

COLOPL

Report 2023





Growth through innovation as an opportunity

COLOPL has developed through innovation. It started with Colony Life, the world's first location-based game* using the Global Positioning System (GPS). COLOPL's founder Naruatsu Baba created the game on his own. During the period when smartphone games were growing, we quickly shifted our resources to them to benefit from their growth. And now we are preparing to offer blockchain games that utilize the metaverse, Web3 and AI technologies, which are drawing attention as the latest innovations.

COLOPL will use the next innovation as a new opportunity to grow and continue its development.

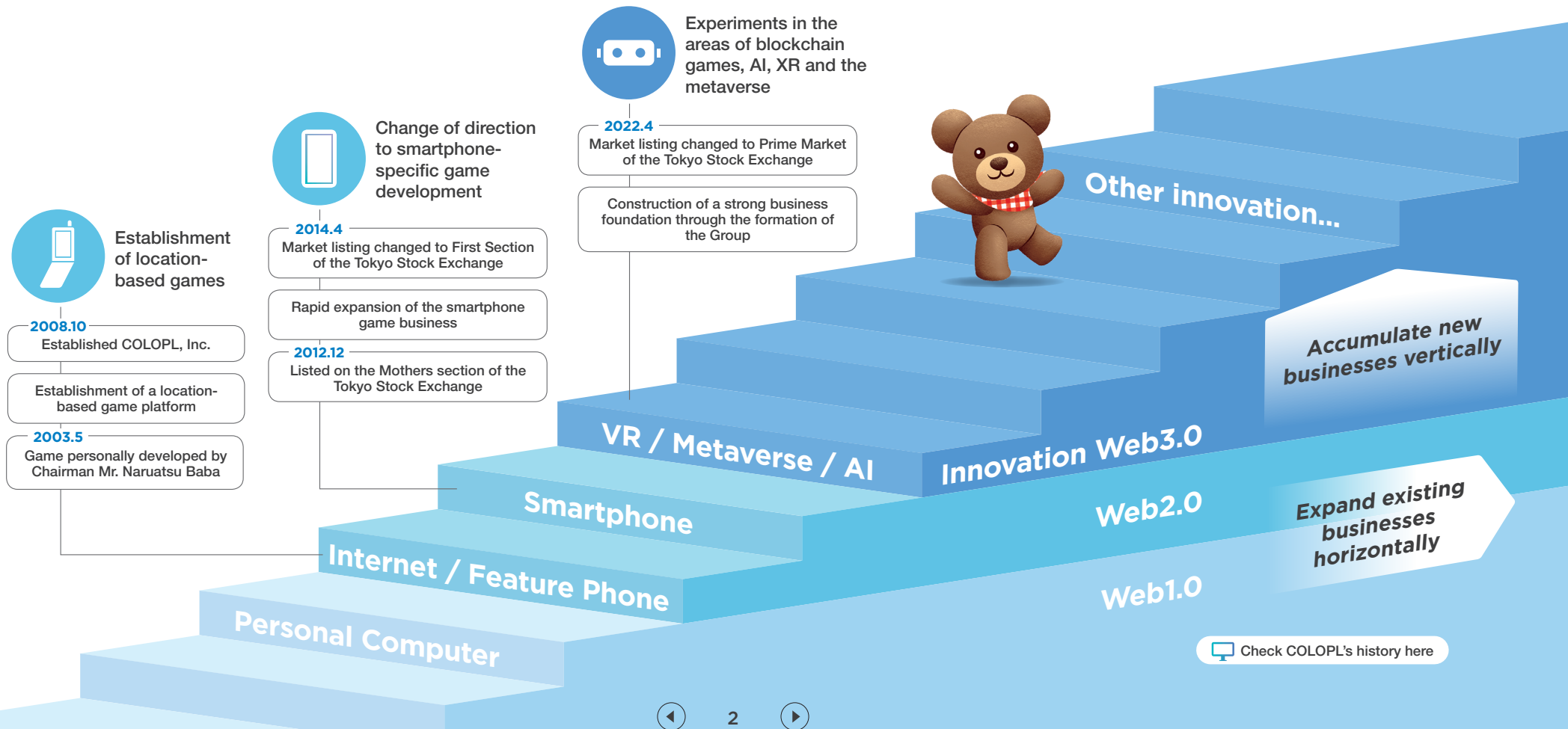


In pursuit of new forms of entertainment, COLOPL has blazed a trail forward through change and challenge.

We have been taking advantage of innovations as opportunities for growth.

We have been opening up a path forward by changing and challenging ourselves.

In the future, we will continuously seek entertainment that will deliver new experiences that did not exist in the past.



Delivering content that is “The First” of its kind — All of the company’s employees have been strongly committed to creation since COLOPL’s foundation

Since its foundation, COLOPL has since been consistently working to create content that is “The First” of its kind to deliver unprecedented new experiences. We created our Philosophy three years ago. The strong aspiration for creation we have maintained since our founding has spread to all our employees. We will continue to deliver content that is “The First” of its kind that makes a difference in the world.

The COLOPL Philosophy

We will continue to deliver content that delivers unprecedented new experiences and “The First” content to make everyday life more fun and wonderful.

Mission

“Entertainment in Real Life”

Making everyday more enjoyable and wonderful through entertainment

Vision

Delivering “New Experiences” with the latest technology and creative ideas

Principles

Try

Value

Believe

The founder’s hopes and COLOPL as it is today



Our founder Naruatsu Baba is an engineer. No matter how difficult it may be, we will continue to be the one creating content that is “The First” of its kind. That is his hope. Content that is “The First” delivers entirely new experiences. The chance of success is higher when we follow the example of past successes. We believe we can create valuable things when we dare to face the suffering of creation and overcome it in the hope that the resulting creation will deliver joy to many users. All of COLOPL’s employees share a strong commitment to creation, including the pursuit of the creation of valuable things and a user-first spirit.

Ability to create content that is “The First” of its kind using the latest technology and creative ideas

We founded our business with Colony Life, the world's first location-based game using the global positioning system (GPS). It was followed by Quiz RPG: The World of Mystic Wiz, the first full-scale quiz game for smartphones, and Shironeko Project, a full-scale action game that can be played using only a single finger, and other projects. We have been offering new forms of entertainment to society using the latest technology and creative ideas. With our strength in ability to create content that is “The First” of its kind, we will continue to provide many users with fun services.



Sources of strength

Human resources and structure for the development and operation of diverse services

In addition to Chief Creator Naruatsu Baba, five newly-appointed lead creators lead game development that is unique to us in terms of quality and speed. To continuously create content that is “The First” of its kind, we are working to recruit creators. Currently, creators are around 80% of the employees of our Group. We have built a structure for sharing development and operational expertise within the Group with a high in-house production ratio.

A culture of creation that has been maintained since COLOPL's foundation

COLOPL began with a game created by its Chairman, Naruatsu Baba, who was originally an engineer. Since then we have endeavored to create content that is “The First” of its kind to deliver new experiences that were previously unavailable. This strong commitment that has been maintained since the company's foundation has spread to all the personnel. As we have done, we will continue to deliver “The First” content that will make a difference to the world.



Continuing to create content that is unique to COLOPL and to deliver it to more people

We have the basic policy of continuing to create content that is unique to COLOPL and to deliver it to more people with a view toward realizing our Vision of delivering new experiences with the latest technology and creative ideas. For the medium and long term, we will focus our energy on the three actions below.

1 Construct an environment that gives shape to the latest technology and creative ideas

2 Actively use intellectual property and expand it to overseas markets

3 Strengthen the COLOPL brand

Entertainment Business

In the Entertainment Business, we will work to horizontally expand existing businesses such as smartphone games and consumer games and to vertically accumulate new businesses in areas where innovation will occur, such as blockchain, AI, XR and the metaverse. With these two actions, we will aim to grow.

Investment and Development Business

In the Investment and Development Business, we invest in a wide range of IT-related, entertainment and other companies in Japan and abroad, at all stages of development, starting from the seed stage. We will combine multiple themes and time investments to minimize risks and maximize returns.

Expand existing businesses horizontally

Smartphone Games

Work intensively to actively use our own and other companies' intellectual property (IP) and strive to make hit titles with new experiences with our own IP represented by Shironeko Project and in collaboration with other strong IP holders

Console Games

Work to develop adventure games, an area in which we excel, and other titles that use COLOPL's technological strengths. Concurrently, press ahead with multi-platform operations based on both our own and other companies' IP.

Accumulate new businesses vertically

Blockchain Games

Aim to establish a sustainable play to earn system

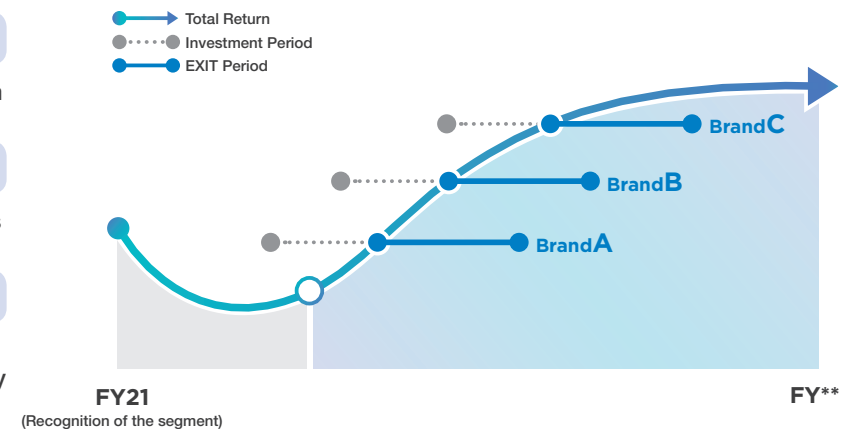
AI

Seek to incorporate AI into new game experiences

XR and the metaverse

Enhance services in the area of the metaverse centering on the WEBmetaverse and intensively work on B2B marketing

Investment Return Image




Contents

1 Introduction

- 1 Introduction
- 2 History
- 3 Corporate Culture
- 4 Strengths
- 5 Basic policy
- 6 Contents

15 Strategies for Creating Value

01 Business Strategy

- 16 Message from Chief Creator
- 18 COLOPL's Business
- 19 Medium-to-Long-Term Growth Image
- 20  A roundtable talk involving lead creators

02 Financial Strategy

- 24 Message from the CFO

03 Intellectual Property Strategy

- 27 Message from Legal and IP Officer

04 Human Resource Strategy

- 29 Message from the CHRO

47 Financial Data

- 47 11-Years Financial and Non-financial Summary
- 49 Consolidated Balance Sheet
- 50 Consolidated Statement of Profit and Loss / Consolidated Statement of Cash Flows

7 COLOPL's Value Creation

- 8 Message from the President
- 12 Value Creation Process
- 13 Stakeholder Engagement
- 14 Material Issues

32 Foundation for Value Creation

01 Sustainability

- 33 Creating an environment where employees can work with peace of mind
- 34 Promoting Diversity
- 35 Promoting Health Management
- 36 Fostering the next generation
- 37 Balancing implementation of business and environmental conservation

02 Corporate Governance

- 38  A roundtable talk with the outside directors and CEO
- 42 Governance that promotes sustainability
- 45 Board of Directors

51 Outline

- 51 COLOPL Group
- 52 Corporate Data / Stock Information
- 53 Social Media List

Editorial Policy

This report incorporates non-financial information such as sustainability initiatives, in addition to details of management policies, strategies and medium to- long-term value creation, in order to inform shareholders, investors and other stakeholders about the management and general corporate activities of the COLOPL Group.

Period Covered

Fiscal year ended September 2023 (October 1, 2022 to September 30, 2023)
References to times before and after this period are made as necessary.

Organizations Covered

This report generally covers COLOPL, Inc. and Group companies (companies in which COLOPL, Inc. owns more than 50% of outstanding shares as of September 30, 2023), which are collectively described as the COLOPL Group.

Caution Concerning Forward Looking Statements

Descriptions and statements concerning estimates and forecasts in this report are judgments and assumptions based on the information currently available to COLOPL. 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 substantially differ from predictions, and COLOPL does not guarantee the certainty of any details regarding these future predictions.

COLOPL's Value Creation

8 Message from the President

13 Stakeholder Engagement

12 Value Creation Process

14 Material Issues



President and
Representative Director
Takashi Miyamoto

Message from the President

Using innovation as an opportunity to continue our growth based on our strength in ability to create “The First”

Review of the fiscal year ended September 2023

A year of taking on a series of challenges unique to COLOPL

In the Japanese game market, there are more and more titles from China and other countries and regions these days. In the fiscal year ended September 2023, amid the shift to a seamless market that encompasses Japan and other countries and regions, we released NEKO GOLF - Anime GOLF - globally in October 2022. This was followed by the January 2023 release of Volzerk: Monsters and Lands Unknown, a 3D action role-playing game (RPG). It was our first title to be distributed on multiple platforms. For new titles, we have been making fairly ambitious efforts. Regarding our business results for the fiscal year ended September 2023, net sales decreased 5.0% year on year and operating profit dropped 33.7% year on year. However, I see this fiscal year as a year of taking on a series of challenges unique to COLOPL.

Message from the President

On the other hand, sales of some existing titles were solid. I regard this to be the result of good communication with users. We have quite a few titles that have been beloved for a long time. For example, Quiz RPG: The World of Mystic Wiz marked its 10th anniversary in March 2023 and the Shironeko Project had its 9th anniversary in July 2023. This demonstrates that we have succeeded in adding new fun matched to the individual titles each year. We will continue this for these titles and other titles as well.

Regarding the investment and development business, we established a subsidiary of COLOPL NEXT, Inc. in the Republic of Korea in November 2022. This is part of the expansion of our investments in the Asia region. With the participation of Korean investors, it launched a new fund, and it started investing in the fiscal year ending September 2024. It is not a short-term project. We will take a close look at and invest in new industries with growth potential and companies whose views are close to ours.



NEKO GOLF -Anime GOLF-

MONSTER UNIVERSE
(Volzerk:Monsters and Lands Unknown)

Outlook and measures for the fiscal year ending September 2024

Delivering new experiences filled with technologies and ideas

In the fiscal year ending September 2024, we will continue to focus on the development of content that delivers new experiences to users. When we just advertise that a particular game title is filled with advanced technologies, few customers feel like playing it. The thing that is important is that the game is fun to play. The experience is the primary factor that makes users happy to have picked up the game. And

the experience is supported by the elaborate technologies incorporated into it. A characteristic of COLOPL games is that they are filled with innovative ideas and technologies that make them a reality. We will persistently continue to seek this.

Among the titles expected in the fiscal year ending September 2024, the centerpiece is Brilliantcrypto, in our new blockchain game category. It is a global large-scale GameFi project that originated in Japan. The term GameFi is a portmanteau of game and finance. It has the ambitious goal of creating an economic zone based on digital gemstones in the metaverse. Our chief creator Naruatsu Baba is leading its development. It is a title that will provide users with a new experience. In addition, it is a simple game that people will find to be very user-friendly. The GameFi market is changing moment by moment, and it is difficult to understand whether value comes from the currency or from the game. So, the perception of the game may vary depending on the region. I feel that it is being very positively received in Japan. The global market's recognition of COLOPL is still poor. To increase our recognition, we signed a partnership agreement with Paris Saint-Germain, a globally renowned professional football club based in France. We will work to increase our fans in the worldwide market. We will press ahead with the project with a view toward its scheduled release in early spring of 2024.



