

Financial Results for Third Quarter of Fiscal Year ending March 2017



OpenDoor Inc.
(Stock Code: 3926)

1. Third Quarter – Financial Overview
2. Third Quarter – Accomplishments
3. Forth Quarter – Main Initiatives
4. Reference Materials

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Performance Statement / 3Q of FY2017 March

- On a quarterly basis, net sales increased by the same period of the previous fiscal year (increase of 114 million yen, 19.3% increase compared to the same period of the previous year) which the shift to measured rate billing showed effectiveness.
- Maintained a high profit margin, and operating profits achieved 39.6% (at an increase of 7.7P compared to same period of the previous year)

Unit: millions of yen	2016/3 3Q Results	2017/3 3Q Results	Amount of change	Percentage of change
Sales	590	704	+114	+19.3%
Cost of sales	120	129	+8	+7.2%
Profit margin on sales	470	575	+105	+22.4%
Distribution costs and general and administrative costs	281	296	+14	+5.3%
Operating profit	188	278	+90	+47.9%
Ordinary profit	183	278	+94	+51.4%
Quarterly profit	124	174	+49	+39.8%
Operating margin	31.9%	39.6%	+7.7P	-

Progress from expected disclosure / 3Q of FY2017 March (Cumulative)



- Net sales continued to be solid (+ 16.4% compared to same period of the previous year)
- 3Q (cumulative) results (849 million yen) achieved operating profit exceeding the full-year results for the previous term

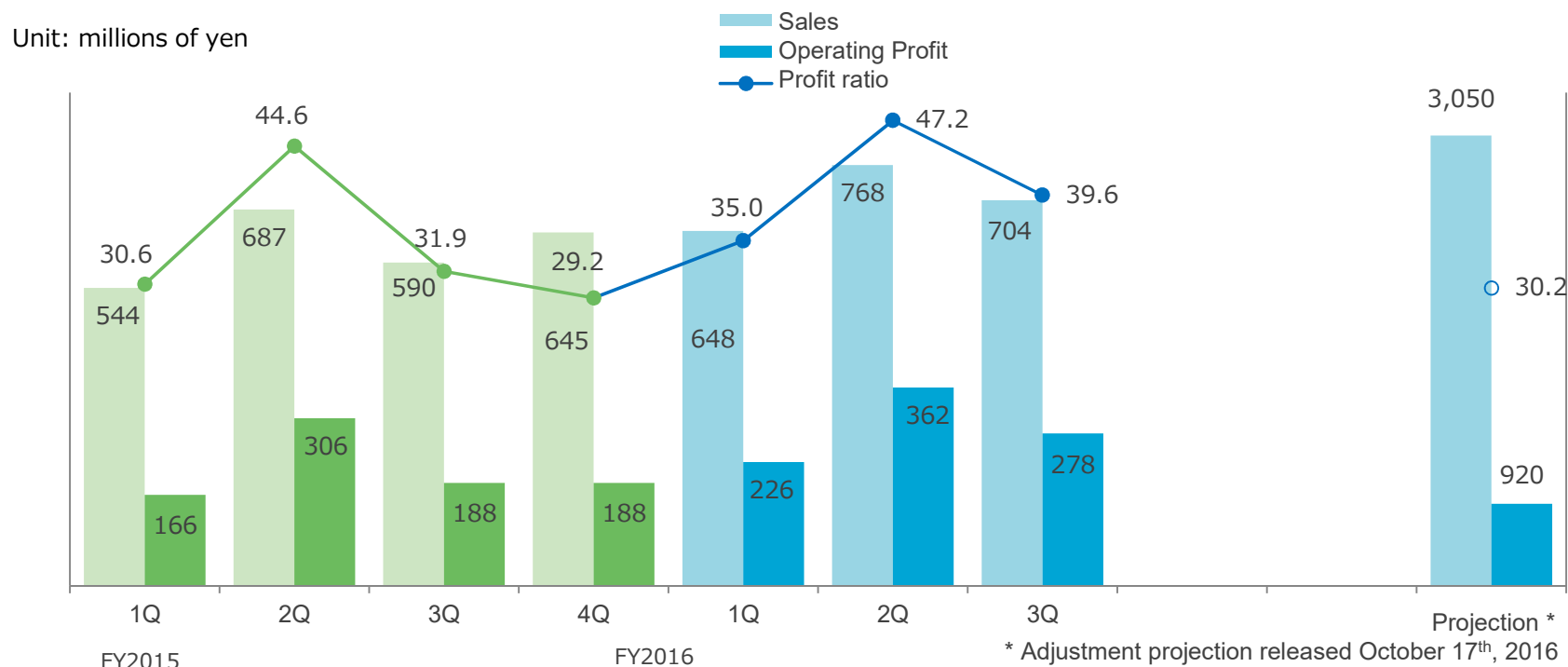
Unit: millions of yen

	2016/3 3Q Results (Cum.)	2017/3				2017/3 Projection ※
		3Q Results (Cum.)	Amount of change	Percentag e of change	Progression Rate from original projection	
Sales	1,822	2,121	+299	+16.4%	69.6%	3,050
Cost of sales	353	400	+47	+13.5%	74.0%	542
Profit margin on sales	1,468	1,720	+251	+17.1%	68.6%	2,508
Distribution costs and general and administrative	807	852	+44	+5.6%	53.7%	1,587
Operating profit	661	868	+206	+31.3%	94.3%	920
Ordinary profit	655	874	+219	+33.4%	95.0%	920
Quarterly profit	405	544	+138	+34.2%	98.5%	552
Operating margin	36.3%	40.9%	+4.6P	-	-	30.2%

* Adjustment projection released October 17th, 2016

Quarterly financial projection / 3Q of FY2017 March

- Achieved increase in sales and profits with profit margin at each Q of 1Q to 3Q.
- Anticipate improvement in profit by the shift to measured rate billing for main products from 3Q on, and higher convenience for flight and hotel availability concluding an increase in Unique Users.



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

Fiscal Year Projection / 3Q of FY 2017 March

<On October 17, 2016, we announced the modification of sales projections due to the mass media project which includes TV commercials in the 4Q. An additional expense of 230 million yen has been added for advertising. >

- No changes in latest announcement to projected performance.

Unit: millions of yen

	2016/3		2017/3			
	Results	Ratio	Projection**	Amount of Change	Year on Year	Ratio
Sales	2,468	100.0%	3,050	+582	+23.6%	100.0%
Cost of sales	492	20.0%	542	+49	+10.1%	17.8%
Profit margin on sales	1,975	80.0%	2,508	+532	+27.0%	82.2%
Distribution costs and general and administrative costs	1,126	45.6%	1,587	+461	+41.0%	52.0%
Operating profit	849	34.4%	920	+71	+8.4%	30.2%
Non-operating profit or loss	-9	-0.4%	0	+9	-	-
Ordinary profit	840	34.1%	920	+80	+9.5%	30.2%
Extraordinary income or loss	38	1.6%	0	-38	-	-
Current profit	536	21.7%	552	+16	+3.0%	18.1%
Operating margin	34.4%	-	30.2%	-4.2P	-	-
Current profit per share (yen) *	53.39	-	53.82	-	-	-

* 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.

