

# Financial Results for First Quarter of Fiscal Year Ending March 2020



OpenDoor Inc.  
(Stock Code: 3926)

1. Highlights
2. First Quarter: Financial Overview
3. First Quarter: Main Initiatives
4. Main Future Initiatives
5. Reference Materials

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## ■ Key Strategies for FY2020 March

- Sales: **6,000 million yen** (up **20.7%** YoY); operating profit: **2,200 million yen** (up **29.2%** YoY)
- Continue to concentrate on the recognition rate in FY2020 March, we aim to achieve a rate of **47.0% or higher** through TV commercials and other media.
- For the advertisement budget, based on the previous year's results for the Japanese market, we determine to spend approximately 1,500 million yen, and in addition take into account the possibility of additional investments as well as sales promotion in the global markets during the year.

## ■ Results for 1Q FY2020 March

- Sales: **1,296 million yen** (up **16.3%** YoY); operating profit: **558 million yen** (up **22.5%** YoY)
- Despite the dull market movement due to the influence of the 10-day Golden Week holiday period (\*), quarterly sales were higher than those in the same period of the last year and operating profit hit an all-time high on a quarterly basis.
  - \* Negative effects arising from people having made Golden Week travel reservations far in advance and weakened demand for summer holiday travel

1. Highlights
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# 1Q FY2020 March: Profit and Loss Statement

- Despite the dull market movement due to the influence of the 10-day Golden Week holiday period (\*), quarterly sales were higher than those in the same period of the last year and operating profit hit an all-time high on a quarterly basis.

\* Negative effects arising from people having made Golden Week travel reservations far in advance and weakened demand for summer holiday travel

Unit: millions of yen

	1Q FY2019/3 Results	1Q FY2020/3 Results	Amount of change	YoY	Progress rate from original projection	2020/3 Full-year projections
Sales	1,114	1,296	+181	+16.3%	21.6%	6,000
Cost of sales	136	165	+28	+21.0%	24.3%	680
Gross profit	978	1,131	+153	+15.7%	21.3%	5,320
Selling, general and administrative expenses	522	572	+50	+9.7%	18.4%	3,120
Operating profit	456	558	+102	+22.5%	25.4%	2,200
Ordinary profit	457	559	+102	+22.3%	25.4%	2,200
Net incomes	315	348	+32	+10.3%	26.4%	1,320
Operating margin	40.9%	43.1%	+2.2P	-	-	36.7%

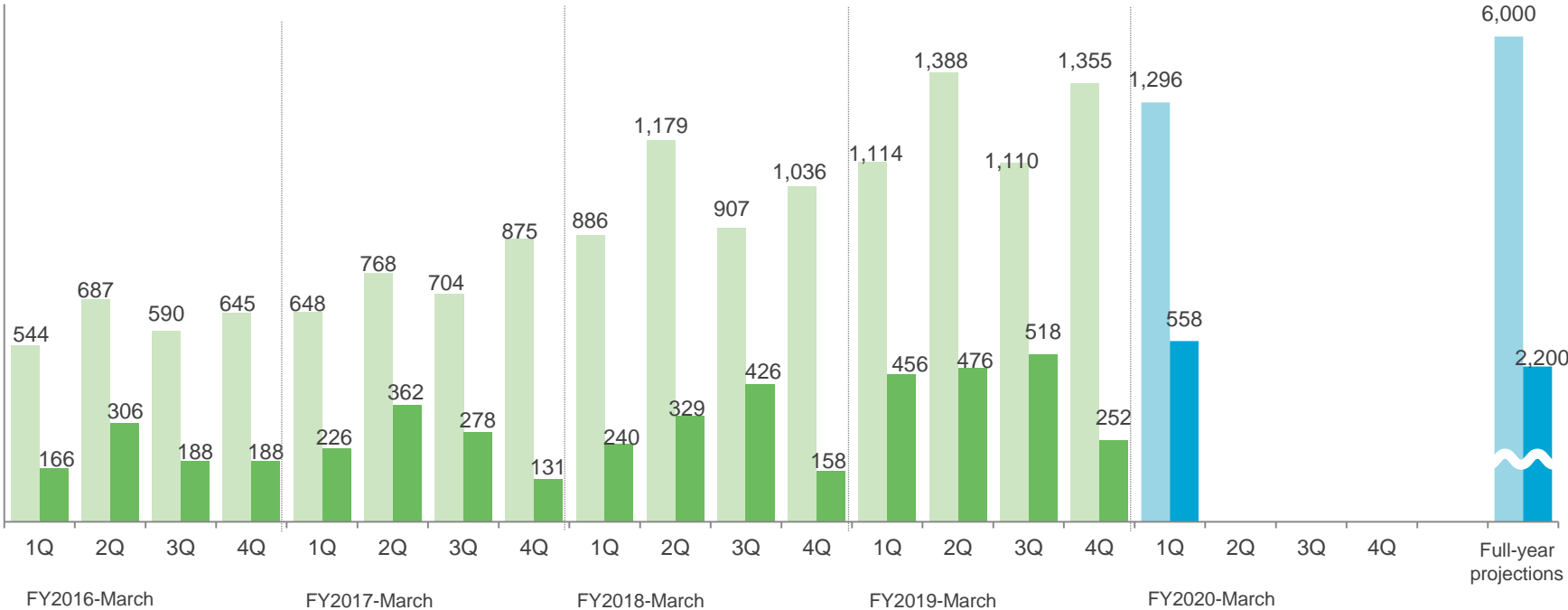
# 1Q FY2020 March: Trends in Quarterly Results



- Operating profit hit an all-time high on a quarterly basis.
- In FY2020 March, large quarterly sales are expected in 2Q and 4Q as usual in the past.

Unit: millions of yen

■ Sales ■ Operating profit



# FY2020 March: Financial Projections / Profit and Loss Statement

- Initial projections made at the beginning of the current fiscal year remain.
- Continue to concentrate on the recognition rate in FY2020 March, we aim to achieve a rate of 47.0% or higher through TV commercials and other media.
- For the advertisement budget, based on the previous year's results for the Japanese market, we determine to spend approximately 1,500 million yen, and in addition take into account the possibility of additional investments as well as sales promotion in the global markets during the year.

Unit: millions of yen

	FY2019/3 Results	FY2020/3 Projections		
			Amount of change	YoY
Sales	4,969	6,000	+1,030	+20.7%
Cost of sales	615	680	+64	+10.5%
Gross profit	4,354	5,320	+965	+22.2%
Selling, general and administrative expenses	2,651	3,120	+468	+17.7%
Operating profit	1,703	2,200	+496	+29.2%
Non-operating profit/loss	4	0	-4	-100.0%
Ordinary profit	1,708	2,200	+491	+28.8%
Extraordinary profit/loss	56	0	-56	-100.0%
Net incomes	1,099	1,320	+220	+20.1%



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# 1Q FY2020 March: Press Releases / Main Initiatives

- April 16 (Travelko) New affiliation with the Hotel WBF Group for domestic hotels and inns, enabling users to search official sites such as the Hotel WBF site for the most inexpensive plans!
- May 29 (Travelko) Affiliated directly with Club Med for domestic hotels and inns, enabling users to compare prices on the Club Med official site as well!
- June 21 (TRAVELKO) Start providing DeepExperience Osaka, a travel experience information website for visitors to Osaka, with global and Japanese hotel search/comparison systems.
- June 28 (TRAVELKO) Start providing FeelKOBE, Kobe Tourism Bureau's official tourism site, with Japanese and global hotel search/comparison systems.

