



BayCurrent
Consulting

Be Excellent

Financial Results Presentation for 2nd Quarter of FY February 2017

24 October, 2016
BayCurrent Consulting, Inc.

1. Financial Review for 2nd Quarter of FY February 2017

2. Recent Activities

3. Growth Strategies and Forecasts

Financial Results for 2nd Quarter of FY February 2017*

Financial Results for 2nd Quarter of FY Feb.2017 (JPY million)

Year-to-year Comparison

Explanation

Financial Results for 2nd Quarter of FY Feb. 2016 (JPY million)

Diff. (%)

Sales Amount

8,729

7,625

114.5

- Highly value-added business
- Sales growth by increased personnel

Operating Profit (Operating Profit Margin)

1,861
(21%)

1,561
(20%)

119.2

- Improved gross margin ratio

* Based on IFRS

Status of Balance Sheet*

(JPY million)

	<u>2nd Quarter of FY Feb. 2017</u>	<u>2nd Quarter of FY Feb. 2016</u>	<u>Diff.</u>
Current Assets	4,456	4,445	11

Noncurrent Assets	20,821	20,935	(114)

Total Assets	25,277	25,381	(103)

Current Liabilities	3,905	4,512	(607)

Noncurrent Liabilities	9,183	9,896	(713)

Total Liabilities	13,088	14,408	(1,320)

Total Capital	12,189	10,973	1,216

* Based on IFRS

Results by Segment*

(JPY million)

	Typical Support Areas	1st half of FY Feb. 2017	1st half of FY Feb. 2016
Strategy / Operation (Business Process) Consulting	<ul style="list-style-type: none"> • New business strategy development/ implementation • Overseas strategy development/promotion of expansion • M&A strategy development/ implementation • Operation integration(Post merger integration) • Organization/ personnel design and introduction • Leadership training • Operation improvement • Governance/ management design execution 	1,777	1,656
IT Consulting	<ul style="list-style-type: none"> • IT strategy development/ implementation • IT integration strategy development/ corporate IT evaluation / implementation • IT cost Optimization • PMO 	4,810	3,678
SI (System Integration)	<ul style="list-style-type: none"> • System design/ requirement definition • Application design/ development, IT infrastructure design/development • Data migration plan development/ implementation • Operation design/ implementation 	2,142	2,291
Total		8,729	7,625

*Based on IFRS

Status of Cash Flow*

(JPY million)

	<u>1st half of FY Feb. 2017</u>	<u>1st half of FY Feb. 2016</u>	<u>Diff.</u>
Net Cash Flows from Operating Activities	645	862	(217)
Net Cash Flows from Investing Activities	(51)	(23)	(28)
Net Cash Flows from Financing Activities	(725)	(677)	(48)
Net Increase (Decrease) in Cash and Cash Equivalents	(131)	162	(293)
Cash and Cash Equivalents at Beginning of the Year	2,209	1,621	588
Cash and Cash Equivalents at End of August	2,078	1,782	295

* Based on IFRS

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BayCurrent boasts extraordinarily large client platform, especially in finance / high-tech / telecommunication / media industries.

Finance	High-tech/ telecommunication/ media	Others
<ul style="list-style-type: none"> • Banks <ul style="list-style-type: none"> – Megabanks – Foreign banks • Leading Brokerage firms • Life Insurance Companies <ul style="list-style-type: none"> – Leading insurance companies – Foreign insurance companies • Property and Casualty Insurance Companies <ul style="list-style-type: none"> – Leading P&C insurance companies – Foreign P&C insurance companies • Nonbanking Financial Groups • Leading Credit Card Companies • Government-affiliated Financial Institution/ Central Bank • Leading PE Funds 	<ul style="list-style-type: none"> • High-tech Manufacturers <ul style="list-style-type: none"> – Leading electronic manufacturers – Leading OA equipment manufacturers – Leading IT related manufacturers • Leading Telecommunication Companies • IT Operators <ul style="list-style-type: none"> – Leading EC operators – Leading social media operators • Mass-communication/ Entertainment <ul style="list-style-type: none"> – Leading entertainment companies – Leading game companies – Leading mass-communication companies – Leading publishers 	<ul style="list-style-type: none"> • Manufacturers <ul style="list-style-type: none"> – Automakers – Auto parts manufacturers – Leading heavy industrial manufacturers • Consumables/ Distributors <ul style="list-style-type: none"> – Leading consumables manufacturers – Wholesale/ retail/ department stores – Leading SPA • Leading General Trading Companies • Health-Care <ul style="list-style-type: none"> – Leading pharmaceutical manufacturers – Medical equipment manufacturers • Utility • Central Government Ministries

Project Cases by Segment

BayCurrent seeks highly value-added services in each of strategy / operation / IT and SI service areas.

