

4. Summary of consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2015) | Current fiscal year (as of March 31, 2016) |
|---|--|---|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 32,204 | 28,429 |
| Notes and accounts receivable, trade | 8,005 | 9,879 |
| Merchandise and finished goods | 1,225 | 1,704 |
| Work-in-progress | 1,672 | 2,085 |
| Raw materials and supplies | 1,020 | 1,954 |
| Work-in-progress for game software | 16,833 | 24,825 |
| Deferred tax assets | 2,042 | 3,382 |
| Other | 2,712 | 3,673 |
| Allowance for doubtful accounts | (56) | (18) |
| Total current assets | 65,659 | 75,917 |
| Fixed assets | | |
| Tangible fixed assets, net of accumulated depreciation | | |
| Buildings and structures, net | 6,136 | 11,297 |
| Machinery and vehicles, net | 22 | 23 |
| Tools, fixtures and furniture, net | 1,578 | 1,875 |
| Equipment for amusement facilities, net | 1,101 | 1,342 |
| Land | 4,953 | 5,234 |
| Leased assets | 995 | 1,042 |
| Construction-in-progress | 2,541 | 8 |
| Total intangible fixed assets | 17,328 | 20,825 |
| Intangible fixed assets | | |
| Online contents in progress | 7,895 | 2,395 |
| Other | 2,772 | 5,740 |
| Total intangible fixed assets | 10,668 | 8,135 |
| Investments and other assets | | |
| Investments in securities | 621 | 454 |
| Claim in bankruptcy and reorganization | 66 | 65 |
| Lease deposits | 4,036 | 3,867 |
| Deferred tax assets | 1,595 | 2,952 |
| Other | 876 | 916 |
| Allowance for doubtful accounts | (78) | (78) |
| Total investments and other assets | 7,117 | 8,179 |
| Total fixed assets | 35,113 | 37,140 |
| Total assets | 100,773 | 113,057 |

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2015) | Current fiscal year (as of March 31, 2016) |
|---|--|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 3,089 | 4,053 |
| Electronically recorded monetary liabilities | 988 | 888 |
| Short-term borrowings | 3,452 | 1,497 |
| Lease obligations | 483 | 525 |
| Accrued income taxes | 823 | 6,470 |
| Deferred tax liabilities | 147 | 40 |
| Accrued bonuses | 1,832 | 2,080 |
| Asset retirement obligations | 6 | — |
| Other | 6,421 | 6,799 |
| Total current liabilities | 17,246 | 22,355 |
| Long-term liabilities | | |
| Long-term borrowings | 7,540 | 11,111 |
| Lease obligations | 589 | 601 |
| Deferred tax liabilities | 48 | 18 |
| Liabilities for retirement benefits | 2,101 | 2,323 |
| Asset retirement obligations | 489 | 502 |
| Other | 1,427 | 975 |
| Total long-term liabilities | 12,195 | 15,532 |
| Total liabilities | 29,442 | 37,888 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 33,239 | 33,239 |
| Capital surplus | 21,328 | 21,328 |
| Retained earnings | 33,801 | 39,297 |
| Treasury stock | (18,140) | (18,145) |
| Total shareholders' equity | 70,228 | 75,719 |
| Accumulated other comprehensive income | | |
| Net unrealized gain or loss on securities, net of tax | 170 | 2 |
| Cumulative translation adjustments | 1,215 | (278) |
| Accumulated liabilities for retirement benefits | (283) | (274) |
| Total accumulated other comprehensive income | 1,102 | (550) |
| Total net assets | 71,331 | 75,168 |
| Total liabilities and net assets | 100,773 | 113,057 |