English Translation
This is a translation of the original release in Japanese.
In the event of any discrepancy, the original release in Japanese shall prevail.

Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2017 〔Japanese Standards〕（Consolidated）

April 26, 2017

Listed company name:	VOYAGE GROUP, Inc.			Listed stock exchange:	TSE first section
Stock Code No.:	3688		URL:	https://voyagegroup.com/en/ir/	
Representative:	Title	President and CEO	Name:	Shinsuke Usami	
Contact:	Title	Director and CFO	Name:	Hidenori Nagaoka	TEL +81-3-5459-4226

Date to submit the Securities Report:	May11, 2017
Scheduled date of dividend payments:	—
Availability of supplementary information:	Yes
Holding investors' meeting:	Yes (For security analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated Financial Results for FY2017 First Six Months (October 1, 2016– March 31, 2017)

(1) Consolidated results of operations (cumulative total) (The percentage indicates year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
FY 2017 first six months	13,443	31.6	1,318	22.6	1,398	47.4	922	45.9
FY 2016 first six months	10,217	13.4	1,075	(12.6)	948	(25.0)	631	(21.6)

(Note) Comprehensive Income: FY 2017 first six months: ¥ 1,478 million 188.9%
FY 2016 first six months: ¥ 511 million (26.1%)

	Net income per share	Diluted net income per share
	¥	¥
FY 2017 first six months	77.44	74.61
FY 2016 first six months	53.41	50.99

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	Yen
March 31,2017	15,624	7,841	48.3	627.19
September 30, 2016	12,537	6,332	49.3	520.94

(Reference) Owned capital: March 31, 2017 7,542 million yen
September 30, 2016 6,174 million yen

2. Dividend status

	Annual dividends				
	1Q end	2Q end	3Q end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2016	—	0.00	—	10.00	10.00
FY 2017	—	0.00			
FY 2017 (Forecast)			—	10.00	10.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of Consolidated Financial Results for FY 2017 (October 1, 2016 － September 30, 2017)

(The percentage indicates the change from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income per share
	¥million	%	¥million	%	¥million	%	¥million	%	Yen
Full year	25,000	20.0	1,800	4.6	1,800	44.4	1,100	50.3	91.98

(Note) Revisions to consolidated financial forecast for the current quarter: None

※ Notes

(1) Changes in important subsidiaries the period (Change of specified subsidiaries that lead to a change in the scope of consolidation) : Yes

Newly companies: 1 (Company name: CMerTV, Inc.)

Excluded companies: ― (Company name: ―)

(2) Specific accounting procedures: : Yes

(Note) For more information, see page 12, " 2.Consolidated Financial Statements (4) Notes to Condensed Interim Consolidated Financial Statements".

(3) Changes in accounting policies, changes in accounting estimates, corrections and restatements and retrospective restatements

1) Changes in accounting policy resulting from revisions to accounting standards : None

2) Changes in accounting policy other than above : None

3) Changes in accounting estimates : None

4) Retrospective restatements : None

(4) Number of shares issued (common stock)

1) Number of shares issued and outstanding (including treasury shares)

Year ended March 31, 2017	12,126,500	Year ended September30, 2016	11,953,100

2) Number of shares treasury stock issued and outstanding

Year ended March 31, 2017	100,000	Year ended September30, 2016	100,000

3) Average number of shares during the period (quarterly consolidated cumulative accounting period)

Year ended March 31, 2017	11,906,443	Year ended March31, 2016	11,829,705

※ Notice regarding audit procedures

This quarterly financial result is excluded from audit procedures based on the Financial Instruments and Exchange Act. As of the time of disclosure of this earnings announcement, auditing procedures for consolidated financial statements based on the Financial Instruments and Exchange Act are still in the process of being implemented.

※ Explanations related to appropriate use of the performance forecast other special instructions

(Note on forward - looking statements)

This forecast of performance is based on the judgment of the Group in accordance with information that was available at the time of its creation, and includes factors of risk and uncertain elements.

Please refer to the section of "1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information" on page 6 of the attached documents.

Attachment

Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review

Forward-looking statements contained in this document are based on judgments made by VOYAGE GROUP, Inc. (the "Company") and its consolidated subsidiaries and equity-method affiliates (collectively, the "Group"), in the light of information available as of the end of the period under review.

