FY Sep.2024/2Q Results

2024/05/08 WED

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Views and forecasts contained in this document are based on COLOPL's assessment as of the time this document was created, and do not in any way guarantee the accuracy of the information. Please be advised that the actual results or outcome may significantly differ from the views and forecasts expressed herein due to changes in various factors.

Highlights

2Q Results

Sales decreased YoY due to a diminishing sales of existing titles.
Sales of major title "Shirokaneko Project" increased.

Sales：7.0 billion yen（YoY -19.4%） Operating Profit：0.6 billion yen（YoY -64.4%）

Entertainment Business

Operating profit declined due to lower sales, and upfront expenses in the blockchain business, but the 1H cumulative results were positive.

Sales：6.7 billion yen（YoY -19.4%） Operating Profit：0.7 billion yen（YoY -61.7%）

Investment and Development Business

Colopl Next Korea, Inc. makes new investments in two Korean companies.

Sales：0.3 billion yen（YoY -20.0%） Operating Profit：-0.04 billion yen（YoY —）

TOPICs

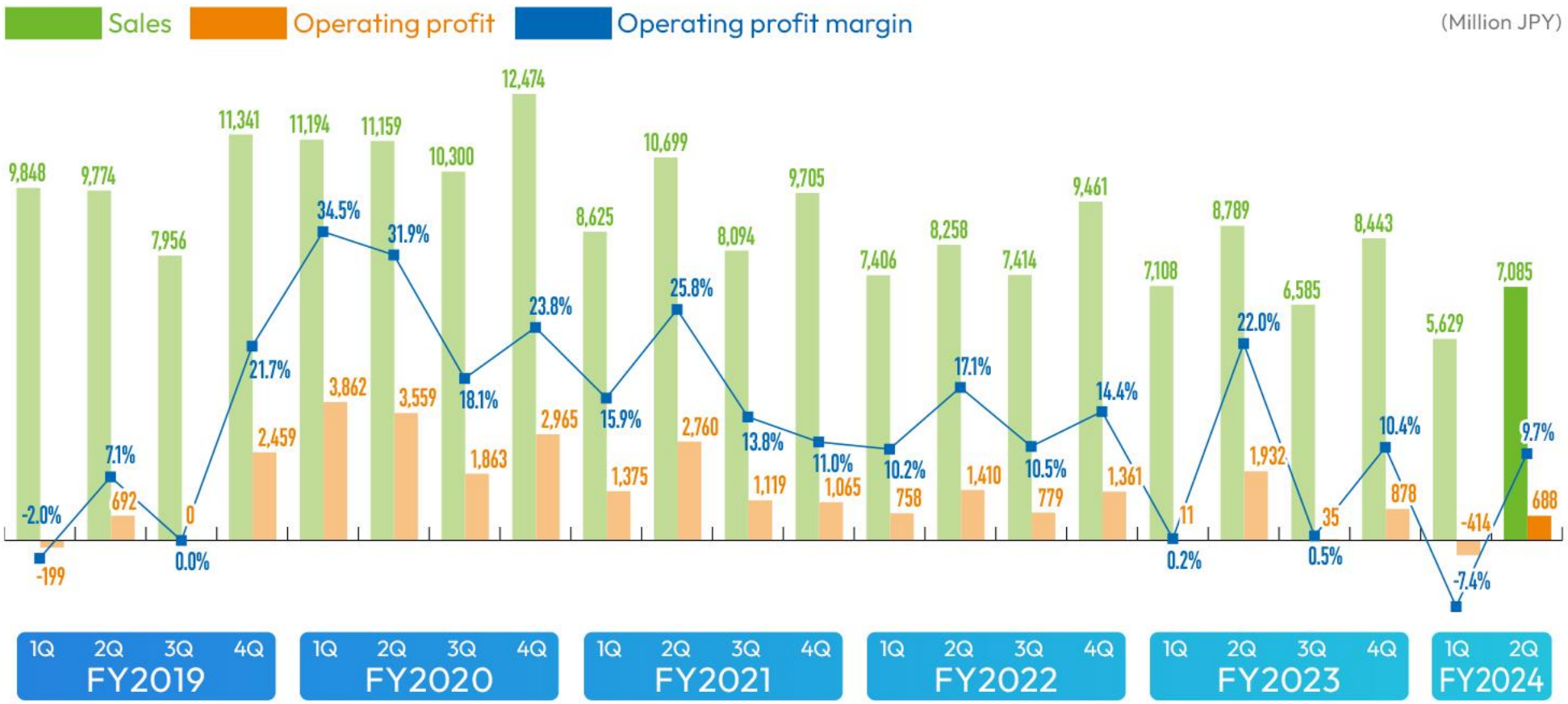
Entered into a basic agreement with CALIVERSE Inc. of the Lotte Group in Korea for Co-Creation of Metaverse Economic Zone.

Entered into a third-party allotment of new shares and a capital and business alliance with Aiming Inc.

01 Overview of Results

01 Overview of Results Revenue Transition

Sales:7.0 billion yen (YoY:-19.4%) Operating Profit:0.6 billion yen (YoY:-64.4%)



*There are some differences in calculation due to rounding down of less than one million yen and rounding off.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).

Entertainment Business

(Million JPY)

	FY2023 2Q (Jan.2023-Mar.2023)	FY2024 2Q (Jan.2024-Mar.2024)	YoY
Sales	**8,366**	**6,747**	**-19.4%**
Cost	6,449	6,013	-6.8%
Operating profit	**1,917**	**734**	**-61.7%**
Operating profit margin	22.9%	10.9%	-

Investment & Development Business

(Million JPY)

	FY2023 2Q (Jan.2023-Mar.2023)	FY2024 2Q (Jan.2024-Mar.2024)	YoY
Sales	**422**	**337**	**-20.0%**
Cost	406	384	-5.5%
Operating profit	**15**	**-46**	**-**
Operating profit margin	3.6%	-13.8%	-

*There are some differences in calculation due to rounding down of less than one million yen and rounding off.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).

