

## Consolidated Statements of Income (JPNGAAP)

Millions of yen	03/2004	03/2005	03/2006	03/2007	03/2008	03/2009	03/2010	03/2011	03/2012	03/2013	03/2014	03/2015	03/2016	03/2017	03/2018
<b>Net sales</b>	<b>63,202</b>	<b>73,864</b>	<b>124,473</b>	<b>163,472</b>	<b>147,516</b>	<b>135,693</b>	<b>192,257</b>	<b>125,271</b>	<b>127,896</b>	<b>147,981</b>	<b>155,023</b>	<b>167,891</b>	<b>214,101</b>	<b>256,824</b>	<b>250,394</b>
Cost of sales	22,084	25,703	68,105	87,262	81,201	79,527	108,536	75,846	76,268	98,788	94,481	94,794	115,316	141,123	129,519
<b>Gross profit</b>	<b>41,117</b>	<b>48,161</b>	<b>56,367</b>	<b>76,210</b>	<b>66,314</b>	<b>56,166</b>	<b>83,721</b>	<b>49,424</b>	<b>51,627</b>	<b>49,192</b>	<b>60,542</b>	<b>73,096</b>	<b>98,784</b>	<b>115,701</b>	<b>120,874</b>
Reversal of provision for sales returns	1,420	1,569	1,316	1,186	2,271	1,135	4,863	4,046	1,706	1,551	4,672	4,877	4,867	3,227	6,118
Provision for sales returns	1,569	1,316	1,186	2,271	1,135	1,598	4,046	1,779	1,502	3,927	4,458	4,579	3,534	6,014	4,139
<b>Net gross profit</b>	<b>40,968</b>	<b>48,414</b>	<b>56,497</b>	<b>75,125</b>	<b>67,450</b>	<b>55,703</b>	<b>84,538</b>	<b>51,691</b>	<b>51,831</b>	<b>46,817</b>	<b>60,756</b>	<b>73,394</b>	<b>100,116</b>	<b>112,914</b>	<b>122,854</b>
Selling, general and administrative expenses															
Packaging freight charge	545	634	1,623	2,493	2,421	2,169	3,535	2,336	1,812	1,867	1,848	2,014	1,751	1,726	1,874
Advertising expense	5,119	5,346	7,458	6,331	5,892	5,546	11,053	7,935	7,258	12,309	7,913	10,386	20,270	25,541	22,585
Sales promotion expense	660	109	1,177	1,060	642	417	157	67	63	100	59	66	66	74	86
Allowance for doubtful accounts	332	77	101	—	8	—	—	—	67	—	36	69	54	12	—
Compensation for directors	231	233	498	682	567	456	519	596	541	607	572	435	565	557	773
Salaries	3,887	4,251	11,604	15,482	15,889	14,097	15,145	12,534	12,195	14,105	14,148	14,207	14,465	14,618	15,242
Provision for bonuses	1,130	418	1,350	2,237	1,403	1,755	2,378	1,408	1,814	1,483	2,193	1,936	2,916	2,492	3,740
Net periodic pension costs	491	107	251	446	36	353	1,102	1,135	1,288	1,484	1,088	323	539	678	534
Provision for directors' retirement benefits	6	121	19	42	47	20	13	15	13	12	17	11	10	—	—
Welfare expense	698	753	1,511	2,046	2,024	1,799	1,755	1,463	1,523	1,710	1,846	1,838	2,092	2,161	2,522
Rental expense	955	1,033	1,949	2,325	2,483	2,375	2,367	1,782	1,616	1,554	1,652	1,739	2,118	2,100	2,306
Commission fee	3,023	2,667	3,204	3,357	3,209	3,399	4,105	4,228	4,621	7,588	9,596	13,734	18,996	21,554	23,539
Depreciation and amortization	1,179	1,141	1,648	1,464	1,463	1,397	2,281	1,903	1,000	2,091	2,512	2,460	2,476	2,272	2,495
Other	3,307	5,079	8,625	11,238	9,839	9,637	11,886	8,956	7,298	7,984	6,726	7,742	7,772	7,825	8,976
