

Fiscal Year Ended March 31, 2022
Financial Results Presentation Materials



DRECOM[®]
with entertainment

Drecom Co., Ltd.
May 11, 2023

Please refer to the Fact Sheet on our website for consolidated financial results, cost of sales, SG&A expenses, etc., and billing sales in the game business.

https://drecom.co.jp/ir/factsheet_202303Q4.pdf

Summary of this document

Review of FY2022 financial results

- **Full year results: Record-high operating income and Ordinary income due to strong performance of mainstay IP titles, etc.**
 - Sales: 10.8 billion yen (+2.6% YoY), Operating income: 2.281 billion yen (+43.4% YoY)
 - Ordinary income: 2,192 million yen (+42.2% YoY), Net income*: 1,159 million yen (+43.6% YoY)
- **Q4 results: Existing long-term running titles secure stable earnings**
 - Sales: 2,420 million yen (-1.2% YoY), Operating income: 180 million yen (+5.6% YoY)

Forecast for FY2023

- **Aggressive investment from a medium-term perspective to achieve continuous sales growth in the future**
 - Consolidated full-year forecasts:
Sales 15.0 billion yen (+38.9% YoY) Operating income 2.0 billion yen (-12.3% YoY)
Ordinary income: 1.9 billion yen (-13.3% YoY) Net income*: 1.1 billion yen (-5.1% YoY)

Business Progress

- **Steady progress in content development and IP nurturing initiatives**
 - Multimedia extension development of the popular IP "Wizardry", which we acquired in 2020, is underway.
 - "DRE Novels", Drecom Media's light novel label, is publishing a few new titles monthly.

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Summary of Financial Results for FY2022

Revised full-year forecasts at the time of Q3 results announcement due to changes in the release dates of the three titles that were scheduled for release during the FY2022.

Record-high operating income and ordinary income in FY2022 due to strong performance of mainstay IP titles, etc.

(Unit: million yen)

| FY2022 Full year results | | | | FY2021 |
|---|-------------------------------|------------------|--------|--------|
| | Forecast at beginning of term | Revised forecast | Actual | Actual |
| Net sales | 13,000 | 10,700 | 10,800 | 10,528 |
| Operating income | 2,000 | 2,200 | 2,281 | 1,591 |
| Ordinary income | 1,900 | 2,100 | 2,192 | 1,541 |
| Net income attributable to shareholders of the parent company | 1,200 | 1,100 | 1,159 | 807 |

Topics of each business FY2022

Game business

- **Mainstay IP titles performed well throughout the year and contributed to earnings.**
- **Existing long-term operating titles also secure stable income.**
 - Profitability improved due to streamlining of the operation system and closing of some unprofitable titles.
- **Release dates of the three new in-house distribution titles we had assumed for March 31, 2023 have been changed.**
 - Sales and advertising expenses expected for the new titles were postponed to FY2024.
 - *GGGGG* was released at the end of March 2023, and was in operation for one day in FY03/2023, therefore, the costs were incurred in advance.

Media business

- **In the publishing and video domain, DRE Novels, Drecom Media's light novel label, was launched.**
 - Monthly publication began in October 2022. Fourteen titles have been published to date.
- **In the Web3 area, *GGGGG* NFT skin was published. Several other projects are also in progress.**
 - *Sports3* (=Web3 x Sports), *Wizardry BCG* (tentative), and others are being prepared for release.
- **Continue to develop/provide new services utilizing know-how from existing businesses.**
 - “Rooot”, a fan community promotion service and “load testing service“ are in operation.

Summary of Q4 Results for FY2022

Q4 (Jan-Mar) slightly exceeded the revised forecast due to the continued strong performance of existing long-term titles.

(Unit: million yen)

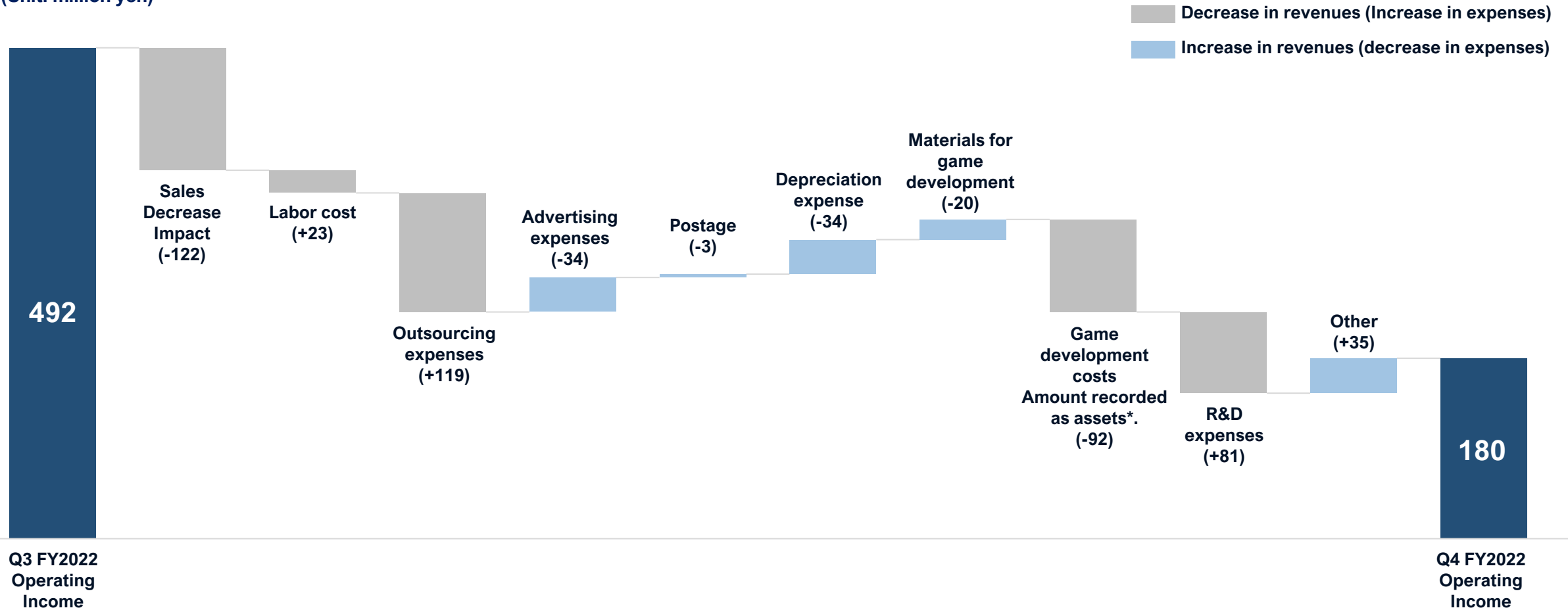
| FY2022 | | | | | |
|--|-----------------|------------------------|-----------------|-----------------|---------------|
| | Q1 (Apr-Jun) | Q2 (July-September) | Q3 (Oct-Dec) | Q4 (Jan-Mar) | Full year |
| Net sales | 2,927 | 2,873 | 2,579 | 2,420 | 10,800 |
| Operating income | 817 | 790 | 492 | 180 | 2,281 |
| <i>Operating income ratio</i> | <i>27.9%</i> | <i>27.5%</i> | <i>19.1%</i> | <i>7.5%</i> | <i>21.1%</i> |
| EBITDA* | 909 | 875 | 556 | 209 | 2,550 |
| <i>EBITDA Margin</i> | <i>31.1%</i> | <i>30.5%</i> | <i>21.6%</i> | <i>8.7%</i> | <i>23.6%</i> |
| Ordinary income | 810 | 737 | 477 | 167 | 2,192 |
| Net income attributable to shareholders of the parent company | 521 | 534 | 110 | -7 | 1,159 |

*EBITDA = operating income + amortization of goodwill + depreciation

Q4 Results for FY2022 (Operating Income QoQ Comparison)

R&D and other expenses are expected to precede in the future due to investments being made in new business areas such as Publishing and Web3.

(Unit: million yen)