01 Overview of Results Profit and Loss Statement

Ordinary profit:1.1 billion yen (YoY: -42.0%) **Net profit:0.6 billion yen** (YoY:-52.5%)

(Million JPY)

	FY2023 2Q (Jan.2023-Mar.2023)	FY2024 2Q (Jan.2024-Mar.2024)	YoY
Sales	**8,789**	**7,085**	**-19.4%**
Cost	6,856	6,396	-6.7%
Operating profit	**1,932**	**688**	**-64.4%**
Operating profit margin	22.0%	9.7%	-
Non-operating income	212	205	-3.6%
Non-operating expenses	94	-294	-
Ordinary profit	**2,050**	**1,188**	**-42.0%**
Extraordinary income	-	-	-
Extraordinary losses	-	29	-
Profit before income taxes	**2,050**	**1,159**	**-43.5%**
Total income taxes	704	519	-26.3%
Net profit	**1,346**	**640**	**-52.5%**
Net profit margin	15.3%	9.0%	-

*There are some differences in calculation due to rounding down of less than one million yen and rounding off.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).
*Net profit:Profit attributable to owners of parent (Profit (loss) attributable to non-controlling interests is included in Total income taxes)

Equity ratio of 90.8%

(Million JPY)

	FY2023 (Sep.2023)	FY2024 2Q (Mar.2024)	Compared to the end of the previous year
Current assets	74,889	72,015	-3.8%
Cash and deposits	57,960	56,840	-1.9%
Operational investment securities	9,908	9,697	-2.1%
Non-current assets	6,805	9,095	+33.7%
Total assets	**81,695**	**81,111**	-0.7%
Current liabilities	4,327	5,131	+18.6%
Non-current liabilities	1,133	2,304	+103.4%
Total liabilities	**5,460**	**7,436**	+36.2%
Shareholders' equity	74,673	72,264	-3.2%
Net assets	**76,234**	**73,674**	-3.4%

*There are some differences in calculation due to rounding down of less than one million yen and rounding off.

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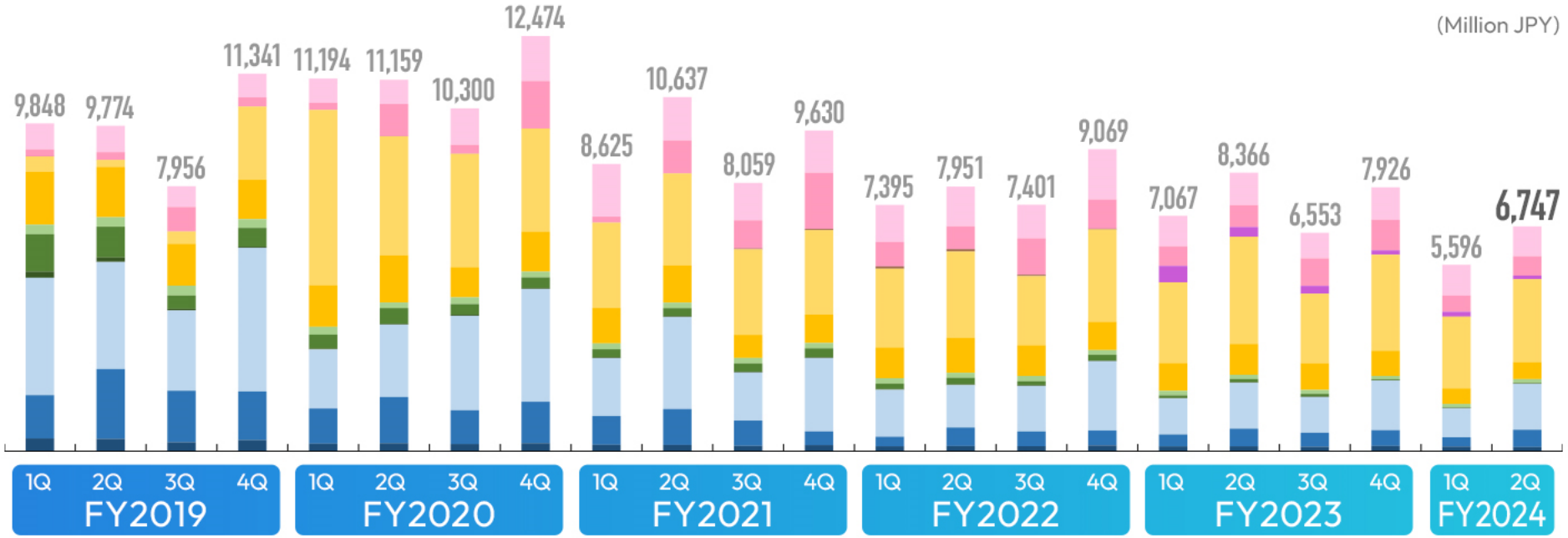
Entertainment in Real Life

02 Entertainment Business

02 Entertainment Business Quarterly Sales Transition

Sales：6.7 billion yen (YoY：-19.4%、QoQ：+20.6%)

- FY2012 : Pro Baseball PRIDE
- FY2013 : Quiz RPG
- FY2014 : Meow Meow Star Acres, Shironeko Project
- FY2015 : Tokyo Casino Project
- FY2016 : Shironeko Tennis
- FY2017 : Pro Baseball VS
- FY2018 : Disney TSUMTSUM LAND, Alice Gear Aegis
- FY2019 : DRAGON QUEST WALK
- FY2021, FY2022
- FY2023 : NEKO GOLF, Volzerk, Travel Jimano Nyanko (tentative)
- Console (In-house Operation, Entrusted Development etc)
- Others (Overseas, Our IP Operation and Merchandise, XR etc)



*There are some differences in calculation due to rounding down of less than one million yen and rounding off.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).
*Sales of smartphone app titles operated by COLOPL's group companies under outsourcing contracts from COLOPL are divided among fiscal years.

Shironeko Project

New storylines and collaborations with VTubers led to more excitement than in the previous year



9.5th anniversary event held and new main story chapter added.



Collaboration with female VTuber group "hololive".

DRAGON QUEST WALK

Held events emphasizing Dragon Quest identity



New job category "Dragon" was added at the 2024 New Year's event in honor of the Year of the Dragon.



Added characters from "Dragon Quest VI", new weapons and new features to commemorate the 4.5th anniversary.

Other titles

Held anniversary event to meet users' expectations



Alice Gear Aegis

Celebrating the 6th anniversary,
the long-awaited character added.



Quiz RPG: The World of Mystic Wiz

Collaboration with well-known creators
to celebrate the 11th anniversary.

