

Financial Results for First Quarter of Fiscal Year ending March 2017



OpenDoor Inc.
(Stock Code: 3926)

1. First Quarter – Financial Overview
2. First Quarter – Main Initiatives
3. Reference Materials

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Profit and Loss Statement / 1Q of FY2017 March



- Although there were losses due to external factors such as the Kumamoto Earthquake and terrorism incidents, results showed a profit margin increase (an increase of 19.0% compared to same period previous year)
- Revenue growth result from increase of profit margin (+4.4P), estimated annual operation margin increase of 35.4% was overachieved with an increase of 36.1%.

Unit: millions of yen	2016/3 1Q Results	2017/3 1Q Results	Amount of change	Percentage of change
Sales	544	648	+103	+19.0%
Cost of sales	117	128	+11	+9.4%
Profit margin on sales	426	519	+92	+21.7%
Distribution costs and general and administrative costs	260	292	+32	+12.4%
Operating profit	166	226	+60	+36.1%
Ordinary profit	166	229	+62	+37.8%
Quarterly profit	99	146	+46	+46.6%
Operating margin	30.6%	35.0%	+4.4P	

* One million or less truncated

** The 2016/3 1Q results are for reference

Progress from expected disclosure / 1Q of FY2017 March



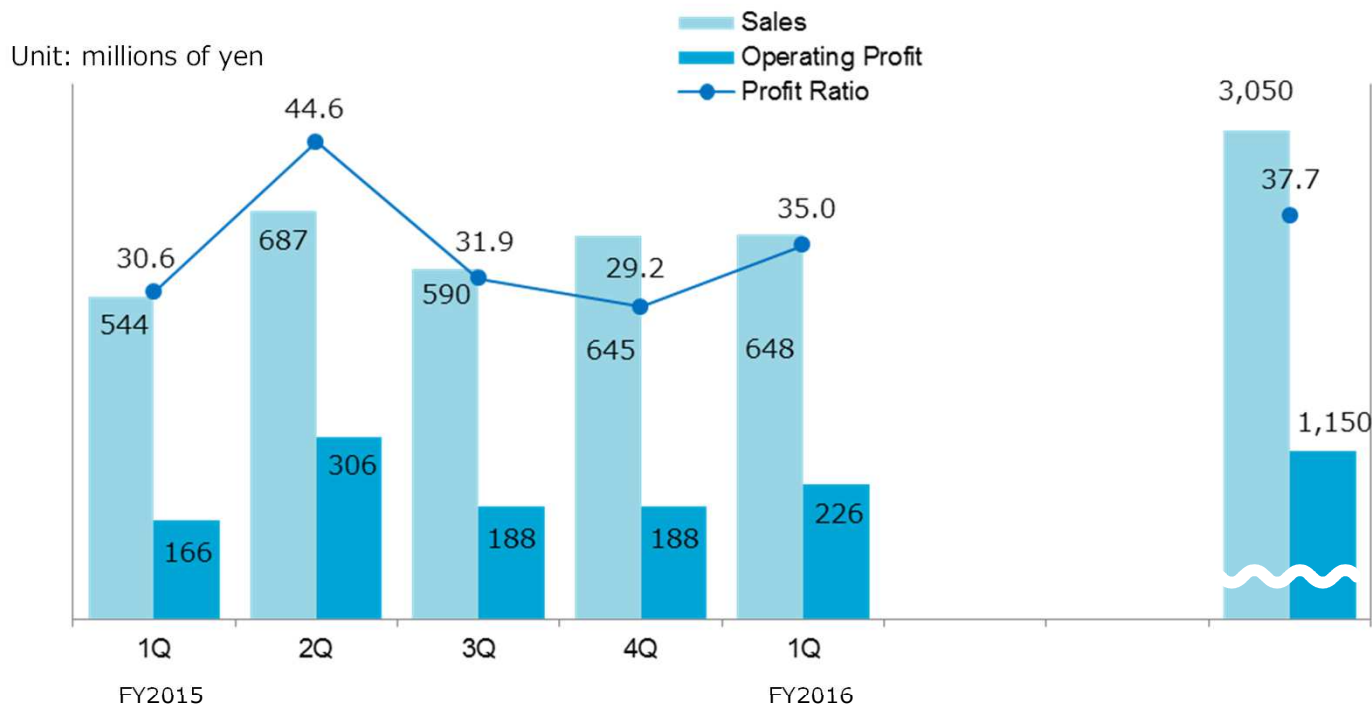
- Although the budget balance weight was on the second half of fiscal year, due to the change of the measure rate billing model for the primary services scheduled in the 3Q, the progression rate maintained the same as the 3Q for 2016, resulting in a steady performance for both sales and profits.

Unit: millions of yen	2016/3			2017/3		
	1Q Results	Rate of Progression	(Reference) Full-year	1Q Results	Rate of Progression	(Reference) Full-year
Sales	544	22.1%	2,468	648	21.2%	3,050
Operating profit	166	19.6%	849	226	19.7%	1,150
Ordinary profit	166	19.8%	840	229	19.9%	1,150
Quarterly profit	99	18.6%	536	146	21.2%	690

* One million or less truncated

** The 2016/3 1Q results are for reference

Quarterly financial projection / 1Q of FY2017 March



- Results FY 2016 March: **2Q → 4Q → 3Q → 1Q**
- Projection for FY 2017 March: **4Q → 2Q → 3Q → 1Q**

Project an increase of yield in the 3Q due to the change in primary services to measure rate billing model, and increase of unique users from the convenience of the availability information.

Projection / Profit and Loss Statement for FY 2017 March



- No change from initial projection.

Unit: millions of yen	2016/3 Results	2017/3 Plan	Amount of change	Percentage of change
Sales	2,468	3,050	+582	+23.6%
Cost of sales	492	542	+50	+10.1%
Profit margin on sales	1,975	2,508	+533	+27.0%
Distribution costs and general and administrative costs	1,126	1,357	+231	+20.6%
Operating profit	849	1,150	+301	+35.4%
Non-operating profit or loss	-9	0	+9	-
Ordinary profit	840	1,150	+310	+36.9%
Extraordinary income or loss	38	0	-38	-
Current profit	536	690	+154	+28.8%
Operating margin	34.4%	37.7%	+3.3P	-
Current profit per share (yen) *	53.39	67.26	-	-

*1 The current profit per share is as of July 1, 2016, and this figure takes into consideration the effects of share splitting of two shares per one common share.