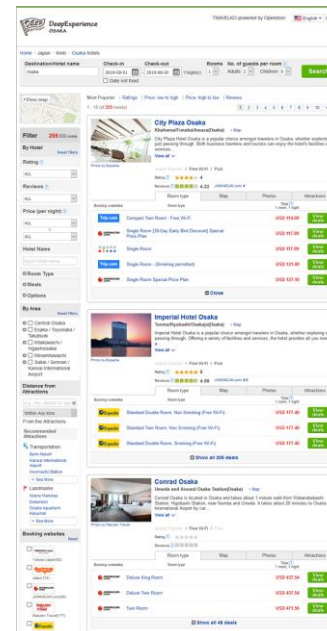
**New affiliation:  
Domestic hotels**



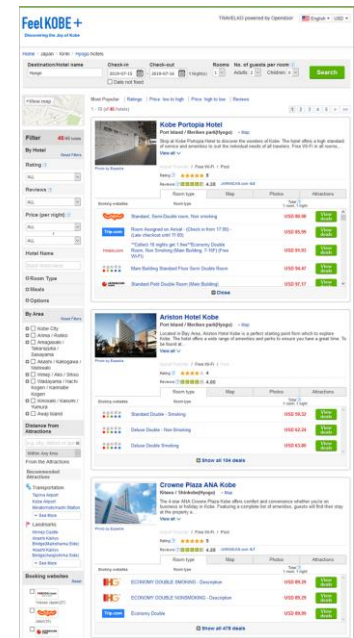
**New affiliation:  
Domestic hotels**



**Start providing Travelko ASP**



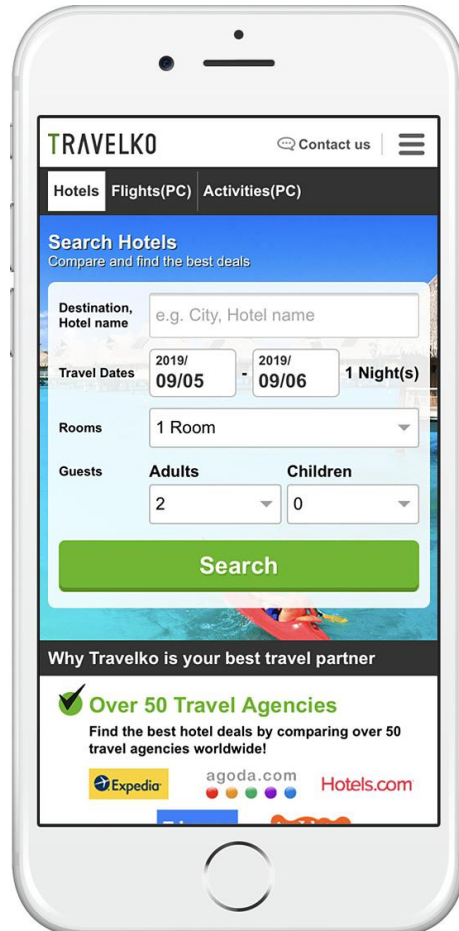
**Start providing Travelko ASP**



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- Increase recognition rate through TV commercials
- Enhance existing products
- Increase the number of cities reviewed by travel experts and ranked in “Travelko Matome” (Travel blogs)
- Develop user review and evaluation services
- Expand the range of cross-comparison services (Vacation rental, travel insurance, cruise, outdoor activity, etc.)



- Establish price advantage by strengthening affiliation with local major websites
- Enhance localization of the user interface
- Release the TRAVELKO (Global site) app
- Provide system interface for inbound travel information
- Raise the recognition rate through sales promotion

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**Travelko was awarded first place in categories of discount hotel comparison site and discount air ticket comparison site of the 2019 Oricon Customer Satisfaction® Ranking! (The TV commercial started on June 1, 2019)**

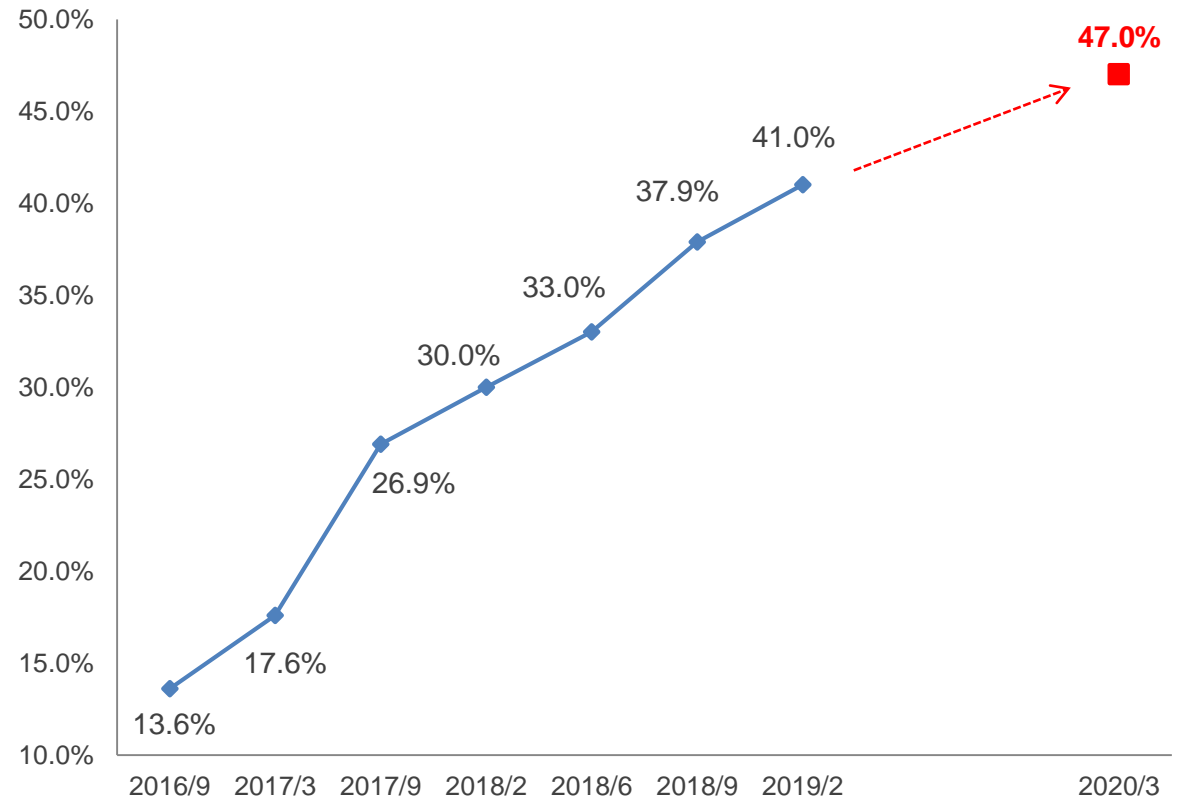
Thanks to users of the Travelko site, we won **first place in both categories of hotel and air ticket comparison sites.**

We have always striven to provide services from the customer's perspective so that we can quickly respond to customer needs. We are determined to make continuous efforts to further increase customer satisfaction.

