



FY Sep.2021 / 4Q Results

2021. 11. 5



FY2021 4Q

Jul2021-Sep2021



01 Overview of Results



02 Status of Businesses



03 Topics



Overview of Results

Aiming to make further progress

Business Results

- Full-year Sales and Operating profit decreased from the previous fiscal year due to the decrease of existing titles.
- 4Q Sales increased QoQ due to the anniversary and entrusted development. Operating profit decreased due to an increase in SG&A expenses.

Cost

- Full-year Operating Profit Margin down 10.1pt YoY to 17.0% due to lower Sales.
- Expenses in 4Q increased by ¥1.66 billion QoQ to ¥8.63 billion, mainly due to advertising expenses and cost of delivery for entrusted development.

KPI

- Both QAU and ARPU increased due to the anniversary and "Quiz RPG" finale.
- Aggressive investments led to new and additional investments in 10 companies.

TOPICS

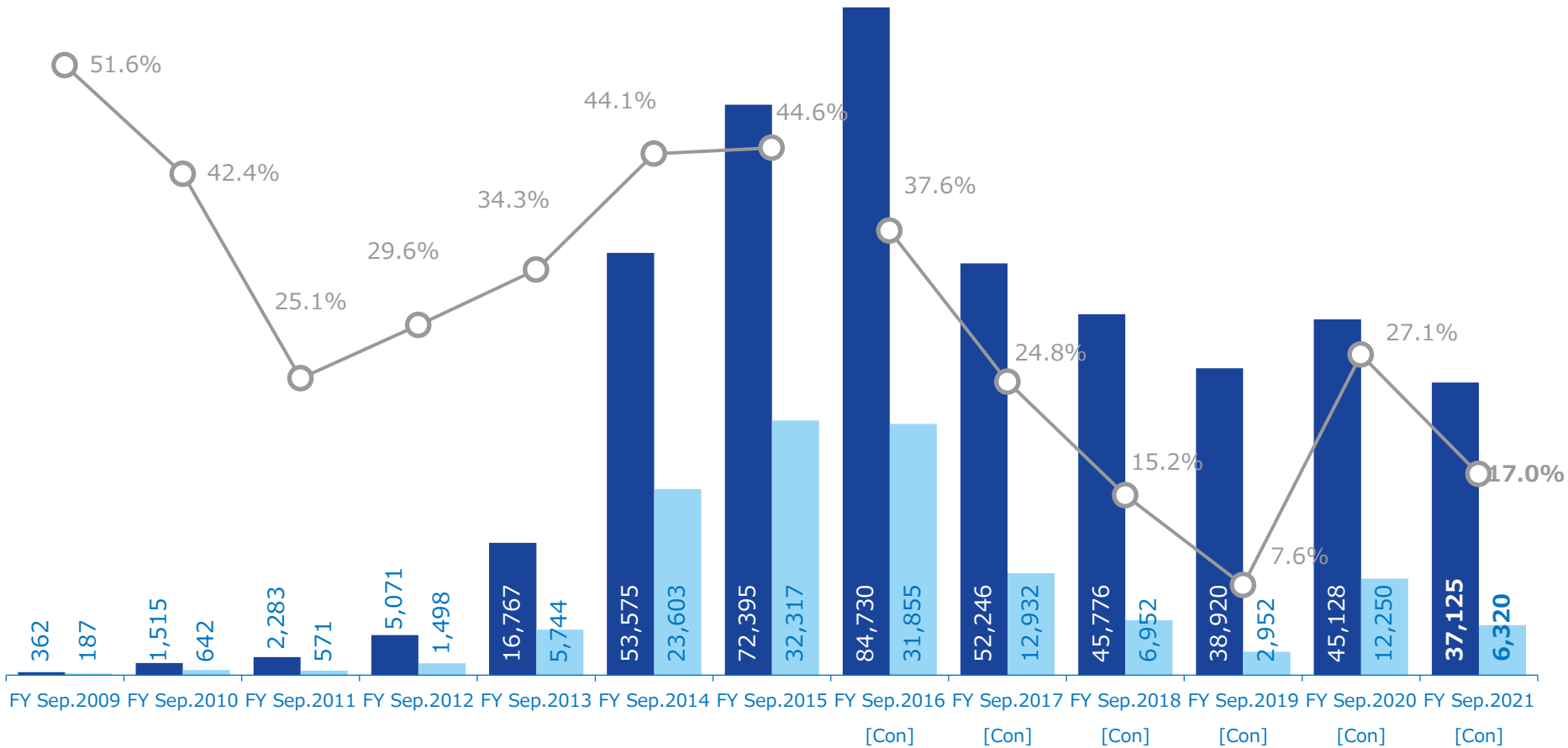
- "TALES OF LUMINARIA" was released on November 4.
- Announced the transition to a new organization to strengthen the development capabilities of new titles and corporate governance.
(For details, please refer to the timely disclosure, "[Notice of Changes in Representative Directors and Directors](#)" released on 20th October.)
- Plan to pay a dividend of 20 yen per share for the fiscal year ended September 30, 2021



Revenue Transition (YoY)

Sales **¥37.1B** (YoY: ▲17.7%), Operating profit **¥6.3B** (YoY: ▲48.4%)

■ Sales ■ Operating Profit ○ OpM (,000,000 JPY)



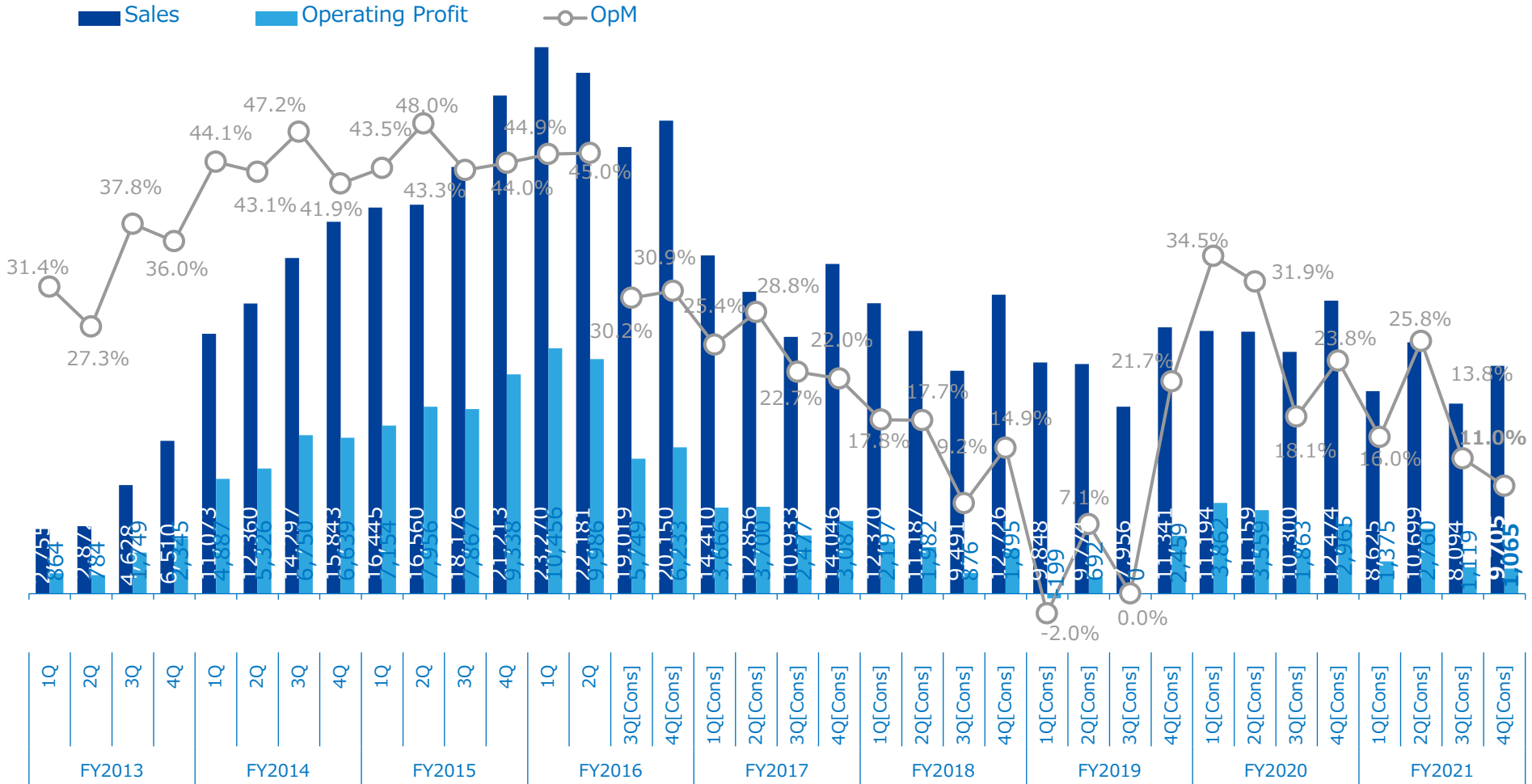
※There are some differences in calculation due to rounding down of less than one million yen and rounding off.



