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## Consolidated Financial Results for the Three Months Ended December 31, 2024 (under Japanese GAAP)

February 5, 2025

Name of the Listed Company: COLOPL, Inc.

Listed Stock Exchanges: Tokyo Stock Exchange

Security code: 3668

URL: <https://colopl.co.jp/en/>

Representative: Takashi Miyamoto, President and CEO

Contact: Yoshiaki Harai, Director and CFO

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

### 1. Consolidated financial results for the three months ended December 31, 2024 (from October 1, 2024 to December 31, 2024)

(1) Consolidated operating results (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	%
Three months ended								
December 31, 2024	5,314	(5.6)	(730)	—	56	—	44	—
December 31, 2023	5,629	(20.8)	(324)	—	(371)	—	(454)	—

Note: Comprehensive income Three months ended December 31, 2024: 276 million yen (—%)

Three months ended December 31, 2023: (838) million yen (—%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended		
December 31, 2024	0.35	—
December 31, 2023	(3.55)	—

(Note) Diluted earnings per share are not shown in the above table, as there were no residual shares.

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	million yen	million yen	%
December 31, 2024	76,312	69,096	90.5
September 30, 2024	79,805	71,387	89.4

Reference: Shareholder's equity As of December 31, 2024: 69,089 million yen

As of September 30, 2024: 71,380 million yen

### 2. Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended September 30, 2024	—	0.00	—	20.00	20.00
Fiscal year ending September 30, 2025	—				
Fiscal year ending September 30, 2025 (forecast)		—	—	—	—

(Note) Revisions to the forecast of cash dividends most recently announced: None

Dividends for the fiscal year ending September 30, 2025 are not yet decided.

### 3. Consolidated Financial Forecast for the Fiscal Year Ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

Due to the fact that the business environment surrounding our group is subject to rapid changes in the short term, it is difficult to calculate appropriate and reasonable figures for the outlook of our group's business performance, and therefore we do not disclose our business forecast.

Notes.

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)" on page 7 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

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

(ii) Changes in accounting policies due to other than (i): None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Major Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on change in accounting policy)" on page 7 of the attached materials.

(4) Number of issued shares (common shares)

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

As of December 31, 2024	130,144,640 shares	As of September 30, 2024	130,144,640 shares
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(ii) Number of treasury shares at the end of the period

As of December 31, 2024	1,778,834 shares	As of September 30, 2024	1,778,834 shares
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(iii) Average number of shares during the period

Three months ended December 31, 2024	128,365,806 shares	Three months ended December 31, 2023	128,276,321 shares
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Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

Proper use of earnings forecasts, and other special matters

Descriptions and statements concerning estimates and forecasts in this material are judgments and assumptions based on information currently available to the Company. Due to the uncertainties inherent in these judgments and assumptions, as well as changes in business management and internal or external conditions, actual results may differ substantially from predictions, and the Company does not guarantee the certainty of any details regarding these future predictions.

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## 1. Consolidated Results for the Three Months Period Ended December 31, 2024

### (1) Analysis of consolidated business results

With the Group's mission, "Entertainment in Real Life: Making everyday more enjoyable and wonderful through entertainment", the Group has been working to enrich people's everyday lives through entertainment. In the three months period ended December 31, 2024, the Entertainment business has been keeping in mind the need to enhance engagement with users in conjunction with existing titles, while also focusing on developing new titles. The investment and development business has been investing mainly in IT-related and entertainment companies in Japan and overseas.

As a result, consolidated results for the three months period ended December 31, 2024 were Net sales of 5,314 million yen (down 5.6% from the same period of the previous fiscal year), Operating loss of 730 million yen (Operating loss of 324 million yen in the same period of the previous fiscal year), and due to the recording of Foreign exchange gains, Ordinary profit of 56 million yen (Ordinary loss of 371 million yen in the same period of the previous fiscal year), and Profit attributable to owners of the parent of 44 million yen (Loss attributable to owners of the parent 454 million yen in the same period of the previous fiscal year).

Operating results by segment are as follows.

