



FreeBit Co., Ltd.

Financial Results Briefing for the First Quarter of the Fiscal Year Ending April 2019

September 7, 2018

2019年4月期 業績予想修正

- ・アルクの子会社化に伴う増収増益(第3四半期以降の業績に寄与)
- ・トーンモバイルへの追加出資に伴う営業外費用(持分法による投資損失)の計上

(単位：百万円)	2019年4月期 修正通期予想	2019年4月期 通期予想	増減額	増減率
売上高	48,000	45,000	+3,000	+6.7%
営業利益	2,750	2,500	+250	+10.0%
経常利益	2,400	2,350	+50	+2.1%
親会社に帰属 する当期純利益	250	250	0	0.0%

トーンモバイルへの追加出資について

- ・トーンモバイル独自のユーザープラットフォーム「TONE Platform」事業開始によるアルパイン(株)へのサービス提供など、将来的な同社収益を見込み出資を実施

Tanaka: I am Tanaka of FreeBit Co., Ltd. Today I will provide an explanation of the financial results from the first quarter of the fiscal year ending April 2019.

In today's executive summary, before I present the regular first quarter performance, I would like to explain one topic. Allow me to amend the forecast for the fiscal year ending April 2019. There are two major topics here, so I will amend them in a form to incorporate them. The first has already been announced, which is the increase in revenue and profit from making ALC Press Inc. a subsidiary. This is expected to have an impact on performance from the third quarter so this has been incorporated. The other is the occurrence of non-operating expenses due to additional investment in Tone Mobile, an affiliated company, and this is also incorporated. The details of the non-operating expenses due to additional investment in Tone Mobile and the investment loss due to the equity method are disclosed on a separate sheet.

Regarding the figures, the initial forecast for the entire fiscal year ending April 2019 was 45 billion yen, but we are amending that to 48 billion yen, which is an increase of 3 billion yen. The percentage change here is a positive 6.7%. With respect to operating income, we have increased by 10% to 2.75 billion yen from the initial forecast of 2.5 billion yen. Ordinary income is 2.4 billion yen, an increase of 50 million yen against the initial 2.35 billion yen. This is only 2% compared to the operating income increase of 10% and is a small amount, but the Tone Mobile investment loss of approximately 190 million yen will be incorporated so by reducing about 200 million yen from the portion of operating income resulting from the acquisition of ALC, we anticipate an

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investment loss of 200 million yen against the acquisition effect of 250 million yen in ALC so we are forecasting a 50 million yen increase in profits. Net profits remain at 250 million yen, which is what we are announcing at this time.

The additional investment in Tone Mobile is accompanied by loss this time, but we are conducting the TONE Platform business in conjunction with Alpine and expect the business to make new progress and have therefore made an additional investment. CCC, Tone Mobile's parent company, also invested at this time, and as CCC is the parent company their investment is even bigger than ours. This is what comprised the joint investments from the two companies.

8月21日発表



アルクの株式取得（子会社化）

8月21日の取締役会にて決議。9月28日に株式譲渡実行を予定



2018年8月21日

各位

会社名	フリービット株式会社 (コード番号 3843 : 東証第一部)
本社所在地	東京都渋谷区円山町3番6号
代表者	代表取締役社長 田中伸明
問合せ先	執行役員グループ経営管理本部長 和田育子
電話番号	03-5459-0522 (代表)
	(URL http://www.freebit.com)

株式会社アルクの株式の取得（子会社化）に関するお知らせ

当社は、2018年8月21日開催の臨時取締役会において、以下のとおり、株式会社アルク（以下、「アルク」）の株式を取得し、子会社化することについて決議いたしましたので、お知らせいたします。

Going back to the discussion of ALC we announced the acquisition of ALC shares on August 21. The processing is progressing smoothly, and the final payment will be made on September 28, which will give us 100% of their shares. Our purpose in acquiring this company is to develop a new business, EdTech, or Education Technology. FreeBit's current business is internet infrastructure service, but in addition to that we would like to create new industries that utilize our current business. In particular, for existing industries, there are projects to create new value using IT. Most recently we have launched a HealthTech business. Following that, we are now attempting to launch an EdTech business. We have made ALC Press Inc. a subsidiary so that it may act as the core company from where we will start.

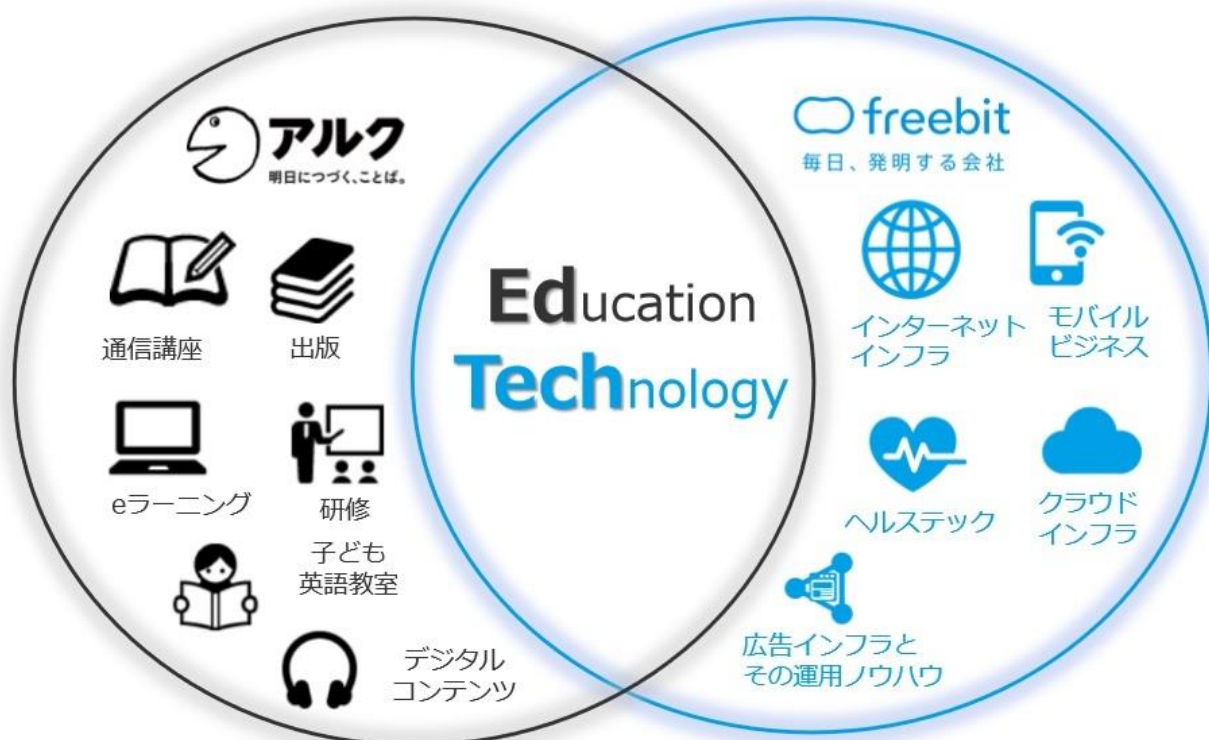
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アルクとフリービットグループのシナジーによる事業領域の拡大



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ALC Press Inc. was established 50 years ago and is extremely well known in the language learning industry so I think our investors are familiar with it as well. Its business content consists of language learning publishing. This includes publishing textbooks for the TOEIC exam, correspondence education, the 1000-hour Hearing Marathon, and other extremely high-profile services. Its digital contents include the Eijiro service, which is well known as an online search service for looking up English sentences and is often used among English language learners. We aim to combine these things with our internet technology and infrastructure to create a new service and develop that further.

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Asia's Meetings, Globally



Regarding how we will do this in concrete terms, we will provide an explanation as we develop the various services, but the basic plan is to promote language learning, not only on paper as has been done thus far, but using AI, mobile devices and new efficient language support services utilizing big data analysis. As our group already possesses a foundation in ad technology, we would like to use this to try and do things like dramatically increase the number of students studying languages.

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2020年教育改革に伴い、英語学習に関する多様なニーズが顕在化

アルクの有する多様なサービスに対するニーズの高まり

2020年度英語教育改革概要

小中高を一貫した指標で目標設定
 ✓ 高校卒業時にCEFR*1のA2～B1以上

主なポイント

- ✓ 小学3-4年生で「英語必修化」
- ✓ 小学5-6年生で「英語教科化」
- ✓ 中高の英語事業を「英語実施」
- ✓ 大学入学共通テストで4技能評価、民間・検定試験活用

大学

- ✓ CLIL*2授業を導入する学部
の増加

語学市場への影響

学習開始年齢の低年齢化
 ✓ 幼児・子供向け語学学習市場が拡大。一方で、英語の指導教員不足が課題

中高以上では、「話す、書く」能力の向上に向けた教材・学習・評価法に対するニーズが顕在化

大学以上では、ESP*3の学習ニーズ拡大
 ✓ 専門科目を英語で受講できるレベルまで学生を引き上げるための教材・学習方法が必要

アルクの機会

中学生以下

- ✓ 児童英語教材提供
- ✓ 児童英語指導者の育成
- ✓ 教職員の英語力向上

高校（中学）

- ✓ 4技能向け副教材提供
- ✓ 教職員の英語力向上

大学

- ✓ 正課授業受託
- ✓ ESP英語教材及びコンテンツ提供
- ✓ 高度化する英語授業実施に向けたFD研修
- ✓ 教職員の英語力向上

2018年5月 改正学校教育法成立

小学校、中学校、高等学校等においてデジタル教科書が使用可能に

※この法律は、2019年4月1日から施行

フリービットの機会

ICT教育環境の提供

*1 CEFR ((セファール) : Common European Framework of Reference for Languages (ヨーロッパ言語共通参照枠)

*2 CLIL : Content and Language Integrated Learning (内容言語統合型学習)

*3 ESP : English for Specific Purposes (特定の目的のための英語 : 専門的な英語)

This is the overall direction, and in addition there is a major opportunity in language learning right now as there is educational reform coming in 2020 and with that there will be new opportunities for this ALC business. Language learning itself is going to include not only reading and writing, as it has thus far, but also speaking and listening. A lot of new progress can be expected and when there are new changes, opportunities always come with them. Especially in the case of ALC, they have a very long history of creating footholds in this language education market and they have accumulated content. They also have a large number of employees who are extremely knowledgeable about language education and we want to use this opportunity to try and create a new business. It is there we can use the IT and ICT technology we provide as FreeBit in this new educational industry.

