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## Consolidated Financial Results for the Nine Months Ended June 30, 2023 (under Japanese GAAP)

August 2, 2023

Name of the Listed Company: COLOPL, Inc.

Listed Stock Exchanges: Tokyo Stock Exchange

Security code: 3668

URL: <https://colopl.co.jp/en/>

Representative: Takashi Miyamoto, President

Contact: Yoshiaki Harai, Executive Director

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Scheduled date to file quarterly securities report:

August 9, 2023

Scheduled date to commence dividend payments:

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Preparation of supplementary material on quarterly financial results:

Yes

Holding of quarterly financial results briefing:

Yes (for institutional investors and analysts)

### 1. Consolidated Financial Results for the Nine Months Ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

#### (1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended June 30, 2023	22,483	(2.6)	1,980	(32.8)	2,122	(47.7)	1,244	(55.1)
June 30, 2022	23,079	(15.8)	2,948	(43.9)	4,061	(40.6)	2,774	8.7

Note: Comprehensive income  
 Nine months ended June 30, 2023: 1,421 million yen (down 55.2%)  
 Nine months ended June 30, 2022: 3,173 million yen (up 24.6%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	yen	yen
June 30, 2023	9.70	—
June 30, 2022	21.65	21.63

(Note) Net income per share—fully diluted for the nine-months ended June 30, 2023 is not shown in the above table, as there were no residual shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
June 30, 2023	80,478	75,477	93.8
September 30, 2022	83,280	76,575	91.9

Reference: Shareholder's equity  
 As of June 30, 2023: 75,471 million yen  
 As of September 30, 2022: 76,569 million yen

### 2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended September 30, 2022	—	0.00	—	20.00	20.00
Fiscal year ending September 30, 2023	—	0.00	—		
Fiscal year ending September 30, 2023 (forecast)				—	—

(Note) Revisions to the forecast of cash dividends most recently announced: None  
 Dividends for the fiscal year ending September 30, 2023 are not yet decided.

### 3. Consolidated Financial Forecast for the Fiscal Year Ending September 30, 2023 (October 1, 2022 to September 30, 2023)

Due to the fact that the business environment surrounding our group is subject to rapid changes in the short term, it is difficult to calculate appropriate and reasonable figures for the outlook of our group's business performance, and therefore we do not disclose our business forecast.

Notes.

(1) Change in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Although not a specified subsidiary, Brilliantcrypto, Inc. was established and included in the scope of consolidation during the first quarter of fiscal year.

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

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 7 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

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

(ii) Changes in accounting policies due to other than (i): None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Change in accounting policy)" on page 7 of the attached materials.

(4) Number of issued shares (common shares)

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

As of June 30, 2023	130,055,005 shares	As of September 30, 2022	129,984,023 shares
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(ii) Number of treasury shares at the end of the period

As of June 30, 2023	1,778,614 shares	As of September 30, 2022	1,778,544 shares
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(iii) Average number of shares during the period

Nine months ended June 30, 2023	128,252,769 shares	Nine months ended June 30, 2022	128,128,816 shares
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These quarterly financial results are outside the scope of quarterly review by a certified public accountant or audit firm

Proper use of earnings forecasts, and other special matters

Descriptions and statements concerning estimates and forecasts in this material are judgments and assumptions based on information currently available to the Company. Due to the uncertainties inherent in these judgments and assumptions, as well as changes in business management and internal or external conditions, actual results may differ substantially from predictions, and the Company does not guarantee the certainty of any details regarding these future predictions.

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## 1. Consolidated Results for the Nine Months Ended June 30, 2023

### (1) Analysis of consolidated business 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 nine months ended June 30, 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 nine months ended June 30, 2023 were net sales of 22,483 million yen (down 2.6% from the same period of the previous fiscal year), operating profit of 1,980 million yen (down 32.8% from the same period of the previous fiscal year), ordinary profit of 2,122 million yen (down 47.7% from the same period of the previous fiscal year), and profit attributable to owners of parent of 1,244 million yen (down 55.1% from the same period of the previous fiscal year).

Operating results by segment are as follows.

#### a. Entertainment Business

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

In games for smartphones that account for a major portion of sales, 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.)" contributed to the Group's consolidated performance through its stable operations. 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", "Alice Gear Aegis" and "NEKO GOLF –Anime GOLF–".

As a result, consolidated net sales and operating profit for the nine months ended June 30, 2023 stood at 21,988 million yen (down 3.3% from the same period of the previous fiscal year) and 2,319 million yen (down 19.2% from the same period of the previous fiscal year), respectively.

#### b. Investment and Development Business

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

The Group's funds generated income from the sale of operational investment securities for the nine months ended June 30, 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 nine months ended June 30, 2023 stood at 494 million yen (up 49.1% from the same period of the previous fiscal year) and 341 million yen (operating profit of 76 million yen in the same period of the previous fiscal year), respectively.

### (2) Analysis of consolidated financial position

#### (Assets)

Current assets as of June 30, 2023 were 73,862 million yen (down 4,055 million yen from September 30, 2022). This was mainly due to a decrease in cash and deposits and accounts receivable - trade, and contract assets.

