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November 14, 2022

**Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year 2023
[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 file Quarterly Securities Report November 14, 2022
 Scheduled date to commence dividend payments -
 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 of the first quarter of FY2023 (July 1, 2022 ~ September 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	%
1Q of FY2023	12,340	17.7	867	-34.4	1,186	-28.9	643	-43.4
1Q of FY2022	10,484	-	1,321	-	1,669	-	1,136	-

(Note) Comprehensive income 1Q of FY2023 769 million yen [-%]
 1Q of FY2022 1,083 million yen [-%]

	Quarterly net profit per share	Diluted quarterly net profit per share
	yen	yen
1Q of FY2023	9.15	8.66
1Q of FY2022	17.63	16.33

(Notes) The Company carried out share splitting to split one share into two shares, on October 1, 2021 and October 1, 2022, respectively. Net profit per share and diluted net profit per share were calculated assuming that such share splittings were carried out at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1Q of FY2023	48,247	20,728	41.6
FY2022	43,721	16,192	35.6

(Reference) Shareholders equity 1Q of FY2023 20,080 million yen
 FY2022 15,580 million yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY2022	-	0.00	-	9.00	9.00
FY2023	-	-	-	-	-
FY2023 (forecast)	-	-	-	4.00	4.00

(Note) Revisions to dividend forecasts published most recently: No

2. The Company carried out share splitting to split one share into two shares, on October 1, 2022. The amount of dividend for FY2022 is the amount before the Company carried out the share splitting. Annual dividend per share

is 4.50 yen, if timing of calculation was assumed to have been after such share splitting.

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	32.71

(Note) I. Revisions to performance forecasts published most recently: No

*Notes

(1) Changes in significant subsidiaries during the current quarter consolidated cumulative period (changes in specified subsidiaries resulting in the change in scope of consolidation): No

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

(2) Application of special accounting methods to the preparation of quarterly consolidated financial statement: Yes

(3) 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: No

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

iii. Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

1Q of FY2023	71,064,598 shares	FY2022:	68,134,780 shares
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ii. Number of treasury stock at the end of the period

1Q of FY2023	48 shares	FY2021:	3,320,430 shares
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iii. Average number of shares during the period (quarterly cumulative)

1Q of FY2023	70,319,199 shares	1Q of FY2022	64,454,029 shares
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(Note) The Company carried out share splitting to split one share into two shares, on October 1, 2021 and October 1, 2022, respectively. “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.

* Quarterly summary of financial results is not included in a quarterly review by a certified public accountant or an 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.

(How to obtain materials for quarterly financial results briefing)

Video streaming will be provided on the Company's website (scheduled on November 17, 2022, Thursday, after 15:30 (JST)).

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1. Qualitative Information regarding the Current Quarter

(1) Descriptions regarding operating results

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 quarter consolidated fiscal period.

Japanese economy continued to have gone through the impacts from COVID-19 during the first quarter consolidated cumulative period. Although socioeconomic activities are returning to normal state after relaxation of movement restrictions, future outlook have remained uncertain with ongoing price surges of natural resources and raw materials caused by prolonged Russia-Ukraine war and rapid progression of yen’s fall on the back of difference in financial policies between Japan and the U.S.

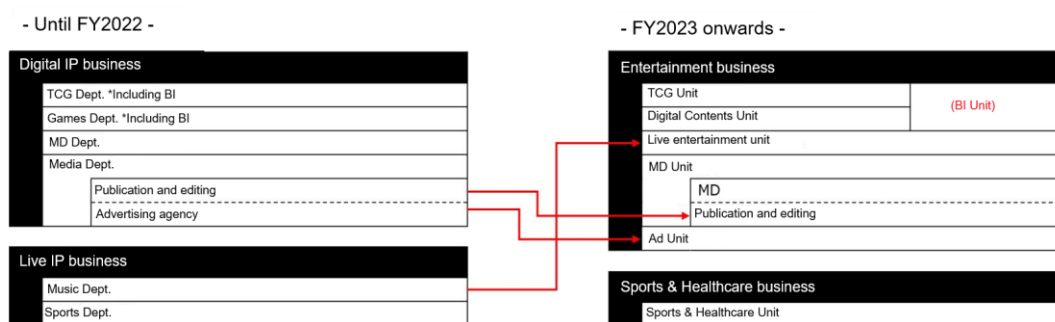
Under such circumstances, our Group announced 4-year medium term management plan in August 2022, showing the future prospects of achieving 100 billion yen of net sales and 1.2 billion yen of operating profit in FY2026. From management strategy perspective, our Group is hammering out “Global Mega Character Platform Strategy” under “IP developer 2.0” to go into global markets as an IP platform, and will try to make IPs touch points diversified and develop customers globally. In the launch of the 4-year medium term management plan, the Company worked on changes and improvement of internal organization shifting its operational structure from traditional department system to unit system and transitioning powers to each unit director in order to generally enhance the levels of cooperation within the Group and improve its collective strengths.

