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August 12, 2022

## Summary of Consolidated Financial Results for the Fiscal Year 2022 [Japanese GAAP] (Consolidated)

Company name Bushiroad Inc.  
 Stock exchange listing Tokyo  
 Securities code 7803 URL: <https://bushiroad.co.jp/>  
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 Scheduled date to hold regular shareholders meeting September 27, 2022  
 Scheduled date to commence dividend payments September 28, 2022  
 Scheduled date to submit securities report September 28, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

**1. Consolidated financial results for FY2022 (July 1, 2021 – June 30, 2022)**

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	41,966	—	3,390	—	5,113	—	3,508	—
FY2021	32,569	—	344	—	583	—	-284	—

(Note) Comprehensive income FY2022 3,835 million yen [-%]  
 FY2021 -122 million yen [-%]

	Net profit per share	Diluted net profit per share	Shareholders equity net profit margin	Total assets ordinary profit rate	Net sales operating profit margin
	yen	yen	%	%	%
FY2022	109.62	100.05	24.3	12.6	8.1
FY2021	-8.80	—	-2.2	1.6	1.1

(Reference) Equity gains (losses) of affiliated companies FY2022 30 million yen [-%]  
 FY2021 -103 million yen [-%]

(Notes) 1. The Company has since FY2021 changed its fiscal year end from July 31 to June 30, and unified the whole Group's fiscal year end as June 30. With this change, the previous and current fiscal periods were different: previous period was from August 1, 2020 to June 30, 2021 and current period was from July 1, 2021 to June 30, 2022. Therefore, year-on-year increase/decrease (%) are not given.

2. The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net profit per share and diluted net profit per share were calculated assuming that such share splitting had been carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2022	43,721	16,192	35.6	480.79
FY2021	37,515	13,894	35.3	405.22

(Reference) Shareholders equity FY2022 15,580 million yen [-%]  
 FY2021 13,241 million yen [-%]

(Note) The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net assets per share was calculated assuming that such share splitting was carried out at the beginning of the previous consolidated fiscal year.

## (3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of period
	million yen	million yen	million yen	million yen
FY2022	6,868	-4,437	-2,295	23,102
FY2021	-1,397	-280	3,895	22,446

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Dividend on net assets (%) (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2022	—	0.00	—	9.00	9.00	291	8.2	0.5
FY2023 (forecast)	—	0.00	—	8.00	8.00		11.3	

(Note) The amount of full year dividends for FY2023 (forecast) will be changed depending on total number of issued shares, if the number of shares increase because of conversion of convertible bond-type bonds with subscription rights to shares.

**3. Consolidated performance forecast for FY2023 (July 1, 2022 – June 30, 2023)**

(Percentages indicate increase/decrease (%) in comparison with the previous term for the full year and year-on-year for the quarter.)

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent		Net profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-term	50,000	19.1	3,500	3.2	3,500	-31.5	2,300	-34.4	70.97

(Note) Net profit per share for FY2023 will be changed depending on total number of issued shares, if the number of shares increase because of conversion of convertible bond-type bonds with subscription rights to shares.

\*Notes

(1) Change in significant subsidiaries during the term

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

Newly consolidated company N/A; deconsolidated company N/A

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

i. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

ii. Changes in accounting policies due to reasons other than i above : No

iii. Changes in accounting estimates: No

iv. Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

i. Total number of issued shares at the end of the period (including treasury stock)

FY2022	34,067,390 shares	FY2021:	33,038,800 shares
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ii. Number of treasury stock at the end of the period

FY2022	1,660,215 shares	FY2021:	361,052 shares
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iii. Average number of shares during the period

FY2022	32,004,086 shares	FY2021	32,383,233 shares
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(Note) The Company carried out share splitting to split one share into two shares, on October 1, 2021. “Total number of issued shares at the end of the period”, “Number of treasury stock at the end of the period”, and “Average number of shares during the period” were calculated assuming that such share splitting had been carried out at the beginning of the previous consolidated fiscal year.

(Reference) Summary of non-consolidated financial results

Non-consolidated financial results for FY2022 (July 1, 2021 – June 30, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2022	21,353	—	1,305	—	1,836	—	1,153	—
FY2021	19,057	—	-132	—	-248	—	-930	—

	Net profit per share		Diluted net profit per share	
	yen		yen	
FY2022	36.03		32.89	
FY2021	-28.72		—	

(Note) 1. The Company has since FY2021 changed its fiscal year end from July 31 to June 30. With this change, the previous and current fiscal periods were different: previous period was from August 1, 2020 to June 30, 2021 and current period was from July 1, 2021 to June 30, 2022. Therefore, year-on-year increase/decrease (%) are not given.

2. The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net profit per share and diluted net profit per share were calculated assuming that such share splitting had been carried out at the beginning of the previous fiscal year.

## (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
FY2022	30,291	7,867	26.0	242.77
FY2021	29,128	8,629	29.6	264.07

(Reference) Shareholders equity FY2022 7,867 million yen [-%]  
 FY2021 8,629 million yen [-%]

(Note) The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net assets per share was calculated assuming that such share splittings had been carried out at the beginning of the previous fiscal year.

\* Summary of financial results is not included in a review by a certified public accountant or auditing firm.

\* Explanation regarding appropriate use of the earnings forecast and other special notes

Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors. Please refer to P. 10 “1. Overall Operating Results, etc., (5) Forecast for the future” presented in the Appendix regarding the conditions assumed for performance forecast and cautions in use of the performance forecast.

