

Aiming for growth through promotion of esports

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[9565 Wellplayed Rizest Sector : Services]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec.2020	831	48.1	4	-	8	-	-8	-	-3.2	18.8	0.0
Dec.2021	1,671	2.0x	128	32.0x	131	16.4x	82	-	32.9	51.8	0.0
Dec.2022 f	2,001	19.7	157	22.7	155	18.3	103	25.6	41.3	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending October 2022 are the company's forecasts.

Planning and Operation of Esports Events and Support for Players and Related Personnel

Wellplayed Rizest plans and operates esports events as well as supports esports players, reporters, commentators and other esports-related personnel as an esports specialist. It also develops new businesses through collaboration between esports and other fields.

The company offers client work services for planning and operating sports events, partner solution services centered around support for esports-related personnel, and business design services, a new area of business for the company.

The client work services, partner solution services and business design services accounted for 66.8%, 25.9% and 7.3% of sales, respectively, in the three quarters of fiscal year ended October 2022.

Client Work Services

For this services, the company plans and operates esports competitions and other events entrusted by sponsors. The majority of sponsors are game manufacturers promoting their own games, while others include companies marketing to Generation Z, the key participants in esports, along with advertising agencies and video distribution platformers.

Partner Solution Services

Through this service, the company creates and provides various revenue opportunities for esports-related personnel. This includes players, reporters, commentators and influencers.

Business Design Services

Wellplayed Rizest launched this service in fiscal year ended October 2022 with the aim of planning and developing services and content that create new value for esports. Specifically, the company co-manages an esports event LIMITZ with professional gaming team ZETA DIVISION®. The company further serves as a sponsorship broker for professional gaming teams.

Wellplayed Rizest (9565 TSE Growth) - - - - - December 6, 2022**Financial Statements**

Statement of income	Fiscal Year	Oct.2020		Oct.2021		Nine months to Jul. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		831	100.0	1,671	100.0	1,361	100.0
Cost of sales		637	76.7	1,162	69.5	951	69.9
Gross profit		193	23.2	509	30.5	410	30.1
Selling, general and administrative expenses		189	22.7	380	22.7	332	24.2
Operating profit		4	0.5	128	7.7	78	5.7
Non-operating income		5	-	7	-	17	-
Non-operating expenses		1	-	3	-	2	-
Ordinary profit		8	1.0	131	7.8	93	6.8
Profit before income taxes		-11	-1.3	131	7.8	93	6.8
Net profit		-8	-1.0	82	4.9	55	4.0

Balance sheet	Fiscal Year	Oct.2020		Oct.2021		Jul. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		313	83.9	515	62.8	720	71.4
Cash and deposits		186	49.9	57	7.0	400	39.6
Accounts receivable-trade		98	26.3	396	48.3	255	25.3
Prepaid expenses		2	0.5	37	4.5	34	3.4
Non-current assets		59	15.8	305	37.2	288	28.5
Property, plant and equipment		7	1.9	44	5.4	44	4.4
Intangible assets		7	1.9	196	23.9	188	18.6
Investments and other assets		43	11.5	64	7.8	56	5.6
Total assets		373	100.0	820	100.0	1,009	100.0
Current liabilities		214	57.4	603	73.5	581	57.6
Accounts payable - trade		32	8.6	176	21.5	88	8.7
Short-term borrowings		100	26.8	100	12.2	100	9.9
Current portion of long-term borrowings		3	0.8	7	0.9	47	4.7
Current portion of long-term borrowings of affiliated c		-	-	245	29.9	245	24.3
Non-current liabilities		111	29.8	87	10.6	242	24.0
Long-term borrowings		66	17.7	87	10.6	242	24.0
Long-term borrowings of affiliated company		45	12.1	-	-	-	-
Net assets		47	12.6	129	15.7	185	18.3
Owners' equity		47	12.6	129	15.7	185	18.3

Statement of cash flows	Fiscal Year	Oct.2020	Oct.2021
		(mn yen)	(mn yen)
Cash flows from operating activities		32	-9
Depreciation		14	18
Amortization of goodwill		-	15
Cash flows from investing activities		-2	-254
Cash flows from financing activities		67	96
Dividends paid		-	-
Net increase in cash and cash equivalents		97	-166
Cash and cash equivalents		186	57

Note:Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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