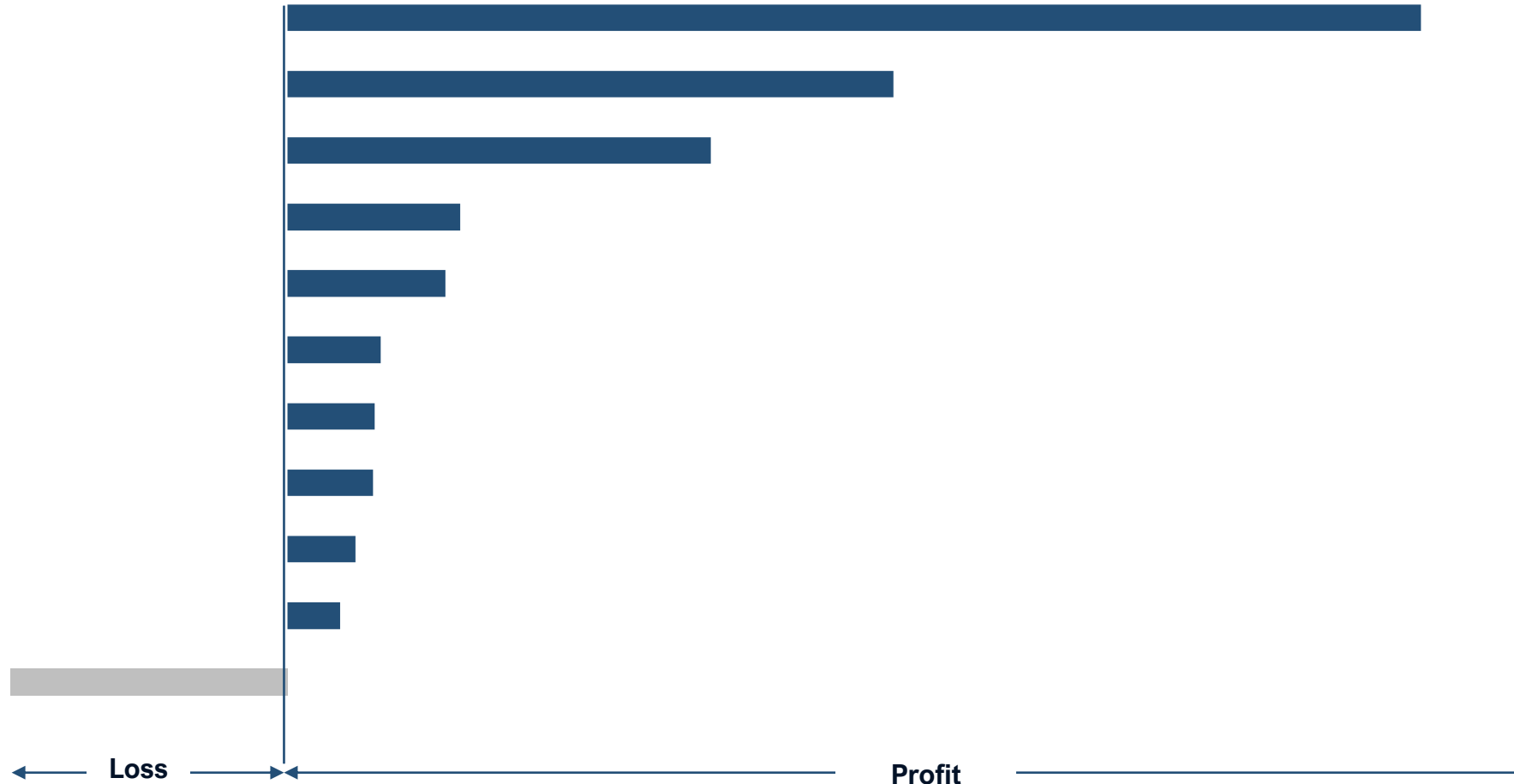


*Amount of development costs such as labor and subcontracting costs mainly related to pre-release games deducted from manufacturing costs and transferred to assets as "Software in progress".

Game Business: Q4 Earnings from Titles in Operation

Long-term operational titles maintained stable earnings. All titles except for newly released ones are profitable.

Profit/loss of 11 titles under management* (Q4 Jan-Mar 2023)



*Number of titles in operation as of March 31, 2023. Series titles and titles developed for overseas are counted as one title. Including two enza titles and *BOKU & DRAGONS*.

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Summary of Forecasts for FY2023

We are actively investing in developing new games/services to achieve continuous sales growth in the future.

(Unit: million yen)

| | FY2023 | | FY2022 |
|--|--------------|----------|--------------|
| | Full year | YoY | Actual |
| Net sales | 15,000 | +38.9%. | 10,800 |
| Variable cost | 2,881 | +107.8 | 1,386 |
| Fixed cost | 10,119 | +41.9% | 7,132 |
| Advertising expenses | 1,341 | +543.6% | 208 |
| R&D expenses | 951 | +168.3%. | 354 |
| Game development costs recorded as assets* | -2,422 | +21.2% | -1,999 |
| Operating income | 2,000 | -12.3% | 2,281 |
| <i>Operating income ratio</i> | <i>13.3%</i> | - | <i>21.1%</i> |
| Ordinary income | 1,900 | -13.3% | 2,192 |
| Net income attributable to shareholders of the parent companye | 1,100 | -5.1% | 1,159 |

*Amount of development costs such as labor and subcontracting costs mainly related to pre-release games deducted from manufacturing costs and transferred to assets as "software in progress".

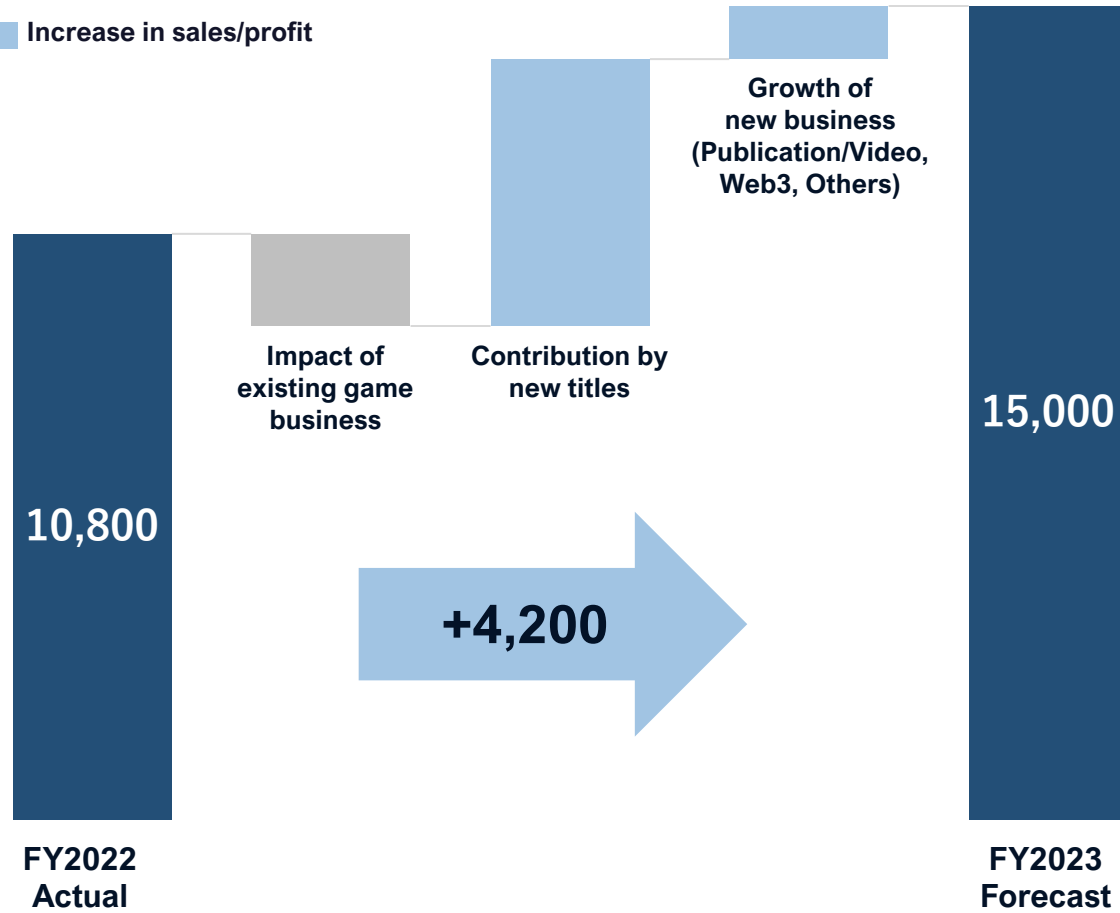
Forecast for FY2023 versus previous fiscal year

Increase in advertising, R&D, and other expenses resulting from release of new titles and launch of new businesses.

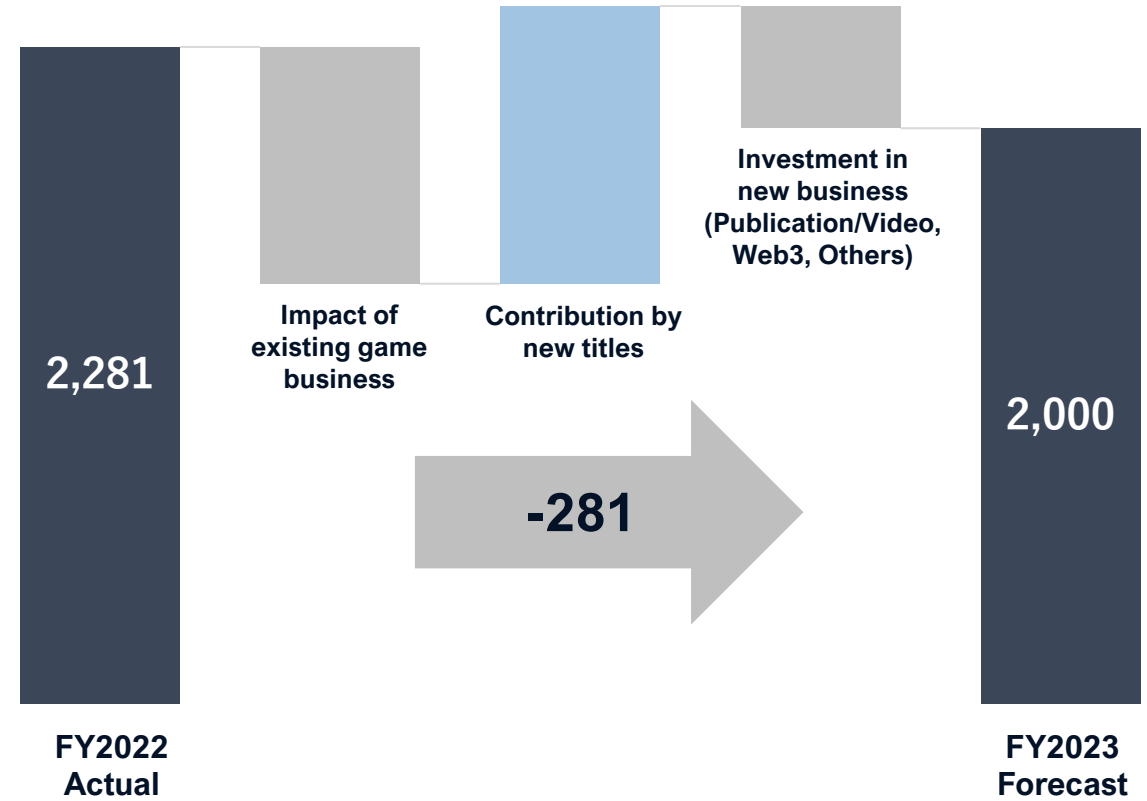
(Unit: million yen)

Decrease in sales/profit
Increase in sales/profit

Net sales



Operating income



FY2023 Full-Year Results Approach

Game business

Existing titles:

Stable revenues were secured from multiple long-term titles despite some impact from termination of operations of some titles.