Revenue Transition

Sales **¥9.7B** (QoQ:+19.9%), Operating Profit **¥1.0B** (QoQ:▲4.8%)

(,000,000 JPY)





Sales and Operating profit decreased from the previous year due to the decrease of existing titles.

(,000,000 JPY)	【Cons】 4Q FY Sep. 2021 (Jul-Sep 2021)	【Cons】 4Q FY Sep. 2020 (Jul-Sep 2020)	YoY	【Cons】 3Q FY Sep. 2021 (Apr-Jun 2021)	QoQ
Sales	9,705	12,474	-22.2%	8,094	+19.9%
Gross profit	3,136	5,427	-42.2%	2,595	+20.9%
Margin	32.3%	43.5%	-11.2pt	32.1%	+0.2pt
SGA	2,071	2,462	-15.9%	1,476	+40.3%
Operating profit	1,065	2,965	-64.1%	1,119	-4.8%
Margin	11.0%	23.8%	-12.8pt	13.8%	-2.8pt
Ordinary profit	1,008	2,593	-61.1%	1,311	-23.1%
Pre-Tax Profit	717	1,741	-58.8%	-1,988	-
Net Profit	494	1,369	-63.9%	-1,457	-

※The fourth quarter of the fiscal year ending September 30, 2020 have been retroactively adjusted due to accounting reasons associated with the inclusion of MAGES.inc in the COLOPL group.

※There are some differences in calculation due to rounding down of less than one million yen and rounding off.

※Net sales (shared revenue portion) from "DRAGON QUEST WALK" is used.



Expenses increased by ¥1.66 billion QoQ to ¥8.63 billion, mainly due to the new title and existing titles promotions and the delivery of entrusted development by our group company.

	【Cons】 4Q FY Sep. 2021 Sales ratio (%) (Jul-Sep 2021)	【Cons】 4Q FY Sep. 2020 (Jul-Sep 2020)	YoY	【Cons】 3Q FY Sep. 2021 (Apr-Jun 2021)	QoQ	Comments
PF & Payments	1,362 14.0%	2,112 16.9%	-35.5% -2.9pt	1,193 14.7%	+14.1% -0.7pt	They increased QoQ due to an increase in sales of titles other than "DRAGON QUEST WALK" of net revenue.
Royalties	149 1.5%	285 2.3%	-47.5% -0.8pt	157 2.0%	-5.2% -0.5pt	They changed due to sales linkage of related titles.
Employment	2,641 27.2%	2,779 22.3%	-4.9% +4.9pt	2,772 34.3%	-4.7% -7.1pt	They decreased QoQ due to a decrease in the number of employees.
Office	360 3.7%	407 3.3%	-11.5% +0.4pt	308 3.8%	+16.7% -0.1pt	They increased QoQ due to the start of the new office contract in September. They will be for two locations for a certain period of time due to restoration.
iDC related	347 3.6%	314 2.5%	+10.3% +1.1pt	326 4.0%	+6.4% -0.4pt	They increased slightly QoQ due to increased traffic associated with events for existing titles.
Advertisement	1,028 10.6%	681 5.5%	+51.0% +5.1pt	364 4.5%	+182.4% +6.1pt	They increased QoQ due to the promotion of the new title "YOU GENERATION", the anniversary of "Shireneko Project" and the finale of "Quiz RPG".
Outsourcing	1,034 10.7%	1,087 8.7%	-4.9% +2.0pt	1,136 14.0%	-9.0% -3.3pt	We made the best use of our internal resources. They decreased QoQ due to adjustment in development of new titles and operation of existing titles.
Others	1,715 17.7%	1,840 14.8%	-6.8% +2.9pt	715 8.8%	+139.7% +8.9pt	They increased QoQ due to the delivery of entrusted development by our group company.

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※There are some differences in calculation due to rounding down of less than one million yen and rounding off.

