

January 30, 2025

To whom it may concern

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Notice of Full-Year Earnings Forecast and Revision of Dividend Forecast (No Dividend)

The Company has announced its full-year consolidated earnings forecast and year-end dividend forecast for the fiscal year ending March 31, 2025, which had previously been undecided as of October 29, 2024.

1. Forecast of Full-Year Results

(1) Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss) Attributable to Owners of the Parent	Net Income (Loss) Per Share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	TBA	TBA	TBA	TBA	TBA
Revised forecast (B)	13,500	500	400	(200)	(6.96)
Increase (decrease) (B-A)	N/A	N/A	N/A	N/A	
Increase (decrease) (%)	N/A	N/A	N/A	N/A	
(Reference) results for fiscal year ending March 31, 2024	9,779	903	793	104	3.64

(2) Reason for Announcement of Earnings Forecast

In the interim financial results for the fiscal year ending March 31, 2025, sales of new titles released in the first quarter fell below expectations, and revenue from certain existing titles remained weak, resulting in a significant operating loss. However, *Wizardry Variants Daphne*, a smartphone game released on October 15, 2024 (in the third quarter), outperformed expectations. Given these circumstances, the Company determined that it was difficult to calculate an appropriate and reasonable forecast and, as a result, temporarily withdrew the consolidated earnings forecast for the fiscal year ending March 31, 2025, leaving it undecided.

Despite continued uncertainty in the Game Business, the Company has announced its full-year earnings forecast based on third-quarter performance and business progress. One new title is scheduled for release in the fourth quarter, but its impact remains uncertain.

Although some existing titles have underperformed, net sales are expected to increase year-on-year, driven by the contribution of *Wizardry Variants Daphne*, released on October 15, 2024 (in the third quarter), and the planned release of a new in-house distribution title in the fourth quarter.

Operating income and ordinary income are expected to decline from the previous fiscal year due to increased variable costs resulting from changes in the product mix and other factors, despite the anticipated revenue contributions from new titles.

Net income attributable to shareholders of the parent company is projected to decrease from the previous fiscal year due to several factors, including the revaluation of future earnings from a new title released in the first quarter, the recording of a software impairment loss of ¥601 million as an extraordinary loss, and the decline in operating and ordinary income. These factors were previously disclosed in the "Notice Regarding Recording of Extraordinary Loss and Revision (Withdrawal) of Full-Year Earnings Forecast" announced on October 29, 2024.

(Note) The above forecasts are based on information available as of the date of this publication. Actual results may differ due to various future factors.

2. Revision of Dividend Forecast (No Dividend)

(1) Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2025

	Annual Dividend		
	End of Q2	Fiscal Year End	Total
	Yen	Yen	Yen
Previous forecast		TBA	TBA
Revised forecast		0	0
Actual results for the current fiscal year	0		
Actual results for the previous period (Fiscal year ending March 31, 2024)	0	0	0

(2) Reason for Revision

The Company recognizes shareholder returns as a key management priority and determines dividend levels after carefully evaluating business performance trends, financial conditions, R&D investments, and future plans. For the year-end dividend forecast for the fiscal year ending March 31, 2025, *Wizardry Variants Daphne*, released on October 15, 2024 (third quarter), has performed above expectations, contributing to a projected increase in sales compared to the previous fiscal year. However, the Company expects to record a net loss attributable to shareholders of the parent company due to the recognition of a ¥601 million software impairment loss as an extraordinary loss in the interim financial statements. Additionally, with the scheduled release of a new title in the fourth quarter, uncertainty remains high. Accordingly, the Company has revised its dividend forecast to 'No Dividend' for the current fiscal year.

This concludes the notice