

# **KONAMI HOLDINGS CORPORATION**

Quarterly Condensed Consolidated Financial Statements  
for the Three Months Ended June 30, 2019

English translation and a part of summary of the Quarterly Securities Report (Shihanki Hokokusho) for the three-month period ended June 30, 2019 pursuant to the Financial Instruments and Exchange Law of Japan

KONAMI HOLDINGS CORPORATION filed its Quarterly Securities Report for the three-month period ended June 30, 2019 with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on August 8, 2019. The following is the outline of the Quarterly Securities Report.

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# 1. Quarterly Condensed Consolidated Financial Statements

## (1) Quarterly Condensed Consolidated Statement of Financial Position

Millions of Yen

	Note	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		¥159,242	¥147,861
Trade and other receivables		32,475	26,466
Inventories		8,315	9,376
Income tax receivables		339	1,330
Other current assets	9	7,350	8,377
<b>Total current assets</b>		<b>207,721</b>	<b>193,410</b>
<b>Non-current assets</b>			
Property, plant and equipment, net		82,241	117,707
Goodwill and intangible assets		38,080	40,377
Investments accounted for using the equity method		3,233	3,128
Other investments	9	1,220	1,603
Other financial assets	9	22,038	22,163
Deferred tax assets		21,143	21,971
Other non-current assets		2,361	2,116
<b>Total non-current assets</b>		<b>170,316</b>	<b>209,065</b>
<b>Total assets</b>		<b>378,037</b>	<b>402,475</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bonds and borrowings	9	10,547	10,389
Other financial liabilities	9	4,323	14,641
Trade and other payables		31,530	25,148
Income tax payables		4,771	697
Other current liabilities	5	19,660	23,380
<b>Total current liabilities</b>		<b>70,831</b>	<b>74,255</b>
<b>Non-current liabilities</b>			
Bonds and borrowings	9	9,803	9,816
Other financial liabilities	9	9,922	39,300
Provisions		9,182	9,245
Other non-current liabilities		1,895	1,526
<b>Total non-current liabilities</b>		<b>30,802</b>	<b>59,887</b>
<b>Total liabilities</b>		<b>101,633</b>	<b>134,142</b>
<b>Equity</b>			
Share capital		47,399	47,399
Share premium		74,426	74,426
Treasury shares		(21,325)	(21,325)
Other components of equity	6	1,583	269
Retained earnings		173,544	166,786
<b>Total equity attributable to owners of the parent</b>		<b>275,627</b>	<b>267,555</b>
Non-controlling interests		777	778
<b>Total equity</b>		<b>276,404</b>	<b>268,333</b>
<b>Total liabilities and equity</b>		<b>¥378,037</b>	<b>¥402,475</b>

## (2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

### Quarterly Condensed Consolidated Statements of Profit or Loss Three months ended June 30, 2018 and 2019

Millions of Yen			
	Note	Three months ended June 30, 2018	Three months ended June 30, 2019
Revenue			
Product sales revenue		¥15,268	¥12,455
Service and other revenue		43,189	44,004
Total revenue	4,8	58,457	56,459
Cost of revenue			
Cost of product sales revenue		(7,117)	(6,329)
Cost of service and other revenue		(27,235)	(27,365)
Total cost of revenue		(34,352)	(33,694)
Gross profit		24,105	22,765
Selling, general and administrative expenses		(12,279)	(13,001)
Other income and other expenses, net		(12)	251
Operating profit		11,814	10,015
Finance income		163	84
Finance costs		(208)	(365)
Profit (loss) from investments accounted for using the equity method		69	(26)
Profit before income taxes		11,838	9,708
Income taxes		(3,563)	(2,427)
Profit for the period		8,275	7,281
Profit attributable to:			
Owners of the parent		8,274	7,280
Non-controlling interests		¥1	¥1

Yen			
	Note	Three months ended June 30, 2018	Three months ended June 30, 2019
Earnings per share (attributable to owners of the parent)			
Basic	10	¥61.18	¥53.83
Diluted	10	¥60.25	¥53.00