#### a. Entertainment Business

The Entertainment Business is responsible primarily for the development and operation of games for smartphones. In games for smartphones, "DRAGON QUEST WALK" (planning and production: SQUARE ENIX CO., LTD., Development: COLOPL, Inc.) continued to contribute to the Group's consolidated financial results. In original IP titles, the Group has been operating services to increase user engagement, such as various events for "Shironeko Project". Although there was a contribution to sales from "FESBA+ (The name was changed from FESTIBATTLE in January 2025)" and the blockchain game "Brilliantcrypto", which were launched in the previous consolidated fiscal year, sales declined due to a decrease in sales from the prolonged distribution period of some existing titles.

As a result, consolidated Net sales and Operating loss for the three months period ended December 31, 2024 stood at 5,239 million yen (down 6.4% from the same period of the previous fiscal year) and 643 million yen (Operating loss of 254 million yen in the same period of the previous fiscal year).

#### b. Investment and Development Business

The Group conducts the Investment and Development Business with a focus on investments in IT-related and entertainment companies in particular.

The Group's funds generated income from the sale of operational investment securities for the three months period ended December 31, 2024. In addition, impairment losses were recorded on a portion of operational investment securities held. As a result, consolidated Net sales and Operating loss for the three months period ended December 31, 2024 stood at 75 million yen (up 134.3% from the same period of the previous fiscal year), and 87 million yen (Operating loss of 70 million yen in the same period of the previous fiscal year).

### (2) Analysis of consolidated financial position

#### (Assets)

Current assets as of December 31, 2024 were 65,748 million yen (down 1,518 million yen from September 30, 2024). This was mainly due to a decrease in Cash and deposits and Accounts receivable - trade, and contract assets.

Non-current assets were 10,563 million yen (down 1,974 million yen from September 30, 2024). This was mainly due to a decrease in Investments and other assets.

As a result, Total assets were 76,312 million yen (down 3,493 million yen from September 30, 2024).

#### (Liabilities)

Current liabilities as of December 31, 2024 were 5,402 million yen (down 1,165 million yen from September 30, 2024). This was due to a decrease in Accounts payable - other.

In addition, Non-current liabilities were 1,812 million yen (down 36 million yen from September 30, 2024). This was due to a decrease in Long-term borrowings.

As a result, Total liabilities were 7,215 million yen (down 1,202 million yen from September 30, 2024).

(Net assets)

Net assets as of December 31, 2024 were 69,096 million yen (down 2,291 million yen from September 30, 2024). This was mainly due to a decrease in Retained earnings resulting from the payment of dividends.

(3) Qualitative information on consolidated business forecasts

Given significant short-term changes in the business environment surrounding the Group, the Company has difficulties in calculating the Group's earnings forecasts properly and reasonably, and therefore refrains from disclosing financial forecasts.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(million yen)

	As of September 30, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	50,250	48,601
Accounts receivable - trade, and contract assets	4,206	2,863
Operational investment securities	10,166	10,997
Inventories	540	523
Other	2,119	2,779
Allowance for doubtful accounts	(17)	(16)
<b>Total current assets</b>	<b>67,267</b>	<b>65,748</b>
Non-current assets		
Property, plant and equipment	1,641	1,591
Intangible assets	15	29
Investments and other assets		
Other	10,892	8,953
Allowance for doubtful accounts	(11)	(11)
<b>Total investments and other assets</b>	<b>10,880</b>	<b>8,942</b>
<b>Total non-current assets</b>	<b>12,537</b>	<b>10,563</b>
<b>Total assets</b>	<b>79,805</b>	<b>76,312</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	2,734	1,505
Income taxes payable	245	136
Other	3,588	3,760
<b>Total current liabilities</b>	<b>6,567</b>	<b>5,402</b>
Non-current liabilities		
Long-term borrowings	999	833
Asset retirement obligations	759	751
Other	90	228
<b>Total non-current liabilities</b>	<b>1,849</b>	<b>1,812</b>
<b>Total liabilities</b>	<b>8,417</b>	<b>7,215</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,635	6,635
Capital surplus	6,373	6,373
Retained earnings	61,764	59,242
Treasury shares	(4,645)	(4,645)
<b>Total shareholders' equity</b>	<b>70,128</b>	<b>67,606</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	814	1,162
Foreign currency translation adjustment	437	320
<b>Total accumulated other comprehensive income</b>	<b>1,251</b>	<b>1,483</b>
Non-controlling interests	7	7
<b>Total net assets</b>	<b>71,387</b>	<b>69,096</b>
<b>Total liabilities and net assets</b>	<b>79,805</b>	<b>76,312</b>

