

THE LEADER in DIGITAL SHIFT

- Digital Shift Company -

July 1, 2020: The trade name will be changed.
From OPT Holding, Inc. to DIGITAL HOLDINGS, INC.

For the sake of improved understanding of financial performance in OPT Holding, Inc. for non-Japanese investors, this English translation is prepared. In the event of any discrepancy between this English document and the Japanese original, the original shall always prevail.

- The information contained in this material is stated with the utmost care for the purpose of allowing readers to understand business operations, management policies and plans, financial conditions, etc. in OPT Holding, Inc., but OPT Holding, Inc. does not guarantee the accuracy, completeness, usefulness, safety, etc. of the information at all.
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**Group Executive Officer of OPT Holding, Inc.
Group CFO, and responsible for business management**

Takayuki Katō
(Born in 1979)

Group Initiatives

- | | |
|------|--|
| 2004 | Joined OPT, Inc. (currently OPT Holding, Inc.) after working for a specialist trading company
Participation in the launch of the SEM Department and experience as a sales manager |
| 2007 | Director of Crossfinit Inc., a consolidated subsidiary |
| 2011 | President, Crossfinit Inc.
Expanding SEO sales, launching affiliate businesses, social marketing businesses, and expanding overseas |
| 2017 | Group Executive Officer, OPT Holding, Inc.
After liquidation of overseas business portfolio, responsible for Digital Shift business
Lead economic environment research, analysis, business development, investment, and group-wide strategy planning |
| 2020 | Group CFO (as of April 1) |

- | 1. FY2020 Q1 Executive Summary**
- | 2. FY2020 Q1 Executive Summary by Segment**
- | 3. Initiatives and impact of COVID-19**
- | 4. Vision and progress of Digital Shift business**
- | 5. Appendix**



1. FY2020 Q1 Executive Summary

Our Group has adopted Japanese GAAP. However, the following Non-GAAP indicators are used as key management indicators for more accurate judgment of business performance and financial position.

[Key indicators and their definitions]

1. EBIT (Earnings before Interest and Taxes)

Net income before income taxes + Interest expenses - Interest income

2. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)

EBITDA = EBIT + Other financial gains (losses) + Depreciation + Amortization
+ Stock-based compensation expense + Impairment losses

3. FCF (Free Cash Flow)

FCF = Cash flows from operating activities + Cash flows from investing activities
± Adjustment by temporary items

(Reference) The definition of EBITDA has been changed since fiscal 2020 to improve the usefulness of the indicators.

Before change		After the change
EBIT		EBIT
+ Other financial gains (losses)		+ Other financial gains (losses)
+ Depreciation		+ Depreciations
+ Amortization of intangible assets		+ amortization expense
+ Amortization of long-term prepaid expenses		+ stock-based compensation expense
+ non-cash gains and losses		+ Impairment losses

- Revenue YoY **8.6% up** and EBITDA YoY **103.3% up**

Revenue	JPY 23,405 million	YoY	8.6 % up
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Operating profit	JPY 473 million	YoY	16.4 % up
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EBITDA	JPY 1,311 million	YoY	103.3 % up
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Quarterly net income attributable to owners of parent	JPY 682 million	YoY	181.2 % up
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- Digital Shift KPI

Revenue	JPY 487 million	YoY	19.2 % down
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Composition ratio of gross profit	5.6 %	YoY	1.9 % up
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- **Revenue YoY 8.6% up, EBITDA YoY 103.3% up, high growth start**

Strong progress in marketing, which accounts for a large portion of revenue and profits

- Major Sub-segment: Revenue YoY **8.4% up**, EBITDA YoY **13.7% up**
- Local Small and Medium Sub-segment: Revenue YoY **32.6% up**, EBITDA YoY **209.6% up**

- **Even though steady progress has been made against the forecast announced at the beginning of the fiscal year, downside risks will be included from the second quarter onward.**

- ✓ Revenue forecast progress ratio is 25.4%: In the first quarter, progress was made as expected in both Major and Local Small and Medium Sub-segment.
- ✓ EBITDA forecast progress ratio is 36.7%: Profits progresses are higher than sales due to cost control such as operating expenses and recruiting expenses.
- ✓ Starting in the second quarter, however, the spread of the coronavirus could accelerate moves to cut advertising budgets in certain industries. As a result, it became difficult to reasonably estimate the performance forecast at present. Therefore, the company changed its full-year 2020 marketing business forecast to "undecided."

- **Acquire treasury shares (From February 13, 2020 to April 16, 2020)**

Implemented for the purpose of further returning profits to shareholders by improving capital efficiency and implementing a flexible capital policy.

- Total number of shares acquired: 705,900 shares (Ratio to the total number of outstanding shares: 3.0%)
- Total amount of acquisition: JPY 999,886,685

* Completion of acquisition due to reaching the acquisition limit on April 16, 2020

(Unit: JPY 1 million)

	FY2020 Q1	Fluctuations		FY2019 Q1
		Amount	YoY	
Revenue	23,405	1,849	8.6%	21,555
Gross profit	4,021	(156)	Hajime (3.7)%	4,178
Operating profit	473	66	16.4%	406
EBIT	1,087	644	145.5%	443
EBITDA * 1	1,311	666	103.3%	644
Net income attributable to owners of parent	682	439	181.2%	242
ROE (LTM) * 2 * 3	8.74%	1.51 pts	-	7.23%
Free cash flow	(439)	(111)	-	(327)
Per share Net income (yen): EPS	29.96	19.36	182.6%	10.60
Earnings per share- diluted (yen)	29.94	19.35	182.7%	10.59

*1 The definition of EBITDA has been changed since fiscal 2020 to improve the usefulness of the indicators.

EBITDA as defined before the change is JPY 1,224 million for FY2020 Q1 (YoY increase: 78.5%).

*2 ROE: Net income attributable to owners of parent (LTM) / (Average equity capital during the calculation period)

*3 LTM: Last Twelve Months



| 2. FY2020 Q1 Executive Summary by Segment

Revenue YoY 13.7% Increase, EBITDA YoY 37.2% Increase

- Mager Sub-segment: Strong progress in digital marketing support for large customers and existing long-term customers which it was developed last year, and the effect of cost control led to increased revenue and profit.
- Local Small and Medium Sub-segment : Revenue and profit increased due to favorable progress in digital marketing support for existing customers, mainly EC-related customers.

(Unit: JPY 1 million)

	Mager Sub-segment			Local Small and Medium Sub-segment			Total Marketing Business		
	FY2020 Q1	Fluctuations	FY2019 Q1	FY2020 Q1	Fluctuations	FY2019 Q1	FY2020 Q1	Fluctuations	FY2019 Q1
Revenue	17,535	8.4%	16,177	5,654	32.6%	4,263	23,077	13.7%	20,298
Gross profit	2,841	4.3%	2,725	1,121	33.5%	839	3,962	11.1%	3,564
SG&A	(1,964)	(0.3)%	(1,958)	(817)	(7.8)%	(758)	(2,781)	(2.7)%	(2,709)
Operating profit	877	14.3%	767	303	274.5%	81	1,181	38.0%	855
EBIT	909	18.0%	771	304	272.9%	81	1,214	41.3%	859
EBITDA	963	13.7%	846	357	209.6%	115	1,320	37.2%	962

*Operating profit/EBIT/EBITDA: HD Management Cost Pre-allocation

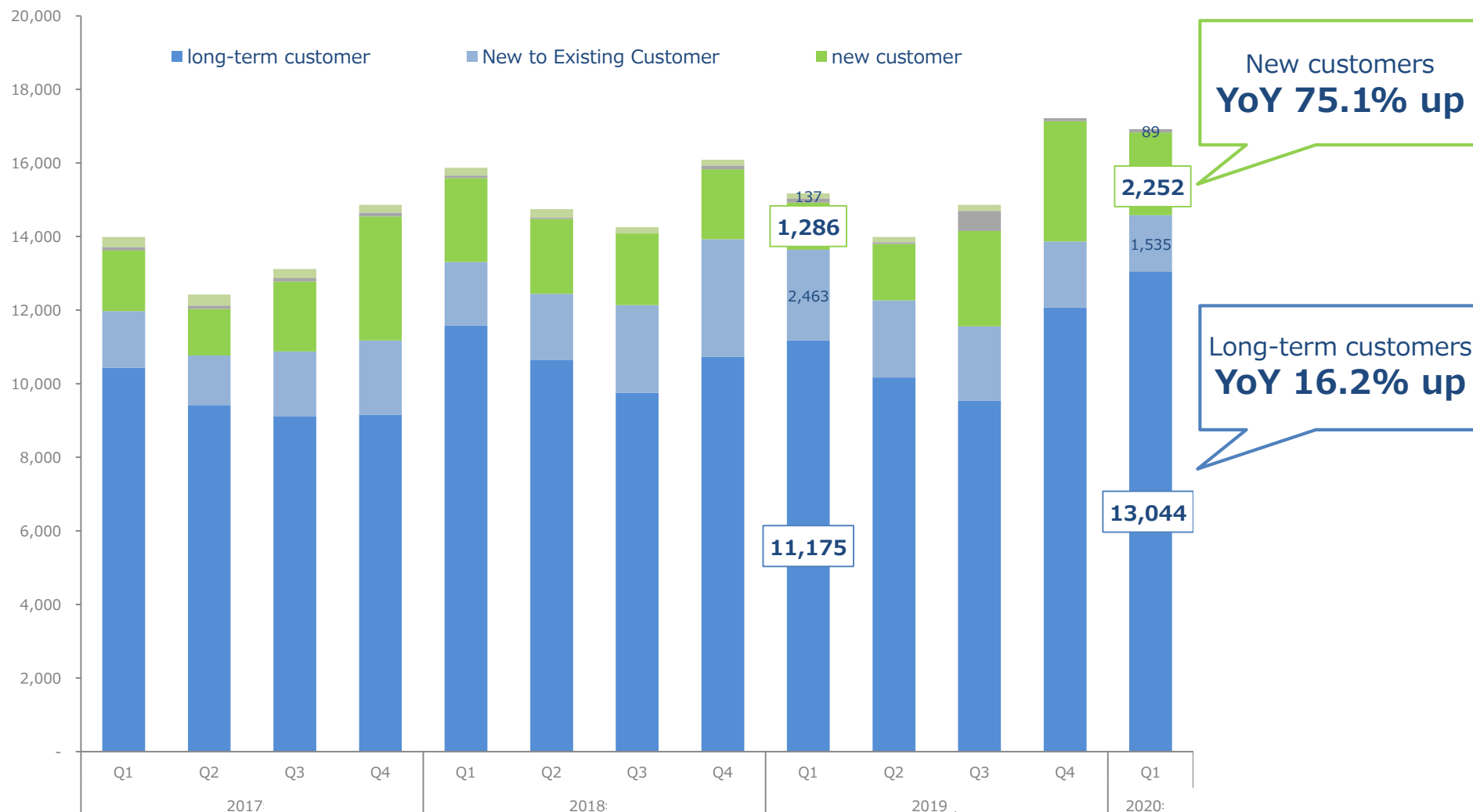
*Total Marketing Business : Figures include intersegment adjustments between Mager Sub-segment and Local Small and Medium Sub-segment