** Adjustment projection released October 17th, 2016

Balance Sheet / 3Q of FY2017 March

- Financial results show steady performance, with 543 million yen increase in net assets.

Unit: millions of yen	2016/3 Results	2016/12 Results	Amount of increase
Current assets	2,907	3,421	+513
Cash and deposits	2,533	2,927	+393
Other	373	493	+120
Fixed assets	377	341	-35
Total assets	3,285	3,763	+477
Current liabilities	565	510	-55
Fixed liabilities	12	2	-10
Total liabilities	578	512	-66
Total equity	2,706	3,250	+543
Capital	648	648	-
Capital reserves	478	478	-0
Earned surplus	1,604	2,148	+544
Other	-24	-24	-0
Total liabilities and equity	3,285	3,763	+477

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10/28 (Travelko / Domestic flights affiliate)

10/28 (Travelko / Domestic hotel affiliate)

11/24 (Travelko / Domestic tours affiliate)

12/02 (Travelko / Application)

12/19 (Travelko / International hotel affiliate)

12/22 (Travelko / Domestic tours product)

Affiliated with skyticket and increased convenience by increasing flight selections in the reservation site.

Affiliated with Hoterea.com's domestic hotels and ryokans. Increased accommodation plans.

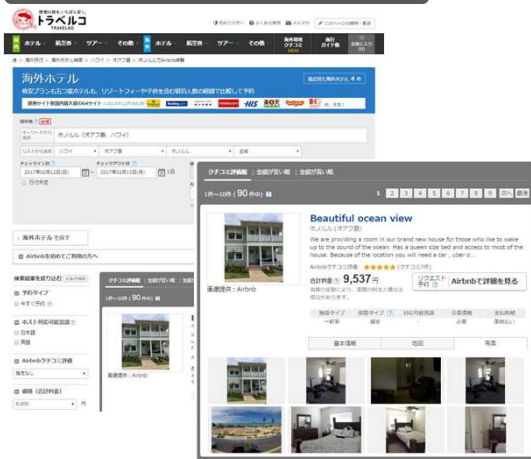
Affiliated with T travel's dynamic packaging, and increased Jetstar package plans.

Filled with information for 94 popular cities around the world! Released iOS version of a free map application "Travelko Map" that can be used offline as well.

Affiliated with Airbnb and increased search selection to include apartments, villas, and castles.

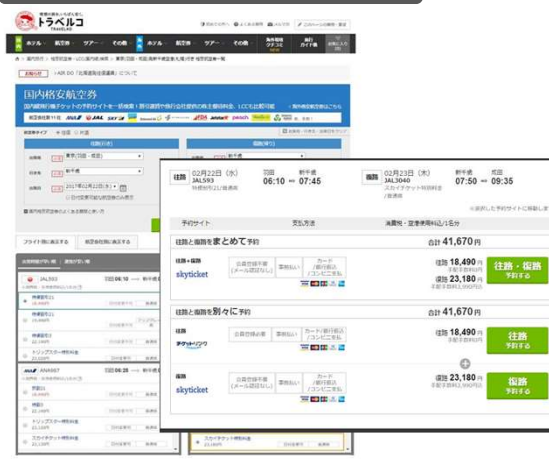
Implemented new product, "Domestic one day bus tours" and added products with characteristics are only found in one day bus tours.

International Hotels affiliate



Launched affiliate with Airbnb

Domestic flights Affiliate



Launched affiliate with skyticket

Offline Map



Filled with information for 94 popular cities around the world! Released iOS version of a free map application "Travelko Map" that can be used offline as well.

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- Full renewal of design for PC site and smartphone site
- Change site name to Travelko from Travelko-chan, and added a new logo design
- Casted TV commercials to increase site awareness
- Release the Android version of the free map application "Travelko Map" that can be used offline as well, which iOS version has already been released.



- Mass media advertising which includes a television commercial for the 4Q.



Currently for "Travelko"

- Currently, Travelko covers a wide range of product genres which includes, hotels, flights, dynamic packages, and others where users may compare travel not only for leisure travel, but for business travel as well. The number of suppliers and products are one of the largest in the country, and transitionally, provides extremely competitive rates.
- One of the reasons why a wide range of users use Travelko for travel comparison is because our heavy users are the F1 Group (Women ages 20 to 34), and among the genre of products there is high selection of package tours for leisure travel

Mass media advertising including
television commercial (4Q)

Fast and efficient way to acquire a new audience, and enhance the speed of growth to increase users in the next fiscal year.

- On January 14th 2017, we started our TV commercials for Travelko in three markets, Tokyo, Osaka, and Nagoya, with the image of “Scenery with price”

Scenery with Travelko prices

▪ Hotel Version (30 sec, 15 sec)



The scene is at a high end hotel. Various hotel prices are floating over the heads of guests as they walk through the lobby. It shows the reservation price for each guest when they booked their hotel. Meanwhile, a lady with her suitcase walks in, and above her head, shows a price which is the "lowest price". She was the one who found the most reasonable hotel price at Travelko.

▪ Flight Version (30 sec, 15 sec)



The scene is at an airport. Various flight prices are floating above the heads of people waiting for their flight, checking tickets, and drinking coffee. It shows the flight price for each reservation. A businessman passes through the boarding gate. Above his head is the "lowest price". He was able to reserve the ideal flight at a reasonable price at Travelko.

▪ Tour Version (30 sec, 15 sec)



The scene is at a beautiful beach resort with blue skies and white sand. There are many travelers enjoying their vacation. Vacation prices are floating above their heads. It shows the price they paid for their package tour. A happy family of three are walking along the beach. Above the mother's head is the "lowest price". It was thanks to Travelko that the family enjoyed the ideal tour at the lowest price than anyone.

- Affiliate with Taiwan’s major travel agencies to enhance our competitiveness in hotel comparison for the Taiwan market, and implement Taiwan’s package tours.
- Release optional tours for the global market, which will enhance the current line up which is only inbound.