(How to obtain materials for the financial results briefing)

Materials for financial results meeting are provided along with this document. Financial results meeting will be held for institutional investors and analysis on Thursday, August 18, 2022.

(Publication of “Matters concerning business plans and growth potentials”)

“Matters concerning business plans and growth potentials” is scheduled to be publicized in September, 2022.

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## 1. Overall Operating Results, etc.

### (1) Overall operating results of the current period

It should be noted that descriptions concerning the future in the text are based on judgement of the Company as of the end of the current consolidated fiscal period.

“Partial amendments to the articles of incorporation” was approved at the 14th regular shareholders meeting on October 27, 2020. So the Company has changed its fiscal year end from July 31 to June 30, and unified the whole Group’s fiscal year end as June 30. With this change, the previous and current fiscal periods were different: previous period was from August 1, 2020 to June 30, 2021 and current period was from July 1, 2021 to June 30, 2022. Therefore, year-on-year comparison of operating results is omitted.

Economic landscape in Japan during the current consolidated fiscal period remained harsh due to restrictions of economic activities caused by expansion of COVID-19 infection. Although the economy recovered mildly after rate of vaccination increased and economic activities were gradually resumed, number of COVID-19 cases has increased again due to appearance of new variant and there has also been surges in prices of natural resources and goods from growing tensions between Russia and Ukraine, which are bringing sustained future uncertainty.

Amid such an environment, our Group has, under “IP DEVELOPER” Strategy, promoted a One-Stop Media Mix model which is one of its features and has put its effort to enhance/establish a positioning as a platform that grows together leveraging in-house IPs and external IPs. Also, our Group has further developed overseas business, while building up excitements for IPs holding real events at various scales both in Japan and abroad throughout the year considering situations of new coronavirus infection.

As a result, operating results of the current consolidated fiscal period were achieved as follows: Net sales of 41,966,359,000 yen; Operating profit of 3,390,997,000 yen; Ordinary profit of 5,113,149,000 yen; and Net profit attributable to owners of parent of 3,508,304,000 yen.

Operating results of individual business segments are as follows. Meanwhile, segmental net sales include sales to external customers.

#### 1. Digital IP business

Digital IP business segment has four departments: TCG (Trading Card Games) Dept., Games Dept., MD (Merchandising) Dept., and Media Dept. Former MOG (Mobile Online Games) Dept. has been renamed to Games Dept. since the first quarter consolidated fiscal period.

##### (1) TCG Dept.

Record-high sales was achieved in the current consolidated fiscal period with remarkable growth in the overseas business, establishment of a position of Weiss Schwarz as a platform, and launch of new titles. Both Japanese and English versions of “Weiss Schwarz” grew significantly from the previous year and the sales hit record-high in both versions. With regard to “Cardfight!! Vanguard”, it has been further developed as an original IP by making activities linked to real events shifting its focus from a new series such as “Cardfight!! Vanguard overDress” toward the subsequent “Cardfight!! Vanguard will+Dress”. In April, 2022, “Shadowverse EVOLVE”, a new title jointly produced with Cygames Inc., was launched.

##### (2) Games Dept.

The Dept. has newly released “D\_CIDE TRAUMEREI“ in September, 2021 and “NJPW STRONG

SPIRITS“ in February, 2022. “BanG Dream! Girls’ Band Party!” marked the 5th anniversary in March, 2022 and various activities were made. A large-scale update toward the 6th anniversary was also noticed. However, sales from our existing titles for application game was stagnant in mobile online game market where top brands oligopoly has occurred, and sales in the Dept. as a whole got softened. The Company has made a full-scale entry into the console game market from the current period. Launches were made for “BanG Dream! Girls’ Band Party! for Nintendo Switch” in September, 2021 and “Miss Kobayashi’s Dragon Maid: Burst Forth!! Choro-gon Breath“ in March, 2022, aiming to expand the business as a new primary source of earnings.

MD Dept.

Large scale in-house IP lives were held successively at Fuji-Q Highland Conifer Forest from May to June, 2022, and live goods selling including those in EC are recovering well from COVID-19 pandemic. Capsule toy business also fared well throughout the year with major contributions by popular IPs and non-character goods such as TAMA-KYU. Along with that, “Dead by Daylight” gathered steady popularity in selling at events, generally showing expansions of a wide variety of IPs. Consequently, sales of MD Dept. hit a record-high in the current consolidated fiscal period.

(4) Media Dept.

Bushiroad Move Inc. and TEAM JOY CO., LTD. jointly produced and distributed, in July, 2021, a full 3DCG animation movie “Japanese dubbed version of White Snake:Engi”, the original of which was jointly produced by Chinese and the U.S. companies. After that, the Company went into a capital and business alliance with TEAM JOY CO., LTD. by underwriting capital increase through third-party allotment in April, 2022, and has started tactics looking toward overseas IPs which will become important in the future.

These operations resulted in Net sales of 31,739,239,000 yen and Segment profit of 3,438,876,000 yen for the Digital IP segment.

2. Live IP business

Live IP business segment has two departments: Music Dept. and Sports Dept.

(1) Music Dept.

