

Flash Report for the 1st Quarter of Fiscal Year ending December 31, 2013 [Japan GAAP] (on a consolidated basis)

April 26, 2013

Stock exchange listing: Osaka

Company Name: OPT, Inc.

Stock Code: 2389 URL <http://www.opt.ne.jp/>

Representative: Noboru Hachimine, Founder, President and CEO

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Scheduled date of commencement of dividend payment: —

Supplemental materials for the quarterly financial results: Yes

(Amounts of less than one million yen are rounded down and percentages are rounded to the first decimal place)

1. Consolidated Results for the 1st Quarter of Fiscal Year 2013 (January 1, 2013 – March 31, 2013)

(1) Consolidated Business Results (% represents year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st Quarter of FY2013	22,329	17.5	471	50.0	456	42.3	195	(45.0)
1st Quarter of FY2012	19,003	18.1	314	(20.9)	320	(33.7)	355	23.3

Note: Comprehensive income: 1st Quarter of FY2013: 378 million yen (down 2.4%); 1st Quarter of FY2012: 388 million yen (up 389.8%)

	Basic net income per share		Diluted net income per share	
	Yen		Yen	
1st Quarter of FY2013	6.64		6.50	
1st Quarter of FY2012	12.08		11.94	

Note: On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. In addition, basic net income per share for the 1st quarter of FY2013 and FY2012 was calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets		Net assets		Net assets ratio	
	Millions of yen		Millions of yen		%	
1st Quarter of FY2013	36,832		19,423		49.0	
December 31, 2012	36,838		19,618		49.6	

(Reference) Capital: 1st quarter of FY2013 ended March 31, 2013: 18,057 million yen FY2012 ended December 31, 2012: 18,269 million yen

2. Dividends

	Dividend per share				
	End of 1 st quarter (Mar. 31)	End of 2 nd quarter (Jun. 30)	End of 3 rd quarter (Sep. 30)	Fiscal year-end (Dec. 31)	Annual
	Yen				
FY2012	—	0.00	—	3,700.00	3,700.00
FY2013	—				
FY2013 (forecasts)		0.00	—	—	—

Revisions of the forecasts of consolidated results since the latest announcement: None

Notes:

- Breakdown of dividend for the fiscal year ended December 31, 2012: Commemorative dividend: 2,000 yen Full-year dividend: 1,700 yen
- On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. The above figures for FY2012 are based on actual dividend paid before the stock split.

3. Consolidated Earnings Forecasts for Fiscal Year ending December 31, 2013 (January 1, 2013 - December 31, 2013)

(% represents year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
First Half	-		-		-		-		-	
Full-year	74,000	(6.2)	1,850	22.8	1,850	36.4	850	2.3	28.88	

Revisions of the forecasts of consolidated results since the latest announcement: None

Notes:

(1) Changes in major subsidiaries during the quarterly period

(changes in specified subsidiaries resulting from changes in the scope of consolidation): None

Inclusion: None

Exclusion: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatements

(a) Changes in accounting policy arising from revision of accounting standards etc.: Yes

(b) Changes in accounting policy other than those noted in (a) above: None

(c) Changes in accounting estimates: Yes

(d) Retrospective restatements: None

(4) Number of shares outstanding (common stock)

(a) Number of shares outstanding at the end of the period (including treasury stock)

FY2013 1Q (As of March 31, 2013)	29,883,800 shares	FY2012 (As of December 31, 2012)	29,875,600 shares
FY2013 1Q (As of March 31, 2013)	440,000 shares	FY2012 (As of December 31, 2012)	440,000 shares
FY2013 1Q (As of March 31, 2013)	29,436,876 shares	FY2012 1Q (As of March 31, 2012)	29,425,600 shares

(b) Number of shares of treasury stock at the end of the period

(c) Average number of shares during period

Note: On January 1, 2013, the Company conducted a 200-for-1 stock split for shareholders as of December 31, 2012. The number of shares outstanding at year-end, the number of shares of treasury stock at year-end, and the average number of shares during the first quarter of FY2012 were calculated assuming that said stock split was conducted at the beginning of the previous fiscal year.

***Indication of quarterly review procedure implementation**

This financial report is not subject to quarterly review procedures required pursuant to the Financial Instruments and Exchange Act. As of the time of disclosing this report, quarterly review procedures of consolidated financial statements required pursuant to the Financial Instruments and Exchange Act have not been completed.

*** Explanations about the proper use of earnings forecasts and other specific matters**

Forward-looking statements including earnings forecasts and other specific matters in this document are based on information currently available to management and certain assumptions considered by management to be reasonable. A variety of factors could cause actual results and events to differ significantly from those projected.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY2012	1st Quarter of FY2013
	(As of December 31, 2012)	(As of March 31, 2012)
Assets		
Current assets		
Cash and deposits	¥14,303,768	¥11,807,458
Notes and accounts receivable—trade	12,869,988	13,981,742
Short-term investment securities	500,000	501,306
Inventories	15,540	18,989
Other	1,043,558	1,023,560
Allowance for doubtful accounts	(179,197)	(184,840)
Total current assets	28,553,657	27,148,215
Noncurrent assets		
Total property, plant and equipment	750,113	746,146
Intangible assets		
Goodwill	680,896	645,911
Other	952,931	1,014,971
Total intangible assets	1,633,827	1,660,883
Investments and other assets		
Investment securities	4,510,724	5,787,086
Other	1,439,454	1,538,853
Allowance for doubtful accounts	(49,458)	(48,316)
Total investments and other assets	5,900,720	7,277,623
Total noncurrent assets	8,284,662	9,684,652
Total assets	¥36,838,321	¥36,832,868