	Finance	High-tech/ Telecommunication/ Media	Manufacturing/ Distribution	Public/ Others
Strategy Consulting	<ul style="list-style-type: none"> • Business portfolio • M&A • Alliance • Channel strategy • Fintech business strategy • BCM* 	<ul style="list-style-type: none"> • IoT/PF business strategy • M&A(especially overseas) • Alliance • ASEAN/ Emerging countries strategy • B2B business strategy • R&D strategy 	<ul style="list-style-type: none"> • New business strategy • M&A(especially overseas) • Global management • ASEAN/ Emerging countries strategy • R&D • PLM* 	<ul style="list-style-type: none"> • New business strategy • Business management • Facility management • ASEAN strategy • Policy making/ implementation support • Investment plan development
Operation Consulting	<ul style="list-style-type: none"> • Post merger integration • Operation restructuring <ul style="list-style-type: none"> - sales, contracting process - channel sales enhancement - store operation - Operation cost optimization • Business incorporation/ organization launch support 	<ul style="list-style-type: none"> • Tie-up negotiation /collaboration advancement • Post merger integration • Marketing support <ul style="list-style-type: none"> - enhancing promotion/sales - bigdata utilization • Cost optimization 	<ul style="list-style-type: none"> • Commercialization/ expansion promotion • Globalization support <ul style="list-style-type: none"> - global sourcing - process standardization • Administrative accounting design/ implementation • R&D process reform • Compliance 	<ul style="list-style-type: none"> • Operation restructuring <ul style="list-style-type: none"> - over-the-counter services reform - field operation streamlining - maintenance operation reform • Marketing enhancement <ul style="list-style-type: none"> - bigdata analysis • Cost optimization by procurement improvement
Organizational diagnosis, Personnel strategy, Leader evaluation/ development training				
IT Consulting •SI	<ul style="list-style-type: none"> • IT integration after M&A • PMO • IT BCP/DR • Big data • Security measures • Fintech operation • IT cost optimization • Large-sized IT infrastructure 	<ul style="list-style-type: none"> • IT DD*, PMI • Overseas datacenter launch • PMO • Big data • Security measures • IT cost optimization • Global IT infrastructure design • Large-sized IT infrastructure 	<ul style="list-style-type: none"> • Management system • IT DD*, PMI • Global IT <ul style="list-style-type: none"> - global IT organization - IT architecture • Big data • Security measures • IT cost optimization 	<ul style="list-style-type: none"> • Company-wide IT reforming support • PMO of Large-sized public system <ul style="list-style-type: none"> - central government • Big data • Security measures • IT cost optimization • Infrastructure restructuring

* Product Liability Management, Business Continuity Management, Program Management Office, Due Diligence (Corporate Evaluation)

BayCurrent makes a difference by offering highly value-added services more reasonably and flexibly.

- Comprehensively cross-domain knowledge from strategy to IT services
- Flexible and quick response to the needs of clients
- Hands-on support style
- Lean Operation
 - Small and highly integrated headquarters and sales division functions
 - No royalties to headquarters



- Highly competitive value for money services
- Extraordinarily large client platform
- High repeat rate of customers

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Strategic growth fields are 1) Domestic existing market, 2) Overseas market, 3) New business around consulting.