Due to impacts of COVID-19, some of performances including mainly mask play musicals, were cancelled/postponed. However, after many small and medium-scale events and stage performances were held from the end of 2021 to the beginning of 2022, multiple number of large-scale music live events could be held at Fuji-Q Highland Conifer Forest in May and June, 2022. In music/visual software business, Music Dept. marked a record-high sale for the current consolidated fiscal period by expanding sales both from in-house IPs and many external IPs’ products such as “HATSUNE MIKU: COLORFUL STAGE!” The Bushiroad Group has acquired an event hall in October, 2021 and made a renewal open as “HIKOSEN THEATER” in March, 2022 aiming for enhanced produce activities for IPs and smooth securement of performance venue.

(2) Sports Dept.

New Japan Pro-Wrestling Co., Ltd. saw a recovery trend in audience size in Japan and profitability increased significantly during the current 4th quarter consolidated fiscal period. Revenue from a joint entertainment event called “AEW x NJPW:FORBIDDEN DOOR” collaborated with a U.S. pro-wrestling group “All Elite Wrestling” held in Chicago, Illinois in the U.S. on June 27, 2022 (Japan time) was also a significant contributor to the result.

Regarding “STARDOM”, a Women’s Pro-Wrestling brand, online promotions were performed by fully leveraging SNS and offline measures were also taken to gain fans by expanding the areas of events to entire Japan. As a result, numbers of registrations for each SNS and event spectators steadily grew, marking the record-high operating profit for the current fiscal period for Bushiroad Fight Inc.

These operations resulted in Net sales of 10,227,119, yen and Segment loss of 47,681, yen for the Live IP segment.

**(2) Overall financial position of the current period**

(Assets)

Total assets were 43,712,012,000 yen at the end of the current consolidated fiscal period, i.e. increase by 6,205,663,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to increase in cash and deposits by 2,145,183,000 yen, notes and accounts receivable – trade by 1,221,373,000 yen, buildings and structures (net) by 817,643,000 yen, and land by 818,939,000 yen, respectively.

(Liabilities)

Total liabilities were 27,528,194,000 yen at the end of the current consolidated fiscal period, i.e. increase by 3,907,327,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to decrease in long-term loans payable by 515,641,000 yen and convertible bond-type bonds with subscription rights to shares by 1,000,000,000 yen and increase in account payable - trade by 2,186,940,000 yen and income taxes payable by 1,397,761,000 yen.

(Net assets)

Total assets were 16,192,818,000 yen at the end of the current consolidated fiscal period, i.e. increase by 2,298,336,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to increase in retained earnings by 3,508,304,000 yen from the recording of the net profit attributable to owners of parent and in capital stock and capital reserve by 563,075,000 yen from conversion of convertible bond-type bonds with subscription rights to shares and exercise of share subscription rights (stock options), respectively, on one hand, and increase in treasury stock by 2,000,579,000 yen because of purchase of treasury stock and decrease in retained earnings at the beginning of the current period by 656,758,000 yen because of application of the Accounting Standard for Revenue Recognition, etc., on the other.

**(3) Overall cash flow of the current period**

Cash and cash equivalents (hereinafter, “business fund”) at the end of the current consolidated fiscal period was 23,102,877,000 yen (increase by 656,427,000 yen from the previous consolidated fiscal year).

Each cash flow status and factors thereof in the current consolidated fiscal period are as follows.

(Cash flows from operating activities)

Business fund provided by operating activities was 6,868,927,000 yen. Main sources of income were net profit before adjustment for taxes, etc. of 4,873,283,000 yen, depreciation of 501,340,000 yen, increase in notes and accounts payable-trade of 2,068,281,000 yen, and subsidy received of 1,111,893,000 yen; and main source of spending was increase in notes and accounts receivable-trade of 1,904,536,000 yen and income taxes paid of 321,886,000 yen.

(Cash flows from investing activities)

Business fund used as a result of investment activities was 4,437,822,000 yen. Main source of spending was purchase of non-current assets of 2,084,491,000 yen and purchase of investment securities of 1,479,366,000 yen.

(Cash flows from financing activities)

Business fund used as a result of financing activities was 2,295,944,000 yen. Main source of income was proceeds from long-term loans payable of 4,295,000,000 yen; and main source of spending was repayments of



long-term loans payable of 4,547,160,000 yen and purchase of treasury stock of 2,023,028,000 yen.

**(4) Difference between consolidated performance forecast and actual operating results**

Differences have occurred between the performance forecast for FY2022 (July 1, 2021 - June 30, 2022) announced on July 26, 2022 and actual operating results. The reason for this is because tax calculation is completed for net profit attributable to owners of parent for which rational calculation was difficult and announcement was withheld initially.

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net profit attributable to owners of parent	Net profit per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	41,966	3,388	5,112	—	—
Actual (B)	41,966	3,390	5,113	3,508	109.62
Changes (B) -(A)	0	2	1	—	
Changes (%)	0.0	0.1	0.0	—	
(Reference) Actual (FY2021)	32,569	344	583	-284	-8.80

(Note) 1. The Company has since previous consolidated fiscal year changes its fiscal year end from July 31 to June 30. The current FY2021 described as a reference is a transitional period for changing fiscal year end, and its term is irregularly 11 months from August 1, 2020 to June 30, 2021.

2. The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net profit per share was calculated assuming that such share splittings had been carried out at the beginning of the previous consolidated fiscal year.

