

KOEI TECMO HOLDINGS CO., LTD.

Financial Highlights

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

Summary of Consolidated Statements of Income

(millions of Yen)

	FY2017		FY2018			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Net Sales	14,916	38,926	17,407	16.7%	41,000	5.3%
Gross Profit	6,362	19,360	8,379	31.7%	-	-
Operating Income	2,850	11,711	4,684	64.3%	12,000	2.5%
Income before income taxes and minority interests	6,897	18,293	8,587	24.5%	17,500	-4.3%
Net Income	5,034	13,017	6,290	24.9%	12,500	-4.0%

Net Sales by Segment

(millions of Yen)

	FY2017		FY2018			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	13,410	35,389	15,654	16.7%	37,200	5.1%
Pachislot & Pachinko	463	945	720	55.3%	1,500	58.7%
Amusement Facilities	681	1,536	739	8.5%	1,500	-2.3%
Real Estate	389	784	393	0.9%	800	2.1%
Other	82	584	77	-5.1%	150	-74.3%
Corporate & EXimination	-111	-313	-178	-	-150	-
Total	14,916	38,926	17,407	16.7%	41,000	5.3%

Operating Income by Segment

(millions of Yen)

	FY2017		FY2018			
	1st Half Results	Full Year Results	1st Half Results	YoY change ratio	Full Year Forecast	YoY change ratio
Entertainment	2,645	10,938	4,182	58.1%	11,000	0.6%
Pachislot & Pachinko	145	289	264	82.1%	500	72.9%
Amusement Facilities	-131	-362	64	-	100	-
Real Estate	168	348	147	-12.7%	350	0.7%
Other	23	496	25	8.4%	50	-89.9%
Corporate & Elimination	0	0	0	-	0	-
Total	2,850	11,711	4,684	64.3%	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 September 30, 2018)
Assets		
Current Assets		
Cash and time deposits	6,626	8,130
Notes and accounts receivable	8,978	7,621
Marketable securities	—	2,956
Merchandise and Finished goods	115	120
Work in process	30	29
Raw materials	45	70
Other current assets	2,885	1,964
Allowance for bad debts	△11	△8
Total current assets	<u>18,671</u>	<u>20,886</u>
Fixed assets		
Property and equipment		
Buildings and structures, net	10,746	10,475
Land	14,615	14,615
Construction in progress	3,531	3,522
Other, net	520	490
Total Property and equipment	<u>29,413</u>	<u>29,103</u>
Intangible assets		
Other	190	162
Total Intangible assets	<u>190</u>	<u>162</u>
Investments and other assets		
Investment securities	78,938	74,961
Deferred tax assets	473	469
Net defined benefit assets	—	89
Other	906	958
Total investments and other assets	<u>80,317</u>	<u>76,480</u>
Total fixed assets	<u>109,922</u>	<u>105,745</u>
Total assets	<u>128,594</u>	<u>126,631</u>

	(millions of Yen)	
	Current Fiscal Year (as of March 31, 2018)	Current Fiscal Year (as of September 30, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	843	608
Accounts payable- other	1,185	1,202
Income taxes payable	3,426	2,563
Accrued bonuses to employees	1,043	1,002
Accrued bonuses to directors	168	101
Allowance for sales returns	0	0
Allowance for sales discount	475	371
Allowance for customer-discount points	19	17
Allowance for loss on order received	595	380
Other current liabilities	3,268	1,968
Total current liabilities	<u>11,027</u>	<u>8,216</u>
Long-term liabilities		
Net defined benefit liability	57	—
Deferred tax liabilities	429	514
Other long-term liabilities	836	808
Total long-term liabilities	<u>1,324</u>	<u>1,322</u>
Total liabilities	<u>12,351</u>	<u>9,539</u>
Net assets		
Shareholders' equity		
Common stock	15,000	15,000
Capital surplus	26,175	26,194
Retained earnings	73,269	73,000
Treasury stock	△1,266	△1,256
Total shareholders' equity	<u>113,178</u>	<u>112,938</u>
Accumulated other comprehensive income		
Unrealized gains or losses on securities	4,885	5,938
Unrealized losses on revaluation of the land	△3,115	△3,115
Foreign currency translation adjustments	997	974
Remeasurements of defined benefit plans	△48	△51
Total accumulated other comprehensive income	<u>2,719</u>	<u>3,746</u>
Share subscription rights	345	407
Total net assets	<u>116,242</u>	<u>117,092</u>
Total liabilities and net assets	<u>128,594</u>	<u>126,631</u>