

Quarterly Securities Report

(16th business term of the second quarter)

COLOPL, Inc.

(E27062)

Quarterly Securities Report

This document is an output and printout of the quarterly report submitted using the Electronic Data Processing System for Disclosure (EDINET) stipulated in Article 27-30-2 of the Financial Instruments and Exchange Act, with a table of contents and pages.

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Quarterly Accounting Period:	16th business term of the second quarter (From January 1, 2024 to March 31, 2024)
Company:	Kabushiki Kaisha COLOPL
Company name in English:	COLOPL, Inc.
Name and title of representative:	Takashi Miyamoto, President and Representative Director
Address of head office:	9-7-2 Akasaka, Minato-ku, Tokyo
Phone number:	03-6721-7770
Contact person:	Yoshiaki Harai, Executive Director
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Phone number:	03-6721-7770
Contact person:	Yoshiaki Harai, Executive Director
Place for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)

Part 1. Corporate Information

I. Company Overview

1. Trends in Major Management Indicators, Etc.

Fiscal term	15th term Second Quarter Consolidated Cumulative period	16th term Second Quarter Consolidated Cumulative period	15th period
Accounting period	October 1, 2022 to March 31, 2023	October 1, 2023 to March 31, 2024	October 1, 2022 to September 30, 2023
Net sales (million yen)	15,897	12,714	30,926
Ordinary profit (million yen)	1,607	727	3,276
Profit attributable to owners of parent (million yen)	932	120	1,893
Comprehensive income (million yen)	627	(31)	2,178
Net assets (million yen)	74,683	73,674	76,234
Total assets (million yen)	80,513	81,111	81,695
Basic earnings per share (yen)	7.27	0.94	14.76
Diluted earnings per share (yen)	—	—	—
Equity ratio (%)	92.8	90.8	93.3
Cash flows from operating activities (million yen)	949	1,544	1,159
Cash flows from investing activities (million yen)	8,903	(2,646)	8,237
Cash flows from financing activities (million yen)	(2,559)	(562)	(2,567)
Cash and cash equivalents at end of period (million yen)	57,768	56,845	58,167

Fiscal term	15th term Second Quarter Consolidated period	16th term Second Quarter Consolidated period
Accounting period	January 1, 2023 to March 31, 2023	January 1, 2024 to March 31, 2024
Net income per share (yen)	10.49	4.99

(Notes) 1. Since the Company prepares quarterly consolidated financial statements, changes in major management indices of the submitting company are not shown.

2. Diluted earnings per share is not shown in the above table, as there were no residual shares.

2. Business Summary

During the six months ended March 31, 2024, there have been no significant changes in the businesses operated by the Group (the Company and its affiliated companies).

Changes in the major affiliated companies are as follows.

Investment and Development Business

Colopl Next Korea, Inc. was included in the scope of consolidation from the first quarter of the consolidated fiscal year under review due to its increased importance.

During the second quarter of the consolidated fiscal year under review, COLOPL NEXT Listed Shares No. 1 Fund Investment Partnership has been removed from the scope of consolidation, as a result of the completion of its liquidation process.

II. Business Overview

1. Business Risks

During the six months ended March 31, 2024, there were no occurrences of matters related to the status of business and accounting described in this quarterly report that may have a significant impact on investor decisions, or significant changes to the "Business Risks" described in the securities report for the previous fiscal year.

2. Management's Analysis of Financial Position, Operating Results and Cash Flows

The forward-looking statements in this document are based on judgments made as of the end of the quarter consolidated accounting period.

(1) Financial condition and operating results

1) Operating results

With the Group's mission, "'Entertainment in Real Life': Making everyday more enjoyable and wonderful through entertainment", the Group has been working to enrich people's everyday lives through entertainment. In the six months ended March 31, 2024, the Entertainment Business has been keeping in mind the need to enhance engagement with users in conjunction with existing titles, while also focusing on developing new titles. The Investment and Development Business has been investing mainly in IT-related and entertainment companies in Japan and overseas.

As a result, consolidated results for the six months ended March 31, 2024 were net sales of 12,714 million yen (down 20.0% from the same period of the previous fiscal year), operating profit of 273 million yen (down 85.9% from the same period of the previous fiscal year), ordinary profit of 727 million yen (down 54.8% from the same period of the previous fiscal year), and profit attributable to owners of the parent of 120 million yen (down 87.1% from the same period of the previous fiscal year).