* One million or less truncated

Balance Sheet / 1Q of FY2017 March



- 211 million yen decrease in current liabilities from accrued consumption tax and income tax payable.

Unit: millions of yen	2016/3 Results	2016/6 Results	Amount of increase
Current assets	2,907	2,841	-66
Cash and deposits	2,533	2,421	-112
Other	373	420	+47
Fixed assets	377	379	+2
Total assets	3,285	3,221	-64
Current liabilities	565	353	-212
Fixed liabilities	12	12	+0
Total liabilities	578	366	-212
Total equity	2,706	2,854	+148
Capital	648	648	+0
Capital reserves	478	478	+0
Earned surplus	1,604	1,750	+146
Other	-24	-22	+2
Total liabilities and equity	3,285	3,221	-64

* One million or less truncated

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Travelko-chan Press Releases / Main Initiatives for FY2017 March

(Abstracted after April 2016)

- Further improved product lineup and competitive power by performing system cooperation with online travel companies inside and outside Japan
- Following JAL and Seven Culture Network, the high-speed travel comparison and search engine developed by our company has been implemented in JCB Travel.

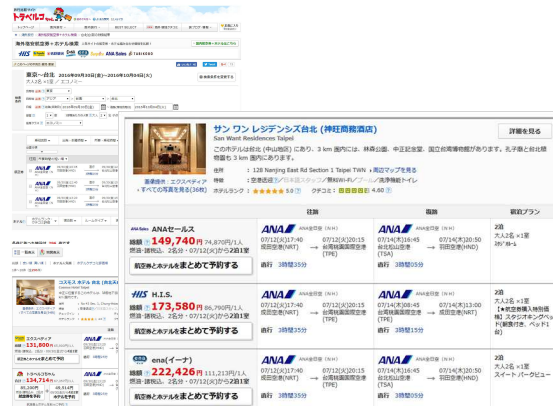
04/01	(Domestic hotel affiliate)	Affiliated with Hotels.com
04/12	(Domestic hotel affiliate)	Implemented direct connection with SYS Inc.'s reservation system to achieve connection with hotels official inventory.
05/12	(Domestic hotel affiliate)	Affiliate with Yahoo Travel to achieve direct search with Yahoo Travels accommodation plans.
05/12	(Domestic hotel affiliate)	Affiliated agreement with Stay Japans vacation rentals. Implementation in July.
04/04	(Domestic DP affiliate)	Affiliate with Star Flyer for domestic air and hotel packages. Enhanced the flights and routes selection.
05/31	(International DP affiliate)	Implemented JTB's air and hotel packages. Increased the search to 7 supplier sites.
06/28	(International DP affiliate)	Implemented ANA sales air and hotel packages "Tabi Saku". Increased the search to 8 supplier sites.
04/01	(ASP provision)	Provided search system for International tour packages search and comparison for JCB search site.
04/28	(ASP provision)	Provided search system for domestic tour packages search and comparison for JCB search site.

Hotel Affiliates



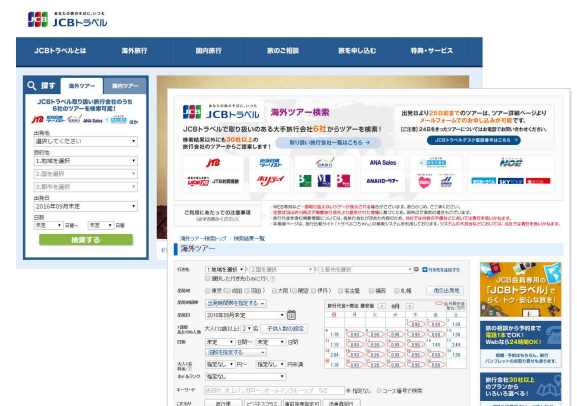
Affiliated with Yahoo Travel

Hotel and Air Packages for overseas travel



Direct connection with ANA Sales "Tabi Saku" packages

System provision



Provided search system for International and domestic tour packages search and comparison for JCB search site

Travelko (Global and inbound site) / Main Initiatives for FY2017 March



- [Hotel affiliate] Affiliate with Easy Travel. First contract made directly with a Taiwan Travel agency increased Taiwan Inventory. (2016/6)
- [Rebranding] Renamed HotelSaurus. Renamed to match Travelko-chan in efforts to increase brand recognition. (2016/6)

Hotel Affiliate

TRAVELKO English USD My viewed Hotels(12) About us Enquiry Feedback

Hotels Flights Feature of Japan

Home > Oahu Island > Honolulu hotels

Destination/hotel name* Honolulu, Oahu Island, Hawaii

Check-in yyyy-mm-dd - Check-out yyyy-mm-dd

Rooms 1 Guests Adults 2 Children 0

Search

Showing 1 - 10 (171 hotels)

Filter 171/171 hotels

By Hotel

Rating

Reviews

Price (per night)

Hotel Name

Room Type

Meals

Options

Hotel Kingdom
高雄(台灣)
Located in Yancheng District, this hotel is 0.1 mi (0.2 km) from Kaohsiung Film Archive and within 3 mi (5 km) of Former British Consulate at Takao and Kaohsiung Museum of Fine Arts...
4.08 Booking.com 3.9 agoda 3.9

訂房網站	房型	地圖	照片	周邊設施
四方通行	【不含早晚餐房專差】2人成行2200元起 (取消訂單時, 將有可能產生手續費。)	TWD 2,265	TWD 15,849	看價格
四方通行	【不含早晚餐房專差】2人成行2200元起 (取消訂單時, 將有可能產生手續費。)	TWD 2,265	TWD 15,849	看價格
四方通行	雅潔雙人房(二單床110x200cm) (取消訂單時, 將有可能產生手續費。)	TWD 2,635	TWD 18,441	看價格

Affiliate with Taiwan Easy Travel.

