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 Fiscal Year Ending September 30, 2018 〔Japanese Standards〕（Consolidated）

October 31, 2018

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

Scheduled date of Annual General Meeting of Shareholders: December 8, 2018
Scheduled starting date of the dividend payments: November 26, 2018
Scheduled date to file Securities Report: December 10, 2018
Availability of supplementary information: Yes
Holding of quarterly investors' meeting: Yes
(For security analysts and institutional investors)

(Rounded down to million yen)

1. Consolidated Financial Results for the fiscal year ended September 30, 2018 (October 1, 2017 – September 30, 2018)

(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	%
Year ended September 30, 2018	28,518	10.1	1,420	(21.4)	1,431	(23.1)	1,117	(3.8)
Year ended September 30, 2017	25,895	24.2	1,806	5.0	1.861	49.4	1,161	58.7

(Note) Comprehensive Income: Year ended September 30, 2018 : ¥ 1,212million (28.0%)
Year ended September 30, 2017 : ¥ 1,684million 240.6%

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	¥	¥	%	%	%
Year ended September 30, 2018	93.58	91.65	13.6	8.8	5.0
Year ended September 30, 2017	96.90	93.53	16.6	13.2	7.0

(Reference) Equity in net losses of affiliated companies: Year ended September 30, 2018 : ¥ (104)million
Year ended September 30, 2017 : ¥ (28) million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	Yen
Year ended September 30, 2018	16,794	8,777	50.8	717.22
Year ended September 30, 2017	15,775	8,113	49.8	644.62

(Reference) Owned capital: September 30, 2018 8,527 million yen
September 30, 2017 7,860 million yen

(3) Consolidated cash flows

	Net cash flows from (used in) operating activities	Net cash flows from (used in) investing activities	Net cash flows from (used in) financing activities	Cash and cash equivalents at the end of the year
	¥million	¥million	¥million	¥million
Year ended September 30, 2018	602	200	(568)	5,679
Year ended September 30, 2017	3,184	(1,002)	105	5,445

2. Dividend status

	Annual dividends					Total amount of dividends(total)	Payout ratio (consolidated)	Dividend-to-net asset ratio (consolidated)
	1Q end	2Q end	3Q end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	¥million	%	%
Year ended September 30, 2017	—	0.00	—	15.00	15.00	182	15.5	2.6
Year ended September 30, 2018	—	0.00	—	15.00	15.00	178	16.2	2.2
Year ending September 30, 2019 (Forecast)	—	—	—	—	—		—	

As stated in the notice entitled "Management Integration between VOYAGE GROUP, INC. and Cyber Communications Inc." that was released today, the Company plans to conduct a management integration with Cyber Communications Inc. as of January 1, 2019. Accordingly, the dividend forecast for the next fiscal year is unconfirmed. The Company will announce the dividend forecast as soon as a decision is made.

3. Forecast of Consolidated Financial Results for the fiscal year ending September 30, 2019 (October 1, 2018 — September 30, 2019)

As stated in the notice entitled "Management Integration between VOYAGE GROUP, INC. and Cyber Communications Inc." that was released today, the Company plans to conduct a management integration with Cyber Communications Inc. as of January 1, 2019. Since it is difficult to reasonably calculate the impact of the management integration at this point, the outlook for the next fiscal year is unconfirmed. The Company will announce the outlook as soon as the disclosure of financial results forecasts becomes possible.

※ Notes

(1) Changes in significant subsidiaries during the period : None
(Change of specified subsidiaries that lead to a change in the scope of consolidation)

(2) 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 : Yes
2) Changes in accounting policy other than above : None
3) Changes in accounting estimates : None
4) Retrospective restatements : None

(3) Number of shares issued (common stock)

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

Year ended September 30, 2018	11,890,346	Year ended September 30, 2017	12,293,300

2) Number of treasury stock issued and outstanding

Year ended September 30, 2018	—	Year ended September 30, 2017	100,047

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

Year ended September 30, 2018	11,939,703	Year ended September 30, 2017	11,986,387

(Reference) Summary of Financial Results (Non-Consolidated)

Results of the fiscal year ended September 30, 2018 (from October 1, 2017 to September 30, 2018)

(1) Operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	¥million	%	¥million	%	¥million	%	¥million	%
Year ended September 30, 2018	3,319	8.7	63	(84.2)	(105)	—	(10)	—
Year ended September 30, 2017	3,054	(12.6)	404	(31.6)	497	(71.4)	525	(69.5)

	Net income per share	Diluted net income per share
	¥	¥
Year ended September 30, 2018	(0.85)	(0.83)
Year ended September 30, 2017	43.85	42.32

(2) Financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	¥million	¥million	%	¥
Year ended September 30, 2018	13,982	4,737	33.9	398.23
Year ended September 30, 2017	14,106	5,321	37.7	436.35

(Reference) Equity capital: As of September 30, 2018 ¥ 4,735million, As of September 30, 2017 ¥ 5,320million

※ Notice regarding audit procedures

This financial result is excluded from audit procedures.

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

(Note on forward - looking statements)

Earnings forecasts and other forward-looking statements in this report are based on information currently available and certain assumptions judged to be reasonable. Therefore, these statements do not constitute a guarantee of achievement. Actual results may differ materially for various reasons.

Please refer to the section of "1. Overview of Operating Results, etc. (4) Future Outlook" on page 7 of the attached documents.

(Supplementary materials)

Supplementary materials on quarterly financial results are on our website (in English and Japanese).

Attachment

Contents

1. Overview of Operating Results, etc.

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 fiscal year under review.

(1) Overview of Operating Results for the Fiscal Year under Review

With regard to the online advertising market where VOYAGE GROUP, Inc. (the "Company") and its consolidated subsidiaries and equity-method affiliates (collectively, the "Group") operates its mainstay business, according to research by Dentsu Inc., in 2017, internet advertising spending reached ¥1,509.4 billion, up 15.2% year on year, supported by growth of the performance-based advertising on mobile devices (Note 1.) and the video advertising. In addition, performance-based advertising costs rose 27.3% year on year to ¥940.0 billion, due to the fact that more advertisers are using data and technology as well as the spread of programmatic ad trading (Note 2.), 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.