(1) Analysis of Operating Results

In the period under review, the Japanese economy continued a moderate recovery trend, supported by the recovery in personal consumption due to improvements in corporate earnings and the employment situation, as a result of the government's economic and monetary policies. On the other hand, the outlook for overseas economies remains uncertain in some aspects, due to factors such as policy trends of the new U.S. administration and Brexit.

With regard to the online advertising market where the Group operates its mainstay business, according to research by Dentsu Inc., in 2016, internet advertising spending reached ¥1,310.0 billion, up 13% year on year, supported by the expansion of the smartphone advertising market and the rapid rise of the video advertising market. In addition, performance-based advertising costs (Note 2) rose 18.6% year on year to ¥738.3 billion, due to the fact that more advertisers are using data and technology as well as the spread of programmatic ad trading (Note 1), with its increasing significance in branding and market reach.

Under these economic circumstances, the Group has developed its business in three reportable segments, namely: 1) the "Ad Platform segment" which operates ad distribution platforms, 2) the "Points Media segment" which plans and operates promotional online media such as point collection websites and point exchange websites, 3) the "Incubation segment" which develops a variety of new businesses in the internet services field.

The Group posted net sales of ¥13,443 million in the period under review (up 31.6% year on year), operating income of ¥1,318 million (up 22.6% year on year), ordinary income of ¥1,398 million (up 47.4% year on year), and profit attributable to owners of parent of ¥922 million (up 45.9% year on year).

Financial results for each segment were as follows. Sales of each segment include intersegment sales and transfers.

From the current fiscal year, the classification of the reportable segments has been changed. Figures below for the same period of the previous fiscal year have been reclassified to match the current segments.

1) Ad Platform Business

The Ad Platform segment mainly operates the SSP (Note 3) "fluct" and "Zucks" (ad distribution platform for smartphones). With the rapid spread of programmatic trading in the online advertising market, the Group has made efforts particularly in proposing the introduction of "fluct" for smartphone publishers and using it to provide support in maximizing advertising revenues, making the most of its know-how developed in operating the Group's Media segment. As a result, the number of media that have adopted "fluct" continued to increase steadily.

In addition, there were increases in ad placements for "Zucks", which distributes ads in smartphone ad networks, as well as those from brand advertisers for CMerTV, Inc., a company primarily engaged in the video advertising business for smartphones which was acquired as a consolidated subsidiary in October 2016. Growth in these services for advertisers contributed to the results.

Consequently, the Ad Platform segment recorded sales of ¥9,459 million in the period under review (up 54.1% year on year), and segment income of ¥1,019 million (up 61.2% year on year).

2) Points Media Business

The Points Media segment operates the marketing solutions business for companies, while running its own media that utilizes points, such as “EC Navi” and “PeX”. In its own media, the Group has continuously implemented measures through its own marketing platforms for attracting, retaining, and vitalizing members and has verified their effects. In particular, the Group focused on using smartphones to attract new members and promote usage. Also, with regard to “PeX”, the Group cultivated new point exchange partnering companies and strived to expand services. However, due to decreased demand from some advertisers who had ad placements in the same period of the previous fiscal year, the Points Media segment recorded sales of ¥3,011 million in the period under review (down 2.6% year on year), and segment income of ¥294 million (down 30.4% year on year).

3) Incubation Business

In the Incubation Business segment, the HR field, EC field and FinTech field are considered expansion fields, and the Group is actively investing in these fields, in view of their high potential of becoming the third pillar of business in the Group in the medium- to long-term. Currently, the Group operates the new graduate recruitment services business in the HR field, the planning and direct selling business of mail order cosmetics in the EC field, the digital gift services business in the FinTech field, and mainly the game publishing business in the other fields. New graduate recruitment services were robust with clients continuously increasing, owing to start-up companies accepting science and engineering students as candidates. In the game publishing business, the Group has developed business partnerships with multiple major overseas game developers, and can now introduce titles that are expected to make a steady contribution to its revenue.

However, due to the general incurring of prior expenses including advertising and promotional expenses for the mail order cosmetics, the Incubation segment recorded sales of ¥1,085 million in the period under review (down 12.0% year on year), and segment income of ¥4 million (down 76.8% year on year).