## **(5) Forecast for the future**

Uncertainties will continue to remain due to changes in social landscape, etc., while economy and consumer spending are expected to recover because measures to prevent expansion of new coronavirus infection and vaccination programs are to be promoted in various regions in the world.

Amid such an environment, our Group has, under its “IP DEVELOPER” strategy, been developing business with a mission to “create entertainment of a new era”. After going through various experiences since formation of business, our Group’s activities as an IP DEVELOPER have been expanded also in the role as a platform that collaboratively enhances values of IPs with other companies, and is now seeing a favorable sign for competitive media mix development also in overseas markets.

Considering that, the Company has elevated the version of its management strategy to IP DEVELOPER 2.0 “Global Mega Character Platform” strategy and developed 4-year medium-term management plan starting from FY2023 for the purpose to further improve profitability to achieve new goals.

Numerical targets for the medium-term management plan and the medium-term management strategy are as follows. For the details, please refer to the “4-year medium-term management plan” released today.

Numerical targets for FY2026

Consolidated net sales 100 billion yen

Consolidated operating profit 12 billion yen

Medium-term management strategy

- Strengthening of TCG business
- Global expansion
- Diversification of touch point
- Change in organizational structure

TCG unit will remain a main driver of sales for FY2023. “Weiss Schwarz” is expected to grow continuously in overseas markets mainly and a new TCG titled “Weiss Schwarz Blau” will also be added. “Shadowverse EVOLVE” launched in April, 2022 will contribute to sales throughout FY2023.

Costs will temporarily increase due to spendings required mainly for digital contents unit such as in large-scale update for 6th anniversary of “BanG Dream! Girls Band Party!” and for development of other titles.

Ordinary profit largely grew in FY2022 due to foreign exchange gains from significant yen’s fall and subsidy income such as for J-LODlive. However, as both of them are expected to be modest in FY2023, they are not considered in the consolidated performance forecast for FY2023.

With the above factors, consolidated performance for FY2023 is forecasted as follows: net sale of 50,000,000,000 yen (up 19.1% from the previous period), operating profit of 3,500,000,000 yen (up 3.2% from the previous period), ordinary profit of 3,500,000,000 yen (down 31.5% from the previous period), net profit attributable to owners of parent of 2,300,000,000 yen (down 34.4% from the previous period).

## **(6) Basic policy on profit distribution and dividends for FY2022 and FY2023**

Bushiroad Inc. has positioned return to shareholders as one of the important challenges in our business management. Our policy on dividends is to work on enhancement of shareholders equity to stabilize and strengthen financial base in order to focus on positive investments for growth on one hand, and to continuously

return profit based on our operating results as set around 10% against net profit attributable to owners of parent excluding temporary profit and profit not accompanying increase in cash and deposits, on the other.

In line with the basic policy above, the Company plans to pay out ordinary dividends of 9 yen per company's common share (consolidated payout ratio 8.2%) based on the net profit attributable to owners of parent of 3,508,304,000 yen and taking into consideration temporary profits and gains on currency exchanges viewed as profit not accompanying increase in cash and deposits of 564,533,000 yen as well as equity method investment profits of 30,518,000 yen.

With regard to annual dividends forecast for FY2023, it will be 8 yen per share based on our company's basic policy. (Note) The amount of full year dividends will be changed depending on total number of issued shares, if the number of shares increase because of conversion of convertible bond-type bonds with subscription rights to shares.

## **2. Basic Idea for the Selection of Accounting Standards**

Our Group has prepared the consolidated financial statements based on the Japanese accounting standard considering the burdens, etc., to establish necessary structure to prepare consolidated financial statements following the international financial reporting system.

## 3. Consolidated Financial Statements and Principal Notes

## (1) Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year June 30, 2021	Current consolidated fiscal year June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	24,460,498	26,605,682
Notes and accounts receivable - trade	4,182,952	5,404,326
Merchandise and finished goods	821,171	817,622
Work in process	2,375,969	2,285,643
Supplies	59,569	62,197
Other	2,209,970	1,899,805
Allowance for doubtful accounts	-29,902	-79,000
Total current assets	34,080,229	36,996,276
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	427,805	1,245,448
Tools, furniture and fixture (net)	86,254	148,275
Vehicles (net)	34,958	21,019
Land	316,281	1,135,220
Leased assets	16,995	14,800
Other, net	47,563	227,050
Total property, plant and equipment	929,858	2,791,815
Intangible assets		
Software	81,592	122,190
Software in progress	25,243	2,400
Goodwill	180,831	2,447
Other	180,628	106,199
Total intangible assets	468,295	233,237
Investments and other assets		
Investment securities	1,140,370	2,283,224
Long-term loans receivable	48,167	42,980
Deferred tax assets	417,859	884,183
Other	450,379	518,244
Allowance for doubtful accounts	-31,246	-29,036
Total investment and other assets	2,025,531	3,699,595
Total non-current assets	3,423,686	6,724,648
Deferred assets		
Stock issuance cost	11,433	87
Total deferred assets	11,433	87
Total assets	37,515,349	43,721,012

(Thousand yen)

