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FY Sep.2024/3Q Results

2024/08/07 WED

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Supplementary Material

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

3Q Results

Sales of existing titles declined, but "DRAGON QUEST WALK" remained at the same level YoY.

Sales：5.6 billion yen（YoY：-14.9%）　Operating Profit：-1 billion yen（YoY：—）

Entertainment Business

In addition to lower sales, costs associated with the release of the blockchain game were incurred upfront.

Sales：5.5 billion yen（YoY：-15.3%）　Operating Profit：-1 billion yen（YoY：—）

Investment and Development Business

Operating loss narrowed in YoY due to increased sales.

Sales：0.05 billion yen（YoY：+74.9%）　Operating Profit：-0.04 billion yen（YoY：—）

TOPICs

Released the blockchain game "Brilliantcrypto"!

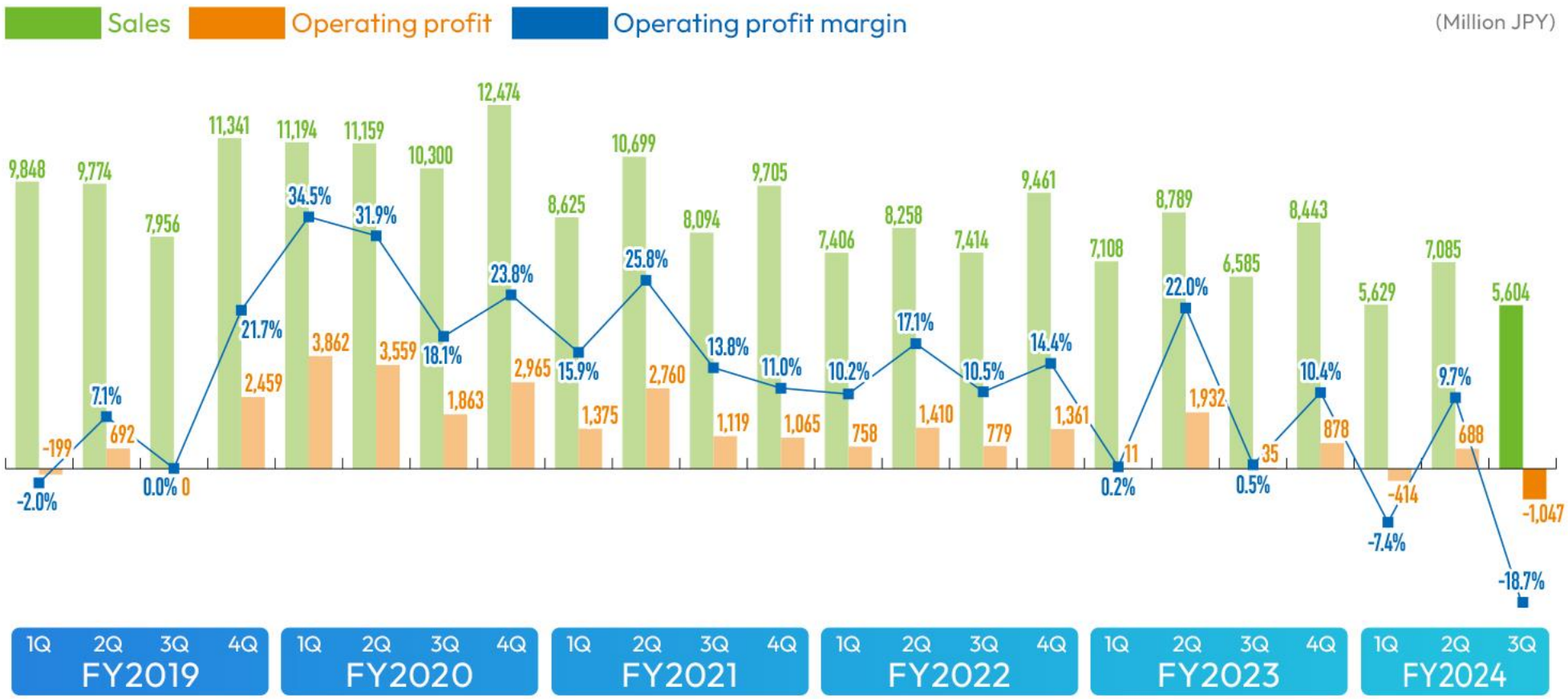
The BRIL token raised 1.5 billion yen at IEO and has been available at Coincheck since June 17.

Sold half of our shares in Timee, Inc. upon the company's listing.
Expacted to record 0.93 billion yen as operating profit from the sale in the 4Q.

