



Financial Statements for the First Quarter of FY Ending March 2018 Supplemental Information OPTiM Corporation

Disclaimer

All of the plans, forecasts, strategies, etc. described in this material are predictions based on information available at the time of creation, and are subject to variable factors, such as economic conditions, a competitive environment and the future prospects for newly introduced services. Accordingly, please be advised that the actual results of business performance may differ substantially from the projections described here. Market information and other statements contained in this report are based on information currently available, and we do not guarantee complete accuracy.



- Review of Quarterly Financial Results for First Quarter of FY Ending March 2018
- Management Policy
- Quarterly Major Business Progress
- Forecast for the FY Ending March 31



Review of Quarterly Financial Results for First Quarter of FY Ending March 2018



We are on track to achieve sales records for the 18th consecutive year since our founding

To become a company that plays a central role in the "Fourth Industrial Revolution," we invest in research and development with a budget equivalent to the ordinary income.

(Unit: million yen)

	2017/3 FY Q1 Actual results	2018/3 FY Q1 Actual results	Actual results YoY	2018/3 FY Full year forecast
Sales	798	867	108.7%	4,000
Operating income	212	135	63.6%	1~800
Ordinary income	212	133	62.9%	1~800
Net income	135	76	56.3%	0.62~496

No change from previous plan

Sales growth rate and profit margin

We were able to successfully increase the number of licenses of our recurring fee license business, accounting for more than 80% of sales, including IoT platform service (approximately 130% compared to the previous year) and other services (approximately 160% compared to the previous year). Even for the total license revenue, the growth rate is over 120% in the full year compared to the previous year.

Operating profit came in 63.6% compared to the previous year. This is the result of strategic investments in development staffing, as planned in the beginning of the year. We will continue to invest in development to become a company that can play a central role in the "Fourth Industrial Revolution."



FY 2018 Management Policy



To play a central role in the "Fourth Industrial Revolution," we invest in research and development with a budget equivalent to the ordinary income.

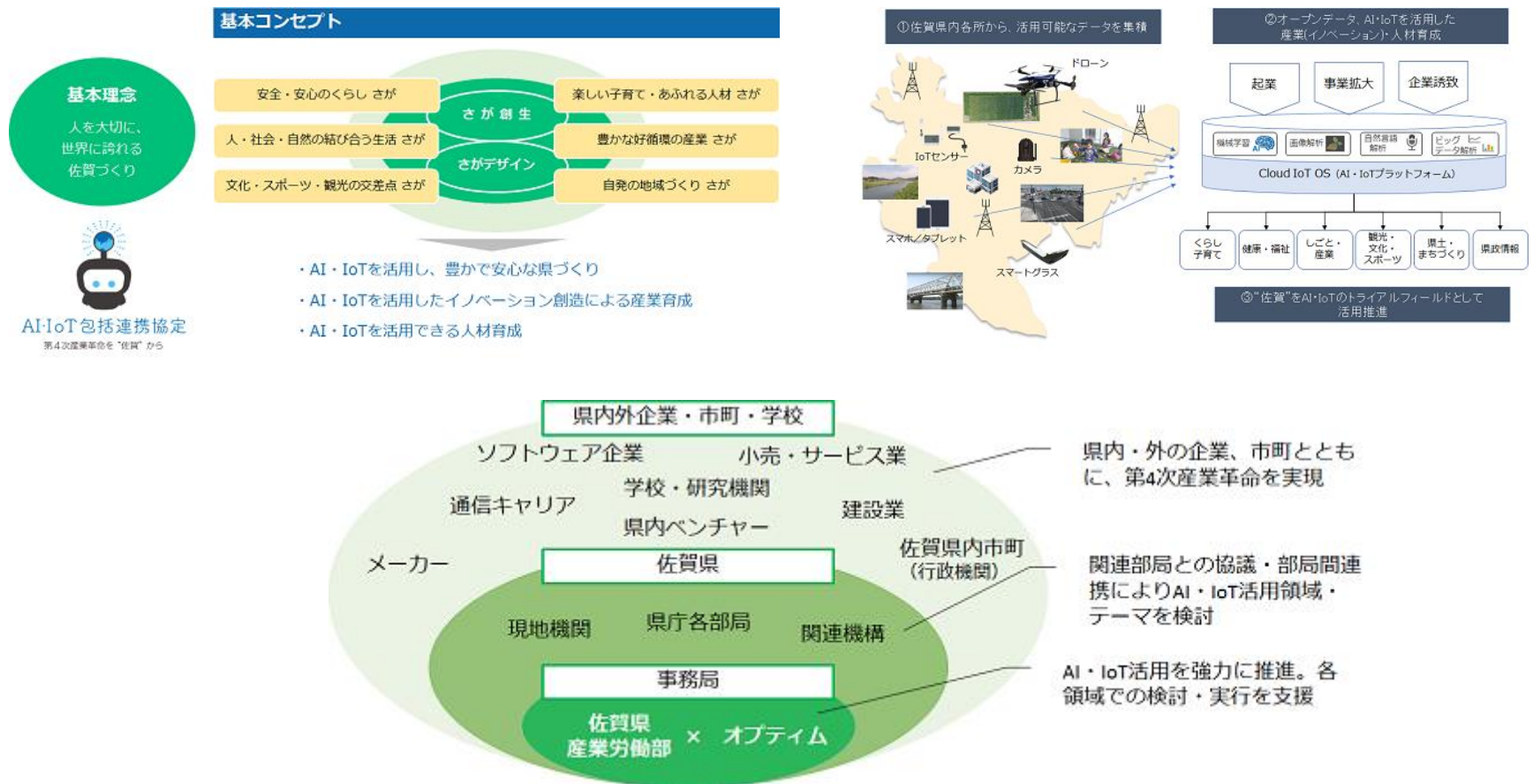
This year will be a stepping stone to make OPTiM Cloud IoT OS, the de facto standard of the "Fourth Industrial Revolution". OPTiM Cloud IoT OS has already begun to see concrete results.

