

Consolidated balance sheets

	Previous fiscal year	Current fiscal year	Current fiscal year
	March 31, 2019	March 31, 2020	March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Assets			
Current assets:			
Cash on hand and in banks (Notes 12 and 14)	53,004	65,657	607,942
Notes and accounts receivable - trade (Note 14)	13,970	15,959	147,770
Merchandise and finished goods	1,182	1,557	14,424
Work in progress	734	883	8,183
Raw materials and supplies	538	258	2,396
Work in progress for game software	16,926	21,222	196,506
Other	4,518	3,320	30,745
Allowance for doubtful accounts	(58)	(31)	(290)
Total current assets	90,817	108,829	1,007,678
Fixed assets:			
Tangible fixed assets, net of accumulated depreciation (Note 8(1))			
Buildings and structures, net	10,845	10,644	98,556
Machinery and vehicles, net	24	14	133
Tools, fixtures and furniture, net	1,377	1,445	13,383
Equipment for amusement facilities, net	1,821	1,879	17,404
Land	5,235	5,235	48,476
Leased assets, net (Note 13(1))	718	1,118	10,358
Construction in progress	336	509	4,714
Total tangible fixed assets	20,359	20,847	193,028
Intangible assets	432	351	3,253
Investments and other assets			
Investments in securities (Note 15)	576	415	3,848
Claims in bankruptcy and reorganization	19	19	177
Lease deposits (Note 14)	3,979	4,134	38,278
Deferred tax assets (Note 17)	6,420	7,906	73,206
Other	834	996	9,223
Allowance for doubtful accounts	(32)	(32)	(304)
Total investments and other assets	11,798	13,438	124,430
Total fixed assets	32,590	34,636	320,712
Total assets	123,407	143,466	1,328,391

The accompanying notes are an integral part of these financial statements.

Consolidated balance sheets

	Previous fiscal year	Current fiscal year	Current fiscal year
	March 31, 2019	March 31, 2020	March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Liabilities			
Current liabilities:			
Notes and accounts payable - trade (Note 14)	3,988	3,461	32,054
Electronically recorded monetary obligations (Note 14)	1,153	2,383	22,066
Current portion of long-term borrowings (Notes 14 and 24)	1,579	4,129	38,233
Lease obligations (Note 24)	406	502	4,651
Accrued income taxes	4,251	5,612	51,968
Accrued bonuses	3,089	3,130	28,981
Deferred revenues	1,583	7,642	70,767
Other	7,159	9,000	83,342
Total current liabilities	23,212	35,863	332,065
Long-term liabilities:			
Long-term borrowings (Notes 14 and 24)	6,735	2,606	24,135
Lease obligations (Note 24)	369	690	6,391
Deferred tax liabilities (Note 17)	6	4	42
Liabilities for retirement benefits for employees (Note 16)	3,004	3,212	29,745
Asset retirement obligations (Notes 18 and 25)	571	656	6,080
Other	758	697	6,457
Total long-term liabilities	11,445	7,868	72,853
Total liabilities	34,658	43,731	404,918
Net assets			
Shareholders' equity:			
Common stock	33,239	33,239	307,771
Capital surplus	21,328	21,329	197,491
Retained earnings	62,595	74,275	687,732
Treasury stock	(27,456)	(27,458)	(254,242)
Total shareholders' equity	89,708	101,385	938,752
Accumulated other comprehensive income:			
Net unrealized gain or loss on securities, net of tax	26	(106)	(985)
Cumulative translation adjustments	(713)	(1,306)	(12,098)
Accumulated adjustments for retirement benefits	(271)	(237)	(2,195)
Total accumulated other comprehensive income	(958)	(1,650)	(15,279)
Total net assets	88,749	99,735	923,472
Total liabilities and net assets	123,407	143,466	1,328,391

The accompanying notes are an integral part of these financial statements.

Consolidated statements of income

	Previous fiscal year	Current fiscal year	Current fiscal year
	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Net sales	100,031	81,591	755,476
Cost of sales (Note 9(1))	62,809	40,643	376,332
Gross profit	37,222	40,947	379,143
Selling, general and administrative expenses (Notes 9(2) and (3))	19,078	18,119	167,777
Operating income	18,144	22,827	211,366
Non-operating income:			
Interest income	171	271	2,512
Dividend income	16	18	168
Exchange gains, net	362	-	-
Income from subsidies	-	86	805
Other	422	104	964
Total	974	480	4,451
Non-operating expenses:			
Interest expense	80	74	685
Commission fees	69	69	641
Additionally paid retirement benefits	601	-	-
Exchange losses, net	-	93	867
Other	173	113	1,047
Total	924	350	3,243
Ordinary income	18,194	22,957	212,574
Special losses:			
Loss on sales and/or disposal of fixed assets (Note 9(4))	30	62	580
Impairment loss (Note 9(5))	393	-	-
Loss on sales of investments in securities	-	4	41
Total	423	67	621
Net income before income taxes	17,770	22,890	211,952
Income taxes - current	6,603	8,472	78,451
Income taxes - deferred (Note 17)	(1,385)	(1,531)	(14,176)
Total	5,218	6,941	64,274
Net income	12,551	15,949	147,677
Net income attributable to owners of the parent	12,551	15,949	147,677

The accompanying notes are an integral part of these financial statements.

Consolidated statements of comprehensive income

	Previous fiscal year	Current fiscal year	Current fiscal year
	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Net income	12,551	15,949	147,677
Other comprehensive income (Note 10)			
Net unrealized gain or loss on securities, net of tax	(112)	(133)	(1,234)
Cumulative translation adjustments	428	(592)	(5,490)
Adjustments for retirement benefits	20	34	319
Total other comprehensive income	336	(691)	(6,404)
Comprehensive income	12,888	15,257	141,273
Comprehensive income attributable to:			
Owners of the parent	12,888	15,257	141,273
Non-controlling interests	-	-	-

The accompanying notes are an integral part of these financial statements.

Consolidated statements of changes in net assets

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2018	33,239	21,328	53,602	(21,454)	86,716
Changes of items during the fiscal year					
Cash dividends (Note 11(1))			(3,558)		(3,558)
Net income attributable to owners of the parent			12,551		12,551
Repurchase of treasury stock				(6,001)	(6,001)
Disposal of treasury stock		-		-	-
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	8,993	(6,001)	2,991
Balance as of March 31, 2019	33,239	21,328	62,595	(27,456)	89,708

	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2018	139	(1,142)	(292)	(1,295)	85,421
Cumulative effect due to changes in accounting policies					-
Balance as of April 1, 2016	-	-	-	-	-
Changes of items during the fiscal year					
Cash dividends (Note 11(1))					(3,558)
Net income attributable to owners of the parent					12,551
Repurchase of treasury stock					(6,001)
Disposal of treasury stock					-
Net changes of items other than shareholders' equity	(112)	428	20	336	336
Total changes of items during the fiscal year	(112)	428	20	336	3,328
Balance as of March 31, 2019	26	(713)	(271)	(958)	88,749

The accompanying notes are an integral part of these financial statements.

