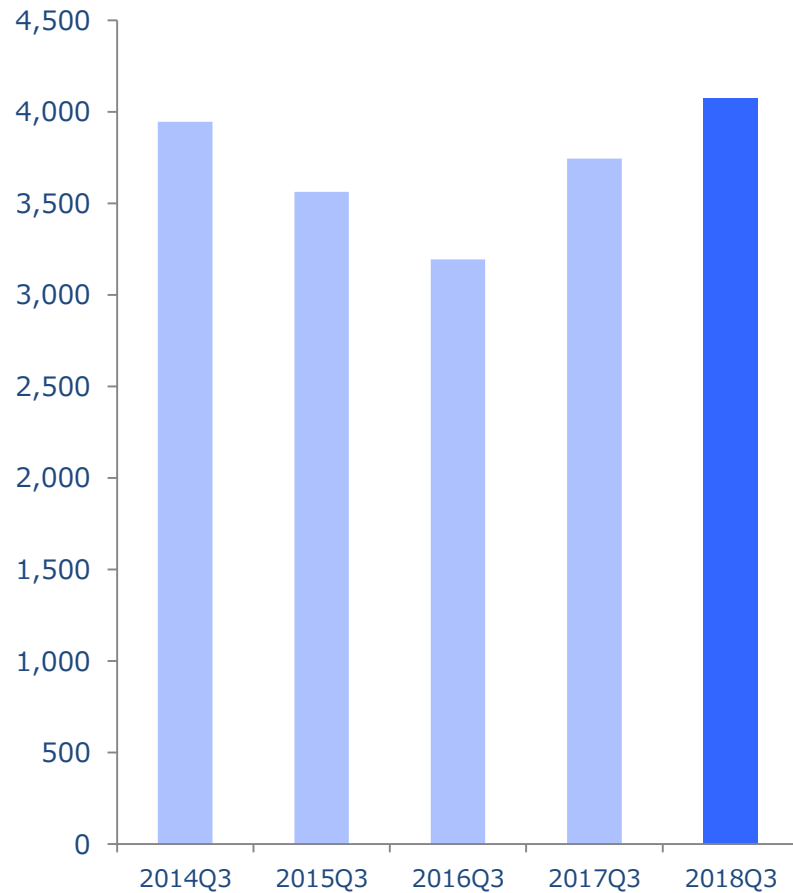
Growth in four priority industry clients and new business wins (by brand sponsors and retail clients)



※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

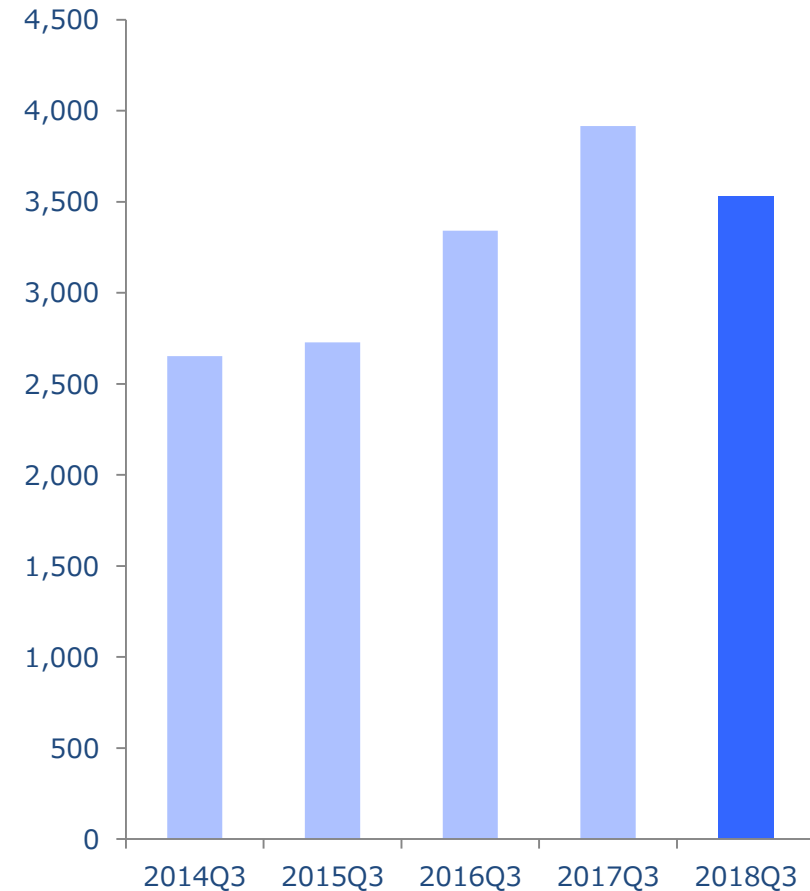
- ✓ Continued growth in listing advertising and temporary reduction in ad network advertising