01 Overview of Results

01 Overview of Results Revenue Transition

Sales:5.6 billion yen (YoY：-14.9%) Operating Profit:-1 billion yen (YoY：—)



*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 3Q (Apr.2023-Jun.2023)	FY2024 3Q (Apr.2024-Jun.2024)	YoY
Sales	**6,553**	**5,547**	**-15.3%**
Cost	6,384	6,556	+2.7%
Operating profit	**168**	**-1,008**	**-**
Operating profit margin	2.6%	-18.2%	-

Investment & Development Business

(Million JPY)

	FY2023 3Q (Apr.2023-Jun.2023)	FY2024 3Q (Apr.2024-Jun.2024)	YoY
Sales	**32**	**56**	**+74.9%**
Cost	166	96	-42.0%
Operating profit	**-133**	**-40**	**-**
Operating profit margin	-416.0%	-71.1%	-

*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:-0.4 billion yen (YoY:—) Net profit:-0.6 billion yen (YoY:—)

(Million JPY)

	FY2023 3Q (Apr.2023-Jun.2023)	FY2024 3Q (Apr.2024-Jun.2024)	YoY
Sales	**6,585**	**5,604**	**-14.9%**
Cost	6,550	6,651	+1.6%
Operating profit	**35**	**-1,047**	**-**
Operating profit margin	0.5%	-18.7%	-
Non-operating income	234	565	+140.7%
Non-operating expenses	-244	7	-
Ordinary profit	**515**	**-489**	**-**
Extraordinary income	-	-	-
Extraordinary losses	-	8	-
Profit before income taxes	**515**	**-498**	**-**
Total income taxes	203	113	-44.2%
Net profit	**311**	**-612**	**-**
Net profit margin	4.7%	-10.9%	-

*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 90.3%

(Million JPY)

	FY2023 (Sep.2023)	FY2024 3Q (Jun.2024)	Compared to the end of the previous year
Current assets	74,889	69,120	-7.7%
Cash and deposits	57,960	52,786	-8.9%
Operational investment securities	9,908	10,297	+3.9%
Non-current assets	6,805	11,869	+74.4%
Total assets	**81,695**	**80,989**	-0.9%
Current liabilities	4,327	5,698	+31.7%
Non-current liabilities	1,133	2,131	+88.1%
Total liabilities	**5,460**	**7,829**	+43.4%
Shareholders' equity	74,673	71,652	-4.0%
Net assets	**76,234**	**73,159**	-4.0%

*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：5.5 billion yen (YoY：-15.3%、QoQ：-17.8%)

- 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 : Alice Gear Aegis
- FY2019 : DRAGON QUEST WALK
- FY2021, FY2022
- FY2023 : NEKO GOLF, Travel Jimano Nyanko (tentative)
- Blockchain Game (Brilliantcrypto)
- Console (In-house Operation, Entrusted Development etc)
- Others (Overseas, Our IP Operation and Merchandise, XR etc)

(Million JPY)



*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).
*Please see page 33 for details on blockchain game performance.

Shironeko Project

Implemented a major update for long-term operation and held a collaboration event



Updates were made to the game's foundation on the occasion of its 10th anniversary to improve the user experience.



Collaborated with the TV animation of "Demon Slayer" to coincide with its airing.

DRAGON QUEST WALK

The event with "Dragon Quest III" made May 27 the most exciting day ever



By providing a game experience that is closer to the original work,
a high level of enthusiasm was fostered.

Other titles

Reached out to new and returning users through collaboration events



Alice Gear Aegis

Collaboration with
"Code Geass：Lelouch of the Rebellion"



Quiz RPG: The World of Mystic Wiz

Collaboration with "STREET FIGHTER 6"
and "Street Fighter II"

Brilliantcrypto

PC version of the game released; the BRIL token now handled by Coincheck



The IEO purchase application multiplier was over 20 times.
Raised 1.5 billion yen, the highest amount in Coincheck's history.

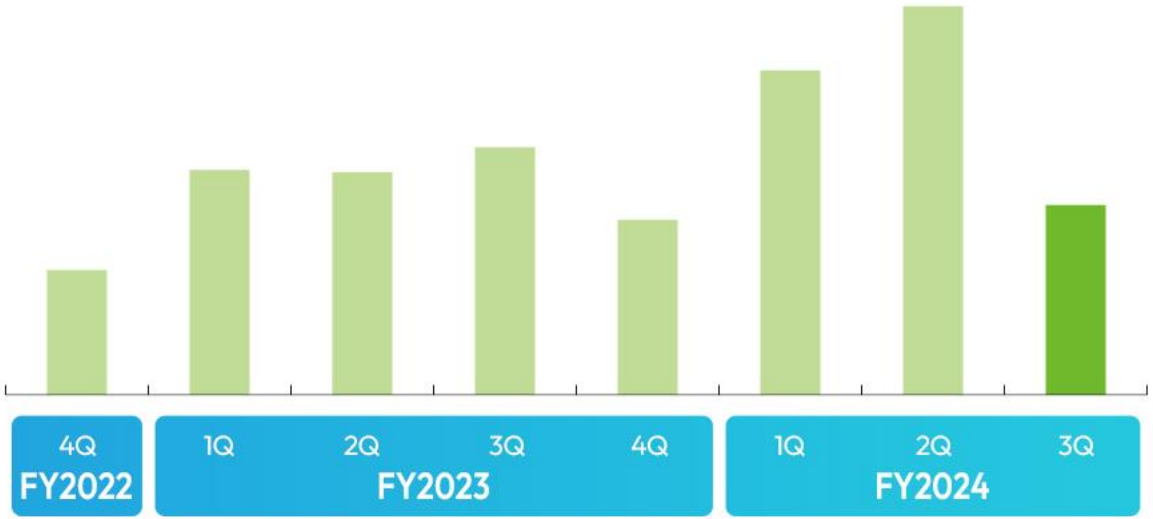
Developed a training system for companies, and expanded the functionality of WEBmetaverse



XR

Developed a training VR for National Mutual Insurance Federation of Agricultural Cooperatives. A research experience environment that is close to practice has been realized.