Consolidated statements of changes in net assets

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2019	33,239	21,328	62,595	(27,456)	89,708
Changes of items during the fiscal year					
Cash dividends (Note 11(2))			(4,270)		(4,270)
Net income attributable to owners of the parent			15,949		15,949
Repurchase of treasury stock				(2)	(2)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	0	11,679	(2)	11,677
Balance as of March 31, 2020	33,239	21,329	74,275	(27,458)	101,385

	Accumulated other comprehensive income				Total net assets
	Net unrealized gain on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2019	26	(713)	(271)	(958)	88,749
Changes of items during the fiscal year					
Cash dividends (Note 11(2))					(4,270)
Net income attributable to owners of the parent					15,949
Repurchase of treasury stock					(2)
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	(133)	(592)	34	(691)	(691)
Total changes of items during the fiscal year	(133)	(592)	34	(691)	10,985
Balance as of March 31, 2020	(106)	(1,306)	(237)	(1,650)	99,735

(Thousands of U.S. dollars)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2019	307,771	197,490	579,592	(254,223)	830,630
Changes of items during the fiscal year					
Cash dividends (Note 11(2))	-	-	(39,537)	-	(39,537)
Net income attributable to owners of the parent	-	-	147,677	-	147,677
Repurchase of treasury stock	-	-	-	(19)	(19)
Disposal of treasury stock	-	0	-	0	1
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	0	108,140	(19)	108,122
Balance as of March 31, 2020	307,771	197,491	687,732	(254,242)	938,752

	Accumulated other comprehensive income				Total net assets
	Net unrealized gain or loss on securities, net of tax	Cumulative translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance as of April 1, 2019	248	(6,608)	(2,515)	(8,875)	821,755
Changes of items during the fiscal year					
Cash dividends (Note 11(2))					(39,537)
Net income attributable to owners of the parent					147,677
Repurchase of treasury stock					(19)
Disposal of treasury stock					1
Net changes of items other than shareholders' equity	(1,234)	(5,490)	319	(6,404)	(6,404)
Total changes of items during the fiscal year	(1,234)	(5,490)	319	(6,404)	101,717
Balance as of March 31, 2020	(985)	(12,098)	(2,195)	(15,279)	923,472

The accompanying notes are an integral part of these financial statements.

Consolidated statements of cash flows

	Previous fiscal year	Current fiscal year	Current fiscal year
	April 1, 2018 to March 31, 2019	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash flows from operating activities:			
Net income before income taxes	17,770	22,890	211,952
Depreciation and amortization	3,228	2,795	25,883
Impairment loss	393	-	-
(Decrease) increase in allowance for doubtful accounts	32	(25)	(236)
Increase in accrued bonuses	223	49	455
Increase in liabilities for retirement benefits for employees	214	258	2,390
Interest and dividend income	(189)	(289)	(2,681)
Interest expense	80	74	685
Exchange (gain) losses, net	(127)	180	1,673
Loss on sales and/or disposal of fixed assets	30	62	580
Increase in accounts receivable - trade	(858)	(2,117)	(19,601)
(Increase) decrease in inventories	1,621	(256)	(2,372)
Increase (decrease) in work in progress for game software	8,876	(4,293)	(39,751)
Increase in notes and accounts payable - trade	1,665	749	6,938
Other	(7,286)	8,525	78,944
Subtotal	25,675	28,605	264,861
Interest and dividends received	191	265	2,460
Interest paid	(81)	(75)	(700)
Income taxes paid	(5,938)	(6,515)	(60,326)
Net cash provided by operating activities	19,847	22,279	206,295
Cash flows from investing activities:			
Payments into time deposits	-	(6,019)	(55,731)
Payment for acquisition of tangible fixed assets	(2,093)	(2,273)	(21,046)
Proceeds from sales of tangible fixed assets	4	0	6
Payment for acquisition of intangible assets	(112)	(65)	(610)
Payment for purchase of investments in securities	(14)	(10)	(96)
Proceeds from sales of investments in securities	-	3	32
Payment for other investing activities	(182)	(213)	(1,977)
Proceeds from other investing activities	138	140	1,300
Net cash used in investing activities	(2,261)	(8,437)	(78,122)
Cash flows from financing activities:			
Repayments of long-term borrowings	(1,473)	(1,579)	(14,622)
Repayments of lease obligations	(414)	(505)	(4,678)
Payment for repurchase of treasury stock	(6,001)	(1)	(18)
Dividends paid by parent company	(3,554)	(4,265)	(39,492)
Net cash used in financing activities	(11,443)	(6,351)	(58,811)
Effect of exchange rate changes on cash and cash equivalents	323	(823)	(7,620)
Net increase in cash and cash equivalents	6,464	6,667	61,740
Cash and cash equivalents at beginning of year	46,539	53,004	490,779
Cash and cash equivalents at end of year (Note 12)	53,004	59,672	552,520

The accompanying notes are an integral part of these financial statements.

1. Major policies in preparing the consolidated financial statements:

The accompanying consolidated financial statements of CAPCOM CO., LTD. (the "Company") and its subsidiaries have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Financial Instruments and Exchange Act.

Each amount in the consolidated financial statements and notes is rounded down to the nearest 1 million yen (in the case of translation into U.S. dollars, it is rounded down to the nearest 1 thousand U.S. dollars).

The rate of ¥108 to U.S.\$1.00, the approximate current rate of exchange prevailing on March 31, 2020, has been used for the purpose of presentation of the U.S. dollar amounts in the accompanying consolidated financial statements. These U.S. dollar amounts are included solely for convenience and should not be construed as representations that the Japanese yen amounts actually represent, have been or could be converted into U.S. dollars at this or any other rate.

2. Summary of significant accounting policies:

(1) Principles of consolidation

The consolidated financial statements consist of the accounts of the Company and its 13 majority owned subsidiaries (the "Companies") at the relevant balance sheet date. All significant intercompany transactions and accounts have been eliminated.

The investments in 20% to 50% owned companies (affiliated companies) are, with minor exceptions, accounted for under the equity method.

The 13 subsidiaries are as follows:

CAPCOM U.S.A., INC. (U.S.A.)
CAPCOM MEDIA VENTURES, INC. (U.S.A.)
CAPCOM GAME STUDIO VANCOUVER, INC. (Canada)
BEELINE INTERACTIVE, INC. (U.S.A.)
BEELINE INTERACTIVE CANADA, INC. (Canada)
CE EUROPE LTD. (U.K.)
CAPCOM ENTERTAINMENT GERMANY GmbH (Germany)
CAPCOM ENTERTAINMENT FRANCE SAS (France)
CAPCOM ASIA CO., LTD. (Hong Kong)
CAPCOM TAIWAN CO., LTD. (Taiwan)
CAPCOM MAINTENANCE SERVICE CO., LTD. (Japan)
K2 CO., LTD. (Japan)
ENTERRISE CO., LTD. (Japan)

An affiliated company accounted for under the equity method is as follows:

STREET FIGHTER FILM, LLC (U.S.A.)

(2) Investments in securities

Available-for-sale securities whose fair values are readily determinable are stated at fair value at the fiscal year end. Net unrealized gains or losses on these securities are recorded as a separate component of "Net assets," at the net of tax amount. The cost of securities sold is determined based on the average cost of all such securities held at the time of sale. Other securities whose fair values are not readily determinable are stated at cost, cost being determined by the average cost method.

(3) Inventories ("Merchandise and finished goods," "Work in progress," "Raw materials and supplies") and "Work in progress for game software"

Inventories are stated at the acquisition cost, determined principally by the moving average cost method. Inventories are stated at cost with the book value reduction method based on a decline in profitability for balance sheet carrying amounts.

Work in progress for game software, including development costs incurred by subcontractors for game machines, is stated at accumulated cost on a specific project basis. Work in progress for game software is stated at cost with the book value reduction method based on a decline in profitability for balance sheet carrying amounts.

(4) Tangible fixed assets, except for leased assets

Tangible fixed assets are stated at cost. The Company and its domestic subsidiaries compute depreciation of tangible fixed assets using the declining balance method at rates based on the estimated useful life of the respective asset, except for buildings (excluding leasehold improvements and auxiliary facilities attached to buildings), for which depreciation is computed using the straight-line method. Foreign subsidiaries, except for some subsidiaries, compute depreciation on a straight-line basis.

