

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Financial Results for the Three Months Ended July 31, 2022 [Japanese GAAP] (Non-consolidated)



September 14, 2022

Company name: ANYCOLOR Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 5032

URL: <http://anycolor.co.jp>

Representative: Riku Tazumi, Representative Director and CEO

Contact: Shinya Tsurui, Director and CFO

Phone: +81 3 (4335) 4850

Scheduled date of filing quarterly securities report: September 14, 2022

Scheduled date of dividend payment: -

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts less than one million yen are omitted)

Results for the three months ended July 31, 2022 (May 1, 2022 - July 31, 2022)

(1) Operating Results

(Figures in parenthesis are % change YoY)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended July 31, 2022	5,930	—	2,122	—	2,112	—	1,464	—
July 31, 2021	—	—	—	—	—	—	—	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended July 31, 2022	48.86	46.83
July 31, 2021	—	—

(Notes) 1. As the Company did not create quarterly financial statements for the three months ended July 31, 2021, figures for that period and year-over-year change figures for the three months ended July 31, 2022 are not indicated.

2. As the Company's shares were listed on the Growth Market of the Tokyo Stock Exchange on June 8, 2022, quarterly diluted earnings per share for the three months ended July 31, 2022 was calculated using the average share price in a period from the day of the listing to July 31, 2022 instead of the average share price during the three months ended July 31, 2022.

(2) Financial Condition

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	10,962	7,853	71.6
As of April 30, 2022	9,353	6,318	67.5

(Reference) Equity: Three months ended July 31, 2022: 7,850 million yen

Three months ended April 30, 2022: 6,315 million yen

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Dividends

	Annual dividend				
	1Q	2Q	3Q	Year-end	Annual
Fiscal year ended April 30, 2022	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending April 30, 2023	—				
Fiscal year ending April 30, 2023 (forecast)		0.00	—	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

Forecast for the fiscal year ending April 30, 2023 (May 1, 2022 - April 30, 2023)

(Figures in parenthesis are % change YoY)

	Net sales		Operating profit		Ordinary profit		Net profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,000	34.1	5,510	31.5	5,480	32.1	3,800	36.1	126.91
	– 21,000	– 48.3	– 6,510	– 55.3	– 6,480	– 56.2	– 4,620	– 65.4	– 154.29

(Notes) 1. Revision to the financial results forecast announced most recently: None

2. Forecasts are disclosed with a certain range. For details, please refer to (3) Explanation of Financial Results Forecast and Other Forward-looking Information under 1. Qualitative Information on Quarterly Financial Results.

3. The 50,000 new shares issued through public offering (offered under the book building method), for which payment was completed on June 7, 2022, were taken into consideration in calculating the basic earnings per share.

Notes

(1) Accounting methods adopted particularly for the preparation of quarterly financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

(1) Changes in accounting policies due to the revision of accounting standards: Yes

(2) Changes in accounting policies other than (1) above: None

(3) Changes in accounting estimates: None

(4) Retrospective restatement: None

(3) Number of shares issued and outstanding (common stock)

(1) Total number of issued shares at the end of the period (including treasury stock):

July 31, 2022: 29,993,435 shares

April 30, 2022: 29,943,435 shares

(2) Total number of treasury stock at the end of the period:

July 31, 2022: —

April 30, 2022: —

(3) Average number of shares during the period:

July 31, 2022: 29,972,239 shares

July 31, 2021: 29,943,435 shares

(Note) The Company conducted a 15-for-1 stock split on January 5, 2022, in accordance with a resolution of the Board of Directors meeting held on December 1, 2021. Total number of issued shares at the end of the period, total number of treasury stock at the end of the period, and the average number of shares during the period are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended April 30, 2022.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and are not intended to be a guarantee by the Company of future performance. Actual results may differ materially from these forecasts due to various factors. Please refer to (3) Explanation of Financial Results Forecast and Other Forward-looking Information under 1. Qualitative Information on Quarterly Financial Results.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Table of Contents

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	2
(3) Explanation of Financial Results Forecast and Other Forward-looking Information.....	3
2. Quarterly Financial Statements and Principal Notes	4
(1) Quarterly Balance Sheets	4
(2) Quarterly Statements of Income	5
Three months ended July 31	5
(3) Notes to Quarterly Financial Statements	6
(Notes on going concern assumption)	6
(Notes in case of significant changes in shareholders' equity)	6
(Change in accounting policy)	6
(Segment information, etc.)	6

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

Under the corporate mission of "a new magical experience," we as an entertainment company are developing our business in the entertainment domain, mainly through the operation of the VTuber group "NIJISANJI." Our VTuber business is comprised of four main domains, namely: the live streaming domain which engages in video streaming activities centered on live video streaming on YouTube, the commerce domain which sells original goods themed on VTubers, for whom we own intellectual property rights, and digital products recording their audio, the event domain which organizes music and other events featuring our VTubers, and the promotion domain which concerns, among other things, tie-up ads with other businesses, intellectual-property licensing and media appearances. VTuber group "NIJISANJI" and "NIJISANJI EN" are engaged in activities in the above four domains, mainly in Japan and English-speaking countries, respectively.

In Japan VTuber business, the number of VTubers belonging to NIJISANJI in Japan was 112 (an increase of five from the same period of the previous fiscal year), and the number of YouTube views reached 152 million hours (an increase of 11% from the same period of the previous fiscal year). The number of ANYCOLOR IDs, which are required when using "NIJISANJI Official Store" and "NIJISANJI FAN CLUB," totaled 631,000 (an increase of 123% from the same period of the previous fiscal year). We also focused on the overseas VTuber business, including the expansion of the VTuber business "NIJISANJI EN" in English-speaking countries, with 26 VTubers (an increase of twenty from the same period of the previous fiscal year) and 37 million hours of YouTube views (an increase of 1,226% from the same period of the previous fiscal year).

