

April 23, 2020

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(Update of the previous disclosures) Notice of the effects of the COVID-19

We would like to send our sincerest condolence to those who have suffered from COVID-19.

On March 25, 2020, we announced an explanation of the impact of COVID-19 on our group in the press release " Notice of the effects of the COVID-19" The following is a summary of the progress made.

1. Effects of the COVID-19

(1) Effects on the Enter-tech Business

Many companies have decided to suspend operation of stores or postpone various events, based on the government's state of emergency.

As described in the previous release, the company has decided to cancel, postpone, or change the content of events for entertainers belonging to our consolidated subsidiary VOYZ ENTERTAINMENT Inc. ("VOYZ"), which conducts entertainers management. As the business environment is changing on a daily basis, we will continue to examine our management policies while determining the situation. For information on the status of activities, please refer to the official website and the official social media.

"VOYZ ENTERTAINMENT" official website: <https://voyz-entmt.com/>

"VOYZ ENTERTAINMENT" official Twitter: https://twitter.com/voyz_ent

In addition, the group believes there will be no significant impact on the Group's current business promotion of INSPIX WORLD, a live-specialized virtual space social media developed by our consolidated subsidiary, Pulse Inc., and the VR live production of other companies' IPs, despite a slight decline in productivity due to an increase in telecommuting.

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

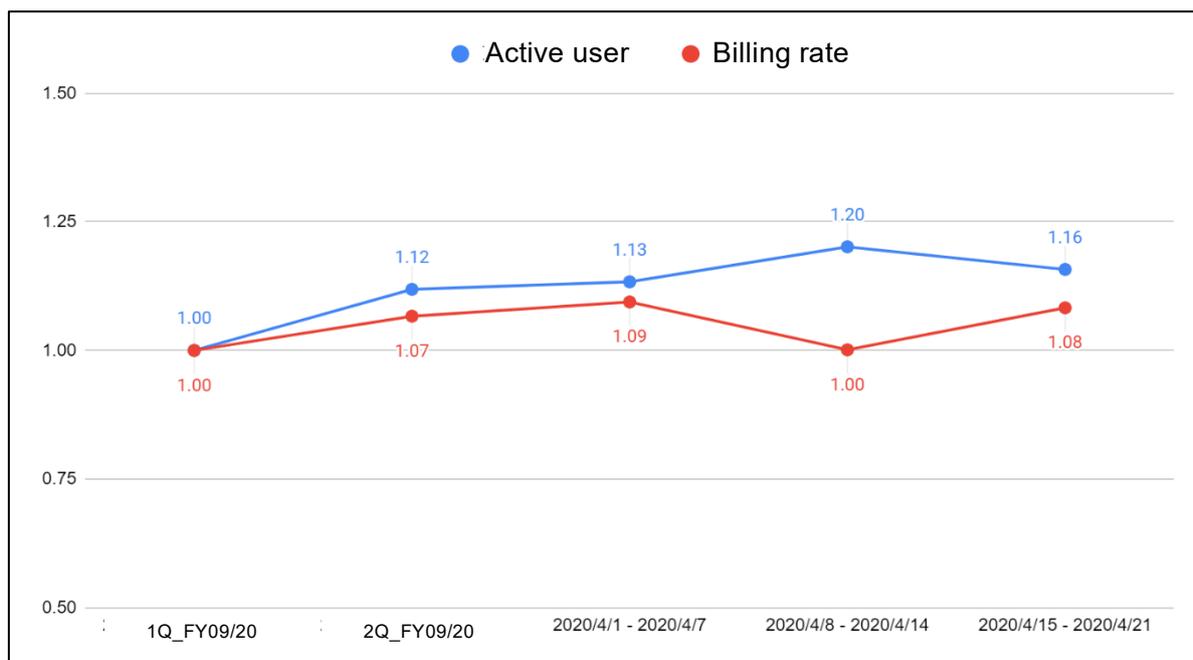
As for “with,” an online dating matchmaking service provided by with Inc. which is a consolidated subsidiary of our company, we forecasted that the use of this service by users will become less frequent due to the voluntary restraint on going out to hinder the spread of COVID-19, etc.

However, as shown in the figure below, the most recent business KPIs have not been significantly affected, and performance continues to be firm.

As a result, the effects on the business is expected to be minor.

(Figure)

Changes in the number of active users and the billing rate up to April 21, 2020, with the average number of active users and the billing rate for the 1Q of FY9/20 as 1.00



*This data is for the purpose of analyzing the effects of COVID-19 and will be published for a limited time.

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

(1) Response policy

Although we have been encouraging employees to work from home at an early stage, in accordance with the state of emergency, all employees work from home (telecommuting) to reduce the risk of the spread of COVID-19 and ensure the safety of employees and related persons.

(2) Dear shareholders

For the time being, our IR and PR divisions take the same manner as the policies in (1) above. For this reason, please be aware that it will be difficult to arrange a telephone call to the person in charge. Therefore, please contact us through our website (inquiry form).

Inquiry form: <https://1923.co.jp/inquiry>

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.