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# Quarterly Securities Report

(15th business term of the second quarter)

COLOPL, Inc.

(E27062)

# Quarterly Securities Report

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

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Company:	Kabushiki Kaisha COLOPL
Company name in English:	COLOPL, Inc.
Name and title of representative:	Takashi Miyamoto, President and Representative Director
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Contact person:	Yoshiaki Harai, Executive Director and Head of the Corporate Division
Place for public inspection:	Tokyo Stock Exchange, Inc. (2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)

## Part 1. Corporate Information

### I. Company Overview

#### 1. Trends in Major Management Indicators, Etc.

Fiscal term	14th term Second Quarter Consolidated Cumulative period	15th term Second Quarter Consolidated Cumulative period	14th period
Accounting period	October 1, 2021 to March 31, 2022	October 1, 2022 to March 31, 2023	October 1, 2021 to September 30, 2022
Net sales (million yen)	15,665	15,897	32,541
Ordinary profit (million yen)	2,696	1,607	5,732
Profit attributable to owners of parent (million yen)	1,803	932	2,414
Comprehensive income (million yen)	1,796	627	3,179
Net assets (million yen)	75,187	74,683	76,575
Total assets (million yen)	81,540	80,513	83,280
Basic earnings per share (yen)	14.08	7.27	18.84
Diluted earnings per share (yen)	14.06	—	18.83
Equity ratio (%)	92.2	92.8	91.9
Cash flows from operating activities (million yen)	3,216	949	3,637
Cash flows from investing activities (million yen)	(914)	8,903	(593)
Cash flows from financing activities (million yen)	(2,542)	(2,559)	(2,538)
Cash and cash equivalents at end of period (million yen)	49,221	57,768	50,914

Fiscal term	14th term Second Quarter Consolidated period	15th term Second Quarter Consolidated period
Accounting period	January 1, 2022 to March 31, 2022	January 1, 2023 to March 31, 2023
Net income per share (yen)	8.79	10.49

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

2. Net income per share-fully diluted for the six months ended March 31, 2023 is not shown in the above table, as there were no residual shares.

#### 2. Business Summary

During the six months ended March 31, 2023, there have been no significant changes in the businesses operated by the Group (the Company and its affiliated companies).

Changes in the major affiliated companies are as follows.

##### Entertainment Business

Brilliantcrypto, Inc. was established and included in the scope of consolidation during the first quarter consolidated accounting period.

## II. Business Overview

### 1. Business Risks

During the six months ended March 31, 2023, there were no occurrences of matters related to the status of business and accounting described in this quarterly report that may have a significant impact on investor decisions, or significant changes to the "Business Risks" described in the securities report for the previous fiscal year.

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

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

#### (1) Financial condition and operating results

##### 1) Operating results

With the Group's mission, "'Entertainment in Real Life': Making everyday more enjoyable and wonderful through entertainment", the Group has been working to enrich people's everyday lives through entertainment. In the six months ended March 31, 2023, the Entertainment Business has been keeping in mind the need to enhance engagement with users in conjunction with existing titles, while also focusing on developing new titles. The Investment and Development Business has been investing mainly in IT-related and entertainment companies in Japan and overseas.

As a result, consolidated results for the six months ended March 31, 2023 were net sales of 15,897 million yen (up 1.5% from the same period of the previous fiscal year), operating profit of 1,944 million yen (down 10.4% from the same period of the previous fiscal year), ordinary profit of 1,607 million yen (down 40.4% from the same period of the previous fiscal year), and profit attributable to owners of the parent of 932 million yen (down 48.3% from the same period of the previous fiscal year).

Operating results by segment are as follows.

##### a. Entertainment Business

The Entertainment Business is responsible primarily for the development and operation of games for smartphones. During the six months ended March 31, 2023, in games for smartphones that account for a major portion of sales, new titles "NEKO GOLF –Anime GOLF–" and "Volzerk: Monsters and Lands Unknown" were released. As for existing titles, "DRAGON QUEST WALK (planning and production: SQUARE ENIX CO., LTD., development: COLOPL, Inc.)" performed very well and contributed to the Group's consolidated financial results. In original IP titles, the Group has been operating services to increase user engagement, such as holding collaboration events with popular IP for "Shironeko Project" and "Alice Gear Aegis".

As a result, consolidated net sales and operating profit for the six months ended March 31, 2023 stood at 15,434 million yen (up 0.6% from the same period of the previous fiscal year) and 2,150 million yen (up 9.1% from the same period of the previous fiscal year), respectively.