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

**Quarterly Condensed Consolidated Statements of Comprehensive Income**  
**Three months ended June 30, 2018 and 2019**

		Millions of Yen	
	Note	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit for the period		¥8,275	¥7,281
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity financial assets measured at fair value through other comprehensive income		36	(11)
Share of other comprehensive income of entity accounted for using the equity method		0	(0)
Total items that will not be reclassified to profit or loss		36	(11)
Items that may be reclassified to profit or loss:			
Exchange differences on foreign operations		1,119	(1,303)
Total items that may be reclassified to profit or loss		1,119	(1,303)
Total other comprehensive income		1,155	(1,314)
<b>Total comprehensive income for the period</b>		<b>9,430</b>	<b>5,967</b>
Comprehensive income attributable to:			
Owners of the parent		9,429	5,966
Non-controlling interests		¥1	¥1

### (3) Quarterly Condensed Consolidated Statement of Changes in Equity

Millions of Yen									
	Note	Equity attributable to owners of the parent						Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2018</b>		¥47,399	¥74,426	¥(21,321)	¥610	¥152,668	¥253,782	¥757	¥254,539
Profit for the period						8,274	8,274	1	8,275
Other comprehensive income					1,155		1,155	0	1,155
Total comprehensive income for the period		-	-	-	1,155	8,274	9,429	1	9,430
Purchase of treasury shares				(2)			(2)		(2)
Disposal of treasury shares			0	0			0		0
Dividends	7					(5,139)	(5,139)		(5,139)
Total transactions with the owners		-	0	(2)	-	(5,139)	(5,141)	-	(5,141)
<b>Balance at June 30, 2018</b>		¥47,399	¥74,426	¥(21,323)	¥1,765	¥155,803	¥258,070	¥758	¥258,828

Millions of Yen									
	Note	Equity attributable to owners of the parent						Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2019</b>		¥47,399	¥74,426	¥(21,325)	¥1,583	¥173,544	¥275,627	¥777	¥276,404
Changes in accounting policies						(5,180)	(5,180)		(5,180)
Beginning balance after adjusting		47,399	74,426	(21,325)	1,583	168,364	270,447	777	271,224
Profit for the period						7,280	7,280	1	7,281
Other comprehensive income					(1,314)		(1,314)	(0)	(1,314)
Total comprehensive income for the period		-	-	-	(1,314)	7,280	5,966	1	5,967
Purchase of treasury shares				(0)			(0)		(0)
Dividends	7					(8,858)	(8,858)		(8,858)
Total transactions with the owners		-	-	(0)	-	(8,858)	(8,858)	-	(8,858)
<b>Balance at June 30, 2019</b>		¥47,399	¥74,426	¥(21,325)	¥269	¥166,786	¥267,555	¥778	¥268,333

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

#### (4) Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
Note	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Operating activities</b>		
Profit for the period	¥8,275	¥7,281
Depreciation and amortization	3,358	5,139
Impairment losses	-	2
Interest and dividends income	(63)	(83)
Interest expense	203	237
Loss on sale or disposal of property, plant and equipment	8	2
(Profit) loss from investments accounted for using the equity method	(69)	26
Income taxes	3,563	2,427
Decrease in trade and other receivables	1,239	5,464
Increase in inventories	(1,328)	(1,189)
Decrease in trade and other payables	(3,341)	(5,569)
Increase in prepaid expense	(956)	(2,878)
Increase (decrease) in contract liabilities	1,614	(853)
Other, net	4,071	2,451
Interest and dividends received	63	102
Interest paid	(158)	(196)
Income taxes paid	(9,937)	(4,900)
<b>Net cash provided by operating activities</b>	<b>6,542</b>	<b>7,463</b>
<b>Investing activities</b>		
Capital expenditures	(7,129)	(5,311)
Payment for lease deposits	(28)	(449)
Proceeds from refund of lease deposits	176	557
Payment into time deposits	(1)	-
Other, net	(6)	(391)
<b>Net cash used in investing activities</b>	<b>(6,988)</b>	<b>(5,594)</b>
<b>Financing activities</b>		
Proceeds from short-term (more than 3 months) borrowings	1,099	1,105
Repayments of short-term (more than 3 months) borrowings	(1,099)	(1,105)
Principal payments of lease liabilities	(473)	(3,650)
Dividends paid	7 (5,103)	(8,787)
Other, net	(1)	(1)
<b>Net cash used in financing activities</b>	<b>(5,577)</b>	<b>(12,438)</b>
Effect of exchange rate changes on cash and cash equivalents	713	(812)
Net decrease in cash and cash equivalents	(5,310)	(11,381)
Cash and cash equivalents at the beginning of the period	154,485	159,242
<b>Cash and cash equivalents at the end of the period</b>	<b>¥149,175</b>	<b>¥147,861</b>

