

Note: This document is a translated version for reference purposes only. Therefore, any discrepancy may occur with the Japanese original version. Please refer to the Japanese version if you find anything unclear. COLOPL, Inc. takes no responsibility for any problems of translation.

# Quarterly Securities Report

(16th business term of the first quarter)

COLOPL, Inc.

(E27062)

# Quarterly Securities Report

---

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.

# Contents

|   | Page |
|---|------|
| Cover Page .....  | 1    |
| Part 1. Corporate Information.....  | 2    |
| I. Company Overview .....   | 2    |
| 1. Trends in Major Management Indicators, Etc.....  | 2    |
| 2. Business Summary .....   | 2    |
| II. Business Overview .....   | 3    |
| 1. Business Risks .....   | 3    |
| 2. Management’s Analysis of Financial Position, Operating Results and Cash Flows .....                        | 3    |
| 3. Important Contracts Etc. Related to Management .....   | 4    |
| III. Information on the Reporting Company .....   | 5    |
| 1. Stock Information .....  | 5    |
| (1) Total Number of Shares, Etc. ....   | 5    |
| 1) Total Number of Shares. ....   | 5    |
| 2) Number of Shares Issued.....   | 5    |
| (2) Information on the Share Acquisition Rights, Etc. ....  | 5    |
| 1) Stock Options .....  | 5    |
| 2) Other Share Acquisition Plans, Etc.....  | 5    |
| (3) Moving Strike Convertible Bonds, Etc. ....  | 5    |
| (4) Changes in Number of Shares Issued and Capital, Etc. ....   | 5    |
| (5) Status of Major Shareholders .....  | 5    |
| (6) Information on Voting Rights.....   | 6    |
| 1) Number of Shares Issued.....   | 6    |
| 2) Treasury Shares, Etc. ....   | 6    |
| 2. Officers .....   | 6    |
| IV. Financial Information .....   | 7    |
| 1. Quarterly Consolidated Financial Statements.....   | 8    |
| (1) Quarterly Consolidated Balance Sheets .....   | 8    |
| (2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income | 9    |
| Quarterly Consolidated Statements of Income .....   | 9    |
| Quarterly Consolidated Statements of Comprehensive Income .....   | 10   |
| Notes .....   | 11   |
| Segment Information .....   | 12   |
| 2. Other.....   | 15   |
| Part 2. Information Concerning Guarantors of the Reporting Company .....                                      | 16   |

## Cover Page

|                                   |   |
|-----------------------------------|---|
| Document filed:                   | Quarterly Securities Report   |
| Applicable law:                   | Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act           |
| Filed with:                       | Director, Kanto Local Finance Bureau  |
| Filing date:                      | February 13, 2024   |
| Quarterly Accounting Period:      | 16th business term of the first quarter (From October 1, 2023 to December 31, 2023) |
| Company:                          | Kabushiki Kaisha COLOPL   |
| Company name in English:          | COLOPL, Inc.  |
| Name and title of representative: | Takashi Miyamoto, President and Representative Director                             |
| Address of head office:           | 9-7-2 Akasaka, Minato-ku, Tokyo   |
| Phone number:                     | 03-6721-7770  |
| Contact person:                   | Yoshiaki Harai, Executive Director  |
| Contact address:                  | 9-7-2 Akasaka, Minato-ku, Tokyo   |
| Phone number:                     | 03-6721-7770  |
| Contact person:                   | Yoshiaki Harai, Executive Director  |
| Place for public inspection:      | Tokyo Stock Exchange, Inc.<br>(2-1 Nihonbashikabutocho, Chuo-ku, Tokyo)             |