Rebranding

TRAVELKO English USD My viewed Hotels(12) About us Enquiry Feedback

Hotels Flights Feature of Japan

Home > Oahu Island > Honolulu hotels

Destination/hotel name* Honolulu, Oahu Island, Hawaii

Check-in yyyy-mm-dd - Check-out yyyy-mm-dd

Rooms 1 Guests Adults 2 Children 0

Search

Showing 1 - 10 (171 hotels)

Filter 171/171 hotels

By Hotel

Rating

Reviews

Price (per night)

Hotel Name

Room Type

Meals

Options

Hawaiian Monarch Hotel
Waikiki(Honolulu)
This Honolulu hotel is located within a mile of the Hawaii Convention Center, Fort DeRussy Park and Beach, and Waikiki Beach.
Airport Transfer / Free Wi-Fi / Pool
Rating 3.03 Booking.com 3.2 agoda 3.1

Room type Map Photo Attractions

Queen Kapiolani Hotel
Waikiki(Honolulu)

From HotelSaurus to Travelko

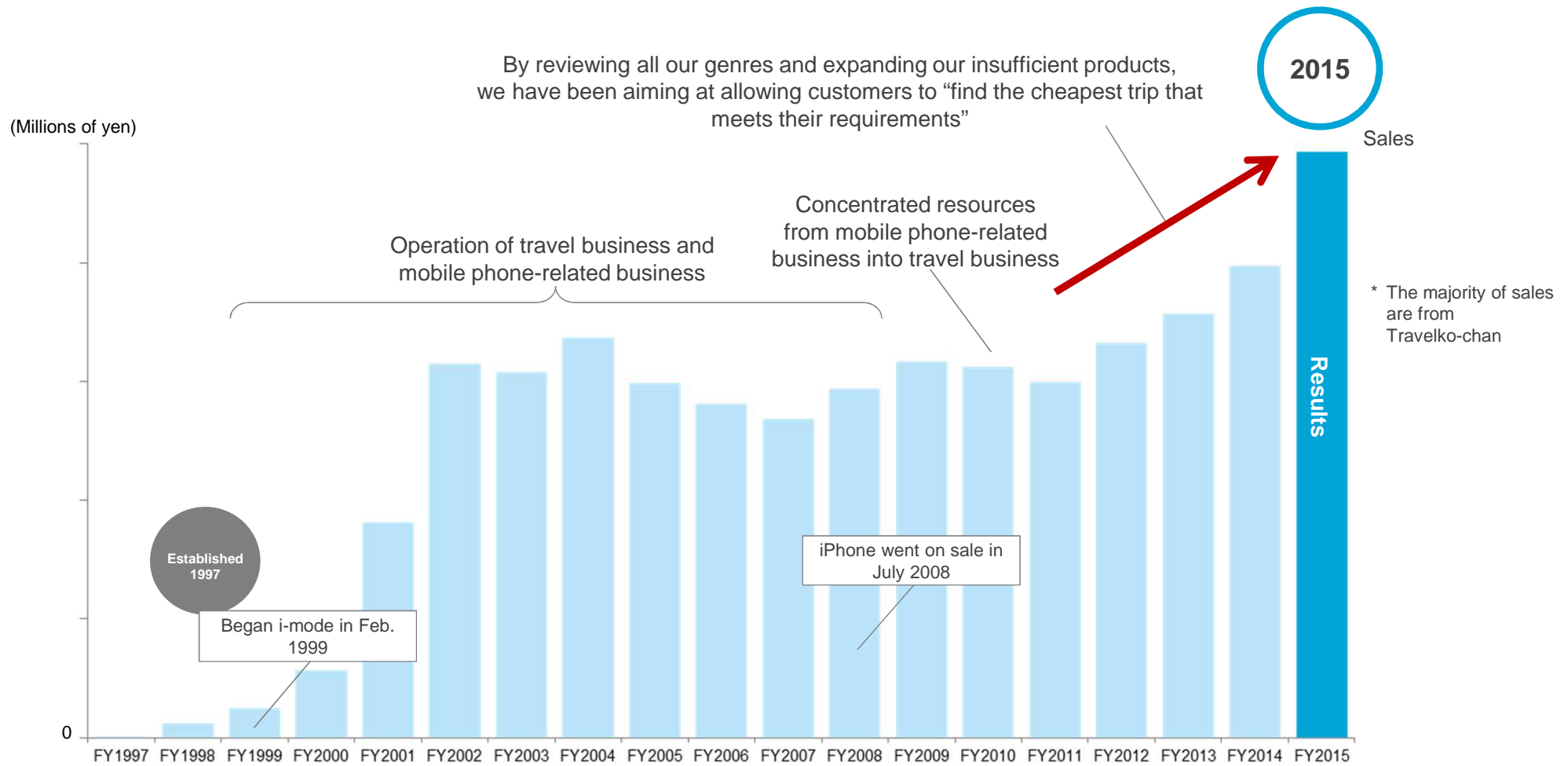
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Company Overview (As of June 2016)



Company name	OpenDoor Inc.
Date of establishment	April 1997
Representative	Daisuke Sekine, President and Representative Director
Capital	648 million yen
Description of business	Travel comparison site "Travelko-chan" Multi-language travel comparison site "Travelko" Traditional crafts information site "GALLERY JAPAN"
Consolidated subsidiaries	100% equity in Hotel Skip Inc. Reservation, arrangement, and sales for international and domestic hotels
Number of employees	A total of 145 employees

Progress and Sales Trends



A comparison website for travel products that allows users to compare and search among products of approximately 300 travel companies

海外旅行

★カベラ・シンガポールの魅力★
最高級のおもてなしを体験できるシンガポール・セントーサ島のホテルをご紹介します

スタッフ厳選! BEST SELECT

- 225,900円~ 関西発 ヨーロッパ2都市6日間<燃油代込>
- 26,900円~ 関空発 台北 3日間<燃油代込>
- 80,000円~ 名古屋発 セブ島 4日間 <燃油代込>

→ BEST SELECTをもっと見る

- 海外ホテル 日本最大級!人気64サイトをまとめて検索!
- 海外ツアー 燃油サーチャージ合算比較
- 海外格安航空券 まとめて空席確認!人気のLCC航空券も
- 海外航空券+ホテル 自由に選べて24時間予約可能!
- オプションツアー 人気サイトのツアーをまとめて検索
- 海外鉄道予約 鉄道乗車券やバスを検索&予約!
- クルーズ クルーズの楽しみ方とQ&A
- ファイナルコール 出発直前激安情報!