As a result, despite posting net sales of ¥28,518 million in the fiscal year under review (up 10.1% year on year), the Group posted operating income of ¥1,420 million (down 21.4% year on year), and ordinary income of ¥1,431 million (down 23.1% year on year) due to a decrease in net sales resulting from a careful examination of client media in the Ad Platform segment conducted in the previous fiscal year. Profit attributable to owners of parent amounted to ¥1,117 million (down 3.8% year on year), since the Company sold part of the shares in logly, Inc., which had been an equity-method affiliate, and posted extraordinary income, including gain on sales of shares of subsidiaries and affiliates of ¥541 million.

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

1) Ad Platform Business

The Ad Platform segment mainly operates the SSP (Note 3.) "fluct" and the service for advertisers "Zucks". With the rapid spread of programmatic ad 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. In addition, "Zucks" was robust as the Group enhanced its services and functions, while capturing demand of clients.

However, streamlining of client media conducted at "fluct" in the previous fiscal year resulted in a decline in sales, and the Ad Platform segment recorded sales of ¥19,259 million in the fiscal year under review (up 5.2% year on year), and segment income of ¥1,293 million (down 12.1% 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, mainly "EC Navi" and "PeX". In its own media, the Group has tackled a drastic restructuring, including enhancing the return of points to users and cutting costs, in order to achieve business growth over the medium- to long-term.

Consequently, the Points Media segment recorded sales of ¥6,870 million in the fiscal year under review (up 19.6% year on year), and segment income of ¥302 million (down 26.2% year on year) due to the increased share of sales from the point exchange business with lower profit margin despite a steady increase in sales from "EC Navi" and "PeX".

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 order to create businesses that will be a third pillar 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 as well as the online sales business of housework support services with Kajitaku Co., Ltd., an Aeon Group's subsidiary in the EC field, develops FinTech related business in the FinTech field, and develops 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. On the other hand, expenses increased due to increasing the number of personnel in the Incubation Business, which is a growth field, with an aim of optimizing the allocation of personnel within the Group.

Consequently, the Incubation segment recorded sales of ¥2,592 million in the fiscal year under review (up 24.5% year on year), and segment loss of ¥175 million (segment loss of ¥75 million in the previous fiscal year).

(Notes)

1. 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 (mechanisms 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, 2015, Dentsu Inc.)
2. Programmatic ad 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.
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) Overview of Financial Position for the Fiscal Year under Review

(Assets)

Consolidated assets as of the end of the fiscal year under review totaled ¥16,794 million, a ¥1,018 million increases from the end of the previous fiscal year, primarily due to increases in accounts receivable – trade and investment securities.

(Liabilities)

Consolidated liabilities as of the end of the fiscal year under review totaled ¥8,017 million, a ¥355 million increases from the end of the previous fiscal year, primarily due to increases in accounts payable – trade and deferred tax liabilities.

(Net Assets)

Consolidated net assets as of the end of the fiscal year under review totaled ¥8,777 million, a ¥663 million increases from the end of the previous fiscal year, primarily due to an increase in retained earnings from the recording of profit attributable to owners of parent offsetting a decrease in retained earnings resulting from acquisition and cancellation of treasury shares.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review (hereinafter “funds”) increased ¥234 million from the end of the previous fiscal year to ¥5,679 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 ¥602 million. The main positive factor was the recording of profit.

Net cash flows from investing activities

Net cash flows provided by investing activities amounted to ¥200 million. The main positive factors included proceeds from sales of investment securities, while the main negative factors included purchase of intangible assets and purchase of investment securities.

Net cash flows from financing activities

Net cash flows used in financing activities amounted to ¥568 million. The main negative factor was purchase of treasury shares.

(4) Future Outlook

As stated in the notice titled “Management Integration between VOYAGE GROUP, INC. and Cyber Communications Inc.” and “Notice regarding Capital and Business Alliance among VOYAGE GROUP, INC., Cyber Communications Inc. and DENTSU INC.” that were released today, VOYAGE GROUP, INC. and Cyber Communications Inc. plan to carry out a management integration as of January 1, 2019 (tentative) based on a spirit of equal partnership with the objective of forming a close alliance in the online advertising business domain to maximize their enterprise value. In addition, VOYAGE GROUP, INC., Cyber Communications Inc. and DENTSU INC. plan to carry out a capital and business alliance. For more information, see page 25, “3. Consolidated Financial Statements (5) Notes to Condensed Consolidated Financial Statements (Significant Subsequent Events).”

Since it is difficult to reasonably calculate the impact of the management integration at this point, the outlook for the next fiscal year is unconfirmed. The Company will promptly announce the outlook as soon as the disclosure of financial results forecasts becomes possible.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company considers the return of profits to shareholders an important management issue. Its basic policy on return to shareholders is to continuously pay dividends and flexibly purchase treasury shares, while endeavoring to raise medium- to long-term shareholder value through business growth and improved capital efficiency. The dividend amount will be determined based on a comprehensive review of consolidated financial results, financial health including nonconsolidated financing and internal reserves for future business expansion.

In accordance with the above basic policy, for the current fiscal year (fiscal year ended September 30, 2018), the Company plans to pay a dividend of ¥15 per share. As stated in the “Management Integration between VOYAGE GROUP, INC. and Cyber Communications Inc.” that was announced today, the dividend forecast for the next fiscal year (fiscal year ending September 30, 2019) is unconfirmed due to the Company’s plan to carry out a management integration with Cyber Communications Inc. as of January 1, 2019. The Company will announce the dividend forecast as soon as a decision is made.

2. Basic Stance on the Choice of Accounting Standards

The Group adopts Japanese accounting standards. The Group will make a decision on the adoption of International Financial Reporting Standards (IFRS) after considering the situation in Japan and overseas.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2017	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	5,445,367	5,679,809
Accounts receivable - trade	3,176,514	3,639,618
Supplies	245,116	472,122
Deferred tax assets	221,799	186,401
Other	489,269	746,878
Allowance for doubtful accounts	△253	△75
Total current assets	9,577,814	10,724,755
Non-current assets		
Property, plant and equipment		
Buildings	275,353	272,978
Accumulated depreciation	△206,581	△247,649
Buildings, net	68,772	25,329
Tools, furniture and fixtures	567,688	481,156
Accumulated depreciation	△433,415	△389,833
Tools, furniture and fixtures, net	134,272	91,323
Construction in progress	—	76,117
Total property, plant and equipment	203,044	192,770
Intangible assets		
Goodwill	1,677,726	1,468,564
Other	523,703	351,475
Total intangible assets	2,201,429	1,820,040
Investments and other assets		
Investment securities	3,263,013	3,558,911
Other	533,054	498,072
Allowance for doubtful accounts	△2,473	—
Total investments and other assets	3,793,594	4,056,983
Total non-current assets	6,198,068	6,069,793
Total assets	15,775,882	16,794,549