Listing Advertising
YoY: 8.8% increase



Ad Network Advertising
YoY: 9.9% decrease

(Unit: JPY million)

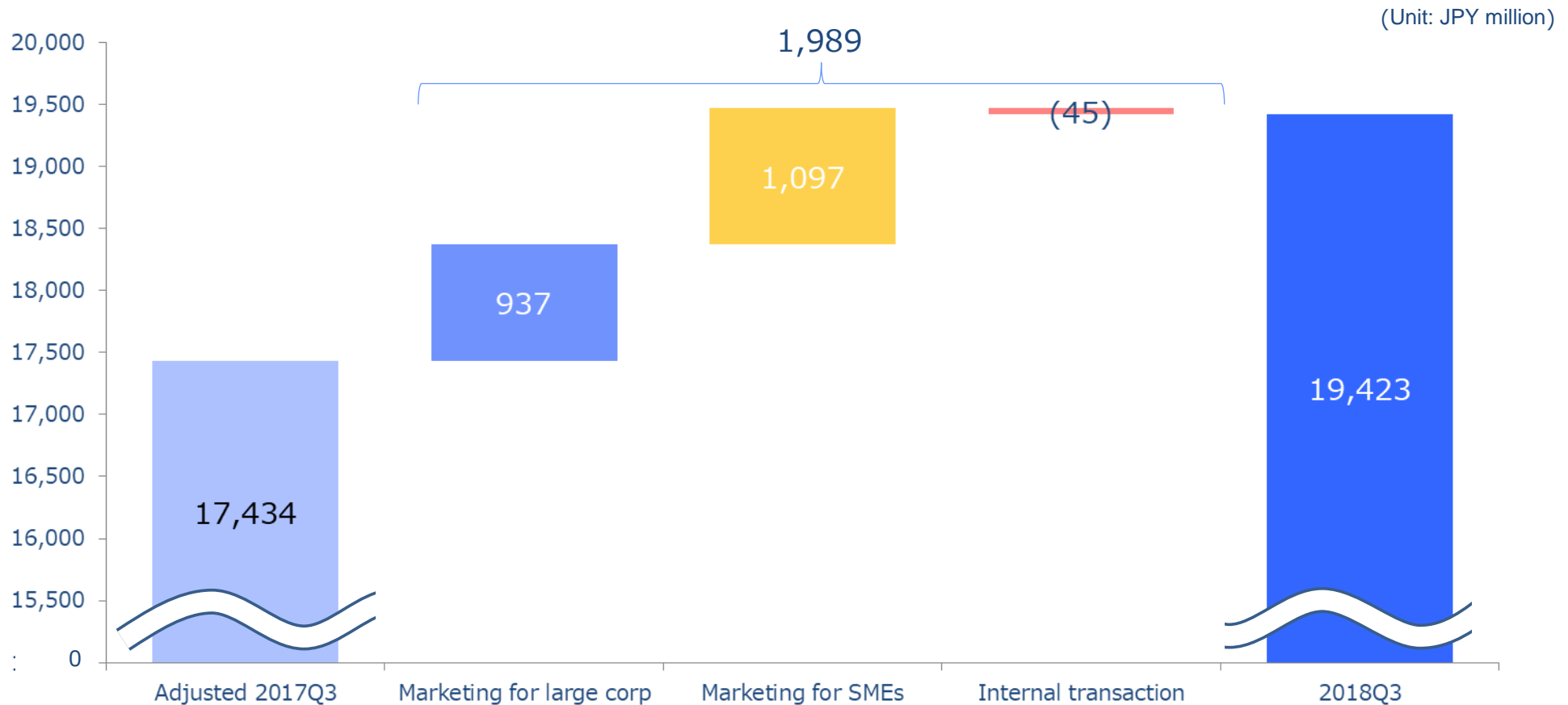


Business for large corp

✓ Increased revenue in video/social/LINE advertising as demand for brand/O2O was strong. YoY +JPY 937 million