	Previous consolidated fiscal year June 30, 2021	Current consolidated fiscal year June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	3,607,556	5,794,497
Accounts payable - other	888,987	1,293,368
Income taxes payable	209,392	1,607,154
Short-term loans payable	80,000	—
Current portion of long-term loans payable	4,083,348	4,346,829
Provision for bonuses	85,854	183,212
Other	731,225	1,746,689
Total current liabilities	9,686,365	14,971,750
Non-current liabilities		
Long-term loans payable	8,680,963	8,165,322
Convertible bond-type bonds with subscription rights to shares	5,000,000	4,000,000
Provision for directors' retirement benefits	59,496	74,900
Liabilities on retirement benefits	75,592	94,630
Deferred tax liabilities	92,035	84,250
Other	26,414	137,340
Total non-current liabilities	13,934,501	12,556,443
Total liabilities	23,620,866	27,528,194
Net assets		
Shareholders' equity		
Capital stock	3,165,648	3,728,723
Capital surplus	3,102,418	3,665,493
Retained earnings	7,057,633	9,909,179
Treasury stock	-324,679	-2,325,258
Total shareholders' equity	13,001,021	14,978,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	123,151	-130,465
Foreign currency translation adjustment	117,418	733,245
Total accumulated other comprehensive income	240,570	602,780
Non-controlling interests	652,890	611,899
Total net assets	13,894,482	16,192,818
Total liabilities and net assets	37,515,349	43,721,012

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

## Consolidated Statement of Income

(Thousand yen)

	Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)	Current consolidated fiscal year (July. 1, 2021 - Jun. 30, 2022)
Net sales	32,569,988	41,966,359
Cost of sales	21,284,401	27,308,149
Gross profit	11,285,586	14,658,210
Selling, general and administrative expenses	10,941,029	11,267,212
Operating profit	344,557	3,390,997
Non-operating profit		
Interest and dividends income	28,560	30,048
Share of profit of entities accounted for using equity method	—	30,518
Foreign exchange gains	129,744	564,533
Subsidy income	248,350	1,182,244
Other	18,848	27,768
Total non-operating profit	425,503	1,835,113
Non-operating expenses		
Interest expenses	54,397	68,614
Share of loss of entities accounted for using equity method	103,759	—
Amortization of stock issuance cost	10,401	11,347
Bond issuance cost	14,816	—
Share repurchase cost	—	22,449
Other	3,196	10,549
Total non-operating expenses	186,570	112,961
Ordinary profit	583,490	5,113,149
Extraordinary losses		
Loss on valuation of investment securities	274,629	90,499
Impairment loss	354,339	149,366
Total extraordinary losses	628,968	239,866
Net profit (loss) before income taxes and minority interests	-45,478	4,873,283
Income taxes	338,524	1,606,121
Income taxes - deferred	-103,251	-204,300
Total income taxes	235,272	1,401,821
Net profit (loss)	-280,751	3,471,461
Net profit (loss) attributable to non-controlling shareholders	4,224	-36,842
Net profit (loss) attributable to owners of parent	-284,975	3,508,304

(Consolidated Statements of Comprehensive Income)

(Thousand yen)

	Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)	Current consolidated fiscal year (July. 1, 2021 - Jun. 30, 2022)
Net profit (loss)	-280,751	3,471,461
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	68,972	-253,617
Foreign currency translation adjustment	86,653	611,201
Share of other comprehensive income of associates accounted for using equity method	2,509	6,582
Total other comprehensive income	158,134	364,165
Comprehensive income	-122,616	3,835,627
(detail)		
Comprehensive income (loss) attributable to owners of parent	-126,840	3,870,513
Comprehensive income (loss) attributable to non-controlling interests	4,224	-34,886

**(3) Consolidated Statements of Changes in Equity**

Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	3,092,823	3,029,593	7,342,609	-324,679	13,140,347
Changes of items during the period					
Issuance of new shares (exercise of share subscription rights)	72,825	72,825			145,650
Net loss attributable to owners of parent			-284,975		-284,975
Net changes of items other than shareholders' equity (net)					
Total changes of items during the period	72,825	72,825	-284,975	—	-139,325
Balance at the end of the period	3,165,648	3,102,418	7,057,633	-324,679	13,001,021

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Other securities Valuation difference	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the period	54,179	28,256	82,435	648,665	13,871,448
Changes of items during the period					
Issuance of new shares (exercise of share subscription rights)					145,650
Net loss attributable to owners of parent					-284,975
Net changes of items other than shareholders' equity (net)	68,972	89,162	158,134	4,224	162,359
Total changes of items during the period	68,972	89,162	158,134	4,224	23,033
Balance at the end of the period	123,151	117,418	240,570	652,890	13,894,482



Current consolidated fiscal year (Jul. 1, 2021 - Jun. 30, 2022)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	3,165,648	3,102,418	7,057,633	-324,679	13,001,021
Cumulative effects of changes in accounting policies			-656,758		-656,758
Restated balance	3,165,648	3,102,418	6,400,875	-324,679	12,344,263
Changes of items during the period					
Issuance of new shares (exercise of share subscription rights)	563,075	563,075			1,126,150
Purchase of treasury stock				-2,000,579	-2,000,579
Net profit attributable to owners of parent			3,508,304		3,508,304
Net changes of items other than shareholders' equity (net)					
Total changes of items during the period	563,075	563,075	3,508,304	-2,000,579	2,633,875
Balance at the end of the period	3,728,723	3,665,493	9,909,179	-2,325,258	14,978,138

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Other securities Valuation difference	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of the period	123,151	117,418	240,570	652,890	13,894,482
Cumulative effects of changes in accounting policies				-6,103	-662,861
Restated balance	123,151	117,418	240,570	646,786	13,231,620
Changes of items during the period					
Issuance of new shares (exercise of share subscription rights)					1,126,150
Purchase of treasury stock					-2,000,579
Net profit attributable to owners of parent					3,508,304
Net changes of items other	-253,617	615,827	362,209	-34,886	327,322

