

**KOEI TECMO HOLDINGS CO., LTD.**

## Financial Highlights

for the 3rd Quarter of the Fiscal Year Ending March 2020 (FY2019)

## Summary of Consolidated Statements of Income

(millions of Yen)

|                                                   | FY2018              |                   | FY2019              |                  |                    |                  |
|---------------------------------------------------|---------------------|-------------------|---------------------|------------------|--------------------|------------------|
|                                                   | 3rd Quarter Results | Full Year Results | 3rd Quarter Results | YoY change ratio | Full Year Forecast | YoY change ratio |
| Net Sales                                         | 26,806              | 38,968            | 26,676              | -0.5%            | 43,000             | 10.3%            |
| Gross Profit                                      | 12,842              | 19,915            | 12,466              | -2.9%            | -                  | -                |
| Operating Income                                  | 7,101               | 12,092            | 6,429               | -9.5%            | 12,000             | -0.8%            |
| Income before income taxes and minority interests | 11,457              | 18,307            | 12,677              | 10.6%            | 16,000             | -12.6%           |
| Net Income                                        | 8,466               | 13,694            | 9,718               | 14.8%            | 13,000             | -5.1%            |

## Net Sales by Segment

|                         | FY2018              |                   | FY2019              |                  |                    |                  |
|-------------------------|---------------------|-------------------|---------------------|------------------|--------------------|------------------|
|                         | 3rd Quarter Results | Full Year Results | 3rd Quarter Results | YoY change ratio | Full Year Forecast | YoY change ratio |
| Entertainment           | 23,907              | 35,120            | 24,125              | 0.9%             | 39,040             | 11.2%            |
| Amusement               | 2,384               | 3,155             | 2,059               | -13.6%           | 3,300              | 4.6%             |
| Real Estate             | 582                 | 768               | 496                 | -14.8%           | 650                | -15.4%           |
| Other                   | 146                 | 184               | 99                  | -32.2%           | 130                | -29.3%           |
| Corporate & Elimination | -214                | -260              | -103                | -                | -120               | -                |
| Total                   | 26,806              | 38,968            | 26,676              | -0.5%            | 43,000             | 10.3%            |

## Operating Income by Segment

|                         | FY2018              |                   | FY2019              |                  |                    |                  |
|-------------------------|---------------------|-------------------|---------------------|------------------|--------------------|------------------|
|                         | 3rd Quarter Results | Full Year Results | 3rd Quarter Results | YoY change ratio | Full Year Forecast | YoY change ratio |
| Entertainment           | 6,296               | 11,078            | 5,799               | -7.9%            | 11,130             | 0.5%             |
| Amusement               | 545                 | 686               | 449                 | -17.6%           | 700                | 2.0%             |
| Real Estate             | 213                 | 273               | 169                 | -20.7%           | 120                | -56.0%           |
| Other                   | 45                  | 52                | 11                  | -75.6%           | 50                 | -3.8%            |
| Corporate & Elimination | -                   | 0                 | -                   | -                | 0                  | -                |
| Total                   | 7,101               | 12,092            | 6,429               | -9.5%            | 12,000             | -0.8%            |