(Notes)

1. Programmatic trading is a form of trading that enables the automatic online purchase of advertising space based on audience data, where advertisers (buyers of advertising space) and publishers (sellers of advertising space) make transactions through ad distribution platforms such as a DSP or SSP.
2. Performance-based advertising is a method of advertising with platforms that process vast amounts of data to help optimize ad distribution either automatically or instantaneously. Typical examples include search engine advertising, certain ad networks, as well as DSPs (systems that aid advertisers in maximizing their advertisements’ effectiveness), ad exchanges, and SSPs (systems that aid publishers in maximizing advertising efficiency). Selling advertising space, tie-ups and affiliate advertising are not included in performance-based advertising. (Source: Advertising Expenditures in Japan, 2016, Dentsu Inc.)
3. SSP (Supply Side Platform) is an ad distribution platform for maximizing publishers’ advertising revenues. SSP connects to multiple ad networks, DSPs, and ad exchanges, delivering the most appropriate, highly profitable ads for publishers.

(2) Analysis of Financial Position

1) Assets, Liabilities and Net Assets

Assets

Consolidated assets as of the end of the period under review totaled ¥15,624 million, a ¥3,086 million increase from the end of the previous fiscal year, primarily due to increases in cash and deposits and accounts receivable – trade resulting from an increase in net sales, and an increase in goodwill resulting from the purchase of shares of subsidiaries.

Liabilities

Consolidated liabilities as of the end of the period under review amounted to ¥7,782 million, a ¥1,577 million increase from the end of the previous fiscal year, primarily due to an increase in loans payable, an increase in income taxes payable and an increase in accounts payable – trade.

Net Assets

Consolidated net assets as of the end of the period under review totaled ¥7,841 million, a ¥1,509 million increase from the end of the previous fiscal year, primarily due to the recording of profit attributable to owners of parent and an increase in valuation difference on available-for-sale securities.

2) Cash Flows

Cash and cash equivalents at the end of the period under review (hereinafter “funds”) increased ¥1,294 million from the end of the previous fiscal year to ¥4,406 million.

The following is the status and factors of each cash flow during the period under review.

Net cash flows from operating activities

Net cash flows provided by operating activities amounted to ¥1,653 million. The main positive factors included the recording of profit before income taxes, an increase in notes and accounts payable – trade and income taxes refund, while the main negative factor included an increase in notes and accounts receivable – trade.

Net cash flows from investing activities

Net cash flows used in investing activities amounted to ¥587 million. The main negative factors included purchase of shares of subsidiaries resulting in change in scope of consolidation and purchase of intangible assets, while the main positive factor included proceeds from sales of investment securities.

Net cash flows from financing activities

Net cash flows provided by financing activities amounted to ¥238 million. The main positive factors included proceeds from long-term loans payable, while the main negative factors included repayments of long-term loans payable and cash dividends paid.

(3) Explanation of Consolidated Performance Forecast and Other Forward-looking Information

The full-year consolidated performance forecast has been revised, as the actual consolidated performance is expected to vary from the forecast announced in “Consolidated Financial Results for the Fiscal Year Ended September 30, 2016” on October 26, 2016, mainly due to the contribution of CMerTV, Inc., a subsidiary primarily engaged in the video advertising platform business which was consolidated in October 2016, the growth of the Ad Platform segment led by the expansion of the performance-based advertising market, and the postponement of investment in the Incubation segment until the next fiscal year.

For details, please refer to the “Notice of Revisions in the Consolidated Performance Forecast” announced on April 13, 2017.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	3,111,249	4,406,134
Accounts receivable - trade	2,890,778	3,945,373
Supplies	406,166	377,111
Other	957,549	734,217
Allowance for doubtful accounts	△4,102	△280
Total current assets	7,361,641	9,462,557
Non-current assets		
Property, plant and equipment	191,924	166,868
Intangible assets		
Goodwill	1,632,784	2,041,867
Other	434,332	551,490
Total intangible assets	2,067,117	2,593,357
Investments and other assets		
Investment securities	2,425,335	3,116,083
Other	507,107	300,957
Allowance for doubtful accounts	△15,457	△15,457
Total investments and other assets	2,916,986	3,401,583
Total non-current assets	5,176,027	6,161,809
Total assets	12,537,668	15,624,366
Liabilities		
Current liabilities		
Accounts payable - trade	2,120,404	2,651,571
Short-term loans payable	–	19,600
Current portion of long-term loans payable	233,320	398,306
Provision for point card certificates	2,704,451	2,706,614
Income taxes payable	–	480,372
Other	480,258	646,149
Total current liabilities	5,538,433	6,902,614
Non-current liabilities		
Long-term loans payable	539,990	750,560
Asset retirement obligations	50,736	50,736
Other	76,000	78,821
Total non-current liabilities	666,726	880,117
Total liabilities	6,205,159	7,782,732

(Thousands of yen)