(Thousands of yen)

	As of September 30, 2017	As of September 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	2,387,667	2,549,450
Short-term loans payable	19,600	—
Current portion of long-term loans payable	389,992	489,988
Provision for point card certificates	2,751,226	2,837,684
Asset retirement obligations	—	50,736
Income taxes payable	640,216	295,364
Other	742,573	935,097
Total current liabilities	6,931,275	7,158,320
Non-current liabilities		
Long-term loans payable	555,564	498,912
Asset retirement obligations	50,736	—
Deferred tax liabilities	54,076	195,674
Other	70,400	164,300
Total non-current liabilities	730,776	858,886
Total liabilities	7,662,052	8,017,206
Net assets		
Shareholders' equity		
Capital stock	1,059,734	1,073,304
Capital surplus	978,241	1,063,308
Retained earnings	4,933,653	5,229,730
Treasury shares	△171,650	—
Total shareholders' equity	6,799,979	7,366,343
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,064,477	1,167,607
Foreign currency translation adjustment	△4,374	△5,955
Total accumulated other comprehensive income	1,060,103	1,161,652
Share acquisition rights	672	1,908
Non-controlling interests	253,075	247,438
Total net assets	8,113,830	8,777,342
Total liabilities and net assets	15,775,882	16,794,549

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

(Thousands of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Net sales	25,895,253	28,518,303
Cost of sales	17,880,575	20,355,825
Gross profit	8,014,677	8,162,478
Selling, general and administrative expenses	※1 6,208,178	※1 6,742,111
Operating profit	1,806,499	1,420,367
Non-operating income		
Interest income	788	1,174
Dividend income	16,125	12,013
Foreign exchange gains	66,613	−
investment dividend	−	137,451
Other	9,478	11,654
Total non-operating income	93,006	162,294
Non-operating expenses		
Interest expenses	6,568	4,468
Foreign exchange losses	−	15,010
Loss on investments in partnership	−	20,714
Share of loss of entities accounted for using equity method	28,946	104,053
Other	2,203	6,608
Total non-operating expenses	37,718	150,855
Ordinary profit	1,861,787	1,431,805
Extraordinary income		
Gain on sales of investment securities	201,950	22,297
Gain on sales of shares of subsidiaries and associates	78,674	541,348
Gain on change in equity	−	80,184
Total extraordinary income	280,624	643,829
Extraordinary losses		
Loss on valuation of investment securities	3,002	28,602
Loss on retirement of non-current assets	−	28,937
Impairment loss	※2 255,053	※2 98,829
Loss on step acquisitions	−	36,936
Other	24,966	1,779
Total extraordinary losses	283,021	195,085
Profit before income taxes	1,859,389	1,880,549
Income taxes - current	702,689	633,160
Income taxes - deferred	7,645	136,581
Total income taxes	710,334	769,742
Profit	1,149,055	1,110,807
Loss attributable to non-controlling interests	△12,543	△6,516
Profit attributable to owners of parent	1,161,598	1,117,324

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Profit	1,149,055	1,110,807
Other comprehensive income		
Valuation difference on available-for-sale securities	529,177	103,130
Foreign currency translation adjustment	4,797	―
Share of other comprehensive income of entities accounted for using equity method	1,457	△1,581
Total other comprehensive income	535,433	101,548
Comprehensive income	1,684,488	1,212,356
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,697,038	1,218,872
Comprehensive income attributable to non-controlling interests	△12,549	△6,516

(3) Consolidated Statements of Changes in Equity

Year ended September 30, 2017

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,000,786	931,499	3,890,585	△171,537	5,651,333
Changes of items during period					
Dividends of surplus			△118,531		△118,531
Issuance of new shares - exercise of subscription rights to shares	58,948	58,948			117,896
Change in ownership interest of parent due to transactions with non-controlling interests		△12,205			△12,205
Profit attributable to owners of parent			1,161,598		1,161,598
Purchase of treasury shares				△113	△113
Net changes of items other than shareholders' equity					
Total changes of items during period	58,948	46,742	1,043,067	△113	1,148,645
Balance at end of current period	1,059,734	978,241	4,933,653	△171,650	6,799,979

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	535,161	△11,689	523,471	—	157,703	6,332,508
Changes of items during period						
Dividends of surplus						△118,531
Issuance of new shares - exercise of subscription rights to shares						117,896
Change in ownership interest of parent due to transactions with non-controlling interests						△12,205
Profit attributable to owners of parent						1,161,598
Purchase of treasury shares						△113
Net changes of items other than shareholders' equity	529,316	7,315	536,631	672	95,372	632,676
Total changes of items during period	529,316	7,315	536,631	672	95,372	1,781,321
Balance at end of current period	1,064,477	△4,374	1,060,103	672	253,075	8,113,830

Year ended September 30, 2018

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,059,734	978,241	4,933,653	△171,650	6,799,979
Changes of items during period					
Issuance of new shares - exercise of share acquisition rights	7,711	7,711			15,423
Issuance of new shares	5,857	5,857			11,715
Dividends of surplus			△182,898		△182,898
Profit attributable to owners of parent			1,117,324		1,117,324
Purchase of treasury shares				△499,946	△499,946
Retirement of treasury shares		△671,596		671,596	－
Change of scope of equity method			33,248		33,248
Transfer to capital surplus from retained earnings		671,596	△671,596		－
Change in ownership interest of parent due to transactions with non-controlling interests		71,497			71,497
Net changes of items other than shareholders' equity					
Total changes of items during period	13,569	85,066	296,077	171,650	566,364
Balance at end of current period	1,073,304	1,063,308	5,229,730	－	7,366,343

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	1,064,477	△4,374	1,060,103	672	253,075	8,113,830
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						15,423
Issuance of new shares						11,715
Dividends of surplus						△182,898
Profit attributable to owners of parent						1,117,324
Purchase of treasury shares						△499,946
Retirement of treasury shares						－
Change of scope of equity method						33,248
Transfer to capital surplus from retained earnings						－
Change in ownership interest of parent due to transactions with non-controlling interests						71,497
Net changes of items other than shareholders' equity	103,130	△1,581	101,548	1,235	△5,637	97,147
Total changes of items during period	103,130	△1,581	101,548	1,235	△5,637	663,511
Balance at end of current period	1,167,607	△5,955	1,161,652	1,908	247,438	8,777,342