The primary useful lives are as follows:

Buildings and structures	3-50 years
Equipment for amusement facilities	3-20 years

(5) Intangible assets, except for leased assets

Amortization of intangible assets is computed by the straight-line method. The amortization period, except that for computer software, is based upon the individual estimated useful life of the asset. The amortization period for computer software is based upon the estimated period of internal use (5 years.)

(6) Leased assets

Leases that do not transfer ownership of the leased assets to the lessee

Depreciation of such leased assets is computed by the straight-line method with the lease term regarded as useful life and the residual value at zero. If there is a contract on guaranteed residual value for the lease, such guaranteed residual value is used as the accounting residual one. Effective from the beginning of the fiscal year ended March 31 2020, foreign subsidiaries of the Company preparing financial statements based on International Financial Reporting Standard have adopted International Financial Reporting Standards No. 16 "Leases" ("IFRS 16") as described in "Change in accounting policies." IFRS 16 requires lessees to present all the leases as assets and liabilities on the balance sheet in principle and depreciate right-of-use assets using the straight-line method. Furthermore, leases under IFRS 16 are classified as finance leases.

(7) Allowance for doubtful accounts

The allowance for doubtful accounts is calculated based on the prior loss experience and the estimated amount of probable individual bad debts at the fiscal year end. This amount is considered sufficient to cover possible losses on collection.

(8) Accrued bonuses

Accrued bonuses are stated at the estimated amount of the bonus to be paid to employees based on their services provided during the fiscal year.

(9) Attributing retirement benefits to service periods and amortizing liabilities unrealized in profit or loss

In calculating projected benefit obligations, attributing retirement benefits to service periods is based on benefit formula method. Actuarial net gains or losses are amortized over 13 to 14 years, commencing from the following year in which they arise.

(10) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are so near maturity that they present an insignificant risk of change in value.

(11) Revenue recognition

Significant revenue recognition for game content

The revenue for unavailable portion of the game content sold to customers is deferred until it is made available.

(12) Other

Accounting for consumption taxes

Consumption taxes on goods and services are not included in the revenue and expense amounts in the accompanying consolidated statements of income.

3. Change in accounting policies

(Consolidated balance sheet)

Effective from the beginning of the fiscal year ended March 31 2020, certain subsidiaries of the Company using IFRS have adopted IFRS 16 "Leases."

In accordance with IFRS 16, lessees are required to recognize almost all leases as assets or liabilities in the balance sheet and present depreciation expenses for the right-of-use assets and interest expenses of the lease liabilities in principle.

In adopting IFRS 16 "Leases," the transition method is followed. For the leases that were categorized as operating leases in the past, right-of-use assets and lease liabilities have been recognized from the beginning of the current fiscal year.

As a result, for the Consolidated balance sheet for the current fiscal year, "leased assets, net" for fixed assets increased by ¥309 million (\$2,863 thousand), and "lease obligations" for current liabilities and "lease obligations" for long-term liabilities increased by ¥46 million (\$426 thousand) and ¥257 million (\$2,386 thousand), respectively.

The impact of this change on profit or loss and per share information for the current fiscal year has been immaterial.

4. Unapplied accounting standards, etc., to be applied to the Companies

(1) Accounting Standard for Revenue Recognition, etc.

"Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 29, March 31, 2020)

"Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 31, 2020)

(i) Overview

This is a comprehensive accounting standard for revenue recognition.

Revenue recognition takes the following five steps.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the separate performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the separate performance obligations

Step 5: Recognize revenue when the entity satisfies a performance obligation

(ii) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022

(iii) Effects of application of the Guidance

The impact is now under examination.

(2) Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020)

(i) Overview

This accounting standard is to disclose information on accounting estimates which are presented in the financial statement for the current fiscal year but have a significant impact on the financial statement for the following fiscal year so that it can help users of financial statements understand clearly.

(ii) Effective date

Effective from the end of the fiscal year ending March 31, 2021

(3) Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No. 24, March 31, 2020)

(i) Overview

This accounting standard is to clarify the outline of principle and procedure of the accounting treatment adopted for the cases in which related accounting standards, etc., are not clearly stated.

(ii) Effective date

Effective from the end of the fiscal year ending March 31, 2021

- (4) Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019)
Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, July 4, 2019)
Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, July 4, 2019)
Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019)
Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020)

(i) Overview

To enhance comparability with internationally accepted accounting standards, Accounting Standard for Fair Value Measurement and Implementation Guidance on Accounting Standard for Fair Value Measurement ("Fair Value Measurement Accounting Standard, etc.") have been developed and the guidance on methods of fair value calculation, etc., has been clearly stated. Fair Value Measurement Accounting Standard, etc., will be applied to the fair value for the following items.

- Financial instruments in Accounting Standard for Financial Instruments
- Inventories held for short-term trading purposes in Accounting Standard for Measurement of Inventories

Implementation Guidance on Disclosures about Fair Value of Financial Instruments has been revised and the disclosure guidance on the notes to the breakdown of the fair value of financial instruments has been clearly stated.

(ii) Effective date

Effective from the beginning of the fiscal year ending March 31, 2022

(iii) Effects of application of the Guidance

The impact is now under examination.

5. Unapplied accounting standards, etc., to be applied to foreign subsidiaries

(1) Leases (US GAAP ASU 2016-02)

(i) Overview

This accounting standard requires the lessee to present assets and liabilities for all leases in principle.

(ii) Effective date

To be adopted from the end of the fiscal year ending March 31 2022

(iii) Effects of application of the Guidance

The impact is now under examination.

6. Change in presentation

(Consolidated balance sheet)

Effective from the fiscal year ended March 31 2020, "Deferred revenue," which was included in "Other" under "Current liabilities," has been disclosed separately in order to enhance understandability. The consolidated balance sheet for the previous fiscal year has been restated to reflect this change.

As a result, "Other" of ¥8,743 million disclosed under "Current liabilities" in the balance sheet for the previous fiscal year has been reclassified into "Deferred revenue" and "Other."

7. Additional information

With the new coronavirus infection spreading, the Companies have introduced telework for all employees. In the Arcade operation business, the Companies have changed business hours for some amusement stores or temporarily closed others. Under the assumption that the spread of the infectious disease would continue until around June 2020, the Companies reflected this assumption in the accounting estimates on accounting treatments, such as realizabilities of deferred tax assets, etc. It will negatively affect the Companies' business results and financial positions if the spread of the new coronavirus continues.

8. Notes to consolidated balance sheets

(1) Accumulated depreciation of tangible fixed assets

	Previous fiscal year March 31, 2019	Current fiscal year March 31, 2020	Current fiscal year March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Accumulated depreciation of tangible fixed assets	21,160	22,065	204,314

(Note) The above balances include the accumulated impairment loss on tangible fixed assets.

(2) Notes that matured on the balance sheet day of the fiscal year

Although the balance sheet day for the previous fiscal year was not a business day, the notes that matured on this day were treated as if they were settled on the date.

	Previous fiscal year March 31, 2019	Current fiscal year March 31, 2020	Current fiscal year March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Notes payable	65	-	-

(3) Overdraft agreements and credit line agreements

The Company has entered into overdraft agreements and credit line agreements with some banks by syndicate financing for the purpose of efficient and sustainable financing and improving the efficiency of funds operations and the Company's financial flexibility.

