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Consolidated Financial Results for the Year Ended May 31, 2025 [Japanese GAAP]

July 9, 2025

Company name: GameWith, Inc.
Listing: Tokyo Stock Exchange
Securities code: 6552
URL: <https://gamewith.co.jp>
Representative: Takuya Imaizumi President
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Scheduled date of annual general meeting of shareholders: August 27, 2025
Scheduled date to commence dividend payments: -
Scheduled date to file annual securities report: August 26, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended May 31, 2025	3,451	(1.3)	(196)	-	(207)	-	(235)	-
May 31, 2024	3,497	(0.4)	67	(80.1)	45	(85.4)	(347)	-

(Note) Comprehensive income: Fiscal year ended May 31, 2025: ¥ (245) million [-%]
Fiscal year ended May 31, 2024: ¥ (338) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended May 31, 2025	(13.50)	-	(8.4)	(5.7)	(5.7)
May 31, 2024	(19.57)	-	(11.1)	1.1	1.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended May 31, 2025: ¥ 2 million
Fiscal year ended May 31, 2024: ¥ (3) million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2025	3,347	2,675	79.9	153.21
May 31, 2024	3,884	2,920	75.2	167.25

(Reference) Equity: As of May 31, 2025: ¥ 2,675 million
As of May 31, 2024: ¥ 2,920 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended May 31, 2025	(268)	(155)	(258)	2,142
May 31, 2024	141	(113)	(394)	2,828

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
May 31, 2024	-	0.00	-	0.00	0.00	-	-	-
May 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending May 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2026 (June 1, 2025 to May 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	3,700 ~3,900	7.1 ~12.9	0 ~100	-	0 ~100	-	0 ~100	-	0.00 ~5.73

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)

Excluded: - (Company name:)

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

May 31, 2025: 18,348,200 shares

May 31, 2024: 18,348,200 shares

2) Number of treasury shares at the end of the period:

May 31, 2025: 885,055 shares

May 31, 2024: 885,035 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended May 31, 2025: 17,463,153 shares

Fiscal Year ended May 31, 2024: 17,785,553 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (June 1, 2024 to May 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2025	2,535	(3.1)	(115)	-	(307)	-	(302)	-
May 31, 2024	2,617	(3.8)	158	(48.1)	(3)	-	(481)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
May 31, 2025	(17.32)	-
May 31, 2024	(27.07)	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
May 31, 2025	2,947	2,493	84.6	142.78
May 31, 2024	3,544	2,803	79.1	160.53

(Reference) Equity: As of May 31, 2025: ¥ 2,493 million
As of May 31, 2024: ¥ 2,803 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Thousands of yen)

	As of May 31, 2024	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	2,828,978	2,142,876
Trade receivables and contract asset	441,496	494,466
Prepaid expenses	63,963	85,166
Consumption taxes refund receivable	17,603	17,716
Income taxes refund receivable	-	27,079
Other	11,519	10,796
Total current assets	3,363,561	2,778,102
Non-current assets		
Property, plant and equipment		
Buildings	80,795	89,979
Accumulated depreciation	(43,851)	(57,645)
Buildings, net	36,943	32,333
Tools, furniture and fixtures	79,974	81,212
Accumulated depreciation	(64,910)	(60,762)
Tools, furniture and fixtures, net	15,064	20,449
Total property, plant and equipment	52,008	52,782
Intangible assets		
Software in progress	-	45,032
Goodwill	14,541	-
Other	3,529	3,162
Total intangible assets	18,071	48,195
Investments and other assets		
Shares of subsidiaries and associates	26,825	28,828
Investment securities	224,195	233,744
Leasehold deposits	142,353	144,693
Deferred tax assets	56,705	57,582
Other	404	3,154
Total investments and other assets	450,484	468,002
Total non-current assets	520,563	568,980
Total assets	3,884,125	3,347,082

(Thousands of yen)

	As of May 31, 2024	As of May 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	127,189	178,575
Current portion of long-term borrowings	260,004	44,981
Accounts payable - other	84,544	87,104
Accrued expenses	120,651	137,663
Income taxes payable	21,841	14,040
Contract liabilities	97,834	49,488
Provision for bonuses	80,400	81,086
Provision for contract loss	56,250	-
Provision for point card certificates	-	371
Other	43,631	47,317
Total current liabilities	892,349	640,629
Non-current liabilities		
Long-term borrowings	43,314	-
Asset retirement obligations	27,672	30,966
Total non-current liabilities	70,986	30,966
Total liabilities	963,335	671,595
Net assets		
Shareholders' equity		
Share capital	553,809	553,809
Capital surplus	552,808	552,808
Retained earnings	2,199,108	1,963,286
Treasury shares	(400,058)	(400,062)
Total shareholders' equity	2,905,668	2,669,841
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,344	6,900
Foreign currency translation adjustment	776	(1,254)
Total accumulated other comprehensive income	15,121	5,645
Total net assets	2,920,789	2,675,487
Total liabilities and net assets	3,884,125	3,347,082

Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Net sales	3,497,848	3,451,913
Cost of sales	2,041,927	2,225,016
Gross profit	1,455,921	1,226,896
Selling, general and administrative expenses	1,388,813	1,423,781
Operating profit (loss)	67,107	(196,885)
Non-operating income		
Interest income	50	1,350
Share of profit of entities accounted for using equity method	-	2,002
Foreign exchange gains	2,982	-
Other	1,200	1,286
Total non-operating income	4,233	4,639
Non-operating expenses		
Interest expenses	1,789	949
Loss on investments in investment partnerships	10,611	3,885
Foreign exchange losses	-	10,664
Share of loss of entities accounted for using equity method	3,449	-
Penalty	9,100	-
Other	506	90
Total non-operating expenses	25,456	15,590
Ordinary profit (loss)	45,884	(207,835)
Extraordinary losses		
Impairment losses	268,679	-
Loss on valuation of investment securities	28,382	6,617
Total extraordinary losses	297,061	6,617
Loss before income taxes	(251,177)	(214,453)
Income taxes - current	74,853	18,960
Income taxes - deferred	21,962	2,408
Total income taxes	96,816	21,368
Loss	(347,993)	(235,822)
Loss attributable to owners of parent	(347,993)	(235,822)

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Loss	(347,993)	(235,822)
Other comprehensive income		
Valuation difference on available-for-sale securities	6,274	(7,444)
Foreign currency translation adjustment	3,360	(2,030)
Total other comprehensive income	9,634	(9,475)
Comprehensive income	(338,358)	(245,298)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(338,358)	(245,298)
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statement of Changes in Equity

For the fiscal year ended May 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	553,809	552,808	2,547,102	(300,080)	3,353,639
Changes during period					
Loss attributable to owners of parent			(347,993)		(347,993)
Purchase of treasury shares				(99,977)	(99,977)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(347,993)	(99,977)	(447,971)
Balance at end of period	553,809	552,808	2,199,108	(400,058)	2,905,668

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	8,070	(2,583)	5,487	-	3,359,126
Changes during period					
Loss attributable to owners of parent					(347,993)
Purchase of treasury shares					(99,977)
Net changes in items other than shareholders' equity	6,274	3,360	9,634	-	9,634
Total changes during period	6,274	3,360	9,634	-	(438,336)
Balance at end of period	14,344	776	15,121	-	2,920,789

For the fiscal year ended May 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	553,809	552,808	2,199,108	(400,058)	2,905,668
Changes during period					
Loss attributable to owners of parent			(235,822)		(235,822)
Purchase of treasury shares				(4)	(4)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(235,822)	(4)	(235,826)
Balance at end of period	553,809	552,808	1,963,286	(400,062)	2,669,841

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	14,344	776	15,121	-	2,920,789
Changes during period					
Loss attributable to owners of parent					(235,822)
Purchase of treasury shares					(4)
Net changes in items other than shareholders' equity	(7,444)	(2,030)	(9,475)	-	(9,475)
Total changes during period	(7,444)	(2,030)	(9,475)	-	(245,302)
Balance at end of period	6,900	(1,254)	5,645	-	2,675,487

Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended May 31, 2024	For the fiscal year ended May 31, 2025
Cash flows from operating activities		
Loss before income taxes	(251,177)	(214,453)
Depreciation	22,392	26,001
Impairment losses	268,679	-
Amortization of goodwill	101,567	14,541
Increase (decrease) in provision for bonuses	1,266	685
Loss (gain) on investments in investment partnerships	10,611	3,885
Interest income	(50)	(1,350)
Interest expenses	1,789	949
Loss (gain) on valuation of investment securities	28,382	6,617
Decrease (increase) in trade receivables	65,556	(52,970)
Decrease (increase) in consumption taxes refund receivable	(11,380)	(113)
Increase (decrease) in trade payables	(1,291)	51,385
Increase (decrease) in accounts payable - other	8,835	(5,697)
Increase (decrease) in accrued expenses	2,836	17,028
Increase (decrease) in contract liabilities	48,399	(48,345)
Other, net	(10,027)	(18,138)
Subtotal	286,389	(219,972)
Interest received	50	1,350
Interest paid	(1,778)	(865)
Income taxes paid	(146,397)	(58,734)
Income taxes refund	2,968	9,689
Net cash provided by (used in) operating activities	141,232	(268,531)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,678)	(20,322)
Proceeds from sale of property, plant and equipment	798	-
Purchase of investment securities	(49,024)	(42,013)
Purchase of intangible assets	(2,496)	(40,556)
Purchase of shares of subsidiaries	(56,250)	(56,250)
Payments of leasehold deposits	(4,990)	(9,339)
Proceeds from refund of leasehold deposits	765	2,165
Proceeds from distributions from investment partnerships	4,378	11,231
Net cash provided by (used in) investing activities	(113,497)	(155,085)
Cash flows from financing activities		
Repayments of long-term borrowings	(294,704)	(258,337)
Purchase of treasury shares	(99,977)	(4)
Net cash provided by (used in) financing activities	(394,681)	(258,341)
Effect of exchange rate change on cash and cash equivalents	3,926	(4,144)
Net increase (decrease) in cash and cash equivalents	(363,020)	(686,102)
Cash and cash equivalents at beginning of period	3,191,999	2,828,978
Cash and cash equivalents at end of period	2,828,978	2,142,876