

3. Summary of consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2016) | Current fiscal year (as of September 30, 2016) |
|--------------------------------------|--|---|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 28,429 | 22,260 |
| Notes and accounts receivable, trade | 9,879 | 7,337 |
| Merchandise and finished goods | 1,704 | 1,618 |
| Work-in-progress | 2,085 | 1,812 |
| Raw materials and supplies | 1,954 | 1,489 |
| Work-in-progress for game software | 24,825 | 28,779 |
| Other | 7,055 | 6,773 |
| Allowance for doubtful accounts | (18) | (15) |
| Total current assets | 75,917 | 70,054 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures, net | 11,297 | 10,959 |
| Other, net | 9,527 | 9,430 |
| Total tangible fixed assets | 20,825 | 20,390 |
| Intangible fixed assets | | |
| Online contents in progress | 2,395 | 2,931 |
| Other | 5,740 | 4,353 |
| Total intangible fixed assets | 8,135 | 7,285 |
| Investments and other assets | | |
| Other | 8,257 | 8,026 |
| Allowance for doubtful accounts | (78) | (109) |
| Total investments and other assets | 8,179 | 7,916 |
| Total fixed assets | 37,140 | 35,591 |
| Total assets | 113,057 | 105,646 |

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2016) | Current fiscal year (as of September 30, 2016) |
|---|--|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 4,053 | 1,267 |
| Electronically recorded monetary obligations | 888 | 1,836 |
| Short-term borrowings | 1,497 | 9,835 |
| Accrued income taxes | 6,470 | 920 |
| Accrued bonuses | 2,080 | 653 |
| Other | 7,366 | 7,830 |
| Total current liabilities | 22,355 | 22,344 |
| Long-term liabilities | | |
| Long-term borrowings | 11,111 | 10,524 |
| Liabilities for retirement benefits for employees | 2,323 | 2,403 |
| Other | 2,098 | 1,981 |
| Total long-term liabilities | 15,532 | 14,909 |
| Total liabilities | 37,888 | 37,254 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 33,239 | 33,239 |
| Capital surplus | 21,328 | 21,328 |
| Retained earnings | 39,297 | 38,297 |
| Treasury stock | (18,145) | (21,447) |
| Total shareholders' equity | 75,719 | 71,418 |
| Accumulated other comprehensive income | | |
| Net unrealized gain on securities, net of tax | 2 | (9) |
| Cumulative translation adjustments | (278) | (2,767) |
| Accumulated adjustments for retirement benefits | (274) | (249) |
| Total accumulated other comprehensive income | (550) | (3,026) |
| Total net assets | 75,168 | 68,392 |
| Total liabilities and net assets | 113,057 | 105,646 |