

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 25, 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: August 5, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	18,653	(9.1)	11,657	19.9	9,086	(50.6)	6,750	(49.6)
Three months ended June 30, 2021	20,520	80.6	9,718	121.5	18,408	105.5	13,381	101.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	42.87		39.72	
Three months ended June 30, 2021	80.55		80.24	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	203,103	121,122	59.4	766.20
As of March 31, 2022	219,803	138,101	62.6	874.33

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, 2022	–	0.00	–	108.00	108.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	48.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	32,000	(14.0)	13,000	(20.8)	17,000	(32.2)	12,000	(33.9)	36.41
Full year	77,000	5.8	32,500	(5.9)	42,500	(12.7)	31,500	(10.9)	95.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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 June 30, 2022	168,048,462 shares	As of March 31, 2022	168,048,462 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	10,563,689 shares	As of March 31, 2022	10,566,507 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	157,482,819 shares	Three months ended June 30, 2021	166,116,389 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	20,235	9,713
accounts receivable - trade, and contract assets	13,072	12,845
Securities	25,185	11,923
Merchandise and finished goods	38	68
Work in process	112	155
Raw materials and supplies	77	85
Other	13,365	13,718
Allowance for doubtful accounts	(11)	(12)
Total current assets	72,075	48,498
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,270	22,064
Land	14,093	14,019
Construction in progress	82	22
Other, net	1,399	1,552
Total property, plant and equipment	37,846	37,658
Intangible assets		
Other	275	262
Total intangible assets	275	262
Investments and other assets		
Investment securities	102,940	107,011
Deferred tax assets	881	3,683
Retirement benefit asset	1,824	1,961
Other	4,749	4,910
Allowance for doubtful accounts	(790)	(883)
Total investments and other assets	109,605	116,684
Total non-current assets	147,727	154,604
Total assets	219,803	203,103

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	520	877
Short-term borrowings	–	22,000
Accounts payable - other	9,646	2,050
Income taxes payable	6,470	1,066
Provision for bonuses	1,928	973
Provision for bonuses for directors (and other officers)	389	102
Other	13,660	5,925
Total current liabilities	32,616	32,995
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	48,146	47,945
Deferred tax liabilities	156	222
Other	782	818
Total non-current liabilities	49,085	48,985
Total liabilities	81,701	81,981
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	28,006	27,998
Retained earnings	130,954	120,863
Treasury shares	(39,393)	(39,383)
Total shareholders' equity	134,567	124,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,548	(4,250)
Revaluation reserve for land	(3,115)	(3,115)
Foreign currency translation adjustment	2,418	3,287
Remeasurements of defined benefit plans	271	264
Total accumulated other comprehensive income	3,122	(3,813)
Share acquisition rights	411	457
Total net assets	138,101	121,122
Total liabilities and net assets	219,803	203,103

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	20,520	18,653
Cost of sales	7,106	3,368
Gross profit	13,414	15,284
Selling, general and administrative expenses	3,695	3,626
Operating profit	9,718	11,657
Non-operating income		
Interest income	1,571	3,073
Dividend income	320	295
Gain on sale of investment securities	6,319	457
Gain on valuation of derivatives	1,418	1,857
Foreign exchange gains	–	838
Other	304	448
Total non-operating income	9,935	6,970
Non-operating expenses		
Loss on valuation of investment securities	–	152
Loss on sale of investment securities	227	1,351
Loss on redemption of securities	–	2,336
Loss on valuation of derivatives	873	5,675
Foreign exchange losses	132	–
Other	12	25
Total non-operating expenses	1,245	9,541
Ordinary profit	18,408	9,086
Profit before income taxes	18,408	9,086
Income taxes - current	4,310	1,623
Income taxes - deferred	717	712
Total income taxes	5,027	2,335
Profit	13,381	6,750
Profit attributable to owners of parent	13,381	6,750

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	13,381	6,750
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,113)	(7,798)
Foreign currency translation adjustment	101	868
Remeasurements of defined benefit plans, net of tax	(7)	(6)
Total other comprehensive income	(1,019)	(6,936)
Comprehensive income	12,361	(185)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,361	(185)