

TSUBURAYA FIELDS HOLDINGS

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Summary

(Translation)
August 9, 2023

TSUBURAYA FIELDS HOLDINGS INC. Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: TSUBURAYA FIELDS HOLDINGS INC.
(URL: <https://www.tsuburaya-fields.co.jp/e/>)
Listing: Tokyo Stock Exchange, Prime Market
Securities code: 2767
URL: <https://www.tsuburaya-fields.co.jp/e/>
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Scheduled date to file quarterly securities report: August 10, 2023
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: No

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	30,335	268.0	2,025	986.0	2,185	650.4	1,384	—
June 30, 2022	8,243	(64.1)	186	(50.7)	291	(47.9)	(209)	—

(Note) Comprehensive income For the three months ended June 30, 2023: ¥ 2,807 million [924.0%]
For the three months ended June 30, 2022: ¥ 274 million [(47.0)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	21.17	21.11
June 30, 2022	(3.23)	—

(Note) The Company conducted a 2-for-1 stock split of common shares on March 22, 2023. The basic earnings per share, and the diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	83,304	42,693	47.7
March 31, 2023	80,893	41,817	48.4

(Reference) Equity As of June 30, 2023: ¥ 39,711 million
As of March 31, 2023: ¥ 39,120 million

2. Cash dividends

	Annual dividends				
	Q1-end	Q2-end	Q3-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	30.00	30.00
Fiscal year ending March 31, 2024	-	-	-	-	-
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	30.00	30.00

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

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate YoY 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	123,000	5.0	12,000	9.6	12,200	8.7	8,500	3.4	129.97

(Note) Revision of the most recently released performance forecasts: None

The average number of shares outstanding during the period, which is the basis for calculating "basic earnings per share," is the number of issued shares as of March 31, 2023 (excluding treasury shares).

***Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons other than (3) (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2023	69,400,000 shares
As of March 31, 2023	69,400,000 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	3,977,803 shares
As of March 31, 2023	4,001,382 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	65,414,424 shares
Three months ended June 30, 2022	64,663,400 shares

(Note) The Company conducted a 2-for-1 stock split of common shares on March 22, 2023. The number of issued shares at the end of the period (including treasury shares), the number of treasury shares at the end of the period, and the average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

- * Quarterly financial results reports are exempt from quarterly review by certified public accountants or an audit corporation.
- * Proper use of earnings forecasts, and other special matters
The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results, etc. may differ materially from the forecasts due to various factors.
Please refer to 1. *Qualitative information on the quarterly financial results (1) Financial results* on page two and (2) *Earnings forecasts* on page four.

(How to obtain supplementary materials on financial results)

We will not be holding briefings for institutional investors and analysts in the Q1 of the current fiscal year, but we plan to post materials distributed at regular briefings on our website as soon as possible after the announcement of financial results.

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1. Qualitative information on the quarterly financial results

(1) Financial results

On May 8, 2023, novel coronavirus (COVID-19) infectious disease was transferred from the second to the fifth class under the Infectious Diseases Control Law, and the action restriction was removed. People forced to live restricted lives are now enjoying their first free summer for the first time in four years, cities are back to life, and people enjoying leisure time, such as domestic travel, dining with close friends, and live events show that COVID-19 is becoming a thing of the past. Even though the number of tourists visiting Japan from China has not returned since the expiration of the immigration restrictions, the number of tourists visiting Japan has recovered to around 70% of the previous level, and inbound consumption has recovered to almost the same level due to the yen's depreciation. This has supported the economy.

It is precisely because we have gone through the COVID-19 pandemic that we expect demand for higher-quality, more attractive leisure time to increase further.

Under these circumstances, in order to realize our management philosophy of "The Greatest Leisure for All People," our group has announced our medium-term management plan to establish the global content business in May.