Business for local/SMEs

✓ Considerable growth due to continued favorable performance with both new and existing clients. Adjusted YoY* +JPY 1,097 million



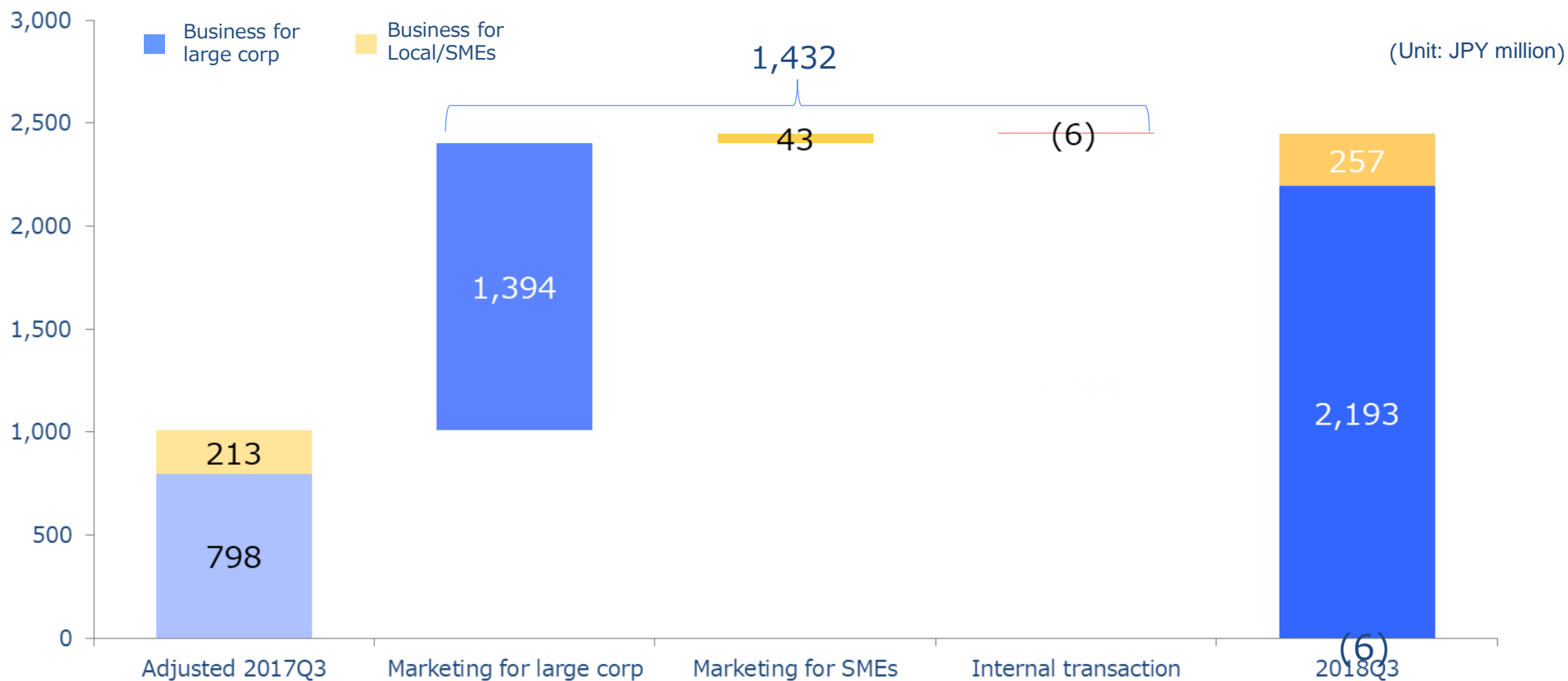
* Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Marketing Business

