

THE LEADER in DIGITAL SHIFT

The information contained in this material is carefully scrutinized before presentation as it is intended to facilitate your understanding of the Company's business, management policies and plans, financial position, etc. However, we do not guarantee its accuracy, completeness, effectiveness, or security.

None of the information herein is prepared to solicitate investment. The final decision on investing should be made by you, under your own responsibility. We will not be responsible or liable for any consequences resulting from investments made by you in reference to, or by use of, the information.

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.

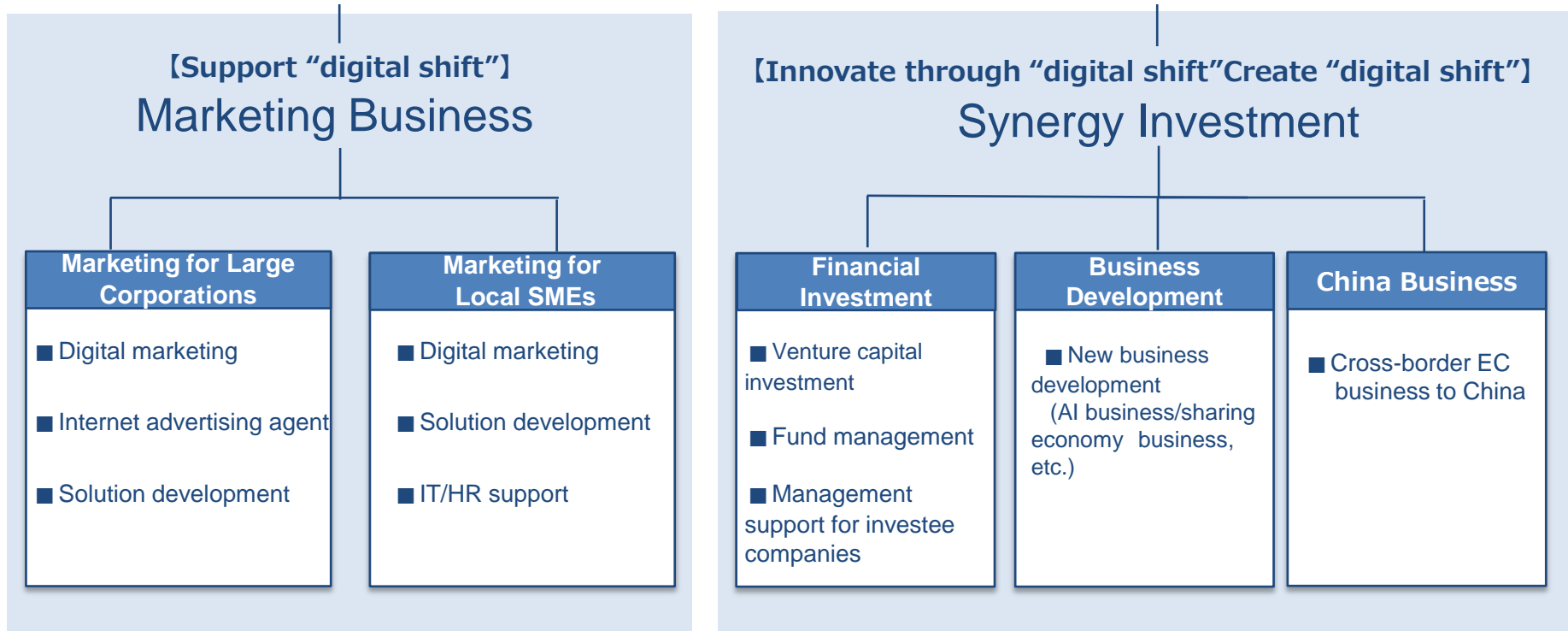
- | **1. Introduction of Opt Group**
- | **2. 4 Turning Points**
- | **3. OPT Group's Vision**

