

Summary of the Q&A Session for the 2Q FY2022 Financial Results Briefing

The summary of the main questions and answers at the financial results briefing for the 2Q of the fiscal year ending September 2022 (for institutional investigators, analysts, and press officials) held on May 12, 2022 is as follows.

Q1. Business Results of Two Newly Consolidated Companies

A1. The two newly consolidated companies do not disclose their results on an individual basis, but progress is being made as planned. Cooperation between organizations is also proceeding smoothly in line with the PMI plan originally established.

Net Sales in the Digital Marketing Business, which excludes the two newly consolidated companies, are also steadily increasing QonQ.

Q2. Expenses for the Second Half and Beyond

A2. Although there is a portion that fluctuates depending on results, such as the allowance for additional performance-linked bonuses, the Company does not expect a significant change in the cost structure compared to the first half. On the other hand, from Q3 onward, fixed costs are expected to rise in part as new graduates join the company.

Q3. Earnings Estimates of Consolidated Financial Results for the FY2022

A3. Although there is still no concrete impact that has materialized, it is at the stage of verifying the uncertainty of the external environment, and once the verification is completed, the Company plans to revise its earnings estimates as necessary.

Q4. Regarding Media Platform Business

A4. As it includes businesses that are likely to grow in the second half, the segment as a whole is also weighted toward the second half, and it is landing online against its plan. In addition, the extent of the loss in the segment as a whole has been shrinking in line with top-line growth in the Manga Content Business. The Company is also making progress toward achieving profitability in line with its target of turning profitable in the 3 years outlined in its medium-term management policy.