

## Q&A Regarding 3Q FY2023 Financial Results (Summary)

This Q&A summarizes the main questions from investors.

Some contents have been edited for ease of understanding.

### **Q1. Have sales related to the TV animation series of “The Apothecary Diaries” been recorded in the 3Q financial results?**

A. Regarding sales related to the TV animation series of “The Apothecary Diaries,” sales of animation production have been recorded in the results for the 3Q while the royalty revenue and the fund allocation revenue from the production committee will be recorded in the future. Thanks to popularity of TV broadcast and video streaming of the series, sales of the original light novels increased in the 3Q.

### **Q2. In the Content Creation business, production of animation works seem to be earning steady profits now. What do you think is the reason for this?**

A. In production of animation works, we have strived to discover high quality content, focusing on profitability before receiving order as well as strengthening cost management. These efforts have produced good results.

### **Q3. In the overseas E2E business, personnel costs, depreciation expenses and the other costs have been increasing due to expansion of the bases globally. Do you expect these expenses to increase further in the future?**

A. Regarding the overseas E2E business, we will continue to make necessary investments while appropriately controlling expenses according to the business environment.

### **Q4. You have acquired all shares of appci corporation. Is this the end of your investments for growth in the game-related business or do you intend to continue such investments in the future?**

A. We plan to continue to make investments for growth in the game-related business, aiming to strengthen our game E2E production.

### **Q5. Do you expect that sales of high-speed cameras will remain strong in the future? In addition, how do you see the prospects for recovery of sales of video and image processing LSIs?**

A. We expect that sales of high-speed cameras will remain strong. As the scale of the global semiconductor market is expected to increase this year from the previous year, we think that the market environment for video and image processing LSIs has exit

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the worst phase, but it is still uncertain whether it has entered a recovery phase.

### **Q6. A change of President has been announced. What kind of business has the new President been engaged in so far?**

A. As an executive officer in charge of global business, he has led growth of the global E2E business with Pixelogic Media Partners LLC as its core. More recently, he has proposed and promoted strategies for the Content Creation business as President and Representative Director of ROBOT COMMUNICATIONS INC.

End.