

This filing was originally prepared and published by the company in Japanese as it contained timely disclosure information to be submitted to the Tokyo Stock Exchange (1<sup>st</sup> section). The English translation is for your reference only. To the extent there is any discrepancy between this English translation and the original Japanese filing, the Japanese filing will prevail. The following financial information was prepared in accordance with generally accepted accounting principles in Japan (JGAAP).

## Financial Results (Consolidated) for Q1 of FY2016

April 26, 2016

Corporate Name: ValueCommerce Co., Ltd. Listed: TSE 1st section  
 Ticker Symbol: 2491 URL: <http://www.valuecommerce.com/ir/>  
 Representative: Representative Director, President and CEO (Name) Jin Kagawa  
 Contact person: Director of the Board, CFO (Name) Masatomo Endo  
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Scheduled date of commencement of dividend payment: —  
 Scheduled date of filing the securities report: May 10, 2016  
 Results supplementary materials to be created: Yes  
 Scheduled date of an explanatory presentation to investors: April 27, 2016

(Amounts less than one million yen rounded down)

### 1. Consolidated Operating Results for the First Quarter of FY2016 (Jan. 1 to Mar. 31, 2016)

(1) Consolidated Operating Results (Percentage figures refer to comparisons with the previous fiscal year)

	Revenue		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Q1 FY2016	4,523	15.2	256	Δ32.7	299	Δ36.2	157	Δ47.9
Q1 FY2015	3,928	21.6	380	Δ14.6	468	Δ1.1	301	1.2

(Note) Comprehensive income: First quarter ended March 31, 2016 : 173 million yen, Δ47.9%  
 First quarter ended March 31, 2015 : 333 million yen, 8.9%

	Basic EPS (Earnings per share)	Diluted EPS (Diluted Earnings per share)
	Yen	Yen
Q1 FY2016	4.73	4.73
Q1 FY2015	9.08	9.07

### (2) Consolidated Financial Positions

	Total assets	Net assets	Equity ratio	Book-value per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2016	10,094	6,218	61.1	185.70
As of December 31, 2015	10,125	6,244	61.2	186.47

(Reference) Owners' equity: As of March 31, 2016 : 6,170 million yen  
 As of December 31, 2015 : 6,196 million yen

### 2. Dividends

	Dividend per share				
	Q1	Q2	Q3	Q4	Total
	Yen	Yen	Yen	Yen	Yen
FY2015	—	4.00	—	6.00	10.00
FY2016	—	—	—	—	—
FY2016 (Forecast)	—	2.00	—	6.00	8.00

(Note) Revisions to dividends forecast published most recently: No

### 3. Consolidated Operating Forecast for the Fiscal Year Ended Dec. 31, 2016 (Jan. 1 to Dec. 31, 2016)

(Percentage figures refer to comparisons with the previous fiscal year)

	Revenue		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic EPS (Earnings per share)
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Q1-Q2(cumulative) FY2016	8,500	5.1	360	Δ53.2	360	Δ58.9	200	Δ64.8	6.0
FY2016	19,000	14.1	1,260	Δ17.0	1,260	Δ23.9	820	Δ20.6	24.7

(Note) Revisions to operating forecast published most recently: No

#### ※ Notes

(1) Significant changes in scope of consolidation during this year: No

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies and accounting estimates, retrospective restatement

- |  |       |
|--|-------|
| 1. Changes in accounting policies due to amendment of accounting standards, etc. | : Yes |
| 2. Changes in accounting policies other than 1.                                  | : No  |
| 3. Changes in accounting estimates   | : No  |
| 4. Retrospective restatement   | : No  |

(Note) Please refer to “3. Changes in accounting principles, accounting estimates and restatement” in “2. Summary Information (Note)” of the Accompanying Materials.