New titles:

Three new titles to be released (in-house IP), two of which are expected to contribute to earnings from the current fiscal year.

- GGGGG, released March 31st, 2023, is an experimental title that includes new initiatives. Continuing with a medium-term perspective.
- **Scheduled to be released this fiscal year:**
DACHIMEN DENSETSU G (developed by studiorex Co., Ltd.)
Wizardry Variants Daphne
Evil Prince and the Puppet (This is expected to make a full-fledged contribution to business results in the next fiscal year.)
- All new titles are in-house IP titles that are recorded on gross basis, so the impact on sales is significant.
- Expect to see an increase in operational expenses, advertising, etc. from the release of new titles.

Media business

R&D and other expenses are expected to increase in line with the launch of new business areas.

Publishing/Video: Plan to launch a comic/webtoon label following a light novel label.

Web3: Plan to release several projects including *Wizardry BCG* (tentative)" and an NFT project.

Other New Initiatives: Continued development/provision of new services utilizing know-how from existing businesses is planned.

Investment policy

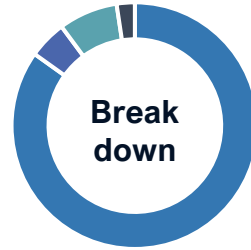
Invest within the cash flow generated from operating activities to ensure that we are in a position to continue to meet the challenge.

FY2023 Investment Policy

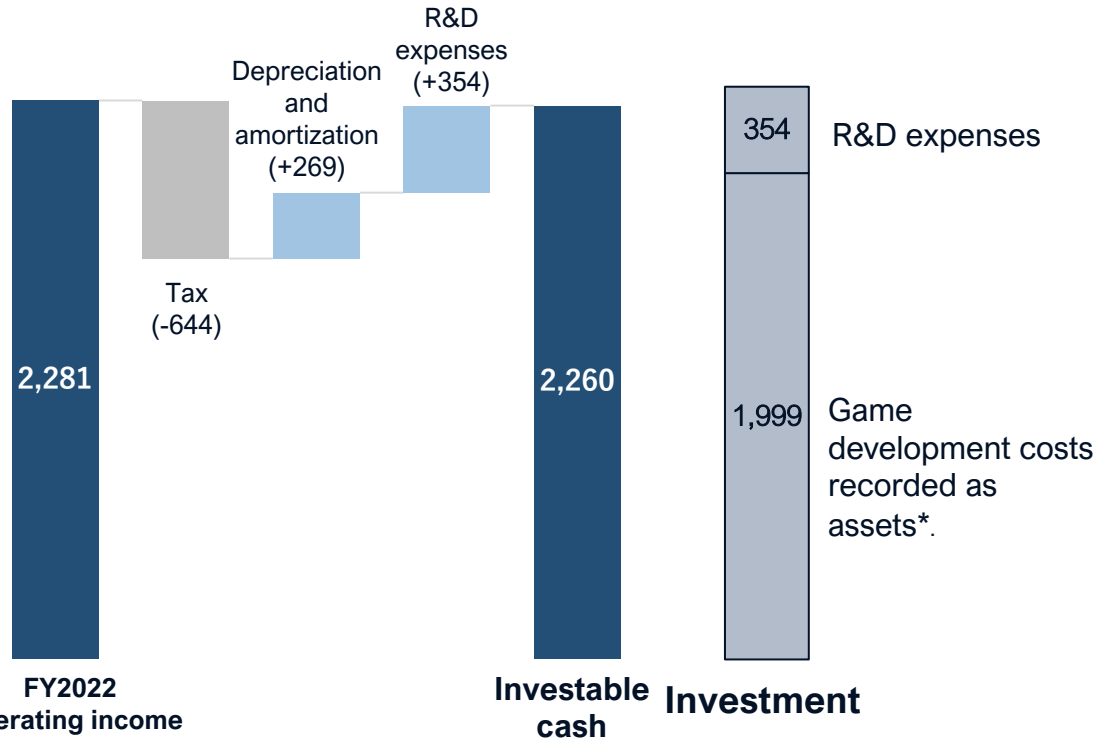
Aggressively invest for growth within the scope of cash flow generated from operating activities.

FY2022 Actual

(Unit: million yen)



■ Game ■ Publication Video ■ Web3 ■ Other



FY2023 Forecast

(Unit: million yen)



■ Game ■ Publication Video ■ Web3 ■ Other

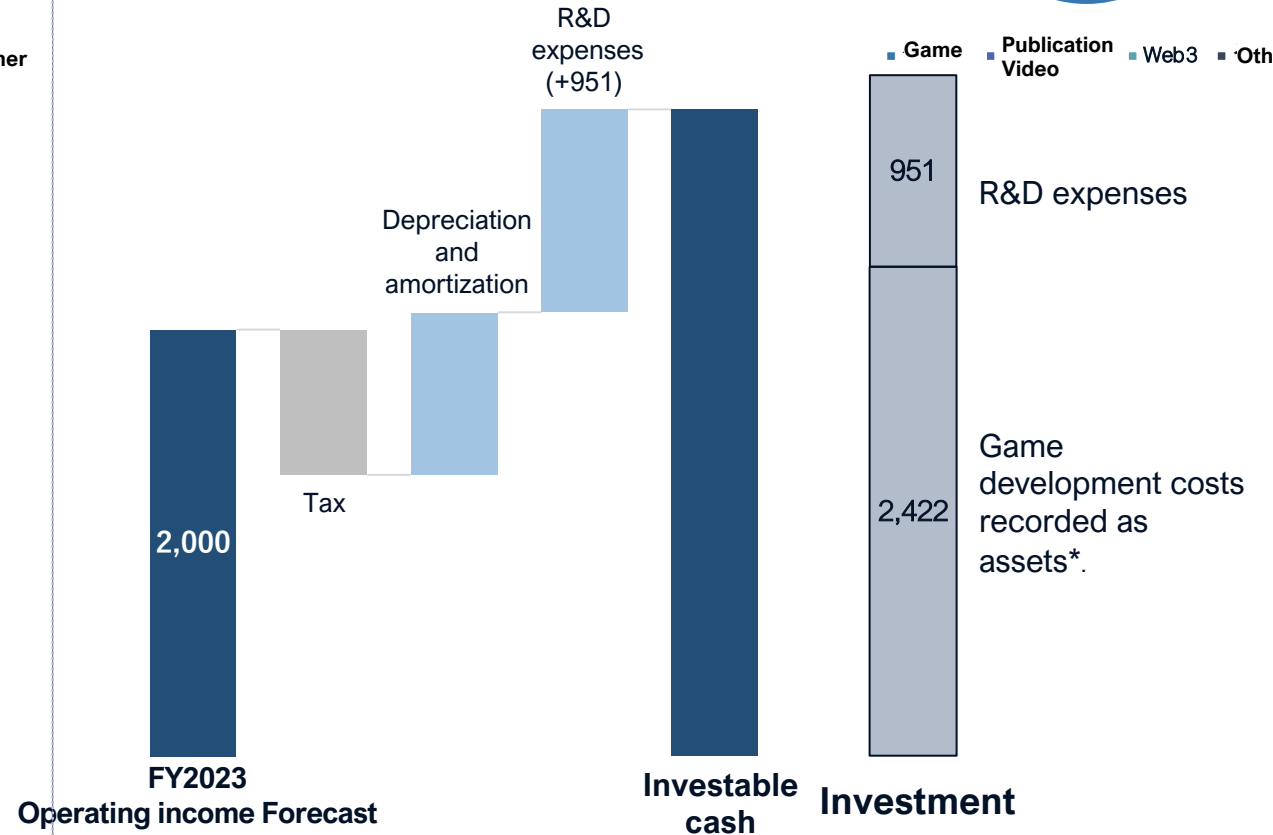


Image of progress in the first quarter of FY2023

In Q1 (April-June), the company plans to hold an anniversary event for its mainstay title and to release one new in-house distributed title.

Sales expansion and profit contribution from new titles are expected to start mainly in the second half of the fiscal year.

■ Q1 Progress Image

Sales: Anniversary events are scheduled to be held for mainstay titles.

One new in-house distributed title to be released, expected to contribute from Q2 onward.

Operating income: Increase in advertising, R&D, and other expenses for new titles and new businesses is expected.

