
FY 2015 Q2

Quarterly Financial Report Meeting

November 25, 2015

OPTiM Corporation

Shunji Sugaya, President

Today's Agenda

1. Company outline

**2. Review of Quarterly Financial Results
for FY2016 Q2**

3. Further Effort and Vision

Disclaimer

The plans, views, strategies, etc. in this material are based on informations including estimates available at the time of creation, and they can be affected by uncertain factors such as economic environment, competitive situation, and success or failure of a new service. Therefore, please understand that actual performance and strategy may differ considerably from the anticipations described in this distributed material.

Moved to Tokyo Stock Exchange's first section

Thanks to the everyone's support, OPTiM moved to the first section of the Tokyo Stock Exchange on October 22nd, 2015.



Company outline

| | |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | OPTiM Corporation |
| Location | Saga Office : 4-18 Yoka-machi, Saga-shi, Saga, 840-0047 Japan Tokyo Head Office : Atago Green Hills MORI Tower 19F 2-5-1Atago, Minato-ku,Tokyo, 105-6219 Japan CANTERA Office : Hakata Ekimae Center Building 10F 1-14-16 Hakata-Ekimae,Hakata-ku, Fukuoka-shi,Fukuoka, 812-0011 Japan |
| President | Shunji Sugaya |
| Foundation Date | June 8th, 2000 |
| Capital stock | 411,356,000 Yen |
| Fiscal Year-end | March |
| Number of employees | 120 people (plus 59 temporary employees) / Average age of staff: 33.3 years old (as of March 2015) |
| Major Stock Holders | Shunji Sugaya, NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION, Fuji Xerox Co., Ltd. |
| Main Business | License sales and maintenance support services -- i.e. Optimal business solutions (IoT Platform Services/Remote Management services/Support services, etc.) |



About the business ~Our Mission~

We make the Net as simple as breathing.



Shunji Sugaya
President, OPTiM Corporation

Under the concept of "We make the Net as simple as breathing," OPTiM sets its mission to change the situation that certain IT literacy is still required to use the Internet as indispensable infrastructure, and to make the Net itself as the air that you do not even notice using it. Since the day of our establishment, we engage in developing products that everyone can enjoy creativity and convenience the Internet brings.

About the business ~OPTiM's services ①~

Everyone uses OPTiM's technology

First Step Guide



Setting Manual



Devices connect automatically to the internet

About the business ~OPTiM's services ②~

Customers who use smart devices and computers can get support remotely from a call center. No.1 user share in Japan (※including contracts for value)



フレッツ光

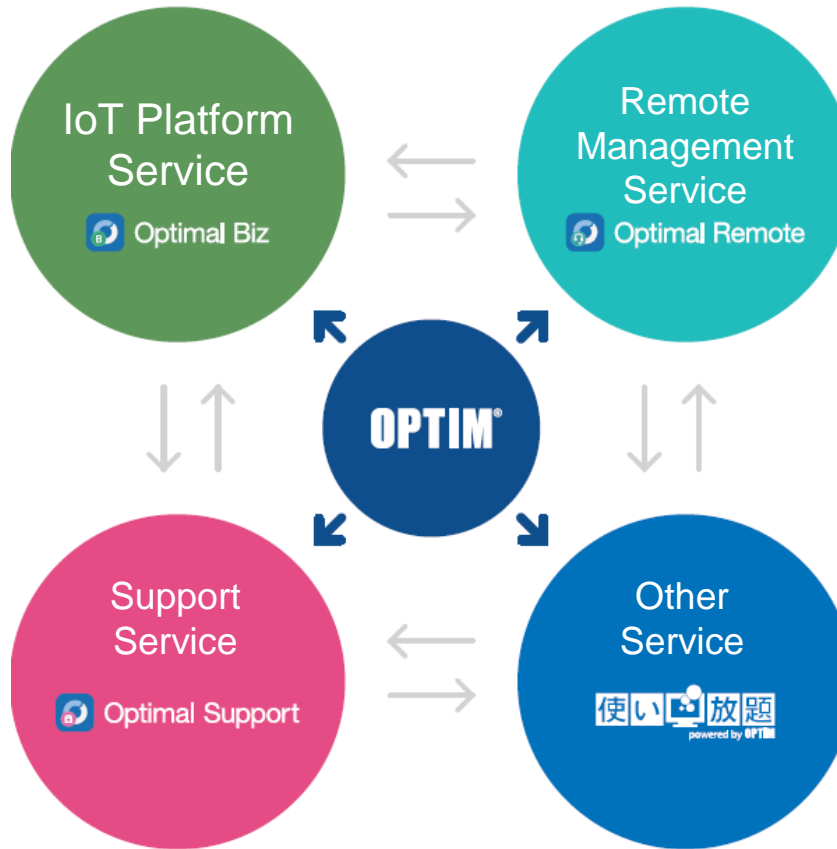
OPTiM

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About the business

~OPTiM's service categories~



"Optimal Business" encapsulates OPTiM's ambition that "We make the Net as simple as breathing" It's part of our idea to "Optimize the future with the power of technology"

"Optimal Business" is made up of four categories

Four different business domains fit together like a puzzle to create a single new platform for IoT

About the business

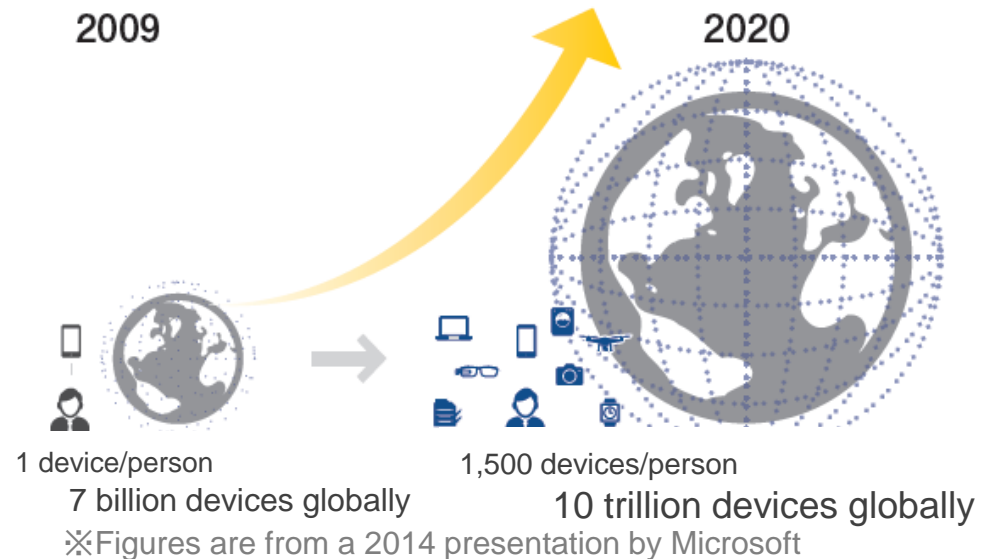
~What is IoT?~

IoT (Internet of Things) is having various things connected to the internet to create a more convenient society.

