

# Financial Results for FY2020 March



OpenDoor Inc.  
(Stock Code: 3926)

1. Highlights
2. Impact of COVID-19 Pandemic
3. FY2020 March: Financial Overview
4. FY2020 March: Main Initiatives
5. FY2021 March: Financial Projections
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## ■ Impact of COVID-19 Pandemic

- In 4Q, travel demand fell sharply due to the COVID-19 pandemic, and is predicted to become much worse during and after April.
- Although there will be some difference between domestic and outbound travel, it is expected to prolong until the recovery of travel as before.

\* See Page 5 “Impact of COVID-19 Pandemic.”

## ■ Results for FY2020 March

- Sales: **4,936 million yen (down 0.7% YoY)**; operating profit: **1,538 million yen (down 9.7% YoY)**
- Impacted by sharp drop of travel demand due to the COVID-19 pandemic in 4Q, sales remained at the same level YoY while operating profits decreased by 164 million yen YoY.
- Sales promotions, including TV commercials, were run as planned, and the selling, general and administrative expenses increased by 95 million yen YoY.
- According to a February 2020 survey, the recognition rate was **45.8%** compared with the full-year target of 47.0% or higher for FY2020 March.
- The pace of recognition rate increase through TV commercials slows down as the rate approaches its upper limit (70% as estimated value). In contrast, the brand retention rate (total contact number to commercials per person) as a major brand rises. Accordingly, the number of unique users is expected to continue increasing.

## ■ Financial Projections for FY2021 March

- Financial Projections for FY2021 March are yet “to be determined” at the present moment, and will be announced when they become reasonably predictable.
- Despite the situation, due to our stable financial background, we have accelerated the development speed and strive to enhance competitiveness towards the recovery phase of tourism demand.

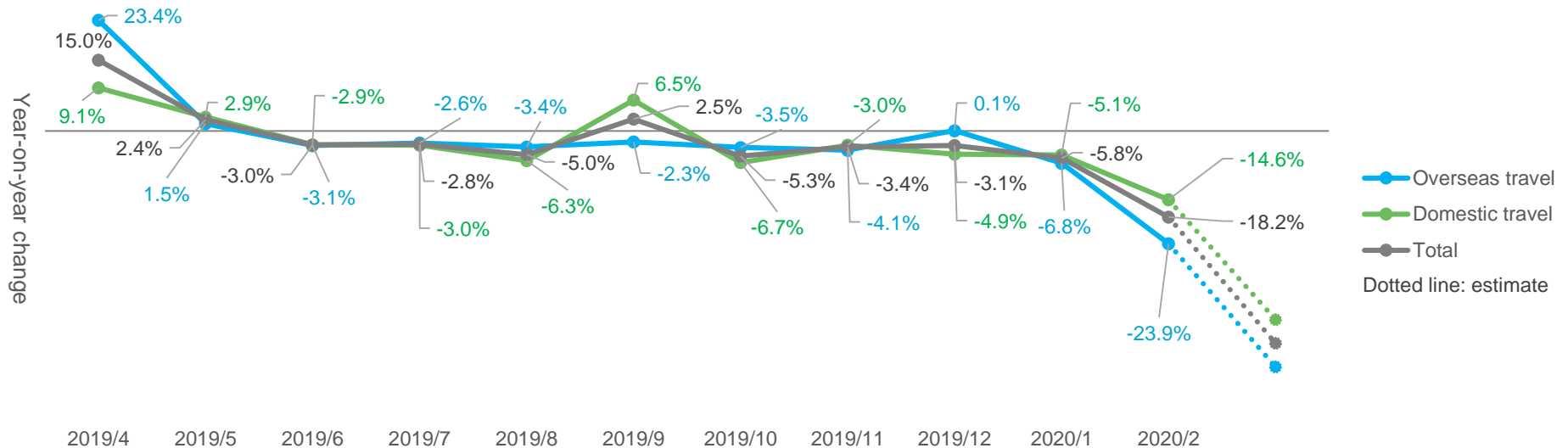
\* FY2020 March: Capital-to-asset ratio is 90.8%; Cash and deposits balance at the end of the period is approx. 5.6 billion yen; Cost of Sales and Selling, General and Administrative Expenses (excluding advertising costs) are approx. 1.8 billion yen

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# Impact of COVID-19 Pandemic

- According to Japan Tourism Agency’s “Preliminary Report on Travel Services Provided by the Major Travel Agencies,” for February, as tours were postponed or cancelled by the outbreak of COVID-19, both overseas travel and domestic travel decreased greatly as compared with the same month of the previous year (a larger drop is expected for March).  
\*“Total” on the chart indicates total sales calculated by our company by combining overseas and domestic travel sales of major travel agencies.
- In 4Q, travel demand fell sharply due to the COVID-19 pandemic, and is predicted to become much worse during and after April.
- Although there will be some gap in the degree of damage between Japan and overseas, it is expected to take a long time until people become able to travel as before.
- Sharp drop of travel demand caused by COVID-19 pandemic adversely affects our business performance.