FY2020 Q1 Marketing business: Major Sub-segment (OPT, Inc.)

- Digital marketing support was strong for both existing long-term and new customers
- Revenue YoY 11.5% up

(Unit: JPY 1 million)



* Long-term customers: Customers with more than 24 months of continuous business. Mid-term customers : Customers with 12 months to less than 24 months of continuous business.

New customers: Customers with 1 month to less than 12 months of business. Spot, etc.: Customers with less than one month of business.

* Crossfinity Inc. Related: The impact of the merger of a portion of the business of Crossfinity Inc. into OPT Inc., resulting in revenue, due to the reorganization of a subsidiary within Major Sub-Segment.

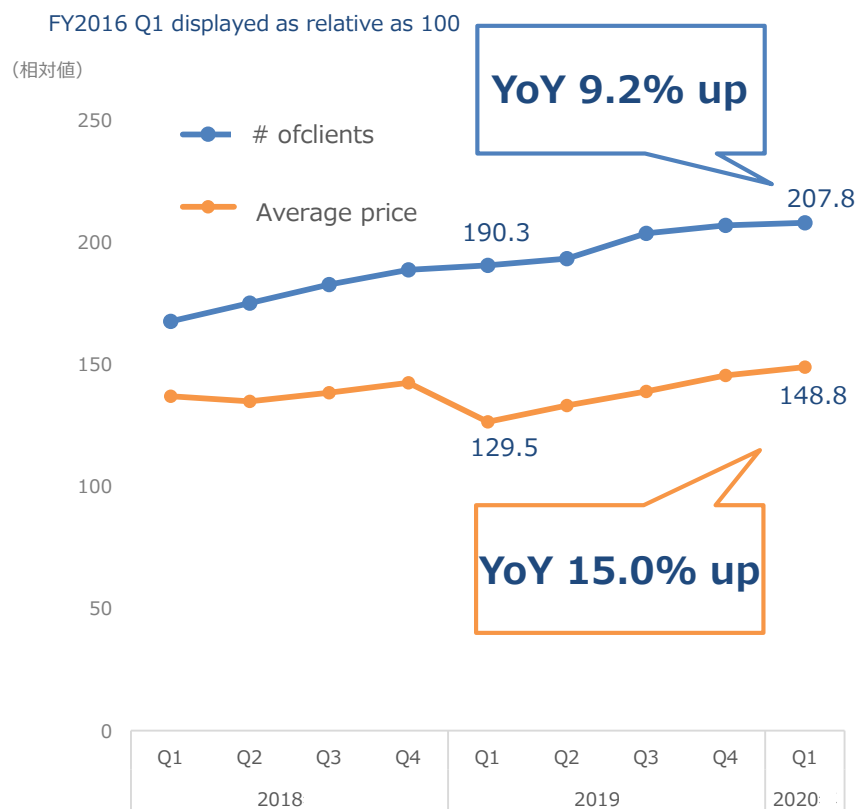


FY2020 Q1 Marketing business: Local Small and Medium Sub-segment

- Increase in unit price mainly from customers acquired last year

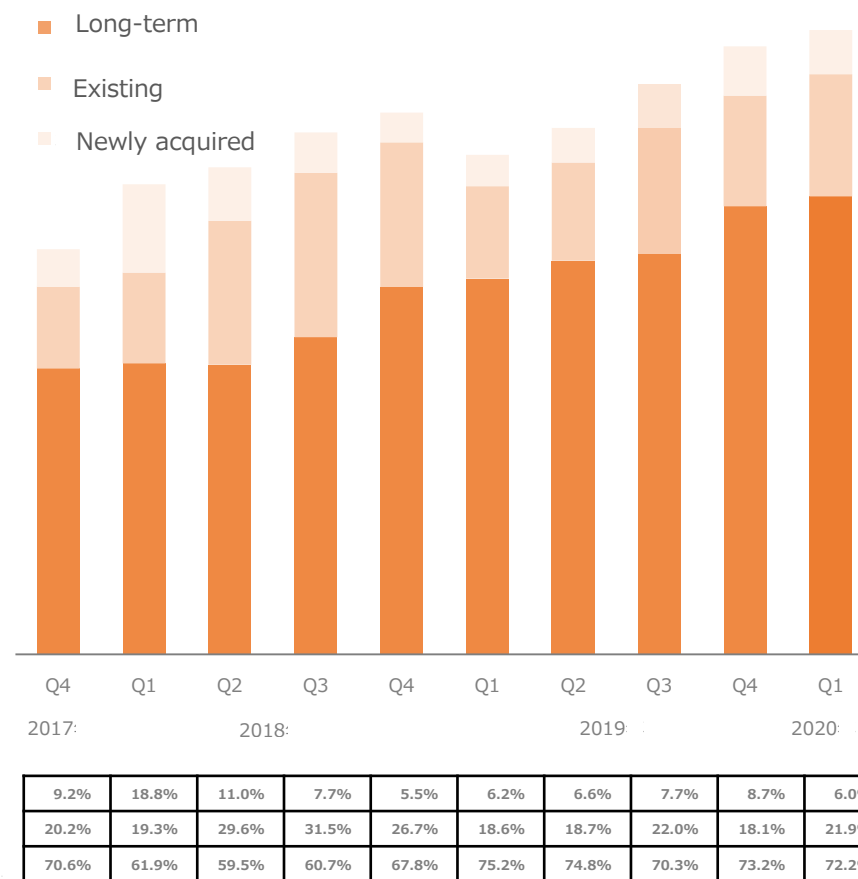
[Number of Companies (N) × Unit Price (U)]

- N: Strong performance due to acquisition of new customers
- U: Increase in U mainly from customers acquired last year



[Trend by Customer Category]

- Driven by increased revenue from customers acquired in the second half of last year



Revenue YoY 73.9% down, EBITDA YoY 292.7% up

- Revenue: Decrease due to gain on sales of operational investment securities recognized in the same period of the previous fiscal year and the effect of exclusion from consolidation due to sales of overseas consolidated subsidiaries
- EBITDA: Increase due to gain on sale of certain shares (extraordinary income) associated with IPO of Jimoty, Inc., an equity method affiliate.

(Unit: JPY 1 million)

	FY2020 Q1	Fluctuations		FY2019 Q1
		Amount	YoY	
Sales	329	(930)	(73.9)%	1,260
Gross profit	61	(555)	(90.1)%	617
SG&A	(197)	(333)	(62.7)%	(531)
Operating profit	(136)	(222)	(258.7)%	86
EBIT	445	330	286.9%	115
EBITDA	489	364	292.7%	124

*Operating profit/EBIT/EBITDA: HD Management Cost Pre-allocation

SG&A YoY 6.7% down, EBITDA YoY 13.6% down

- The increase in SG&A due to investment (temporary outsourcing expenses, etc.) in improving operational productivity and expertise of the head office management division will be restrained by a HD management cost control measure in the medium to long term.

(Unit: JPY 1 million)

	FY2020 Q1	Fluctuations		FY2019 Q1
		Amount	YoY	
SG&A	(574)	(36)	(6.7)%	(538)
Operating profit	(574)	(36)	(6.7)%	(538)
EBIT	(575)	(41)	(7.7)%	(534)
EBITDA	(501)	(60)	(13.6)%	(441)

[Definition of HD management costs]

The definition of HD management costs has been revised as follows since 2018.

- ✓ Personnel expenses of OPT Holding, Inc. Administration Division
- ✓ HD maintenance costs other than personnel expenses borne by OPT Holding, Inc. Administration Division
- ✓ Partial service costs other than personnel costs provided by OPT Holding, Inc. Administration Division to its subsidiaries

*The difference between SG&A and EBIT is the effect of non-operating income and expenses.

*The difference between EBIT and EBITDA is due to the effect of stock compensation expenses (incurred from FY2018 Q3).



| 3. Initiatives and impact of COVID-19

We would like to express our deepest sympathy and condolences to all those infected with COVID-19, as well as those affected by the spread of infectious diseases.