Nyanko Series

The first in the series celebrates the 10th anniversary; the second features a collaboration with Sanrio characters



Meow Meow Star Acres

Celebrating the 10th anniversary, a special event was held to express gratitude to users.

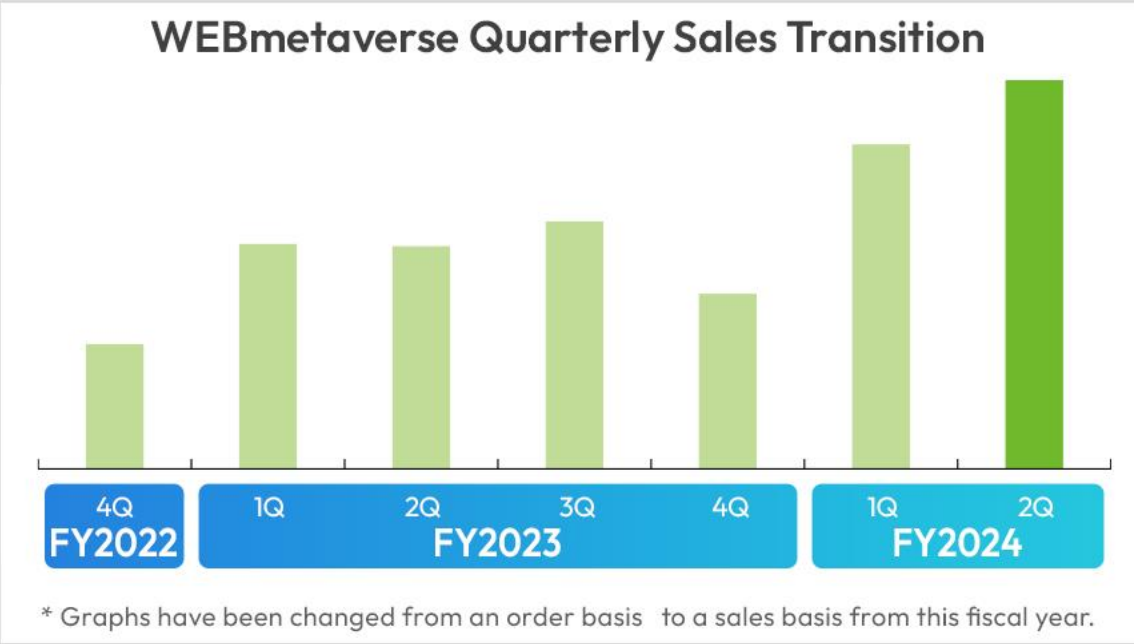


Travel Jimano Nyanko (tentative)

"HELLO KITTY", "CINNAMOROLL" and "POMPOMPURIN" appeared.

WEBmetaverse

Planning and development of Shizuoka Prefecture-sponsored events





Expand services such as the Light Plan, which enables development in a short period of time. Continued to focus on B-to-B.

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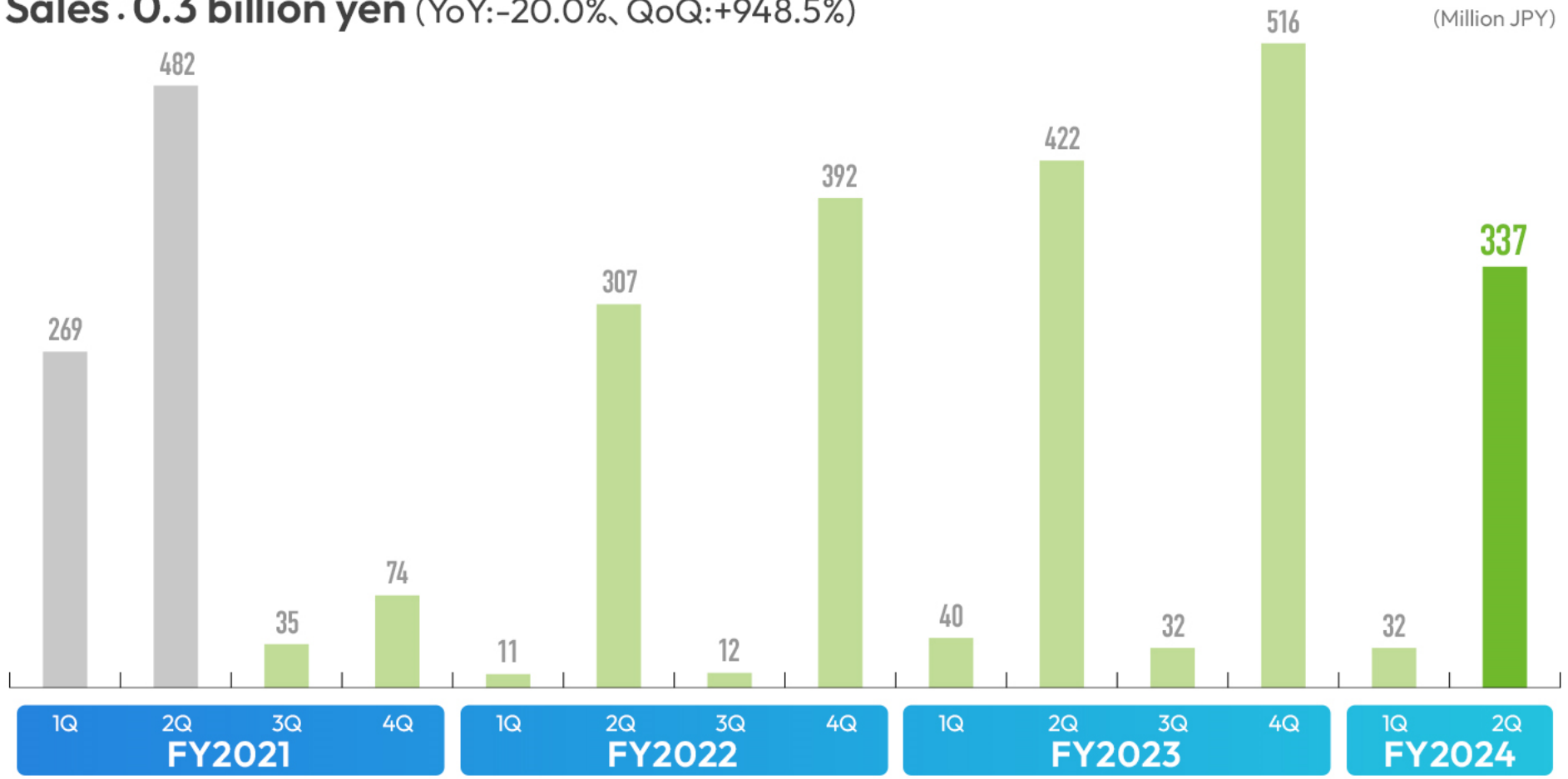
03 Investment and Development Business

