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May 14, 2024

Summary of Financial Results for the Third Quarter of Fiscal Year 2024 [Japanese GAAP] (Consolidated)

Company name: Bushiroad Inc.
Stock exchange listing: Tokyo
Securities code: 7803 URL: https://bushiroad.co.jp/en/
Representative: President and CEO Takaaki Kidani
Inquiries: Director Toshiyuki Muraoka TEL: 81-3-4500-4350
Scheduled date to submit quarterly securities report: May 14, 2024
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the first three quarters of FY2024 (July 1, 2023 – March 31, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
3Q of FY2024	32,858	-6.5	70	-96.5	653	-75.7	-25	―
3Q of FY2023	35,156	21.1	2,037	3.5	2,689	-16.2	1,243	-38.9

(Note) Comprehensive income 3Q of FY2024 384 million yen (-62.9%)
3Q of FY2023 1,036 million yen (-51.8%)

	Quarterly profit per share	Diluted quarterly profit per share
	yen	yen
3Q of FY2024	-0.36	―
3Q of FY2023	17.66	17.20

(Note) The Company carried out share splitting to split one share into two shares on October 1, 2022. Quarterly profit per share and diluted quarterly profit per share were calculated assuming that such share splitting had been carried out at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
3Q of FY2024	47,656	22,009	44.1
FY2023	46,335	22,399	46.6

(Reference) Shareholders equity 3Q of FY2024 21,022 million yen
FY2023 21,585 million yen

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY2023	―	0.00	―	4.50	4.50
FY2024	―	0.00	―		
FY2024 (forecast)				4.50	4.50

(Note) Revisions to dividend forecasts published most recently: No

3. Consolidated performance forecast for FY2024 (July 1, 2023 – June 30, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full-term	45,000	-7.8	700	-79.3	1,300	-71.1	600	-70.7	8.48

(Note) Revisions to performance forecasts published most recently: Yes

Please refer to the “Notice Concerning Revision of Full-Year Earnings Forecasts” released today (May 14, 2024) for the revision of consolidated earnings forecasts.

* Notes

(1) Change in significant subsidiaries during the current quarter (cumulative) (changes in specified subsidiaries resulting in the change in scope of consolidation): No
Newly consolidated company N/A; deconsolidated company N/A

(2) Application of special accounting methods to the preparation of quarterly financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
i. Changes in accounting policies due to revisions to accounting standards and other regulations: No
ii. Changes in accounting policies due to reasons other than i: No
iii. Changes in accounting estimates: No
iv. Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

i. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	71,308,550 shares	As of June 30, 2023	71,256,550 shares

ii. Number of treasury shares at the end of the period

As of March 31, 2024	1,296,466 shares	As of June 30, 2023	27 shares

iii. Average number of shares during the period (quarterly cumulative)

3Q of FY2024	70,714,510 shares	3Q of FY2023	70,395,007 shares

(Note) The Company carried out share splitting to split one share into two shares on October 1, 2022. “Average number of shares during the period” was calculated assuming that such share splitting had been carried out at the beginning of the previous fiscal year.

* Quarterly summary of financial results is not included in a quarterly audit by a certified public accountant or auditing firm.

* Explanation regarding appropriate use of the earnings forecast and other special notes

Descriptions about the future, such as performance forecasts contained in this document, are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors.

(How to obtain materials for quarterly financial results briefing)

The video presentation of the financial results will be available on the Company's website after 3:30 p.m. on Friday, May 17, 2024.

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1. Qualitative Information regarding the Current Quarter

(1) Descriptions regarding operating results

It should be noted that descriptions concerning the future in the text are based on judgement of the Company as of the end of the current quarter under review.

While social and economic activities continued to pick up, the outlook for the Japanese economy during the third quarter period remained uncertain due to downside risks such as the ongoing rise in prices and the progress of the yen's depreciation.