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

# Notes to Quarterly Condensed Consolidated Financial Statements

## 1. Reporting Entity

KONAMI HOLDINGS CORPORATION (the “Company”) is a public company located in Japan.

The accompanying quarterly condensed consolidated financial statements consist of the Company and its consolidated subsidiaries (collectively, “Konami Group”) as well as equity interests in its associates.

Konami Group engages in the following four business operations: Digital Entertainment, Amusement, Gaming & Systems, and Sports businesses. The operations of each business segment are presented in Note 4 “Segment Information”.

## 2. Basis of Preparation

### (1) Compliance with IFRS

The quarterly condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Quarterly Consolidated Financial Statements under which the Company is qualified as a “specified company applied Designated International Accounting Standards” and duly adopted the provisions of Article 93 of the foregoing rules.

Therefore, the Company prepares such quarterly condensed consolidated financial statements in accordance with IAS 34 “Interim Financial Reporting”. Since the quarterly condensed consolidated financial statements do not contain all the information required in the consolidated financial statements for the fiscal year ended March 31, 2019, it should be read in combination with the annual consolidated financial statements.

### (2) Use of estimates and judgments

In preparing quarterly condensed consolidated financial statements, management uses estimates and judgments. Judgments made by management, assumptions about the future and uncertainty in estimates may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and reported amounts of income and expenses as of the reporting date of the quarterly condensed consolidated financial statements.



The estimates and underlying assumptions are reviewed on an ongoing basis. The impacts from revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

Information about estimates and judgments made by management that would have significant effects on the amounts recognized in the quarterly condensed consolidated financial statements is in the same manner of the consolidated financial statements for the fiscal year ended March 31, 2019.

### 3. Significant Accounting Policies

The Significant accounting policies adopted for these quarterly condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2019 with the exception of the changes in accounting policies described hereunder.

Standards	Title	Overview of new/revised Standards
IFRS 16	Leases	Revisions of lease accounting

In accordance with the transition provisions in IFRS 16 “Leases” (hereafter, “IFRS 16”), Konami Group has adopted this standard retrospectively with the cumulative effect of initially applying this standard recognized on the date of initial application.

On adoption of IFRS 16, Konami Group has elected the practical expedient detailed in IFRS 16 paragraph C3 and continued its assessments of whether contracts contain leases under IAS 17 “Leases” (hereafter, “IAS 17”) and IFRIC 4 “Determining whether an Arrangement contains a Lease.” On the date of initial application, right-of-use assets and lease liabilities were recognized for leases which had previously been classified as operating leases under IAS 17. Lease liabilities have been measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of the date of initial application.

The reconciliation between the operating lease contracts disclosed at the end of the fiscal year ended March 31, 2019 applying IAS 17 and the lease liabilities recognized in the consolidated statement of financial position at the date of initial application is as follows,

	Millions of Yen
	Amounts
Operating lease contracts disclosed as at March 31, 2019	¥49,451
Discounted using Konami Group's incremental borrowing rate of 0.34%	(1,068)
Add: finance lease liabilities recognized as at March 31, 2019	12,060
Less: short-term leases recognized on a straight-line basis as expense	(2,632)
Lease liabilities recognized as at April 1, 2019	¥57,811

At the beginning of the first quarter of fiscal year ending March 31, 2020, the application of IFRS 16 mainly affected that right-of-use assets increased by ¥40,067 million and lease liabilities increased by ¥45,751 million, respectively, compared with the case that the previous standard was applied. Right-of-use assets are presented in property, plant and equipment and lease liabilities are presented in other financial liabilities, respectively, in the quarterly consolidated statement of financial position.