→留学・ワーホリ →旅行見積り →レンタカー

国内旅行

かに三味の旅へ出かけよう!
茹でガニ、焼きガニ、カニ刺身など!美味しいカニをお腹いっぱい楽しむ旅へ

スタッフ厳選! BEST SELECT

- 29,900円 羽田発 札幌・登別温泉 3日間
- 18,300円~ 名古屋駅発 加賀温泉 2日間
- 20,800円~ 名古屋駅発 横浜・横須賀 2日間

→ BEST SELECTをもっと見る

- 宿・ホテル予約 日本最大級!まとめて検索
- 国内ツアー 約90社の国内ツアーをまとめて検索・比較!
- 国内格安航空券 ご搭乗当日でも格安!24時間予約可
- 国内航空券+ホテル 空席のみ表示!往復航空券と宿を自由に選択
- 日帰り旅行・体験 日帰り温泉やアウトドアなど多数掲載中
- 格安高速バス 空席状況をまとめて確認!
- 国内格安レンタカー 国内レンタカーの格安値を簡単検索!
- ファイナルコール 出発直前激安情報!

→バスツアー →旅行見積り

格安値一覧 東京発

1月	2月
国内ツアー	宿・ホテル
札幌2日	1.78万円
苗場2日	1.07万円
白馬3日	1.42万円
金沢2日	1.84万円
大阪2日	1.53万円
博多・福岡2日	1.98万円
那覇3日	2.18万円
沖縄ビーチ(恩納村)3日	2.18万円

▶その他の国内ツアー情報はこちら

海外ツアー(燃油込)

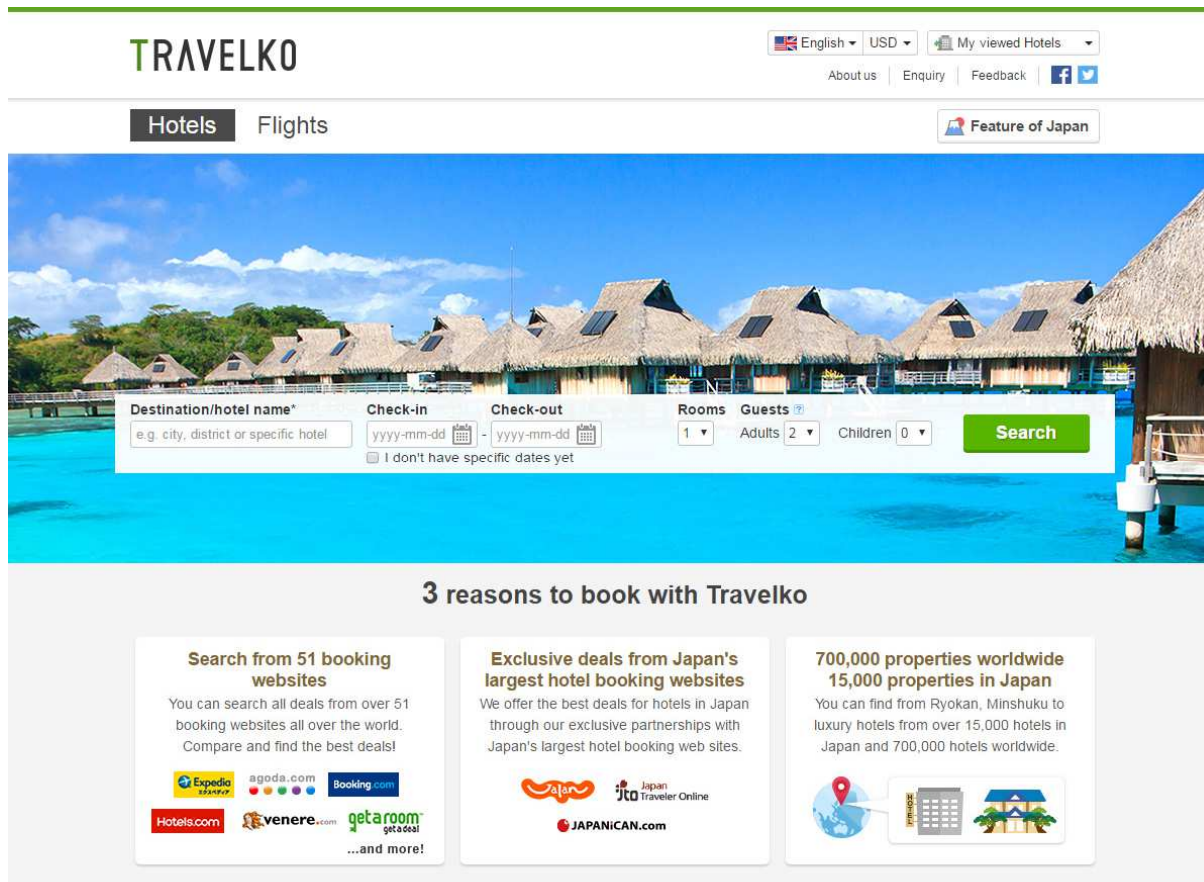
ソウル3日間	0.98万円
台北3日間	1.76万円
バンコク4日間	2.48万円
グアム4日間	3.48万円
ホノルル5日間	4.78万円
バリ島5日間	3.78万円
ロサンゼルス5日間	5.58万円
ニューヨーク5日間	5.80万円
パリ6日間	4.95万円
ロンドン6日間	4.95万円
ケアンズ5日間	5.98万円

▶その他の海外ツアー情報はこちら

【マーク説明】 ↓↑…格安値の更新商品あり
12月7日時点の情報です



The global version of Travelko-chan, targeted at foreign and inbound markets



Started in October 2014

Supported Languages

English
Chinese (Traditional, Simplified)
Korean

Services of Our Company/Traditional Crafts Information Site “GALLERY JAPAN”



A site targeted at international and inbound markets, that introduces traditional craft goods of Japan to the rest of the world