Operating results by segment are as follows.

a. Entertainment Business

The Entertainment Business is responsible primarily for the development and operation of games for smartphones.

In games for smartphones that account for a major portion of sales, "DRAGON QUEST WALK (planning and production: SQUARE ENIX CO., LTD., Development: COLOPL, Inc.)" remained steady and contributed to the Group's consolidated financial results. In original IP titles, the Group has been operating services to increase user engagement, such as holding collaboration events with popular IP for "Shironeko Project" and "Travel Jimano Nyanko (tentative)". In addition to the decrease in sales due to the diminishing sales of existing titles, there were upfront expenses for the blockchain business, which is expected to be released soon.

As a result, consolidated net sales and operating profit for the six months ended March 31, 2024 stood at 12,344 million yen (down 20.0% from the same period of the previous fiscal year) and 389 million yen (down 81.9% from the same period of the previous fiscal year), respectively.

b. Investment and Development Business

The Group conducts the Investment and Development Business with a focus on investments in IT-related and entertainment companies in particular.

The Group's funds generated income from the sale of operational investment securities for the six months ended March 31, 2024. In addition, impairment losses were recorded on a portion of operational investment securities held.

As a result, consolidated net sales and operating loss for the six months ended March 31, 2024 stood at 369 million yen (down 20.0% from the same period of the previous fiscal year) and 116 million yen (operating loss of 207 million yen in the same period of the previous fiscal year), respectively.

2) Consolidated financial position

(Assets)

Current assets as of March 31, 2024 were 72,015 million yen (down 2,874 million yen from September 30, 2023). This was mainly due to a decrease in Cash and deposits and Accounts receivable - trade, and contract assets.

Non-current assets were 9,095 million yen (up 2,290 million yen from September 30, 2023). This was mainly due to an increase in Investments and other assets.

As a result, total assets were 81,111 million yen (down 583 million yen from September 30, 2023).

(Liabilities)

Current liabilities as of March 31, 2024 were 5,131 million yen (up 804 million yen from September 30, 2023). This was mainly due to an increase in Other current liabilities.

In addition, Non-current liabilities were 2,304 million yen (up 1,171 million yen from September 30, 2023). This was mainly due to an increase in Long-term borrowings.

As a result, total liabilities were 7,436 million yen (up 1,975 million yen from September 30, 2023).

(Net assets)

Net assets as of March 31, 2024 were 73,674 million yen (down 2,559 million yen from September 30, 2023). This was mainly due to a decrease in retained earnings resulting from the payment of dividends.

(2) Status of cash flows

The balance of cash and cash equivalents at the end of the six months ended March 31, 2024 decreased 1,321 million yen from the end of the previous fiscal year, to 56,845 million yen.

The status of each of the cash flow segments and contributing factors for changes during the six months ended March 31, 2024 are as follows.

(Cash flows from operating activities)

Net cash increased by 1,544 million yen in operating activities during the six months ended March 31, 2024 (compared to an increase of 949 million yen during the same period of the previous fiscal year). The main cash inflow was 944 million yen decrease in trade receivables.

(Cash flows from investing activities)

Net cash decreased by 2,646 million yen in investing activities during the six months ended March 31, 2024 (compared to an increase of 8,903 million yen during the same period of the previous fiscal year). The main cash outflow was 2,941 million yen in purchase of investment securities.

(Cash flows from financing activities)

Net cash decreased by 562 million yen in financing activities during the six months ended March 31, 2024 (compared to a decrease of 2,559 million yen during the same period of the previous fiscal year). The main cash outflow was 2,565 million yen in dividends paid, and inflow was 2,000 million yen in proceeds from long-term borrowings.

(3) Priority business and financial issues to be addressed

During the six months ended March 31, 2024, there were no significant changes in the business and financial issues that the Group needs to address on a priority basis.

(4) Research and Development

The total amount of research and development expenses for the six months ended March 31, 2024 was 1,276 million yen.

There were no significant changes in the status of the Group's research and development activities during the six months ended March 31, 2024.