## Part 1. Corporate Information

### I. Company Overview

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

| Fiscal term   | 15th term First Quarter Consolidated Cumulative period | 16th term First Quarter Consolidated Cumulative period | 15th period                           |
|---|--|--|---------------------------------------|
| Accounting period                                     | October 1, 2022 to December 31, 2022                   | October 1, 2023 to December 31, 2023                   | October 1, 2022 to September 30, 2023 |
| Net sales (million yen)                               | 7,108  | 5,629  | 30,926                                |
| Ordinary profit (million yen)                         | (442)  | (461)  | 3,276                                 |
| Profit attributable to owners of parent (million yen) | (413)  | (519)  | 1,893                                 |
| Comprehensive income or income (million yen)          | (745)  | (908)  | 2,178                                 |
| Net assets (million yen)                              | 73,266   | 72,745   | 76,234                                |
| Total assets (million yen)                            | 78,455   | 77,567   | 81,695                                |
| Basic earnings per share (yen)                        | (3.23)   | (4.05)   | 14.76                                 |
| Diluted earnings per share (yen)                      | —  | —  | —                                     |
| Equity ratio (%)                                      | 93.4   | 93.8   | 93.3                                  |

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

2. Diluted earnings per share is not shown in the above table, as there were no residual shares.

#### 2. Business Summary

During the first quarter of the consolidated fiscal year under review, 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.

##### Investment and Development Business

Colopl Next Korea, Inc. was included in the scope of consolidation from the first quarter of the consolidated fiscal year under review due to its increased importance.

## II. Business Overview

### 1. Business Risks

During the first quarter of the fiscal year under review, 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 and other 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 under review.

#### (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 three-months period ended December 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 three-months period ended December 31, 2023 were Net sales of 5,629 million yen (down 20.8% from the same period of the previous fiscal year), Operating loss of 414 million yen (Operating profit of 11 million yen in the same period of the previous fiscal year), Ordinary loss of 461 million yen (Ordinary loss of 442 million yen in the same period of the previous fiscal year), and Loss attributable to owners of the parent of 519 million yen (Loss attributable to owners of the parent 413 million yen in 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, "DRAGON QUEST WALK" (planning and production: SQUARE ENIX CO., LTD., Development: COLOPL, Inc.) remained steady 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".

As a result, consolidated Net sales and Operating loss for the three-months period ended December 31, 2023 stood at 5,596 million yen (down 20.8% from the same period of the previous fiscal year) and 345 million yen (Operating profit of 233 million yen in the same period of the previous fiscal year).

##### 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 three-months period ended December 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 three-months period ended December 31, 2023 stood at 32 million yen (down 20.6% from the same period of the previous fiscal year), and 70 million yen (Operating loss of 222 million yen in the same period of the previous fiscal year).

#### 2) Consolidated financial position

##### (Assets)

Current assets as of December 31, 2023 were 70,472 million yen (down 4,417 million yen from September 30, 2023). This was mainly due to a decrease in Cash and deposits and Accounts receivable - trade, and contract assets.

Non-current assets were 7,095 million yen (up 290 million yen from September 30, 2023). This was mainly due to an increase in Investments and other assets.

As a result, Total assets were 77,567 million yen (down 4,127 million yen from September 30, 2023).

(Liabilities)

Current liabilities as of December 31, 2023 were 3,864 million yen (down 463 million yen from September 30, 2023). This was due to a decrease in Accounts payable - other.

In addition, Non-current liabilities were 958 million yen (down 174 million yen from September 30, 2023). This was due to a decrease in Other non-current liabilities.

As a result, total liabilities were 4,822 million yen (down 637 million yen from September 30, 2023).

(Net assets)

Net assets as of December 31, 2023 were 72,745 million yen (down 3,489 million yen from September 30, 2023). 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 first quarter of the consolidated fiscal year under review, 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 first quarter of the consolidated fiscal year under review was 592 million yen.

There were no significant changes in the status of the Group's research and development activities during the first quarter of the consolidated fiscal year under review.

### 3. Important Contracts Etc. Related to Management

During the first quarter of the consolidated fiscal year under review, 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 first quarter (shares) (December 31, 2023) | Number of shares issued as of the filing date (shares) (February 13, 2024) | Stock exchange where the Company is listed | Details  |
|---------------|--|--|--|--|
| Common shares | 130,055,005  | 130,144,640  | Tokyo Stock Exchange Prime Market          | The number of shares per one unit of shares is 100 shares. |
| Total         | 130,055,005  | 130,144,640  | –  | –  |

##### (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) |
|--------------------------------------|---|---|---------------------------------|----------------------------------|---|--|
| October 1, 2023 to December 31, 2023 | –   | 130,055,005                                 | –                               | 6,610                            | –   | 6,607  |

(Notes) As a result of the issuance of new shares of restricted stock compensation with a payment date of January 18, 2024, the total number of issued shares increased by 89,635 shares, and capital stock and capital reserve increased by 25 million yen each.

