

**Summary of the Q&A Session for 3Q FY2021 Financial  
Results Briefing**

A summary of the main questions and answers at the results briefing for the 3Q of the fiscal year ending September 30, 2021 held on July 29, 2021 (for institutional investors, analysts and the press) is as follows.

◆ **Digital Marketing Business**

Q1. Decline in the ratio of revenue to net sales

A1. The ratio of revenue to net sales is declining due to the strategic increase in the ratio of large-scale projects. Going forward, the company does not expect the rate to fall further and expects it to remain at a stable level.

Q2. Clients Industry Trends

A2. Compared with the previous quarter, no major changes occurred in the composition by industry. Year-on-year, growth from the recovery in offline service industries has been relatively strong as demand for advertising in those industries weakened in April to June last year.

Q3. Alliance with the Dentsu Group

A3. There is no significant decline in unit prices, and an increase in the number of clients contributes directly to sales growth.

Q4. Impact of data regulation on business results

A4. There is no particular impact on results. Since the services provided by the Group are centered on mega-platform products based on 1st party data, we can continue to supply them without problems even if clients change their correspondence in response to data regulations.

◆ **Media Platform Business**

Q5. Advertising revenues in the Manga Content Business

A5. Advertising revenue bottomed out, and demand for collaborative projects from our IP and solution projects linked to anime production has been strong recently, and in the past year the company has completed a review of the product mix.

Q6. Investment in new business segments

A6. Currently, it is recorded in the Media Platform Business segment, but we began disclosing the total profit and loss related to the investment in new segments from this quarter. Personnel and development costs associated with the launch of new businesses account for the majority of expenses, and there is no expectation that they will increase significantly in the future.

Q7. Businesses other than the Manga Content Business

A7. Its strategy is to expand the user billing area for BtoC, and its businesses are growing in a balanced manner by expanding earnings through its own D2C brand.

◆ **Others**

Q8. Performance-linked bonus

A8. The company made provisions for bonuses this quarter, which are booked on a monthly pro rata basis.

Q9. Olympic Demand

A9. In July to September, the company anticipates a certain degree of Olympic demand, albeit less dependent on business performance, and there are no major changes to the outlook at the current situation and progress is being made as planned.

Q10. SG&A expenses

A10. Compared to the previous quarter, personnel expenses increased due to the hiring of about 70 new graduates. In addition, sales promotion expenses associated with the expansion of commerce revenues in the D2C domain resulted in a temporary increase in sales promotion expenses.