The balance of unexercised loans, etc., based on these agreements at the end of the fiscal year were as follows:

	Previous fiscal year March 31, 2019	Current fiscal year March 31, 2020	Current fiscal year March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Total amount of overdraft limit and credit line	26,700	26,700	247,222
Borrowings	-	-	-
Unexercised balance	26,700	26,700	247,222

9. Notes to consolidated statements of income

(1) The amount of book value reduction based on a decline in profitability including in "Cost of Sales"

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
	6,869	6,754	62,538

(2) Major items and the amounts under "Selling, general and administrative expenses"

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Advertising expenses	4,118	3,080	28,524
Promotion expenses	1,372	1,172	10,859
Salaries for directors and employees	4,599	4,719	43,700
Provision for accrued bonuses	1,252	1,037	9,601

(3) Research and development expenses included in general and administrative expenses

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
	1,147	1,253	11,604

(4) The breakdown of "Loss on sales and/or disposal of fixed assets"

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Buildings and structures	24	8	82
Machinery and vehicles, net	(1)	-	-
Tools, fixtures and furniture	6	7	72
Equipment for amusement facilities	0	30	282
Software	-	15	142
Other	(0)	-	-
Total	30	62	580

(5) Impairment loss

The assets for which the impairment loss was recognized were as follows:

(i) Outline of the impaired asset group and amount of the losses

Usage	Account	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
		Millions of yen	Millions of yen	Thousands of U.S. dollars
Assets to be disposed of	Buildings and structures Tools, fixtures and furniture Leased assets Construction in progress	393	-	-

(ii) Asset grouping method

To measure an impairment, assets are principally grouped based on business segments such as "Digital contents," "Arcade operations," etc. Whereas, rental assets, idle assets, assets to be disposed of and online game content are evaluated as separate groups.

(iii) Background that led to recognition of the impairment loss

The Companies made a decision to dispose of some assets. As a result of the decision, the Companies recognized the impairment loss shown as above since the recoverability of the book value of the assets to be disposed was not expected.

(IV) Breakdown of the impairment loss

Buildings and structures ¥221 million
Other ¥171 million

(V) Determination of recoverability value

For the "assets to be disposed of," the Companies determined the recoverability value to be zero as they were to be retired.

10. Notes to consolidated statements of comprehensive income

Amount of recycling and income tax effect associated with other comprehensive income

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Net unrealized gain or loss on securities			
Amount arising during the fiscal year	(112)	(133)	(1,234)
Amount of recycling	-	-	-
Net gain before the effect of income taxes	(112)	(133)	(1,234)
Effect of income taxes	-	-	-
Net unrealized gain or loss on securities, net of tax	(112)	(133)	(1,234)
Cumulative translation adjustment			
Amount arising during the fiscal year	396	(591)	(5,481)
Amount of recycling	32	(0)	(8)
Adjustments for cumulative translation adjustment	428	(592)	(5,490)
Adjustments for retirement benefits			
Amount arising during the fiscal year	(7)	5	53
Amount of recycling	36	43	405
Net gain before the effect of income taxes	29	49	459
Effect of income taxes	(9)	(15)	(140)
Adjustments for retirement benefits, net of tax	20	34	319
Total other comprehensive income	336	(691)	(6,404)

11. Notes to consolidated statements of changes in net assets

(1) Previous fiscal year (April 1, 2018 to March 31, 2019)

① Number of outstanding shares

Type of shares	Number of shares as of April 1, 2018	Increase in the number of shares	Decrease in the number of shares	Number of shares as of March 31, 2019
Common stock (thousand shares)	67,723	67,723	-	135,446

(Note) 1. With an effective date of April 1, 2018, the Company performed a 2-for-1 stock split of its common stock.

2. The increase was due to the stock split.

67,723 thousand shares

② Number of treasury stocks

Type of shares	Number of shares as of April 1, 2018	Increase in the number of shares	Decrease in the number of shares	Number of shares as of March 31, 2019
Common stock (thousand shares)	12,978	15,716	-	28,695

(Note) 1. With an effective date of April 1, 2018, the Company performed a 2-for-1 stock split of its common stock.

2. The increase was due to the stock split.

12,978 thousand shares

3. The increase was due to purchase of treasury stocks via tender offer.

2,737 thousand shares

4. The increase was due to purchase of less-than-one-unit shares.

0 thousand shares

③ Dividend

(i) Amount of dividends paid

Resolution	Type of shares	Amount of dividends	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 11, 2018	Common stock	¥1,916 million	35	March 31, 2018	June 12, 2018
Board of Directors' meeting held on October 29, 2018	Common stock	¥1,642 million	15	September 30, 2018	November 13, 2018

(Note) With an effective date of April 1, 2018, the Company performed a 2-for-1 stock split of its common stock.

For dividends resolved by General shareholders' meeting held on June 11, 2018, the dividends paid show the actual amounts prior to the stock split.

(ii) Dividends whose effective date was to be after the end of current fiscal year and record date was included in the current fiscal year.

Resolution	Type of shares	Amount of dividends	Source of dividends	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 17, 2019	Common stock	¥2,135 million	Retained earnings	20	March 31, 2019	June 18, 2019

(2) Current fiscal year (April 1, 2019 to March 31, 2020)

① Number of outstanding shares

Type of shares	Number of shares as of April 1, 2019	Increase in the number of shares	Decrease in the number of shares	Number of shares as of March 31, 2020
Common stock (thousand shares)	135,446	-	-	135,446

② Number of treasury stocks

Type of shares	Number of shares as of April 1, 2019	Increase in the number of shares	Decrease in the number of shares	Number of shares as of March 31, 2020
Common stock (thousand shares)	28,695	0	0	28,695

(Note) 1. The increase was due to purchase of less-than-one-unit shares.

0 thousand shares

2. The decrease was due to sales of less-than-one-unit shares.

0 thousand shares

③ Dividend

(i) Amount of dividends paid

Resolution	Type of shares	Amount of dividends	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 17, 2019	Common stock	¥2,135 million	20	March 31, 2019	June 18, 2019
Board of Directors' meeting held on October 29, 2019	Common stock	¥2,135 million	20	September 30, 2019	November 14, 2019

Resolution	Type of shares	Amount of dividends	Dividend per share (U.S. dollars)	Record date	Effective date
General shareholders' meeting held on June 17, 2019	Common stock	\$19,768 thousand	0.19	March 31, 2019	June 18, 2019
Board of Directors' meeting held on October 29, 2019	Common stock	\$19,768 thousand	0.19	September 30, 2019	November 14, 2019

(ii) Dividends whose effective date was to be after the end of current fiscal year and record date was included in the current fiscal year.

Resolution	Type of shares	Amount of dividends	Source of dividends	Dividend per share (yen)	Record date	Effective date
General shareholders' meeting held on June 17, 2020	Common stock	¥2,668 million	Retained earnings	25	March 31, 2020	June 18, 2020

Resolution	Type of shares	Amount of dividends	Source of dividends	Dividend per share (U.S. dollars)	Record date	Effective date
General shareholders' meeting held on June 17, 2020	Common stock	\$24,710 thousand	Retained earnings	0.23	March 31, 2020	June 18, 2020

12. Notes to consolidated statements of cash flows

Cash and cash equivalents at end of year

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	53,004	65,657	607,942
Time deposits with maturities over three months	-	(5,985)	(55,422)
Cash and cash equivalents	<u>53,004</u>	<u>59,672</u>	<u>552,520</u>

13. Accounting for leases

(1) Capital leases

Capital leases which do not transfer ownership of the leased assets to the lessee

• Leased assets:

Tangible fixed assets

Major assets are equipment for amusement facilities for the "Arcade operations" segment and office rent for some subsidiaries.

• Depreciation method:

See Note 2(6), "Summary of significant accounting policies - Leased assets."

(2) Operating leases

① Future lease payments

	Previous fiscal year March 31, 2019	Current fiscal year March 31, 2020	Current fiscal year March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Due within one year	379	360	3,340
Due over one year	1,986	1,521	14,087
Total	2,365	1,882	17,428

14. Financial instruments

(1) Conditions of financial instruments

① Management policy

The Companies' fund management policy is to invest in financial instruments that have high levels of safety concerning the repayment of the principal and the receipt of interest, taking safety, liquidity (negotiability, marketability) and profitability into consideration. The Companies raise funds through borrowings from financial institutions, such as banks, etc. The Companies also utilize derivative financial instruments in order to hedge foreign currency exchange risk and interest fluctuation rate risk and do not enter into derivative financial instruments for speculative purposes.