##### b. Investment Development Business

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

The Group's funds generated income from the sale of operational investment securities for the six months ended March 31, 2023. In addition, impairment losses were recorded on a portion of operational investment securities held.

As a result, consolidated net sales and operating loss for the six months ended March 31, 2023 stood at 462 million yen (up 45.1% from the same period of the previous fiscal year) and 207 million yen (operating profit of 195 million yen in the same period of the previous fiscal year), respectively.

## 2) Consolidated financial position

### (Assets)

Current assets as of March 31, 2023 were 74,069 million yen (down 3,848 million yen from September 30, 2022). This was mainly due to a decrease in cash and deposits and operational investment securities.

Non-current assets were 6,444 million yen (up 1,081 million yen from September 30, 2022). This was mainly due to an increase in investments and other assets.

As a result, total assets were 80,513 million yen (down 2,767 million yen from September 30, 2022).

### (Liabilities)

Current liabilities as of March 31, 2023 were 4,931 million yen (down 762 million yen from September 30, 2022). This was mainly due to a decrease in income taxes payable.

In addition, non-current liabilities were 899 million yen (down 111 million yen from September 30, 2022). This was mainly due to a decrease in other non-current liabilities.

As a result, total liabilities were 5,830 million yen (down 874 million yen from September 30, 2022).

### (Net assets)

Net assets as of March 31, 2023 were 74,683 million yen (down 1,892 million yen from September 30, 2022). This was mainly due to a decrease in retained earnings resulting from the payment of dividends.

## (2) Status of cash flows

The balance of cash and cash equivalents (hereinafter, "cash") at the end of the six months ended March 31, 2023 increased 6,854 million yen from the end of the previous fiscal year, to 57,768 million yen.

The status of each of the cash flow segments and contributing factors for changes during the six months ended March 31, 2023 are as follows.

### (Cash flows from operating activities)

Net cash increased by 949 million yen in operating activities during the six months ended March 31, 2023 (compared to an increase of 3,216 million yen during the same period of the previous fiscal year). The main cash inflow was 1,607 million yen in profit before income tax.

### (Cash flows from investing activities)

Net cash increased by 8,903 million yen in investing activities during the six months ended March 31, 2023 (compared to a decrease of 914 million yen during the same period of the previous fiscal year). The main cash inflow was 10,000 million yen in proceeds from withdrawal of time deposits.

### (Cash flows from financing activities)

Net cash decreased by 2,559 million yen in financing activities during the six months ended March 31, 2023 (compared to a decrease of 2,542 million yen during the same period of the previous fiscal year). The main cash outflow was 2,559 million yen in dividends paid.

## (3) Priority business and financial issues to be addressed

During the six months ended March 31, 2023, there were no significant changes in the business and financial issues that the Group needs to address on a priority basis.

## (4) Research and Development

The total amount of research and development expenses for the six months ended March 31, 2023 was 1,113 million yen.

There were no significant changes in the status of the Group's research and development activities during the six months ended March 31, 2023.

## 3. Important Contracts Etc. Related to Management

During the six months ended March 31, 2023, there were no decisions or conclusions of important management contracts.

### III. Information on the Reporting Company

#### 1. Stock Information

##### (1) Total Number of Shares, Etc.

###### 1) Total number of shares

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

###### 2) Number of Shares Issued

Type	Number of shares issued at the end of the second quarter (shares) (March 31, 2023)	Number of shares issued as of the filing date (shares) (May 12, 2023)	Stock exchange where the Company is listed	Details
Common shares	130,055,005	130,055,005	Tokyo Stock Exchange Prime Market	The number of shares per one unit of shares is 100 shares.
Total	130,055,005	130,055,005	—	—

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

###### 1) Stock Options

Not applicable.

###### 2) Other Share Acquisition Plans, Etc.

Not applicable.

##### (3) Moving Strike Convertible Bonds, Etc.

Not applicable.

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

Date	Changes in number of shares issued (shares)	Balance of number of shares issued (shares)	Change in capital (million yen)	Balance of capital (million yen)	Change in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
January 1, 2023 - March 31, 2023 (Notes)	70,982	130,055,005	22	6,610	22	6,607

(Notes) As a result of the issuance of new shares of restricted stock compensation with a payment date of January 19, 2023, the total number of issued shares increased by 70,982 shares, and capital stock and capital surplus increased by 22 million yen each.