3.Important Contracts Etc. Related to Management

During the six months ended March 31, 2024, there were no decisions or conclusions of important management contracts.

III. Information on the Reporting Company

1. Stock Information

(1) Total Number of Shares, Etc.

1) Total number of shares

Type	Number of authorized shares
Common shares	450,000,000
Total	450,000,000

2) Number of Shares Issued

Type	Number of shares issued at the end of the second quarter (shares) (March 31, 2024)	Number of shares issued as of the filing date (shares) (May 13, 2024)	Stock exchange where the Company is listed	Details
Common shares	130,144,640	130,144,640	Tokyo Stock Exchange Prime Market	The number of shares per one unit of shares is 100 shares.
Total	130,144,640	130,144,640	—	—

(2) Information on the Share Acquisition Rights, Etc.

1) Stock Options

Not applicable.

2) Other Share Acquisition Plans, Etc.

Not applicable.

(3) Moving Strike Convertible Bonds, Etc.

Not applicable.

(4) Changes in Number of Shares Issued and Capital, Etc.

Date	Changes in number of shares issued (shares)	Balance of number of shares issued (shares)	Change in capital (million yen)	Balance of capital (million yen)	Change in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
January 1, 2024 - March 31, 2024 (Notes)	89,635	130,144,640	25	6,635	25	6,632

(Notes) As a result of the issuance of new shares of restricted stock compensation with a payment date of January 18, 2024, the total number of issued shares increased by 89,635 shares, and capital stock and capital surplus increased by 25 million yen each.

Issue price 569 yen

Capitalized amount 285 yen

(5) Status of Major Shareholders

As of March 31, 2024

Name	Address	Share ownership (shares)	Ratio of the number of shares owned to the number of shares issued (excluding treasury shares) (%)
Naruatsu Baba	Shibuya-ku, Tokyo	61,781,792	48.13
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	10,050,700	7.83
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	8,863,700	6.91
THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY10286, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	7,251,900	5.65
THE BANK OF NEW YORK 133612 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	BOULEVARD ANSPACH 1, 1000 BRUSSELS, BELGIUM (2-15-1, Konan, Minato-ku, Tokyo)	3,222,300	2.51
CREDIT SUISSE AG HONG KONG TRUST A/C CLIENT (Standing proxy: MUFG Bank, Ltd.)	LEVEL 88, INTERNATIONAL COMMERCE CENTRE, 1 AUSTIN ROAD WEST, KOWLOON, HONG KONG (2-7-1, Marunouchi, Chiyoda-ku, Tokyo)	2,306,800	1.80
KUWAIT INVESTMENT AUTHORITY (Standing proxy: Direct Custody Clearing Operations of Citibank, N.A., Tokyo Branch)	MINISTRIES COMPLEX ALMURQAB AREA KUWAIT KW 13001 (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	1,677,500	1.31
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	892,600	0.70
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - SINGAPORE BRANCH PRIVATE BANKING DIVISION A/ C CLIENTS (Standing proxy: Custody Services Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	10 MARINA BOULEVARD #48-01 MARINA BAY FINANCIAL CENTRE SINGAPORE 018983 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	700,000	0.55
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	PLUMTREE COURT, 25 SHOE LANE, LONDON EC4A 4AU, U.K. (6-10-1, Konan, Minato-ku, Tokyo)	619,600	0.48
Total	—	97,366,892	75.85

(Notes) 1. The ratio of the number of shares owned to the number of shares issued (excluding treasury shares) is rounded to the second decimal place.

2. The number of shares held is based on names on the shareholder register because the Company cannot determine the number of shares related to the trust business of trust banks, etc.

3. A large-volume holdings report (change report) that was made available for public inspection on October 4, 2023 states that Baillie Gifford & Co and its co-owner Baillie Gifford Overseas Limited own the shares shown below as of September 27, 2023. However, because the Company has not been able to confirm the number of shares actually held by them as of March 31, 2024, they have not been included in the major shareholders above.

The following is what is stated in the large-volume holdings report.