TCG unit continued to drive the performance also in the first quarter consolidated cumulative period and marked the record high quarterly sales. On another front, from profit perspective, research and development costs are increasing at Digital Contents Unit, because the Unit is developing multiple number of games as an upfront investment to achieve the 4-year medium term management plan. While economic activities were resumed across the world and a large number of real events were held both in Japan and abroad, impacts were also brought from increase in events and logistics costs and year-on-year profit decreased.

As a consequence, operating results of the first quarter consolidated cumulative period were as follows: Net sales of 12,340,365,000 yen (up 17.7% year-on-year); Operating profit of 867,044,000 yen (down 34.4% year-on-year); Ordinary profit of 1,186,926,000 yen (down 28.9% year-on-year); and Net profit attributable to owners of parent of 643,707,000 yen (down 43.4% year-on-year).

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

The reportable segments have been changed as follows from the first quarter consolidated fiscal period, and year-on-year comparison and analysis are based on the segments after change.



1. Entertainment business

(1) TCG (Trading Card Game) Unit

The Unit released a large number of global IP products in “Weiss Schwarz” such as Trial Deck “Monsters, Inc.” and “Cars” and Come Back Booster “STAR WARS”. At the strategy presentation meeting held in September 2022, the Unit also announced scheduled participations by many titles including “Azur Lane” and others. In “Card Fight!! Vanguard”, a Booster Pack “Rekka Suiran“ was released coinciding with the final episode of animation “Card Fight!! Vanguard will+Dress”. In “ReBirth for you”, New Japan Pro-Wrestling version’s six types of Trial Decks and Booster Pack Vol. 2 were simultaneously released coinciding with the opening day of Pro-Wrestling game G1 CLIMAX 32 held on July 16. In “Shadowverse EVOLVE”, the first collaboration pack “Uma Musume Pretty Derby! “was released.

As a result of all those efforts, TCG Unit achieved record-high quarterly sales.

(2) Digital Contents Unit

In “Senki Zesshou Symphogear XD UNLIMITED” and “D4DJ Groovy Mix”, events were held in collaboration with “Yuki Yuna is a hero: The Great Mankai Chapter” and “NieR:Automata”, respectively. “LoveLive! School idol festival ALL STARTS” marked the third anniversary in September 2022 and many commemorative events were held.

Also, an announcement was made on production of “LoveLive! School idol festival 2 MIRACLE LIVE!” at School Idol Festival Thanksgiving 2022 held at BELLESALLE Akihabara in September 2022,

(3) BI (Bushiroad International) Unit

BI Unit belongs to both TCG Unit and Digital Contents Unit.

In English language version “Weiss Schwarz”, “The Quintessential Quintuplets 2”, which gained popularity also in the Japanese language version, and a title only in English language version “Attack On Titan: Final Season” were released. In English language version “Card Fight!! Vanguard”, “V Clan Collection Vol. 5”, “V Clan Collection Vol. 6”, and collaboration products such as “Record of Ragnarok” and “SHAMAN KING” were released.

In digital contents, English language version “Vanguard ZERO” showed a steady performance having been supported by broadcasting of animation “Card Fight!! Vanguard will+Dress”. In English language version “Bang Dream! Girls Band Party!”, a collaboration event was held with “Hololive Production”.

(4) Live Entertainment Unit

Bushiroad Music Inc. held many live shows and stage plays such as Lyrical Lilly stage show, Assault Lilly - Live Summer Show “voller Blüte”, and “BanG Dream! 10th☆LIVE”.

Hikosen Theater Company has started “Delicious Party♡Precure Dream Stage ♪” since July 2022, gaining popularity both in performances and products. Although new coronavirus infection had brought profound impacts during the previous consolidated fiscal year, the Unit achieved non-consolidated record high quarterly net sales and operating profit also restored profitability.

(5) MD (Merchandizing) Unit

With regard to sales, sales from live show goods are on recovery trend including those at “BanG Dream! 10th☆LIVE” held at ARIAKE ARENA in September 2022. On another front, significant impacts have been brought on products, mainly on capsule toys, manufactured in overseas countries, due to yen’s fall and surges in transportation and materials costs

The Unit is also promoting internal production of three dimensional objects such as capsule toys to improve production speed and reduce costs toward meeting the medium term management plan.

