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Notice of the effects of COVID-19

We would like to send our sincerest condolence to those who have suffered from COVID-19. We hereby report the current situation of our corporate group under the effect of COVID-19 as follows.

1. Effects of the COVID-19

(1) Effects on the 'Enter-tech business'

As the government requested citizens to refrain from holding events, etc., an increasing number of enterprises decide to cancel or postpone their scheduled events.

Under these circumstances, some upcoming events of entertainers belonging to VOYZ ENTERTAINMENT INC. (h "VOYZ"), which is a consolidated subsidiary of our company and manages entertainers, have been cancelled or postponed. It is still impossible to predict when the pandemic will subside, and there is a possibility that more events of VOYZ will be cancelled or postponed.

However, some cancelled events, etc. have been held by utilizing the Internet as an alternate method. This is expected to earn some sales.

In addition, we currently consider that the pandemic will not produce significant effects on the planning, development, and operation of the Virtual Live Platform "INSPIX," which is offered by Pulse Inc. ("Pulse"), a consolidated subsidiary of our company, but decided to put off the release of information about the live concert of VR, which is mentioned on page 22 of Financial Results Q1 FY09/20. We are coordinating so as to release the information by the announcement of the financial results for Q2 FY09/20, which is scheduled in May 2020.

We plan to operate the business in China, but we currently conduct the business by distributing all videos in the Internet, so it is not affected by COVID-19.

Pulse engages in development for upgrading "INSPIX LIVE," a virtual live platform, which is being offered, to "INSPIX WORLD," a virtual space SNS specializing in live concerts. In this situation, we hope to support various events of more entertainment enterprises with Pulse's services.

As mentioned in Financial Results FY09/19, there are many uncertainties over the revenue from this business and it is difficult to estimate it reasonably. Accordingly, this is not taken into account in the annual sales plan for the term ending September 2020.

(2) Effects on the 'Matching business'

As for "with," an online dating matchmaking service provided by with Inc. which is a consolidated subsidiary of our company, we forecasted that the use of this service by users will become less frequent due to the voluntary restraint on going out to hinder the spread of COVID-19, etc. However, there are no significant changes as of now, and we expect that the impact on the business is minor.

2. Regarding our company's response to COVID-19

In order to continue smooth business activities, our corporate group will strive to prevent the infection by taking thoroughgoing measures against COVID-19, based on the announcements of the government, the Ministry of Health, Labour and Welfare, etc.

3. Regarding the impact on business performance

For the above-mentioned reasons, we consider that the impact of COVID-19 on our consolidated performance will be minor, but the business environment is rapidly changing daily due to the spread of COVID-19. Therefore, the future effects on our consolidated performance are difficult to estimate reasonably, because there are many uncertainties over when the spread of COVID-19 will wind down, how each government will respond, etc. If it is judged that it will affect our consolidated results, we will disclose information swiftly.