② Financial instruments, risks, and risk management

Notes and accounts receivable - trade are exposed to the credit risk of customers. To minimize the risk, the Companies regularly monitor the credit status of major customers as well as perform due date control and balance control for each customer according to the importance of the business in accordance with credit exposure management rules.

Lease deposits are mainly related to lease agreements, which are exposed to the credit risk of lessors. The Companies make the best effort to understand the credit conditions of the lessors when the Companies start transactions with the lessors and renew the agreements ,or timely in other situations.

The investments in securities the Company holds consist mainly of listed equity securities of its business partners. These securities are exposed to stock price volatility risk. To minimize such risk, the Company states the fair value of these securities on a quarterly basis to report it to the Board of Directors' meeting.

As for notes and accounts payable - trade, due date of payment is within one year. Short-term borrowings are mainly for normal operating activities, and long-term borrowings (including "current portion of long-term borrowings") are mainly for capital investments. Notes and accounts payable - trade and borrowings are exposed to liquidity risk. The Companies minimize such risk by forecasting cash flows on a monthly basis.

③ Supplemental information on the fair value of financial instruments

Not applicable

(2) Fair value of financial instruments

The carrying value on the consolidated balance sheets, fair value and any differences between the two were as follows:

① Previous fiscal year (March 31, 2019)

(Millions of yen)

	Carrying value	Fair value	Difference
Cash on hand and in banks	53,004	53,004	-
Notes and accounts receivable - trade	13,970	13,970	-
Lease deposits	3,979	3,979	-
Total	70,955	70,955	-
Notes and accounts payable - trade	3,988	3,988	-
Electronically recorded monetary obligations	1,153	1,153	-
Current portion of long-term borrowings	1,579	1,579	-
Long-term borrowings	6,735	6,751	15
Total	13,457	13,472	15

② Current fiscal year (March 31, 2020)

(Millions of yen)

	Carrying value	Fair value	Difference
Cash on hand and in banks	65,657	65,657	-
Notes and accounts receivable - trade	15,959	15,959	-
Lease deposits	4,134	4,134	-
Total	85,751	85,751	-
Notes and accounts payable - trade	3,461	3,461	-
Electronically recorded monetary obligations	2,383	2,383	-
Long-term borrowings (*)	6,735	6,751	15
Total	12,580	12,596	15

(Thousands of U.S. dollars)

	Carrying value	Fair value	Difference
Cash on hand and in banks	607,942	607,942	-
Notes and accounts receivable - trade	147,770	147,770	-
Lease deposits	38,278	38,278	-
Total	793,992	793,992	-
Notes and accounts payable - trade	32,054	32,054	-
Electronically recorded monetary obligations	22,066	22,066	-
Long-term borrowings (*)	62,368	62,510	141
Total	116,490	116,632	141

(*) Long-term borrowings due within one year are included.

(Note 1) Fair value measurement of financial instruments

Assets

(1) Cash on hand and in banks and (2) Notes and accounts receivable - trade

The fair value is assumed to be the same as the carrying value as it approximates fair value because of the short maturity of these instruments.

(3) Lease deposits

The fair value is measured at the present value of future cash flows discounted using the yield of national government bonds according to periods until repayment.

Liabilities

(1) Notes and accounts payable - trade and (2) Electronically recorded obligations

The fair value is assumed to be the same as the carrying value as it approximates fair value because of the short maturity of these instruments.

(3) Long-term borrowings

The fair value of long-term borrowings with variable interest rates is measured at the carrying value as it approximates fair value.

(The market interest rate fluctuation is reflected in the variable interest rates in the short term and the credit status of the Company does not change remarkably after raising funds through long-term borrowings with variable interest rates.)

The fair value of long-term borrowings with fixed rates is measured at the present value of future cash flow (principal plus interest) discounted using the assumed interest rate of similar new borrowings.

(Note 2) Redemption schedule for monetary assets with maturity dates subsequent to the consolidated balance sheets date

(1) Previous fiscal year (March 31, 2019)

(Millions of yen)

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2024	April 1, 2024 to March 31, 2029	April 1, 2029 and thereafter
Cash on hand and in banks	53,004	-	-	-
Notes and accounts receivable - trade	13,970	-	-	-
Lease deposits	844	2,813	319	3
Total	67,819	2,813	319	3

(2) Current fiscal year (March 31, 2020)

(Millions of yen)

	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2025	April 1, 2025 to March 31, 2030	April 1, 2030 and thereafter
Cash on hand and in banks	65,657	-	-	-
Notes and accounts receivable - trade	15,959	-	-	-
Lease deposits	1,281	2,571	277	3
Total	82,898	2,571	277	3

(Thousands of U.S. dollars)

	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2025	April 1, 2025 to March 31, 2030	April 1, 2030 and thereafter
Cash on hand and in banks	607,942	-	-	-
Notes and accounts receivable - trade	147,770	-	-	-
Lease deposits	11,863	23,813	2,571	30
Total	767,576	23,813	2,571	30

(Note 3) Repayment schedule for current portion of long-term and long-term borrowings with maturity dates subsequent to the consolidated balance sheets date

(1) Previous fiscal year (March 31, 2019)

(Millions of yen)

	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 and thereafter
Current portion of long-term borrowings	1,579	-	-	-	-	-
Long-term borrowings	-	4,129	727	626	626	626
Total	1,579	4,129	727	626	626	626

(2) Current fiscal year (March 31, 2020)

(Millions of yen)

	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 and thereafter
Long-term borrowings (*)	4,129	727	626	626	626	-
Total	4,129	727	626	626	626	-

(Thousands of U.S. dollars)

	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 and thereafter
Long-term borrowings (*)	38,233	6,739	5,799	5,799	5,797	-
Total	38,233	6,739	5,799	5,799	5,797	-

(*) Long-term borrowings due within one year are included.

15. Investments in securities

(1) Available-for-sale securities with a readily determinable fair value

① Previous fiscal year (March 31, 2019)

(Millions of yen)

Classification	Carrying value	Acquisition cost	Difference
Securities with book value exceeding acquisition cost			
Equity security	326	283	43
Bonds	-	-	-
Others	-	-	-
Subtotal	326	283	43
Securities with book value not exceeding acquisition cost			
Equity security	167	183	(16)
Bonds	-	-	-
Others	-	-	-
Subtotal	167	183	(16)
Total	494	467	26

② Current fiscal year (March 31, 2020)

(Millions of yen)

Classification	Carrying value	Acquisition cost	Difference
Securities with book value exceeding acquisition cost			
Equity security	50	39	10
Bonds	-	-	-
Others	-	-	-
Subtotal	50	39	10
Securities with book value not exceeding acquisition cost			
Equity security	325	442	(117)
Bonds	-	-	-
Others	-	-	-
Subtotal	325	442	(117)
Total	375	482	(106)

(Thousands of U.S. dollars)

Classification	Carrying value	Acquisition cost	Difference
Securities with book value exceeding acquisition cost			
Equity security	467	366	101
Bonds	-	-	-
Others	-	-	-
Subtotal	467	366	101
Securities with book value not exceeding acquisition cost			
Equity security	3,011	4,098	(1,086)
Bonds	-	-	-
Others	-	-	-
Subtotal	3,011	4,098	(1,086)
Total	3,478	4,464	(985)

(2) Investments in securities sold during the fiscal year

① Previous fiscal year (April 1, 2018 to March 31, 2019)

Not applicable

② Current fiscal year (April 1, 2018 to March 31, 2019)

(Millions of yen)

Classification	Sales value	Gain on sales	Loss on sales
Equity security	3	-	4

(Thousands of U.S. dollars)

Classification	Sales value	Gain on sales	Loss on sales
Equity security	32	-	41

16. Retirement benefits for employees

(1) Summary of retirement benefit plans

The Company and its subsidiaries have unfunded benefit plans (retirement lump sum grants) and defined contribution plans (defined contribution pension scheme) to be applied to retirement benefits for employees. Some subsidiaries account for retirement lump sum plans using simplified method to calculate liabilities for retirement benefits for employees and retirement costs.