✓ Increased by transfer of some SkillUP Video Technologies^{※1} operations YoY + JPY 1,394 million

Synergy Investment

✓ Success with both new and existing clients. Cooperation with major platformers is progressing. Adjusted YoY^{※2} +JPY 43 million



※1 The trade name was changed to "relaido, Inc." on September 1, 2018

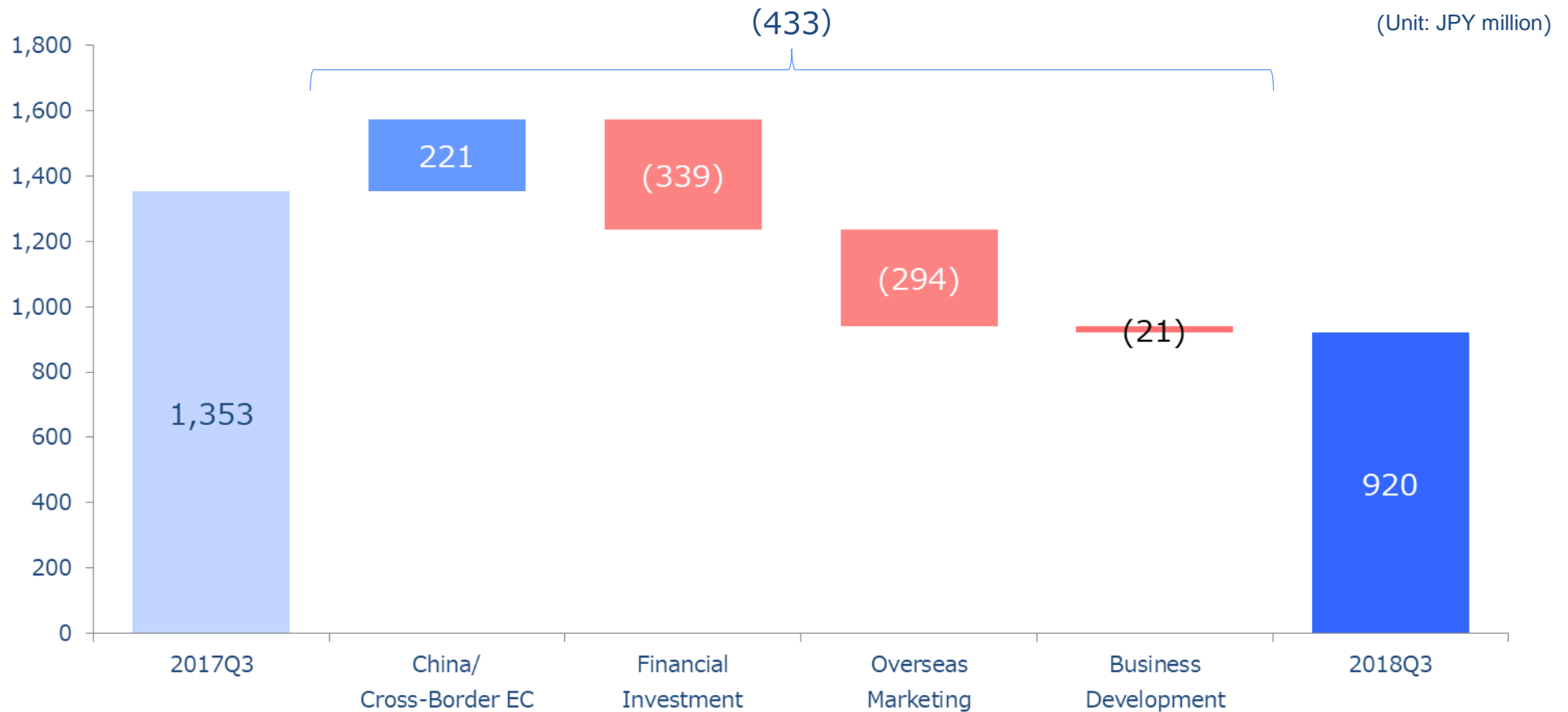
※2 Figures exclude the impact of Classified Inc. that was sold at the end of last consolidated fiscal year

