

KOEI TECMO HOLDINGS CO., LTD.

Financial Highlights

for the 1st Quarter of the Fiscal Year Ending March 2019 (FY2018)

Summary of Consolidated Statements of Income

(millions of Yen)

	FY2017		FY2018			
	1st Quarter Results	Full Year Results	1st Quarter Results	YoY change ratio	Full Year Forecast	YoY change ratio
Net Sales	6,516	38,926	8,109	24.4%	41,000	5.3%
Gross Profit	2,626	19,360	4,079	55.3%	-	-
Operating Income	984	11,711	2,294	133.0%	12,000	2.5%
Income before income taxes and minority interests	4,183	18,293	3,826	-8.5%	17,500	-4.3%
Net Income	3,058	13,017	2,838	-7.2%	12,500	-4.0%

Net Sales by Segment

(millions of Yen)

	FY2017		FY2018			
	1st Quarter Results	Full Year Results	1st Quarter Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	5,767	35,389	7,375	27.9%	37,200	5.1%
Pachislot & Pachinko	264	945	204	-22.7%	1,500	58.7%
Amusement Facilities	295	1,536	327	11.0%	1,500	-2.3%
Real Estate	194	784	207	6.9%	800	2.1%
Other	50	584	35	-29.5%	150	-74.3%
Corporate & Elimination	-55	-313	-41	-	-150	-
Total	6,516	38,926	8,109	24.4%	41,000	5.3%

Operating Income by Segment

(millions of Yen)

	FY2017		FY2018			
	1st Quarter Results	Full Year Results	1st Quarter Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	814	10,938	2,134	162.2%	11,000	0.6%
Pachislot & Pachinko	90	289	43	-52.5%	500	72.9%
Amusement Facilities	-20	-362	12	-	100	-
Real Estate	84	348	94	11.8%	350	0.7%
Other	16	496	9	-43.8%	50	-89.9%
Corporate & Elimination	0	0	0	-	0	-
Total	984	11,711	2,294	133.0%	12,000	2.5%

KOEI TECMO HOLDINGS CO., LTD.
Consolidated Balance Sheets

	(millions of Yen)	
	Prior Fiscal Year (as of March 31, 2018)	Current Fiscal Year (as of June 30, 2018)
Assets		
Current Assets		
Cash and time deposits	6,626	5,162
Notes and accounts receivable	8,978	6,172
Merchandise and Finished goods	115	47
Work in process	30	111
Raw materials	45	49
Other current assets	2,885	3,304
Allowance for bad debts	△ 11	△ 5
Total current assets	<u>18,671</u>	<u>14,840</u>
Fixed assets		
Property and equipment		
Buildings and structures, net	10,746	10,515
Land	14,615	14,615
Construction in progress	3,531	3,522
Other, net	520	507
Total Property and equipment	<u>29,413</u>	<u>29,160</u>
Intangible assets		
Other	190	177
Total Intangible assets	<u>190</u>	<u>177</u>
Investments and other assets		
Investment securities	78,938	76,133
Deferred tax assets	473	460
Net defined benefit assets	—	9
Other	906	972
Total investments and other assets	<u>80,317</u>	<u>77,576</u>
Total fixed assets	<u>109,922</u>	<u>106,914</u>
Total assets	<u>128,594</u>	<u>121,755</u>

	(millions of Yen)	
	Current Fiscal Year (as of March 31, 2018)	Current Fiscal Year (as of June 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	843	486
Short-term loans payable	—	1,500
Accounts payable- other	1,185	963
Income taxes payable	3,426	889
Accrued bonuses to employees	1,043	574
Accrued bonuses to directors	168	50
Allowance for sales returns	0	0
Allowance for sales discount	475	410
Allowance for customer-discount points	19	15
Allowance for loss on order received	595	495
Other current liabilities	3,268	2,537
Total current liabilities	<u>11,027</u>	<u>7,923</u>
Long-term liabilities		
Net defined benefit liability	57	—
Deferred tax liabilities	429	476
Other long-term liabilities	836	820
Total long-term liabilities	<u>1,324</u>	<u>1,296</u>
Total liabilities	<u>12,351</u>	<u>9,220</u>
Net assets		
Shareholders' equity		
Common stock	15,000	15,000
Capital surplus	26,175	26,181
Retained earnings	73,269	69,548
Treasury stock	△ 1,266	△ 1,264
Total shareholders' equity	<u>113,178</u>	<u>109,465</u>
Accumulated other comprehensive income		
Unrealized gains or losses on securities	4,885	5,078
Unrealized losses on revaluation of the land	△ 3,115	△ 3,115
Foreign currency translation adjustments	997	773
Remeasurements of defined benefit plans	△ 48	△ 50
Total accumulated other comprehensive income	<u>2,719</u>	<u>2,687</u>
Share subscription rights	345	382
Total net assets	<u>116,242</u>	<u>112,535</u>
Total liabilities and net assets	<u>128,594</u>	<u>121,755</u>