(4) Number of shares issued (Common stock)

1. Common stock (including treasury stock)
 

34,471,000 shares	(as of Mar. 31, 2016)
34,471,000 shares	(as of Dec. 31, 2015)
2. Treasury stock
 

1,242,200 shares	(as of Mar. 31, 2016)
1,242,400 shares	(as of Dec. 31, 2015)
3. Average number of shares issued (cumulative period)
 

33,228,741 shares	(average during Jan. 1 to Mar. 31, 2016)
33,215,200 shares	(average during Jan. 1 to Mar. 31, 2015)

#### \* Quarterly review

This outline of quarterly consolidated financial statements is not subject to the quarterly review procedures under the Financial Instruments and Exchange Act. The review procedures for the quarterly consolidated financial statements are being applied at the time of disclosure of this outline.

#### \* Note on proper use of the financial forecasts and other special notes

(Note on future descriptions)

This filing contains future description such as financial outlook. They are based on information currently available to the company and on certain assumptions we deem reasonable. They are not intended to constitute the company's guarantee that the outlook and description will be realized. The actual results may differ materially from those described in this filing due to various factors. For the assumptions for the financial forecasts and notes on use of the financial forecasts, please refer to “(3) Information about Consolidated Financial Forecasts” in “1. Qualitative Information Concerning Consolidated Business Results” on page 1 of the Accompanying Materials.

(Method to reach supplementary materials and contents of explanatory presentation)

The company schedules to hold an explanatory presentation to investors on April 27, 2016. The supplementary materials on financial results will be posted on the company's website soon after the presentation meeting.

## 1. Qualitative Information Concerning Consolidated Business Results

### (1) Information about Operational Results

During the first quarter of the consolidated fiscal year under review, the employment situation and corporate earnings centered on the non-manufacturing industry showed an improving trend. On the other hand, companies took more conservative views in terms of business confidence, mainly reflecting the effects of an economic slowdown in China and other emerging economies. Consumer spending also remained flat, chiefly due to the stagnant growth of wages and the effects of lower share prices.

In these circumstances, for the first quarter of the consolidated fiscal year under review, revenues stood at JPY 4,523,932 thousand (up 15.2% Y/Y). This reflected the inclusion of revenues from the Ad Network Service, a new business, and those from DIGIMIHO Co., Ltd. (hereinafter "DIGIMIHO") providing R∞ (R Eight), the marketing automation service, which became a consolidated subsidiary of the Company in December 2015 in addition to the steady performance of the existing businesses, the Affiliate Marketing Service and the Storematch Service.

Operating income was JPY 256,012 thousand (down 32.7% Y/Y). This reflected the steady performance of the existing businesses, as well as the aggressive measures taken in the Ad Network Service to expand the media network, and the recording of amortization of goodwill related to the business acquisition in the previous term, and the recording of amortization of goodwill related to the acquisition of shares of DIGIMIHO in the previous term and the expenses of the relevant subsidiary.

Ordinary income was JPY 299,115 thousand (down 36.2% Y/Y) due to recognizing equity in the earnings of an affiliate of JPY 12,521 thousand and insurance income of JPY 45,705 thousand under non-operating income and investment in partnership of JPY 17,068 thousand under non-operating losses.

Net income attributable to owners of the parent was JPY 157,283 thousand (down 47.9% Y/Y) due to the recording of expense on head office relocation of JPY 16,143 thousand under extraordinary losses and income taxes of JPY 125,688 thousand.

To respond to the further expansion of its businesses in the future, the Company plans to relocate its head office from the current location in Roppongi, Minato-ku, Tokyo, to Minamiaoyama, Minato-ku, Tokyo in late August 2016.

Results by segment are as follows.

#### a. Affiliate Marketing Service

During the first quarter of the consolidated fiscal year under review, ad distribution mainly in the travel, job and beauty sectors remained brisk although certain advertisers in the financial sector maintained the stance of pursuing operational efficiency. As a result, this segment attained revenue of JPY 3,818,063 thousand (up 6.4 % Y/Y) and segment operating income of JPY 613,570 thousand (up 5.5% Y/Y).

#### b. Storematch Services

During the first quarter of the consolidated fiscal year under review, services for stores run within Yahoo! Shopping remained steady performance. As a result, this segment attained revenue of JPY 374,948 thousand (up 15.6 % Y/Y) and segment operating income of JPY 50,729 thousand (up 69.0 % Y/Y).