Financial Investment

✓ Decreased due to exclusion of Writeup from consolidation. YoY JPY (339) million

China/Cross-Border EC

✓ Increased due to expansion of cross-border EC business YoY + JPY 221 million

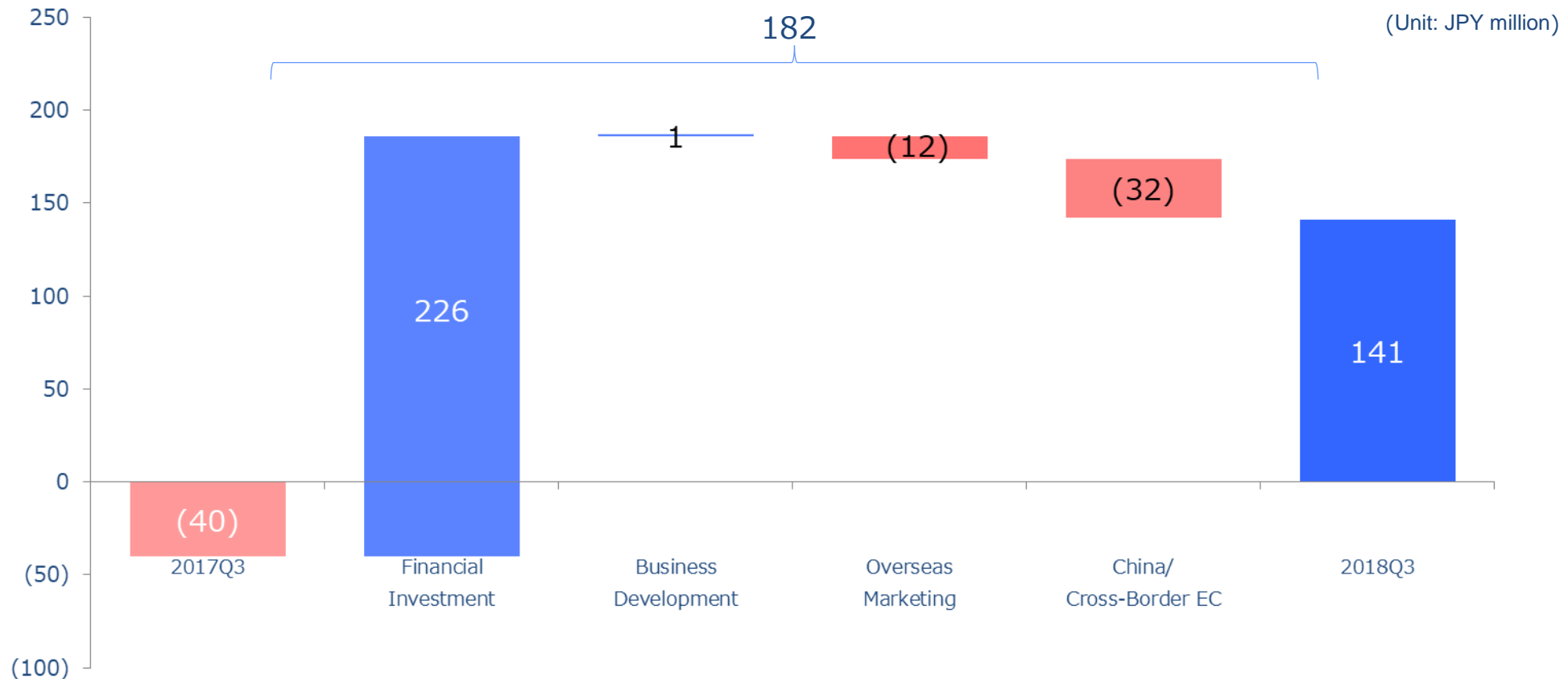


Financial Investment

✓ Increased mainly due to profits from overseas funds. YoY + JPY 226 million

China/Cross-Border EC

✓ SG&A expenses increased due to investment in human resources associated with expansion of cross-border EC business. YoY + JPY (32) million



✓ SGA expenses increased due to strengthened group business management and granting of stock with restrictions on transfer.