For medium- and long-term growth

Trying to step into new fields on the basis of COLOPL's strengths

I believe that all we have to do to continue to grow over the medium- and long-term is to Continue to create content that is unique to our group and deliver it to as many people as possible. I am fully aware that stakeholders will look harshly upon us if over a certain period of time the newly released titles do not achieve commercial success. The imitation of a hit game title could achieve some sales temporarily, but I believe that the success of such a game would not last long. Our existing game titles and content that have long been loved are full of technologies and ideas that are unique to us. Looking back at our history reminds me of Colony Life, the world's first location-based game using the Global Positioning System (GPS), and Quiz RPG: The World of Mystic Wiz, which was the first full-scale quiz game for smartphones. The things that I said is applicable to these titles. COLOPL's strength lies in ability to create "The First" content with the use of with the latest technology and creative ideas. I am convinced that we should carry out different measures on the basis of this.

In this situation, we aim to develop the entertainment business in two directions. One is to pile up new businesses vertically, and the other is to expand existing businesses horizontally. The first one applies in new fields such as the blockchain, artificial intelligence (AI), extended reality (XR) and the metaverse. The aforementioned blockchain game Brilliantcrypto is one of these efforts. Regarding AI, we will continuously seek to use it positively within the company and utilize it for new gaming experiences. Regarding XR and the metaverse, we will strive to create new business opportunities for WEBmetaverse and other initiatives. We will take on these challenges in these new fields that are opportunities for medium- and long-term growth seriously.

In existing fields, we will more actively leverage our own and others' intellectual property to accelerate expansion in the horizontal direction. In particular, the Shironeko Project will mark its 10th anniversary in July 2024. I think this will be a key event for the company.

Actively working on branding to build a feeling of anticipation

In the future, we will increase our corporate branding efforts. Happily, we celebrated our 15th anniversary in October 2023. I suppose that the COLOPL brand is recognized to

some extent in the Japanese game entertainment industry. However, I feel that it is hardly known that we are a company that continues to create "The First."

COLOPL has developed through innovation. Consistently pursuing a vision of delivering new experiences based on the latest technology and creative ideas, we have been providing content that entertains users. Regarding existing games, we do not repeat the same routines. I suppose that users have enjoyed playing them for over ten years because our creators endeavor to create new experiences.

We enable people to understand the reality of the company that I discussed and increase users' anticipation so that the name COLOPL will remind them of new experiences. We will be working hard on branding efforts in the fiscal year ending September 2024, since it is the fiscal year that Brilliantcrypto will be released.

Human Capital Initiatives

Communicating COLOPL's characteristics and accelerating the construction of a worker-friendly environment that facilitates development

Human resources are the most important management capital for continuously offering new entertainment. I think we should accelerate our own human capital management, which draws people's attention today.

Especially in the aspect of recruitment, I hope that people applying for jobs with us understand COLOPL's characteristics. We will communicate our views, information about our employees' work styles and the voices our employees plainly to make our true selves known to the public. For this purpose, we revamped our recruitment website in the fiscal year ended September 2023. Actually, I asked newcomers why they chose to join COLOPL. Then, I realized that they fully understood the company and that they joined us because they liked the company. We will continue the human capital initiatives in the future.

It is also significant that the company creates an environment that facilitates working and development. In the past, we worked to introduce anti-infection measures at our office to protecting our staff and devised programs unique to an entertainment business. In recognition of our active health and productivity management efforts, we have been

Message from the President

recognized as a certified health and productivity management outstanding organization for three consecutive years. Additionally, 100% of the eligible female employees and 89% of the eligible male employees take childcare leave. These high rates suggest that we successfully provide flexible work styles suited to employees' life stages.

At the same time, I think a weakness we have is the cultivation of managers. I feel we now need to introduce programs matched to different job types. We will address this issue in the future.

Corporate governance

The presence of outside directors who help maintain a balance between proactive and defensive actions, is significant

Especially when we are working to step into new fields such as blockchain games, both proactive and defensive aspects of the speed of managerial decision-making and the governance functions of the company are very important. It is fortunate that



our Audit and Supervisory Committee members include experts in accounting and legal affairs related to entertainment, including certified public accountant Ryogo Tsukioka and lawyer Koichiro Iida. They are aware that their missions are to supervise us to ensure the company is better managed. **P.38** They are really helpful as they maintain the balance between proactive and defensive actions and properly advise us on solutions for the organization.

In the fiscal year ending September 2024, Ms. Masako Takeda joins us as a new outside director. She is COLOPL's first female director. We will introduce more diverse viewpoints in our management.

Conclusion

Evolving into a company that grows through innovation that the employees are proud of

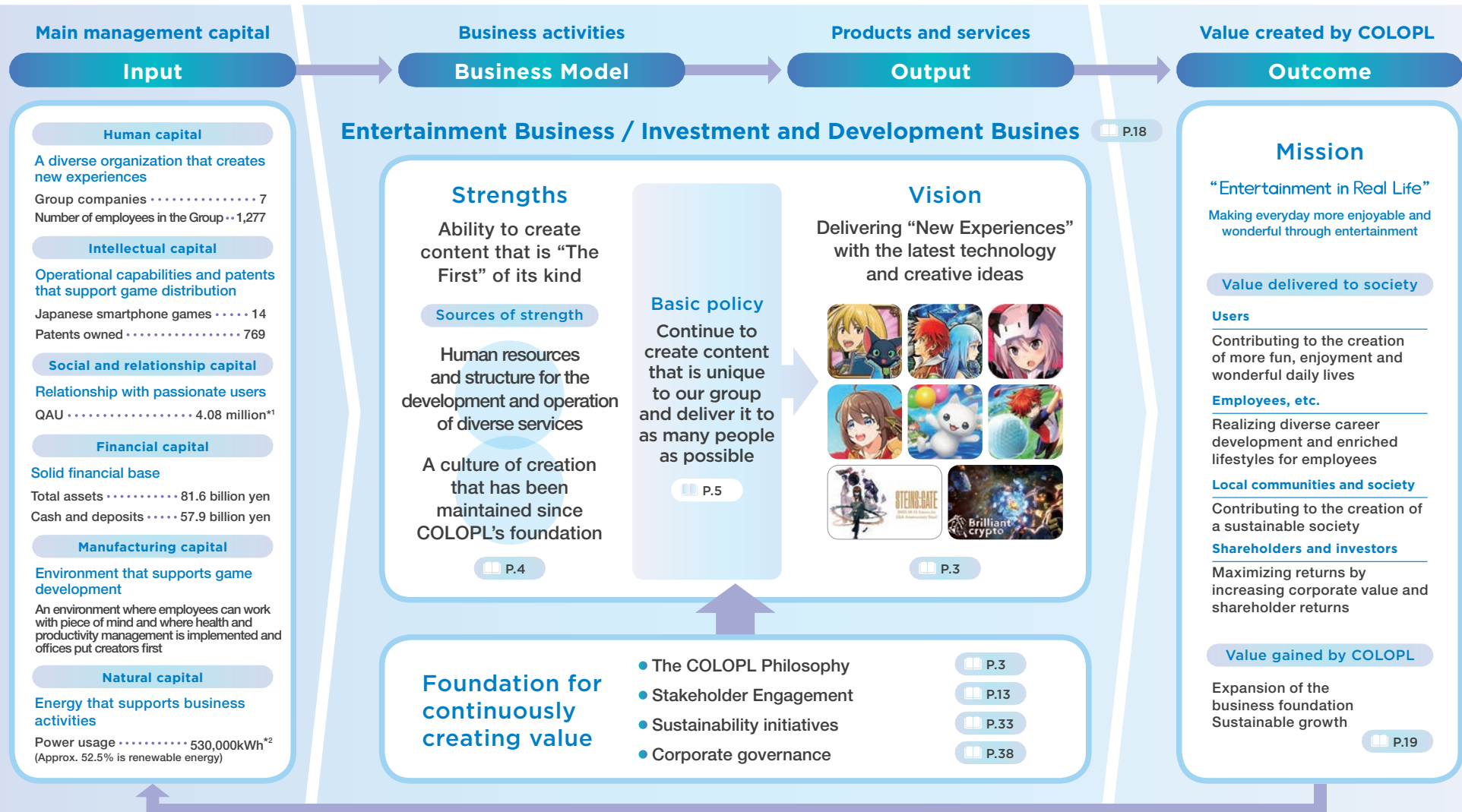
I am aware that my duty is to release hit titles to the world. The purpose of this is not limited to achieving sales and earning profit. Making a hit means that more customers pick up the title and enjoy it. To achieve this, I am responsible for different kinds of capital. I understand that my job is to produce positive results by efficiently utilizing human capital, financial capital and many other types of capital in a way that is unique to COLOPL.

Human capital is the most important of all. We will increase internal branding to make sure that every single employee understands COLOPL's identity and can work for the company with peace of mind. When they create products with great enthusiasm based on their understanding of their objectives working for COLOPL and the things they look forward to in their work, this will be communicated to customers. I hope that our staff will continue to do that simply and that they are fond of the company. Management is now thinking about the company's aspiration to evolve into a company that employees can be proud of. We will be releasing game titles that incorporate the latest technology and creative ideas, which is characteristic of us, in Japan and beyond without missing opportunities for growth in the form of innovation.

Needless to say, short-term business results are important. However, we will firmly follow our core values and move forward, without reacting nervously to short-term results. We would be pleased if our stakeholders will continue to pay attention to us, support us, and have high expectations for us.

Value Creation Process

We strive for continuous growth by delivering content unique to COLOPL leveraging the strength of our ability to create content that is “The First” of its kind.



*1 QAU: Number of users who launched a game at least once between July and September 2023, at least 7 days after downloading. Total for all titles.

*2 The power usage and the percentage of power used that is power from renewable energy sources reflect the actual figures of COLOPL, Inc. alone for the October 2022 to September 2023 period.

* All data excluding those marked with *1 and *2 are as of the end of September 2023.

Stakeholder Engagement

Stakeholders	 <p>Users</p>	 <p>Employees, etc.</p>	 <p>Local Communities and Society</p>	 <p>Shareholders and Investors</p>
Interest and Expectations	<ul style="list-style-type: none"> ● COLOPL's uniquely exciting and thrilling entertainment ● Safe and secure playing environment 	<ul style="list-style-type: none"> ● Working environment with job satisfaction and opportunities for growth ● Diverse work styles and career development 	<ul style="list-style-type: none"> ● Solution of environmental problems and reduction of environmental impact ● Co-existence, mutual prosperity, and revitalization of local communities ● Job creation 	<ul style="list-style-type: none"> ● Increasing corporate value through business growth ● Returns through shareholder returns and stock price appreciation ● Establishment of an appropriate governance system and sustainability initiatives
Material Issues	<ul style="list-style-type: none"> ● Balancing implementation of business and environmental conservation ● Fostering the next generation ● Governance that promotes sustainability 	<ul style="list-style-type: none"> ● Creating an environment where employees can work with peace of mind ● Promoting health management ● Fostering the next generation 	<ul style="list-style-type: none"> ● Balancing implementation of business and environmental conservation ● Creating an environment where employees can work with peace of mind ● Promoting diversity ● Fostering the next generation 	<ul style="list-style-type: none"> ● Balancing implementation of business and environmental conservation ● Governance that promotes sustainability
Dialogues	<ul style="list-style-type: none"> ● Day-to-day operation of services and user support ● Enrichment of the corporate website and product websites and provision of information through social media ● Interaction at in-person events 	<ul style="list-style-type: none"> ● Education and training, fair evaluation system ● Improvement of working environment (offices, telecommuting system, etc.) ● Engagement surveys and stress checks 	<ul style="list-style-type: none"> ● Initiatives for local communities through social contribution activities, etc. ● Enhancement of the corporate website and the recruitment website ● Provision of information through social media, etc. 	<ul style="list-style-type: none"> ● Appropriate disclosure of information through general meetings of shareholders and financial results briefings, etc. ● Enhancement of IR website and provision of information through social media ● Interaction with investors by participating in one-on-one meetings and conferences
Outcome	<ul style="list-style-type: none"> ● Contributing to the creation of more fun, enjoyable and wonderful daily life through the provision of entertainment 	<ul style="list-style-type: none"> ● Diverse career development and enriched lifestyles for employees 	<ul style="list-style-type: none"> ● Contributing to the creation of a sustainable society through business activities 	<ul style="list-style-type: none"> ● Maximizing returns by increasing corporate value and shareholder returns

Material Issues

Based on its mission of “Entertainment in Real Life - Making everyday more enjoyable and wonderful through entertainment,” COLOPL works to solve social issues through entertainment and contribute to the creation of a sustainable society as a corporate group.

Identifying material issues

To clarify the issues we should address to help achieve the Sustainable Development Goals (SDGs), we analyzed the significant issues faced by stakeholders and the COLOPL Group and consequently identified eight material issues.



Commitment to Sustainability

Creating an Environment Where Employees Can Work with Peace of Mind

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

Promoting Diversity

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Promoting Health Management

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Fostering the Next Generation

4 QUALITY EDUCATION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Balancing implementation of business and environmental conservation

13 CLIMATE ACTION

Governance that promotes sustainability

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Strategies for Creating Value

01 Business Strategy

- 16 Message from Chief Creator
- 18 COLOPL's Business
- 19 Medium-to-Long-Term Growth Image
- 20 Special Feature A roundtable talk involving lead creators

02 Financial Strategy

- 24 Message from the CFO

03 Intellectual Property Strategy

- 27 Message from Legal and IP Officer

04 Human Resource Strategy

- 29 Message from the CHRO

Message from Chief Creator

COLOPL's new attempt to deliver new experiences that still do not exist in the world

A blockchain game using a new concept, Proof of Gaming

Brilliantcrypto, Inc., a wholly-owned subsidiary of COLOPL that I am the CEO of, announced a blockchain game named Brilliantcrypto. At the WebX global conference on the subject of Web3 which was held in July 2023, I made a presentation on this project. As a game, it is designed to encourage users around the world to excavate a mine for gemstones and tokens.

Proof of Gaming is a key term that explains what this product is all about. It is a new concept inspired by proof of work, which is the concept underlying the consensus algorithms used by Bitcoin and other cryptocurrencies. Bitcoin was released to the world as a currency. However, it is so valued as an asset that it is now treated like gold. In other words, humans have succeeded in creating digital gold. However, we are now working to create digital gemstones. New Bitcoins are issued by mining. Miners gain Bitcoin as a reward for their work. The product was born from the idea of translating this mining into a game, or the establishment of Proof of Gaming instead of proof of work, to possibly bring a sustainable play-to-earn game into being.



Chairman of the Board
Chief Creator
Naruatsu Baba



A sustainable play-to-earn structure is what I want to create

In the Brilliantcrypto project, I seek to create a sustainable play-to-earn structure, in which mining produces gemstones that will be circulated in various metaverses outside the game to create value for other people and will become capital for the structure. There are already a large number of game titles that are advertised as play-to-earn games. Most are said to be Ponzi schemes, in which the earlier players benefit from late-coming users. They are by no means games. They have no dreams. There is still no sustainable play-to-earn system in society, so I felt like creating one and started the development project.

Prior to the announcement, we conducted tests in a closed environment. Test users in different countries around the world gave us positive feedback. However, if you ask me if it is a very fun game, I would say no. It is not hugely fun, but it is somewhat fun, and you can play it for hours and hours. I believe that this is an element indispensable to the creation of a sustainable play-to-earn game. If it was too fun and allowed players to gain money, people all around the world would want to play it. In that case, gemstones would be dug up instantly and we would run out. My idea is that when a limited number of users spend lots of time digging, the rarity of gemstones will rise, so that the economics work.

Aiming for a big goal of a global IEO after overcoming all difficulties

The mined gemstones can be traded as non-fungible tokens (NFTs). Tokens can also be obtained as a reward. We will list the tokens on exchanges in different countries in a manner that complies with laws and regulations. To start, we are currently preparing for an initial exchange offering (IEO) at Coincheck, Inc. I believe this will be the initial step toward creating a valuable economic zone in the metaverse. There were numerous hurdles to clear for pushing forward with the project, including legal issues and problems with tax matters. Listing required us to resolve even more issues. Our predecessors' efforts spurred the Japanese government to accelerate its actions related to Web3. Laws were revised and law interpretations became fixed. Coincidentally aided by these moves, we have to date managed to surmount the issues. Of course, there are still some issues to be resolved before the product release. After overcoming them, the product will have a significant impact on society.

