

KOEI TECMO HOLDINGS CO., LTD.

Financial Highlights

for the 1st Half of the Fiscal Year Ending March 2018 (FY2017)

Summary of Consolidated Statements of Income

(millions of Yen)

	FY2016		FY2017			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Net Sales	16,576	37,034	14,916	-10.0%	42,000	13.4%
Gross Profit	6,569	17,211	6,362	-3.2%	-	-
Operating Income	2,748	8,781	2,850	3.7%	11,500	31.0%
Income before income taxes and minority interests	4,904	15,211	6,897	40.6%	16,000	5.2%
Net Income	3,786	11,624	5,034	33.0%	11,700	0.6%

Net Sales by Segment

(millions of Yen)

	FY2016		FY2017			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	14,638	33,025	13,410	-8.4%	37,600	13.9%
Pachislot & Pachinko	963	1,992	463	-51.9%	1,600	-19.7%
Amusement Facilities	649	1,266	681	4.9%	2,100	65.9%
Real Estate	398	788	389	-2.3%	730	-7.4%
Other	61	336	82	34.4%	120	-64.3%
Corporate & Elimination	-135	-376	-111	-	Δ150	-
Total	16,576	37,034	14,916	-10.0%	42,000	13.4%

Operating Income by Segment

(millions of Yen)

	FY2016		FY2017			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	2,308	7,815	2,645	14.6%	10,350	32.4%
Pachislot & Pachinko	367	736	145	-60.5%	600	-18.5%
Amusement Facilities	79	27	-131	-	200	640.7%
Real Estate	166	248	168	1.2%	300	21.0%
Other	19	243	23	21.1%	50	-79.4%
Corporate & Elimination	-193	-290	0	-	0	-
Total	2,748	8,781	2,850	3.7%	11,500	31.0%

KOEI TECMO HOLDINGS CO., LTD.
Consolidated Balance Sheets

	(millions of Yen)	
	Prior Fiscal Year (as of March 31, 2017)	Current Fiscal Year (as of September 30, 2017)
Assets		
Current Assets		
Cash and time deposits	11,868	5,062
Notes and accounts receivable	8,168	6,071
Marketable securities	1,871	3,372
Merchandise and Finished goods	96	153
Work in process	4	114
Raw materials	42	47
Deferred tax assets	939	691
Other current assets	3,721	1,653
Allowance for bad debts	△ 23	△ 22
Total current assets	<u>26,689</u>	<u>17,143</u>
Fixed assets		
Property and equipment		
Buildings and structures, net	10,993	10,944
Land	14,615	14,615
Other, net	517	495
Total Property and equipment	<u>26,126</u>	<u>26,055</u>
Intangible assets		
Other	208	187
Total Intangible assets	<u>208</u>	<u>187</u>
Investments and other assets		
Investment securities	65,484	73,646
Deferred tax assets	142	263
Other	809	838
Total investments and other assets	<u>66,436</u>	<u>74,748</u>
Total fixed assets	<u>92,772</u>	<u>100,991</u>
Total assets	<u>119,461</u>	<u>118,134</u>

	(millions of Yen)	
	Prior Fiscal Year (as of March 31, 2017)	Current Fiscal Year (as of September 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	487	826
Accounts payable- other	4,244	1,135
Income taxes payable	2,566	1,612
Accrued bonuses to employees	949	841
Accrued bonuses to directors	242	56
Allowance for sales returns	0	0
Allowance for sales discount	255	200
Allowance for customer-discount points	21	17
Deferred tax liabilities	0	2
Other current liabilities	2,691	1,838
Total current liabilities	<u>11,460</u>	<u>6,530</u>
Long-term liabilities		
Net defined benefit liability	295	212
Deferred tax liabilities	326	1,485
Other long-term liabilities	861	845
Total long-term liabilities	<u>1,484</u>	<u>2,543</u>
Total liabilities	<u>12,944</u>	<u>9,074</u>
Net assets		
Shareholders' equity		
Common stock	15,000	15,000
Capital surplus	25,937	26,052
Retained earnings	66,159	65,286
Treasury stock	△ 1,456	△ 1,354
Total shareholders' equity	<u>105,639</u>	<u>104,983</u>
Accumulated other comprehensive income		
Unrealized gains or losses on securities	3,130	5,913
Unrealized losses on revaluation of the land	△ 3,115	△ 3,115
Foreign currency translation adjustments	697	1,072
Remeasurements of defined benefit plans	△ 90	△ 95
Total accumulated other comprehensive income	<u>622</u>	<u>3,775</u>
Share subscription rights	254	300
Total net assets	<u>106,516</u>	<u>109,059</u>
Total liabilities and net assets	<u>119,461</u>	<u>118,134</u>