In the content and digital business segment, in order to establish the Tsuburaya brand globally and dynamically promote the development of various contents including *Ultraman*, we will aim to realize our medium-term management plan. To this end, we will increase awareness through visual products, expand touchpoint at theme parks, and develop merchandise lineups tailored to each country's culture.

Domestically, we conducted a major promotional campaign for the new *Ultraman* series in June for the summer holiday shopping season and launched sales of related merchandise in conjunction with the launch of broadcasting in July.

In preparation for the year-end holiday shopping season, we will hold "TSUBURAYA CONVENTION" in November and plan to hold various presentations in China and ASEAN regions from this fiscal year.

In July 2022, Ultraman area opened in Shanghai Haichang Ocean Park against the backdrop of the strong popularity of *Ultraman* in China. Other theme parks are interested in its ability to attract customers, and the areas opened in May in Dalian Discovery Land and in Chengdu Happy Valley in June in the Q1 of this fiscal year. Both areas continue to be more active than expected.

In pachinko/pachislot (hereinafter, "PS") machine sector, *P NEON GENESIS EVANGELION -Roar for tomorrow-*, a pachinko machine sold by our group two years ago, was a major hit. It seemed that there would have been hit machines one after another to contribute to pachinko halls' performance, however, further hit machines have yet to emerge since then. With regard to pachislot machine, the *Pachislot INUYASHA* that our group sold last year became the first hit in the regulation 6.5 machine, and smart pachislot machines launched in November thereafter received a certain evaluation in the market. *Smart Pachislot Hokuto No Ken*, which was announced in April this year, has become a major hit, and is driving the market.

On the other hand, six titles have already been announced for smart pachinko. Each company is exploring machines that meet the preferences of fans, partly because of a five-month delay in introducing them into the marketplace compared to smart pachislot. As the only nationwide distributor, we will work together with our partners to develop PS machine that meet the needs of our customers and contribute to the development of the industry as a healthy leisure player.

As a result of the above, consolidated results for the Q1 of this fiscal year were net sales ¥30,335 million (up 268.0% YoY), operating profit ¥2,025 million (up 986.0% YoY), ordinary profit ¥2,185 million (up 650.4% YoY), and profit (loss) attributable to owners of parent ¥1,384 million (up ¥1,593 million YoY).

An overview of each segment is as follows.

Content and digital business segment

(Domestic)

In Q1 of this fiscal year, sales of *ULTRASEVEN*-related merchandise began steadily, marking the 55th anniversary of this year. In addition, sales of merchandise for the movie *GRIDMAN UNIVERSE*, which was released in March, and other MD and license revenues were steady.

Imaging business revenues declined slightly due to the absence of the contribution to revenues from *SHIN ULTRAMAN*, which was released last year.

(China)

In China, by increasing touchpoints to *Ultraman* through theme parks, sales of toys as well as other merchandise were strong, and MD and license revenues from China increased YoY.

As a consequence, the content and digital business segment recorded results for the Q1 of the fiscal year under review of net sales of ¥3,131 million, up 7.6% YoY, and operating profit of ¥785 million, down 24.4%.

[Table 1: Trends in business revenues of Tsuburaya Productions Co., Ltd. (hereinafter, "TPC")] (Unit: Millions of yen)

	Apr.-Jun. 2022 (Previous Q1)	Apr.-Jun. 2023 (Current Q1)	Change
Domestic MD and license revenue	495	541	+9.4 %
Overseas MD and license revenue	853	952	+11.5 %
China	741	857	+15.7 %
Total MD and license revenue	1,349	1,494	+10.7 %
Imaging business revenue	525	430	(18.1) %

MD: merchandise

PS business segment

In the Q1 of the fiscal year under review, the Company sold 20,000 units of Bisty's pachinko machine *P CODE GEASS Lelouch of the Rebellion -Rebellion to Re; surrection-*, and 14,000 units of Excite's smart slot machine *L BERSERK Musou*, and also sold *NEON GENESIS EVANGELION -Roar for tomorrow-*, which has established a position as a core title that is now indispensable for hall operations as a reseller in addition to the generic machines of the popular series.