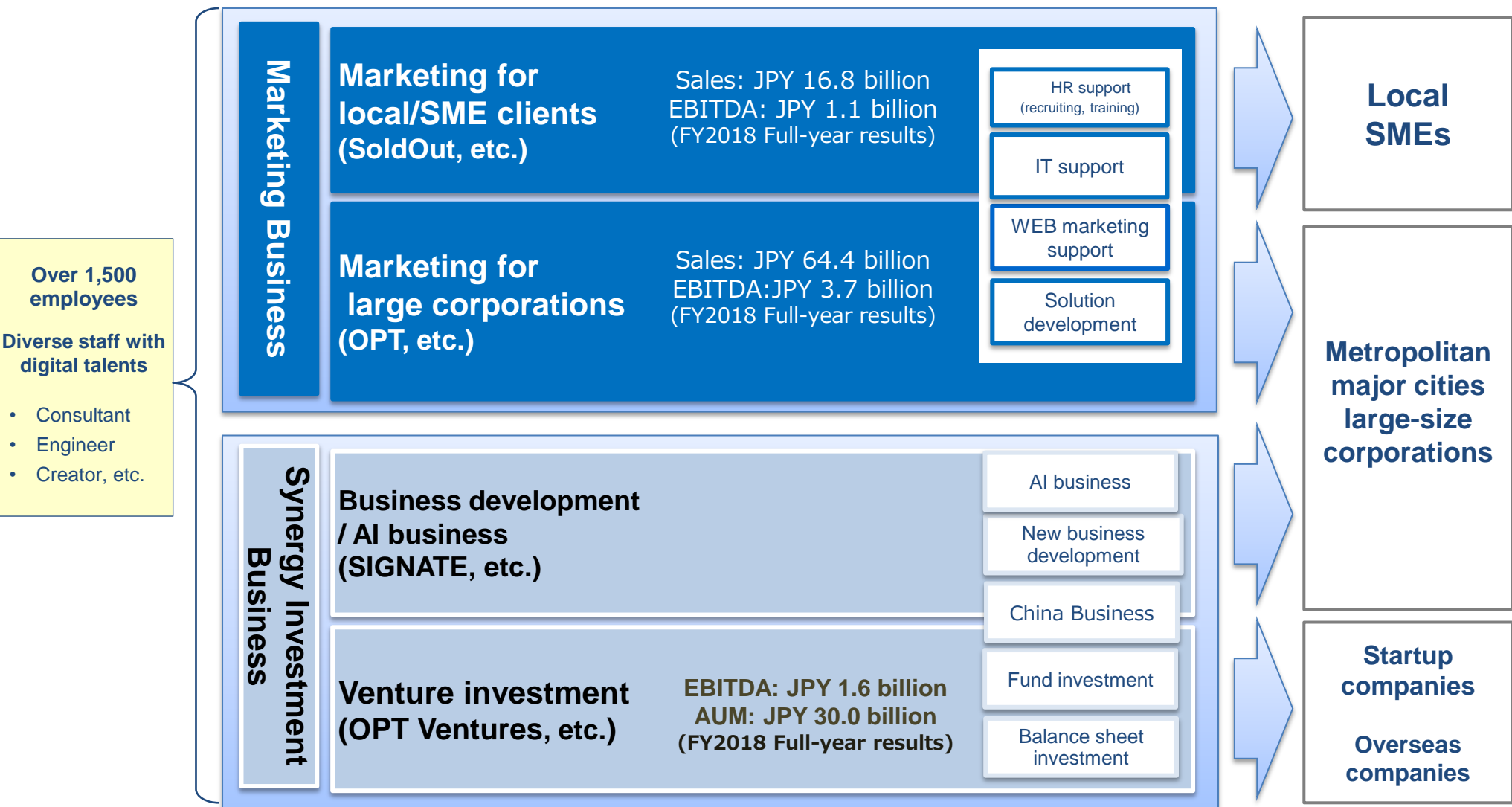


| 1. Introduction of OPT Group

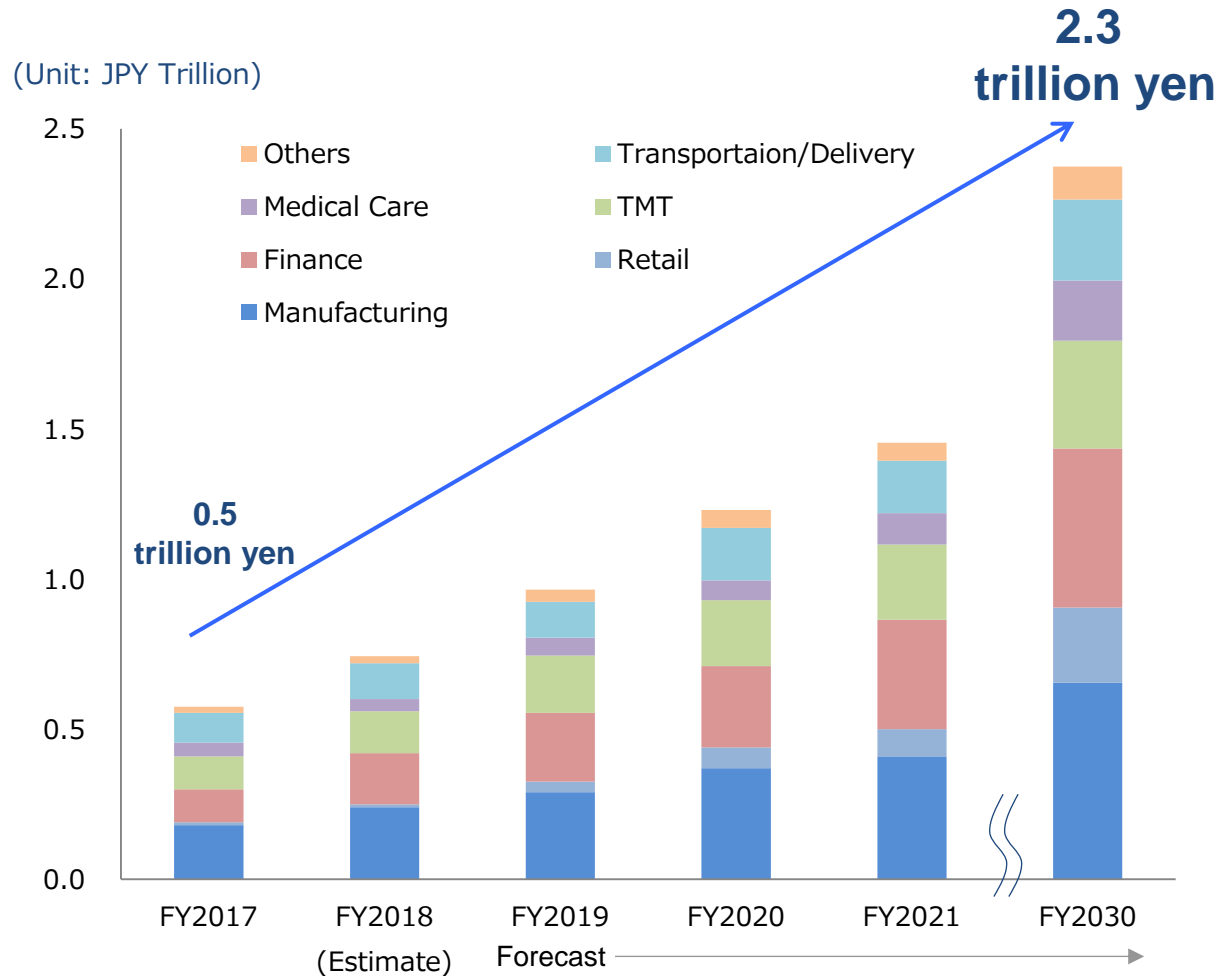
Opt Group: Digital Shift Company

Support digital shift in all business areas including not only digital marketing support, but also solution support, HR support, and digital training as well as digital-related new business development, and the transformation/creation of companies and businesses through Group synergy.

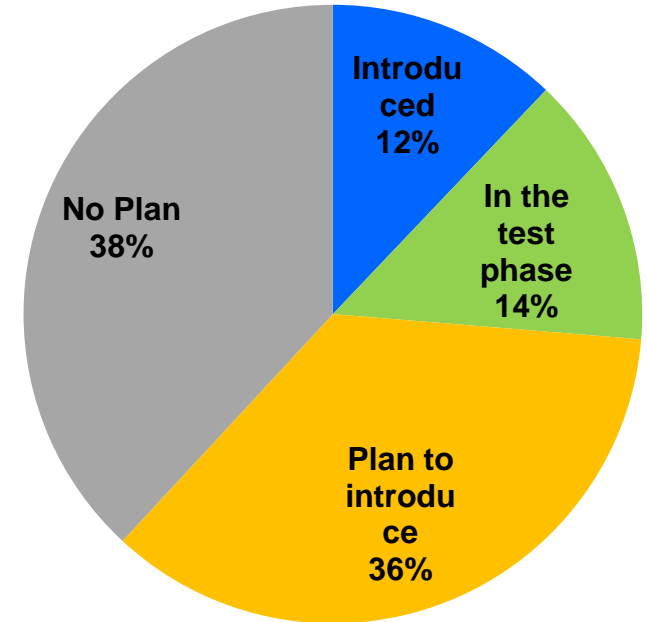




Forecast for Digital Shift and its related Market in Japan*



Current status of digital shift in Japanese companies

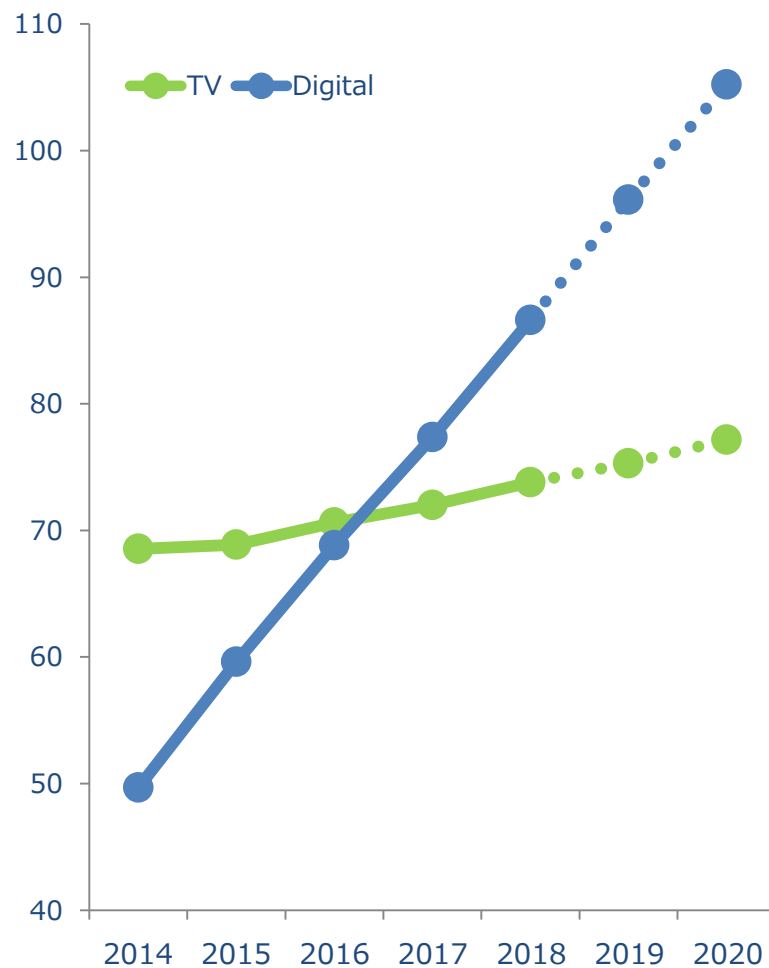


Digital Shift Transformation (DX)

Efforts to provide users with new value by transforming business models and creating new businesses through new ICT technologies, such as AI, big data, IoT and cloud

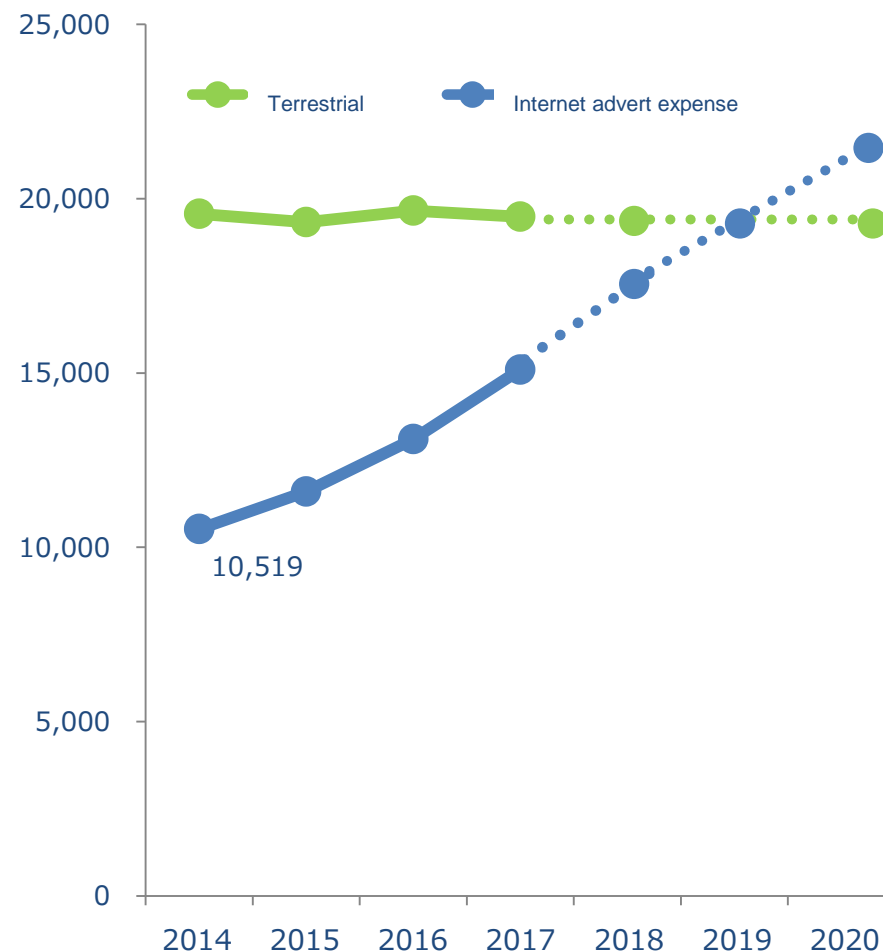
US Internet advertising market

(Unit : billion \$)