I would also like to express my heartfelt gratitude to the medical institutions and all those who are working on the front line to fight against COVID-19.

It is precisely because of this situation that OPT Group will work together to support digital shift by utilizing the digital know-how and expertise of our Group and staying close to our customers.

Measures to prevent the spread of COVID-19

- Launched a task force within the Group
- Prevent the spread of infection and ensure the safety and health of employees. Based on the action plan set by the government according to the stage of occurrence, a company-wide response policy was quickly decided.

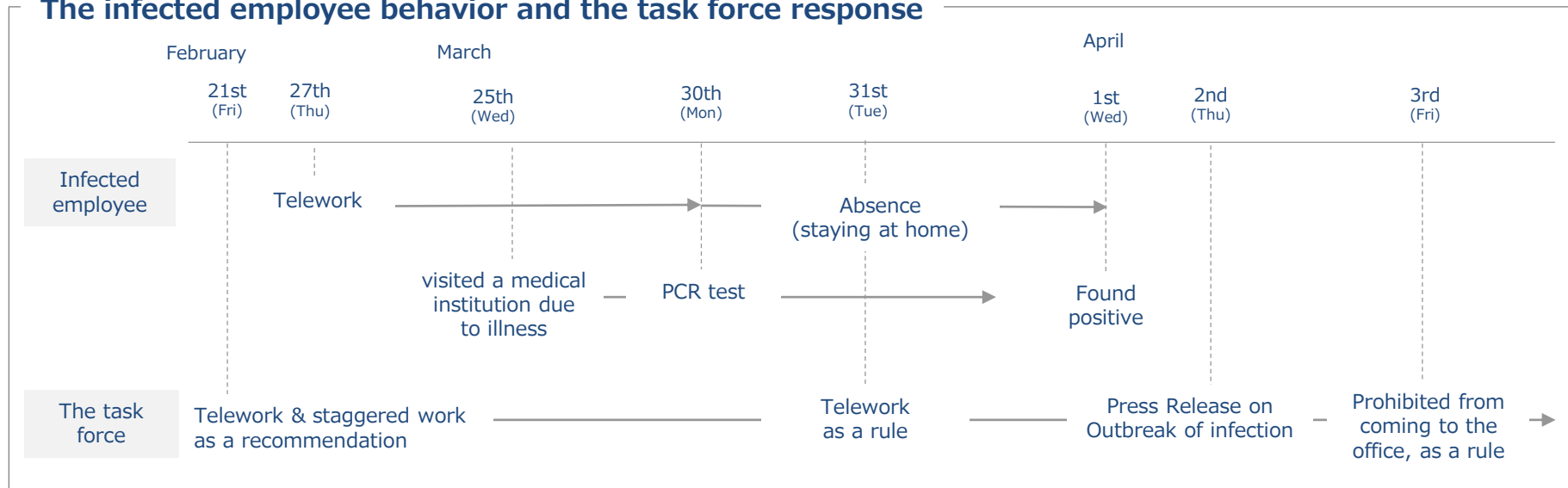
Continue operations using online tools
while giving maximum consideration to the safety of employees, customers, and partner companies

	Work style	Meeting	Others
Feb	* Working from Home from 21st (as a recommendation) * Staggered Work by Flex System (as a recommendation)	* Large Conferences changed to Online Conferences	*Infection prevention activity (Encourage frequent hand washing, gargling, and wearing masks)
Mar	* Working from Home from 31st (as a rule)	* Meeting changed to Online (as a rule) * Recruitment Seminars and Interviews changed to Online	*Prohibition of business trips, participation in external seminars, etc. *Introduction of special leave (childcare support)
Apr	* Prohibited from coming to the office from 3rd (as a rule)		
May	* Extension of our Company policy from 4th to 31st in response to continued declaration of state of emergency		

■ Response to an employee confirmed to be infected with COVID-19 in our group

- The task force collaborates with the competent health center to quickly study and implement countermeasures
- Measures were taken to ensure the safety of employees, on receiving a notice of the positive test for infection. The next day, we issued a press release and contacted customers, partner companies and other relevant parties.
- At present, the infected person is being treated at home according to the instruction of the competent health center. The condition is stable.








The infected employee behavior and the task force response



Judgment by the competent health center and response by our Company

- The employee had teleworked since the end of February, and it was found that the customer and our Company officers and employees had no close contacts.
- Disinfection of the head office was judged unnecessary by the competent health center.
- Continue to prohibit employees from coming to work at the head office and strengthen measures to prevent the spread of infection inside and outside the company.

Estimated impact and initiatives by segment

Segment	Estimated impact	Initiatives
Marketing business	 Curtailment and suspension of advertising budgets	Continue and expand support for relatively unaffected clients.
	 Expanding demand for digital shift from advertising to the entire enterprise	Beyond advertising support, focus on supporting digital shift of the entire client company. (Example: Call center business improvement, etc.)
Synergy Investment business	 Sluggish startup business	Implementation and support of carefully selected new investments based on an assessment of financial market trends.
	 Sluggish business in China	Review strategies of business in China.
	 Expanding demand for digital shift	Surge in digital shift support inquiries. Holding online seminars for managers on digital utilization, etc. Online AI learning program (SIGNATE Quest) gets good response. In addition to services for corporations, services for individuals was launched in April.
Whole company	 Worsening of cash flow due to prolonged economic stagnation Decrease in cash balance	Expansion of bank borrowing and implementation of cost control
	 Delays in new business investments, including M&A	Carefully assess cash on hand, economic conditions, target companies, and business conditions to determine the appropriate timing

■ Concept for the release of earnings forecasts, and currently assumed economic impacts

Concept

- In the first quarter, progress was made as expected in both major and local small and medium Sub-segment.
- Starting in the second quarter, however, the spread of the coronavirus could accelerate moves to cut advertising budgets in certain industries. As a result, it became difficult to reasonably estimate the performance forecast at present. Therefore, the company changed its full-year 2020 marketing business forecast to "undecided."
- Based on the above background, the Company will promptly make an immediate announcement when it becomes possible to forecast its financial results.

Currently assumed economic impacts

Downside

- Further reduction or suspension of advertising budgets by clients due to a significant economic downturn
- Credit loss risk due to client bankruptcy

Upside

- Expansion of advertising budget by clients not affected by COVID-19 (EC, social apps, etc.)
- Expanding the digital shift needs of the entire enterprise beyond digital advertising support



4. Vision and progress of Digital Shift business

Providing a new world view of Digital Shift that supports “a series of steps aimed at DX”

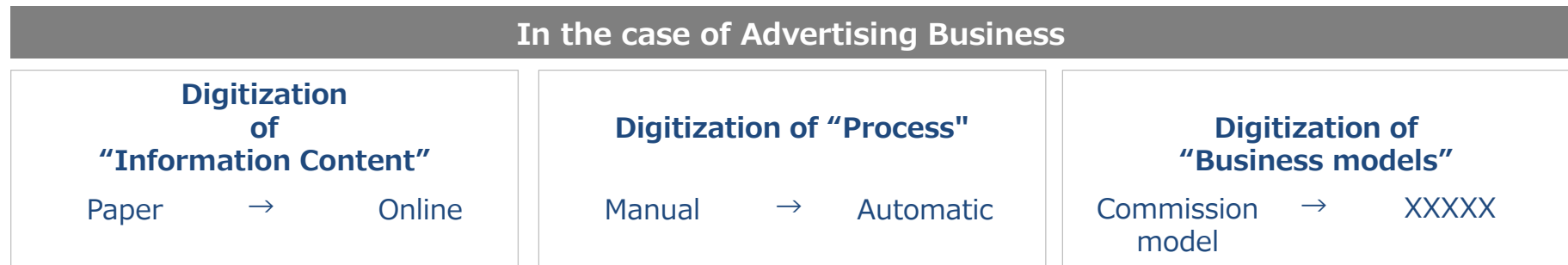
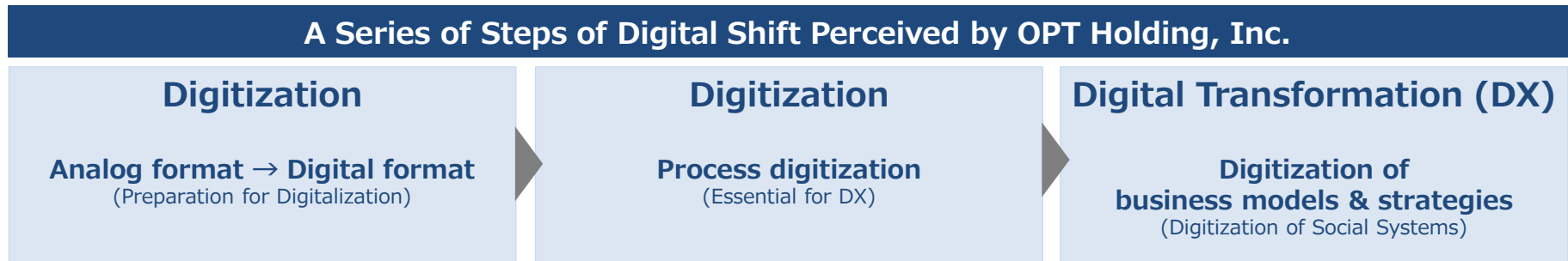
“Digital Shift” is
an important factor for sustainable growth of companies and the economy.

Solving social issues through Digital Shift

【 Social issues to be solved 】

- Decline in the working-age population due to the declining birthrate and aging population
- Low productivity from traditional working styles
- Fighting infections (Business environment will change After COVID-19)

The digital shift is composed of a series of steps aimed at the digital transformation, which changes business processes from analog to digital.



