

Performance Highlights

For the years ended / As of February 28/29

(Millions of yen)

| | 2016 [Non-consolidated] | 2017 [Non-consolidated] | 2018 [Consolidated] | 2019 [Consolidated] | 2020 [Consolidated] | Year-on-year change |
|---|----------------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|
| Financial Performance: | | | | | | |
| Net sales | ¥11,243 | ¥15,533 | ¥37,213 | ¥50,568 | ¥65,860 | +15,292 |
| eBook distribution business*1 | — | — | — | 50,162 | 64,529 | +14,367 |
| Other businesses*1 | — | — | — | 403 | 1,329 | +926 |
| Cost of sales; selling, general and administrative expenses | 10,689 | 14,874 | 36,280 | 49,098 | 64,004 | +14,906 |
| Royalties | 8,338 | 12,240 | 31,182 | 43,223 | 56,869 | +13,646 |
| Commissions | 415 | 325 | 203 | 197 | 206 | +9 |
| Advertising expenses | 572 | 546 | 407 | 522 | 627 | +105 |
| Personnel expenses | 724 | 850 | 1,817 | 2,729 | 3,460 | +731 |
| Depreciation and amortization | 171 | 196 | 846 | 918 | 806 | -112 |
| Other | 459 | 708 | 1,817 | 1,502 | 2,027 | +525 |
| Operating profit | 552 | 656 | 930 | 1,468 | 1,854 | +386 |
| Profit (loss) attributable to owners of parent | 335 | 415 | 358 | (1,243) | 885 | +2,128 |
| EBITDA*2 | 724 | 855 | 1,777 | 2,392 | 2,661 | +269 |
| Financial Position (as of February 28/29 of each fiscal year): | | | | | | |
| Total assets*3 | ¥ 5,486 | ¥ 8,683 | ¥26,700 | ¥ 30,943 | ¥34,063 | +3,120 |
| Total liabilities | 3,247 | 5,916 | 22,481 | 26,481 | 28,225 | +1,744 |
| Total net assets | 2,238 | 2,767 | 4,218 | 4,462 | 5,838 | +1,376 |
| Total equity | 2,234 | 2,716 | 4,096 | 4,369 | 5,791 | +1,422 |
| Interest-bearing debt (short-term and long-term) | — | 1,460 | 11,387 | 10,063 | 8,241 | -1,822 |
| Cash flows: | | | | | | |
| Net cash provided by (used in) operating activities | ¥ 1,031 | ¥ 950 | ¥ 1,470 | ¥ 2,458 | ¥ 1,929 | -529 |
| Net cash provided by (used in) investing activities | (793) | (2,083) | (7,961) | (482) | (77) | +405 |
| Net cash provided by (used in) financing activities | 47 | 1,465 | 9,944 | (364) | (1,507) | -1,143 |
| Free cash flow | 238 | (1,133) | (6,491) | 1,977 | 1,851 | -126 |
| Cash and cash equivalents at end of year | 2,325 | 2,057 | 5,686 | 7,747 | 8,090 | +343 |
| Per Share Information (Yen): | | | | | | |
| Net income (loss) | ¥ 34.06 | ¥ 41.65 | ¥ 32.56 | ¥(106.02) | ¥ 64.58 | +170.60 |
| Dividends | 7.20 | 8.80 | 10.50 | 10.50 | 13.00 | +2.50 |
| Dividend payout ratio (%) | 21.1 | 21.1 | 33.3 | — | 20.1 | — |
| Net assets | 224.78 | 270.33 | 359.67 | 353.96 | 408.61 | +54.65 |
| Major Indicators: | | | | | | |
| Return on assets (ROA) (%) | 11.5 | 9.3 | 3.1 | 5.2 | 5.4 | +0.2 |
| Return on equity (ROE) (%) | 16.4 | 16.8 | 8.7 | (29.4) | 17.4 | — |
| Equity ratio*3 (%) | 40.7 | 31.3 | 15.3 | 14.1 | 17.0 | +2.9 |
| Financial leverage (times) | 2.45 | 3.14 | 6.33 | 6.94 | 5.83 | -1.11 |
| D/E ratio (times) | — | 0.54 | 2.78 | 2.30 | 1.42 | -0.88 |
| Number of employees (consolidated) | 100 | 130 | 279 | 362 | 350 | -12 |

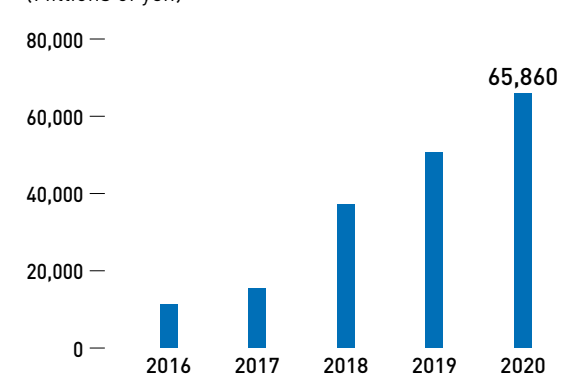
*1. The Company's business segments were reorganized in the fiscal year ended February 28, 2019. Accordingly, segment figures are not displayed for prior fiscal years.