TRAVELKO

繁 簡體中文 TWD 最近瀏覽的飯店

公司簡介 | 各項諮詢 | 顧客意見 | f t

通知 JAPANICAN系統維護公告

飯店 機票 日本旅遊專欄

目的地/飯店名 入住日 退房日 房間數 客人? 兒童

城市、地區、區域或特定酒店 yyyy-mm-dd yyyy-mm-dd 1 大人 2 兒童 0 搜尋

日期未定

使用 Travelko 訂房的 3 大理由

- 同步搜尋53家最熱門訂房網**
您可以在全球超過 53 個訂房網站中搜尋所有的房價，比較並找出最優惠的價格！
- 來自日本最大線上訂房網站的獨家優惠價**
透過與日本最大最權威的線上訂房網站的獨家合作夥伴關係，我們提供日本飯店和旅館最優惠的價格。
- 全球超過 700,000 家飯店 日本超過 15,000 家飯店**
超過 15,000 家日本飯店、700,000 家全球飯店，從旅館到豪華飯店應有盡有，您可以在這裡找到最好的住宿。

Expedia agoda.com Booking.com Hotels.com 四方通行 Ctrip JAPANICAN.com Japan Traveler Online

Initiatives 4Q FY2017 /New shareholders incentives

As a sign of recognition to our investors, we would like to increase the benefits of investing in our company and introduce new incentives in order to attract many more investors in the mid to long term.

Our company was also assigned to 1st section from mothers on the Tokyo Stock Exchange. To thank our investors for their continuous support, we will also implement special shareholders incentives.

	Shareholders incentives	Shareholders special incentives
Target	All investors who possess 1 unit (100 shares) or more at the end of March every fiscal year	All investors who possess 1 unit (100 shares) or more at the end of March 2017
Content	All investors who possess 1 unit (100 shares) or more will receive a ¥ 1,000 worth QUO card	All investors who possess 1 unit (100 shares) or more will receive a ¥ 2,000 worth QUO card
Date of the offering	Sent every year at the end of June (forecast)	Sent every year at the end of June (forecast)

All investors registered as possessing 1 unit (100 shares) or more on March 31st 2017 will receive a ¥ 3,000 worth QUO card that included the shareholders special incentives.

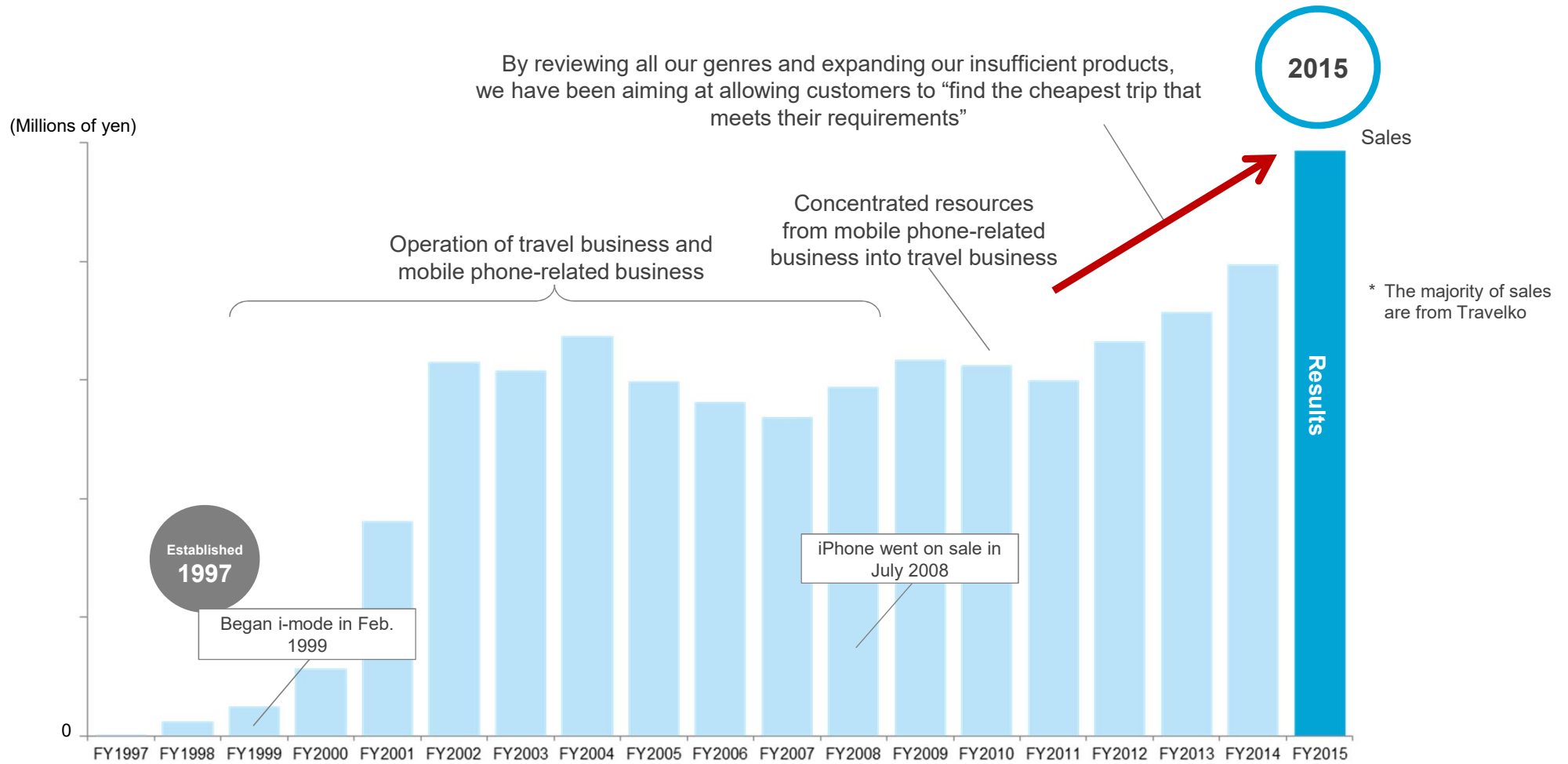
The shareholders special incentive will only take place this one time. We are considering reducing the shareholders measures as a general policy in the future.

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Company Overview (As of December 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” 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 139 employees

Progress and Sales Trends



Travel comparison site “Travelko” / Services of Our Company

A travel comparison site that allows you to search and compare products from more than 350 booking websites.

