



e-marketing company

**Business Results for the
Fiscal Year Ended December 31, 2012**

February 1, 2013

FY2012 (January–December) **Consolidated Result Summary**

*Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.

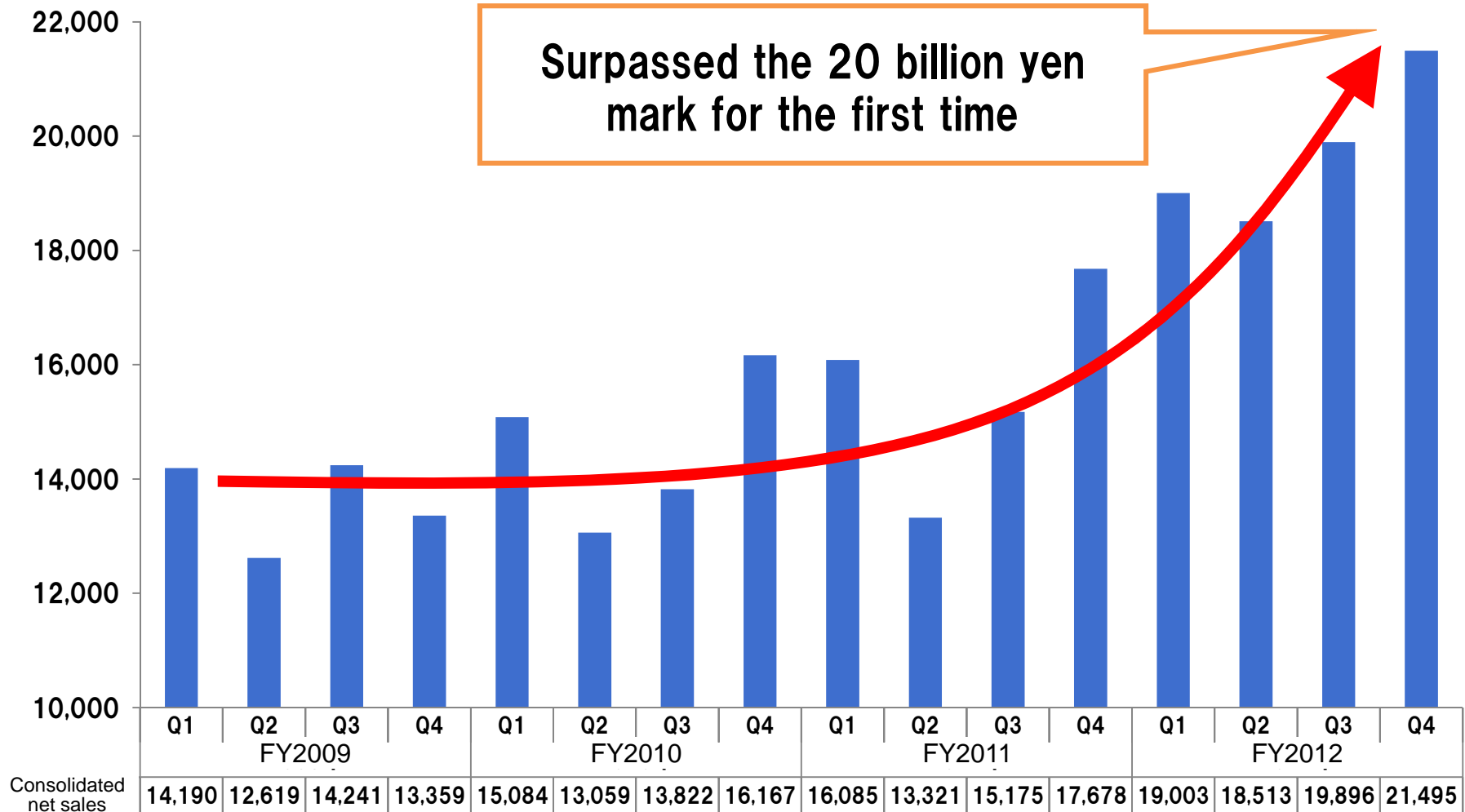
2012 Consolidated Result



Double-digit YoY growth in Net Sales and Operating Income

	FY2011	FY2012		
	Result	Forecast	Result	YoY
Net sales	62,260	77,000	78,909	+26.7%
Operating income	1,107	1,500	1,506	+36.1%
Ordinary income	1,294	1,300	1,355	+4.7%
Net income	600	830	830	+38.3%