WEBmetaverse Quarterly Sales Transition



* Graphs have been changed from an order basis to a sales basis from this fiscal year.

WEBmetaverse

Continued to focus on expanding functions to strengthen sales capabilities in the B-to-B.

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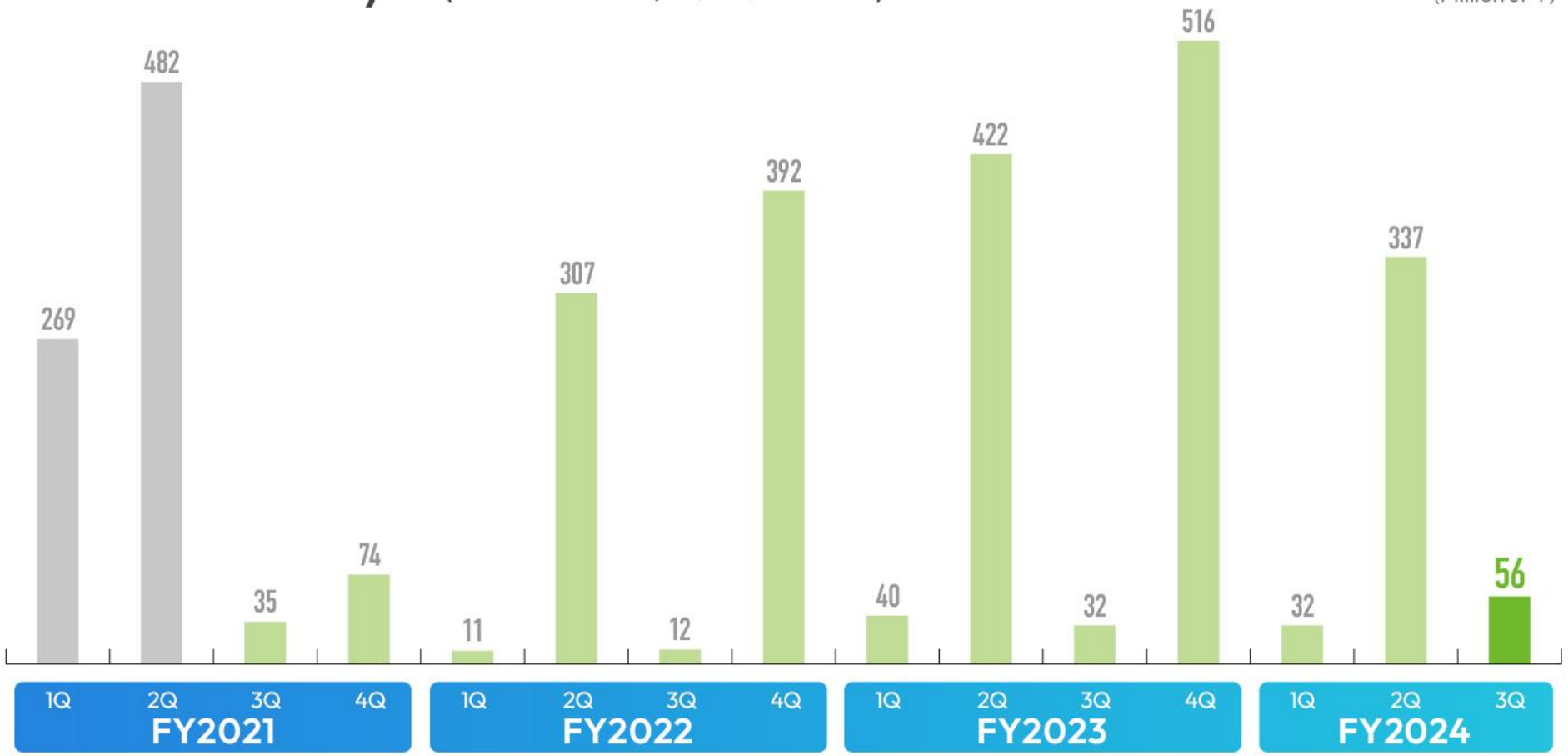
Entertainment in Real Life

03 Investment and Development Business

03 Investment and Development Business Quarterly Sales Transition

Sales：0.05 billion yen (YoY：+74.9%、QoQ：-83.3%)

(Million JPY)



*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.

Balance of operational investment securities：10.2 billion yen

(YoY：+3.6%、QoQ：+6.2%)

(Million JPY)



*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.

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.

Shironeko Project

Held an event at Tokyo Big Sight to commemorate the 10th anniversary of "Shironeko Project"



Fans gathered from across the nation. Each event was a great success,
including attractions and participatory events including online viewing.
With the 10th anniversary as a new start, continue to focus on user communication.

STEINS;GATE

Revealed information about the 15th anniversary event





Seven cast members and four artists are scheduled to perform, including Mamoru Miyano, the voice actor for the main character.