(6) Ad Unit

Bushiroad Move Co., Ltd. achieved significant growth of sales due to increase in business from outside of the Group. Especially, Chinese Client Business and Animation Produce Business drove the performance and the ratio of sales from outside of the Group exceeded 40% in the first quarter. Both 4th anniversary real event for “Identity V”, for which planning, casting, music compositions, MV production, operation, and distribution were all managed, and trial booth for “Harry Potter Magic Awakened”, which was planned, produced, and operated for TOKYO GAME SHOW 2022, ended on a high note.

Business has been elevated to the point where high profit margins can be enjoyed. This could be achieved by taking a producer position also in broadcasting time, promotion, and acoustics for animations of other companies such as “Black Summoner” and “The Yakuza Boss’s Daughter and her Caretaker” through participation in the committees making investments.

As a result of all those efforts, Entertainment Business recorded Net sales of 10,772,140,000 yen (up 15.7% year-on-year) and Segment profit of 832,293,000 yen (down 41.2% year-on-year).

2. Sports and Healthcare Business

New Japan Pro-Wrestling Co., Ltd. held “G1 CLIMAX 32” from July 16, 2022 to August 18, 2022. Total number of attendances in all 20 serial games increased by approximately 70% since the same series was held in autumn last year, and the number of audiences is on a recovery trend.

In the female pro-wrestling brand “STARDOM”, a total of 18,998 audiences attended in the 21 serial games of “5★STAR GP 2022” held from July 30, 2022 to October 1, 2022. Bushiroad Fight Co., Ltd. positively worked on development of fans by holding events such as talk event for female fans “Come Together Studio Girls! Vol. 1 ~ AphroditE edition” on September 8, 2022, and broke the previous record high Net sales for four quarters in a row.

Bushiroad Well-be Co., Ltd. is offering pro-wrestling training courses for primary, junior high school, and high school students, making new efforts by taking advantage of intergroup synergies.

As a result of all those efforts, Sports & Healthcare Business recorded Net sales of 1,568,225,000 yen (up 33.9% year-on-year) and Segment profit of 34,751,000 yen (segment loss of 94,083,000 yen in the same quarter of the previous year).

(2) Descriptions regarding financial position

(Assets)

Total assets were 48,247,840,000 yen at the end of the current first quarter consolidated fiscal period, i.e. increase by 4,526,827,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to increase in cash and deposits by 3,239,756,000 yen on one hand, and increase in accounts receivable - trade by 989,454,000 yen on the other.

(Liabilities)

Total liabilities was 27,519,169,000 yen at the end of the current first quarter consolidated fiscal period, i.e. decrease by 9,024,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to increase in current portion of long-term loans payable by 370,508,000 yen and current portion of bonds by 400,000,000 yen, long-term loans payable by 2,281,607,000 yen, bonds by 1,600,000,000 yen and account payable - trade by 381,524,000 yen and decrease in convertible bond-type bonds with subscription rights to shares by 4,000,000,000 yen and income taxes payable by 829,705,000 yen.

(Net assets)

Total assets were 20,728,670,000 yen at the end of the current first quarter consolidated fiscal period, i.e. increase by 4,535,851,000 yen as compared to the end of the previous consolidated fiscal year. This is mainly due to decrease in retained earnings by 291,664,000 yen for the payment of dividends, on one hand, and increase in capital stock and capital reserve by 2,000,000,000 yen, respectively, for exercise of the subscription right for convertible bond-type bonds with share subscription rights, capital stock and capital reserve by 8,250,000 yen, respectively, for exercise of share subscription rights (stock options), and retained earnings by 643,707,000 yen for recoding of the quarterly net profit attributable to owners of parent, on the other.

Also, retained earnings decreased by 2,325,680,000 yen due to cancellation of treasury stock, resulting in treasury stock decrease by 2,325,680,000 yen (i.e. increase in shareholders' equity).