Under such circumstances, Bushiroad Group held the “Bushiroad New Year Grand Announcement 2024” in January 2024 to announce to customers the Company's development in 2024, including the announcement of the launch of “Professional baseball card game DREAM ORDER”. Bushiroad Group has continuously promoted global business development setting the TCG (trading card game) as our pillar under the “IP Developer” strategy. We held the Bushiroad EXPO 2024 in Taipei in February 2024 and in India in March 2024, and had many users and distributors attend the event.

As a result, operating results of the first three quarters under review were as follows: net sales of 32,858,767 thousand yen (down 6.5% year-on-year); operating profit of 70,895 thousand yen (down 96.5% year-on-year); ordinary profit of 653,333 thousand yen (down 75.7% year-on-year); and loss attributable to owners of parent of 25,488 thousand yen (The quarterly net profit attributable to parent company shareholders was 1,243,226 thousand yen, year-on-year.).

Operating results of individual business segments are as follows. Meanwhile, segmental net sales include sales to external customers.

The name of a reportable segment, “Sports & Healthcare Business,” has been changed to “Sports Business” from the beginning of the first quarter due to the withdrawal from the healthcare business. This change is only the change in the name of the segment and does not affect the segment information.

1. Entertainment Business

(1) TCG (Trading Card Game) Unit

Continued from the second quarter, Weiß Schwarz and Cardfight!! Vanguard remained steady, while Shadowverse EVOLVE remained soft. Cardfight!! Vanguard started a new series Cardfight!! Vanguard Divinez and a new manga series in Corocoro Comic.

In January 2024, the company entered into a capital and business alliance with YUHODO Inc. to further strengthen our TCG development system.

(2) Digital Contents Unit

Mobile games remained weak following the second quarter, as the loss was not reduced as of the third quarter although several game closings were conducted.

Console games launched two new titles, “Goblin Slayer -ANOTHER ADVENTURER- NIGHTMARE FEAST-” and “Macross -Shooting Insight-”, but it continues to be in the red due to prior development costs.

(3) BI (Bushiroad International) Unit

BI Unit belongs to both the TCG Unit and the Digital Contents Unit.

In TCG, the English version of “Cardfight!! Vanguard” launched a new series following the Japanese version. On the other hand, sales remained somewhat soft due to the impact of soft sales mainly in North America.

In digital contents, business was soft due to the same the harsh environment as in Japan.

As part of an effort to enhance overseas development, we held the Bushiroad EXPO 2024 in Taipei in February 2024 and in India in March 2024.

(4) Live Entertainment Unit

”Roselia” ”MyGO!!!!!” and ”Ave Mujica” held live music concerts in Japan, ‘RAISE A SUILEN’ held their first Asian tour in Taipei and Shanghai, and other BanG Dream! units held live concerts in various regions, and local fans were able to experience BanG Dream! live music performances in various regions. Since most of the events were held in rural areas, sales and profit levels were lower than in the previous quarter, when the company held live events concentrated in urban centers, but remained steady year-on-year.

(5) MD (Merchandizing) Unit

Sales of live goods and character goods related to the live music concert “Ave Mujica 1st LIVE ‘Perdere Omnia’” increased, and the MD unit remained steady, mainly due to “BanG Dream!” related sales.

Also, the company exhibited at Wonder Festival 2024 Winter and AnimeJapan 2024, displaying products planned for future release in the “PalVerse” deformed figure brand.

(6) Ad Unit

Bushiroad Move Inc. remained steady in the agency business (advertising, event management, etc.), production business (radio, audio, video, etc.), and voice actor business."

The company continues to contribute to the expansion of the entire group business through activities such as investing and participating in animation committees, and operating and producing our events.

As a result, the Entertainment Business recorded net sales of 27,988,656 thousand yen (down 6.7% year-on-year) and segment loss of 306,660 thousand yen (segment profit of 1,880,304 thousand yen year-on-year).