Issue price 569 yen

Capitalized amount 285 yen

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

As the quarterly accounting period under review is the first quarter of the fiscal year under review, there is nothing to report.



(6) Information on Voting Rights

The "Information of Voting Rights" as of the end of the first quarter of the fiscal year under review is based on the shareholders' register as of the immediately preceding record date (September 30, 2023), as the information in the shareholders' register cannot be confirmed and cannot be stated.

1) Number of Shares Issued

As of September 30, 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)<br>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 128,219,900                   | 1,282,199               | Ditto  |
| Shares less than one unit                                   | Common shares 56,505                        | –                       | –  |
| Number of shares outstanding                                | 130,055,005                                 | –                       | –  |
| Total number of voting rights                               | –   | 1,282,199               | –  |

(Note) The column showing the shares of less than one unit contains 84 treasury stock owned by the Company.

2) Treasury Shares, Etc.

As of September 30, 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)<br>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 84 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, 2023 | As of December 31, 2023 |
|---|--------------------------|-------------------------|
| <b>Assets</b>   |                          |                         |
| Current assets  |                          |                         |
| Cash and deposits                                     | 57,960                   | 55,792                  |
| Accounts receivable - trade, and contract assets      | 4,733                    | 3,400                   |
| Operational investment securities                     | 9,908                    | 9,343                   |
| Inventories   | 442                      | 495                     |
| Other   | 1,864                    | 1,460                   |
| Allowance for doubtful accounts                       | (21)                     | (21)                    |
| <b>Total current assets</b>                           | <b>74,889</b>            | <b>70,472</b>           |
| Non-current assets                                    |                          |                         |
| Property, plant and equipment                         | 1,780                    | 1,821                   |
| Intangible assets                                     | 20                       | 22                      |
| Investments and other assets                          |                          |                         |
| Other   | * 5,004                  | * 5,251                 |
| Allowance for doubtful accounts                       | (0)                      | (0)                     |
| <b>Total investments and other assets</b>             | <b>5,004</b>             | <b>5,251</b>            |
| <b>Total non-current assets</b>                       | <b>6,805</b>             | <b>7,095</b>            |
| <b>Total assets</b>                                   | <b>81,695</b>            | <b>77,567</b>           |
| <b>Liabilities</b>                                    |                          |                         |
| Current liabilities                                   |                          |                         |
| Accounts payable - other                              | 2,226                    | 1,580                   |
| Income taxes payable                                  | 380                      | 109                     |
| Other   | 1,720                    | 2,173                   |
| <b>Total current liabilities</b>                      | <b>4,327</b>             | <b>3,864</b>            |
| Non-current liabilities                               |                          |                         |
| Asset retirement obligations                          | 745                      | 746                     |
| Other   | 387                      | 212                     |
| <b>Total non-current liabilities</b>                  | <b>1,133</b>             | <b>958</b>              |
| <b>Total liabilities</b>                              | <b>5,460</b>             | <b>4,822</b>            |
| Net assets  |                          |                         |
| Shareholders' equity                                  |                          |                         |
| Share capital   | 6,610                    | 6,610                   |
| Capital surplus                                       | 6,350                    | 6,348                   |
| Retained earnings                                     | 66,358                   | 63,260                  |
| Treasury shares                                       | (4,645)                  | (4,645)                 |
| <b>Total shareholders' equity</b>                     | <b>74,673</b>            | <b>71,573</b>           |
| Accumulated other comprehensive income                |                          |                         |
| Valuation difference on available-for-sale securities | 1,206                    | 801                     |
| Foreign currency translation adjustment               | 348                      | 364                     |
| <b>Total accumulated other comprehensive income</b>   | <b>1,555</b>             | <b>1,166</b>            |
| Non-controlling interests                             | 5                        | 5                       |
| <b>Total net assets</b>                               | <b>76,234</b>            | <b>72,745</b>           |
| <b>Total liabilities and net assets</b>               | <b>81,695</b>            | <b>77,567</b>           |