(3) Descriptions regarding future prospects such as consolidated performance forecasts

Bushiroad Inc. has positioned the current fiscal year which is the first fiscal year of the 4-year medium term management plan as a year for preparation where the Company launched the unit system organization, further developed global talents, and made investment in game development. Although performance will fluctuate depending on quarters, TCG Unit including the overseas operations expect favorable results, and Digital Contents Unit continues to make upfront investments in game development and also tries to stage a come back by offering large scale update for "BanG Dream! Girls Band Party!" and others that are scheduled in March 2023. As restrictions under the pandemic are being further relaxed and events with utterance have been allowed, each Unit plans to hold multiple numbers of large scale events, expecting increase in attendances. With the factors mentioned above, consolidated performance for FY2023 is forecasted as follows: Net sale of 50,000,000, 000 yen (up 19.1% year-on-year), Operating profit of 3,500,000,000 yen (up 3.2% year-on-year), Ordinary profit of 3,500,000,000 yen (down 31.5% year-on-year), and Net profit attributable to owners of parent of 2,300,000,000 yen (down 34.4% year-on-year).

(Note) Performance forecasts are based on currently available information. Actual performance may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	Previous consolidated fiscal year (June 30, 2022)	Current first quarter consolidated fiscal period (September 30, 2022)
Assets		
Current assets		
Cash and deposits	26,605,682	29,845,438
Notes and accounts receivable - trade	5,404,326	6,393,780
Merchandise and finished goods	817,622	1,040,737
Work in process	2,285,643	2,135,899
Supplies	62,197	75,758
Other	1,899,805	1,693,722
Allowance for doubtful accounts	-79,000	-78,380
Total current assets	36,996,276	41,106,956
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,245,448	1,258,401
Tools, furniture and fixture (net)	148,275	142,699
Vehicles (net)	21,019	19,424
Land	1,135,220	1,135,220
Leased assets	14,800	19,815
Other, net	227,050	225,455
Total property, plant and equipment	2,791,815	2,801,017
Intangible assets		
Software	122,190	115,504
Software in progress	2,400	15,775
Goodwill	2,447	2,194
Other	106,199	103,762
Total intangible assets	233,237	237,235
Investments and other assets		
Investment securities	2,283,224	2,665,322
Long-term loans receivable	42,980	41,630
Deferred tax assets	884,183	883,243
Other	518,244	540,911
Allowance for doubtful accounts	-29,036	-28,476
Total investment and other assets	3,699,595	4,102,630
Total non-current assets	6,724,648	7,140,883
Deferred assets		
Stock issuance cost	87	—

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Total deferred assets	87	—
Total assets	43,721,012	48,247,840

(Thousand yen)

	Previous consolidated fiscal year (June 30, 2022)	Current first quarter consolidated fiscal period (September 30, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	5,794,497	6,176,021
Accounts payable - other	1,293,368	1,058,424
Income taxes payable	1,607,154	777,449
Current portion of long-term loans payable	4,346,829	4,717,337
Current portion of bonds	—	400,000
Provision for bonuses	183,212	175,251
Other	1,746,689	1,750,147
Total current liabilities	14,971,750	15,054,630
Non-current liabilities		
Long-term loans payable	8,165,322	10,446,929
Bonds	—	1,600,000
Convertible bond-type bonds with subscription rights to shares	4,000,000	—
Provision for directors' retirement benefits	74,900	78,747
Liabilities on retirement benefits	94,630	96,625
Deferred tax liabilities	84,250	91,554
Other	137,340	150,682
Total non-current liabilities	12,556,443	12,464,538
Total liabilities	27,528,194	27,519,169
Net assets		
Shareholders' equity		
Capital stock	3,728,723	5,736,973
Capital surplus	3,665,493	5,673,743
Retained earnings	9,909,179	7,935,542
Treasury stock	-2,325,258	-36
Total shareholders' equity	14,978,138	19,346,223
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-130,465	-242,378
Foreign currency translation adjustment	733,245	976,629
Total accumulated other comprehensive income	602,780	734,250
(Subscription rights to shares)	—	41,919
Non-controlling interests	611,899	606,276

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Total net assets	16,192,818	20,728,670
Total liabilities and net assets	43,721,012	48,247,840

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

(Quarterly Consolidated Statements of Income)

(For the first quarter consolidated cumulative period)

(Thousand yen)