Non-current assets were 6,615 million yen (up 1,252 million yen from September 30, 2022). This was mainly due to an increase in investments and other assets.

As a result, total assets were 80,478 million yen (down 2,802 million yen from September 30, 2022).

#### (Liabilities)

Current liabilities as of June 30, 2023 were 3,927 million yen (down 1,766 million yen from September 30, 2022). This was mainly due to a decrease in income taxes payable.

In addition, non-current liabilities were 1,072 million yen (up 61 million yen from September 30, 2022). This was mainly due to an increase in other non-current liabilities.

As a result, total liabilities were 5,000 million yen (down 1,704 million yen from September 30, 2022).

#### (Net assets)

Net assets as of June 30, 2023 were 75,477 million yen (down 1,097 million yen from September 30, 2022). This was mainly due to a decrease in retained earnings resulting from the payment of dividends.

(3) Qualitative information on consolidated business forecasts

Given significant short-term changes in the business environment surrounding the Group, the Company has difficulties in calculating the Group's earnings forecasts properly and reasonably, and therefore refrains from disclosing financial forecasts.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(million yen)

	As of September 30, 2022	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	60,330	57,609
Accounts receivable - trade, and contract assets	4,910	4,243
Operational investment securities	10,334	9,940
Inventories	532	545
Other	1,832	1,545
Allowance for doubtful accounts	(21)	(21)
<b>Total current assets</b>	<b>77,917</b>	<b>73,862</b>
Non-current assets		
Property, plant and equipment	1,837	1,755
Intangible assets	21	19
Investments and other assets		
Other	3,510	4,846
Allowance for doubtful accounts	(6)	(6)
<b>Total investments and other assets</b>	<b>3,503</b>	<b>4,840</b>
<b>Total non-current assets</b>	<b>5,363</b>	<b>6,615</b>
<b>Total assets</b>	<b>83,280</b>	<b>80,478</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	2,239	1,670
Income taxes payable	1,923	90
Other	1,531	2,166
<b>Total current liabilities</b>	<b>5,694</b>	<b>3,927</b>
Non-current liabilities		
Asset retirement obligations	727	730
Other	283	341
<b>Total non-current liabilities</b>	<b>1,011</b>	<b>1,072</b>
<b>Total liabilities</b>	<b>6,705</b>	<b>5,000</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,587	6,610
Capital surplus	6,328	6,350
Retained earnings	67,028	65,709
Treasury shares	(4,645)	(4,645)
<b>Total shareholders' equity</b>	<b>75,299</b>	<b>74,024</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	1,183
Foreign currency translation adjustment	186	263
<b>Total accumulated other comprehensive income</b>	<b>1,269</b>	<b>1,446</b>
Non-controlling interests	6	6
<b>Total net assets</b>	<b>76,575</b>	<b>75,477</b>
<b>Total liabilities and net assets</b>	<b>83,280</b>	<b>80,478</b>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(Third Quarter Consolidated Cumulative Period)

(million yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Net sales	23,079	22,483
Cost of sales	15,984	15,722
Gross profit	7,095	6,760
Selling, general and administrative expenses	4,146	4,780
Operating profit	2,948	1,980
Non-operating income		
Interest income	30	146
Foreign exchange gains	890	75
Gain on sale of investment securities	378	292
Gain on investments in derivatives	59	—
Miscellaneous income	121	49
Total non-operating income	1,480	563
Non-operating expenses		
Loss on valuation of investment securities	48	—
Loss on sale of investment securities	307	89
Loss on investments in derivatives	—	324
Miscellaneous losses	11	6
Total non-operating expenses	367	420
Ordinary profit	4,061	2,122
Profit before income taxes	4,061	2,122
Income taxes	1,287	878
Profit	2,774	1,244
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	2,774	1,244

(Consolidated Quarterly Statements of Comprehensive Income)  
(Third Quarter Consolidated Cumulative Period)

(million yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Profit	2,774	1,244
Other comprehensive income		
Valuation difference on available-for-sale securities	293	99
Foreign currency translation adjustment	106	77
Total other comprehensive income	399	176
Comprehensive income	3,173	1,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,174	1,421
Comprehensive income attributable to non-controlling interests	(0)	(0)



(3) Notes to Quarterly Consolidated Financial Statements

(Note on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in significant subsidiaries during the period)

Although not a specified subsidiary, Brilliantcrypto, Inc. was established and included in the scope of consolidation during the first quarter of fiscal year.

(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 third quarter under review, and multiplying quarterly income before income taxes by the estimated effective tax rate.

(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 of the fiscal year under review. 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.

(Segment Information)

I For the nine months ended June 30, 2022 (October 1, 2021 to June 30, 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	22,748	331	23,079	—	23,079
Intersegment sales and transfers	—	—	—	—	—
Total	22,748	331	23,079	—	23,079
Operating profit	2,869	76	2,946	1	2,948

(Note) 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 nine months ended June 30, 2023 (October 1, 2022 to June 30, 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	21,988	494	22,483	—	22,483
Intersegment sales and transfers	—	—	—	—	—
Total	21,988	494	22,483	—	22,483
Operating profit (loss)	2,319	(341)	1,978	1	1,980

(Note) 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.