Japan Internet advertising market

(Unit: JPY in 100 million)

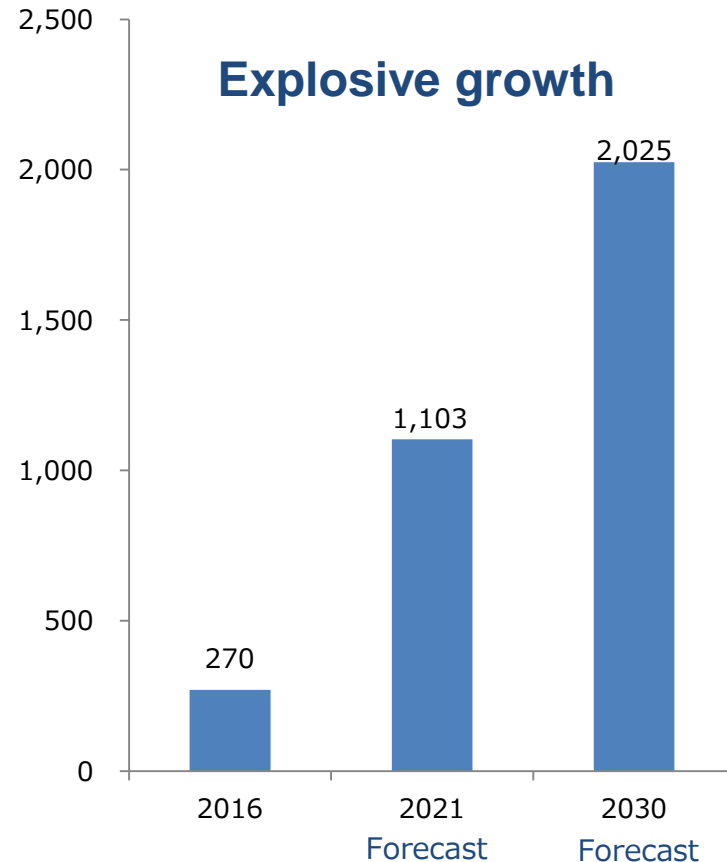




We expect AI business market to expand to JPY2.025 trillion yen by 2030
Meanwhile, IT talents shortage is a huge social problem

【AI Market】

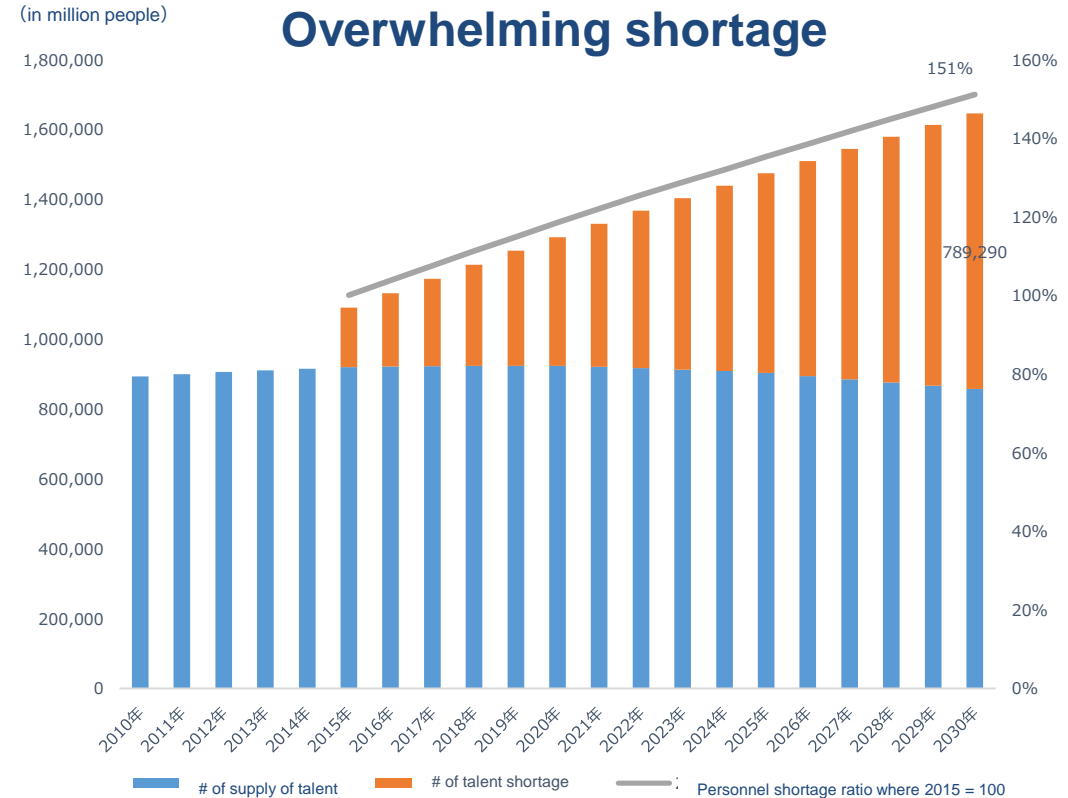
(Unit : JPY billion)



【Demand of IT talent (overall) and supply outlook】

Overall IT talent in user companies, IT vendors, Internet companies

(in million people)





| 2. 4 Turning Points

- Management

① Transformation to “Digital Shift Company”
- Marketing business for large corporations

② Profitability improvement and supporting the transformation of client business model
- Marketing business for local/SME clients

③ Positioned at dominating No.1 market share
- Synergy investment business

④ Growth Investments for future



| 2. Turning Points

- (1) Management
- (2) Marketing business for large corporations
- (3) Marketing business for local/SME clients
- (4) Growth Investments for future

