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Consolidated Financial Results for the Six Months Ended November 30, 2024 [Japanese GAAP]

January 10, 2025

Company name: GameWith, Inc.
Listing: Tokyo
Securities code: 6552
URL: https://gamewith.co.jp
Representative: Takuya Imaizumi President
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Scheduled date to file semi-annual securities report: January 10, 2025
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended November 30, 2024 (June 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
November 30, 2024	1,670	(9.9)	(174)	-	(174)	-	(186)	-
November 30, 2023	1,854	8.3	120	16.6	101	10.0	23	(48.4)

(Note) Comprehensive income: Six months ended November 30, 2024: ¥ (189) million [-%]
Six months ended November 30, 2023: ¥ 28 million [(41.1) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
November 30, 2024	(10.70)	-
November 30, 2023	1.34	1.33

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
November 30, 2024	3,504	2,730	77.9
May 31, 2024	3,884	2,920	75.2

(Reference) Equity: As of November 30, 2024: ¥ 2,730 million
As of May 31, 2024: ¥ 2,920 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending May 31, 2025	-	0.00			
Fiscal year ending May 31, 2025 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2025(June 1, 2024 to May 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,500 ～4,000	0.1 ～14.4	(200) ～200	- ～198.0	(220) ～180	- ～292.3	(250) ～150	-	(14.32) ～8.59

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)

Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2024: 18,348,200 shares

May 31, 2024: 18,348,200 shares

2) Number of treasury shares at the end of the period:

November 30, 2024: 885,055 shares

May 31, 2024: 885,035 shares

3) Average number of shares outstanding during the period:

Six months ended November 30, 2024: 17,463,160 shares

Six months ended November 30, 2023: 17,822,465 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Semi-annual Consolidated Financial Statements

Semi-annual Consolidated Balance Sheets

(Thousands of yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	2,828,978	2,314,709
Trade receivables and contract asset	441,496	553,124
Prepaid expenses	63,963	72,216
Consumption taxes refund receivable	17,603	35,241
Other	11,519	10,768
Total current assets	3,363,561	2,986,060
Non-current assets		
Property, plant and equipment	52,008	48,354
Intangible assets		
Goodwill	14,541	1,236
Other	3,529	16,699
Total intangible assets	18,071	17,935
Investments and other assets	450,484	452,470
Total non-current assets	520,563	518,760
Total assets	3,884,125	3,504,821
Liabilities		
Current liabilities		
Accounts payable - trade	127,189	193,218
Current portion of long-term borrowings	260,004	174,983
Accounts payable - other	84,544	76,149
Accrued expenses	120,651	135,146
Income taxes payable	21,841	11,188
Provision for bonuses	80,400	82,809
Provision for contract loss	56,250	-
Provision for point card certificates	-	67
Other	141,466	72,675
Total current liabilities	892,349	746,239
Non-current liabilities		
Long-term borrowings	43,314	-
Asset retirement obligations	27,672	27,669
Total non-current liabilities	70,986	27,669
Total liabilities	963,335	773,909
Net assets		
Shareholders' equity		
Share capital	553,809	553,809
Capital surplus	552,808	552,808
Retained earnings	2,199,108	2,012,290
Treasury shares	(400,058)	(400,062)
Total shareholders' equity	2,905,668	2,718,845
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,344	11,175
Foreign currency translation adjustment	776	891
Total accumulated other comprehensive income	15,121	12,066
Total net assets	2,920,789	2,730,912
Total liabilities and net assets	3,884,125	3,504,821

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Thousands of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Net sales	1,854,614	1,670,531
Cost of sales	1,032,884	1,131,060
Gross profit	821,730	539,471
Selling, general and administrative expenses	701,635	714,388
Operating profit (loss)	120,094	(174,917)
Non-operating income		
Interest income	28	247
Share of profit of entities accounted for using equity method	-	700
Gain on sale of non-current assets	798	-
Gain on investments in investment partnerships	-	1,882
Foreign exchange gains	1,883	-
Other	108	117
Total non-operating income	2,819	2,948
Non-operating expenses		
Interest expenses	1,016	591
Loss on investments in investment partnerships	4,899	-
Foreign exchange losses	-	1,601
Share of loss of entities accounted for using equity method	6,545	-
Penalty	9,100	-
Other	6	94
Total non-operating expenses	21,568	2,287
Ordinary profit (loss)	101,345	(174,257)
Profit (loss) before income taxes	101,345	(174,257)
Income taxes - current	62,491	5,114
Income taxes - deferred	14,995	7,446
Total income taxes	77,487	12,561
Profit (loss)	23,858	(186,818)
Profit (loss) attributable to owners of parent	23,858	(186,818)

(Thousands of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Profit (loss)	23,858	(186,818)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,624	(3,169)
Foreign currency translation adjustment	3,339	114
Total other comprehensive income	4,963	(3,054)
Comprehensive income	28,822	(189,873)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,822	(189,873)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended November 30, 2023	For the six months ended November 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	101,345	(174,257)
Depreciation	10,939	12,194
Amortization of goodwill	69,270	13,305
Decrease (increase) in trade receivables	(110,885)	(111,627)
Decrease (increase) in consumption taxes refund receivable	(5,423)	(17,638)
Increase (decrease) in accounts payable - other	(7,450)	(9,619)
Other, net	66,851	3,318
Subtotal	124,648	(284,324)
Interest received	28	247
Interest paid	(1,213)	(556)
Income taxes paid	(83,053)	(21,234)
Income taxes refund	2,968	9,689
Net cash provided by (used in) operating activities	43,378	(296,177)
Cash flows from investing activities		
Purchase of investment securities	(16,697)	(13,424)
Purchase of shares of subsidiaries	(56,250)	(56,250)
Other, net	1,543	(19,423)
Net cash provided by (used in) investing activities	(71,403)	(89,098)
Cash flows from financing activities		
Repayments of long-term borrowings	(164,702)	(128,335)
Purchase of treasury shares	-	(4)
Net cash provided by (used in) financing activities	(164,702)	(128,339)
Effect of exchange rate change on cash and cash equivalents	3,936	(653)
Net increase (decrease) in cash and cash equivalents	(188,790)	(514,269)
Cash and cash equivalents at beginning of period	3,191,999	2,828,978
Cash and cash equivalents at end of period	3,003,208	2,314,709