

Summary of Full Year Results for FY Ended March 2017

Consolidated Income Statements (Summary)

(JPY Billion)	FY Ended March 2016		FY Ended March 2017			FY Ending March 2018	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Full Year Forecasts	YoY Change
Net Sales	154.3	347.9	169.5	366.9	+5%	380.0	+4%
Operating Income	5.7	17.6	15.3	29.5	+68%	20.0	-32%
Ordinary Income	5.8	16.4	15.4	28.5	+74%	16.0	-44%
Income before income taxes	4.0	12.0	27.1	33.7	+181%	16.0	-53%
Profit attributable to owners of parent	0.9	5.3	24.2	27.6	+421%	11.0	-60%
Dividends per share (JPY)	20.00	40.00	20.00	40.00	-	40.00	-
Earnings per share (JPY)	4.11	22.90	103.47	117.79	-	46.93	-
Net Assets per share (JPY)	1,310.36	1,257.43	1,292.06	1,313.06	-	-	-

<FY Ended March 2017 Results>

- Net Sales: **366.9 billion yen**, Operating Income: **29.5 billion yen**, Profit attributable to owners of parent: **27.6 billion yen**
- Sales and profits increased year-on-year

<FY Ending March 2018 Forecasts>

- Net Sales: **380.0 billion yen**, Operating Income: **20.0 billion yen**, Profit attributable to owners of parent: **11.0 billion yen**
- Planning to increase sales and decrease profits year-on-year.

Costs and Expenses

(JPY Billion)	FY Ended March 2016		FY Ended March 2017			FY Ending March 2018	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Full Year Forecasts	YoY Change
R&D Expense / Content Production Expense	24.7	58.0	31.7	67.1	+16%	71.0	+6%
Cap-ex	12.5	28.0	13.8	27.0	-4%	24.4	-10%
Depreciation	8.2	16.6	7.6	16.3	-2%	16.6	+2%
Advertising	9.3	17.9	7.6	14.8	-17%	20.5	+39%

Consolidated Balance Sheet (Summary)

(JPY billion) 【 Assets 】				【 Liabilities and Net Assets 】			
Account	As of end of March 2016	As of end of March 2017	Change	Account	As of end of March 2016	As of end of March 2017	Change
Total Current Assets	302.2	324.1	+21.9	Total Current Liabilities	105.9	112.5	+6.6
Total Noncurrent Assets	230.6	197.4	-33.2	Total Noncurrent Liabilities	127.0	97.5	-29.5
				Total Liabilities	233.0	210.1	-22.9
				Total Net Assets	299.9	311.4	+11.5
Total Assets	532.9	521.5	-11.4	Total Liabilities and Net Assets	532.9	521.5	-11.4
				Account	As of end of March 2016	As of end of March 2017	Change
				Equity ratio	55.3%	59.0%	+3.7pt
				Current ratio	285.2%	287.9%	+2.7pt

- Total Assets: **521.5 billion yen** (decreased by **11.4 billion yen**)
- Current Assets: Up **21.9 billion yen** due to an increase in securities and inventories
- Noncurrent Assets: Down **33.2 billion yen** due to a decrease in tangible fixed assets and investment securities
- Liabilities: Down **22.9 billion yen** due to redemption of Corporate Bonds and repayment of Borrowings
- Equity Ratio: **59.0%** (+3.7pt) ■ Current Ratio: **287.9%** (+2.7pt) (Current Ratio as of the end of FY ended March 2016: 285.2%)

Pachislot and Pachinko Machines Business

(JPY Billion)	FY Ended March 2016		FY Ended March 2017			FY Ending March 2018	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Full Year Forecasts	YoY Change
Sales	60.9	141.0	64.9	148.2	+5%	150.0	+1%
Pachislot	31.0	61.1	31.8	86.2	+41%	63.1	-27%
Pachinko	23.1	66.8	26.4	48.3	-28%	71.6	+48%
Other / Elimination	6.8	13.1	6.7	13.7	-	15.3	-
Operating Income	8.4	20.9	10.6	26.3	+26%	20.0	-24%
Operating Income Margin	13.8%	14.8%	16.3%	17.7%	+2.9pt	13.3%	-4.4pt
Unit Sales (Pachislot)	70,260	142,337	81,895	215,736	+52%	158,000	-27%
Unit Sales (Pachinko)	79,604	199,014	75,542	138,321	-30%	203,000	+47%

<FY Ended March 2017 Results>
【Overall】

- Sales and profits increased year-on-year due to sales of machines for series with good track records, including mainstay titles, primarily in Pachislot.