Started in in October 2014

Supported Languages

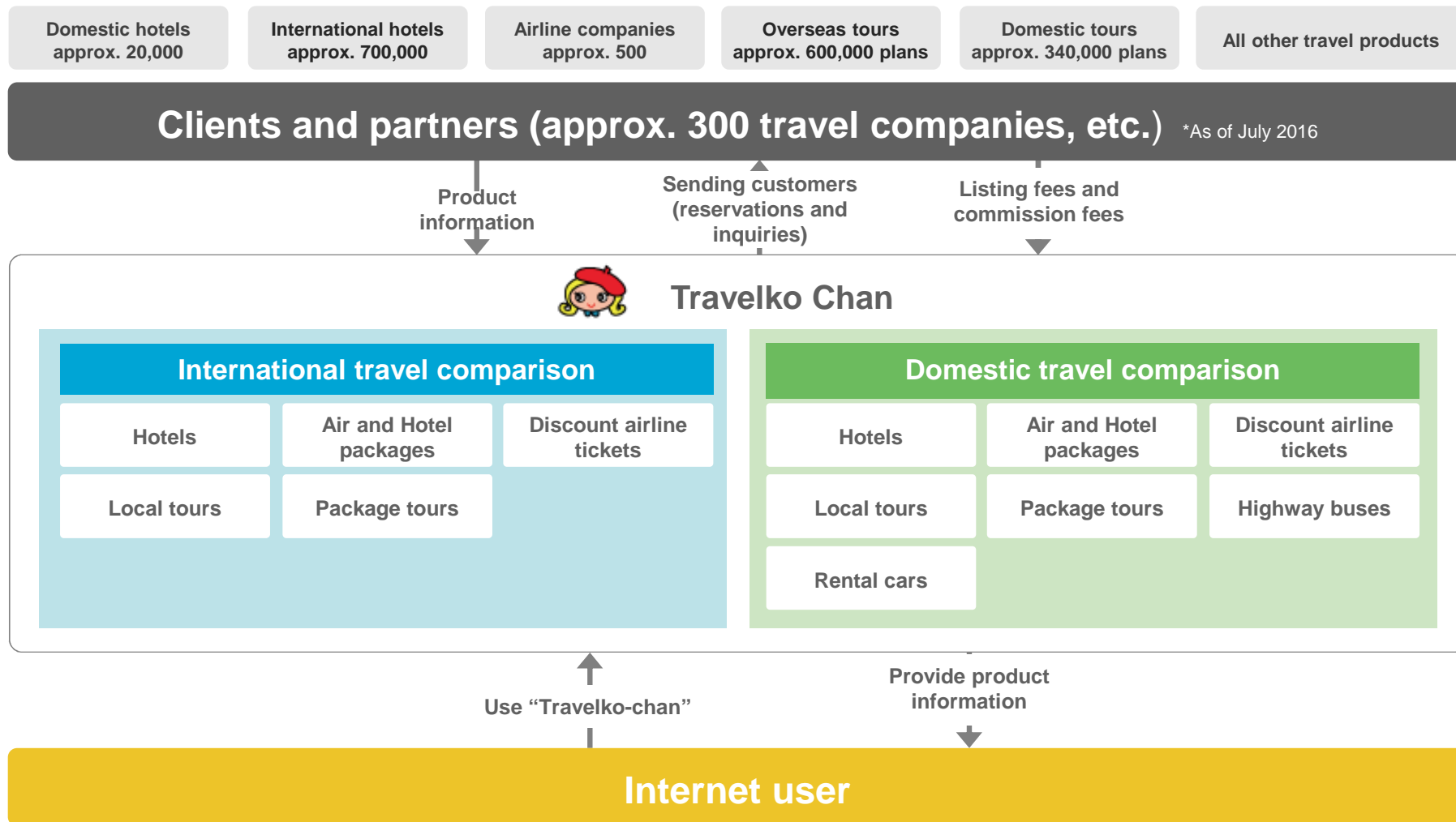
English
Japanese

WORK / 作品紹介



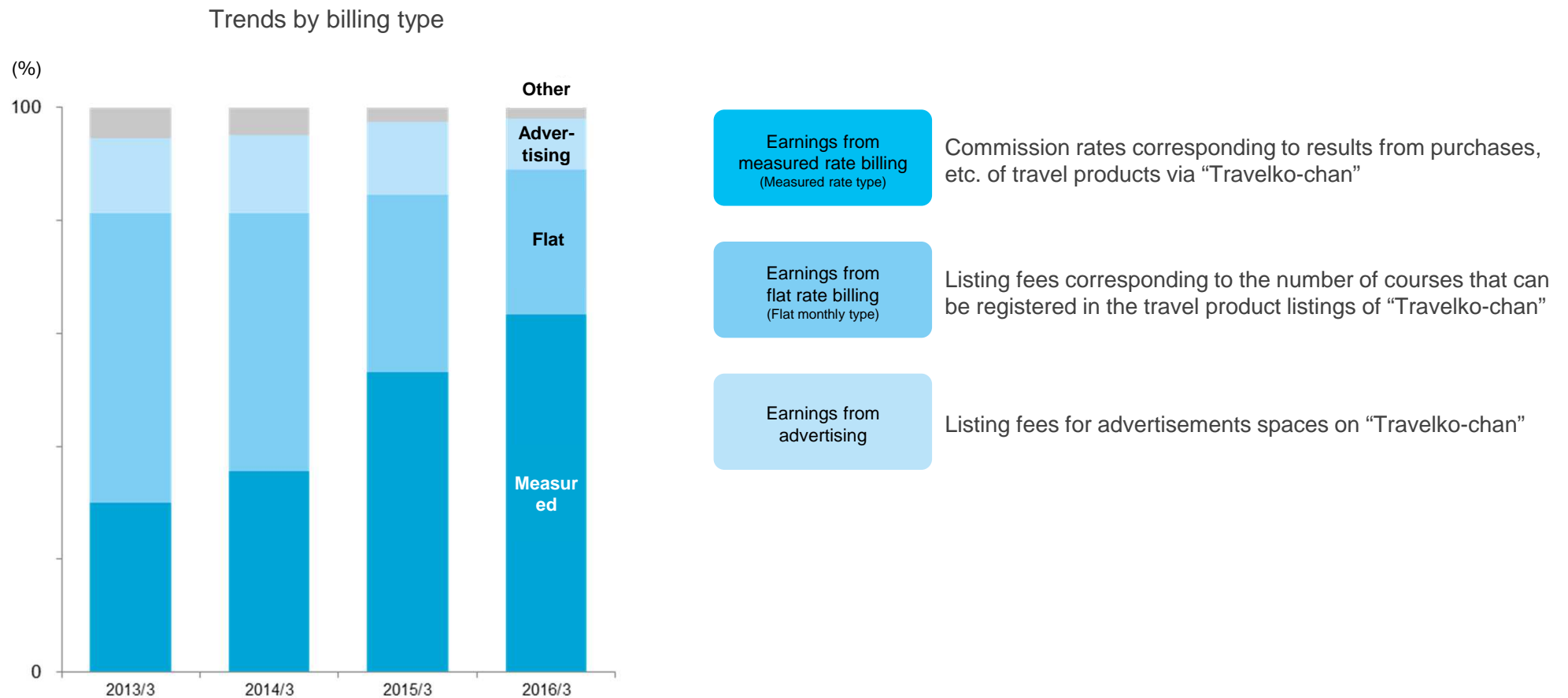
Travelko-chan / Business Model

A business model that allows the majority of travel products to be compared

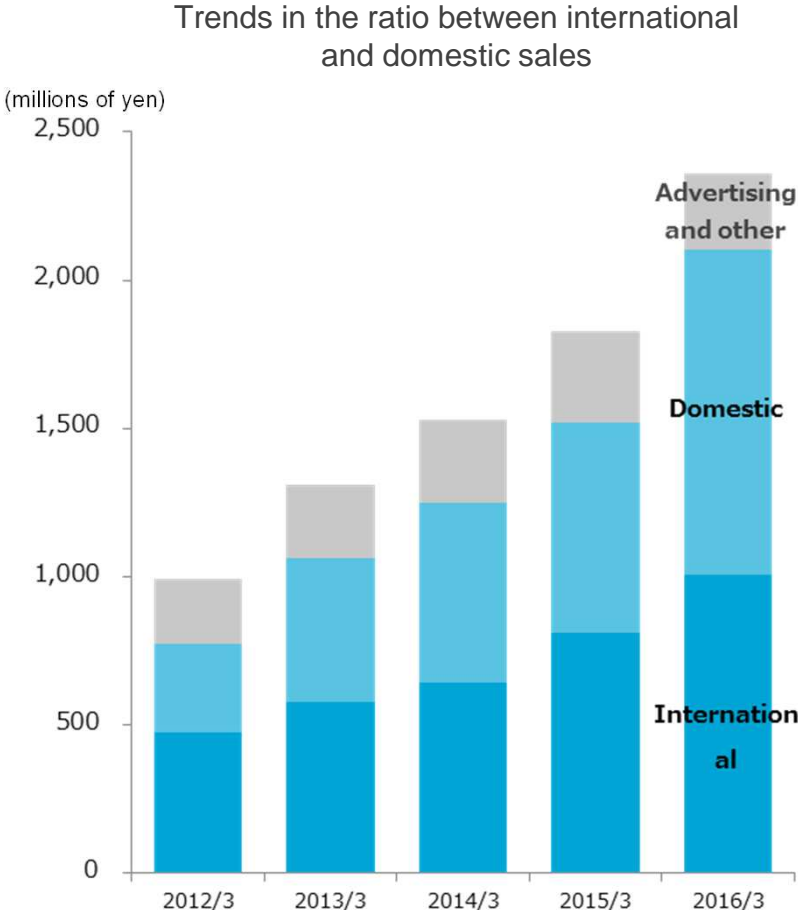


Travelko-chan / Earnings Model

Shift from flat rate billing to measured rate based on results