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トーンモバイル、独自のユーザープラットフォームを活かした「TONE Platform」事業を開始

第1弾として、テレマティクス / カーライフスタイル分野でアルパインと提携

アルパインマーケティングが、「子どものお迎え」を始めとした子育て世代のカーライフを応援する「おむかえアシスト」を本日より提供開始。アルパインのカーナビとも連携



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As I stated briefly before on the Tone Mobile front, we have deployed a TONE Platform service and are collaborating with a variety of companies. Among them, Alpine was the first to collaborate with us and today Tone Mobile released its new pick-up assistance service. I hope those of you with an interest will check it out on the internet.

That is all for the new topics in this quarter of this fiscal year. Regarding the figures, they will be reflected in the third quarter of this year, so I have incorporated those numbers in today's plan and amendments.

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連結業績

- ・売上高は、マンションインターネット及びアドテクノロジー事業の順調な推移に加え、ヘルステック事業の成長により、前年同期比10.5%増を達成
- ・営業利益は、モバイル事業の利益率改善による黒字化とヘルステック事業の投資効果の結実により前年同期比64.0%増を達成



ブロードバンド事業

- ・マンションインターネットは継続し拡大
- ・販売管理費増と既存固定網サービス減少により減益



モバイル事業

- ・キャリア卸値減に伴う当社提供価格の値下げにより売上高は微減
- ・MVNEサービスの利益率改善、サービスラインアップ再構築及びIP電話サービスの売上増加により黒字化



ヘルステック事業

- ・FBEPHの成長により、売上高は前年同期比249.6%増を達成
- ・FBEPHの順調な推移を鑑み、事業拡大に向けた投資を継続
- ・IJKのビジネスモデル転換を実行

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Continuing, I will explain the regular first quarter results for the fiscal year ending April 2019. First, as a qualitative topic, regarding sales, condominium internet continues to show strong growth and the ad technology business is also steadily progressing. In addition, the HealthTech business is entering a very large growth stage and adding these all together they show a 10.5% increase in revenue year-on-year. Regarding operating profits, the mobile business improved its income and the HealthTech business was in the red for the entirety of the previous fiscal year, starting to show a single month surplus from the fourth quarter and, as reported earlier, has continued to operate in the black since the beginning of this fiscal year. This has resulted in a 64% increase when compared to the last fiscal year.

From the perspective of individual businesses, regarding the broadband business, as I just mentioned, the condominium internet business continues to expand. Meanwhile, we continue to strengthen our structure to expand in the future, so looking at this term alone, the gross profit is on a downward trend.

Regarding the mobile business, at the end of every fiscal year the changes to the access charge for carriers takes place and last year the earnings structure improved as a result of the cost lowering more than was initially expected, but we also reduced the unit price offered to MVNO operators in alignment with the changes to the market environment, so sales fell slightly. However, just as has happened thus far, the earning structure will improve as the scale expands, therefore as we will continue to pioneer new high value-added services, we want to differentiate ourselves from carriers and acquire more users in the future.

Regarding the HealthTech business compared to last year there was a significant 249% increase in sales. First of all, the biggest reason for this is the FreeBit EPARK Health Care company alone is going very well. Dispensing

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pharmacies, drugstores, and other customers like these are rapidly increasing. The end users during this timing are patients and the usage environment is improving actual sales and profitability.

Regarding the company that conducts digital signage in the form of medical information infrastructure, it is in the process of changing business models from the business it took over in the past and is currently operating in the red, but the business model changeover is going well. This is the qualitative change situation.

2019年4月期 第1四半期 連結業績



(単位：百万円)	19年04期 第1四半期	18年04期 第1四半期	増減額	増減率
売上高	10,435	9,444	+991	+10.5%
EBITDA	709	615	+94	+15.4%
営業利益	401	244	+156	+64.0%
経常利益	172	11	+160	—
親会社株主に帰属 する四半期純利益	△147	△306	+158	—
1株当たり純利益	△6円66銭	△13円81銭	+7円15銭	—

**2019年4月期第1四半期連結業績は、前年同期比で売上高10.5%増
モバイル事業及びFBEPHの堅調な推移により営業利益64.0%増**

- ・売上高：マンションインターネット及びヘルステック事業の拡大により増収
- ・営業利益：モバイル事業の利益率改善やヘルステック事業拡大により前年同期比64.0%増
- ・経常利益：営業利益増等により、前年同期比160百万円増
- ・親会社株主に帰属する四半期純利益：経常利益増等により前年同期比158百万円増

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These are the figures for these results. The net sales were 10.435 billion yen, which is a 991 million yen increase year-on-year of 10.5%. EBITDA was 709 million yen, which is a 15% increase from 615 million yen. The operating income was 401 million yen and compared to last year's figure of 244 million yen, that is a 64% increase meaning both sales and profits are growing very smoothly. Ordinary profit was 172 million yen, and as I explained earlier there was an equity method investment loss, but this was absorbed for a 160 million yen increase compared to last year. Regarding this quarter, sales, operating profit, ordinary profit, and final profit are in the red, but there is a 150 million yen increase year-on-year so we feel that everything is moving smoothly.

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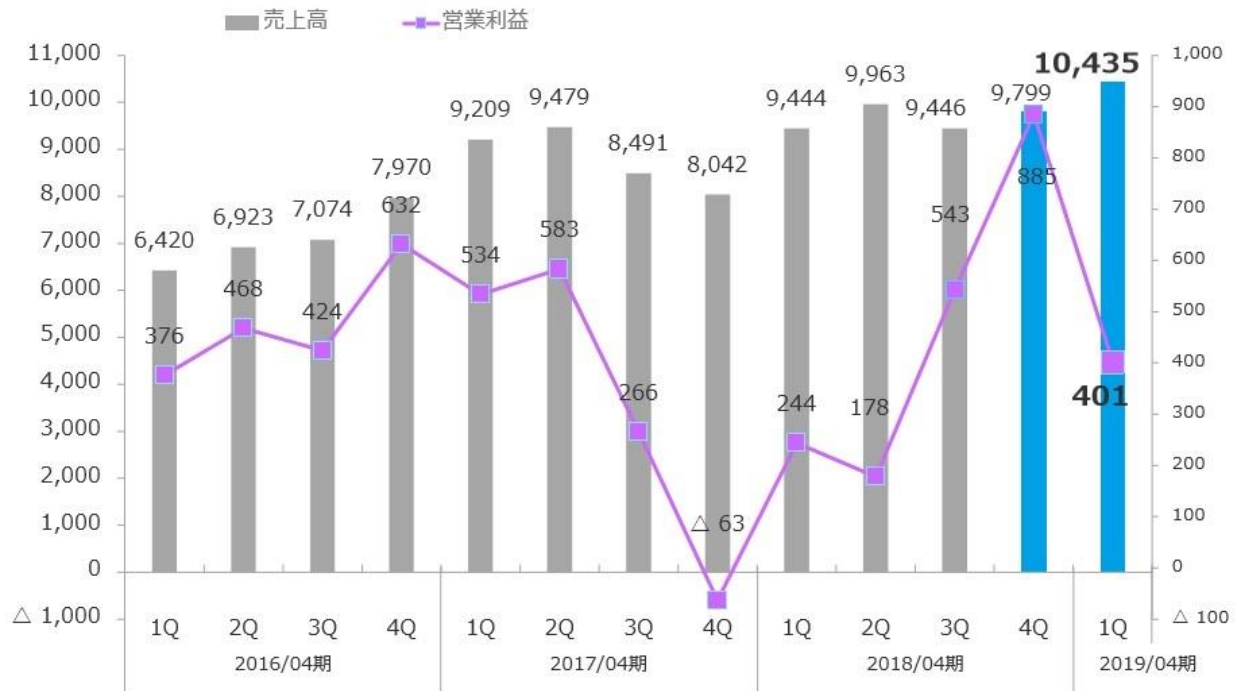
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前年同期比で売上高は10.5%増、営業利益は64.0%増を達成

(単位：百万円)



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This graph shows the trend of actual results this quarter. Looking from the previous quarter, the operating profit seems to be declining, but the operating profits for our businesses often tend to be heavily weighted in the fourth quarter therefore this fiscal year as well the profits will increase in the quarters in the latter half over the first quarter. Speaking from the perspective of the first quarter, we feel that everything is moving forward according to plan.

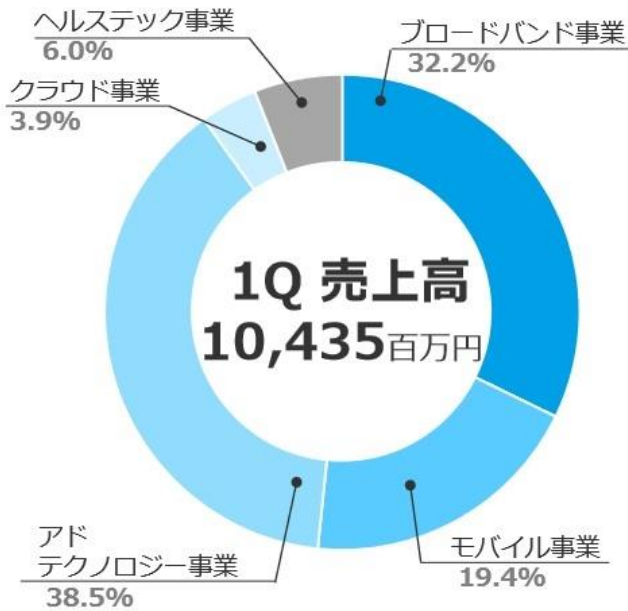
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ブロードバンド事業・ヘルステック事業が増収を牽引



売上高	セグメント損益
ブロードバンド事業	
3,387 百万円 YoY +21.0%	272 百万円 YoY Δ 44.0%
モバイル事業	
2,043 百万円 YoY Δ 2.9%	29 百万円 YoY +217百万円
アドテクノロジー事業	
4,042 百万円 YoY +2.4%	275 百万円 YoY Δ 23.2%
クラウド事業	
406 百万円 YoY Δ 9.9%	Δ 9百万円 YoY Δ 7百万円
ヘルステック事業	
634 百万円 YoY +249.6%	Δ 63百万円 YoY +133百万円