Achieved high Net Sales



Net Sales and Operating Income by Segment and Fiscal Year

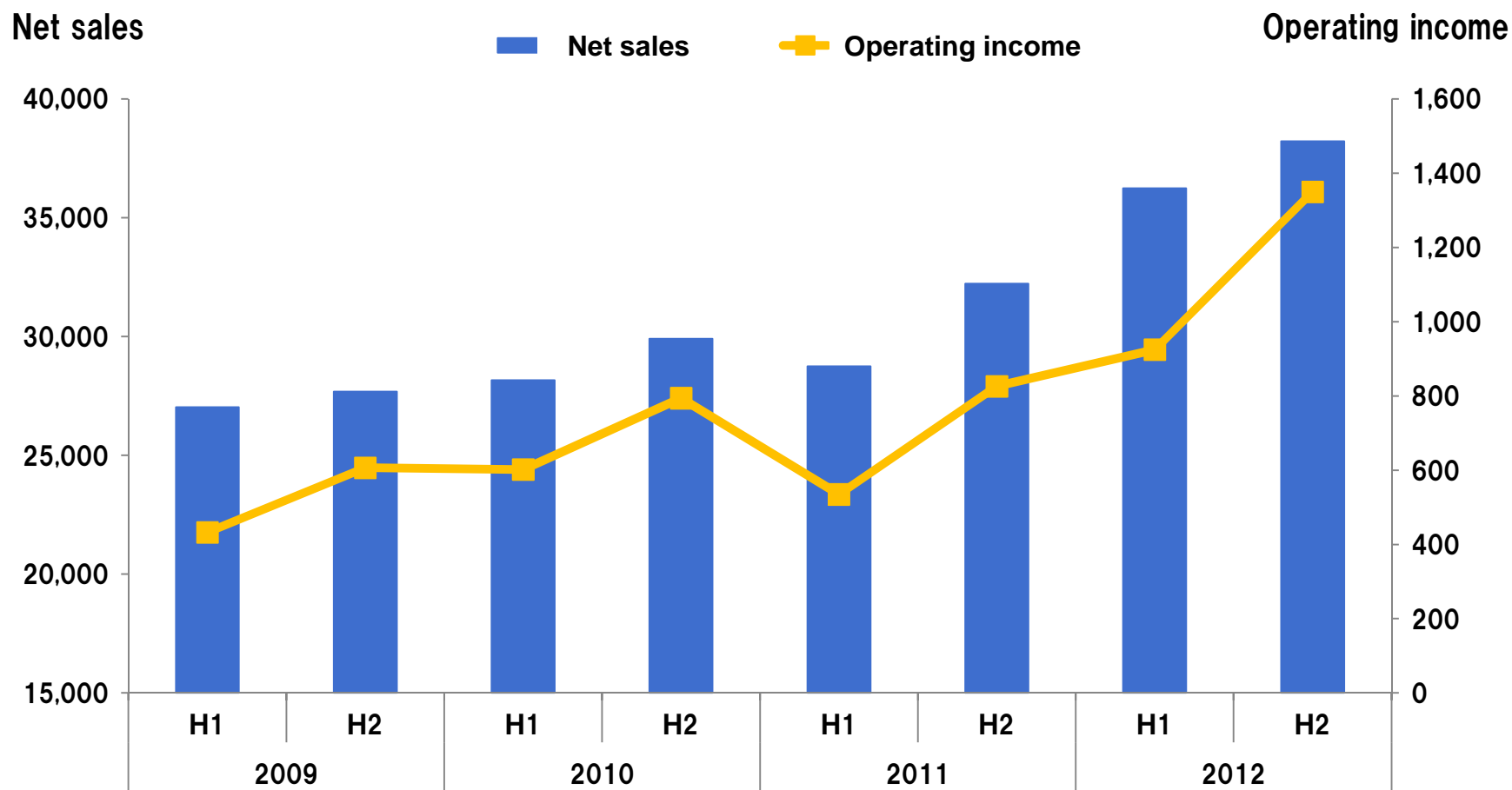


		FY2010	FY2011	FY2012	YoY
Advertising & Solution Business	Net sales	55,352	59,325	71,740	+20.9%
	Operating income	1,377	1,305	1,985	+52.1%
Database Business	Net sales	1,465	1,636	2,708	+65.5%
	Operating income	(8)	55	288	Approx. 5 times
Social & Consumer Business (S&C Business)	Net sales	954	789	2,165	Approx. 3 times
	Operating income	42	(102)	(590)	—
Overseas Business	Net sales	528	654	2,626	Approx. 3 times
	Operating income	(20)	(152)	(162)	—
Intersegment transaction adjustments	Net sales	(167)	(145)	(332)	—
	Operating income	0	0	(15)	—
Total	Net sales	58,132	62,260	78,909	+26.7%
	Operating income	1,391	1,107	1,506	+36.1%

Growth of Advertising & Solution Business and Database Business

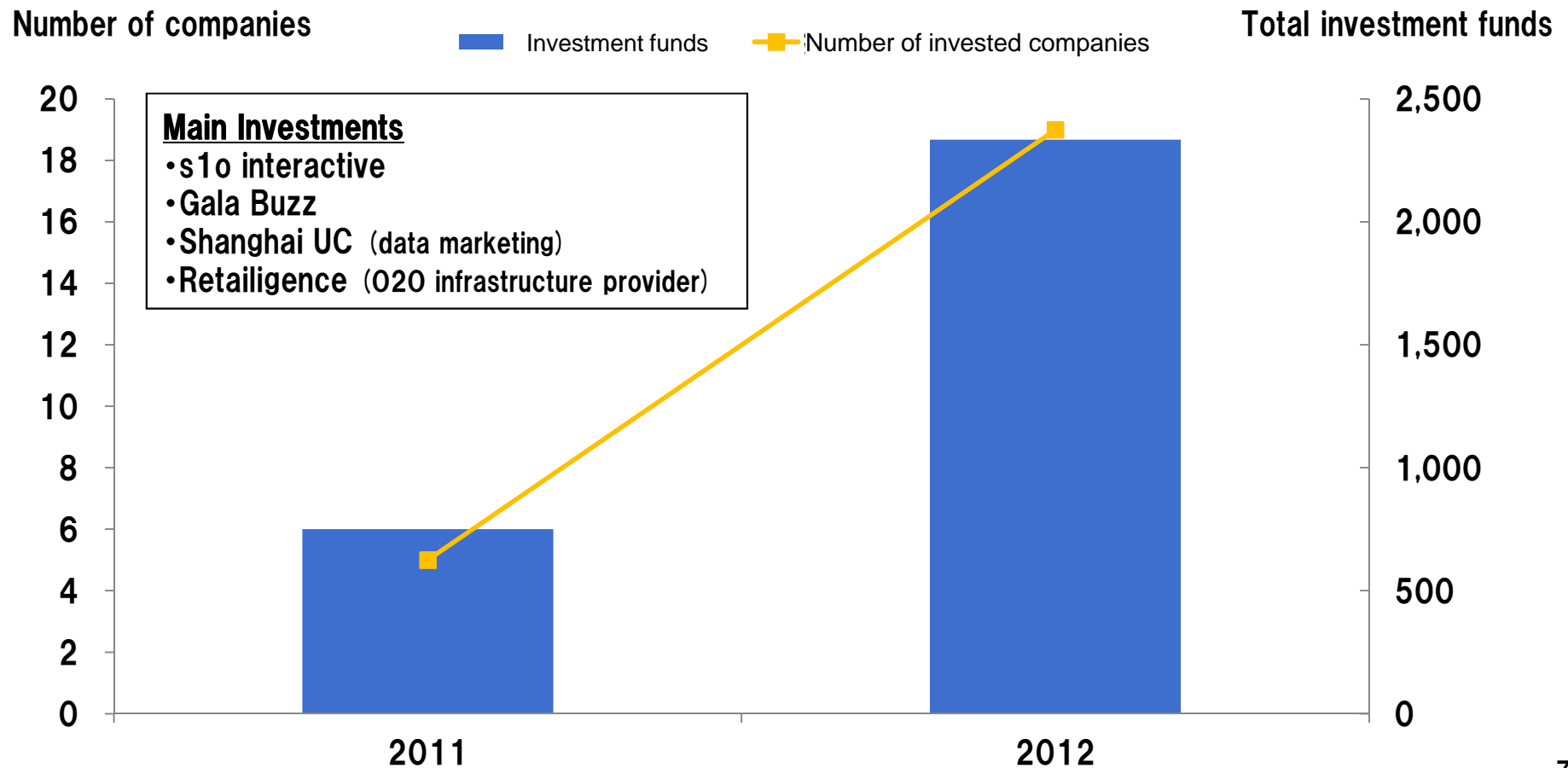


These two businesses recorded a combined operating income of approx. 2.3 billion yen in FY2012



*Total results of non-consolidated and consolidated subsidiaries until FY2010 and individual businesses from FY2011 onward

**Accelerating investment:
Total investment funds increase approx. three times Y on Y**



Summary of Consolidated Balance Sheets



	2010.12	2011.12	2012.12	
Current assets	23,346	23,488	28,553	Increase accompanying higher sales
Noncurrent assets	6,552	7,296	8,284	
Total Assets	29,898	30,784	36,838	
Current liabilities	11,201	12,145	16,464	Increase in minority interests due to rises in retained earnings and Group companies
Noncurrent liabilities	316	100	754	
Total liabilities	11,518	12,246	17,219	
Total net assets	18,380	18,538	19,618	

FY2012

Q4 (October-December)

Consolidated Results Summary

*Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.