Net sales

Full-year forecast: **15,000** million yen



Operating income

Q1 Progress image

Full-year forecast: **2,000** million yen



Q1 Progress Image

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Medium-term Goals

Current Drecom

A mobile game company with strength in development and operation of IP games

Original IP

Increase number of in-house IPs by acquiring, developing and nurturing original IPs



Diversification

Diversify in other entertainment businesses such as publishing, anime, movies, etc.



Global

Expand contents globally



Technology

Aim to create new businesses with advanced technologies.



Medium-term goal

A comprehensive entertainment company that provides a wide variety of entertainment content globally based on IP x technology

Medium-term Goals (continued)

To become a global comprehensive entertainment company offering a wide variety of entertainment content based on IP x technology.

(1) Continuously acquire, develop, and nurture IPs and aim for multimedia development

By utilizing the company's IPs across businesses, we aim to create more revenue streams.

(2) Make the existing game business stronger

- Additional investment in existing titles and reinforcement of the system.
→ **Securing long-term stable earnings.**
- Multilingual support, global distribution.
- Increase in in-house distribution and original titles.
- Increase in revenue other than “Free to Play/Pay to Win” type games.
- Development of one-time purchase PC/Console titles
→ **Diversification, layering of revenue sources, portfolio expansion, and etc.**

(3) Launch new businesses other than games

- Light novels, comics, webtoons, etc,
Building a publishing house function
→ **Continuously create and nurture contents.**
- Anime creation of in-house IPs, investment in production committees, and etc.
Entry into the motion pictures & animation field.
→ **Strengthen IP production capabilities.**

4) Aim for dramatic growth through initiatives using advanced technologies such as Web3

Continuous development/provision of new services utilizing existing business know-hows and advanced technologies.

(1) In-house IP development roadmap example: Publishing

Create more revenue streams by nurturing both acquired and developed in-house IPs and utilizing them across businesses.

Example: An ideal case in publishing and video business

Creating a game, goods, and License the rights out

DRECOM MEDIA

Turning a comic, novel, etc. into an animated movie
Visualization



Comic/webtoon adaptation
Serialization and book releases



Started publishing
Light novels



1st year

1st~2nd year

3~4th year

After 3~4 years

(1) In-house IP development status: *Wizardry*

Acquire copyrights and trademarks of a popular IP and then enhance the IP value through multimedia development.



From 2022 onward - (planned)

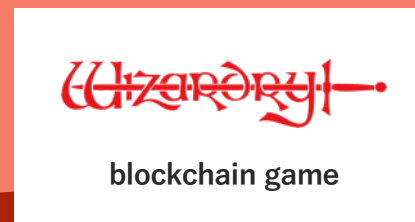
- Novelization and comic book adaptation by Drecom Media *Blade & Bastard*
- Mobile Gaming *Wizardry Variants Daphne*
- Blockchain Gaming *Wizardry BCG* (tentative)



Blade & Bastard
- Ashes are Warm, Labyrinths are Dark -



Wizardry Variants Daphne



Wizardry BCG (tentative)

From 2020

- Drecom acquired trademark rights.
- Announced to develop a mobile game.

From 2009

- Gamepot, Inc. acquired trademark rights.
- Derivative Series Development

1981~.

- First game released for PC.
- Series development until about 2001

1981

2009

Year 2020

After 2022

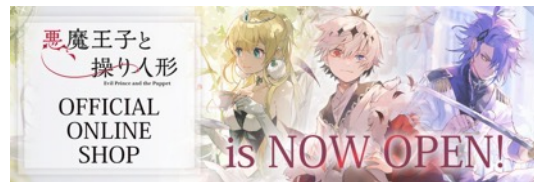
(1) In-house IP development status: *Evil Prince and the Puppets*

Initiatives to create fan communities from SNS operations, nurture IP, and develop it in multiple areas, including goods creation and game development.

110,000 Twitter followers as of March 2023.



2023 (scheduled)
Mobile game release.



April 2021

Goods are now on sale at the official online store.

November 2022
Game information released
Real Event Exhibit

Approx. 100,000

November 2019
Project Announced

Approx. 60,000

SNS followers: approx. 10,000

(1) In-house IP development status: Overview

Engaged in multiple development activities for *Wizardry* and *Evil Prince and the Puppets*. Aiming to continuously create and develop IPs in the future.

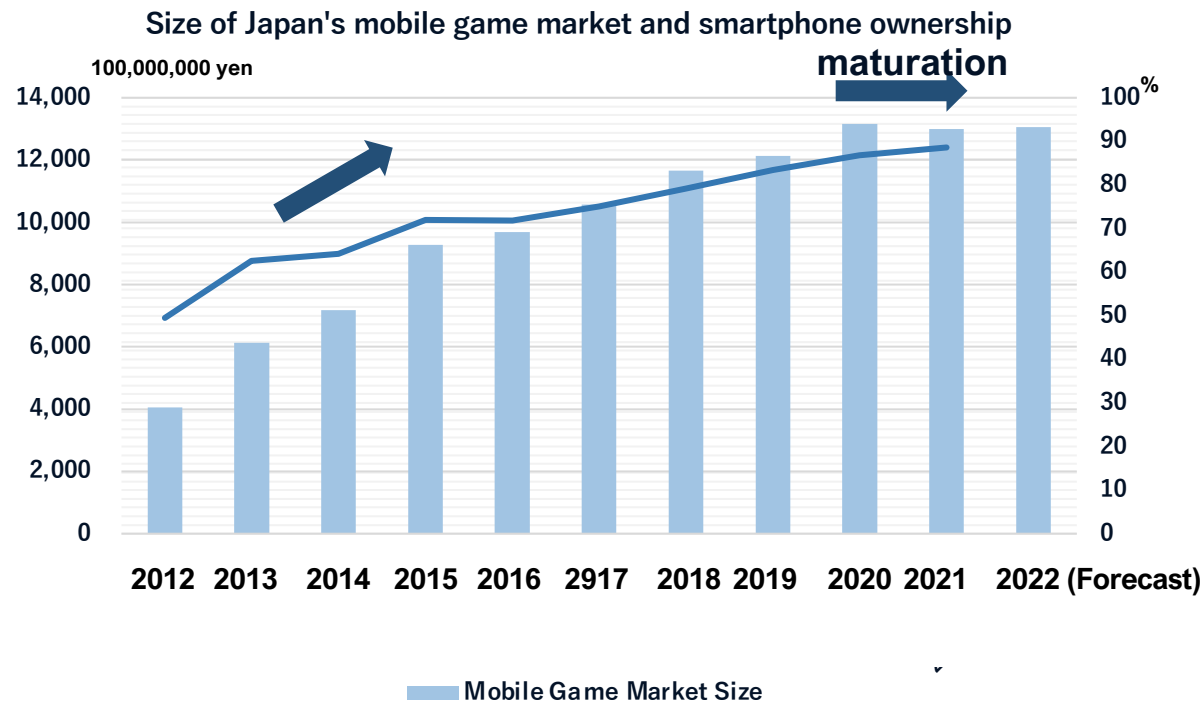
| IP to advance the Multimedia Development | In operation/released | Under development and pre-release |
|---|--|---|
|  Wizardry |  Blade & Bastard - Ashes are warm, labyrinths are dark (Light Novel) Wizardry series titles (PC/console games) |   Wizardry Variants Daphne (Mobile Game) Wizardry BCG (tentative) (blockchain game) |
|  Evil Prince and the Puppets |  Online Shop (Goods) |  Evil Prince and the Puppets (Mobile Game) |
| IPs that are candidates for future development | | |
| Publishing and Video |  Troubles with exorcist daughter Nicola (light novel) And 14 other series |  DRE COMICS  DRE STUDIOS DRE Comics (comics) DRE STUDIOS (webtoon) |
| Game area |  Chokotto Farm (mobile game) BOKU & DRAGONS (mobile game) NEKO & DRAGONS (mobile game) GGGGG (mobile game, NFT) |  Dachimen Densetsu G (mobile game) Tokyo Stories (PC/Console game) Unannounced title (mobile game) |

(2) Game Business: Market Overview and Our Business Strategy

As the domestic mobile game market matures, we will make investments that are not an extension of the past in order to further strengthen our business foundation.

Maturation of the domestic mobile game market

- ✓ Smartphone-owning population reaching the ceiling
- ✓ Competition with other contents such as videos, comics, social networking sites, etc.
- ✓ Users are fixated on long hit titles



Strategy of our game business

■ Additional investment in titles under operation and strengthen the system

- Re-examine the development potential of each title without assuming attenuation.
- Renovation and maintenance to withstand long-term operation.