**New company and organization established
to accelerate Digital Shift**

OptDigital

**Realizes Digital Shift of companies
OptDigital Inc. Established**

Collaborating with major platformers
to provide agile solutions for Digital Shift

(Key KPIs: MRR)

L.I.C.

**Promote digital shift of companies
LINE Innovation Center Established**

Strengthen collaboration with LINE
To become the only industry-specific enterprise in Japan

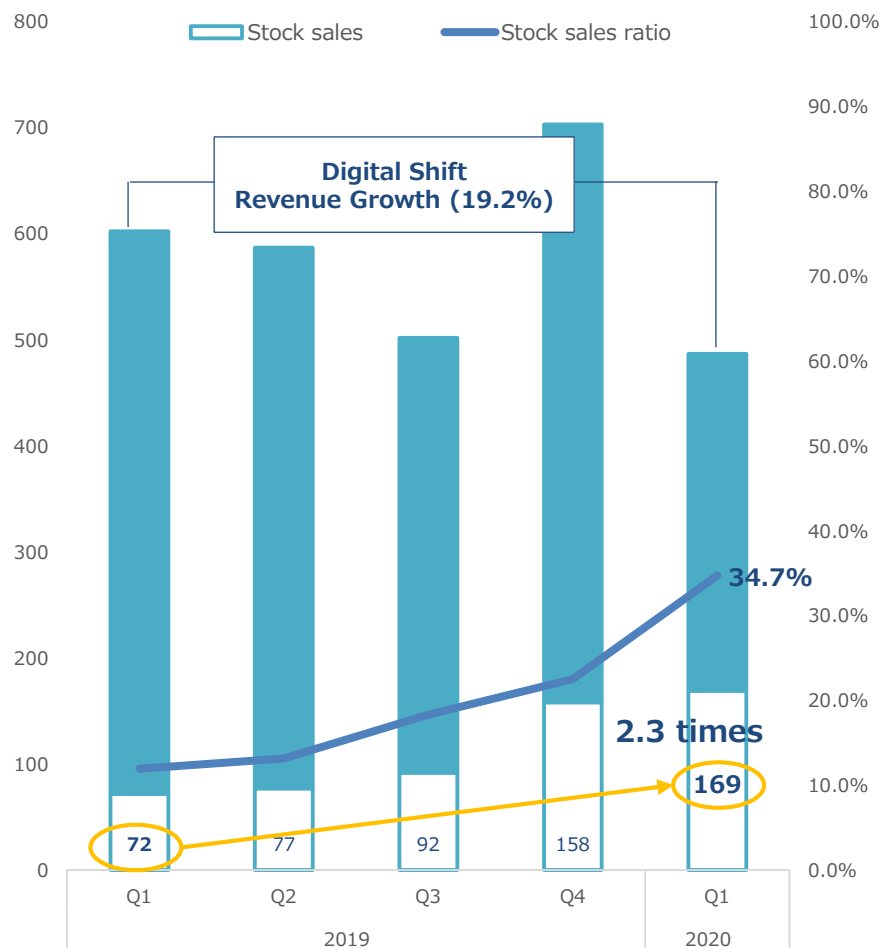
(Key KPIs: Number of Industry DX)

Revenue decreased due to the large order received in the same period of the previous year and sluggish business in China due to COVID-19, but

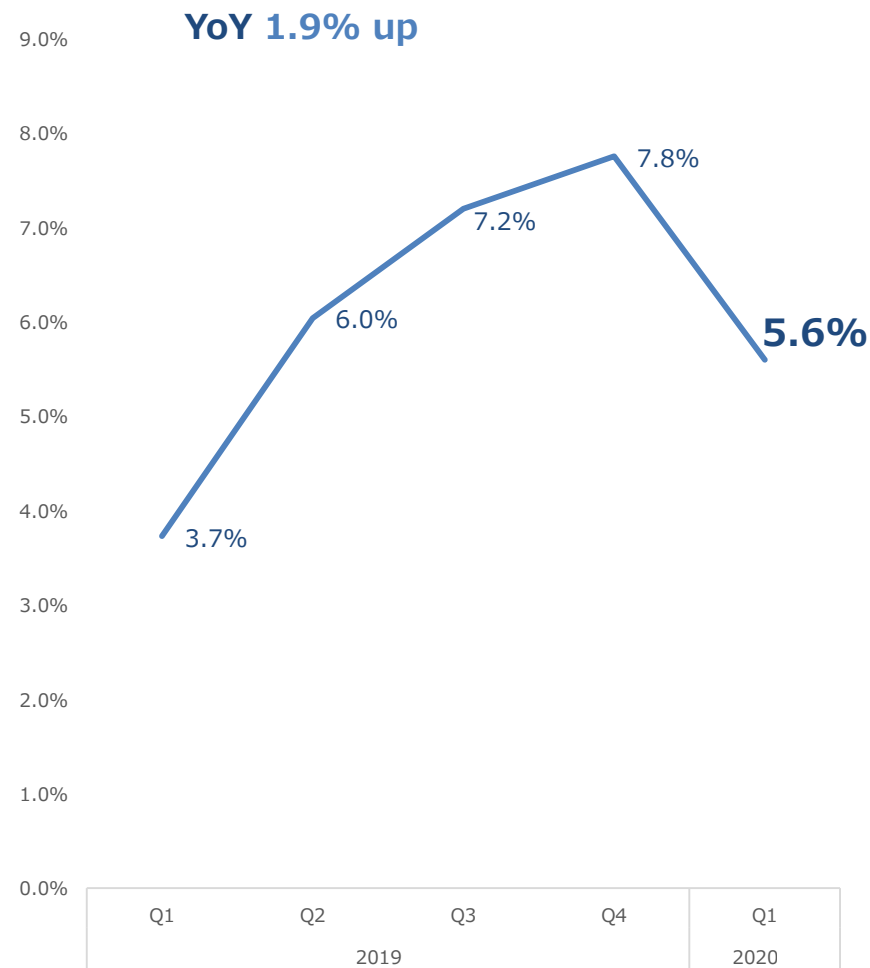
Subscription-based revenue progressed steadily, YoY 2.3 times.

Gross profit YoY 1.5 times, Gross profit composition ratio, 1.9% up.

Digital Shift Revenue/Growth



Digital Shift Gross profit Composition Ratio



*Due to the revision of the definition of Digital Shift, results for FY2019 are calculated based on the latest definition.

| 5. Appendix

Reform of business structure

From **Ad Agency Main** to **Digital Shift Main**

	Heretofore	From now on
Target indicator	2030 Revenue: JPY 1 trillion	2030 Corporate value: JPY 1 trillion (Estimated based on JPY 50 billion x 20 times EBITDA)

Main Businesses

Advertising agency business

Digital Shift business

Corporate Name	OPT Holding, Inc.	DIGITAL HOLDINGS, INC. (Scheduled for change on July 1)
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Key KPIs

- Revenue growth of Advertising business
- AUM and IRR of investment businesses

- **Revenue growth of Digital Shift business**
- **Composition ratio of gross profit of Digital Shift business**



Management (Directors and Audit & Supervisory Committee Members)



Chairman
Noboru Hachimine



President
Atsushi Nouchi



Director
Shūsaku Minoda



Director (External/Independent)
Tomoyuki Mizutani



Director (External/Independent)
Koji Yanagisawa



Director (External/Independent)
Yasuhiro Ogino



Director (External/Independent)
Audit & Supervisory
Committee Member

Fumiyuki Shinomiya



Director (External/Independent)
Audit & Supervisory
Committee Member

Yuki Okabe



Director (External/Independent)
Audit & Supervisory
Committee Member

Toshio Yamaue



Director (External/Independent)
Audit & Supervisory
Committee Member

Masahiro Yamamoto



Group CEO
Atsushi Nouchi



Group Chairman
Noboru Hachimine
(President, Digital Shift, Inc.)