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	1,859,389	1,880,549
Depreciation	341,480	390,934
Amortization of goodwill	230,433	211,456
Interest and dividend income	△16,913	△13,188
investment dividend	―	△137,451
Interest expenses	6,568	4,468
Share of loss (profit) of entities accounted for using equity method	28,946	104,053
Loss (gain) on sales of investment securities	△197,357	△541,348
Loss (gain) on sales of shares of subsidiaries and associates	△78,674	△22,297
Loss (gain) on change in equity	―	△80,184
Loss (gain) on valuation of investment securities	3,002	28,602
Loss (gain) on liquidation of subsidiaries and associates	1,397	―
Loss on retirement of non-current assets	―	28,937
Impairment loss	255,053	98,829
Loss (gain) on step acquisitions	―	36,936
Increase (decrease) in allowance for doubtful accounts	△16,832	△2,651
Decrease (increase) in notes and accounts receivable - trade	△168,709	△453,116
Decrease (increase) in inventories	160,653	△227,005
Increase (decrease) in notes and accounts payable - trade	203,681	150,167
Increase (decrease) in accounts payable - other	95,820	△157,214
Increase (decrease) in provision for point card certificates	48,791	86,457
Other, net	217,871	184,231
Subtotal	2,974,602	1,571,167
Interest and dividend income received	16,721	14,087
Interest expenses paid	△6,864	△4,468
Income taxes (paid) refund	199,678	△978,438
Net cash provided by (used in) operating activities	3,184,137	602,347
Cash flows from investing activities		
Purchase of property, plant and equipment	△130,308	△109,915
Purchase of intangible assets	△206,768	△185,430
Proceeds from sales of intangible assets	―	3,000
Purchase of investment securities	△285,397	△437,006
Proceeds from sales of investment securities	424,040	751,438
Payments for lease and guarantee deposits	△264,664	―
Proceeds from share of profits on investments in capital	―	137,451
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation - InvCF	△521,327	14,688
Other, net	△17,875	26,158
Net cash provided by (used in) investing activities	△1,002,302	200,385

(Thousands of yen)

	Fiscal year ended September 30, 2017	Fiscal year ended September 30, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	19,600	△19,600
Proceeds from long-term loans payable	570,000	500,000
Repayments of long-term loans payable	△469,618	△460,031
Proceeds from exercise of share options	124,896	15,423
Cash dividends paid	△118,420	△181,459
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	88,000
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△20,400	△2,250
Proceeds from share issuance to non-controlling shareholders	—	2,500
Purchase of treasury shares	△113	△511,196
Net cash provided by (used in) financing activities	105,945	△568,614
Effect of exchange rate change on cash and cash equivalents	46,337	323
Net increase (decrease) in cash and cash equivalents	2,334,117	234,442
Cash and cash equivalents at beginning of period	3,111,249	5,445,367
Cash and cash equivalents at end of period	5,445,367	5,679,809

(5) Notes to Condensed Consolidated Financial Statements

(Going Concern Assumption)

None

(Changes in Accounting Policies)

The Company adopted the "Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions, etc." (Practical Issues Task Force ("PITF") No. 36 issued on January 12, 2018; hereinafter, "PITF No. 36") from April 1, 2018, and transactions granting employees and others stock acquisition rights, which involve considerations, with vesting conditions, etc. shall be subject to accounting procedures in accordance with the "Accounting Standard for Share-based Payment" (Accounting Standards Board of Japan ("ASBJ") Statement No. 8, issued on December 27, 2005).

With regard to the application of PITF No. 36, however, transactions granting employees and others stock acquisition rights, which involve considerations, with vesting conditions, etc. that are in accordance with transitional transactions stipulated in PITF No. 36, Paragraph 10 (3) and that were conducted prior to the date of application of PITF No. 36 shall be subject to accounting procedures hitherto adopted.

(Changes in Presentation)

(Consolidated Balance Sheets)

Items that were presented separately as "Provision for bonuses" under "Current liabilities" in the previous fiscal year are included in "Other" under "Current liabilities" in the current fiscal year as the amounts have become insignificant. The consolidated financial statements for the previous fiscal year have been reclassified to reflect these changes in presentation.

As a result, "Provision for bonuses" of ¥80,210 thousand and "Other" of ¥662,363 thousand stated in "Current liabilities" in the consolidated balance sheets for the previous fiscal year have been reclassified as "Other" of ¥742,573 thousand.

"Deferred tax liabilities" that were included in "Other" under "Non-current liabilities" in the previous fiscal year are presented separately from the current fiscal year as they have exceeded 1% of the total amount of liabilities and net assets. The consolidated financial statements for the previous fiscal year have been reclassified to reflect these changes in presentation.

As a result, "Other" of ¥124,476 thousand stated in "Non-current liabilities" in the consolidated balance sheets for the previous fiscal year has been reclassified as "Deferred tax liabilities" of ¥54,076 thousand and "Other" of ¥70,400 thousand.

(Consolidated Statements of Income)

Items that were presented separately as "Gain on sales of shares of subsidiaries" under "Extraordinary income" in the previous fiscal year are included in "Gain on sales of shares of subsidiaries and associates" under 'Extraordinary income" in the current fiscal year to increase the comparability of financial statements. The consolidated financial statements for the previous fiscal year have been reclassified to reflect these changes in presentation.

As a result, "Gain on sales of shares of subsidiaries" of ¥78,674 thousand stated in "Extraordinary income" in the consolidated statements of income for the previous fiscal year has been reclassified as "Gain on sales of shares of subsidiaries and associates" of ¥78,674 thousand.

(Consolidated Statements of Cash Flows)

"Loss (gain) on sales of shares of subsidiaries" that was presented separately under "Cash flows from operating activities" in the previous fiscal year has been reclassified in the consolidated financial statements for the current fiscal year to increase the comparability of financial statements.

As a result, "Loss (gain) on sales of shares of subsidiaries" of ¥78,674 thousand stated in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Loss (gain) on sales of shares of subsidiaries and associates."

"Increase (decrease) in provision for bonuses" that was presented separately under "Cash flows from operating activities" in the previous fiscal year has been reclassified in the consolidated financial statements for the current fiscal year as the amounts have become insignificant.

As a result, "Increase (decrease) in provision for bonuses" of ¥71,730 thousand stated in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified as "Other."

(Consolidated Statements of Income)

*1 Major items and amounts of selling, general and administrative expenses are as follows.

