

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 14, 2019

Company name: OPTiM Corporation
 Stock exchange listing: Tokyo
 Stock code: 3694 URL <https://www.optim.co.jp/>
 Representative: President Shunji Sugaya
 Inquiries: Director Akihiro Hayashi TEL 03-6435-8570
 Scheduled date to file Quarterly Securities Report: November 14, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2019	2,935	–	18	–	11	–	(32)	–
Six months ended September 30, 2018	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2019	(1.18)	–
Six months ended September 30, 2018	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	3,993	2,888	70.6
As of March 31, 2019	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	0.00	–	0.00	0.00
Year ending March 31, 2020	–	0.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,563	–	~1,313	–	~1,313	–	~814	–	0.02 ~29.59

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2019	27,555,808 shares	As of March 31, 2019	27,555,072 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	43,874 shares	As of March 31, 2019	43,874 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	27,511,496 shares	Six months ended September 30, 2018	27,539,132 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of September 30, 2019

Assets	
Current assets	
Cash and deposits	1,217,371
Notes and accounts receivable - trade	1,094,740
Inventories	20,704
Other	91,331
Total current assets	2,424,149
Non-current assets	
Property, plant and equipment	273,400
Intangible assets	55,450
Investments and other assets	
Leasehold and guarantee deposits	392,306
Deferred tax assets	616,314
Other	231,502
Total investments and other assets	1,240,123
Total non-current assets	1,568,975
Total assets	3,993,124
Liabilities	
Current liabilities	
Notes and accounts payable - trade	423,973
Income taxes payable	129,822
Provision for bonuses	63,934
Asset retirement obligations	5,700
Other	428,637
Total current liabilities	1,052,067
Non-current liabilities	
Asset retirement obligations	52,155
Total non-current liabilities	52,155
Total liabilities	1,104,223
Net assets	
Shareholders' equity	
Share capital	443,349
Capital surplus	727,480
Retained earnings	1,723,078
Treasury shares	(75,272)
Total shareholders' equity	2,818,635
Non-controlling interests	70,265
Total net assets	2,888,901
Total liabilities and net assets	3,993,124

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended September 30, 2019
Net sales	2,935,678
Cost of sales	1,167,308
Gross profit	1,768,370
Selling, general and administrative expenses	1,749,996
Operating profit	18,373
Non-operating income	
Interest income	3
Commission income	3,448
Other	2,004
Total non-operating income	5,456
Non-operating expenses	
Foreign exchange losses	1,767
Loss on investments in investment partnerships	10,344
Other	7
Total non-operating expenses	12,118
Ordinary profit	11,711
Profit before income taxes	11,711
Income taxes - current	112,027
Income taxes - deferred	(67,489)
Total income taxes	44,537
Loss	(32,826)
Loss attributable to non-controlling interests	(234)
Loss attributable to owners of parent	(32,591)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2019
Loss	(32,826)
Comprehensive income	(32,826)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(32,591)
Comprehensive income attributable to non-controlling interests	(234)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2019
Cash flows from operating activities	
Profit before income taxes	11,711
Depreciation	55,753
Amortization of goodwill	19,617
Increase (decrease) in provision for bonuses for directors (and other officers)	(10,450)
Increase (decrease) in provision for bonuses	(23,693)
Increase (decrease) in provision for loss on order received	1,800
Interest and dividend income	(3)
Foreign exchange losses (gains)	1,821
Loss (gain) on investments in investment partnerships	10,344
Decrease (increase) in trade receivables	79,262
Decrease (increase) in inventories	13,441
Increase (decrease) in trade payables	157,329
Increase (decrease) in accounts payable - other	10,230
Increase (decrease) in accrued expenses	(21,053)
Increase (decrease) in accrued consumption taxes	(2,675)
Increase (decrease) in advances received	(24,505)
Increase (decrease) in unearned revenue	106,388
Other, net	35,798
Subtotal	421,116
Interest and dividends received	3
Income taxes paid	(95,358)
Net cash provided by (used in) operating activities	325,761
Cash flows from investing activities	
Purchase of property, plant and equipment	(99,674)
Purchase of intangible assets	(16,865)
Payments of leasehold and guarantee deposits	(235,042)
Proceeds from refund of leasehold and guarantee deposits	44,603
Other, net	198
Net cash provided by (used in) investing activities	(306,780)
Cash flows from financing activities	
Proceeds from issuance of shares resulting from exercise of share acquisition rights	70
Net cash provided by (used in) financing activities	70
Effect of exchange rate change on cash and cash equivalents	(1,821)
Net increase (decrease) in cash and cash equivalents	17,230
Cash and cash equivalents at beginning of period	1,127,679
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	72,461
Cash and cash equivalents at end of period	1,217,371