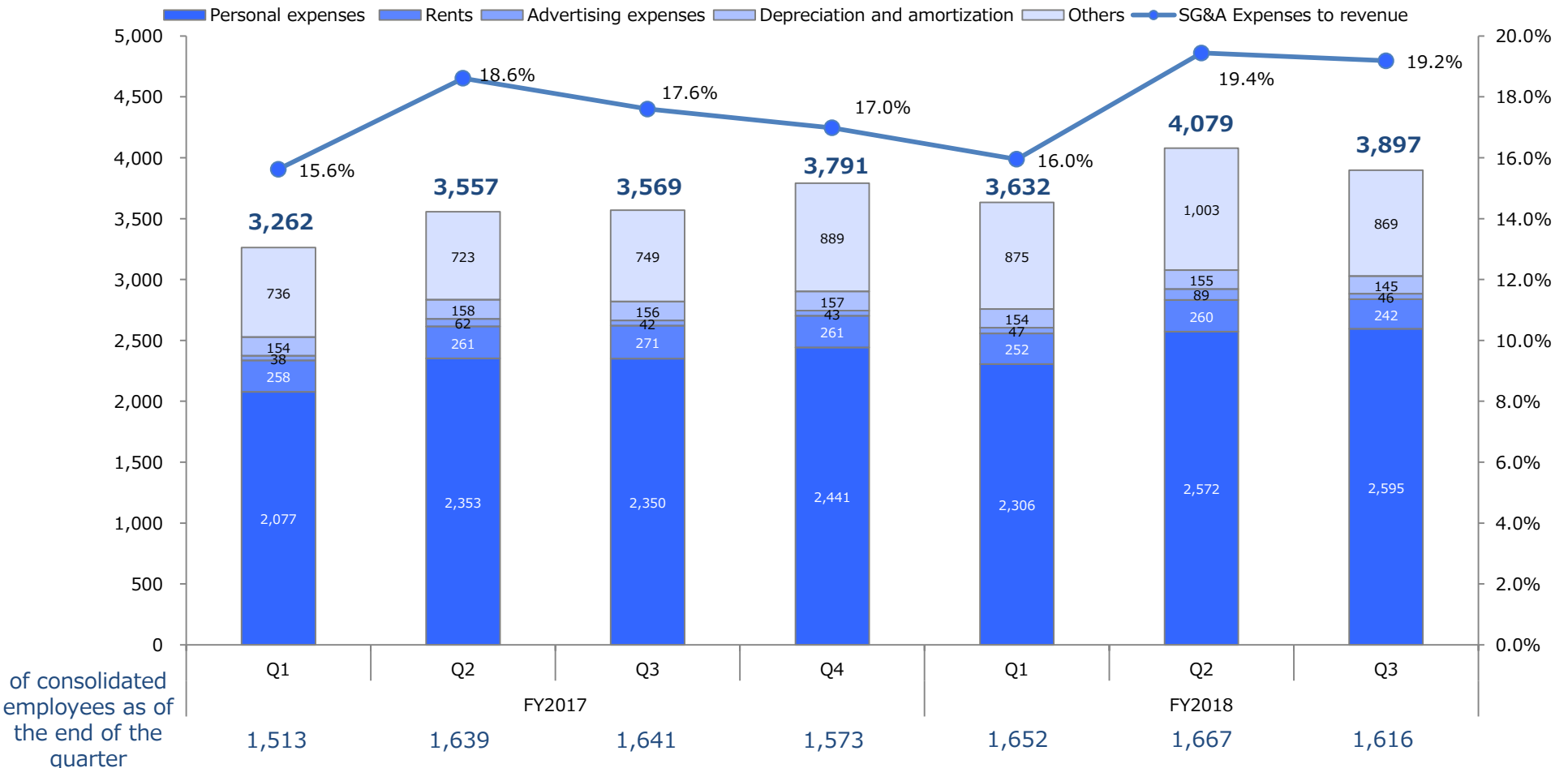
(Unit: JPY million)