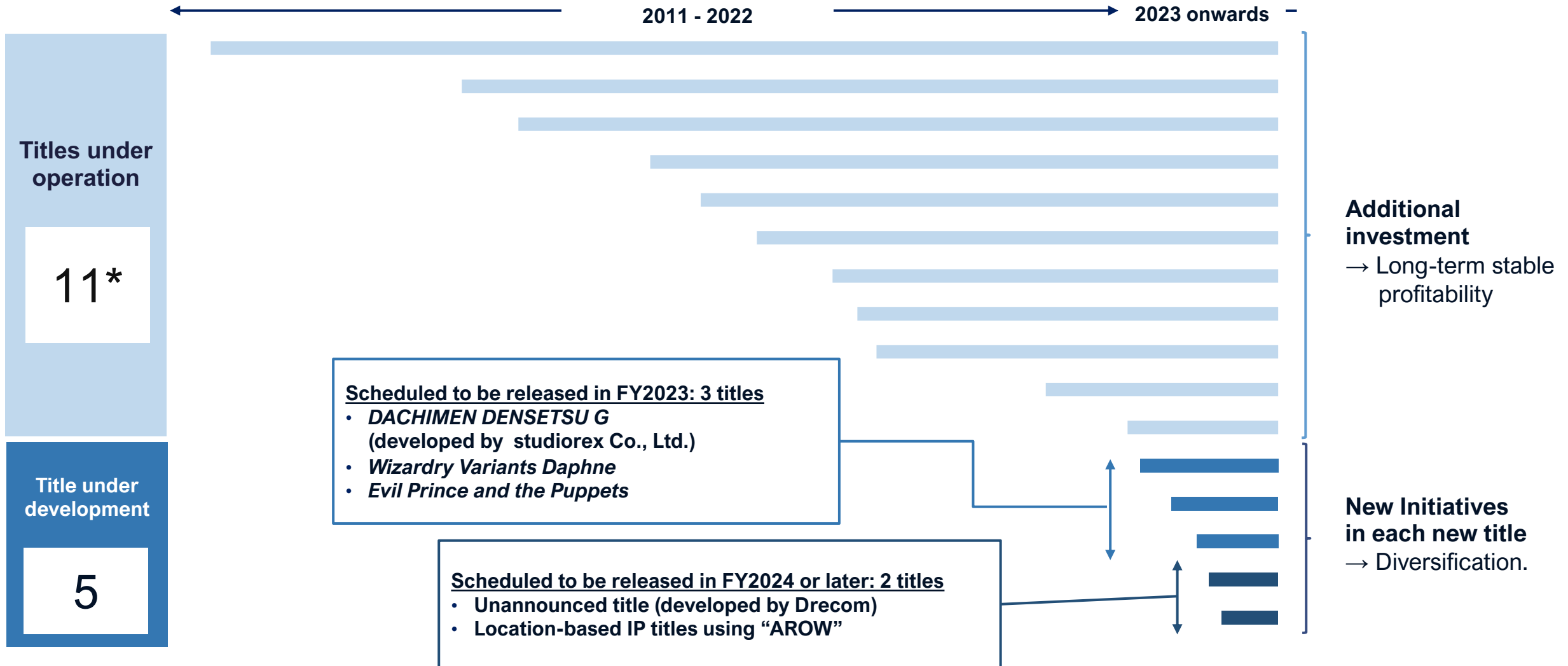
■ Diversification and layering of revenue sources

- Expansion into growing global markets.
- Deployment to other platforms such as PC/Consoles.
- Introduction of revenue models other than Free to Play/Pay to Win types such as one-time purchase.

Source: Famitsu Game White Paper, Ministry of Internal Affairs and Communications White Paper on Information and Communications

(2) Game Business: In-service and under development titles

Secure long-term earnings by making additional investments for the existing titles.
 Aim for diversification with the release of five new titles with different initiatives.

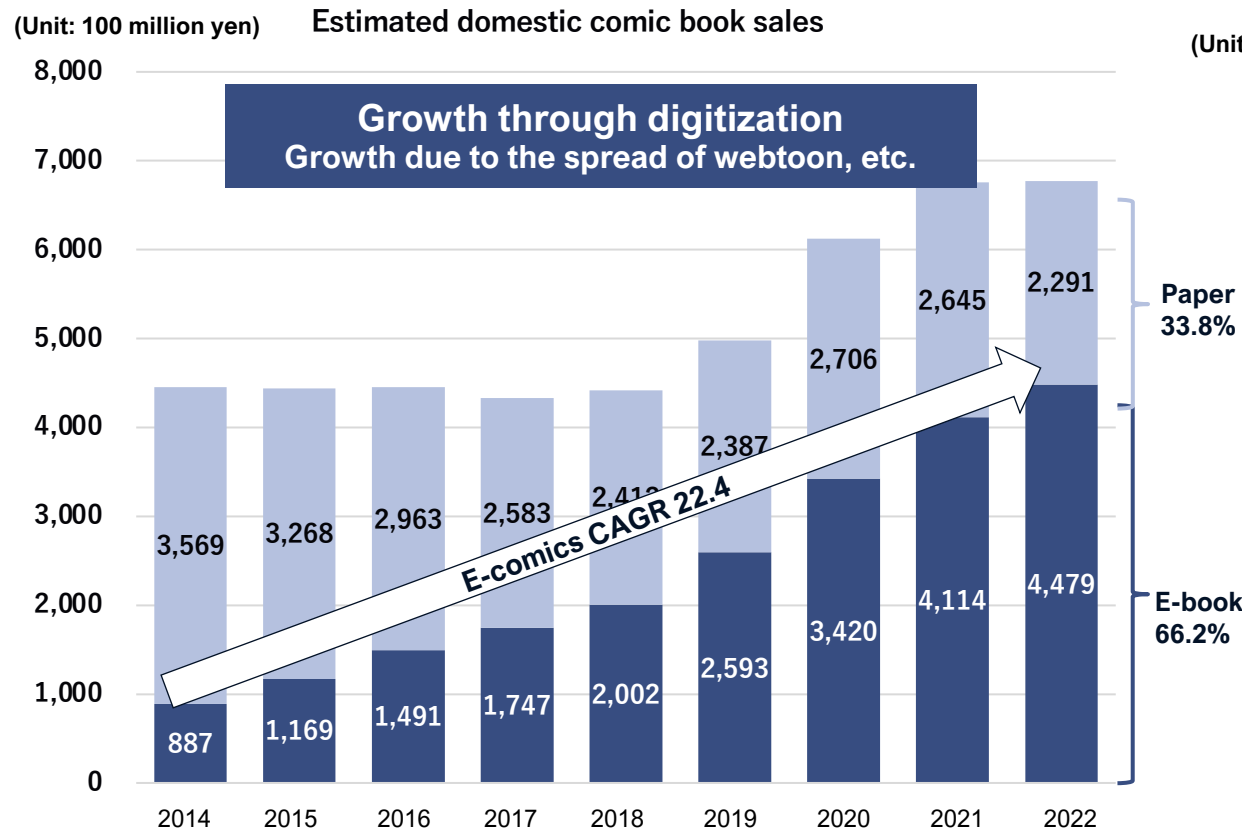


* Series titles and titles developed overseas are counted as one title. Titles for PC and consoles are not included.

(3) New Businesses: Comics/Anime Businesses Market Overview

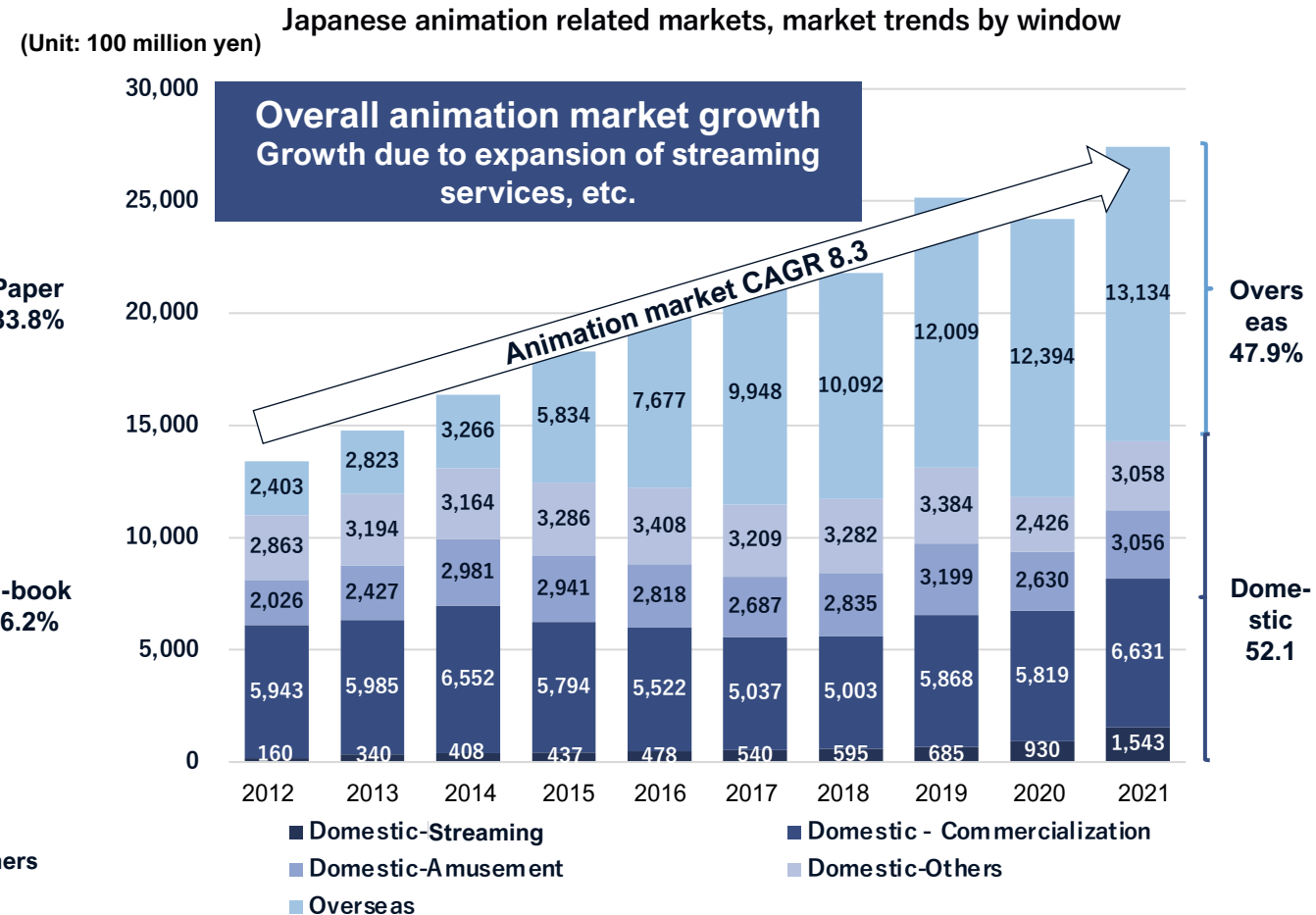
The comic market has grown significantly in recent years due to the growth of electronic distribution. The animation market has also seen the growth mainly due to the increase in overseas sales and increased distribution platforms.