All the project members are working hard with a view toward releasing the game in the early spring of 2024. I hope you will keep an eye on our endeavors to create unprecedented new value.

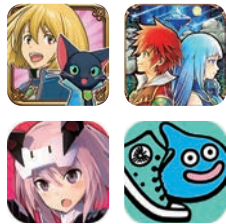
COLOPL's Business

In accordance with our basic policy of Continuing to create content unique to COLOPL and to deliver it to more people, we will appropriately allocate resources and diversify investments with a focus on entertainment, investment and development in an effort to expand our business.

Entertainment Business

Smartphone Games

We offer many smartphone games of a wide variety both in Japan and abroad. Our core titles include Quiz RPG: The World of Mystic Wiz, released March 2013, Shireneko Project, released July 2014, and Alice Gear Aegis, released January 2018. We are also advancing proactively into overseas markets, such as with the release of NEKO GOLF -Anime GOLF- in around 170 countries.



[Click here for the website](#)

Console Games

We are also focusing on console games planned and developed by MAGES. Inc., a comprehensive entertainment company that joined the Group in April 2020. In addition to original titles based on games including STEINS; GATE and other science adventure series and the Memories Off series, we are also working on games derived from anime, light novels, and comics.



©MAGES./NITRO PLUS

[Click here for the website](#)

XR and the metaverse

We offer XR and the metaverse services. We began distributing VR games in 2014 and launched 360Channel, a platform to distribute 360-degree videos, in May 2016. We are thoroughly engaged in this business in anticipation of a future where XR and the metaverse is popularized, including the rollout of our WEBmetaverse business, which enables users to casually enjoy metaverse content in their web browsers, in 2022.



A metaverse space used for COLOPL's internal kick-off parties

WEBmetaverse **360Channel**

WEBmetaverse business launched in February 2022.

360Channel, Inc. runs a business related to 360-degree videos

[Click here for the website](#)

Blockchain Games

We established Brilliantcrypto, Inc. as a wholly-owned subsidiary in November 2022. It is developing the Brilliantcrypto blockchain game to realize a sustainable play to earn system in preparation for its global release. It actively uses metaverse, Web3 and AI technologies that are currently attracting a lot of attention to create new value for society.



Brilliantcrypto

[Click here for the website](#)

Investment and Development Business

COLOPL NEXT, a Group company engaged in the investment business, currently operates multiple funds. We currently invest in a wide variety of companies, mainly entertainment and BtoC companies both in Japan and overseas during all stages of business, from founding to being near listing, based on the three key themes of Real x Virtual, New Normal and New Generation.

[Click here for our main investees](#)

Main Funds

No. 1 Fund



Investments in student entrepreneurs

Colopl VR Fund (No. 2 Fund)



Investments in XR companies

No. 3 Fund



Investments in young entrepreneurs mainly aged 30 and younger

Colopl VR Fund2 (No. 4 Fund)



Investments in XR companies

No. 5, No. 6, No. 7 and No. 8 Funds



Investments for the purpose of net investments

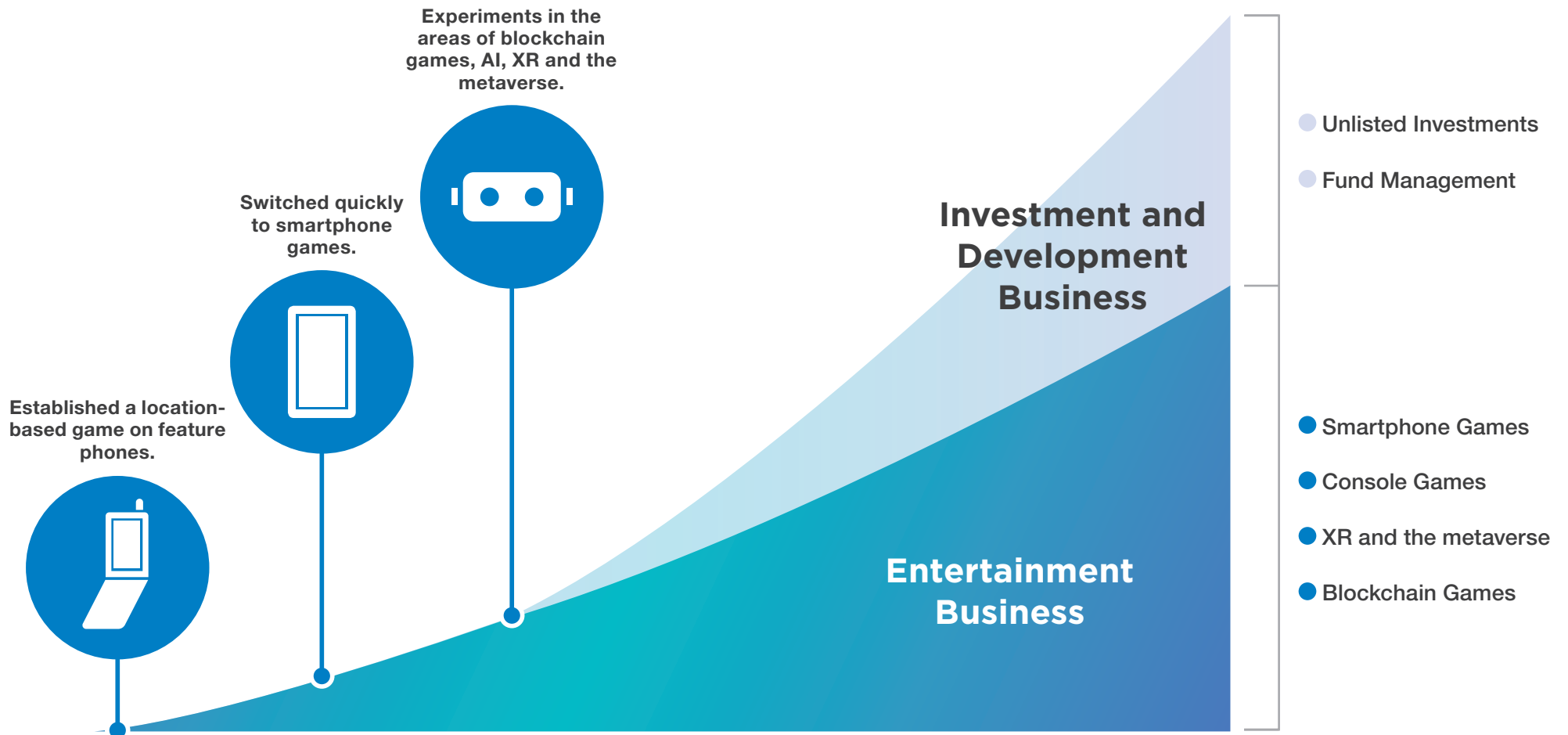
The Next Unicorn Fund IBK Scale-up Gyeonggi G-Fund



Investments in East Asian and Southeast Asian companies

Medium-to-Long-Term Growth Image

With “Entertainment in Real Life - Making everyday more enjoyable and wonderful through entertainment” as our Mission, we aim for sustainable growth by growing each business.





Special Feature

A roundtable talk involving lead creators

General Manager of Studio B1,
Entertainment Division and
Shironeko Supervisor

Ryoji Tsunoda

General Manager of Design Studio,
Entertainment Division

Hajime Oyama

General Manager of Studio A2,
Entertainment Division

Jiro Taoka

General Manager of
STAR STUDIOS,
Live Business Promotion Office

Junya Fukushige

Enhancing the creative system to offer attractive content to the entire world

COLOPL launched its Lead Creator system in September 2022 aiming to create unprecedented new experiences. Under this scheme, experts with an abundance of skill and experience that are indispensable in COLOPL's development of new titles are appointed to be lead creators driving new game development. A roundtable talk was held involving the first four lead creators appointed when the system was launched. One year after assuming their posts, they spoke about their current feelings and their aspirations for the future.

We have much greater discretion although the things that we do have not changed

About a year has passed since you became lead creators. What are your thoughts on the past twelve months?

Oyama Honestly, I don't actually feel like I am a lead creator. I was engaged in development of the blockchain

game that is scheduled to be released by Brilliantcrypto, Inc., a new company represented by Chief Creator Naruatsu Baba. During the past twelve months, I have tried different things and learned a lot personally.

Fukushige I am also working to create a new title. I do not feel that any major changes have occurred for me. However, content creation for the world market is steadily becoming common, which has increased the things that I should think about. Today, artificial intelligence (AI) and other technologies are being utilized to increase the efficiency of the processes I do not need to think about.

Taoka I also continue to be involved in new title development. Since I became a lead creator, there have been no changes in what I do. However, since I was appointed to be a lead creator, I feel obliged to achieve good results.

Tsunoda The Lead Creator system was launched while I continued my tasks to develop a product. My tasks and my views remain the same as they were before. However, during the lead creator appointment ceremony, Baba said that he had chosen those to whom he would entrust the game development process on account of their ability to carry it out independently. That was when I understood the position of the lead creators.

Three Yes, he did say that.

Tsunoda Previously, we communicated closely with him in the process of creating works. These days, I feel that I am given greater discretion than in the past. The world of games is entering a new phase. Baba is working to erect another pillar of business in other areas such as NFTs and cryptocurrency. In the past, COLOPL was a creative company with a single leader. It's dependency on him

Special Feature | A roundtable talk involving lead creators

is now decreasing in the area of smartphone games. I suppose this is the greatest change that happened in the past twelve months.

Continuously delivering exciting new experiences in the constantly-changing game industry

Would you talk to the extent possible about the current progress in the development of the new game you are currently working on?

Oyama I am now working to develop a blockchain game. We completed a beta version, and users around the world are now playing it on a trial basis. Towards the release of the product version in 2024, we have asked users around the world to play-test the game. Every day, we collect data from them and incorporate improvements based on their feedback for the next test.

Fukushige I am working to develop a game that will be released several years from now. We are moving forward towards its release. Currently, I am focusing on graphics. I suppose this is the most difficult category for COLOPL. We are seeking to achieve high quality using diverse artistic expression. I determined that some parts of the core actions in the game would never change from the starting stage. I am developing graphical parts and combining parts of processes. I

have been feeling there have been positive results from the phase of developing the mock-up. I believe it will be successful.

Taoka In view of its release in the next fiscal year, what we can say is limited. We are currently in the process of polishing resources and other activities.

Tsunoda In the past ten years or so, games are transforming from things we play to things we view on YouTube. If games are defined as primary entertainment, game viewing is secondary entertainment based on primary entertainment. This is becoming mainstream. We are working to create products in consideration of this current situation. We are making good progress on the creation of products, but at present, products which are high only in terms of technological quality are becoming harder to produce a hit product. Actually, we are trying different things to introduce some features that will attract as many customers as possible. We are now preparing for an orderly release.

Turning our attention to objective evaluation to create games that move users' hearts

What do you value as a creator or as a team leader?

Tsunoda Entertainment is not necessary for the survival of humans. This is why I always wish to create something that is far beyond people's expectations. I am convinced that the things that move people's hearts have immeasurable power. I believe that the entertainment industry can surely deliver this to people. Entertainment is not life or death, but I suppose that humans are essentially unable to live without entertainment, although this conflicts with the first thing I said. Therefore, I aspire to create things that touch people's hearts.

General Manager of
Design Studio,
Entertainment Division
Hajime Oyama



Taoka I agree. In an environment where there are many different types of entertainment, we invite people to play the games that we create. I hope that players find our games amazing and fulfilling. I think that freshness is important, among other things. To maintain freshness, it is necessary to quickly release titles. I will untiringly seek to create things that provides users with pleasures they have never experienced. When I consulted Baba about planning, he said, "It's just that you want to do that, isn't it?" At COLOPL, I again learned the importance of thinking about the value the planning has. He is so good at viewing things objectively and pointed out my exact weakness. As a creator, I was very fortunate to meet him.

Tsunoda I also feel this. When I joined the company, he told me to start by being honest about objective data. He added that results would be poor if the objective data was poor, even if I thought it was good. I learned that numerical results were also necessary for demonstrating that the value really reached people.

Fukushige Basically, for a long time I have longed to create something that is pleasing and astonishing. Before it reaches users, there are team members who I create things with. I try to work out ideas that will please and astonish them. I ask them for their opinions and advance the process in view of their responses. I hope to work out ideas and determine measures, specifications and



General Manager of
Studio B1,
Entertainment Division and
Shireneko Supervisor
Ryoji Tsunoda

Special Feature | A roundtable talk involving lead creators



General Manager of
Studio A2,
Entertainment Division
Jiro Taoka

other matters without being constrained by conventional thinking. I value the level of team members' surprise since I believe it indicates the level of novelty.

Oyama I share the same basic values with you. I suppose that there are many different ways to provide fresh products and surprises that appeal to users. However, I may pay too much attention to providing a surprise and overlook things that are essential, unconsciously making games less user-friendly. For example, they may be harder to play, or the load time is too long, causing users to feel stress. My thinking is that it is particularly important to make our smartphone games user-friendly. When I develop games, I always think about that.

Giving young creators an environment or opportunities to think and advising them to set goals to help them develop in the right positions

What do you keep in mind regarding the education and development of young creators? What do you think is important?

Oyama Every year, new graduates join us. I think of their education and development as an important role that

we play. In our department, we instruct designers and others to always think about what to do to create good images. Also, it is vital to think about what to do within a time limit. So, we put them into an environment where they can carry out a certain number of tasks. We believe this will lead to their growth.

Taoka My top priority is making them each set a clear goal. The goal must be clear while the method is at their discretion. However, in the end, it's not possible for them to do anything by themselves. They work with other sections and other personnel to perform their tasks. If, in the end, they create one thing after trial and error and a build-and-scrap process, the experience will help them in their next creation. I believe that no one has no talent. If someone cannot use their talents in their position, I think it is because they are not assigned to the right position, and I will change their position quickly. Then, some quickly begin displaying their skills. I will look at the team as a whole and think about transferring poorly performing staff to positions where they can display their strengths. That will increase their motivation and bring about positive results. A successful experience is an aid.

Fukushige I also hope to provide young staff members with opportunities and a good environment whenever possible. And as Oyama said, thinking is also significant. On one hand, whether or not they use their talent is up to them, even if they are in a good environment. I always stress that responsibility and discretion are inseparable. I clearly say, "I will give you a chance, but you must try again if you fail." I believe that their successful recovery from failure will lead to their development. In this respect, I am severe towards them.

Tsunoda It is of course important to give as many opportunities as possible to the people who will lead creative operations in the future, and in addition, I always give them challenging tasks in the hope that

they will be able to handle any future difficulties if they surmount the challenges that I give them. Each time you overcome a barrier, you will develop and become stronger. We deliberately give them tasks that are a little harder than their abilities and encourage them to endeavor to overcome them. Manufacturing requires teamwork. I think it is important to cultivate professionals in this way.

The strong courage of management in the approval of unusual suggestions and the existence of competitive creators are our strengths

What do you think are the strengths of COLOPL?

Taoka Honestly, I suppose that the game industry is quite difficult when I think only about whether a business achieves steady sales. No one knows whether a title will be a hit or a failure. But in this game industry, Baba and the other members of the management team have a position of trusting and supporting us and cheer us up with saying "We will give it a try" when we propose the creation of something new or interesting. I think this is unique to COLOPL. And our greatest strength lies in our solid economic footing that allows us to try new things. It is not easy to make a hit, but one hit will



Manager of STAR STUDIOS,
Live Business
Promotion Office
Junya Fukushige

Special Feature | A roundtable talk involving lead creators

make us stronger and allows us to implement a new development project. From the creator's perspective, this is where COLOPL has an advantage.

