

Summary of Consolidated Financial Results
for the Three Months ended June 2024

AMUSE INC.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

August 14, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: AMUSE INC.
 Listing: Tokyo Stock Exchange
 Securities code: 4301
 URL: <https://www.amuse.co.jp/en/>
 Representative: Masaki Nakanishi, Representative Director and President
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Operating revenue		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, 2024	17,646	84.9	879	–	964	–	135	–
June 30, 2023	9,542	(12.3)	(403)	–	(312)	–	(330)	–

Note: Comprehensive income For the three months ended June 30, 2024: 373 million yen (–%)
 For the three months ended June 30, 2023: -566 million yen (–%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	8.17	–
June 30, 2023	(19.97)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	58,711	37,425	56.9
March 31, 2024	58,904	37,500	56.9

Reference: Equity As of June 30, 2024: 33,384 million yen
 As of March 31, 2024: 33,524 million yen

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	20.00	–	20.00	40.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		20.00	–	20.00	40.00

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

3. Forecast of Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,000	9.5	1,700	24.3	1,800	1.3	350	(10.6)	21.08

Note: Revisions to results forecasts most recently announced: None

*** Notes**

(1) Major changes in the scope of consolidation during the period: None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Notes on Important Matters, (3) Notes on consolidated financial statements (Notes on changes in accounting policies)" on page 11 of the accompanying materials.

(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, 2024	18,623,520 shares
As of March 31, 2024	18,623,520 shares

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

As of June 30, 2024	2,021,529 shares
As of March 31, 2024	2,021,529 shares

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

Three months ended June 30, 2024	16,601,991 shares
Three months ended June 30, 2023	16,566,834 shares

Note: The number of treasury shares at the end of each period includes the shares of the Company held by the Board Incentive Plan (BIP) Trust for Remunerating Directors and the Employee Stock Ownership Plan (ESOP) Trust for Granting Shares (364,280 shares as of June 30, 2024, and 364,280 shares as of March 31, 2024). The shares of the Company held by the Board Incentive Plan (BIP) Trust for Remunerating Directors and the Employee Stock Ownership Plan (ESOP) Trust for Granting Shares are included in the treasury shares deducted in the calculation of the average number of shares outstanding during each period (364,280 shares for the period ended June 30, 2024, and 399,530 shares for the period ended June 30, 2023).

* Review of the attached quarterly consolidated financial statements by a certified public accounting or auditing firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

The forward-looking statements such as the forecasts of financial results stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual performance may differ substantially from these forecasts owing to a wide range of factors. For conditions regarding the assumptions for results forecasts and notes on the use of results forecasts, etc., please refer to page 6 of the accompanying materials "1. Overview of Operating Results, Etc., (3) Explanation of information on future forecasts, including the forecast of consolidated results."

(How to obtain supplementary documents for results)

Supplementary material on financial statements was posted on TDnet and the Company's website on the same day.

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1. Overview of Operating Results, Etc.

(1) Overview of operating results for the first three months ended June 30, 2024

[Operating results for the first three months of the fiscal year under review]

Million yen

	Three months ended June 30, 2023	Three months ended June 30, 2024	Change	Change (%)
Operating revenue	9,542	17,646	8,103	84.9
Operating profit (loss)	(403)	879	1,283	–
Ordinary profit (loss)	(312)	964	1,276	–
Profit (loss) attributable to owners of parent	(330)	135	466	–

[Analysis of operating results]

During the first three months of the fiscal year under review, the Japanese economy was expected to continue to stage a gradual recovery with an improving employment and income environment and the effects of various measures. However, there were risks of a downturn in overseas economies, such as the impact of continued high interest rate levels in Europe and the U.S. and concerns about the outlook for the Chinese economy. In addition, it was necessary to continue monitoring the impact of the 2024 Noto Peninsula Earthquake on the economy, in addition to the impact of rising commodity prices, situation in the Middle East, changes in the financial and capital markets, and other factors.