As a result, the number of units sold in the Q1 of the fiscal year under review was total 60,000 (up 430.8% YoY).

Consequently, PS business segment posted net sales of ¥26,974 million, up 455.3% YoY, and an operating profit of ¥1,882 million, up ¥2,743 million YoY, in the Q1 of the fiscal year under review.

[Table 2: PS machine unit sales in PS business segment]

	Apr.-Jun. 2022 (Previous Q1)	Apr.-Jun. 2023 (Current Q1)	Change
Pachinko	2,746 units	42,909 units	+40,163 units
Pachislot	8,632 units	17,488 units	+8,856 units
Total	11,378 units	60,397 units	+49,019 units

Other business segment

In other business segment, results for the Q1 of the fiscal year under review were net sales ¥403 million and operating profit ¥9 million.

(2) Earnings forecasts

Content and digital business segment

1. Domestic

The new TV program *ULTRAMAN BLAZAR*, which began on July 8, was featured in a number of media outlets as part of an ambitious promotional effort. In Twitter immediately after the first episode aired, # UltramanBlazar became the number one global trend, and the video distributed on YouTube from the same day was viewed about 7.4 million times by the end of July (about seven times as many as the previous one).

“Ultraman the Ride,” a large-scale ride attraction which opened in Seibuen Amusement Park on July 14 has garnered attention for the spectacular videos and had a major response, through extensive promotional campaigns on TV CM and other media.

In addition, the “Ultra Hero’s EXPO 2023 Summer Festival,” an annual summer holiday event, is also very popular, and we have high hopes for future merchandising.

2. China

Regarding *ULTRAMAN BLAZAR*, launched in July, simul distribution of dubbed version is carried out in China and ASEAN at the same timing as in Japan for the first time. In the Asian region as well, the related merchandise was launched simultaneously with the Japanese market in conjunction with the program distribution.

Ultraman areas of Shanghai, which opened in July last year, Dalian in May this year, and Chengdu in June consist of theaters, live shows, restaurants, shops, etc. At Shanghai Haichang Ocean Park, Ultraman themed hotel is also well received. We are preparing for the opening of 10 Ultraman areas during the next fiscal year.

Revenues from the newly opened theme parks in Dalian and Chengdu, as well as the various merchandise sales of the new TV series *ULTRAMAN BLAZAR*, are scheduled to be posted in the Q2 and beyond.

3. Overseas

In the ASEAN region, we have applied for the establishment of a local subsidiary in Singapore. We will accelerate business development in the ASEAN region in the future. We plan to announce a new merchandise for ASEAN at a major event held in November every year. In response to brisk activity in China, several licensee companies in ASEAN are showing interest in Ultraman area, and we are considering establishing a presence in this region.

In North America, we established a subsidiary in Los Angeles, US, in May. In conjunction with the release of a major CG anime film scheduled for global distribution in 2024, we are discussing with licensees a strategic approach to capture the North American market.

Digital Frontier Inc.

Digital Frontier Inc., which has leading-edge video production technology, is in a competitive advantage in the domestic film industry, where anime films are becoming the mainstream (four of the top five highest-grossing domestic movies in 2022 are anime movies). The company aims for a major hit in anime movies, Netflix works etc. by leveraging cutting-edge imaging technologies. The performance is steady.

PS business

FIELDS CORPORATION, which is in charge of PS business, plans to sell a wide-range of titles with six titles for pachinko and eight titles for pachislot, including the smart pachinko with IP of the popular series from the Q2 onward. Titles scheduled for delivery in Q2 have already been sold out.

As mentioned above, each segment is making steady progress in line with the plan, and there are no changes to the consolidated earnings forecast for the fiscal year ending March 31, 2024 from the content announced on May 15.