Aiming to create a live event that brings together fans of various generations.

Smartphone game "FESTIBATTLE" is nearing release

Smartphone Games pipeline

5 titles

Console Games pipeline

10 titles

*Contracted development projects are not included in console games pipeline.

New Smartphone Game "FESTIBATTLE" to be Released on August 29



Characters from "Shironeko Project," "Monster Strike" and other works appear in 3D!
COLOPL and MIXI team up to provide unprecedented entertainment.

Legendary creator Kazuma Kaneko's new smartphone game is also in development



Development progresses smoothly toward the realization of "Creating a New Game Experience with 'God.'"

Brilliantcrypto

Android version released today (August 7)!



Mobile play is now available, including the iOS version exclusively for Scalar.
Expected to expand the user base and increase playing time.

Formed a business and capital alliance and publishing agreement with Crypto Blockchain Industries, SA



Accelerate the global expansion of "Brilliantcrypto" by strengthening publishing in Europe and South America.

Plans to list the BRIL token in Brazil on "Bit2Me," a cryptocurrency exchange

Brilliant crypto

bit 2 me

Attempt to attract an influx of users from South America,
where Play to Earn games are becoming increasingly popular.

Cumulative number of digital gemstone transactions exceeds 20,000. Initial response is steady



Cumulative Digital Gemstone Transaction Volume

(as of July 31, 2024)

Total number of transactions	Approx. 22,000
Maximum transaction amount	Approx. 560,000 yen (20,000BRIL) * BRIL price conversion at the time of sale and purchase

Mobile version release and expansion of token listing regions to promote activation of gemstone transactions.

In the mid- to long-term, Aiming to "Maximize the value of digital gemstone" in order to establish a metaverse economic zone. Phase 1, "Creation of digital gemstone value," was accomplished

Phase1
- Creation of digital gemstone value
- Increase game users
- Increase the amount of digital gemstone transaction

Phase2
- Adding value to digital gemstone
- Partnerships with luxury brands

Phase3
- Expanding digital gemstone into metaverse

Maximize the value of digital gemstone



Establishment of a metaverse economic zone



Currently releasing mobile version sequentially. Preparations are underway to expand the regions in which tokens are listed

Phase1

2023 Jul.~Dec.
Closed Beta

2024 Apr.~Jun.
Coincheck IEO
Pre-Release (PC)
Digital Gemstone Fund Founded &
Operation Begins

2024 Jul.~
Scholar Mobile Version Release
Bit2Me Listing in Brazil
Exchange Listing in Order in
Latin America, South-East Asia, Europe
Official Release (Mobile)