03 Investment and Development Business Quarterly Sales Transition

Sales：0.3 billion yen (YoY:-20.0%、QoQ:+948.5%)

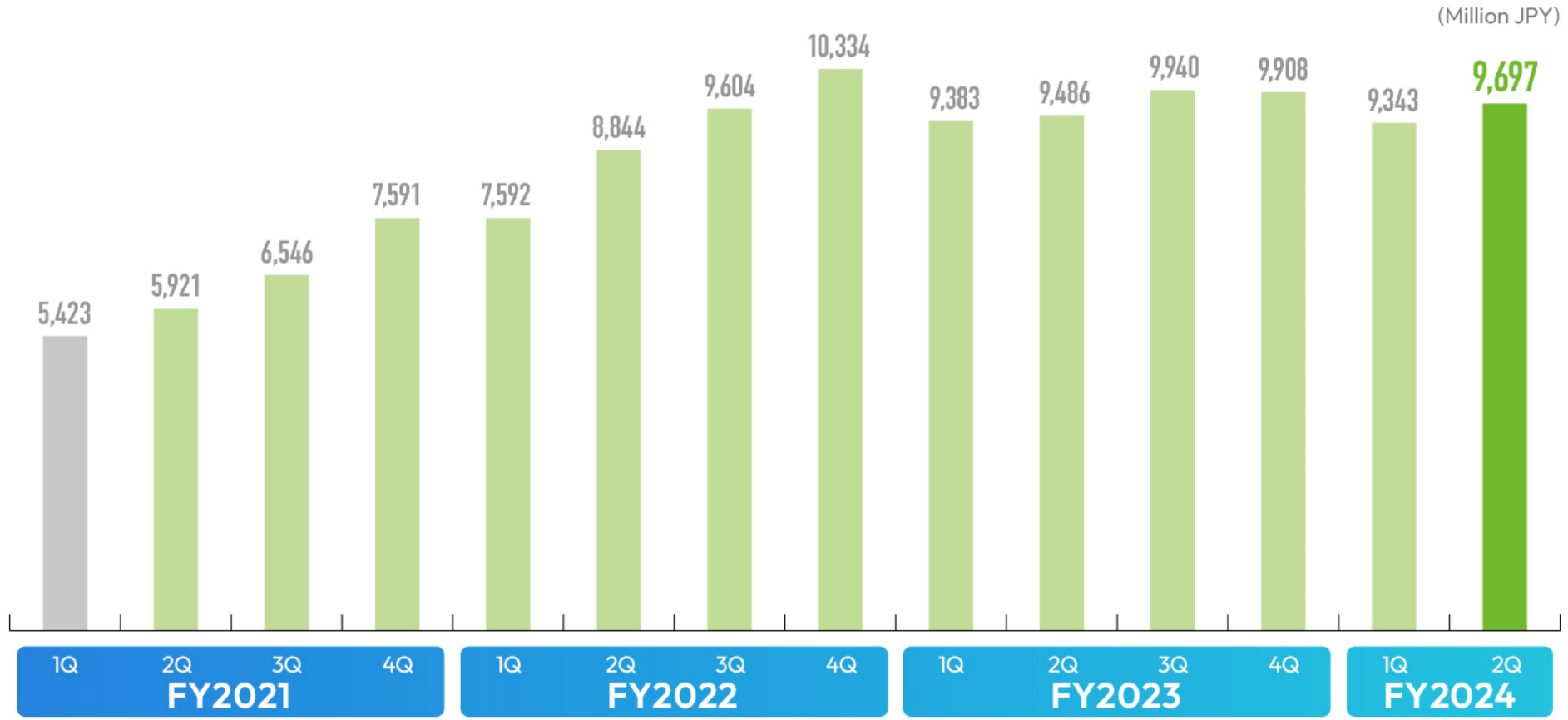


*The Company has recognized the Investment and Development Business as a segment since the middle of the 2Q FY2021. The quarterly results shows the figure when the investment is regarded as intra-operating transactions from the beginning of the 1Q FY2021.

*The figures do not include the performance of No.1 Fund Investment Partnership (Support for student entrepreneurs) and Listed Shares Fund (targeting listed stocks in Japan) managed by our group company COLOPL NEXT, Inc.

03 Investment and Development Business Balance of Operational Investment Securities

Balance of operational investment securities：9.6 billion yen (YoY：+2.2%、QoQ：+3.8%)



*The Company has recognized the Investment and Development Business as a segment since the middle of the 2Q FY2021. The balance of operational investment securities is the reference value when the relevant portion is calculated as of the end of the 1Q FY2021.

*The figures do not include the performance of No.1 Fund Investment Partnership (Support for student entrepreneurs) and Listed Stock Fund (targeting listed stocks in Japan) managed by our group company COLOPL NEXT, Inc.

Colopl Next Korea

Made new investments in two Korean companies

GUHADA

Company Name: GUHADA Inc.
Business: Operation of platform specializing in B2B and B2B2C luxury goods distribution

Mediquitous

Company Name: Mediquitous Co., Ltd.
Business: Development and sales of brands and products in the fashion, cosmetics, and life categories, and operation of a mail-order platform

04 Current Status and Future Forecast

Entertainment Business FY2024 Annual Policy

Existing field

Smartphone Games	・Active use of our original IP and other companies'IP. ・Focusing on further management of"Shironeko Project"on its 10th anniversary.
Console Games	・Promote multiple development of IP. ・A year of new excitement for the 15th anniversary of"STEINS;GATE".

New field

Blockchain Games	・Aiming to be a sustainable Play to Earn by releasing "Brilliantcrypto".
AI	・Exploring the use of AI for new game experiences.
XR/Metaverse	・Strengthen services in the metaverse area with "WEBmetaverse" as the mainstay, and focus on B-to-B.