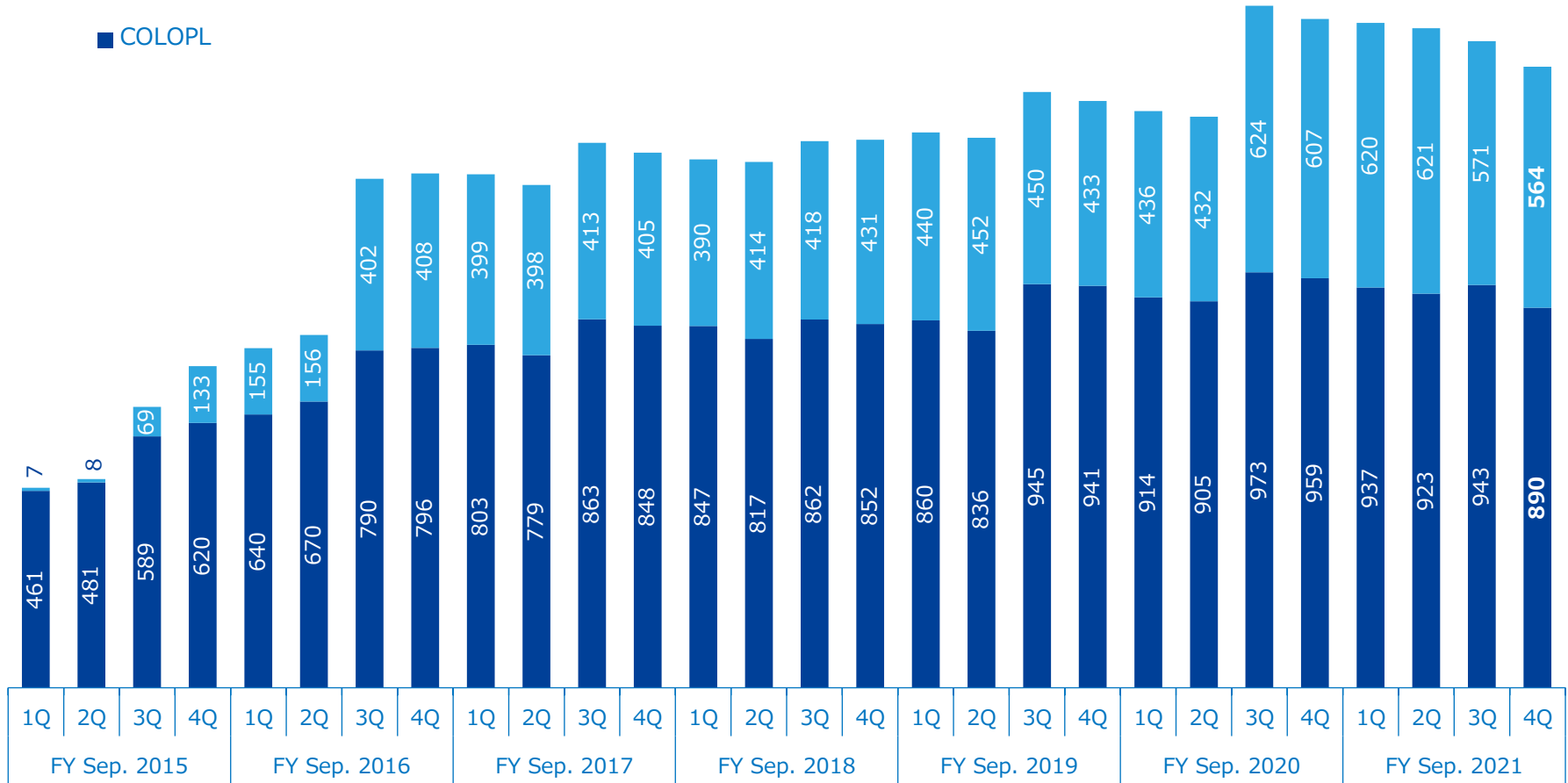


The number of employees decreased from the previous quarter to 1,454 for the entire group.

Number of employees at the end of the term

■ Amount of each group company

■ COLOPL



※Executives and temporary employees are not included.



Cash and deposits and Current liabilities decreased from the previous quarter due to the settlement package.

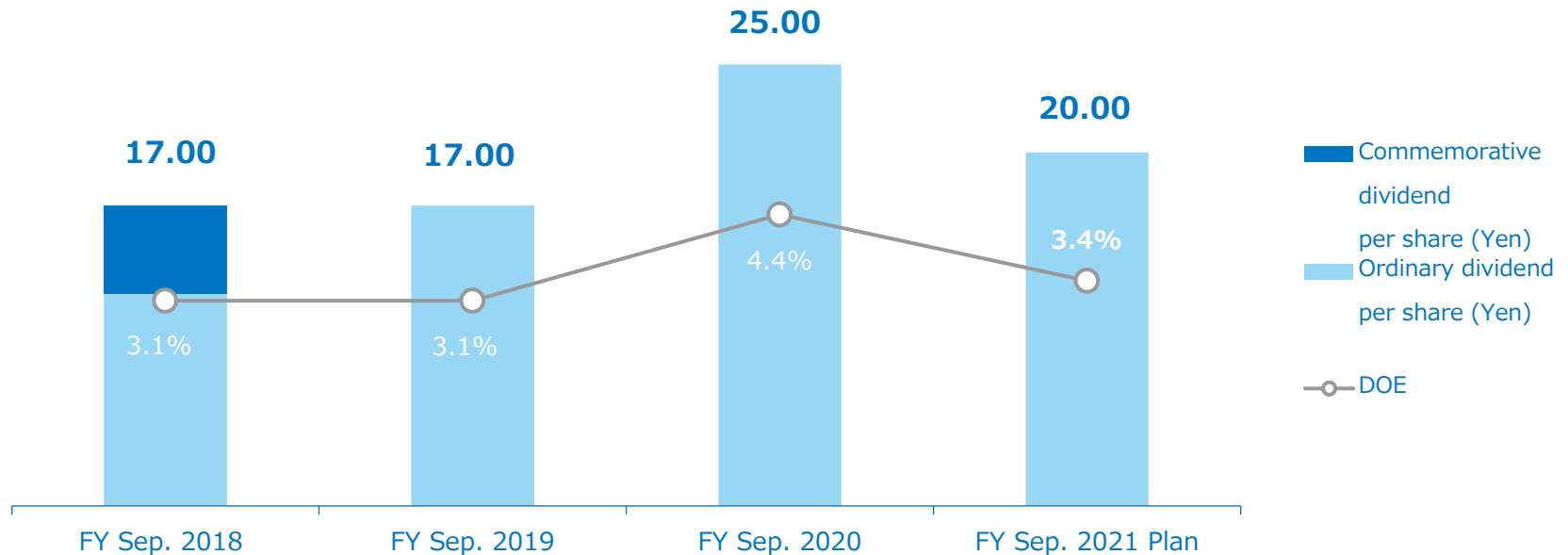
(,000,000 JPY)	【Cons】 Sep-2021	【Cons】 Sep-2020	YoY	【Cons】 Jun-2021	QoQ
Current assets	74,430	74,180	+0.3%	76,682	-2.9%
Cash and deposits	58,871	65,009	-9.4%	61,858	-4.8%
Operational investment securities	7,591	-	-	6,546	+16.0%
Non-current assets	6,384	11,653	-45.2%	7,115	-10.3%
Total assets	80,814	85,833	-5.8%	83,798	-3.6%
Current liabilities	4,922	9,521	-48.3%	8,134	-39.5%
Non-current liabilities	141	532	-73.5%	512	-72.5%
Net assets	75,751	75,779	-0.0%	75,151	+0.8%
Share capital	6,556	6,536	+0.3%	6,556	-

※There are some differences in calculation due to rounding down of less than one million yen and rounding off.



We comprehensively consider consolidated business performance, DOE, cash flow and capital efficiency. Our basic policy is to provide stable and continuous dividends, and we plan to pay ¥20 for the fiscal year ended September 30, 2021.

	Dividend per share (Yen)	YoY	Total dividend (,000,000)	Payout ratio	YoY	DOE
FY Sep. 2021 Plan	20.00	▲20.0%	2,559	84.0%	+44.0pt	3.4%
FY Sep. 2020	25.00	+47.1%	3,195	40.0%	▲162.4pt	4.4%
FY Sep. 2019	17.00	+0.0%	2,167	202.4%	+151.0pt	3.1%
FY Sep. 2018	17.00	▲19.0%	2,160	51.4%	+21.1pt	3.1%



※The dividend for FY Sep. 2021 will be decided at the annual meeting of stockholders which is plans to take in December, 2021 in relation to the plan for the appropriation of surplus.