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than shareholders' equity (net)					
Total changes of items during the period	-253,617	615,827	362,209	-34,886	2,961,198
Balance at the end of the period	-130,465	733,245	602,780	611,899	16,192,818

**(4) Consolidated Cash Flow Statements**

(Thousand yen)

	Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)	Current consolidated fiscal year (July. 1, 2021 - Jun. 30, 2022)
<b>Cash flows from operating activities</b>		
Net profit (loss) before income taxes and minority interests	-45,478	4,873,283
Depreciation	511,163	501,340
Impairment loss	354,339	149,366
Amortization of goodwill	40,406	29,018
Increase (decrease) in allowance for doubtful accounts	-17,607	46,888
Increase (decrease) in reserve for bonuses	-335	94,585
Increase (decrease) in liabilities for retirement benefits	15,717	19,038
Interest and dividends income	-28,560	-30,048
Interest expenses	54,397	68,614
Equity in (earnings) losses of affiliates	103,759	-30,518
Subsidy income	-248,350	-1,182,244
Loss (gain) on valuation of investment securities	274,629	90,499
Decrease (increase) in notes and accounts receivable-trade	406,661	-1,094,536
Decrease (increase) in inventories	-729,073	129,653
Increase (decrease) in notes and accounts payable-trade	126,131	2,068,281
Increase (decrease) in accounts payable - trade	-907,379	540,583
Other	-389,395	-613,618
Subtotal	-478,975	5,660,185
Interest and dividends income received	52,026	29,018
Interest expenses paid	-55,269	-68,867
Subsidies income received	248,350	1,111,893
Income taxes paid	-1,187,114	-321,886
income tax refund received	23,288	458,584
<b>Cash flows from operating activities</b>	<b>-1,397,694</b>	<b>6,868,927</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	-2,586,302	-4,675,022
Proceeds from withdrawal of time deposits	2,440,635	3,740,490
Purchase of non-current assets	-352,057	-2,084,491
Purchase of investment securities	—	-1,479,366
Collection of loans receivable	4,404	5,300
Proceeds from redemption of investment securities	201,250	116,920
Payments for lease deposits	-617	-87,580
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-78,265	—
Other	90,727	25,926
<b>Cash flows from investing activities</b>	<b>-280,224</b>	<b>-4,437,822</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term loans	—	-80,000

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payable		
Proceeds from long-term loans payable	2,720,000	4,295,000
Repayments of long-term loans payable	-3,911,044	-4,547,160
Proceeds from issuance of common share	145,650	126,150
Proceeds from issuance of bonds with subscription rights to shares	4,985,183	—
Purchase of treasury stock	—	-2,023,028
Other	-44,353	-66,905
Cash flows from financing activities	3,895,435	-2,295,944
Effect of exchange rate change on cash and cash equivalents	76,534	521,266
Net increase (decrease) in cash and cash equivalents	2,294,051	656,427
Cash and cash equivalents at beginning of period	20,152,398	22,446,449
Cash and cash equivalents at the end of period	22,446,449	23,102,877

**(5) Notes on Consolidated Financial Statements**

(Going Concern Assumption)

Not applicable

(Change in Accounting Principles)

(Application of accounting standard for revenue recognition, etc.)

The Company has applied the “Accounting standard for revenue recognition, etc.” (Accounting Standards Board of Japan Guidance No. 29 of March 31, 2020, ‘hereinafter “Accounting Standard for Revenue Recognition”’) since the beginning of the current consolidated fiscal period, and decided to recognize as its revenue an amount which could be received in exchange of a promised good or service upon transfer of control over such good or service to a customer.

- With respect to mobile online games published by the Company for games business, previously revenues were recognized at the time when customers purchased any amount of in-game currencies, whereas currently the method to recognize revenues has been amended as recognizing them based on the period during which quotations are available for items exchanged by customers using in-game currencies.
- With respect to contract monies not required to be refunded in providing licenses mainly in the media business, previously revenues were recognized at the time of executing such contracts, whereas currently the method to recognize revenues has been amended as: 1) recognizing them over a certain period if the nature of promise in conjunction with giving the license to the customer constitutes rights to access to relevant intellectual properties for the licensed period; or 2) recognizing them at a point of time if such nature of promise constitutes rights to use relevant intellectual properties at the time giving the license to the customer.
- With respect to some of transactions mainly in media business and music business, previously total prices received from customers were recognized as revenues, whereas currently for transactions in which the role of the Group in providing goods or services to customers corresponds to the one as an agent, revenues are recognized as net amount remaining after deducting the amount to be paid to the transaction partner from the amount received from the customer.
- With respect to transactions for which returning of products is foreseeable at the time of selling them mainly in music business, TCG business and MD business, revenues are not recognized at the time of sales, but in accordance with the rules concerning variable consideration, refund liabilities are recognized as contra-revenues in terms of such part of foreseeable return.