(thousands of yen)

	Fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)	Fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)
Salaries	1,744,626	1,902,167
Advertising and promotion expenses	803,294	830,189
Server administration fees	642,813	866,642

*2 Impairment loss

The Group recorded impairment loss for the following asset groups.

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

(1) Overview of asset groups for which impairment loss has been recognized

Location	Usage	Type
Shibuya-ku, Tokyo	Others	Goodwill
Shibuya-ku, Tokyo	Business assets	Software and trademark right

(2) Background of the recognition of impairment loss

As it became unlikely that revenue will be recorded as initially expected for goodwill recorded in connection with an acquisition of the shares of GoldSpot Media Inc., a consolidated subsidiary, the Company reduced the book values to the recoverable amount and recorded the reduced amount as impairment loss.

Due to the decision to withdraw from the business, the Company reduced the book values to the recoverable amount and recorded the reduced amount as impairment loss for some software and trademark right in the Ad Platform segment.

(3) Amount of impairment loss

Goodwill	¥252,531 thousand
Software	¥1,843 thousand
Trademark right	¥678 thousand

(4) Method for grouping assets

In principle, the Company groups business assets by the classification for which continuous profit and loss administration is conducted under management accounting.

(5) Method for measuring recoverable amount

The Company measures recoverable amount by value in use and calculates it by discounting future cash flow by 12.4%. However, recoverable amount is valued at zero for assets with no potential for future cash flow.

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

(1) Overview of asset groups for which impairment loss has been recognized

Location	Usage	Type
Shibuya-ku, Tokyo	Others	Goodwill
Shibuya-ku, Tokyo	Business assets	Software

(2) Background of the recognition of impairment loss

As it became unlikely that revenue will be recorded as initially expected for goodwill recorded in connection with an acquisition of the shares of SYNC GAMES, Inc., a consolidated subsidiary, the Company recognizes an impairment loss.

As it became unlikely that revenue will be recorded as initially expected for some software in the Ad Platform segment, the Company recognizes an impairment loss.

(3) Amount of impairment loss

Goodwill	¥36,001thousand
Software	¥62,828 thousand

(4) Method for grouping assets

In principle, the Company groups business assets by the classification for which continuous profit and loss administration is conducted under management accounting.

(5) Method for measuring recoverable amount

The Company measures recoverable amount by value in use. However, recoverable amount is valued at zero for assets with no potential for future cash flow.

(Segment Information, etc.)

[Segment information]

1. Outline of reportable segments

Reportable segments of the Company are the units of our group company of which financial information is obtainable separately and are the objectives for our managements to review regularly to reallocate its management resources and evaluate business performance.

The Group has established service-based companies and business divisions, and formulates comprehensive strategies and engages in business activities for the services provided by each company and business division.

Therefore, the Company consists of segments classified by services based on these companies and business divisions, and its three reportable segments are the Ad Platform Business, Points Media Business, and Incubation Business.

The major operations and services of each segment are as follows.

Reportable segment	Major operation and services in each segment
Ad Platform Business	SSP "fluct" Ad platform for smartphone "Zucks" Video ad platform "CMerTV", etc.
Points Media Business	Point site "EC Navi" Point Exchange Platform "PeX", etc.
Incubation Business	New graduate recruitment services business Game publishing business, etc.

2. Method used to calculate amount of revenues, profit or loss, asset, and other items of each reportable segment

The accounting method applied for reportable segments is mostly the same as that used in the preparation of consolidated financial statements.

Profits by business segments reported are calculated based on operating income. Internal revenue and transfer to revenue between segments are based on the prevailing market price.

3. Information on revenues, profit or loss, asset, and other items of each reportable segment

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

(thousands of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Sales						
Outside Sales	18,255,124	5,702,409	1,937,719	25,895,253	—	25,895,253
Intersegment Sales or Transfer	58,964	42,673	144,156	245,794	(245,794)	—
Total	18,314,088	5,745,083	2,081,875	26,141,047	(245,794)	25,895,253
Segment Income (or Loss)	1,471,306	410,217	(75,024)	1,806,499	—	1,806,499

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

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

(thousands of yen)

	Reportable Segments				Adjustment	Consolidation (Note)
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Sales						
Outside Sales	19,229,982	6,861,478	2,426,842	28,518,303	—	28,518,303
Intersegment Sales or Transfer	30,000	8,864	165,591	204,456	(204,456)	—
Total	19,259,983	6,870,343	2,592,433	28,722,760	(204,456)	28,518,303
Segment Income (or Loss)	1,293,110	302,902	(175,646)	1,420,367	—	1,420,367

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

[Related information]

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

1. Information by products and services

Disclosure of this information is omitted because the same kind of information is disclosed in segment information.

2. Information by area

(1) Sales

Information about sales is omitted because our domestic sales accounted for more than 90% of consolidated sales.

(2) Tangible fixed assets

Information about tangible fixed assets has been omitted because tangible fixed assets located in Japan exceed 90% of total tangible fixed assets on the balance sheets.

3. Information by major customers

(thousands of yen)

Customers	Sales	Related segment
Google Inc.	3,992,548	Ad Platform Business Points Media Business Incubation Business
Yahoo Japan Corporation	2,701,095	Ad Platform Business

Sales for Google Inc. include the sales for Google Asia Pacific Pte. Ltd.

Sales for Yahoo Japan Corporation include the sales for Yahoo Asia Pacific Pte. Ltd.

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

1. Information by products and services

Disclosure of this information is omitted because the same kind of information is disclosed in segment information.

2. Information by area

(1) Sales

Information about sales is omitted because our domestic sales accounted for more than 90% of consolidated sales.

(2) Tangible fixed assets

Information about tangible fixed assets has been omitted because tangible fixed assets located in Japan exceed 90% of total tangible fixed assets on the balance sheets.

3. Information by major customers

(thousands of yen)

Customers	Sales	Related segment
Google Inc.	2,971,728	Ad Platform Business Points Media Business Incubation Business

Sales for Google Inc. include the sales for Google Asia Pacific Pte. Ltd.