**Quarterly net sales surpassed
the 20-billion yen mark for the first time.**

Net Sales: 21,490 (+21.6% YoY)

Operating Income: 620 (+53.1% YoY)

Advertising & Solution Business

Net Sales: 18,850 (+11.8% YoY)

Operating Income: 600 (+18.0% YoY)

Database Business

Net Sales: 760 (+58.6% YoY)

Operating Income: 120 (major YoY increase)

S & C Business

Net Sales: 550 (Approx. 2.5 times YoY)

Operating Loss: 100

Overseas Business

Net Sales: 1,400 (Approx. 7 times YoY)

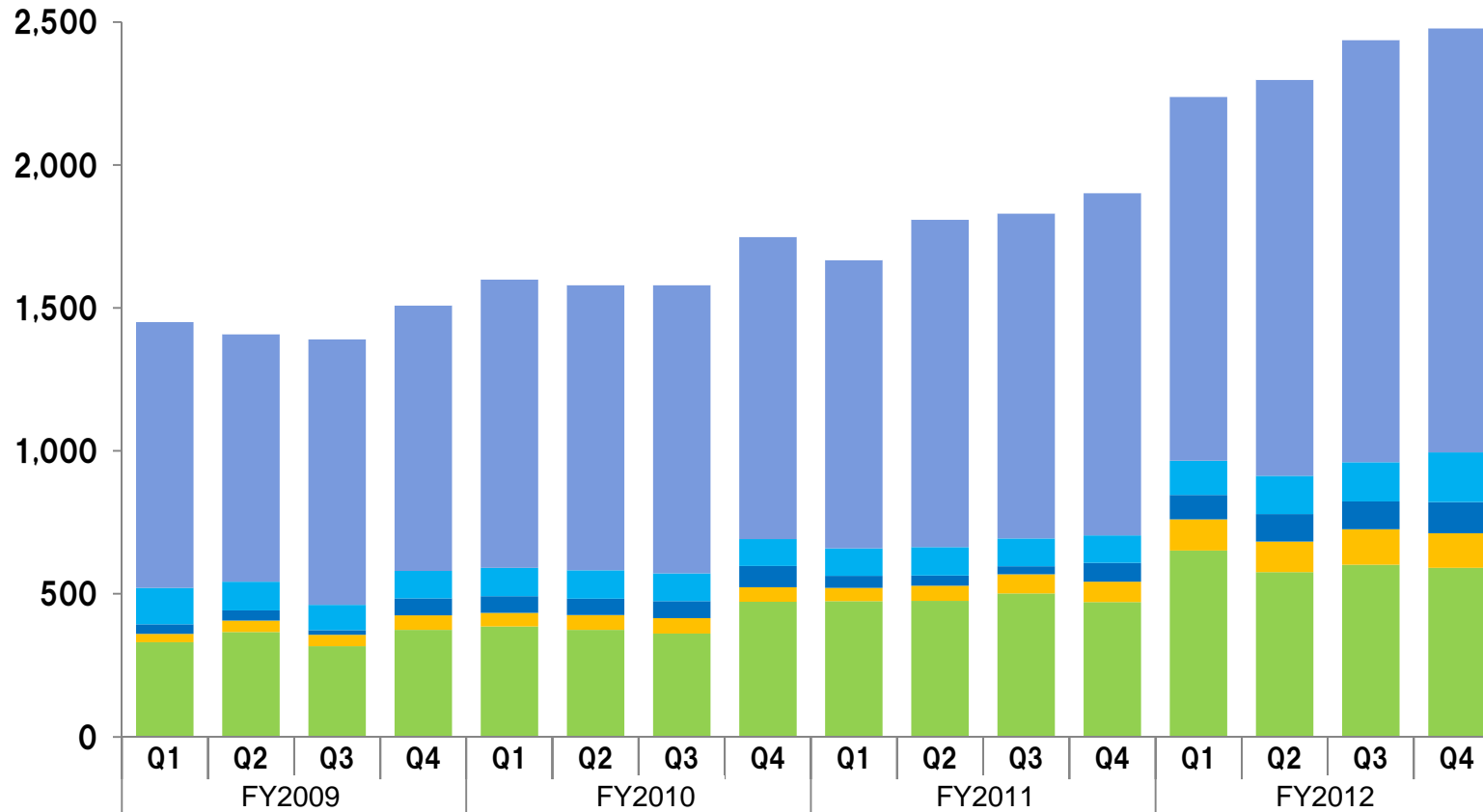
Operating Loss: 2

Net Sales and Operating Income by Segment and Fiscal Year



		11Q1	11Q2	11Q3	11Q4	12Q1	12Q2	12Q3	12Q4	11Q4 Comparison	12Q3 Comparison
Advertising & Solution Business	Net sales	15,396	12,601	14,472	16,855	17,727	17,253	17,909	18,850	+11.8%	+5.3%
	Operating income	381	88	321	513	465	367	547	606	+18.0%	+10.8%
Database Business	Net sales	354	390	411	479	636	618	692	760	+58.6%	+9.9%
	Operating income	25	38	(9)	0	56	35	69	126	Profitable	+82.0%
S&C Business	Net sales	210	186	184	207	511	523	577	553	Approx. 2.5 times	(4.1) %
	Operating income	4	(18)	(33)	(55)	(162)	(175)	(142)	(109)	-	-
Overseas Business	Net sales	154	182	137	180	201	185	838	1,401	Approx. 7 times	+67.1%
	Operating income	(15)	(16)	(69)	(51)	(43)	(32)	(83)	(2)	-	-
Intersegment transaction adjustments	Net sales	(31)	(39)	(30)	(44)	(72)	(67)	(121)	(70)	-	-
	Operating income	0	0	0	0	(1)	(7)	(9)	2	-	-
Total	Net sales	16,085	13,321	15,175	17,678	19,003	18,513	19,896	21,495	+21.6%	+8.0%
	Operating income	397	92	210	407	314	187	380	623	+53.1%	+63.7%

