Form No. 2 (related to Article 4)

Start-up Preparation Activity Plan

Month Day, Year

Applicant's Name

1. Outline of the Applicant

(1)	Motivation for starting a business and future prospects (including motivation for starting a business in Kumamoto City) (example) By using the experiences of gaming industry such as company A and B, want to develop the 1st class game software in the World. The reasons of Startup in Kumamoto City are from my experience of study at a university in Kumamoto, many game software developers with high-skill programmers in the City.	
(2)	Applicant's title and role in the business Chief Executive Officer, managing overall company business.	
(3)	Qualifications, work experience, special skills, intellectual property rights, etc., that form the background for starting a business ・ Majored and graduated from the Master's degree in Computer science at the University. ・ Played the role of Roll playing game development for five years at a local game software developing company. ・ Possess Qualification of System Auditor.	
(4)	The names of other applicants who will jointly apply for this project (if any) Hanako Kumamoto	
(5)	Schedule for start-up *Please describe what is expected at the time of start-up.	
A	Scheduled date of opening business	Month Day, Year *Corporate registration, date of notification of opening business, etc.
B	Type of industry	(Choose from) 1. Semiconductor / AI / IoT / Information Transmission 2. Life Sciences / Wellness 3. Agriculture, Forestry and Fisheries / Food Technology 4. Traditional Manufacturing Industries /Advanced Manufacturing Industries 5. Culture / Art / Content 6. Environment and Energy 7. Social Business 8. Tourism
C	Products and services to be provided	Smartphone game plan, development and sales

<table>
<tr><td>D</td><td colspan="2">Place to open business premises</td><td colspan="4">Chuo-Ku, Kumamoto City</td></tr>
<tr><td>E</td><td colspan="2">Stated or total capital
(or own funds)</td><td colspan="4">15,000 thousand yen</td></tr>
<tr><td rowspan="5">F</td><td colspan="2" rowspan="5">Shareholder composition
(shareholding ratio)</td><td>Name of shareholders</td><td colspan="2">Address</td><td>Shareholding ratio</td></tr>
<tr><td>Taro Kumamoto</td><td colspan="2">Kumamoto City</td><td>70%</td></tr>
<tr><td>Hanako Kumamoto</td><td colspan="2">Kumamoto City</td><td>30%</td></tr>
<tr><td></td><td colspan="2"></td><td></td></tr>
<tr><td colspan="3">Total</td><td></td></tr>
<tr><td rowspan="2">G</td><td colspan="2" rowspan="2">Executive officers
*excluding the applicant</td><td colspan="2">Name: John Henry</td><td colspan="2">Nationality: U.S.A.</td></tr>
<tr><td colspan="2">Address: San Francisco, CA</td><td colspan="2">Title: CEO</td></tr>
<tr><td rowspan="3">H</td><td rowspan="3">Number of employees</td><td>1st period</td><td colspan="4">Employees: 1 persons, Part-time or temporary employees persons
Total: 1 persons</td></tr>
<tr><td>2nd period</td><td colspan="4">Employees: 2 persons, Part-time or temporary employees: persons
Total: 2 persons</td></tr>
<tr><td>3rd period</td><td colspan="4">Employees: 2 persons, Part-time or temporary employees: persons
Total: 2 persons</td></tr>
</table>

2. Outline of Business

(1) Outline of business to be conducted (outline of products and services)
〇Planning, development, and sales of smartphone game applications. Planning, development, and operation of the character-raising simulation game “Star Birth”. ・Characters are strengthened and raised by advancing the story and engaging in battles. They can also be enhanced using items (paid in-app purchases). ・Characters raised can be pitted against other users' characters online. Planning and development of other game applications. 〇Planning and operation of events linked to the game Host events where users compete with characters they've raised in the game
(2) Methods of selling and providing products and services (sales destinations, methods, and unit prices, etc.)
○Sales Targets ・Individual smartphone users (company-operated app), target users: 37,000 (including 3,900 paying users) ・Other game companies ○Sales Method ・Sold via the internet (company-operated app) ・Accepts project planning and development orders from other game companies ○Sales Price (Company-operated app) ・The game app itself is distributed free of charge. ・In-game items are sold via a pay-to-play system. (Average revenue per user: JPY 2,700) Item A: JPY 200 Item B: JPY 100
(3) Manufacturers, suppliers, collaborators, cost ratios, and breakdown of product and service costs
※Assumptions for the Third Term ・Platform fees: JPY 12,600 thousand (30% of sales) ・Advertising expenses: JPY 250 thousand ・Translation: JPY 750 thousand
(4) Required management resources (business funds, office, equipment, licenses, employees, etc.)
・Development PC: Approximately JPY 500,000 ・Game development software licenses: Approximately JPY 500,000
(5) Reasons why it is possible to generate revenue and factors that differentiate a company from competitors in the market in Kumamoto City (innovative technologies, products, services, business models, etc.)
・Smartphones are information devices spreading worldwide at a rate exceeding 2.5 billion units, representing potential sales targets (customers). ・I have a proven track record of creating hit titles during my tenure at a game company. ・Collaborating with famous anime and other properties can attract a large user base. ・Creating a hit title results in low running costs and significant profits.

3. Profit Plan

Scheduled Date of Incorporation (Opening Business):Month Day, Year (scheduled)

(unit: thousand yen)

Scheduled settlement period (end of [Month])		1st period	2nd period	3rd period
Net sales (a)		3,650	14,000	42,000
		3,000	10,000	20,000
		500	3,000	17,000
		150	1,000	5,000
Cost of sales (material costs, labor costs, expenses, outsourcing costs, etc.) (b)		500	4,700	13,350
		0	4,200	12,600
		500	500	0
		0	0	750
Gross profit (c = a − b)		3,150	9,300	28,650
Selling, general, and administrative expenses (d)		3,850	6,150	8,500
	Advertising expenses	0	500	250
	Communication expenses	500	500	500
	Rent and utility expenses	500	700	1,200
	Travel and transportation expenses	0	100	200
	Accounting and legal expenses	150	150	150
	Miscellaneous expenses	200	200	200
	Salary and allowances	0	1,000	2,000
	Executive officers’ compensation	2,500	2,500	3,000
	Statutory welfare expenses		500	1,000
Operating profit or loss (e = c − d)		-700	3,150	20,150
Interest expense (f)		0	0	0

Ordinary income or loss (g)	0	0	0
Extraordinary income or loss (h)	0	0	0
Profit or loss before tax for the period (i)	-700	3,150	20,150
Profit or loss after tax for the period (j)	-700	2,677	17,127

* Corporate tax rates shall be calculated at 15% or 23.2%.
* Carryover losses shall not be applied in calculations.

4. Financial Plan at the Time of Opening

Scheduled Date of Incorporation (Opening Business): Month Day, Year (scheduled)

Cash on hand at the time of opening the business (balance of cash and deposit): ____________________ yen (plan)

(unit: thousand yen)

Scheduled settlement period (end of [Month])		1st period	2nd period	3rd period
Purpose of funds	Real estate (land, buildings, security deposits, etc.)	0	0	0
	Facilities (equipment, facilities, etc.)	0	0	0
	Repayment of borrowed funds	0	0	0
	Others	500	0	0
Fund raising	Profit	-700	2,677	17,127
	Depreciation expenses			
	New borrowing			
	Transfer to equity capital	2,000		
	Others			
Net (balance of cash and deposit)		**800**	**3,477**	**20,604**