

Consolidated Statements of Income (JPNGAAP)

| Millions of yen | 03/2004 | 03/2005 | 03/2006 | 03/2007 | 03/2008 | 03/2009 | 03/2010 | 03/2011 | 03/2012 | 03/2013 |
|---|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 63,202 | 73,864 | 124,473 | 163,472 | 147,516 | 135,693 | 192,257 | 125,271 | 127,896 | 147,981 |
| Cost of sales | 22,084 | 25,703 | 68,105 | 87,262 | 81,201 | 79,527 | 108,536 | 75,846 | 76,268 | 98,788 |
| Gross profit | 41,117 | 48,161 | 56,367 | 76,210 | 66,314 | 56,166 | 83,721 | 49,424 | 51,627 | 49,192 |
| Reversal of provision for sales returns | 1,420 | 1,569 | 1,316 | 1,186 | 2,271 | 1,135 | 4,863 | 4,046 | 1,706 | 1,551 |
| Provision for sales returns | 1,569 | 1,316 | 1,186 | 2,271 | 1,135 | 1,598 | 4,046 | 1,779 | 1,502 | 3,927 |
| Net gross profit | 40,968 | 48,414 | 56,497 | 75,125 | 67,450 | 55,703 | 84,538 | 51,691 | 51,831 | 46,817 |
| Selling, general and administrative expenses | | | | | | | | | | |
| Packaging freight charge | 545 | 634 | 1,623 | 2,493 | 2,421 | 2,169 | 3,535 | 2,336 | 1,812 | 1,867 |
| Advertising expense | 5,119 | 5,346 | 7,458 | 6,331 | 5,892 | 5,546 | 11,053 | 7,935 | 7,258 | 12,309 |
| Sales promotion expense | 660 | 109 | 1,177 | 1,060 | 642 | 417 | 157 | 67 | 63 | 100 |
| Allowance for doubtful accounts | 332 | 77 | 101 | - | 8 | - | - | - | 67 | - |
| Compensation for directors | 231 | 233 | 498 | 682 | 567 | 456 | 519 | 596 | 541 | 607 |
| Salaries | 3,887 | 4,251 | 11,604 | 15,482 | 15,889 | 14,097 | 15,145 | 12,534 | 12,195 | 14,105 |
| Provision for bonuses | 1,130 | 418 | 1,350 | 2,237 | 1,403 | 1,755 | 2,378 | 1,408 | 1,814 | 1,483 |
| Net periodic pension costs | 491 | 107 | 251 | 446 | 36 | 353 | 1,102 | 1,135 | 1,288 | 1,484 |
| Provision for directors' retirement benefits | 6 | 121 | 19 | 42 | 47 | 20 | 13 | 15 | 13 | 12 |
| Welfare expense | 698 | 753 | 1,511 | 2,046 | 2,024 | 1,799 | 1,755 | 1,463 | 1,523 | 1,710 |
| Rental expense | 955 | 1,033 | 1,949 | 2,325 | 2,483 | 2,375 | 2,367 | 1,782 | 1,616 | 1,554 |
| Commission fee | 3,023 | 2,667 | 3,204 | 3,357 | 3,209 | 3,399 | 4,105 | 4,228 | 4,621 | 7,588 |
| Depreciation and amortization | 1,179 | 1,141 | 1,648 | 1,464 | 1,463 | 1,397 | 2,281 | 1,903 | 1,000 | 2,091 |
| Other | 3,307 | 5,079 | 8,625 | 11,238 | 9,839 | 9,637 | 11,886 | 8,956 | 7,298 | 7,984 |
| Total Selling, general and administrative expenses | 21,569 | 21,975 | 41,026 | 49,209 | 45,929 | 43,426 | 56,303 | 44,365 | 41,118 | 52,899 |
| Operating income (loss) | 19,398 | 26,438 | 15,470 | 25,916 | 21,520 | 12,277 | 28,235 | 7,325 | 10,713 | (6,081) |
| Non-operating income | | | | | | | | | | |
| Interest income | 67 | 72 | 139 | 467 | 959 | 696 | 188 | 95 | 136 | 100 |
| Dividends received | 78 | 4 | 23 | 3 | 2 | 12 | 343 | 36 | 4 | 9 |
| Foreign exchange gain | - | 296 | 508 | 147 | - | - | - | - | - | 1,620 |
| Rental income | 0 | 30 | 63 | 69 | 70 | 43 | 30 | 24 | 17 | 14 |
| Support fees received | - | - | 28 | - | - | - | - | - | - | - |
| Facilities' installation cooperation fees | - | - | 79 | 51 | 52 | - | - | - | - | - |
| Reversal of allowance for doubtful accounts | - | - | - | - | - | - | - | - | - | - |