#### c. Ad Network Services

During the first quarter of the consolidated fiscal year under review, the Company unified the two platforms AdLantis, which it had acquired in the preceding fiscal year, and ADPRESSO, which it developed in house, in February 2016, in an effort to strengthen its distribution capability. It also took aggressive measures to expand the media network, a recipient of ad distribution. As a result, this segment attained revenue of JPY 152,350 thousand (segment revenue of JPY 1,819 thousand for the same period in the preceding fiscal year) (including inter-segment revenue of JPY 537 thousand) and segment operating loss of JPY 123,499 thousand (segment operating loss of JPY 65,291 thousand for the same period in the preceding fiscal year).

#### d. Other

The reporting segment comprises new businesses, including the R∞ (R Eight) marketing automation services, the O2O Service and the Media Service.

During the first quarter of the consolidated fiscal year under review, the Company recorded an amortization of goodwill related to the inclusion of DIGIMIHO which provides the R∞, marketing automation services, in its consolidated subsidiaries, and the acquisition of shares of the relevant subsidiary. Mainly as a result of the above, this segment attained revenue of JPY 191,825 thousand (including inter-segment revenue of JPY 12,718 thousand) (segment revenue of JPY 17,854 thousand for the same period in the preceding fiscal year including inter-segment revenue of JPY 5,096 thousand) and segment operating loss of JPY 191,045 thousand (segment operating loss of JPY 86,905 thousand for the same period in the preceding fiscal year).

### (2) Information about Financial Position

#### 1. The status of assets, liabilities and net assets

##### (Assets)

At the end of the first quarter of the consolidated fiscal year under review, total assets stood at JPY 10,094,894 thousand, decreased by JPY 30,531 thousand from the end of the preceding consolidated fiscal year.

Current assets stood at JPY 7,148,308 thousand, decreased by JPY 295,029 thousand from the end of the preceding consolidated fiscal year, mainly due to decrease in cash and deposits of JPY 389,994 thousand and an increase in notes and accounts receivable- trade of JPY 94,987 thousand and in accounts receivable- other of JPY 20,792 thousand.

Noncurrent assets stood at JPY 2,946,586 thousand, increased by JPY 264,498 thousand from the end of the preceding consolidated fiscal year, mainly due to an increase in security deposits of JPY 243,108 thousand.

(Liabilities)

At the end of the first quarter of the consolidated fiscal year under review, total liabilities stood at JPY 3,875,988 thousand, decreased by JPY 4,682 thousand from the end of the preceding consolidated fiscal year.

Current liabilities stood at JPY 3,794,775 thousand, decreased by JPY 1,071 thousand from the end of the preceding consolidated fiscal year, mainly due to a decrease in income taxes payable of JPY 238,301 thousand and an increase in accounts payable- trade of JPY 128,294 thousand and in accounts payable- other of JPY 69,929 thousand.

Noncurrent liabilities stood at JPY 81,212 thousand, decreased by JPY 3,610 thousand from the end of the preceding consolidated fiscal year, mainly due to a decrease in guaranteed deposits received of JPY 3,186 thousand.

(Net assets)

At the end of the first quarter of the consolidated fiscal year under review, net assets stood at JPY 6,218,906 thousand, decreased by JPY 25,848 thousand from the end of the preceding consolidated fiscal year, mainly due to an increase in retained earnings of JPY 157,283 thousand resulting from net income attributable to owners of the parent despite a decrease in retained earnings of JPY 199,371 thousand resulting from cash dividend payment.

## 2. Cash Flows

At the end of the first quarter of the consolidated fiscal year under review, the balance of cash and cash equivalents stood at JPY 3,808,807 thousand, decreased by JPY 389,994 thousand from the end of the preceding consolidated fiscal year.

The cash flows during the first quarter of the consolidated fiscal year under review and their causes are as follows.