理想の旅を、いちばん安く。
トラベルコ TRAVELKO

JTB、H.I.S.、じゃらんnet、楽天トラベル、Expedia、Booking.comなど、国内外350以上の予約サイトと連携！

トラベルコのテレビCM放映開始！CMギャラリーにて動画公開中！

国内旅行		海外旅行	
国内ホテル	日帰り旅行・体験	海外ホテル	オプションツアー
国内格安航空券	高速バス・夜行バス	海外格安航空券	クルーズ
国内ツアー	国内レンタカー	海外ツアー	海外鉄道予約
国内航空券+ホテル	ファイナルコール	海外航空券+ホテル	ファイナルコール

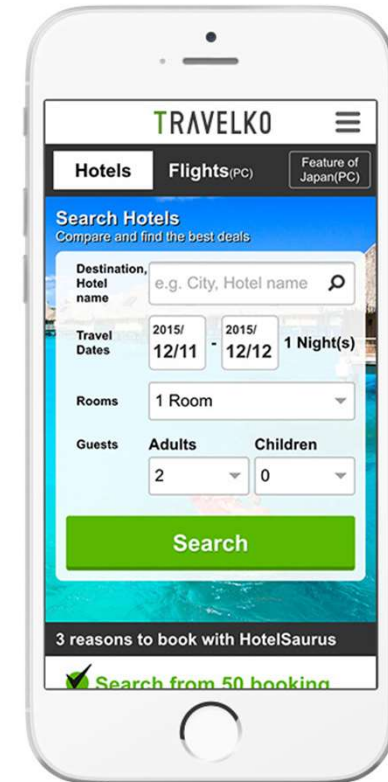
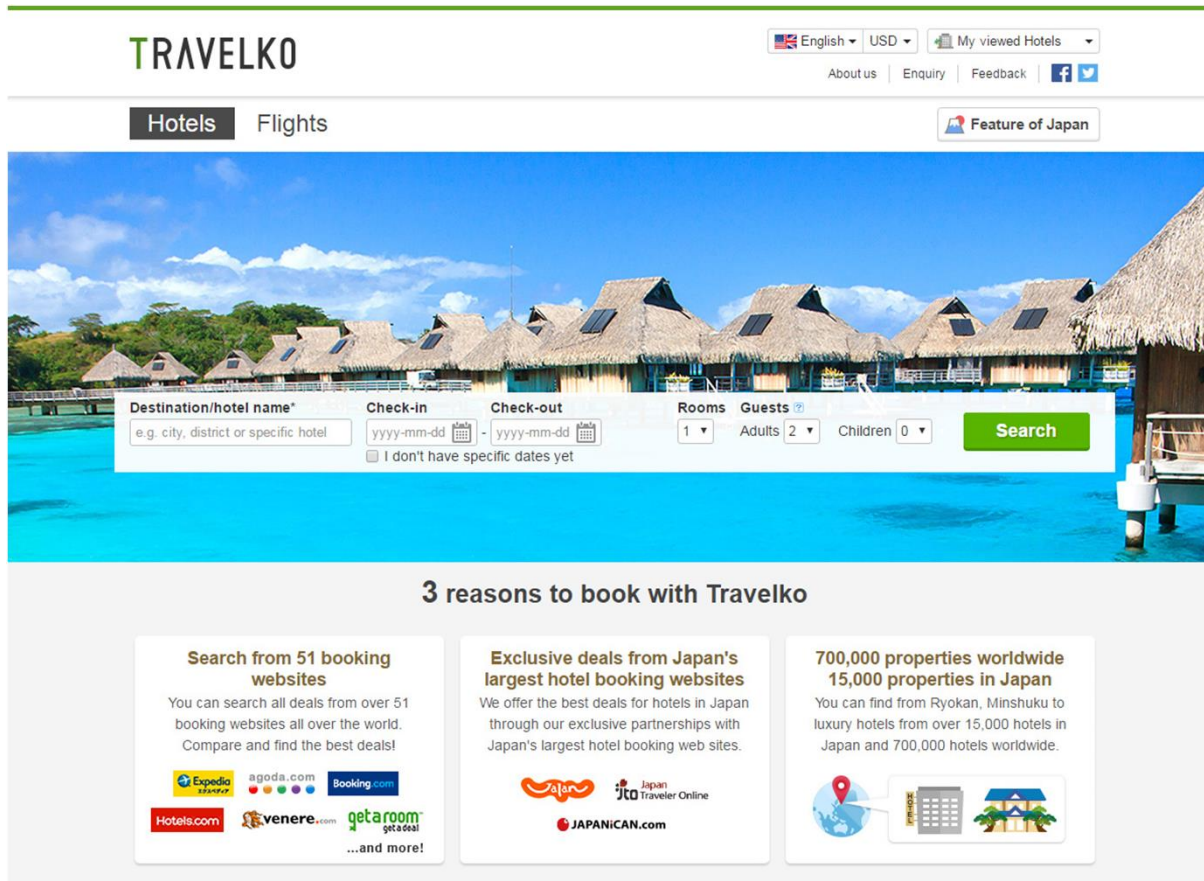
最新値一覧

国内ツアー		国内ホテル		海外ツアー(燃油込)	
札幌2日	1.68万円	札幌	1,850円	ソウル3日間	1.68万円
富場2日	0.75万円	鬼怒川温泉	3,213円	台北3日間	1.58万円
白馬3日	1.38万円	東京	1,875円	香港3日間	2.48万円
				バンコク4日間	2.98万円 ↑
				シンガポール4日間	2.85万円 ↓