In particular, we will promote the "○○ × IT" initiatives we have been working on for the last few years to rebuild the base of every industry using the power of IT.



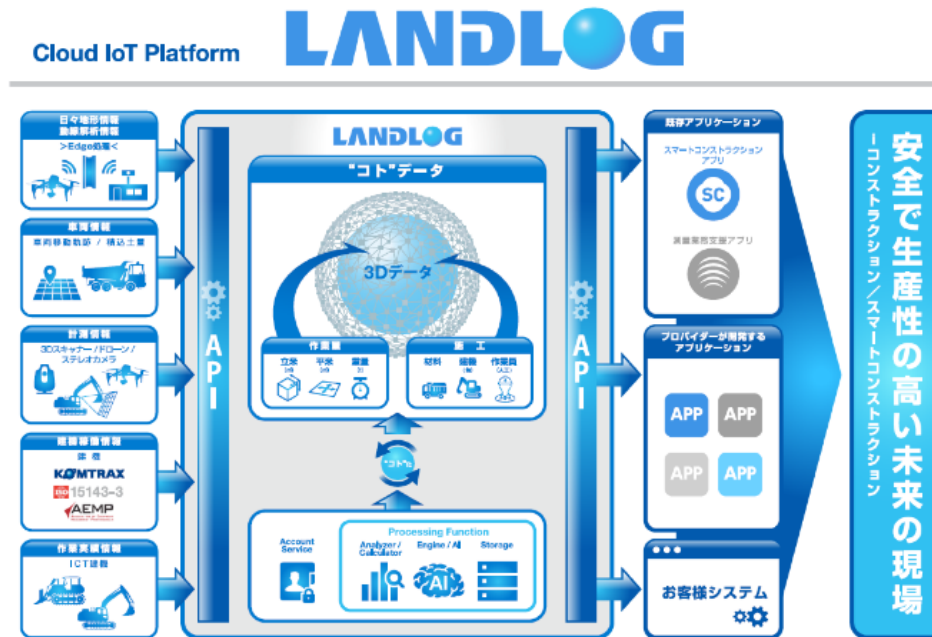
FY 2018 Q1 Quarterly Major Business Progress

Saga Prefecture and OPTiM sign a comprehensive collaboration agreement to promote the use of AI・IoT towards the realization of the "Fourth Industrial Revolution"



Komatsu · OPTiM · NTT DOCOMO · SAP started negotiations to establish new company "LANDLOG"