Smartphone games pipeline increased by one



Legendary creator Kazuma Kaneko is developing a new game under the theme of "Creating a New Game Experience with 'God.'"

Planning to release information on new game for smartphones soon

Smartphone Games pipeline

5 titles

Console Games pipeline

10 titles

Blockchain Games pipeline

1 title

*The new smartphone game information to be released soon is a different title from the title listed on p.22
*Contracted development projects are not included in console games pipeline

Implemented a large-scale update of "Shironeko Project"
Announced information on new console game



Smartphone Game "Shironeko Project"

Update to improve clarity and fun
on the occasion of the 10th anniversary.



Console Game "IWAKURA ARIA"

New suspense adventure game
to be released in June.

Entered into a basic agreement (MOU) with CALIVERSE Inc. of the Lotte Group in Korea

colopl | CALIVERSE

By making it possible to bring digital gems from "Brilliantcrypto" into the high quality metaverse "CALIVERSE", we aim to create a new economic zone in the metaverse.

Took the stage at Web3 events around the world
Continued global marketing activities



Europe

"NFT Paris"



Asia

"HONG KONG WEB3 FESTIVAL 2024"

Scheduled for IEO and pre-release of PC version during the 3rd quarter (4/1 ~ 6/30)

Phase1

2023 Jul.~Dec.
Closed Beta

2024 Apr.~Jun.
Coincheck IEO (Tentative)
Pre-Release (PC Version)

2024 Jul.~
Official Release (Mobile Version)
Token Listing in LATAM
(To Expand Globally in More Regions)

Phase2

202X
Lapidary Workshop Opens
Refining gemstones into NFT Jewelry

Phase3

202X
Metaverse Phase Begins
Bringing NFT gemstones to Metaverse

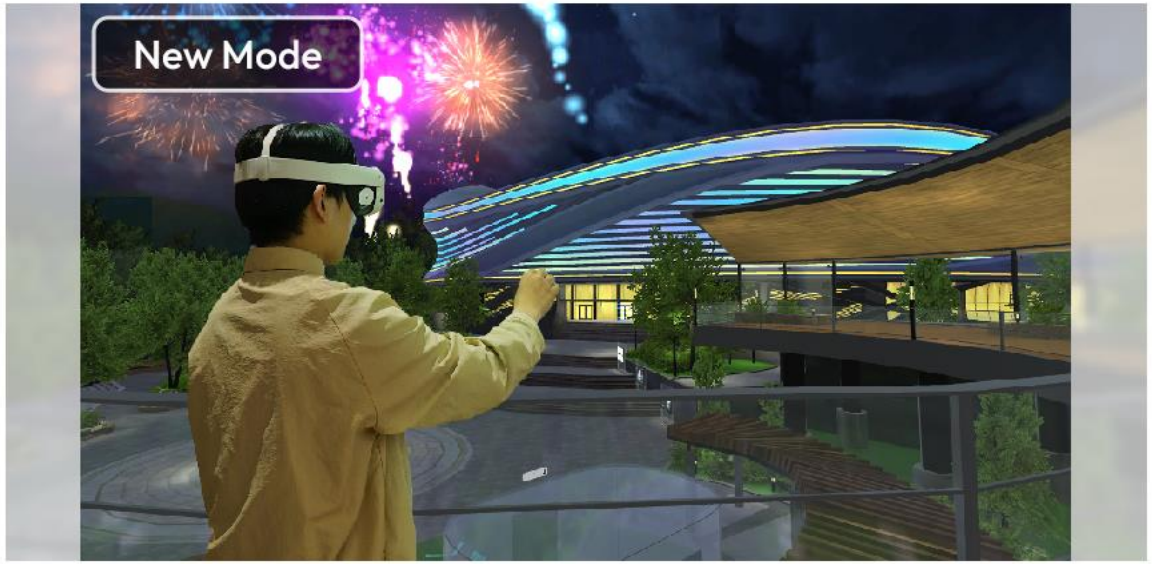




WEBmetaverse

Developed services for Apple Vision Pro, Meta Quest 3 and PICO 4

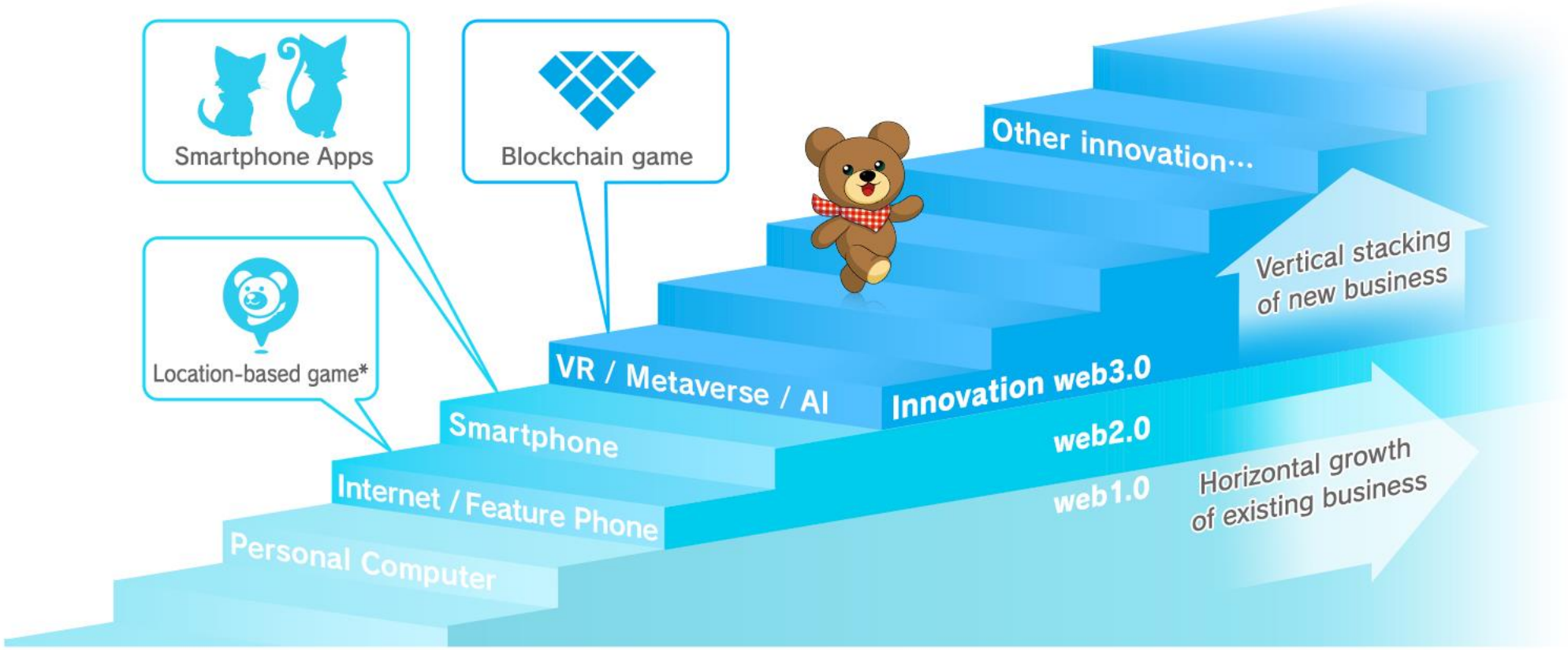




Aiming to further expand business in the B-to-B domain by providing the latest and highest quality metaverse space.

*Apple Vision Pro is registered trademarks of Apple Inc.
*Meta Quest is registered trademarks of Meta Platforms Inc.