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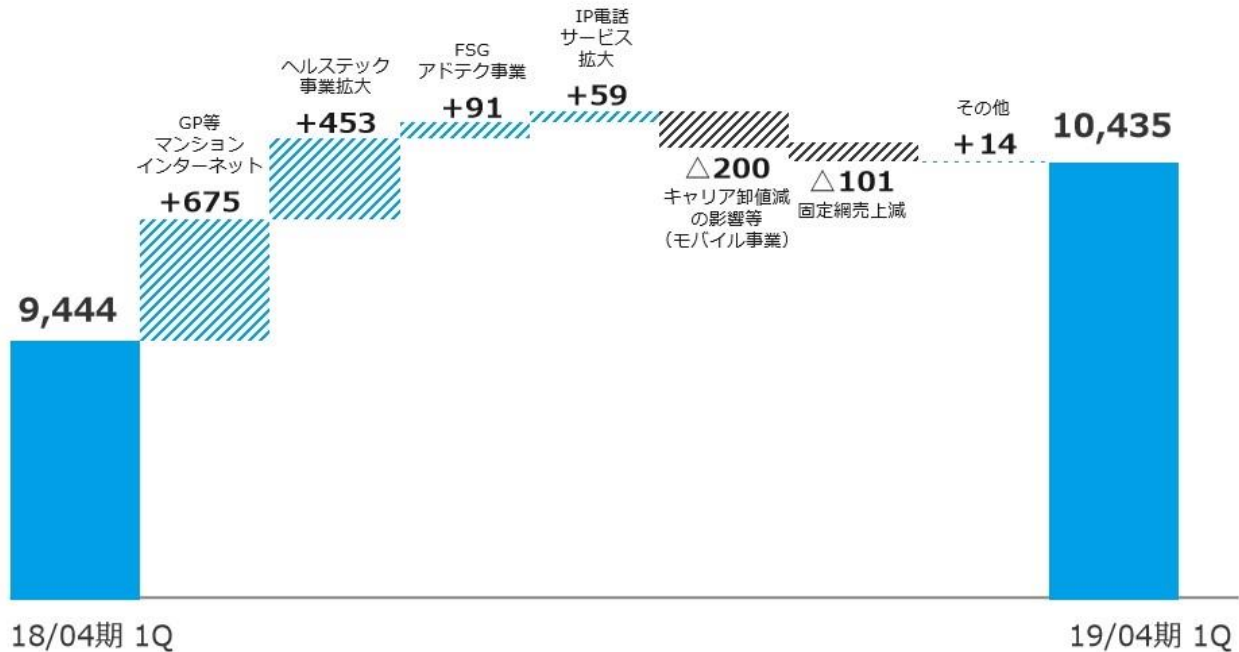
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マンションインターネットの順調な推移とヘルステック事業拡大に伴う売上増により前年同期比10.5%増

(単位：百万円)



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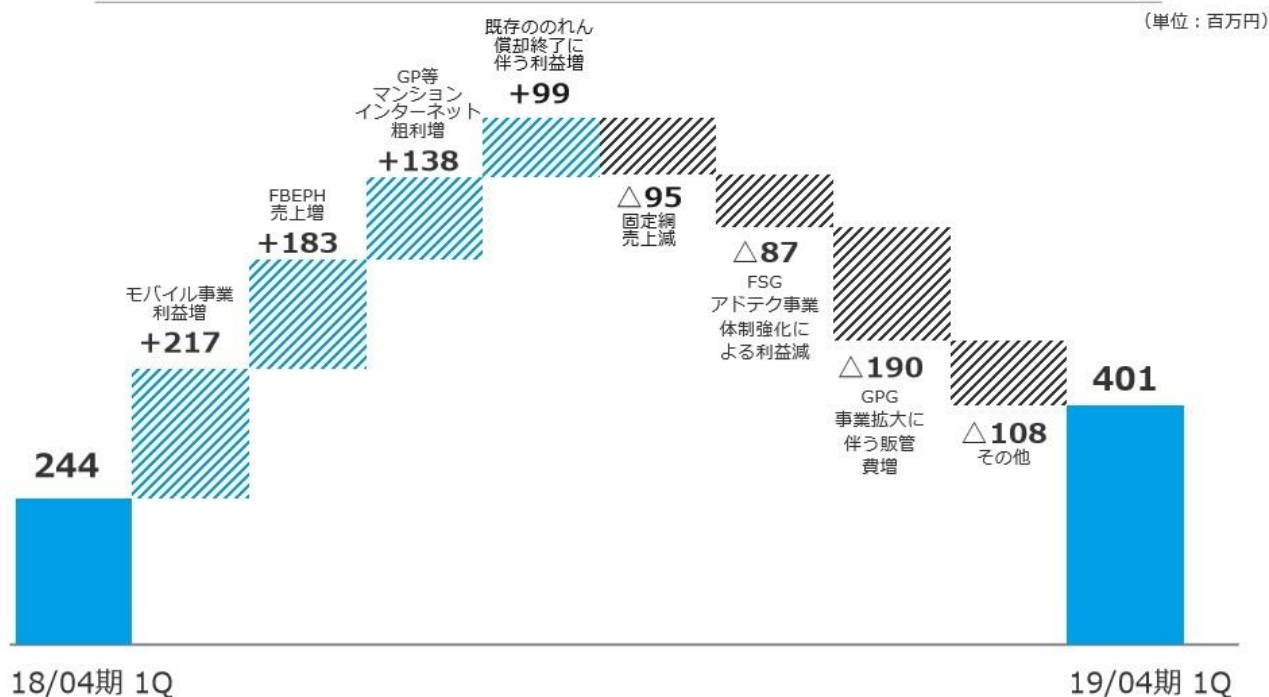
Continuing, this graph shows the sales composition ratio, and although there has not yet been a significant change in the quarter, I think the topic is that the HealthTech business accounts for about 6% of the entire amount. In terms of variance analysis, regarding sales, condominium internet has increased 675 million yen compared to the previous year, and the HealthTech business increased 450 million yen so the situation rests on these two businesses.

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利益改善に伴うモバイル事業の黒字化とFBEPHの順調な成長によるヘルステック事業売上増により前年同期比64.0%増



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Continuing, regarding operating profit, the biggest factor was the increase over last year in the mobile business. Currently, we have posted profits, and although the absolute amount is not that much, the year-on-year surplus is 200 million yen. FreeBit EPARK Health Care also had a year-on-year increase in revenue of 180 million yen. In short, there was a deficit in the upfront investment period in the previous fiscal year, but compared to the previous year it contributed significantly to the profits. As condominium internet increases the gross profit also rises so we expect the earnings to continue to steadily increase.

Meanwhile, if you look to the right, these are the factors for the decline in profits. One is the old fixed net is currently slightly declining in sales, and the amount of sales decline is causing a decline in gross profit. Next are two positive investments, AdTech and condominium internet, these businesses are currently growing significantly, and we continue to strengthen the system as we look toward future profit earnings. In terms of year-on-year there was an 87 million yen and 190 million yen cost increase becoming factors for the deficit, but these are investments for the future. In addition, regarding system enhancements, AdTech, and the Giga Prize Group, they have all settled so I think we will be seeing a break in costs somewhere.

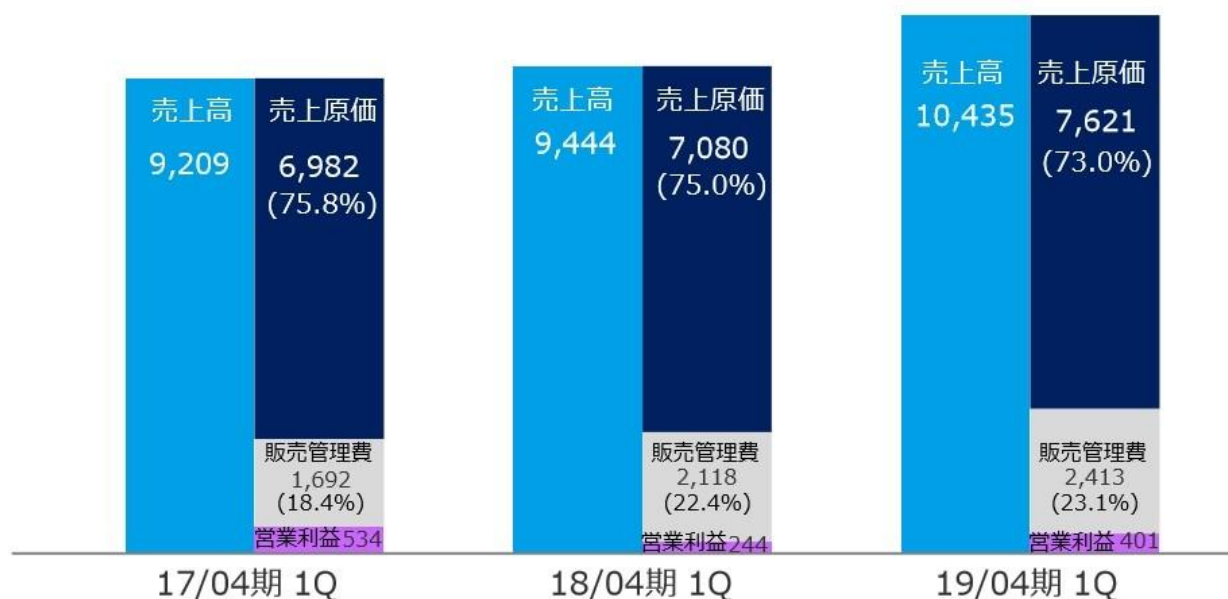
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2020年4月期連結営業利益50億を目指し体制強化を進める

(単位：百万円)