A sales structure with risk balance and growth in both international and domestic sales.



Flexibly corresponds to changes in market trends due to changes in international or domestic popularity or because of sudden events such as terrorist attacks, etc.

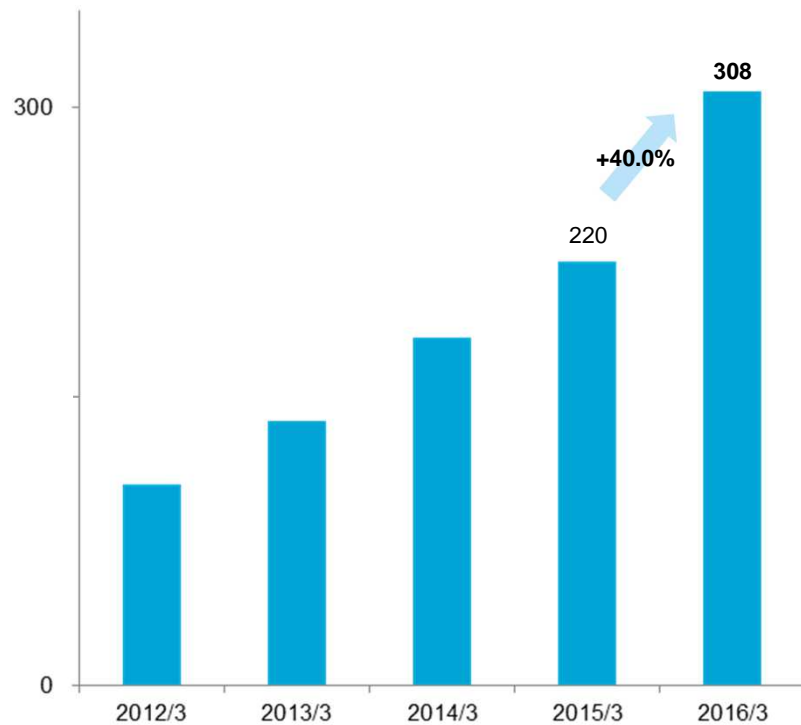
A structure that is resistant against exchange fluctuations

