Certain Statements that we make in this presentation are forward-looking statements. These forward-looking statements are based upon management’s current assumptions and beliefs in light of the information currently available to it, but involve known and unknown risks and uncertainties. Many important factors could cause our actual results to differ materially from those expressed in our forward-looking statements. These factors include:

- difficulties in addressing new virus and other computer security problems;
- timing of new product introductions and lack of market acceptance for our new products;
- the level of continuing demand for, and timing of sales of, our existing products;
- rapid technological change within the anti-virus software industry;
- changes in customer needs for anti-virus software;
- existing products and new product introductions by our competitors and the pricing of those products;
- declining prices for our products and services;
- the effect of future acquisitions on our financial condition and results of operations;
- the effect of adverse economic trends on our principal markets;
- the effect of foreign exchange fluctuations on our results of operations;
- an increase in the incidence of product returns;
- the potential lack of attractive investment targets; and
- difficulties in successfully executing our investment strategy.

We assume no obligation to update any forward-looking statements.
FY2018. 2Q Financial Highlight

(Second quarter ended June 30, 2018)
# Q2 Consolidated Results

<table>
<thead>
<tr>
<th>Three months ended Jun 30,</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>35,388</td>
<td>39,497</td>
<td>+ 12%</td>
</tr>
<tr>
<td>Total Operating expenses</td>
<td>27,822</td>
<td>30,949</td>
<td>+ 11%</td>
</tr>
<tr>
<td>Operating income (Margin)</td>
<td>7,565 (21%)</td>
<td>8,547 (22%)</td>
<td>+ 13%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>7,939</td>
<td>9,094</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Net income attributable to owners of the parent</td>
<td>5,944</td>
<td>6,882</td>
<td>+ 16%</td>
</tr>
</tbody>
</table>

Operating income excluding amortization of Goodwill 8,940 9,998 + 12% (Non-GAAP)

“For reference” Revenue before adjusting deferred revenue

<table>
<thead>
<tr>
<th>Pre-GAAP</th>
<th>38,808</th>
<th>42,124</th>
<th>+ 9%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(excluding foreign exchange impact)</td>
<td></td>
<td></td>
<td>+ 8% (Non-GAAP)</td>
</tr>
</tbody>
</table>

If currency exchange rates used for 2Q2017 were used for 2Q2018

<table>
<thead>
<tr>
<th>Net sales</th>
<th>35,388</th>
<th>39,411</th>
<th>+ 11% (Non-GAAP)</th>
</tr>
</thead>
</table>
Progress (6 months)

(in million Yen)

Revenue

- Q1: 35,250
- Q2: 77,490
- Q3: 107,782
- Q4: 148,811

Operating Income

- Q1: 9,303
- Q2: 17,851
- Q3: 16,286
- Q4: 36,441

(Progress of Forecast: 47%)
(Progress of FY2017Act: 47%)
(Progress of Forecast: 44%)
(Progress of FY2017Act: 45%)
## Q2 USD based Results (Non-GAAP)

(unaudited)

<table>
<thead>
<tr>
<th>Three months ended Jun 30,</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>(in thousand USD) YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>318,467</td>
<td>361,829</td>
<td>+ 14%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>53,024</td>
<td>71,159</td>
<td>+ 34%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>197,356</td>
<td>212,364</td>
<td>+ 8%</td>
</tr>
<tr>
<td>Operating income</td>
<td>68,086</td>
<td>78,305</td>
<td>+ 15%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>71,447</td>
<td>83,311</td>
<td>+ 17%</td>
</tr>
<tr>
<td>Net Income, attributable to owners of the parent</td>
<td>53,498</td>
<td>63,050</td>
<td>+ 18%</td>
</tr>
</tbody>
</table>

For each of the quarters shown in the table above, JPY Japan GAAP amounts have been converted to USD amounts using the exchange rates of USD=111.12 JPY for 2Q2017 and 1 USD =109.16 JPY for 2Q2018, respectively, which are the respective weighted average exchange rates used to convert USD net sales to JPY for these quarters.
Net Sales Growth by Region

(in million Yen)