Name	Address	Number of shares held (shares)	Shareholding ratio
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland	10,681,400	8.21
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland	3,125,100	2.40
Total	—	13,806,500	10.62

(6) Information on Voting Rights

1) Number of Shares Issued

As of March 31, 2024

Classification	Number of shares (shares)	Number of voting rights	Details
Non-voting shares	—	—	—
Shares with restricted voting right (treasury shares, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury shares, etc.)	(Treasury stock) Common shares 1,778,700	—	The number of shares per one unit of shares is 100 shares.
Shares with full voting right (others)	Common shares 128,311,700	1,283,117	Ditto
Shares less than one unit	Common shares 54,240	—	—
Number of shares outstanding	130,144,640	—	—
Total number of voting rights	—	1,283,117	—

(Note) The column showing the shares of less than one unit contains 19 treasury stock owned by the Company.

2) Treasury Shares, Etc.

As of March 31, 2024

Name of shareholder	Address of shareholder	Number of shares held under the shareholder's name (shares)	Number of shares held under other shareholders' names (shares)	Total number of shares held (shares)	Ratio of number of shares held to number of outstanding shares (%)
(Treasury stock) COLOPL, Inc.	9-7-2 Akasaka, Minato-ku, Tokyo	1,778,700	—	1,778,700	1.37
Total	—	1,778,700	—	1,778,700	1.37

(Notes) The treasury stock above does not include 19 shares of less than one unit.

2. Officers

The changes in directors and executive officers from the filing date of the Annual Securities Report for the fiscal year ended September 30, 2023 until March 31, 2024 are as follows.

Changes in titles

New job title	Former job title	Name	Date of change
President and Representative Director In charge of PR Marketing Division	President and Representative Director Head of Marketing Division	Takashi Miyamoto	January 1, 2024
Executive Director In charge of Corporate Administration Department	Executive Director In charge of Corporate Division	Yoshiaki Harai	January 1, 2024

IV. Financial Information

Method of Preparation of Quarterly Consolidated Financial Statements

The Company's quarterly consolidated financial statements are prepared in accordance with the "Regulations Concerning Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Ordinance No.64, 2007).

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(million yen)

	As of September 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	57,960	56,840
Accounts receivable - trade, and contract assets	4,733	3,802
Operational investment securities	9,908	9,697
Inventories	*1 442	*1 568
Other	1,864	1,116
Allowance for doubtful accounts	(21)	(10)
Total current assets	74,889	72,015
Non-current assets		
Property, plant and equipment	1,780	1,795
Intangible assets	20	13
Investments and other assets		
Other	*2 5,004	*2 7,297
Allowance for doubtful accounts	(0)	(11)
Total investments and other assets	5,004	7,286
Total non-current assets	6,805	9,095
Total assets	81,695	81,111
Liabilities		
Current liabilities		
Accounts payable - other	2,226	2,134
Income taxes payable	380	679
Other	1,720	2,317
Total current liabilities	4,327	5,131
Non-current liabilities		
Long-term borrowings	—	1,333
Asset retirement obligations	745	782
Other	387	189
Total non-current liabilities	1,133	2,304
Total liabilities	5,460	7,436
Net assets		
Shareholders' equity		
Share capital	6,610	6,635
Capital surplus	6,350	6,373
Retained earnings	66,358	63,900
Treasury shares	(4,645)	(4,645)
Total shareholders' equity	74,673	72,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,206	1,026
Foreign currency translation adjustment	348	376
Total accumulated other comprehensive income	1,555	1,402
Non-controlling interests	5	7
Total net assets	76,234	73,674
Total liabilities and net assets	81,695	81,111

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

Second Quarter Consolidated Cumulative Period

(million yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Net sales	15,897	12,714
Cost of sales	10,653	9,255
Gross profit	5,244	3,458
Selling, general and administrative expenses	* 3,299	* 3,184
Operating profit	1,944	273
Non-operating income		
Interest income	78	160
Foreign exchange gains	—	79
Gain on sale of investment securities	225	226
Gain on investments in investment partnerships	—	15
Gain on investments in derivatives	—	17
Miscellaneous income	25	45
Total non-operating income	328	544
Non-operating expenses		
Foreign exchange losses	462	—
Loss on valuation of investment securities	—	54
Loss on sale of investment securities	54	21
Loss on investments in derivatives	144	—
Miscellaneous losses	3	15
Total non-operating expenses	665	91
Ordinary profit	1,607	727
Extraordinary losses		
Impairment losses	—	29
Total extraordinary losses	—	29
Profit before income taxes	1,607	697
Income taxes	675	576
Profit	932	121
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	932	120