| Subsidy income | - | - | - | - | - | - | - | - | - | - |
| Gain on forgiveness of payable for group tax | - | - | - | - | - | - | - | - | - | - |
| Outsourcing service income | - | - | - | - | - | - | - | - | - | - |
| Investment profit on equity method | - | - | - | 29 | 23 | - | - | - | - | - |
| Gain on sale of crypto assets | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous income | 294 | 138 | 202 | 407 | 258 | 157 | 195 | 190 | 127 | 114 |
| Total non-operating income | 440 | 542 | 1,046 | 1,176 | 1,367 | 909 | 758 | 347 | 286 | 1,858 |
| Non-operating expenses | | | | | | | | | | |
| Interest expenses | 7 | 2 | 29 | 2 | 0 | 1 | 30 | 59 | 61 | 98 |
| Commission fee | - | - | 94 | - | - | - | - | - | 100 | 53 |
| Loss on investments in securities | - | - | - | - | - | - | - | - | - | - |
| Loss on liquidation of content | - | - | - | - | - | - | - | - | - | - |
| Loss on retirement of development related assets | - | - | - | - | - | - | - | - | - | - |
| Office transfer related expenses | - | - | - | - | - | - | - | - | - | - |
| Foreign exchange loss | 788 | - | - | - | 1,858 | 1,715 | 842 | 2,149 | 536 | - |
| Stock issuance expenses | 8 | - | - | - | - | - | - | - | - | - |
| Loss on disposal of inventories | - | 3 | 151 | 119 | 119 | - | - | - | - | - |
| Loss on write-offs of content production account | - | 983 | 460 | - | 1,799 | - | - | - | - | - |
| Loss on inventory revaluation | - | - | 190 | 281 | 170 | - | - | - | - | - |
| Stock issuance expenses | - | - | - | 31 | - | - | - | - | - | - |
| Corporate bond issuance expenses | - | - | 17 | - | - | - | 142 | - | - | - |
| Loss on write-off of advance license payment | - | - | - | 244 | - | - | - | - | - | - |
| Investment loss on equity method | 760 | - | 7 | - | - | 18 | 49 | - | - | - |
| Miscellaneous loss | 25 | 90 | 18 | 172 | 75 | 189 | 105 | 73 | 3 | 3 |
| Total non-operating expenses | 1,590 | 1,080 | 968 | 852 | 4,023 | 1,925 | 1,171 | 2,282 | 701 | 155 |
| Ordinary income (loss) | 18,248 | 25,901 | 15,547 | 26,241 | 18,864 | 11,261 | 27,822 | 5,390 | 10,297 | (4,378) |

Consolidated Statements of Income (JPNGAAP)

| Millions of yen | 03/2014 | 03/2015 | 03/2016 | 03/2017 | 03/2018 | 03/2019 | 03/2020 | 03/2021 | 03/2022 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 155,023 | 167,891 | 214,101 | 256,824 | 250,394 | 271,276 | 260,527 | 332,532 | 365,275 |
| Cost of sales | 94,481 | 94,794 | 115,316 | 141,123 | 129,519 | 146,907 | 139,012 | 171,837 | 169,960 |
| Gross profit | 60,542 | 73,096 | 98,784 | 115,701 | 120,874 | 124,368 | 121,515 | 160,695 | 195,314 |
| Reversal of provision for sales returns | 4,672 | 4,877 | 4,867 | 3,227 | 6,118 | 4,152 | 9,016 | 4,150 | - |
| Provision for sales returns | 4,458 | 4,579 | 3,534 | 6,014 | 4,139 | 9,185 | 4,257 | 5,637 | - |
| Net gross profit | 60,756 | 73,394 | 100,116 | 112,914 | 122,854 | 119,335 | 126,274 | 159,208 | 195,314 |
| Selling, general and administrative expenses | | | | | | | | | |
| Packaging freight charge | 1,848 | 2,014 | 1,751 | 1,726 | 1,874 | 2,062 | 2,304 | 2,436 | 2,999 |
| Advertising expense | 7,913 | 10,386 | 20,270 | 25,541 | 22,585 | 29,460 | 21,006 | 28,239 | 24,739 |