Comic book market



Source: "Shuppan Getsuppo," Institute of Publication Science, Japan Association of National Publishers

Animated cartoon market



Source: "Animation Industry Report 2022" Japan Animation Association

(3) New Businesses: Status of Publishing and Video Business

We started releasing light novels in October 2022 and aim to acquire leading authors and works through newcomer awards, etc.

The business is led by a group of people from publishing companies and video makers.
Four labels are launched.



A light novel label focusing on web-originated newly written works launched in October 2022.



A comic book label focusing on comic book adaptation of "DRE Novels". To be launched in 2023.



A webtoon label that aims to create high-quality original works for the world. First issue scheduled in 2023.



A label that do animation planning and production.

The 2nd Drecom Media Awards.
Aim to expand the scale, and discover leading artists and works.

第2回 ドリコムメディア大賞

Application Period : June 9, 2023 (Friday) - September 8, 2023 (Friday)

Announcement of winning entries: February 9, 2024 (Friday)(scheduled)

Award-winning works secure the following developments

Book publication in DRE Novels (paperback and e-book)

Comic book (paperback and e-book) in DRE Comics

PV and voice dramatization at DRE PICTURES

DRE STUDIOS Award winners secure the following developments

Webtoonization at DRE STUDIOS

PV and voice dramatization at DRE PICTURES

*All prizes are subject to selection by the judges.

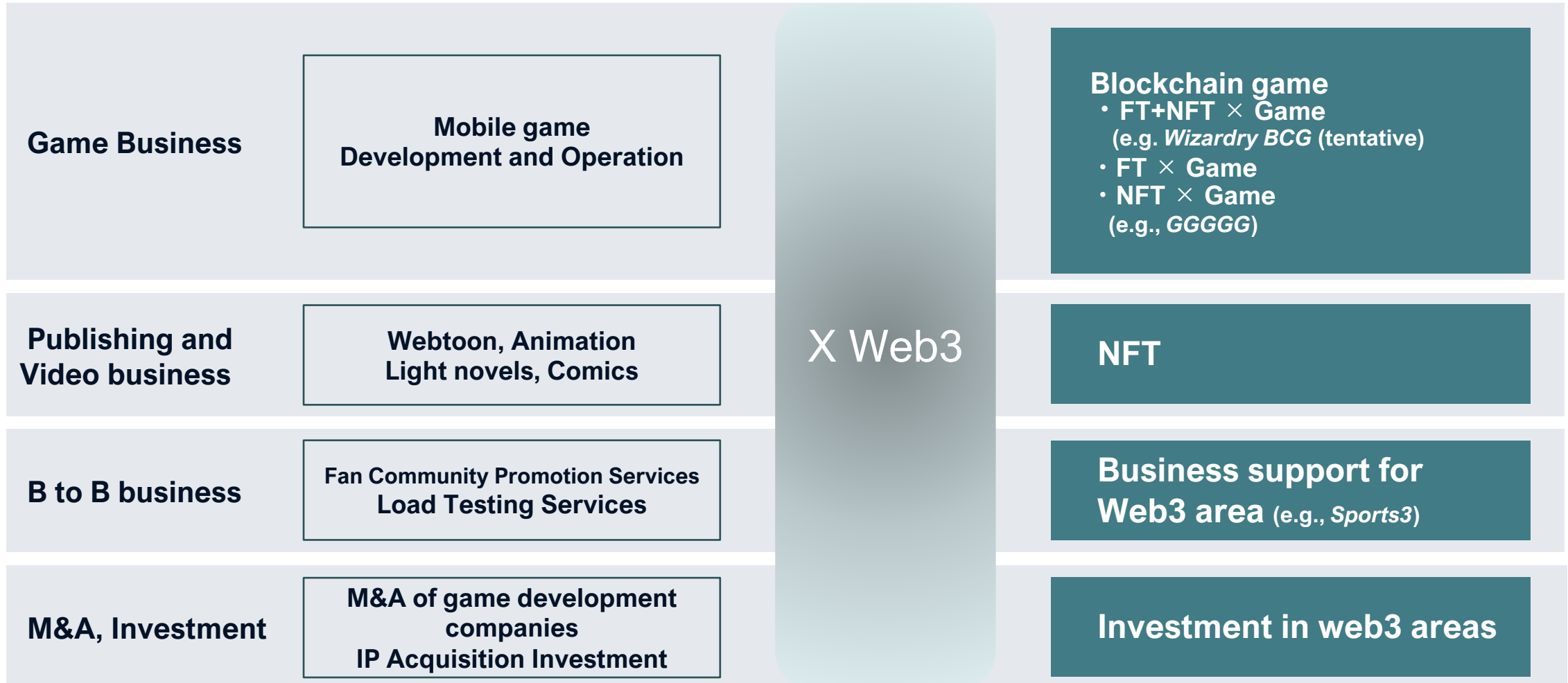
"The 2nd Drecom Media Awards" official website
<https://drecom-media.jp/award>

(4) Aim for dramatic growth through initiatives such as Web3

Started initiatives in areas with high compatibility to existing businesses. Aim to promote growth strategies through Entertainment x Web3

Existing Initiatives

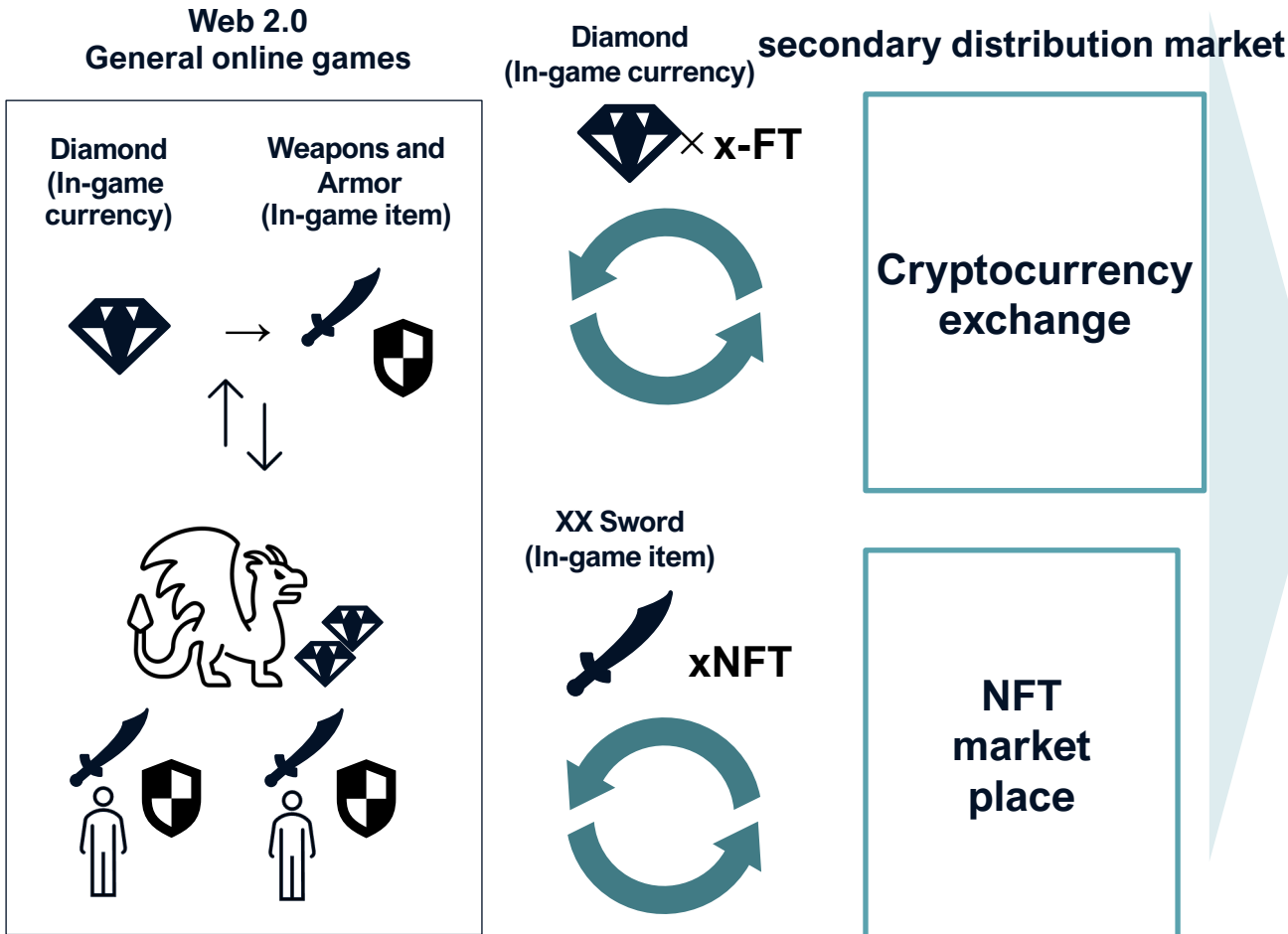
Initiatives in the Web3 domains



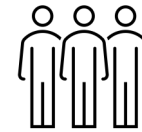
(4) Purpose of entry into the entertainment x Web3 areas

Aim to create a system that benefits both users and management by combining FT/NFT and existing digital entertainment content to form a secondary distribution market

Example: Online game x Web3



A system that benefits both users and management



From the user's perspective,
 Easy to buy items because you can sell them when you no longer need them.
 New entertainment will be created from the price movements of secondary distribution, buying and selling.