2. Sports Business

Under the new management of Hiroshi Tanahashi (New Japan Pro-Wrestling Co., Ltd.) and Taro Okada (Bushiroad Fight Co., Ltd.), who assumed the positions of president and representative director, New Japan Pro-Wrestling's "Belk Presents WRESTLE KINGDOM 18 in TOKYO DOME" and STARDOM's "Ittenyon Stardom Gate" held on January 4, 2024, drew a combined total of approximately 29,000 people and remained steady.

For Bushiroad Well-Be, the company released protein bars with Weiss Schwarz cards, "MyGO!!!!! Protein Bar" and "Ave Mujica Protein Bar," which were well received not only at card game shops but also at merchandise booths at live event venues. The company will plan to develop products in collaboration with leading IPs of our own and other companies in the future.

As a result, the Sports Business recorded net sales of 4,870,110 thousand yen (down 5.9% year-on-year) and segment profit of 377,555 thousand yen (up 140.7% year-on-year).

(2) Descriptions regarding financial position

(Assets)

Total assets at the end of the current third quarter under review amounted to 47,656,092 thousand yen, an increase of 1,320,247 thousand yen from the end of the previous fiscal year. This is mainly due to an increase in other current assets by 912,519 thousand yen, investment securities by 1,233,852 thousand yen, and long-term loans by 1,052,620 thousand yen, while cash and deposits decreased by 893,686 thousand yen and accounts receivable decreased by 1,362,421 thousand yen.

(Liabilities)

Total liabilities Total liabilities at the end of the current third quarter under review amounted to 25,646,714 thousand yen, an increase of 1,710,176 thousand yen from the end of the previous fiscal year. This is mainly due to an increase in advances received of 322,823 thousand yen, in current portion of long-term borrowings of 925,157 thousand yen, in current portion of bonds payable of 300,000 thousand yen, long-term borrowings of 256,542 thousand yen and bonds payable of 800,000 thousand yen while accounts payable - trade decreased by 343,148 thousand yen and income taxes payable by 809,657 thousand yen.

(Net assets)

Total net assets at the end of the current third quarter amounted to 22,009,378 thousand yen, a decrease of 389,929 thousand yen from the end of the previous fiscal year. This is mainly due to an increase in share capital and capital surplus of 7,800 thousand yen each from the exercise of share acquisition rights (stock options), while retained earnings decreased by 25,488 thousand yen from the recording of a quarterly net loss attributable to owners of the parent and by 320,654 thousand yen from the payment of dividends. Additionally, treasury shares increased by 568,728 thousand yen due to the purchase of treasury shares.

(3) Descriptions regarding future prospects such as consolidated performance forecasts

Consolidated cumulative third quarter, Digital Contents Unit, including mobile games, remained weak. Although profitability has declined due to intensifying competition and the company has closed several mobile games as a countermeasure, the decline in sales and the expenses associated with the closures have had a significant impact on performance.

Specifically, mainly due to the following factors, Net sales and Operating profit are expected to fall short of initial outlook by 6 billion yen and 1.3 billion yen, respectively.

(1) Overall weak performance of mobile games and the loss of sales due to the termination of 'Senki Zesshou Symphogear XD UNLIMITED,' 'Love Live! School Idol Festival 2 MIRACLE LIVE! and 'New Japan Pro-Wrestling STRONG SPIRITS'

(2) Temporary expenses due to changes in the structure of the mobile game business, such as service terminations and publisher transfers.

(3) "Shadowverse EVOLVE" remained soft year-on-year, leading to a deviation from the sales plan.

In console games, development investment costs will continue to be incurred, but the loss is expected to improve in stages as new products begin to accompany the launch. In the fourth quarter, both new and existing TCG are expected to do well, but are expected to fall short of the previous forecast. In light of the above, the company has decided to revise downward the full-year earnings forecast announced on August 14, 2023.

The current forecast for Ordinary profit includes foreign exchange gains and subsidy income for the third quarter of the current fiscal year, but does not include foreign exchange gains (losses) and subsidy income for the fourth quarter of the current fiscal year.

The dividend per share will be 4.50 yen, unchanged from the previous forecast.

