

Financial Result Presentation for FY2013 3Q

Summary of the main questions and answers

Here is a summary of the main questions and answers given at the financial result presentation for FY2013 3Q, held on August 8, 2013.

Q1. Please tell us your specific efforts for improving the yield rate with regards to the number of paying subscribers and could you give a specific figure for that improvement rate.

A1. In mobile shops that sell content to many customers, we carefully control the withdrawal rate for each shop and then take measures to have those shops change the way they sell to customers, and connect that to improving the withdrawal rate. For shops where the withdrawal rate is high, we promptly offer counseling and guidance on an individual basis with regards to how to sell content. In addition, from sites, we carry out campaigns such as those that give paying subscribers more points in order to keep customers using content for as long as possible. That is our approach to lowering the withdrawal rate. We will refrain from giving you a specific figure for the withdrawal rate, but we were able to improve it by 10 percent from last year, and the lifetime (the period over which a customer remains a member) also improved accordingly.

Q2. Your consolidated subsidiary Jibe Mobile K.K. seems to be performing well. What kind of financial results do you expect for FY2014?

A2. We will refrain from giving specific figures because we are currently setting budgets and targets. But orders for systems for carriers were very strong for the first three quarters of the current fiscal year. We will move from the development phase to the operation phase from the fourth quarter. And currently we are at the stage where entrusted development is ongoing and new orders have not been fixed yet. So we expect to see lower sales and profits for FY2014.

Q3. How much advertising expenses do you expect to incur in FY2014?

A3. We will refrain from giving specific figures because we are currently setting budgets and targets. But if we can improve the efficiency of promotions then we will actively put aside funds to cover advertising expenses. When we announced the revision to our full-year consolidated forecast on May 8, we assumed advertising expenses would be about 9 billion yen. They will be about the same in the next period. Also we do not believe that net sales and profits will be lower than those in the current fiscal year. We would like to estimate specific figures by considering the Company's situation in the fourth quarter of FY2013.