Phase2

202X
Lapidary Workshop
Opens
Refining gemstones
into NFT Jewelry

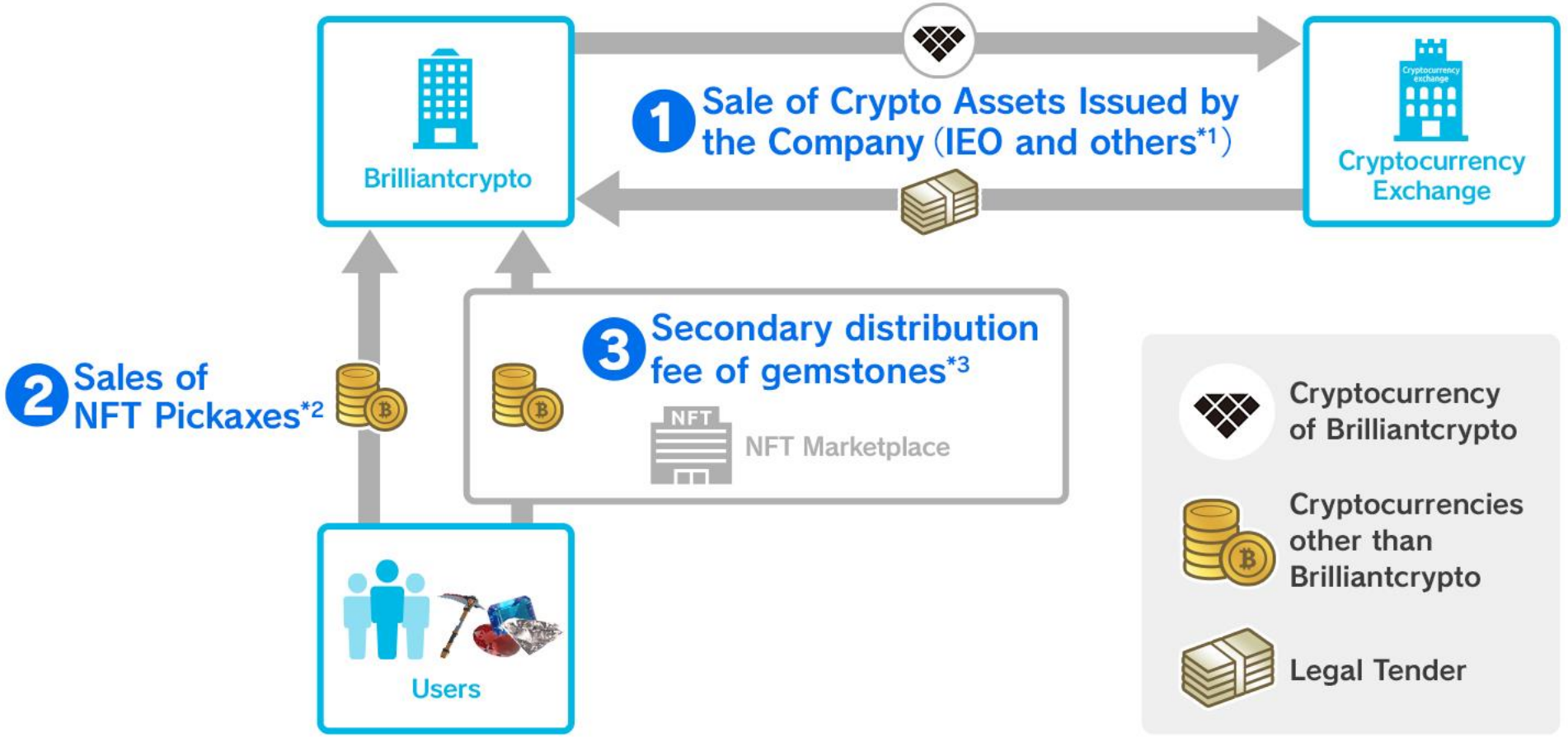
Phase3

202X
Metaverse Phase Begins
Bringing NFT gemstones
to Metaverse





The main revenue opportunities in business model of "Brilliantcrypto"



*1 : Contract liability will be transfer to sales based on the BRIL used in-game.
*2 : Contract liability will be transfer to sales based on the used periond of pickaxe in game
*3 : Sender of the commission from secondary market differs depending on the NFT marketplace.

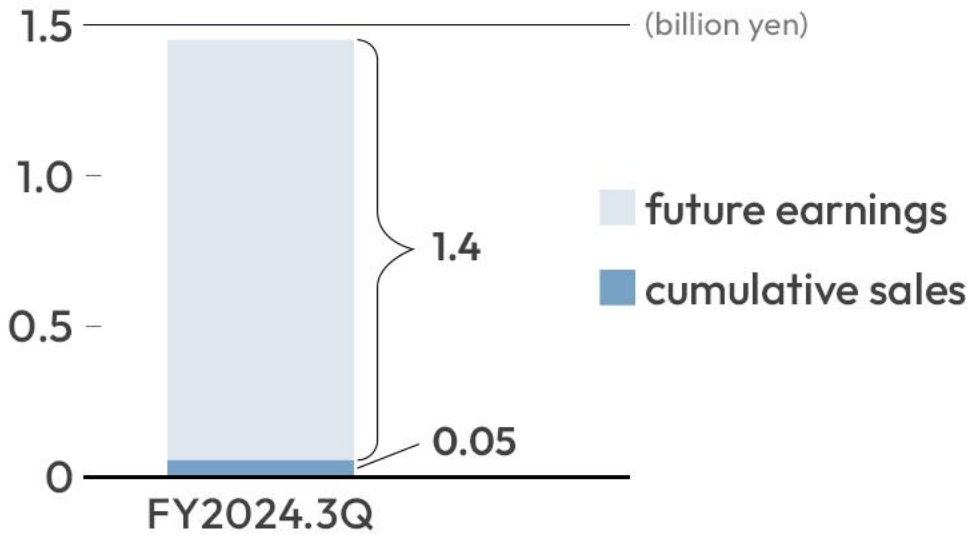
Development and advertising costs were incurred upfront, but approximately 1.4 billion yen of Contract liability were recorded on the balance sheet as future earnings

Brilliantcrypto, Inc. financials

Nine months ended June 30, 2024

Contract liability (future earnings)	1.4 billion yen
Sales	0.05 billion yen
Cost	1.6 billion yen
Operating profit	-1.5 billion yen

GRV (Gross Revenue Value)*



Expect to contribute to business performance with the influx of global users in the future.