As a result of the above, the operating results for the three months ended July 31, 2022 were net sales of 5,930,883 thousand yen, operating profit of 2,122,840 thousand yen, ordinary profit of 2,112,310 thousand yen and net profit of 1,464,530 thousand yen.

As the Company operates in a single segment of video content-related business, segment information is omitted.

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the three months ended July 31, 2022 were 10,145,383 thousand yen, an increase of 1,647,603 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 1,215,743 thousand yen in accounts receivable-trade and 273,618 thousand yen in cash and deposits. Non-current assets totaled 817,052 thousand yen, a decrease of 38,493 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 27,609 thousand yen in others under investments and other assets and 12,672 thousand yen in leasehold deposits.

As a result, total assets were 10,962,436 thousand yen, an increase of 1,609,109 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the three months ended July 31, 2022 were 2,845,683 thousand yen, an increase of 121,188 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 456,808 thousand yen in accounts payable-trade and 83,312 thousand yen in others under current liabilities, despite a decrease of 400,586 thousand yen in income taxes payable. Non-current liabilities were 263,100 thousand yen, a decrease of 46,989 thousand yen from the end of the previous fiscal year. This was due to a decrease in long-term borrowings.

As a result, total liabilities amounted to 3,108,783 thousand yen, an increase of 74,199 thousand yen from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the three months ended July 31, 2022 were 7,853,652 thousand yen, an increase of 1,534,910 thousand yen from the end of the previous fiscal year. This was mainly due to an increase in retained earnings resulting from 1,464,530 thousand yen in quarterly net profit, as well as an increase of 35,190 thousand yen each in capital stock and capital surplus resulting from the public offering.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

The Company aims to continue to achieve high growth through unit activity by multiple VTubers, training the next generation of VTubers through the Virtual Talent Academy, and further deepening overseas development, including in English-speaking countries. We set our forecast with a certain range for financial results for the fiscal year ending April 30, 2023, taking into consideration that it is difficult to quantitatively forecast the amount of enthusiasm from fans for our VTuber group, including new debuts, and that the VTuber market, especially in English-speaking countries, is still in its early stages. We did not make any change to the full-year financial results forecast announced on June 14, 2022.

The full-year results forecasts are based on information available as of the date of publication of this document, and actual results may differ from these forecasts due to various factors.

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

2. Quarterly Financial Statements and Principal Notes

(1) Quarterly Balance Sheets

(Unit: Thousands of yen)

	As of April 30, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	5,860,698	6,134,317
Accounts receivable - trade	2,069,605	3,285,349
Inventories	488,875	598,585
Others	78,600	127,131
Total current assets	8,497,779	10,145,383
Non-current assets		
Property, plant and equipment	227,510	218,753
Intangible assets	8,410	18,955
Investments and other assets		
Leasehold deposits	458,481	445,809
Others	161,143	133,533
Total investments and other assets	619,625	579,343
Total non-current assets	855,546	817,052
Total assets	9,353,326	10,962,436
Liabilities		
Current liabilities		
Accounts payable-trade	739,647	1,196,455
Current portion of long-term borrowings	246,742	228,397
Income taxes payable	1,054,313	653,727
Others	683,791	767,103
Total current liabilities	2,724,494	2,845,683
Non-current liabilities		
Long-term borrowings	310,089	263,100
Total long-term liabilities	310,089	263,100
Total liabilities	3,034,583	3,108,783
Net assets		
Shareholders' equity		
Capital stock	104,120	139,310
Capital surplus	2,476,034	2,511,224
Retained earnings	3,734,957	5,199,488
Total shareholders' equity	6,315,112	7,850,022
Share acquisition rights	3,630	3,630
Total net assets	6,318,742	7,853,652
Total liabilities and net assets	9,353,326	10,962,436

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(2) Quarterly Statements of Income

(Three Months Ended July 31)

(Unit: Thousands of yen)

	Three months ended July 31, 2022
Net sales	5,930,883
Cost of sales	3,342,830
Gross profit	2,588,053
Selling, general and administrative expenses	465,212
Operating profit	2,122,840
Non-operating income	
Interest income	0
Others	525
Total non-operating income	525
Non-operating expenses	
Interest expense	990
IPO expenses	7,867
Others	2,197
Total non-operating expenses	11,055
Ordinary profit	2,112,310
Profit before income taxes	2,112,310
Income taxes-current	620,613
Income taxes-deferred	27,166
Total income taxes	647,779
Net profit	1,464,530

English Translation

This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

(3) Notes to Quarterly Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

The Company listed its shares on the Growth Market of the Tokyo Stock Exchange on June 8, 2022. As 50,000 new shares were issued in an initial public offering (offering through the book building method) with the payment date set on June 7, 2022, capital stock and capital surplus each increased 35,190 thousand yen.

(Change in accounting policy)

(Application of "Implementation Guidance on Accounting Standard for Fair Value Measurement")

The Company began applying the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised ASBJ Guidance No. 31 dated June 17, 2021; the "Guidance" hereafter) at the beginning of the three months ended July 31, 2022. In accordance with the transitional treatment allowed under Paragraph 27-2 of the Guidance, new accounting policies provided in the Guidance is and will be applied going forward. The application of the Guidance has no impact on quarterly financial statements.

(Segment information, etc.)

Segment information

Three months ended July 31, 2022 (from May 1, 2022 to July 31, 2022)

As the Company operates in a single segment of video content-related business, segment information is omitted.