Various “things” are connected



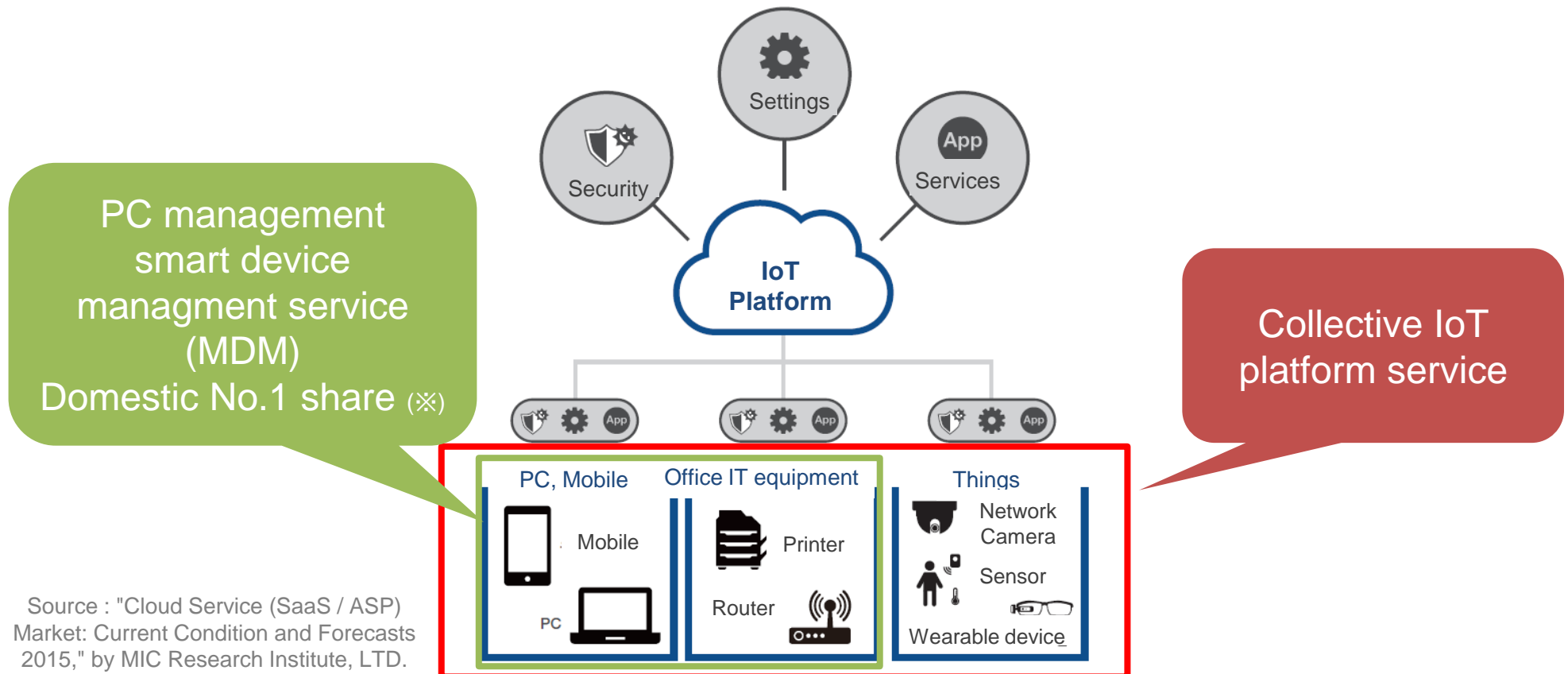
10 trillion net connected devices in 2020!!



About the business

~IoT Platform Service Outline~

Providing the No. 1 domestic service in PC management and MDM for security measures and batch setup of enterprise-use smart devices, PCs, and other IT equipment.



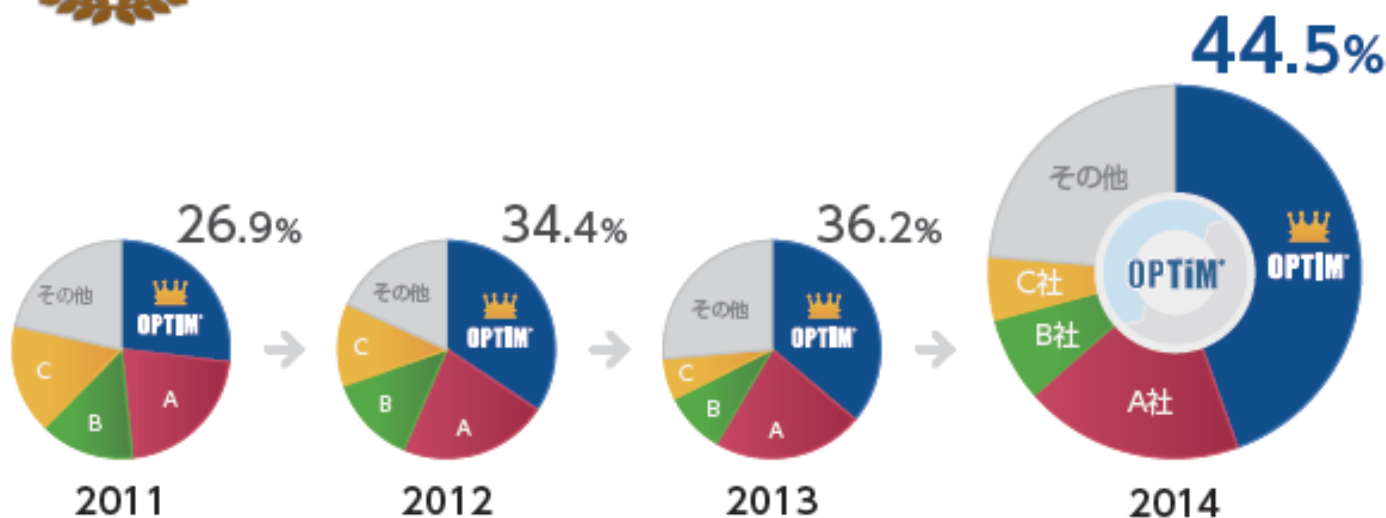
Source : "Cloud Service (SaaS / ASP)
Market: Current Condition and Forecasts
2015," by MIC Research Institute, LTD.

About the business

~MDM / PC Management Service Market Share~



The 1st place for four straight years in market sales share of IT Asset Management & MDM
- Overwhelming No. 1 Market Share of 44.5%



※Source: "Cloud Service (SaaS / ASP) Market: Current Condition and Forecasts 2015," by MIC Research Institute, LTD. (issued June 30, 2015)

About the business

~Remote Management Service Smartglass Outline~

Providing the world's first smart glass for remote operational work

Remote Action



About the business

~Other Services Outline - All-You-Can-Read Popular Magazine Service "Unlimited"~

All-You-Can-Read popular magazine service “Unlimited” provides 212 titles, the most of any domestic service (As of November 2015)

Feel closer to magazines

- 🔍 Full-text search
- 💬 Word-of-mouth/seals
- 🖨️ Net Printing
- 📱 Device Warranty
- 📖 Of course, with more than