Global Travel Comparison Site “TRAVELKO” / Services of Our Company

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

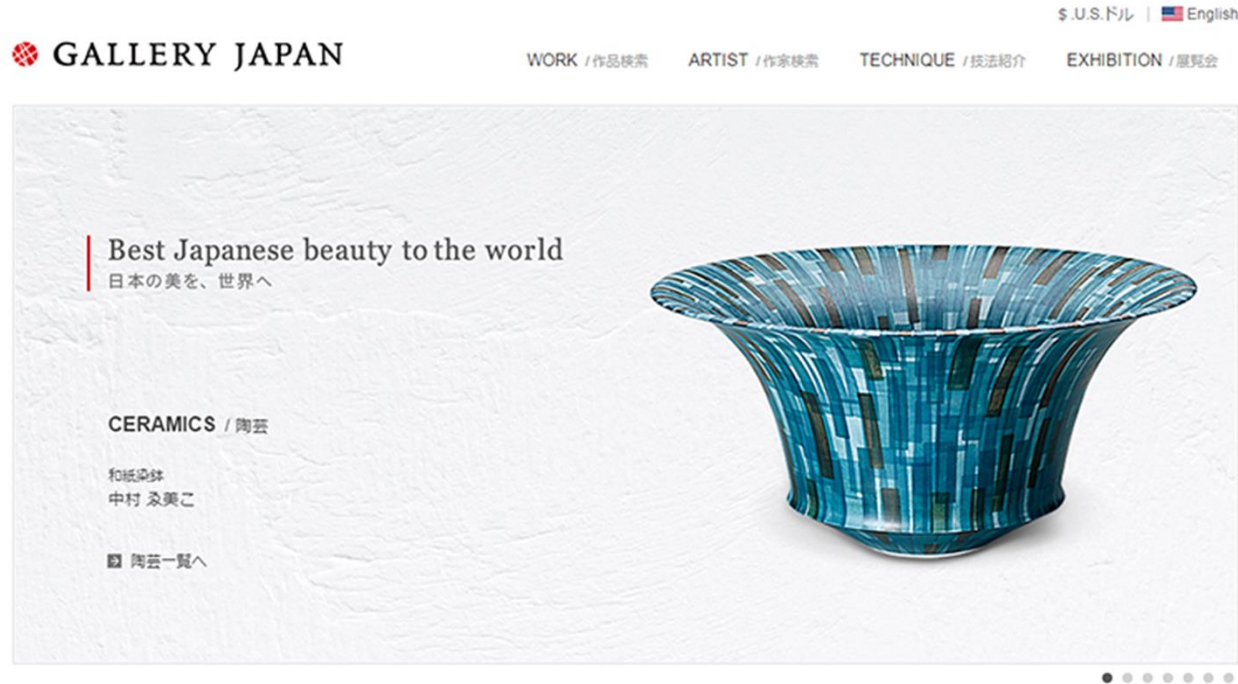


Started in October 2014

Supported Languages

English
Chinese Simplified
Chinese Traditional (Taiwan)
Chinese Traditional (Hong Kong)
Korean