<table>
<thead>
<tr>
<th>Region</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>14,492</td>
<td>15,744</td>
<td>+ 9%</td>
</tr>
<tr>
<td>North America</td>
<td>9,912</td>
<td>10,341</td>
<td>+ 4%</td>
</tr>
<tr>
<td>Europe</td>
<td>5,465</td>
<td>6,811</td>
<td>+ 25%</td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>4,437</td>
<td>5,628</td>
<td>+ 27%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1,079</td>
<td>971</td>
<td>- 10%</td>
</tr>
</tbody>
</table>
### Net Sales Growth by Region

#### If currency exchange rates used for 2Q2017 were used for 2Q2018:

<table>
<thead>
<tr>
<th>Region</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>14,492</td>
<td>15,744</td>
<td>+ 9%</td>
</tr>
<tr>
<td>North America</td>
<td>9,912</td>
<td>10,522</td>
<td>+ 6% (+ 180)</td>
</tr>
<tr>
<td>Europe</td>
<td>5,465</td>
<td>6,419</td>
<td>+ 17% (- 392)</td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>4,437</td>
<td>5,661</td>
<td>+ 28% (+ 32)</td>
</tr>
<tr>
<td>Latin America</td>
<td>1,079</td>
<td>1,064</td>
<td>- 1% (+ 93)</td>
</tr>
</tbody>
</table>

* Each JPY amount for 2Q2018 shown above has been calculated by applying to the relevant foreign currency net sales amount for 2Q2018 the weighted average exchange rate between such foreign currency and JPY that was used to convert the net sales amount denominated in such foreign currency for 2Q2017 into a JPY net sales amount for Japan GAAP reporting purposes.

(Non-GAAP)
Decomposition of Revenue (vs. last year)

(in million Yen)

North America

Latin America

Exchange impact

Europe

APAC, MEA

Japan

2017 Q2

Net sales

35,388

2018 Q2

Net sales

39,497

[Unaudited]

Non-GAAP
Each growth rate shown above is based on applying to each quarter the same currency rate as the previous year for the same period.
Sales by Segment

(in million Yen)

Growth rate (YoY)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>+ 3%</td>
</tr>
<tr>
<td>North America</td>
<td>- 1%</td>
</tr>
<tr>
<td>Europe</td>
<td>- 8%</td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Latin America</td>
<td>+ 37%</td>
</tr>
</tbody>
</table>

Consumer

All Enterprise

+ 2%

+ 15%

Notice” As Sales by Segment numbers are just for internal use, they may be subject to some changes hereafter.
**“Hybrid Infrastructure protection” & “User protection”**

**Gross sales**

(in million Yen)

**Hybrid Infrastructure protection**

+21% YoY

4 quarters moving average

**User Protection**

+ 7% YoY

4 quarters moving average

+21% YoY

(Last year currency base)

(Last year currency base)

Gross sales (in million Yen)

(unaudited)

(Non-GAAP)
% share by region

2Q2017
35,388 million Yen

2Q2018
39,497 million Yen
Pre-GAAP (Revenue before adjusting Deferred revenue) (in million Yen) (unaudited)

<table>
<thead>
<tr>
<th>Region</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>15,883</td>
<td>17,038</td>
<td>+7%</td>
</tr>
<tr>
<td>North America</td>
<td>10,055</td>
<td>10,090</td>
<td>+0%</td>
</tr>
<tr>
<td>Europe</td>
<td>5,307</td>
<td>7,387</td>
<td>+39%</td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>6,472</td>
<td>6,677</td>
<td>+3%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1,089</td>
<td>929</td>
<td>-15%</td>
</tr>
</tbody>
</table>

“Notice”
Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.

“For reference”

15,883 10,090 5,307 6,677 929
"For reference"

Pre-GAAP (Revenue before adjusting Deferred revenue) (in million Yen)

If currency exchange rates used for 2Q2017 were used for 2Q2018: (unaudited)

<table>
<thead>
<tr>
<th>Region</th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>15,883</td>
<td>17,038</td>
<td>+7%</td>
</tr>
<tr>
<td>North America</td>
<td>10,055</td>
<td>10,256</td>
<td>+2%</td>
</tr>
<tr>
<td>Europe</td>
<td>5,307</td>
<td>7,049</td>
<td>+33%</td>
</tr>
<tr>
<td>APAC, Middle East</td>
<td>6,472</td>
<td>6,714</td>
<td>+4%</td>
</tr>
<tr>
<td>Latin America</td>
<td>1,089</td>
<td>1,022</td>
<td>-6%</td>
</tr>
</tbody>
</table>

"Notice"
Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.

