

**Summary of the Q&A Session for 2Q FY2021 Financial
Results Briefing**

A summary of the main questions and answers at the results briefing for the 2Q of the fiscal year ending September 30, 2021 held on April 27, 2021 (for institutional investors, analysts and the press) is as follows.

◆ **Digital Marketing Business**

Q1. Current earnings trends and growth rates of the market as a whole

A1. The last 4Q and this 1Q captured the demand mainly in online industries, and additionally in this quarter, it was able to capture marketing demand in a wider range of industries. The increase in demand for DX among clients, including those who have been conservative in spending on marketing up to now, is accumulating. In comparison with the market growth rate, we recognize that our growth rate is exceeding the market as a whole.

Q2. Decline in the ratio of revenue to net sales

A2. The 2Q is a seasonal period in which net sales tend to grow, but this is mainly because the ratio tends to decline as the ratio of large projects increases.

◆ **Media Platform Business**

Q3. Factors behind the sluggish growth in revenue

A3. In the Manga Content Business, although revenue from charges increased steadily toward the latest period, the impact of a reactionary decline following the tie-up project in the previous fiscal year was significant. In other businesses, growth was temporarily sluggish because they're still not on a stable growth track.

Q4. Background to the increase in expenses

A4. Expenses are rising mainly due to upfront spending related to expanding into new business segments, such as HR Technology and the Sports domain.

Q5. Impact of the sale of Pharmarket

A5. The impact on consolidated results is insignificant. Even after the sale of this subsidiary, the Company expects revenue to increase in the Media Platform Business as a whole due to growth in existing businesses.

Q6. Outlook for the 2H

A6. In the Manga Content Business, the user billing area, including subscriptions, is growing steadily, so it will further accelerate this. In addition, as stated in the Midterm Business Policies, the Company has begun to feel that it is well positioned in D2C field, and some businesses are growing strongly in the 2H due to seasonality, so it will also grow here.

◆ Midterm Business Policies

Q7. Expectations for 3-year budget plan based on the rolling method

A7. The Company recognizes that increase in DX demand, which is also the background of the current growth, is not a temporary. Therefore, we will formulate a budget plan for the next fiscal year and the next 3 years while taking into account a certain degree of sustainability.

◆ Others

Q8. Performance-linked bonuses

A8. In the 1H, the Company estimates it will book a few hundreds of million yen. In the 2H, the Company also expects to record an estimate at an amount slightly higher than in the 1H.

Q9. Performance of HR Technology Business

A9. The current status is the verification stage for the product market fit, and in the future, we hope to communicate the status of introduction to clients at the appropriate timing.