

**Non-Consolidated Financial Results for the Second Quarter of the Fiscal Year  
Ending March 31, 2016 (Japanese GAAP)**

November 13, 2015

Listed exchange: Tokyo Stock Exchange, first section

Company Name: OPTiM Corporation

Stock code: 3694 URL <http://en.optim.co.jp/>

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Financial results submission date: November 13, 2015

Scheduled dividend payment date: --

Supplementary financial result explanatory materials: none

Quarterly financial report meeting: yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Performance for the second quarter of fiscal year 2015 (April 1, 2015 - September 30, 2015)

(1) Financial results (cumulative) (% represents change from same period of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to the company	
	(in million yen)	%	(in million yen)	%	(in million yen)	%	(in million yen)	%
FY 2015 Q2	1,229	33.9	276	50.3	276	49.7	172	48.8
FY 2014 Q2	918	--	183	--	184	--	115	--

	Basic Earnings per Share	Diluted Earnings per Share
	yen (with fractions)	yen (with fractions)
FY 2015 Q2	26.08	24.00
FY 2014 Q2	20.84	--

(Notes) 1. The company did not release a financial statement for the fiscal year 2013, so the percent change from that year cannot be shown.

2. The diluted earnings per share for FY 2014 Q2 is not included, because the company was unlisted during the period and the average stock price cannot be calculated although there were dilutive shares.

3. On July 9, 2014, the number of shares of the company was doubled. On April 1, 2015, the number of shares was increased again, this time in 1-to-4 stock split. So the basic earnings per share and the diluted earnings per share are calculated assuming that the split occurred in the beginning of the fiscal year 2014.

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	(in million yen)	(in million yen)	%
FY 2015 Q2	2,377	1,890	79.5
FY 2014	2,396	1,717	71.7

(Reference) Equity FY 2015 Q2: 1,890 million yen FY 2014: 1,717 million yen

2. Dividends

	Dividends per Share				
	First Quarter	Second Quarter	Third Quarter	End of Year	Annual Total
	yen (with fractions)	yen (with fractions)	yen (with fractions)	yen (with fractions)	yen (with fractions)
FY 2014	--	0.00	--	0.00	0.00
FY 2015	--	0.00			
FY 2015 (projected)			--	0.00	0.00

(Note) Revisions to the latest dividend forecast: none

3. Earnings forecasts for fiscal year 2015 (April 1, 2015 - March 31, 2016)

(% represents change from same period of the previous year)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to the company		Earnings per Share
	(in million yen)	%	(in million yen)	%	(in million yen)	%	(in million yen)	%	yen (with fractions)
FY 2015	2,500	16.3	500	24.4	500	23.9	327	34.8	49.59

(Note) Revisions to the latest consolidated earnings forecast: none

※ Notes

(1) Use of special accounting for preparing quarterly financial statements: none

(2) Changes in accounting policies, changes in accounting estimates and restatement

- ① Changes in accounting policies due to revisions to accounting standards and other regulations: none
- ② Changes in accounting policies other than ①: none
- ③ Changes in accounting estimates: none
- ④ Restatements: none

(3) Number of issued shares (common shares)

1 Total number of issued shares at end of period(including treasury shares)	FY 2015 Q2	6,611,600 shares	FY 2014	6,611,600 shares
2 Number of treasury shares at end of period	FY 2015 Q2	40 shares	FY 2014	40 shares
3 Average number of shares (cumulative from the beginning of the year)	FY 2015 Q2	6,611,560 shares	FY 2014 Q2	5,560,588 shares

(Note) On July 9, 2014, number of shares of the company was doubled. On April 1, 2015, the number of shares was increased again, this time in a 1-to-4 stock split. So the number of shares is calculated assuming that the split occurred in the beginning of the fiscal year 2014.

※ Implementation of quarterly review procedures

This financial report is exempt from quarterly review standards based on the Financial Instruments and Exchange Act. However, at the time of this disclosure, the quarterly financial statement review procedures have been completed.

※ Explanation of appropriate use of the earnings forecast and other issues

The forward-looking statements in this document concerning forecasts of performance and other results are based on information held by the company and assumptions that were considered reasonable at the time of drafting this document. As such, actual figures may vary greatly from these estimates.

For the predetermined conditions of these earnings estimates and other notes on the usage of these earnings estimates, please consult supplemental materials page 2, "1. Qualitative information on quarterly results (1) Explanation of financial results."