Travelko-chan / Trends in Unique Users, and User Attributes

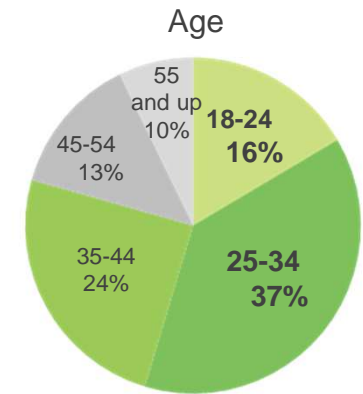
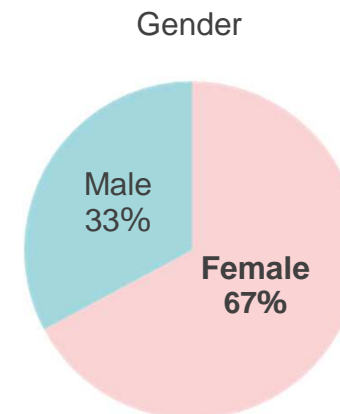
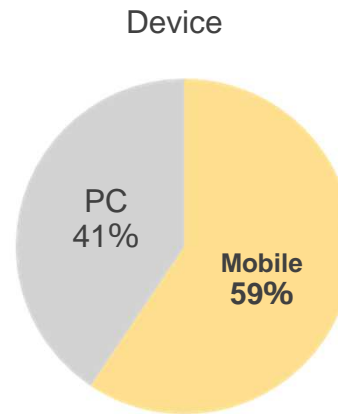
Characteristics are the smooth increase in the number of unique users and the fact that the user segments include many F1 users (females aged 20-34) who are strict in regards to the cost and content of products

Changes in the monthly averages of the number of unique users (based on fiscal years)

(10,000's of persons)



User attributes *2



* The majority of genres are now supported on smartphones

We are favored by the **F1 users who are extremely strict in regards to the cost and content of products.**



* 1 A unit for counting the amount of access via the web by using a method of counting a specific user as one user even if the user in question has visited the site multiple times on the same device within a period of one month

*2 2015/7 - 2016/6 access analysis data of our company

Top-class domestic product competitive power

- ✓ **Coverage** of the majority of **genres***, and price comparison connected with inventory information
- ✓ Comparison possible between over 300 travel companies, **overwhelming cost competitive power**

High profitability

- ✓ Increase in users **without using a large amount of advertising expenses**, thanks to high brand recognition
- ✓ Yearly decreases in the rate of advertising expenses to net sells
- ✓ A structure in which profitability increases as sales increase, thanks to the growth of variable costs and fixed costs being restricted in comparison to sales
(Including large investments and promotions)

High growth in the number of unique users

- ✓ Constant high growth in the number of unique users
- ✓ **Growth in the number of unique users in all genres**

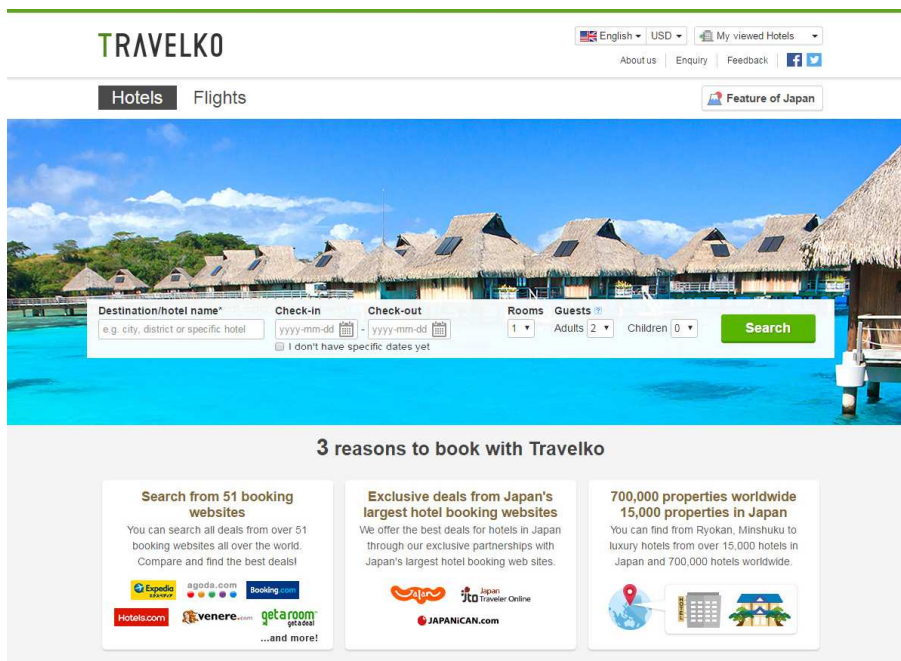
*Product genres such as package tours, hotels, discount airline tickets, dynamic packages, etc.

Future Initiatives / Travelko-chan (Domestic Markets)

The screenshot shows the Travelko-chan website interface. At the top, there's a navigation bar with options like '全国版', '海外旅行', '国内旅行', 'BEST SELECT', and '海外現地クチコミ'. Below this, there are sections for 'TOPICS' and '掲載サイト数 国内No.1'. The main content is divided into '海外旅行' (International Travel) and '国内旅行' (Domestic Travel). The '海外旅行' section lists various travel packages with prices and durations, such as '成田発香港3日間<燃油込>' for 22,600 yen. The '国内旅行' section lists domestic travel packages, such as '大阪発宮島2日間' for 30,000 yen. On the right side, there's a '最安値一覧' (Cheapest List) table showing prices for various destinations and durations.

目的地	期間	最安値
札幌	2日間	1,68万円
旭川	18日間	2,32万円
金沢	2日間	1,82万円
大阪	2日間	1,75万円
京都	2日間	1,55万円
博多・福岡	2日間	1,98万円
那覇	3日間	2,08万円
沖縄	ビーチ(恩納村) 8日間	2,08万円

- ✓ Strengthen current services
- ✓ Begin reservation services for vacation rentals and restaurants
- ✓ Expansion of review information
- ✓ Provision for resources of travel guide applications that can be used at travel destinations
- ✓ Expansion of system provisions



- ✓ Increase affiliates with local travel companies in other countries
- ✓ Provide vacation rentals, package tours, and optional tour services
- ✓ Expand Japan inbound reviews

Growth of travel online markets and inbound markets is expected to continue

Travel online market scale

Travel total market scale: 8.7 trillion yen
 Online market scale: **2.9 trillion yen** *1 (2013)
 An increase in **124%***1 from 2011 to 2013