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



Started in in October 2014

Supported Languages

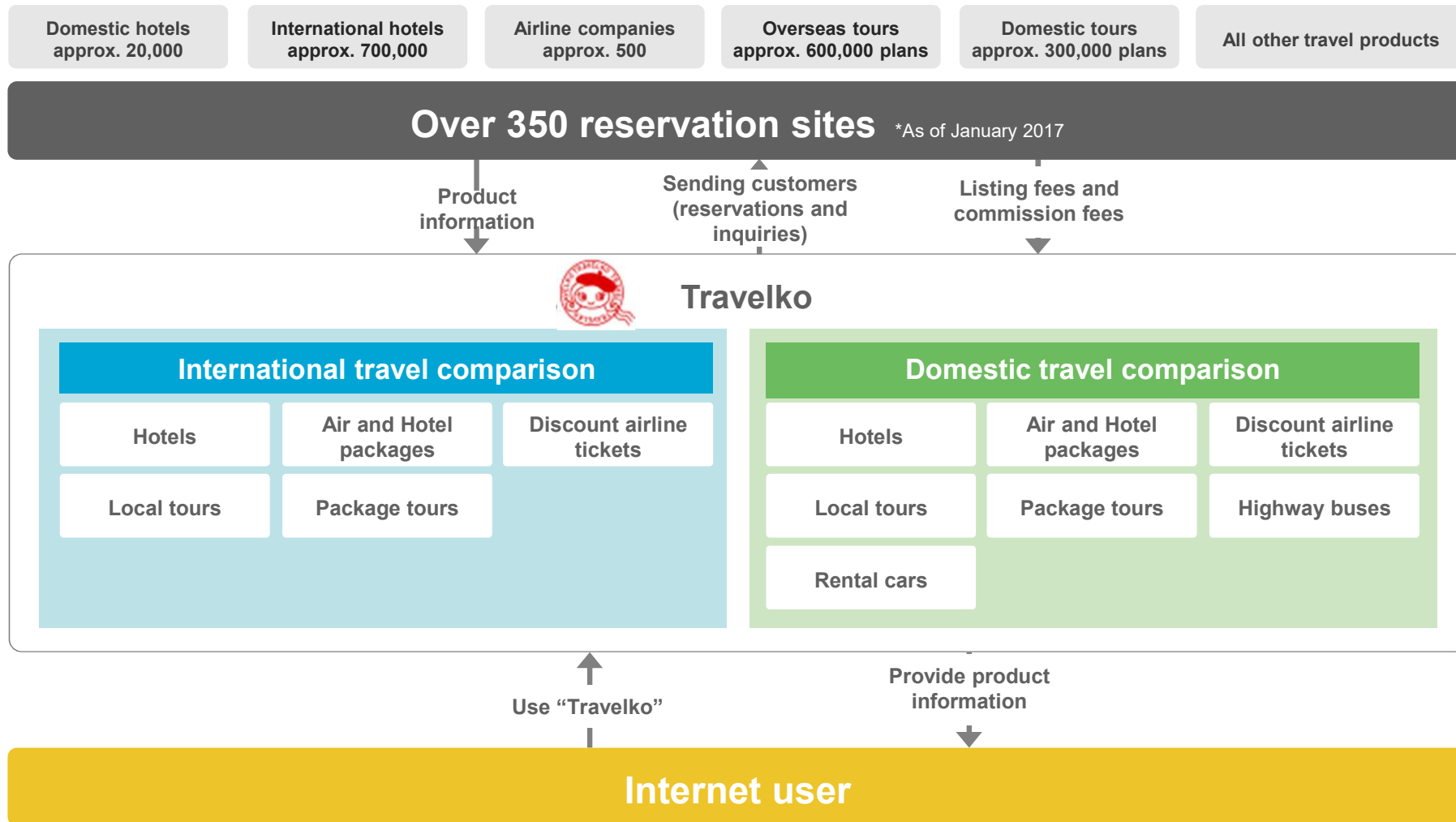
English
Japanese

WORK / 作品紹介



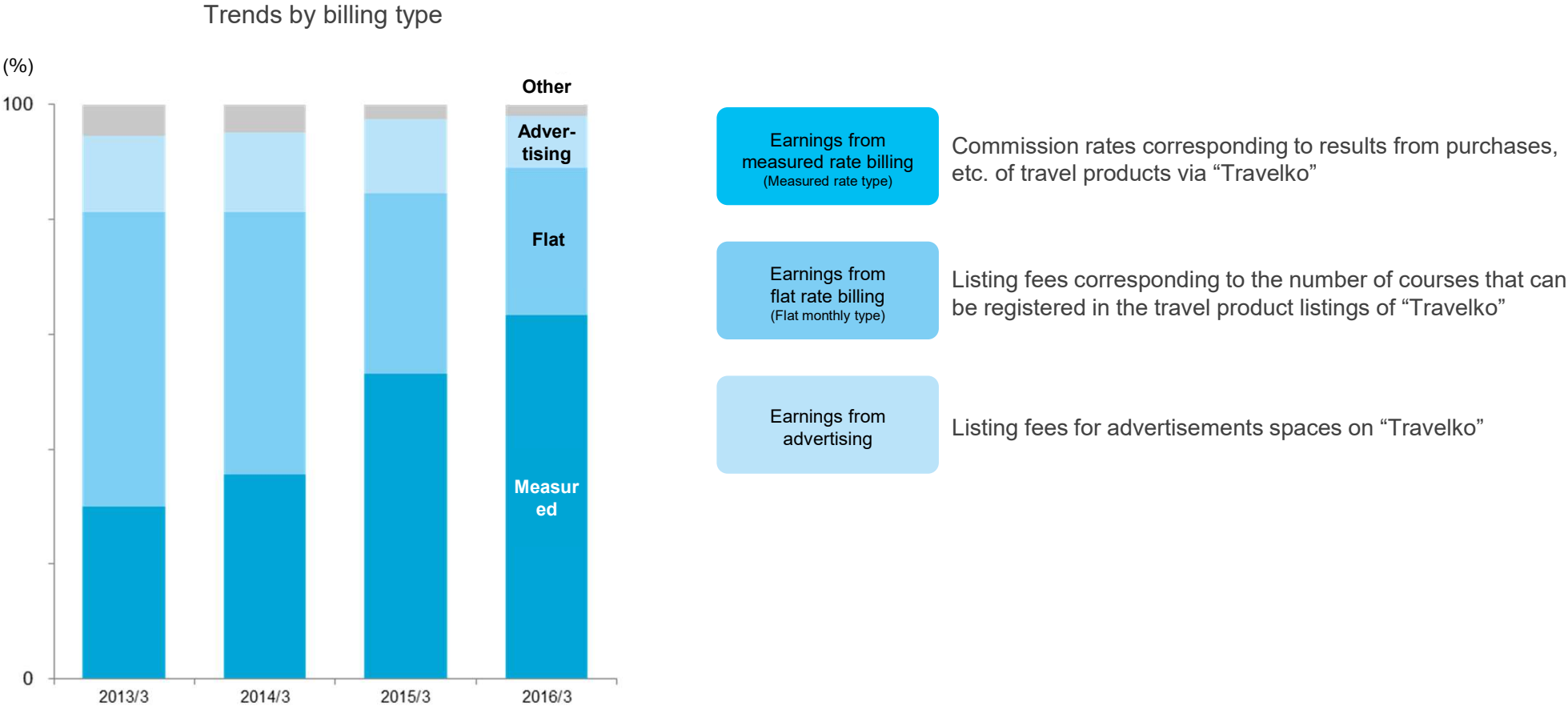
“Travelko” / Business Model

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

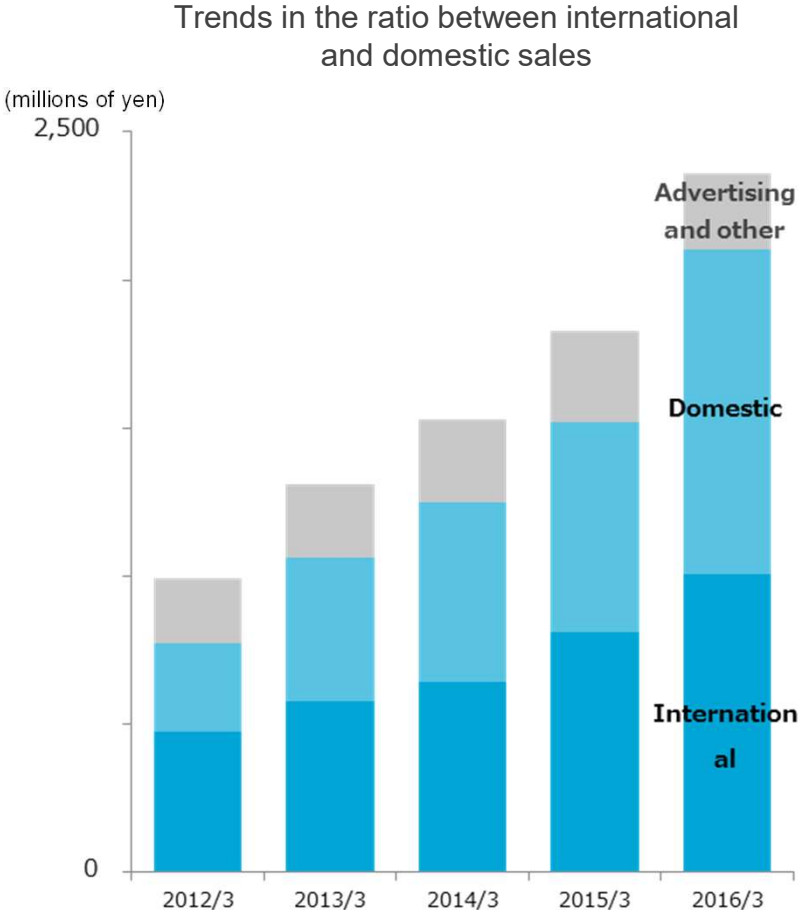


“Travelko” / Revenue model

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.

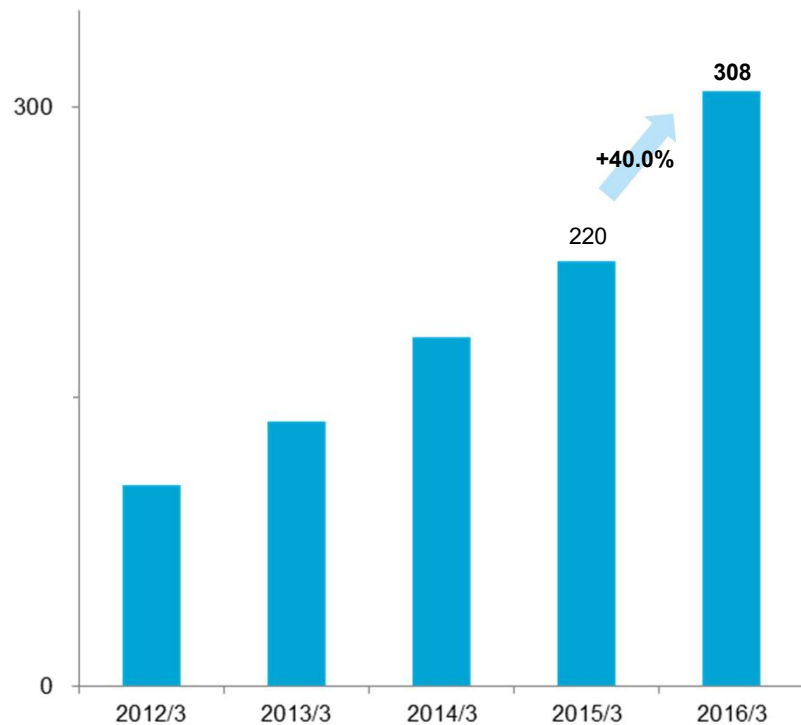
A structure that is resistant against exchange fluctuations

“Travelko” / 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 cost and content conscious of products.