Total Selling, general and administrative expenses	21,569	21,975	41,026	49,209	45,929	43,426	56,303	44,365	41,118	52,899	50,213	56,967	74,097	81,618	84,677
<b>Operating income (loss)</b>	<b>19,398</b>	<b>26,438</b>	<b>15,470</b>	<b>25,916</b>	<b>21,520</b>	<b>12,277</b>	<b>28,235</b>	<b>7,325</b>	<b>10,713</b>	<b>△ 6,081</b>	<b>10,543</b>	<b>16,426</b>	<b>26,018</b>	<b>31,295</b>	<b>38,176</b>
Non-operating income															
Interest income	67	72	139	467	959	696	188	95	136	100	116	139	85	75	107
Dividends received	78	4	23	3	2	12	343	36	4	9	6	9	9	9	14
Foreign exchange gain	—	296	508	147	—	—	—	—	—	1,620	1,798	484	—	—	—
Rental income	0	30	63	69	70	43	30	24	17	14	18	20	16	16	35
Support fees received	—	—	28	—	—	—	—	—	—	—	—	—	—	—	—
Facilities' installation cooperation fees	—	—	79	51	52	—	—	—	—	—	—	—	—	—	—
Reversal of allowance for doubtful accounts	—	—	—	—	—	—	—	—	—	—	—	—	213	2	161
Subsidy income	—	—	—	—	—	—	—	—	—	—	—	17	495	33	126
Gain on forgiveness of payable for group tax	—	—	—	—	—	—	—	—	—	—	—	—	—	62	31
Investment profit on equity method	—	—	—	29	23	—	—	—	—	—	—	—	—	—	—
Miscellaneous income	294	138	202	407	258	157	195	190	127	114	210	219	158	93	281
Total non-operating income	440	542	1,046	1,176	1,367	909	758	347	286	1,858	2,150	890	980	293	757
Non-operating expenses															
Interest expenses	7	2	29	2	0	1	30	59	61	98	93	68	67	52	84
Commission fee	—	—	94	—	—	—	—	—	100	53	52	74	14	6	10
Office transfer related expenses	—	—	—	—	—	—	—	—	—	—	—	173	44	31	152
Foreign exchange loss	788	—	—	—	1,858	1,715	842	2,149	536	—	—	—	1,545	358	2,477
Stock issuance expenses	8	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Loss on disposal of inventories	—	3	151	119	119	—	—	—	—	—	—	—	—	—	—
Loss on write-offs of content production account	—	983	460	—	1,799	—	—	—	—	—	—	—	—	—	—
Loss on inventory revaluation	—	—	190	281	170	—	—	—	—	—	—	—	—	—	—
Stock issuance expenses	—	—	—	31	—	—	—	—	—	—	—	—	—	—	—
Corporate bond issuance expenses	—	—	17	—	—	—	142	—	—	—	—	—	—	—	—
Loss on write-off of advance license payment	—	—	—	244	—	—	—	—	—	—	—	—	—	—	—
Investment loss on equity method	760	—	7	—	—	18	49	—	—	—	—	—	—	—	—
Miscellaneous loss	25	90	18	172	75	189	105	73	3	3	13	15	4	11	83
Total non-operating expenses	1,590	1,080	968	852	4,023	1,925	1,171	2,282	701	155	159	332	1,676	459	2,809
<b>Ordinary income (loss)</b>	<b>18,248</b>	<b>25,901</b>	<b>15,547</b>	<b>26,241</b>	<b>18,864</b>	<b>11,261</b>	<b>27,822</b>	<b>5,390</b>	<b>10,297</b>	<b>△ 4,378</b>	<b>12,534</b>	<b>16,984</b>	<b>25,322</b>	<b>31,128</b>	<b>36,124</b>

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<b>Extraordinary gain</b>															
Gain on sale of property and equipment	—	0	—	—	—	—	33	1	—	2	2	1,394	18	4	9