In applying IFRS16 for the first time, Konami Group has used the following practical expedients:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- The accounting for leases with a remaining lease term of less than 12 months as at the date of initial application as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

#### 4. Segment Information

Konami Group's reportable segments constitute units of the Konami Group for which separate financial information is available. The Chief Operating Decision Maker regularly conducts deliberations to determine the allocation of management resources and to assess performance of each segment.

Operating segments are components of business activities from which Konami Group may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments.

The operating segments are managed separately as each segment represents a strategic business unit that offers different products and serves different markets.

Konami Group operates on a worldwide basis principally with the following four operating segments:

a) Digital Entertainment:	Production, manufacture and sale of digital content and related products including mobile games, card games and computer and video games.
b) Amusement:	Production, manufacture and sale of amusement machines.
c) Gaming & Systems:	Production, manufacture, sale and service of gaming machines and casino management systems for overseas markets.
d) Sports:	Operation of fitness activities and sports classes, including swimming, gymnastics, dance, soccer, tennis, and golf, and production and sale of sports related goods.

Segment profit (loss) is determined by deducting “Cost of revenue” and “Selling, general and administrative expenses” from “Revenue”. This does not include corporate expenses, finance income and finance costs, and certain non-regular expenses associated with each segment such as impairment losses on property, plant and equipment, goodwill and intangible assets. Corporate expenses primarily consist of administrative expenses not directly associated with specific segments. Intersegment eliminations primarily consist of eliminations of intercompany sales.

Intersegment sales and revenues are generally recognized at values that represent arm’s-length fair value.

Neither Konami Group nor any of its segments depended on any single customer for more than 10% of Konami Group's revenues for the three months ended June 30, 2019.

Starting from the three-month period ended September 30, 2018, the name of a reporting segment previously stated as “Health & Fitness” business has been changed to “Sports” business. This change is limited to the name only, hence there is no impact to its segment information.

## (1) Operating segment information

Revenue for the three months ended June 30, 2018 and 2019

	Millions of Yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Revenue:</b>		
Digital Entertainment –		
External customers	¥29,889	¥31,357
Intersegment	177	147
<b>Total</b>	<b>¥30,066</b>	<b>¥31,504</b>
Amusement –		
External customers	¥6,468	¥3,128
Intersegment	129	133
<b>Total</b>	<b>¥6,597</b>	<b>¥3,261</b>
Gaming & Systems –		
External customers	¥6,360	¥6,825
Intersegment	-	-
<b>Total</b>	<b>¥6,360</b>	<b>¥6,825</b>
Sports –		
External customers	¥15,740	¥15,149
Intersegment	78	79
<b>Total</b>	<b>¥15,818</b>	<b>¥15,228</b>
Intersegment eliminations	¥(384)	¥(359)
<b>Consolidated</b>	<b>¥58,457</b>	<b>¥56,459</b>

Segment profit (loss) for the three months ended June 30, 2018 and 2019

	Millions of Yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Segment profit (loss):</b>		
Digital Entertainment	¥9,096	¥9,696
Amusement	1,861	539
Gaming & Systems	868	159
Sports	967	552
<b>Total segment profit and loss, net</b>	<b>12,792</b>	<b>10,946</b>
Corporate expenses and eliminations	(966)	(1,182)
Other income and other expenses, net	(12)	251
Finance income and finance costs, net	(45)	(281)
Profit (loss) from investments accounted for using the equity method	69	(26)
<b>Profit before income taxes</b>	<b>¥11,838</b>	<b>¥9,708</b>

Corporate expenses primarily consist of personnel costs, advertising expenses and rental expenses, which substantially relate to our administrative department.

## (2) Geographic information

Revenue from external customers for the three months ended June 30, 2018 and 2019

	Millions of Yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Revenue:</b>		
Japan	¥46,601	¥44,938
United States	8,354	7,666
Europe	2,379	2,062
Asia/Oceania	1,123	1,793
Consolidated	¥58,457	¥56,459

For the purpose of presenting its operations in the geographic areas above, Konami Group attributes revenues from external customers to individual countries in each area based on where Konami Group sold products or rendered services.