Quarterly Consolidated Statements of Comprehensive Income
Second Quarter Consolidated Cumulative Period

(million yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Profit	932	121
Other comprehensive income		
Valuation difference on available-for-sale securities	(328)	(180)
Foreign currency translation adjustment	22	27
Total other comprehensive income	(305)	(152)
Comprehensive income	627	(31)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	627	(31)
Comprehensive income attributable to non-controlling interests	(0)	0

(3) Quarterly Consolidated Statements of Cash Flows

(million yen)

	Six months ended March 31, 2023	Six months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,607	697
Depreciation	151	127
Impairment losses	—	29
Increase (decrease) in allowance for doubtful accounts	0	0
Foreign exchange losses (gains)	487	(80)
Decrease (increase) in operational investment securities	295	194
Loss (gain) on sale of investment securities	(170)	(204)
Loss (gain) on valuation of investment securities	—	54
Loss (gain) investments in derivatives	144	(17)
Decrease (increase) in trade receivables	(180)	944
Decrease (increase) in inventories	(24)	(125)
Increase (decrease) in trade payables	4	(67)
Increase (decrease) in accounts payable - other	(41)	(90)
Increase (decrease) in accrued consumption taxes	175	(38)
Increase (decrease) in income taxes payable - factor based tax	(57)	(9)
Increase (decrease) in advances received	318	45
Decrease (increase) in prepaid expenses	122	117
Other, net	(241)	73
Subtotal	2,593	1,649
Interest and dividends received	92	168
Interest paid	—	(1)
Income taxes refund (paid)	(1,737)	(272)
Net cash provided by (used in) operating activities	949	1,544
Cash flows from investing activities		
Payments into time deposits	—	(1,412)
Proceeds from withdrawal of time deposits	10,000	—
Purchase of property, plant and equipment	(28)	(101)
Purchase of intangible assets	(5)	(5)
Purchase of investment securities	(2,640)	(2,941)
Proceeds from sale of investment securities	1,906	1,736
Purchase of shares of subsidiaries and associates	(209)	—
Payments of leasehold and guarantee deposits	—	(0)
Proceeds from refund of leasehold and guarantee deposits	0	3
Futures settlement (paid)	(115)	25
Other, net	(3)	47
Net cash provided by (used in) investing activities	8,903	(2,646)
Cash flows from financing activities		
Proceeds from long-term borrowings	—	2,000
Dividends paid	(2,559)	(2,565)
Other, net	(0)	2
Net cash provided by (used in) financing activities	(2,559)	(562)
Effect of exchange rate change on cash and cash equivalents	(439)	159
Net increase (decrease) in cash and cash equivalents	6,854	(1,505)
Cash and cash equivalents at beginning of period	50,914	58,167
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	184
Cash and cash equivalents at end of period	* 57,768	* 56,845

Notes

(Changes in scope of consolidation or application of the equity method)

Colopl Next Korea, Inc. was included in the scope of consolidation from the first quarter of the consolidated fiscal year under review due to its increased importance.

During the second quarter of the consolidated fiscal year under review, COLOPL NEXT Listed Shares No. 1 Fund Investment Partnership has been removed from the scope of consolidation, as a result of the completion of its liquidation process.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year, including the second quarter consolidated accounting period, and multiplying quarterly profit before income taxes by the estimated effective tax rate.

(Notes to Quarterly Consolidated Balance Sheet)

*1 Inventories consist of the following.

	As of September 30, 2023	As of March 31, 2024
Merchandise	74 million yen	77 million yen
Work in process	362 million yen	484 million yen
Supplies	5 million yen	6 million yen

*2 Assets pledged collateral

The assets below are deposited under the Act on Financial Settlements.

	As of September 30, 2023	As of March 31, 2024
Investments and other assets	473 million yen	473 million yen

(Notes to Quarterly Consolidated Statements of Income)

*The major items of selling, general and administrative expenses and the amounts are as follows.