*PICO is registered trademarks of Pico Technology Co., Ltd.

With “Entertainment in Real Life” as our mission
Growth through innovation as an opportunity



*“Location-based game”is a registered trademark of COLOPL, Inc.

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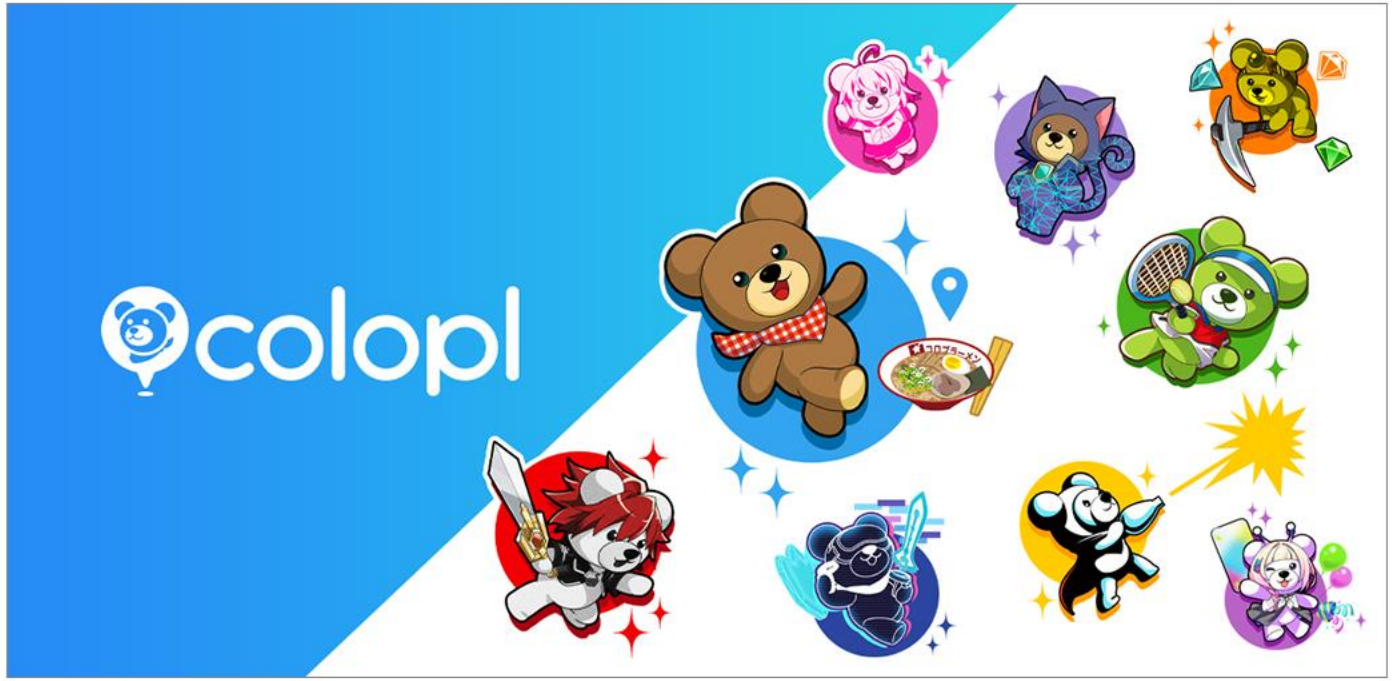
05 Other Initiatives

Entered into a third-party allotment of new shares and a capital and business alliance with Aiming Inc.

By more effectively utilizing the game development capabilities, knowledge, and human resources of both companies, we aim to create new business opportunities and further enhance corporate value.

05 Other Initiatives

Renewal of visual identity and update of corporate character



Aiming to be a company that earns the high trust and expectations of all stakeholders
by expressing in a new brand image the "creation of 'new experiences'"
that we have pursued since our founding.

New Corporate Site ▸ https://colopl.co.jp/en/

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Supplementary Material

Entertainment in Real Life

Supplementary Material Consolidated Quarterly Statements of Income

(Million JPY)

	FY2023			FY2024	
	2Q	3Q	4Q	1Q	2Q
Sales	**8,789**	**6,585**	**8,443**	**5,629**	**7,085**
Cost	6,856	6,550	7,564	6,043	6,396
Operating profit	**1,932**	**35**	**878**	**-414**	**688**
Operating profit margin	*22.0%*	*0.5%*	*10.4%*	*-7.4%*	*9.7%*
Non-operating income	212	234	362	339	205
Non-operating expenses	94	-244	87	385	-294
Ordinary profit	**2,050**	**515**	**1,153**	**-461**	**1,188**
Extraordinary income	-	-	-	-	-
Extraordinary losses	-	-	-	-	29
Profit before income taxes	**2,050**	**515**	**1,153**	**-461**	**1,159**
Total income taxes	704	203	504	57	519
Net profit	**1,346**	**311**	**649**	**-519**	**640**
Net profit margin	*15.3%*	*4.7%*	*7.7%*	*-9.2%*	*9.0%*

*There are some differences in calculation due to rounding down of less than one million yen and rounding off.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).
*Net profit：Profit attributable to owners of parent (Profit (loss) attributable to non-controlling interests is included in Total income taxes).