(Note 1) All figures in this report are based on published figures for each company and organization or our estimates.

(Note 2) Merchandise names in this report are trademarks or registered trademarks of each company.

(3) Overview of financial position

(Assets)

Current assets increased by ¥721 million from the end of the previous fiscal year to ¥59,589 million. This was mainly due to an increase in work in process.

Property, plant and equipment decreased by ¥8 million from the end of the previous fiscal year to ¥5,286 million. This was mainly due to a decrease in construction in progress.

Intangible assets decreased by ¥67 million from the end of the previous fiscal year to ¥2,820 million. This was mainly due to a decrease in goodwill.

Investments and other assets increased by ¥1,766 million from the end of the previous fiscal year to ¥15,607 million. This was mainly due to an increase in investment securities.

Consequently, assets increased by ¥2,411 million from the end of the previous fiscal year to ¥83,304 million.

(Liabilities)

Current liabilities increased by ¥1,384 million from the end of the previous fiscal year to ¥31,874 million. This was mainly due to an increase in trade payables.

Non-current liabilities increased by ¥150 million from the end of the previous fiscal year to ¥8,736 million. This was mainly due to an increase in long-term borrowings.

Consequently, liabilities increased by ¥1,535 million from the end of the previous fiscal year to ¥40,611 million.

(Net assets)

Net assets increased by ¥875 million from the end of the previous fiscal year to ¥42,693 million. This was mainly due to an increase in retained earnings due to recording of profit attributable to owners of parent, decrease in retained earnings due to dividend payment, and increase in valuation difference on available-for-sale securities.

(Analysis of cash flows)

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of Q1 of the fiscal year under review decreased by ¥3,169 million from the end of the previous fiscal year to ¥33,327 million.

(Cash flows from operating activities)

Net cash used in operating activities was ¥436 million (¥4,759 million used in the same period of the previous fiscal year). This was mainly attributable to profit before income taxes of ¥2,183 million, an increase in trade payables of ¥3,690 million, an increase in inventories of ¥3,610 million, an increase in accounts receivable-other of ¥2,359 million, an income taxes paid of ¥1,467 million and a decrease in trade receivables of ¥1,330 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,093 million (¥974 million used in the same period of the previous fiscal year). This was mainly due to purchase of non-current assets of ¥436 million, purchase of investment securities of ¥389 million and loan advances of ¥220 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,641 million (¥1,891 million used in the same period of the previous fiscal year). This was mainly due to dividends paid of ¥1,922 million, repayments of long-term borrowings of ¥1,112 million, proceeds from long-term borrowings of ¥750 million and net increase in short-term borrowings of ¥651 million.

2. Quarterly consolidated financial statements and important notes

(1) Quarterly consolidated balance sheets

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2023)	Q1 of current consolidated fiscal year (as of June 30, 2023)
Assets		
Current assets		
Cash and deposits	36,597	33,427
Notes and accounts receivable - trade, and contract assets	10,936	11,162
Electronically recorded monetary claims - operating	1,957	400
Merchandise and finished goods	339	730
Work in process	1,902	4,290
Raw materials and supplies	1,997	2,515
Merchandise rights	1,734	1,958
Other	3,441	5,125
Allowance for doubtful accounts	(37)	(21)
Total current assets	58,868	59,589
Non-current assets		
Property, plant and equipment		
Land	1,929	1,929
Other	3,365	3,356
Total property, plant and equipment	5,295	5,286
Intangible assets		
Goodwill	1,677	1,606
Other	1,210	1,213
Total intangible assets	2,888	2,820
Investments and other assets		
Investment securities	7,959	10,177
Long-term loans receivable	681	899
Other	5,407	4,736
Allowance for doubtful accounts	(207)	(206)
Total investments and other assets	13,841	15,607
Total non-current assets	22,024	23,714
Total assets	80,893	83,304
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,402	16,092
Short-term borrowings	6,549	7,200
Current portion of long-term borrowings	2,794	2,247
Income taxes payable	1,358	409
Provision for bonuses	273	131
Provision for bonuses for directors (and other officers)	159	-
Other	6,952	5,793
Total current liabilities	30,489	31,874
Non-current liabilities		
Long-term borrowings	3,994	4,177
Retirement benefit liability	862	881
Asset retirement obligations	1,213	1,145
Other	2,515	2,532
Total non-current liabilities	8,585	8,736
Total liabilities	39,075	40,611