## Year-on-Year Changes in Total Monthly Sales of Major Travel Agencies



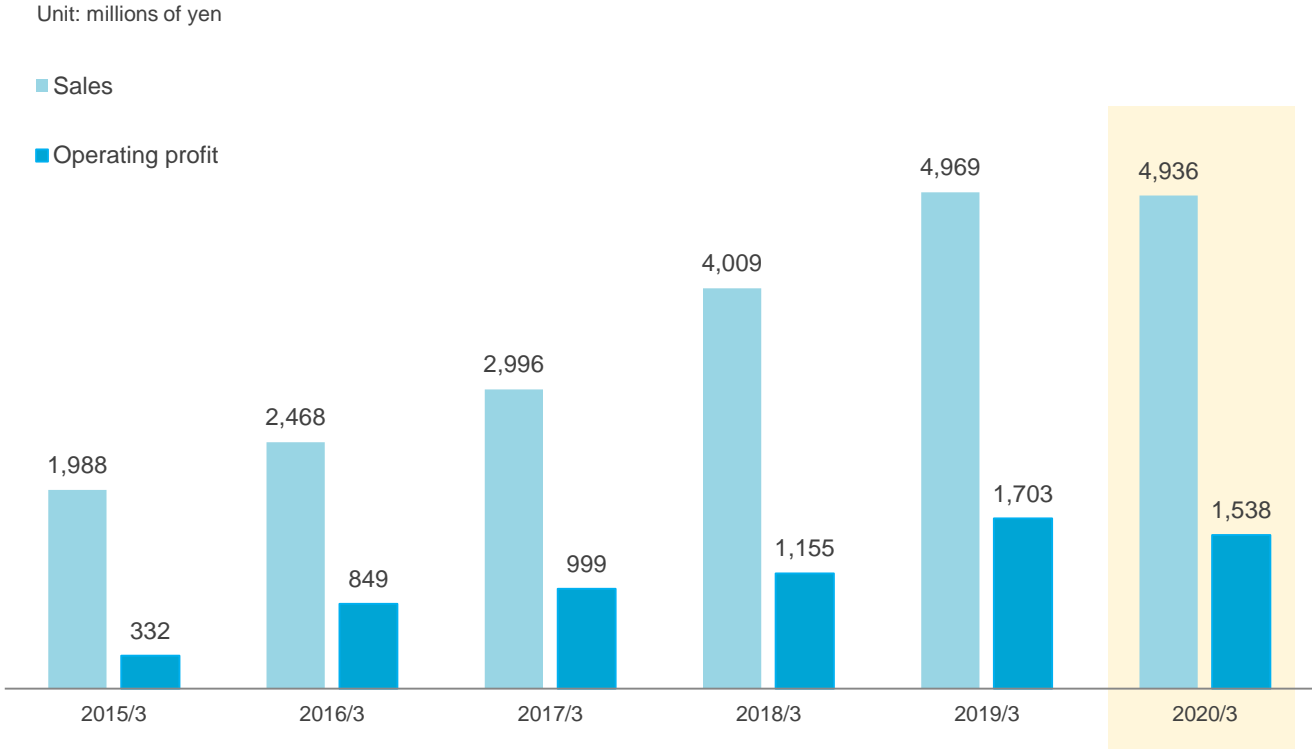
Source: Compiled by our company based on Japan Tourism Agency’s “Preliminary Report on Travel Services Provided by the Major Travel Agencies.”

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# FY2020 March: Financial Overview / Trends in Results



- Impacted by the COVID-19 pandemic, sales remain at the same level YoY while operating profits decreased by 164 million yen YoY.





# FY2020 March: Financial Overview / Profit and Loss Statement



- Impacted by sharp drop of travel demand due to the worldwide pandemic of COVID-19 in 4Q, sales remain at the same level YoY while operating profits decreased by 164 million yen YoY.
- Sales promotions, including TV commercials, were run as planned, and the selling, general and administrative expenses increased by 95 million yen YoY.

Unit: millions of yen

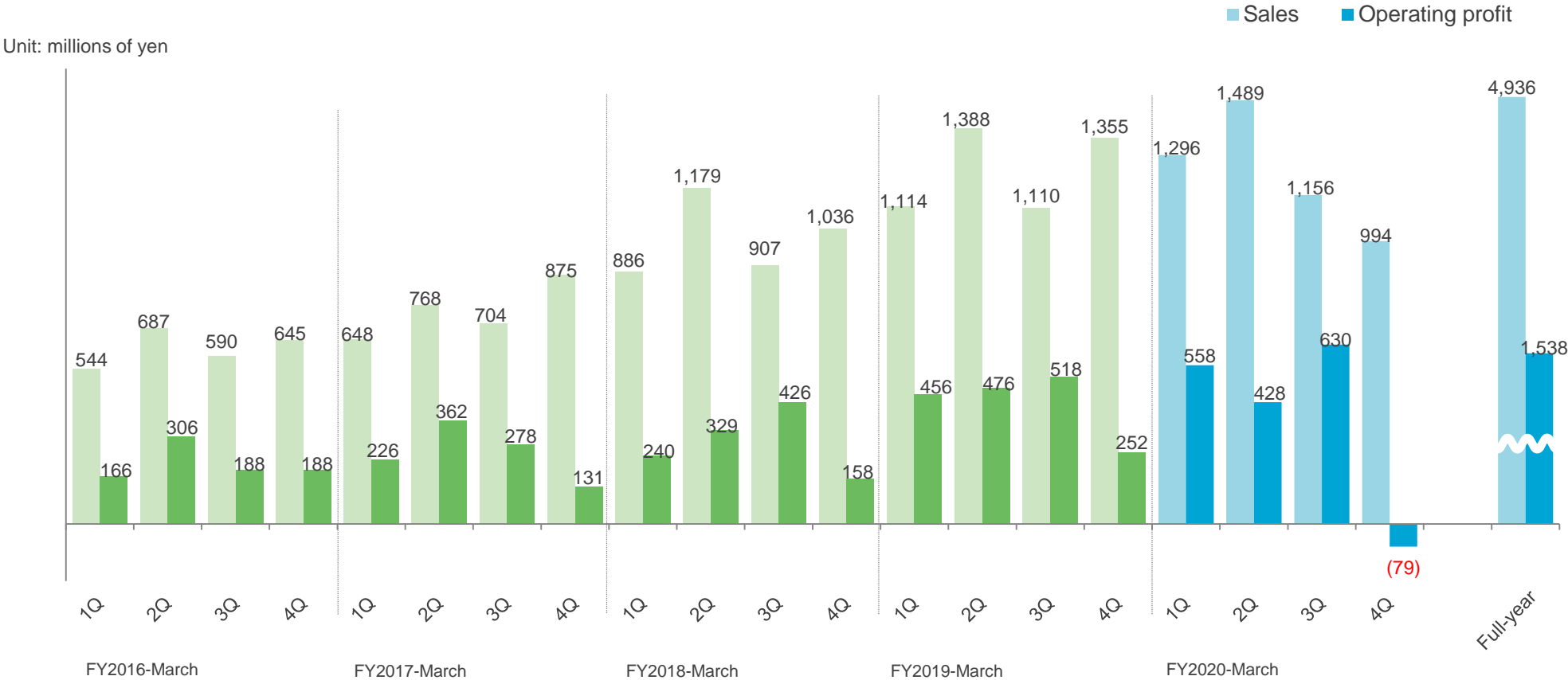
	2019/3 Results	2020/3 Results	Amount of change	YoY	vs. plans	2020/3 Revised full-year projections*
Sales	4,969	4,936	-32	-0.7%	-8.6%	5,400
Cost of sales	615	651	+36	+5.9%	-4.2%	680
Gross profit	4,354	4,285	-69	-1.6%	-9.2%	4,720
Selling, general and administrative expenses	2,651	2,746	+95	+3.6%	-6.9%	2,950
Operating profit	1,703	1,538	-164	-9.7%	-13.1%	1,770
Ordinary profit	1,708	1,540	-167	-9.8%	-12.9%	1,770
Net incomes	1,099	925	-173	-15.8%	-12.9%	1,062
Operating margin	34.3%	31.2%	-3.1P	-	-	32.8%