We would like to once again express our gratitude to all customers who have used the Travelko site.



- We aim to achieve a recognition rate of **47.0%** or higher through TV commercials and other media.



Source: OpenDoor's own survey (February 2019)  
 Survey from a sample of 10,000 respondents: Males and females from across Japan ages 18 to 59 who have been on a trip that involved over night stay, for either private or business purposes.



- Financial results show steady performance, with a 349 million yen increase in net assets.

Unit: millions of yen	2019/3 Results	2019/6 Results	Amount of change
Current assets	5,680	5,992	+311
Cash and deposits	4,719	4,898	+178
Other	961	1,093	+132
Non-current assets	631	626	-4
Total assets	6,312	6,618	+306
Current liabilities	1,043	1,003	-39
Non-current liabilities	66	63	-2
Total liabilities	1,109	1,067	-42
Net assets	5,202	5,551	+349
Capital stock	648	648	-
Capital surplus	474	474	-
Retained earnings	4,092	4,441	+348
Other	-12	-12	+0
Total liabilities and net assets	6,312	6,618	+306

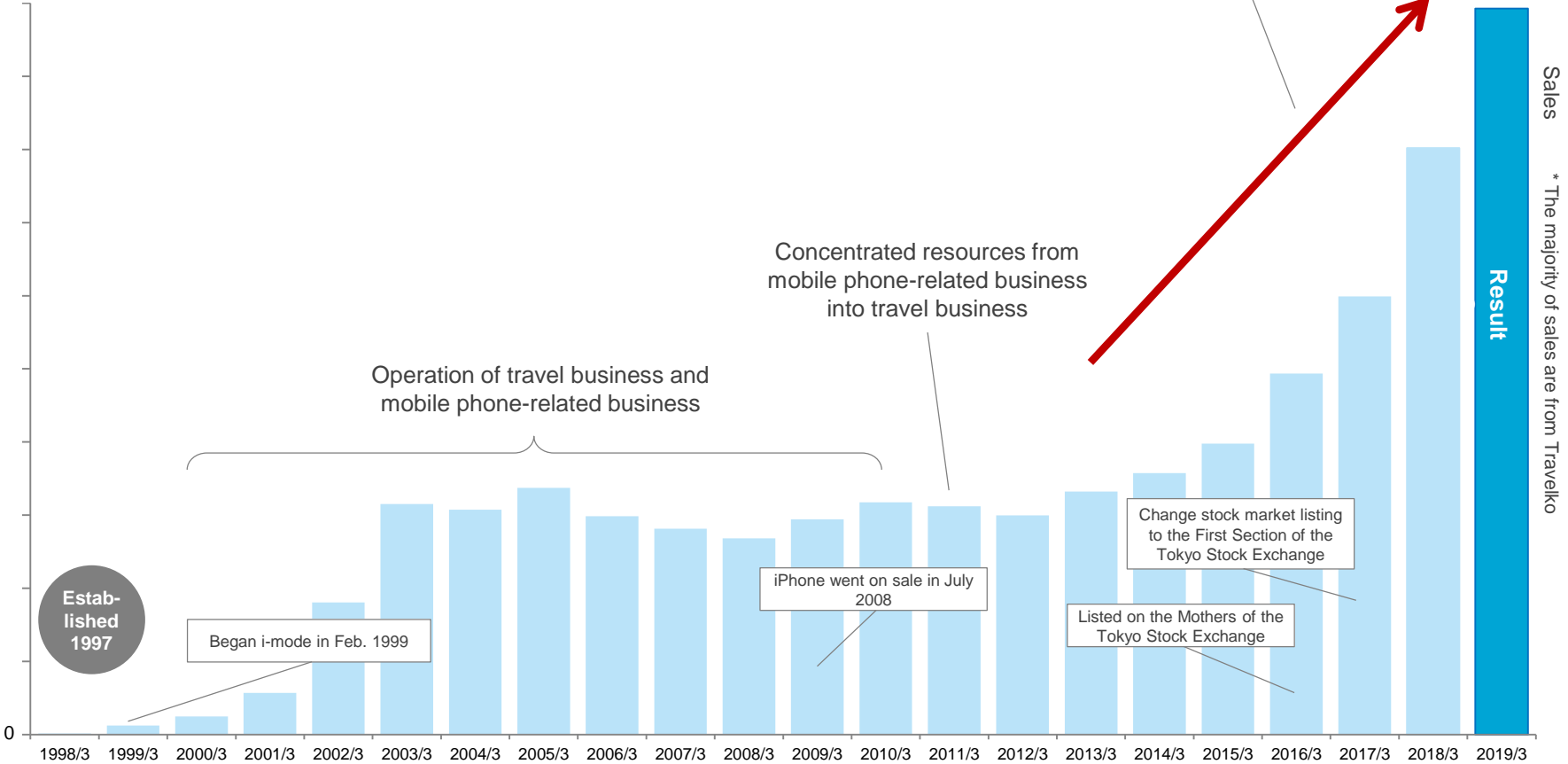
Company name	OpenDoor Inc.
Date of establishment	April 1997
Representative	Daisuke Sekine, President and Representative Director
Capital	648 million yen
Stock Exchange	Tokyo Stock Exchange First Section (Stock code: 3926)
Description of business	Travel comparison site Travelko Global travel comparison site TRAVELKO Operation of the traditional crafts information sites GALLERY JAPAN and KOGEI JAPAN
Consolidated subsidiaries	100% equity in Hotel Skip Inc. Reservations, arrangements, and sales of international and domestic hotels and overseas air tickets
Number of employees	A total of 176 employees

# Progress and Sales Trends

2019

Our aim has been to help customers to find **the most affordable trip** that meets their requirements, by revising all of our products and improving the lineup.

Unit: millions of yen



A travel comparison site that allows you to search and compare products from more than 700 booking websites

理想の旅をいちばん安く  
**トラベルコ**  
TRAVELKO

運営会社：株式会社オープンドア(東証一部)

初めての方へ よくある質問 メールマガ このページの質問・要望

国内 ホテル 航空券 ツアー その他 海外 ホテル 航空券 ツアー その他 旅行ガイド他 履歴 お気に入り (0)

JTB、H.I.S.、じゃらんnet、楽天トラベル、Expedia、Booking.comなど、国内外700以上の旅行サイトを比較！

レジャー・ビジネス・格安・5つ星など、あらゆる目的に応じたプラン・チケットを網羅！

価格重視派も、こだわり派も満足の旅が見つかる豊富な検索条件！

燃油サーチャージ、空港諸税、リゾートフィーなどを含んだ、参加人数の合計料金でも比較可能！

トラベルコの新CM登場！CMギャラリーにて公開中！

国内旅行		海外旅行	
国内ホテル	国内格安航空券	海外ホテル	海外格安航空券
国内ツアー	国内航空券+ホテル	海外ツアー	海外航空券+ホテル
新幹線+ホテル	国内レンタカー	オプションツアー	海外Wi-Fiレンタル
夜行バス・高速バス	遊び・体験	ファイナルコール	
日帰りバスツアー	ファイナルコール		