[Information concerning impairment loss on non-current assets by reportable business segment]

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

(thousands of yen)

	Reportable Segments				Corporate/ Elimination	Total
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Impairment loss	255,053	–	–	255,053	–	255,053

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

(thousands of yen)

	Reportable Segments				Corporate/ Elimination	Total
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Impairment loss	62,828	–	36,001	98,829	–	98,829

[Information concerning amortization of goodwill and unamortized balances by reportable business segment]

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

(thousands of yen)

	Reportable Segments				Corporate/ Elimination	Total
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Amortized amount	230,133	–	300	230,433	–	230,433
Balance at year-end	1,677,052	–	674	1,677,726	–	1,677,726

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

(thousands of yen)

	Reportable Segments				Corporate/ Elimination	Total
	Ad Platform Business	Points Media Business	Incubation Business	Total		
Amortized amount	208,487	–	2,969	211,456	–	211,456
Balance at year-end	1,468,564	–	–	1,468,564	–	1,468,564

[Information concerning profit from negative goodwill by reportable business segment]

For the fiscal year ended September 30, 2017 (October 1, 2016 to September 30, 2017)

No significant items to be reported.

For the fiscal year ended September 30, 2018 (October 1, 2017 to September 30, 2018)

No significant items to be reported.

(Information per Share)

Year ended September 30, 2017 (October 1, 2016 to September 30, 2017)		Year ended September 30, 2018 (October 1, 2017 to September 30, 2018)	
Equity per share (yen)	644.62	Equity per share (yen)	717.22
Profit per share (yen)	96.90	Profit per share (yen)	93.58
Profit per share– fully diluted (yen)	93.53	Profit per share– fully diluted (yen)	91.65

(Note) The base on equity per share is summarized in the following table.

	Year ended September 30, 2017 (October 1, 2016 to September 30, 2017)	Year ended September 30, 2018 (October 1, 2017 to September 30, 2018)
Profit per share (yen)		
Profit per share attributable to owners of parent (thousand yen)	1,161,598	1,117,324
Amount not attributable to ordinary shares (thousand yen)	–	–
Profit attributable to owners of parent related to ordinary shares (thousand yen)	1,161,598	1,117,324
Weighted average number of shares outstanding (shares)	11,986,387	11,939,703
Profit per share – fully diluted (yen)		
Profit per share attributable to owners of parent – fully diluted (thousand yen)	–	–
Increase in ordinary shares (shares)	432,444	257,298
(Convertible Bond (shares))	(432,444)	(257,298)
Latent shares outstanding that have not been included in the calculation of "Profit per share – fully diluted" as no dilution has taken place.	2,500 units of the 7th issue of stock acquisition rights (250,000 ordinary shares)	–

(Significant Subsequent Events)

Management Integration between VOYAGE GROUP and Cyber Communications

VOYAGE GROUP, INC. ("VOYAGE GROUP"), Dentsu Inc. ("Dentsu"), and Dentsu's wholly-owned subsidiary, Cyber Communications Inc. ("CCI"), at their respective Boards of Directors meetings held today, resolved to carry out a management integration between VOYAGE GROUP and CCI that is based on a spirit of equal partnership (the "Management Integration") as of January 1, 2019 (tentative) (the "Integration Date") with the objective of forming a close alliance in the online advertising business domain to maximize their enterprise value, and to carry out a capital and business alliance among VOYAGE GROUP, Dentsu, and CCI ("Capital and Business Alliance").

For details, please refer to the notice entitled "Management Integration between VOYAGE GROUP, INC. and Cyber Communications Inc." and "Notice regarding Capital and Business Alliance among VOYAGE GROUP, INC., Cyber Communications Inc. and DENTSU INC."

I. Management Integration

1. Objective of the Management Integration

The objective of the Management Integration is to enhance corporate value by creating synergies leveraging the strengths of VOYAGE GROUP, Dentsu, and CCI.

2. Overview of the Management Integration

(1) Method of the Management Integration

1) Share exchange between VOYAGE GROUP and CCI (the "Share Exchange")

Shares of common stock of VOYAGE GROUP (the trade name of VOYAGE GROUP is to be changed as of the Integration Date, conditional upon the Share Exchange becoming effective) will be allocated to Dentsu, which is the parent company of CCI.

2) Absorption-type Company Split of VOYAGE GROUP (the "Split")

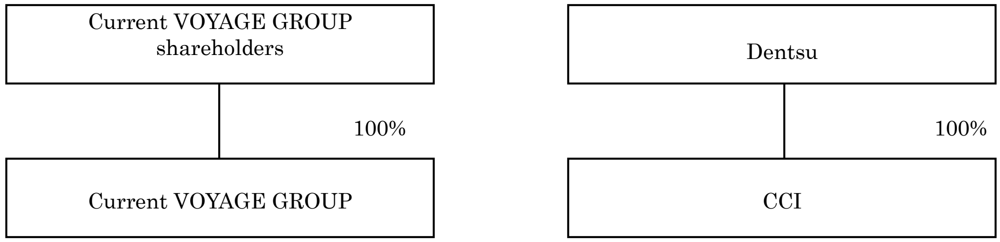
As a result of the Split, by which VOYAGE GROUP will become an absorption-type split company and VOYAGE GROUP Successor Preparatory Company (a company that was established today as a wholly-owned subsidiary of VOYAGE GROUP, whose trade name is to be changed to VOYAGE GROUP, Inc., conditional upon the Share Exchange becoming effective on the Integration Date; hereinafter, the "Successor Preparatory Company") will become an absorption-type split successor company, conditional upon the Share Exchange becoming effective, all rights and obligations relating to all businesses operated by VOYAGE GROUP (excluding, however, the rights and obligations required to manage the businesses of the Successor Preparatory Company and CCI after the Split and the Share Exchange; hereinafter, the "Businesses") shall be assumed by the Successor Preparatory Company.