(Operating Cash Flows)

Net cash generated by operating activities amounted to JPY 177,830 thousand (compared to net cash of JPY 11,709 thousand used in the preceding first quarter), mainly due to income before income taxes of JPY 282,971 thousand. Positive factors include an increase in depreciation of JPY 49,640 thousand, amortization of goodwill of JPY 51,451 thousand, account payable- trade of JPY 128,294 thousand and account payable- other of JPY 56,217 thousand. Negative factors include income taxes paid of JPY 365,308 thousand, an increase in account receivable- trade of JPY 94,974 thousand.

(Investing Cash Flows)

Net cash used for investing activities amounted to JPY 357,405 thousand (compared to net cash of JPY 245,245 thousand used in the preceding first quarter), mainly due to payment for security deposits of JPY 243,228 thousand and in purchase in property, plant and equipment and in intangibles assets of JPY 26,953 thousand and JPY 85,879 thousand, respectively.

(Financing Cash Flows)

Net cash used for financing activities amounted to JPY 210,124 thousand (compared to net cash of JPY 193,843 thousand used in the preceding first quarter), mainly due to cash dividend paid of JPY 195,092 thousand.

## (3) Information about Consolidated Financial Forecasts

The consolidated financial forecast has not changed from the Consolidated Financial Forecasts for FY 2016 announced in the Financial Results (Consolidated) for Fiscal Year 2015 on January 29, 2016.

## 2. Summary Information (Note)

(1) Significant changes in scope of consolidation during this year

Not applicable

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting principles, accounting estimates and restatement

Changes in accounting principles

(Application of the Accounting Standard for Business Combinations, etc.)

From the first quarter of the consolidated fiscal year under review, the Company is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013). With the application of these accounting standards, the Company has changed the presentation of net income and changed the presentation of "Minority interests" to "Non-controlling interests." To reflect these changes, changes have been made in the consolidated financial statements for the preceding first quarter of the consolidated fiscal year and for the preceding consolidated fiscal year.

3. Earnings Results for the First Quarter  
(1) Consolidated Balance Sheet

	(Thousand yen)	
	As of December 31, 2015	As of March 31, 2016
(Assets)		
Current assets		
Cash and deposits	4,198,801	3,808,807
Notes and accounts receivable- trade	2,452,495	2,547,483
Deferred tax assets	29,510	27,374
Accounts receivable- other	706,639	727,431
Other current assets	57,284	38,536
Allowance for doubtful accounts	Δ1,392	Δ1,324
Current assets in total	7,443,338	7,148,308
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities, net	581	—
Tools, instruments and fixtures, net	49,881	65,359
Leased assets, net	1,866	1,485
Other property, plant and equipment	804	—
Property, plant and equipment in total	53,132	66,844
Intangible assets		
Software	464,417	470,974
Software in progress	1,112	40,577
Goodwill	983,282	931,831
Other intangible assets	44,400	42,607
Intangible assets in total	1,493,212	1,485,990
Investments and other assets		
Investment securities	1,093,208	1,114,146
Security deposits	1,511	244,620
Deferred tax assets	34,561	31,246
Other investments	6,690	3,967
Allowance for doubtful accounts	Δ230	Δ230
Investments and other assets in total	1,135,741	1,393,750
Noncurrent assets in total	2,682,087	2,946,586
Total assets	10,125,425	10,094,894

(Thousand yen)

	As of December 31, 2015	As of March 31, 2016
(Liabilities)		
Current liabilities		
Accounts payable- trade	2,075,456	2,203,750
Accounts payable- other	1,159,636	1,229,565
Income taxes payable	373,758	135,457
Provision for bonuses	—	61,450
Other current liabilities	186,995	164,551
Current liabilities in total	3,795,847	3,794,775
Noncurrent liabilities		
Guarantee deposits received	82,713	79,527
Other noncurrent liabilities	2,109	1,684
Noncurrent liabilities in total	84,823	81,212
Liabilities in total	3,880,670	3,875,988
(Net assets)		
Shareholders' equity		
Capital stock	1,728,266	1,728,266
Capital surplus	1,088,466	1,088,558
Retained earnings	3,583,308	3,541,220
Treasury stock	△199,691	△199,659
Shareholders' equity in total	6,200,350	6,158,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△3,740	12,835
Foreign currency translation adjustment	△447	△657
Accumulated other comprehensive income in total	△4,188	12,178
Subscription rights to shares	48,593	48,342
Net assets in total	6,244,755	6,218,906
Liabilities and net assets	10,125,425	10,094,894