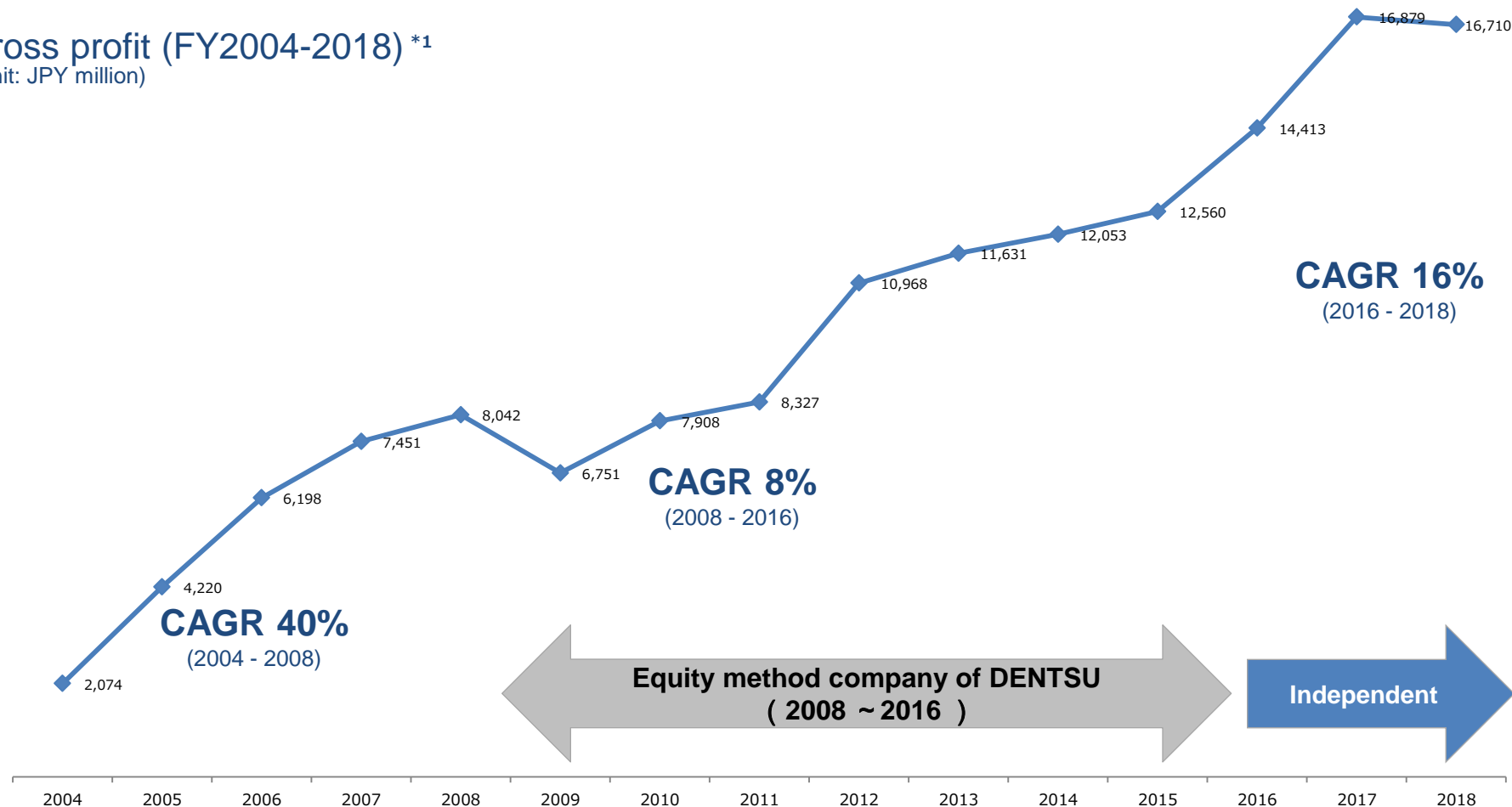


(1) Management

Returned to high growth as an independent player

After being independent again in 2016 by resolving an alliance with DENTSU, we focus on digital related business, and agile business management.

Gross profit (FY2004-2018) *1
(Unit: JPY million)



Ad Agency plus Digital Shift Company expanding our business domain

Digital Shift is essential for survival for any companies

Inquiries/support requests pouring in from clients for the most updated digital technology information, new business models, connect with startup companies, talent development/assignment of staff and AI system developments in addition to Internet ad.

OPT group's capabilities

- ✓ Extensive DS experience through clients' DS supports
- ✓ Digital human resources of 1,600 employees (outstanding resources)
- ✓ Development programs of DS human resource
- ✓ No.1 AI human resource platform in Japan
- ✓ Our strong client base who are facing challenges for DS
- ✓ Leverage of the latest digital information
- ✓ Strong connections with and investment into venture companies, and trust from entrepreneurs
- ✓ Track record of business turnaround
- ✓ Network and knowledge with Chinese Internet companies and venture companies



With all these advantages, transform into DS company

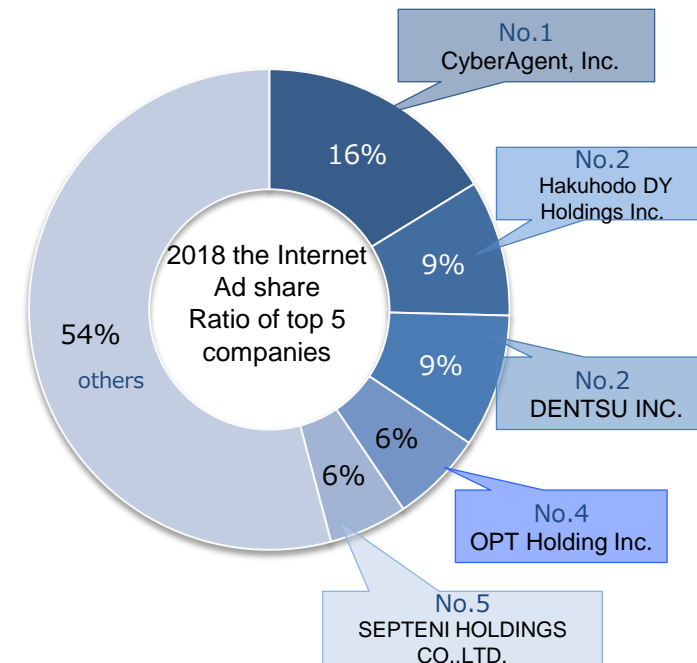
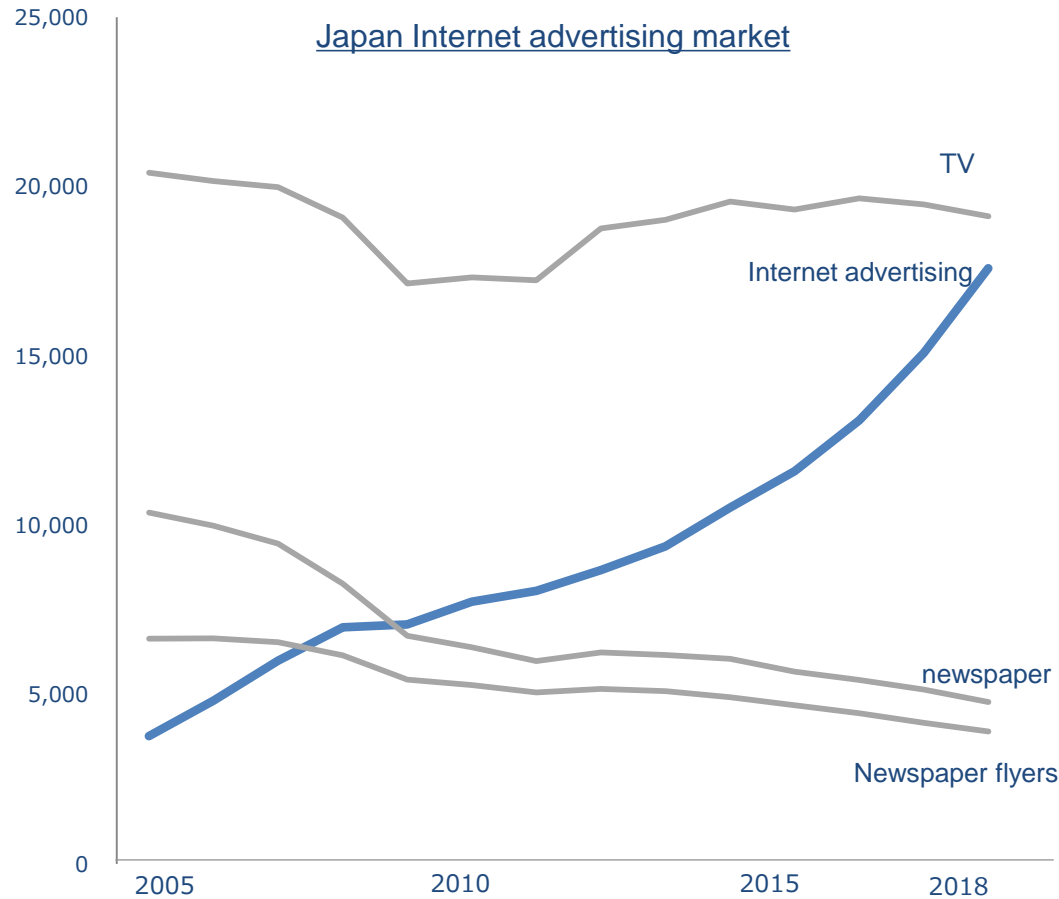


| 2. Turning Points

- (1) Management
- (2) Marketing business for large corporations
- (3) Marketing business for local/SME clients
- (4) Growth Investments for future

2018 Internet marketing expenditures in Japan exceeded JPY 1.7 trillion, growing rapidly and catching up with terrestrial TV advertising expenditures

(Unit : JPY billion)





