

Summary of the Q&A Session for 3Q FY2022 Financial Results Briefing

The summary of the main questions and answers at the financial results briefing for the 3Q of the fiscal year ending September 2022 (for institutional investors, analysts, and the media) held on August 9, 2022 is as follows.

Q1. Regarding Revisions to Full-Year Consolidated Earnings Estimates

A1. Profits in the Digital Marketing Business are growing more than initially expected. Especially in the first half, results are trending above the initial plan, and in the second half, results are expected to be in line with the plan.

Q2. Regarding Human Investment

A2. In this fiscal year, the number of employees is increasing due to the new consolidation, but in the next fiscal year, the Company expects to increase personnel through normal recruitment activities. The specific number of hires has not been determined at this time, but the number of hires is expected to exceed this fiscal year. In particular, the Company intends to focus on strengthening hiring of engineers in order to expand its business in the solutions domain through collaboration with Dentsu Digital.

Q3. Regarding Alliance with the Dentsu Group

A3. Progress is generally in line with the plan. For a while, personnel resources were a bottleneck due to the ongoing overdemand situation, but this has been resolved at this point. The current number of projects has increased to the highest level in the past three years.

Further, as a new development, in the data & solutions domain of the Digital Marketing Business, collaborations with the Dentsu Group companies have been promoted and its results are steadily accumulating.

Q4. Regarding Digital Advertising Market

A4. Clients' motivation for investment is changing somewhat conservatively due to the macroeconomic impact, and the Company believes that uncertainty about the economic outlook will slightly push down the short-term market growth.

Q5. Regarding Manga Content Business

A5. Subscription revenue in the Manga Content Business is driven by two growth drivers: strengthening content and IP and improving platform functionality. Over the past few quarters, it has grown primarily due to strengthening IP. The hit IP originating from GANMA! is born one after another, and the number of paying users is steadily increasing by being supported by various user groups.