| Sales promotion expense | 59 | 66 | 66 | 74 | 86 | 120 | 159 | 673 | 611 |
| Allowance for doubtful accounts | 36 | 69 | 54 | 12 | - | - | - | - | - |
| Compensation for directors | 572 | 435 | 565 | 557 | 773 | 470 | 497 | 771 | 738 |
| Salaries | 14,148 | 14,207 | 14,465 | 14,618 | 15,242 | 17,396 | 18,901 | 21,165 | 24,228 |
| Provision for bonuses | 2,193 | 1,936 | 2,916 | 2,492 | 3,740 | 3,433 | 4,005 | 3,368 | 6,484 |
| Net periodic pension costs | 1,088 | 323 | 539 | 678 | 534 | 692 | 1,021 | 1,205 | 1,002 |
| Provision for directors' retirement benefits | 17 | 11 | 10 | - | - | - | - | - | - |
| Welfare expense | 1,846 | 1,838 | 2,092 | 2,161 | 2,522 | 2,642 | 2,835 | 3,051 | 3,396 |
| Rental expense | 1,652 | 1,739 | 2,118 | 2,100 | 2,306 | 2,699 | 2,919 | 2,882 | 2,991 |
| Commission fee | 9,596 | 13,734 | 18,996 | 21,554 | 23,539 | 24,700 | 28,377 | 35,900 | 55,391 |
| Depreciation and amortization | 2,512 | 2,460 | 2,476 | 2,272 | 2,495 | 2,410 | 2,725 | 2,903 | 3,153 |
| Other | 6,726 | 7,742 | 7,772 | 7,825 | 8,976 | 8,610 | 8,762 | 9,384 | 10,314 |
| Total Selling, general and administrative expenses | 50,213 | 56,967 | 74,097 | 81,618 | 84,677 | 94,699 | 93,515 | 111,982 | 136,053 |
| Operating income (loss) | 10,543 | 16,426 | 26,018 | 31,295 | 38,176 | 24,635 | 32,759 | 47,226 | 59,261 |
| Non-operating income | | | | | | | | | |
| Interest income | 116 | 139 | 85 | 75 | 107 | 167 | 363 | 76 | 101 |
| Dividends received | 6 | 9 | 9 | 9 | 14 | 0 | 0 | 0 | 0 |
| Foreign exchange gain | 1,798 | 484 | - | - | - | 3,459 | - | 2,727 | 10,489 |
| Rental income | 18 | 20 | 16 | 16 | 35 | 72 | 36 | 17 | 33 |
| Support fees received | - | - | - | - | - | - | - | - | - |
| Facilities' installation cooperation fees | - | - | - | - | - | - | - | - | - |
| Reversal of allowance for doubtful accounts | - | - | 213 | 2 | 161 | - | - | - | - |
| Subsidy income | - | 17 | 495 | 33 | 126 | - | - | - | - |
| Gain on forgiveness of payable for group tax | - | - | - | 62 | 31 | 37 | 370 | 152 | - |
| Outsourcing service income | - | - | - | - | - | 125 | - | - | - |
| Investment profit on equity method | - | - | - | - | - | - | - | - | - |
| Gain on sale of crypto assets | - | - | - | - | - | - | - | - | 2,904 |
| Miscellaneous income | 210 | 219 | 158 | 93 | 281 | 136 | 198 | 70 | 777 |
| Total non-operating income | 2,150 | 890 | 980 | 293 | 757 | 3,999 | 969 | 3,043 | 14,307 |
| Non-operating expenses | | | | | | | | | |
| Interest expenses | 93 | 68 | 67 | 52 | 84 | 107 | 135 | 87 | 150 |
| Commission fee | 52 | 74 | 14 | 6 | 10 | 5 | 5 | 19 | 475 |
| Loss on investments in securities | - | - | - | - | - | 40 | 127 | 169 | - |
| Loss on liquidation of content | - | - | - | - | - | - | - | - | 1,289 |
| Loss on retirement of development related assets | - | - | - | - | - | - | - | - | 862 |
| Office transfer related expenses | - | 173 | 44 | 31 | 152 | 65 | - | - | - |
| Foreign exchange loss | - | - | 1,545 | 358 | 2,477 | - | 1,173 | - | - |
| Stock issuance expenses | - | - | - | - | - | - | - | - | - |
| Loss on disposal of inventories | - | - | - | - | - | - | - | - | - |