	Previous first quarter consolidated cumulative period (J July. 1, 2021 - Sep. 30, 2021)	Current first quarter consolidated cumulative period (Jul. 1, 2022 - Sep. 30, 2022)
Net sales	10,484,829	12,340,365
Cost of sales	6,546,466	8,254,193
Gross profit	3,938,363	4,086,172
Selling, general and administrative expenses	2,617,116	3,219,127
Operating profit	1,321,247	867,044
Non-operating profit		
Interest and dividends income	4,533	48,642
Share of profit of entities accounted for using equity method	18,501	11,000
Foreign exchange gains	18,865	185,762
Subsidy income	306,824	111,769
Other	17,362	2,004
Total non-operating profit	366,086	359,177
Non-operating expenses		
Interest expenses	13,981	20,413
Bond interest	—	367
Bond issuance cost	—	18,306
Other	3,793	208
Total non-operating expenses	17,774	39,295
Ordinary profit	1,669,558	1,186,926
Net profit before income taxes and minority interests	1,669,558	1,186,926
Income taxes	554,572	549,282
Net profit per share	1,114,986	637,644
Net loss attributable to non-controlling shareholders	-21,550	-6,063
Quarterly net profit attributable to owners of parent	1,136,537	643,707

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(Quarterly Consolidated Statements of Income)

(For the first quarter consolidated cumulative period)

(Thousand yen)

	Previous first quarter consolidated cumulative period (J July. 1, 2021 - Sep. 30, 2021)	Current first quarter consolidated cumulative period (Jul. 1, 2022 - Sep. 30, 2022)
Net profit per share	1,114,986	637,644
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	-53,206	-111,912
Foreign currency translation adjustment	22,381	241,943
Share of other comprehensive income of associates accounted for using equity method	-293	1,880
Total other comprehensive income	-31,118	131,910
Comprehensive income (loss) for the quarter	1,083,868	769,555
(detail)		
Comprehensive income (loss) attributable to owners of parent for the quarter	1,105,046	775,178
Comprehensive income (loss) attributable to non-controlling interests	-21,177	-5,623

(3) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

Bushiroad Inc. exercised the subscription right for convertible bond-type bonds with subscription rights to shares in the current first quarter consolidated cumulative period, consequently, its capital stock and capital reserve increased by 2,000,000,000 yen each. The Company also exercised the stock option, which resulted in increases in capital stock and stock reserve by 8,250,000 yen, respectively.

The Company cancelled its treasury stock in accordance with the resolution made at its board meeting held on August 25, 2022. Retained earnings decreased by 2,325,680,000 yen due to the cancellation and it resulted in treasury stock decrease by 2,325,680,000 yen (i.e. increase in shareholders' equity).

(Application of Special Accounting Methods to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying the net profit before income taxes by a reasonably evaluated effective tax rate on the net profit before income taxes for the consolidated fiscal year including the current first quarter consolidated fiscal period.

(Change in Accounting Principles)

Not applicable

(Segment Information, etc.)

[Segment Information]

I Previous first quarter consolidated cumulative period (Jul. 1, 2021 - Sep. 30, 2021)

1. Information on net sales and profit/loss of each reportable segment

(Thousand yen)

	Reportable segments			Adjustment	Amount allocated to the quarterly consolidated P/L statement (Note)
	1. Entertainment business	2. Sports and Healthcare business	Total		
Net sales					
Sales to external customers	9,313,959	1,170,870	10,484,829	—	10,484,829
Inter-segment sales or transfer	9,618	46,480	56,098	-56,098	—
Total	9,323,578	1,217,350	10,540,928	-56,098	10,484,829
Segment profit	1,415,330	-94,083	1,321,247	—	1,321,247

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

2. Information on impairment loss of non-current assets or goodwill, etc., for each reportable segment

(Important impairment loss on non-current assets)

Not applicable

(Significant changes in amount of goodwill)

Not applicable

(Material profit from negative goodwill)

Not applicable

II Current first quarter consolidated cumulative period (Jul. 1, 2022 - Sep. 30, 2022)

1. Information on net sales and profit/loss of each reportable segment

(Thousand yen)

	Reportable segments			Adjustment	Amount allocated to the quarterly consolidated P/L statement (Note)
	Entertainment business	2. Sports and Healthcare business	Total		
Net sales					
Sales to external customers	10,772,140	1,568,225	12,340,365	—	12,340,365
Inter-segment sales or transfer	11,378	74,771	86,150	-86,150	—
Total	10,783,519	1,642,996	12,426,516	-86,150	12,340,365
Segment profit	832,293	34,751	867,044	—	867,044

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

2. Matters relating to changes in reportable segments, etc.

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 internal reporting management system 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.

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

Regarding the segment information for the previous first quarter consolidated cumulative period, it is described based on the reportable segments after the change.

3. Information on impairment loss of non-current assets or goodwill, etc., for each reportable segment

(Important impairment loss on non-current assets)

Not applicable

(Significant changes in amount of goodwill)

Not applicable

(Material profit from negative goodwill)

Not applicable

(Per share data)

Net profit per share and diluted net profit per share, and calculation basis thereof are as follows.