200
magazines



World's First

Comprehensive tablet service of e-magazines

タブホ®
powered by **OPTiM**

All together
**500Yen/
month**

iPhone, iPad, Androidに対応

About the business ~"Unlimited" Contents~

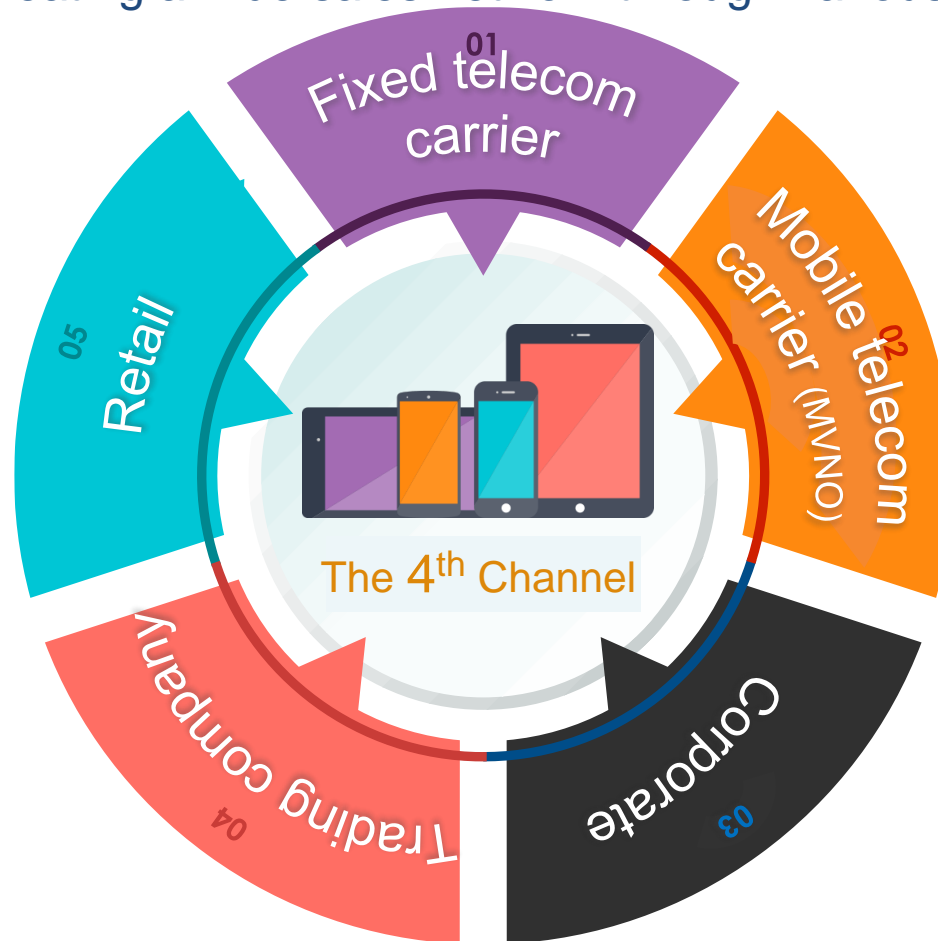
With 212 popular titles, over 500 issues and 21 publishing companies, there is something for everyone, including financial information, entertainment, fashion, food, lifestyle, travel and sports (As of November 2015)



About the business

~Building Unlimited's Sales Network~

As the 4th channel behind the 3 major mobile communications carriers, OPTiM is creating a wide sales network through various domains



About the business

~Expansion of Unlimited's Sales Partners~

Sales partnerships made with over 25 companies in less than a year
Striving to continue creating new contracts

Fixed-line
carriers



Local cable TV companies



Internet Initiative Japan

Mobile
telecommunication
carriers



Retail

Specialized
/tradings
companies
[Enterprise-
oriented]

※The "Unlimited Smartphone" service started in February 2015

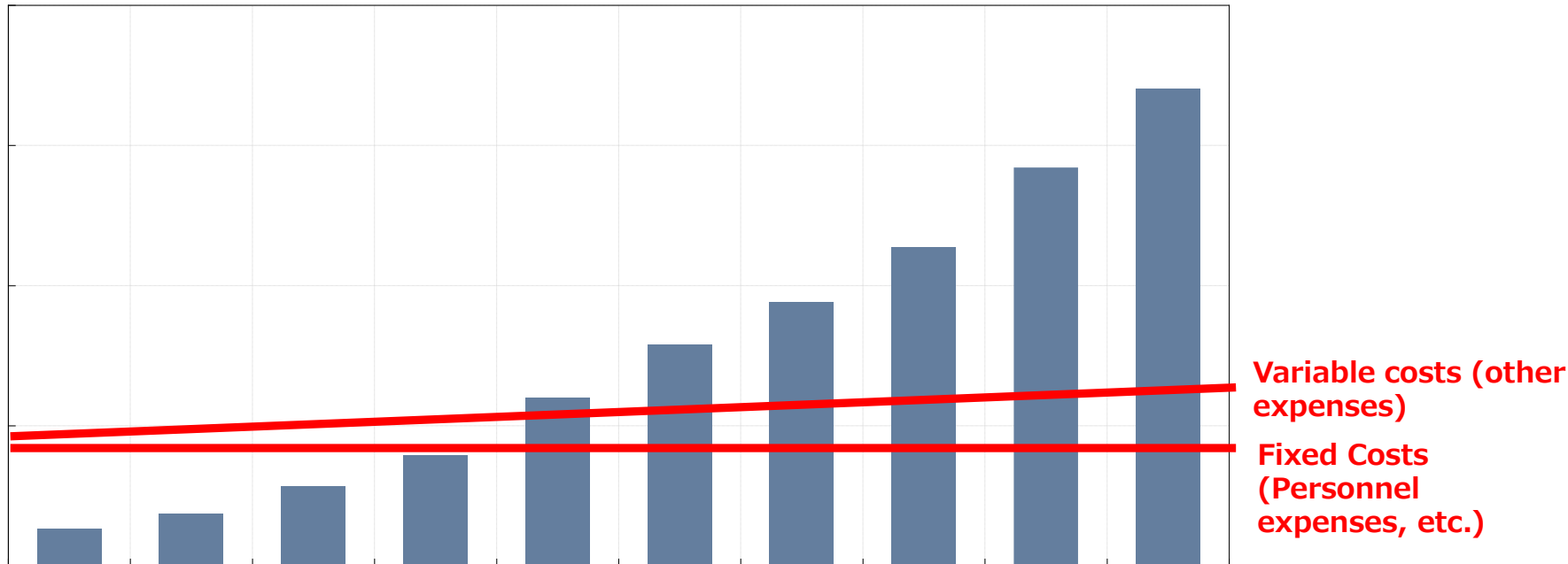
Our Strengths ①

~Profit and Loss Structure: Contribution of Licensing Profits~

Because of the small variable costs in selling licenses, the focus is on increasing the number of licenses, which is a noticeable contribution to the profit and loss structure.