## (2) Consolidated Statement of Income and Comprehensive Income

(Thousand yen)

	First Quarter ended March 31, 2015 (Jan. 1 to Mar. 31, 2015)	First Quarter ended March 31, 2016 (Jan. 1 to Mar. 31, 2016)
Revenue	3,928,326	4,523,932
Cost of revenue	2,926,842	3,521,997
Gross profit	1,001,484	1,001,935
Selling, general and administrative expenses	620,981	745,922
Operating income	380,503	256,012
Non-operating income		
Equity in earnings of an affiliate	47,597	12,521
Operating gains on investment in partnership	35,351	—
Insurance income	—	45,705
Others	5,357	4,183
Non-operating income in total	88,306	62,409
Non-operating expenses		
Operating losses on investment in partnership	—	17,068
Others	109	2,238
Non-operating expenses in total	109	19,306
Ordinary income	468,700	299,115
Extraordinary losses		
Expense on head office relocation	—	16,143
Impairment losses	9,119	—
Extraordinary losses in total	9,119	16,143
Income before income taxes	459,580	282,971
Income taxes- current	149,060	127,683
Income taxes- deferred	8,919	△1,995
Income tax in total	157,979	125,688
Net income	301,600	157,283
(Break Down)		
Net income attributable to owners of the parent	301,600	157,283
Net income attributable to non-controlling interests	—	—
Other comprehensive income		
Valuation difference on available-for-sale securities	31,994	16,575
Foreign currency translation adjustment	△41	△209
Other comprehensive income in total	31,952	16,366
Comprehensive income	333,553	173,650
(Break Down)		
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	333,553	173,650
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statement of Cash Flow

(Thousand Yen)

	First Quarter ended March 31, 2015 (Jan. 1 to Mar. 31, 2015)	First Quarter ended March 31, 2016 (Jan. 1 to Mar. 31, 2016)
Operating cash flows		
Income before income taxes	459,580	282,971
Depreciation and Amortization	35,911	49,640
Amortization of goodwill	—	51,451
Stock based compensation expense	7,589	—
Increase (decrease) in allowance for doubtful accounts	△820	△68
Interest income	△395	△394
Interest expenses	25	42
Foreign exchange losses (gains)	14	85
Equity in losses (earnings) of an affiliate	△47,597	△12,521
Operating losses (gains) on investment in partnership	△35,351	17,068
Expense on head office relocation	—	16,143
Decrease (increase) in note and accounts receivable- trade	△195,317	△94,974
Increase (decrease) in accounts payable- trade	91,546	128,294
Decrease (increase) in accounts receivable- other	△88,295	△20,792
Increase (decrease) in accounts payable- other	62,225	56,217
Increase (decrease) in deposits received	△4,200	3,855
Increase (decrease) in guaranteed deposit received	△5,600	△3,186
Others, net	△44,823	68,953
Subtotal	234,492	542,786
Interest and dividends income received	395	394
Interest expense paid	△25	△42
Head office relocation expense paid	△29,808	—
Income taxes paid	△216,763	△365,308
Operating cash flows	△11,709	177,830
Investing cash flows		
Purchase in property, plant and equipment	△12,745	△26,953
Purchase in intangible assets	△29,148	△85,879
Payment for investment securities	—	△1,463
Proceeds from distribution of investment in partnership	52,984	—
Proceeds from collection in security deposits	93,774	119
Payment for security deposits	△110	△243,228
Payment for business acquisition	△350,000	—
Investing cash flows	△245,245	△357,405
Financing cash flows		
Proceeds from disposal of treasury stock	—	92
Repayment of long-term loans payable	—	△14,700
Cash dividend paid	△193,425	△195,092
Others	△417	△424
Financing cash flows	△193,843	△210,124
Effect of exchange rate change on cash and cash equivalents	△55	△295
Net increase (decrease) in cash and cash equivalents	△450,853	△389,994
Beginning balance of cash and cash equivalents	4,742,365	4,198,801
Ending balance of cash and cash equivalents	4,291,511	3,808,807



(4)Notes to Quarterly Consolidated Financial Statement  
(Notes on the Going Concern Premise)  
Not applicable.

