

Q&A sessions at the FY2022 1Q financial results briefing (summary)

This Q&A is a compilation of the main questions we received from investors at small meetings and other events. Some questions have been edited to improve understanding.

**Q1. What progress was made in achieving forecasts during 1Q? What exchange rate forecasts are you using?**

- A. A recovery from COVID-19 was factored into forecasts, and we made good initial progress even when compared to those forecasts. In particular, Production Services (overseas) results exceeded forecasts. Overseas net sales were also positively impacted by the yen's depreciation. We do not disclose exchange rate forecasts, and I will refrain from giving specific figures, but we used the exchange rate at the time we formulated the forecasts for the current fiscal year (around December 2021).

**Q2. Competition in the overseas video streaming market is growing fiercer, and there have been articles stating that companies are struggling to generate earnings for various reasons, including a decline in new members for video streaming service providers. Has there been any impact on or change in the Global E2E business in 1Q?**

- A. Although it appears that there have been reports that some video streaming service providers have taken steps such as cutting back on recruiting talent, we feel that the pace that we received Global E2E business-related orders in 1Q did not slow but actually accelerated. Overall demand within the E2E business is strong, and we expect this trend to continue for some time.

\* The fiscal year end for overseas subsidiaries that belong to the Global E2E business is December, and the figures for 1Q are for the period from January to March 2021.

**Q3. I have heard progress is being made in expanding bases for the Global E2E business. Have expenses accompanying this expansion already begun to appear in 1Q?**

- A. In Japan, we already relocated our head office and media studio to Takeshiba, which took place at the end of the previous fiscal year, and we started to record related amortization expenses in 1Q. Overseas, we expect to gradually post amortization expenses starting in 2Q.

**Q4. What impact do you think the shortage of semiconductors for high-speed cameras will have on the Imaging Systems & Solutions business?**

## Q&A sessions at the FY2022 1Q financial results briefing (summary)

This Q&A is a compilation of the main questions we received from investors at small meetings and other events. Some questions have been edited to improve understanding.

- A. Orders have been firm, but we expect earnings through 2Q to be impacted by shipment delays due to the semiconductor shortage.

### **Q5. For Content Creation, the release of animation works was postponed, and there was a fall-off in young-adult fiction novels in 1Q. How much of an impact will each of these developments have?**

- A. I would like to refrain from giving concrete figures in terms of the impact. However, the fall-off in young-adult fiction novels was not that large, and although the postponement in animation works had a major impact, we expect that they will be delivered and sales posted in 2Q onward, making it possible to eliminate the negative impact.

End.