(2) Defined benefit plans (excluding plans using simplified method)

① Change in projected benefit obligations

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Projected benefit obligations at beginning of year	2,774	2,985	27,639
Service costs	256	270	2,508
Interest costs	13	14	138
Actuarial gain or loss incurred	7	(5)	(53)
Payment of retirement benefits	(67)	(70)	(654)
Projected benefit obligations at end of year	2,985	3,194	29,577

② Reconciliation of projected benefit obligations to liabilities for retirement benefits for employees

	Previous fiscal year March 31, 2019	Current fiscal year March 31, 2020	Current fiscal year March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Projected benefit obligations for unfunded plan	2,985	3,194	29,577
Net balance presented in the consolidated balance sheet	2,985	3,194	29,577
Liabilities for retirement benefits for employees	2,985	3,194	29,577
Net balance presented in the consolidated balance sheet	2,985	3,194	29,577

③ Breakdown of retirement and pension cost

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Service costs	256	270	2,508
Interest costs	13	14	138
Amortization of actuarial differences	45	43	405
Amortization of prior service costs	(9)	-	-
Net periodic benefit costs	307	329	3,052

(Note) Other than the above retirement pension costs, additionally paid retirement benefits of ¥601 million were presented for the previous fiscal year.

④ Adjustments for retirement benefits

The breakdown of adjustments for retirement benefits before the effect of income taxes was as follows.

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Prior service liabilities	(9)	-	-
Actuarial differences	38	49	459
Total	29	49	459

⑤ Accumulated adjustments for retirement benefits

The breakdown of accumulated adjustments for retirement benefits before the effect of income taxes was as follows.

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Unrecognized actuarial differences	390	341	3,159
Total	390	341	3,159

⑥ Actuarial assumption

Major actuarial assumption (on weighted average)

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020
Discount rate	0.6%	0.6%

(3) Defined benefit plans using simplified method

① Change in projected benefit obligations

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Projected benefit obligations at beginning of year	44	18	175
Service costs	66	2	23
Payment of retirement benefits	(91)	(3)	(31)
Projected benefit obligations at end of year	18	18	167

② Reconciliation of projected benefit obligations to liabilities for retirement benefits for employees

	March 31, 2019	March 31, 2020	March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Projected benefit obligations for unfunded plan	18	18	167
Net balance presented in the consolidated balance sheet	18	18	167
Liabilities for retirement benefits for employees	18	18	167
Net balance presented in the consolidated balance sheet	18	18	167

③ Retirement and pension cost

Retirement and pension costs for plans using simplified method were ¥66 million for the previous fiscal year and ¥2 million (\$23 thousand) for the current fiscal year.

(4) Defined contribution plans

The Companies contributed ¥308 million and ¥310 million (\$2,872 thousand) to their defined contribution plans for the previous fiscal year and the current fiscal year, respectively.

17. Accounting for income taxes

(1) Significant components of deferred tax assets and liabilities

	Previous fiscal year	Current fiscal year	Current fiscal year
	March 31, 2019	March 31, 2020	March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
(Deferred tax assets)			
Accrued bonuses	887	927	8,586
Liabilities for retirement benefits for employees	916	980	9,079
Accrued retirement benefits for directors	105	105	978
Inventories	2,596	2,933	27,159
Unearned revenue	473	428	3,971
Investments in subsidiaries and affiliated companies	191	151	1,406
Tax loss carryforwards in the subsidiaries	1,412	2,191	20,295
Tax credits carryforwards in the subsidiaries	783	769	7,120
Depreciation and amortization	165	247	2,289
Deferred revenue	82	482	4,471
Other	1,317	1,032	9,562
Subtotal	8,931	10,251	94,920
Valuation allowance for tax loss carryforwards (Note)	(703)	(550)	(5,098)
Valuation allowance for deductible temporary differences	(1,558)	(1,557)	(14,424)
Total valuation allowance	(2,262)	(2,108)	(19,522)
Total deferred tax assets	6,669	8,142	75,397
(Deferred tax liabilities)			
Tax deductible inventories for a foreign subsidiary	(17)	-	-
Other	(237)	(241)	(2,233)
Total deferred tax liabilities	(255)	(241)	(2,233)
Net deferred tax assets	6,413	7,901	73,164

(Note) Tax loss carryforwards and deferred tax assets by expiration period

							(Millions of yen)	
	Previous fiscal year (March 31, 2019)	April 1, 2019 to March 31, 2020	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 and thereafter	Total
Tax loss carryforwards (a)		170	-	-	5	-	1,237	1,412
Valuation allowance		(170)	-	-	-	-	(533)	(703)
Net deferred tax assets (b)		-	-	-	5	-	703	708

(a) Above tax loss carryforwards are calculated by multiplying the statutory tax rate.

(b) For tax loss carryforwards of ¥1,412 million (amount multiplied by the statutory tax rate), deferred tax assets of ¥708 million were presented.

Deferred tax assets of ¥708 million were expected to be recoverable for a portion of the tax loss carryforwards of ¥921 million incurred by CAPCOM U.S.A., INC., which arose in relation to adjustments of transfer price taxation system.

Current fiscal year (March 31, 2020)

							(Millions of yen)
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 and thereafter	Total
Tax loss carryforwards (a)	-	-	-	-	-	2,191	2,191
Valuation allowance	-	-	-	-	-	(550)	(550)
Net deferred tax assets (b)	-	-	-	-	-	1,641	1,641

							(Thousands of U.S. dollars)
	April 1, 2020 to March 31, 2021	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 and thereafter	Total
Tax loss carryforwards (a)	-	-	-	-	-	20,295	20,295
Valuation allowance	-	-	-	-	-	(5,098)	(5,098)
Net deferred tax assets (b)	-	-	-	-	-	15,196	15,196

(a) Above tax loss carryforwards are calculated by multiplying the statutory tax rate.

(b) For tax loss carryforwards of ¥2,191 million (\$20,295 thousand) (amount multiplied by the statutory tax rate), deferred tax assets of ¥1,641 million (\$15,196 thousand) were presented. Deferred tax assets of ¥1,641 million (\$15,196 thousand) were expected to be recoverable for a portion of the tax loss carryforwards of ¥1,808 million (\$16,749 thousand) incurred by CAPCOM U.S.A., INC., which arose in relation to adjustments of transfer price taxation system.

(2) Reconciliation of the difference between the statutory tax rate and the effective income tax rate

	Previous fiscal year	Current fiscal year
	March 31, 2019	March 31, 2020
	(Unit : %)	(Unit : %)
Statutory income tax rate	30.5	-
(Reconciliation)		
Change in valuation allowance	2.0	-
Tax credit	(2.0)	-
Different tax rates applied to foreign subsidiaries	(0.4)	-
Permanent difference (meals and entertainment, etc.)	0.4	-
Unappropriated retained earnings of foreign subsidiaries	(0.5)	-
Tax adjustments resulting from consolidation elimination entries, etc.	(0.4)	-
Others	(0.1)	-
Effective income tax rate	29.4	-

The note for the current fiscal year is omitted as the difference between the two rates was 5% or less of the statutory income tax rate.

18. Asset retirement obligations

Asset retirement obligations on the balance sheet.