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

## Quarterly Consolidated Statements of Income

## First Quarter Consolidated Cumulative Period

(million yen)

|   | Three months ended<br>December 31, 2022 | Three months ended<br>December 31, 2023 |
|---|---|---|
| Net sales   | 7,108                                   | 5,629                                   |
| Cost of sales   | 5,134                                   | 4,464                                   |
| Gross profit  | 1,973                                   | 1,164                                   |
| Selling, general and administrative expenses            | 1,961                                   | 1,578                                   |
| Operating profit (loss)                                 | 11                                      | (414)                                   |
| Non-operating income                                    |   |   |
| Interest income   | 28                                      | 80                                      |
| Gain on sale of investment securities                   | 77                                      | 213                                     |
| Gain on investments in derivatives                      | —                                       | 17                                      |
| Miscellaneous income                                    | 10                                      | 27                                      |
| Total non-operating income                              | 116                                     | 339                                     |
| Non-operating expenses                                  |   |   |
| Foreign exchange losses                                 | 507                                     | 352                                     |
| Loss on sale of investment securities                   | 31                                      | 18                                      |
| Loss on investments in derivatives                      | 29                                      | —                                       |
| Miscellaneous losses                                    | 2                                       | 14                                      |
| Total non-operating expenses                            | 570                                     | 385                                     |
| Ordinary loss   | (442)                                   | (461)                                   |
| Loss before income taxes                                | (442)                                   | (461)                                   |
| Income taxes  | (29)                                    | 57                                      |
| Loss  | (413)                                   | (519)                                   |
| Profit (loss) attributable to non-controlling interests | (0)                                     | 0                                       |
| Loss attributable to owners of parent                   | (413)                                   | (519)                                   |

Quarterly Consolidated Statements of Comprehensive Income  
 First Quarter Consolidated Cumulative Period

(million yen)

|   | Three months ended<br>December 31, 2022 | Three months ended<br>December 31, 2023 |
|---|---|---|
| Loss  | (413)                                   | (519)                                   |
| Other comprehensive income  |   |   |
| Valuation difference on available-for-sale securities             | (334)                                   | (404)                                   |
| Foreign currency translation adjustment                           | 3                                       | 15                                      |
| Total other comprehensive income                                  | (331)                                   | (388)                                   |
| Comprehensive income  | (745)                                   | (908)                                   |
| Comprehensive income attributable to                              |   |   |
| Comprehensive income attributable to owners of<br>parent          | (744)                                   | (908)                                   |
| Comprehensive income attributable to non-controlling<br>interests | (0)                                     | (0)                                     |

Notes

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

Colopl Next Korea, Inc. was included in the scope of consolidation from the first quarter of the consolidated fiscal year under review due to its increased importance.

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

(Notes to consolidated balance sheet)

\* Assets pledged collateral

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

|                              | As of September 30, 2023 | As of December 31, 2023 |
|------------------------------|--------------------------|-------------------------|
| Investments and other assets | 473 million yen          | 473 million yen         |

(Notes to Quarterly Consolidated Statements of Cash Flows)

We have not prepared a quarterly consolidated cash flow statement for the first quarter consolidated cumulative period.

Depreciation expenses for the first quarter consolidated cumulative period (including depreciation expenses for intangible fixed assets excluding goodwill) are as follows.

|              | Three months ended December 31, 2022<br>(October 1, 2022 to December 31, 2022) | Three months ended December 31, 2023<br>(October 1, 2023 to December 31, 2023) |
|--------------|--|--|
| Depreciation | 65 million yen   | 65 million yen   |

(Shareholders' equity, etc.)