Number of licenses

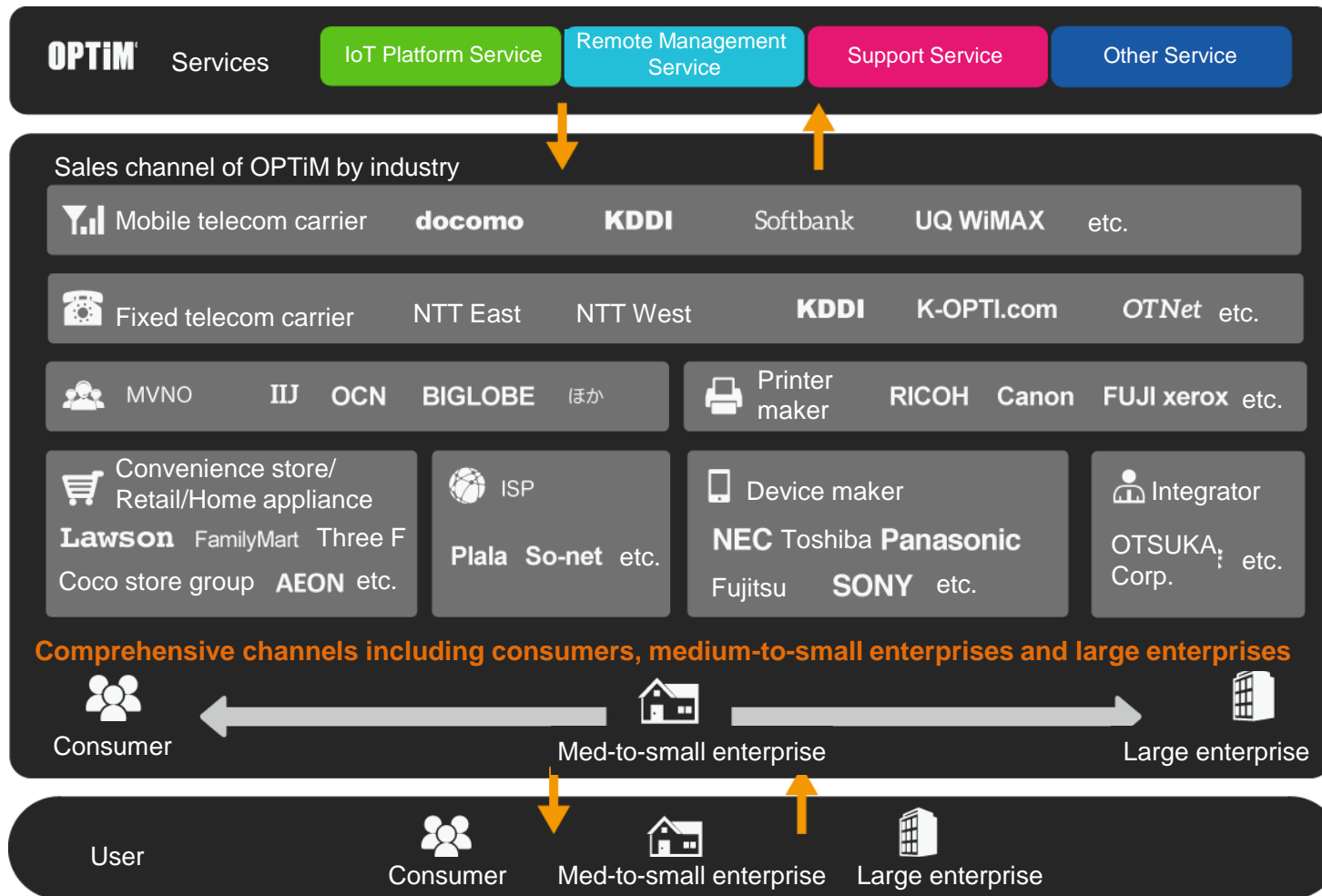
OPTiM's Licensing Model and Cost Image



Almost no additional cost after recovering the original cost for licensing
So its profitability has possibility to become higher (FY 2014 Ordinary income: about 20%)

Our Strengths ②

~Sales Partner Strenghts and Coverage~



Already offered through major domestic sales channels

Our Strengths ③

~Results of Research & Development ①~

About patent asset volume

Based on data from private research companies, factoring the number and importance of patents of an entity, the Patent Asset **Volume Value Index** is determined.

Our Strengths ③

~Results of Research & Development ②~

OPTiM has made its intellectual property strategy a high priority in order for customers to utilize our innovative technologies safely and securely.

1st place in the patent asset volume ranking※1

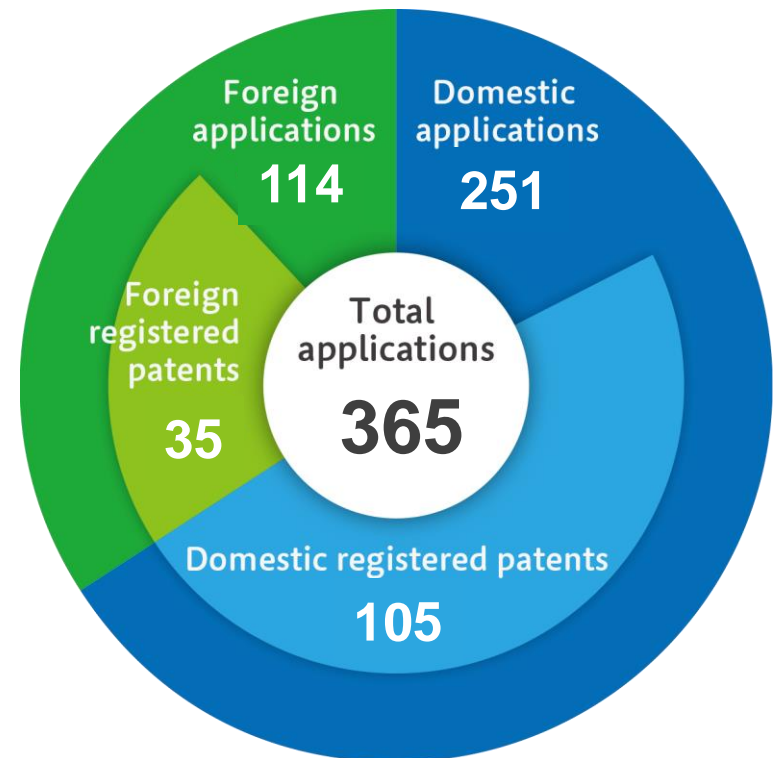
※1 The largest ratio of patent asset volume to number of registered patents

| Rank(previous) | Company name | Patent asset volume (pts) | Registered patents |
|----------------|---------------------------|---------------------------|--------------------|
| 1 (1) | NTT | 39,154 | 1,662 |
| 2 (2) | NTT docomo | 24,056 | 803 |
| 3 (3) | MICROSOFT | 20,847 | 755 |
| 4 (12) | YAHOO | 12,733 | 312 |
| 5 (4) | ERICSSON | 10,866 | 370 |
| 6 (5) | NHK | 6,385 | 360 |
| 7 (7) | KDDI | 5,299 | 391 |
| 8 (8) | Nomura Research Institute | 4,503 | 144 |
| 9 (34) | OPTiM® | 2,345 | 19 |
| 10 (15) | FRANCE TELECOM | 1,945 | 72 |

Source: News release by Patent Result Co., Ltd. on October 9, 2012.

"Ranking of Patent Asset Scale in the Information Communication Industry," 2011-2012 :

<http://www.patentresult.co.jp/news/2012/10/telecom.html>



※ As of October 2015

Our Strengths ③

~Results of Research & Development ③~

Mobile Device Management Technology (IoT field) from 1994 to August 2014

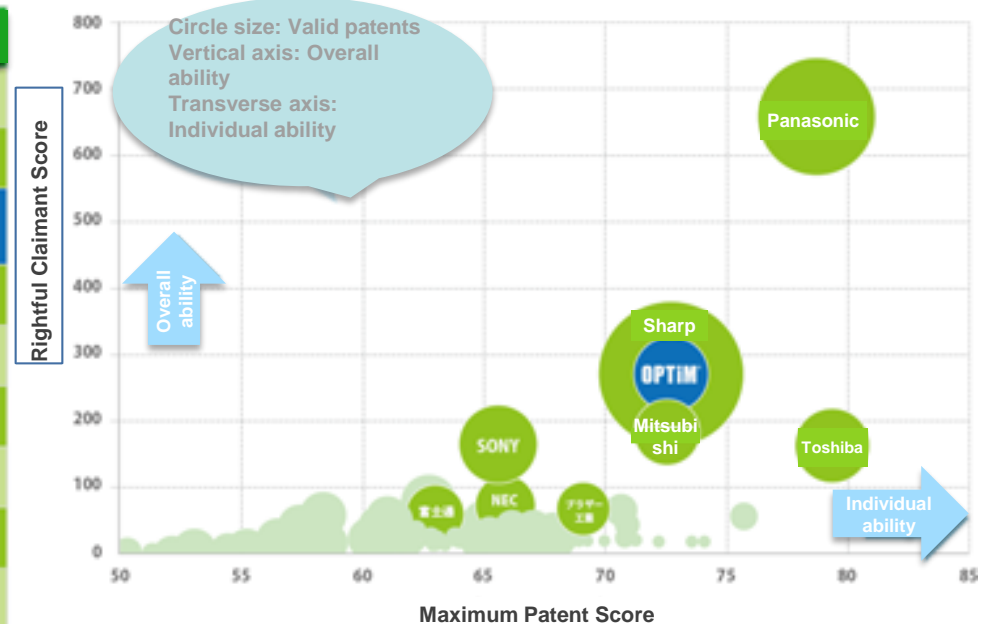
OPTiM placed the third in the “Comprehensive patent rankings in Japan” (dated 2014/10/23)

※ Note that OPTiM was established in 2000...