\*Revised projections announced on November 8, 2019.

# FY2020 March: Financial Overview / Trends in Quarterly Results



- In ordinary times, sales tend to be high in 2Q and 4Q. This trend, however, changed greatly, due to the impact of the COVID-19 pandemic.



# FY2020 March Financial Overview / 4Q

- Impacted by sharp drop of travel demand due to the worldwide pandemic of COVID-19, both sales and operating profits fell below the same period of the previous year.
- It was difficult to predict the outbreak of the novel corona virus at the time of placing an order for TV commercials for 4Q; the sales promotions, including TV commercials, were run as planned.
- Most of the advertising costs in the second half period (679 million yen) were used in 4Q, as we did not run TV commercials in 3Q.

Unit: millions of yen

	4Q FY2019/3 Results	4Q FY2020/3 Results	Amount of change	YoY
Sales	1,355	994	-361	-26.7%
Cost of sales	165	151	-13	-8.2%
Gross profit	1,190	842	-347	-29.2%
Selling, general and administrative expenses	937	922	-15	-1.7%
Operating profit	252	-79	-332	-
Ordinary profit	254	-78	-332	-
Net incomes	158	-85	-243	-
Operating margin	18.7%	-8.0%	-26.6P	-

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- Aired TV commercials in major cities nationwide throughout the year.
- Continue active system affiliation covering a wide range of sites from popular travel sites to official sites of airlines and accommodations.
- The range of “Shinkansen + Hotel” service expands to cover Sanyo and Kyushu Shinkansen. More vacation rentals plans are posted on “Domestic hotels and accommodations.”
- Provide system interface for inbound travel information

## TV Commercials

- New Travelko TV advertising, Presentation Edition, started to be broadcasted from January 2020.



## New affiliation

- Club Med (Domestic hotels),
- ena (Domestic air tickets),
- AirTrip (Domestic rental cars), and many others.



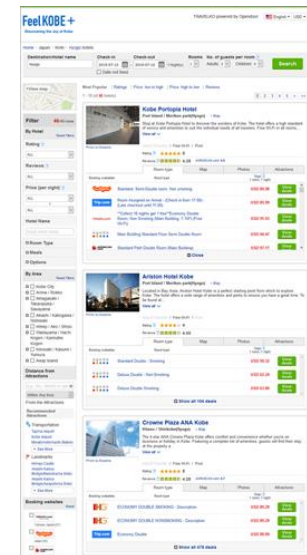
## Service expansion

- Addition of Sanyo and Kyushu Shinkansen to the service's line-up
- Affiliated with Rakuten LIFULLSTAY