TCG Unit launched its new TCG 'Professional baseball card game DREAM ORDER' with the release of its first product in April. As the professional baseball season opened and promotional efforts were implemented, awareness of this product has been gradually spreading, and sales have already met the planned targets shortly after launch. With several existing TCG products also slated for release, this is expected to contribute to the Entertainment Business' return to profitability.

In Digital Contents Unit, the deficit in mobile games is expected to narrow due to the completion of service termination of some games. In console games, development investment costs will continue to be incurred, but the loss is expected to improve in stages as new products begin to accompany the launch.

In Sports Unit, New Japan Pro-Wrestling will hold a number of shows in Japan and abroad, including "AEW x NJPW: Forbidden Door" in June. For the full year, sales in the sports business are expected to be at the same level as the previous year, and operating income is expected to be higher than the previous year.

With the factors mentioned above, the Group’s consolidated performance for FY2024 is forecast as follows: net sales of 45,000,000 thousand yen (down 7.8% year-on-year), operating profit of 7,000,000 thousand yen (down 79.3% year-on-year), ordinary profit of 1,300,000 thousand yen (down 71.1% year-on-year), and profit attributable to owners of parent of 600,000 thousand yen (down 70.7% year-on-year).

(Note) Performance forecasts are based on currently available information. Actual performance may differ from these forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	Previous fiscal year (June 30, 2023)	Current second quarter under review (March 31, 2024)
Assets		
Current assets		
Cash and deposits	26,108,251	25,214,565
Accounts receivable - trade	6,336,390	4,973,969
Merchandise and finished goods	1,270,411	1,423,028
Work in process	2,049,388	2,194,801
Supplies	64,895	52,707
Other	1,854,941	2,767,461
Allowance for doubtful accounts	-96,009	-62,048
Total current assets	37,588,270	36,564,483
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,116,044	1,077,308
Tools, furniture and fixtures, net	121,807	121,040
Vehicles, net	37,830	26,094
Land	1,027,220	1,027,220
Leased assets, net	23,561	29,454
Other, net	142,130	198,710
Total property, plant and equipment	2,468,594	2,479,829
Intangible assets		
Software	146,612	193,093
Software in progress	28,076	22,395
Goodwill	1,434	675
Other	127,354	117,402
Total intangible assets	303,477	333,566
Investments and other assets		
Investment securities	4,144,268	5,378,120
Long-term loans receivable	37,250	1,089,870
Deferred tax assets	1,260,107	1,239,013
Other	550,048	592,627
Allowance for doubtful accounts	-26,768	-28,166
Total investments and other assets	5,964,906	8,271,465
Total non-current assets	8,736,978	11,084,861
Deferred assets		
Share issuance costs	10,597	6,747
Total deferred assets	10,597	6,747
Total assets	46,335,845	47,656,092

(Thousand yen)

	Previous fiscal year (June 30, 2023)	Current second quarter under review (March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	5,575,977	5,232,828
Accounts payable - other	1,527,242	1,561,186
Income taxes payable	1,163,973	354,315
Advances received	866,699	1,189,523
Current portion of long-term borrowings	4,212,493	5,137,650
Current portion of bonds payable	400,000	700,000
Provision for bonuses	101,390	203,373
Other	912,724	1,079,479
Total current liabilities	14,760,500	15,458,357
Non-current liabilities		
Long-term borrowings	7,476,622	7,733,164
Bonds payable	1,400,000	2,200,000
Provision for retirement benefits for directors (and other officers)	89,064	62,978
Retirement benefit liabilities	114,833	131,118
Deferred tax liabilities	2,541	2,541
Other	92,975	58,553
Total non-current liabilities	9,176,036	10,188,357
Total liabilities	23,936,537	25,646,714
Net assets		
Shareholders' equity		
Share capital	5,760,533	5,768,333
Capital surplus	5,697,303	5,705,103
Retained earnings	9,342,523	8,996,380
Treasury shares	-23	-568,751
Total shareholders' equity	20,800,337	19,901,065
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-240,554	-109,052
Foreign currency translation adjustment	1,025,224	1,230,343
Total accumulated other comprehensive income	784,670	1,121,290
Share acquisition rights	155,903	254,786
Non-controlling interests	658,396	732,235
Total net assets	22,399,308	22,009,378
Total liabilities and net assets	46,335,845	47,656,092