Tsunoda As Taoka said, our biggest strength is the existence of Baba and other officers who approve unusual proposals that would never be approved at any other company. They can make bold decisions about ideas whose realization would be costly, being willing to try new things if they have potential. That is very significant to us creators. When developing any new product, we do not give up, even if we are lacking a necessary part of the project. We think that we can create what we do not have. The creative staff work hard to answer questions. Baba himself is a creator. There are many inside and outside the company who trust the creative staff. I feel their existence is another advantage that COLOPL has.

Fukushige I am engaged in the live business, one of the pillars of the business. In the past, I worked to develop games that used technologies like those used by virtual YouTubers (VTubers). They were an embodiment of the latest technologies and creative ideas, as stated in COLOPL's Vision. Baba was the one who proposed the idea at that time. I think that we lead creators should play a role as a source of ideas. The things created in the live business do not end there. The technologies can be used for other new content. Games are after all dependent on ideas, but one game will be the source of new games. In this respect, young staff have opportunities. They are in an environment where they can make their ideas into new games. I believe this is yet another strength of COLOPL.

Oyama In my opinion, an advantage that our company has is its creators who are able to compete in today's game market. Games are something that people with different job skills create together. If we did not have just any one of them, we would not be able

to create content or increase the quality of content. Of course, we sometimes create content in collaboration with outside partner companies. If we had no creators that are able to compete in the current game industry, we would not be able to create any products. One of COLOPL's strengths is that it has all job types of creators who are needed for developing new games.

Releasing titles that achieve sales is an essential role that the lead creators play

How will you serve COLOPL as lead creators? What goals and aspirations do you have?

Fukushige I am the only lead creator involved in the live business. I will steadily maintain the live business. I am aware that my duty is to steadily release fun titles that will earn solid sales. I will endeavor to firmly fulfill this duty.

Taoka I will create games that individual users will feel happy to have chosen. I hope I will be able to increase the number of COLOPL game fans and elevate the COLOPL brand. I wish to release products that will increase the number of users who want to play them because they are COLOPL games, and I believe this will lead to the growth of the corporation.

Oyama I will continue to do what I have done. However, as I mentioned at the beginning, I had different experiences including an attempt to develop a new game. Through various experiences in the future, I hope to respond flexibly and achieve continuous growth together with COLOPL.

Tsunoda My goal is to responsibly create things that people will find wonderful that are of COLOPL quality. I will focus on this for now.

We are looking forward to seeing unprecedented new entertainment coming into being. Thank you for today.



*This roundtable talk took place on September 12, 2023.

Message from the CFO

I began to feel the positive effects of the change to a new structure in the past twelve months. We are now ready for a new breakthrough.

The performance of some existing titles was strong. The number of new releases increased.

In the fiscal year ended September 2023, net sales dropped slightly year on year, with sales of multiple existing titles being higher than in the previous fiscal year. The positive effect of one of the mainstay titles planned and produced by SQUARE ENIX and developed by COLOPL, DRAGON QUEST WALK, was greater than in the previous fiscal year, due partly to the lifting of restrictions on activities. Regarding other existing titles, we communicate well with users through anniversary events and other events. I am convinced that a system has been established that enables these titles to be enjoyed for a long time. Meanwhile, we released three new titles, NEKO GOLF -Anime GOLF-, Volzerk : Monsters and Lands Unknown, and Travel Jimano Nyanko (tentative). In addition, we released PRINCIPLES for technology demonstration purposes. We released more titles during the fiscal year than in the previous one. In the fiscal year ending September 2024, we want to produce tangible achievements from this trend.

Seeking future growth through blockchain games based on a new idea

We announced Brilliantcrypto in July 2023. It is a new project aimed at achieving the next major growth phase of COLOPL. I am in charge of marketing of this title. COLOPL

Executive Director, CFO
Yoshiaki Harai



Message from the CFO

has used new innovation as opportunities for growth. This project could mark a third major turning point after Colony Life, which was the world's first location-based game using the Global Positioning System (GPS), and Shironeko Project and other games for smartphones. To develop this product, we adopted the Proof of Gaming concept, the idea that playing the game generates value for other people. It was very difficult to enable people without knowledge of the industry to understand this idea or philosophy, so we have had some trouble. In addition, this project is comparable to mixed martial arts in the sense that there are difficulties in many different areas such as business, financial affairs and legal affairs.

Nothing of great value can be created without synchronous recognition around the world. The acquisition of global recognition has been another issue. Therefore, we signed a multi-year partnership agreement with the Paris Saint-Germain, a France-based professional football club that is popular worldwide. We are currently conducting marketing activities on a worldwide scale. I feel vividly that they will lead to the improvement of our recognition within the industry and that we are steadily constructing a foothold.

Sharing a common awareness of our Vision and Principles to make concerted companywide efforts to address new fields

COLOPL has three Principles, Try, Value and Believe. These three Principles constitute the basis of the Vision, which reads, "Delivering "New Experiences" with the latest

Overview of Consolidated Financial Results for the Fiscal Year Ended September 2023 (million yen)

	FY2022	FY2023
Net sales	32,541	30,926
Cost of sales	22,704	21,523
Gross profit	9,836	9,402
Selling, general and administrative expenses	5,526	6,543
Operating profit	4,310	2,858
Ordinary profit	5,732	3,276
Profit before income taxes	5,732	3,276
Profit attributable to owners of parent	2,414	1,893

technology and creative ideas." Generally, back-office functions tend to be negative about businesses and projects in unknown areas. At COLOPL, we back-office personnel have a culture of taking a step forward and persistently trying to think out an idea to achieve goals shared with creators. I believe that it is why our accounting auditors and business partners support our serious endeavors, and this has opened the way toward the issuing of tokens by group companies. It was unprecedented among listed companies. Both our creators and back-office personnel do not give up. They continue what they can. We can do this because all of our staff keep the Vision and Principles in mind as a common awareness.

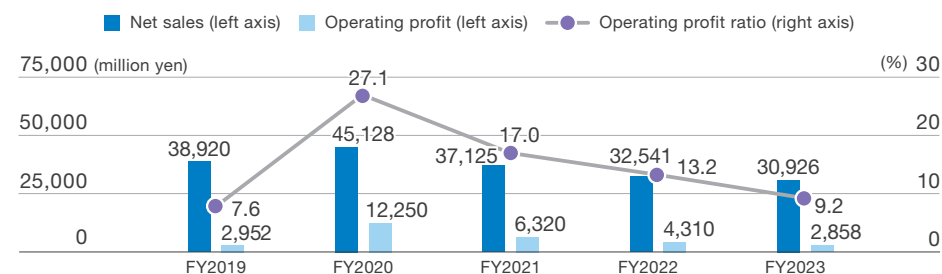
Maintaining a Solid Financial Base and Providing Stable and Continuous Shareholder Returns

As the CFO, I always think about COLOPL's unique financial strategies and capital policies while focusing on the balance between accelerating and braking functions.

Regarding shareholder return, we set dividends at 20 yen per share for the fiscal year ended September 2023. This is based on our policy of securing cash to ensure sustainability and enable flexible investments for growth and paying stable and continuous returns above that standard.

We believe our proper current cash holdings are around 55 billion yen. Brilliantcrypto is an ambitious project and it involves risks peculiar to projects in new areas. However, the company finally green lit the project. I understand that it did so because it had a solid financial base that could support the attempt and that COLOPL had strengths in this area.

Full Year Consolidated Financial Results



Elevating branding through communication unique to COLOPL

We take the Tokyo Stock Exchange's March 2023 request for action to implement management that is conscious of cost of capital and stock price seriously. Actually, we have been working hard to implement management in consideration of the share price and the cost of capital since the Tokyo Stock Exchange established the Corporate Governance Code in 2015. We have made different efforts to improve governance. They include an increase in the number of outside directors.

We have also been working on human capital issues since before the disclosure of information about it became compulsory. In the future, we are thinking of trying to distribute information in COLOPL's original way. For example, PRINCIPLES was released in January 2023. While its purpose was to demonstrate technology, it was in fact designed in close consideration of distribution to the job market. It was COLOPL's first attempt at presenting a technology demonstration. My idea is that we can disclose significant information with greater substance if we plainly show the things that we aim to achieve to the stock market in a flexible and original manner. We will continue improving corporate branding through communication that is unique to COLOPL.



Moving to a new stage as the new structure gradually began to work

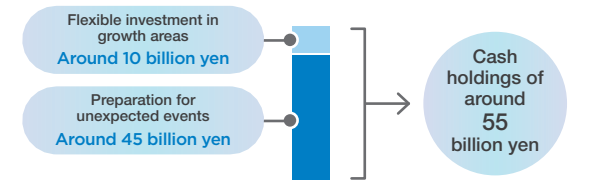
We introduced a new management structure two years ago. The fiscal year ending September 2024 is the third year of the structure. The new structure has gradually begun to work. The Lead Creator system with lead creators leading new title development was in its second year. This helped increase new releases. We will strive to produce tangible achievements from this trend and to offer shareholder returns through business results.

Brilliantcrypto is scheduled to be released in 2024. I hope that you will look forward to our future growth. Thank you for your continued support.

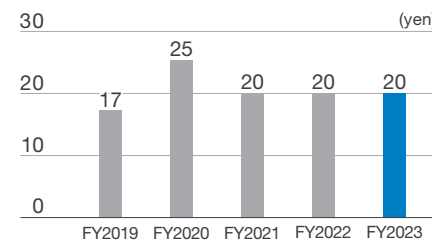
Approach to Cash Holdings

- ① Stability of existing businesses
- ② Growth investment
- ③ Shareholder return

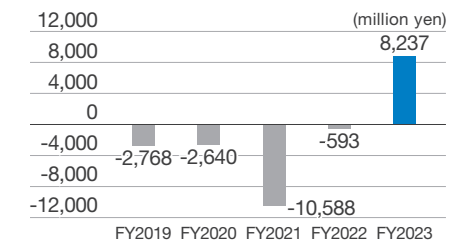
The portion that exceeds the cash holding level that considers ① and ② is allocated to ③



Trends in Dividends per Share



Cash Flows from Investing Activities



Executive Director
Satoshi Yamazaki



Message from Legal and IP Officer

An intellectual stronghold enabling COLOPL's growth that plays both accelerating and braking roles

Striving to achieve its mission of ensuring the lawfulness and rationality of business to support COLOPL's operations

The mission of the Legal & Intellectual Property Department as a whole is to provide business solutions and making sure that COLOPL's business is lawful and rational to help maximize the value of the Group companies. To stimulate business, we provide solutions for conducting business smoothly, strategically and efficiently to increase corporate value. Our role is to accelerate business. On the other hand, we also pay attention to legal risks, prevent the violation of laws or regulations and protect corporate rights and property to prevent the impairment of corporate value. This is our other role, to apply the brakes to business when necessary. In short, the mission of the whole department is to fulfill these two roles to maximize corporate value.

The global GameFi Project tests the real value of the department

I see that the game industry is now reaching a turning point. Services in the gray zone between game and non-game products are emerging in succession. In this situation, we established Brilliantcrypto, Inc. in November 2022 as a wholly-owned subsidiary. It is going to run a new business using blockchain technologies. It does not just use blockchain technologies. It also uses metaverse technologies, artificial intelligence (AI) and other cutting-edge technologies. The technical difficulty is high. Therefore, from the perspective of intellectual property, we must vigorously acquire patents

Message from Legal and IP Officer

and protect the company's technologies. We need to do this quickly in line with the advance of technology. Since the GameFi project is being implemented globally, we must understand the financial and other rules in different countries. The barrier we need to overcome is indeed high. However, we are essentially an enterprising company. In addition, the real strength of the Legal & Intellectual Property Department is tested when the company attempts unprecedented things. We, the people calculating profit and loss rationally in back-office operations, work hard together with creators who pursue the quality of games and the things that make them appeal to consumers to seek optimum solutions. Although this project is unprecedented, COLOPL's culture is to do unprecedented things boldly. In this situation, the Legal & Intellectual Property Department will act as a partner or a guide to push the project forward.

It is not that having more patents is important. To overpower our competition, the quality of the patents is important

The number of patents owned is an indicator of the company's intellectual property capabilities. However, my view is that obtaining high quality patents is more significant than merely obtaining a large number of patents. For instance, the ranking of companies by patent asset size involves weighting the value of individual patents. This explains why the number of patents is not necessarily proportionate to the score. The ranking of companies based on the degree to which their patents restrict the competition looks at the number of patents cited as reasons for the rejection of other companies' patent applications. This shows that patents that are required by other companies are of high value. I think the overall strength of our company's intellectual property is high, comparable with other large companies in the industry.

Top 10 Companies in the Game and Entertainment Patent Asset Size Ranking 2022

Ranking	Company name	Patent Asset Size (pt)	Number of Patents
1	Sony Interactive Entertainment	6,851.7	185
2	GREE	4,171.7	163
3	BANDAI	3,852.3	125
4	Konami Digital Entertainment	2,868.5	101
5	BANDAI NAMCO Entertainment	2,749.6	99
6	Mixi	2,693.7	93
7	COLOPL	2,506.6	83
8	DeNA	2,445.2	32
9	Nintendo	2,228.2	98
10	Cygames	1,941.1	49

Top 10 Companies in the Game and Entertainment Patent Containment Ranking 2022

Ranking	Company name	Number of patents cited
1	Konami Digital Entertainment	343
2	BANDAI NAMCO Entertainment	325
3	Sony Interactive Entertainment	236
4	SEGA	206
5	Nintendo	180
6	COLOPL	143
7	SQUARE ENIX HOLDINGS	104
8	DeNA	97
9	GREE	81
10	CAPCOM	77

Source: Patent Result Co., Ltd.

Increasing insiders' understanding of legal affairs and intellectual property to create an environment where the department can be effective in its accelerating and braking roles

Generally, patent documents include so many words that developers find them hard to read. To lower the barriers and increase employees' understanding of intellectual property, we use visual aids if possible in internal briefings. In addition, we produce videos for insiders that build a sense of familiarity. In legal affairs, we provide e-learning programs several times a year using selected content that are plain or close to the duties of the participants. We will continue these efforts, since I assume that improving all of the employees' ability to understand legal affairs and intellectual property will create an environment where the department can be effective in its accelerating and braking roles.

Guiding the business and seeking to maximize corporate value

I feel that the company has a very entrepreneurial spirit and it always tries new things. Especially in recent years, the company's eagerness to try new things proposed by working-level personnel has been increasing. For example, the company asks employees for ideas about new businesses. In addition, I suppose that the company is very capable of collaborating with organizations to address problems. In my view, this is one of our strengths.

I am aware that the legal affairs and intellectual property departments form the last wall protecting the company, with a role of closely examining probabilities and the degree of influence of risks. Our role is not limited to merely explaining risks. I understand that our mission is to bring the business to its maximum corporate value by fulfilling its accelerating and braking roles. We will strive to earn your trust. Thank you for your attention.

Executive Director, CHRO
Kenta Sugai

Message from the CHRO

An attempt by a CHRO with an engineering background to build an organization unique to COLOPL

Knowledge of production practices helps identify issues and come up with new ideas

I joined COLOPL as an engineer. After that, I built a career in content production. As I joined the company in 2010, I know its history from its early days. At the time of the change to functional organizations, I was appointed to take control of an organization that integrated the designers and engineers together. I became an Executive Director in 2016. In January 2023, I took the additional post of Chief Health & Human Resources Officer (CHRO), the officer in charge of the HR Division.

After accepting this appointment, the first thing I thought I needed to do was to narrow the distance between the Human Resources department and the working-level personnel. Of course the two work with each other, but the department is failing to receive in-depth information about what is happening at the working level at the moment. I think improvements still need to be made in this respect.