Group CFO,
Responsible for business management
Takayuki Katō



Group CHRO
Jun Ishiwata



Responsible for
major and second-tier marketing business
Daisuke Kanazawa



Responsible for
Tech & Solutions business
Yasushi Ishihara

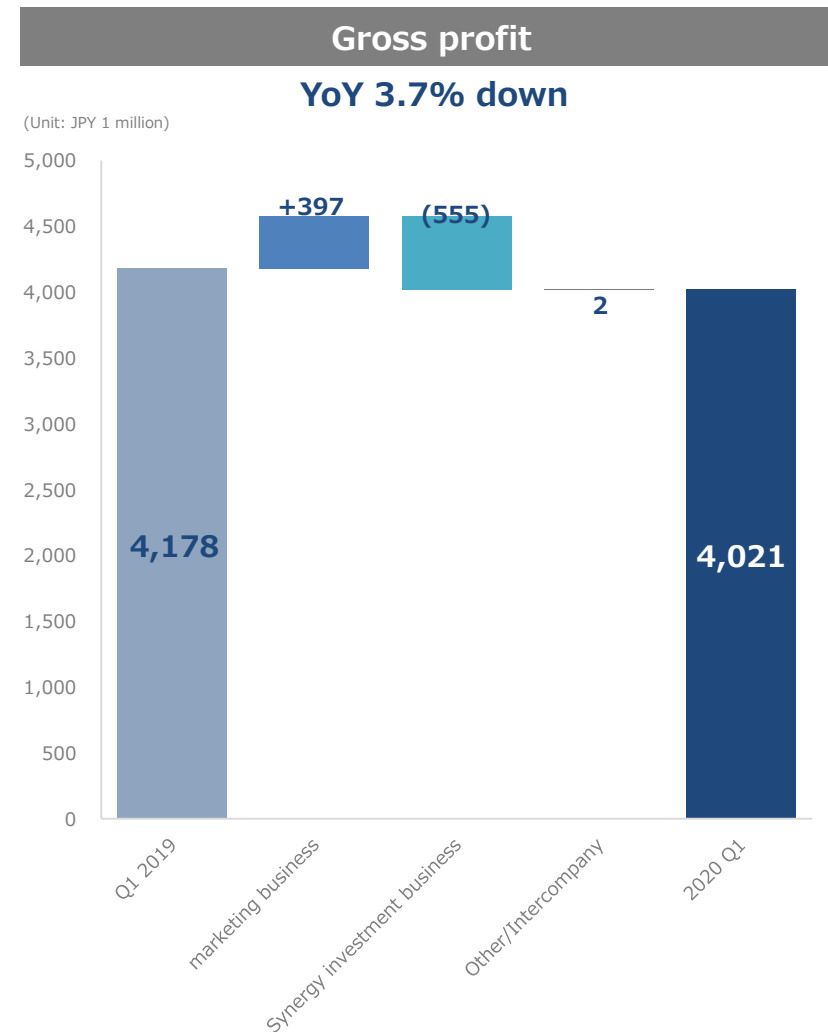
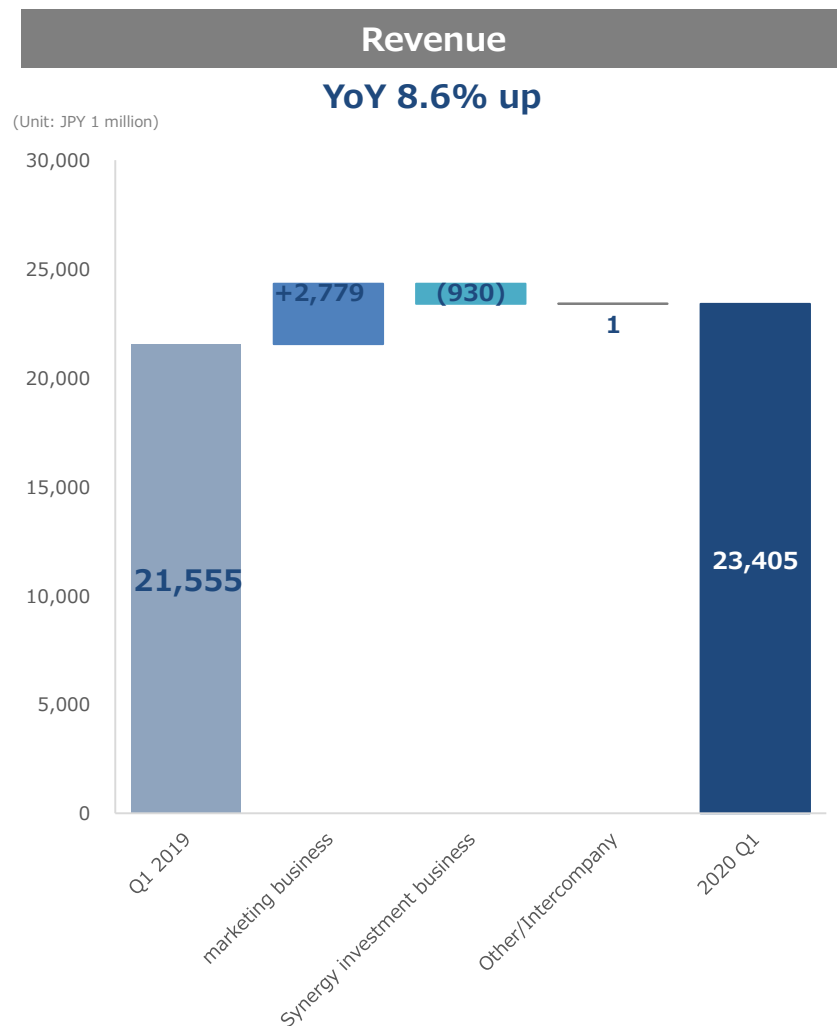


Responsible for
Investment Development and China business
(Director, Digital Shift, Inc.)
Kōsuke Yoshida



Responsible
for AI business
Hideo Saitō

- Marketing business: Revenue and profits increased due to favorable progress in digital marketing support for customers developed last year
- Synergy Investment business: Revenue and profits decreased due to capital gains and the effect of exclusion from consolidation due to sale of overseas consolidated subsidiaries, in the same period of the previous fiscal year.

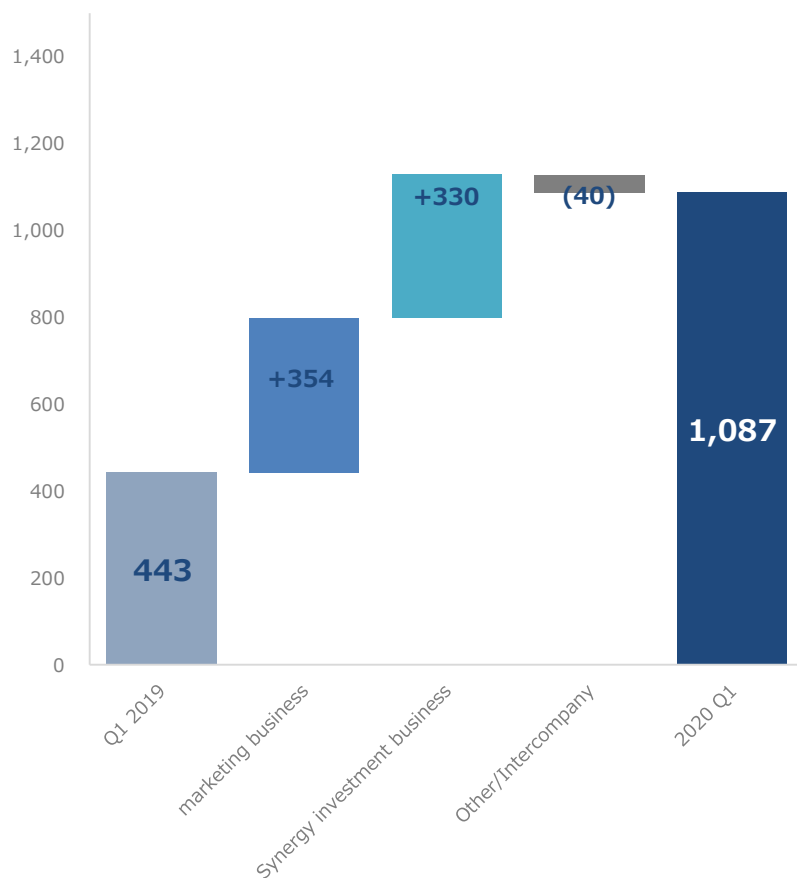


- Marketing business: Profits increased due to favorable progress in digital marketing support for customers developed last year
- Synergy Investment business: Profits increased due to gain on sale of certain shares (extraordinary income) associated with IPO of Jimoty, Inc., an equity method affiliate.

EBIT

YoY 145.5% up

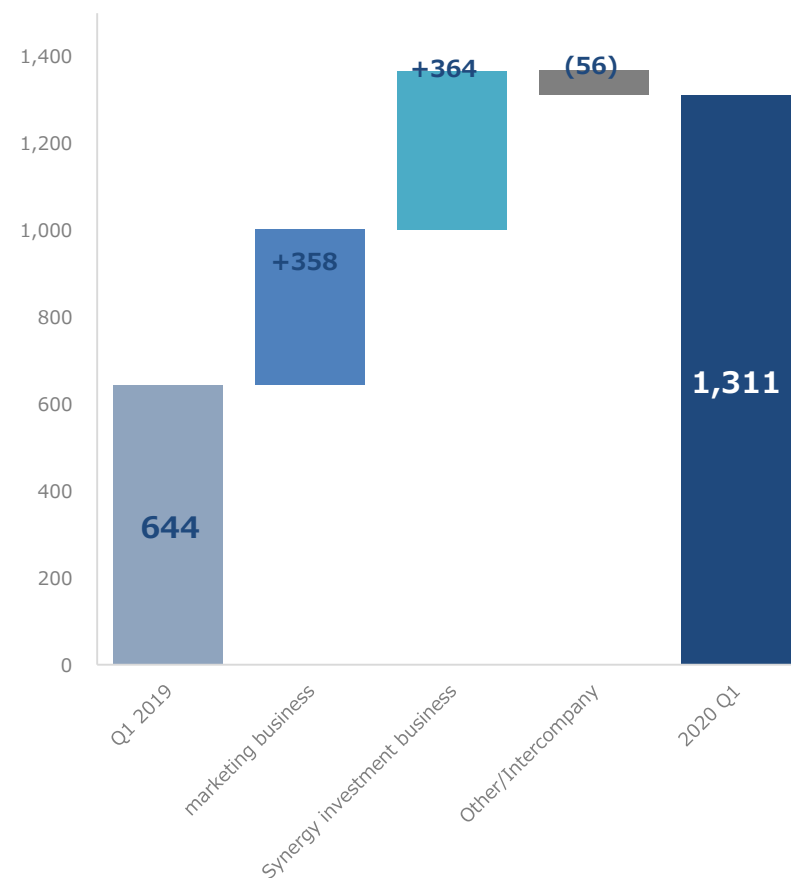
(Unit: JPY million)