(Note if There Is a Considerable Change to Shareholders' Equity)  
Not applicable.

(Segment Information)  
Segment Information

1. For the first quarter of the Fiscal 2015 (Jan. 1 to Mar. 31, 2015)

1. Information on the amount of sales, profit/loss by reporting segment

(Thousand yen)

	Reporting segment					Adjustment (Note 1.2)	Amount on consolidated financial statements (Note 3)
	Affiliate Marketing Service	Storematch Service	Ad Network Service	Other	Total		
Revenue							
Revenue to clients	3,589,372	324,376	1,819	12,758	3,928,326	—	3,928,326
Inter-segment revenue	—	—	—	5,096	5,096	Δ5,096	—
Total revenue	3,589,372	324,376	1,819	17,854	3,933,423	Δ5,096	3,928,326
Segment operating income/loss	581,360	30,020	Δ65,291	Δ86,905	459,184	Δ78,681	380,503

(Note) 1. The deduction of JPY Δ5,096 thousand listed as an adjustment to inter-segment revenue is offsets among segment.

2. The deduction of JPY Δ78,681 thousand listed as an adjustment to segment operating income is corporate expenses not allocated to any reporting segment.

3. Segment operating income/loss is adjusted to operating income in the consolidated financial statement.

2. Information on impairment loss of noncurrent assets, goodwill, etc. by reportable segment

(Material impairment loss of noncurrent assets)

Not applicable.

(Material change in goodwill)

In Ad Network Service, goodwill is included as the Company acquired "AdLantis", ad network business of Glossom, Inc. Increased amount of goodwill is JPY 304,923 thousand for the first quarter of the consolidated fiscal year.

(Material gain on negative goodwill)

Not applicable.

2. For the first quarter of the Fiscal 2016 (Jan. 1 to Mar. 31, 2016)

1. Information on the amount of sales, profit/loss by reporting segment

(Thousand yen)

	Reporting segment					Adjustment (Note 1.2)	Amount on consolidated financial statements (Note 3)
	Affiliate Marketing Service	Storematch Service	Ad Network Service	Other	Total		
Revenue							
Revenue to clients	3,818,063	374,948	151,813	179,106	4,523,932	—	4,523,932
Inter-segment revenue	—	—	537	12,718	13,256	Δ13,256	—
Total revenue	3,818,063	374,948	152,350	191,825	4,537,188	Δ13,256	4,523,932
Segment operating income/loss	613,570	50,729	Δ123,499	Δ191,045	349,754	Δ93,741	256,012

(Note) 1. The deduction of JPY Δ13,256 thousand listed as an adjustment to inter-segment revenue is offsets among segment.

2. The deduction of JPY Δ93,741 thousand listed as an adjustment to segment operating income is corporate expenses not allocated to any reporting segment.

3. Segment operating income/loss is adjusted to operating income in the consolidated financial statement.

2. Information on impairment loss of noncurrent assets, goodwill, etc. by reportable segment

(Material impairment loss of noncurrent assets)

Not applicable.

(Material change in goodwill)

Not applicable.

(Material gain on negative goodwill)

Not applicable.

3. Changes related to reporting segments

To assess results in each reporting segment more appropriately, the Company has reviewed its allocation rules mainly for general and administrative expenses, among other rules, and has changed its method for calculating profit and loss in each reporting segment. The changes are applied from the first quarter of the consolidated fiscal year under review.

The segment information for the preceding first quarter is prepared under the revised calculation method.