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

(Quarterly Consolidated Statements of Income)

(For the first three quarters)

(Thousand yen)

	Previous first three quarters (Jul. 1, 2022 - Mar. 31, 2023)	Current first three quarters (Jul. 1, 2023 - Mar. 31, 2024)
Net sales	35,156,482	32,858,767
Cost of sales	23,425,297	22,147,071
Gross profit	11,731,184	10,711,695
Selling, general and administrative expenses	9,693,999	10,640,800
Operating profit	2,037,185	70,895
Non-operating income		
Interest and dividend income	150,479	260,467
Share of profit of entities accounted for using equity method	—	38,710
profit on currency exchange	—	165,413
Subsidy income	642,383	183,773
Other	9,971	12,974
Total non-operating income	802,833	661,338
Non-operating expenses		
Interest expenses on borrowings and bonds	62,963	57,725
Equity in losses of unconsolidated subsidiaries and affiliates	1,480	—
Foreign exchange losses	60,299	—
Bond issuance costs	18,306	9,192
Other	7,323	11,982
Total non-operating expenses	150,373	78,900
Ordinary profit	2,689,645	653,333
Extraordinary loss		
Loss on valuation of investment securities	—	49,999
Loss on valuation of stocks of subsidiaries and affiliates	82,031	—
Impairment loss	※ 320,071	—
Total extraordinary loss	402,103	49,999
Profit before income taxes	2,287,542	603,333
Income taxes	1,028,392	555,403
Profit	1,259,149	47,929
Profit (loss) attributable to non-controlling interests	15,923	73,418
Quarterly profit attributable to owners of parent	1,243,226	-25,488

(Quarterly Consolidated Statements of Comprehensive Income)

(For the first three quarters)

(Thousand yen)

	Previous first three quarters (Jul. 1, 2022 - Mar. 31, 2023)	Current first three quarters (Jul. 1, 2023 – Mar. 31, 2024)
Profit	1,259,149	47,929
Other comprehensive income		
Valuation difference on available-for-sale securities	-116,427	131,501
Foreign currency translation adjustment	-108,633	230,111
Share of other comprehensive income of entities accounted for using equity method	2,527	-24,573
Total other comprehensive income	-222,533	337,039
Comprehensive income	1,036,616	384,969
(detail)		
Comprehensive income attributable to owners of parent	1,020,608	311,131
Comprehensive income attributable to non-controlling interests	16,007	73,838

-

(3) Notes on Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Notes in Case of Significant Changes in the Amount of Shareholders' Equity)

Based on the resolution by the board of directors held on September 26, 2023, the Company acquired 1,296,400 shares of its treasury shares. As a result, including the acquisition of fractional shares, treasury shares increased by 568,728 thousand yen during the current first three quarters under review, and the treasury shares are 568,751 thousand yen at the end of current three quarter under review.

The repurchase of treasury stock based on this resolution was completed as of February 29, 2024.

(Application of Special Accounting Methods to the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying the profit before income taxes by a reasonably evaluated effective tax rate on the profit before income taxes for the fiscal year including the current third quarter under review.

(Change in Accounting Principles)

Not applicable

(Notes to Quarterly Consolidated Statements of Income)

Loss on impairment of long-lived assets

For the nine months ended March 31, 2023 (July 1, 2022 - March 31, 2023)

The Company recognized impairment losses on the following asset groups.