Strategic Growth Fields

Approaches

1) (Domestic Existing Market)
seeking highly value-added businesses,
and growing to a top general consulting
firm



- To enhance employing talented personnel and development(English, skills, etc.)
- To enhance sharing and capitalizing knowledge
- To enrich proposal and delivery(teaming)

2) (Overseas Market) growing to a global
consulting firm from Asia
– Support overseas expansion of
Japanese firms
– Support local firms



- To expand overseas bases
 - Asia(south-eastern/eastern/southern), U.S., Europe
 - Employ and develop local most talented personnel
 - Expand local networks

3) (Business around consulting)
capitalizing BC's strengths and client
platform
– Use know-how on creating
ecosystems and new businesses
– Use technological capabilities

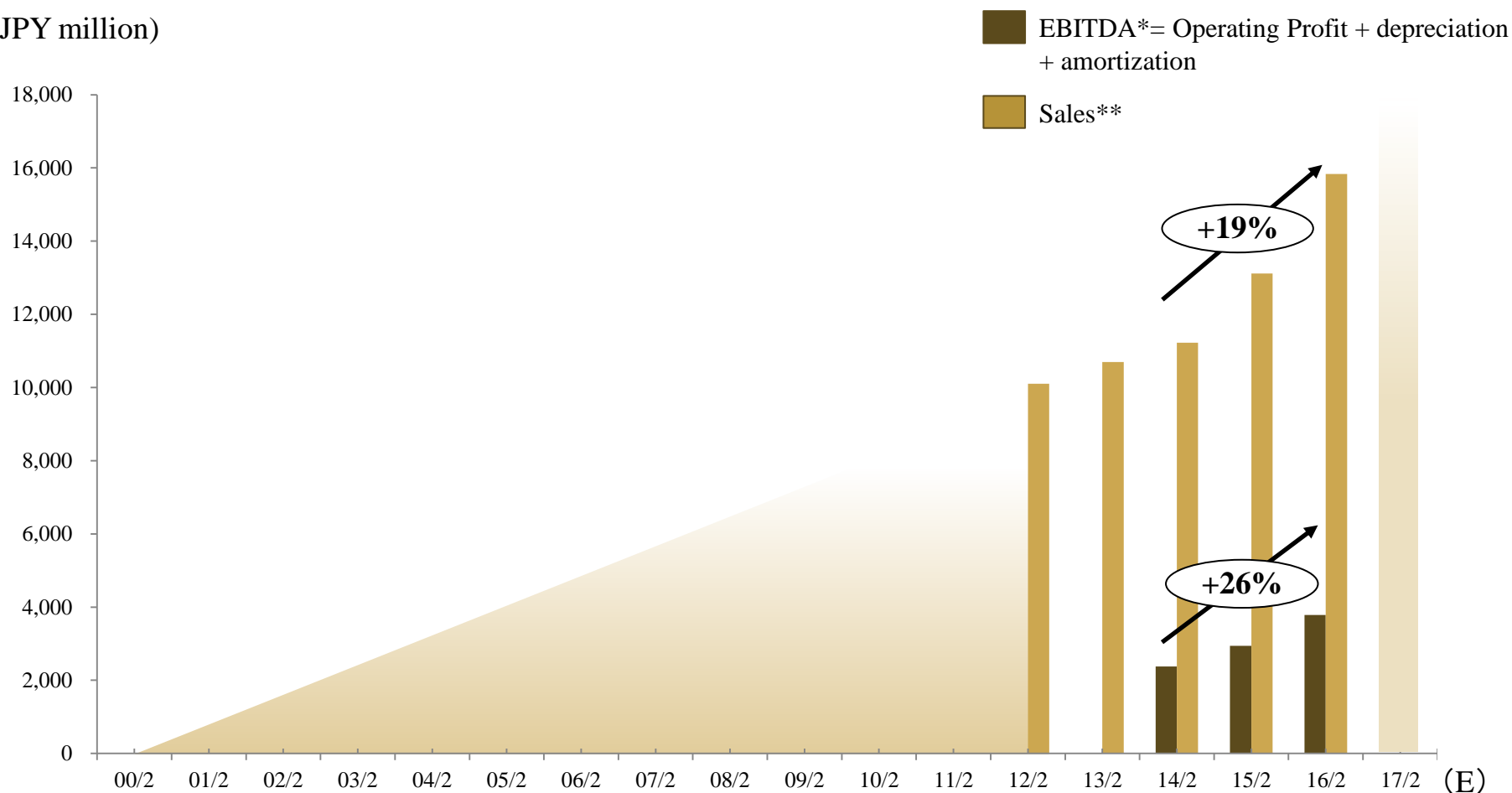


- To promote collaborations with market leading companies and aim to develop new business models in such areas as
 - Digital marketing
 - Fintech

Transition of Sales and Forecasts

BayCurrent achieved sales growth of CAGR 19% in last 3 years, and is expected its high earning capacity.