Issue price 634 yen

Capitalized amount 317 yen

## (5) Status of Major Shareholders

As of March 31, 2023

Name	Address	Share ownership (shares)	Ratio of the number of shares owned to the number of shares issued (excluding treasury shares) (%)
Naruatsu Baba	Shibuya-ku, Tokyo	61,780,034	48.16
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	9,920,600	7.73
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	9,353,300	7.29
THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY10286, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	8,027,300	6.26
THE BANK OF NEW YORK 133612 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	BOULEVARD ANSPACH 1, 1000 BRUSSELS, BELGIUM (2-15-1, Konan, Minato-ku, Tokyo)	3,092,100	2.41
KUWAIT INVESTMENT AUTHORITY (Standing proxy: Direct Custody Clearing Operations of Citibank, N.A., Tokyo Branch)	MINISTRIES COMPLEX ALMURQAB AREA KUWAIT KW 13001 (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	1,195,500	0.93
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Custody Business Department, Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	ONE LINCOLN STREET, BOSTON MA USA 02111 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	970,300	0.76
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (2-15-1, Konan, Minato-ku, Tokyo)	841,200	0.66
BNP PARIBAS SYDNEY/2S/JASDEC/AUSTRALIAN RESIDENTS (Standing proxy: Custody Business Department, Tokyo branch, The Hongkong and Shanghai Banking Corporation Limited)	60 CASTLEREAGH ST SYDNEY NSW 2000 (3-11-1 Nihonbashi, Chuo-ku, Tokyo)	729,700	0.57
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department of Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo)	631,874	0.49
Total	—	96,541,908	75.26

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

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

3. A large-volume holdings report (change report) that was made available for public inspection on July 6, 2021 states that Baillie Gifford & Co and its co-owner Baillie Gifford Overseas Limited own the shares shown below as of July 1, 2021. However, because the Company has not been able to confirm the number of shares actually held by them as of March 31, 2023, they have not been included in the major shareholders above.

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

Name	Address	Number of shares held (shares)	Shareholding ratio
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland	11,592,100	8.93
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN, Scotland	4,722,500	3.64
Total	—	16,314,600	12.57

(6) Information on Voting Rights

1) Number of Shares Issued

As of March 31, 2023

Classification	Number of shares (shares)	Number of voting rights	Details
Non-voting shares	—	—	—
Shares with restricted voting right (treasury shares, etc.)	—	—	—
Shares with restricted voting right (others)	—	—	—
Shares with full voting right (treasury shares, etc.)	(Treasury stock) Common shares 1,778,600	—	The number of shares per one unit of shares is 100 shares.
Shares with full voting right (others)	Common shares 128,217,800	1,282,178	Ditto
Shares less than one unit	Common shares 58,605	—	—
Number of shares outstanding	130,055,005	—	—
Total number of voting rights	—	1,282,178	—

(Note) The column showing the shares of less than one unit contains 14 treasury stock owned by the Company.

2) Treasury Shares, Etc.

As of March 31, 2023

Name of shareholder	Address of shareholder	Number of shares held under the shareholder's name (shares)	Number of shares held under other shareholders' names (shares)	Total number of shares held (shares)	Ratio of number of shares held to number of outstanding shares (%)
(Treasury stock) COLOPL, Inc.	9-7-2 Akasaka, Minato-ku, Tokyo	1,778,600	—	1,778,600	1.37
Total	—	1,778,600	—	1,778,600	1.37

(Notes) The treasury stock above does not include 14 shares of less than one unit.

2. Officers

Not applicable.