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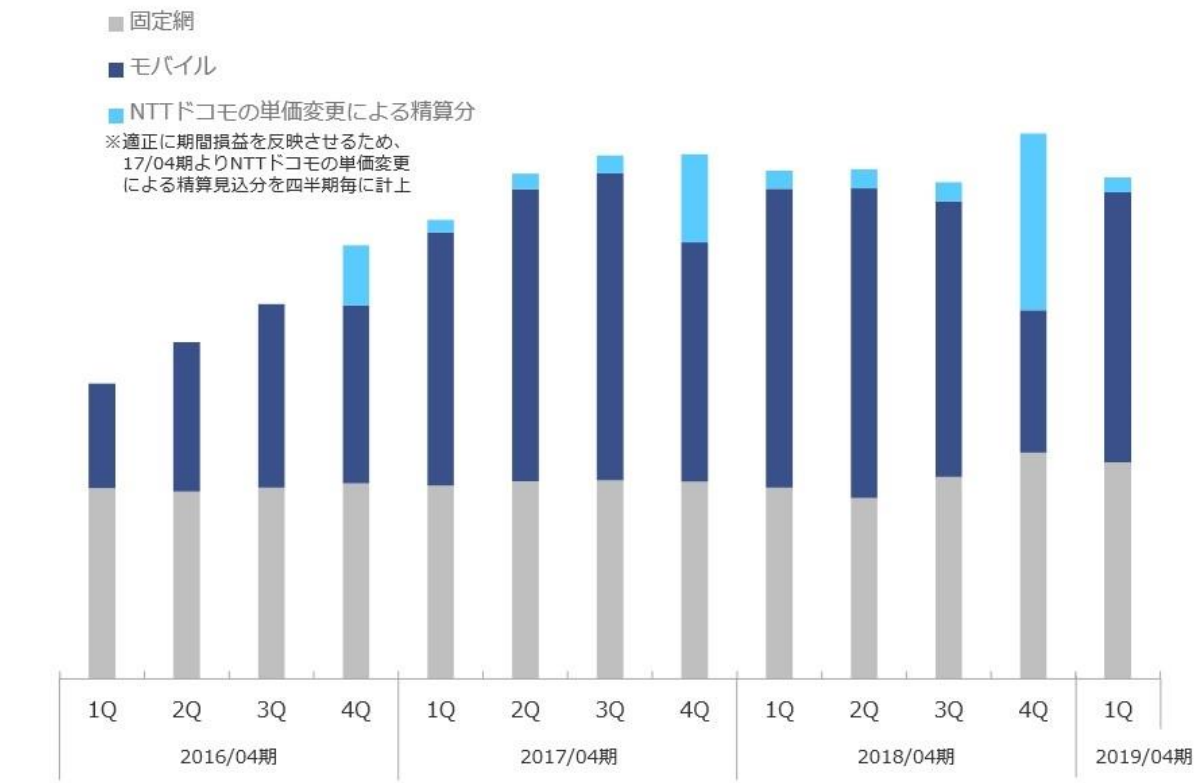
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This is the profit structure graph and each term it is growing bigger and bigger and looking at the graph's size you can see that comparing year-on-year it is significantly larger for this term ending April 2019. This is moving toward our goal of a consolidated operating profit of 5 billion yen for the next fiscal year ending April 2020, so we are prioritizing sales expansion as we work towards that. In addition, to ensure we can expand sales we are working to strengthen the structure at the same time. The structure strengthening is almost complete this fiscal year and regarding next year, we are not going to increase costs that much and the system expansion of the sales we have built up thus far is going well so we are currently aiming for a structure that will increase profitability while expanding sales.

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人員増に伴う事務所拡張等により販管費増



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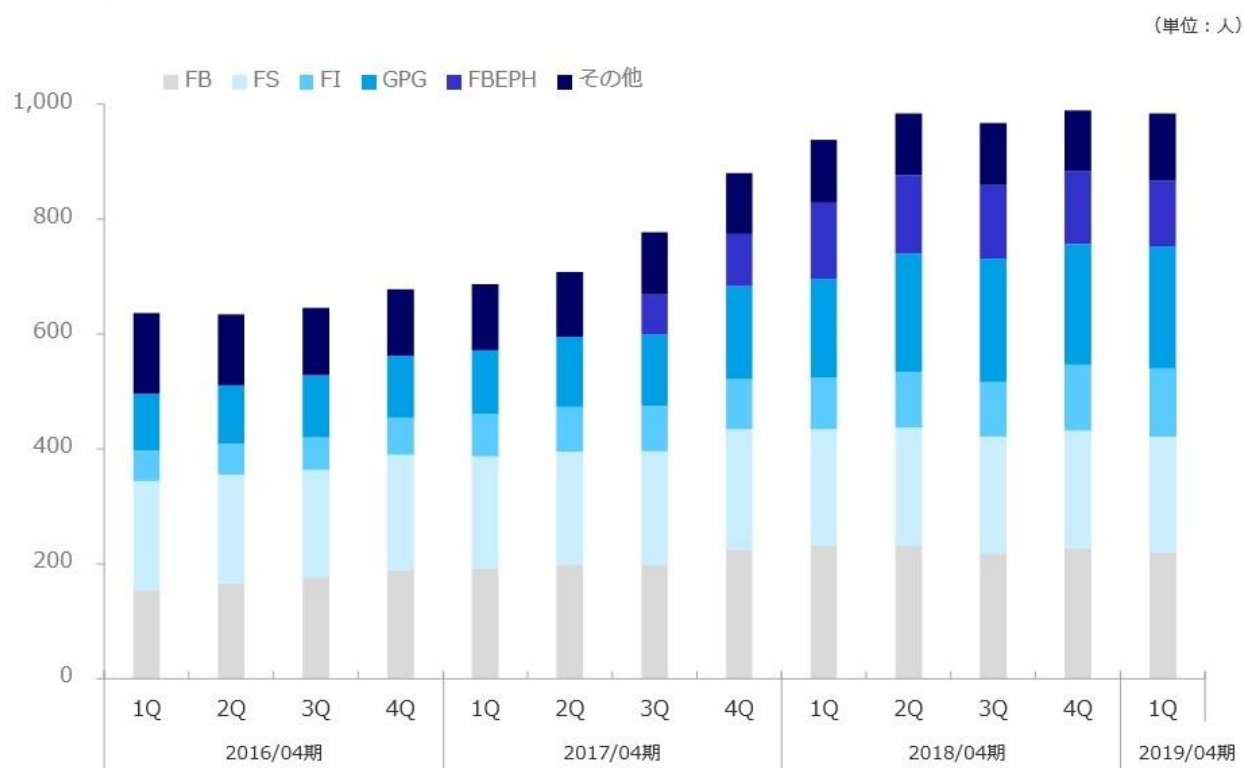
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事業拡大により人員体制強化を実施



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We always attach network-related expenses, but the mobile earning structure will change at the end of the term, therefore this absolute amount is less than the fourth quarter figure. SG&A expenses are also rising currently. I have said this repeatedly, but the main reason for this is the current structure strengthening. From the third quarter on, ALC will be incorporated 100% so there will be major changes that include everything, even SG&A expense sales, but for now there is a slight rise. The employee graph represents this as well. Since the year before last when we began strengthening the structure, just as the graph shows, the number of employees increased significantly, but it has gradually settled down as you can see.

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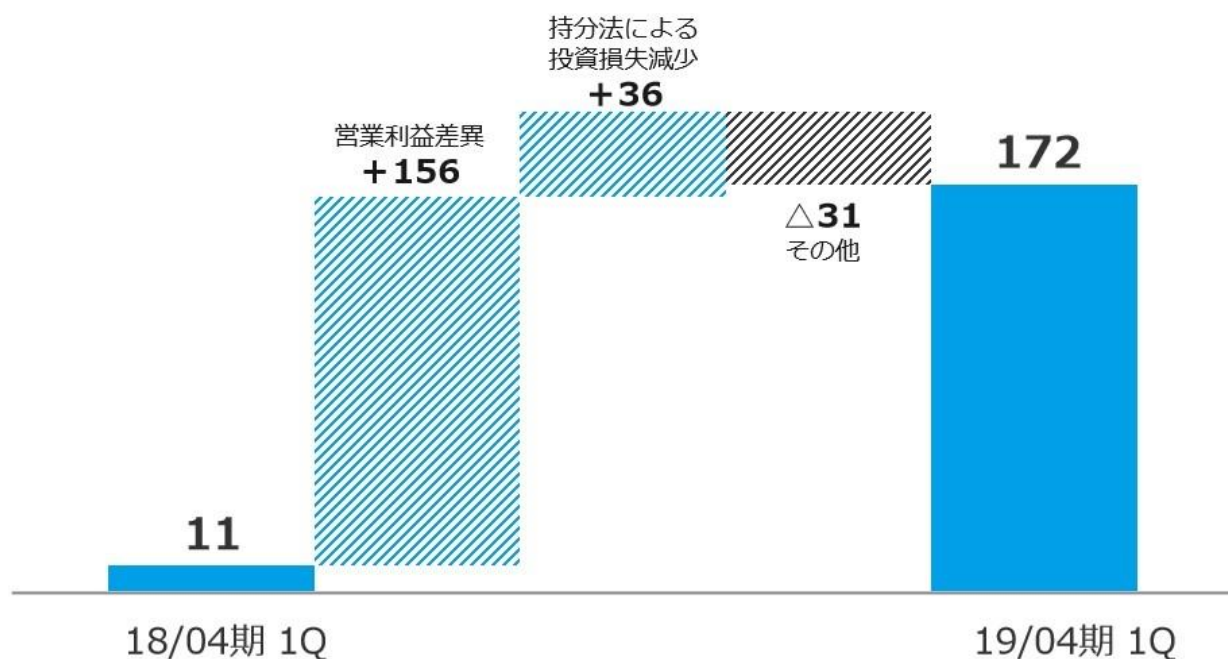
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営業利益増等により、前年同期比160百万円増

(単位：百万円)



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Regarding the difference in ordinary profit, the main reason for this is the growth in operating profit, so it is entirely dependent on that. For the losses on equity method investments, last year we also recorded a deficit, so compared to that, while we did post less than 200 million yen, the actual loss has decreased compared to last year.

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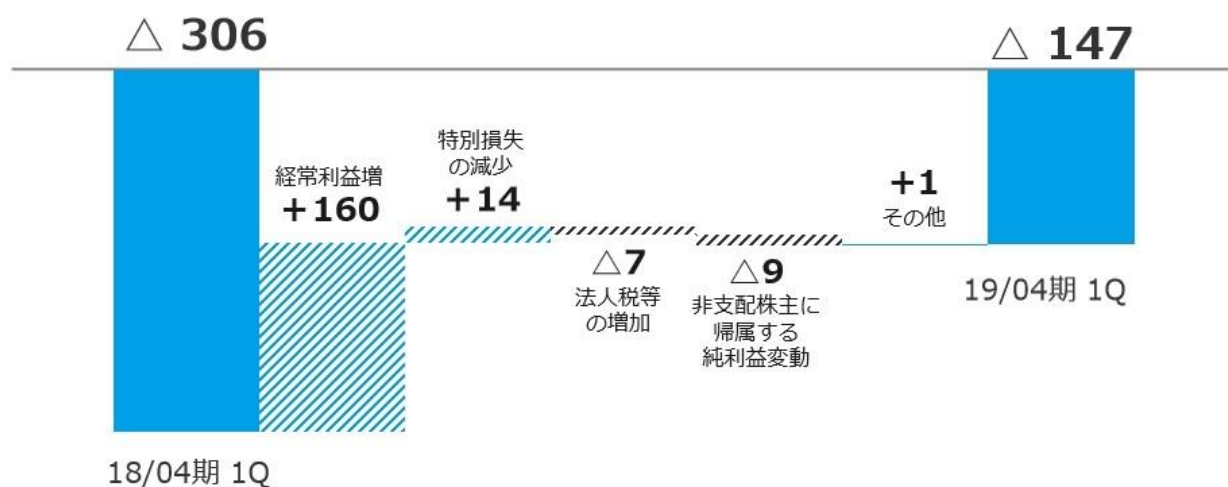
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経常利益増等により、前年同期比158百万円増

(単位：百万円)



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Regarding net income this term, pre-tax profits have increased, but compared to last year the negative span has decreased. As the coming quarters progress, we plan to get closer and closer to our final profit goal of 250 million yen, so this term we are in the red, but this is exactly according to plan.