From the point of view of an engineer, I feel that data management methods can also be improved. We can enable the growth of individual employees by nicely organizing and utilizing the information about them that is gathered by the Human Resources department. I believe there are some reforms that I myself can carry out because of my experience in production as an engineer. The issues and tasks to be addressed are now visible. Now it seems that we are in the phase of putting the tasks into action.



Creating an environment that enables employee growth to allow them to experience success

It takes a long period of time, three to five years for example, to develop a game. We need to anticipate the future in the development process.

It is difficult to do this mechanically. In the game development process, developers use their awareness to keep up with the trends of the times. So, the creators at the heart of game development are quite important.

People can best realize their own growth when they succeed at the things that they are doing. That is the moment when the service created by creators reaches users. This opportunity cannot be created by the Human Resources department. What the department can do is to create a system that allows creators to concentrate on production. Performing human resources functions, we will offer opportunities for employees to grow.

As mentioned in its Vision, COLOPL aspires to deliver new experiences. This is



associated with recruitment. I think that in game development, clarifying the value that we will deliver is very important. If we center on what we want to do in the creation process, the results may differ from what is sought by society. Other people do not always agree that what we find interesting is in fact interesting. When you want to create a particular game because you want to use a particular technology, the ends and the means are confused. I wish to work with people who think that a particular technology is necessary to create a particular game.

Demonstrating indicators and goals to clarify the issues

It is not easy to deliver new experiences to users, because the difficulty of the new experiences we endeavor to deliver are undoubtedly high. Employees are normally prohibited from working overtime after 10 p.m. The goal of this is to reduce overtime hours. However, the creation of good things tends to require long hours of work. I assume that it will be important to build a foundation for continuing to produce high-quality entertainment in a manner that maintains the balance between health and productivity management and the improvement of employee engagement.

In addition to that, I think it is important to disclose indicators and goals regarding human capital in accordance with the Guidelines for Human Capital Visualization to clarify the issues currently facing us. For instance, I am convinced that we as a game creation company should have more female managers. Human sense is inevitably needed in the game creation process. Since we deliver game titles to the world, we cannot ignore issues such as diversity or gender equality. The construction of a foundation that encourages diverse personnel to join us is an issue that I, as the CHRO, must take the lead in addressing. I am also aware that another important job that I have as the CHRO is to communicate messages that do not just provide a superficial image but that reach people who know and identify with our essence and who wish to apply for job opportunities at COLOPL.

Implementing a project encouraging the use of ChatGPT to develop skills and increase work efficiency through the active utilization of AI technologies

Since April 2023, COLOPL has been awarding prizes for good uses of ChatGPT every month to improve productivity and create new value by using ChatGPT and other generative AI technologies in operations. The program aims to honor a maximum of three outstanding initiatives created by employees per month from among the operational improvement initiatives using ChatGPT in the performance of duties. The program awards prize money to the employees concerned.

In introducing this program, I hoped that personnel would feel that AI was now available for them irrespective of their job type. I am sure that utilization of latest technologies will make game development easier and that it will be important to lay a foundation for fully use of the technologies. I hoped that the competition will make ChatGPT widely known among COLOPL's staff and that they would find it useful for something. Taking the competition as an opportunity, we inquired how ChatGPT could be used by people in different job categories, such as planners, designers and back-office personnel. Then, we incorporated it into practical work. I realized that activities for raising awareness, including this competition, were significant in broadly communicating the corporate policy inside the company. Meanwhile, it is necessary to understand the risks involved in the utilization of AI and to handle data carefully. I believe it is important to formulate guidelines for encouraging the proper use of AI.

As the CHRO, I aspire to improve the strengths of our culture and our foundation, which make it possible to continuously create new titles

Whether or not a particular game title is a commercial success is unknown before it is released. It is possible for a title released after five years of development to not sell at all.



Even so, COLOPL has a culture and foundation that allow us to continuously create new titles. In fact, the company has constantly created new games over its 15-year history. I see this as COLOPL's true strength based on our passionate aspiration to deliver new experiences to users. More importantly, our founder Naruatsu Baba is still our Chief Creator leading us. That provides the company has a solid foundation for the continuous creation of new games. In the midst of game production, I myself am aware of how fearful and troublesome it is to continue creating games. Therefore, now as the CHRO, I wish to work out ideas to improve the strengths that the company has.

Stakeholders often ask me questions about when new titles will be released and what progress has been made on games to date. I suppose that indicates the hopes they have for our new titles. I understand our mission is to constantly release new titles. We will strive to build a strong organization that is capable of continuously providing better entertainment. Thank you for your support.

Foundation for Value Creation

01 Sustainability

- 33** Creating an environment where employees can work with peace of mind
- 34** Promoting Diversity
- 35** Promoting Health Management
- 36** Fostering the next generation
- 37** Balancing implementation of business and environmental conservation

02 Corporate Governance

- 38** Special Feature A roundtable talk with the outside directors and CEO
- 42** Governance that promotes sustainability
- 45** Board of Directors

Creating an Environment Where Employees Can Work with Peace of Mind



COLOPL implements various personnel measures to promote a healthy work-life balance, with the aim of creating a workplace environment in which all employees can work with peace of mind in the long term. We place a particular focus on developing our personnel system and workplace environment in response to changes in social conditions, to enable all of our employees to improve their productivity and play active roles.

Initiatives for the fiscal year under review

Accelerating health management and support for a healthy work-life balance

We understand that it is significant to ensure that employees are in good physical and mental health and to create an environment where they can work in peace of mind at different life stages for the purpose of continuously offering new entertainment. In the fiscal year under review, we continued to implement health management and revised the program for supporting a healthy work-life balance. The next generation support leave program was previously usable only for childcare. It is now also usable for outpatient procedures including fertility treatment and caring for adult family members. The period where employees are able to work shortened working hours to care for children has been expended to the period until the child's graduation from elementary school. We are thus striving to create an environment that is worker-friendly for all workers. The percentage of our employees taking childcare leave is 100% of eligible women and 89% of eligible men. Both figures were higher than the previous fiscal year. COLOPL was recognized for the first time as a company encouraging childcare leave under the Tokyo Papa Childcare Promotion Company 2022 program. We will continue to develop programs and carry out actions matched to the new era to enhance our environment where individual employees can display their potential and diverse talents to the fullest degree.



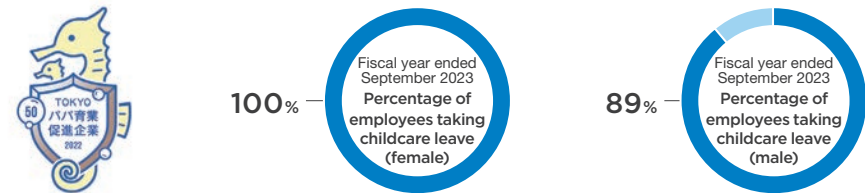
Executive Director, CHRO
Kenta Sugai

Human Resource Development

COLOPL provides online training and support for the growth and skill improvement of its employees. We conduct e-learning training for all employees to increase their knowledge and raise their awareness of compliance, harassment, information security, and health-related issues. We hold group training for managers and new graduates using online tools in a format that includes group work and simulated experiences such as role playing, and have developed a curriculum and management system while also ensuring retention of knowledge and skills. We are also focused on various initiatives to train our personnel, including holding study sessions within the company and with other companies in the same industry, in addition to proactive participation in conferences such as CEDEC and Unity, for the purpose of improving COLOPL's technological abilities.

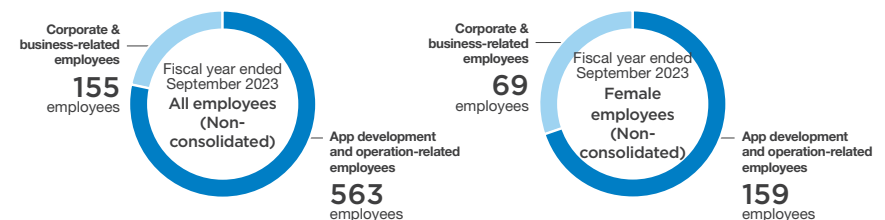
Percentage of employees taking childcare leave

We have established various systems to support the child-rearing generation. Compared to the rate of taking childcare leave announced in the Japanese Ministry of Health, Labour and Welfare (MHLW)'s Basic Survey of Gender Equality in Employment Management in FY2022 (80% for female, 17% for male), at COLOPL we have created an environment in which it is easy for both male and female employees to take childcare leave—with high leave-taking rates of 100% for female employees and 89% for male employees.



Promotion of female participation and advancement

We have established various systems to support the child-rearing generation. Compared to the rate of taking childcare leave announced in the Japanese Ministry of Health, Labour and Welfare (MHLW)'s Basic Survey of Gender Equality in Employment Management in FY2021 (85% for female, 14% for male), at COLOPL we have created an environment in which it is easy for both male and female employees to take childcare leave—with high leave-taking rates of 100% for female employees and 68% for male employees.



Promoting Diversity



Based on our belief that diversity of human resources is necessary for sustainable growth and the provision of high-quality entertainment, we are continuously working to create a workplace environment where every person can play an active role, to the very fullest of their abilities, regardless of nationality, gender, age, or disabilities.

Employment of people with disabilities

Game creators, health keepers who relieve other employees of fatigue from seated work, para-athletes who are active on the world stage, back-office members and other employees who have joined the company under the employment quota for people with disabilities all play active roles in various fields, utilizing their respective skills and experience.

LGBTQ

We promote understanding and appropriate treatment of employees so that members of the LGBTQ community and other sexual minorities can work with peace of mind. At our office, private toilets that can be used by anyone (including both men and women) have been installed on each floor, and a consultation desk has been set up to provide support from industrial doctors to create a working environment that is comfortable for everyone.

Recruitment of non-Japanese nationals

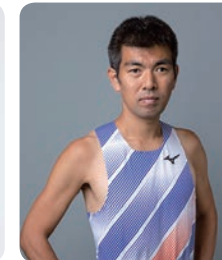
Every year the number of overseas game creators who come to Japan with an affection for Japanese games and animation increases. We offer job opportunities to the people that have the skills necessary for the job irrespective of nationality.

Hiring of Para Athletes

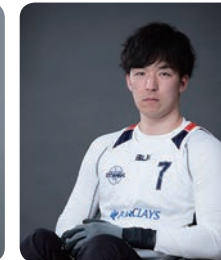
Sport is a form of entertainment that gives people joy and moves their hearts. With the idea of achieving our Mission of "Entertainment in Real Life - Making everyday more enjoyable and wonderful through entertainment" in the form of support for top athletes, COLOPL began recruiting para athletes in 2018. There are currently seven para athletes that work at COLOPL and are active on the world stage.



Paracanoe
Koichi Imai



Blind marathon
Shinji Yamashita



Wheelchair rugby
Shunya Nakamachi



Wheelchair rugby
Masahito Aratake



Goalball
Koji Miyajiki



Wheelchair basketball
Ryuga Akaishi



Wheelchair basketball
Amane Yanagimoto

[Click here for profiles of the para athletes](#)



Promoting Health Management

For COLOPL to continuously offer quality entertainment, a “Health Promotion Team” was established.

This Team implements various health management measures to maintain and improve the health of our employees.

Full-time experts with specialty knowledge and skills related to health management (managerial dietitians, nurses, certified psychologists, licensed masseurs, etc.) are employed, and they promote various measures to manage and improve health while cooperating with part-time industrial physicians and health insurance societies.

Health Management Initiatives

We have been running the Mugen Banana (Infinite Banana) service since August 2022. This welfare program that enables employees at the office to eat bananas freely at any time considers employees' health. By providing nutrient-rich bananas as a nutritional supplement, we aim to improve the health of employees who are busy and may neglect to eat healthily.

We also carry out various other measures for health and productivity management, such as full financial coverage of health checks and gynecological examinations, Kuma SPA massages by full-time resident health keepers, and the organization of regular walking events.



External recognition

In recognition of our thorough infectious disease control measures, employee health management, and the creation of an environment with consideration for safety, COLOPL has received the WELL Health-Safety Rating—which evaluates health and safety based on global standards.

We have also been certified as a Certified Health & Productivity Management Organization (Large Enterprise Category) for three successive years, in recognition of our efforts as a company that practices excellent health and productivity management and implements various initiatives aimed at improving employee health.



The Certified Health and Productivity Management Organization



Sports Yell Company



WELL Health-Safety Rating



Tokyo Sports Promotion Company

Office specialized toward infectious disease control

COLOPL relocated to a new office in February 2022. At the office, we are taking various measures based on scientific evidence to combat contact, droplet, and airborne infections—the main conceivable infection routes—with the aiming of creating an office environment that enables easy communication while working with peace of mind, even during the COVID-19 pandemic.

We have implemented rigorous measures against infectious diseases, under the supervision of experts, to create an office space that considers the health and safety of our employees. These measures include reinforcing and enhancing our air conditioning equipment, adopting linoleum—a natural antiviral material—for flooring and fixtures, and introducing Panasonic's Airy Solution to create a clean and comfortable breathing environment.



Contact-less automatic alcohol hand sanitizer dispensers installed in front of each meeting room



Approximately 40 private booths for web conferences, etc.



WOSH water-recycling, portable hand-washing stands



Air duct reinforcement work to ensure ventilation volume and strengthen humidity control functionality



Flooring and fixtures made from natural antiviral linoleum



Panasonic's Airy Solution to create a clean and comfortable breathing environment



Fostering the Next Generation

As an entertainment company, we are always working to nurture and support the next generation of creators who will play key roles in the future. We actively support young human resources who will play active roles in the next generation by accepting workplace visits and internships to support students' career development, holding study workshops for engineers, and supporting the activities of talented creators through the Kuma Foundation.

Kuma Foundation

Our founder, Naruatsu Baba, established the Kuma Foundation in 2016, with the aim of supporting and subsidizing the activities of young creators who will play key roles in the next generation. Through the Creator Scholarship Program, which supports the creative efforts of student creators, the foundation has supported a total of 339 creators to date. In order to continuously provide opportunities to connect with society, the foundation is also supporting the creative activities and growth of young creators through the newly opened Kuma Foundation Gallery in Roppongi, Tokyo, as a place to present their works.

Creator Scholarships / Activity Support Grants

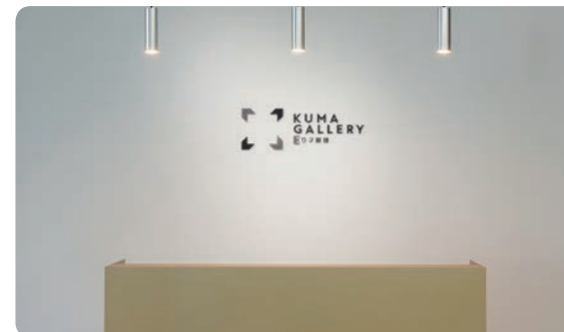
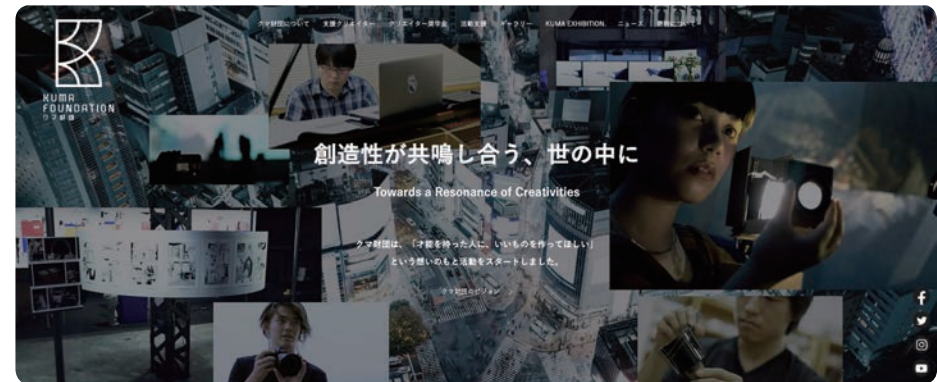
In addition to benefit-type scholarships that do not require repayment, the Creator Scholarship Program for student creators aged 25 or younger also supports development and creative activities for one year through the implementation of a curriculum. The Activity Support Grant Program for scholarship graduates supports young creators who continue to work energetically, providing a system that allows them to continue to engage in their creative activities.