① Outline of asset retirement obligations

Obligations to restore business offices and amusement stores in the "Arcade operations" segment to their original state, as specified in the real estate lease agreements.

② Calculation of asset retirement obligations

Asset retirement obligations are calculated with the future cash flows discounted. For the business offices, their depreciation periods (mainly 15 years) are regarded as their estimated periods of use and the yields of the national government bonds, which correspond to the respective depreciation periods, are used as their discount rates.

For the amusement facilities, their lease periods (mainly 6 to 15 years) are regarded as their estimated periods of use and the yields of the national government bonds, which corresponds to the respective lease periods, are used as their discount rates.

③ Increase or decrease in asset retirement obligations

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
	Millions of yen	Millions of yen	Thousands of U.S. dollars
Beginning balance	501	571	5,289
Increase due to purchase of tangible fixed assets	71	80	749
Adjustment due to passage of time	4	4	41
Decrease due to settlement of asset retirement obligations	(5)	-	-
Ending balance	571	656	6,080

19. Investment and rental property

The note is omitted due to the insignificance of the total amount.

20. Segment information

(1) Outline of reportable segments

① Classification of reportable segments

The reportable segments the Company reports are the business units for which the Company is able to obtain separate financial information in order for the Board of Directors to conduct periodic investigations to determine the distribution of operational resources and to evaluate business performance. The Company has several operational headquarters which plan comprehensive business strategies in the domestic and overseas markets for their products and services, and develop its business activities. Therefore the Company's reportable segments are based on the products and services its operational headquarters deal in and are composed of the following 3 segments: "Digital content," "Arcade operations" and "Amusement equipment."

② Product and service line

The "Digital content" segment develops and distributes video and mobile games for consumers.

The "Arcade operations" segment operates amusement stores which install amusement equipment.

The "Amusement equipment" segment manufactures arcade game machines and pachinko gambling machines, etc. to be distributed to arcade operators and pachinko parlors.

(2) Method of calculating sales and income (loss), identifiable assets and liabilities and other items by reportable segment

The accounting policies for the reportable segment are based on those in "Summary of significant accounting policies." Income by reportable segment is calculated based on operating income on the consolidated statements of income.

(3) Information on net sales and operating income (loss), identifiable assets and liabilities and other items by reportable segment

① Previous fiscal year (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital content	Arcade operations	Amusement equipment	Total				
Net sales								
Customers	82,982	11,050	3,422	97,455	2,575	100,031	-	100,031
Intersegment	-	-	-	-	-	-	-	-
Total	82,982	11,050	3,422	97,455	2,575	100,031	-	100,031
Segment income	23,315	1,096	(2,668)	21,743	811	22,554	(4,410)	18,144
Segment assets	54,109	7,730	6,420	68,261	617	68,878	54,528	123,407
Other items								
Depreciation	945	1,158	439	2,542	21	2,564	663	3,228
Increase in tangible and intangible fixed assets	108	1,215	294	1,618	18	1,636	931	2,568

(Note) 1. "Other" incorporates operations not included in reportable segments, including the character content business, etc.

2. Adjustments were as follows:

(1) Adjustments of segment income of (¥4,410) million include unallocated corporate operating expenses of (¥4,410) million. The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.

(2) Adjustments of segment assets of ¥54,528 million include unallocated corporate identifiable assets of ¥54,528 million.

(3) Adjustments of increase in tangible and intangible fixed assets of ¥931 million are capital investments by headquarters.

3. Segment income is adjusted on operating income of the consolidated statements of income.

② Current fiscal year (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital content	Arcade operations	Amusement equipment	Total				
Net sales								
Customers	59,942	12,096	6,533	78,572	3,018	81,591	-	81,591
Intersegment	-	-	-	-	-	-	-	-
Total	59,942	12,096	6,533	78,572	3,018	81,591	-	81,591
Segment income	24,161	1,211	2,085	27,458	544	28,003	(5,176)	22,827
Segment assets	53,117	7,624	13,100	73,842	554	74,396	69,070	143,466
Other items								
Depreciation	840	1,163	152	2,157	16	2,173	621	2,795
Increase in tangible and intangible fixed assets	177	979	69	1,226	468	1,694	881	2,576

(Thousands of U.S. dollars)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Consolidated total (Note 3)
	Digital content	Arcade operations	Amusement equipment	Total				
Net sales								
Customers	555,021	112,005	60,497	727,524	27,951	755,476	-	755,476
Intersegment	-	-	-	-	-	-	-	-
Total	555,021	112,005	60,497	727,524	27,951	755,476	-	755,476
Segment income	223,720	11,216	19,312	254,249	5,046	259,295	(47,929)	211,366
Segment assets	491,828	70,595	121,300	683,724	5,129	688,854	639,537	1,328,391
Other items								
Depreciation	7,784	10,774	1,413	19,972	154	20,127	5,756	25,883
Increase in tangible and intangible fixed assets	1,645	9,066	639	11,352	4,340	15,692	8,166	23,858

(Note) 1. "Other" incorporates operations not included in reportable segments, including the character content business, etc.

2. Adjustments were as follows:

(1) Adjustments of segment income of (¥5,176) million ((\$47,929) thousand) include unallocated corporate operating expenses of (¥5,176) million ((\$47,929) thousand).

The corporate operating expenses, which do not belong to any reportable segments, mainly consist of administrative expenses.

(2) Adjustments of segment assets of ¥69,070 million (\$639,537 thousand) include unallocated corporate identifiable assets of ¥69,070 million (\$639,537 thousand).

(3) Adjustments of increase in tangible and intangible fixed assets of ¥881 million (\$8,166 thousand) are capital investments by headquarters.

3. Segment income is adjusted on operating income of the consolidated statements of income.

[Related information]

1. Information by product and service line

The information is omitted as the same kind of information is disclosed in Note 20(1), "Segment information."

2. Information by country or region

(1) Net sales

① Previous fiscal year (April 1, 2018 to March 31, 2019) (Millions of yen)

Japan	North America	Europe	Other regions	Total
38,129	32,353	16,761	12,787	100,031

② Current fiscal year (April 1, 2019 to March 31, 2020) (Millions of yen)

Japan	North America	Europe	Other regions	Total
40,371	20,927	10,663	9,628	81,591

(Thousands of U.S. dollars)

Japan	North America	Europe	Other regions	Total
373,813	193,775	98,732	89,155	755,476

- (Note)
- The sales amounts are classified by country or region where customers are located.
 - With increase in sales for digital distribution, it is difficult to find locations of end-user customers by country whom the Companies provide with games through some platforms. As a result, the Company omitted net sales by country other than Japan, instead describing net sales by identifiable region.

(2) Tangible fixed assets

The information is omitted as the balance of tangible fixed assets in Japan exceeded 90% or more of the total balance of tangible fixed assets of the consolidated balance sheet.

3. Information by major customer

(1) Previous fiscal year (April 1, 2018 to March 31, 2019)

The information is omitted as there were no customers which exceeded 10% or more of the total sales amount of the consolidated statement of income.