Consolidated Sales Costs

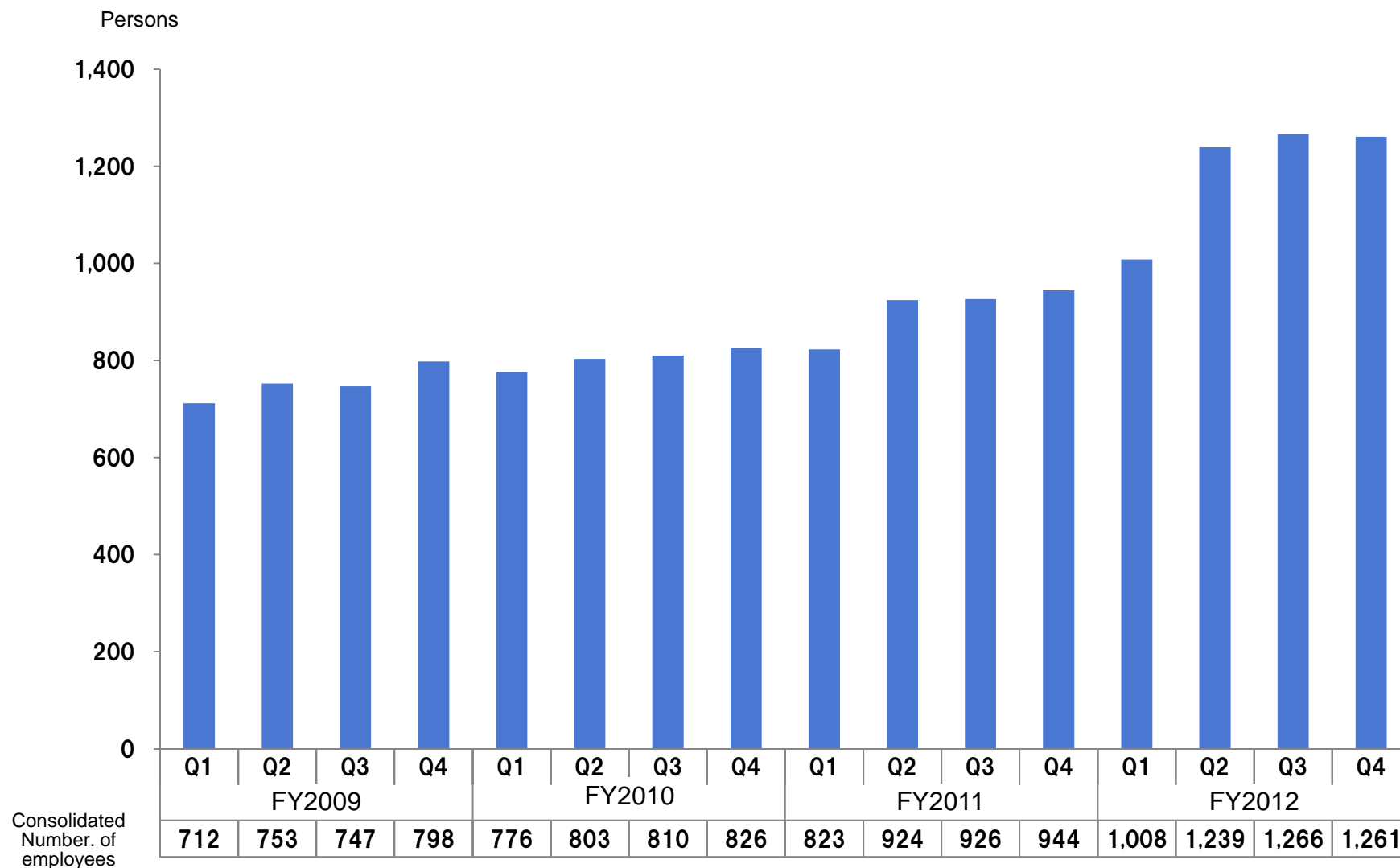


Total SGA expenses	1,454	1,409	1,392	1,511	1,602	1,583	1,581	1,749	1,671	1,811	1,832	1,904	2,241	2,301	2,439	2,479
Personal expenses	930	865	928	929	1,008	998	1,008	1,057	1,009	1,146	1,137	1,197	1,273	1,385	1,477	1,483
Rents	127	101	89	96	99	99	98	93	96	99	97	97	120	134	137	174
Advertising expenses	34	35	16	59	59	57	59	75	42	35	29	65	85	96	97	109
Amortization of goodwill/ Depreciation and amortization	29	40	40	51	47	52	54	51	47	53	67	72	109	107	124	121
Others	331	367	317	374	386	374	361	472	474	476	501	471	652	576	602	591

Consolidated Number of Employees



*Excludes temporary staff and dispatch workers



Status of Businesses

*Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.

Operational Advertisements

Increased ad-networks, affiliate ads and advertising for Smartphones.

Increased targeted ads through full-scale synergy creation with the Database Business.

 Established partnerships with Evixar Japan and U.S.-based Retailigence and developed new products to enter the O2O market.

 Upgraded structures, including shifting operations to subsidiaries to meet market needs, by enhancing and diversifying products.




 Four subsidiaries contribute to increases in revenue and earnings.




-  **platformio** Open Data Platform Service Xrost series and special demand expanded sales and achieved record-high income.
-  **platformio** Open Data Platform Service released Xrost DSP targeted advertising delivery tool for smartphones. Now covering 3 devices, PCs, mobile phones and smartphones.
-   became the only Japanese company able to use all Twitter data owing to the partnership with U.S.-based Gnip. Also, accelerated the expansion of social media data analysis services through capital/business alliance with Salesforce.com, Inc.
-  Established  **Consumer First** in January 2013, a specialized data analysis business.

Social Business

-  Social media consulting service demand rose in line with increases in users of such domestic social media such as Facebook, Twitter, LINE and blogs.

Consumer Business

-  Revenue increased 94% due to expanded sales of Social Apps produced by Mobile Factory.
-  Multimedia School WAVE , school for IT and web engineers, is completing structural reforms to generate profits, by restructuring classes and branches.
-  On a non-consolidated basis, OPT completely withdrew from consumer businesses by the end of 2012.

-  **South Korea's eMFORCE, Chai Communication increased sales and income by special demand created by presidential election.**
-  **Established OPT America, Inc. to gather the latest information on U.S. online businesses.
The capital/business alliance with U.S.-based Retailigence is one of the result.**
-  **Continue expanding overseas investigation in China, India and the ASEAN region.**

2013 Business Policies

*Unstated amounts are rounded down to the nearest one million yen unit, and percentages are rounded to the nearest unit.

- **Concentrate management resources on the Advertising & Solution and Database businesses.**
- **Accelerate investment in growth fields where we can utilize our strengths (such as smart device, O2O and data management platform businesses) .**

- ✓ **Aim for further growth and continue to proactively invest in mainstay online advertising.**
- ✓ **Make a full-scale entry into the O2O market using smart devices and get advertising needs.**
- ✓ **Expand personnel in Okinawa and BPO operations in China, while enhancing operational capability and productivity.**

- ✓ **Boost income by enhancing Xrost data capacity and increasing subscriber numbers.**
- ✓ **Target growth using the Database Business as a solid second income pillar based on a forecasted two-fold increase in operating income.**
- ✓ **Make a full-scale entry into the Data Management Platform business.**

- ✓ **OPT expects to return to profitability on a consolidated basis by the end of FY2013 following the withdrawal from its non-consolidated S&C Business operations.**
- ✓ **Mobile Factory focuses on developing native apps for smartphones.**

- ✓ **On a non-consolidated basis, Opt will shift from focusing on supporting overseas bases to assisting domestic Japanese advertisers placing overseas ads (profitable field) .**
- ✓ **Work to make eMFORCE and Chai Communication the No. 1 Internet advertising agencies in South Korea.**
- ✓ **Aim for consolidated full-year profits.**

- **Change to Tokyo Stock Exchange index.**
- **Issue performance target-linked stock options predicated on achieving operating income goals for FY2013 and FY2014.**
- **Changes to business alliance with Dentsu.**

Changes to business alliance with Dentsu

➤ Changes to business alliance with the aim of changing OPT's index to Tokyo Stock Exchange.

- Changes of the contract

✓Media buying (joint purchasing)	-----➔	End of the roles
✓Business alliances with national clients	-----➔	Continue
✓Listing ad management cooperation	-----➔	Continue
✓Staff Organization	-----➔	Revise

- No change to stock ratio

*Forecast a decrease in net sales of 17 billion yen in FY2013 as a result of the above changes