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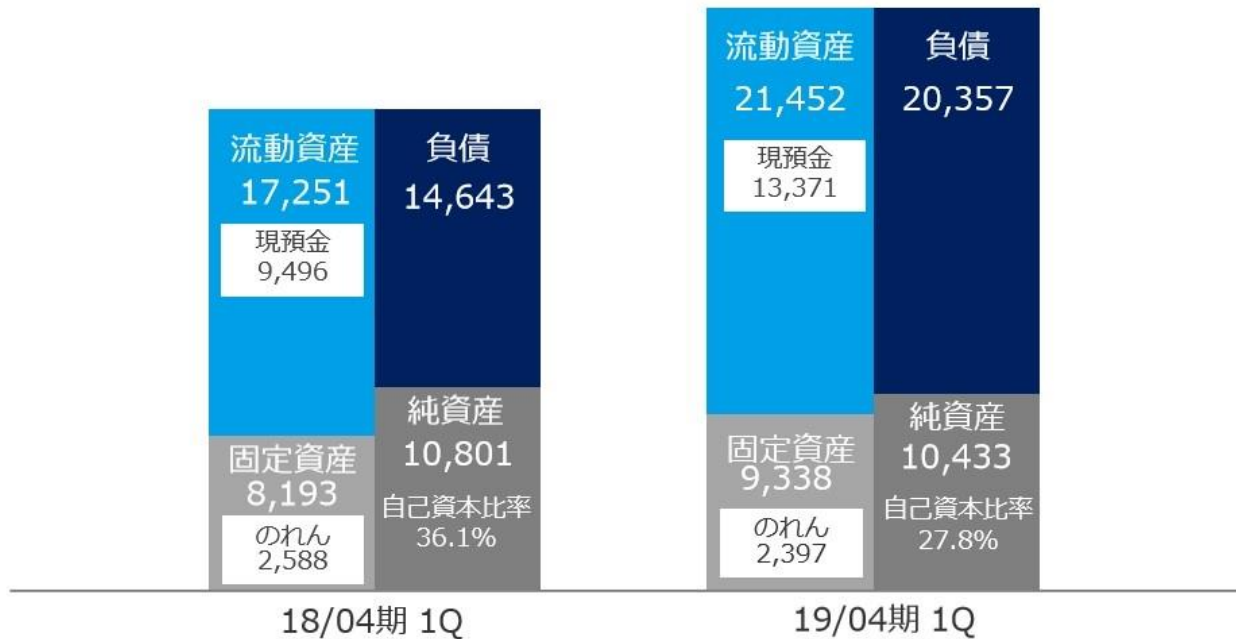
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現預金40.8%増、のれん7.4%減、純資産3.4%減

さらなる成長に向け予定通り借入れを実行し、手元資金を強化

(単位：百万円)



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The consolidated balance sheet and financial situation are a continuation from the end of the last fiscal year, so debt is increasing. Each company in each group is securing the funds for growth. FreeBit, the parent company has the biggest increases borrowing, but that is in order to increase in-hand liquidity to give priority to securing low-interest funds followed perhaps by investment or M&A, but we are preparing for that by increasing our liquidity at hand.

Support

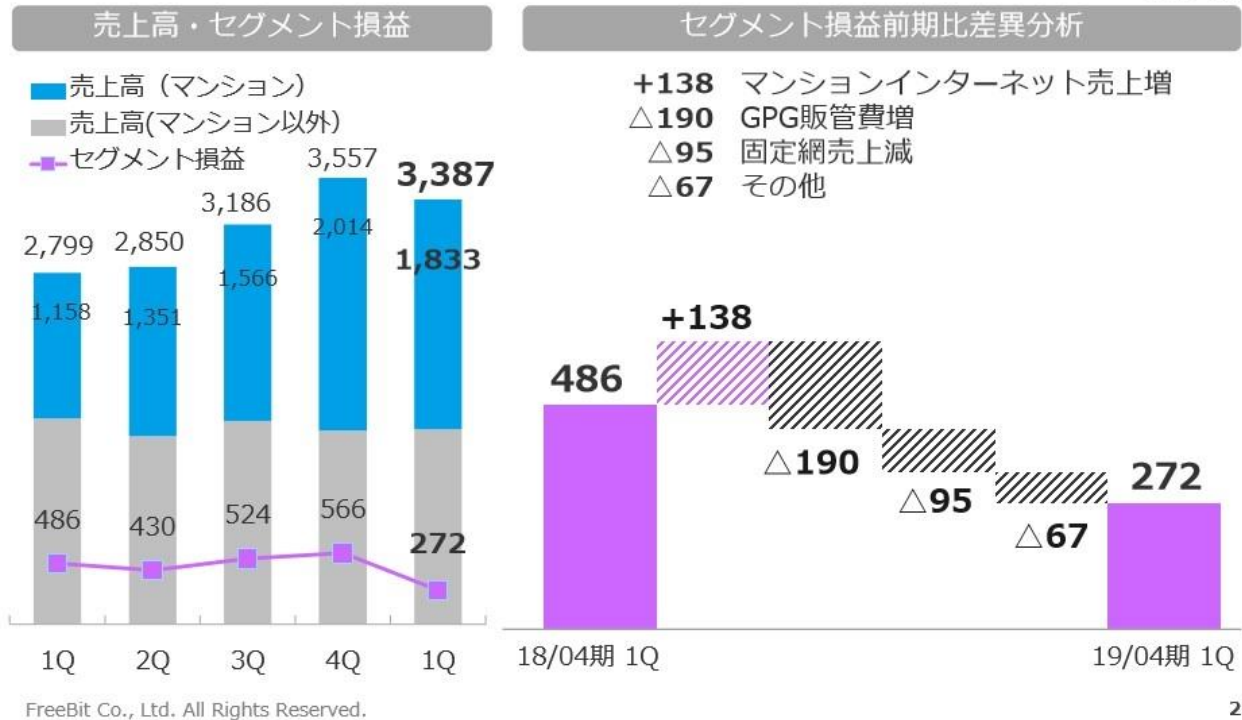
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前年同期比 売上高21.0%増、セグメント損益44.0%減

マンションインターネットが順調に推移し増収、体制強化の実施により販管費増

(単位：百万円)



Now I will give a summarized explanation of the individual situation for each business segment. First, regarding the broadband business, compared to the same period last year, sales have increased 21% and the segment profit and loss has decreased 44%. There have been no major changes to the land line phone sales system so this is the increase and decrease seen in the condominium internet business that the Giga Prize Group is conducting. At any rate, sales are currently steadily growing. These growing sales are the manifestation of the system strengthening undertaken to ensure sales grow properly, so there is really nothing to be concerned about regarding this situation and you can expect further future growth.

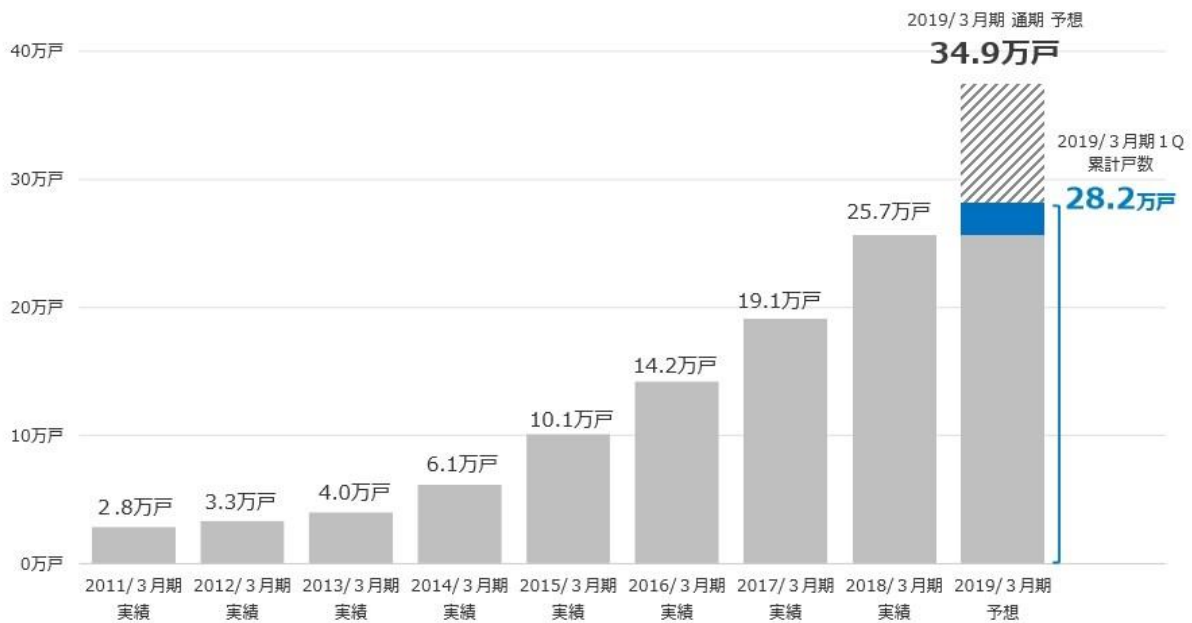
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サービス提供戸数は前年同期比 68.3%増の 2.5万戸を達成

サービス提供戸数は累計28.2万戸となり、今期予想 34.9万戸に向けて順調に推移



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The reasons for these numbers are based on new condominium internet hookups in the broadband business. The graph has a very steep rise to it and we are receiving an extremely large number of orders, there is a lot of construction and completion going on, so we expect the trend seen on this graph to continue for a while.