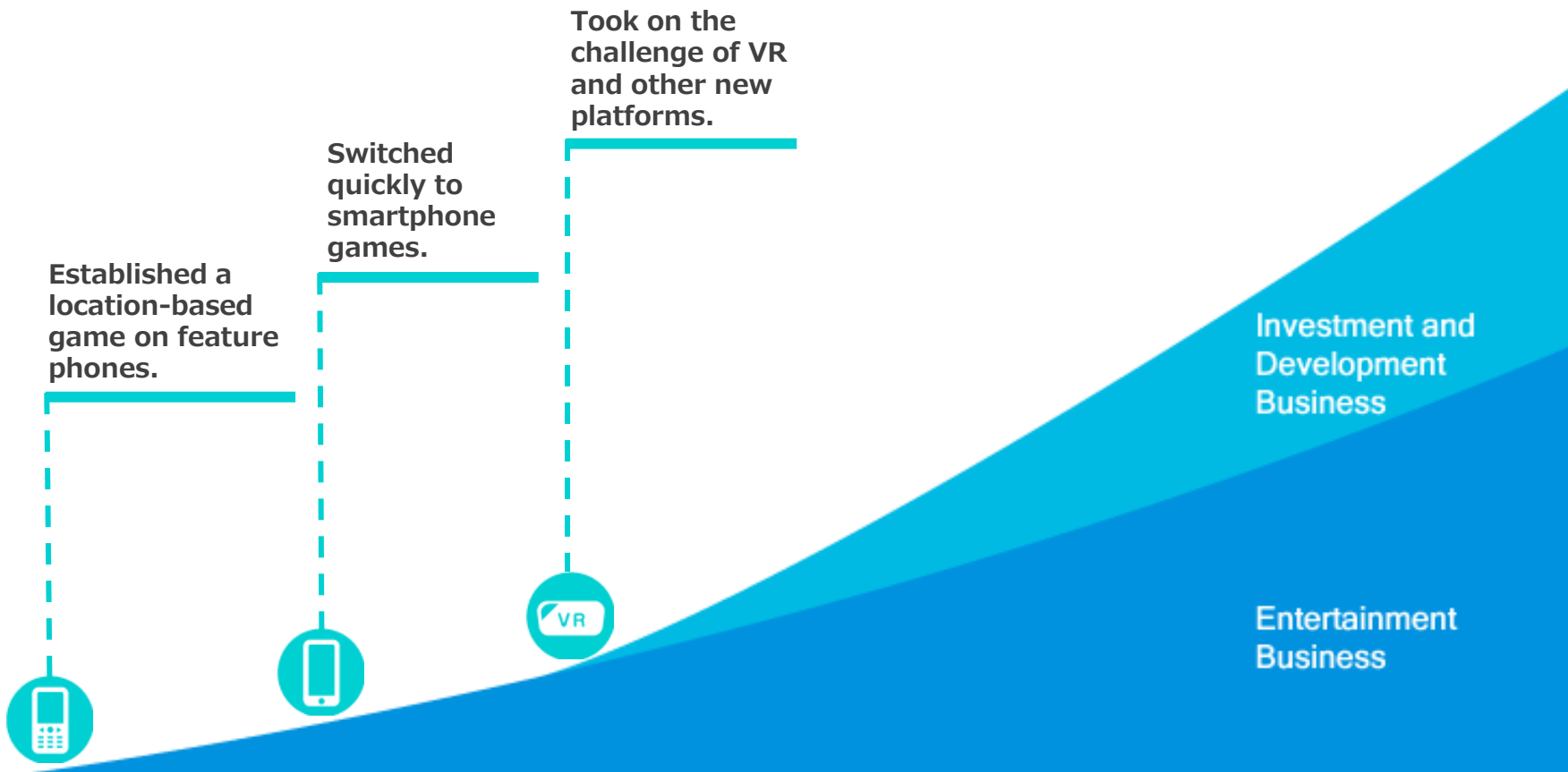


Status of Businesses



Medium- to long-term growth image

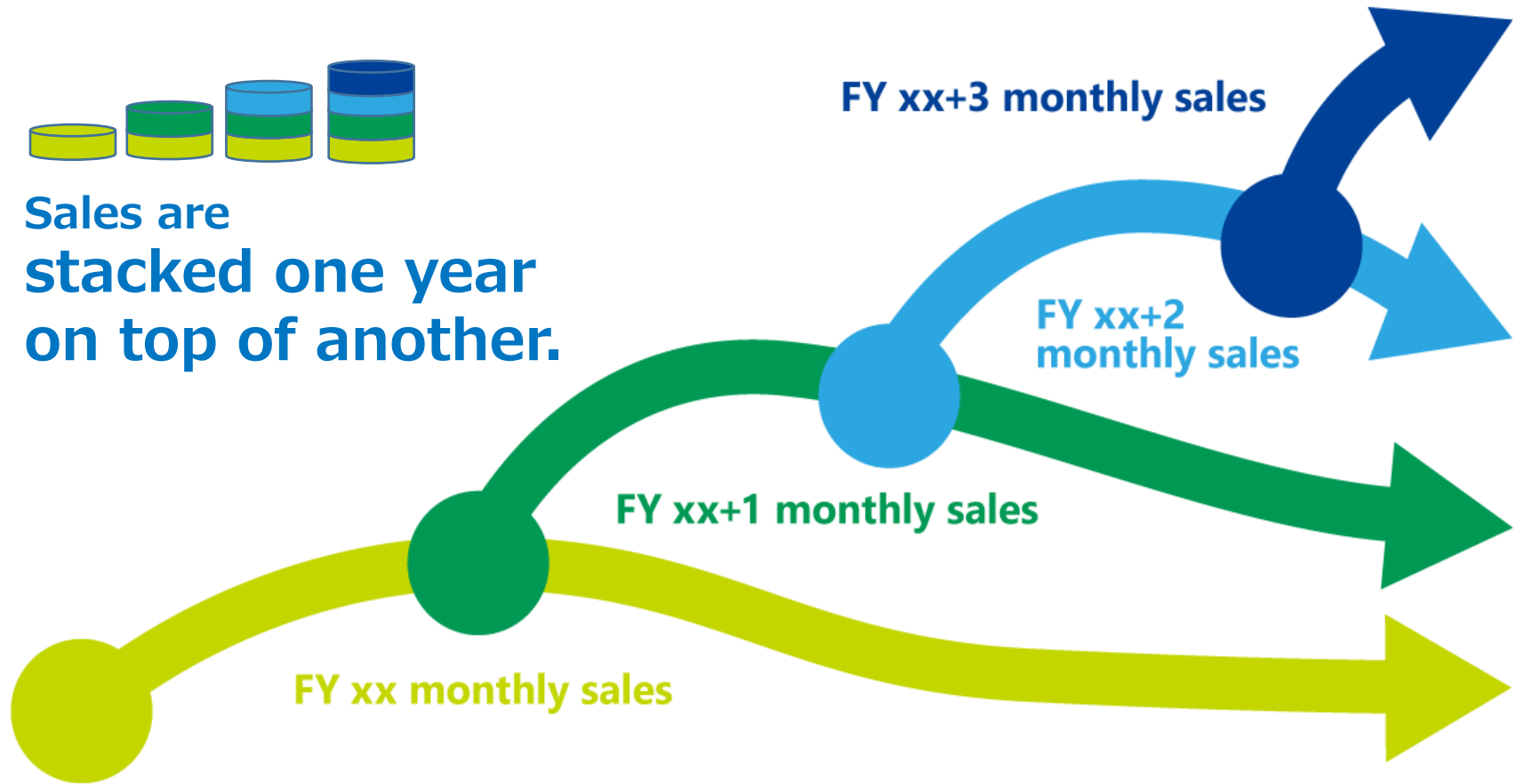
We aim to increase the corporate value of the COLOPL Group by growing each of our businesses.