Assets for which impairment losses were recognized

use	Location	type	Impairment loss (thousand yen)
Fitness club management	Kantou	Buildings and structures	39,249
		Tools, furniture and fixtures	5,578
		vehicles and transportation equipment	0
		software	826
Fitness club management	Hokkaido	Buildings and structures	162,466
		Tools, furniture and fixtures	3,263
		vehicles and transportation equipment	0
		lot	108,000
		Other	687
total amount			320,071

The Group categorizes its assets based on management accounting segments, which involve primarily ongoing monitoring of income and expenses.

Bushiroad Group's fundamental strategy is to operate as an IP developer focusing on anime, games, music, events, and MD businesses based on its intellectual property. In February 2020, as part of its ongoing effort to expand its service offerings, the Group acquired Bushiroad Wellbee Inc. (formerly known as Sopratico Inc. as of February 2020; renamed on April 1, 2022), which operated a fitness club business primarily in Hokkaido. However, following the onset of the COVID-19 pandemic shortly after the acquisition, membership in the fitness clubs declined significantly, exacerbated by rising energy costs, resulting in decreased profitability in this business segment. Additionally, the Group ventured into the healthcare sector with the January 2023 launch of 'New Japan Pro-Protein,' a joint development with another Group subsidiary, New Japan Pro-Wrestling Co. Despite these efforts, the overall performance of the fitness club business deviated substantially from our initial projections at the time of acquisition. In response to these challenges and as part of our ongoing business portfolio optimization strategy, the Group decided to divest from this business by transferring it to a newly established company through a spin-off, subsequently transferring all shares of the new company to Takashi Oba, the current President of Bushiroad Wellbee Inc.

As a result, it was recognized that the business conducted by Bushiroad Wellbee Inc. showed signs of impairment.

Recoverable amounts are assessed based on the net realizable value of the assets. For real estate assets such as land and buildings, given their location and the specialized structures for fitness gyms, the feasibility of selling them in their current state is low. Additionally, the estimated cost of clearing the land exceeds the market value of the land; hence, the recoverable amount is evaluated as zero.

For the nine months ended March 31, 2024 (July 1, 2023 - March 31, 2024)

Not applicable

(Segment Information, etc.)

[Segment Information]

I Previous first three quarters (Jul. 1, 2022 - Mar. 31, 2023)

1. Information on net sales and profit/loss of each reportable segment

(Thousand yen)

	Reportable segments			Adjustment	Amount allocated to the quarterly consolidated statements of income (Note)
	Entertainment business	Sports business	Total		
Net sales					
Sales to external customers	29,983,493	5,172,988	35,156,482	—	35,156,482
Inter-segment sales or transfer	26,902	162,599	189,502	-189,502	—
Total	30,010,396	5,335,587	35,345,984	-189,502	35,156,482
Segment profit (loss) (-)	1,880,304	156,880	2,037,185	—	2,037,185

(Note) Segment profit (loss) (-) has been aligned with the operating profit presented on the Quarterly Consolidated Statements of Income

2. Information on Impairment Loss on Fixed Assets and Goodwill by Reportable Segment

(Significant impairment losses on fixed assets)

Impairment loss of 320,071 thousand yen has been recorded in the sports business.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II Current first three quarters (Jul. 1, 2023 - Mar. 31, 2024)

1. Information on net sales and profit/loss of each reportable segment

(Thousand yen)

	Reportable segments			Adjustment	Amount allocated to the quarterly consolidated statements of income (Note)
	Entertainment business	Sports business	Total		
Net sales					
Sales to external customers	27,988,656	4,870,110	32,858,767	—	32,858,767
Inter-segment sales or transfer	19,152	138,478	157,631	-157,631	—
Total	28,007,808	5,008,589	33,016,398	-157,631	32,858,767
Segment profit	-306,660	377,555	70,895	—	70,895

(Note) Segment profit has been aligned with the operating profit presented on the Quarterly Consolidated Statements of Income.

2. Matters relating to changes in reportable segments, etc.

The name of a reportable segment, “Sports & Healthcare Business,” has been changed to “Sports Business” from the beginning of the first quarter due to the withdrawal from the healthcare business. This change is only the change in the name of the segment and does not affect the segment information.