旅のお供に！海外Wi-Fiレンタル

オンラインでも使えるトラベルコマップ

海外80都市！人気スポットまとめ記事

最安値一覧

東京発 5月 6月 【マーク説明】 ↓↑ 最安値の更新商品あり ※4月18日時点の情報です

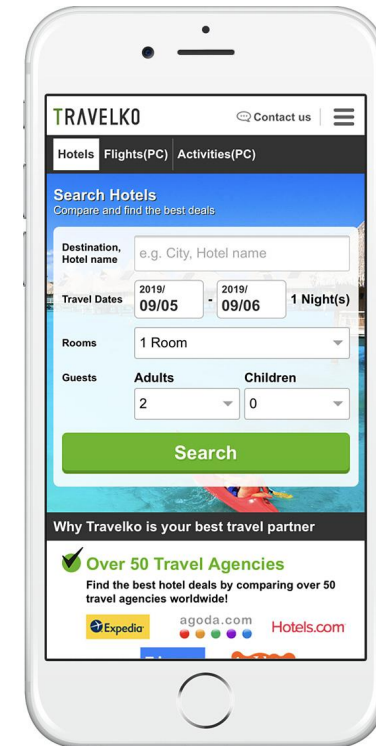
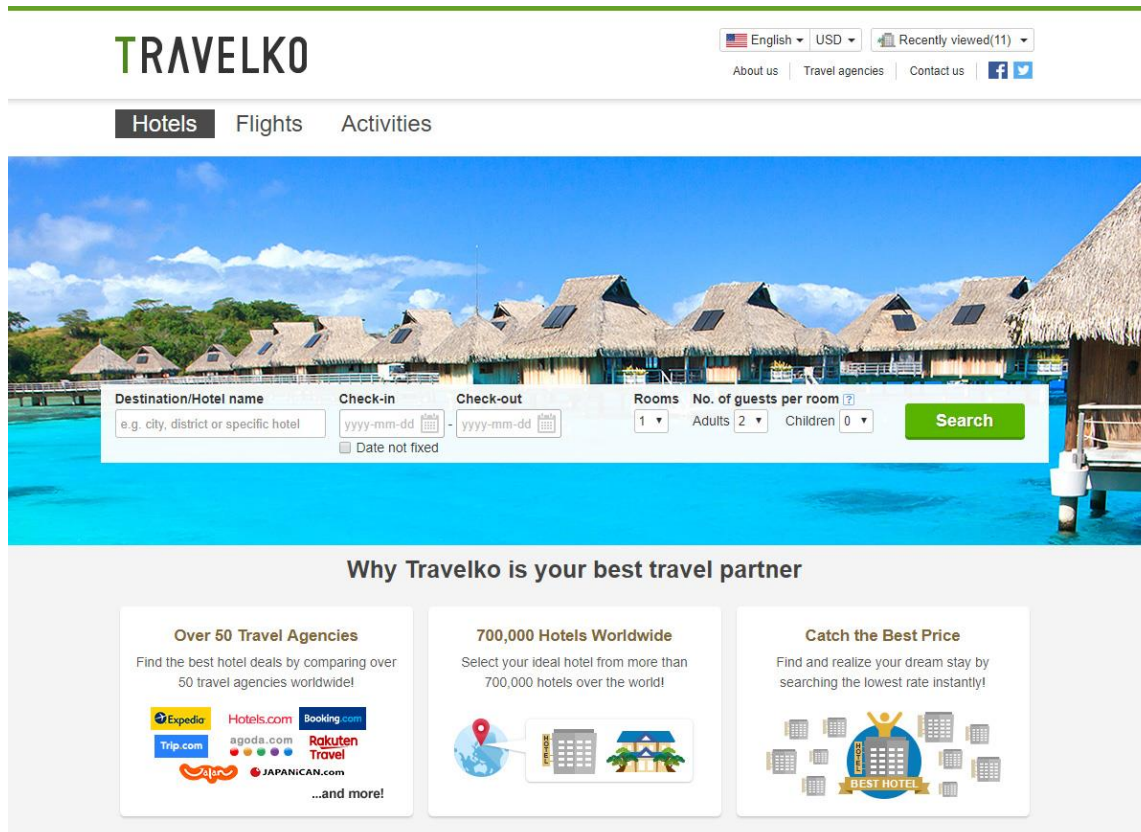
国内ツアー	国内ホテル	海外ツアー(燃油込)
札幌2日 1.68万円	札幌 2,000円	ソウル3日間 1.38万円 ↓ 台北3日間 1.88万円 ↑
旭川3日 2.58万円	鬼怒川温泉 2,980円	香港3日間 2.34万円 ↓ グアム4日間 3.98万円
金沢2日 1.50万円	東京 2,100円	バンコク4日間 2.25万円 ↓ シンガポール4日間 2.78万円



# Services / Travel Comparison Site TRAVELKO (Global site)



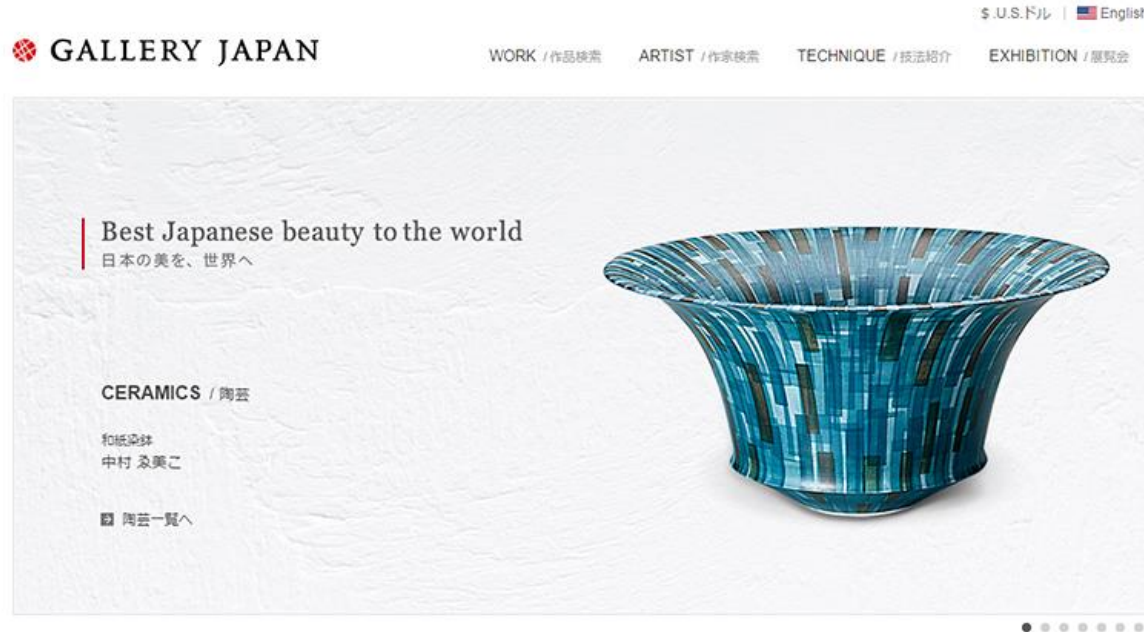
The global version of TRAVELKO, targeted at overseas and inbound markets.