Succeeded in capturing two major market opportunities

1. TV ad is losing ground

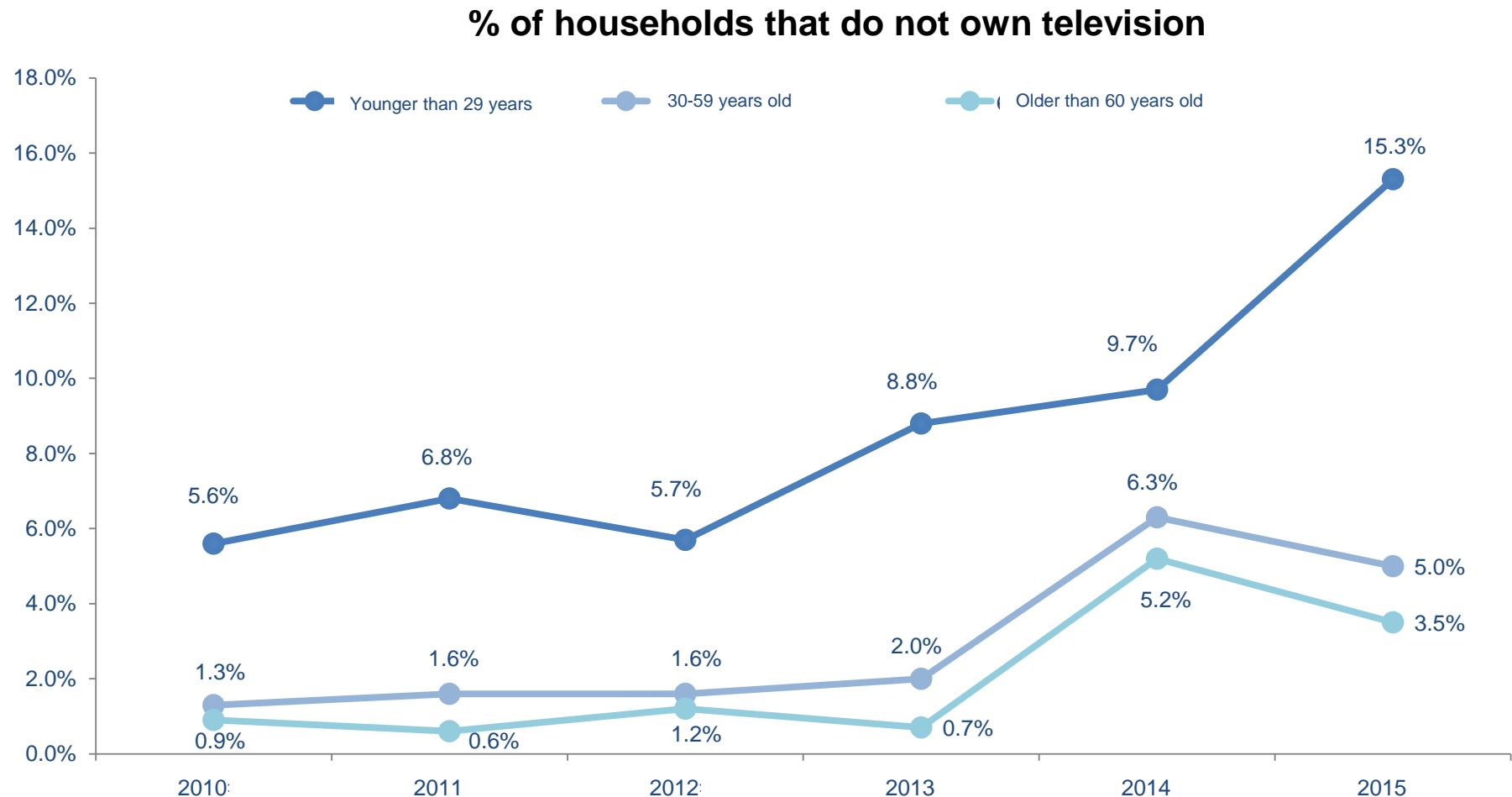
➡ **Acquiring brand sponsors' ad spending**

2. Newspapers/Flyers is declining

➡ **Acquiring retail clients**



Households without TV set on dramatic increase





(2) Marketing for Large Corporations: ADPLAN Research Simulator

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.



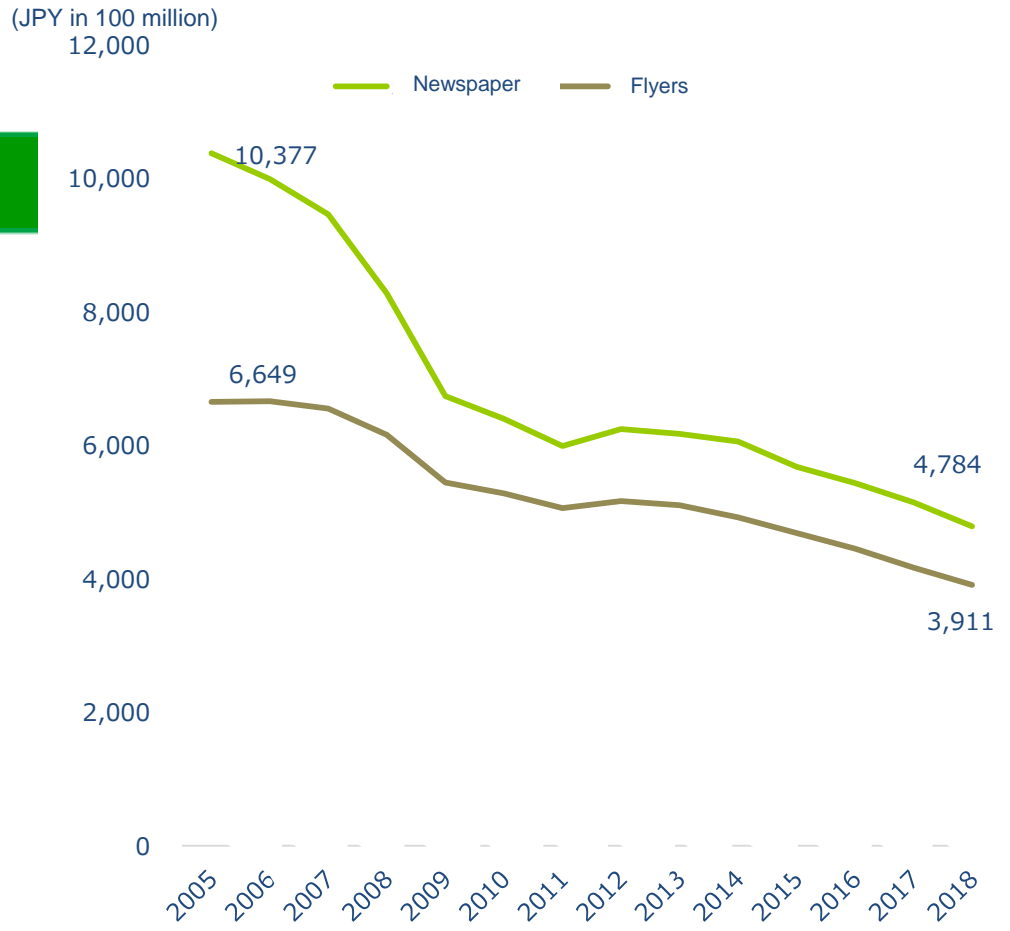
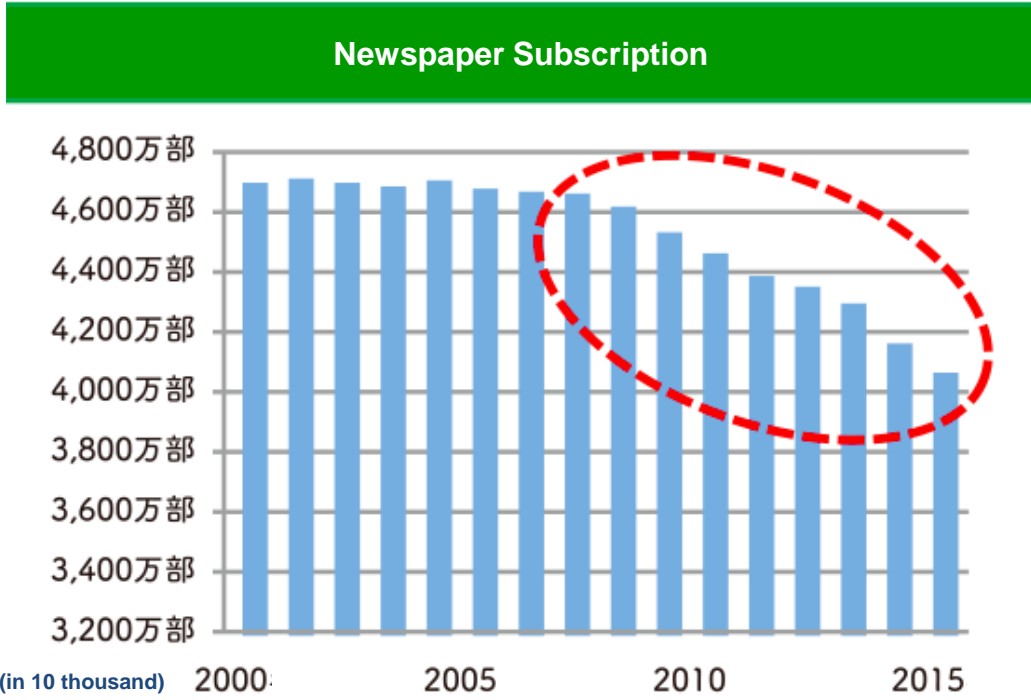
Maximize return on investment by TVCM X Internet advertisement