(JPY million)



* rewards for Board of Directors already left office had been added until term 15/2

** Based on IFRS

Implementation of demonstration experiment using blockchain technology with Autobacs Seven Co., Ltd.

Press release by Autobacs Seven
9 Aug., 2016

“Nihon Keizai Shimbun”
13 Sep., 2016 morning edition



クルマのことなら オートバックス

NEWS RELEASE

株式会社オートバックスセブン

2016年8月9日

ブロックチェーン技術を活用した実証実験の開始

～中古カー用品の個人間売買の実現可能性を検証～

株式会社オートバックスセブン（代表取締役：小林善夫氏、以下オートバックス）は、株式会社ベイカレント・コンサルティング（代表取締役：萩平和氏、以下ベイカレント）と共同で、ブロックチェーン技術を活用した個人間売買プラットフォームを構築し、中古カー用品の個人間売買の実現可能性を検証する実証実験を開始いたしました。

同社はブロックチェーン技術の先進性に目直し、オートバックスの事業展開において本技術を活用できないか検討してきました。その結果、ブロックチェーン技術によって実現される高いセキュリティに裏打ちされた真正性の担保、コストメリットを期待できる履歴データ管理等の機能を生かし、本技術を活用した個人間の物品売買プラットフォームを独自に構築し、中古カー用品の個人間売買サービスを提供することを目指すこととしました。

従来の中古カー用品の個人間売買サービスでは、各商品の信頼性については基本的に売却希望者からの情報提供に頼ってきました。本サービスでは、改ざんが困難なブロックチェーン上で各商品の購入日、所有者データを管理し、それらを購入希望者に一部開示することで信頼性の高い取引環境をユーザーに提供します。さらに本サービスを展開することで、各商品が販売されてから廃棄されるまで、その所有者等が追跡可能となるため、不法投棄等の社会問題の解決につながる可能性も期待されます。

実証実験の対象となる中古カー用品の個人間売買サービスのイメージは以下の通りです。

① 新品を販売して、取り付け



④ 廃棄する

② 個人間での売買マッチング



③ 点検して、取り付ける

なお、本サービスで売買される中古カー用品は、タイヤ、ホイール、カーナビ、チャイルドシート、マフラー等のスポーツパーツ等、カー用品店で販売されている主要なアフターパーツを対象とすることを想定しています。また、オートバックスは本サービスで売買されるアフターパーツの取り外し、取り付けサービスも併せて提供することを検討しています。

今回の実証実験では、オートバックスが中古カー用品を個人間で売買可能とするプラットフォームが満たすべきビジネス上の要件を取りまとめ、それに基づきベイカレントが一部機能のシステム構築を通じてブロックチェーン技術での本サービスの有効性を検証します。

（次ページへ続きます）



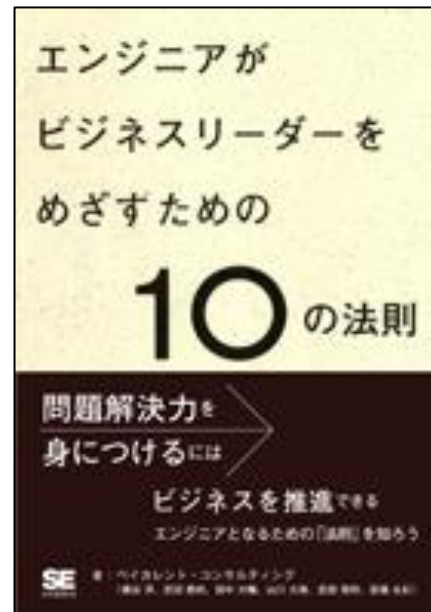
Offering information through periodic publication of books.

“How to Develop Innovative IT Organization to Win Out in Digital Revolution Era”
Nikkei Business Publications, Inc.



(Published on 7 Dec., 2015)

“The law of 10 for engineers aims to business leaders”
Shoeisha Co., Ltd.



(Published on 20 Jul., 2016)

“Digital Transformation”
Nikkei Business Publications, Inc.



(Published on 16 Sep., 2016)