	As of September 30, 2016	As of March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	1,000,786	1,027,507
Capital surplus	931,499	946,013
Retained earnings	3,890,585	4,694,112
Treasury shares	△171,537	△171,537
Total shareholders' equity	5,651,333	6,496,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	535,161	1,052,201
Foreign currency translation adjustment	△11,689	△5,437
Total accumulated other comprehensive income	523,471	1,046,763
Non-controlling interests	157,703	298,775
Total net assets	6,332,508	7,841,634
Total liabilities and net assets	12,537,668	15,624,366

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Net sales	10,217,297	13,443,963
Cost of sales	6,948,033	9,066,956
Gross profit	3,269,263	4,377,007
Selling, general and administrative expenses	2,193,728	3,058,766
Operating income	1,075,535	1,318,240
Non-operating income		
Dividend income	11,610	7,740
Foreign exchange gains	—	71,281
Other	3,059	6,780
Total non-operating income	14,669	85,802
Non-operating expenses		
Interest expenses	2,469	4,475
Share of loss of entities accounted for using equity method	70,173	194
Foreign exchange losses	66,984	—
Other	1,844	1,161
Total non-operating expenses	141,471	5,831
Ordinary income	948,733	1,398,211
Extraordinary income		
Gain on sales of investment securities	21,206	—
Gain on sales of shares of subsidiaries	—	52,328
Total extraordinary income	21,206	52,328
Extraordinary losses		
Loss on retirement of non-current assets	1,025	11,381
Loss on valuation of investment securities	9,979	3,002
Other	488	8,511
Total extraordinary losses	11,492	22,895
Profit before income taxes	958,447	1,427,645
Income taxes	360,478	472,432
Profit	597,969	955,213
Profit (loss) attributable to non-controlling interests	△33,861	33,155
Profit attributable to owners of parent	631,831	922,057

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Profit	597,969	955,213
Other comprehensive income		
Valuation difference on available-for-sale securities	△78,370	517,039
Foreign currency translation adjustment	△2,824	4,372
Share of other comprehensive income of entities accounted for using equity method	△5,087	1,879
Total other comprehensive income	△86,282	523,291
Comprehensive income	511,686	1,478,505
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	545,596	1,511,661
Comprehensive income attributable to non-controlling interests	△33,910	△33,155

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended March 31, 2016	Six months ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	958,447	1,427,645
Depreciation	129,235	160,642
Amortization of goodwill	66,265	118,824
Increase (decrease) in allowance for doubtful accounts	△887	△3,822
Increase (decrease) in provision for point card certificates	95,360	2,163
Interest and dividend income	△12,873	△8,311
Interest expenses	2,469	4,475
Loss (gain) on sales of investment securities	△21,206	—
Loss (gain) on valuation of investment securities	9,979	3,002
Loss (gain) on sales of shares of subsidiaries	—	△52,328
Loss on retirement of non-current assets	1,025	11,381
Share of (profit) loss of entities accounted for using equity method	70,173	194
Decrease (increase) in notes and accounts receivable - trade	△290,869	△935,963
Decrease (increase) in inventories	32,629	29,054
Increase (decrease) in notes and accounts payable - trade	488,163	466,303
Other, net	△209,134	151,759
Subtotal	1,318,776	1,375,019
Interest and dividend income received	12,935	8,226
Interest expenses paid	△2,308	△4,770
Income taxes paid	△534,345	—
Income taxes refund	—	275,233
Net cash provided by (used in) operating activities	795,058	1,653,708
Cash flows from investing activities		
Purchase of property, plant and equipment	△39,804	△27,394
Purchase of intangible assets	△187,012	△115,990
Proceeds from sales of securities	899	—
Purchase of investment securities	△188,666	△19,500
Proceeds from sales of investment securities	—	157,906
Purchase of shares of subsidiaries and associates	△150,200	△30,900
Purchase of shares of subsidiaries	△50,763	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△521,327
Other, net	17,839	△30,480
Net cash provided by (used in) investing activities	△597,707	△587,686
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	19,600
Proceeds from long-term loans payable	—	570,000
Repayments of long-term loans payable	△125,004	△266,308
Proceeds from exercise of share options	14,157	53,440
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	△20,400
Cash dividends paid	△235,772	△117,952
Purchase of treasury shares	△171,537	—
Net cash provided by (used in) financing activities	△518,156	238,380
Effect of exchange rate change on cash and cash equivalents	△46,830	△9,517
Net increase (decrease) in cash and cash equivalents	△367,635	1,294,884
Cash and cash equivalents at beginning of period	4,214,297	3,111,249
Cash and cash equivalents at end of period	3,846,661	4,406,134

(4) Notes to Condensed Interim Consolidated Financial Statements

(Notes Regarding the Going Concern Assumption)

No applicable items.