FY2013 Performance Forecast



20% increase in Net Sales and Operating Income

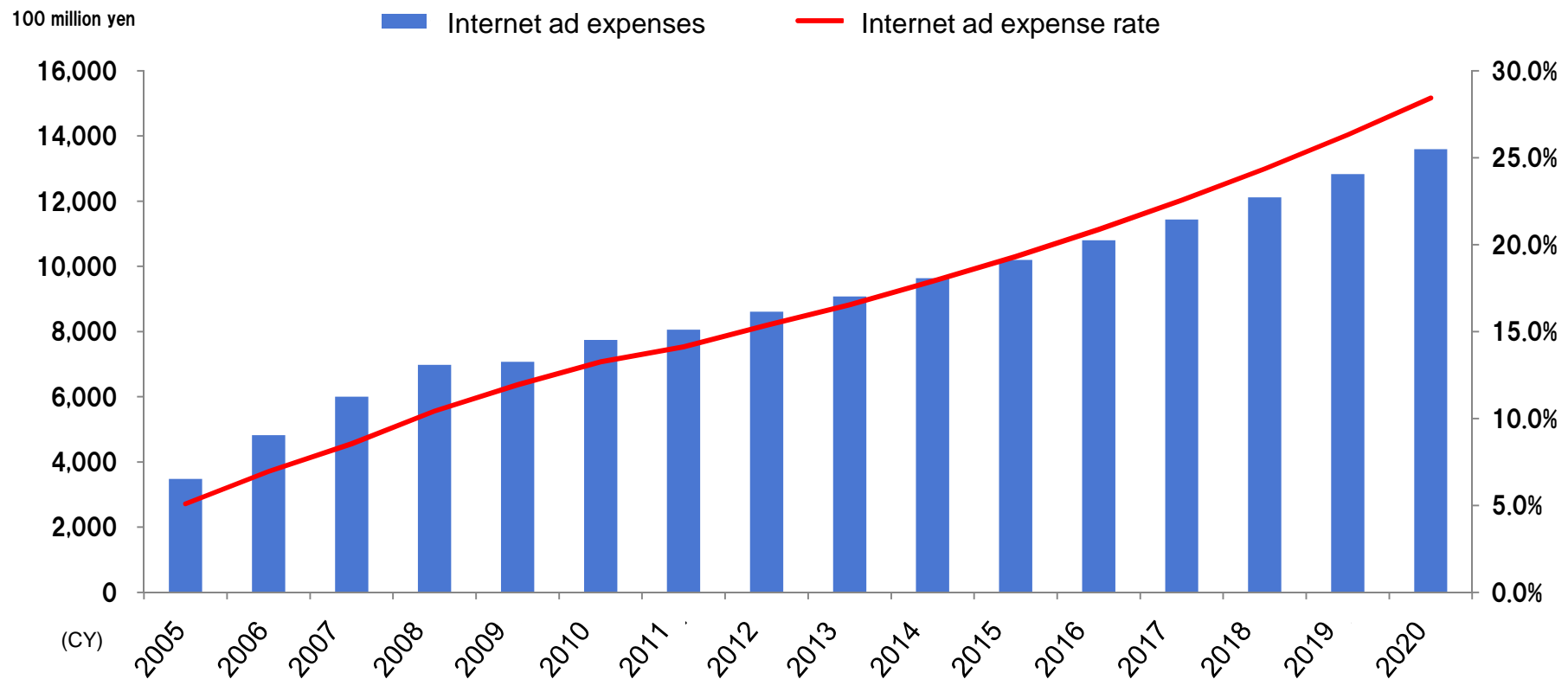
*Excluding the impact of the Dentsu alliance

	FY2012 Result	FY2013 Forecast	YoY Comparison
Net Sales	78,909	74,000	(6.2)%
*Excluding Dentsu	*61,909		*19.5%
Operating Income	1,506	1,850	+22.8%
Ordinary Income	1,355	1,850	+36.4%
Net Income	830	850	+2.3%

Appendix

Online Advertising Market Forecast

The online advertising market is expected to reach approx. 1.3 trillion yen by 2020, accounting for more than 25% of the total advertising market.



Note: Dentsu Communication Institute survey until 2011 and OPT predictions after 2012 that take into account past trends

Trends in Audience Targeting

Audience targeting is a next-generation advertising method that analyzes complex behavioral data from multiple sites (including content browsing, search, conversion and access histories, and demographic data). Such analysis creates data clusters that enable the targeted delivery of advertising.

Ad placement (space)



Who views this site?

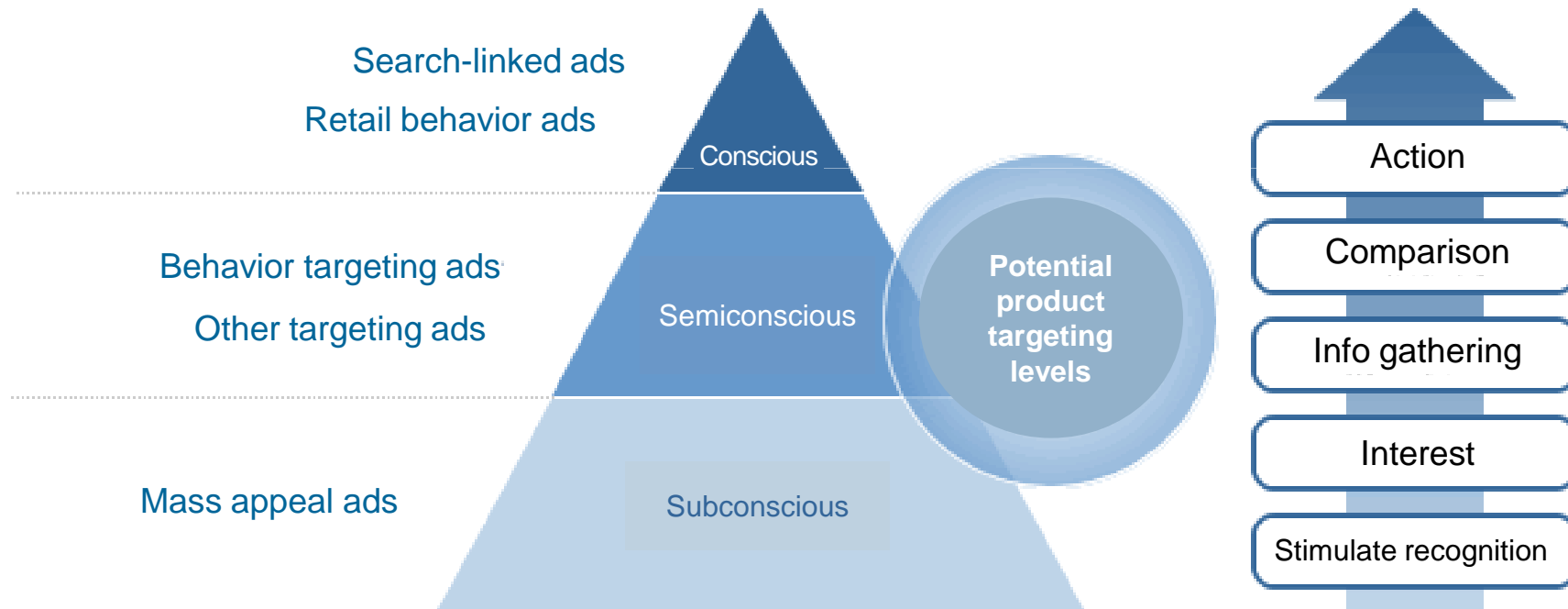
Person (audience)