Gain on sale of investment securities	59	106	1,353	410	64	0	10	0	48	8	24	82	1	—	351
Gain on divestiture of business	—	—	—	2,697	47	—	—	—	—	—	—	—	—	—	—
Gain on sale of shares of subsidiaries and associates	240	—	—	—	—	—	—	—	192	—	—	—	—	—	—
Reversal of allowance for doubtful accounts	—	11	—	2	204	13	9	94	—	—	—	—	—	—	—
Reversal of allowance for retirement benefits	—	—	—	465	—	—	—	—	—	—	—	—	—	—	—
Reversal of allowance for game arcade closings	—	—	—	—	1,098	—	—	—	—	—	—	—	—	—	—
Reversal of allowance for obligation related to legal proceedings	—	—	—	—	—	181	—	—	—	—	—	—	—	—	—
Gain on forgiveness of debts	—	—	—	—	—	—	22	—	—	—	—	—	—	—	—
Gain on reversal of subscription rights to shares	—	—	—	—	—	—	20	125	46	445	35	44	19	20	2
Compensation income	—	—	—	—	—	—	—	—	—	—	351	—	—	—	—
Gain on disposition of foreign currency translation adjustment	—	—	—	—	—	—	—	317	—	—	—	—	—	105	—
Gain on liquidation of subsidiaries and associates	—	—	—	—	—	—	—	—	—	76	—	—	—	—	—
Gain on liquidation of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	69	—
Gain on reversal of debts	—	—	—	—	—	—	—	—	—	—	—	—	—	82	—
Other	—	—	8	203	24	33	30	94	18	120	—	—	—	20	5
<b>Total extraordinary gain</b>	<b>300</b>	<b>118</b>	<b>1,361</b>	<b>3,778</b>	<b>1,439</b>	<b>228</b>	<b>128</b>	<b>633</b>	<b>305</b>	<b>653</b>	<b>413</b>	<b>1,520</b>	<b>40</b>	<b>302</b>	<b>368</b>
<b>Extraordinary loss</b>															
Loss on sale of property and equipment	123	2	19	17	145	26	69	1	30	58	7	741	36	—	18
Loss on disposal of property and equipment	198	50	457	1,085	950	790	389	621	352	213	130	258	194	210	131
Impairment loss	—	—	4,426	368	9	859	255	8,853	130	939	158	640	1,961	437	40
Loss on write-offs of bad debts	—	—	—	—	170	—	—	—	—	—	—	—	—	—	—
Loss on evaluation of investment securities	375	80	91	194	55	120	166	175	0	0	—	—	—	—	—
Loss on sale of investment securities	84	2	—	—	—	—	—	—	—	—	—	—	—	—	—
Loss on disposal and write-downs of assets associated with business restructuring	—	—	—	2,275	1,302	—	—	—	—	—	—	—	—	—	—
Severance payments associated with business restructuring	—	—	—	925	45	30	1,985	—	—	—	—	—	—	—	—
Loss on sales of shares of subsidiaries and associates	—	—	—	—	—	—	—	—	—	—	—	—	—	—	371
Loss on valuation of shares of subsidiaries and associates	125	145	—	—	—	—	—	—	—	—	—	41	1,702	0	—
Loss on liquidation of subsidiaries and associates	—	—	209	—	—	—	72	136	—	—	—	313	—	4,898	—
Adjustment loss in connection with advanced received in mobile business	—	—	302	—	—	—	—	—	—	—	—	—	—	—	—
Accelerated amortization of goodwill	—	—	—	1,831	136	—	12,209	—	—	—	—	—	—	—	—
Provision of amortization of consolidated adjustment account	—	145	—	—	—	—	—	—	—	—	—	—	—	—	—
Extraordinary loss on inventory write-offs	—	—	1,652	—	—	—	—	—	—	—	—	—	—	—	—