Entertainment Business

We focus on consecutively launching new titles and operating existing titles on a long-term basis. This approach enables us to accumulate sales for each release year like the stack of layers in a 'mille-feuille'.

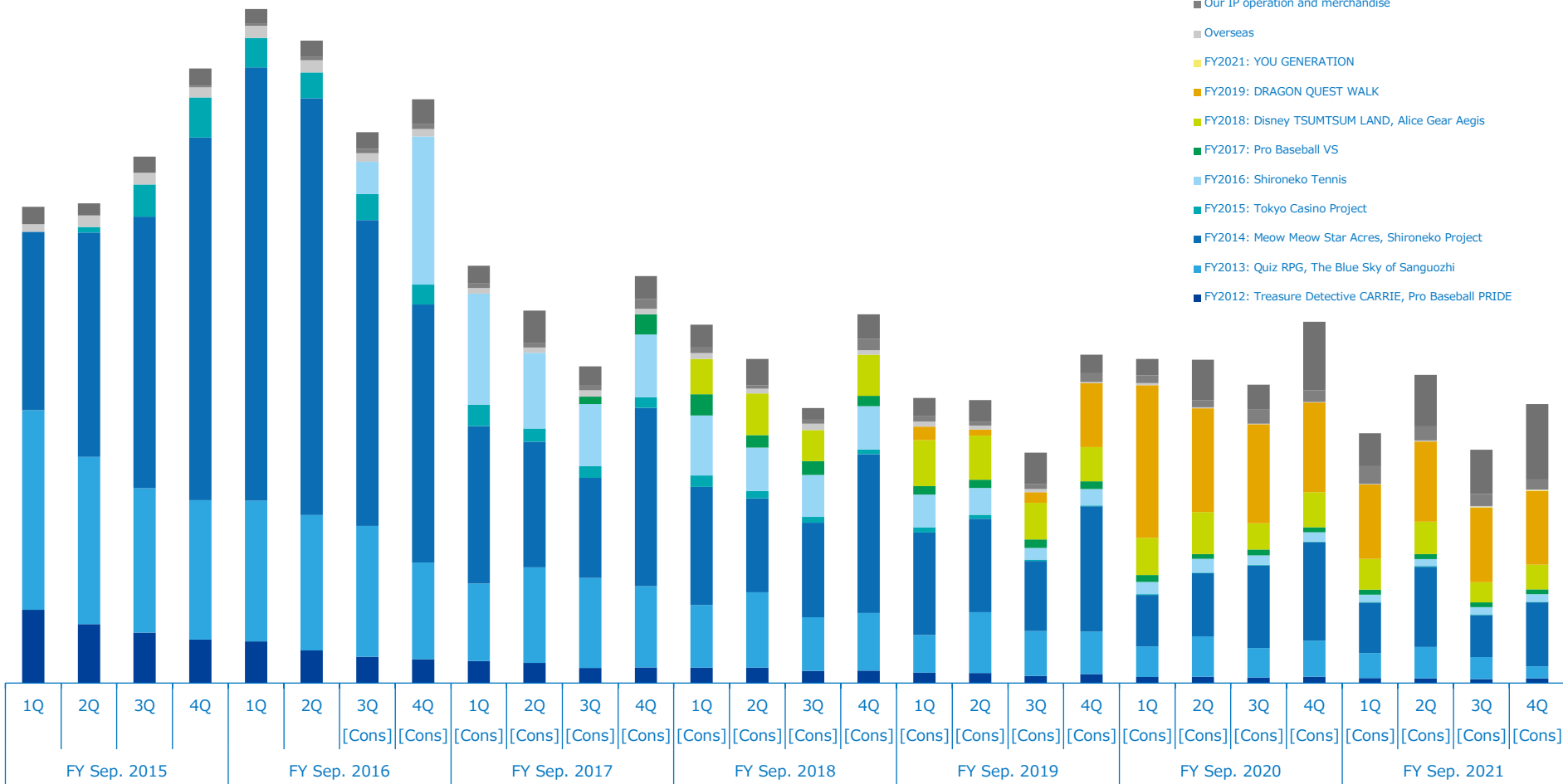




Sales Transition by Release Period (Entertainment Business)

There was an increase in FY14 including "Shironeko Project", which celebrated its 7th anniversary, and "Others" including the entrusted development. FY19 were solid as "DRAGON QUEST WALK" celebrated its 2nd anniversary.

- Others (Console · Entrusted development · VR etc)
- Our IP operation and merchandise
- Overseas
- FY2021: YOU GENERATION
- FY2019: DRAGON QUEST WALK
- FY2018: Disney TSUMTUM LAND, Alice Gear Aegis
- FY2017: Pro Baseball VS
- FY2016: Shironeko Tennis
- FY2015: Tokyo Casino Project
- FY2014: Meow Meow Star Acres, Shironeko Project
- FY2013: Quiz RPG, The Blue Sky of Sanguozhi
- FY2012: Treasure Detective CARRIE, Pro Baseball PRIDE



※It excludes sales in the Investment and Development Business.

※Some collaboration projects with other companies are calculated in net revenue (shared revenue portion).

※Sales of smartphone app titles operated by COLOPL's group companies under outsourcing contracts from COLOPL are divided among fiscal years.





Sales Transition by Release Period (Entertainment Business)

Sales in the Entertainment Business increased by ¥1.57 billion QoQ to ¥9.63 billion, mainly due to FY14 including "Shironeko Project" of the 7th anniversary and the delivery of entrusted development by our group company.

Sales Transition (,000,000 JPY)	FY Sep. 2020		FY Sep. 2021		
	4Q	1Q	2Q	3Q	4Q
FY Sep. 2012 Online Titles	224	177	171	144	165
FY Sep. 2013 Online Titles	1,245	863	1,082	760	413
FY Sep. 2014 Online Titles	3,396	1,742	2,765	1,448	2,207
FY Sep. 2015 Online Titles	23	22	24	22	22
FY Sep. 2016 Online Titles	322	244	241	248	268
FY Sep. 2017 Online Titles	174	177	168	166	163
FY Sep. 2018 Online Titles	1,205	1,063	1,121	693	851
FY Sep. 2019 Online Titles	3,099	2,568	2,767	2,574	2,545
FY Sep. 2021 Online Titles	-	-	-	22	30
Overseas	15	25	31	33	19
Our IP operation and merchandise	403	603	489	415	344
Others (Console · Entrusted development · VR etc)	2,365	1,137	1,773	1,529	2,598
Total (Entertainment Business)	12,474	8,625	10,637	8,059	9,630