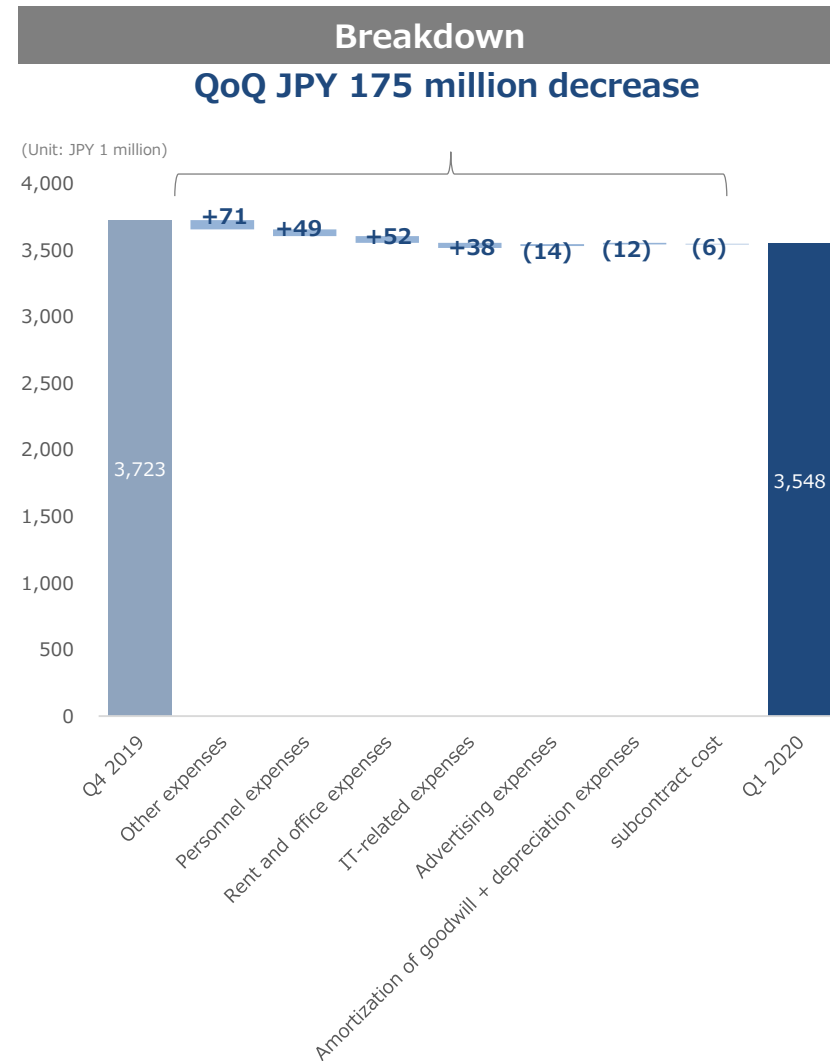
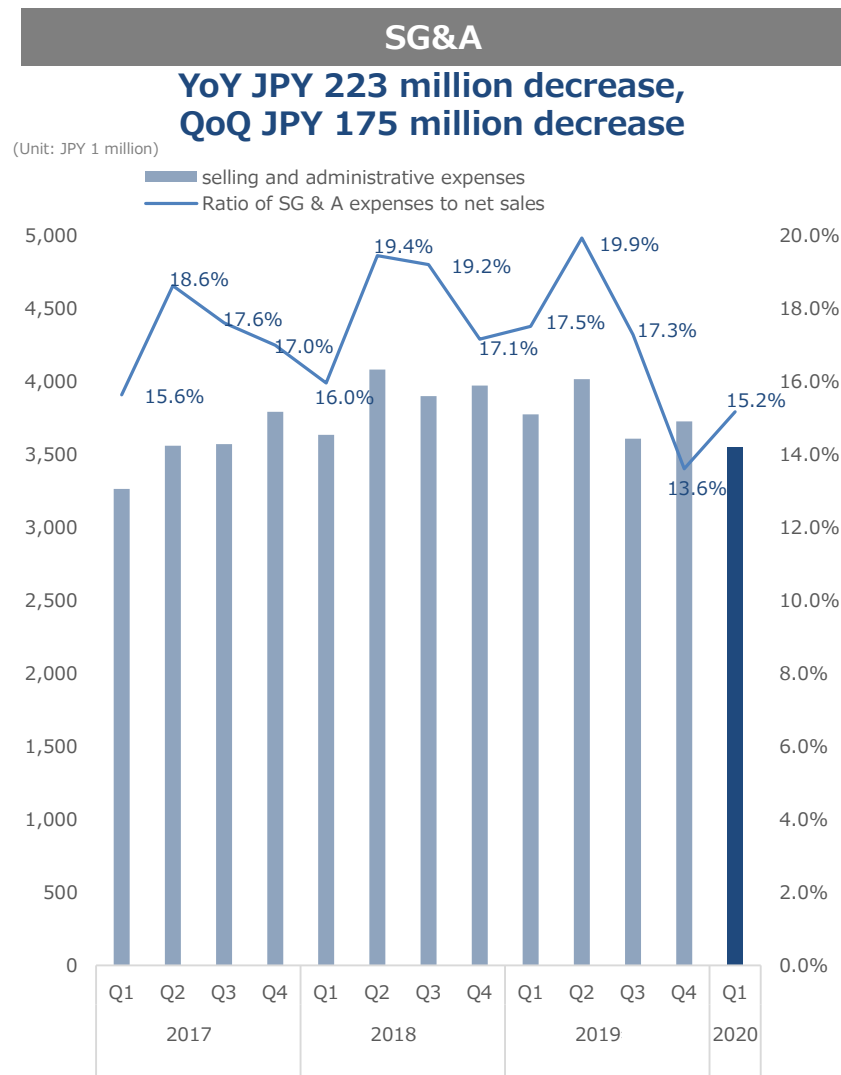
EBITDA

YoY 103.3% up

(Unit: JPY 1 million)



- Controlling SG&A expenses by cost control (mainly operating expenses and recruiting expenses)





(Unit: JPY 1 million)

	FY2020 Q1	Fluctuations Amount	FY2019 Q1
Cash flows from operating activities	(702)	(570)	(131)
Profit before income taxes	1,083	645	438
Loss (gain) on sales of investment securities	(851)	(882)	31
Income taxes refund (paid)	(321)	180	(501)
Loss (gain) on sales of investment securities	(497)	(497)	-
Increase (decrease) in provision for bonuses	(341)	143	(484)
Decrease (increase) in working capital	495	309	186
Others	(269)	(468)	198
Investment cash flow	262	636	(373)
Proceeds from sale of Investment securities	603	552	51
Purchase of investment securities	(197)	(130)	(67)
Purchase of Intangible assets	(192)	(19)	(172)
Others	49	233	(184)
Free cash flow	(439)	65	(505)
Adjustment by temporary items	-	(177)	177
Adjusted free cash flow	(439)	(111)	(327)

* Decrease (increase) in working capital = Change in trade receivables + Change in inventories + Change in trade payables + Change in accrued consumption taxes

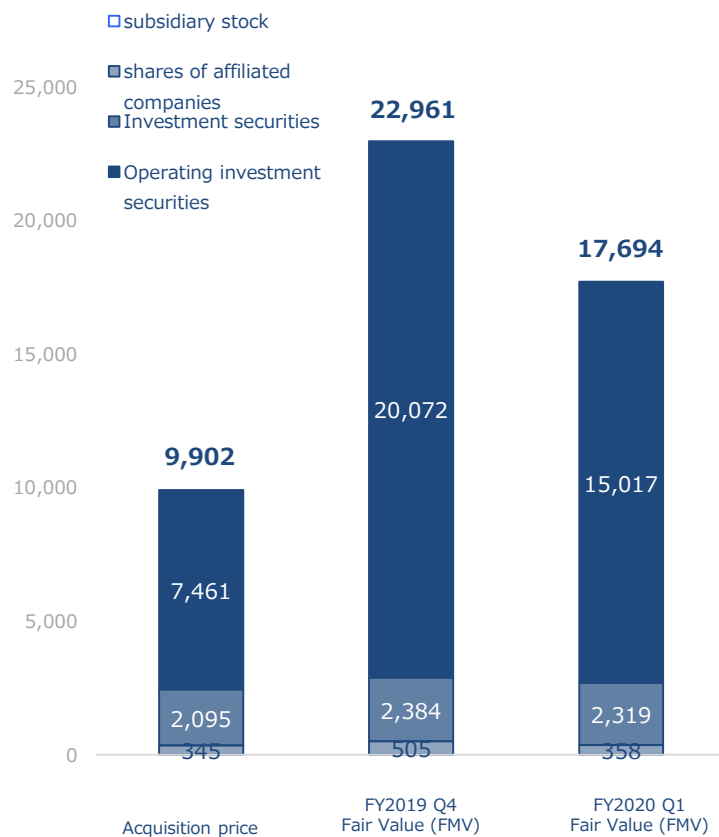
* Adjustment = Temporary items

(Unit: 1 million yen)

[AUM]*1

***AUM at the end of FY2020 Q1: JPY 17,694 million**
(JPY 7,792 million up, 78.7% up from acquisition price)

*QoQ JPY 5,267 million down due to the fall in the stock price of RAKSUL, Inc., operating investment securities



[IRR]*2

Decrease from the previous quarter due to declines in market capitalization of listed companies (RAKSUL, Inc., etc.)