Allowance for doubtful accounts	—	—	505	2,086	452	—	—	—	—	—	—	—	—	—	—
Provision for game arcade closings	—	—	153	2,784	54	286	25	311	78	60	153	402	15	—	—
Loss associated with business restructuring	—	—	—	—	—	—	1,860	—	—	—	—	—	—	—	—
Acquisition costs	—	—	—	—	—	—	770	—	—	—	—	—	—	—	—
Legal settlement payment	—	—	—	—	156	15	—	—	—	—	—	—	—	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligation	—	—	—	—	—	—	—	462	—	—	—	—	—	—	—
Loss on content	—	—	—	—	—	—	—	2,074	—	—	—	—	—	—	—
Loss on disposal of content	—	—	—	—	—	—	—	2,398	93	3,696	—	—	—	—	—
Loss on evaluation of content	—	—	—	—	—	—	—	—	—	4,834	1,725	—	—	—	—
Loss on disaster	—	—	—	—	—	—	—	570	—	—	—	—	—	—	—
Other	—	16	59	60	140	221	114	398	55	1,406	607	664	14	37	4
<b>Total extraordinary loss</b>	<b>907</b>	<b>443</b>	<b>7,878</b>	<b>11,629</b>	<b>3,618</b>	<b>2,350</b>	<b>17,919</b>	<b>16,007</b>	<b>741</b>	<b>11,210</b>	<b>2,783</b>	<b>3,062</b>	<b>3,925</b>	<b>5,584</b>	<b>565</b>
Income (loss) before dividends distribution from silent partnership, income taxes (tokur	17,640	25,576	9,031	18,390	16,685	9,139	10,031	△ 9,983	9,862	△ 14,934	10,164	15,442	—	—	—
Dividends distribution from silent partnership (tokumei-kumiai)	24	20	40	16	4	△ 14	4	△ 12	△ 4	13	26	132	—	—	—
<b>Profit (Loss) before income taxes</b>	<b>17,616</b>	<b>25,556</b>	<b>8,990</b>	<b>18,374</b>	<b>16,681</b>	<b>9,153</b>	<b>10,026</b>	<b>△ 9,970</b>	<b>9,866</b>	<b>△ 14,948</b>	<b>10,137</b>	<b>15,310</b>	<b>21,436</b>	<b>25,846</b>	<b>35,927</b>
Income taxes—current	3,600	11,267	1,835	2,915	1,865	4,502	1,881	1,738	3,763	957	2,807	5,136	6,690	5,331	9,216
Income taxes for prior periods	—	—	—	—	—	—	1,745	—	—	—	—	—	—	—	—
Refunded income taxes	—	—	△ 912	△ 127	△ 424	△ 1,841	—	△ 2,249	△ 50	—	—	—	—	—	—
Income taxes—deferred	2,962	△ 760	△ 9,039	3,941	6,116	198	△ 3,158	2,594	79	△ 2,208	715	353	△ 5,146	472	878
<b>Total income taxes</b>	<b>6,563</b>	<b>10,506</b>	<b>△ 8,116</b>	<b>6,730</b>	<b>7,558</b>	<b>2,859</b>	<b>469</b>	<b>2,083</b>	<b>3,792</b>	<b>△ 1,250</b>	<b>3,522</b>	<b>5,489</b>	<b>1,544</b>	<b>5,804</b>	<b>10,094</b>
Income (loss) before minority interests	—	—	—	—	—	—	—	△ 12,054	6,074	△ 13,697	6,615	9,820	—	—	—
Minority interests income (loss)	59	116	31	24	△ 73	△ 39	48	△ 11	13	17	16	△ 11	—	—	—
<b>Profit (Loss)</b>	<b>10,993</b>	<b>14,932</b>	<b>17,076</b>	<b>11,619</b>	<b>9,196</b>	<b>6,333</b>	<b>9,509</b>	<b>△ 12,043</b>	<b>6,060</b>	<b>△ 13,714</b>	<b>6,598</b>	<b>9,831</b>	<b>19,892</b>	<b>20,042</b>	<b>25,832</b>
Profit (loss) attributable to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	8	3	11
<b>Profit (loss) attributable to owners of parent</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>19,884</b>	<b>20,039</b>	<b>25,821</b>