3) Trade name changes of VOYAGE GROUP and the Successor Preparatory Company and other amendments to the Articles of Incorporation (the "Amendment to the Articles of Incorporation")

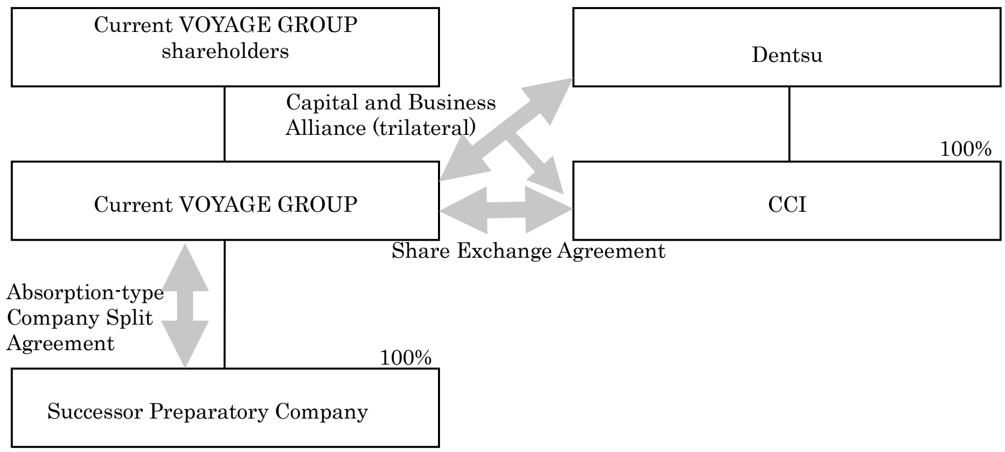
Conditional upon the Share Exchange becoming effective, VOYAGE GROUP will change its trade name and the Successor Preparatory Company will change its trade name to VOYAGE GROUP, Inc. as of the Integration Date. In accordance with this, VOYAGE GROUP will make amendments to its Articles of Incorporation pertaining to the Management Integration.

(2) Management Integration Structure (Diagram)

(i.) Capital relationship prior to the Management Integration

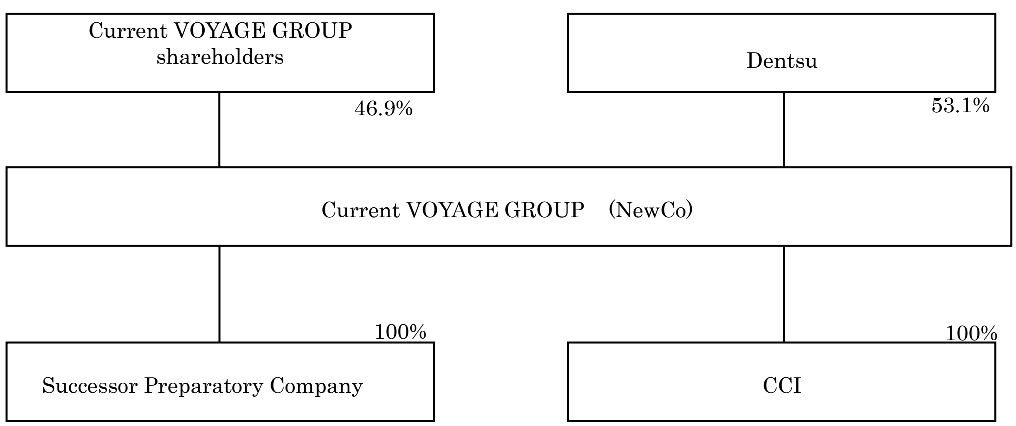


(ii.) Current situation (as of October 31, 2018)

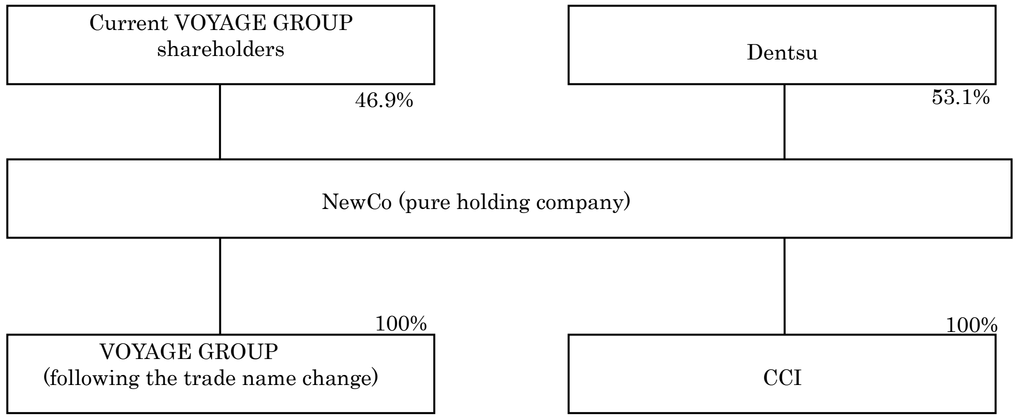


Note: The Successor Preparatory Company was established on October 31, 2018.

(iii.) Execution of the Share Exchange (planned for January 1, 2019)



(iv.) Execution of the Split (planned for January 1, 2019)



Note: VOYAGE GROUP and the Successor Preparatory Company plan to change their trade names on the Integration Date, conditional upon the Share Exchange becoming effective.

(3) Schedule of the Management Integration

Board of Directors' meeting for approving execution of the Share Exchange Agreement, the establishment of the Successor Preparatory Company, and execution of the Capital and Business Alliance Agreement and the Absorption-type Company Split Agreement (VOYAGE GROUP)	October 31, 2018
Board of Directors' meeting for approving execution of the Share Exchange Agreement (CCI)	
Board of Directors' meeting for approving execution of the Absorption-type Company Split Agreement (Successor Preparatory Company)	
Execution of the Share Exchange Agreement (VOYAGE GROUP and CCI)	
Execution of the Absorption-type Company Split Agreement (VOYAGE GROUP and Successor Preparatory Company)	
20th Ordinary Shareholders' Meeting for approving the Share Exchange Agreement, the Absorption-type Company Split Agreement, and the Amendment to the Articles of Incorporation (VOYAGE GROUP)	Early December 2018 (tentative)
Extraordinary Shareholders' Meeting for approving the Share Exchange Agreement (CCI)	
Effective date of the Share Exchange (VOYAGE GROUP and CCI)	January 1, 2019 (tentative)
Effective date of the Absorption-type Company Split (VOYAGE GROUP and Successor Preparatory Company)	
Change of trade name, and amendment to the Articles of Incorporation (VOYAGE GROUP and Successor Preparatory Company)	

II. Share Exchange

1. <u>Summary of the Share Exchange</u>

(1) Schedule of the Share Exchange

Please refer to I. 2. (3) Schedule of the Management Integration above.

(2) Method of the Share Exchange

A share exchange by which VOYAGE GROUP will become the wholly-owning parent company and CCI will become the wholly-owned subsidiary.