	2018 Q3	2017 Q3	Year-on-Year
			Increase/ (Decrease)
SG&A	(450)	(243)	(207)
Operating Income	(450)	(243)	(207)
EBIT	(322)	(226) [※]	(96)
EBITDA	(288)	(193) [※]	(95)

[※]Compared to deduction of derivative valuation gain of JPY (239) million in 2017 Q3

- ✓ Continued investment in human resources (recruiting / training) for medium- and long-term growth.
- ✓ Costs increased due to strengthened group business management.

(Unit: JPY million)



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

2) Operating investment securities and investment securities are evaluated and calculated on a category-by-category basis as shown below.

Category	Evaluation Method
① Issues with a small investment amount	Acquisition cost
② Issues of listed companies	Market value as of the end of September 2018
③ Issues with recent financing	Valuation amount based on the value of the relevant financing
④ Other issues	Calculated based on the comparable multiple valuation method, discounted cash flow (DCF) method, or net asset method according to the condition of the business.

※1 CMV (comparable multiple valuation) method

Applies to issues for which competitors are set in SPEEDA, an information analysis tool.

※2 DCF (discounted cash flow) method

Applies to issues for which competitors are not set in SPEEDA and reasonable business plans using KPIs or any other basis for calculation are available. If there are any differences between actual performance and the business plan, it will be multiplied by the plan achievement ratio.

※3 Net asset method

Applies to issues for which: (i) no specific business plan is available, (ii) there is a doubt on the premise of a going concern, or (iii) the result of the calculation by the CMV or DCF method falls below shareholders' equity (net assets).

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

item		contents
Investment		Those we invested in or after 2003 (including business investments).
Reference date for calculation		End of September 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 September 2018 and the book value as of the end of September 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 included.

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

February 14, 2017
(Date of transaction executed)

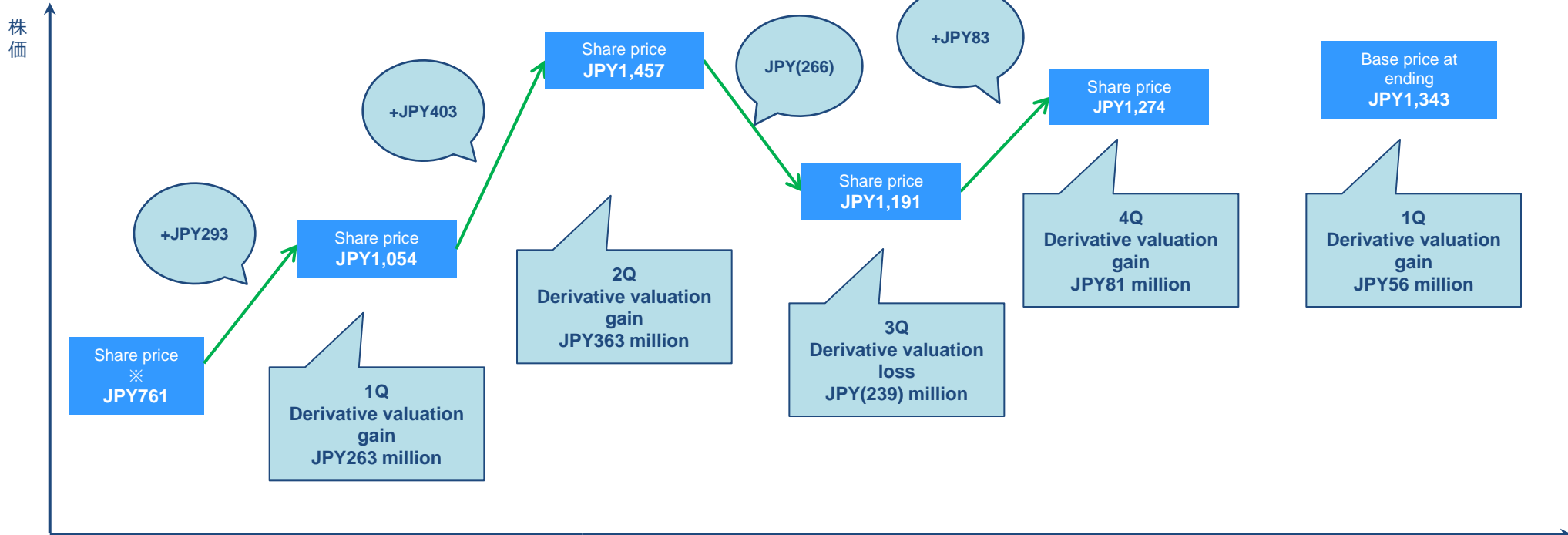
End of March 2017
(End of 2017 1Q)