## Supported languages

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

A site targeted at overseas and inbound markets, which introduces traditional crafts of Japan to the rest of the world



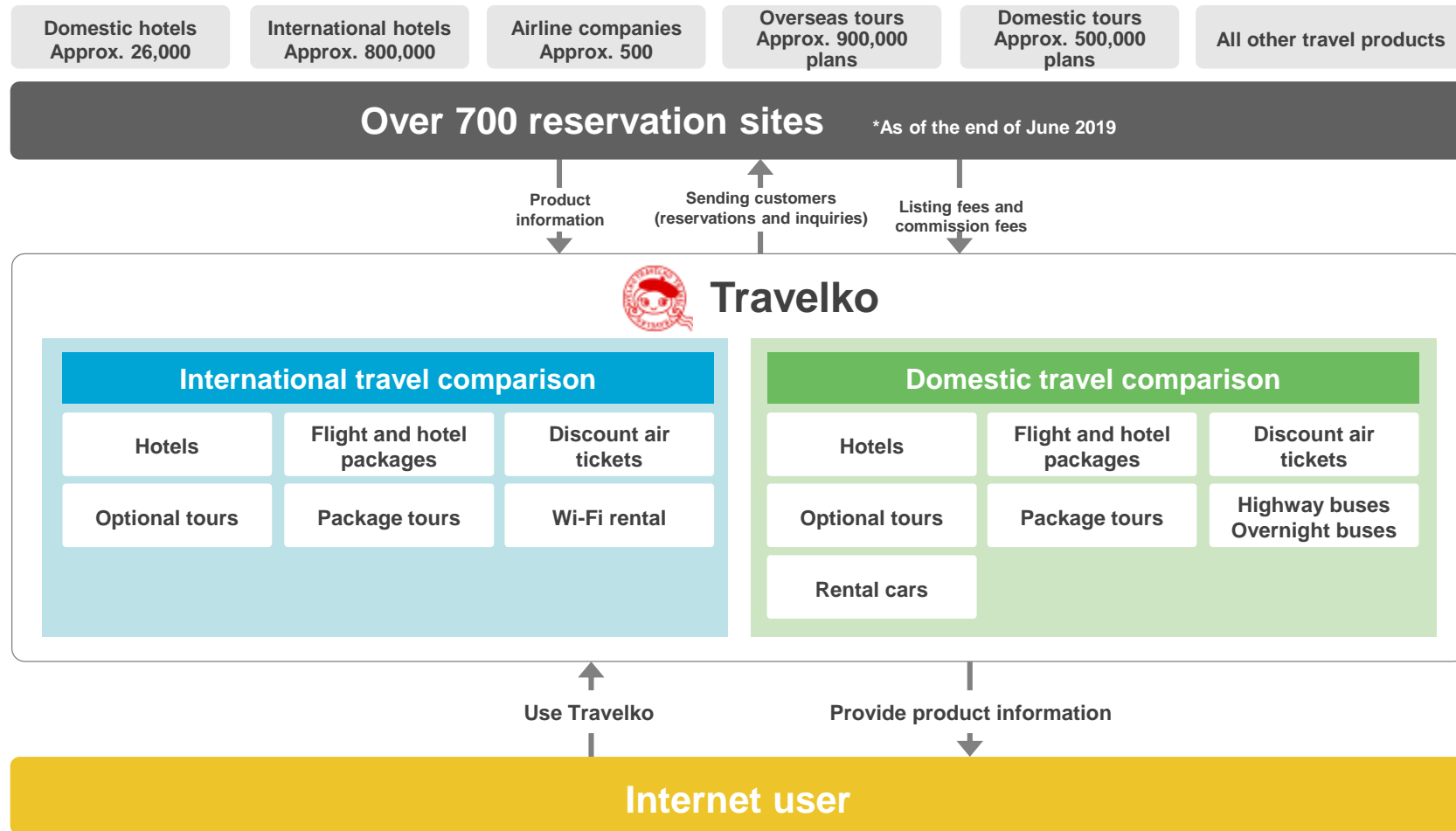
## WORK / 作品紹介



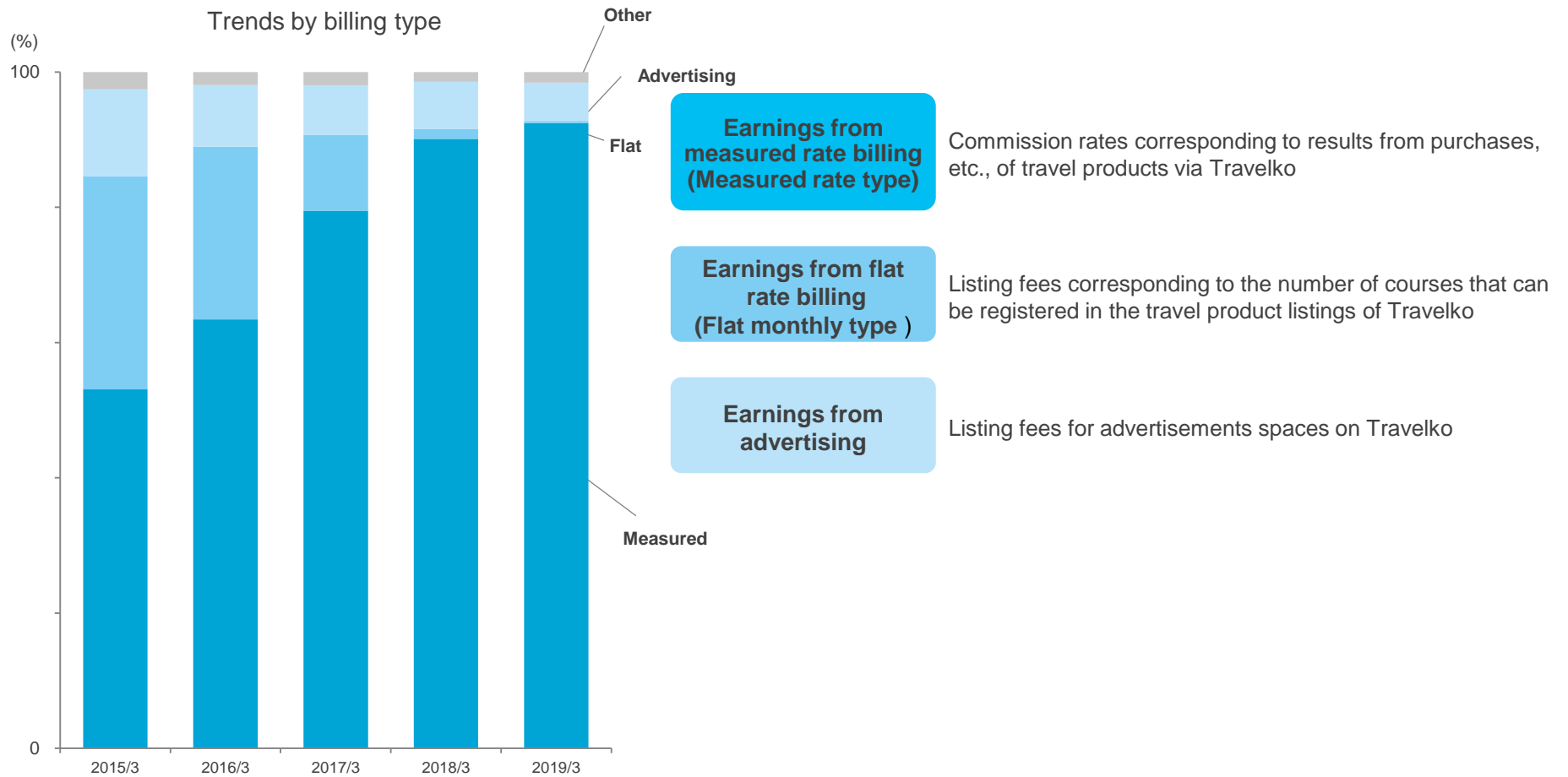
Supported languages

English  
Japanese

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



Shift from flat rate billing to measured rate billing based on results

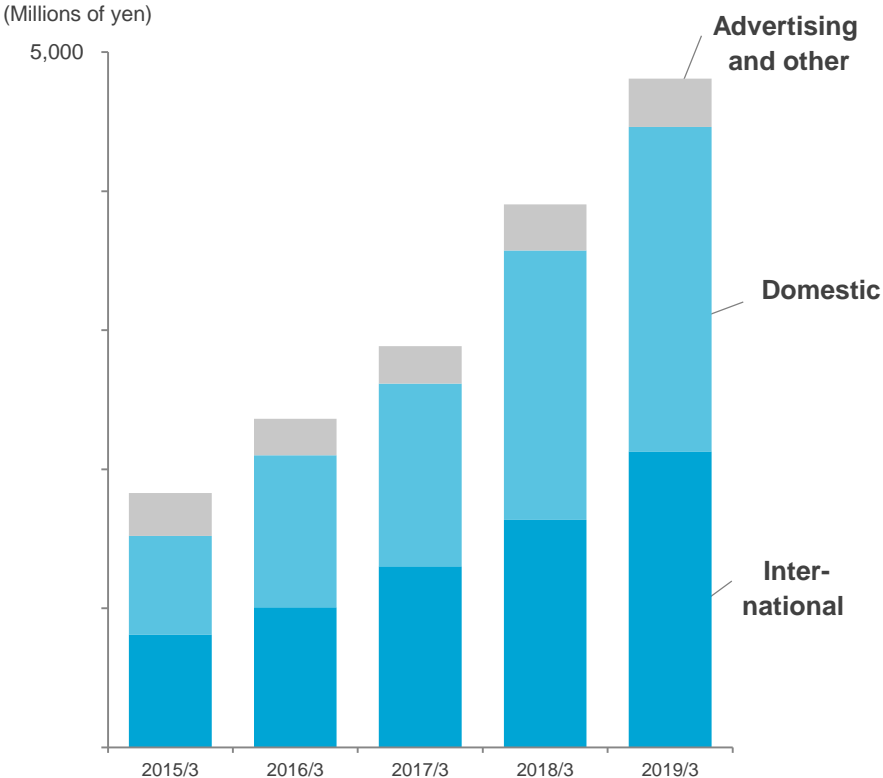




# Travelko / Trends in the Ratio Between International and Domestic Sales

Both international and domestic sales increasing; a well-balanced risk-resilient sales structure.