(3) Details of allotment in the Share Exchange

Company name	VOYAGE GROUP	CCI
Share allotment ratio in the Share Exchange	1	26
Number of shares to be delivered in the Share Exchange	Shares of common stock: 13,441,506 shares	

2. Overview of the parties concerned in the Share Exchange

(1) Name	VOYAGE GROUP, Inc.	Cyber Communications Inc.
(2) Address	Shibuya First Place Building 8F, 8-16 Shinsen-cho, Shibuya-ku, Tokyo 150-0045	1-13-1, Tsukiji, Chuo-ku, Tokyo 104-0045
(3) Representative Name and Title	Shinsuke Usami President and CEO	Akio Niizawa President and Representative Director
(4) Description of Business	Ad Platform Business, Points Media Business, Incubation Business, Online Advertising and related business as below	Online advertising and related business as below • Advertisement proposals, planning, production, operation • Advertising space purchases and sales
(5) Capital	1,073 million yen (as of September 30, 2018)	490 million yen (as of September 30, 2018)
(6) Date of Establishment	October 8, 1999	June 5, 1996
(7) Total Number of Issued Shares	11,890,346 shares (as of September 30, 2018)	516,981 shares (as of December 31, 2017)
(8) Fiscal Year-end	September 30	December 31
(9) No. of Employees	336 (as of September 30, 2018)	1,032 (as of September 30, 2018)
(10) Major Shareholders and their Shareholding Ratios	Shinsuke Usami 16.44% Japan Trustee Services Bank, Ltd. (trust account) 4.31% Nomura Securities Co., Ltd. 4.24% VOYAGE GROUP Employee Shareholding Association 3.47% Hidenori Nagaoka 3.04% BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (standing proxy: MUFG Bank, Ltd.) 2.66% The Master Trust Bank of Japan, Ltd. (trust account) 2.30% MSCO CUSTOMER SECURITIES (standing proxy: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) 2.21% Japan Trustee Services Bank, Ltd. (trust account 5) 1.66% Japan Trustee Services Bank, Ltd. (trust account 1) 1.27% (as of September 30, 2018)	DENTSU INC. 100.00% (as of September 30, 2018)
(11) Relationships with the Companies		
Capital relationships	N/A	
Human relationships	N/A	
Transactional relationships	There are online advertising product sale transactions from VOYAGE GROUP and its subsidiaries to CCI.	
Status of relationships with related parties	N/A	

3. Overview of accounting methods

The Share Exchange is expected to apply the accounting method for reverse acquisition as specified in the Accounting Standards for Business Combinations. The amount of goodwill (or negative goodwill) generated by the Share Exchange is unconfirmed at this point.

4. Other important matters

Delisting prospects and reasons

As of today, VOYAGE GROUP is listed on the First Section of the Tokyo Stock Exchange ("TSE"). VOYAGE GROUP plans to maintain its listing on TSE even if the Share Exchange is carried out; however, it is possible that VOYAGE GROUP's stock will be designated as "stock in a grace period for not being a substantial surviving company due to a merger, etc." in accordance with the delisting criteria (First Section) of the TSE. VOYAGE GROUP will continue to maintain its listing even if it is designated as "stock in a grace period for not being a substantial surviving company due to a merger, etc." by the TSE, and will make utmost efforts to ensure it is deemed to conform to standards pursuant to criteria for new listing examination within the grace period.

III. The Split

1. Summary of the Split

(1) Schedule of the Split

Please refer to I. 2. (3) Schedule of the Management Integration above.

(2) Divisions to be split and description of business

All businesses operated by VOYAGE GROUP (excluding, however, the rights and obligations required to manage the businesses of the Successor Preparatory Company and CCI after the Split and the Share Exchange).

(3) Method of the Split

An absorption-type company split whereby VOYAGE GROUP is the absorption-type split company and the Successor Preparatory Company, which is a wholly-owned subsidiary of VOYAGE GROUP, becomes the Absorption-type Split Successor Company.

(4) Description of the allocation of the Split

Since the Split will be carried out between a wholly-owning parent company and its subsidiary, the allocation of shares and provision of other compensation will not be carried out in the Split.

2. Overview of the parties concerned in the Split

For an overview of VOYAGE GROUP, which is the absorption-type split company in the Split, please refer to "II. 2. Overview of the parties concerned in the Share Exchange" above.

The overview of the Successor Preparatory Company, which is the Absorption-type Split Successor Company in the Split, is as follows.

(1) Name	VOYAGE GROUP Successor Preparatory Company, Inc. (as of establishment on October 31, 2018)	
(2) Address	Shibuya First Place Building 8F, 8-16 Shinsen-cho, Shibuya-ku, Tokyo	
(3) Representative Name and Title	Shinsuke Usami Representative Director	
(4) Description of Business	Ad Platform Business, Points Media Business, Incubation Business	
(5) Capital	10 million yen	
(6) Date of Establishment	October 31, 2018	
(7) Total Number of Issued Shares	400 shares	
(8) Fiscal Year-end	September 30	
(9) Net Assets	20 million yen	
(10) Total Assets	20 million yen	
(11) Major Shareholders and their Shareholding Ratios	VOYAGE GROUP, INC. 100%	
(12) Relationships with the Companies	Capital relationships	Wholly-owned subsidiary of VOYAGE GROUP
	Human relationships	Plans to accept Directors from VOYAGE GROUP
	Transactional relationships	Has not yet started operating; therefore, no transactional relationships with VOYAGE GROUP

Note 1: Conditional upon the Share Exchange becoming effective as of January 1, 2019, the Successor Preparatory Company plans to change its trade name to VOYAGE GROUP, Inc.

3. Overview of accounting methods

Since the Split is a transaction between a wholly-owning parent company and its subsidiary, it constitutes a "transaction under common control" in the Accounting Standards for Business Combinations (ASBJ Statement No. 21) and goodwill (or gain on negative goodwill) will not arise.

4. Other important matters

Amendments to the Articles of Incorporation

In line with the Management Integration, VOYAGE GROUP will amend the following Articles in its present Articles of Incorporation: Article 1 (Trade Name), Article 2 (Objectives), Article 10 (Record Date), Article 12 (Convener and Chairperson), Article 21 (Representative Directors and Executive Directors), Article 22 (Convener and Chairperson of the Board of Directors), Article 45 (Business Year), and Article 47 (Record Date of Dividends from Surplus).

Conditional upon the Share Exchange becoming effective, supplementary provisions will be added to the effect that the amendments to the Articles of Incorporation will become effective as of January 1, 2019, the term of office of Directors and the Accounting Auditor shall be until the conclusion of the Annual General Meeting of Shareholders for the 21st Business Period ending on December 31, 2019, and that the 21st Business Period shall cover a period of fifteen (15) months until December 31, 2019.