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (as of March 31, 2023)	Q1 of current consolidated fiscal year (as of June 30, 2023)
Net assets		
Shareholders' equity		
Share capital	7,948	7,948
Capital surplus	7,390	7,390
Retained earnings	24,217	23,636
Treasury shares	(1,644)	(1,634)
Total shareholders' equity	37,912	37,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,194	2,358
Foreign currency translation adjustment	1	3
Remeasurements of defined benefit plans	12	9
Total accumulated other comprehensive income	1,208	2,371
Share acquisition rights	45	75
Non-controlling interests	2,651	2,905
Total net assets	41,817	42,693
Total liabilities and net assets	80,893	83,304

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

Q1 of the year ending March 31, 2024

	(Unit: Millions of yen)	
	Q1 of previous consolidated fiscal year (April 1, 2022 to June 30, 2022)	Q1 of current consolidated fiscal year (April 1, 2023 to June 30, 2023)
Net sales	8,243	30,335
Cost of sales	4,966	24,942
Gross profit	3,277	5,392
Selling, general and administrative expenses	3,090	3,367
Operating profit	186	2,025
Non-operating income		
Interest income	0	2
Dividend income	2	128
Purchase discounts	17	-
Share of profit of entities accounted for using equity method	66	13
Other	55	44
Total non-operating income	141	188
Non-operating expenses		
Interest expenses	23	14
Foreign exchange losses	-	5
Other	12	7
Total non-operating expenses	36	27
Ordinary profit	291	2,185
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	2
Loss on sale of membership	7	-
Total extraordinary losses	7	2
Profit (loss) before income taxes	285	2,183
Income taxes	16	543
Profit (loss)	269	1,640
Profit (loss) attributable to non-controlling interests	478	255
Profit (loss) attributable to owners of parent	(209)	1,384

Quarterly consolidated statements of comprehensive income

Q1 of the year ending March 31, 2024

	(Unit: Millions of yen)	
	Q1 of previous consolidated fiscal year (April 1, 2022 to June 30, 2022)	Q1 of current consolidated fiscal year (April 1, 2023 to June 30, 2023)
Profit	269	1,640
Other comprehensive income		
Valuation difference on available-for-sale securities	4	1,166
Foreign currency translation adjustment	0	1
Remeasurements of defined benefit plans, net of tax	(0)	(1)
Total other comprehensive income	5	1,166
Comprehensive income	274	2,807
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(204)	2,548
Comprehensive income related to non-controlling interests	478	258