Supplementary Material Quarterly Consolidated Balance Sheets

(Million JPY)

	FY2023			FY2024	
	2Q	3Q	4Q	1Q	2Q
Current assets	74,069	73,862	74,889	70,472	72,015
Cash and deposits	57,543	57,609	57,960	55,792	56,840
Operational investment securities	9,486	9,940	9,908	9,343	9,697
Non-current assets	6,444	6,615	6,805	7,095	9,095
Total assets	**80,513**	**80,478**	**81,695**	**77,567**	**81,111**
Current liabilities	4,931	3,927	4,327	3,864	5,131
Non-current liabilities	899	1,072	1,133	958	2,304
Total liabilities	**5,830**	**5,000**	**5,460**	**4,822**	**7,436**
Shareholders' equity	73,712	74,024	74,673	71,573	72,264
Net assets	**74,683**	**75,477**	**76,234**	**72,745**	**73,674**

*There are some differences in calculation due to rounding down of less than one million yen.

Supplementary Material Expense Transition

(Million JPY)

Cost / Sales ratio	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q
PF & Payments	**1,057** 12.0%	**879** 13.4%	**967** 11.5%	**662** 11.8%	**881** 12.4%
Royalties	**131** 1.5%	**177** 2.7%	**139** 1.7%	**88** 1.6%	**71** 1.0%
Employment	**2,310** 26.3%	**2,349** 35.7%	**2,322** 27.5%	**2,304** 40.9%	**2,332** 32.9%
Office	**288** 3.3%	**278** 4.2%	**281** 3.3%	**279** 5.0%	**274** 3.9%
iDC related	**382** 4.4%	**392** 6.0%	**440** 5.2%	**460** 8.2%	**432** 6.1%
Advertisement	**323** 3.7%	**337** 5.1%	**502** 6.0%	**342** 6.1%	**399** 5.6%
Outsourcing	**1,062** 12.1%	**993** 15.1%	**990** 11.7%	**860** 15.3%	**863** 12.2%
Others	**1,299** 14.8%	**1,142** 17.3%	**1,920** 22.7%	**1,045** 18.6%	**1,141** 16.1%
Total	**6,856** 78.0%	**6,550** 99.5%	**7,564** 89.6%	**6,043** 107.4%	**6,396** 90.3%

*There are some differences in calculation due to rounding down of less than one million yen and rounding off.

Entertainment Business

(Million JPY)

	FY2023			FY2024	
	2Q	3Q	4Q	1Q	2Q
Sales	**8,366**	**6,553**	**7,926**	**5,596**	**6,747**
Cost	6,449	6,384	6,835	5,941	6,013
Operating profit	**1,917**	**168**	**1,090**	**-345**	**734**
Operating profit margin	*22.9%*	*2.6%*	*13.8%*	*-6.2%*	*10.9%*

Investment&Development Business

(Million JPY)

	FY2023			FY2024	
	2Q	3Q	4Q	1Q	2Q
Sales	**422**	**32**	**516**	**32**	**337**
Cost	406	166	729	102	384
Operating profit	**15**	**-133**	**-213**	**-70**	**-46**
Operating profit margin	*3.6%*	*-416.0%*	*-41.2%*	*-218.5%*	*-13.8%*

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*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).

Supplementary Material Sales Transition by Release Period

(Million JPY)

	FY2023			FY2024	
	2Q	3Q	4Q	1Q	2Q
FY Sep. 2012 Online Titles	130	116	141	122	111
FY Sep. 2013 Online Titles	528	421	475	280	517
FY Sep. 2014 Online Titles	1,384	1,075	1,492	875	1,382
FY Sep. 2015 Online Titles	17	16	15	12	13
FY Sep. 2016 Online Titles	97	77	24	13	10
FY Sep. 2017 Online Titles	124	121	100	102	118
FY Sep. 2018 Online Titles	929	804	759	467	514
FY Sep. 2019 Online Titles	3,227	2,091	2,887	2,160	2,492
FY Sep. 2021 Online Titles	0	-	-	-	-
FY Sep. 2023 Online Titles	289	233	131	146	107
Console（In-house Operation・Entrusted Development etc)	656	829	918	485	582
Others（Overseas・Our IP Operation and Merchandise・XR etc)	979	767	978	928	897
Total（Entertainment Business)	**8,366**	**6,553**	**7,926**	**5,596**	**6,747**

- FY2012 : Pro Baseball PRIDE
- FY2013 : Quiz RPG
- FY2014 : Meow Meow Star Acres, Shironeko Project
- FY2015 : Tokyo Casino Project
- FY2016 : Shironeko Tennis
- FY2017 : Pro Baseball VS
- FY2018 : Disney TSUMTSUM LAND, Alice Gear Aegis
- FY2019 : DRAGON QUEST WALK
- FY2021 :
- FY2023 : NEKO GOLF, Volzerk , Travel Jimano Nyanko（tentative)

