

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended September 30, 2015  
(Based on Japanese GAAP)**

November 11, 2015

Company name: Hotto Link Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 3680 URL <http://www.hottolink.co.jp/>  
 Representative: Founder, President and CEO Koki Uchiyama  
 Inquiries: Director and CFO Hideshiro Takao TEL 03-5745-3900  
 Scheduled date to file Quarterly Securities Report: November 12, 2015  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2015 (from January 1, 2015 to September 30, 2015)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2015	1,829	148.8	(106)	–	(164)	–	(179)	–
Nine months ended September 30, 2014	735	10.2	93	(17.0)	93	(15.3)	40	(26.0)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended September 30, 2015	(18.29)		–	
Nine months ended September 30, 2014	4.17		3.99	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2015	4,300	1,215	28.0	122.44
As of December 31, 2014	3,244	1,350	41.6	138.75

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2014	–	0.00	–	0.00	0.00
Year ending December 31, 2015	–	0.00	–	–	–
Year ending December 31, 2015 (Forecast)	–	–	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending December 31, 2015 (from January 1, 2015 to December 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,409	134.3	(31)	–	(124)	–	(12.60)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2015  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2015	9,841,500 shares	As of December 31, 2014	9,735,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	– shares	As of December 31, 2014	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2015	9,789,606 shares	Nine months ended September 30, 2014	9,725,459 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	2,772,545	523,154
Accounts receivable - trade	126,703	384,218
Prepaid expenses	25,017	62,231
Deferred tax assets	11,867	3,149
Other	1,066	23,486
Allowance for doubtful accounts	(2,202)	(24,511)
Total current assets	2,934,998	971,729
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	1,840	1,840
Accumulated depreciation	(681)	(839)
Facilities attached to buildings, net	1,159	1,000
Tools, furniture and fixtures	155,832	196,731
Accumulated depreciation	(115,494)	(146,386)
Tools, furniture and fixtures, net	40,338	50,344
Leased assets	6,290	11,166
Accumulated depreciation	(2,935)	(5,098)
Leased assets, net	3,354	6,068
Total property, plant and equipment	44,852	57,414
Intangible assets		
Goodwill	140,019	3,052,643
Software	73,995	189,165
Software in progress	23,743	20,172
Other	66	66
Total intangible assets	237,825	3,262,047
Investments and other assets		
Investment securities	14,387	–
Shares of subsidiaries and associates	7,920	7,920
Investments in capital	0	–
Long-term prepaid expenses	–	990
Deferred tax assets	4,313	–
Total investments and other assets	26,620	8,910
Total non-current assets	309,298	3,328,372
Total assets	3,244,296	4,300,101

(Thousands of yen)

	As of December 31, 2014	As of September 30, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans payable	1,700,000	2,244,812
Current portion of long-term loans payable	–	141,744
Lease obligations	1,336	2,919
Accounts payable - other	64,775	158,413
Accrued expenses	25,033	24,989
Income taxes payable	42,583	–
Accrued consumption taxes	19,919	8,338
Advances received	12,189	88,582
Deposits received	8,148	8,048
Provision for bonuses	17,114	7,320
Other	86	23
<b>Total current liabilities</b>	<b>1,891,187</b>	<b>2,685,193</b>
<b>Non-current liabilities</b>		
Long-term loans payable	–	382,620
Deferred tax liabilities	–	15,442
Lease obligations	2,308	1,282
<b>Total non-current liabilities</b>	<b>2,308</b>	<b>399,344</b>
<b>Total liabilities</b>	<b>1,893,495</b>	<b>3,084,537</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	557,488	568,588
Capital surplus	620,467	629,067
Retained earnings	172,844	(6,244)
<b>Total shareholders' equity</b>	<b>1,350,801</b>	<b>1,191,411</b>
<b>Accumulated other comprehensive income</b>		
Foreign currency translation adjustment	–	13,550
<b>Total accumulated other comprehensive income</b>	<b>–</b>	<b>13,550</b>
<b>Subscription rights to shares</b>	<b>–</b>	<b>10,601</b>
<b>Total net assets</b>	<b>1,350,801</b>	<b>1,215,563</b>
<b>Total liabilities and net assets</b>	<b>3,244,296</b>	<b>4,300,101</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Net sales	735,149	1,829,127
Cost of sales	286,682	1,015,987
Gross profit	448,466	813,139
Selling, general and administrative expenses	354,941	919,913
Operating income (loss)	93,525	(106,774)
Non-operating income		
Interest income	150	183
Commission fee	106	272
Foreign exchange gains	344	-
Other	4	226
Total non-operating income	607	682
Non-operating expenses		
Interest expenses	173	25,445
Foreign exchange losses	-	33,066
Other	-	167
Total non-operating expenses	173	58,679
Ordinary income (loss)	93,959	(164,770)
Extraordinary income		
Gain on sales of non-current assets	-	71
Total extraordinary income	-	71
Extraordinary losses		
Loss on retirement of non-current assets	40	0
Loss on valuation of investments in capital	-	1,300
Total extraordinary losses	40	1,300
Income (loss) before income taxes and minority interests	93,919	(165,999)
Income taxes - current	41,099	11,530
Income taxes - deferred	12,235	1,559
Total income taxes	53,335	13,089
Income (loss) before minority interests	40,583	(179,089)
Net income (loss)	40,583	(179,089)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Income (loss) before minority interests	40,583	(179,089)
Other comprehensive income		
Foreign currency translation adjustment	–	13,550
Total other comprehensive income	–	13,550
Comprehensive income	40,583	(165,539)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,583	(165,539)
Comprehensive income attributable to minority interests	–	–