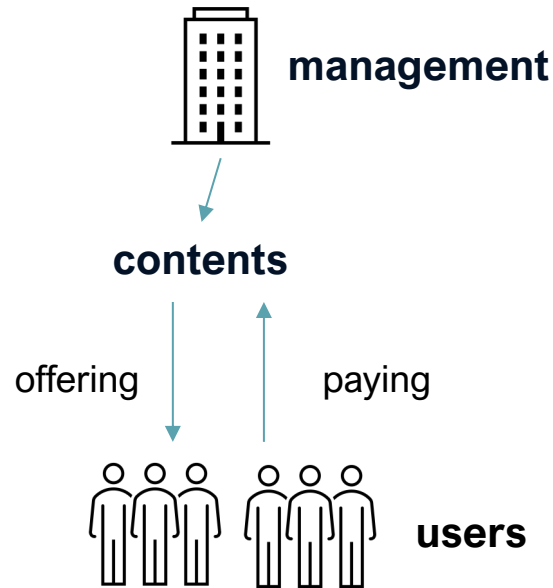


From the management perspective,
 Primary sales will become more active.
 Commission income from secondary distribution also contributes earnings.

(4) Purpose of entry into the entertainment x Web3 areas

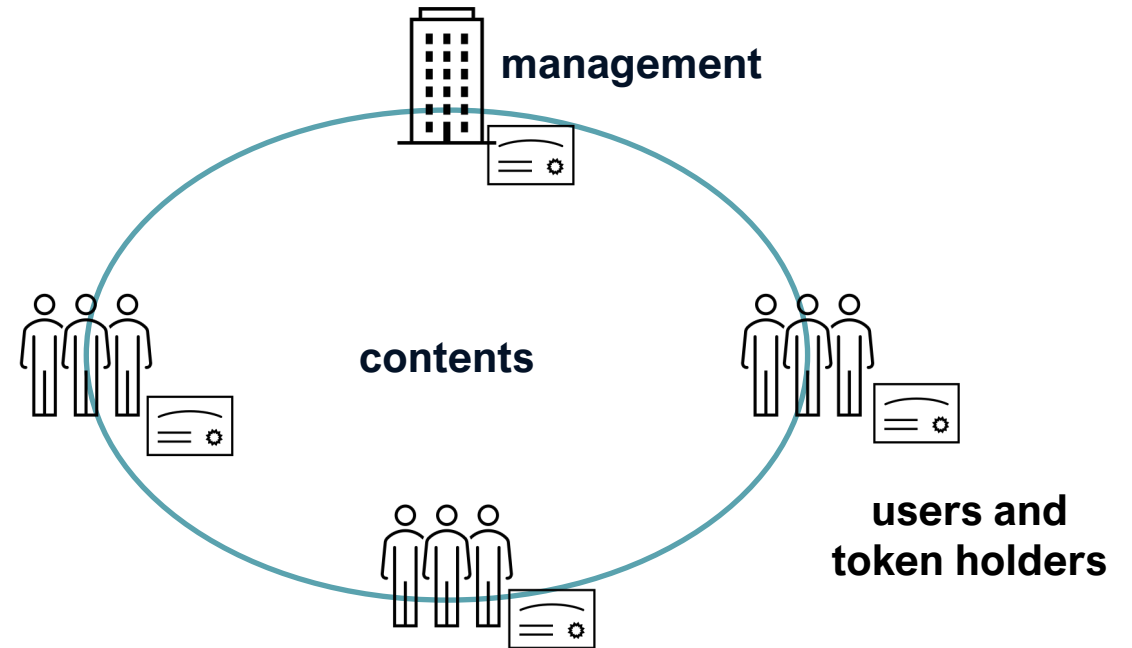
Web3 creates a highly engaged fan community where users are a part of the project.

Old Entertainment (Web 2.0)



- The relationship with the management is one-way.
- Community formation is spontaneous

Entertainment x Web3



- Users are also a part of the project as investors
- Highly engaging fan communities are formed.

(4) Status of the Entertainment x Web3 initiative

The GGGGG NFT initiative got off to a good start, with the planned NFTs sold out, and an active secondary market.



GGGGG NFT

- NFTs were sold in conjunction with the game release (Minting is free)
- All planned NFTs sold out. Ranked among top for transaction volume in the secondary market.
- Discord community has about 20,000 members; NFT holders also play games with high enthusiasm.



Wizardry BCG (tentative)

- *Wizardry BCG (tentative)* signs a joint venture agreement with Turingum K.K. as a new production partner.
- Refer to the press release May 11, 2023: <https://drecom.co.jp/pr/2023/05/20230511-01.php>



Sports3

- Project launched in February 2023. Initiative to solve problems in the sports industry with Web3.
- Co-created with an Olympic silver medalist in fencing, Yuki Ota.
- We support issuing NTFs, community management, etc.

Aim to scale up for the next three years

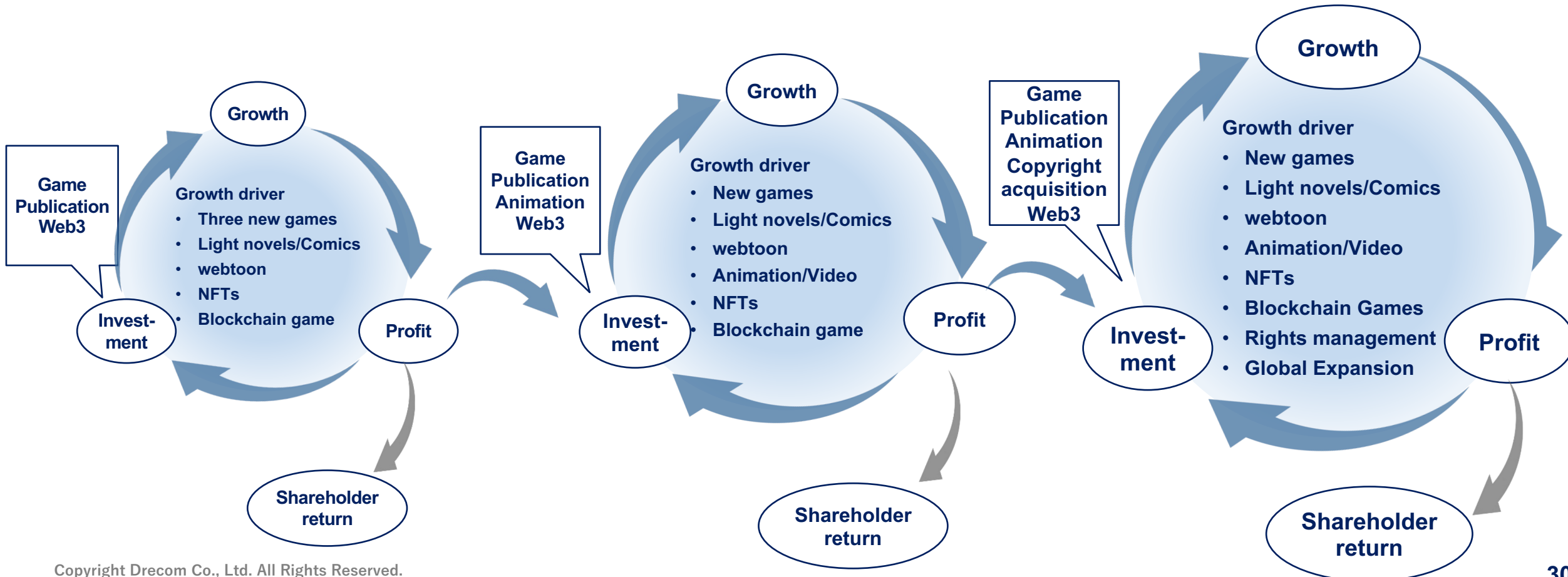
We are in a phase to aim for a virtuous cycle of sales/earnings expansion by aggressively investing cash generated from the game business.