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## 1. Qualitative information on quarterly results

### (1) Explanation of financial results

The Japanese economy saw continued steady improvement in corporate profits, employment and earnings during the second quarter. However, although the current economic environment is backed by this gentle recovery, there are still concerns over the risk of dropping stock prices due to worries over the slowing of the Chinese economy.

The company's surrounding economic environment included the continuing spread of smart devices. In addition to simply replacing feature phones in the corporate sphere, these devices are becoming increasingly necessary in the workplace.

For this environment, the company has been expanding its licenses. For IoT platform services (note), Optimal Biz earned the No. 1 sales share of the domestic SaaS IT Asset Management & MDM Market for four straight years, from 2011 to 2014, according to research from MIC Research Institute, Ltd. Furthermore, it also achieved the No. 1 sales share of Japan's mobile management tool (EMM) market in 2014, according to the results of a report by Fuji Chimera Research Institute. In other news, Optimal Biz Secure Sync was released, a service that provides a safe environment for essential business applications such as mail and scheduling.

The remote management service experienced an aggressive expansion in added support for new operating systems. This adds increased functionality to both new and current users. The company is also putting forward its concept of Remote Experience Sharing, with people remotely sharing experience (knowledge, know-how, information) with individuals/groups in real-time. As part of this push, the company has been jointly developing with Telepathy Japan Inc. The first result of their work is Remote Action, a smart glass for remote operational work. This product is hands-free and stress-free, meaning that the user can receive support remotely without having to hold the device, leaving their hands free for the work. The company predicts that this product can be used in nearly any environment.

In the consumer area, the MVNO market is continuing to be spread, and the company is continually making new partnerships for selling its Unlimited Tablet service. The company has been able to make such arrangements with NTT Communications, TOKAI Communications Corporation, Dospara Co., Ltd. and TEN FEET WRIGHT INC.

The current earnings structure is the monthly subscription model, and the earnings from such contracts is steadily growing. Because of its characteristics, such earnings show much bias to the latter half of fiscal year. In addition, the focus of the company's projects are for enterprise use, and many customers concentrate custom orders at the end of the fiscal year, between December and March. So, the company's sales tend to occur mainly in that time.

As a result, the company's sales in the second quarter were 1,229,857,000 yen, and increase of 33.9% over the same quarter of the previous year. The operating income was 276,098,000 yen, an increase of 50.3%, the ordinary profit was 276,437,000 yen, and increase of 49.7% and the quarterly net income was 172,458,000 yen, an increase of 48.8% over the same quarter of the previous year.

Finally, as OPTiM focuses on a single segment for license sales and maintenance support service (Optimal), segmentation was omitted from this explanation, however, service classifications will follow.

(Note) In this period the service "Cloud Device Management Service" has been renamed to "IoT Platform Service" in order to properly convey the contents of said service. As a result, the company's service classifications of "Cloud Device Management Service," "Remote Management Service," "Support Service" and "Other Services" are now "IoT Platform Service," "Remote Management Service," "Support Service" and "Other Services."

(Background of service name change)

Since 2006, the company has strived to develop a platform under the concept of "Creating a platform to manage all network devices." This first concept was to create a service for managing devices on the cloud, and out of that came the service called "Cloud Device Management Service."

However, as technology progresses, it has created an environment where hardware, software and networks are increasingly valuable and are connecting with appliances in the IoT (Internet of Things), with many devices becoming autonomous.

Considering this evolution, OPTiM expanded its focus in 2014, turning attention to devices outside of PCs, mobile devices, and other office IT. Specifically, the company announced its Wearable Device Management service, and supporting wearable devices. Next, it continued R&D to address network cameras and sensors. OPTiM increased the scope of the "Cloud Device Management" concept, and also due to the emergence of the IoT, this update of the service's name "IoT Platform Service" portrays a more accurate description of its reach.

### ① IoT Platform Service

The number of Optimal Biz licenses has been growing steadily, and the service has achieved the No. 1 market share in a number of research results. In the sales area, sales partnerships have been reliably growing, and the service has been increasingly used on company-use smart devices. Optimal Biz was also upgraded, and swiftly added support for new operating systems. The customers reacted positively to such advancements, as shown in the increased sales share.

In the market, IoT is becoming more mainstream, and the need for management systems for devices beyond smart devices and PCs is growing. In order to develop a management platform for connecting various devices, such as network cameras to the internet or sensors, the company is assertively investing. And in the same field, the company is striving to recreate industries with the "○○×IT" projects, where the power of IT is combined with various industries. In the agriculture × IT area, the company, along with Saga University and Saga Prefectural Government, entered a three-party agreement. The goal of this agreement is to help the domestic agricultural industry, which is currently belighted with issues such as a decline in workers and the Trans-Pacific Partnership agreement. With its aim to realize "Fun, cool and profitable agriculture," the company launched "SkySight," a big data analysis platform that supports drones. OPTiM is striving to realize agriculture that utilizes IT such as drones and wearables.