(Non-GAAP)
Net sales & Pre-GAAP growth trend
(on a constant currency basis)

(unaudited)
(Non-GAAP)
Deferred Revenue

(in million Yen) (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Jun-'16</th>
<th>Sep-'16</th>
<th>Dec-'16</th>
<th>Mar-'17</th>
<th>Jun-'17</th>
<th>Sep-'17</th>
<th>Dec-'17</th>
<th>Mar-'18</th>
<th>Jun-'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>101,071</td>
<td>101,579</td>
<td>110,397</td>
<td>111,465</td>
<td>115,971</td>
<td>116,101</td>
<td>121,985</td>
<td>120,175</td>
<td>123,219</td>
</tr>
</tbody>
</table>

* Total of current and long term
Deferred Revenue by Region

(in million Yen) (unaudited)

- Japan: 59,471 (Mar-18) + 2% vs. 60,618 (Jun-18)
- North America: 22,673 (Mar-18) + 4% vs. 23,567 (Jun-18)
- Europe: 19,958 (Mar-18) + 0% vs. 20,054 (Jun-18)
- APAC, Middle East and Africa: 15,521 (Mar-18) + 7% vs. 16,640 (Jun-18)
- Latin America: 2,550 (Mar-18) - 8% vs. 2,337 (Jun-18)

* Total of current and long term
### Deferred Revenue by Region

*If currency exchange rates used as of the end of 1Q2018 were used as of the end of 2Q2018:*

(in million Yen) *( unaudited) *

<table>
<thead>
<tr>
<th>Region</th>
<th>Mar-18</th>
<th>Jun-18</th>
<th>Difference from GAAP base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>59,471</td>
<td>60,618</td>
<td><em>(0)</em></td>
</tr>
<tr>
<td>North America</td>
<td>22,673</td>
<td>22,668</td>
<td><em>(0)</em></td>
</tr>
<tr>
<td>Europe</td>
<td>19,958</td>
<td>20,478</td>
<td><em>(+ 2%)</em></td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>15,521</td>
<td>16,555</td>
<td><em>(+ 7%)</em></td>
</tr>
<tr>
<td>Latin America</td>
<td>2,550</td>
<td>2,511</td>
<td><em>(+ 2%)</em></td>
</tr>
</tbody>
</table>

*Total of current and long term:*

- -899 (Non-GAAP)  
- 850 (GAAP)

*Each JPY amount as of the end of 2Q2018 shown above has been calculated by applying to the relevant foreign currency deferred revenue amount as of the end of 2Q2018 the exchange rate between such foreign currency and JPY that was used to convert the deferred revenue amount denominated in such foreign currency as of the end of 1Q2018 into a JPY deferred revenue amount for Japan GAAP reporting purposes.*
Pre-GAAP vs Total Costs

(in million Yen) (unaudited)

* “Total costs” means COGS + SGA.
## Cash flows

### (in million Yen)

<table>
<thead>
<tr>
<th></th>
<th>2Q2017</th>
<th>2Q2018</th>
<th>YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>13,973</td>
<td>14,076</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>- 18,970</td>
<td>- 12,495</td>
<td>—</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>435</td>
<td>2,222</td>
<td>+ 410%</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>- 110</td>
<td>338</td>
<td>—</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>- 4,672</td>
<td>4,141</td>
<td>—</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of this quarter period</td>
<td>97,542</td>
<td>106,968</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Increase in cash due to merger of consolidated subsidiary</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of this quarter period</td>
<td>92,870</td>
<td>111,110</td>
<td>+ 20%</td>
</tr>
</tbody>
</table>
Headcount