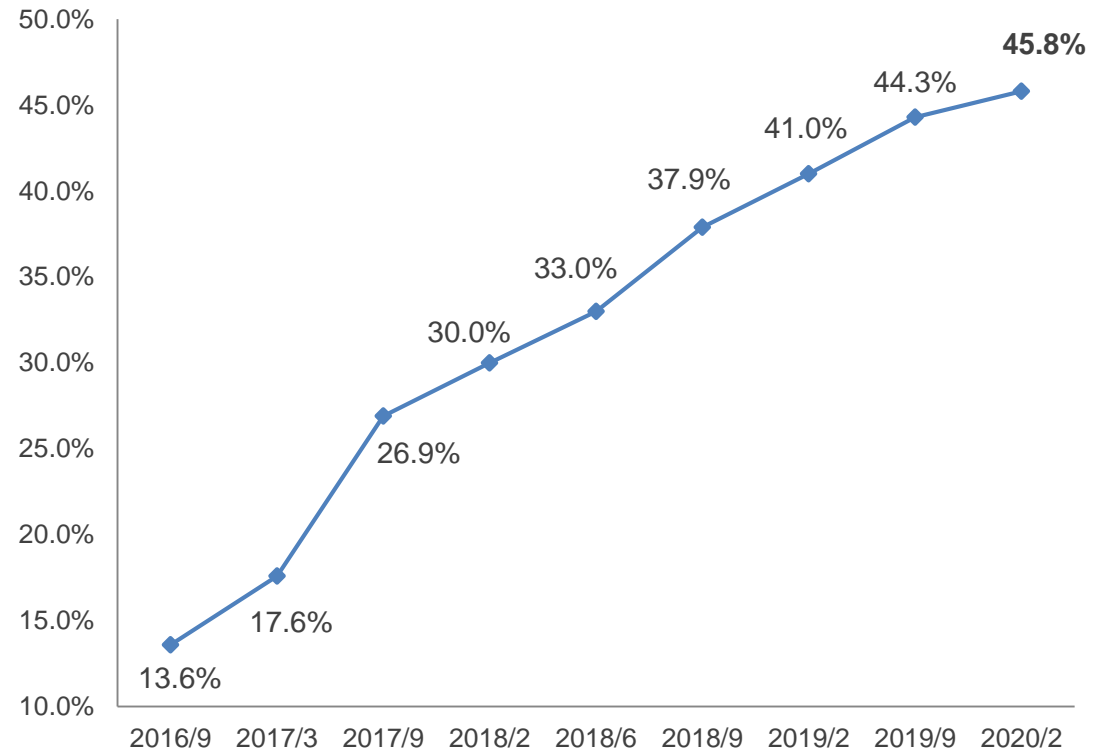
## Travelko

- “DeepExperience OSAKA,” (Travel experience information website of Osaka),
- “FeelKOBE” (Official travel guide website of Kobe Tourism Bureau), and many others.



# FY2020 March: Main Initiatives / Recognition Rate Raised through TV Commercials

- The recognition rate in February 2020 was **45.8%** compared with the full-year target of 47.0% or higher.
- The pace of recognition rate per commercials placement volume increase through TV commercials slows down as the rate approaches its upper limit (70% as estimated value). In contrast, the brand retention rate (total contact number to commercials per person) as a major brand rises. Accordingly, the number of unique users is expected to continue increasing.



Source: OpenDoor's own survey (February 2020)

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.

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## ■ FY2021 March: Financial Projections

As we cannot predict when the COVID-19 pandemic will settle, it is very difficult for us to properly and reasonably predict how much impact there will be on our plan for FY2021 March.

Therefore, financial projections for FY2021 March are yet “to be determined” at the present moment, and will be announced when they become reasonably predictable.

## ■ Future Impact of COVID-19 and Our Initiatives

At present (as of May 13, 2020), the global spread of COVID-19 seems to slow down. The situation, however, remains unpredictable. We see that it will take considerable time until the travel demand returns.

In the recovery phase, we expect that, initially, domestic demand will gradually increase and then overseas demand will rise a little later.

It is expected that there will be an increase in new travel style enabling tourists to be less likely to get infected and tour programs focusing on it.

Despite the situation, due to our stable financial background, our group accelerates the development speed and strive to enhance competitiveness, such as to take demand in the recovery phase and to enrich the service in response to new travel needs after the recovery.

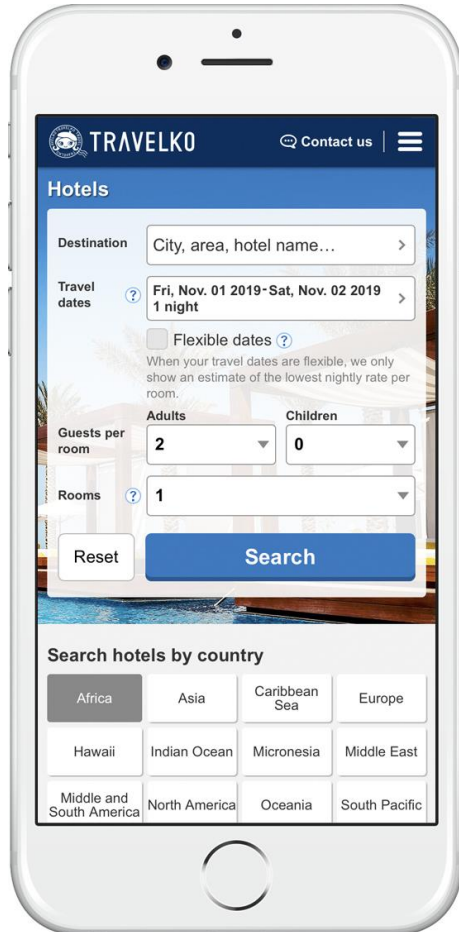
\* FY2020 March: Capital-to-asset ratio is 90.8%; Cash and deposits balance at the end of the period is approx. 5.6 billion yen; Cost of Sales and Selling, General and Administrative Expenses (excluding advertising costs) are approx. 1.8 billion yen



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- Run sales promotion including TV commercials in response to the market needs and government policies in the recovery phase
- Enrich new products and related information towards the post COVID-19 market
- 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 rentals, travel insurance, outdoor activity, etc.)



- Reinforcement of COVID-19 related information
- 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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# FY2020 March / Balance Sheet

- Cash and deposits balance for FY2020 March increased by 931 million yen to 5,650 million yen.
- Net assets for FY2020 March increased by 921 million yen to 6,123 million yen.