## 5. Other Current Liabilities

The following is a breakdown of other current liabilities as of March 31, 2019 and June 30, 2019.

	Millions of Yen	
	As of March 31, 2019	As of June 30, 2019
Contract liabilities	¥12,904	¥12,040
Others	6,756	11,340
Total	¥19,660	¥23,380

## 6. Equity

Changes in other components of equity consisted of the following:

	Millions of Yen	
	Three months ended June 30, 2018	Three months ended June 30, 2019
<b><i>Exchange differences on translation of foreign operations</i></b>		
Balance at the beginning of the period	¥432	¥1,473
Net change during the period	1,119	(1,303)
Transfer to retained earnings	-	-
Balance at the end of the period	¥1,551	¥170
<b><i>Net change in fair Values of available-for-sale financial assets</i></b>		
Balance at the beginning of the period	¥178	-
Effect of changes in accounting standards	¥(178)	-
Balance at the end of the period	-	-
<b><i>Net Change in fair value of equity financial assets measured at fair value through other comprehensive income</i></b>		
Balance at the beginning of the period	-	¥110
Effect of changes in accounting standards	¥178	-
Net change during the period	36	(11)
Balance at the end of the period	¥214	¥99
<b><i>Share of other comprehensive income of entity accounted for using the equity method</i></b>		
Balance at the beginning of the period	¥(0)	¥(0)
Net change during the period	0	(0)
Transfer to retained earnings	-	-
Balance at the end of the period	¥(0)	¥(0)

## 7. Dividends

The Company paid dividends 38.00 yen per share and the total amount of ¥5,139 million for the three months ended June 30, 2018.

The Company paid dividends 65.50 yen per share and the total amount of ¥8,858 million for the three months ended June 30, 2019. The cash dividend per share includes a commemorative dividend for the 50th anniversary of the Company's founding of 25.00 yen.

## 8. Revenue

The following is a breakdown of the reportable segments revenues from external customers to the areas where Konami Group sells products and/or renders services.

For the three months ended June 30, 2018

Millions of Yen					
	Japan	United States	Europe	Asia/Oceania	Total revenue
Digital Entertainment	¥24,498	¥2,625	¥2,379	¥387	¥29,889
Amusement	6,363	-	-	105	6,468
Gaming & Systems	-	5,729	-	631	6,360
Sports	15,740	-	-	-	15,740
Total revenue	¥46,601	¥8,354	¥2,379	¥1,123	¥58,457

For the three months ended June 30, 2019

Millions of Yen					
	Japan	United States	Europe	Asia/Oceania	Total revenue
Digital Entertainment	¥26,738	¥1,975	¥2,062	¥582	¥31,357
Amusement	3,051	-	-	77	3,128
Gaming & Systems	-	5,691	-	1,134	6,825
Sports	15,149	-	-	-	15,149
Total revenue	¥44,938	¥7,666	¥2,062	¥1,793	¥56,459

## 9. Fair Value of Financial Instruments

### (1) Measuring fair value of financial instruments

Methods for measuring the fair value of financial assets and liabilities are as follows:

#### 1. Financial assets and liabilities measured at amortized cost

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts because they have short term maturities.

The fair values of lease deposits and other financial assets are calculated as the present value of the total principal and interest discounted at interest rates reflecting the credit risks estimated by Konami Group, and categorized as Level 2.

The fair values of bonds and borrowings, capital lease and financing obligations, and other financial liabilities are calculated as the present value of the total principal and interest, discounted at interest rates that would be applied to new borrowings of Konami Group with similar terms and the same remaining maturity, and categorized as Level 2. As applying IFRS 16, Konami Group has not disclosed a carrying amount

and a fair value of its capital lease and financing obligations from the first quarter of fiscal year ending March 31, 2020.