#### IV. Financial Information

##### Method of Preparation of Quarterly Consolidated Financial Statements

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

# 1. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(million yen)

	As of September 30, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	60,330	57,543
Accounts receivable - trade, and contract assets	4,910	5,090
Operational investment securities	10,334	9,486
Inventories	*1,532	*1,556
Other	1,832	1,414
Allowance for doubtful accounts	(21)	(21)
<b>Total current assets</b>	<b>77,917</b>	<b>74,069</b>
Non-current assets		
Property, plant and equipment	1,837	1,774
Intangible assets	21	22
Investments and other assets		
Other	*2,3510	*2,4,653
Allowance for doubtful accounts	(6)	(6)
<b>Total investments and other assets</b>	<b>3,503</b>	<b>4,647</b>
<b>Total non-current assets</b>	<b>5,363</b>	<b>6,444</b>
<b>Total assets</b>	<b>83,280</b>	<b>80,513</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	2,239	2,199
Income taxes payable	1,923	761
Other	1,531	1,970
<b>Total current liabilities</b>	<b>5,694</b>	<b>4,931</b>
Non-current liabilities		
Asset retirement obligations	727	729
Other	283	169
<b>Total non-current liabilities</b>	<b>1,011</b>	<b>899</b>
<b>Total liabilities</b>	<b>6,705</b>	<b>5,830</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,587	6,610
Capital surplus	6,328	6,350
Retained earnings	67,028	65,397
Treasury shares	(4,645)	(4,645)
<b>Total shareholders' equity</b>	<b>75,299</b>	<b>73,712</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	755
Foreign currency translation adjustment	186	209
<b>Total accumulated other comprehensive income</b>	<b>1,269</b>	<b>964</b>
Non-controlling interests	6	6
<b>Total net assets</b>	<b>76,575</b>	<b>74,683</b>
<b>Total liabilities and net assets</b>	<b>83,280</b>	<b>80,513</b>

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

## Quarterly Consolidated Statements of Income

## Second Quarter Consolidated Cumulative Period

(million yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	15,665	15,897
Cost of sales	10,632	10,653
Gross profit	5,032	5,244
Selling, general and administrative expenses	* 2,863	* 3,299
Operating profit	2,169	1,944
Non-operating income		
Interest income	17	78
Foreign exchange gains	384	—
Gain on sale of investment securities	307	225
Gain on investments in derivatives	15	—
Miscellaneous income	88	25
Total non-operating income	813	328
Non-operating expenses		
Foreign exchange losses	—	462
Loss on valuation of investment securities	48	—
Loss on sale of investment securities	229	54
Loss on investments in investment partnerships	1	1
Loss on investments in derivatives	—	144
Miscellaneous losses	6	2
Total non-operating expenses	285	665
Ordinary profit	2,696	1,607
Profit before income taxes	2,696	1,607
Income taxes	893	675
Profit	1,803	932
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	1,803	932

Quarterly Consolidated Statements of Comprehensive Income  
 Second Quarter Consolidated Cumulative Period

(million yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Profit	1,803	932
Other comprehensive income		
Valuation difference on available-for-sale securities	(30)	(328)
Foreign currency translation adjustment	24	22
Total other comprehensive income	(6)	(305)
Comprehensive income	1,796	627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,797	627
Comprehensive income attributable to non-controlling interests	(0)	(0)

## (3) Quarterly Consolidated Statements of Cash Flows

(million yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,696	1,607
Depreciation	269	151
Increase (decrease) in allowance for doubtful accounts	(4)	0
Foreign exchange losses (gains)	(405)	487
Decrease (increase) in investment securities for sale	(810)	295
Loss (gain) on sale of investment securities	(77)	(170)
Loss (gain) on valuation of investment securities	48	—
Loss (gain) investments in derivatives	(15)	144
Decrease (increase) in trade receivables	256	(180)
Decrease (increase) in inventories	(75)	(24)
Increase (decrease) in trade payables	(25)	4
Increase (decrease) in accounts payable - other	10	(41)
Increase (decrease) in accrued consumption taxes	(1)	175
Increase (decrease) in income taxes payable - factor based tax	69	(57)
Increase (decrease) in advances received	(172)	318
Decrease (increase) in prepaid expenses	(69)	122
Other, net	746	(241)
Subtotal	2,440	2,593
Interest and dividends received	20	92
Income taxes refund (paid)	755	(1,737)
Net cash provided by (used in) operating activities	3,216	949
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	—	10,000
Purchase of property, plant and equipment	(1,005)	(28)
Proceeds from sale of property, plant and equipment	0	—
Purchase of intangible assets	(3)	(5)
Purchase of investment securities	(1,832)	(2,640)
Proceeds from sale of investment securities	1,931	1,906
Purchase of shares of subsidiaries and associates	—	(209)
Payments of leasehold and guarantee deposits	(0)	—
Proceeds from refund of leasehold and guarantee deposits	—	0
Futures settlement (paid)	4	(115)
Other, net	(8)	(3)
Net cash provided by (used in) investing activities	(914)	8,903
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	13	—
Dividends paid	(2,556)	(2,559)
Other, net	—	(0)
Net cash provided by (used in) financing activities	(2,542)	(2,559)
Effect of exchange rate change on cash and cash equivalents	408	(439)
Net increase (decrease) in cash and cash equivalents	168	6,854
Cash and cash equivalents at beginning of period	49,052	50,914
Cash and cash equivalents at end of period	* 49,221	* 57,768

## Notes

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

(Significant changes in scope of consolidation)

Brilliantcrypto, Inc. was established and included in the scope of consolidation during the first quarter consolidated accounting period.