	For the six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)	For the six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)
Salaries and allowances	641 million yen	707 million yen
Advertising expenses	1,200 million yen	741 million yen

(Notes to Quarterly Consolidated Statements of Cash Flows)

*Year-end balance of cash and cash equivalents and the relationship with the amounts of items listed in the Quarterly Consolidated Balance Sheet

	For the six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)	For the six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)
Cash and deposits	57,543 million yen	56,840 million yen
Deposits paid ("Other" in current assets)	225 million yen	5 million yen
Cash and cash equivalents	57,768 million yen	56,845 million yen

(Shareholders' equity, etc.)

I. Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)

Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
December 23, 2022 Annual general meeting of shareholders	Common shares	2,564	20.00	September 30, 2022	December 27, 2022	Retained earnings

II. Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
December 22, 2023 Annual general meeting of shareholders	Common shares	2,565	20.00	September 30, 2023	December 26, 2023	Retained earnings

(Segment Information Etc.)

Segment Information

I. For the six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)

Information on net sales and income or loss by reportable segment

(million yen)

	Reportable segment			Adjustment (Note)1	Amount recorded in Consolidated Financial Statements (Note)2
	Entertainment Business	Investment and Development Business	Total		
Net sales					
Sales to external customers	15,434	462	15,897	—	15,897
Intersegment sales or transfers	—	—	—	—	—
Total	15,434	462	15,897	—	15,897
Segment profit (loss)	2,150	(207)	1,943	1	1,944

(Notes) 1. An adjustment in the segment profit (loss) area represents the deduction of intersegment transactions.

2. Segment profit (loss) has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

II. For the six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

Information on net sales and income or loss by reportable segment

(million yen)

	Reportable segment			Adjustment (Note)1	Amount recorded in Consolidated Financial Statements (Note)2
	Entertainment Business	Investment and Development Business	Total		
Net sales					
Sales to external customers	12,344	369	12,714	—	12,714
Intersegment sales or transfers	—	—	—	—	—
Total	12,344	369	12,714	—	12,714
Segment profit (loss)	389	(116)	272	1	273

(Notes) 1. An adjustment in the segment profit (loss) area represents the deduction of intersegment transactions.

2. Segment profit (loss) has been adjusted to be consistent with the operating profit reported in the consolidated statements of income.

(Revenue Recognition)

Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)

(million yen)

	Reportable Segment		Total
	Entertainment Business	Investment and Development Business	
Revenue from user charges	6,898	—	6,898
Income from revenue sharing	5,654	—	5,654
Other (Note) 1	2,881	23	2,905
Revenue from contracts with customers	15,434	23	15,458
Other income (Note) 2	—	438	438
Net sales to external customers	15,434	462	15,897

(Notes) 1. Other includes Revenue from made-to-order software development on order based on contracts.

2. Other income mainly consists of income related to investments in limited liability investment partnerships and similar partnerships in accordance with ASBJ Statement No. 10, "Accounting Standard for Financial Instruments".

Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)

(million yen)

	Reportable Segment		Total
	Entertainment Business	Investment and Development Business	
Revenue from user charges	5,018	—	5,018
Income from revenue sharing	4,653	—	4,653
Other (Note) 1	2,672	29	2,702
Revenue from contracts with customers	12,344	29	12,374
Other income (Note) 2	—	340	340
Net sales to external customers	12,344	369	12,714

(Notes) 1. Other includes Revenue from made-to-order software development on order based on contracts.

2. Other income mainly consists of income related to investments in limited liability investment partnerships and similar partnerships in accordance with ASBJ Statement No. 10, "Accounting Standard for Financial Instruments".

(Per share information)

The basis for calculating basic earnings per share and earnings per share fully diluted is as follows.

Item	Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)	Six months ended March 31, 2024 (October 1, 2023 to March 31, 2024)
(1) Basic earnings per share (yen)	7.27	0.94
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	932	120
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent pertaining to common shares (million yen)	932	120
Average number of shares during the period (shares)	128,240,958	128,321,127

(Notes) Diluted earnings per share is not shown in the above table, as there were no residual shares.

(Significant subsequent events)

Not applicable.

2.Other

Not applicable.

Part 2. Information Concerning Guarantors of the Reporting Company

Not applicable.