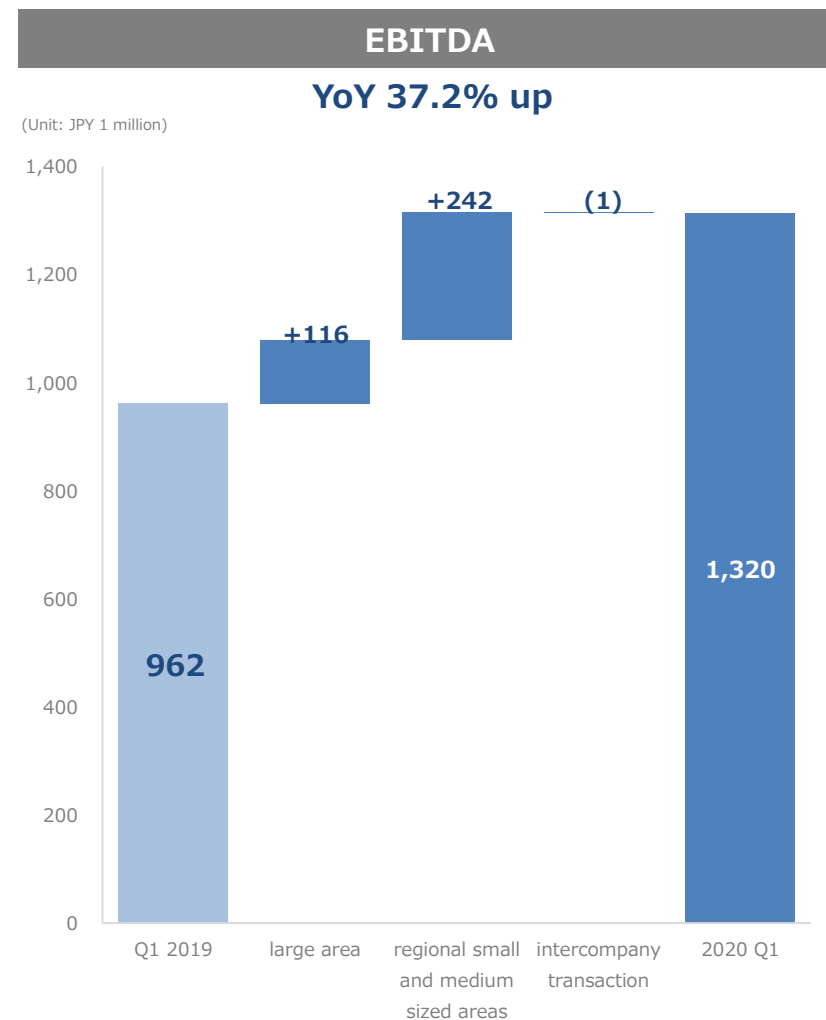
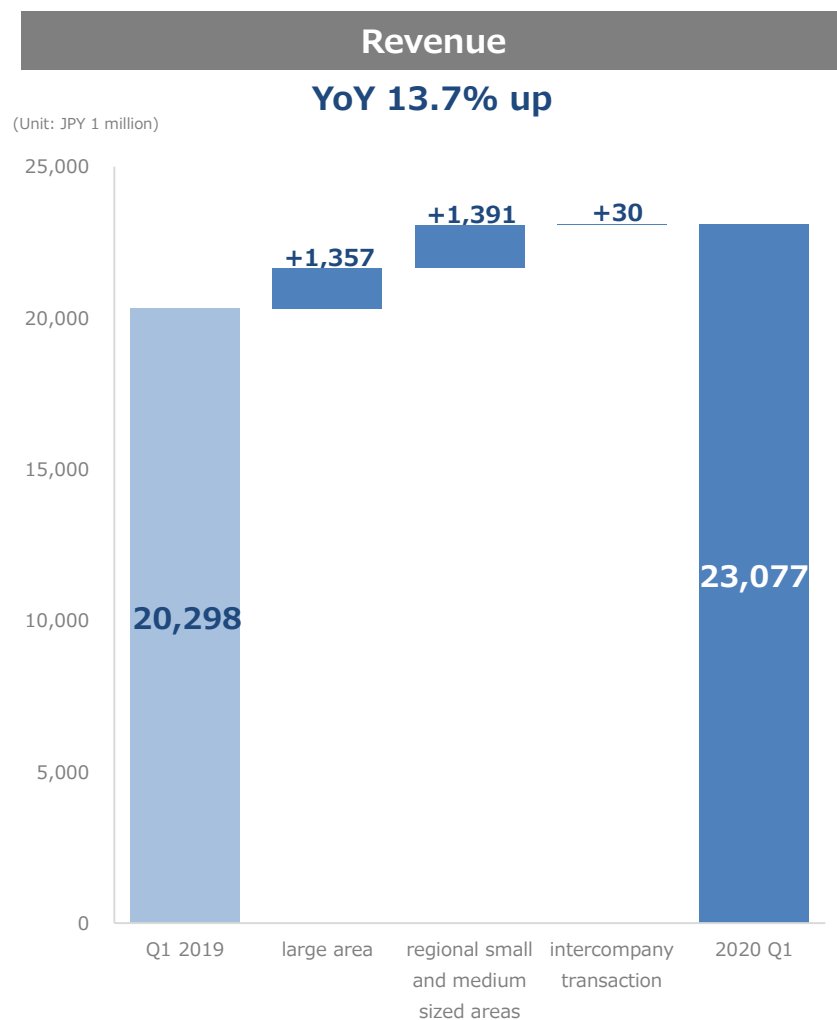
FY2020 Q1	(Reference) FY2019 Q4
10.4%	11.8%

The Company has disclosed the IRR of investment for transparency of investment performance since 2018 Q2.

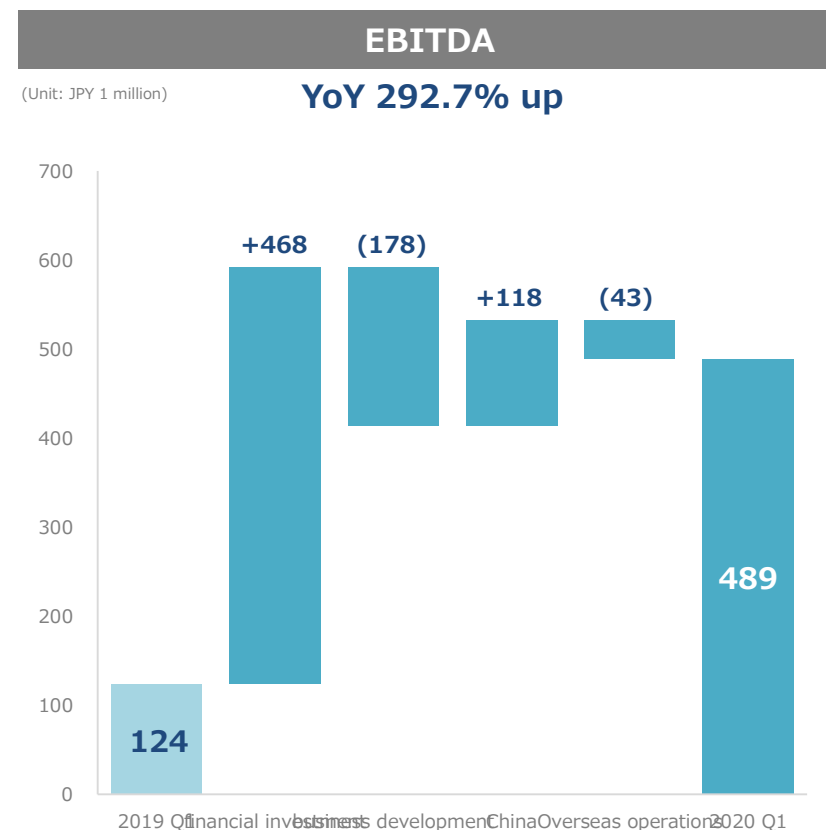
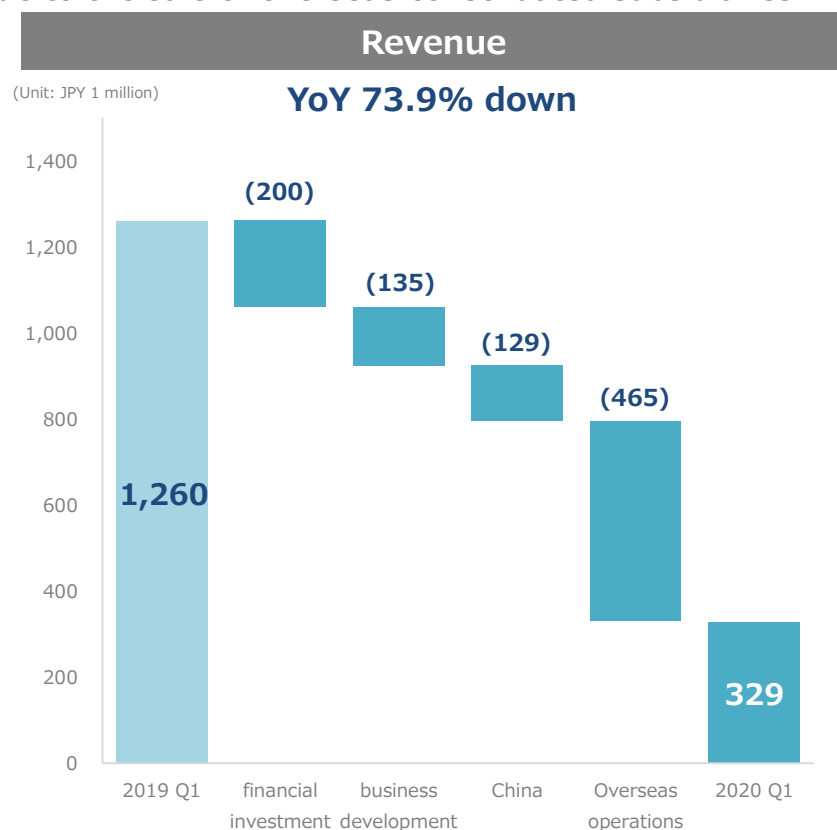
[Notes]

