

Translation

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**Summary of Non-Consolidated Financial Results
for the Six Months Ended September 30, 2018
(Based on Japanese GAAP)**

November 14, 2018

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, 2018
 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. Non-consolidated financial results for the six months ended September 30, 2018 (from April 1, 2018 to September 30, 2018)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2018	2,345	30.8	(437)	–	(427)	–	(311)	–
Six months ended September 30, 2017	1,792	13.6	260	(29.5)	258	(29.5)	150	(14.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	(22.59)		–	
Six months ended September 30, 2017	11.30		10.86	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	3,363	2,534	75.4
As of March 31, 2018	3,645	2,920	80.1

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, 2018	–	0.00	–	0.00	0.00
Year ending March 31, 2019	–	0.00	–	–	–
Year ending March 31, 2019 (Forecast)	–	–	–	–	–

3. Forecast of non-consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,060	20.2	–	–	–	–	–	–	–

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2018	13,774,704 shares	As of March 31, 2018	13,774,120 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	21,937 shares	As of March 31, 2018	188 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, 2018	13,769,565 shares	Six months ended September 30, 2017	13,328,507 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	1,654,957	1,255,505
Notes and accounts receivable - trade	747,304	620,797
Work in process	–	15,554
Other	113,133	77,225
Total current assets	2,515,395	1,969,083
Non-current assets		
Property, plant and equipment	156,025	204,245
Intangible assets	136,985	105,960
Investments and other assets		
Deferred tax assets	494,949	624,863
Other	342,021	459,742
Total investments and other assets	836,970	1,084,606
Total non-current assets	1,129,982	1,394,812
Total assets	3,645,377	3,363,895
Liabilities		
Current liabilities		
Notes and accounts payable - trade	237,840	350,488
Income taxes payable	8,961	22,687
Provision for bonuses	63,580	37,652
Provision for directors' bonuses	21,400	10,699
Other	363,503	378,146
Total current liabilities	695,285	799,675
Non-current liabilities		
Asset retirement obligations	29,235	29,264
Total non-current liabilities	29,235	29,264
Total liabilities	724,521	828,940
Net assets		
Shareholders' equity		
Capital stock	442,985	443,041
Capital surplus	727,117	727,173
Retained earnings	1,751,036	1,440,012
Treasury shares	(282)	(75,272)
Total shareholders' equity	2,920,856	2,534,955
Total net assets	2,920,856	2,534,955
Total liabilities and net assets	3,645,377	3,363,895

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales	1,792,774	2,345,256
Cost of sales	447,544	881,836
Gross profit	1,345,230	1,463,420
Selling, general and administrative expenses	1,084,249	1,901,107
Operating profit (loss)	260,981	(437,687)
Non-operating income		
Interest income	3	3
Foreign exchange gains	–	538
Subsidy income	250	150
Gain on investments in partnership	–	7,677
Miscellaneous income	994	1,580
Total non-operating income	1,247	9,949
Non-operating expenses		
Foreign exchange losses	81	–
Loss on investments in partnership	3,215	–
Miscellaneous loss	–	36
Total non-operating expenses	3,296	36
Ordinary profit (loss)	258,932	(427,775)
Extraordinary losses		
Loss on valuation of golf club membership	–	850
Total extraordinary losses	–	850
Profit (loss) before income taxes	258,932	(428,625)
Income taxes - current	145,161	12,312
Income taxes - deferred	(36,786)	(129,913)
Total income taxes	108,374	(117,601)
Profit (loss)	150,558	(311,023)

Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit (loss) before income taxes	258,932	(428,625)
Depreciation	27,620	39,540
Amortization of goodwill	–	19,617
Increase (decrease) in provision for directors' bonuses	(29,449)	(10,700)
Increase (decrease) in provision for bonuses	(42,115)	(25,927)
Interest and dividend income	(3)	(3)
Foreign exchange losses (gains)	–	(894)
Loss on valuation of golf club memberships	–	850
Loss (gain) on investments in partnership	3,215	(7,677)
Decrease (increase) in notes and accounts receivable - trade	155,726	126,506
Decrease (increase) in inventories	(16,824)	(15,645)
Increase (decrease) in notes and accounts payable - trade	(7,769)	112,648
Increase (decrease) in accounts payable - other	(25,439)	(32,189)
Increase (decrease) in accrued expenses	22,740	18,611
Increase (decrease) in unearned revenue	71,021	82,671
Other, net	(45,847)	(32,624)
Subtotal	371,808	(153,840)
Interest and dividend income received	3	3
Income taxes (paid) refund	(274,034)	3,050
Net cash provided by (used in) operating activities	97,777	(150,786)
Cash flows from investing activities		
Purchase of property, plant and equipment	(106,983)	(67,909)
Purchase of intangible assets	(30,407)	(4,130)
Purchase of investment securities	(60,000)	(60,000)
Payments for lease and guarantee deposits	–	(40,899)
Other, net	–	(1,868)
Net cash provided by (used in) investing activities	(197,391)	(174,807)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	388	112
Purchase of treasury shares	–	(74,865)
Net cash provided by (used in) financing activities	388	(74,752)
Effect of exchange rate change on cash and cash equivalents	–	894
Net increase (decrease) in cash and cash equivalents	(99,225)	(399,452)
Cash and cash equivalents at beginning of period	2,038,659	1,654,957
Cash and cash equivalents at end of period	1,939,434	1,255,505