- FY2012 : Treasure Detective CARRIE, Pro Baseball PRIDE (discontinued:1)
- FY2013 : Quiz RPG, The Blue Sky of Sanguozhi (discontinued:3)
- FY2014 : Meow Meow Star Acres, Shironeko Project (discontinued:4)
- FY2015 : Tokyo Casino Project (discontinued:2)
- FY2016 : Shironeko Tennis (discontinued:2)
- FY2017 : Pro Baseball VS (discontinued:1)
- FY2018 : Disney TSUMTUM LAND, Alice Gear Aegis (discontinued:1)
- FY2019 : DRAGON QUEST WALK (discontinued:2)
- FY2021 : YOU GENERATION



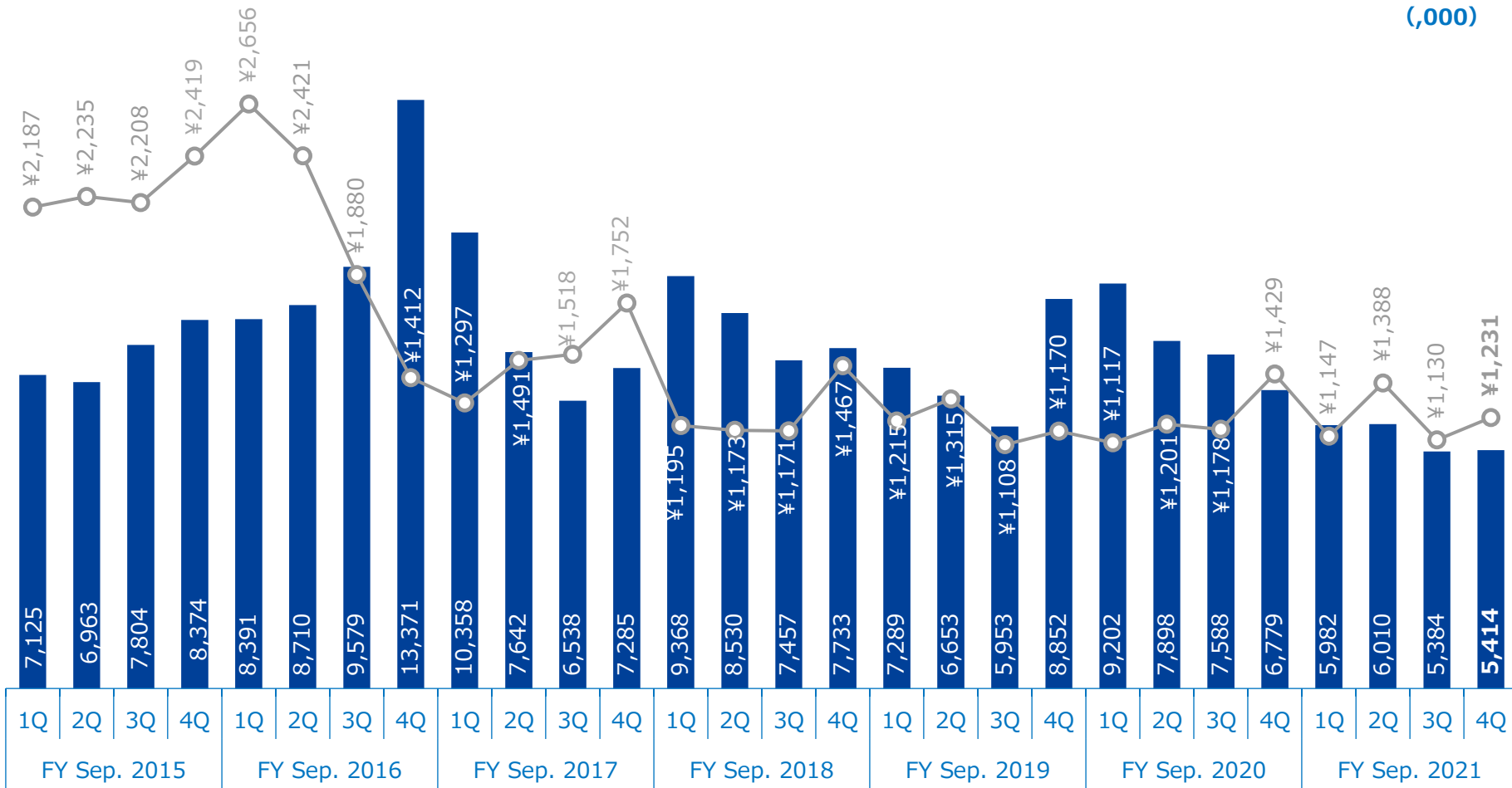
QAU and ARPU increased due to the anniversary of "Shironeko Project" and "DRAGON QUEST WALK" in addition to the finale of "Quiz RPG".

ARPU (JPY)

■ QAU

○ ARPU

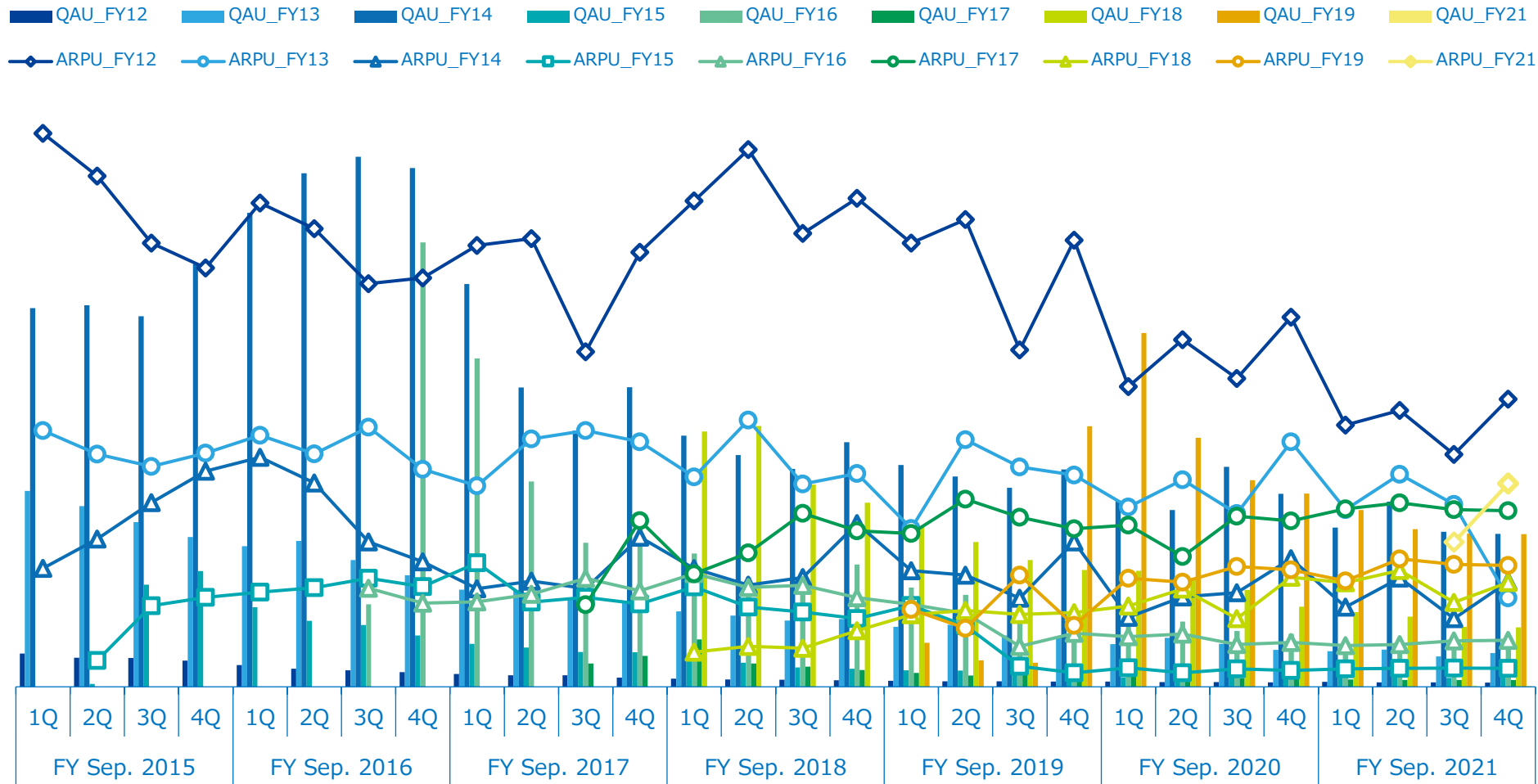
QAU
(,000)