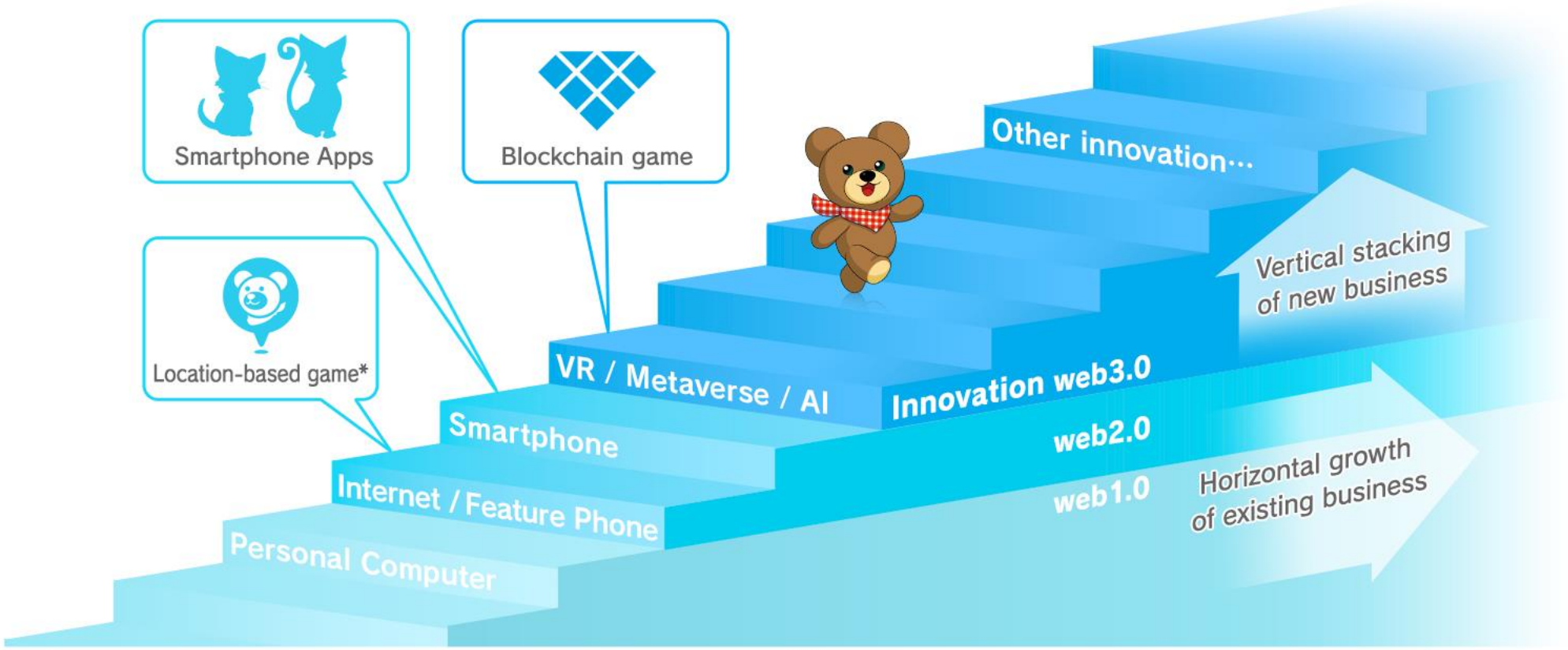
*Gross Revenue Value is an indicator of the value created by "Brilliantcrypto" and is the sum of Contract liability (future earnings) and cumulative sales.

Due to the initial listing of a portfolio company, about half of the company's holdings were sold

The contribution to consolidated operating profit for the 4Q FY Sep.2024 is expected to be 0.93 billion yen

Company Name：Timee, Inc.
Business：Operation of "Timee," a part-time job service that matches "When you want to work" with "when we want you to work"
Listing Date：Jul. 26, 2024
Listed stock exchange：Tokyo Stock Exchange (TSE) Growth Market

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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Entertainment in Real Life

05 Other Initiatives

Athletes from COLOPL selected to represent Japan at the Paris 2024 Paralympic Games



Three players will compete: Shunya Nakamachi (wheelchair rugby), Koji Miyajiki (goalball), and Amane Yanagimoto (wheelchair basketball).

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Supplementary Material

Entertainment in Real Life

Supplementary Material Consolidated Quarterly Statements of Income

(Million JPY)

	FY2023		FY2024		
	3Q	4Q	1Q	2Q	3Q
Sales	**6,585**	**8,443**	**5,629**	**7,085**	**5,604**
Cost	6,550	7,564	6,043	6,396	6,651
Operating profit	**35**	**878**	**-414**	**688**	**-1,047**
Operating profit margin	*0.5%*	*10.4%*	*-7.4%*	*9.7%*	*-18.7%*
Non-operating income	234	362	339	205	565
Non-operating expenses	-244	87	385	-294	7
Ordinary profit	**515**	**1,153**	**-461**	**1,188**	**-489**
Extraordinary income	-	-	-	-	-
Extraordinary losses	-	-	-	29	8
Profit before income taxes	**515**	**1,153**	**-461**	**1,159**	**-498**
Total income taxes	203	504	57	519	113
Net profit	**311**	**649**	**-519**	**640**	**-612**
Net profit margin	*4.7%*	*7.7%*	*-9.2%*	*9.0%*	*-10.9%*

*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		
	3Q	4Q	1Q	2Q	3Q
Current assets	73,862	74,889	70,472	72,015	69,120
Cash and deposits	57,609	57,960	55,792	56,840	52,786
Operational investment securities	9,940	9,908	9,343	9,697	10,297
Non-current assets	6,615	6,805	7,095	9,095	11,869
Total assets	**80,478**	**81,695**	**77,567**	**81,111**	**80,989**
Current liabilities	3,927	4,327	3,864	5,131	5,698
Non-current liabilities	1,072	1,133	958	2,304	2,131
Total liabilities	**5,000**	**5,460**	**4,822**	**7,436**	**7,829**
Shareholders' equity	74,024	74,673	71,573	72,264	71,652
Net assets	**75,477**	**76,234**	**72,745**	**73,674**	**73,159**

