

Telephone Conference for the First Nine Months of the Fiscal Year Ending March 31, 2021:
Questions and Answers Section

Q. To what extent did the Fat Brain Group in North America, which was acquired in October 2020, contribute to the business performance?

A. (Ito, Head of Corporate Administrations) We will refrain from disclosing information on non-consolidated performance. Although the Fat Brain Group did not have a significant impact on the consolidated performance, its performance has trended firmly and contributed to earnings.

Q. The full-year earnings forecast has been unchanged. What is the impact of the current state of emergency on the business performance?

A. (Ito, Head of Corporate Administrations) Based on the past trends, we think that the state of emergency will have a large impact on the retail business and the event business. With regard to how much impact it will have on the consolidated performance, we have not been able to ascertain specific figures at this time, as we need to evaluate factors including the situation around the extension of the state of emergency. As soon as specific figures have been prepared, we will make an announcement if a disclosure is required.

Q. Preliminary calculation of figures only for the fourth quarter, given by subtracting the actual results for the third quarter from the full-year earnings forecast, shows that there will be more loss in terms of profit, despite an increase in sales compared with the same period of the previous fiscal year. Could you tell us why?

A. (Ito, Head of Corporate Administrations) As you have mentioned, the figures show an increase in sales and a decrease in profit for the fourth quarter. However, as I have explained in the previous question, the full-year earnings forecast has been unchanged because precise figures cannot be determined amid the circumstances under the state of emergency. Accordingly, a simple calculation does show the figures you have pointed out.

Q. Regarding the performance outlook for the next fiscal year (FY ending March 31, 2022), it was stated before that the performance will recover to the level prior to the COVID-19 pandemic. Does that direction remain unchanged at this time?

A. (Ito, Head of Corporate Administrations) We are currently formulating our plans for the next fiscal year, and we believe we must appropriately reflect the external environment. We are currently in discussion about whether the performance will recover to the level before the COVID-19 pandemic or

whether we will formulate our plans with the expectation that we will coexist with COVID-19 to a certain extent. We plan to provide additional explanations at the time of announcing the new Management Plan.

Q. With regard to the “Girls x Warrior Series,” how much is the scale of earnings from “Police × Heroine Lovepatrina!,” whose TV drama series is now on air? If it is difficult to disclose quantitative figures on the actual results, could you provide some information from the perspective of comparing it with LICCA dolls?

A. (Ito, Head of Corporate Administrations) We are continuously airing the “Girls x Warrior Series,” and its earnings are gradually increasing. Compared with LICCA dolls, which is our core brand, the earnings have not reached that level yet. The earnings are trending at half or less in terms of the scale.

Q. With regard to the status of BOTTLEMAN since its launch in September 2020, could you provide information on the actual quantitative results? If difficult, could you provide qualitative information?

A. (Ito, Head of Corporate Administrations) BOTTLEMAN saw strong sales, but the overall pie still remains small. Qualitatively, it has not even reached the level of the “Girls x Warrior Series” mentioned before, but we plan to increase earnings by continuously launching new products going forward.

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