Technologies for electronic device
management by smart devices
– Overall Patent Ability

TOP 10

| Rank | Company | Comprehensive Ability | No. of valid patents | Individual ability |
|------|----------------|-----------------------|----------------------|--------------------|
| 1 | Panasonic | 612.0 | 86 | 78.8 |
| 2 | Sharp | 275.2 | 120 | 72.7 |
| 3 | OPTiM | 271.1 | 30 | 72.9 |
| 4 | Mitsubishi El. | 186.4 | 26 | 72.5 |
| 5 | Toshiba | 166.2 | 32 | 79.3 |
| 6 | Sony | 164.8 | 36 | 65.5 |
| 7 | Fujitsu | 77.0 | 19 | 62.6 |
| 8 | NEC | 74.3 | 20 | 65.8 |
| 9 | Brother | 66.7 | 17 | 69.1 |
| 10 | Kyocera | 66.2 | 19 | 62.9 |




Source: Patent Result co., Ltd. “Technologies for electronic device management by smart devices” (Oct. 2014)

Our Strengths ③

~Results of Research & Development ④~

1st place in the emerging market

| Rank (Rank Last yr.) | Securities code | Company name | Patent asset volume (pt.) | No. of patents | Market capitali- zation ※1 | Stock price/Pat. Asset index ※2 |
|---------------------------------------------------------------------------------------------------|--------------------|--------------------------------|------------------------------------|-------------------|-------------------------------------|------------------------------------------|
|  1 (—) | 3694 | OPTiM® | 3,391.8 | 56 | 39,157 | 11.5 |
| 2 (1) | 4813 | ACCESS | 1,879.8 | 80 | 20,542 | 10.9 |
| 3 (5) | 4748 | Kozo Keikaku Eng | 907.3 | 43 | 10,551 | 11.6 |
| 4 (6) | 3843 | Free Bit | 888.9 | 9 | 27,171 | 30.6 |
| 5 (4) | 3652 | Digital Media Professionals | 886.8 | 35 | 6,684 | 7.5 |
| 6 (7) | 4847 | Intelligent Wave | 630.5 | 18 | 7,955 | 12.6 |
| 7 (3) | 3646 | Ekitan | 621.9 | 19 | 3,527 | 5.7 |
| 8 (10) | 4764 | Digital Design | 588.9 | 9 | 3,700 | 6.3 |
| 9 (13) | 4824 | Media Seek | 587.1 | 8 | 5,821 | 9.9 |
| 10 (8) | 9698 | Creo | 560.0 | 16 | 3,658 | 6.5 |

※1 As of Dec. 5, 2014

※2 Shows a value of stock price divided by patent asset volume


※Source: News release by Patent Result Co., Ltd. on December 12, 2014. "Emerging Market Company Ranking of Patent Asset Scale in the Information Communication Industry : "Emerging Market Company Ranking of Patent Asset Scale in the Information Communication Industry,"
<http://www.patentresult.co.jp/news/2014/12/emergingmarket02.html>

Our Strengths ③

~Results of Research & Development ⑤~



1st place in the patent asset individual ranking

| | Inventor | Time from first patent application (years) | Inventor score (proportional) | Valid patents | All patents | First patent registration date | Last patent registration date | Average number of inventors | Company type | as of Jan. 2015 |
|----|-------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------|---------------|-------------|--------------------------------|-------------------------------|-----------------------------|------------------------------|-----------------|
| |  Shunji Sugaya | -13.86 | 306.8 | 119 | 119 | 2001/03/23 | 2013/09/12 | 0.050 | OPTiM® | |
| 2 | Y.M | -15.50 | 273.3 | 166 | 166 | 1999/08/03 | 2013/03/22 | 0.205 | Major IT company | |
| 3 | M.S | -19.83 | 244.3 | 336 | 336 | 1995/04/03 | 2010/01/07 | 2.521 | Major communications carrier | |
| 4 | K.H | -19.11 | 194.6 | 280 | 280 | 1995/12/22 | 2013/02/19 | 2.579 | Major communications carrier | |
| 5 | Y.K | -9.80 | 185.2 | 298 | 298 | 2005/04/13 | 2013/06/28 | 2.557 | Major communications carrier | |
| 6 | H.S | -10.90 | 177.7 | 73 | 73 | 2004/03/09 | 2013/01/09 | 1.068 | Major IT company | |
| 7 | M.I | -15.87 | 171.2 | 286 | 286 | 1999/03/18 | 2012/05/22 | 2.304 | Major communications carrier | |
| 8 | H.I | -17.92 | 169.9 | 310 | 310 | 1997/02/27 | 2013/05/10 | 2.303 | Major communications carrier | |
| 9 | K.M | -13.96 | 153.2 | 20 | 20 | 2001/02/14 | 2003/11/14 | 1.100 | Major IT company | |
| 10 | U | -10.76 | 150.8 | 243 | 243 | 2004/04/28 | 2012/04/19 | 2.313 | Major communications carrier | |

[Telecommunications] Patents made in for the telecommunications field within all the patents made public by the Japanese Patent Office from 1993 to January 2015

Announced August 27, 2015

Our Strengths ③

~Results of Research & Development ⑥~

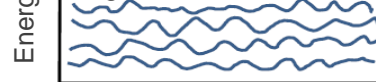
A patent already applied by Saga University's agricultural knowledge and OPTiM's IP know-how
OPTiM has the newfound goal to create partnerships with numerous research institutions
in order to apply OPTiM's intellectual property know-how to acquire more patents.



"Photographing equipment, photographing method and image system". Japanese patent application No. 2015-166835

Present technology

Low energy strength
with one measurement
↓
Difficult to distinguish
signal from noise



Wavelength

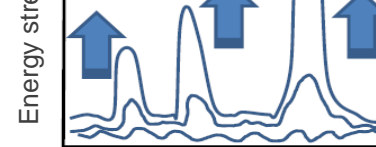
Still image

Hyper spectrum camera

Remote sensing image

New technology

Only signal is
emphasized by
accumulation



Wavelength

Specific wavelength light source
+ Video camera

※ Announced August 28, 2015

Our Strengths ③

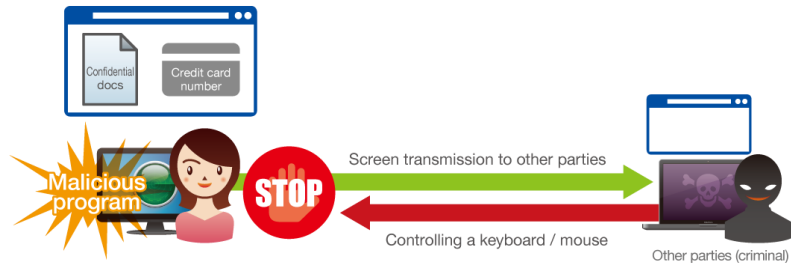
~Results of Research & Development ⑦~

Fundamental patent acquired for exit security and heuristics countermeasure to prevent cyber attacks and remote control from unknown sources

Providing indispensable security towards IoT era by protecting confidential personal information from illegal remote operation by cyber attacks

Patent acquired in Japan and Korea, and under application in other major countries

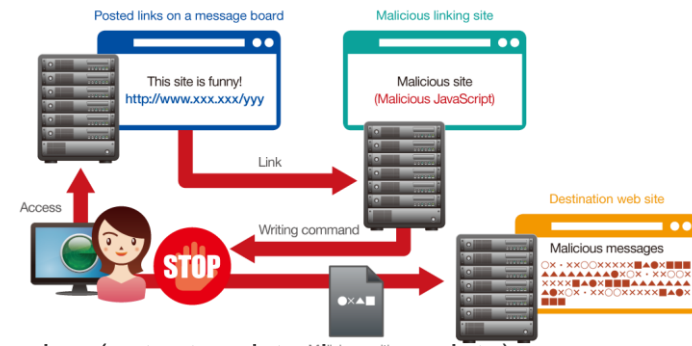
■ Preventing unauthorized remote control (this technology evaluates the execution's validity, and then blocks unauthorized remote control)



- Patent number (patent registration complete)
Japan: patent no. 5702352

- Application number (patent pending)
U.S.A.: US13/743428 Korea: KR20120149587
China: CN201310098864 Europe: EP13153104