With respect to applying the Accounting Standard for Revenue Recognition, etc., the Company follows the provisional treatment as set forth in the note to Section 84 of the Accounting Standard for Revenue Recognition, and has applied the new accounting principle to the balance at the beginning of the current consolidated fiscal period and onward, where any amount, which could be affected cumulatively by assuming that the new accounting principle was applied retrospectively to the period prior to the beginning of the consolidated fiscal period, is added to or subtracted from the retained earnings at the beginning of that period. However, upon applying the method as set forth in Section 86 of the Accounting Standard for Revenue Recognition, the Company has not applied the new accounting principle retrospectively to contracts whose earnings were almost entirely recognized in accordance with the previous treatment before the beginning of the current consolidated fiscal period. In addition, upon applying Note (1) to Section 86 of the Accounting Standard for Revenue Recognition, with respect to contract changes made before the beginning of the current consolidated fiscal period, relevant accounting was carried out based on the contract conditions on which every such changes were reflected, and the amounts affected cumulatively by such accounting have been added to or subtracted from the retained earnings at the beginning of the current consolidated

fiscal period.

As a result, in the current consolidated fiscal period, Net sales decreased by 1,247,377,000 yen, Sales cost decreased by 1,355,581,000 yen, and each of Operating profit, Ordinary profit and Net profit before income taxes and minority interests increased by 108,203,000 yen.

For the current consolidated fiscal period, Net profit decreased by 35.0 yen, and each of Net profit per share and Diluted net profit per share increased by 2.59 yen and 2.36 yen.

Due to reflection of cumulative effects on the Net assets of the beginning of the current consolidated fiscal period, the balance of retained earnings at the beginning of the current period reported in the consolidated Statements of Changes in Equity decreased by 656,758,000 yen.

(Application of Accounting Standard for Fair Value Measurement, etc.)

Applying the “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan Guidance No. 30 of July 4, 2019), etc. since the beginning of the current consolidated fiscal period, and in accordance with the transitional treatment stipulated in Section 19 of the Accounting Standard for Fair Value Measurement and Section 44-2 of the “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan Guidance No. 10 of July 4, 2019), the Company decided to apply the new accounting policies as set forth in the Accounting Standard for Fair Value Measurement, etc. now and in the future. Meanwhile, this change has no effect on the profit/loss and financial position of the current consolidated fiscal period.

(Segment Information, etc.)

[Segment Information]

## 1. Overview of reportable segments

The reportable segments are those being its constituent units for which separated financial information is available and are subject to periodic review by the board of directors for determining allocation of management resources and for evaluating business performance.

The Group design its overarching strategies depending on the service to be handled, and develops its business activities accordingly. Therefore, the Group consists of two segments based on their form of service provision.

Services provided by each segment are as follows.

Reportable segments	Main services
Digital IP business	TCG Dept., Games Dept., MD Dept., Media Dept.
Live IP business	Music Dept., Sports Dept.

## 2. How to calculate amounts of net sales, profit/loss, assets, and other items for each reportable segment

Accounting treatment methods for the business segments as reported herein are almost identical to those employed for preparing consolidated financial statements.

Figures of segment profit of individual reportable segments are based on their operating profit. Inter-segment sales or transfer are based on actual market prices.

## 3. Information on amounts of net sales, profit/loss, assets, and other items for each reportable segment

Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Amount allocated on consolidated financial statements (Note 2)
	Digital IP business	Live IP business	Total		
Net sales					
Sales to external customers	24,333,792	8,236,195	32,569,988	—	32,569,988
Inter-segment sales or transfer	435,851	444,285	880,136	-880,136	—
Total	24,769,643	8,680,480	33,450,124	-880,136	32,569,988
Segment profit (loss)	452,320	-114,061	338,258	6,299	344,557
Segment assets	32,389,346	6,425,355	38,814,702	-1,299,353	37,515,349
Other items					
Depreciation	159,588	351,575	511,163	—	511,163
Investment in equity method affiliates	154,200	—	154,200	—	154,200
Increase in property, plant and equipment, and intangible assets	50,321	292,044	342,366	—	342,366

(Notes): 1. Adjusted segment profit (loss) of 6,299,000 yen equals to adjusted inventories.

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2. Adjusted segment assets of - 1,299,353,000 yen equals to offset of inter-segment claims/liabilities.

3. Segment profit (loss) has been aligned with the operating profit presented on the Consolidated Statements of Income.



Current consolidated fiscal year (Jul. 1, 2021 - Jun. 30, 2022)

(Thousand yen)

	Reportable segments			Adjustment (Note 1)	Amount allocated on consolidated financial statements (Note 2)
	Digital IP business	Live IP business	Total		
Net sales					
Sales to external customers	31,739,239	10,227,119	41,966,359	—	41,966,359
Inter-segment sales or transfer	525,160	626,263	1,151,423	-1,151,423	—
Total	32,264,399	10,853,383	43,117,783	-1,151,423	41,966,359
Segment profit (loss)	3,438,876	-47,681	3,391,194	-197	3,390,997
Segment assets	37,472,195	10,200,258	47,672,454	-3,951,441	43,721,012
Other items					
Depreciation	114,253	387,086	501,340	—	501,340
Investment in equity method affiliates	191,300	—	191,300	—	191,300
Increase in property, plant and equipment, and intangible assets	84,453	2,009,606	2,094,059	—	2,094,059

(Notes) 1. Adjusted segment profit (loss) of 197,000 yen equals to adjusted inventories.

