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# Quarterly Securities Report

(15th business term of the third 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
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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 Third Quarter Consolidated Cumulative period	15th term Third Quarter Consolidated Cumulative period	14th period
Accounting period	October 1, 2021 to June 30, 2022	October 1, 2022 to June 30, 2023	October 1, 2021 to September 30, 2022
Net sales (million yen)	23,079	22,483	32,541
Ordinary profit (million yen)	4,061	2,122	5,732
Profit attributable to owners of parent (million yen)	2,774	1,244	2,414
Comprehensive income (million yen)	3,173	1,421	3,179
Net assets (million yen)	76,566	75,477	76,575
Total assets (million yen)	82,322	80,478	83,280
Basic earnings per share (yen)	21.65	9.70	18.84
Diluted earnings per share (yen)	21.63	—	18.83
Equity ratio (%)	93.0	93.8	91.9

Fiscal term	14th term Third Quarter Consolidated period	15th term Third Quarter Consolidated period
Accounting period	April 1, 2022 to June 30, 2022	April 1, 2023 to June 30, 2023
Net income per share (yen)	7.57	2.43

(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 nine months ended June 30, 2023 is not shown in the above table, as there were no residual shares.

#### 2. Business Summary

During the nine months ended June 30, 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 nine months ended June 30, 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 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) 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.

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

During the nine months ended June 30, 2023, there were no significant changes in the business and financial issues that the Group needs to address on a priority basis.

## (3) Research and Development

The total amount of research and development expenses for the nine months ended June 30, 2023 was 1,810 million yen.

There were no significant changes in the status of the Group's research and development activities during the nine months ended June 30, 2023.

## 3. Important Contracts Etc. Related to Management

During the nine months ended June 30, 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 third quarter (shares) (June 30, 2023)	Number of shares issued as of the filing date (shares) (August 9, 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)
April 1, 2023 - June 30, 2023	—	130,055,005	—	6,610	—	6,607

##### (5) Status of Major Shareholders

As the current quarterly accounting period is the third quarter of the current fiscal year, there is nothing to report.



(6) Information on Voting Rights

The “Information on Voting Rights ” as of the end of the third quarter of the current fiscal year is based on the shareholders' register as of the immediately preceding record date (March 31, 2023), as the information in the shareholders' register cannot be confirmed and cannot be stated.

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

(Note) 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 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)
Total current assets	77,917	73,862
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)
Total investments and other assets	3,503	4,840
Total non-current assets	5,363	6,615
Total assets	83,280	80,478
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	2,239	1,670
Income taxes payable	1,923	90
Other	1,531	2,166
Total current liabilities	5,694	3,927
Non-current liabilities		
Asset retirement obligations	727	730
Other	283	341
Total non-current liabilities	1,011	1,072
Total liabilities	6,705	5,000
<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)
Total shareholders' equity	75,299	74,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	1,183
Foreign currency translation adjustment	186	263
Total accumulated other comprehensive income	1,269	1,446
Non-controlling interests	6	6
Total net assets	76,575	75,477
Total liabilities and net assets	83,280	80,478

## (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

Quarterly Consolidated 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)

## 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 third quarter consolidated accounting period, and multiplying quarterly profit before income taxes by the estimated effective tax rate.

(Notes to Quarterly Consolidated Balance Sheet)

\*Assets pledged collateral

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

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

(Notes to Quarterly Consolidated Statements of Cash Flows)

The quarterly consolidated statement of cash flows for the nine months of the fiscal year under review has not been prepared. Depreciation expenses (Includes amortization of intangible assets other than goodwill.) and amortization of goodwill for the nine months ended June 30, 2023 are as follows.

	Nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)	Nine months ended June 30, 2023 (October 1, 2022 to June 30, 2023)
Depreciation expenses	349 million yen	247 million yen

(Shareholders' equity, etc.)

I. Nine months ended June 30, 2022 (October 1, 2021 to June 30, 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. Nine months ended June 30, 2023 (October 1, 2022 to June 30, 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. 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 or transfers	—	—	—	—	—
Total	22,748	331	23,079	—	23,079
Segment profit	2,869	76	2,946	1	2,948

(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. 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 or transfers	—	—	—	—	—
Total	21,988	494	22,483	—	22,483
Segment profit (loss)	2,319	(341)	1,978	1	1,980

(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)

Nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)

(million yen)

	Reportable Segment		Total
	Entertainment Business	Investment and Development Business	
Revenue from user charges	10,151	—	10,151
Income from revenue sharing	7,138	—	7,138
Other (Note) 1	5,457	34	5,492
Revenue from contracts with customers	22,748	34	22,782
Other income (Note) 2	—	296	296
Net sales to external customers	22,748	331	23,079

(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".

Nine months ended June 30, 2023 (October 1, 2022 to June 30, 2023)

(million yen)

	Reportable Segment		Total
	Entertainment Business	Investment and Development Business	
Revenue from user charges	9,878	—	9,878
Income from revenue sharing	7,745	—	7,745
Other (Note) 1	4,364	34	4,398
Revenue from contracts with customers	21,988	34	22,022
Other income (Note) 2	—	460	460
Net sales to external customers	21,988	494	22,483

(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	Nine months ended June 30, 2022 (October 1, 2021 to June 30, 2022)	Nine months ended June 30, 2023 (October 1, 2022 to June 30, 2023)
(1) Basic earnings per share	21.65 yen	9.70 yen
(Basis for calculation)		
Profit attributable to owners of parent (million yen)	2,774	1,244
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent pertaining to common shares (million yen)	2,774	1,244
Average number of shares during the period (shares)	128,128,816	128,252,769
(2) Diluted earnings per share	21.63 yen	—
(Basis for calculation)		
Adjustments to profit attributable to owners of parent (million yen)	—	—
Increase in the number of common shares (shares)	148,763	—
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 nine months ended June 30, 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.