Engineer study workshops

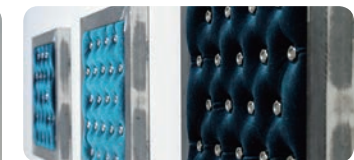
We hold online study sessions for engineers as an opportunity to communicate high-level technical capabilities utilizing the latest technologies. By communicating information on improving the efficiency of game development and solving technical issues, we contribute to the improvement of engineers' technical capabilities and the development of the industry as a whole.

Internships

COLOPL accepts student internships. Through these internships, students can enter the actual development workplace and be involved in game production as part of a team.



Kuma Foundation Gallery



[Click here for information on the Kuma Foundation](#)

Balancing implementation of business and environmental conservation



We regard addressing environmental issues as a material issue in order to create a sustainable society, and are engaged in various measures to balance business operations with environmental conservation. We are strengthening our efforts to combat global warming, which is considered a key factor in climate change, one of the goals of the SDGs.

Information Disclosure Based on the TCFD Recommendations

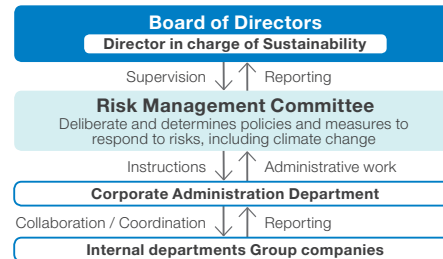
In response to the growing movement to assess the impact of climate change on business, as of December 2022, we have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

*TCFD Recommendations

A set of recommendations announced in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), founded by the Financial Stability Board (FSB) at the request of the G20.

Governance Structure

The President and Representative Director has been appointed as the director in charge of Sustainability. The Risk Management Committee deliberates and considers responses to climate change-related risks and reports the results to the Board of Directors. The Board of Directors gives instructions for improvement and supervises as necessary.



Strategy

Regarding the impact of climate change on its business in the form of risks, measures and opportunities, the COLOPL Group publishes two separate scenarios on its corporate website. One is the less than 2 °C scenario, according to which the average temperature rise can be controlled to around 2 °C, and the other is the 4 °C scenario, according to which there is no transition to a decarbonized society and the average temperature rises by around 4 °C.

Metrics and targets

The COLOPL Group calculates its CO₂ emissions as a metric for managing climate-related risks and opportunities and publishes them on its corporate website.

Risk management

Risks relating to climate change are analyzed and response measures discussed by the Risk Management Committee, which centrally manages group/company-wide risks, under the supervision of the Corporate Administration Department. The Committee formulates response policies and regularly reports relevant risks to the Board of Directors.

[Click here for the details of the information disclosed based on the TCFD Recommendations.](#)

Balancing implementation of business and environmental conservation

COLOPL is working to create environmentally friendly offices, with a focus on reducing CO₂ emissions.

Introduction of green power

In April 2022, we switched part of the electricity used in our new offices to green power derived from renewable energy sources. This is expected to reduce CO₂ emissions by approximately 116 tons per year (equivalent reduction effect of approx. 8,300 cedar trees), thereby contributing to limiting global warming, which is considered to be a cause of climate change, and accelerating decarbonization.

* COLOPL signed a memorandum of understanding with Mitsui Fudosan Co., Ltd., the lessor of Tokyo Midtown—where COLOPL is located—regarding the “greening” of electric power at Tokyo Midtown with non-FIT, non-fossil fuel certificates.



Use of linoleum, a natural material, for flooring

COLOPL uses linoleum—a natural material that is friendly to the global environment—for office flooring and fixtures. Linoleum is both antiviral and carbon-neutral, contributing to the reduction of CO₂ emissions.



Installing WOSH water-recycling, portable hand-washing stands

WOSH—which was installed as one of the measures against COVID-19 and other infectious diseases—is a hand washing stand that circulates and reuses more than 98% of the water it uses. Through measures such as this, we will continue to combat infectious diseases and make efficient use of water resources.



Promoting paperless operations

We have introduced digital seals on internal and external documents and contracts to promote paperless operations. We also use dedicated recycling boxes (“Mamoru-kun,” operated by Nihon Purple Co., Ltd.) for the disposal of internal documents to balance the need for confidentiality and recycling and contribute to limiting deforestation and CO₂ emissions.



Using beverage bottles made of recycled PET plastic

The beverage bottles distributed to visitors to COLOPL's offices are recycled PET bottles, made from recycled PET plastic.





Special Feature A roundtable talk with the outside directors and CEO

Making the company even greater and stronger without losing COLOPL's quality in the third year of its new structure

Audit and Supervisory Committee Member

Ryogo Tsukioka

Audit and Supervisory Committee Member

Koichiro Iida

President and Representative Director

Takashi Miyamoto

Since its foundation, COLOPL has been supported by its flexibility and a solid financial base

Miyamoto Now I am joined by two outside directors to discuss the past, present and future of the COLOPL Group. Ryogo Tsukioka is a certified public accountant and Koichiro Iida is a lawyer. Thank you for joining me.

Iida and Tsukioka Thank you for having us.

Miyamoto Let us quickly start the talk. First, in your opinions, what are COLOPL advantages?

Iida I think that its strengths lie in flexibility. After making a decision, the company easily puts aside its accumulated efforts and jumps towards the new goal. It surprises me that it is done on a scale this large.

Tsukioka It is the long-established financial stability that makes it possible. It allows the company to take risks. I see it as a big advantage. It is impressive that the business started by Mr. Naruatsu Baba in a small room has grown into a company this big.

Iida Photos from the past makes me feel like this is like the stories of the businesses founded in Silicon Valley. However, from the beginning, the company had a strategy

Special Feature | A roundtable talk with the outside directors and CEO

of building a financial base that would allow it to create 10 titles even if it fails to release a commercially successful one. I suppose its growth was predestined.

Tsukioka Mr. Baba is the Chief Creator and the Chairman of the Board. He is able to fully display his leadership and easily take risks. When you are starting any new business, particularly ones that require a novel approach, leadership is enormously important.

Iida The business itself is so volatile that I feel it is strategically appropriate to hold a good deal of internal reserves.

Miyamoto Some market players call for the internal reserves to be returned to shareholders. While there is some short-term fluctuation of the stock price, we will fulfill the expectations of the market players to encourage them to hold COLOPL shares for the medium to long term to support us.

Iida Yes, we can implement the strategy without wavering.

Miyamoto Let's move on to the next subject. What issues do you think the company is facing?

The problem lies in poor profitability. To address this, the company needs to have an environment that fully brings out the potential of its staff members

Tsukioka In the current situation, poor profitability is the most remarkable one. In other words, the potential of the company's employees is still not fully actualized. I think it is the problem. Of course, it is true that this industry is tough. But I believe that COLOPL's staff can do more. However, it is important for the company to provide an environment where they can display their brilliant capabilities. I am convinced that the potential of

individual staff will be a new asset of the company after the environment is created.

Iida The talent of one individual, Mr. Baba, acted as an engine for COLOPL's growth, building it into what it is today. However, this is also an issue. This shows that the company's growth is heavily dependent on the talent of that one individual.

Miyamoto It is very difficult to create something from scratch. In my view, the team is the one that is able to maintain and develop the capabilities to achieve growth. The market is mature and saturated. I feel this is why recently there are numerous titles that seem to be upgraded rereleases of existing titles that have sold well.

Iida They are not the first.

Miyamoto No, but they are commercially successful. Then, if anyone asks us if we will do the same, our answer will definitely be no. Essentially, COLOPL builds a solid financial base and aims to create one smash hit title out of 10 that it releases. Today, we have Mr. Baba and the lead creators, but to do this in the future, the company should have more creators capable of developing hit games.

Tsukioka I think it already has.

Miyamoto Management's policy is to create an environment that enables COLOPL to discover and cultivate personnel like this.

Tsukioka That is tremendously important.

Iida Mr. Baba once said that it was important to discover the emotional qualities of actions, such as them being interesting or having the ability to make you feel good. He came up with the idea for the Brilliantcrypto project when he was excited to be digging energetically. He is so talented that he can pick up something like a feeling and make it into entertainment.

Miyamoto I agree.

Iida However, doing this in a systematic way would mean using AI to discover those emotional triggers, having AI determine the right combination

of them, and then turning that into a game. How will COLOPL do this with the innate qualities and how will it incorporate AI? We may have to think about this at a slightly higher level.

Miyamoto I am aware that we must quickly take action regarding AI and, actually, some actions are now being taken.

Iida COLOPL is flexible enough to be able to jump to new things. I suppose this is an advantage. I hope that you will work on it.

Miyamoto Yes. Today, we have a wide variety of employees. I understand the importance of building an environment, or a company, that facilitates the creation of new ideas. I feel that we are reaching a good balance this year.

The structural change made a difference in the internal atmosphere and stimulated discussion within the Board of Directors

Tsukioka By the way, I see the internal atmosphere has been quickly changing since Mr. Miyamoto became President and CEO.

Iida I feel that more people can now have their say.

Miyamoto The first thing that I thought of doing after

President and
Representative Director

**Takashi
Miyamoto**



Special Feature | A roundtable talk with the outside directors and CEO

Audit and Supervisory
Committee MemberRyogo
Tsukioka

becoming President and CEO was to achieve the best balance within the company. So, I have made several attempts at this over the past two years. They include organizational reforms and personnel transfers. I am thinking of carrying these attempts out as quickly as possible. In your eyes, the situation may appear to be increasingly changing. Currently, COLOPL has accomplished around 80% of the attempts.

lida As more and more people share their opinions, discussions are more active in Board of Directors meetings and lower-level meetings. This is very desirable.

Miyamoto I have a question that I wanted to ask you two. What is your opinion of the company's Board of Directors before and after I became an officer?

lida In past Board of Directors meetings, Mr. Baba and the outside directors spoke a lot. Especially on the subject of the future outlook, discussions seemed to be inactive. However, the most important thing is that the Board of Directors all attend the meetings to ensure that different people give their differing opinions to come to a

final conclusion. In the current situation, I feel that debates on the future prospects of the company are more active now.

Tsukioka I agree with you on that.

Miyamoto Personally, I am happy to hear that. I always tell the officers that their job is to speak and to produce results.

lida This is a result of the structural change, yes?

Tsukioka That could be true.

lida Given that the Board of Directors is at the top of the company, I suppose that greater effects may be seen in lower-level meetings.

Miyamoto Thank you. What do you pay attention to or what do you try to do at Board of Directors meetings?

To ensure that diverse views are exchanged, it is important that outside directors not temper their input based how they feel their views may be received

Tsukioka I try my best not to let the atmosphere in the room affect what I say. If I think something is wrong, I will say it is wrong without being affected by the atmosphere of the meeting.

lida I do the same. The Corporate Governance Code stresses the importance of independent and objective perspectives. I understand that outside directors exist to provide this.

Miyamoto I am grateful for that. If we only had insiders on the board, we would tend to all take the same direction. It is absolutely better to have many different perspectives.

lida Definitely. Particularly because I am a lawyer, I check legal issues and intensively ask questions about laws. Professionally, I have seen many different companies, from long-standing ones to young

companies. Therefore, I am able to provide many different examples. I see it as value that I can provide. When necessary, I add deliberate remarks to the meetings.

Miyamoto Right. Your remarks are significant information for us.

Many people's hopes are laid on Brilliantcrypto, a new game enabled by COLOPL's uniqueness

Miyamoto Let's move on to the subject of Brilliantcrypto. The project would have been really impossible without your cooperation. If I recall correctly, the first time I mentioned it to you was at the officers' camp last summer.

lida Yes. It was a subject we discussed at two or so of the camps.

Miyamoto I felt that you are very familiar with the domain.

lida Since the days when electronic money was starting to be a thing, I have specialized in payments. I felt that COLOPL began something that is characteristic of the company. The project sounded quite like something you could expect from Mr. Baba, but it was totally different from past projects.

Miyamoto Every blockchain game that exists on the market is an extension of conventional games. The basis of these games is not so innovative.

Audit and Supervisory
Committee MemberKoichiro
lida

Special Feature | A roundtable talk with the outside directors and CEO

iida My understanding is that his approach is to pick up something that interests him, to expand it to the maximum degree and to release it. Then, it becomes a hit. Regarding this blockchain game, I suppose that he has discovered that the root of fun lies in the creation of value where value does not yet exist and that users can gain this value by succeeding.

Miyamoto Actually, COLOPL achieved growth by becoming one of the first to introduce new technologies and innovations as they have emerged. This is true in the area of games for smartphones. And we are going to release Brilliantcrypto to the world in a similar environment.

iida However, there are many legal issues that impact blockchain games. In addition, there are difficult tax and business questions as well.

Miyamoto However, over the past 18 months or so since we started talking about the game, the situation has changed in Japan and around the world. I felt that a considerable amount of energy is needed to address the issues. I feel that everyone has been working hard.

Tsukioka I agree with you. I suppose that basically no one was opposed to the plan in the discussions of the Board of Directors. All the members of the board, including me, placed their hopes on Brilliantcrypto.

Wishing to deliver bright news in the next fiscal year in this highly volatile industry

Miyamoto Now, would you talk about what you expect from COLOPL in the future?

iida I hope that it will continue to create content that is the first of its kind. I like this phrase very much.

Tsukioka To do this, I hope that the company will construct an environment that allows the individual employees to display their potential.

Miyamoto We will carry this through without wavering. I am grateful to you both for giving advice based on your understanding of our values that support our growth. Finally, would you share a message for the stakeholders?

Tsukioka COLOPL is now on the verge of jumping forward. Humans and animals alike lower their body to the ground before jumping. We will strengthen ourselves and increase our jumping power. After lowering ourselves down, we have only to jump up. We are now in the process of transforming. I hope you look forward to what we will be like in the future.

iida The game industry is volatile and we have good times and bad times. For better or worse, COLOPL is, in my eyes, a company that dreams. I think stakeholders invest in us because they lay their hopes on the spirit of the company. COLOPL always think of stakeholders in its management of itself. I hope that we will continue to dream together and advance side by side to achieve positive results.

Miyamoto Thank you, Messrs. Tsukioka and iida, for everything today. It will soon be the third year that I am president of the company. I will strive painstakingly to share good news with you. I appreciate your continued guidance and advice.