(Thousands of yen)

	FY2012	1st Quarter of FY2013
	(As of December 31, 2012)	(As of March 31, 2012)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	¥12,358,980	¥13,575,240
Short-term loans payable	459,528	550,000
Income taxes payable	260,411	120,255
Provision for bonuses	268,684	151,957
Other	3,117,290	2,212,476
Total current liabilities	<u>16,464,895</u>	<u>16,609,929</u>
Noncurrent liabilities		
Long-term loans payable	62,957	59,210
Provision for retirement benefits	126,200	137,517
Asset retirement obligations	132,555	108,442
Other	433,172	493,912
Total noncurrent liabilities	<u>754,885</u>	<u>799,081</u>
Total liabilities	<u>17,219,781</u>	<u>17,409,011</u>
Net assets		
Shareholders' equity		
Capital stock	7,600,567	7,604,142
Capital surplus	7,694,938	7,698,513
Retained earnings	3,030,216	2,688,172
Treasury stock	(217,646)	(217,646)
Total shareholders' equity	<u>18,108,076</u>	<u>17,773,182</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	117,127	198,963
Foreign currency translation adjustment	44,572	85,226
Total accumulated other comprehensive income	<u>161,700</u>	<u>284,190</u>
Subscription rights to shares	64,124	47,251
Minority interests	1,284,638	1,319,233
Total net assets	<u>19,618,539</u>	<u>19,423,857</u>
Total liabilities and net assets	<u>¥36,838,321</u>	<u>¥36,832,868</u>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income**

(Thousands of yen)

	1st Quarter of FY2012 (From January 1, 2012 to March 31, 2012)	1st Quarter of FY2013 (From January 1, 2013 to March 31, 2013)
Net sales	¥19,003,356	¥22,329,841
Cost of sales	16,448,035	19,254,150
Gross profit	2,555,320	3,075,690
Total selling, general and administrative expenses	2,241,143	2,604,272
Operating income	314,177	471,417
Non-operating income		
Interest income	18,211	6,771
Dividends income	576	—
Gain on investments in partnership	12,463	49,699
Other	5,077	12,999
Total non-operating income	36,329	69,470
Non-operating expenses		
Interest expenses	684	3,792
Equity in losses of affiliates	27,931	53,943
Other	1,406	27,084
Total non-operating expenses	30,022	84,821
Ordinary income	320,483	456,067
Extraordinary income		
Gain on sales of investment securities	45,643	17,590
Reversal of allowance for doubtful accounts	—	22,228
Gain on negative goodwill	128,421	—
Other	—	8,897
Total extraordinary income	174,064	48,716
Extraordinary loss		
Impairment loss	—	23,026
Loss on valuation of investment securities	16,892	1,969
Head office transfer cost	66,592	—
Other	—	7,290
Total extraordinary loss	83,484	32,286
Income before income taxes	411,063	472,497
Income taxes-current	44,059	156,320
Income taxes-deferred	(23,528)	67,200
Total income taxes	20,531	223,521
Income before minority interests	390,532	248,975
Minority interests in income	34,926	53,525
Net income	¥ 355,605	¥ 195,450

(2) Consolidated Statements of Comprehensive Income

(Thousands of yen)

	1st Quarter of FY2012 (From January 1, 2012 to March 31, 2012)	1st Quarter of FY2013 (From January 1, 2013 to March 31, 2013)
Income before minority interests	¥390,532	¥248,975
Other comprehensive income		
Valuation difference on available-for-sale securities	(28,897)	81,835
Foreign currency translation adjustment	8,245	15,640
Share of other comprehensive income of associates accounted for using equity method	18,422	32,357
Total other comprehensive income	(2,228)	129,833
Comprehensive income	388,303	378,809
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	352,282	319,386
Comprehensive income attributable to minority interests	36,020	59,422

(3) Items related to going concern assumption

Not applicable

(4) Segment Information

First Quarter of FY2013 (January 1, 2013 – March 31, 2013)

1. Information on Net Sales, Income (Loss), Assets, and Other Amounts by Reporting Segment

(Thousands of yen)

	Reportable Segment					Adjustments (Note 1)	Amounts recorded in consolidated financial statements (Note 2)
	Internet Advertising & Solution Business	Database Business	Social & Consumer Business	Overseas Business	Total		
Net sales							
Sales, external	20,134,822	677,313	568,991	948,714	22,329,841	—	22,329,841
Intersegment sales or transfers	52	61,361	6,600	—	68,014	(68,014)	—
Total	20,134,875	738,674	575,592	948,714	22,397,856	(68,014)	22,329,841
Segment income (loss)	436,986	104,711	(19,430)	(52,149)	470,118	1,299	471,417

Notes:

1. The 1,299 thousand yen adjustment to segment income (loss) is attributable to intersegment eliminations.
2. Segment income (loss) refers to operating income (loss) as reported in the consolidated statements of income, after adjustment.

2. Information Concerning Loss on Impairment of Noncurrent Assets and Goodwill by Reporting Segment

(Significant loss on impairment of noncurrent assets)

Not applicable

(Significant changes in amount of goodwill)

Not applicable

(Significant gain on negative goodwill)

Not applicable

(5) Note Regarding Significant Changes in the Amount of Shareholders' Equity

Not applicable

(6) Significant Subsequent Events

Not applicable