(Change in accounting policy)

(Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Accounting Standards Application policy "), etc. since the beginning of the first quarter consolidated accounting period. It was decided that the new accounting policies prescribed in the Fair Value Measurement Accounting Standards Application policy, etc. continued to be adopted in accordance with the Paragraph 27-2 of the Fair Value Measurement Accounting Standards Application policy.

These changes had no material effect on quarterly consolidated financial statements.

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

(Calculation of tax expense)

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

(Notes to Quarterly Consolidated Balance Sheet)

\*1 Inventories consist of the following.

	As of September 30, 2022	As of March 31, 2023
Merchandise	106 million yen	45 million yen
Work in process	419 million yen	504 million yen
Supplies	5 million yen	6 million yen

\*2 Assets pledged collateral

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

	As of September 30, 2022	As of March 31, 2023
Investments and other assets	473 million yen	473 million yen

(Notes to Quarterly Consolidated Statements of Income)

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

	For the six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)	For the six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)
Salaries and allowances	661 million yen	641 million yen
Advertising expenses	623 million yen	1,200 million yen

(Notes to Quarterly Consolidated Statements of Cash Flows)

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

	For the six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)	For the six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)
Cash and deposits	58,982 million yen	57,543 million yen
Time deposits whose deposit period is more than three months	(10,000) million yen	— million yen
Deposits paid (“Other” in current assets)	238 million yen	225 million yen
Cash and cash equivalents	49,221 million yen	57,768 million yen

(Shareholders' equity, etc.)

I. Six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)

Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
December 17, 2021 Annual general meeting of shareholders	Common shares	2,559	20.00	September 30, 2021	December 20, 2021	Retained earnings

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

Dividends paid

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

(Segment Information Etc.)

Segment Information

I. For the six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)

Information on net sales and income or loss by reportable segment

(million yen)

	Reportable segment			Adjustment (Note)1	Amount recorded in Consolidated Financial Statements (Note)2
	Entertainment Business	Investment and Development Business	Total		
Net sales					
Sales to external customers	15,346	318	15,665	—	15,665
Intersegment sales or transfers	—	—	—	—	—
Total	15,346	318	15,665	—	15,665
Segment profit	1,972	195	2,168	1	2,169

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

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

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

Information on net sales and income or loss by reportable segment

(million yen)

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

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

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

## (Revenue Recognition)

Six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)

(million yen)

	Reportable Segment		Total
	Entertainment Business	Investment and Development Business	
Revenue from user charges	6,821	—	6,821
Income from revenue sharing	5,046	—	5,046
Other (Note) 1	3,477	22	3,500
Revenue from contracts with customers	15,346	22	15,368
Other income (Note) 2	—	296	296
Net sales to external customers	15,346	318	15,665

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

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

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

(million yen)

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

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

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

(Per share information)

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

Item	Six months ended March 31, 2022 (October 1, 2021 to March 31, 2022)	Six months ended March 31, 2023 (October 1, 2022 to March 31, 2023)
(1) Basic earnings per share	14.08	7.27
(Basis for calculation)		
Profit attributable to owners of parent ( million yen)	1,803	932
Amount not attributable to common shareholders ( million yen)	—	—
Profit attributable to owners of parent pertaining to common shares ( million yen)	1,803	932
Average number of shares during the period (shares)	128,090,485	128,240,958
(2) Diluted earnings per share	14.06	—
(Basis for calculation)		
Adjustments to profit attributable to owners of parent ( million yen)	—	—
Increase in the number of common shares (shares)	201,928	—
Summary of latent shares not included in the calculation of diluted net income per share due to the absence of dilutive effects, but for which there have been significant changes since the end of the previous fiscal year	—	—

(Notes) Net income per share-fully diluted for the six months ended March 31, 2023 is not shown in the above table, as there were no residual shares.

(Significant subsequent events)

Not applicable.

2.Other

Not applicable.

**Part 2. Information Concerning Guarantors of the Reporting Company**

Not applicable.