Mar - 2018

6,056

<table>
<thead>
<tr>
<th>Category</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, Marketing</td>
<td>1,926</td>
</tr>
<tr>
<td>Research, Development</td>
<td>1,997</td>
</tr>
<tr>
<td>Technical Support</td>
<td>1,274</td>
</tr>
<tr>
<td>Admin, Business Process</td>
<td>859</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1,182</td>
</tr>
<tr>
<td>Japan</td>
<td>729</td>
</tr>
<tr>
<td>Europe</td>
<td>682</td>
</tr>
<tr>
<td>APAC, MEA</td>
<td>3,374</td>
</tr>
</tbody>
</table>

Jun - 2018

6,212

<table>
<thead>
<tr>
<th>Category</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, Marketing</td>
<td>1,985</td>
</tr>
<tr>
<td>Research, Development</td>
<td>1,990</td>
</tr>
<tr>
<td>Technical Support</td>
<td>1,301</td>
</tr>
<tr>
<td>Admin, Business Process</td>
<td>936</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1,196</td>
</tr>
<tr>
<td>Japan</td>
<td>752</td>
</tr>
<tr>
<td>Europe</td>
<td>701</td>
</tr>
</tbody>
</table>
| APAC, MEA           | 3,468     

+ 156 (+ 3%)
Non-operating & Extra-ordinary Items

(in million Yen) (unaudited)

Operating Income
8,547

Non-operating & Extra-ordinary Items

Interest income
53

Exchange gain
451

Other income
381

Equity in losses of affiliated companies
236

Loss from sales of marketable securities
82

Other expenses
14

Loss on disposal of fixed assets
6

Other income

Income before income taxes

Ordinary Income
9,094

Income before income taxes
9,094

(Non-GAAP)
<table>
<thead>
<tr>
<th></th>
<th>Mar-2018</th>
<th>change</th>
<th>Jun-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>95,237</td>
<td>+ 1,927</td>
<td>97,164</td>
</tr>
<tr>
<td>Account receivable</td>
<td>33,286</td>
<td>+ 820</td>
<td>34,106</td>
</tr>
<tr>
<td>(less allowance for doubtful accounts)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable securities &amp; Securities investments</td>
<td>93,990</td>
<td>+ 9,152</td>
<td>103,142</td>
</tr>
<tr>
<td>Goodwill</td>
<td>13,022</td>
<td>- 760</td>
<td>12,262</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>120,175</td>
<td>+ 3,044</td>
<td>123,219</td>
</tr>
<tr>
<td>(total of current and long-term)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock &amp; Additional paid in capital</td>
<td>41,794</td>
<td>+ 686</td>
<td>42,480</td>
</tr>
<tr>
<td>Treasury Stock</td>
<td>- 8,216</td>
<td>+ 3,446</td>
<td>- 4,770</td>
</tr>
</tbody>
</table>
Q2 Highlights

- Enterprise revenue growth rate improves
- Strong growth of appliance business
- Highest ever operating cash flow
Q2 Lowlights

- Consumer business Pre-GAAP revenues decline

- Strong growth of appliance business (higher COGS)
FY2018 6 months Financial Highlight

(January ~ June, 2018)
# Consolidated Results (6 months)

<table>
<thead>
<tr>
<th>6 months ended Jun 30,</th>
<th>2017 (1-2Q)</th>
<th>(Progress vs. last year’s annual result)</th>
<th>2018 (1-2Q)</th>
<th>YoY growth</th>
<th>(Progress vs. current year’s annual forecast)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>70,639</td>
<td>(47%)</td>
<td>77,490</td>
<td>+ 10%</td>
<td>(47%)</td>
</tr>
<tr>
<td><strong>Total Operating expenses</strong></td>
<td>54,352</td>
<td></td>
<td>59,638</td>
<td>+ 10%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>16,286</td>
<td>(45%)</td>
<td>17,851</td>
<td>+ 10%</td>
<td>(44%)</td>
</tr>
<tr>
<td>(Margin)</td>
<td>(23%)</td>
<td></td>
<td>(23%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td>15,772</td>
<td>(43%)</td>
<td>18,242</td>
<td>+ 16%</td>
<td>(45%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>11,375</td>
<td>(44%)</td>
<td>13,468</td>
<td>+ 18%</td>
<td>(47%)</td>
</tr>
</tbody>
</table>