Governance That Promotes Sustainability

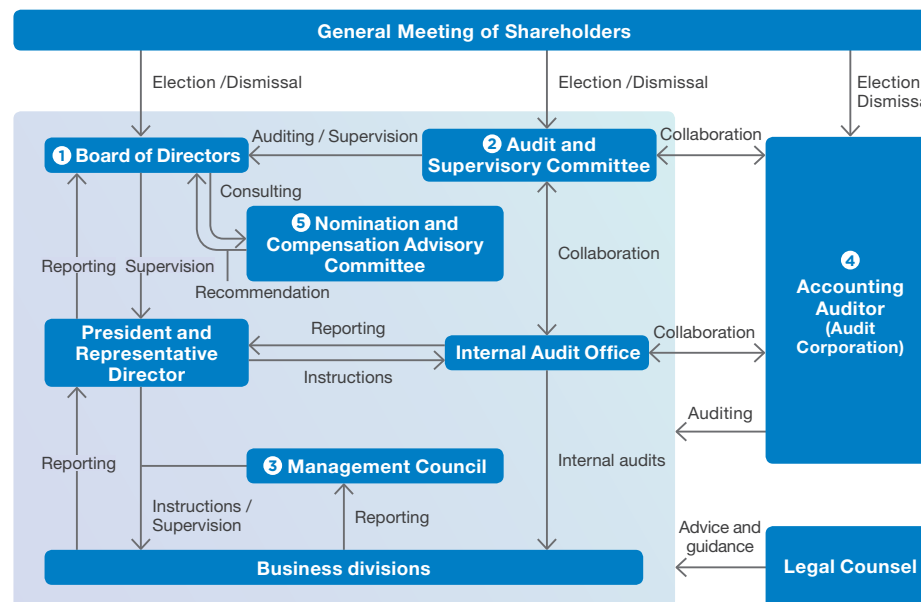
Basic Approach

The Company's basic approach to corporate governance is to engage in fair, logical and speedy decision-making on the premise of "collaborative creation" with shareholders, users, employees, business partners, local communities, and other stakeholders for the purpose of enhancing corporate value. In addition, the Company has a basic policy of seeking to balance decision-making, business execution, and management oversight functions to support appropriate management decisions and business execution by the President and Representative Director. The Company has presented a corporate governance report to the Tokyo Stock Exchange.

[Click here for the Report on Corporate Governance](#)

Governance Structure

The Company has adopted a Board of Directors and an Audit and Supervisory Committee. Since the industry in which the Company belongs to is still in its growth stage and competition with other companies is fierce, it is necessary to expeditiously execute business strategy. Accordingly, the Company has adopted this governance system in the interest of ensuring management transparency and soundness to earn public trust.



1 Board of Directors

The Company's Board of Directors consists of a total of 14 members. Specifically, there are two Representative Directors, eight Directors who are not Audit and Supervisory Committee members, and four Directors who are also Audit and Supervisory Committee members. The board is chaired by Representative Director Takashi Miyamoto. Three of the Directors who are not Audit and Supervisory Committee members and all four of the Directors who are also Audit and Supervisory Committee members are Outside Directors under the Companies Act as of the date of submission of this report. Descriptions of Board members are listed on pages 45 and 46 of this report. To ensure efficient, speedy decision-making, the Board of Directors holds regular meetings once a month and extraordinary meetings as necessary. The Board of Directors functions as a management decision-making and supervisory body pursuant to the Articles of Incorporation, laws and regulations. In the fiscal year under review, the Board of Directors monitored the monthly status of management and the results of deliberations and studies of the Risk Management Committee and discussed and made decisions on important development projects and other projects, the commencement of new businesses, and significant matters regarding personnel affairs, the organization, management, financial results and other matters. It also assessed its own effectiveness and other matters.

	Dec 2013	Dec 2016	December 22, 2023
Organizational Form	Company with Company Auditors	Company with an Audit and Supervisory Committee	
Directors*	6	8	10
Outside Director*	1	2	3
Audit and Supervisory Committee members	3 (Outside Company Auditors)	3	4

* Excluding those who are Audit and Supervisory Committee members

Governance That Promotes Sustainability

Governance That Promotes Sustainability

2 Audit and Supervisory Committee

The Company's Audit and Supervisory Committee consists of four members, all of whom are Directors, and is chaired by Director Tetsuzo Hasegawa, who is a full-time Audit and Supervisory Committee member. All of the members are outside directors, one of whom is a certified public accountant and tax accountant, and another of whom is an attorney-at-law. Descriptions of Board members are listed on pages 46 of this report. The Directors who are Audit and Supervisory Committee members attend meetings of the Board of Directors and other internal meetings to express opinions about the Directors' performance of duties as appropriate. The Directors who are Audit and Supervisory Committee members conduct audits based on an audit plan, and the Audit and Supervisory Committee holds meetings once a month, along with extraordinary meetings as necessary. They share information necessary for auditing by periodically holding meetings with the Internal Audit Office and accounting auditor. The Company elects a substitute for a Director and Audit and Supervisory Committee member in case there is a vacancy among the Directors who are Audit and Supervisory Committee members required by laws and regulations.

Category	Name	Status of Main Activities
Director (Audit and Supervisory Committee member)	Tetsuzo Hasegawa	Attended all 18 Board of Directors meetings held in the fiscal year under review, attended all 13 Audit and Supervisory Committee meetings, attended major internal meetings as a full-time Audit and Supervisory Committee member, and based on his experience as the officer of a publicly listed company, made comments concerning corporate governance and compliance. Additionally, as chairperson of the Nomination and Compensation Advisory Committee, he attended all four Nomination and Compensation Advisory Committee meetings held during the fiscal year under review and took the lead in the supervising functions in the process of selecting the Company's officer candidates and determining officer compensation from an objective and neutral standpoint.
Director (Audit and Supervisory Committee member)	Ryogo Tsukioka	Attended all 18 Board of Directors meetings held in the fiscal year under review, attended all 13 Audit and Supervisory Committee meetings, and from his professional insight as a certified public accountant and tax accountant, provided comments mainly on matters related to the Company's accounting, finance and taxation. Additionally, as a member of the Nomination and Compensation Advisory Committee, he attended all four Nomination and Compensation Advisory Committee meetings held during the fiscal year under review and assumed the supervising functions in the process of selecting the Company's officer candidates and determining officer compensation from an objective and neutral standpoint.
Director (Audit and Supervisory Committee member)	Koichiro Iida	Attended all 18 Board of Directors meetings held in the fiscal year under review, attended all 13 Audit and Supervisory Committee meetings, and from his professional insight as an attorney-at-law, provided comments mainly on legal matters concerning the Company as well as on corporate governance and compliance.

3 Management Council

The Company seeks to ensure management transparency by holding meetings of the Management Council once a week in principle, where important decisions other than matters for resolution in the Board of Directors, and reporting matters from business divisions are introduced and discussed.

Chairperson	President and Representative Director Takashi Miyamoto
Members	Director Yoshiaki Harai, Director Kenta Sugai, Director Yu Sakamoto, Director Yoichi Ikeda and Director Satoshi Yamazaki Full-time Audit and Supervisory Committee Member & Outside Director Tetsuzo Hasegawa Full-time Audit and Supervisory Committee Member Akita Tozava Employees that officers etc. consider necessary to facilitate meetings.

4 Accounting Auditor

The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC. The firm conducts accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act.

5 Nomination and Compensation Advisory Committee

To ensure objectivity and transparency in the process of nominating Directors and determining compensation for them and to strengthen the corporate governance system, the Company has established the Nomination and Compensation Advisory Committee. The committee submits reports on draft plans about the selection and dismissal of Directors, the Directors' compensation system, and the distribution of compensation to each Director, among other matters. For the fiscal year under review, it discussed the policy of electing and dismissing Directors, a draft proposal of candidates for Directors, a policy on determination of compensation and others for individuals and a draft proposal for compensation details.

Chairperson	Full-time Audit and Supervisory Committee Member & Outside Director Tetsuzo Hasegawa
Members	Chairman of the Board Naruatsu Baba, President and Representative Director Takashi Miyamoto, Outside Director Koji Yanagisawa Audit and Supervisory Committee Member & Outside Director Ryogo Tsukioka

6 Items for deliberation by the Nomination and Compensation Advisory Committee

- 1 Draft policy to determine compensation etc. for each Director
- 2 Draft policy on compensation etc. for each Director
- 3 Basic policies, etc. needed to resolve the items above
- 4 Creation of policies to elect and dismiss Directors
- 5 Draft proposals of election and dismissal of Directors
- 6 Other items associated with the above that the Board of Directors considers necessary

7 Activities of the Nomination and Compensation Advisory Committee in FY2023

Date of activity	Name	Outline of activity
March 22, 2023	Nomination and Compensation Advisory Committee	Deliberations on candidates for new Outside Directors and remuneration
June 20, 2023	Nomination and Compensation Advisory Committee	Deliberations on the basic policy on compensation and others for Directors
September 25, 2023	Nomination and Compensation Advisory Committee	Draft proposals on candidates for Directors and deliberations on the total compensation
October 18, 2023	Nomination and Compensation Advisory Committee	Deliberations on compensation for individual Directors

Governance That Promotes Sustainability

Policies on Nomination and Dismissal (Non-Reappointment) of Directors

Policies on Nomination and Dismissal (Non-Reappointment) of Directors

Policy on Nomination

- 1 Have knowledge, experience, and abilities for their role and serving to maintain balance to the Board of Directors
- 2 Contribute to the lasting growth of business and having character and insight suitable to being a Director
- 3 Contribute to the maximization of medium- and long-term corporate value by understanding and implementing the Company's group philosophy

Policy on Dismissal (Non-Reappointment)

- 1 Violate or be likely to violate laws and regulations or the articles of incorporation
- 2 Cause a significant loss in the appropriate execution of the duties
- 3 Not display the potential to meet each requirement of the policies

Based on the above policies, the Company's policies are to formulate multiple evaluation items required of Directors and Outside Directors and to appoint candidates taking into consideration the degree to which they satisfy the evaluation criteria. With regard to Outside Directors in particular, the company has policy is to appoint persons with knowledge of professional fields such as corporate management, law, accounting, marketing, and management strategy and persons with a wealth of experience and broad insight. In addition, the Company judges whether a candidate is suitable to appoint as a Director of the Company in light of areas of expertise the Company wishes to add to the Board of Directors as a whole and its diversity. As a procedure, the Nomination and Compensation Advisory Committee is consulted on the pros and cons of a nomination before reporting to the Board of Directors, which deliberates on the above evaluation items and makes the final decision.

Policy on Appointment and Dismissal (Non-Reappointment) of Representative Directors

Policy on Appointment

- 1 Have highly effective leadership and quickly adapt to changes
- 2 Have knowledge, experience, abilities, being decisive and highly ethics suitable for the decision maker of management

Policy on Dismissal (Non-Reappointment)

- 1 Violate or be likely to violate laws and regulations or the articles of incorporation as a Representative Director
- 2 Being pursued for Representative Director's responsibility that is attributable to significant misconduct
- 3 Being regarded as the cause to significant loss in the Company's group management
- 4 Being regarded as difficult to execute of duty from health problem
- 5 Clearly Not satisfy each requirement of policies for nominating the candidates for President and Representative Director

Basic Policy Regarding Determination of Compensation, etc.

Basic Policy Regarding Determination of Compensation, etc.

The Board of Directors has established basic policies to determine Directors' compensation, etc. as stated below in consideration of the recommendations of the Nomination and Compensation Advisory Committee.

- 1 Compensation capable of securing talented individuals, taking into account the standards of other companies in the same industry
- 2 Compensation corresponding to Directors' responsibilities and contributions
- 3 Compensation system that encourages Directors to work to improve corporate value

Structure of Compensation

The compensation of the Company's Directors consists of fixed compensation and restricted stock-based compensation, the amounts of which are determined by comprehensively considering factors that include the consolidated business results and the duties and contributions of each Director. The date of resolution of the General Meeting of Shareholders about fixed compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) was December 17, 2021. The resolution says that fixed compensation paid to the Directors shall not exceed 300 million yen per year (50 million yen of which is for Outside Directors. The fixed compensation does not include the salaries that the Directors who are also employees receive as employees. The number of Directors [excluding Directors who are Audit and Supervisory Committee members] shall not exceed 11 under the Articles of Incorporation and was ten as of the date of submission of this securities reports). The date of resolution of the General Meeting of Shareholders about fixed compensation for Directors who are Audit and Supervisory Committee members was December 22, 2023. The resolution says that the fixed compensation paid to the Directors who are Audit and Supervisory Committee members shall not exceed 50 million yen per year (The number of Directors who are Audit and Supervisory Committee members shall not exceed five under the Articles of Incorporation and was four as of the date of submission of this securities report). The resolution date of the General Meeting of Shareholders relating to a restricted stock compensation plan was December 20, 2019. The amount of monetary compensation paid to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) as restricted stock compensation shall not exceed 300 million yen per year. To ensure the independence of the Outside Directors and the Directors who are Audit and Supervisory Committee members, their compensation consists only of fixed compensation.

Total amount of compensation, total amount of compensation by type and the number of eligible officers for each officer classification

Director Classification	Total amount of compensation (million yen)	Total amount of compensation by type (million yen)				Number of eligible Directors
		Fixed compensation	Restricted stock-based compensation	Performance linked compensation	Non-monetary compensation, etc. of the compensation at left	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	189	143	46	–	–	6
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	–	–	–	–	–	–
Outside Directors	50	50	–	–	–	7

Board of Directors (As of December 22, 2023)

Naruatsu Baba

Chairman of the Board
Chief Creator



Number of shares held 61,780,034 shares

Takashi Miyamoto

President and Representative Director



Number of shares held 53,246 shares

Yoshiaki Harai

Executive Director



Number of shares held 38,757 shares

Kenta Sugai

Executive Director



Number of shares held 155,794 shares

Yu Sakamoto

Executive Director



Number of shares held 27,882 shares

Yoichi Ikeda

Executive Director



Number of shares held 23,247 shares

Satoshi Yamazaki

Executive Director



Number of shares held - shares

Koji Yanagisawa

Outside Director
(Independent Officer)



Number of shares held 5,000 shares

Important concurrent positions

Executive Vice President and CFO, ZOZO, Inc.
Outside Director, DIGITAL HOLDINGS, Inc.

Harold George Meij

Outside Director
(Independent Officer)



Number of shares held - shares

Important concurrent positions

Outside Director, Earth Corporation
Advisor, Sanrio Company, Ltd.
Outside Director, Alinamin Pharmaceutical Co., Ltd.
Outside Director, Panasonic Corporation
Advisor, Kewpie Corporation

Masako Takeda

Outside Director
(Independent Officer)



Number of shares held - shares

Important concurrent positions

Senior Executive Officer and CHRO, Members Co., Ltd.

Board of Directors

Audit and Supervisory Committee Members

Tetsuzo Hasegawa

Full-time Audit and Supervisory Committee Member (Independent Officer)



Number of shares held 25,000 shares

Akira Tozawa

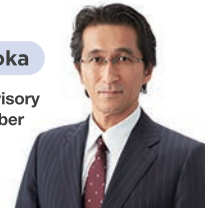
Full-time Audit and Supervisory Committee Member (Independent Officer)



Number of shares held - shares

Ryogo Tsukioka

Audit and Supervisory Committee Member (Independent Officer)



Number of shares held - shares

Important concurrent positions Tsukioka CPA Office Director

Koichiro Iida

Audit and Supervisory Committee Member



Number of shares held - shares

Important concurrent positions Partner, Mori Hamada & Matsumoto Alternative Dispute Resolution Committee Member, Alternative Dispute Resolution Committee of National Consumer Affairs Center of Japan

Skill Matrix for Directors

Name	Number of Board of Directors meetings attended	Particular areas that the Company expects							
		Company management	Game development	Technology R&D	Marketing Branding	Finance and accounting	Legal Compliance	Human Resources	Global sense Internationality
Naruatsu Baba	-	18 of 18 (100%)	●	●					
Takashi Miyamoto	-	18 of 18 (100%)	●			●			●
Yoshiaki Harai	-	18 of 18 (100%)					●		
Kenta Sugai	-	18 of 18 (100%)		●	●			●	
Yu Sakamoto	-	18 of 18 (100%)		●					
Yoichi Ikeda	-	18 of 18 (100%)		●	●				
Satoshi Yamazaki	-	-					●		
Koji Yanagisawa	Outside	18 of 18 (100%)					●		
Harold George Meij	Outside	18 of 18 (100%)	●			●			●
Masako Takeda	Outside	-				●		●	
Tetsuzo Hasegawa	Outside Audit and Supervisory Committee member	18 of 18 (100%)	●				●	●	
Akira Tozawa	Outside Audit and Supervisory Committee member	-					●	●	
Ryogo Tsukioka	Outside Audit and Supervisory Committee member	18 of 18 (100%)					●		
Koichiro Iida	Outside Audit and Supervisory Committee member	18 of 18 (100%)					●		●

* The diagram above does not represent all the knowledge and experience of the individual Directors.