Under these conditions, the operating results of Amuse Inc. and its subsidiaries (the “Group”) posted operating revenue of 17,646 million yen (up 84.9% year on year), an operating profit of 879 million yen (operating loss of 403 million yen in the same period of the previous year), an ordinary profit of 964 million yen (ordinary loss of 312 million yen in the same period of the previous year), and a profit attributable to owners of parent of 135 million yen (loss attributable to owners of parent of 330 million yen in the same period of the previous year). In the same quarter of the previous year, revenue from live events declined due to a reactionary decline from the relaxation of restrictions on the holding of events in the previous year. In the first quarter of the current fiscal year, however, operating revenue increased thanks to increased revenue from live events and merchandise and product revenue from the holding of large concert tours, as well as increases in revenue from production services, , producing services, and commercials etc. Operating profit and ordinary profit increased due to higher revenue, more than offsetting rises in operating costs related to receipts from operating revenue and selling, general and administrative expenses. Profit attributable to owners of parent increased due to higher revenue, despite loss on valuation of shares of subsidiaries and associates, office relocation expenses as preparation for the relocation of the Tokyo office scheduled in September, and an increase in income taxes.

<Operating revenue>

- Revenue from live events increased.
- Revenue from merchandise increased.
- Revenue from production service increased.
- Revenue from producing service increased.
- Revenue from commercials increased.
- Revenue from record label business decreased.

<Operating profit, Ordinary profit>

Profit increased due to higher revenue, more than offsetting rises in operating costs related to receipts from operating revenue and selling, general and administrative expenses.

<Profit attributable to owners of parent>

Profit attributable to owners of parent increased due to higher revenue, despite a loss on valuation of shares of subsidiaries and associates, office relocation expenses as preparation for the relocation of the Tokyo office scheduled in September, and an increase in income taxes.

Results by business segment were as follows:

(Operating revenue)

	Million yen			
	Three months ended June 30, 2023	Three months ended June 30, 2024	Change	Change (%)
Live Entertainment Business	4,770	10,736	5,965	125.1
Music & Film/TV Business	3,418	5,032	1,614	47.2
Booking (Film/TV/Live stage etc.) & Commercials Business	1,353	1,877	523	38.7
Total	9,542	17,646	8,103	84.9

(Segment profit (loss))

	Million yen			
	Three months ended June 30, 2023	Three months ended June 30, 2024	Change	Change (%)
Live Entertainment Business	(490)	372	862	-
Music & Film/TV Business	(10)	281	292	-
Booking (Film/TV/Live stage etc.) & Commercials Business	97	226	128	131.4
Adjustments	-	-	-	-
Total	(403)	879	1,283	-

[Live Entertainment Business]

Operating revenue of 10,736 million yen (up 125.1% year on year) and a segment profit of 372 million yen (a segment loss of 490 million yen in the same period of the previous fiscal year) resulted in increases in revenue and profit.

[Main businesses]

- Revenue from Live events: <Concerts>
Concert tours of Masaharu Fukuyama, SEKAI NO OWARI, BEGIN, BABYMETAL, Sakura Fujiwara, FLOW, Takuma Otoo, Yuta Orisaka, and KAMI WA SAIKORO WO FURANAI
Concerts of Keisuke Kuwata, Perfume, and Yuya Matsushita
<Stages and public performances>
Hakanaki Hikari no Rhapsody by CHIKYU GORGEOUS
Smile Forever -A little bad lady and the magic of love- by Atami Goro Ichiza
Stage performance *GOOFY - Between two morons*
Musical *THE BODYGUARD*
Talk Show *Kazuki no Tane Tour 2024 TALK SHOW and WORKSHOP*
- Revenue from sales of merchandise: concert merchandise of Masaharu Fukuyama and BABYMETAL, and Ryo Yoshizawa's photo book, etc.
- Revenue from membership fee: SOUTHERN ALL STARS, Masaharu Fukuyama, Gen Hoshino, Perfume, PORNOGRAFFITTI, etc.

<Operating revenue>

Revenue from live events increased.

(Concert tours of BABYMETAL, BEGIN, and FLOW, performances by Atami Goro Ichiza, etc. in the same period of the previous fiscal year)

Revenue increased principally due to the above factors.

<Segment profit>

Profit increased, reflecting the increase in revenue, despite an increase in operating costs related to revenue from live events.

[Music & Film/TV Business]

Operating revenue of 5,032 million yen (up 47.2% year on year) and a segment profit of 281 million yen (a segment loss of 10 million yen in the same period of the previous fiscal year) resulted in increases in revenue and profit.

[Main businesses]

- Revenue from royalties (new releases and catalog music): SOUTHERN ALL STARS, Keisuke Kuwata, Masaharu Fukuyama, Gen Hoshino, PORNOGRAFFITTI, etc.
- Revenue from record label business: Blu-ray discs of musical *Vagrant*, Sakura Fujiwara's album, etc.
- Revenue from production service: Production of regular programs, production and contracted production of non-series programs, etc.