■ Cross site request forgeries (CSRF) prevention (this technology evaluates suspicious text and blocks unauthorized writing)



- Patent number (patent registration complete)

Japan: patent no. 5727991
Korea: KR101399522

- Application number (patent pending)
U.S.A.: US13/751254 China: CN201310098826 Europe: EP13153102

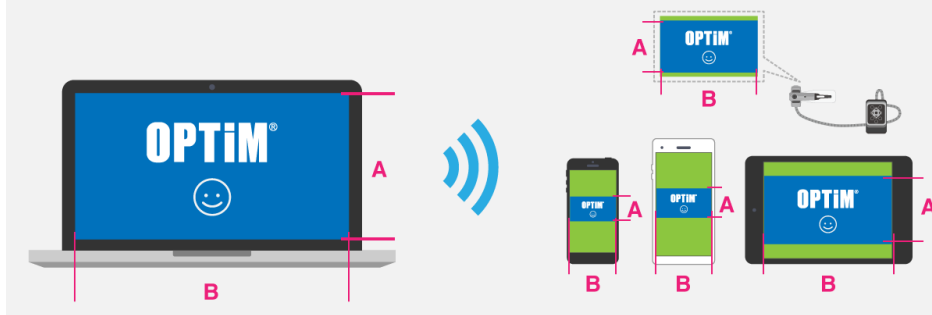
Our Strengths ③

~Results of Research & Development ⑧~

Smart UI, OPTiM's fundamental patented technology (Japan Patent No.5756156, 5653301)

OPTiM acquired two fundamental patent rights in the category of screen-sharing technology.

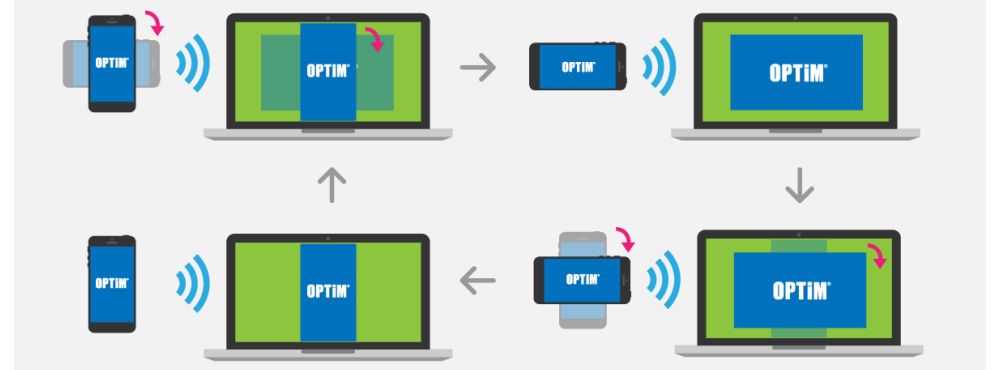
Shared screen on every device can be kept at the same ratio. (Patent No.5756156)



OPTiM has a patent right of screen-sharing technology that acquires dimensions of the host device's displayable area and adjusts the screen display ratio of the sharing devices to be the same or near to the width/height acquired.

When the device orientation of shared host screen is changed, the shared screen orientation of the sharing devices are also switched.

(Patent No.5653301)



A unique screen information display technology that allows a device performing remote control to judge whether a device displaying screen information is in vertical orientation or horizontal orientation and to display the screen accordingly.

2014 Fiscal Year Earnings Review

**Sales reached record highs for 15 consecutive years,
and profit has increased for 4 consecutive years**

Net sales resulted in 2.14 billion yen, upturn from the original projection of 2.02 billion yen
(in millions of yen, %)

| | FY 2013 Yearly result | FY 2014 Yearly result | Change from previous year |
|------------------|----------------------------------|----------------------------------|--------------------------------------|
| Net Sales | 1,709 | 2,149 | 125 |
| Operating Income | 111 | 402 | 359 |
| Ordinary Income | 113 | 403 | 356 |
| Net Income | 50 | 243 | 485 |

2015 Fiscal Year Earnings Projections

We aim to have FY 2015 to be the 16th consecutive year with record-breaking sales and fifth consecutive year with increased profit

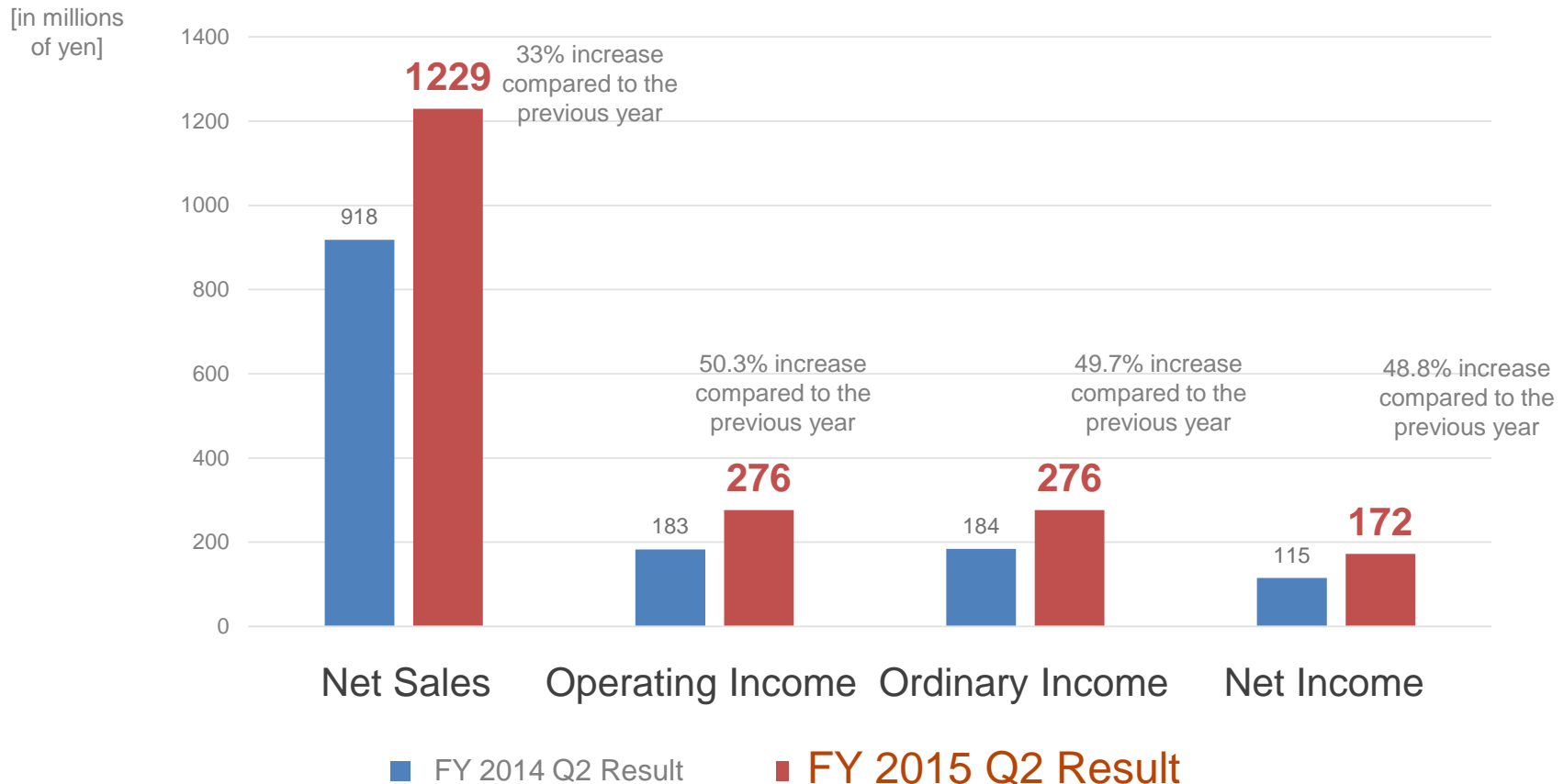
(in millions of yen, %)

| | FY 2014 Yearly result | FY 2015 Predicted Results | Change from previous year |
|------------------|----------------------------------|------------------------------------------|--------------------------------------|
| Net Sales | 2,149 | 2,500 | 116 |
| Operating Income | 402 | 500 | 124 |
| Ordinary Income | 403 | 500 | 123 |
| Net Income | 243 | 327 | 134 |