Trends in the ratio between international and domestic sales

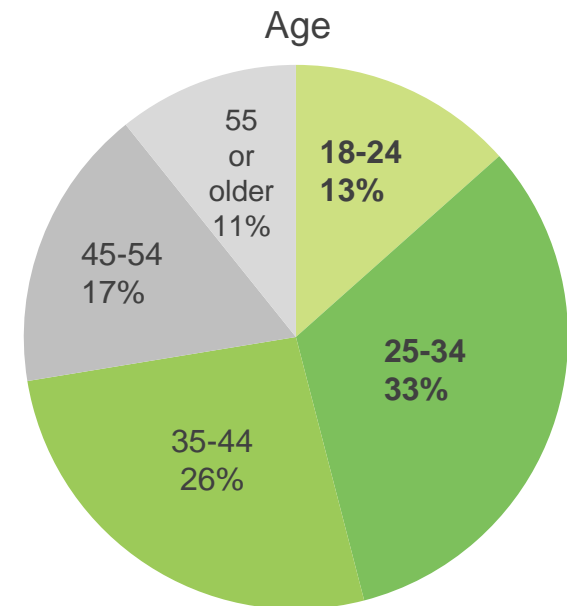
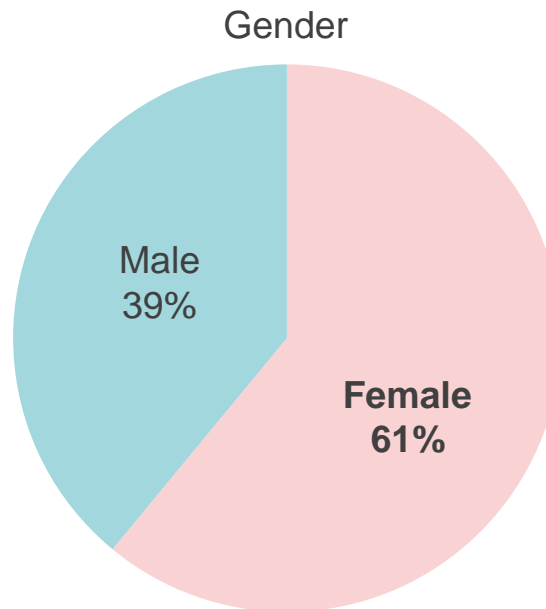
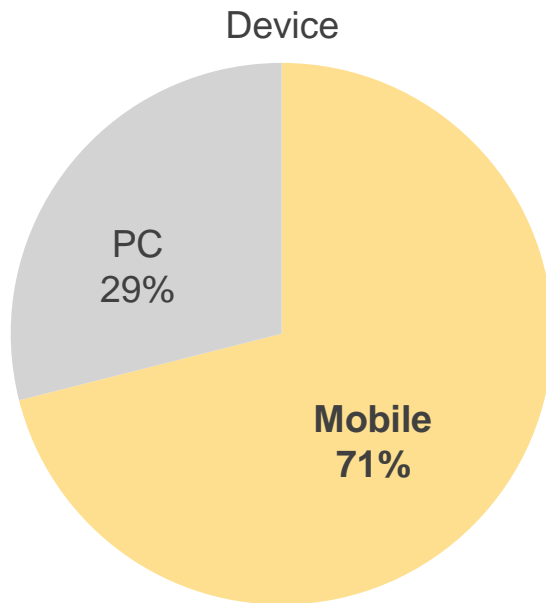


**Flexibly corresponds to changes in market trends**  
due to changes in international or domestic popularity, or because of sudden events such as terrorist attacks, etc.

A structure that is resistant to exchange-rate fluctuations

Of particular note is the fact that price- and quality-conscious F1 users (females aged 20-34) account for a large proportion.

## User attributes\*<sup>1</sup>



\* The majority of products are now supported on smartphones.

We are favored by price- and quality-conscious F1 users.