| Loss on write-offs of content production account | - | - | - | - | - | - | - | - | - |
| Loss on inventory revaluation | - | - | - | - | - | - | - | - | - |
| Stock issuance expenses | - | - | - | - | - | - | - | - | - |
| Corporate bond issuance expenses | - | - | - | - | - | - | - | - | - |
| Loss on write-off of advance license payment | - | - | - | - | - | - | - | - | - |
| Investment loss on equity method | - | - | - | - | - | - | - | - | - |
| Miscellaneous loss | 13 | 15 | 4 | 11 | 83 | 0 | 191 | 9 | 86 |
| Total non-operating expenses | 159 | 332 | 1,676 | 459 | 2,809 | 219 | 1,633 | 286 | 2,865 |
| Ordinary income (loss) | 12,534 | 16,984 | 25,322 | 31,128 | 36,124 | 28,415 | 32,095 | 49,983 | 70,704 |

Consolidated Statements of Income (JPNGAAP)

| Millions of yen | 03/2014 | 03/2015 | 03/2016 | 03/2017 | 03/2018 | 03/2019 | 03/2020 | 03/2021 | 03/2022 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Extraordinary gain | | | | | | | | | |
| Gain on sale of property and equipment | 2 | 1,394 | 18 | 4 | 9 | 15 | 2 | 1 | 6 |
| Gain on sale of investment securities | 24 | 82 | 1 | - | 351 | 0 | - | - | - |
| Gain on divestiture of business | - | - | - | - | - | - | - | - | - |
| Gain on sale of shares of subsidiaries and associates | - | - | - | - | - | - | - | - | - |
| Reversal of allowance for doubtful accounts | - | - | - | - | - | - | - | - | - |
| Reversal of allowance for retirement benefits | - | - | - | - | - | - | - | - | - |
| Reversal of allowance for game arcade closings | - | - | - | - | - | - | - | - | - |
| Reversal of allowance for obligation related to legal proceedings | - | - | - | - | - | - | - | - | - |
| Gain on forgiveness of debts | - | - | - | - | - | - | - | - | - |
| Gain on reversal of subscription rights to shares | 35 | 44 | 19 | 20 | 2 | - | 7 | 2 | 8 |
| Compensation income | 351 | - | - | - | - | - | - | - | - |
| Gain on disposition of foreign currency translation adjustment | - | - | - | 105 | - | - | - | - | - |
| Gain on liquidation of subsidiaries and associates | - | - | - | - | - | - | - | - | - |
| Gain on liquidation of subsidiaries | - | - | - | 69 | 5 | - | - | - | - |
| Gain on reversal of debts | - | - | - | 82 | - | - | - | - | - |
| Subsidy income related to COVID-19 | - | - | - | - | - | - | - | 335 | 290 |
| Gain on sale of shares of subsidiaries and associates | - | - | - | - | - | - | - | - | 353 |
| Other | - | - | - | 20 | - | 8 | - | - | 72 |
| Total extraordinary gain | 413 | 1,520 | 40 | 302 | 368 | 23 | 9 | 339 | 730 |
| Extraordinary loss | | | | | | | | | |
| Loss on sale of property and equipment | 7 | 741 | 36 | - | 18 | - | - | 18 | - |
| Loss on disposal of property and equipment | 130 | 258 | 194 | 210 | 131 | 198 | 130 | 316 | 212 |
| Impairment loss | 158 | 640 | 1,961 | 437 | 40 | 368 | 367 | 520 | 109 |
| Loss on write-offs of bad debts | - | - | - | - | - | - | - | - | - |
| Loss on evaluation of investment securities | - | - | - | - | - | - | - | 449 | 351 |
| Loss on sale of investment securities | - | - | - | - | - | - | - | - | - |
| Loss on disposal and write-downs of assets associated with business restructuring | - | - | - | - | - | - | - | - | - |