A new platform covering the entire construction production process



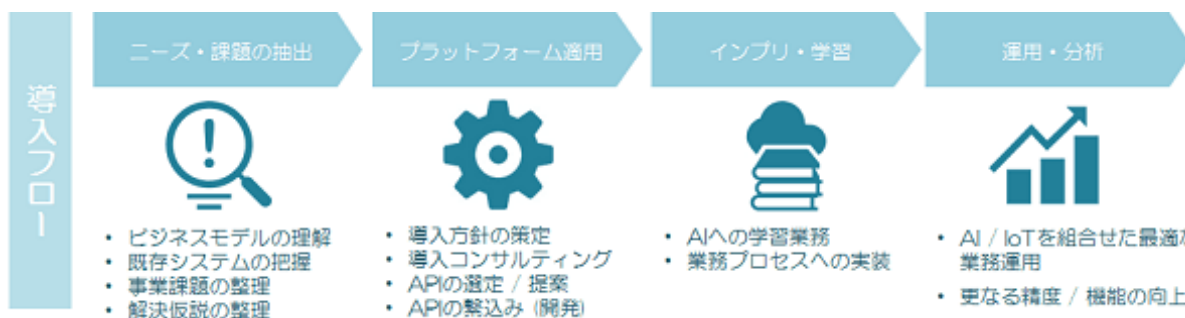
Providing data to various application providers as requested by construction companies

OPTiM's role:

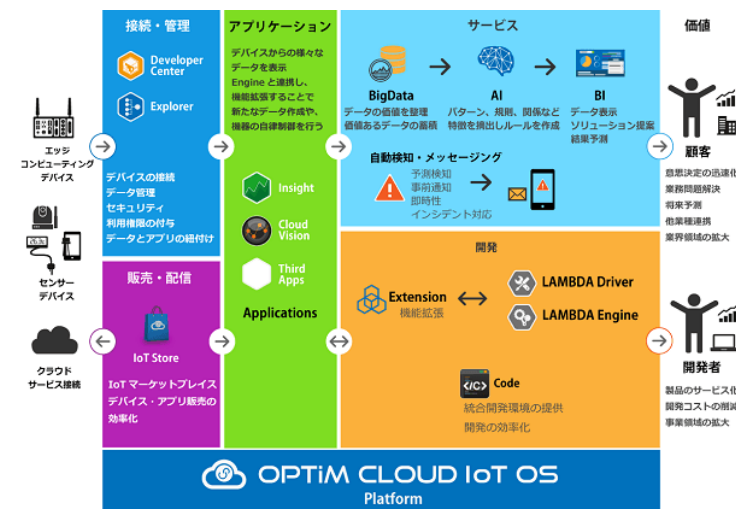
Providing know-how on the utilization of AI · IoT and OPTiM Cloud IoT OS etc.

OPTiM and Pasona Tech collaborate on AI · IoT Business

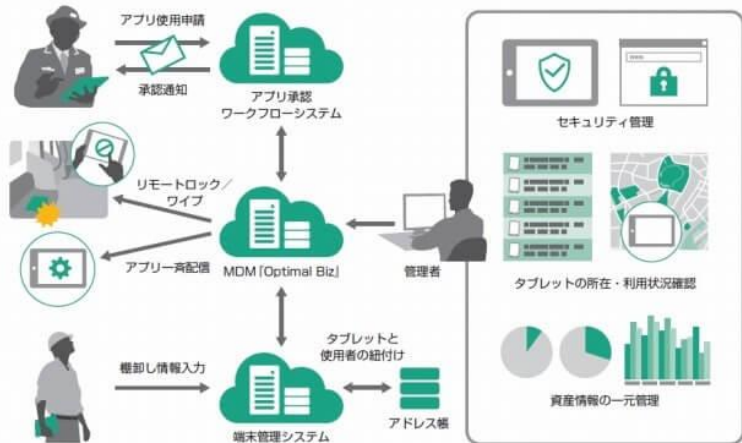
Providing a service to introduce and operate AI · IoT Solutions based on “OPTiM Cloud IoT OS”



OPTiM Cloud IoT OS is a platform that offers intuitive IoT device control, data analysis, AI and cloud service support for everyone



“Optimal Biz” is used by JR East to manage 37,000 iPads. It meets the companies strict security guidelines and supports mobile device operations