Unit: millions of yen	End of March 2019 Results	End of March 2020 Results	Amount of change
Current assets	5,680	6,182	+501
Cash and deposits	4,719	5,650	+931
Other	961	531	-429
Non-current assets	631	562	-69
Total assets	6,312	6,744	+432
Current liabilities	1,043	565	-478
Non-current liabilities	66	55	-10
Total liabilities	1,109	620	-489
Net assets	5,202	6,123	+921
Capital stock	648	648	-
Capital surplus	474	473	-0
Retained earnings	4,092	5,018	+925
Other	-12	-15	-2
Total liabilities and net assets	6,312	6,744	+432

# FY2020 March: Key Components of Cost of Sales and Selling, General and Administrative Expenses

- Sales promotions, including TV commercials, were run as planned, and the advertising costs increased.

Unit: millions of yen	2019/3		2020/3			
	Results	% of sales	Results	Amount of change	YoY	% of sales
Cost of sales	615	12.4%	651	+36	+5.9%	13.2%
Labor costs	426	8.6%	467	+41	+9.6%	9.5%
Other	189	3.8%	184	-4	-2.5%	3.7%
Selling, general and administrative expenses	2,651	53.3%	2,746	+95	+3.6%	55.6%
Personnel expenses	755	15.2%	738	-17	-2.3%	15.0%
Advertising costs	1,430	28.8%	1,537	+107	+7.5%	31.1%
Other	465	9.4%	470	+5	+1.1%	9.5%

# FY2020 March / Cash Flow Statement

- Cash and cash equivalents for FY2020 March increased by 931 million yen to 5,650 million yen.

Unit: millions of yen	2019/3 Results	2020/3 Results	
Cash flows from operating activities	+1,121	+980	Net income before tax 1,540 Income taxes paid -734
Cash flows from investing activities	+17	-49	Purchase of tangible non-current assets -38
Cash flows from financing activities	+0	+0	—
Effect of exchange rate change on cash and cash equivalents	+0	-0	—
Amount of change in cash and cash equivalents	+1,139	+931	—
Balance of cash and cash equivalents at the beginning of the period	3,579	4,719	—
Balance of cash and cash equivalents at the end of the period	4,719	5,650	—

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 hotels and air tickets
Number of employees	A total of 179 employees





A travel comparison site that allows you to search and compare products from more than 1,500 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 このページの閲覧・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 (1)

JTB、HIS、一休.com、楽天トラベル、Expedia、Booking.comなど、国内外1,500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		

LINEスタンプ 販売中！ 全40種類！ご購入はこちらから

世界98エリア！人気スポットまとめ

LINEスタンプはじまりました！

トラベルコの新CMを公開！

最安値一覧

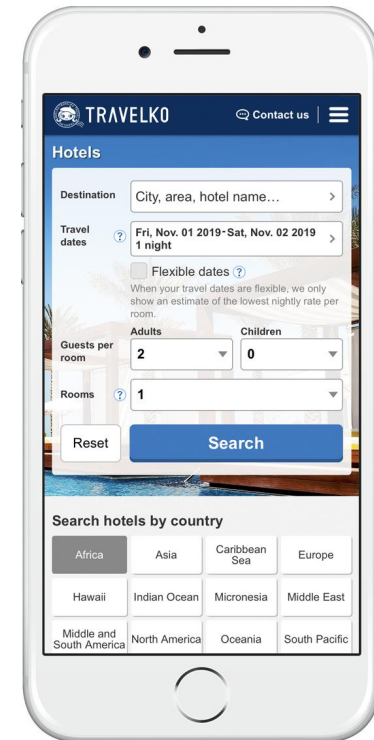
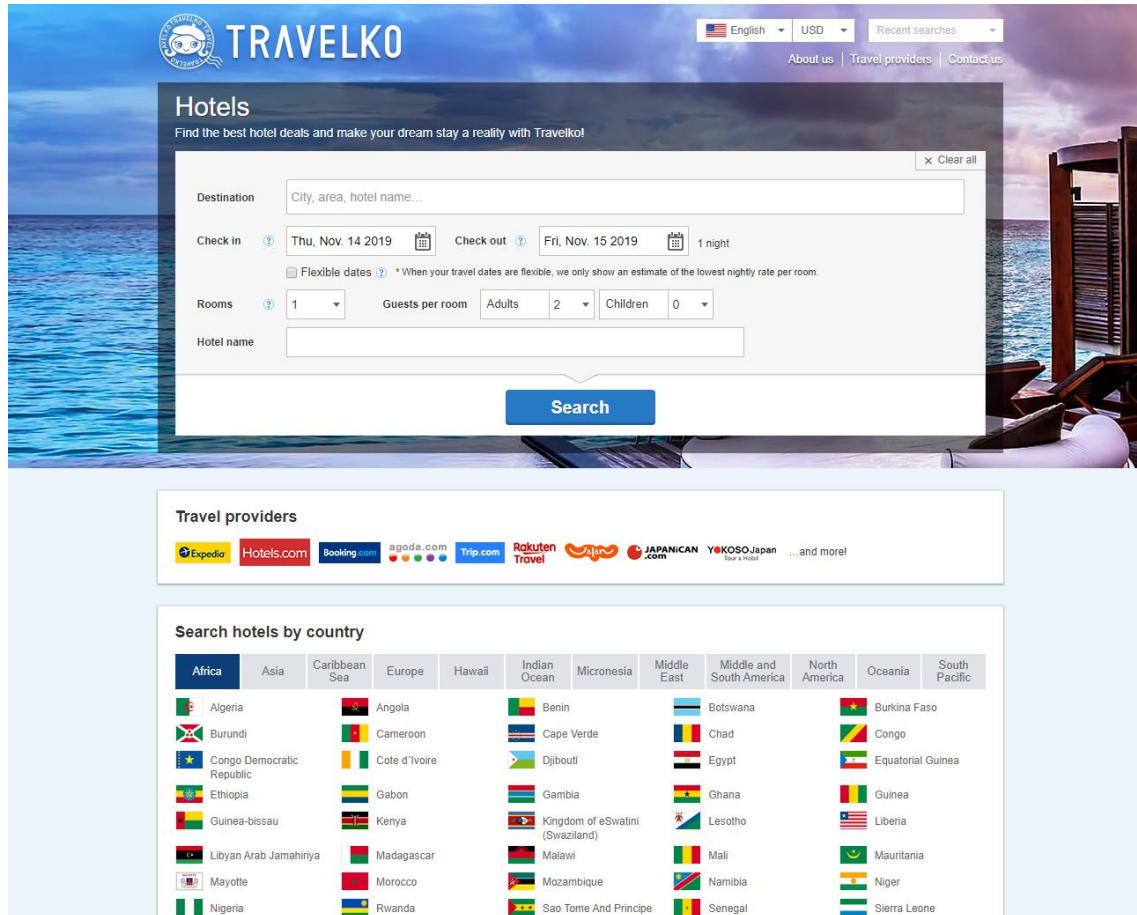
東京発 2月 3月

