

To whom it may concern

Company name: DesignOne Japan, Inc.

(Code: 6048 TSE1)

Representative: Yasuo Takahata, Representative Director and President Contact: Makoto Tanaka, Director, General Manager of Administration Dept.

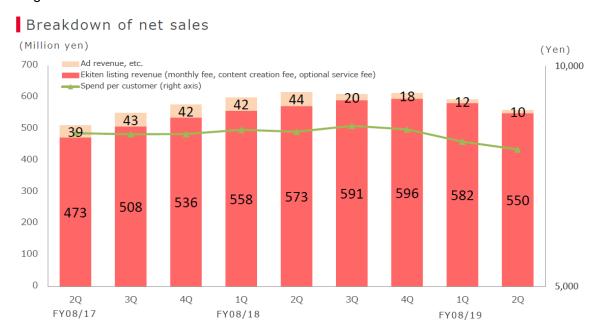
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Financial Overview for the Second Quarter of FY08/19

DesignOne Japan, Inc. announces its financial overview for the second quarter of the fiscal year ending August 2019 (Sep. 1, 2018 – Aug. 31, 2019) as follows.

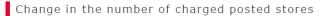
1. In 2Q, both net sales (560 million yen) and operating income (139 million yen) decreased from 1Q

Net sales decreased by 5.8% from 1Q to 560 million yen due to a decline in the Ekiten listing revenue related to a decrease in the number of charged posted stores and the advertising revenue. Operating income decreased by 10.0% from 1Q to 139 million yen. Although SG&A expenses decreased (such as cost of sales, personnel expenses, and other SG&A expenses), this was not enough to offset the decline in net sales.



2. Number of charged posted stores decreased by 850 in 2Q

Affected by the lower customer attraction due to a decrease in the customer inflows to our website, the number of cancellations of contracts increased and the number of orders decreased. As a result, the total number of charged posted stores was 21,919, decreased by 850.





3. Promoting the horizontal development of coverage of charged posted store genres

In addition to the mainstay relaxation category, we are aggressively cultivating other genres with leveraging our strengths in covering all genres.