- *1 AUM: Total of book value of shares of subsidiaries and affiliates, and fair values of operational investment securities and Investment securities*3
- *2 IRR: Internal Rate of Return
- *3 Fair Value: The amount at which a party with knowledge of the transaction exchanges its assets or settles its liabilities at an arm's length price

- Major Sub-segment: Favorable progress in digital marketing support for customers developed last year
- Local Small and Medium Sub-segment: Favorable progress in digital marketing support for existing customers, mainly e-commerce customers



- **Financial Investment** : Revenue decreased due to the impact of a gain on sales of operating investment securities recorded in the same period of the previous fiscal year, but profits increased to gain on sale of certain shares (extraordinary income) associated with IPO of Jimoty, Inc., an equity method affiliate.
- **Business Development** : Despite a decrease in revenue and profit due to the recording of large-scale projects in the same period of the previous year, it was making good progresses that online educations were provided by SIGNATE Inc.
- **Business in China** : Revenue decreased due to the impact of COVID-19, but profits increased due to the recognizing of inventory valuation loss in the same period of the previous year.
- **Business in the other foreign countries** : Revenue and profit decreased due to the impact of exclusion from consolidation due to the sale of overseas consolidated subsidiaries



Media	Awards and Certifications	Descriptions	
		OPT, Inc.	SoldOut, Inc.
Google	Search Innovation Award※1	—	Search Advertising Division
	Growing Businesses Online Awards※2	—	Japan's Best Award
	Premier Partner Awards 2019※3	—	Best Award in shopping advertising
Yahoo!JAPAN	Specially Approved partner ※4	Advertising Management partner	Advertising Management partner
	Yahoo! Marketing Solutions partner Program ※5	★★★★ partner	★★★ partner
	Search Advertising Award ※6	—	No. 1 in Hokkaido
	Preferred Partner Program ※7	—	ATOM Certification
Criteo	Criteo Certified Partners ※8	Four Sters (★★★★)	Two Stars (★★)
LINE	LINE Ads Platform Sales Partner ※9	Silver	Silver, Best SMB Partner Certification
	Technology Partner, LINE Account Connect Division ※9	Diamond	—
	LINE Account Connect Sales Partner ※9	Silver	—
	LINE Biz Partner Program ※9	Planning Partner Silver Measurement, Performance	—
Facebook	Business Partner of the Business Cooperation Agreement between Facebook Japan and Kobe City for the Revitalization of Local Economies and Communities ※10	—	Business Support partner Award
Indeed	Featured Employer category, Strategic Product Award for the 1st half of 2019 ※11	—	No. 1

※1: Search Innovation Award in Premier Partner Awards 2018, sponsored by Google Partners

※2: Google AdWords Agency Awards for Premier Badge Holders in a Worldwide Agency Contest

※3: Awards to recognize companies that have made innovations in digital marketing in areas such as search advertising, app advertising, video advertising, display advertising, shopping advertising, and growth of online businesses.

※4: "Yahoo! Marketing Solutions partner Program" certified by Yahoo Japan Corporation; "Specially Certified partner" performing marketing methods and advertisement operations that require expertise

※5: A program under which Yahoo Japan Corporation certifies partner, which has a track record of supporting the marketing activities of advertisers by comprehensively utilizing Yahoo! JAPAN's advertising products and services to maximize the effectiveness of advertisements.

※6: "Search Advertising Award" sponsored by Yahoo Japan Corporation, which recognizes agencies that continuously sell advertising products

※7: Yahoo! Promotion Advertisement Operational Efficiency Support Program "Preferred Partner Program"

※8: Criteo Certified Partners (Star Agency System), who continuously sell advertising products offered by Criteo Corporation and certify agencies that have passed the certification test.

※9: Award for certifying partner in sales and development of various corporate services provided by LINE Corporation

※10 : Business support for the " Business Partnership Agreement for Regional Economy and Community Revitalization " concluded between Facebook Japan and Kobe City partner

※11: An award presented by Indeed Japan Co., Ltd. to commend distinguished service in the proposal/operation of "Featured Employer"

■ Activities by the Group (1/3)

COVID -19 Challenge

SIGNATE COVID -19 Challenge

To support the formulation of measures and treatment policies for COVID-19 (COVID- -19)
Holding a Challenge with the Knowledge of Data Scientists

Project Overview

With the combined wisdom of data scientists, we aim to build the largest machine-readable data set suitable for data analysis on the relationship, among Japanese domestic COVID-19 patients and patients, and to extract insights on the infection status, etc. derived from the analysis of the data.

Schedule

The challenge started on March 19, 2020, and is scheduled to continue until COVID-19 is converged in Japan (0 new patients).

*The results of this activity are being disclosed in a freely available license form, whether for profit or non-profit.
COVID -19 Challenge <https://signate.jp/covid-19-challenge>

■ Activities by the Group (2/3)

DIGITAL SHIFT

Urgent event : Online Seminar for Managers

“Remote work that can be done immediately tomorrow”
and

“This is the telework solution”

~ Introduction of know-how based on practical examples
of the Group as support for COVID-19 countermeasures ~

Surge in inquiries for digital shift support

Despite the fact that the event was held urgently, more than 100 people applied for the event.

Online seminar held by Digital Shift, Inc., which started under a new structure on April 1.

voices of seminar participants

- ***The practical examples of OPT Group** were introduced, **which helped to visualize.** (Human resources and education)
- *The environment is in place, but I have not been able to use it effectively.
I will try to **put it into practice starting tomorrow.** (Manufacturer)
- *I realized that it is important to **start with what I can do** first. (Real estate)
- *I felt **the necessity of reforming the way of working by using digital from mid to long term.**(Services)

Company Profile

- Company Name: Digital Shift, Inc.
- President: Noboru Hachimine
- Business: Various support services related to digital shift
- Established: April 1, 2020

Company name changed
from Digital Shift Academy, Inc.
Started with a new structure

■ Activities by the Group (2/3)

DIGITAL SHIFT

Management Seminars for Post-Corona Era

To respond to the rapid increase in digital shift needs,
Digital Shift Inc. will continue to hold seminars.

Held from 16 o'clock on May 13

Digital Shift Strategies With/After COVID-19 Era



▼Key points of this seminar

- * Using the latest trends in the United States and China to find out the path Japan should take and hints for it
- * Understand the essence of "post-digital capitalism" and the actions should be taken as a manager
- * Learn specific ways to update own management and/or update own organization

Held from 17 o'clock on May 15

The latest case study of Global Megatech



▼Key points of this seminar

- * Leading edge case study in China by Alibaba Cloud, a leading megatech in China
- * How should we deal with post-corona era? get a hint from
- * Understand the concrete digital shift using Alibaba Cloud

■ Activities by the Group (3/3)



In addition to providing information necessary to promote corporate transformation, Digital Shift Times actively delivers **information on working styles, lifestyles, and global trends related to COVID-19.**

[Work style] Remote Interview

Beyond remote and efficiency, people can more "ZENKIGEN" in live and recorded interviews



Secondary effect of remote interviews & information sessions, 10 times more questions asked by students — What changes in recruiting activities has Corona brought about?



[Lifestyle] Spending time at home

Home fitness studio "SOELU" is rapidly gaining in popularity. Digitization of existing business models into new businesses.



How to enjoy online now that you can't leave home



[Global Trend] China Medical Education

China's education against COVID-19. What's happening with digital usage?



Chinese medical field digitally tackles COVID-19 problems



- 1) Stocks of subsidiaries and affiliates represent the total of carrying amount.
- 2) Operational investment securities and Investment securities shall base their valuations on the following categories.

Categories	Evaluation method
① Securities whose investment amount is small	Acquisition price
② Listed securities	Closing market price as of the end of March 2020
③ Securities with the most recent financing experience (equity financing); (excluding ① and ②)	Value based on the financing value
④ Securities other than those listed above	Assessed by the multiple method*1, the DCF method*2 and the net assets method*3 according to the business situations.

※1 Multiple Method

Companies for which competitors can be set using information analysis tools are evaluated using the multiple method.

※2 DCF method

Companies that cannot set competitors through information analysis tools, etc. and that can obtain reasonable business plan based on KPIs, etc. shall be evaluated by the DCF method. However, if there are discrepancies between the actual performance and business plan, companies shall be evaluated by the DCF method with multiplying the achievement rate of the plan.

※3 Net assets method

Companies for which no clear business plan is available, companies in doubt about the going concern assumption, and companies with equity below net assets assessed using the multiple method or the DCF method are assessed using the net assets method.

*The company has not received any advice from KPMG AZSA LLC regarding fair value since FY2020.

Items		Matter
Subject		Issues invested in the financial investment business between 2013 and the end of March 2020
Base date for calculation		End of March 2020
Calculation method	Impaired stock	Calculated assuming sale at Net assets value at impairment
	Stocks that have been financed most recently	Calculated on the assumption that the securities were sold at the fair value of the shares at the time of the financing
	IPO	Calculated as if sold at market value on the calculation reference date
	Fund	Calculated using the amount collected before the end of March 2020 and the book value as of the end of March 2020.
	Other than the above	If there is no change in basis due to sale, impairment, financing (equity financing), IPO, etc., the calculation is based on the assumption that it was sold at book value on measure.
Treatment of corporation tax when calculating IRR		Consider corporation tax