

3. Summary of consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2016) | Current 3rd quarter (As of December 31, 2016) |
|--|--|--|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 28,429 | 20,913 |
| Notes and accounts receivable, trade | 9,879 | 16,341 |
| Merchandise and finished goods | 1,704 | 2,706 |
| Work-in-progress | 2,085 | 1,697 |
| Raw materials and supplies | 1,954 | 1,953 |
| Work-in-progress for game software | 24,825 | 29,996 |
| Other | 7,055 | 6,438 |
| Allowance for doubtful accounts | (18) | (22) |
| Total current assets | 75,917 | 80,025 |
| Fixed assets | | |
| Tangible fixed assets, net of accumulated depreciation | 20,825 | 20,308 |
| Intangible fixed assets | | |
| Online contents in progress | 2,395 | 2,918 |
| Other | 5,740 | 3,736 |
| Total intangible fixed assets | 8,135 | 6,654 |
| Investments and other assets | | |
| Other | 8,257 | 8,395 |
| Allowance for doubtful accounts | (78) | (107) |
| Total investments and other assets | 8,179 | 8,288 |
| Total fixed assets | 37,140 | 35,251 |
| Total assets | 113,057 | 115,276 |

(Unit: Millions of yen)

| | Previous fiscal year (as of March 31, 2016) | Current 3rd quarter (As of December 31, 2016) |
|---|--|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable, trade | 4,053 | 5,320 |
| Electronically recorded monetary obligations | 888 | 4,162 |
| Short-term borrowings | 1,497 | 9,979 |
| Accrued income taxes | 6,470 | 1,163 |
| Accrued bonuses | 2,080 | 901 |
| Other | 7,366 | 6,567 |
| Total current liabilities | 22,355 | 28,095 |
| Long-term liabilities | | |
| Long-term borrowings | 11,111 | 10,363 |
| Liabilities for retirement benefits for employees | 2,323 | 2,429 |
| Other | 2,098 | 1,905 |
| Total long-term liabilities | 15,532 | 14,699 |
| Total liabilities | 37,888 | 42,795 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 33,239 | 33,239 |
| Capital surplus | 21,328 | 21,328 |
| Retained earnings | 39,297 | 39,285 |
| Treasury stock | (18,145) | (21,448) |
| Total shareholders' equity | 75,719 | 72,405 |
| Accumulated other comprehensive income | | |
| Net unrealized gain or loss on securities, net of tax | 2 | 111 |
| Cumulative translation adjustments | (278) | 206 |
| Accumulated adjustments for retirement benefits | (274) | (241) |
| Total accumulated other comprehensive income | (550) | 76 |
| Total net assets | 75,168 | 72,481 |
| Total liabilities and net assets | 113,057 | 115,276 |