2. Adjusted segment assets of - 3,951,441,000 yen equals to offset of inter-segment claims/liabilities.

3. Segment profit (loss) has been aligned with the operating profit presented on the Consolidated Statements of Income.

#### 4. Matters relating to changes in reportable segments, etc.

As described under “Change in Accounting Principles”, because the Accounting Standard for Revenue Recognition has been applied and the accounting method regarding revenue recognition has been changed since the beginning of the current consolidated fiscal period, the calculation method for profit or loss of reportable segments has been changed accordingly. With these changes, as compared to the previous methods, in the “Digital IP business” segment, net sales decreased by 1,111,676,000 yen and segment profit increased by 73,646,000 yen; and in the “Live IP business” segment, net sales decreased by 135,701,000 yen and segment loss decreased by 34,557,000 yen, in the consolidated fiscal period.

(Per share data)

	Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)	Current consolidated fiscal year (Jul. 1, 2021 - Jun. 30, 2022)
Net assets per share	405.22 yen	480.79 yen
Net profit (loss) per share	- 8.80 yen	109.62 yen
Diluted profit per share	—	100.05yen

(Notes) 1. Diluted net profit per share is not disclosed because, although there were residual securities for the current consolidated fiscal year, in fact net loss per share was posted.

2. The Company carried out share splitting to split one share into two shares, on October 1, 2021. Net profit (loss) per share and diluted net profit per share were calculated assuming that such share splittings had been carried out at the beginning of the consolidated fiscal year.

3. Calculation base of net assets is as follows.

	Previous consolidated fiscal year June 30, 2021	Current consolidated fiscal year June 30, 2022
Total net assets (thousand yen)	13,894,482	16,192,818
Deduction from total net assets (thousand yen)	652,890	611,899
(for non-controlling shareholders (thousand yen))	(652,890)	(611,899)
End-of-period net assets applicable to common share (thousand yen)	13,241,592	15,580,918
End-of-period number of shares used for calculating net assets per share	32,677,748	32,407,175

4. Calculation bases of net profit (loss) per share and diluted net profit per share are as follows.

	Previous consolidated fiscal year (Aug. 1, 2020 - Jun. 30, 2021)	Current consolidated fiscal year (Jul. 1, 2021 - Jun. 30, 2022)
Net profit (loss) per share		
Net profit (loss) attributable to owners of parent (thousand yen)	-284,975	3,508,304
Amount not attributable to common shareholders	—	—
Net profit (loss) attributable to owners of parent applicable to common share (thousand yen)	-284,975	3,508,304
Average number of common shares outstanding during the period	32,383,233	32,004,086
Diluted profit per share		
Adjusted profit attributable to owners of parent (thousand yen)	—	—
Increased number of common shares	—	3,060,396
(Number of shares with subscription rights)	—	(3,060,396)
Summary of residual securities not included in calculating diluted profit per share, because of having no dilution effect	—	—

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### (Significant Post-Balance Sheet Events)

#### (Issuance of stock options (share acquisition rights))

The Company, at its board meeting on June 23, 2022, made decisions on matters concerning share acquisition rights to be granted as stock options to our executive officers, employees and employees of our subsidiaries and solicitation of subscribers who acquire the stock options.

For details, please refer to “Notice concerning issuance of stock options (share acquisition rights)” announced on June 23, 2022 and “Notice concerning finalization of details of stock options (share acquisition rights)” announced on July 12, 2022.

#### (Borrowing of a large amount of funds)

The Company, at its board meeting on July 4, 2022, made decision on private placement of unsecured bonds and borrowing of funds. The decision was made for the purpose to raise working capitals and make positive investment for future expansion of business.

##### (1) Overview of private bond placement

1. Type	The 1st unsecured bonds of Bushiroad Inc. (limited to qualified institutional investors)
2. Total amount	2,000,000,000 yen
3. Price	100 yen per bond's par value of 100 yen
4. Interest rate	Fixed rate
5. Date of placement	July 25, 2022
6. Maturity date	July 23, 2027
7. Redemption method	Scheduled redemption at every six months
8. Fiscal agent	MUFG Bank Ltd.
9. Total amount subscriber	MUFG Bank Ltd.
10. Book-entry transfer institution	Japan Securities Depository Center, Inc.

##### (2) Details of borrowing

1. Lender	Mizuho Bank Ltd., Sumitomo Mitsui Banking Corporation
2. Amount of money borrowed	4,000,000,000 yen
3. Interest rate	Fixed rate
4. Date of borrowing	Jul 2022
5. Repayment method	Principle equal monthly payment
6. Date of final repayment	For 5 years after the date of borrowing
7. Security, etc.	Unsecured, non-guaranteed

#### (Changes in reportable segments)

Although 2 reportable segments had been set in the segment information such as “Digital IP” and “Live IP” previously, Sports and Healthcare Headquarters (changed its name to Sports & Healthcare Unit from July 1, 2022) previously included in “Live IP” business is to be indicated as “Sports and Healthcare” business from FY2023, due to scheduled change in management system for internal reporting made upon implementation of the unit system in our Group from FY2023 and as a result of reviewing for rational segments considering the future business development to fulfill the medium-term management plan set to start its first fiscal year from FY2023.

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The names of businesses excluding Sports & Health Headquarters will also be changed to “Entertainment” business.

For details, please refer to “4-year medium-term management plan” and “Notice concerning changes in reportable segment” announced today.

The amounts of net sales, profit or loss, assets, and other items for each of the changed reportable segment for the current consolidated fiscal period are currently being calculated.