FY2023

FY2024 – FY2025

Sales: 15 billion yen
Operating income: 2 billion yen

Sales: CAGR over 20%
Operating margin: Maintain around 15%



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Game Business: Pipeline of operational and under development titles

Six main development projects underway as of March 31, 2023

| Business | Status | Definition | Number of projects | Details | |
|---------------|-------------|--|--|--|--|
| Game Business | Operation | Titles in operation | 11 | <ul style="list-style-type: none"> ➤ Other company distribution: 6 titles ➤ In-house distribution: 5 titles | |
| | Development | Commercialized development | Titles under development with a prospect for release | 5 | <ul style="list-style-type: none"> • DACHIMEN DENSETSU G (developed by studiorex Co., Ltd → Adult prank RPG. Release in May 2023 • Wizardry Variants Daphne → 3D dungeon RPG. Release in 2023 • Evil Prince and the Puppets → Dark fantasy adventure. Release in 2023 • Unannounced title (developed by Drecom Co., Ltd.) • Location-based IP title using “AROW” |
| | | | Titles for Smartphones | | |
| | | Titles for PC and consoles | 1 | <ul style="list-style-type: none"> • Tokyo Stories -working title- → 3D Adventure. Scheduled for release in 2023 | |
| | Prototype | Titles at a stage before commercialization development | Several | <ul style="list-style-type: none"> ➤ Multiple projects in progress | |

*Series titles and titles developed overseas are counted as one title.

New title status: GGGGG released March 31, 2023

An experimental title that pursues new experiences on mobile phones as the next-generation "5G" communication standard begins service.



- **Genre:** Cooperative and competitive action game
- **Release date:** March 31, 2023
- **Supported platforms:** iOS/Android
- **Price:** Free for basic play (with in-game purchases)
- **Development/Distribution/Operation:** Drecom Inc.
- **Countries of distribution:** 172 countries and regions worldwide, including Japan
- **Copyright Notice:** ©Drecom Co., Ltd.



New title status: *DACHIMEN DENSETSU G* pre-registration is open

A new title from studiorex, a group company that develops and operates *BOKU & DRAGONS* and *NEKO & DRAGONS*. Utilizing our operational know-how. Scheduled for release in May 2023.

DACHIMEN DENSETSU G



- **Genre:** Adult prank RPG
- **Release date:** May 2023 (planned)
- **Supported platforms:** iOS/Android
- **Price:** Free for basic play (with in-game purchases)
- **Development/Distribution/Operation:** studiorex Co., Ltd.
- **Country of distribution:** Japan
- **Copyright Notice:** ©studiorex Co., Ltd.



New Title Status: *Wizardry Variants Daphne*

We acquired copyrights and trademarks of a popular IP and started developing original titles. To be improved based on the results of the closed test. Scheduled to release in 2023.

Wizardry Variants Daphne

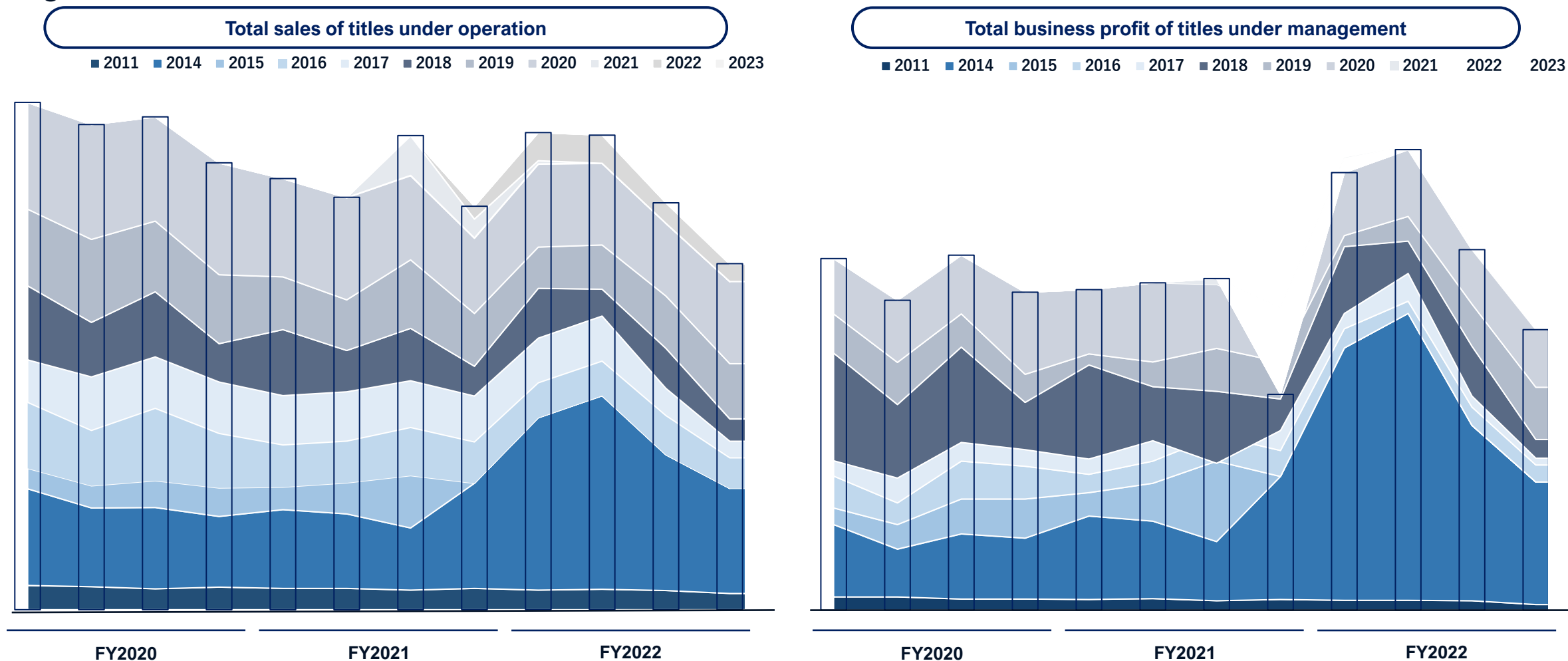


- **Genre:** 3D dungeon RPG
- **Release date:** 2023 (planned)
- **Supported platforms:** iOS/Android
- **Price:** Free for basic play (with in-game purchases)
- **Development/Distribution/Operation:** Drecom Co., Ltd.
- **Country of distribution:** Worldwide
(Japan and overseas)
- **Supported languages:** Japanese/English
*At the time of distribution
- **Copyright Notice:** ©Drecom Co., Ltd.



Revenue status of titles in operation (by release date)

The game business is not dependent on a small number of hit titles, but rather on the accumulation of multiple titles to generate revenue.



*Please refer to the fact sheet posted on our website for consolidated business performance trends, cost of sales, SG&A expenses, etc., and game business billing sales trends. https://drecom.co.jp/ir/factsheet_202303Q4.pdf

List of game titles in operation

| Game title | Distributor | Service start date |
|---|---------------------------------|--------------------|
| <i>Chokotto Farm</i> | Drecom Co., Ltd. | Jan 2011 |
| <i>ONE PIECE Treasure Cruise</i> | BANDAI NAMCO Entertainment Inc. | May 2014 |
| <i>BOKU & DRAGONS</i> | studiorex Co., Ltd.* | Feb 2015 |
| <i>Derby Stallion: Masters</i> | Drecom Co., Ltd. | Nov 2016 |
| <i>Everybody's Golf</i> | Forward Works Corporation | Jul 2017 |
| <i>THE IDOLM@STER SHINY COLORS</i> | BANDAI NAMCO Entertainment Inc. | Apr 2018 |
| <i>NEKO & DRAGONS</i> | studiorex Co., Ltd.* | Apr 2019 |
| <i>Super Robot Wars DD</i> | BANDAI NAMCO Entertainment Inc. | Aug 2019 |
| <i>Disgaea: Hour of Darkness RPG</i> | Forward Works Corporation | Nov 2019 |
| <i>New Japan Pro-Wrestling Strong Spirits</i> | Bushiroad Inc. | Feb 2022 |
| <i>GGGGG</i> | Drecom Co., Ltd. | Mar 2023 |

*studiorex, Co., Ltd. joined our group in March 2020.

| Terminology | Meaning |
|--|--|
| Games distributed in-house | Games for which Drecom is the distributor. We are in charge of game planning, development, advertising, and sales. |
| Games distributed by other companies | The game is distributed by another company, and Drecom is in charge of development as a partnering company. |
| Platformer | Apple, Google, and other companies that provide service infrastructure systems to users and third parties. |
| Gross sales | The amount of money paid by the user to the distributor, Drecom. |
| Net sales | The amount of money distributed from the distributor to the developer, Drecom. |
| Developer | A company responsible for the development of games. |
| Amount of game development costs charged to assets | Amount of development costs, such as labor and subcontracting costs, mainly related to pre-release games, deducted from manufacturing costs and transferred to assets as "Software in progress". |
| Research and development expenses | Costs associated with planning and creating prototypes for new games and services. |
| IP | Abbreviation for Intellectual Property. |
| Commercialized development | Game development is in full swing. |
| Anniversary Events | Every six months and a year, an event is held that boosts the game. The number of active users and sales often rise compared to normal times due to the introduction of many new measures and contents |

**For trends in consolidated financial results, cost of sales/ SG&A expenses, etc., and sales of game business billing,
Please see the fact sheet posted on our website, https://drecom.co.jp/ir/factsheet_202303Q4.pdf**



Among the perceptions, strategies, plans, etc., described in this document, the outlook is not a historical fact but contains uncertain elements. Actual results may differ materially from those in the forward-looking statements for a number of reasons. Important factors that may affect actual business results include, but are not limited to, economic conditions surrounding our business, social trends, and changes in relative competitiveness due to demand trends for the services we provide.