2015 Fiscal Year Second Quarter Achievement Summary

Favorable progress in both sales and profits

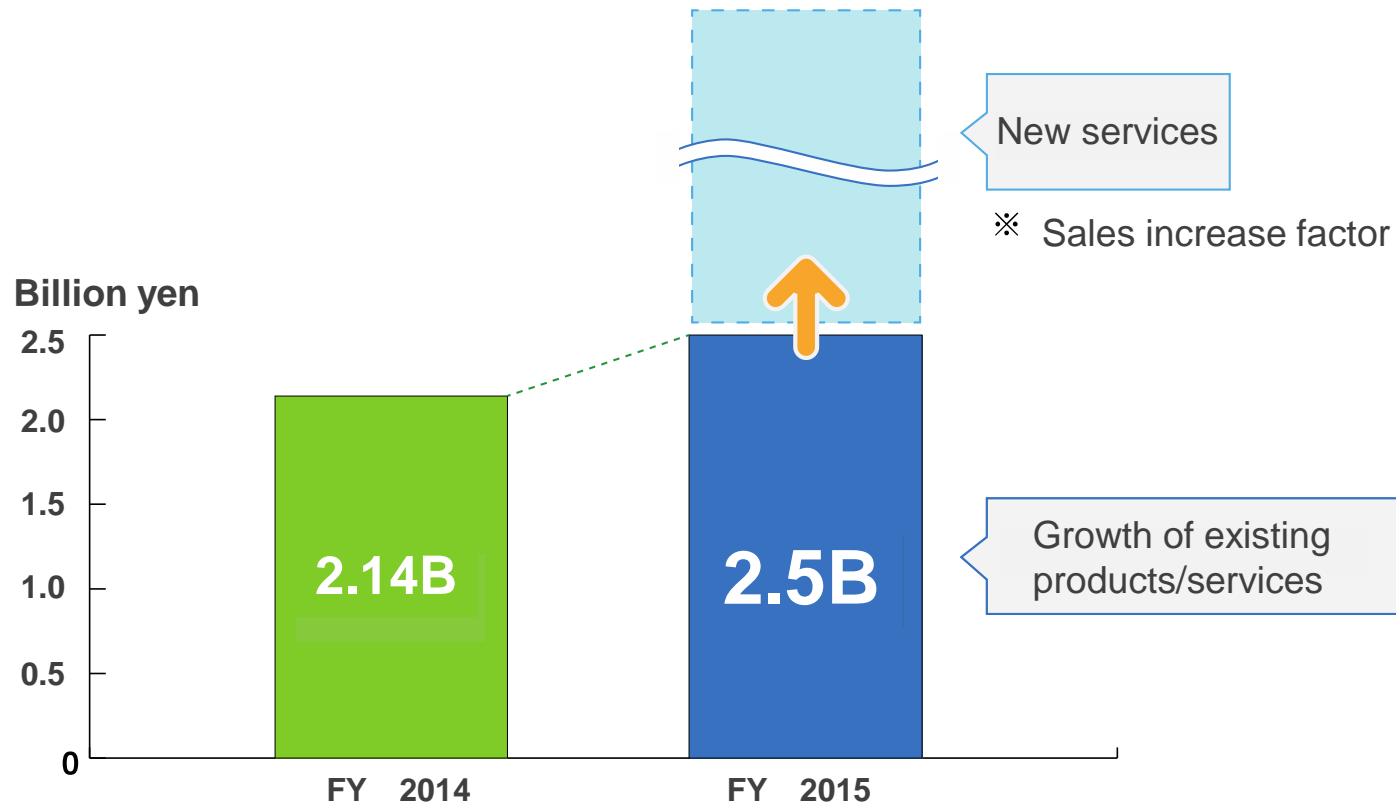
Satisfactory especially with the numbers of licenses for IoT Platform Services



FY 2016 Earnings Projections Policy

Without taking things like new services into account, progress with the growth of existing products and services is assumed to be same level as the previous year to calculate the projected earnings conservatively.

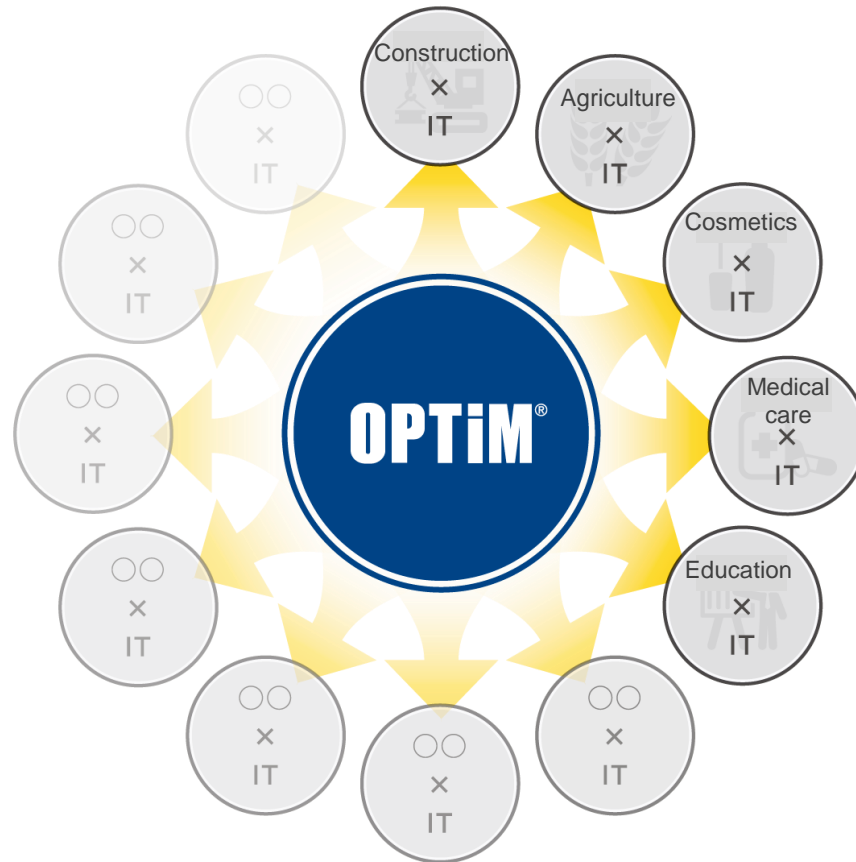
At present, the 2015 Fiscal Year Earnings projection is left unchanged



Vision for the Future ①

"○○ × IT" Innovation Strategy

We are striving to recreate industries with the "OO x IT" projects, where the power of IT is combined with various industries.