\*<sup>1</sup> 2018/4 - 2019/3 access analysis data of our company

Why has Travelko been able to maintain a high rate of growth with the support of a broad range of users when there are so many other comparison sites in the market?

## 1. Covers the vast majority of travel products

While many competing sites focus on comparison of only single products, such as hotels or airlines, Travelko covers nearly all domestic and international travel products, including hotels, airline tickets, package tours, optional tours, car rental, overnight buses, and overseas Wi-Fi rental.

This makes Travelko a one-stop solution where users can plan their entire trips.

International travel comparison		
Hotels	Flight and hotel packages	Discount air tickets
Optional tours	Package tours	Wi-Fi rental

Domestic travel comparison		
Hotels	Flight and hotel packages	Discount air tickets
Optional tours	Package tours	Highway buses Overnight buses
Rental cars		

## 2. Can be used to find the most inexpensive packages and tickets

Travelko, which enables comparison of more than 700 travel sites, offers one of the largest numbers of comparable plans in Japan. This naturally increases the likelihood of users finding the most affordable products that satisfy their needs. In addition, travel sites do not provide plans with uniform pricing to all comparison sites. Often, they offer lower prices to the more price-competitive sites.

This is why Travelko, with its overwhelming advantage in the number of travel sites and its high price competitiveness, makes it easy to find the most affordable products.

JTB, Club Tourism, JAL Pak, Odakyu Travel, JR Tokai Tours, Kinki Nippon Tourist, Nippon Travel Agency, H.I.S, Tobu Top Tours, Hankyu Travel, ANA Sales, Nishitetsu Travel, Meitetsu World Travel, Tabikobo

Rakuten Travel, Ikyu, Rurubu Travel, Yahoo Travel

Expedia, Booking.com, Hotels.com

Evolable Asia, Spring Japan, Skyticket, Star Flyer, AIRDO

...More than **700** travel sites

## Why has Travelko been able to realize these strengths?

### Nearly all system development is carried out in-house

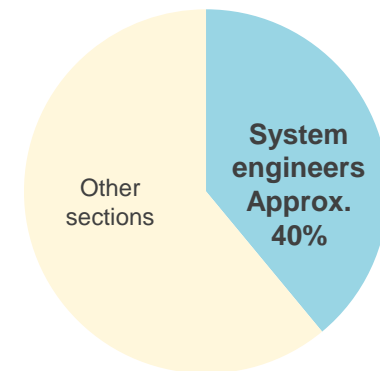
Advanced, large-scale system development is essential to covering this many travel products, linking more than 700 travel sites, and improving all of these products simultaneously.

Most competitors outsource development, which ultimately makes it difficult to carry out development in exactly the way they want to because they must depend on the resources, skills, schedules, and priorities of their subcontractors.

We carry out nearly all system development in-house, in a flexible and efficient development environment made up of more than 70 system engineers who share information daily and keep up with the latest market trends. This has enabled us to realize a development structure that can realize simultaneous progress in all of our products at high speed, while also maintaining high quality.

This high level of development capabilities is another important reason behind our strengths.

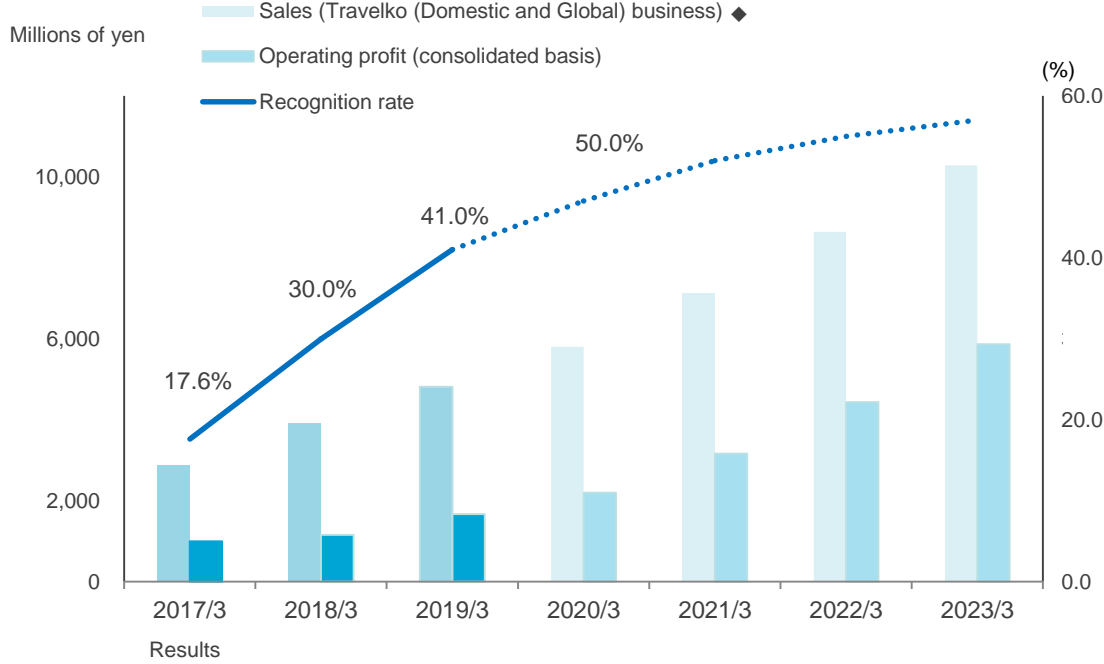
System engineers as a percentage of all employees



# Image of Mid-term Growth in Travelko Business

- The recognition rate of the top brand in the travel industry is approximately 70%. Travelko aims to achieve a recognition rate of 50% by the end of FY2020 March.
- The number of unique users that has a direct impact on sales is considered to grow at a rate proportional to the recognition rate and brand awareness. Accordingly, an increase in the recognition rate is expected to be followed by an increase in the number of unique users and sales.

\* A certain level of investment in mass advertising is expected to continue to maintain brand awareness.  
 \*\* For sales to grow in proportion to the recognition rate, in addition to the above, it is important that products are price competitive. This is one of the company's strengths and is likely to be maintained in the future as well.



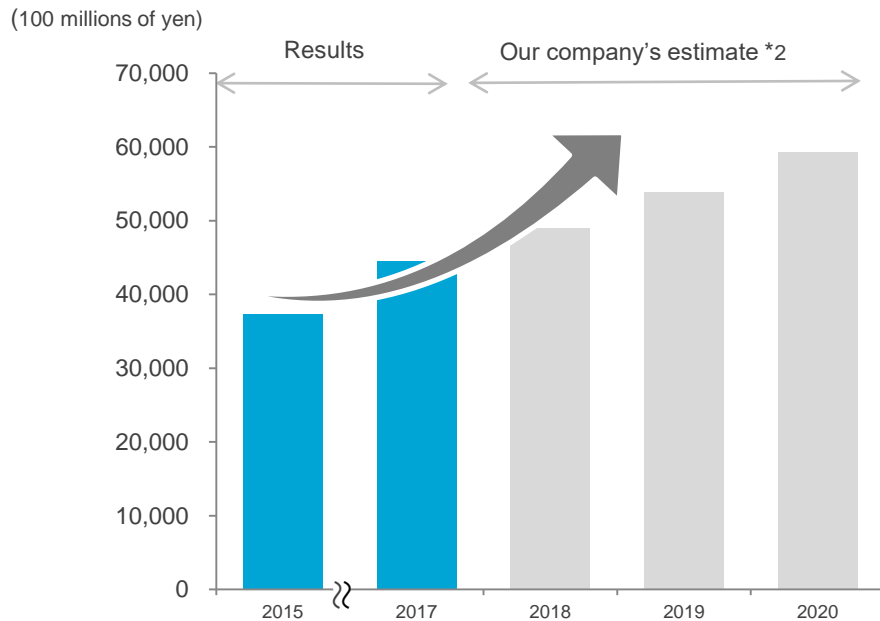
◆ Because almost all sales currently arise from the Travelko (Domestic and Global) business.  
 ◆◆ The graph is an impression

# Recognition of Market Environments

Growth of online/inbound travel markets is expected to continue.