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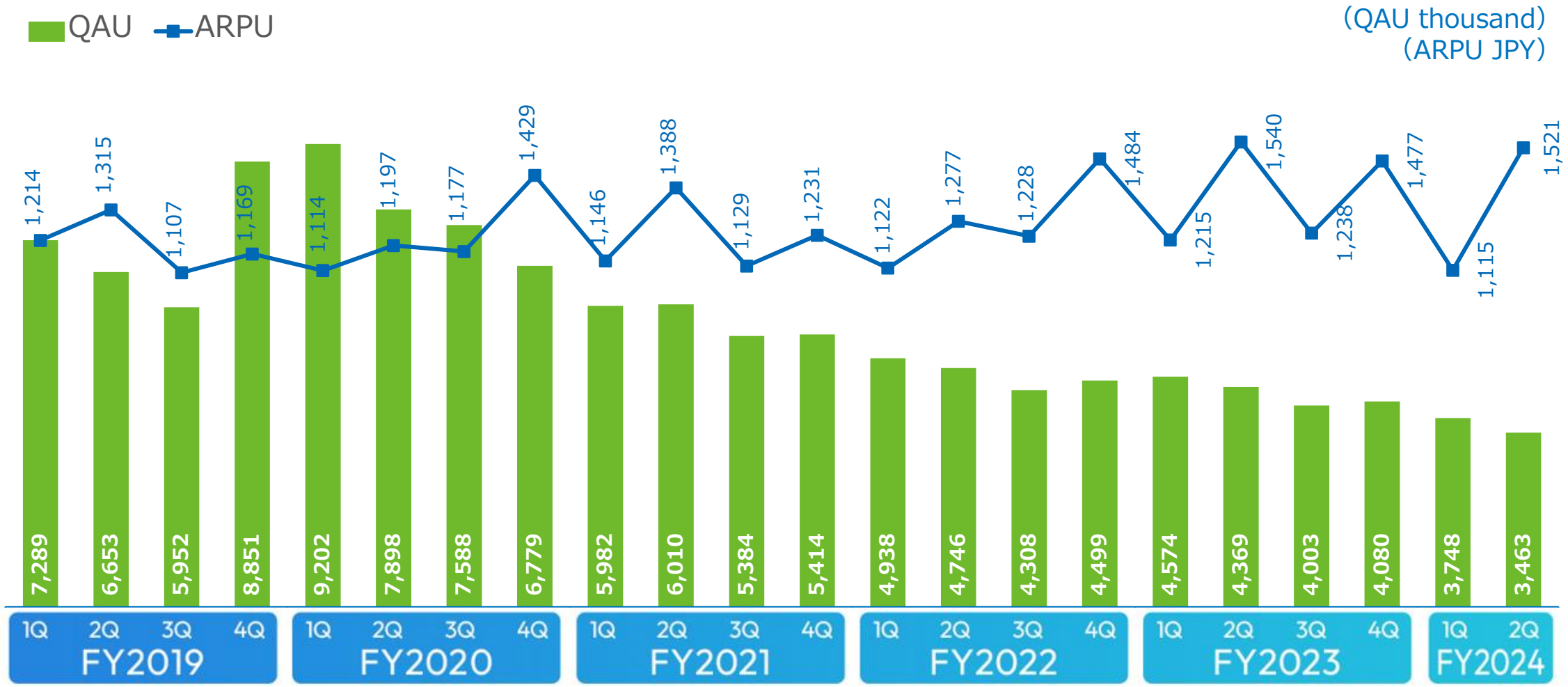
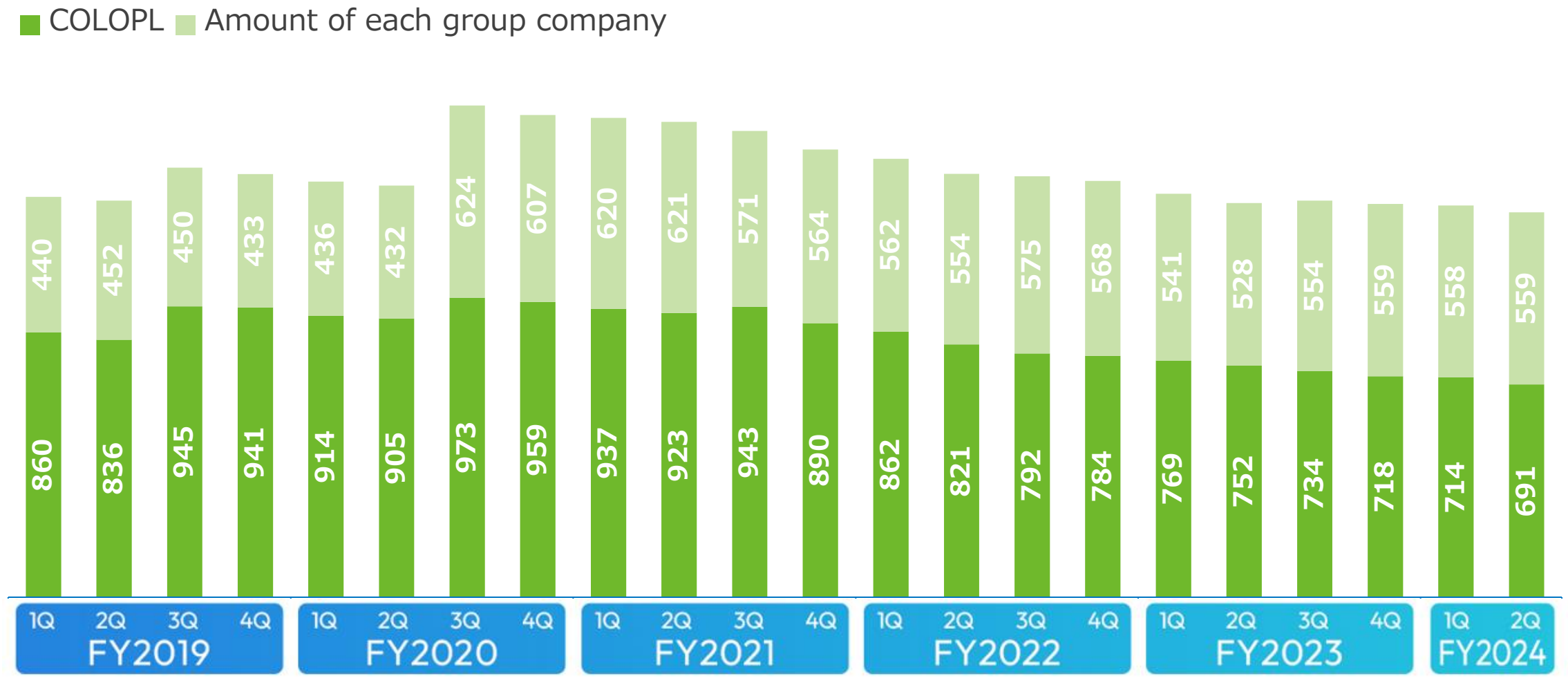
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).

Supplementary Material Domestic Title KPI QAU x ARPU



*There is a slight difference in calculation due to rounding down to the nearest 1 yen.
*Titles since FY2012 are counted.

Supplementary Material Workforce Transition



*From 1Q FY2023, the number of employees is the number of full-time employees (excluding employees temporarily transferred from the Group and including employees temporarily transferred to the Group).

Entertainment in Real Life

Making everyday more enjoyable and wonderful through entertainment

We're sending out the latest information on the COLOPL group!

@colopl_pr

@coloplinc

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