*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 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q
PF & Payments	**879** 13.4%	**967** 11.5%	**662** 11.8%	**881** 12.4%	**589** 10.5%
Royalties	**177** 2.7%	**139** 1.7%	**88** 1.6%	**71** 1.0%	**87** 1.6%
Employment	**2,349** 35.7%	**2,322** 27.5%	**2,304** 40.9%	**2,332** 32.9%	**2,448** 43.7%
Office	**278** 4.2%	**281** 3.3%	**279** 5.0%	**274** 3.9%	**270** 4.8%
iDC related	**392** 6.0%	**440** 5.2%	**460** 8.2%	**432** 6.1%	**443** 7.9%
Advertisement	**337** 5.1%	**502** 6.0%	**342** 6.1%	**399** 5.6%	**544** 9.7%
Outsourcing	**993** 15.1%	**990** 11.7%	**860** 15.3%	**863** 12.2%	**1,002** 17.9%
Others	**1,142** 17.3%	**1,920** 22.7%	**1,045** 18.6%	**1,141** 16.1%	**1,264** 22.6%
Total	**6,550** 99.5%	**7,564** 89.6%	**6,043** 107.4%	**6,396** 90.3%	**6,651** 118.7%

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

Entertainment Business

(Million JPY)

	3Q	4Q	1Q	2Q	3Q
Sales	**6,553**	**7,926**	**5,596**	**6,747**	**5,547**
Cost	6,384	6,835	5,941	6,013	6,556
Operating profit	**168**	**1,090**	**-345**	**734**	**-1,008**
Operating profit margin	*2.6%*	*13.8%*	*-6.2%*	*10.9%*	*-18.2%*

Investment&Development Business

(Million JPY)

	3Q	4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q
Sales	**32**	**516**	**32**	**337**	**56**
Cost	166	729	102	384	96
Operating profit	**-133**	**-213**	**-70**	**-46**	**-40**
Operating profit margin	*-416.0%*	*-41.2%*	*-218.5%*	*-13.8%*	*-71.1%*

*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).

Supplementary Material Sales Transition by Release Period

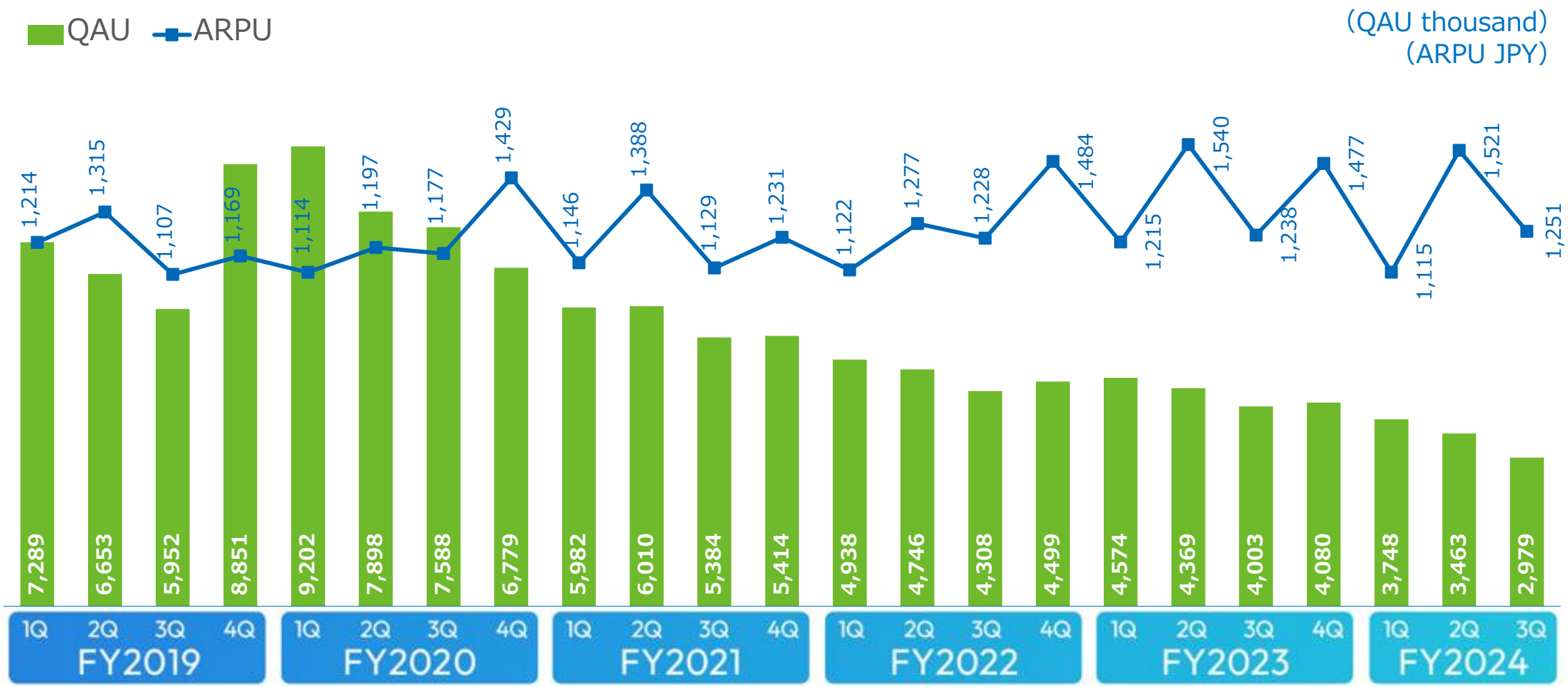
(Million JPY)

