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September 16, 2020

Company Name: COLOPL, Inc.
Representative: Naruatsu Baba, President and CEO
(Securities Code: 3668)
Tokyo Stock Exchange First Section)
Inquiries: Yoshiaki Harai, CFO
(TEL: +81-3-6721-7770)

(Progress of Matters to be Disclosed) Notice of business succession to our subsidiaries by company split (Simple Absorption-type Company Split)

COLOPL, Inc. (the “Company”) announced the basic policy of the Company Split in the " Notice of Basic Policy Decision on Business Succession to Our Subsidiaries through Company Split (Simple Absorption-type Company Split)." on July 22. At the Board of Directors meeting held today, on November 1, 2020, we decided to make a company split (“Absorption-type Company Split”) in which we will succeed to our the goods planning and sales-related business (“the Business”) as a splitting company and MAGES. Inc. (“MAGES.”), our wholly owned subsidiary, as a succeeding company, and we have concluded an Absorption-type Company Split agreement as follows.

Since this Absorption-type Company Split is a Simple Absorption-type Company Split with our wholly-owned subsidiary, the disclosure items and details have been omitted in part.

Notes

1． Purpose

Based on the management philosophy "Entertainment in Real Life" ,we are focusing on "proposing new ways of playing" and "creating Intellectual Property ("IP")" in order to continue to create new entertainment around the world, and we are developing our business centered on mobile services. MAGES., which was newly added to our group in April 2020, is a comprehensive entertainment company engaged in a wide range of businesses including games, music, and events. Its strength lies in the creation of new entertainment and original IP.

Recently, with the aim of maximizing the value of the IP held by the Group and optimizing our business, we have decided to transfer this business to MAGES. using the corporate split method.

2． Outline of the company split

(1) Schedule

Board of directors meeting to approve split contract	September 16, 2020
Contract day	September 16, 2020
Effective date	November 1, 2020 (planned)

(NOTE) The Absorption-type Company Split is a simplified split prescribed in Article 784, Paragraph 2 of the

Companies Act for the Company and a short-form split prescribed in Article 796, Paragraph 1 of the Companies Act for the wholly owned subsidiary. Neither of the two companies will therefore hold a general shareholders'meeting for approval of the Absorption-type Split agreement.

(2) Method of Company Split

The Company Split will be carried out in the form of Simple Absorption-type Company Split, in which COLOPL, Inc. is the splitting company and MAGES. Inc. is the succeeding company.

(3) Details of Allotment Pertaining to the Absorption-type Company Split

Not applicable.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights upon the Absorption-type Company Split

Not applicable.

(5) Capital increased or decreased by this Absorption-type Company Split

There is no change in common stock.

(6) Rights and Obligations to be Succeeded by the Succeeding Company

Through this Absorption-type Company Split, MAGES. shall succeed to the assets, liabilities, employment contracts, and other rights and obligations that belong to the business to be succeeded to as set forth in the Absorption-type Company Split agreement.

(7) Prospects of paying debt obligations

The Company has determined that there are no issues with regard to the prospect of satisfying the obligations of MAGES., which are due after the effective date of the absorption-type company split.

3. Overview of the company involved in the absorption-type company split

		Splitting company (As of March 31, 2020)	Suceeding company (As of March 31, 2020)
(1)	Name	COLOPL, Inc.	MAGES. Inc.
(2)	Address	4-20-3 Shibuya-ku, Tokyo	3-13-16 Mita-ku, Tokyo
(3)	Job Title/Name of Representative	Naruatu Baba, President and Representative Director	Chiyomaru Shikura, President and Representative Director
(4)	Business Activities	Mobile services business	Planning of game software, music production, and program production
(5)	Paid-in Capital	6,536 million yen	295 million yen
(6)	Date of Incorporation	October 1, 2008	July 7, 2006
(7)	Number of shares outstanding	129,576,036 shares	260 shares
(8)	Fiscal year end	September 30	March 31
(9)	Major shareholders and percentage of shares	Naruatu Baba 48.34% Japan Trustee Service Bank, Ltd. (Trust Account) 6.78% THE BANK OF NEW YORK MELLON 140051 5.90% THE BANK OF NEW YORK 133612 2.27% KDDI Corporation 2.00%	CHIYOMARU STUDIO, Inc. 100% (NOTE)
(10) Financial position and operating results			
Fiscal year end		Fiscal year ended September 2019 (Consolidated)	Fiscal year ended March 2020 (Non-consolidated)
Net assets		69,433 million yen	543 million yen
Total assets		74,740 million yen	1,882 million yen
Net assets per share		544.53 yen	2,089,169.58 yen
Net sales		38,920 million yen	4,235 million yen
Operating income		2,952 million yen	▲589 million yen
Ordinary income		1,655 million yen	▲600 million yen
Profit attributable to owners of parent		1,070 million yen	▲774 million yen
Net income per share		8.40 yen	▲2,976,913.45 yen

(NOTE) We acquired all the shares of MAGES. from CHIYOMARU STUDIO, Inc. on April 3, 2020.

4. Outline of the splitting business

(1) Details of the splitting business

Goods planning and sales-related business

(2) Results of Operations of Businesses to be Split (Fiscal Year Ended September 2019)

Net sales	369 million yen

(3) Items and amounts of assets and liabilities to be split (as of September 30, 2019)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	207 million yen	Current liabilities	55 million yen
Fixed assets	16 million yen	Long-term liabilities	-
Total	224 million yen	Total	55 million yen

5. Situation after the Company Split

(1) Status of the splitting Company

There have been no changes to our name, location, position and name of the representative, content of business, capital stock, or fiscal year-end following the absorption-type company split.

(2) Status of the Succeeding Company (Scheduled for November 1, 2020)

Name	MAGES. Inc.
Address	3-13-16 Mita-ku, Tokyo
Job Title/Name of Representative	Chiyomaru Shikura, President and Representative Director Kengo Honjyo, Representative Director and Vice President
Business Activities	Planning of game software, music production, program production, and goods planning and sales-related business
Paid-in Capital	295 million yen
Date of Incorporation	July 7, 2006
Number of issued shares	260 shares
Fiscal year end	September 30 (Note)
Major shareholders and percentage of shares	COLOPL, Inc. 100%

(NOTE) On June 25, 2020, MAGES. changed its fiscal year-end from March 31 to September 30.

6. Future Outlook

The Absorption-type Company Split is not expected to have a material impact on the consolidated results of operations of the Group.

End.