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(First Quarter Consolidated Cumulative Period)

(million yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Net sales	5,629	5,314
Cost of sales	4,374	4,281
Gross profit	1,254	1,033
Selling, general and administrative expenses	1,578	1,763
Operating loss	(324)	(730)
Non-operating income		
Interest income	80	97
Foreign exchange gains	—	676
Gain on sale of investment securities	213	7
Gain on investments in derivatives	17	—
Miscellaneous income	27	14
Total non-operating income	339	796
Non-operating expenses		
Interest expenses	—	2
Foreign exchange losses	352	—
Loss on sale of investment securities	18	4
Miscellaneous losses	14	2
Total non-operating expenses	385	9
Ordinary profit (loss)	(371)	56
Profit (loss) before income taxes	(371)	56
Income taxes	83	12
Profit (loss)	(454)	44
Profit (loss) attributable to non-controlling interests	0	(0)
Profit (loss) attributable to owners of parent	(454)	44

(Quarterly Consolidated Statements of Comprehensive Income)  
(First Quarter Consolidated Cumulative Period)

(million yen)

	Three months ended December 31, 2023	Three months ended December 31, 2024
Profit (loss)	(454)	44
Other comprehensive income		
Valuation difference on available-for-sale securities	(399)	348
Foreign currency translation adjustment	15	(117)
Total other comprehensive income	(383)	231
Comprehensive income	(838)	276
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(837)	276
Comprehensive income attributable to non-controlling interests	(0)	0



(3) Notes to Quarterly Consolidated Financial Statements

(Notes on change in accounting policy)

(Application of “Accounting Standard for Current Income Taxes” , etc.)

“Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022” ), etc. have been adopted from the beginning of the first quarter of the consolidated fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022” ). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for the tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the consolidated fiscal year under review. This change in accounting policies was applied retrospectively. Hence, the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been modified retrospectively. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year, including the first quarter under review, and multiplying quarterly income before income taxes by the estimated effective tax rate.

(Notes on segment information)

[Segment information]

I For the three months ended December 31, 2023 (October 1, 2023 to December 31, 2023)

1. Information on net sales and income or loss by reportable segment

(million yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Entertainment Business	Investment and Development Business	Total		
Net sales					
Sales to external customers	5,596	32	5,629	—	5,629
Intersegment sales and transfers	—	—	—	—	—
Total	5,596	32	5,629	—	5,629
Segment profit (loss)	(254)	(70)	(325)	0	(324)

(Note) 1. An adjustment in the segment profit (loss) area represents the deduction of intersegment transactions.

2. Segment profit (loss) has been adjusted to be consistent with the Operating loss reported in the consolidated statements of income.

II For the three months ended December 31, 2024 (October 1, 2024 to December 31, 2024)

1. Information on net sales and income or loss by reportable segment

(million yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
	Entertainment Business	Investment and Development Business	Total		
Net sales					
Sales to external customers	5,239	75	5,314	—	5,314
Intersegment sales and transfers	—	—	—	—	—
Total	5,239	75	5,314	—	5,314
Segment profit (loss)	(643)	(87)	(731)	0	(730)

(Note) 1. An adjustment in the segment profit (loss) area represents the deduction of intersegment transactions.

2. Segment profit (loss) has been adjusted to be consistent with the Operating loss reported in the consolidated statements of income.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(Note on going concern assumption)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

The Group has not prepared a quarterly consolidated cash flow statement for the first quarter consolidated cumulative period. Depreciation expenses for the first quarter consolidated cumulative period (including Depreciation expenses for Intangible fixed assets excluding Goodwill) are as follows.

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	Three months ended December 31, 2023	Three months ended December 31, 2024
Depreciation	65 million yen	70 million yen

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