

Summary of the Q&A Session for 4Q and Full FY2022 Financial Results Briefing

The summary of the main questions and answers at the financial results briefing for the full fiscal year ended September 30, 2022 (for institutional investors, analysts, and the media) held on November 10, 2022 is as follows.

Q1. Regarding results compared to the full-year consolidated earnings estimates for FY2022

A1. Digital Marketing Business was affected by a slowdown in market-growth due to uncertainty about the economic outlook.

In the Media Platform Business, although revenue reached a record high due to the expansion of the Manga Content Business, the results missed the target due to the D2C business was affected by changes in the online consumption environment.

Q2. Earnings estimates of consolidated financial results for FY2023

A2. The Company's own factor, which is an investment in human capital scheduled to begin in April 2023, and an environmental factor, which is the current slowdown in the growth rate of the advertising market, are both incorporated into the plan. Please note that the results of 1Q in the previous year do not include the newly consolidated portion.

Q3. About Medium-Term Business Policies (3-Year Plan)

A3. The difference from the estimates at the time of the previous announcement (FY2022/1Q) is in light of the current slowdown in the advertising marketplace, the new 3-year plan is being prepared. Since its medium-term business policies use a rolling method, the Company will review them whenever changes occur in the market environment.

Q4. About Dentsu Direct, a newly consolidated subsidiary of the Company

A4. The Company does not disclose non-consolidated results of Dentsu Direct, a newly consolidated subsidiary. Its top-line did not reach its target somewhat, but its profits were almost flat compared to the plan.

Q5. About retrospective revision of number of employees

A5. Due to the incorrect inclusion of employees seconded from Dentsu Direct to each company of Dentsu Group etc. as figures for its employees, retrospective adjustments have been made to the number of employees in FY2022/2Q and 3Q this time.