

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	03/2019
Net sales	63,202	73,864	124,473	163,472	147,516	135,693	192,257	125,271	127,896	147,981	155,023	167,891	214,101	256,824	250,394	271,048
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	146,820
Gross profit	41,117	48,161	56,367	76,210	66,314	56,166	83,721	49,424	51,627	49,192	60,542	73,096	98,784	115,701	120,874	124,228
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	4,152
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	9,185
Net gross profit	40,968	48,414	56,497	75,125	67,450	55,703	84,538	51,691	51,831	46,817	60,756	73,394	100,116	112,914	122,854	119,195
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	2,062
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	29,460
Sales promotion expense	660	109	1,177	1,060	642	417	157	67	63	100	59	66	66	74	86	120
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	470
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	17,396
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	3,433
Net periodic pension costs	491	107	251	446	36	353	1,102	1,135	1,288	1,484	1,088	323	539	678	534	692
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	2,642
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	2,699
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	24,664
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	2,410
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	8,610
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	94,663
Operating income (loss)	19,398	26,438	15,470	25,916	21,520	12,277	28,235	7,325	10,713	(6,081)	10,543	16,426	26,018	31,295	38,176	24,531
Non-operating income																
Interest income	67	72	139	467	959	696	188	95	136	100	116	139	85	75	107	167
Dividends received	78	4	23	3	2	12	343	36	4	9	6	9	9	9	14	0
Foreign exchange gain	-	296	508	147	-	-	-	-	-	1,620	1,798	484	-	-	-	3,459
Rental income	0	30	63	69	70	43	30	24	17	14	18	20	16	16	35	72
Support fees received	-	-	28	-	-	-	-	-	-	-	-	-	-	-	-	-
Facilities' installation cooperation fees	-	-	79	51	52	-	-	-	-	-	-	-	-	-	-	-
Reversal of allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-	213	2	161	8
Subsidy income	-	-	-	-	-	-	-	-	-	-	-	17	495	33	126	7
Gain on forgiveness of payable for group tax	-	-	-	-	-	-	-	-	-	-	-	-	-	62	31	37
Investment profit on equity method	-	-	-	29	23	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous income	294	138	202	407	258	157	195	190	127	114	210	219	158	93	281	246
Total non-operating income	440	542	1,046	1,176	1,367	909	758	347	286	1,858	2,150	890	980	293	757	3,999
Non-operating expenses																
Interest expenses	7	2	29	2	0	1	30	59	61	98	93	68	67	52	84	107
Commission fee	-	-	94	-	-	-	-	-	100	53	52	74	14	6	10	5
Loss on investments in securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40
Office transfer related expenses	-	-	-	-	-	-	-	-	-	-	-	173	44	31	152	65
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	0
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	219
Ordinary income (loss)	18,248	25,901	15,547	26,241	18,864	11,261	27,822	5,390	10,297	(4,378)	12,534	16,984	25,322	31,128	36,124	28,312

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Extraordinary gain																
Gain on sale of property and equipment	-	0	-	-	-	-	33	1	-	2	2	1,394	18	4	9	15
Gain on sale of investment securities	59	106	1,353	410	64	0	10	0	48	8	24	82	1	-	351	0
Gain on divesture 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	5	8
Gain on reversal of debts	-	-	-	-	-	-	-	-	-	-	-	-	-	82	-	-
Other	-	-	8	203	24	33	30	94	18	120	-	-	-	20	-	-
Total extraordinary gain	300	118	1,361	3,778	1,439	228	128	633	305	653	413	1,520	40	302	368	23
Extraordinary loss																
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	198
Impairment loss	-	-	4,426	368	9	859	255	8,853	130	939	158	640	1,961	437	40	368
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 valuation of shares of subsidiaries and associates	125	145	-	-	-	-	-	-	-	-	-	41	1,702	0	-	680
Loss on sales of shares of subsidiaries and associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	371	-
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	-	-	-	-	-	3,638
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	422
Total extraordinary loss	907	443	7,878	11,629	3,618	2,350	17,919	16,007	741	11,210	2,783	3,062	3,925	5,584	565	5,307
Income (loss) before dividends distribution from silent partnership, income taxes (tokumei-kumiai)	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	-	-	-	-
Profit (Loss) before income taxes	17,616	25,556	8,990	18,374	16,681	9,153	10,026	(9,970)	9,866	(14,948)	10,137	15,310	21,436	25,846	35,927	23,028
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	2,968
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	1,590
Total income taxes	6,563	10,506	(8,116)	6,730	7,558	2,859	469	2,083	3,792	(1,250)	3,522	5,489	1,544	5,804	10,094	4,559
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)	-	-	-	-
Profit (Loss)	10,993	14,932	17,076	11,619	9,196	6,333	9,509	(12,043)	6,060	(13,714)	6,598	9,831	19,892	20,042	25,832	18,468
Profit (loss) attributable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	8	3	11	4
Profit (loss) attributable to owners of parent	-	-	-	-	-	-	-	-	-	-	-	-	19,884	20,039	25,821	18,463