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不動産TechのIoT戦略に向けて、資本業務提携を実施

■ 6月14日プレスリリース：UME、ナーブ、百戦錬磨と民泊で協業

株式会社ユーエムイー（「UME」）、ナーブ株式会社（「ナーブ」）、株式会社百戦錬磨（「百戦錬磨」）と6月15日に施行された住宅宿泊事業法（民泊新法）に合わせ、民泊事業における協業を開始



■ 7月11日プレスリリース：コミュニティ・サイト「イオンハウジング × ギガプライズ」をオープン

2018年7月13日より、VR（バーチャルリアリティ）コンテンツのプラットフォームや、スマートライフを実現するIoTプラットフォームサービスなど、最先端のITソリューションを提案するコミュニティ・サイト「イオンハウジング × ギガプライズ」をイオンモール福津にオープン



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In addition, the Giga Prize Group has begun a new real estate Tech business connected to the increase in user numbers. As the user base increases it becomes very easy to develop new businesses so we are partnering with companies such as VR companies, private vacation rental companies, and smart key companies in a step-by-step approach, and moving forward to develop the next new model as a group company.

In addition, we have been collaborating with Aeon on the Aeon Housing business and Giga Prize is looking at this as a major sales channel for the future as it proceeds with its business with Aeon. Within that, we have created a new base and have already opened shops in conjunction with VR and IoT companies, as I just mentioned, and other affiliated companies we have already invested in.

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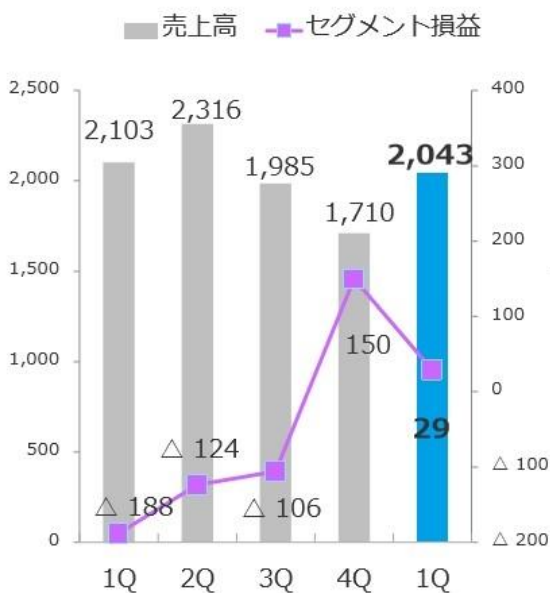


MVNEサービスやDTI SIMの収益改善等により、前四半期に続き黒字を達成

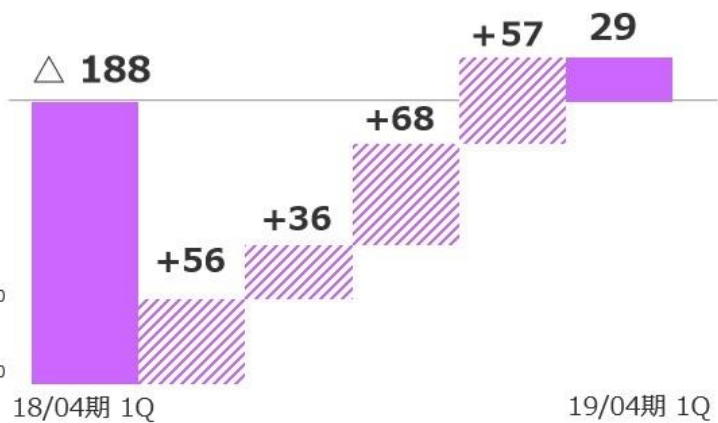
(単位：百万円)

売上高・セグメント損益

セグメント損益前期比差異分析



- +56 MVNEサービス利益増
- +36 IP電話サービス利益増
- +68 DTI 販促費抑制等による利益増
- +57 その他



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Continuing, looking at the mobile business, the segment profits based on this quarter show that we have reached a surplus. Regarding sales, as I said earlier, Docomo’s access charge was reduced so we had to change the unit price in sales, so sales have not grown that much, but I think we can say that the business structure has improved.

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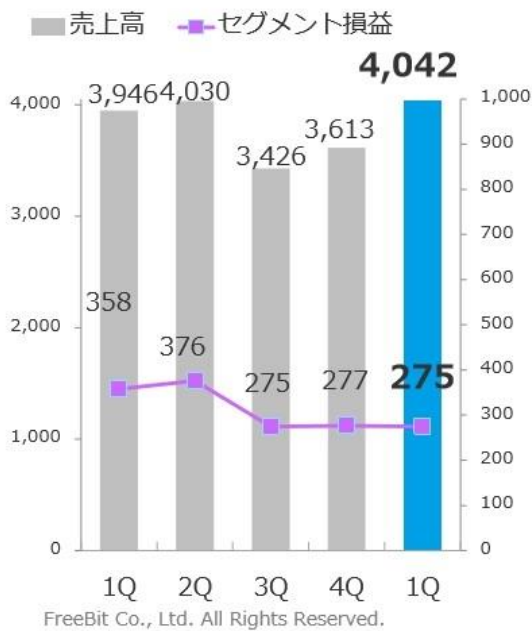
前年同期比 売上高2.4%増、セグメント利益23.2%減

インキュベーション関連の人材投資により販管費大幅増

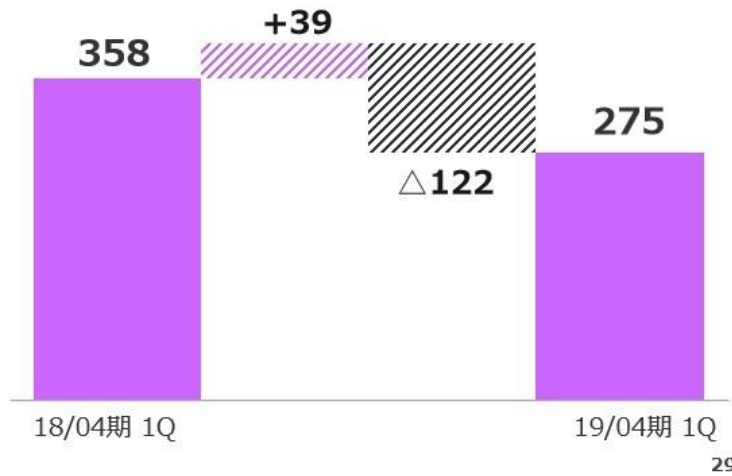
(単位：百万円)

売上高・セグメント損益

セグメント損益前期比差異分析



+39 FSG売上増加に伴う粗利増
 △122 FSG体制強化に伴う販管費増等



Continuing, the ad technology business has increased sales by 2.4% on year-on-year basis, and the segment profit and loss has decreased 23%. Although the rate of increase in sales is not as large as that of the condominium internet business, there are still many big opportunities for growth, so we are strengthening the structure here. We not only want to increase sales focusing on the Full Speed Group, but we are also trying to create business in new areas so that upfront investment is also included here.

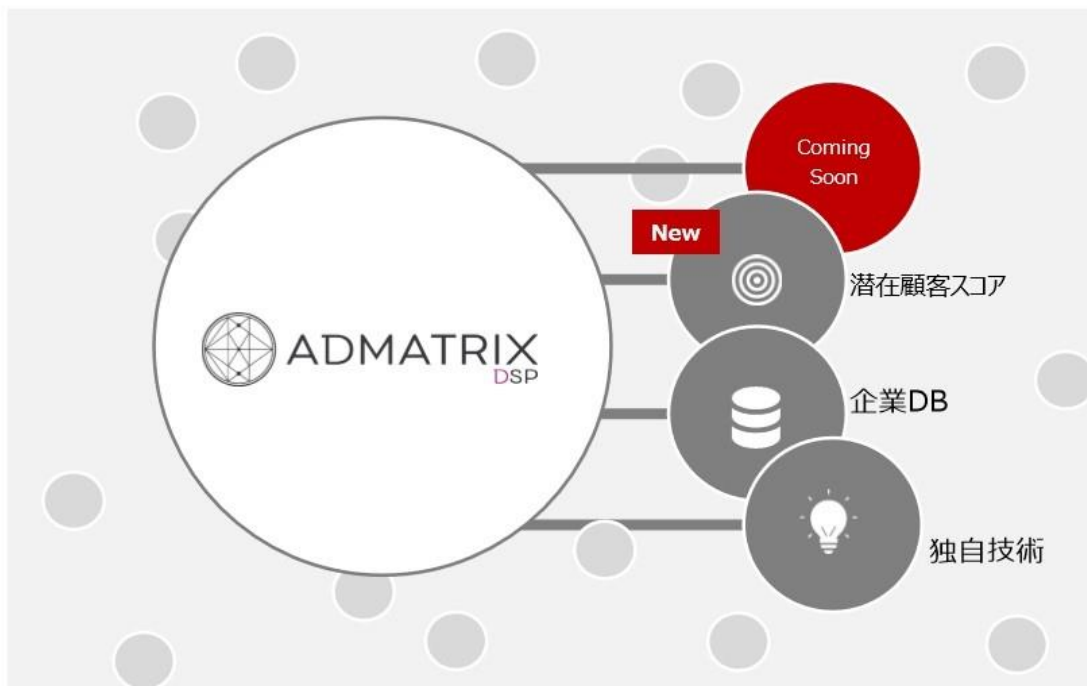
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戦略的事業提携によるビッグデータ連携、業界最大級DMP展開を実現へ

潜在顧客スコアを連携し、BtoB支援No1に向け**ターゲティング機能**を強化



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30

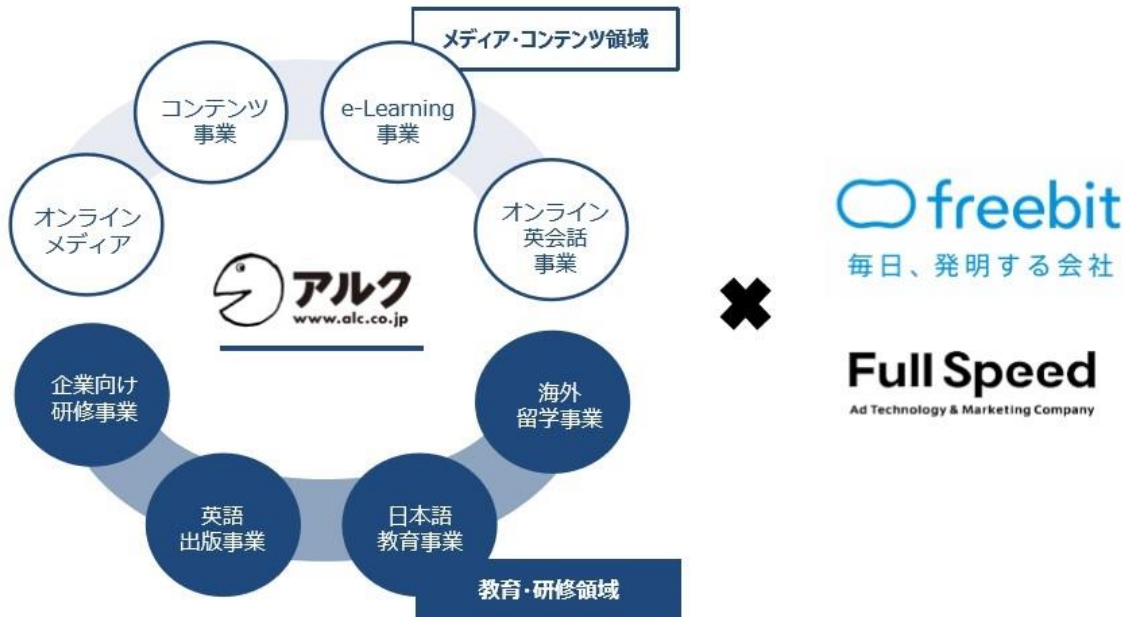
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アルク社との戦略的事業提携に向け検討開始