2. Equity financial assets measured at fair value through other comprehensive income

With regards to equity instruments included in other investments, the fair values of marketable securities are measured based on quoted market prices on equity markets of identical assets, and categorized as Level 1. The fair values of unlisted securities are determined based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and categorized as Level 3.

3. Financial assets and liabilities measured at fair value through profit or loss

The fair values of foreign exchange contracts are measured using valuation provided by financial institutions based on observable market data at the end of each reporting period, and categorized as Level 2. The fair values of debt instruments included in other investments are determined based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and categorized as Level 3.

**(2) Fair value hierarchy**

Fair values are categorized within the fair value hierarchy as follows:

- Level 1: Fair values measured at a price quoted in an active market.
- Level 2: Fair values calculated directly or indirectly using an observable price except for level 1.
- Level 3: Fair values calculated through valuation techniques, including inputs that are not based on observable market data.



### (3) Fair value of financial instruments

The table is a breakdown of financial instruments showing carrying amounts and fair values as of March 31, 2019 and June 30, 2019.

	Millions of Yen			
	As of March 31, 2019		As of June 30, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets:</b>				
Financial assets measured at amortized cost				
Loans receivable	¥288	¥330	¥278	¥319
Lease deposit	22,467	22,750	22,129	22,476
Other financial assets	978	844	926	784
Equity financial assets measured at fair value through other comprehensive income				
Securities	1,128	1,128	1,511	1,511
Other investments	72	72	72	72
Financial assets measured at fair value through profit or loss				
Other investments	20	20	20	20
<b>Financial liabilities:</b>				
Financial liabilities measured at amortized cost				
Bonds and borrowings	¥20,350	¥20,151	¥20,205	¥20,051
Capital lease and financing obligations	12,060	13,857	-	-
Other financial liabilities	2,185	2,185	2,184	2,184
Financial liabilities measured at fair value through profit or loss				
Other financial liabilities	0	0	-	-

**(4) Fair values measured and disclosed on the quarterly condensed consolidated statements of financial position**

The following is a breakdown of financial assets that are measured at fair value on a recurring basis as of March 31, 2019 and June 30, 2019.

Millions of Yen				
<b>Balance at March 31, 2019</b>	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Equity financial assets measured at fair value through other comprehensive income				
Securities	¥551	-	¥577	¥1,128
Other investments	-	-	72	72
Financial assets measured at fair value through profit or loss				
Other investments	-	-	20	20
Total	¥551	-	¥669	¥1,220

Millions of Yen				
<b>Balance at June 30, 2019</b>	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Equity financial assets measured at fair value through other comprehensive income				
Securities	¥534	-	¥977	¥1,511
Other investments	-	-	72	72
Financial assets measured at fair value through profit or loss				
Other investments	-	-	20	20
Total	¥534	-	¥1,069	¥1,603

Securities and other investments, which are classified as Level 3, have no significant changes for the three months ended June 30, 2019.

## 10. Earnings per Share

The breakdown of the basic and diluted earnings per share attributable to owners of the parent for the three months ended June 30, 2018 and 2019 is as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit attributable to owners of the parent	8,274 million yen	7,280 million yen
Adjustments for profit used in the calculation of diluted earnings per share	9 million yen	9 million yen
Profit used in the calculation of diluted earnings per share	8,283 million yen	7,289 million yen
Basic weighted average ordinary shares outstanding	135,233,542 shares	135,233,004 shares
Adjustments for convertible bond-type bonds with subscription rights to shares	2,233,788 shares	2,285,662 shares
Basic weighted average ordinary shares outstanding used in the calculation of diluted earnings per share	137,467,330 shares	137,518,666 shares
Earnings per share attributable to owners of the parent for the period		
Basic	61.18 yen	53.83 yen
Diluted	60.25 yen	53.00 yen

## 11. Subsequent Events

There have been no events after June 30, 2019 that would require adjustments to the quarterly condensed consolidated financial statements or disclosures in the notes to the quarterly condensed consolidated financial statements.

## 12. Approval of Quarterly Condensed Consolidated Financial Statements

The quarterly condensed consolidated financial statements were approved by Representative Director, President, Takuya Kozuki, on August 8, 2019.