(3) Quarterly consolidated statements of cash flows

	(Unit: Millions of yen)	
	Q1 of previous consolidated fiscal year (April 1, 2022 to June 30, 2022)	Q1 of current consolidated fiscal year (April 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	285	2,183
Depreciation	175	189
Amortization of goodwill	63	71
Increase (decrease) in allowance for doubtful accounts	2	(18)
Increase (decrease) in provision for bonuses	(139)	(141)
Increase (decrease) in provision for bonuses for directors (and other officers)	(46)	(159)
Increase (decrease) in retirement benefit liability	19	15
Depreciation of investments in capital	123	176
Interest and dividend income	(2)	(131)
Interest expenses	23	14
Share of loss (profit) of entities accounted for using equity method	(66)	(13)
Decrease (increase) in trade receivables	7,150	1,330
Decrease (increase) in inventories	(1,334)	(3,610)
Decrease (increase) in accounts receivable - other	576	(2,359)
Increase (decrease) in trade payables	(10,128)	3,690
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(463)	(992)
Other, net	(433)	668
Subtotal	(4,193)	914
Interest and dividends received	2	130
Interest paid	(23)	(14)
Income taxes refund (paid)	(544)	(1,467)
Net cash provided by (used in) operating activities	(4,759)	(436)
Cash flows from investing activities		
Purchase of property, plant and equipment	(173)	(342)
Proceeds from sale of property, plant and equipment	0	-
Purchase of intangible assets	(50)	(93)
Purchase of investment securities	(200)	(389)
Proceeds from sale of investment securities	15	13
Purchase of shares of subsidiaries and associates	-	(141)
Payments for investments in capital	(528)	-
Loan advances	(33)	(220)
Proceeds from collection of loans receivable	1	2
Other, net	(7)	78
Net cash provided by (used in) investing activities	(974)	(1,093)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	651
Proceeds from long-term borrowings	-	750
Repayments of long-term borrowings	(1,257)	(1,112)
Dividends paid	(622)	(1,922)
Other, net	(11)	(7)
Net cash provided by (used in) financing activities	(1,891)	(1,641)
Effect of exchange rate change on cash and cash equivalents	0	1
Net increase (decrease) in cash and cash equivalents	(7,624)	(3,169)
Cash and cash equivalents at beginning of period	32,304	36,497
Cash and cash equivalents at end of period	24,679	33,327

(4) Notes regarding the quarterly consolidated financial statements

(Notes regarding the operation of the company as a going concern)

Not applicable.

(Notes regarding occurrence of significant change in amount of shareholders' equity)

Not applicable.

(Application of the accounting method specific to quarterly consolidated financial statements)

Calculation of tax expenses

Tax expenses are calculated by multiplying profit before income taxes by a reasonably estimated effective tax rate after the application of tax effect accounting to profit before income taxes for the fiscal year, including the Q1 of the fiscal year under review.

(Segment information, etc.)

[Segment information]

I. Three months ended June 30, 2022 (April 1, 2022 - June 30, 2022)

Information on net sales and profit (loss) by reportable segment

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	2,815	4,857	7,672	571	8,243	—	8,243
Intersegment net sales or transfers	96	0	96	0	97	(97)	—
Total	2,911	4,858	7,769	571	8,340	(97)	8,243
Segment profit (loss)	1,038	(860)	177	17	195	(8)	186

(Note) 1. "Other" is a business segment that is not included in reportable segments and includes fitness business, etc.

2. Adjustment of segment profit (loss) of ¥ (8) million includes elimination of intersegment transactions of ¥ (8) million.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

II. Three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)

i. Information on net sales and profit (loss) by reportable segment

(Unit: millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjusted amount (Note 2)	Carrying value (Note 3)
	Content and digital business	PS business	Total				
Net sales							
Net sales to external customers	3,031	26,903	29,934	400	30,335	—	30,335
Intersegment net sales or transfers	99	71	171	2	173	(173)	—
Total	3,131	26,974	30,105	403	30,509	(173)	30,335
Segment profit (loss)	785	1,882	2,667	9	2,677	(652)	2,025

(Note) 1. "Other" is a business segment that is not included in reportable segments and includes fitness business, etc.

2. Adjustment of segment profit of ¥ (652) million includes elimination of intersegment transactions of ¥ (10) million and corporate expenses of ¥ (641) million that are not allocated to each reportable segment.

3. Segment income is adjusted with operating profit in the quarterly consolidated statements of income.

ii. Changes in reportable segments

As a result of the transition to a holding company structure implemented on October 3, 2022, we have changed from the previous a single segment to two reporting segments, the contents and digital business and PS business, from the Q3 of the previous fiscal year.

Segment information for the Q1 of the previous fiscal year is prepared based on the classification of reporting segments after the change.