	FY2023		FY2024		
	3Q	4Q	1Q	2Q	3Q
FY Sep. 2012 Online Titles	116	141	122	111	103
FY Sep. 2013 Online Titles	421	475	280	517	353
FY Sep. 2014 Online Titles	1,075	1,492	875	1,382	709
FY Sep. 2015 Online Titles	16	15	12	13	11
FY Sep. 2016 Online Titles	77	24	13	10	9
FY Sep. 2017 Online Titles	121	100	102	118	111
FY Sep. 2018 Online Titles	804	759	467	514	415
FY Sep. 2019 Online Titles	2,091	2,887	2,160	2,492	1,950
FY Sep. 2023 Online Titles	233	131	146	107	65
BlockchainGame (Brilliantcrypto)	-	-	-	-	49
Console（In-house Operation・Entrusted Development etc)	829	918	485	582	855
Others（Overseas・Our IP Operation and Merchandise・XR etc)	767	978	928	897	912
Total（Entertainment Business)	**6,553**	**7,926**	**5,596**	**6,747**	**5,547**

- 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 : Alice Gear Aegis
- FY2019 : DRAGON QUEST WALK
- FY2023 : NEKO GOLF, Travel Jimano Nyanko（tentative)

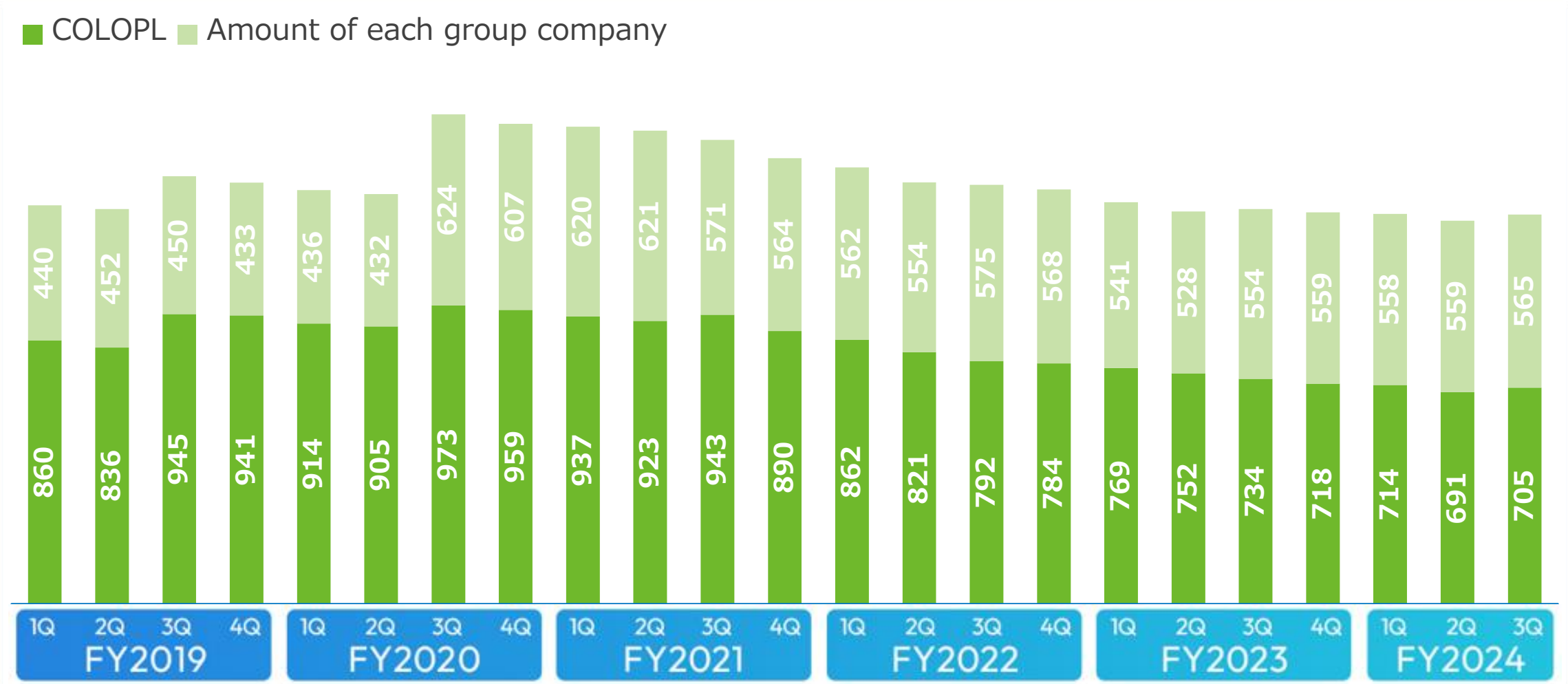
*There are some differences in calculation due to rounding down of less than one million yen.
*Sales of "DRAGON QUEST WALK" is recorded on a net basis (revenue sharing).

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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