Segment information for the previous first three quarters is also provided using the name after the change.

3. Information on Impairment Loss on Fixed Assets and Goodwill by Reportable Segment

(Significant impairment losses on fixed assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Per Share Data)

Profit per share and diluted profit per share, and calculation basis thereof are as follows.

	Previous first three quarters (Jul. 1, 2022 - Mar. 31, 2023)	Current first three quarters (Jul. 1, 2023 - Mar. 31, 2024)
Profit per share (yen)	17.66	-0.36
(calculation basis)		
Profit attributable to owners of parent (thousand yen)	1,243,226	-25,488
Amount not attributable to common shareholders (thousand yen)	―	―
Profit attributable to owners of parent for common shares	1,243,226	-25,488
Average number of common shares outstanding during the period (shares)	70,395,007	70,714,510
Diluted profit per share (yen)	17.2	―
(calculation basis)		
Adjusted profit attributable to owners of parent	―	―
Increased number of common shares (shares)	1,907,447	―
(of which, number of shares with subscription rights)	(1,907,447)	(―)
Summary of residual securities with any significant change since the end of the previous fiscal year, among those not included in calculating diluted quarterly profit per share, because of having no dilution effect	―	―

(Note) 1.The Company carried out share splitting to split one share into two shares on October 1, 2022. Profit per share and diluted profit per share were calculated assuming that such share splitting had been carried out at the beginning of the previous fiscal year.

2. For the first three quarters, the net loss per share - fully diluted is not reported, as there are residual shares but the per share result is a net loss.

(Significant subsequent events)

(Business combination through acquisition)

At a Board of Directors meeting held on February 27, 2024, the Company resolved to acquire shares of Gorin Technical Industry (Malaysia) Sdn Bhd ("GTIM") through its consolidated subsidiary, Bushiroad International Pte. Ltd. ("BI"), and make it a subsidiary.

Subsequently, on April 3, 2024, the Company acquired shares of GTIM and made GTIM and its subsidiary, World Card Products (Singapore) Pte. Ltd. ('WCP'), consolidated subsidiaries.

(1)Outline of business combination

①Name of the acquired company and its business

(i) Name of acquired company Gorin Technical Industry (Malaysia) Sdn Bhd
Description of Business Printing and Manufacturing

(ii) Name of the acquiree World Card Products（Singapore）Pte.Ltd.
Description of Business management and sales

②Main reasons for the business combination

Bushiroad Group's fundamental strategy is to operate as an IP developer focusing on anime, games, music, events, and MD businesses based on its intellectual property.In the current global market, our ancestral business of trading card games (TCGs) has been showing increasing popularity, with the market scale expanding annually both domestically and internationally. In this context, we have acquired shares of GTIM, which has been manufacturing English versions of our TCGs such as "Weiß Schwarz" and "Cardfight!! Vanguard" for many years, and made it a consolidated subsidiary of our Company. Additionally, WCP, a subsidiary of GTIM responsible for production management and sales to BI, has also been consolidated as a subsidiary.

This is expected to strengthen the stable manufacturing framework for TCGs and serve as a crucial hub in expanding our TCG presence.

③ Date of business combination

April 3, 2024

④Legal form of business combination

Acquisition of shares for cash

⑤Name of company after combination

No change.

⑥Acquired voting rights percentage

75%

⑦Main basis for determining the acquiring company

The Company's consolidated subsidiary BI acquired the shares for cash consideration.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for common stock (cash and market value of stock held immediately prior to business combination) 933,877 thousand yen

acquisition cost 933,877 thousand yen

The final adjustment based on the share transfer agreement has not been completed and the acquisition cost has not been determined at this time.

(3) Details and amounts of major acquisition-related costs

Advisory fees related to the acquisition of shares, etc. 46,461 thousand yen

(4) Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

Not yet determined as the allocation of acquisition cost has not been completed at this time.

(5) Amount of assets and liabilities to be accepted on the date of business combination and their major breakdown

Not confirmed at this time.