

To whom it may concern

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Financial Overview for the Second Quarter of FY08/17

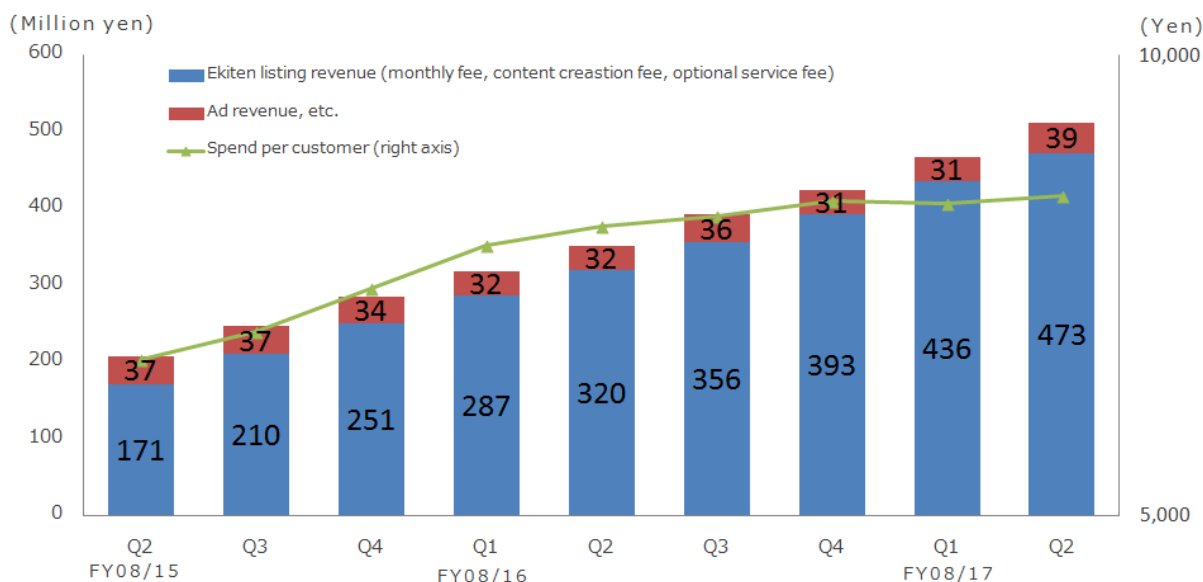
DesignOne Japan, Inc. announces its financial overview for the second quarter of the fiscal year ending August 2017 (Sep. 1, 2016 – Aug. 31, 2017) as follows.

1. Net sales steadily increased to an all-time quarterly high of 513 million yen

Quarterly sales rose to an all-time high of 513 million yen, increased by 9.7% from the first quarter. This was due to the steady growth in the number of paid listing stores and option-using stores.

Operating income for the second quarter was 114 million yen, decreased by 29.7% from the first quarter, and the operating margin was 22.4%, decreased by 12.6 points from the first quarter. This is mainly because SG&A expenses rose due to a one-time increase in TV commercial and recruiting expenses, although net sales increased.

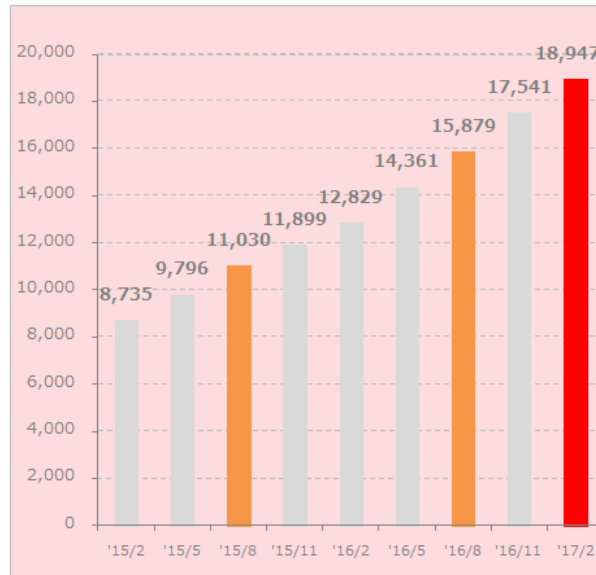
Breakdown of quarterly sales



2. Number of paid listing stores steadily increased by 1,406 for the second quarter

The number of paid listing stores steadily increased in the second quarter. The main reasons were a further increase of the media capabilities, the provision of more information, the enhancement of sales structure, and the steady progress with extending coverage to more store categories. As a result, the number of paid listing stores for the second quarter was 18,947, increasing by 1,406 from the first quarter. The company has made a steady progress toward reaching the fiscal year-end goal of 21,086 paid listing stores.

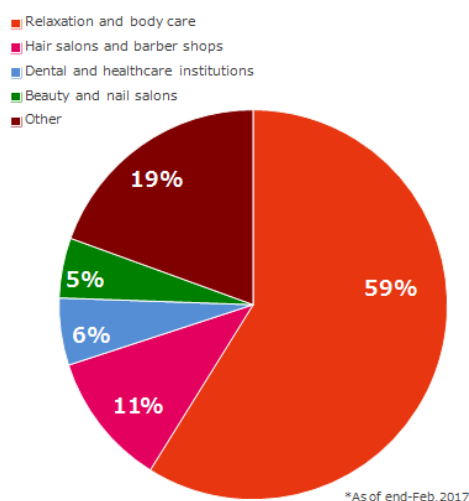
Changes in the number of paid listing stores



3. Consistently increasing the breadth of coverage of paid listing store categories

The media capabilities of the “Ekiten” business continued to increase along with growth in the number of paid listing stores and free listing stores. As a result, the company has steadily cultivated more stores other than the mainstay relaxation category.

Ekiten
Paid listing categories



Composition of quarterly new orders by category