Ad delivery based on behavior history data

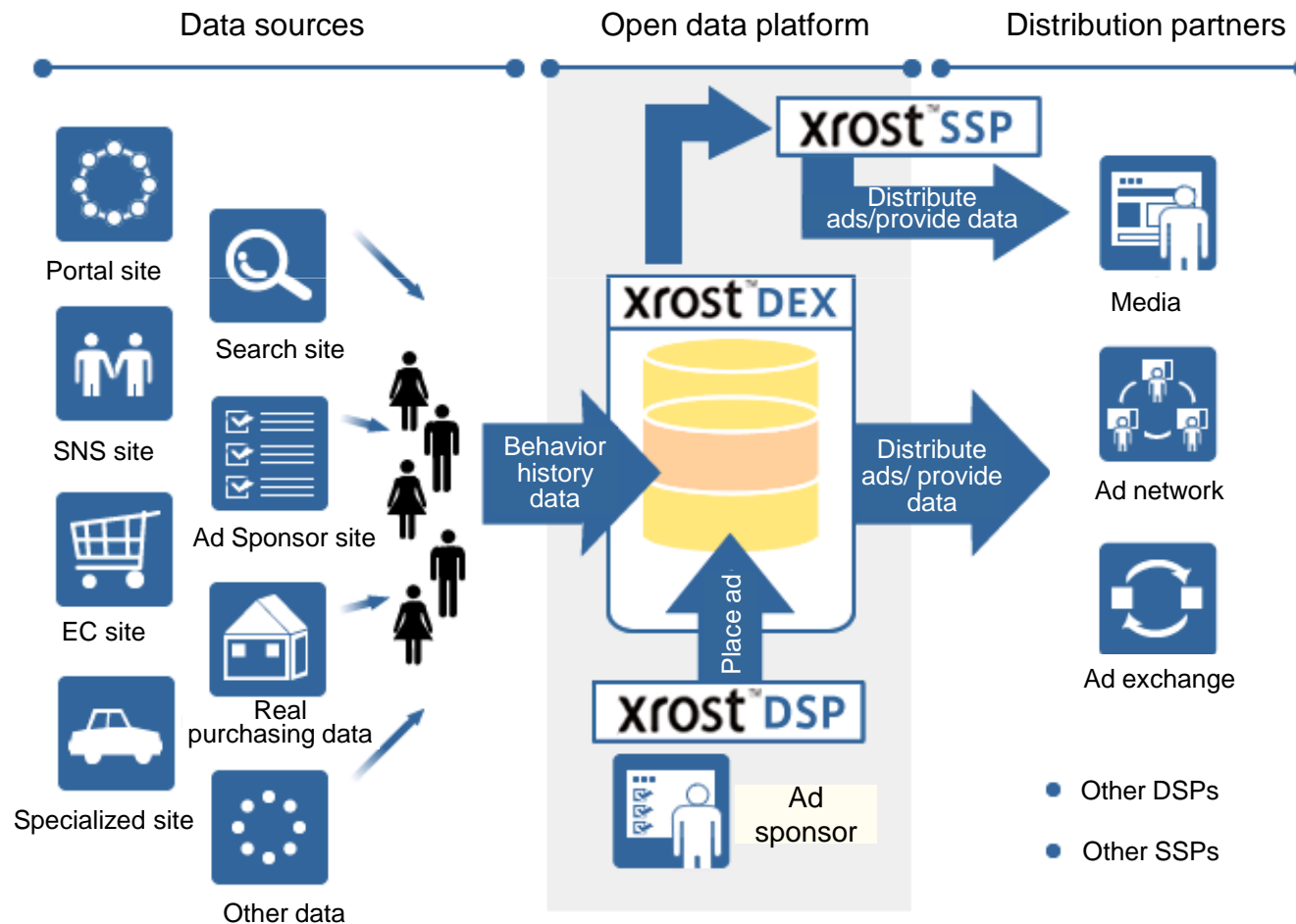
Audience Targeting Effectiveness

Compared with existing methods, OPT's targeted advertising is a more comprehensive approach for tapping into the subconscious of users and is highly cost effective.



Xrost: Targeted Advertising Delivery Tool

Xrost is a new data exchange platform that enables audience targeting. Analyzing the behavior history of approx. 140 million unique browsers, Xrost provides high-precision, next-generation audience targeting ads.

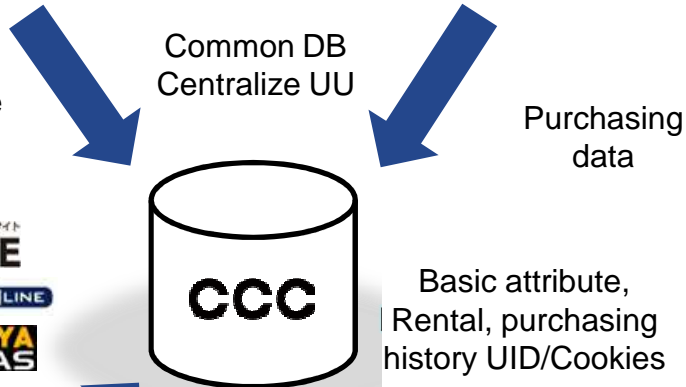


Real Data Linkage with CCC



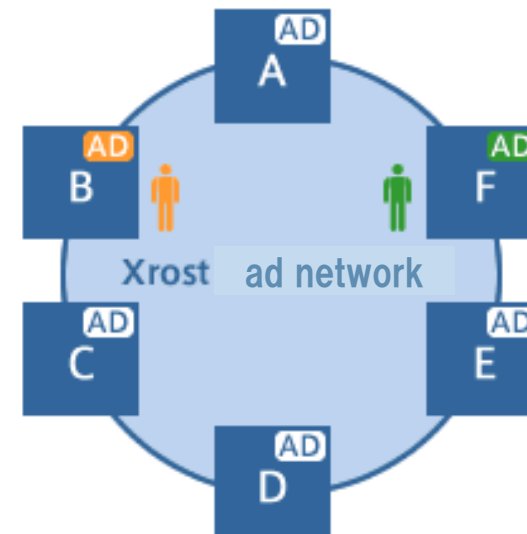
- Actual store purchasing history data
 - Customers who have a high rate of page views per visit
- ↓
- Advertising distribution with a media power of 80 billion imp.
 - Accurate customer attributes identified at stores