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)



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

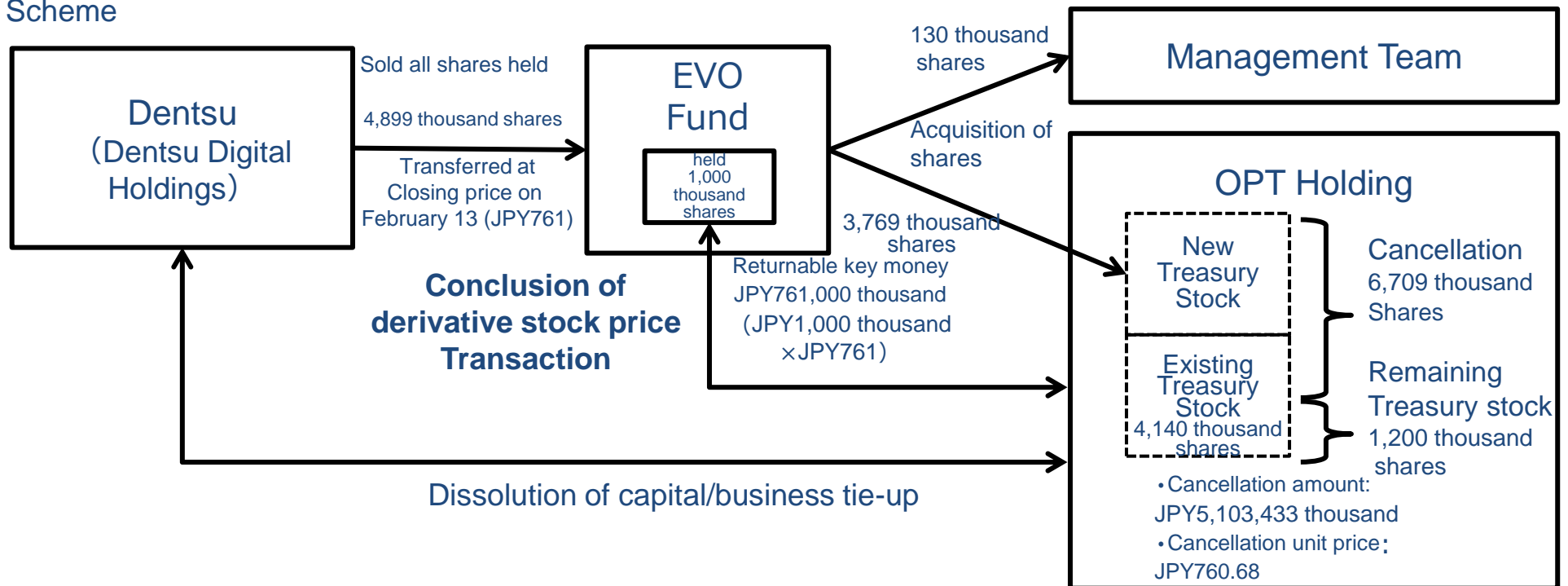
■ Background

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





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~Support, Lead and Create Digital Industry Revolution~