*attributable to owners of the parent*

| Operating income excluding amortization of Goodwill | 19,142 | 20,748 | + 8% | (Non-GAAP) |

*For reference* Revenue before adjusting deferred revenue

| Pre-GAAP | 75,804 | 80,081 | + 6% | (Non-GAAP) |
Net Sales Growth by Region

(in million Yen) (unaudited)

2017 Q1-Q2 | 2018 Q1-Q2

Japan: 28,958 | 30,919 | + 7%
North America: 19,615 | 20,017 | + 2%
Europe: 11,351 | 13,647 | + 20%
APAC, Middle East and Africa: 8,600 | 10,899 | + 27%
Latin America: 2,112 | 2,006 | - 5%
Net Sales Growth by Region

If currency exchange rates used for 2017 (Q1-Q2) were used for 2018 (Q1-Q2): (unaudited)

2017 Q1-Q2 2018 Q1-Q2

**Japan**
- 28,958
  - + 7%
  - (+ 663)

**North America**
- 20,681
  - + 5%
  - (- 1,015)

**Europe**
- 11,351
  - + 11%
  - (+ 96)

**APAC, Middle East and Africa**
- 8,600
  - + 28%
  - (+ 115)

**Latin America**
- 2,112
  - + 0%
  - (+ 115)

*Each JPY amount for 2018(Q1-Q2) shown above has been calculated by applying to the relevant foreign currency net sales amount for 2018(Q1-Q2) the weighted average exchange rate between such foreign currency and JPY that was used to convert the net sales amount denominated in such foreign currency for 2017(Q1-Q2) into a JPY net sales amount for Japan GAAP reporting purposes.*

(Non-GAAP)
For reference
Pre-GAAP (Revenue before adjusting Deferred revenue) (in million Yen) (unaudited)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2017 Q1-Q2</th>
<th>FY2018 Q1-Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>32,295</td>
<td>33,267</td>
</tr>
<tr>
<td>North America</td>
<td>20,576</td>
<td>19,113</td>
</tr>
<tr>
<td>Europe</td>
<td>10,103</td>
<td>13,461</td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>10,780</td>
<td>12,505</td>
</tr>
<tr>
<td>Latin America</td>
<td>2,048</td>
<td>1,733</td>
</tr>
</tbody>
</table>

Notice
Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.
**For reference**

**Pre-GAAP (Revenue before adjusting Deferred revenue)**

If currency exchange rates used for 2017(Q1-Q2) were used for 2018(Q1-Q2):

```
<table>
<thead>
<tr>
<th>Region</th>
<th>FY2017 Q1-Q2</th>
<th>FY2018 Q1-Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
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</tr>
<tr>
<td>Europe</td>
<td>10,103</td>
<td>12,587</td>
</tr>
<tr>
<td>APAC, Middle East</td>
<td>10,780</td>
<td>12,668</td>
</tr>
<tr>
<td>Latin America</td>
<td>2,048</td>
<td>1,853</td>
</tr>
</tbody>
</table>
```

**Notice**

Pre-GAAP means Revenue before adjusting deferred revenue and sales return allowance. As these numbers are just for internal use, they may be subject to some changes hereafter.

(Non-GAAP)
FY2018 Cost (6 months)

(in million Yen)

FY 2017 Q1-Q2

- Goods / Software & Capitalization: 1,915
- Selling & Marketing: 6,453
- Administration: 7,202
- Outside service: 4,458
- Office overhead: 3,254
- Salary & Benefit: 25,870

FY 2018 Q1-Q2

- Goods / Software & Capitalization: 3,428
- Selling & Marketing: 7,100
- Administration: 8,838
- Outside service: 4,304
- Office overhead: 3,437
- Salary & Benefit: 28,017

YoY Growth

- Goods / Software & Capitalization: +79%
- Selling & Marketing: +10%
- Administration: +23%
- Outside service: -3%
- Office overhead: +6%
- Salary & Benefit: +8%
- Stock option & Acquisition related costs: -13%