【Pachislot】

- Conducted sales including “Pachislot Hokuto No Ken Syura no kuni hen” and “Pachislot CODE GEASS Lelouch of the Rebellion R2.”
- Unit sales increased year-on-year due to the increase in number of titles.

【Pachinko】

- Unit sales decreased year-on-year as sales of major titles were strategically changed to the next fiscal year.

<FY Ending March 2018 Forecasts>
【Overall】

- Planning to launch multiple titles, especially in the first half.
- A conservative level of earnings is expected by taking in account the composition of sales and market environment.

【Pachislot】

- Planning to decrease unit sales as new voluntary regulations will be applied to new machines installed on October 1, 2017 and after.

【Pachinko】

- Planning to increase unit sales with launch of several titles including “Pachinko CR Hokuto No Ken 7 Resurrection,” a mainstay title.

Entertainment Contents Business

(JPY Billion)	FY Ended March 2016		FY Ended March 2017			FY Ending March 2018	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Full Year Forecasts	YoY Change
Sales	85.9	190.5	97.8	205.7	+8%	220.0	+7%
Digital Games	21.5	45.6	23.0	47.3	+4%	59.0	+25%
Packaged Games	14.6	42.3	23.0	47.1	+11%	51.5	+9%
Amusement Machine Sales	20.6	41.9	22.5	49.4	+18%	43.5	-12%
Amusement Center Operations	18.9	38.0	19.0	37.2	-2%	38.0	+2%
Animation / Toy	9.5	21.2	9.4	22.7	+7%	24.5	+8%
Other / Elimination	0.8	1.5	0.9	2.0	-	3.5	-
Operating Income	1.7	4.2	9.1	11.1	+164%	10.0	-10%
Digital Games	0.9	-0.4	3.8	4.9	-	7.3	+49%
Packaged Games	-0.9	2.4	2.7	2.6	+8%	3.2	+23%
Amusement Machine Sales	0.2	-0.1	0.8	1.7	-	-0.4	-
Amusement Center Operations	1.3	1.8	2.0	2.2	+22%	1.7	-23%
Animation / Toy	0.0	0.6	0.1	1.2	+100%	1.5	+25%
Other / Elimination	0.2	-0.1	-0.3	-1.5	-	-3.3	-
Operating Income Margin	2.0%	2.2%	9.3%	5.4%	+3.2pt	4.5%	-0.9pt
Sales in Units (Thousands)	3,280	9,220	4,650	10,280	+11%	11,600	+13%
Domestic Facilities	198	194	189	191	-	190	-
Same Store Sales Comparisons	102.2%	103.1%	110.8%	108.5%	+5.4pt	101.3%	-7.2pt

<FY Ended March 2017 Results>
【Overall】

- Sales and profits increased year-on-year due to operating results of each business area performed well.
- Existing mainstay titles in the digital game field performed strongly.
- Performed well with concentration of major title launches in the packaged game field and amusement machine field.

【Digital Games】

- “**PHANTASY STAR ONLINE 2**” for which PlayStation®4 service was started performed well.
- Existing mainstay titles including “**Hortensia Saga**” and “**Puyopuyo!! Quest**” performed strongly.

【Packaged Games】

- Sales of “**Total War: WARHAMMER**,” the latest title of the “**Total War**” series performed well.
- Sales of “**Persona 5**,” the latest title of “**Persona**” series, performed well.
- Unit sales were 10,280 thousand, surpassing the figure in the previous fiscal year, as the launch of large titles have concentrated.

【Amusement Machine Sales】

- Recorded continuous earnings from titles under revenue sharing model including “**KanColle Arcade**.”
- Sales of the latest title of the popular trading card game “**SANGOKUSHI TAISEN**” were solid.
- Sales of “**UFO CATCHER 9**” were solid.
- New casino machine “**Exciting Baccarat**” started operation in the Macau market.

【Amusement Center Operations】

- Performed strongly at 108.5% against the same-store sales of last fiscal year.
- Video game titles centered on “**KanColle Arcade**” performed well.
- Facility operations improved due to execution of the Revised Act on Control and Improvement of Amusement Business.