QAU×ARPU Transition by Release Period

QAU for FY13 including the finale of "Quiz RPG", and ARPU for FY14 including "Shironeko Project" of the 7th anniversary, increased. "DRAGON QUEST WALK" celebrated its 2nd anniversary, and FY19 QAU and ARPU were steady.



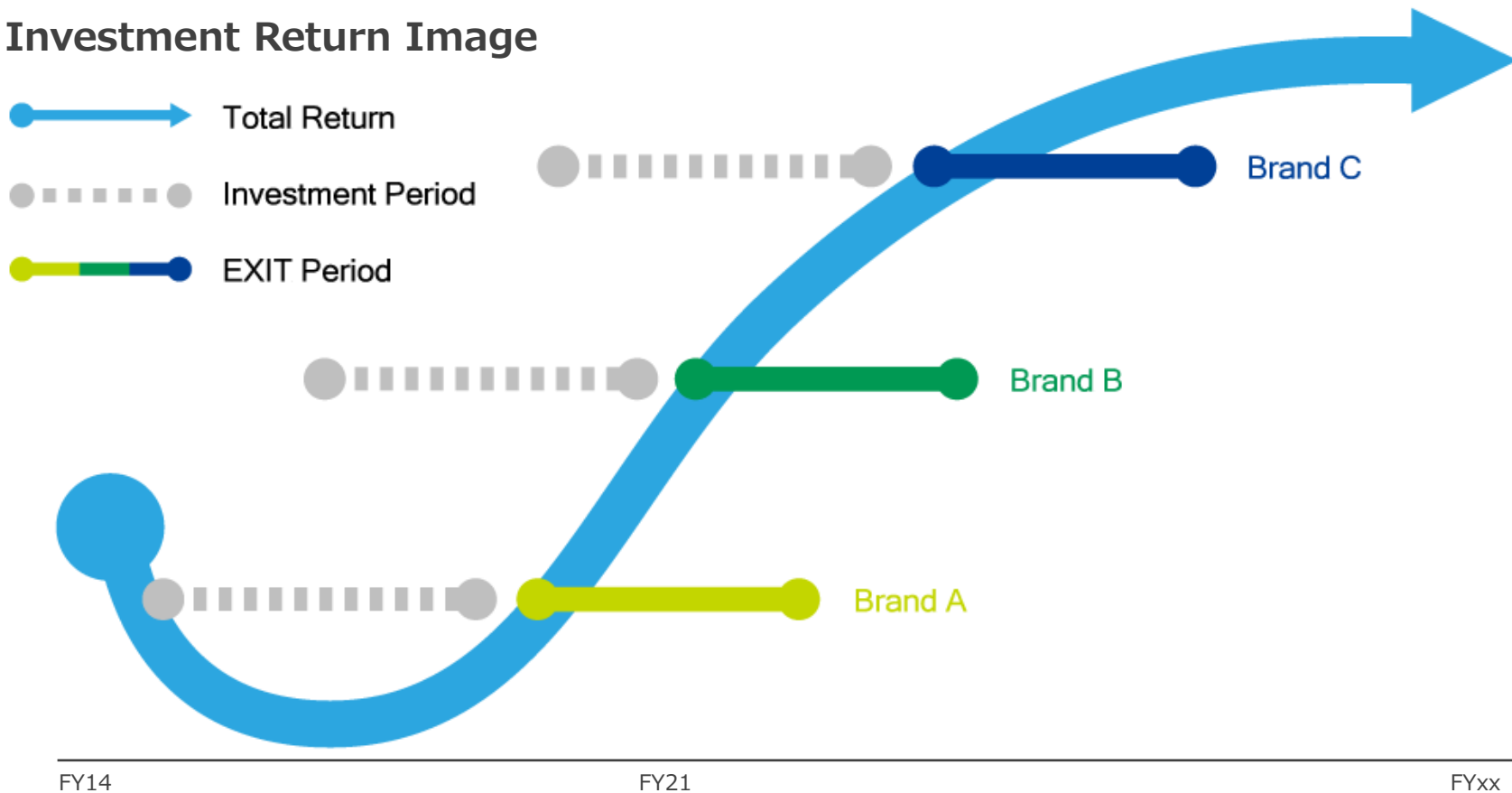


Investment and Development Business



We invest in a wide range of domestic and overseas entertainment and BtoC companies at all stages from seed to rater. By investing in a combination of multiple themes and time periods, we aim to minimize risk and maximize return.

Investment Return Image





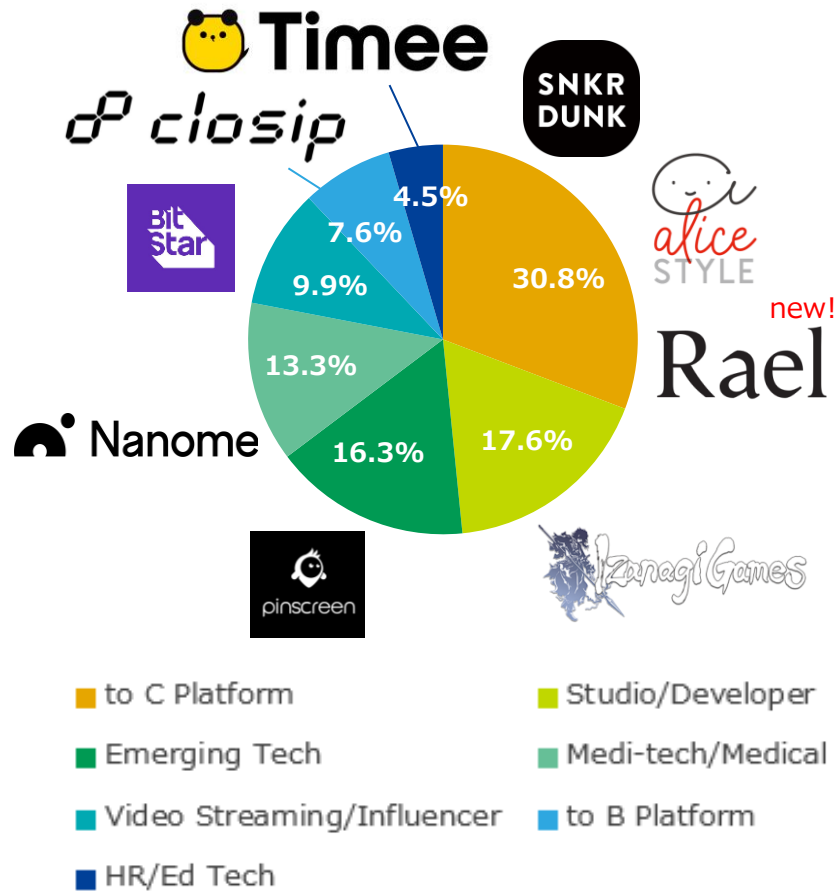
We invested in 7 new companies and 3 additional companies in 4Q. We are able to invest in a wide range of genres in a well-balanced manner.