**KOEI TECMO HOLDINGS CO., LTD.**  
Consolidated Balance Sheets

|                                          | (millions of Yen)                           |                                                  |
|------------------------------------------|---------------------------------------------|--------------------------------------------------|
|                                          | Prior Fiscal Year<br>(as of March 31, 2019) | Current Fiscal Year<br>(as of December 31, 2019) |
| <b>Assets</b>                            |                                             |                                                  |
| Current Assets                           |                                             |                                                  |
| Cash and time deposits                   | 7,056                                       | 7,786                                            |
| Notes and accounts receivable            | 8,359                                       | 7,401                                            |
| Marketable securities                    | 126                                         | 1,460                                            |
| Merchandise and Finished goods           | 78                                          | 96                                               |
| Work in process                          | 59                                          | 251                                              |
| Raw materials                            | 46                                          | 76                                               |
| Other current assets                     | 4,051                                       | 4,202                                            |
| Allowance for bad debts                  | △5                                          | △6                                               |
| Total current assets                     | <u>19,773</u>                               | <u>21,270</u>                                    |
| Fixed assets                             |                                             |                                                  |
| Buildings and structures, net            | 10,156                                      | 8,436                                            |
| Land                                     | 14,615                                      | 14,615                                           |
| Construction in progress                 | 3,524                                       | 4,057                                            |
| Other, net                               | 467                                         | 578                                              |
| Total Property and equipment             | <u>28,764</u>                               | <u>27,687</u>                                    |
| Intangible assets                        |                                             |                                                  |
| Other                                    | 144                                         | 104                                              |
| Total Intangible assets                  | <u>144</u>                                  | <u>104</u>                                       |
| Investments and other assets             |                                             |                                                  |
| Investment securities                    | 76,355                                      | 87,297                                           |
| Deferred tax assets                      | 2,220                                       | 274                                              |
| Deferred tax assets for land revaluation | 948                                         | 948                                              |
| Net defined benefit assets               | 16                                          | 266                                              |
| Other                                    | 969                                         | 1,196                                            |
| Total investments and other assets       | <u>80,510</u>                               | <u>89,983</u>                                    |
| Total fixed assets                       | <u>109,419</u>                              | <u>117,775</u>                                   |
| Total assets                             | <u>129,192</u>                              | <u>139,045</u>                                   |

|                                              | (millions of Yen)                           |                                                   |
|----------------------------------------------|---------------------------------------------|---------------------------------------------------|
|                                              | Prior Fiscal Year<br>(as of March 31, 2019) | Current Fiscal Year<br>(as of September 30, 2019) |
| <b>Liabilities</b>                           |                                             |                                                   |
| Current liabilities                          |                                             |                                                   |
| Notes and accounts payable-trade             | 565                                         | 423                                               |
| Short-term loans payable                     | —                                           | 4,000                                             |
| Accounts payable- other                      | 1,269                                       | 1,876                                             |
| Income taxes payable                         | 2,240                                       | 1,450                                             |
| Accrued bonuses to employees                 | 1,089                                       | 593                                               |
| Accrued bonuses to directors                 | 176                                         | 126                                               |
| Allowance for sales returns                  | 0                                           | 0                                                 |
| Allowance for sales discount                 | 269                                         | 143                                               |
| Allowance for customer-discount points       | 11                                          | 8                                                 |
| Allowance for loss on order received         | 118                                         | —                                                 |
| Other current liabilities                    | 3,216                                       | 2,001                                             |
| Total current liabilities                    | <u>8,957</u>                                | <u>10,623</u>                                     |
| Long-term liabilities                        |                                             |                                                   |
| Deferred tax liabilities                     | 157                                         | 405                                               |
| Provision for loss on litigation             | —                                           | 181                                               |
| Other long-term liabilities                  | 792                                         | 813                                               |
| Total long-term liabilities                  | <u>950</u>                                  | <u>1,400</u>                                      |
| Total liabilities                            | <u>9,908</u>                                | <u>12,023</u>                                     |
| Net assets                                   |                                             |                                                   |
| Shareholders' equity                         |                                             |                                                   |
| Common stock                                 | 15,000                                      | 15,000                                            |
| Capital surplus                              | 26,389                                      | 26,741                                            |
| Retained earnings                            | 80,404                                      | 83,172                                            |
| Treasury stock                               | △2,588                                      | △2,151                                            |
| Total shareholders' equity                   | <u>119,204</u>                              | <u>122,762</u>                                    |
| Accumulated other comprehensive income       |                                             |                                                   |
| Unrealized gains or losses on securities     | 1,355                                       | 5,820                                             |
| Unrealized losses on revaluation of the land | △2,166                                      | △2,166                                            |
| Foreign currency translation adjustments     | 703                                         | 434                                               |
| Remeasurements of defined benefit plans      | △226                                        | △211                                              |
| Total accumulated other comprehensive income | <u>△333</u>                                 | <u>3,877</u>                                      |
| Share subscription rights                    | 413                                         | 382                                               |
| Total net assets                             | <u>119,284</u>                              | <u>127,022</u>                                    |
| Total liabilities and net assets             | <u>129,192</u>                              | <u>139,045</u>                                    |