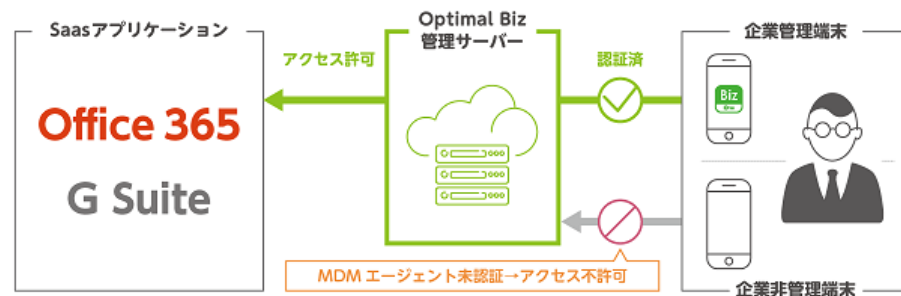
According to a research report published by Techno Systems Research Co., Ltd., "Optimal Biz" achieved No.1 for a total of 7 out of 9 categories in the domestic MDM market in 2016



Optimal Biz
2016年モバイル管理市場
9部門中7部門でNo.1を獲得!

出典：テクノ・システム・リサーチ、2017年1月発行「2016-2017年版PC資産管理/モバイル管理市場のマーケティング分析」

Optimal Biz had a major version update including countermeasures against shadow IT through access-control ~ Restricting access to Office 365 / G Suite from devices not managed with Optimal Biz ~



According to a research report published by Fuji Chimera Research Institute, Optimal Biz is accounting for the largest share (43.2%) in the educational MDM market



出典：富士キメラ総研 2017年3月29日発行、「エデュケーションマーケット 2017」

Business alliance with Credit Saison, providing "Saison Point Mall Application"

Utilizing the security technology and expertise cultivated in "Optimal Biz" Japan's No. 1 MDM · PC management service