11-Years Financial and Non-financial Summary

11-Years Financial and Non-financial Summary

Years ended September 30	2013	2014	2015	2016 (Consolidated)	2017 (Consolidated)	2018 (Consolidated)	2019 (Consolidated)	2020 (Consolidated)	2021 (Consolidated)	2022 (Consolidated)	2023 (Consolidated)
Operating Results (million yen)											
Net sales	16,767	53,575	72,395	84,730	52,246	45,776	38,920	45,128	37,125	32,541	30,926
Cost of sales	8,522	22,160	29,609	37,442	28,449	28,357	26,409	24,275	24,108	22,704	21,523
Gross profit	8,244	31,414	42,786	47,288	23,796	17,418	12,511	20,853	13,016	9,836	9,402
Selling, general and administrative expenses	2,500	7,811	10,468	15,432	10,864	10,465	9,558	8,602	6,695	5,526	6,543
Operating profit	5,744	23,603	32,317	31,855	12,932	6,952	2,952	12,250	6,320	4,310	2,858
Ordinary profit	5,787	23,556	32,363	31,272	12,901	6,097	1,655	11,790	7,843	5,732	3,276
Profit before income taxes	5,787	23,556	32,363	30,761	12,551	5,849	1,318	10,938	4,251	5,732	3,276
Profit attributable to owners of parent	3,156	13,024	19,436	20,710	8,691	4,192	1,070	7,977	3,047	2,414	1,893
Financial Position (million yen)											
Total assets	13,762	48,012	59,260	72,301	75,744	77,244	74,740	85,833	80,814	83,280	81,695
Total liabilities	5,886	17,728	15,665	10,152	6,451	6,619	5,307	10,053	5,063	6,705	5,460
Total net assets	7,876	30,284	43,594	62,149	69,293	70,625	69,433	75,779	75,751	76,575	76,234
Share capital	1,582	6,274	6,328	6,384	6,433	6,491	6,510	6,536	6,556	6,587	6,610
Cash Flows (million yen)											
Cash flows from operating activities	4,138	19,021	16,306	19,135	4,957	9,421	53	15,010	(3,104)	3,637	1,159
Cash flows from investing activities	342	(1,087)	(3,118)	(6,501)	(4,545)	1,979	(2,768)	(2,640)	(10,588)	(593)	8,237
Cash flows from financing activities	2,137	9,325	(6,121)	(2,452)	(2,018)	(2,518)	(2,118)	(2,780)	(3,200)	(2,538)	(2,567)
Cash and cash equivalents at end of period	8,317	35,584	42,638	52,556	51,409	60,400	55,822	65,308	49,052	50,914	58,167

11-Years Financial and Non-financial Summary

11-Years Financial and Non-financial Summary

Years ended September 30	2013	2014	2015	2016 (Consolidated)	2017 (Consolidated)	2018 (Consolidated)	2019 (Consolidated)	2020 (Consolidated)	2021 (Consolidated)	2022 (Consolidated)	2023 (Consolidated)
Per Share Indicators (yen)											
Net profit per share (EPS)	27.20	107.65	157.70	166.92	69.32	33.08	8.40	62.45	23.82	18.84	14.76
Book-value per share (BPS)	66.54	245.07	354.50	499.07	551.34	555.65	544.53	592.81	591.86	597.24	594.26
Dividends per share (DPS)	—	10.00	16.00	17.00	21.00	17.00	17.00	25.00	20.00	20.00	20.00
Financial Indicators (%)											
Operating profit ratio	34.3	44.1	44.6	37.6	24.8	15.2	7.6	27.1	17.0	13.2	9.2
Net profit ratio	18.8	24.3	26.8	24.4	16.6	9.2	2.7	17.7	8.2	7.4	6.1
Return on assets (ROA)	34.4	42.2	36.2	31.5	11.7	5.5	1.4	9.9	3.7	2.9	2.3
Return on equity (ROE)	60.5	68.3	52.6	39.2	13.2	6.0	1.5	11.0	4.0	3.2	2.5
Equity ratio	57.2	63.1	73.6	86.0	91.5	91.4	92.9	88.3	93.7	91.9	93.3
Dividend payout ratio	—	9.3	10.1	10.2	30.3	51.4	202.4	40.0	84.0	106.1	135.5
Others (People)											
Employees	306	450	753	1,181	1,248	1,283	1,368	1,565	1,449	1,348	1,277
Non-consolidated total	306	450	620	773	792	840	935	954	885	780	718
(Of which) total for each Group company	—	—	133	408	456	443	433	611	564	568	559

* Please note some rounding variances in calculations.

* The Company implemented a 5-for-1 stock split effective June 1, 2013, and a 3-for-1 stock split effective October 1, 2013. Accordingly, BPS and EPS are calculated as if these stock splits had been implemented at the beginning of the fiscal year ended September 30, 2013.

* The number of employees listed is the number of workers (excluding employees temporarily transferred from the Group and including employees temporarily transferred to the Group).

* Group companies are those where COLOPL holds more than 50% of outstanding shares

* Consolidated financial statements have been introduced starting from the fiscal year ended September 30, 2016.



Consolidated Balance Sheet

Consolidated Balance Sheet

COLOPL, Inc. and Consolidated Subsidiaries as of September 30

	(million yen)	
	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	60,330	57,960
Accounts receivable—trade, and contract assets	4,910	4,733
Operational investment securities	10,334	9,908
Merchandise	106	74
Work in process	419	362
Supplies	5	5
Advance payments	431	461
Prepaid expenses	460	673
Other	939	729
Allowance for doubtful accounts	(21)	(21)
Total current assets	77,917	74,889
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,095	2,146
Accumulated depreciation and impairment loss	(413)	(517)
Buildings and structures, net	1,681	1,628
Tools, furniture and fixtures	702	754
Accumulated depreciation and impairment loss Tools,	(547)	(608)
Tools, furniture and fixtures, net	154	146
Construction in progress	1	5
Total property, plant and equipment	1,837	1,780
Goodwill		
Software	21	20
Total intangible assets	21	20
Investments and other assets		
Investment securities	1,473	2,833
Shares of subsidiaries and associates	3	212
Investments in capital of subsidiaries and associates	20	129
Leasehold and guarantee deposits	1,717	1,654
Deferred tax assets	133	120
Other	162	55
Allowance for doubtful accounts	(6)	(0)
Total investments and other assets	3,503	5,004
Total non-current assets	5,363	6,805
Total assets	83,280	81,695

	(million yen)	
	As of September 30, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable—trade	68	67
Accounts payable—other	2,239	2,226
Accrued expenses	602	610
Income taxes payable	1,923	380
Accrued consumption taxes	100	183
Advances received	452	574
Deposits received	231	228
Other	75	56
Total current liabilities	5,694	4,327
Non-current liabilities		
Asset retirement obligations	727	745
Deferred tax liabilities	259	361
Other	23	26
Total non-current liabilities	1,011	1,133
Total liabilities	6,705	5,460

	(million yen)	
	As of September 30, 2022	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	6,587	6,610
Capital surplus	6,328	6,350
Retained earnings	67,028	66,358
Treasury shares	(4,645)	(4,645)
Total shareholders' equity	75,299	74,673
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,083	1,206
Foreign currency translation adjustment	186	348
Total accumulated other comprehensive income	1,269	1,555
Non-controlling interests	6	5
Total net assets	76,575	76,234
Total liabilities and net assets	83,280	81,695

Consolidated Statement of Profit and Loss/Consolidated Statement of Cash Flows

Consolidated Statement of Profit and Loss

COLOPL, Inc. and Consolidated Subsidiaries as of September 30

(million yen)

	Fiscal year ended September 2022	Fiscal year ended September 2023
Net sales	32,541	30,926
Cost of sales	22,704	21,523
Gross profit	9,836	9,402
Selling, general and administrative expenses	5,526	6,543
Operating profit	4,310	2,858
Non-operating income	1,860	926
Non-operating expenses	438	508
Ordinary profit	5,732	3,276
Profit before income taxes	5,732	3,276
Income taxes—current	2,232	1,352
Income taxes—deferred	1,085	31
Total income taxes	3,318	1,383
Profit	2,414	1,892
Profit attributable to owners of parent	2,414	1,893

Consolidated Statement of Cash Flows

COLOPL, Inc. and Consolidated Subsidiaries as of September 30


(million yen)

	Fiscal year ended September 2022	Fiscal year ended September 2023
Cash flows from operating activities	3,637	1,159
Cash flows from investing activities	(593)	8,237
Cash flows from financing activities	(2,538)	(2,567)
Effect of exchange rate change on cash and cash equivalents	1,355	423
Net increase (decrease) in cash and cash equivalents	1,861	7,253
Cash and cash equivalents at beginning of period	49,052	50,914
Cash and cash equivalents at end of period	50,914	58,167

COLOPL Group




Name	COLOPL NEXT, Inc.
Established	February 2015
Address	6F Midtown East, 9-7-2 Akasaka, Minato-ku, Tokyo
Representative	President and Representative Director Shintaro Yamakami
Business description	Investment business

 [Click here for the website](#)




Name	RealStyle Co., Ltd.
Established	June 2008
Address	DAITO Building, 6-24-6 Minami-oi, Shinagawa-ku, Tokyo
Representative	President and Representative Director Kenta Sugai
Business description	Native application planning, development, and management for smartphones and tablets; browser game planning, development, and management for mobile phones

 [Click here for the website](#)




Name	Pyramid, Inc.
Established	September 2001
Address	Urban Center Shibuya East, 3-3-2 Shibuya, Shibuya-ku, Tokyo
Representative	President and Representative Director Junichi Kashiwagi
Business description	Planning and development of console games, social games, arcade games, etc.; production of game-related scenarios and graphics

 [Click here for the website](#)




Name	360Channel, Inc.
Established	November 2015
Address	6F Midtown East, 9-7-2 Akasaka, Minato-ku, Tokyo
Representative	President and CEO Keiji Komatsu
Business description	360-degree video business, general extended reality (XR) production business and metaverse business

 [Click here for the website](#)




Name	EIGHTING Co., Ltd.
Established	March 1993
Address	Omori Prime Building 6-21-12 Minamioi, Shinagawa-ku, Tokyo
Representative	President and Representative Director Yasuhiko Sameshima
Business description	Planning, development and operation of game content for home videogame consoles and smart devices

 [Click here for the website](#)




Name	MAGES, Inc.
Established	June 2011
Address	6F, Mita 43MT Building, 3-13-16 Mita, Minato-ku, Tokyo
Representative	President and Representative Director Kengo Horjo
Business description	Planning and development of game software, music production and television program production

 [Click here for the website](#)



Name	Brilliantcrypto, Inc.
Established	November 2022
Address	6F Midtown East, 9-7-2 Akasaka, Minato-ku, Tokyo
Representative	President and Representative Director Naruatsu Baba
Business description	Development and distribution of GameFi and other services utilizing blockchain technologies, crypto assets and NFTs

 [Click here for the website](#)



Name	Kuma's Musical Band Inc.
Established	November 2015
Address	6F Midtown East, 9-7-2 Akasaka, Minato-ku, Tokyo
Representative	President and Representative Director Tomoki Numata
Business description	Management of music copyrights, development of musical works usage, planning and production of master recordings for CDs, videos, etc.

Corporate Data / Stock Information As of September 30, 2023

Corporate Data

Company name	COLOPL, Inc.
Date established	October 1, 2008
Address	6F Midtown East, 9-7-2 Akasaka, Minato-ku, Tokyo
Capital stock	6,610 million yen
Employees	718 (Number of Group employees: 1,277)

General Stock Information

Stock code	3668
Year-end dividend record date	September 30
Shares authorized	450,000,000 shares
Number of shares constituting one trading unit	100 shares
Number of shareholders	30,237
Shareholder registrar	Sumitomo Mitsui Trust Bank, Limited
Stock exchange registration	Tokyo Stock Exchange, First Section

Principal Shareholders

Name of shareholder	Number of shares held	Shareholding percentage (%)
Naruatsu Baba	61,780,034	48.16
Custody Bank of Japan, Ltd. (Trust account)	10,539,000	8.22
The Master Trust Bank of Japan, Ltd. (Trust account)	9,710,800	7.57
THE BANK OF NEW YORK MELLON 140051 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	7,550,600	5.89
THE BANK OF NEW YORK 133612 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	3,130,800	2.44
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	886,700	0.69
BNP PARIBAS SYDNEY/ 2S/ JASDEC/ AUSTRALIAN RESIDENTS (Standing proxy: Custody Services Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	786,400	0.61
MLI FOR CLIENT GENERAL NON TREATY - PB (Standing proxy: BofA Securities Japan Co., Ltd.)	700,000	0.55
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD - SINGAPORE BRANCH PRIVATE BANKING DIVISION A/ C CLIENTS (Standing proxy: Custody Services Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	700,000	0.55
SBI Securities Co., Ltd.	649,358	0.51

* The Group total includes the numbers of employees of the companies in which COLOPL holds more than 50% of outstanding shares.

* The number of employees listed is the number of workers (excluding employees temporarily transferred from the Group and including employees temporarily transferred to the Group).

COLOPL's Corporate Website

COLOPL offers a wide variety of information through its corporate website, including information on the Company's products and on the real-virtual collaboration business.



COLOPL's Corporate Website

[Click here for the website](#)



Investor Relations page

[Click here for the website](#)

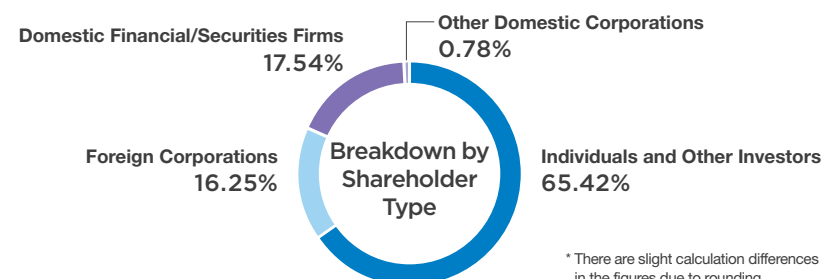


Sustainability page

[Click here for the website](#)

* Controlling shares are calculated including treasury stock (1,778,684 shares). COLOPL excludes treasury stock from the list of major shareholders above.

* The shareholding ratio is calculated by means of deducting treasury shares.



Social Media List

Delivering the latest information on the COLOPL Group.

X

Corporate Accounts



COLOPL, Inc.
@colopl_pr

[Click here for the website](#)



COLOPL, Inc. Recruitment
@ColoplRecruit

[Click here for the website](#)



Brilliantcrypto
@Brypto_Official

[Click here for the website](#)



COLOPL NEXT, Inc.
@coloplnext

[Click here for the website](#)



Pyramid, Inc.
@Pyramid_inc_net

[Click here for the website](#)



EIGHTING Co., Ltd. Recruitment
@8ing_saiyo

[Click here for the website](#)



MAGES. Inc.
@PR_MAGES

[Click here for the website](#)



Kuma Foundation
@kuma_foundation

[Click here for the website](#)



360Channel, Inc.
@360ch

[Click here for the website](#)

Facebook



COLOPL, Inc.
@coloplinc

[Click here for the website](#)



COLOPL, Inc. Recruitment
@coloplrecruit

[Click here for the website](#)



EIGHTING Co., Ltd. Recruitment
@8ing.saiyo

[Click here for the website](#)



MAGES. Inc.
@MAGESINC

[Click here for the website](#)




Check out other social media and the latest information below.

List of Official Social Media Accounts

[Click here for the website](#)



Contact for inquiries
Corporate Administration Department IR Group

 [Contact us here](#)