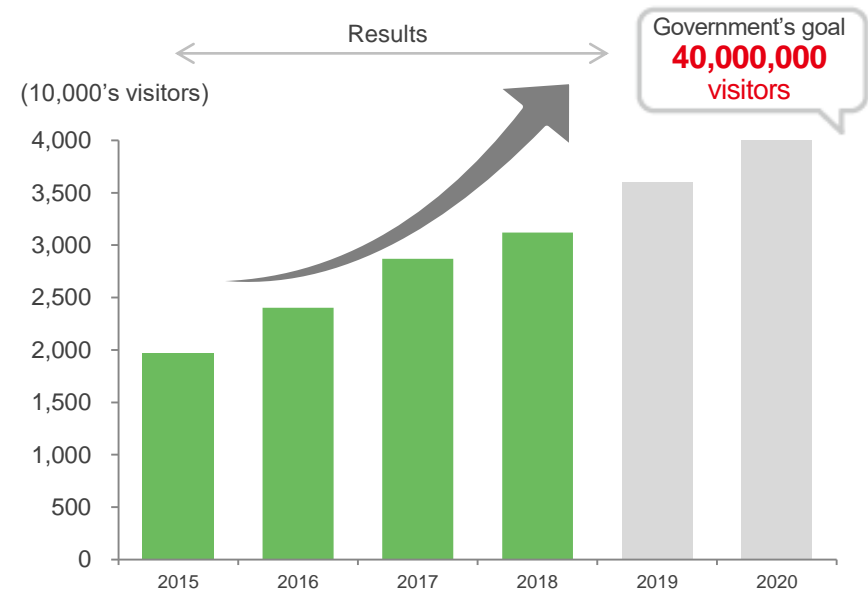
## Online travel market scale

Total travel market scale: 10.01 trillion yen\*1  
 Online market scale: **4.4 trillion yen** (2017)\*1  
 Average annual increase of **about 10%** \*1



## Growing inbound market

2018  
 31,190,000  
 visitors\*3 → 2020  
 40,000,000  
 Visitors\*4



\*1 An abstract from PhoCusWright Japan's "Survey of Japan's Online Travel Market, Fourth Edition"

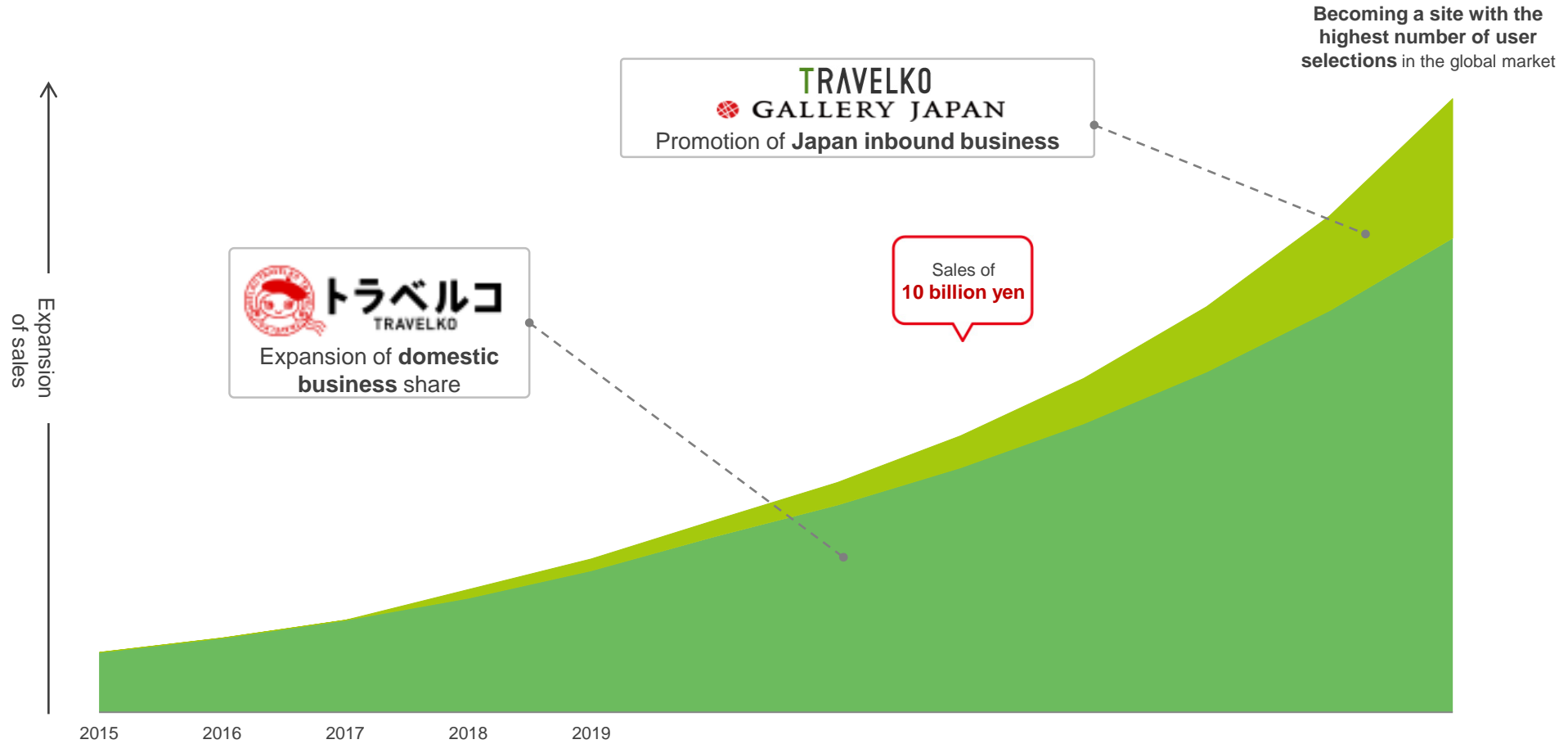
\*2 A growth rate of the yearly average +10% is assumed

\*3 An abstract from the number of foreign visitors to Japan by JNTO (Japan National Tourism Organization)

\*4 An abstract from "Tourism Vision to Support the Future of Japan"

# Image of Mid- and Long-term Growth

Aiming to become a 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 at the time of making 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 herein is shown based on 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 where such 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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