Internet registration



Internet attribute data

Target member
Extraction/
Collaboration

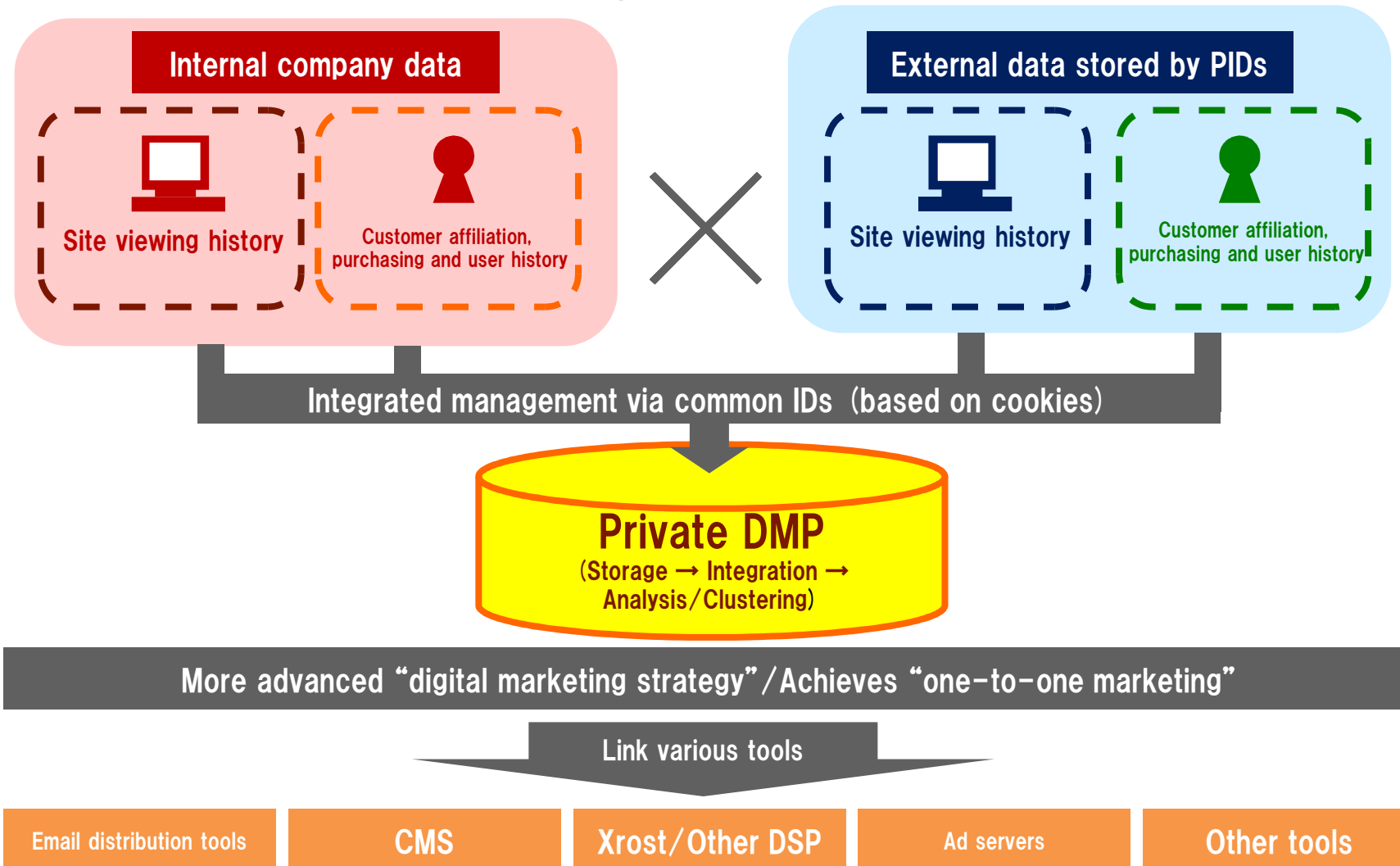


MB: approx. 2 billion
SP: approx. 700 million
PC: approx. 5.5 billion
Imps/month

Segment advertising distribution
using T-point member attributes
and historical behavior

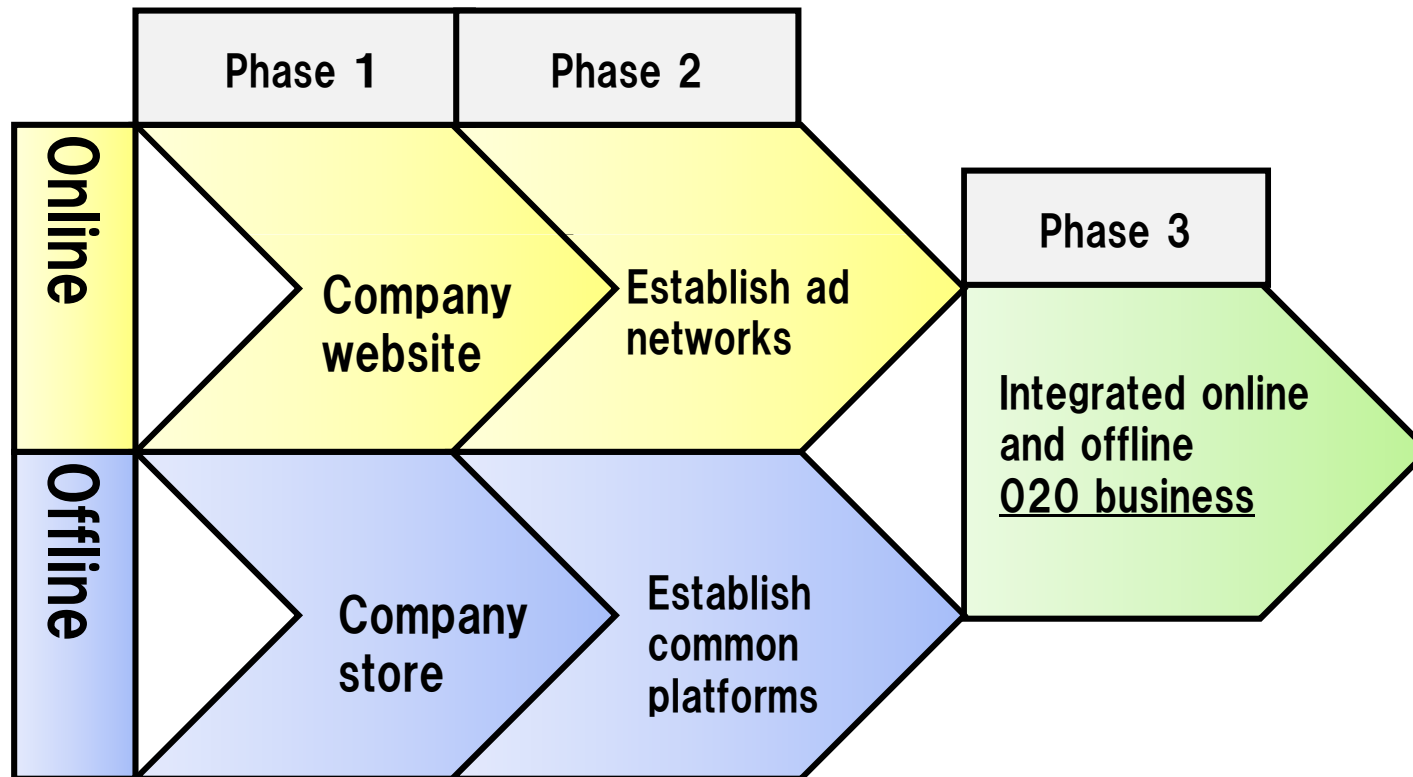
Data Management Platform

Data management platform integrate data stored by the company and PID-stored data (including off-line data) using common IDs. This increases the extraction of user site data, which is understood only through internal analysis and can be used in various types of advertising.



OPT' s O2O Initiatives

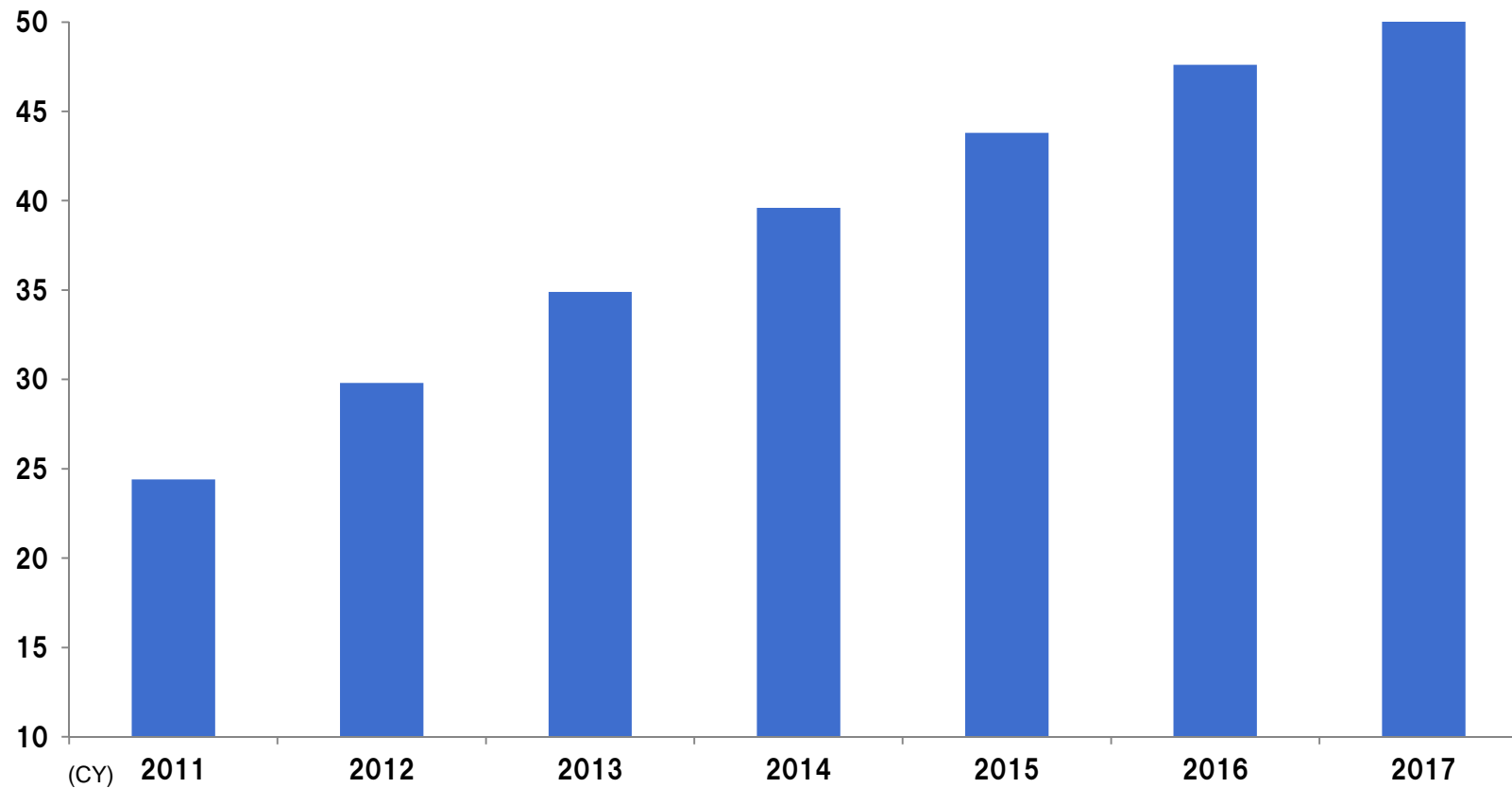
OPT is entering the O2O business based on the Advertising & Solution Business' ad network knowhow and the Database Business' accumulated data.