- Revenue from producing service: live events streaming, including in theaters, etc.
- Revenue from video sales: revenue from Blu-ray and DVD sales of the film *Phases of the Moon*, etc.

<Operating revenue>

- Revenue from royalties increased.
- Revenue from production service increased.
- Revenue from producing service increased.
- Revenue from record label business decreased.
(Blu-ray discs and CDs from BABYMETAL, etc. in the same period of the previous fiscal year)

Revenue increased principally due to the above factors.

<Segment profit>

Profit increased, reflecting the increase in revenue, despite an increase in operating costs related to revenue from production service.

[Booking (Film/TV/Live stage etc.) & Commercials Business]

Operating revenue of 1,877 million yen (up 38.7% year on year) and segment profit of 226 million yen (up 131.4% year on year) resulted in an increase in revenue and profit.

[Main businesses]

- Revenue from booking business (Film/TV/Live stage etc.) and commercials:
Masaharu Fukuyama, Yo Oizumi, Ken Yasuda, Riisa Naka, Yuriko Yoshitaka, Chiaki Horan, Goro Kishitani, Yuji Miyake, Ryo Yoshizawa, DEAN FUJIOKA, Ayaka Miyoshi, Dori Sakurada, Yuta Koseki, Mayu Hotta, etc.

<Operating revenue>

Revenue grew thanks to an increase in revenue from booking business (film/TV/live stage etc.) and revenue from commercials.

<Segment profit>

Segment profit increased, attributable to factors for an increase in revenue.

(2) Overview of quarterly financial position

(Consolidated financial position)

	As of March 31, 2024	As of June 30, 2024	Change
Total assets (million yen)	58,904	58,711	(192)
Net assets (million yen)	37,500	37,425	(74)
Equity ratio (%)	56.9	56.9	(0.0)
Book value per share (yen)	2,019.28	2,010.85	(8.43)

Assets, liabilities and net assets

Total assets at the end of the first three months under review decreased 192 million yen from the end of the previous fiscal year, to 58,711 million yen. The main reason for the decrease was a decline in cash and deposits in current assets.

Total liabilities at the end of the first three months under review decreased 118 million yen from the end of the previous fiscal year, to 21,286 million yen. The decrease was mainly due to a decrease in trade accounts payable in current liabilities.

Total assets at the end of the first three months under review decreased 74 million yen from the end of the previous fiscal year, to 37,425 million yen. The main reason for the decrease was a decline in retained earnings due to dividends. As a result, the equity ratio was 56.9%.

(3) Explanation of information on future forecasts, including the forecast of consolidated results

Regarding the consolidated earnings forecast, there has been no change to the earnings forecast for the full year for the fiscal year ending March 31, 2025, announced on May 15, 2024 in the "Summary of Consolidated Financial Results for the Year Ended March 2024."

* The forecasts above are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not guarantee that the forecasts will be achieved. Actual performance may differ substantially from these forecasts owing to a wide range of factors.

2. Quarterly Consolidated Financial Statements and Notes on Important Matters

(1) Consolidated balance sheet

Million yen	March 31, 2024	June 30, 2024
Assets		
Current assets		
Cash and deposits	30,486	29,028
Notes and operating accounts receivable	10,004	11,195
Merchandise and finished goods	1,402	1,594
Work in process	1,313	1,008
Raw materials and supplies	151	162
Accounts receivable - other	1,812	1,530
Other	1,240	1,457
Allowance for doubtful accounts	(97)	(117)
Total current assets	46,314	45,858
Non-current assets		
Property, plant and equipment		
Buildings, net	2,354	2,387
Land	1,045	1,055
Leased assets, net	5	3
Other, net	1,020	1,469
Total property, plant and equipment	4,427	4,916
Intangible assets		
Goodwill	449	434
Other	590	606
Total intangible assets	1,039	1,040
Investments and other assets		
Investment securities	4,773	4,444
Deferred tax assets	1,023	1,058
Other	1,392	1,435
Allowance for doubtful accounts	(67)	(43)
Total investments and other assets	7,123	6,895
Total non-current assets	12,590	12,852
Total assets	58,904	58,711

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024
Amuse Inc. (4301)