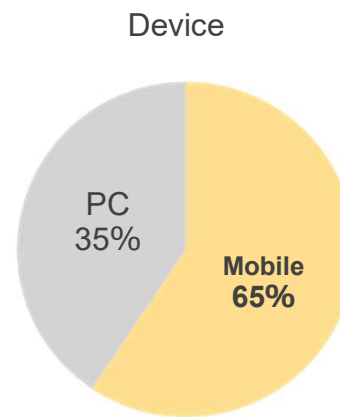
Changes in the monthly averages of the number of unique users (based on fiscal years)

(10,000's of persons)

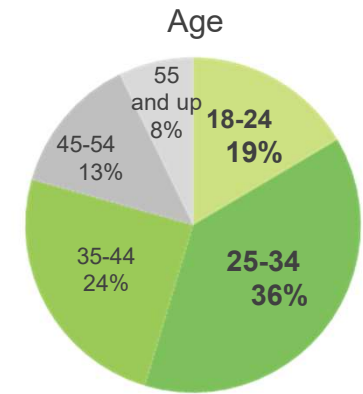
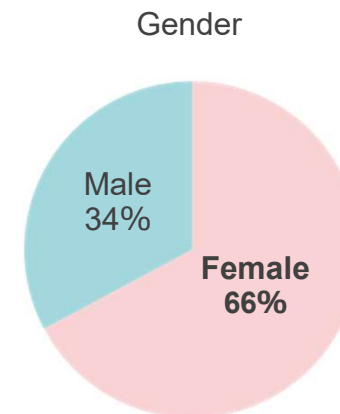


* 1 A unit for counting the amount of access via the web by using a method of counting a specific user as one user even if the user in question has visited the site multiple times on the same device within a period of one month

User attributes *2



* The majority of genres are now supported on smartphones



We are favored by the **F1 users** who are **cost and content conscious** of products.



*2 2016/1 - 2016/12 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 350 reservation sites, **overwhelming cost competitive power**

High profitability

- ✓ Great increase in users even with only using reviews, thanks to a high price competitiveness
- ✓ 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 (Not 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**

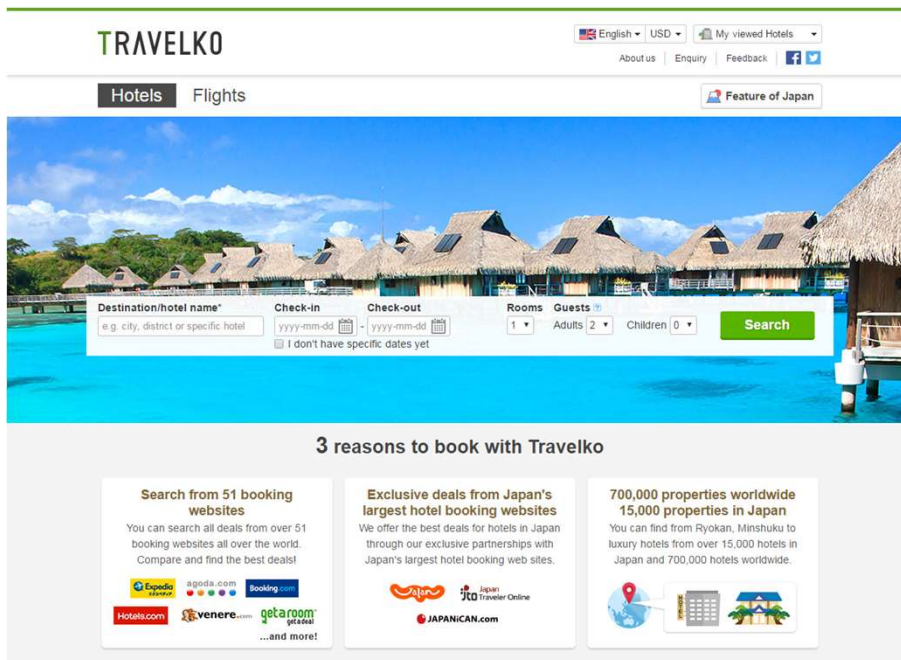
*Product genres such as package tours, hotels, discount airline tickets, dynamic packages, etc.

**With the gain of a new type of users in March 2017, a TV commercial publicity were set up to speed up the growth.

The screenshot shows the Travelko website interface. At the top, there's a navigation menu with categories like '国内' (Domestic) and '海外' (Overseas). Below the menu, there's a promotional banner for JTB, H.I.S., and other partners. The main content area is divided into '国内旅行' (Domestic Travel) and '海外旅行' (Overseas Travel) sections, each with a grid of booking options like hotels, flights, and tours. Below this is a '最安値一覧' (Lowest Price List) section with a table of prices for various destinations and durations. At the bottom, there are sections for '国内旅行記事' (Domestic Travel Articles) and '海外旅行記事' (Overseas Travel Articles) with featured images and headlines.

国内ツアー	国内ホテル	海外ツアー(燃油込)
札幌2日 1,68万円	札幌 2,017円 ↓	ソウル3日 1,38万円 ↑
釜山2日 0,75万円	鹿児島 3,240円	台北3日 1,58万円
自衛3日 1,38万円	東京 1,009円	ホノルル5日 6,83万円
金沢2日 1,70万円	TDR 4,500円	パリ5日 3,48万円 ↓
大阪2日 1,71万円	横浜 5,400円	ロサンゼルス5日 4,98万円
博多・福岡2日 1,98万円	母体 3,670円	パリ6日 3,48万円
那覇3日 2,08万円	那覇 3,300円	ケアンズ5日 6,38万円
沖縄ビーチ(那覇村)3日 2,08万円	那覇 400円	台北5日 1,58万円
		ホノルル5日 6,83万円
		パリ5日 3,48万円 ↓
		ニューヨーク5日 4,98万円
		ロンドン6日 3,48万円
		ドバイ6日 5,90万円

- ✓ Reinforcement of the existing menus
- ✓ Start of the homestays and restaurant booking menus
- ✓ Expansion of the reviews
- ✓ Release of an offline map for use during a trip
- ✓ Expansion of the system offers