| Severance payments associated with business restructuring | - | - | - | - | - | - | - | - | - |
| Loss on valuation of shares of subsidiaries and associates | - | 41 | 1,702 | 0 | - | 680 | - | 251 | 239 |
| Loss on sales of shares of subsidiaries and associates | - | - | - | - | 371 | - | - | - | - |
| Loss on liquidation of subsidiaries and associates | - | 313 | - | 4,898 | - | - | - | - | - |
| Adjustment loss in connection with advanced received in mobile business | - | - | - | - | - | - | - | - | - |
| Accelerated amortization of goodwill | - | - | - | - | - | - | - | - | - |
| Provision of amortization of consolidated adjustment account | - | - | - | - | - | - | - | - | - |
| Extraordinary loss on inventory write-offs | - | - | - | - | - | - | - | - | - |
| Allowance for doubtful accounts | - | - | - | - | - | - | - | - | - |
| Provision for loss on store closings | 153 | 402 | 15 | - | - | - | 117 | 629 | - |
| Loss on temporary closure | - | - | - | - | - | - | 141 | 2,392 | 296 |
| Loss associated with business restructuring | - | - | - | - | - | - | - | - | - |
| Acquisition costs | - | - | - | - | - | - | - | - | - |
| Legal settlement payment | - | - | - | - | - | - | - | - | - |
| Loss on adjustment for changes of accounting standard for asset retirement obligation | - | - | - | - | - | - | - | - | - |
| Loss on content | - | - | - | - | - | - | - | - | - |
| Loss on disposal of content | - | - | - | - | - | 3,638 | - | - | - |
| Loss on evaluation of content | 1,725 | - | - | - | - | - | - | - | - |
| Loss on event cancellations | - | - | - | - | - | - | 544 | 47 | - |
| Loss on disaster | - | - | - | - | - | - | - | - | - |
| Other | 607 | 664 | 14 | 37 | 4 | 422 | 9 | 2 | 1 |
| Total extraordinary loss | 2,783 | 3,062 | 3,925 | 5,584 | 565 | 5,307 | 1,311 | 4,628 | 1,212 |
| Income (loss) before dividends distribution from silent partnership, income taxes (tokumei-kumiai) | 10,164 | 15,442 | - | - | - | - | - | - | - |
| Dividends distribution from silent partnership (tokumei-kumiai) | 26 | 132 | - | - | - | - | - | - | - |
| Profit (Loss) before income taxes | 10,137 | 15,310 | 21,436 | 25,846 | 35,927 | 23,131 | 30,793 | 45,694 | 70,223 |
| Income taxes—current | 2,807 | 5,136 | 6,690 | 5,331 | 9,216 | 2,968 | 10,581 | 19,430 | 20,511 |
| Income taxes for prior periods | - | - | - | - | - | - | - | - | - |
| Refunded income taxes | - | - | - | - | - | - | - | - | - |
| Income taxes—deferred | 715 | 353 | (5,146) | 472 | 878 | 784 | (1,136) | (690) | (1,320) |
| Total income taxes | 3,522 | 5,489 | 1,544 | 5,804 | 10,094 | 3,753 | 9,444 | 18,740 | 19,191 |
| Income (loss) before minority interests | 6,615 | 9,820 | - | - | - | - | - | - | - |
| Minority interests income (loss) | 16 | (11) | - | - | - | - | - | - | - |
| Profit (Loss) | 6,598 | 9,831 | 19,892 | 20,042 | 25,832 | 19,378 | 21,348 | 26,954 | 51,031 |
| Profit (loss) attributable to non-controlling interests | - | - | 8 | 3 | 11 | 4 | 1 | 12 | 17 |
| Profit (loss) attributable to owners of parent | - | - | 19,884 | 20,039 | 25,821 | 19,373 | 21,346 | 26,942 | 51,013 |