【Animation / Toy】

- Recorded distribution earnings from the movie “**Detective Conan The Darkest Nightmare**,” which exceeded record-high box office revenue, and earnings from production of TV animations, etc.
- Focused on sales of regular and mainstay products, such as “**ANPANMAN**” series and “**Puni♡Gel**” series.

Entertainment Contents Business**<FY Ending March 2018 Forecasts>****【Overall】**

- Planning sales increase and profits decrease year-on-year.
- Planning to increase sales by increasing number of new titles to be launched in the digital game field and improving and extending oversea PC game titles to be launched in the packaged game field.
- Number of titles to be launched in the amusement machine field is forecasted to decrease.

【Digital Games】

- Planning continuous profit contribution through efforts such as holding events and conducting updates mainly for domestic existing mainstay titles.
- Number of new titles for smart devices to be launched is forecasted to increase year-on-year

【Packaged Games】

- Develop "**Persona 5**" overseas (accumulated worldwide shipment exceeded 1.5 million units in April 2017).
- Planning unit sales of **11,600** thousand units as measures for improving and extending PC game titles to be launched will be taken. "**Warhammer 40,000: Dawn of War III**," "**Endless Space 2**," "**Total War: WARHAMMER 2**," etc.

【Amusement Machine Sales】

- Number of titles will decrease compared to previous fiscal year (3 titles to 2 titles)
- Planning to launch new title "**SOUL REVERSE**" as part of the "**Multi-device X One Service**" effort.
- Planning profit contributions from titles under revenue sharing model, primarily from "**KanColle Arcade**."
- Preliminary expenses for casino machine development and sales to be incurred.

【Amusement Center Operations】

- Planning the introduction of e-money in existing-style game centers.
- Continue to reinforce facility operation focusing on the prize category.
- Reinforce measures for new style stores such as collaboration café.

【Animation / Toy】

- Planning distribution earnings from movies such as "**Detective Conan Crimson Love Letter**" and "**ANPANMAN: BURUBURU'S TREASURE HUNTING**"
- Focus on sales of regular and mainstay products, such as "**ANPANMAN**" series and "**Disney**" series.

Resort Business

(JPY Billion)	FY Ended March 2016		FY Ended March 2017			FY Ending March 2018	
	Results Through 2Q	Full Year Results	Results Through 2Q	Full Year Results	YoY Change	Full Year Forecasts	YoY Change
Sales	7.4	16.3	6.7	13.0	-20%	10.0	-23%
Operating Income	-1.2	-1.8	-1.3	-2.2	-	-3.0	-

< PHOENIX RESORT >

Sales	4.2	9.0	3.5	8.4	-7%	10.0	+19%
Operating Income	-0.2	-0.1	-0.7	-0.8	-	0.0	-
Number of facility users (thousand people)	299	597	259	561	-6%	651	+16%
3 accommodation facilities	145	297	134	293	-1%	332	+13%
2 golf courses	42	92	39	87	-5%	100	+15%
Other facilities	111	207	85	181	-13%	218	+20%

< PARADISE SEGASAMMY * >

Sales (Billion KRW)	51	95	46	95	-	-	-
Operating Income (Billion KRW)	8	10	3	-0	-	-	-
Number of visitors (Thousands)	24	48	24	57	+19%	-	-

* PARADISE SEGASAMMY Co., Ltd. is an equity method affiliate

* Figures for PARADISE SEGASAMMY are recorded with three months delay

<FY Ended March 2017 Results>

- Although renewal opening of a hotel at "**Phoenix Seagaia Resort**" was implemented, it performed weakly due to the impact of the 2016 Kumamoto Earthquake.
- Sold part of shares of subsidiary that operates indoor theme park (JOYPOLIS) on January 1, 2017.
- Made efforts on operation of "**Paradise Casino Incheon**," an existing casino facility in Incheon, South Korea.

<FY Ending March 2018 Forecasts>

- Planning sales decrease due to the effect of sale of indoor theme park (JOYPOLIS)
- Planning renewal work on garden area of "**Phoenix Seagaia Resort**."
- "**PARADISE CITY**", South Korea's first full-fledged integrated resort (IR), opened on April 20, 2017.
- Prior investments and other expenses to be incurred in the integrated resort (IR) business.

※The contents in this material and comments made during the questions and answers etc. of this briefing session are the judgment and forecasts of the Company's management based on the currently available information.

These contents involve risk and uncertainty, and the actual results may differ materially from these contents/comments.