Million yen	March 31, 2024	June 30, 2024
Liabilities		
Current liabilities		
Trade accounts payable	13,740	12,791
Current portion of long-term borrowings	53	49
Current portion of bonds payable	40	40
Lease liabilities	5	3
Income taxes payable	432	232
Provision for bonuses for directors (and other officers)	4	–
Provision for employee stock ownership plan trust	14	13
Other	5,168	6,187
Total current liabilities	19,459	19,318
Non-current liabilities		
Bonds payable	90	75
Long-term borrowings	191	180
Lease liabilities	1	1
Provision for share awards for directors (and other officers)	107	128
Retirement benefit liability	1,499	1,533
Other	54	49
Total non-current liabilities	1,945	1,968
Total liabilities	21,404	21,286
Net assets		
Shareholders' equity		
Share capital	1,587	1,587
Capital surplus	2,284	2,284
Retained earnings	31,578	31,375
Treasury shares	(2,858)	(2,858)
Total shareholders' equity	32,593	32,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	583	552
Foreign currency translation adjustment	269	367
Remeasurements of defined benefit plans	77	75
Total accumulated other comprehensive income	931	994
Non-controlling interests	3,975	4,041
Total net assets	37,500	37,425
Total liabilities and net assets	58,904	58,711

(2) Consolidated statements of income and comprehensive income
(Consolidated statement of income)
(For three-month period)

Million yen	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenue	9,542	17,646
Operating costs	8,462	15,107
Operating gross profit	1,080	2,538
Selling, general and administrative expenses	1,483	1,658
Operating profit (loss)	(403)	879
Non-operating income		
Interest income	1	3
Dividend income	6	5
Share of profit of entities accounted for using equity method	58	42
Foreign exchange gains	18	19
Subsidy income	1	-
Other	7	17
Total non-operating income	93	88
Non-operating expenses		
Interest expenses	1	3
Other	0	1
Total non-operating expenses	2	4
Ordinary profit (loss)	(312)	964
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	0	200
Office relocation expenses	-	272
Total extraordinary losses	0	472
Profit (loss) before income taxes	(312)	491
Income taxes - current	72	201
Income taxes - deferred	(139)	(19)
Total income taxes	(67)	182
Profit (loss)	(244)	309
Profit attributable to non-controlling interests	85	174
Profit (loss) attributable to owners of parent	(330)	135

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024
Amuse Inc. (4301)

(Consolidated statements of comprehensive income)
(For three-month period)

Million yen	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	(244)	309
Other comprehensive income		
Valuation difference on available-for-sale securities	(374)	(31)
Foreign currency translation adjustment	53	97
Remeasurements of defined benefit plans, net of tax	(1)	(2)
Total other comprehensive income	(321)	63
Comprehensive income	(566)	373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(652)	199
Comprehensive income attributable to non-controlling interests	85	174

(3) Notes on consolidated financial statements

(Note on going concern premise)

Not applicable.

(Explanatory notes in case of remarkable change in monetary amount of shareholders' equity)

Not applicable.

(Notes on changes in accounting policies)

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Notes on quarterly consolidated statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the three-month period under review. Depreciation (including amortization of intangible assets, excluding amortization of goodwill) and amortization of goodwill for the first quarter under review are as follows.

Million yen	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	132	126
Amortization of goodwill	8	14

(Notes on Segment information, etc.)

(Segment information)

I. Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on operating revenue and profit or loss by reportable segment and information on the breakdown of revenue

Million yen	Reportable segments			Total	Adjustments (Note) 1	Amounts recorded in consolidated statements of income (Note) 2
	Live Entertainment Business	Music & Film/TV Business	Booking (Film/TV/Live stage etc.) & Commercials Business			
Operating revenue						
Revenue from live events	2,486	–	–	2,486	–	2,486
Revenue from membership fee and sales of merchandise	2,284	–	–	2,284	–	2,284
Revenue from music business	–	2,182	–	2,182	–	2,182
Revenue from film/TV	–	1,043	–	1,043	–	1,043
Other revenue from music and film/TV business	–	192	–	192	–	192
Revenue from booking business (film/TV/live stage etc.) & commercials	–	–	1,353	1,353	–	1,353
Revenue from contracts with customers	4,770	3,418	1,353	9,542	–	9,542
External customers	4,770	3,418	1,353	9,542	–	9,542
Intersegment transactions and transfers	45	24	7	76	(76)	–
Total	4,815	3,442	1,361	9,619	(76)	9,542
Segment profit (loss)	(490)	(10)	97	(403)	–	(403)

(Notes) 1. Total company expenses that do not belong to any of the reportable segments have been allocated to each segment proportionately.

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

2. Information on impairment loss of non-current assets, amortization of goodwill and unamortized balance by reportable segment

Not applicable.

II. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on operating revenue and profit or loss by reportable segment and information on the breakdown of revenue

Million yen	Reportable segments			Total	Adjustments (Note) 1	Amounts recorded in consolidated statements of income (Note) 2
	Live Entertainment Business	Music & Film/TV Business	Booking (Film/TV/Live stage etc.) & Commercials Business			
Operating revenue						
Revenue from live events	7,769	–	–	7,769	–	7,769
Revenue from membership fee and sales of merchandise	2,967	–	–	2,967	–	2,967
Revenue from music business	–	2,268	–	2,268	–	2,268
Revenue from film/TV	–	2,617	–	2,617	–	2,617
Other revenue from music and film/TV business	–	146	–	146	–	146
Revenue from booking business (film/TV/live stage etc.) & commercials	–	–	1,877	1,877	–	1,877
Revenue from contracts with customers	10,736	5,032	1,877	17,646	–	17,646
External customers	10,736	5,032	1,877	17,646	–	17,646
Intersegment transactions and transfers	135	29	0	165	(165)	–
Total	10,872	5,061	1,877	17,811	(165)	17,646
Segment profit	372	281	226	879	–	879

(Notes) 1. Total company expenses that do not belong to any of the reportable segments have been allocated to each segment proportionately.

2. Segment profit is adjusted with operating profit stated in the consolidated statements of income.

2. Information on impairment loss of non-current assets, amortization of goodwill and unamortized balance by reportable segment

Not applicable.

Report on interim review of quarterly consolidated financial statements
by independent auditors

August 8, 2024

To the Board of Directors AMUSE INC.

Crowe Toyo & Co.
Tokyo Office

Designated Partner
Managing Partner Certified public accountant Masanori Sayama

Designated Partner
Managing Partner Certified public accountant Yuko Saruwatari

Auditor's Conclusion

We have performed a quarterly review of the quarterly consolidated financial statements of Amuse Inc., namely the quarterly consolidated balance sheets, quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and the primary notes for the first quarter (from April 1, 2024 to June 30, 2024) and the first three months (from April 1, 2024 to June 30, 2024) of the consolidated fiscal year from April 1, 2024 to March 31, 2025 included in the Accompanying Materials of the Quarterly Consolidated Financial Results.

Based on our review, nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements referred to above are not prepared, in all material respects, in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Basis for Auditor's Conclusion

We conducted our review in accordance with review standards for interim financial statements generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethical regulations that are applicable in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that we have obtained evidence to provide a basis for our conclusion.

Responsibilities of the Management and the Audit and Supervisory Board Members and Audit and Supervisory Board Pertaining to Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the quarterly consolidated financial statements in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan. The responsibility includes establishing and operating an internal control system that management considers necessary for creating quarterly consolidated financial statements that do not include any significant misstatements stemming from injustice or errors.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the

Group's ability to continue as a going concern and disclosing, as required by Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards, matters related to going concern.

The responsibilities of the Audit and Supervisory Board Member and the Audit and Supervisory Board lie in monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Interim Review of the Quarterly Consolidated Financial Statements

Our objective is to issue an auditor's interim review report that includes our conclusion for quarterly consolidated financial statements from an independent standpoint.

As part of our interim review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the interim review as below:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. A interim review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- If we determine that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, then we conclude, based on the evidence obtained, on whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards. Additionally, if we conclude that a material uncertainty exists, we are required to draw attention in our interim review report to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether anything has come to our attention that causes us to believe that the quarterly consolidated financial statements and notes are not prepared in accordance with Article 4 (1) of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.
- Obtain evidence regarding the financial information of the entities or business activities within the Company and its consolidated subsidiaries as a basis for expressing a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Board and Audit and Supervisory Board members regarding, among other matters, the planned scope and timing of the interim review and significant review findings.

We report to the Audit and Supervisory Board and Audit and Supervisory Board members in a statement that we have complied with the professional ethical regulations that are applicable in Japan regarding independence, matters that may reasonably be thought to affect our independence, and the content of safeguards, where measures were established to eliminate or effectively mitigate any impediment.

Conflicts of interest

There is no conflict of interest between the Company and its consolidated subsidiaries and us or its engagement partners which should be disclosed under the provisions of the Certified Public Accountants Act.

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- Notes: 1. The original report on interim review is kept separately by the Company (the reporting company of the Quarterly Securities Report).
2. The associated XBRL data and HTML data are not included in the scope of the interim review.