(Notes on significant changes in the amount of shareholders' equity)

No applicable items.

(Adoption of special accounting methods for preparation of quarterly consolidated financial statements)

To obtain tax expenditures, income before income taxes and minority interests is multiplied by the effective tax ratio after tax effect accounting of the consolidated fiscal year, including the current half consolidated fiscal period.

(Additional information)

(The Implementation Guidance on recoverability of deferred tax assets)

"The Guidance No. 26, March 28, 2016, Implementation Guidance on Recoverability of Deferred Tax Assets" were applied from this fiscal year.

(Segment information, etc.)

I　For the six-month period ended March31, 2016　(October1, 2015 to March31, 2016)

1．Information on sales and income (or loss) by reportable business segment

<The segment information for the consolidated accounting period of the first half of the previous fiscal year has been prepared pursuant to the reporting segment classification subsequent to the changes.>

(thousands of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Ad Platform Business	Pont Media Business	Incubation Business	Total		
Sales						
Outside Sales	6,105,767	3,009,666	1,101,863	10,217,297	—	10,217,297
Intersegment Sales or Transfer	32,913	83,210	132,408	248,532	(248,532)	—
Total	6,138,681	3,092,877	1,234,271	10,465,830	(248,532)	10,217,297
Segment Income	632,244	423,607	19,683	1,075,535	—	1,075,535

(Note) Segment income is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on noncurrent assets, goodwill and other items by reportable business segment

(Material impairment loss on noncurrent assets)

No significant items to be reported.

(Material changes in goodwill)

No significant items to be reported.

(Material profit from negative goodwill)

No significant items to be reported.

Ⅱ For the six-month period ended March 31, 2017 (October 1, 2016 to March 31, 2017)

1. Information on sales and income (or loss) by reportable business segment

(thousands of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Ad Platform Business	Pont Media Business	Incubation Business	Total		
Sales						
Outside Sales	9,429,677	2,979,700	1,034,586	13,443,963	—	13,443,963
Intersegment Sales or Transfer	29,400	31,581	51,383	112,365	(112,365)	—
Total	9,459,077	3,011,281	1,085,969	13,556,329	(112,365)	13,443,963
Segment Income	1,019,016	294,659	4,565	1,318,240	—	1,318,240

(Note) Segment income is adjusted on operating income on the quarterly consolidated statements of income.

2. Information concerning impairment loss on noncurrent assets, goodwill and other items by reportable business segment

(Material impairment loss on noncurrent assets)

No significant items to be reported.

(Material changes in goodwill)

In the Ad Platform Business, shares of CMerTV Inc. were acquired and said company was included in the scope of consolidation from this period. Also, the increased amount of goodwill caused by this event was 527,906 thousand of yen for the current first consolidated cumulative half.

(Material profit from negative goodwill)

No significant items to be reported.

3. Reportable segment information

(Revision to Reportable Segments)

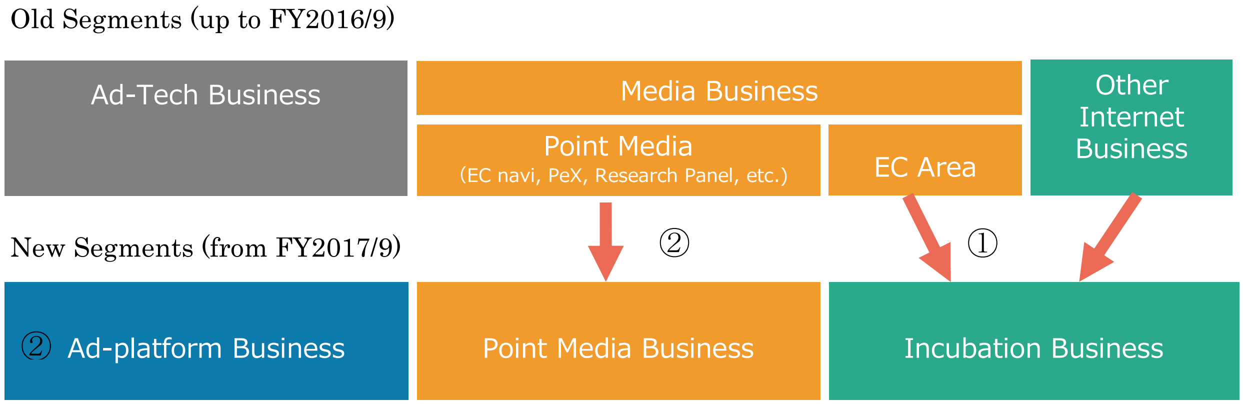
The Company plans to expand its business in two major business segments. One is an advertisement platform business such as "fluct","Zucks", and etc. The other is a media business utilizing EC-NAVI's points, PEX's points, etc. Additionally, the Company concentrate on investments in new businesses in order to build a third pillar of businesses.