【マーク説明】 ↓↑…最安値の更新商品あり ※1月27日時点の情報です 2名1室利用時(大人1名あたりの料金を表示しています)。

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 1,900円	ソウル3日間 1.38万円
福岡2日 1.06万円	鬼怒川温泉 2,000円	台北3日間 2.66万円
白馬3日 1.39万円	東京 1,706円	香港3日間 2.38万円
		グアム4日間 3.98万円
		バンコク4日間 2.90万円
		シンガポール4日間 4.18万円



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



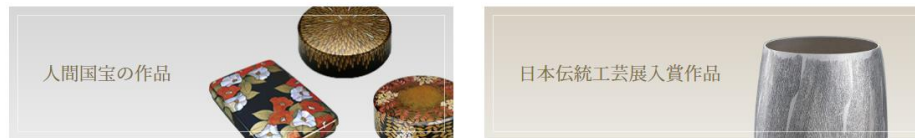
Supported languages

- 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



代表的な作品を見る



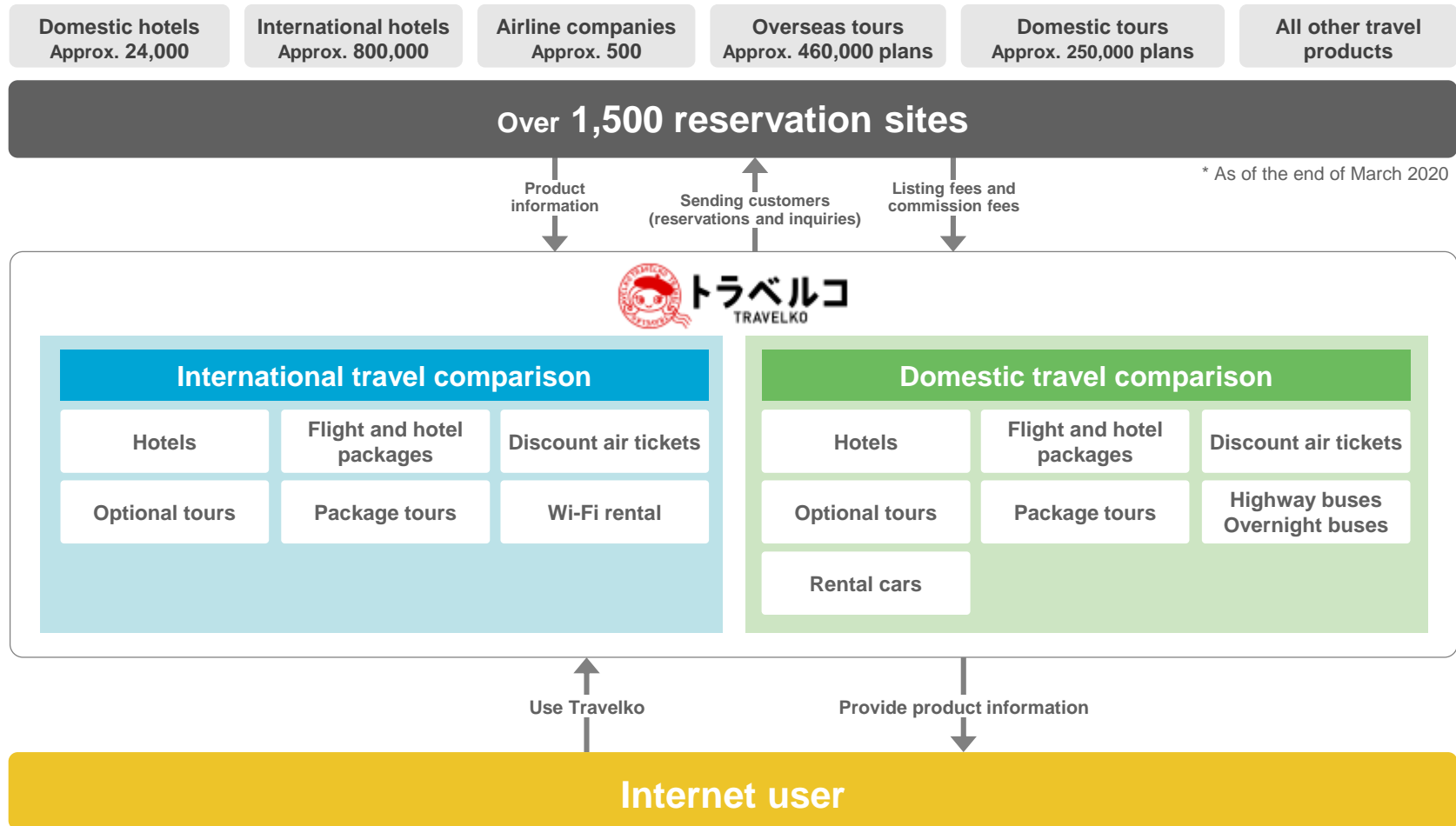
分野別にみる



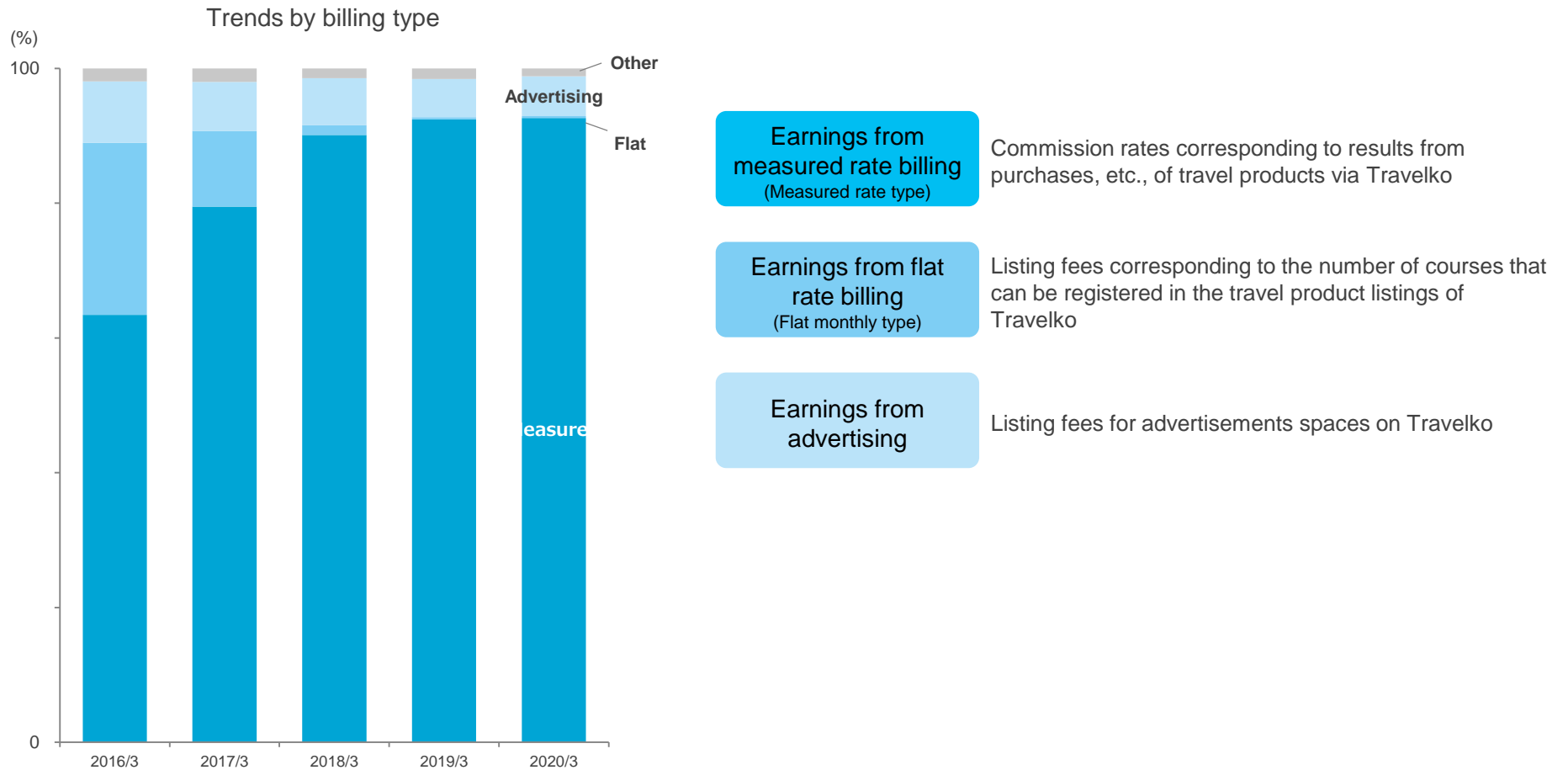
Supported languages

English  
Japanese

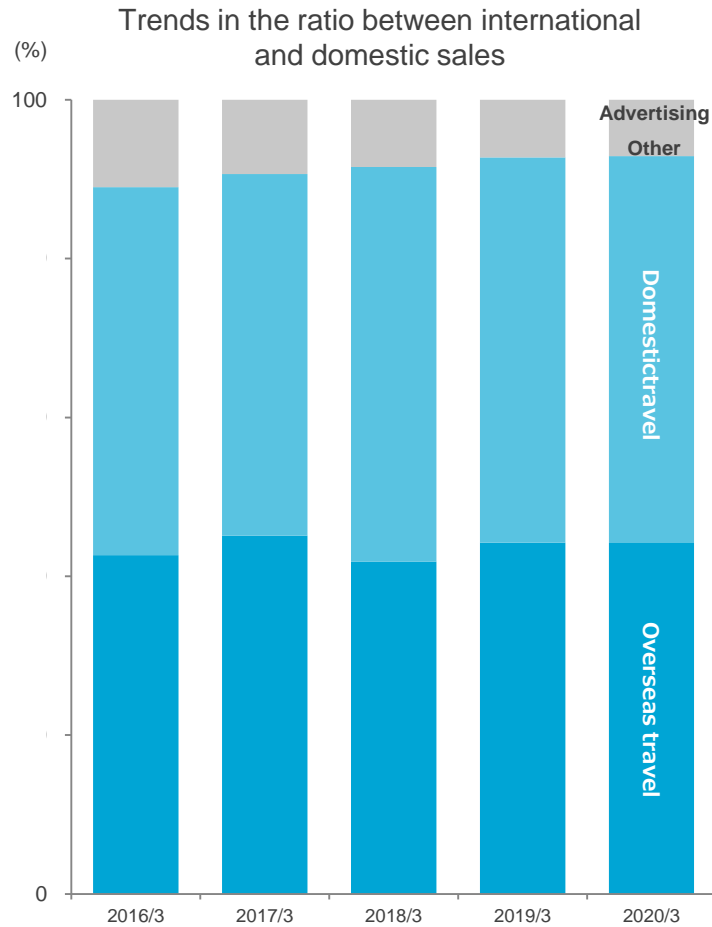
A business model that allows the majority of travel products to be compared