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

(2) Marketing for Large Corporations: Newspaper flyers also losing dramatically

- ✓ Sharp decline of newspaper subscription leads to decline of flyer 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



※Source: Changes in the newspaper circulation and the number of households, 2015 Nihon Shinbun Kyokai

※Source: Prepared by the Company based on “Advertising in Japan” Dentsu 2016



(2) Marketing for Large Corporations: Smartphone solution as substitute of flyers

Strong support from customers in the retail industry on delivery of adverts leveraging GPS information and measurement of effectiveness

t@STORE

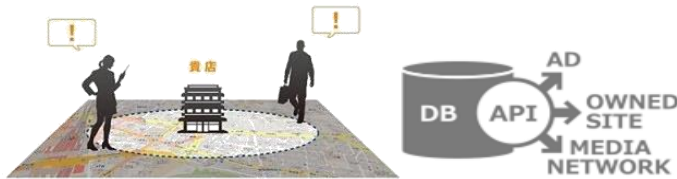
～ Turn potential customers into real customers by providing the last mile fulfilment～

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)



Cross-channel geo-behavior history / area characteristics

External data

Store data



Project



Measure effectiveness

Weather /word of mouth/ demographics

Store / product/ inventory/ sales





Accelerated digitalization is significantly changing brand appeal approaches to consumers



The digitalized consumer environment has increased the importance of digital in branding. As a result, an increased number of advertisers intend to focus on “video advertising,” “web apps,” and other digital measures in addition to “TV, radio, and newspapers” in the future.*

*Source: Fact-finding Survey of Corporate Advertisers on Branding by the West Marketing Committee of the Web Marketing Bureau

Steadily winning new businesses of new large clients thru competition

[Examples of wins by industry]



**Leading auto
manufacturer**



**Leading cosmetic
manufacturer**



**Leading
telecommunications
manufacturer**



Leading retail store



**Leading pharmaceutical
manufacturer**



**Leading consumer goods
manufacturer**



| 2. Turning Points

- (1) Management
- (2) Marketing business for large corporations
- (3) Marketing business for local/SME clients**
- (4) Growth Investments for future



(3)Marketing Business for Local/SME Clients Overwhelming No.1 Market Share with 4 Strengths

SoldOut is the only company whose revenues exceeding JPY10 billion among web marketing companies with business focus on local SMEs

**Face-to-Face support at 21
sales offices nationwide**

Sales capabilities



SOLDOUT

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

Solid customer base

**Training Support
Use of external resources**

Supply capacity



**Based on
44 thousand accounts
(automatic bidding)**

Analytical capabilities

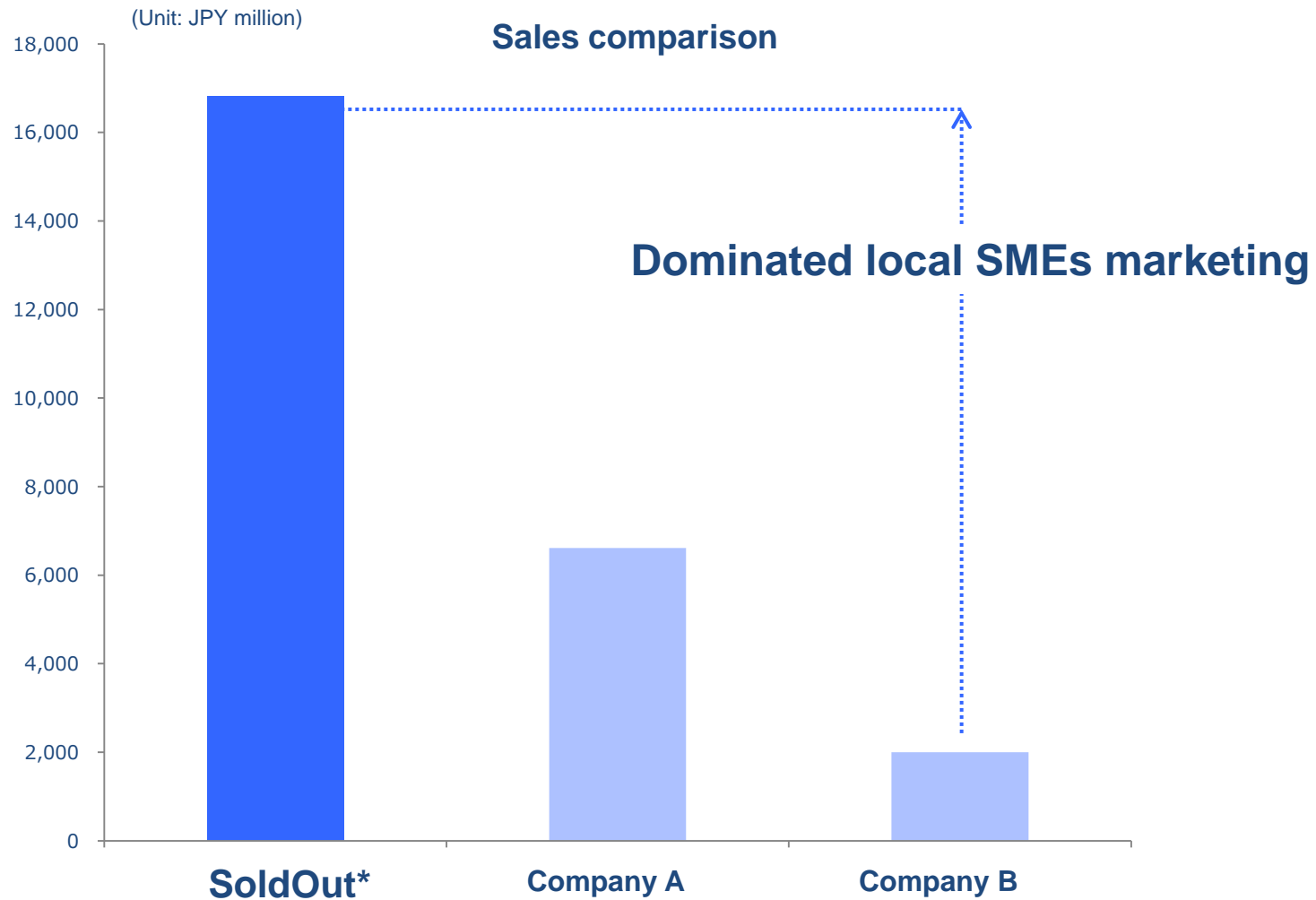


**Over 200 inquiries
per month**

Marketing capabilities



Trade volume is a barrier to entry in ad business; SoldOut generates over JPY 10 billion sales revenue and stands out among competition





(3) Marketing Business for local/SME clients: Partnership with major platformers

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

Overwhelming purchasing power in SME market

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

- Contracted strategic partner

Amazon

Plan to partner with new platformers to grow business

Rakuten

SoldOut Group



Lead local SME market
partnering with major
platformers





| 2. Turning Points

- (1) Management
- (2) Marketing business for large corporations
- (3) Marketing business for local/SME clients
- (4) Growth Investments for future

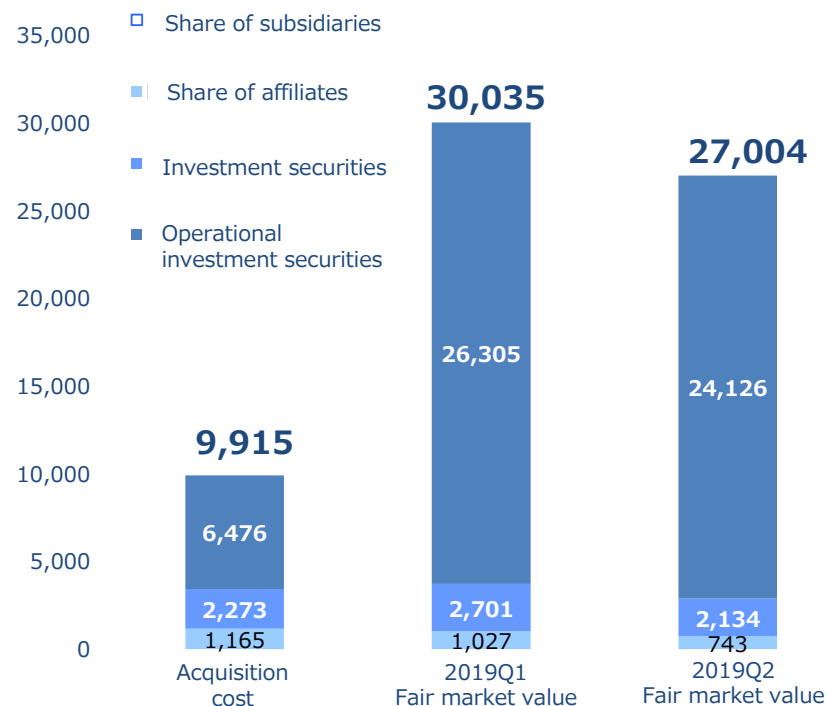
1) Created OPT Ventures #2 Fund

- JPY 10 billion size, completed the first closing

2) Investments grow steadily, and AUM increases

- RakSul's stock price rose after their IPO and other major investments are also in growth phase