*2. EBITDA = Operating profit + (Depreciation and amortization + Amortization of goodwill)

*3. "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) was adopted effective March 1, 2019. Figures for the fiscal year ended February 28, 2019 have been restated to reflect this change.

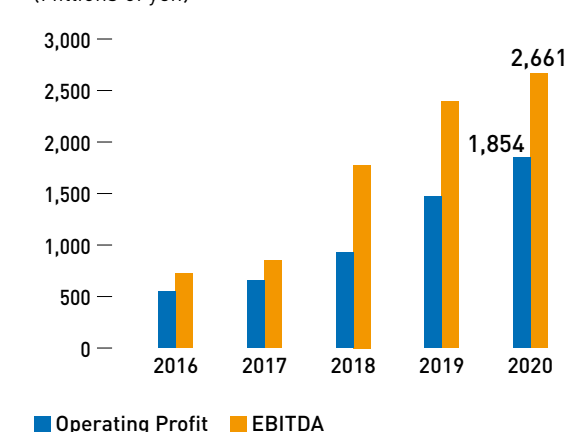
Net Sales

(Millions of yen)



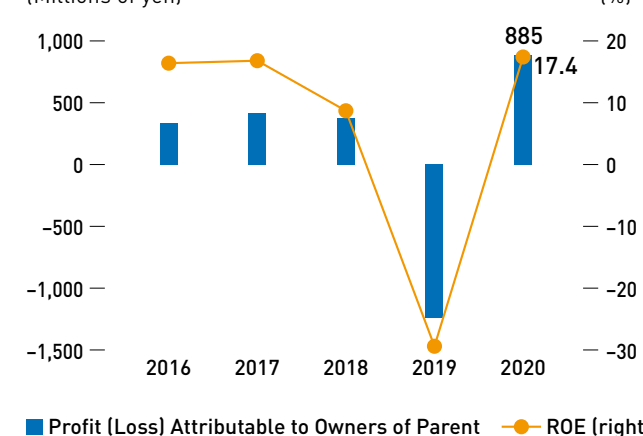
Operating Profit / EBITDA

(Millions of yen)



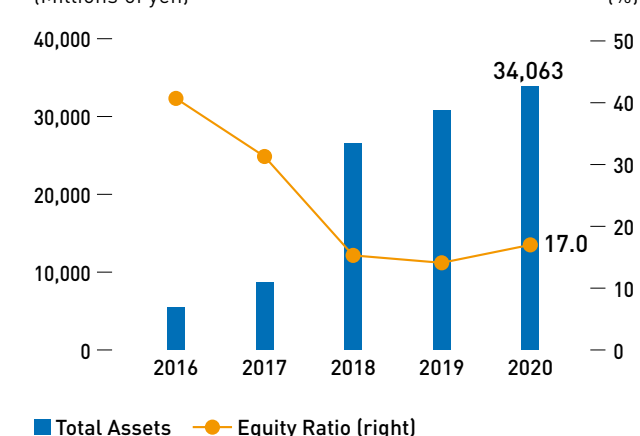
Profit (Loss) Attributable to Owners of Parent / ROE

(Millions of yen)



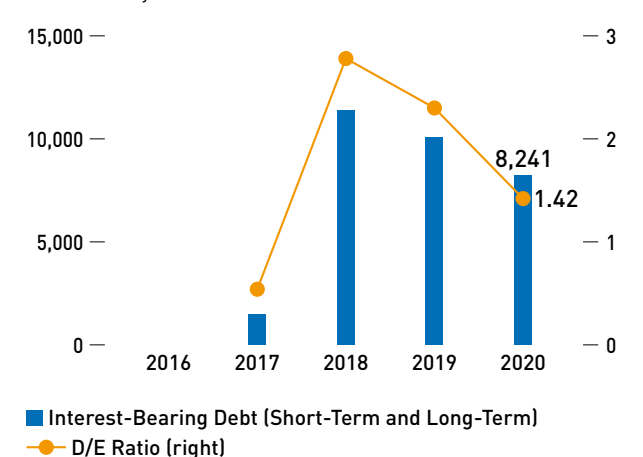
Total Assets / Equity Ratio

(Millions of yen)



Interest-Bearing Debt (Short-Term and Long-Term) / D/E Ratio

(Millions of yen)



Net Income (Loss) per Share / Net Assets per Share

(Yen)