### ② Remote Management Service

In addition to the current operating systems, support was also added for the newest operating systems. Furthermore, the usage of both new accounts and existing accounts increased, leading to strong growth. In addition, "Premium Remote Support service," the service specialized for call centers, is seeing steady growth with new partners in both the fixed line and MVNO markets.

With the "Remote Experience Sharing," service concept, the company is offering Remote Action, a smart glass for remote operational work. Also, the company has entered business partnership with MRT Inc. to release Pocket Doctor, a remote medical and health assistance service, realizing IT medical service/health care. In the cosmetics × IT area, the company has entered the cosmetics market with a remote makeup support service. With services like these, OPTiM will enter various markets to find profitable partnerships, unbound by the tradition of current smart devices

### ③ Support Service

As the PC market is shrinking, OPTiM's sales figures in this area are decreasing. From now, this company will look towards MVNOs and the Hikari Collaboration Model, and develop and offer device diagnostic tools and develop and offer device diagnostic tools. OPTiM plans to apply these services to mobile line technology in addition to landlines to aim for continued growth.

### ④ Other Services

The growth of business with Unlimited Software and Unlimited Biz Software (corporate-use version of Unlimited Software) has been occurring alongside the increasing focus on businesspeople by major fixed-line communication service carriers. In addition, the company has entered agreements with MVNOs, ISPs, and mobile device sellers to provide Unlimited Tablet and Unlimited Smartphone services, and is continuing to find new sales channels.

## (2) Explanation of financial position

## ① Assets, liabilities, and net assets

## (Assets)

The total of the current assets at the end of this year's second quarter fiscal period is 2,177,121,000 yen, a decrease of 23,193,000 from the end of the previous fiscal year. The reason for this decrease is due to decreases of 73,239,000 yen in cash and deposits and 33,610,000 yen in deferred tax assets included in other terms of tangible assets, while notes and accounts receivable (trade) grew by 89,994,000 yen.

The total for current assets at the end of this year's second quarter is 200,356,000 yen, an increase of 4,562,000 yen from the end of the previous fiscal year. The reasons for this increase are mainly due to an increase of 4,286,000 yen in tangible fixed assets.

As a result of the above changes, the total balance of total assets of the second quarter of this fiscal year is 2,377,478,000 yen, a decrease of 18,630,000 yen from the end of the previous year.

## (Liabilities)

At the end of the second quarter of this fiscal year, the total liabilities totaled 487,386,000 yen, a 191,089,000 yen decrease from the total at the end of the previous fiscal year. This is mainly a result from a decrease in the value of income tax payable by 81,046,000 yen, in notes and accounts payable trade value by 69,839,000 yen and in provision for bonuses by 46,500,000 yen.

## (Net Assets)

The total net assets at the end of this fiscal year's second quarter is 1,890,092,000 yen, an increase of 172,458,000 yen from the end of the previous fiscal year. This is due to an increase of 172,458,000 yen in retained earnings from quarterly profits.

## ② Cash flow analysis

Cash and cash equivalents (henceforth referred to as "capital") for the total second quarter of this fiscal year has decreased by 773,239,000 yen from the end of the previous year to 986,493,000 yen.

The reasons for the state of the cash flow are as follows.

## (Cash flows from operating activities)

This quarter, 61,529,000 yen in capital was spent for operating activities, while 508,173,000 was acquired in the same quarter of the previous year. The main reason for this was due to profit before taxes being 276,437,000 yen, while corporate tax was 152,842,000 yen, sales credit increased by 89,994,000 yen, and trade payables decreased by 69,839,000 yen.

## (Cash flows from investing activities)

This quarter, 711,709,000 yen in capital was used for investing activities, while 306,082,000 was used in the same quarter of the previous year. The main reason for this was time deposits of 700,000,000 yen.

## (Cash flows from financing activities)

This quarter, no capital was used for financing activities, while 163,593,000 was used in the same quarter of the previous year.

## (3) Explanation of earnings forecasts and other forecasts

The achievement forecasts for fiscal year 2015 have not differed from the forecasts officially announced on May 15, 2015 in the Non-Consolidated Financial Statement for Fiscal Year 2014.