020 Market Forecast

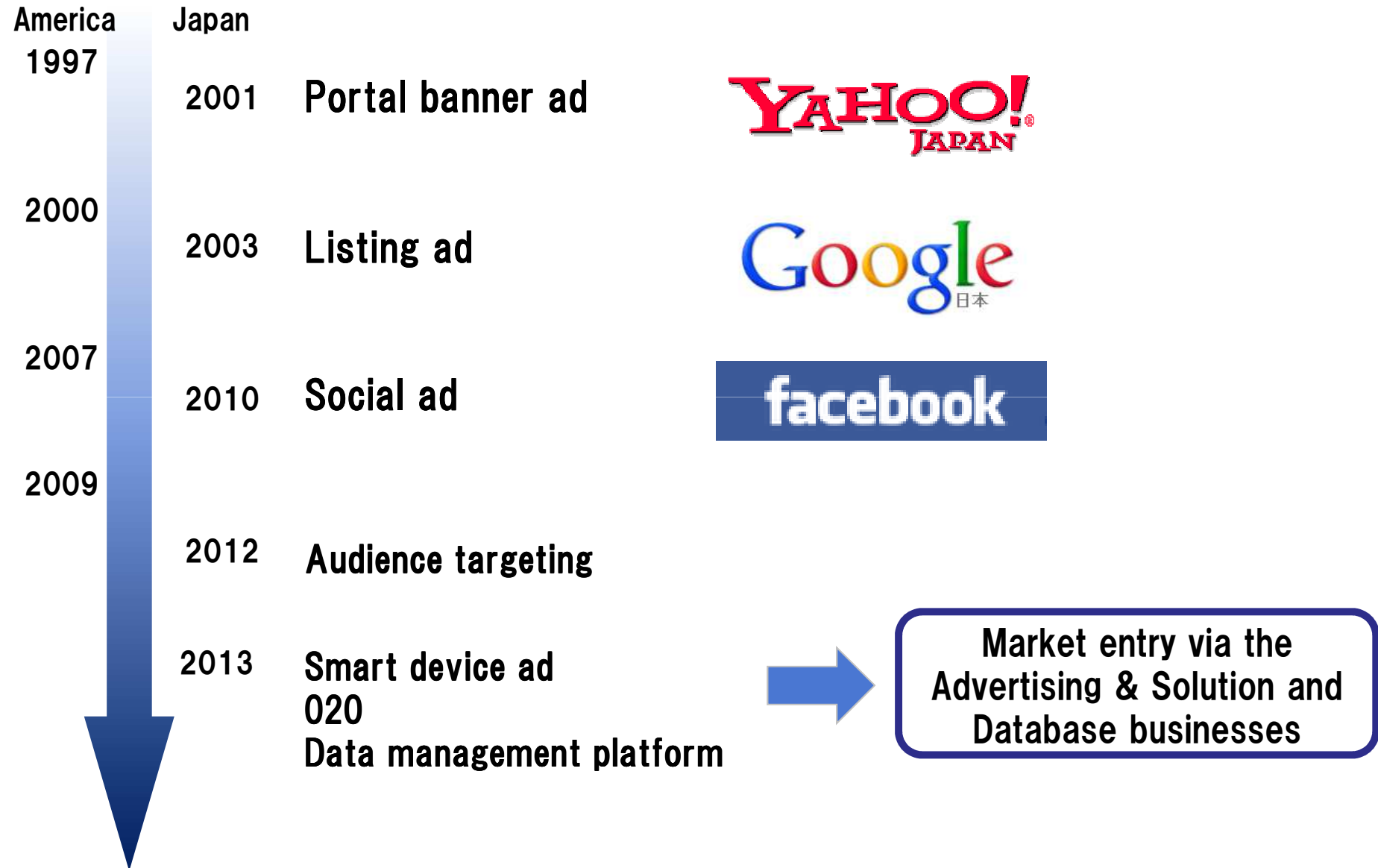
(Unit: Trillions of yen)

020 Market Forecast



Source: Information Technology Navigator 2013 Edition, Nomura Research Institute and Toyo Keizai, Inc.

Changes in Internet Media and Ad Technology



Scope of Consolidation (Unchanged since Q3)



Advertising & Solution Business



S&C Business (Social and Consumer)



Database Business








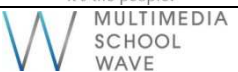




Overseas Business



*hottolink and Gala Buzz carried out an absorption-type merger on October 1, 2012, with hottolink as the surviving company.

Major Group Companies (2012 Q4)

Name	Business	Ownership	Consolidation status
CLASSIFIED 	Planning and sales classifieds	66.01%	Consolidated subsidiary
Crossfinty 	SEO and media consulting business	66.67%	Consolidated subsidiary
SOLDOUT  <small>ベンチャー企業のためのネット販促サービス</small>	Advertising agency for mid-sized and venture companies	100.00%	Consolidated subsidiary
s1o interactive 	Trading desk business	100.00%	Consolidated subsidiary
Hottolink 	Social media solution business	65.78%	Consolidated subsidiary
Platform ID  <small>Open Data Platform Service</small>	Database business	51.00%	Consolidated subsidiary
Mobile Factory 	Mobile contents business	40.84%	Consolidated subsidiary
Contents One  <small>It's the people!</small>	Development, consulting and training business for web applications	100.00%	Consolidated subsidiary
Multimedia School Wave 	School for IT and web engineers	(100.00%)	Consolidated subsidiary
eMFORCE  <small>The Task Force of eMarketing</small>	Internet advertising agency in South Korea	88.50%	Consolidated subsidiary
Chai Communication 	Internet advertising agency in South Korea	40.00%	Consolidated subsidiary
Accounted for by the equity method	TAGGY, TradeSafe, MCN Asia Holdings,Pte.Ltd.		
Other Group companies	OPT Beijing Information Technology, Inc., etc.		

*hottolink and Gala Buzz carried out an absorption-type merger on October 1, 2012, with hottolink as the surviving company.

*Parentheses represent the percentage of indirect ownership



e-marketing company

OPT, Inc.

JQ2389

<http://www.opt.ne.jp/>

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