In accordance with the management control system based on its direction, the Company changed its reportable operating segments, effective from the six months ended March 31, 2017.

For fair comparison over the same period last year, the amounts reported in the same period of last year are reclassified to match the current segments.

①Some business which were previously recorded in the Media Business segment, are integrated and transferred to Other Internet Business.

②After the completion of transfer and integration in the above, "Ad-Technology Business" segment is renamed "Ad-platform Business" segment, "Media Business" is renamed "Point Media Business" segment and "Other Internet Business" segment is renamed "Incubation Business" segment.



(Significant Subsequent Events)

Issuance of share subscription rights with charge

At a meeting of the Board of Directors held on April 26, 2017, the Company resolved to issue VOYAGE GROUP Seventh share subscription rights to the directors and employees of the Company under Article 236, Article 238, and Article 240 of the Companies Act. The following is an outline of the share subscription rights.

(1) Purpose and reasons for issuance of share subscription rights

The Company will issue the share subscription rights with charge to its directors and employees for further boosting their morale and thus improving their commitment to expanding performance, as part of the Company's effort to achieve the Group's performance goals and continuous improvement of corporate value.

(2) The scope and number of grantees

Directors	4 persons
Employees	4 persons

(3) The outline of the terms and conditions

①Number of share subscription rights	2,500units
②Issue price of share subscription rights	269 yen for a share subscription right
③The application date	May 10, 2017
④The date of allotment of the share subscription rights	May 11, 2017
⑤Payment date of share subscription rights	May 11, 2017

(4) Features of subscription rights

①Class and number of shares to be issued or transferred upon exercise of share subscription rights	Ordinary stock 250,000shares (100 shares per share subscription right)
②The exercise price	¥2,060 per share

(5) Exercise period of share subscription rights	January 1, 2018 to December 31, 2021

(6) Matters concerning the capital and capital reserve to be increased

①The amount of capital to be increased due to the issuance of shares upon exercise of the Share subscription rights shall be a half of the maximum amount of increase in the capital, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising thereof shall be rounded up to a whole yen.

②The amount of capital reserve to be increased due to the issuance of shares upon exercise of the Share subscription rights shall be the maximum amount of increase in the capital, etc. set forth in ① above, less the amount of capital to be increased set forth in ① above.

(7) Restrictions on subscription of share subscription rights by transfer any subscription of the share subscription rights by transfer shall be subject to the approval of the Board of Directors of the Company.

(8) Conditions for the exercise of share subscription rights

①If operating income in consolidated statements of income included in the securities report for any fiscal year from the fiscal year ending September 30, 2017 to the fiscal year ending September 30, 2020 exceeds any of the amounts below, the holder of share subscription rights may exercise share subscription rights within the percentage of the share subscription rights allotted to them ("Maximum Exercise Percentage") specified below from the first date of the month following the month of the submission of the securities report for the fiscal year when operating income reached the amount for the first time

(a) If operating income exceeds 2.5 billion yen, Maximum Exercise Percentage is 50%.

(b) If operating income exceeds 3.0 billion yen, Maximum Exercise Percentage is 100%.

②A person granted the share subscription rights ("Grantee") must be in a position of director, audit board member and/or employee of the Company or its affiliated company (an affiliated company as stipulated in the Regulations for Terminology, Forms and Preparation of Financial Statements) also at the time of exercise of the share subscription rights. However, he/she may exercise his/her rights in cases where it is during the exercise period and the Company's Board of Directors determines that there is a justifiable reason.

③No successor of the holder of share subscription rights may not exercise share subscription rights.

④If the number of issued shares of the Company exceeds the number of shares authorized due to any exercise of share subscription rights, the exercise shall not be permitted.

⑤Subscription rights to less than one share may not be exercised.