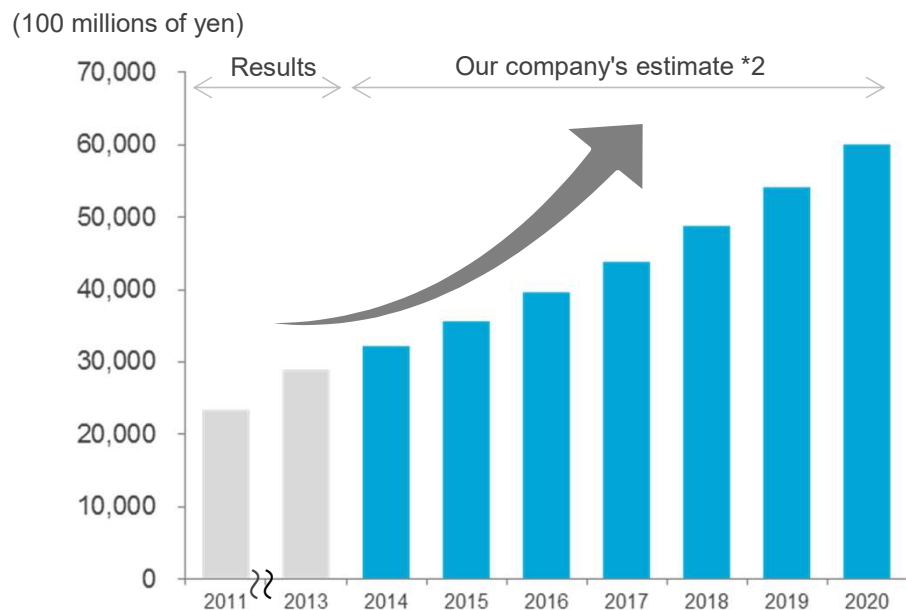


- ✓ Increase affiliates with local travel companies in other countries
- ✓ Provide vacation rentals, package tours, and optional tour services
- ✓ Expand Japan inbound reviews

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

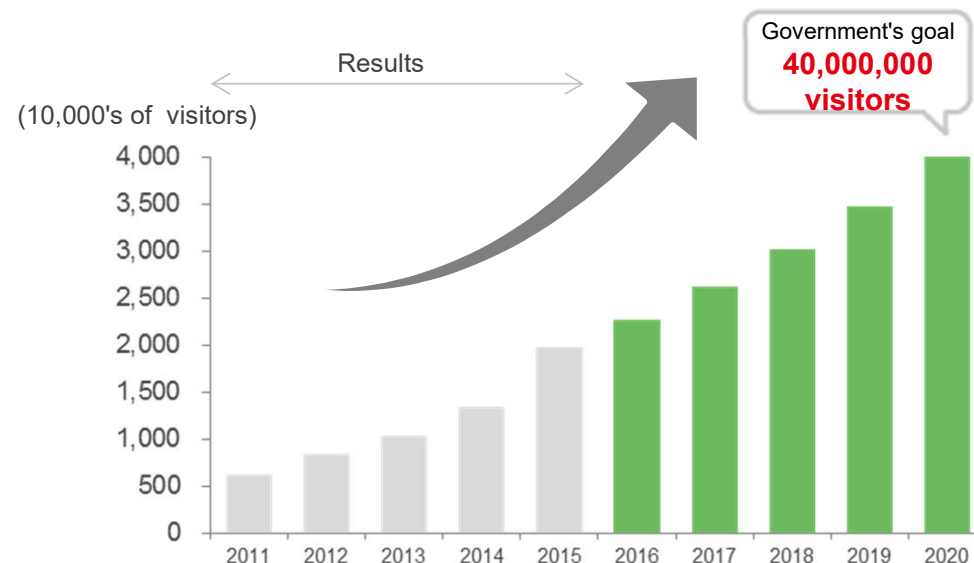


Growing inbound market

2016
 24,030,000
 visitors *3

→

2020
40,000,000
 visitors *4

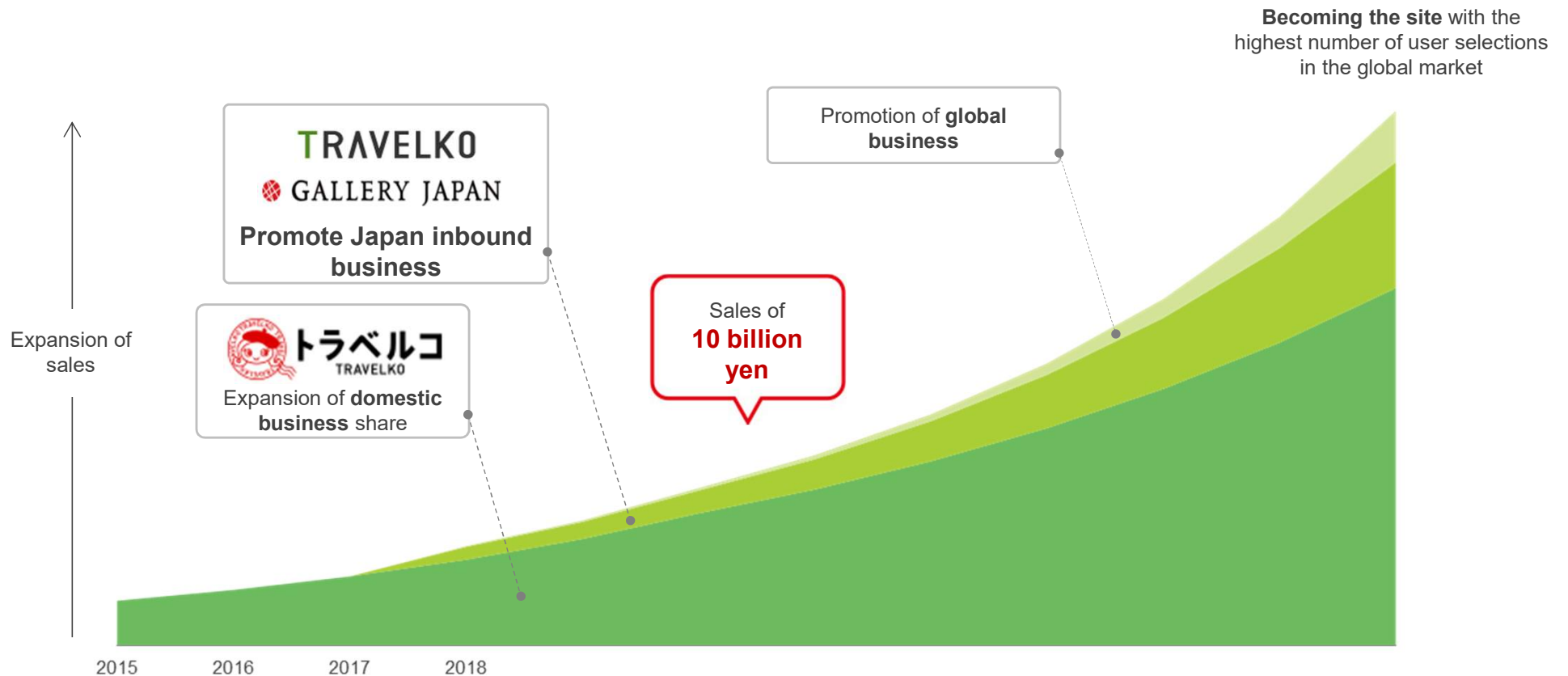


* 1 Abstract from PhoCusWright Japan's "Survey of Japan's Online Travel Market, Second Edition"
 * 2 From the above-mentioned document, a growth rate of the yearly average +11% is assumed

* 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.

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