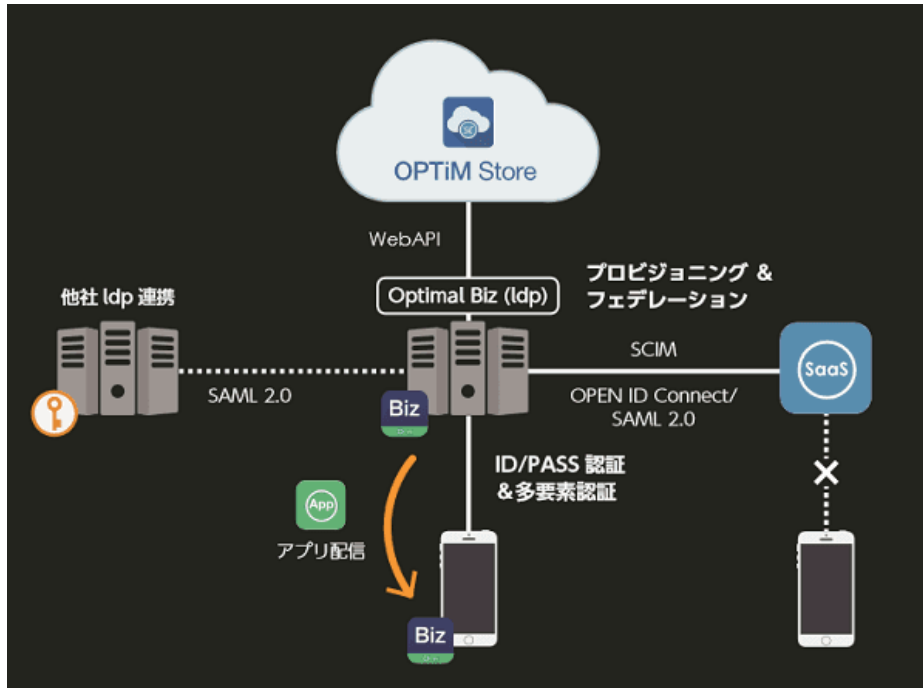


iOS screenshot

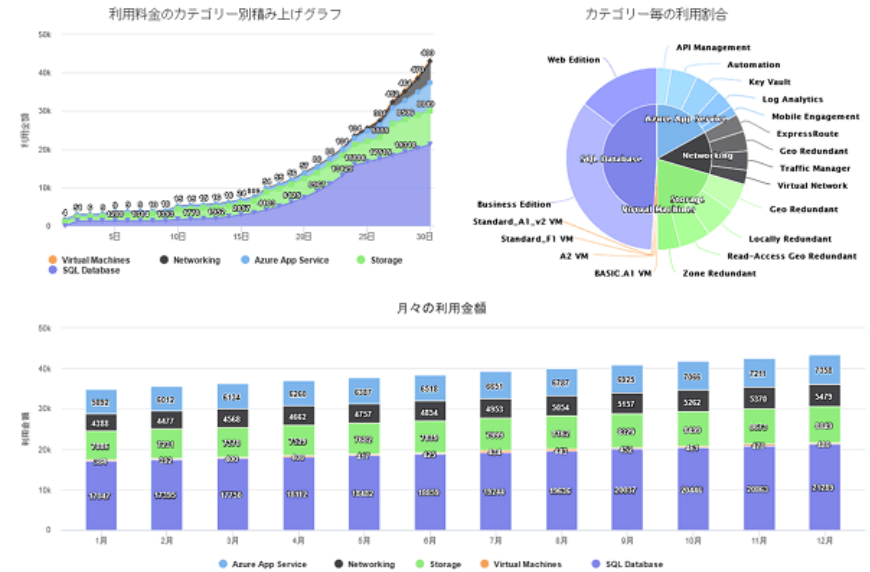


Android screenshot

Corporate cloud service sales platform “OPTiM Store” adds support for Microsoft CSP Partners and ID management as well as enhancing standard functions