Total: +10%

Headcount: +9%

(Non-GAAP)
### Projection for FY2018 Annual *(Unchanged)*

<table>
<thead>
<tr>
<th></th>
<th>For FY2018 Jan - Dec, 2018</th>
<th>Expected YoY growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>164,800</td>
<td>+ 11%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>40,700</td>
<td>+ 12%</td>
</tr>
<tr>
<td>Ordinary Income</td>
<td>40,800</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Net Income</td>
<td>28,400</td>
<td>+ 11%</td>
</tr>
</tbody>
</table>

Attributable to owners of the parent

*(Estimated annual exchange rate 1USD=111 yen, 1EUR=132 yen)*

*Reference* actual exchange rate up to Q2: 1USD=109 yen, 1EUR=132 yen

In case of excluding a foreign exchange impact *(a rule of thumb)*

<table>
<thead>
<tr>
<th></th>
<th>(Non-GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>164,800</td>
</tr>
</tbody>
</table>

*(Unaudited) *(in million Yen)*
Thank You
### Quarterly Chart (1)

#### Net sales
- **FY2017**
  - Q1: 35,250
  - Q2: 35,388
  - Q3: 37,143
  - Q4: 41,028
- **FY2018**
  - Q1: 37,993
  - Q2: 39,497

#### Cost of sales
- **FY2017**
  - Q1: 7,503
  - Q2: 5,892
  - Q3: 6,621
  - Q4: 8,121
- **FY2018**
  - Q1: 7,194
  - Q2: 7,767

#### Operating expenses
- **FY2017**
  - Q1: 19,026
  - Q2: 21,930
  - Q3: 18,878
  - Q4: 24,395
- **FY2018**
  - Q1: 21,494
  - Q2: 23,181

#### Operating income
- **FY2017**
  - Q1: 8,720
  - Q2: 7,565
  - Q3: 11,642
  - Q4: 8,511
- **FY2018**
  - Q1: 9,303
  - Q2: 8,547

#### Ordinary income
- **FY2017**
  - Q1: 7,833
  - Q2: 7,939
  - Q3: 12,372
  - Q4: 8,890
- **FY2018**
  - Q1: 9,148
  - Q2: 9,094

#### Net income attributable to owners of the parent
- **FY2017**
  - Q1: 5,430
  - Q2: 5,944
  - Q3: 9,140
  - Q4: 5,175
- **FY2018**
  - Q1: 6,585
  - Q2: 6,882

#### (Costs)
- **Goods / Software Amortization & Capitalization**
  - **FY2017**
    - Q1: 949
    - Q2: 965
    - Q3: 272
    - Q4: 2,184
- **FY2018**
  - Q1: 1,499
  - Q2: 1,928

- **Selling & Marketing**
  - **FY2017**
    - Q1: 2,823
    - Q2: 3,629
    - Q3: 3,435
    - Q4: 4,512
- **FY2018**
  - Q1: 2,919
  - Q2: 4,181

- **Administration**
  - **FY2017**
    - Q1: 3,575
    - Q2: 3,627
    - Q3: 3,449
    - Q4: 4,601
- **FY2018**
  - Q1: 4,451
  - Q2: 4,387

- **Outside service**
  - **FY2017**
    - Q1: 2,215
    - Q2: 2,243
    - Q3: 2,215
    - Q4: 2,375
- **FY2018**
  - Q1: 2,052
  - Q2: 2,252

- **Office overhead**
  - **FY2017**
    - Q1: 1,604
    - Q2: 1,649
    - Q3: 1,700
    - Q4: 1,720
- **FY2018**
  - Q1: 1,706
  - Q2: 1,730

- **Salary & Benefit**
  - **FY2017**
    - Q1: 12,724
    - Q2: 13,145
    - Q3: 12,328
    - Q4: 14,216
- **FY2018**
  - Q1: 13,679
  - Q2: 14,338

- **Stock option cost**
  - **FY2017**
    - Q1: 1,156
    - Q2: 1,186
    - Q3: 571
    - Q4: 1,436
- **FY2018**
  - Q1: 934
  - Q2: 679