"Construction × IT"

Accelerating ICT for construction equipment by business collaboration with Komatsu

Business collaboration with Komatsu in remote technology
Optimal Second Sight, a Visual Remote Support service, is provided to Smart Construction, a construction site ICT solution



"Agriculture x IT"

Three-party collaboration agreement with Saga University and Saga Prefecture

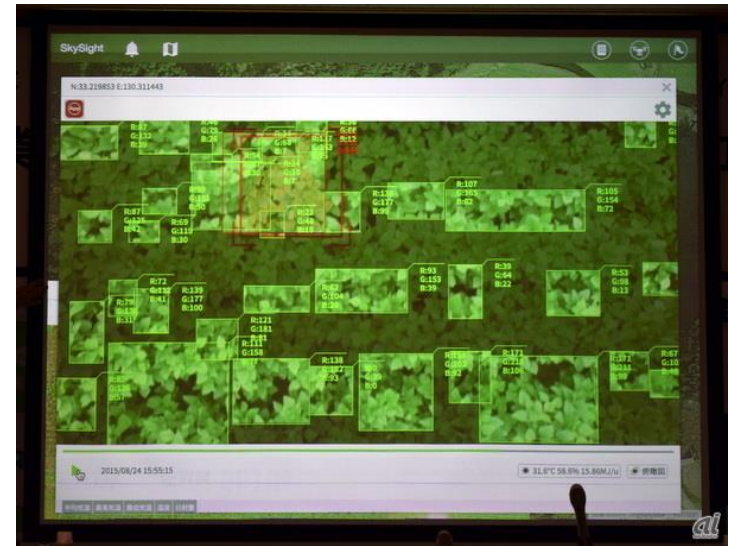
Entered a three-party collaboration agreement for IT Agriculture with Saga University and Saga Prefecture

SkySight, world's first big data analysis platform supporting drone

Working towards Saga being the world's No. 1 in Agriculture and IT with realizing "Fun, cool, productive agriculture" anticipating TPP and creation of new regions



In addition to drones, IoT digital data such as sensors and wearable devices can be stored.



[Information] The Ministry of Agriculture, Forestry and Fisheries is going to develop operating standard on drones for agriculture within the year

"Cosmetics x IT"

Entered cosmetics market utilizing Remote Technology

Entered cosmetics market utilizing Remote Technology
Exhibited at the COSMETIC360, an international cosmetics trade exhibition held in Paris



Aiming at a sharing economy service linking makeup artists and users



Creation of makeup image by our unique easy simulation technology



Advice by makeup artists all around the world via high quality live image utilizing OPTiM's screen-sharing technology



"Medical care x IT"

Pocket Doctor, a remote medical and health assistance service

Co-development of Pocket Doctor, a remote medical and health assistance service

OPTiM and MRT Form a Business Alliance for IT Medical Service/Health Care

Can have professional assistance service remotely even when busy



◆ Outline

- Medical care service in Japan is entering a period of change facing aging and decreasing birth rate, and the Ministry of Health, Labour and Welfare is now promoting remote medical care.
- The first remote medical and health care assistance service using live image with monthly fixed rate in Japan
- Allowing consultation by full-time doctors 24 hours a day

"Medical care x IT"

De facto removal of ban on remote medical care

Progressing to Social Hospital

Ban on remote medical care is de facto lifted under government policy by the Ministry of Health, Labour and Welfare through notice to prefectural governors (From press coverage on November 24, 2015)



◆ Excerpt of article

Easy consultation with a remote doctor on health care concerns using a smartphone - A service "Pocket Doctor" by MRT and OPTiM will be beginning in December 2015.

Pocket Doctor allows a user to register his or her consultation content by a smartphone. The system is with an exclusive app that enables response by doctors engaged in the service, who wish to give advice, during their free time or other. When consulting, more accurate advice can be given by using smartphone camera to inform the state of affected part or complexion etc.



"I want to create such an environment that allows health consultation like going to a convenience store," Mr. Baba, CEO of MRT, explains the target of the service. He is going to investigate various services in future using the infrastructure of Pocket Doctor that supports second opinion by a doctor designated by a patient, medical care in remote rural areas etc.

(Source) Nikkei Shimbun (Article in Nikkei Digital Health), issued on November 24, 2015

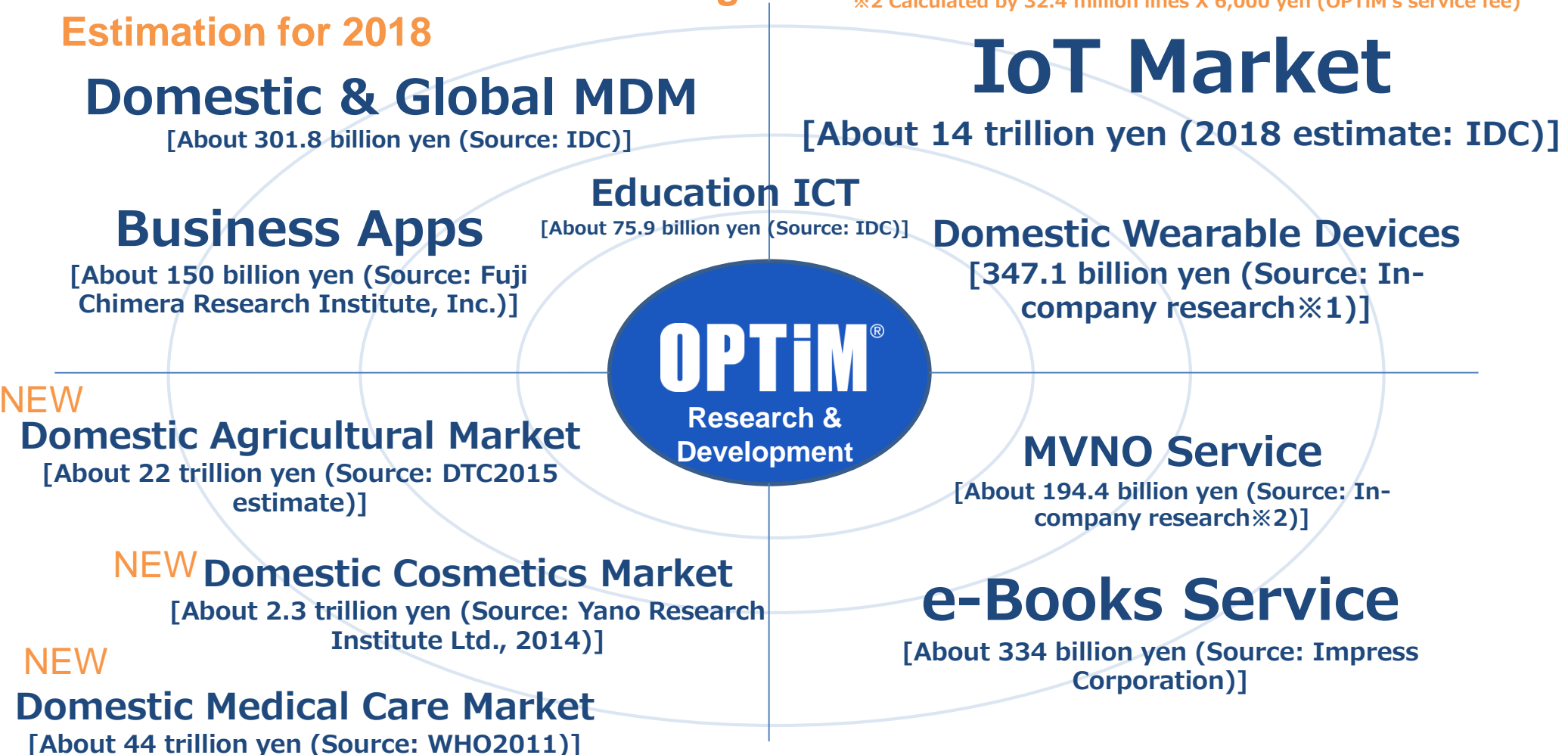
Vision for the Future ② "○○×IT" Innovation Strategy

**OPTiM is aiming to be a company
that defies categorization by
merging with and revolutionizing
every industry .**

Summary of the market volume that OPTiM is aiming for

Market volume that OPTiM is aiming for: Estimation for 2018

※1 Estimation based on projection by Nomura Research Institute
※2 Calculated by 32.4 million lines X 6,000 yen (OPTiM's service fee)



OPTiM

www.optim.co.jp