(2) Current fiscal year (April 1, 2019 to March 31, 2020) (Millions of yen)

Customer	Amount of net sales	Reportable segment
Sony Interactive Entertainment Inc.	8,583	Digital Content
Valve Corporation	12,688	Digital Content

(Thousands of U.S. dollars)

Customer	Amount of net sales	Reportable segment
Sony Interactive Entertainment Inc.	79,478	Digital Content
Valve Corporation	117,486	Digital Content

[Impairment loss by reportable segment]

1. Previous fiscal year (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable segment		Other	Corporate or elimination	Total
	Digital content	Subtotal			
Impairment loss	393	393	-	-	393

2. Current fiscal year (April 1, 2019 to March 31, 2020)

Not applicable

[Amortization and balance of goodwill by reportable segment]

Not applicable

[Negative goodwill by reportable segment]

Not applicable

21. Related party transactions

Transactions between related parties and the Company

The Companies and directors and main shareholders (limited to individuals) of the related parties., etc

1. Previous fiscal year (April 1, 2018 to March 31, 2019)

Category	Name	Address	Amount of capital (¥ million)	Nature of business	Proportionate interest (%)	Relationship	Nature of transaction	Amount of transactions (¥ million)	Account	Balance as of March 31, 2019 (¥ million)
Main shareholders (individuals) and companies 50% or more owned by close relatives, etc.	Crossroad Co., Ltd.	Habikino City Osaka Pref.	8	Asset management	Direct 10.01 Indirect -	Main shareholder	Repurchase of treasury stock	4,529	-	-

(Note) Based on the resolution by the Board of Directors Meeting held on October 29, 2018, the Company repurchased its treasury stocks via tender offer for 2,192 yen per share.

2. Current fiscal year (From April 1, 2019 to March 31, 2020)

Not applicable

22. Per share information

	Previous fiscal year April 1, 2018 to March 31, 2019	Current fiscal year April 1, 2019 to March 31, 2020	Current fiscal year April 1, 2019 to March 31, 2020
Net assets per share	831.37 yen	Net assets per share 934.28 yen	Net assets per share 8.65 U.S. dollars
Net income per share	115.45 yen	Net income per share 149.41 yen	Net income per share 1.38 U.S. dollars

(Note) 1. The diluted net income per share is omitted as the Companies had no residual securities.

2. The basis for computation of net assets per share was as follows:

	Previous fiscal year March 31, 2019 Millions of yen	Current fiscal year March 31, 2020 Millions of yen	Current fiscal year March 31, 2020 Thousands of U.S. dollars
Total amount of net assets	88,749	99,735	923,472
Amounts to be deducted from total amount of net assets	-	-	-
Ending balance of net assets attributable to common stock	88,749	99,735	923,472
Number of shares of common stocks used for computation of net assets per share (thousands of shares)	106,751	106,750	106,750

3. The basis for the computation of net income per share was as follows:

	Previous fiscal year April 1, 2018 to March 31, 2019 Millions of yen	Current fiscal year April 1, 2019 to March 31, 2020 Millions of yen	Current fiscal year April 1, 2019 to March 31, 2020 Thousands of U.S. dollars
Net income attributable to owners of the parent	12,551	15,949	147,677
Amount not allocated to common stock	-	-	-
Net income attributable to owners of the parent allocated to common stock	12,551	15,949	147,677
Average number of shares of common stock outstanding during the fiscal year (thousands of shares)	108,716	106,751	106,751

23. Supplemental schedules of bonds
Not applicable

24. Supplemental schedules of borrowings

(Millions of yen)

Category	Balance as of March 31, 2019	Balance as of March 31, 2020	Average interest rate (%)	Date of maturity
Short-term borrowings	-	-	-	-
Current portion of long-term borrowings due within one year	1,579	4,129	0.5	-
Current portion of lease obligations	406	502	2.0	-
Long-term borrowings (Excluding current portion)	6,735	2,606	1.1	From 2021 to 2025
Lease obligations (Excluding current portion)	369	690	2.0	From 2021 to 2026
Other interest bearing debt	-	-	-	-
Total	9,091	7,928	-	-

(Thousands of U.S. dollars)

Category	Balance as of March 31, 2019	Balance as of March 31, 2020	Average interest rate (%)	Date of maturity
Short-term borrowings	-	-	-	-
Current portion of long-term borrowings due within one year	14,622	38,233	0.5	-
Current portion of lease obligations	3,762	4,651	2.0	-
Long-term borrowings (Excluding current portion)	62,368	24,135	1.1	From 2021 to 2025
Lease obligations (Excluding current portion)	3,424	6,391	2.0	From 2021 to 2026
Other interest bearing debt	-	-	-	-
Total	84,177	73,411	-	-

(Note) 1. The "average interest rate" represents the weighted average rate applicable to the ending balance.
2. The following table shows the aggregate annual maturities of long-term borrowings and lease obligations for five years subsequent to March 31, 2020 (excluding the current portion).

(Millions of yen)

	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Long-term borrowings	727	626	626	626
Lease obligations	359	148	55	50

(Thousands of U.S. dollars)

	Due after 1 year but within 2 years	Due after 2 years but within 3 years	Due after 3 years but within 4 years	Due after 4 years but within 5 years
Long-term borrowings	6,739	5,799	5,799	5,797
Lease obligations	3,330	1,374	513	467

25. Supplemental schedules of asset retirement obligations

The note is omitted because the balance of the asset retirement obligations as of the beginning and the end of the current fiscal year was 1% or less than the total balance of the liabilities and the net assets as of the beginning and the end of the current fiscal year, respectively.

26. Supplemental schedules of other

1. Quarterly sales, etc., for the current fiscal year

	1st quarter April 1, 2019 to June 30, 2019	2nd quarter April 1, 2019 to September 30, 2019	3rd quarter April 1, 2019 to December 31, 2019	4th quarter April 1, 2019 to March 31, 2020
Net sales (Millions of yen)	17,938	37,272	52,908	81,591
Net income before income taxes (Millions of yen)	7,699	13,991	18,690	22,890
Net income attributable to owners of the parent (Millions of yen)	5,420	9,846	13,065	15,949
Net income per share (yen)	50.78	92.23	122.39	149.41

	1st quarter April 1, 2019 to June 30, 2019	2nd quarter April 1, 2019 to September 30, 2019	3rd quarter April 1, 2019 to December 31, 2019	4th quarter April 1, 2019 to March 31, 2020
Net sales (Thousands of U.S. dollars)	166,094	345,113	489,889	755,476
Net income before income taxes (Thousands of U.S. dollars)	71,295	129,551	173,055	211,952
Net income attributable to owners of the parent (Thousands of U.S. dollars)	50,189	91,167	120,978	147,677
Net income per share (U.S. dollars)	0.47	0.85	1.13	1.38

	1st quarter April 1, 2019 to June 30, 2019	2nd quarter July 1, 2019 to September 30, 2019	3rd quarter October 1, 2019 to December 31, 2019	4th quarter January 1, 2020 to March 31, 2020
Net income per share (yen)	50.78	41.46	40.16	27.01

	1st quarter April 1, 2019 to June 30, 2019	2nd quarter July 1, 2019 to September 30, 2019	3rd quarter October 1, 2019 to December 31, 2019	4th quarter January 1, 2020 to March 31, 2020
Net income per share (U.S. dollars)	0.47	0.38	0.37	0.25

2. Investigation by antitrust authority

On April 5 2019, the Companies and two of its subsidiaries - CE EUROPE LTD. and CAPCOM U.S.A., INC. ("the CAPCOM group") received a Statement of Objections from the European Commission which indicated a suspicion of breach of antitrust related to the sales of PC games in the European market.

The CAPCOM group will take an appropriate action based on thorough review of the statement.

(Note)

The Statement of Objections is a document which indicates a provisional view by the European Commission on their suspicion of breach of antitrust, not a final conclusion by the European Commission.

Those who have received the Statement of Objections are entitled to explain their opinions, including their objections.

Following the conclusion by the European Commission, they are entitled to appeal to the European Court of Justice.

Independent Auditor's Report

To the Board of Directors of CAPCOM Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of CAPCOM Co., Ltd. ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2020 and 2019, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the audit and supervisory committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yasuhito Kondo



Yasuhito Kondo
Designated Engagement Partner
Certified Public Accountant

Hiroshi Miura



Hiroshi Miura
Designated Engagement Partner
Certified Public Accountant

Tomohiro Yamanaka



Tomohiro Yamanaka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Osaka Office, Japan
August 12, 2020