

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: KOEI TECMO HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 3635 URL <https://www.koeitecmo.co.jp/>
 Representative: President & CEO (Representative Director) Yoichi Erikawa
 Inquiries: Director, Senior Executive Officer & CFO Kenjiro Asano TEL 045-562-8111
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2021	55,327	25.9	27,127	40.1	38,761	29.7	28,293	27.4
Nine months ended December 31, 2020	43,949	64.7	19,367	201.2	29,874	164.4	22,202	128.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	170.20		168.95	
Nine months ended December 31, 2020	134.35		133.62	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	252,563	178,079	70.4	1,067.91
As of March 31, 2021	190,671	165,129	86.4	992.30

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	117.00	117.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				98.00	98.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	71,000	17.6	31,500	29.1	43,500	10.7	32,000	8.3	194.18

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2021	168,048,462 shares	As of March 31, 2021	168,048,462 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	1,650,886 shares	As of March 31, 2021	1,943,728 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	166,235,470 shares	Nine months ended December 31, 2020	165,259,667 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	11,995	31,489
Notes and accounts receivable - trade	11,253	–
Notes and accounts receivable - trade, and contract assets	–	12,887
Securities	5,238	59,285
Merchandise and finished goods	161	26
Work in process	113	84
Raw materials and supplies	70	128
Other	4,916	4,577
Allowance for doubtful accounts	(9)	(12)
Total current assets	33,739	108,466
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,409	24,218
Land	14,930	15,194
Construction in progress	42	–
Other, net	1,399	1,457
Total property, plant and equipment	40,781	40,869
Intangible assets		
Other	240	246
Total intangible assets	240	246
Investments and other assets		
Investment securities	113,176	99,742
Deferred tax assets	212	219
Retirement benefit asset	1,228	1,529
Other	1,291	1,489
Total investments and other assets	115,909	102,979
Total non-current assets	156,931	144,096
Total assets	190,671	252,563

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	300	320
Short-term borrowings	–	9,500
Accounts payable - other	5,388	2,174
Income taxes payable	6,332	4,600
Provision for bonuses	1,633	859
Provision for bonuses for directors (and other officers)	318	292
Provision for sales returns	0	–
Provision for Sales allowance	117	–
Provision for point card certificates	0	–
Provision for loss on order received	35	–
Other	6,894	4,154
Total current liabilities	21,022	21,901
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	–	48,347
Deferred tax liabilities	3,808	3,450
Other	710	784
Total non-current liabilities	4,519	52,582
Total liabilities	25,541	74,484
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	27,833	28,126
Retained earnings	110,529	123,888
Treasury shares	(1,364)	(1,223)
Total shareholders' equity	151,999	165,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,596	13,185
Revaluation reserve for land	(3,115)	(3,115)
Foreign currency translation adjustment	1,174	1,685
Remeasurements of defined benefit plans	171	149
Total accumulated other comprehensive income	12,827	11,906
Share acquisition rights	303	381
Total net assets	165,129	178,079
Total liabilities and net assets	190,671	252,563

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	43,949	55,327
Cost of sales	14,991	16,372
Gross profit	28,957	38,955
Selling, general and administrative expenses	9,590	11,827
Operating profit	19,367	27,127
Non-operating income		
Interest income	2,846	4,300
Dividend income	879	845
Gain on sale of investment securities	7,005	15,091
Foreign exchange gains	–	187
Gain on valuation of derivatives	1,831	936
Other	482	1,362
Total non-operating income	13,044	22,723
Non-operating expenses		
Loss on valuation of investment securities	130	2,709
Loss on sale of investment securities	1,304	1,939
Loss on redemption of securities	437	–
Foreign exchange losses	310	–
Loss on valuation of derivatives	233	6,369
Other	120	71
Total non-operating expenses	2,536	11,089
Ordinary profit	29,874	38,761
Extraordinary losses		
loss on COVID-19	124	–
Total extraordinary losses	124	–
Profit before income taxes	29,750	38,761
Income taxes - current	7,213	10,172
Income taxes - deferred	333	295
Total income taxes	7,547	10,468
Profit	22,202	28,293
Profit attributable to owners of parent	22,202	28,293

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	22,202	28,293
Other comprehensive income		
Valuation difference on available-for-sale securities	17,639	(1,410)
Foreign currency translation adjustment	272	511
Remeasurements of defined benefit plans, net of tax	34	(21)
Total other comprehensive income	17,946	(920)
Comprehensive income	40,148	27,372
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,148	27,372