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



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

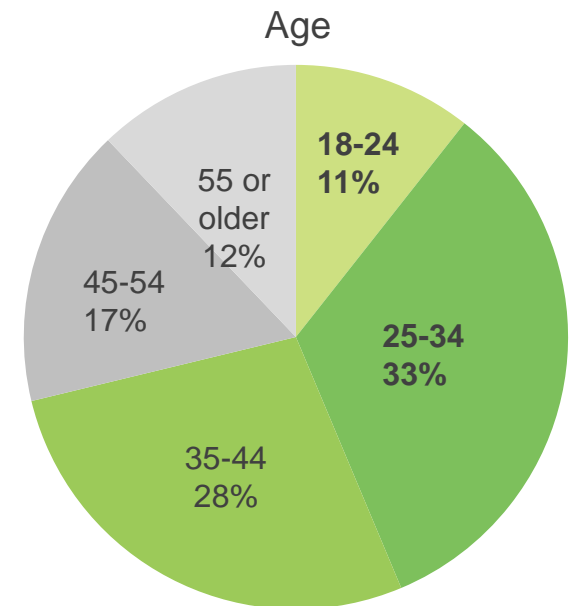
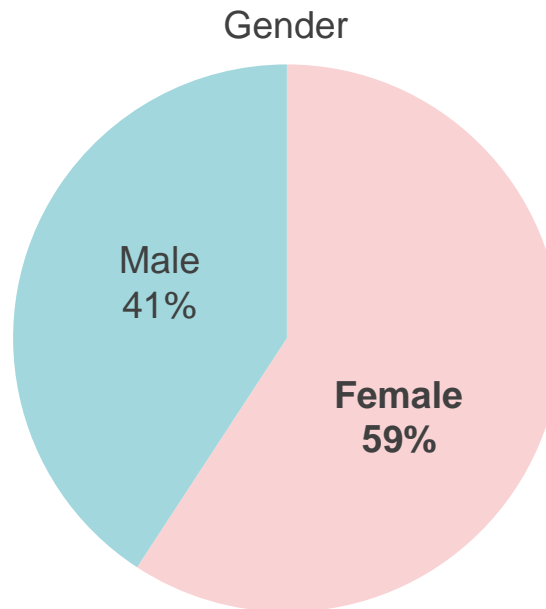
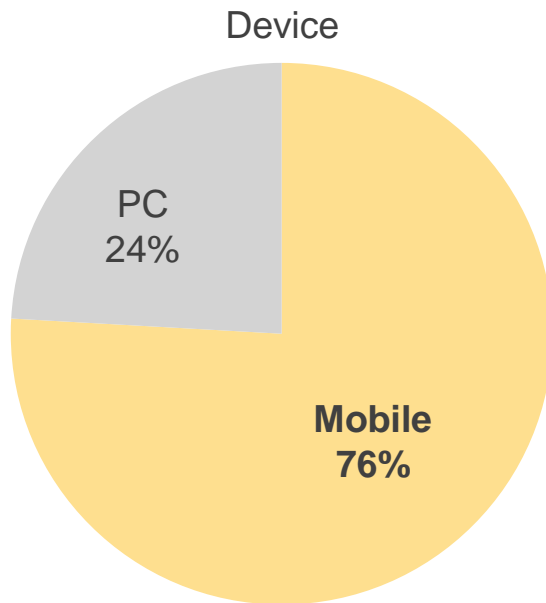


**Flexibly corresponds to changes in market trends**  
due to changes in international or domestic popularity, or because of sudden events such as terrorist attacks, etc.

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\*1



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

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



\*1 2019/4 - 2020/3 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 1,500 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

AirTrip, Spring Japan, Skyticket,  
Star Flyer, AIRDO

...More than **1,500** travel sites

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

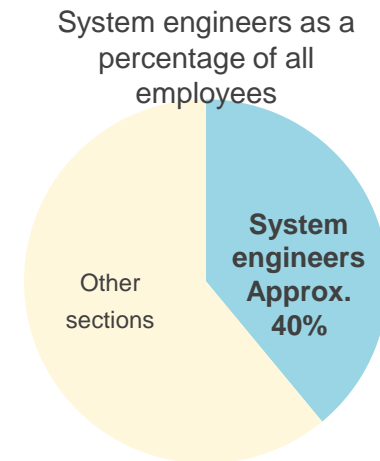
### Nearly all system development is carried out in-house

Advanced, large-scale system development is essential to covering this many travel products, linking more than 1,500 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.



- 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.

For inquiries regarding this document or IR,  
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