(Unit: JPY million) [AUM (Fair market value)]



[IRR (Internal Rate of Return)]

2019 Q2	(Reference) 2019 Q1
13.0%	15.7%

- Investing in startups which offers sharing economy related service
 - Portfolio include many startups with high growth potential
- Major Investments

 **RakSul**
(TSE 4384)

 **coconala**

 **SPACEMARKET**

 **ジモティー**

 **sitateru**
Made by imagination.

Lancers



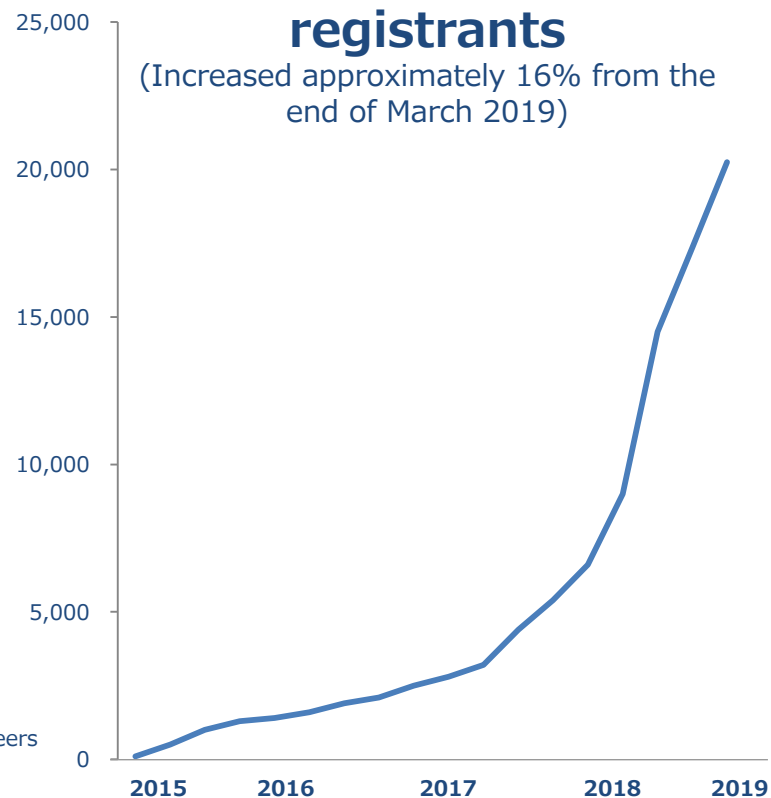
Established SIGNATE in April 2018 and started full-range operations

Participating in large-scale infrastructure projects

Membership on our AI platform

**Over 20,000
registrants**

(Increased approximately 16% from the
end of March 2019)



SIGNATE: Reasons to be chosen

- ① Want to know who is excellent AI
service provider/engineer



**SIGNATE's AI platform provides
transparent and accurate
information by its original scoring
system**

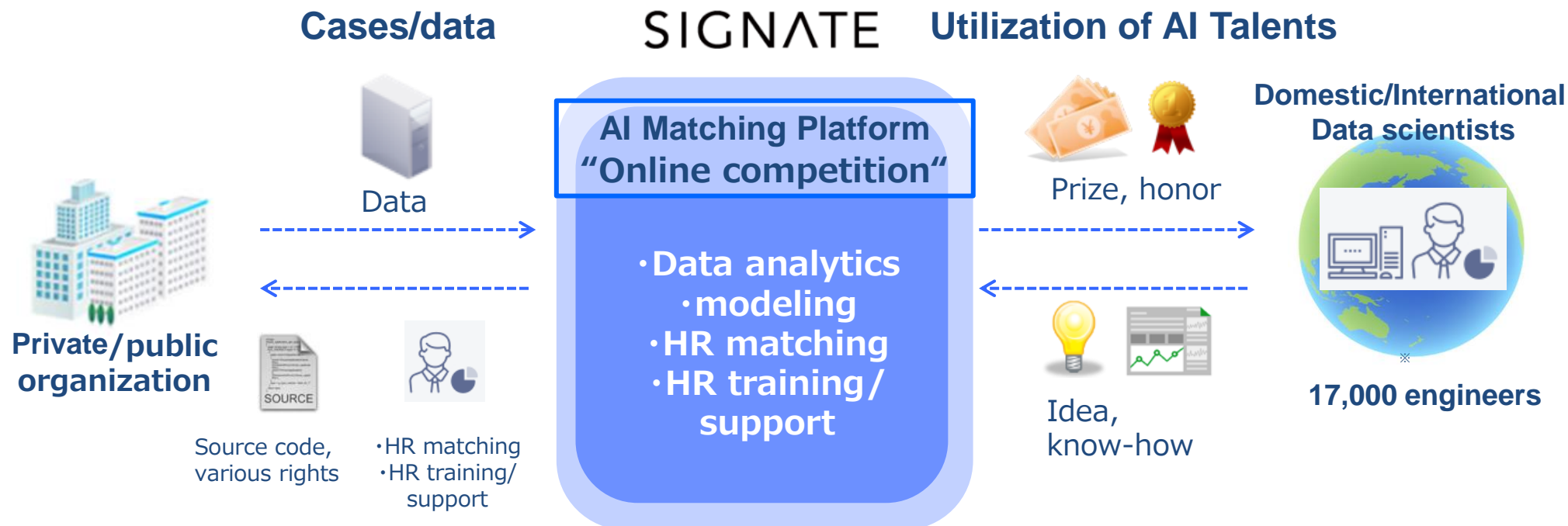
- ② Talent shortage in Japan for AI
development



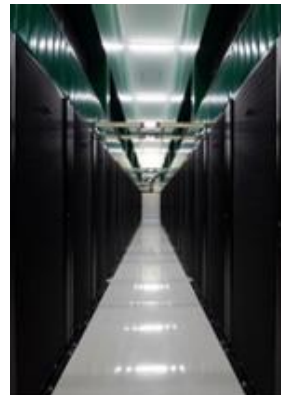
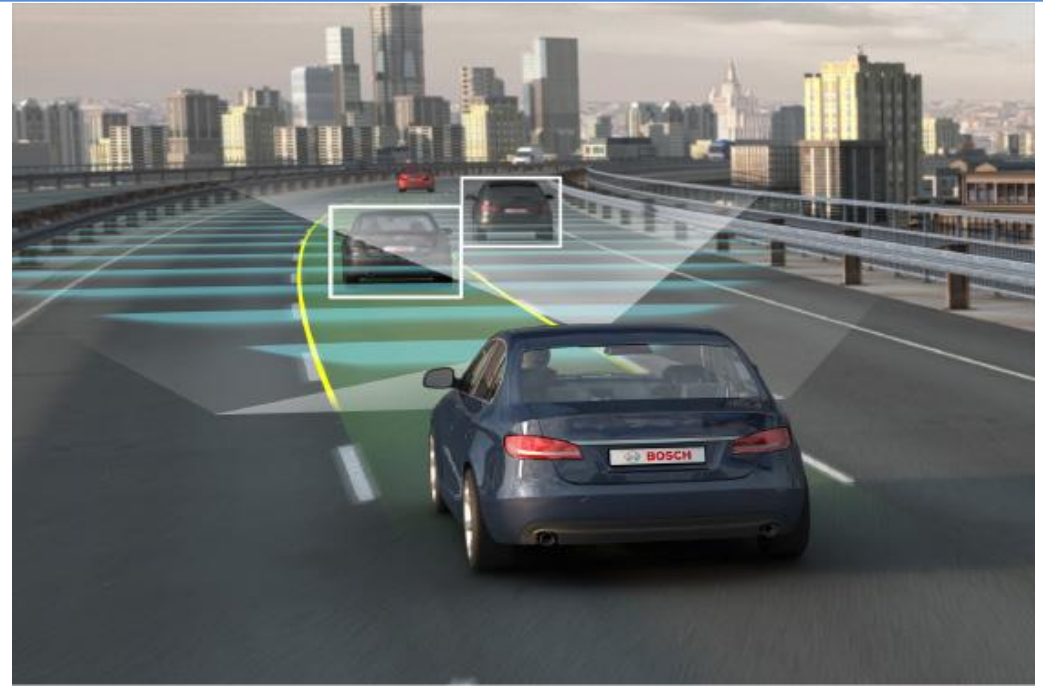
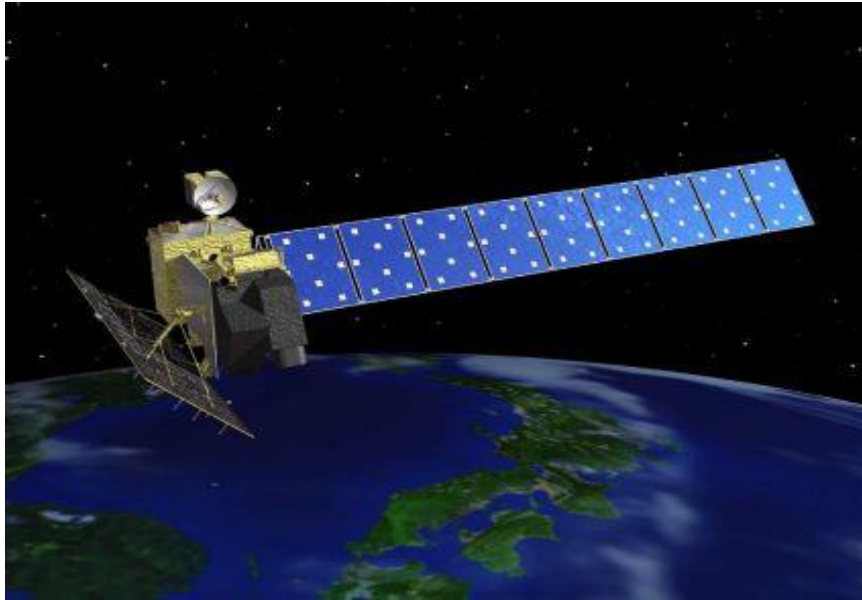
**Support through SIGNATE AI platform
which has the largest registration number
of data scientists**