(,000,000 JPY)	[Cons] Sep-2021	(Reference) Assuming that the investment is an intra-operating from the beginning of 1Q
Sales	171	861
Operating Profit	-129	216
Operating Investment Securities	7,591	-

4Q Investment Destination



Ratio by industry/sector (cumulative investment amount)



※The figures do not include the performance of No.1 Fund Investment Partnership (Support for student entrepreneurs) and Listed Stock Fund (targeting listed stocks in Japan) managed by our group company COLOPL NEXT, Inc..

※Ratios by industry/sector is internally managed figures and based on our own classification.



Topics



While utilizing other companies' IP in various ways, we will focus on creating and nurturing our own IP over the medium to long term.

IN Utilization of other companies' IP

Collaborations in each title



OUT Deployment of our original IP

Deliver the first complete new OVA of "Alice Gear Aegis"



Release 7th Anniversary Merchandise for "Shironeko Project"



※Product image for illustration purposes only. Actual product may vary.



"TALES OF LUMINARIA", co-developed with BANDAI NAMCO Entertainment Inc. was released on November 4. The pipeline now consists of two other companies' IP and five our original IP/our original IP derivatives.

Other companies' IP

TALES OF LUMINARIA



Published: BANDAI NAMCO Entertainment Inc.
©BANDAI NAMCO Entertainment Inc. Character Design/Shun Saeki

- The first completely original application to close the 25th anniversary of the series.
- 21 vibrant protagonists meet, clash over opposing justice, forge bonds, and grow as people. Overseas versions are now available.

Our original IP Our original IP derivatives

Shironeko GOLF



※画面は開発中のものです。

©COLOPL, Inc.

- It is a sports game that offers a near-real golf experience.
- You can play online against players from all over the world.



We released 3 titles in 4Q, and we plan to release 1 title of our original IP and 1 title of other companies' IP in 1Q on November 11.

Our original IP

Taimingu~



- A rhythm game with simple controls.
- Features a unique world view set in hell.

Other companies' IP

Laid-Back Camp Have a nice day!



- The first adventure game of the popular IP "Laid-Back Camp".
- Completely original story for the game.

※It is subject to change as it is the current information.



We continue to balance infection prevention measures with business promotion. We are raising the rate of coming to the office at work while monitoring the infection situation.

Entertainment Business

- As for existing titles, measures are being taken according to the situation such as infection status and emergency declaration. No significant impact on DAU, playing time, and continuation rate.
- In the game peripheral area and restaurant business, the impact is gradually decreasing as real events are being distributed online and stores are reopening.

Investment and Development Business

- Although the business performance of some of our investees has been affected, there is no major impact on us at present, and we will continue to invest aggressively.



Under the severe competitive environment of the mobile game market, we have not been able to continuously deliver new experiences due to the increasing difficulty of development. In order to overcome this, we are moving to a new structure with a clear division of roles.

Development of New Games and the Creation of New Businesses



New Chairman of the Board Chief Creator

Naruatsu Baba

- He personally developed the world's first location-based game "Colony Life" using GPS in 2003, which is our company's first business.
- He have been providing various new experiences such as "Quiz RPG", "Shironeko Project", and "YOU GENERATION" directly.

Leading the Management of the COLOPL Group



New President and Representative Director

Takashi Miyamoto

- He has more than 10 years of experience as the head of marketing and president of a major corporate group company.
- He joined COLOPL in June 2020. Implemented marketing enhancements, structural reforms of the organization, and organizational strengthening of the entire group.

※For details, please refer to the timely disclosure, "[Notice of Changes in Representative Directors and Directors](#)" released on 20th October.

※A formal decision will be made at the Ordinary General Meeting of Shareholders to be held in December 2021 and at a meeting of the Board of Directors to be held after the meeting.



We aim to increase corporate value by focusing on strengthening governance and internationalization initiatives.

Strengthen Governance and Internationalize Business



New Outside director

Harold George Meij

- In addition to having served as president of several major companies, he has extensive knowledge of the entertainment industry.
- As an outside director, he will strengthen governance and promote the internationalization of the company's business, including the overseas expansion of new titles and investment outside Japan.

※A formal decision will be made at the Ordinary General Meeting of Shareholders to be held in December 2021 and at a meeting of the Board of Directors to be held after the meeting.

Disclosure of Global Standards



An entertainment production company rooted in the idea of diversity

COLOPL, as seen internally and externally from the perspective of human resource diversity

ESG initiatives, including a special feature on diversity in human resources featuring outside director Mr.Tamesue and para-athletes.

- English Version of "[COLOPL Report 2020](#)" won gold award at the World's Largest Annual Report Competition.
- All IR materials are disclosed in English.
- Further strengthened disclosure of non-financial information such as climate change and ensuring diversity.



Just like last year, we have decided **not to disclose our results forecast** at this time, given the difficulty in anticipating performance of new products.

Sales

- Existing titles are expected to remain stable, and the rate of decline in sales is expected to be approximately 20% to 30% for the full fiscal year.
⇒ In 1Q, "TSUMTSUM LAND" hold the 4th anniversary on October 31. Overall trends are expected to be in line with usual years.
- Our policy is to develop well-balanced our original IP, our original IP derivatives, and other companies' IPs according to the market environment. In the short term, we will leverage the profitability of other companies' IP to create and cultivate our original IP that will become a source of competitiveness over the medium to long term, with the aim of achieving sustainable growth.
⇒ We aim to release about three to four new titles annually and focus on "proposing new ways to play".
- We are planning to release about 10 console titles a year, including ported versions.
- In the Investment and Development Business, middle and rater companies* currently account for more than 70% of the total number of companies. We are expecting further capital gains from the gradual emergence of EXIT.

Cost

- The advertising costs to sales ratio is expected to be about 10%. This could change depending on our next title.
⇒ We plan for approximately ¥0.5 billion in advertising during the first quarter.
- We anticipate outsourcing costs to increase as we gear up for new releases.
- The number of employees is expected to decrease slightly by maximizing internal resources.



※ It is subject to change as it is the current information.

※ The ratios by stage are categorized independently, with the most recent valuation of between ¥1.0 billion and ¥5.0 billion being the middle and ¥5.0 billion or more being the rater.



“Entertainment in Real Life”

Making everyday more enjoyable and wonderful through entertainment

We're sending out the latest information on the COLOPL group!



@colopl_pr



@coloplinc

Click!!