2. Quarterly Financial Statements  
 (1) Balance sheet

(in thousand yen)

	FY 2014 (As of March 31, 2015)	FY 2015 Q2 (As of September 30, 2015)
<b>Assets</b>		
Current Assets		
Cash and deposits	1,759,732	1,686,493
Notes and accounts receivable - trade	349,691	439,686
Work in process	12,696	4,601
Other	78,194	46,340
<b>Total current assets</b>	<b>2,200,315</b>	<b>2,177,121</b>
Non-current assets		
Property, plant and equipment	57,556	61,842
Intangible assets	8,530	7,294
Investments and other assets	129,706	131,219
<b>Total non-current assets</b>	<b>195,793</b>	<b>200,356</b>
<b>Total assets</b>	<b>2,396,108</b>	<b>2,377,478</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	122,395	52,555
Income taxes payable	157,932	76,886
Provision for bonuses	61,500	15,000
Provision for directors' bonuses	29,400	10,449
Other	287,771	312,926
<b>Total current liabilities</b>	<b>659,000</b>	<b>467,819</b>
Non-current liabilities		
Asset retirement obligations	19,475	19,567
<b>Total non-current liabilities</b>	<b>19,475</b>	<b>19,567</b>
<b>Total liabilities</b>	<b>678,475</b>	<b>487,386</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	411,356	411,356
Capital surplus	695,487	695,487
Retained earnings	610,804	783,263
Treasury stock	-14	-14
<b>Total shareholders' equity</b>	<b>1,717,633</b>	<b>1,890,092</b>
<b>Total net assets</b>	<b>1,717,633</b>	<b>1,890,092</b>
<b>Total liabilities and net assets</b>	<b>2,396,108</b>	<b>2,377,478</b>



(2) Statement of Income  
(Second quarter, Fiscal year 2015)

(in thousand yen)

	FY 2014 Q2 (April 1, 2014 to September 30, 2014)	FY 2015 Q2 (April 1, 2015 to September 30, 2015)
Net Sales	918,266	1,229,857
Cost of sales	98,180	202,939
Gross profit	820,085	1,026,918
Selling, general and administrative expenses	636,435	750,819
Operating Income	183,650	276,098
Non-operating income		
Interest income	32	243
Subsidy income	1,012	-
Miscellaneous income	165	163
Total non-operating income	1,210	407
Non-operating expenses		
Foreign exchange losses	166	68
Miscellaneous losses	0	-
Total non-operating expenses	166	68
Ordinary Income	184,693	276,437
Income before taxes	184,693	276,437
Income taxes - current	59,343	70,721
Income taxes - deferred	9,468	33,257
Total income taxes	68,812	103,978
Profit	115,880	172,458

## (3) Statement of Cash Flow

(in thousand yen)

	FY 2014 Q2 (April 1, 2014 to September 30, 2014)	FY 2015 Q2 (April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before taxes	184,693	276,437
Depreciation cost	7,199	7,499
Provision for directors' bonuses	-14,449	-18,950
Provision for bonuses	-4,000	-46,500
Provision for loss on orders received	-14,600	-
Provision for interest income and receipt	-32	-243
Notes and accounts receivable - trade	87,217	-89,994
Inventory assets	10,690	8,094
Notes and accounts payable - trade	1,900	-69,839
Accounts payable - other	-36,738	-37,806
Accrued expenses	-18,227	-16,375
Accrued consumption taxes	21,933	-47,881
Unearned revenue	320,168	126,582
Other	-4,376	47
Subtotal	541,380	91,069
Interest and dividend income received	32	243
Corporation taxes and other tax payments	-33,238	-152,842
Cash flows from operating activities	508,173	-61,529
Cash flows from investing activities		
Time deposits	-300,000	-700,000
Purchase of property, plant and equipment	-748	-10,185
Purchase of intangible assets	-5,338	-363
Payments for lease and guarantee deposits	-4	-1,260
Proceeds from collection of lease and guarantee deposits	10	99
Cash flow of investing activities	-306,082	-711,709
Cash flows from financing activities		
Purchase of treasury shares	-199,485	-
Proceeds from disposal of treasury shares	35,891	-
Cash flow of financial activities	-163,593	-
Cash and cash equivalents	38,498	-773,239
Cash and cash equivalents at beginning of period	506,539	1,759,732
Cash and cash equivalents at end of period	545,037	986,493

(4) Notes on quarterly financial statements

(Notes on assumptions of going concerns)

None to report.

(Notes on significant changes in the amount of shareholder's equity)

None to report.

\* This English translation is for reference purposes only. The original Japanese version will prevail as the official authoritative version.

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