※
**17,000 data scientists: Japan's largest AI talent pool
providing data analysis for private/public organizations**



(4) Synergy Investment Business: SIGNATE's Involvement





(4) Synergy Investment Business: Our Strength in China Business

1. OPT is the only one non-Chinese company to participate in China national digital advertising project

- Chinese government approved us to participate in the project by evaluating our business achievement in Japan and business development plan in China .
- The official name of the project is “Shenzhen New Media and Advertising Industrial Park Introduction”

2. Co-invested in TechTemple Shenzhen which operates venture incubation facilities

- TechTemple group already have 10 sites. 500 companies are using its facilities, and user companies can use tech temple networks and other benefits



3. China tech tour

- China is the most innovative place, superior to Silicon Valley
- China tech tour, leveraging our strong connection with Chinese business, is very popular. Tours are currently conducted multiple times per year, for clients like Japanese auto and retail industries.

4. Created OPT China (established on April 1, 2019)



- Plans to sell goods and services in China as a sole agent for Japanese SME manufacturers
- Cross-boarder e-Commerce business to general trading



| 3. OPT Group's Vision



JPY 1 trillion revenue in 2030^{*}

Create a marked impact on society

Will transform to Internet Ad Agency plus Digital Shift Company

“Digital Shift (DS)”: How we envision?

① **Support “digital shift”
For clients**

Provide DS support for overall corporate activities covering people, resources, financing, knowledge and information in addition to ad business

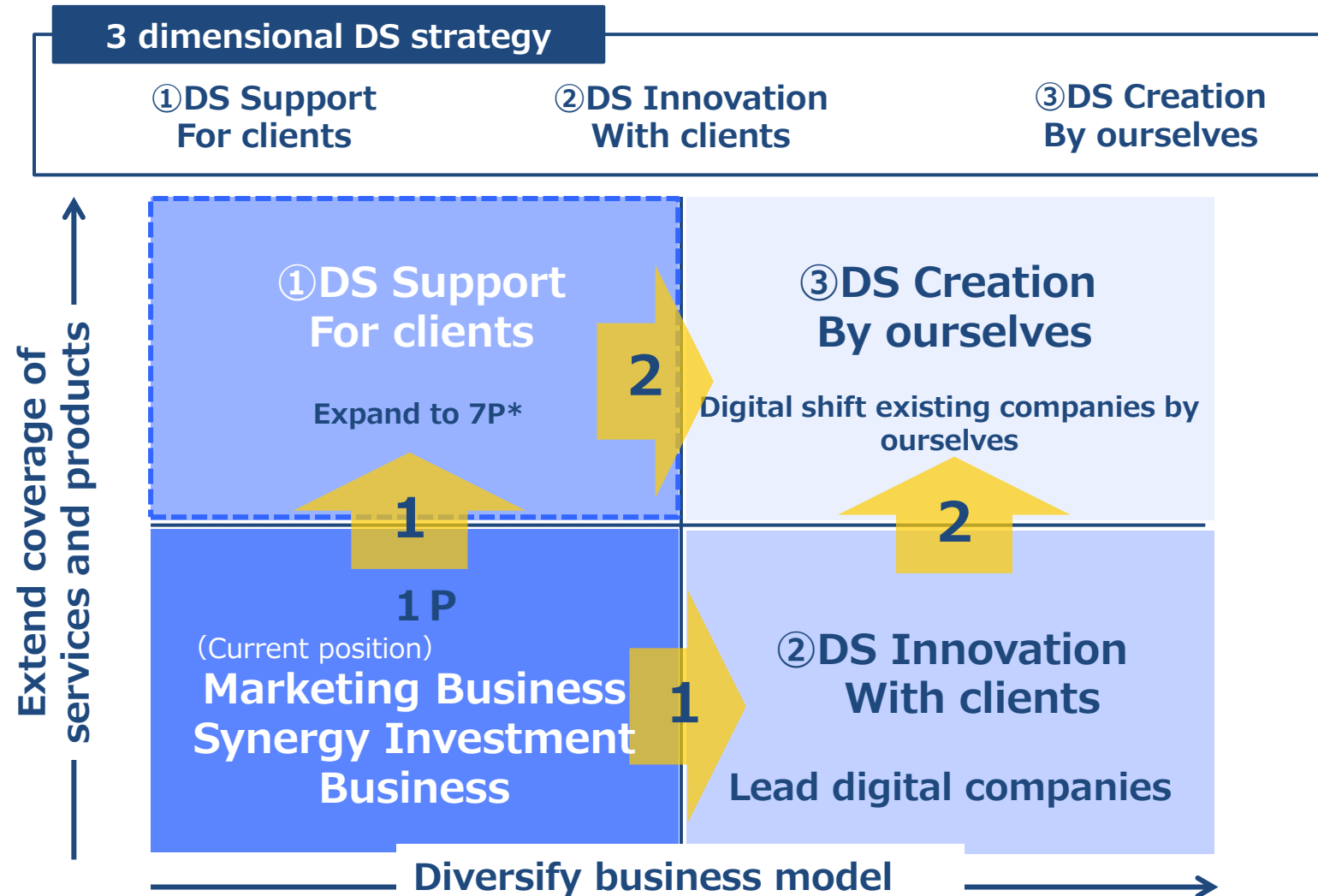
② **Innovate through
“digital shift”
With clients**

Commit ourselves to clients’ digital shift; support digital companies created with/by clients with our own group resources

③ **Create “digital shift”
By ourselves**

Implement digitalization of existing companies
Create digital business from zero to one

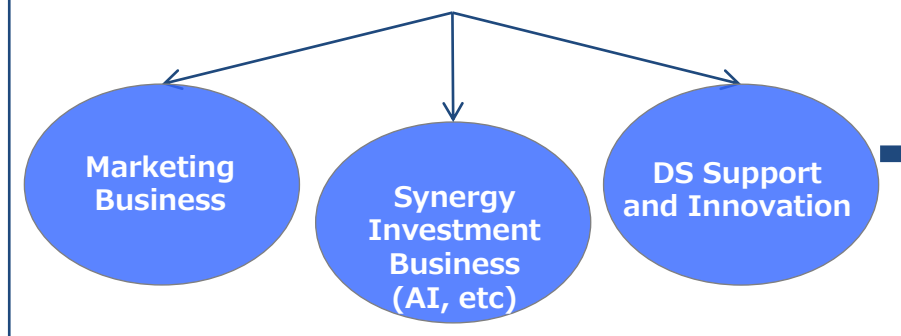
Internet Ad Agency plus Digital Shift Company





Start growth investment aggressively in about three years

About JPY20 billion for
business investment



Additional budget for
M&A

M&As related to
Digital Shift creation

Earnings in J-GAAP

Expected deterioration mainly due to amortization of goodwill; however, aiming to improve corporate value

Target Return from Investment

• IRR 10%

Management KPI

- **EBITDA**
- **Free cash flow**
- **ROCE** (Return on Capital Employed)
- **ROE** (Return on Equity)

Return to shareholders

Expand return to shareholders by accelerating mid-to-long term growth of EPS through allocating retained earnings to investment on digital related business