	Previous first quarter consolidated cumulative period (Jul. 1, 2021 - Sep. 30, 2021)	Current first quarter consolidated cumulative period (Jul. 1, 2022 - Sep. 30, 2022)
Net profit per share	¥17.63	¥9.15
(calculation bases)		
Net profit (loss) attributable to owners of parent	1,136,537	643,707
Amount not attributable to common shareholders	—	—
Net profit (loss) attributable to holders of common share of parent	1,136,537	643,707
Average number of common shares outstanding during the period	64,454,029	70,317,199
Diluted net profit per share	¥16.33	¥8.66
(calculation bases)		
Adjusted net profit (loss) attributable to owners of parent	—	—
Increased number of common shares	5,131,281	3,973,871
(number of shares with subscription rights)	(5,131,281)	(3,973,871)
Summary of residual securities with any significant change since the end of the previous consolidated fiscal year, among those not included in calculating diluted quarterly net profit per share, because of having no dilution effect	—	—

(Note) The Company carried out share splitting to split one share into two shares, on October 1, 2021 and October 1, 2022, respectively. Net profit per share and diluted net profit per share were calculated assuming that such share splittings were carried out at the beginning of the previous consolidated fiscal year.

(Significant Post-Balance Sheet Events)

(Share split and Partial amendment to articles of incorporation)

The Company carried out share splitting and partial amendment to articles of incorporation on October 1, 2022, based on the decision made at its board meeting held on August 25, 2022, as described below.

(1) Purpose of share split

The Company seeks to reduce monetary amount per investment unit of its stock and develop more comfort environment for investors, as well as to improve its stock liquidity and further broadening its investor base.

(2) Overview of share split

1. Method of splitting

On September 30, 2022 (Fri.), common stocks of the Company owned by its shareholders recorded on the finalized shareholders' list as of the same date were split at the rate of one share to two shares.

2. Number of shares increased by splitting

1. Total number of outstanding shares before splitting: 35,532,299 shares

2. Number of shares increased by splitting: 35,532,299 shares

3. Total number of outstanding shares after splitting: 71,064,598 shares

4. Total number of authorized shares after splitting: 217,696,000 shares

3. Planned schedule of splitting

1. Announcement of reference date: September 15, 2022 (Thu.)

2. Reference date: September 30, 2022 (Fri.)

3. Effective date: October 1, 2022 (Fri.)

4. Recording of increase: October 1, 2022 (Sat.)

4. Effects on per share data

Effects on per share data are described in the relevant sections.

5. Adjustment of exercise price for subscription rights to shares

With this share splitting, exercise price per share for subscription rights to shares to be exercised on and after October 1, 2022 (Sat.) shall be adjusted as follows.

Name	Exercise price before adjustment	Exercise price after adjustment
1st subscription rights to shares	75 yen	37.5 yen
2nd subscription rights to shares	600 yen	300 yen
4th subscription rights to shares	1,430 yen	715 yen

6. Change in the amount of stated capital

There is no change in the amount of stated capital due to this share split.

(3) Partial amendment to articles of incorporation

1. Reason for amendment

With the aforementioned share split and pursuant to the decisions of the board of directors based on the provisions of Article 184, Paragraph 2 of the Companies Act of Japan, the Company amended Article 6 of its articles of incorporation to change the total number of authorized shares as of October 1, 2022 (Sat.).

2. Content of amendment (indicated by underlined portions)

before	after
(Total number of authorized shares) Article 6. Total number of authorized shares of the Company shall be <u>108,848,000</u> shares.	(Total number of authorized shares) Article 6. Total number of authorized shares of the Company shall be <u>217,696,000</u> shares.

(Issuance of stock options (share subscription rights) to directors)

The Company, at the meeting of board of directors held on August 25, 2022, resolved to bring an agenda, pertaining to amount and decision on specific matters concerning subscription rights to shares as stock options to its directors and auditors, to the 16th ordinary meeting of shareholders scheduled on September 27, 2022, and the agenda was approved at the ordinary meeting of shareholders. So, the Company carried out 5th allotment of subscription rights to shares on October 14, 2022.

For details, please refer to” Notice concerning issuance of stock options (subscription rights to shares)” announced on September 27, 2022,

“Notice concerning finalization of details of stock options (subscription rights to shares)” announced on October 14, 2022, and “(Revised) Notice concerning finalization of details of stock options (subscription rights to shares)” announced on October 20, 2022.