

**Financial Results Presentation for FY2017**  
**Summary of the main questions and answers**

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**Q1. Will your current initiative with Joyo Bank also be extended to other banks?  
Please explain your revenue model.**

A1. We are currently in the trial stage, but assume that we will introduce this initiative to other banks. As a revenue model, we are planning to collect several percent of the settlement amount from the member shops as a commission. The commission is low compared with that for credit cards, etc. and the member shops benefit considerably from a cost reduction. We think that we will introduce this service to member shops so that they can reduce the time and cost involved in the handling of small change.

**Q2. The initiatives in the healthcare service have continued. What is your sales forecast?**

A2. Sales of the healthcare service are only about several hundred million yen excluding *Luna-Luna* and KARADAMEDICA, and most are from the sports management system service. Sales from other services including the electronic maternal handbook service are still limited.

**Q3. Would you explain on the initiatives of RAF other than cellphone shop?**

A3. We promote the sale of content other than the cellphone floor at a large major discount shop. We want to increase the number of subscribers to tens of thousands per month via a sales channel other than a cellphone shop. In addition, since it is easy to promote content with high billing rates, we think that it will contribute to improving average revenue per user (APRU).

**Q4. What is the forecast for advertising and promotion costs and the number of total paying subscribers for FY2018?**

A4. Advertising and promotion costs are expected to be 5.2 billion yen and the total number of paying subscribers is forecast to be 6 million at the end of September 2018.

**Q5. What is the profit for this term of the Video Market Corporation, which provides video distribution service?**

A5. It is forecast to be a small loss due to upfront investment.

**Q6. What is the reason why the decrease in sales is larger than the decrease in**

**operating income for the forecast for FY2018?**

A6. Sales cost will increase due to an increase in video product lines.

**Q7. Specifically, how do you deploy services for the expansion of the peripheral domain of the electronic maternal handbook service?**

A7. As a peripheral service of the electronic maternal handbook service, we are considering the deployment of a subscription system for vaccinations. We are currently undergoing a trial, planning to expand it nationwide in the future.

**Q8. How many medical institutions use *Luna-Luna Medico*, which was released recently? What do you expect the expansion of the business and the spread of the business from now on?**

A8. Currently, we are forming a partnership with about 50 hospitals, and first, we will take steps to enhance the service to increase the number of users. In addition, since Saitama Prefecture has participated in the Welcome Baby project in which part of the cost of fertility treatment is shouldered by a local government, we are thinking of deploying the service to hospitals that provides fertility treatment.

**Q9. Are you planning to expand the electronic maternal handbook service by billing individual users?**

A9. We are not planning to bill individual users in the electronic maternal handbook service at the moment. We only consider billing on a local government basis.