I. For the three months ended December 31, 2022 (October 1, 2022 to December 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 23, 2022 Annual general meeting of shareholders | Common shares   | 2,564                                   | 20.00                    | September 30, 2022 | December 27, 2022 | Retained earnings   |

II. For the three months ended December 31, 2023 (October 1, 2023 to December 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 22, 2023 Annual general meeting of shareholders | Common shares   | 2,565                                   | 20.00                    | September 30, 2023 | December 26, 2023 | Retained earnings   |

(Segment Information)

I. For the three months ended December 31, 2022 (October 1, 2022 to December 31, 2022)

1. Information on net sales and income or loss by reportable segment

(million yen)

|                                    | Reportable segment        |   |       | Adjustment<br>(Note 1) | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Note 2) |
|------------------------------------|---------------------------|---|-------|------------------------|--|
|                                    | Entertainment<br>Business | Investment and<br>Development<br>Business | Total |                        |  |
| Net sales                          |                           |   |       |                        |  |
| Sales to external customers        | 7,067                     | 40  | 7,108 | —                      | 7,108  |
| Intersegment sales or<br>transfers | —                         | —   | —     | —                      | —  |
| Total                              | 7,067                     | 40  | 7,108 | —                      | 7,108  |
| Segment profit (loss)              | 233                       | (222)                                     | 11    | 0                      | 11   |

(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.

II. For the three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

1. Information on net sales and income or loss by reportable segment

(million yen)

|                                    | Reportable segment        |   |       | Adjustment<br>(Note 1) | Amount<br>recorded in<br>Consolidated<br>Financial<br>Statements<br>(Note 2) |
|------------------------------------|---------------------------|---|-------|------------------------|--|
|                                    | Entertainment<br>Business | Investment and<br>Development<br>Business | Total |                        |  |
| Net sales                          |                           |   |       |                        |  |
| Sales to external customers        | 5,596                     | 32  | 5,629 | —                      | 5,629  |
| Intersegment sales or<br>transfers | —                         | —   | —     | —                      | —  |
| Total                              | 5,596                     | 32  | 5,629 | —                      | 5,629  |
| Segment profit (loss)              | (345)                     | (70)                                      | (415) | 0                      | (414)  |

(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 loss reported in the consolidated statements of income.

(Revenue Recognition)

For the three months ended December 31, 2022 (October 1, 2022 to December 31, 2022)

(million yen)

|                                       | Reportable Segment     |                                     | Total |
|---------------------------------------|------------------------|-------------------------------------|-------|
|                                       | Entertainment Business | Investment and Development Business |       |
| Revenue from user charges             | 3,289                  | —                                   | 3,289 |
| Income from revenue sharing           | 2,426                  | —                                   | 2,426 |
| Other (Note 1)                        | 1,351                  | 12                                  | 1,363 |
| Revenue from contracts with customers | 7,067                  | 12                                  | 7,079 |
| Other income (Note 2)                 | —                      | 28                                  | 28    |
| Net sales to external customers       | 7,067                  | 40                                  | 7,108 |

(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".

For the three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

(million yen)

|                                       | Reportable Segment     |                                     | Total |
|---------------------------------------|------------------------|-------------------------------------|-------|
|                                       | Entertainment Business | Investment and Development Business |       |
| Revenue from user charges             | 2,134                  | —                                   | 2,134 |
| Income from revenue sharing           | 2,160                  | —                                   | 2,160 |
| Other (Note 1)                        | 1,301                  | 13                                  | 1,314 |
| Revenue from contracts with customers | 5,596                  | 13                                  | 5,609 |
| Other income (Note 2)                 | —                      | 19                                  | 19    |
| Net sales to external customers       | 5,596                  | 32                                  | 5,629 |

(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 loss per share is as follows.

| Item  | Three months ended December 31, 2022 (October 1, 2022 to December 31, 2022) | Three months ended December 31, 2023 (October 1, 2023 to December 31, 2023) |
|---|---|---|
| Basic loss per share  | (3.23) yen  | (4.05) yen  |
| (Basis for calculation)   |   |   |
| Loss attributable to owners of parent (million yen)                             | (413)   | (519)   |
| Amount not attributable to common shareholders (million yen)                    | –   | –   |
| Loss attributable to owners of parent pertaining to common shares (million yen) | (413)   | (519)   |
| Average number of shares during the period (shares)                             | 128,205,479   | 128,276,321   |

(Notes) Diluted earnings per share 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.