- **Acquisition related costs**
  - **FY2017**
    - Q1: 1,480
    - Q2: 1,375
    - Q3: 1,528
    - Q4: 1,469
- **FY2018**
  - Q1: 1,446
  - Q2: 1,450

- **Total**
  - **FY2017**
    - Q1: 26,530
    - Q2: 27,822
    - Q3: 25,500
    - Q4: 32,516
- **FY2018**
  - Q1: 28,689
  - Q2: 30,949

#### The number of employees
- **FY2017**
  - Q1: 5,653
  - Q2: 5,706
  - Q3: 5,850
  - Q4: 5,970
- **FY2018**
  - Q1: 6,056
  - Q2: 6,212

#### Applied rate to yen (US$)
- **FY2017**
  - Q1: 113.59
  - Q2: 111.12
  - Q3: 111.14
  - Q4: 112.99
- **FY2018**
  - Q1: 108.14
  - Q2: 109.16

#### Applied rate to yen (Euro)
- **FY2017**
  - Q1: 121.22
  - Q2: 122.29
  - Q3: 130.41
  - Q4: 133.09
- **FY2018**
  - Q1: 133.31
  - Q2: 129.92

(une audited)
### Appendix

**Quarterly Chart (2)**

(inaudited)

<table>
<thead>
<tr>
<th>(Sales by region)</th>
<th>FY2017</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>FY2018</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>14,466</td>
<td>14,492</td>
<td>14,501</td>
<td>15,682</td>
<td>15,174</td>
<td>15,744</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>9,702</td>
<td>9,912</td>
<td>10,449</td>
<td>11,925</td>
<td>9,675</td>
<td>10,341</td>
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</tr>
<tr>
<td>Europe</td>
<td>5,885</td>
<td>5,465</td>
<td>5,979</td>
<td>6,771</td>
<td>6,835</td>
<td>6,811</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>4,163</td>
<td>4,437</td>
<td>5,137</td>
<td>5,384</td>
<td>5,270</td>
<td>5,628</td>
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<tr>
<td>Latin America</td>
<td>1,032</td>
<td>1,079</td>
<td>1,076</td>
<td>1,264</td>
<td>1,035</td>
<td>971</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,250</td>
<td>35,388</td>
<td>37,143</td>
<td>41,028</td>
<td>37,993</td>
<td>39,497</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Sales by segment)</th>
<th>FY2017</th>
<th></th>
<th></th>
<th></th>
<th>FY2018</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td></td>
</tr>
<tr>
<td>All Enterprise</td>
<td>25,927</td>
<td>25,960</td>
<td>27,709</td>
<td>30,580</td>
<td>28,680</td>
<td>29,916</td>
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</tr>
<tr>
<td>Consumer</td>
<td>9,323</td>
<td>9,427</td>
<td>9,434</td>
<td>10,447</td>
<td>9,312</td>
<td>9,581</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,250</td>
<td>35,388</td>
<td>37,143</td>
<td>41,028</td>
<td>37,993</td>
<td>39,497</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(Pre-GAAP by region)</th>
<th>FY2017</th>
<th></th>
<th></th>
<th></th>
<th>FY2018</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>16,411</td>
<td>15,883</td>
<td>14,993</td>
<td>14,068</td>
<td>16,228</td>
<td>17,038</td>
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<td></td>
</tr>
<tr>
<td>US</td>
<td>10,521</td>
<td>10,055</td>
<td>10,133</td>
<td>13,483</td>
<td>9,022</td>
<td>10,990</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>4,796</td>
<td>5,307</td>
<td>5,010</td>
<td>11,489</td>
<td>6,073</td>
<td>7,387</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC, Middle East and Africa</td>
<td>4,307</td>
<td>6,472</td>
<td>5,152</td>
<td>6,530</td>
<td>5,827</td>
<td>6,677</td>
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<tr>
<td>Latin America</td>
<td>958</td>
<td>1,089</td>
<td>1,036</td>
<td>1,665</td>
<td>803</td>
<td>929</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36,996</td>
<td>38,808</td>
<td>36,326</td>
<td>47,238</td>
<td>37,957</td>
<td>42,124</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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