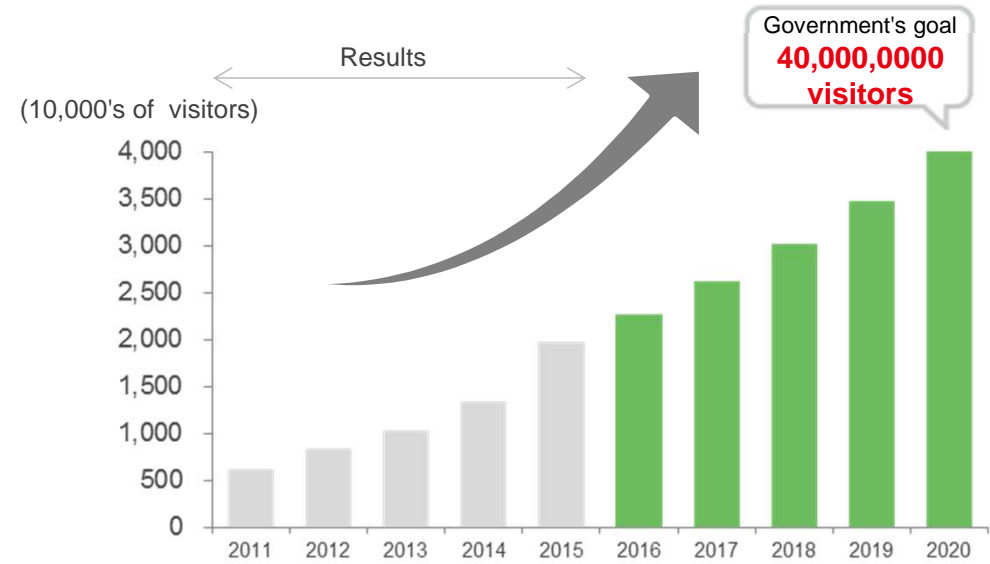


Growing inbound market

2015
 19,730,000
 visitors *3

→

2020
40,000,000
 visitors *4

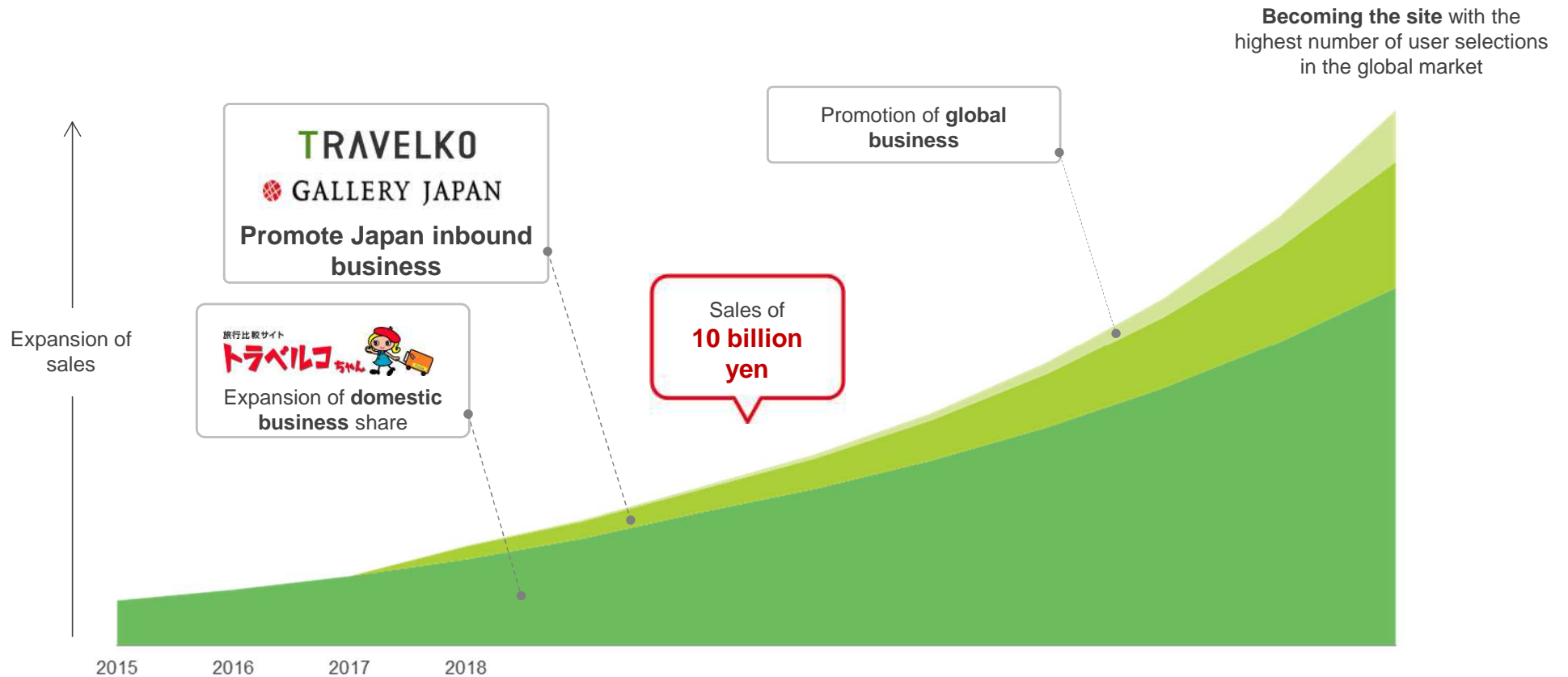


* 1 Abstract from PhoCusWright Japan's "Survey of Japan's Online Travel Market, Second Edition"
 * 2 From the above-mentioned document, a growth rate of the yearly average +11% is assumed

*3 An abstract from the number of foreign visitors to Japan by JNTO (Japan National Tourism Organization)
 *4 An abstract from the proceeding of "Tourism Vision for Supporting to the Japan of Tomorrow"

Image of Mid-term Growth

Aiming at becoming the site with the highest number of user selections in the global market



- This document contains prospects associated with our company, future plans, business objectives, etc. The entries concerning these future prospects are based on our company's assumptions concerning future events and trends as of the making of this document, so there is no guarantee that the assumptions made by our company are completely accurate. Because of various factors, the actual results may differ drastically from those assumed in this document.
- Unless otherwise stated, the financial data contained in this document is shown based on the accounting principles generally recognized inside Japan.
- The occurrence of future events, etc. notwithstanding, our company will not necessarily make revisions to publications, etc. regarding future prospects that have already been published, except in cases in which revisions are requested because of bylaws concerning disclosure of the revisions.
- Information concerning companies other than our company is based on public knowledge that is generally known.

OpenDoor Inc.

For inquiries regarding this document or IR,
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Homepage: <http://www.opendoor.co.jp>