Automating the sales process of Office 365 and single sign-on settings

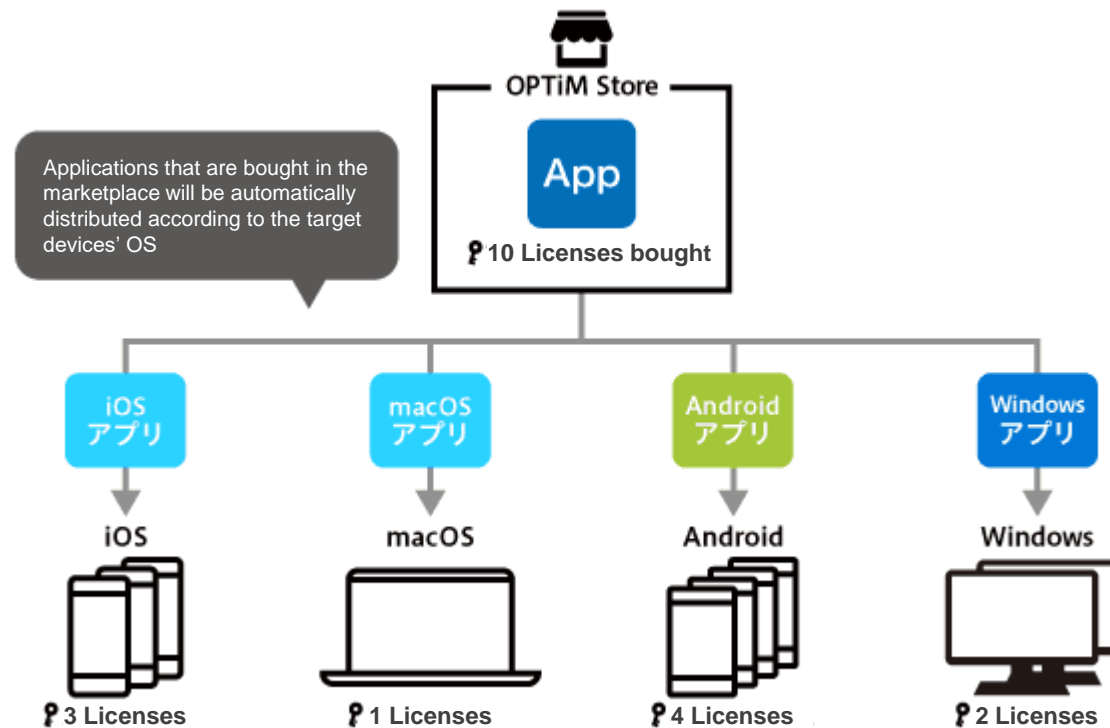


Usage Graph display Image

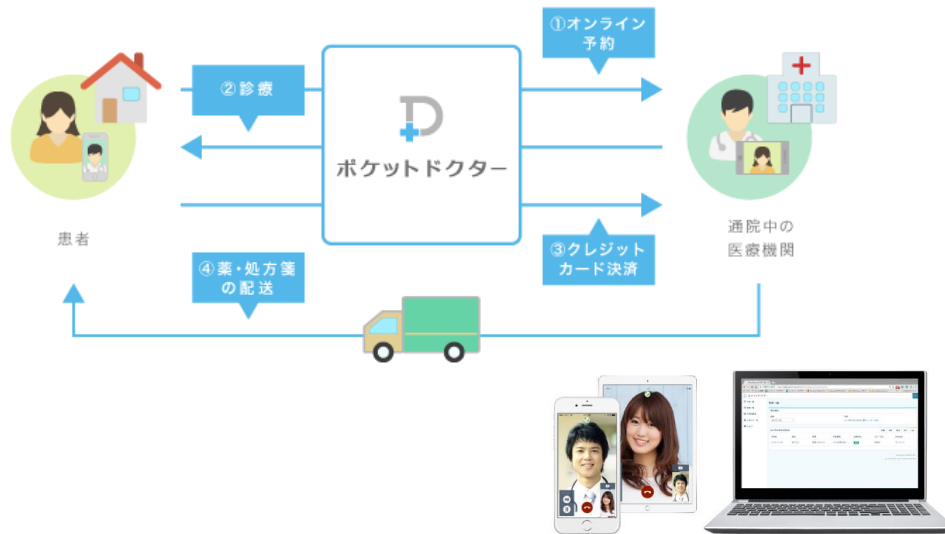
Support for selling Microsoft Azure Information about usage can be analyzed and consumption-based fee calculation can be done in OPTiM Store

Acquired a patent for the basic concept of an application marketplace

~ Automatic distribution of applications according to the target devices' OS ~



"Pocket Doctor" was updated, adding the paid service "Remote Medical Consultation Pocket Doctor"



New features: reservations, online payment, delivery support for medicine, and management screen for medical institutions

Accepted as a "subsidy for IT implementation" service by the Ministry of Economy, Trade and Industry



Medical institutions that introduce Pocket Doctor are granted subsidies of up to 1 million yen

"Subsidy for IT implementation" is a project entrusted by the Ministry of Economy, Trade and Industry to assist small and medium enterprises, small businesses, and others in part of the expenses of introducing IT tools (software, services, etc.) aiming to improve productivity of small businesses etc.

Collaboration between OPTiM and Uniqlo, offering popular magazine flat rate service "Unlimited" inside the Uniqlo app

ユニクロアプリで人気雑誌が無料で読み放題



Popular magazines selected from "Unlimited" are free to Uniqlo members for a limited time

Content partnership with PIA



Content partnership with SHUFU-TO-SEIKATSUSHA



Offering multilingual travel guidebooks



Adding "WAttention" series and multi-lingual Rurubu series "OMOTENASHI Travel Guide"

Popular Magazine Flat rate Service "Unlimited" now features more than 700 magazines

As of July 3, 2017, based on research by OPTiM. Number of magazines that can be viewed in the Popular Magazine Flat rate Service "Unlimited" . Due to the nature of this service, the number of magazines may increase or decrease.



Forecast for the FY Ending March 31 2018



Forecast for the FY Ending March 31

(unit: Millions of yen)

	FY 2017 Actual Results	FY 2018 Expected Results	Year Over Year
Sales	3,314	4,000	120.7%
Operating income	685	1 ~ 800	-99.9% ~ 116.8%
Ordinary income	682	1 ~ 800	-99.9% ~ 117.3%
Net income	397	0.62 ~ 496	-99.8% ~ 124.7%

- For the fiscal year ending March 31, 2018, we aim for record high sales for the 18th consecutive year since our founding. We expect to achieve sales of 4 billion yen (120.7% of the previous year) due to the stable growth of existing services.
- To be a central role in the "Fourth Industrial Revolution," we invest in research and development with a budget equivalent to the ordinary income. This year will be a stepping stone to make OPTiM Cloud IoT OS, which is already beginning to deliver first results, the de facto standard of the "Fourth Industrial Revolution".
- There is a possibility of expansion of profits due to sales growth. If there should be a deviation from the planned figures, we will disclose it promptly.
- However, while conducting business development towards the "Fourth Industrial Revolution", if we should discover more business opportunities, we might make large-scale investments regardless of the planned figures. In this case, we will disclose it promptly.

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