アルク社が有する事業アセットとの相性が良い当グループにとっての絶好の新規領域創出機会



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We have several various businesses. For example, we have been providing DMP service in our ad technology business from before, but the DSP and DMP businesses geared toward companies that deal in B to B in particular, are doing very well right now. And then we have ALC, which I mentioned in the beginning. We are expecting the collaboration with ALC to be from an AdTech perspective even within the Full Speed Group. Our purchase of ALC will be finalized on September 28 so we can begin moving forward with concrete plans from October, but the Full Speed Group also foresees some major business opportunities here.

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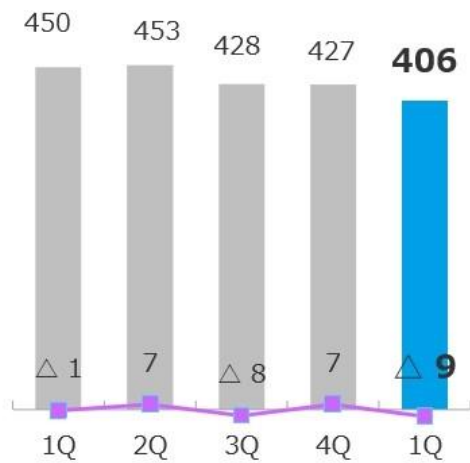


レガシーサービス縮小に伴い減収減益

(単位：百万円)

売上高・セグメント損益

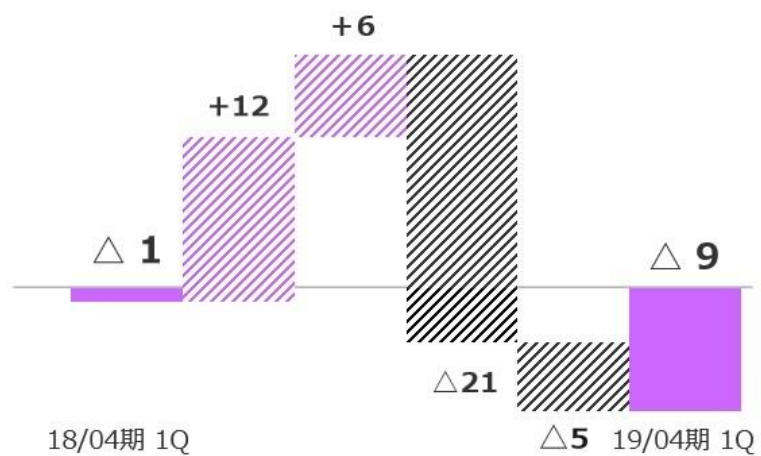
■売上高 ■セグメント損益



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セグメント損益前期比差異分析

- +12 FBコスト改善による利益増
- +6 その他
- △21 レガシーサービス縮小に伴う利益減
- △5 GPの販管費増等



32

The cloud business is continuing along the same trend it has been for some time, but with the reduction of the legacy service, income also continues to decrease. However, since we are moving at a relatively strong pace, we will continue to advance our cloud business offering it to external customers by supporting our cloud infrastructure within the group and using it well internally maintaining our superiority compared to other companies in terms of technology and price.

Support

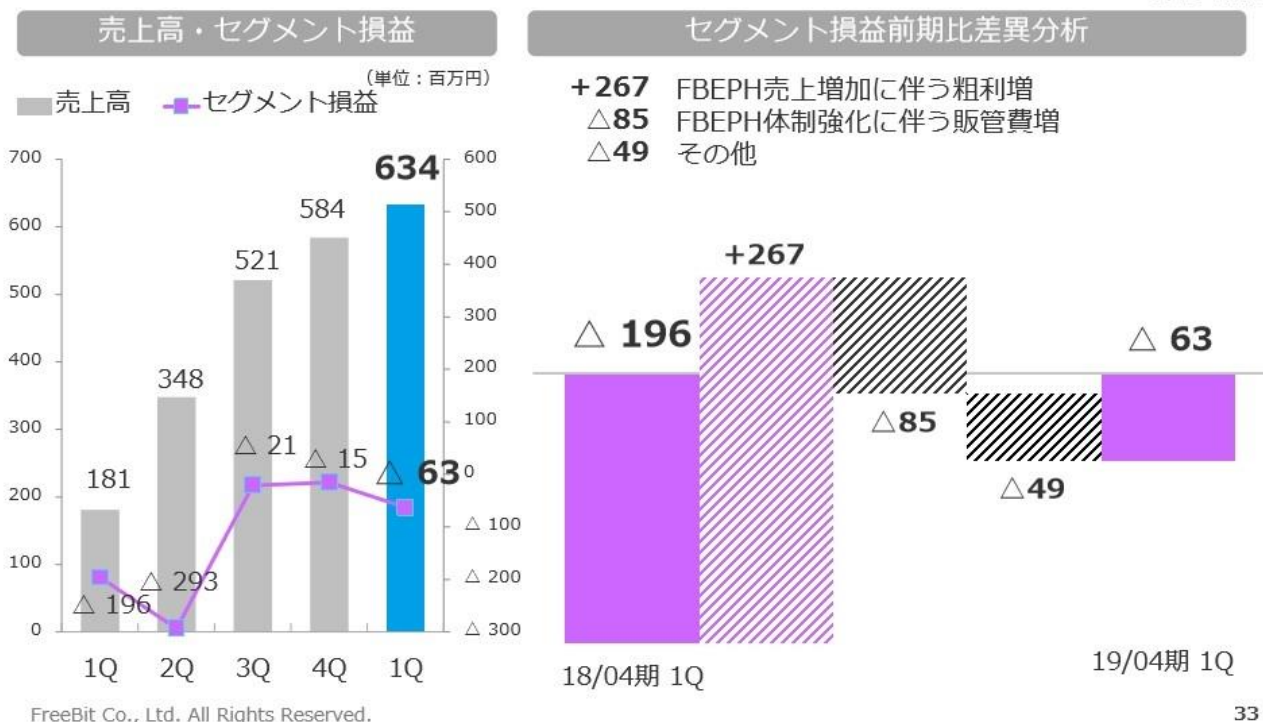
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事業開始以降売上高は順調に推移 FBEPHの順調な成長を鑑み、事業拡大に向けた投資を継続

黒字化に向けて、IJKのビジネスモデル転換を実行

(単位：百万円)



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Here we have sales for our current growing business the HealthTech business, and as the graph indicates there is a growing trend. This business currently focuses on the dispensing pharmacy business called FreeBit EPARK Health Care. We have a newly acquired nursing care software business from this first quarter transferred from TEAC and these numbers are rapidly coming in. In terms of facility numbers, we exclusively run nursing care software geared toward the nursing facilities of the biggest company in the industry. In addition, the nursing care industry is an extremely big industry, so we hope to contribute to the nursing care industry through horizontal expansion using the track record and knowledge of industry's No. 1 company coupled with the fact this service has been adopted by the No. 1 company in the industry. In addition, we are currently planning collaborations with FreeBit EPARK Health Care's dispensing pharmacy business, and regarding the HealthTech business, even the most recent projects alone are showing a rising trend, so we think there is a possibility for major developments here.

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EPARKお薬手帳は累計ダウンロード数35万件を突破

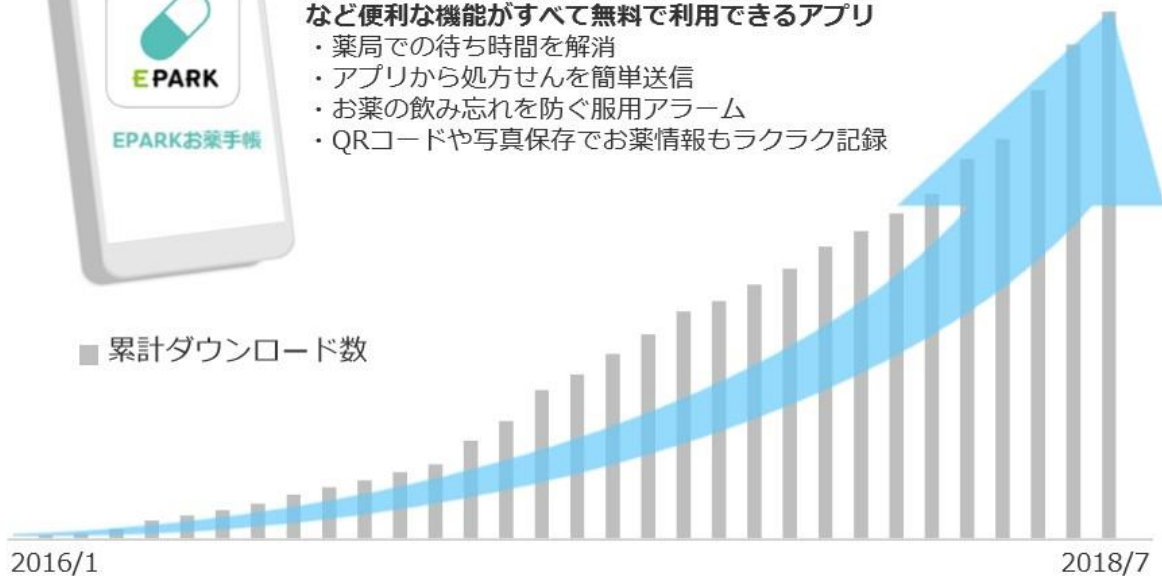


EPARKお薬手帳

薬局の受取予約・服用アラーム・お薬情報の登録など便利な機能がすべて無料で利用できるアプリ

- ・薬局での待ち時間を解消
- ・アプリから処方せんを簡単送信
- ・お薬の飲み忘れを防ぐ服用アラーム
- ・QRコードや写真保存でお薬情報もラクラク記録

35万超

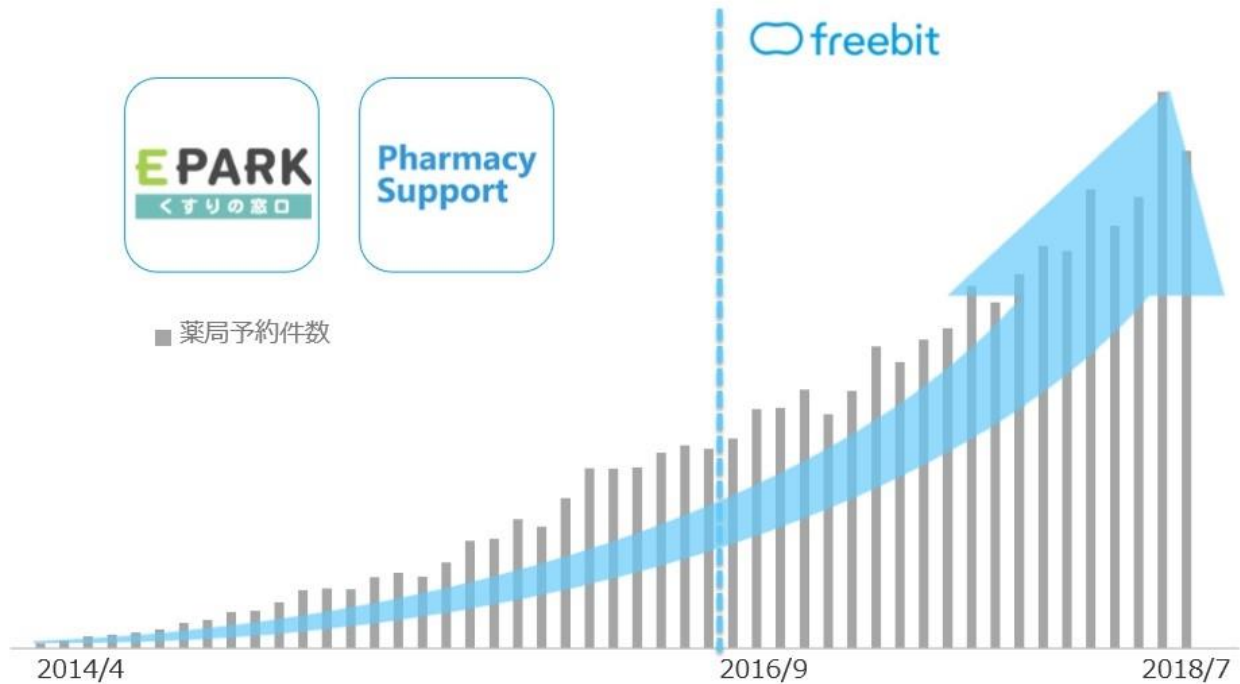


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月間薬局予約件数は順調に推移



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35

This graph displays the number of EPARK Health Care downloads. It is a cumulative graph, but it continues to rise rapidly. We also have a service for pharmacy reservations, and on an individual monthly basis the number of reservations is growing quickly every month. There are some slight seasonal factors related to when people go to pharmacies, so the highest number of reservations is actually during hay fever season, but as there are seasonal factors, there are some discrepancies from month to month on the graph, but in terms of the overall trend I think you can see that it is growing quite well.

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ブロードバンド事業	<p>マンションインターネットの提供戸数増加と更なる売上拡大</p> <ul style="list-style-type: none"> ・提供戸数・売上とも順調に拡大 <p>個人向けサービスのユーザー数拡大施策による売上・利益の拡大</p> <ul style="list-style-type: none"> ・IPoE方式によるIPv6インターネット接続サービス「IPv6(IPoE)接続サービス」を発表
モバイル事業	<p>MVNEの推進と個人ユーザーの積極的な獲得によるシェア拡大</p> <ul style="list-style-type: none"> ・施策の精査と既存サービスラインアップの再構築を実施 <p>付加価値サービスの事業化</p> <ul style="list-style-type: none"> ・「フリービットクラウド セキュリティ SIM」の販売拡大に向けIoT/M2M向け新プラン発表 <p>今後の収益に寄与するIP電話サービスのさらなる拡充</p> <ul style="list-style-type: none"> ・サービス拡大を企図し、総務省よりFMC用番号「060-0」の指定を受ける
アドテクノロジー事業	<p>代理店数の増加及び連携強化による顧客拡大</p> <ul style="list-style-type: none"> ・アドテクノロジー関連サービスを戦略子会社「株式会社クライド」に集約 <p>自社開発サービスの加速化</p> <ul style="list-style-type: none"> ・ITエンジニア特化型開発企業「株式会社Ruby開発」に出資
クラウド事業	<p>クラウドサービスやネットワークセキュリティサービスの拡販</p> <ul style="list-style-type: none"> ・当社グループのクラウド基盤を活かしたプロダクトを順次提供
ヘルステック事業	<p>フリービットEPARKヘルスケアの黒字化の継続</p> <ul style="list-style-type: none"> ・FBEPHのさらなる拡大に向け投資を継続 ・より一層の事業拡大を目指し、周辺事業（介護領域）においても戦略的投資を実施

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Finally, I amended the figures regarding the consolidated earnings forecast today, but from a qualitative progress perspective, condominium internet under the broadband business continues to show major growth and with regard to services for individuals, we are often behind the scenes when it comes to expanding user numbers, but we will continue to proceed with IPoE and IPv6 connection services.

In our mobile business, we are looking to increase our share by discovering an area that MNOs will find difficult and acquire new users. Regarding the mobile business, sales of the IP phone service are actually rapidly increasing right now, but the numbers are not yet currently reflected. We have received a 0600 designation for Japan's first FMC dedicated number. We have prepared this as a service tool in order to offer new original services in the future.

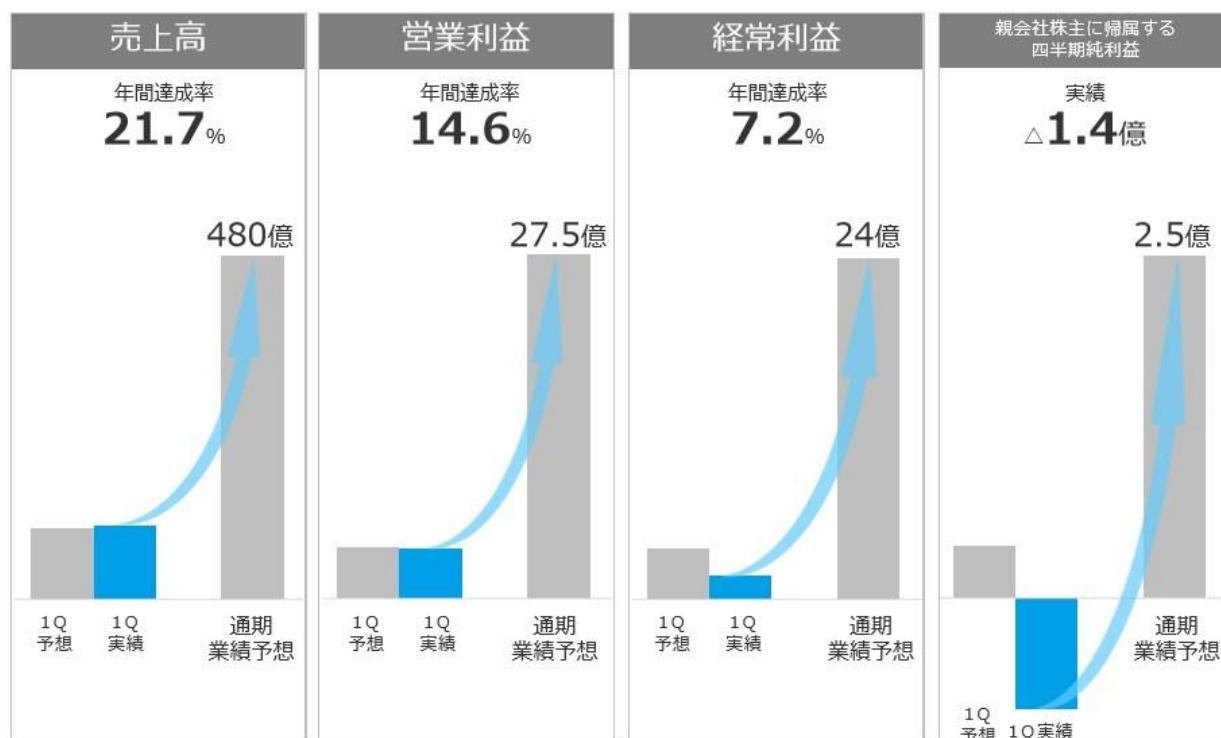
Continuing, in the ad technology business, we are trying to strengthen the network of distributors along with our own sales network for the AdTech business DSP and DMP that we developed to increase sales. We are also investing in AdTech alone and most recently we invested in a company called Ruby Development. Despite the fact it is extremely difficult to secure IT engineers right now, we were able to collaborate with a company that has some of the best domestic engineers.

Regarding our cloud service, by security and services geared specifically toward Japanese companies we have made some steady progress. Regarding the HealthTech business, FreeBit EPARK Health Care saw a monthly surplus last fiscal year, but this fiscal year we aim to have a yearly surplus and as we try to acquire both growth and profits, as I mentioned earlier, we are looking at how we can develop business in the nursing care field as we brought a business geared toward the nursing care app industry's No.1 company into the group we are reviewing how we can move forward with this at the core.

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38

As I mentioned in the beginning regarding the numbers, the rate of progress for sales and operating profits is as shown in the tables, 21%, 14%, and 7.2%. In the case of our company, sales and profits tend to be concentrated in the fourth quarter so the rate of progress is not one quarter here, but this is as according to plan for our company, so please do not be concerned. With proper execution this fiscal year we are working steadily toward our goal of 50 billion yen in sales and 5 billion yen in operating profits for the fiscal year ending April 2020, so your continued support in helping us achieve that is greatly appreciated.

This concludes today's briefing of the first quarter financial results. Thank you very much.

[END]

Document Notes

1. Portions of the document where the audio is unclear are marked as follows: [Inaudible].
2. This document has been translated by SCRIPTS Asia

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