

This is an English translation of the official announcement in Japanese that was released on November 8, 2017. The translation is prepared for the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.



**Summary of Financial Data and Business Results for
the Second Quarter of the Fiscal Year Ending December 31, 2017
(JP GAAP, Consolidated)**

November 8, 2017
Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation
Code No.: 6425 URL: <http://www.universal-777.com>
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Scheduled Submission Date of Quarterly Report: November 8, 2017
Scheduled Commencement Date of Dividend Payment: -
Supplementary Briefing Materials for Quarterly Settlement of Accounts: None available
Briefing on Quarterly Settlement of Accounts: None scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the Second Quarter of Fiscal Year Ending December 31, 2017
(Period from April 1, 2017 to September 30, 2017)

(1) Consolidated Operating Results

(Percentages refer to changes from the same quarter in the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
2nd Quarter of Fiscal Year Ending December 31, 2017	43,385	(23.3)	(10,301)	-	(10,876)	-	(6,615)	-
2nd Quarter of Fiscal Year Ended March 31, 2017	56,585	25.3	15,550	90.9	23,809	362.8	15,801	318.6

(Note) Comprehensive income

2nd Quarter of Fiscal Year Ending December 31, 2017: (6,865) million yen (-%)
2nd Quarter of Fiscal Year Ended March 31, 2017: (16,450) million yen (-%)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
2nd Quarter of Fiscal Year Ending December 31, 2017	(83.86)	-
2nd Quarter of Fiscal Year Ended March 31, 2017	215.33	215.25

(Note) "Diluted net income per share" for the second quarter of the fiscal year ending December 31, 2017 is not stated, because net loss was posted despite the existence of latent shares with a dilution effect.

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of September 30, 2017	529,125	231,668	43.8	2,937.19
As of March 31, 2017	568,635	259,990	45.6	3,287.46

(Reference) Shareholders' equity

As of September 30, 2017: 231,717 million yen
As of March 31, 2017: 259,350 million yen

2. Status of Dividends

	Annual Dividends				
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Fiscal Year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2017	-	0.00	-	40.00	40.00
Fiscal Year Ending December 31, 2017	-	0.00			
Fiscal Year Ending December 31, 2017 (Forecast)			-	-	-

(Note) Revision from the dividend forecast most recently announced: None

The dividend forecast for the fiscal year ending December 31, 2017 is to be determined.

3. Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2017
(Period from April 1, 2017 to December 31, 2017)

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Fiscal Year	101,900 - 115,800	-	16,700 - 24,500	-	16,700 - 24,500	-	15,800 - 20,900	-	200.28 - 264.92

(Note) Revision from the business forecasts most recently announced: None

At the 44th Ordinary Shareholders' Meeting held on June 29, 2017, shareholders approved an amendment to the Articles of Incorporation that changed the end of the fiscal year from March 31 to December 31. As we will have an irregular nine-month fiscal year from April 1, 2017 to December 31, 2017, the forecast covers only this nine-month period and year-on-year comparisons are not presented.

As the effect of regulation regarding Pachinko and Pachislot machines 1) it has been confirmed that the regulation for the 5.9 will come into effect starting in October 2017, and 2) there will be an announcement in the near future regarding a new standard. In addition, 3) it is predicted that there will be a strengthening of guidelines related to high-stakes machines. However, in spite of the impact that such environmental changes will have on the marketplace, the Company believes it also represents an opportunity for makers to explore different sales opportunities. Although our company has the technology and the production capability in place to support the new standards, it is currently difficult to get a complete read on how the attractiveness of the new machines will measure up in the actual market. For this reason, for our earnings forecast for the year ending December 31, 2017, we have decided to use a range-based full-year earnings format.

Assuming that the accounting period for the Company and all consolidated subsidiaries covers the 12 months from April to March, the outlook for the next period (based on available comparisons) is as follows.

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full Fiscal Year	133,000 - 154,000	19.6 - 38.5	23,800 - 35,900	(16.8) - 25.5	23,700 - 35,800	(12.3) - 32.4	23,400 - 31,300	25.6 - 68.0	296.61 - 396.75

* Matters of Note

- (1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation) : None
- (2) Application of accounting procedures specific to the preparation of quarterly consolidated financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates and/or restatements
 - 1) Changes in accounting policies accompanying revision of accounting standards, etc. : None
 - 2) Changes in accounting policies other than 1) : None
 - 3) Changes in accounting estimates : None
 - 4) Restatements : None
- (4) Number of outstanding shares (common stock)
 - 1) Shares issued at end of fiscal period (including treasury shares)
 - As of September 30, 2017: 80,195,000 shares
 - As of March 31, 2017: 80,195,000 shares
 - 2) Number of treasury shares at end of fiscal period
 - As of September 30, 2017: 1,304,233 shares
 - As of March 31, 2017: 1,304,232 shares
 - 3) Average number of shares during fiscal period
 - 2nd Quarter of Fiscal Year Ending December 31, 2017: 78,890,768 shares
 - 2nd Quarter of Fiscal Year Ended March 31, 2017: 73,383,768 shares

* The current financial report is not subject to quarterly review procedures.

* Explanation on Proper Usage of Business Results Forecast and Other Noteworthy Items

The forward-looking statements regarding business results, etc. as featured herein are based on information that is currently available and certain assumptions that are determined to be reasonable, but are not promises by the Company regarding future performance. Actual business results may vary significantly due to a number of factors. For preconditions for business forecasts, notes on the usage of business forecasts and so forth, please see "1. Qualitative Information Pertaining to Quarterly Settlement of Accounts, (3) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements" on page 4 of the Attached Materials.

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1. Qualitative Information Pertaining to Quarterly Settlement of Accounts

(1) Explanation of Operating Results

At the 44th Ordinary Shareholders' Meeting held on June 29, 2017, shareholders approved an amendment to the Articles of Incorporation that changed the end of the fiscal year from March 31 to December 31. The purposes of this change are to facilitate comparisons of financial data with the performance of companies in other countries and to increase the transparency of Universal Entertainment's management. The consolidated statement of income for the first six months of the previous consolidated fiscal year includes the period from April 1 to September 30, 2016 for companies with a March 31 fiscal year end and the period from January 1 to June 30, 2016 for companies with a December 31 fiscal year end. However, the consolidated statement of income for the first six months of the current nine-month transitional consolidated fiscal period uses the period from April 1 to September 30, 2017 for all companies included in the consolidated financial statements. In addition, retained earnings in shareholders' equity on the consolidated balance sheet as of September 30, 2017 have been adjusted to reflect the profit and loss of companies with a December 31 fiscal year end for the period from January 1 to March 31, 2017. In addition, changes in cash and cash equivalents at overseas consolidated companies during the current consolidated fiscal period are shown as "decrease in cash and cash equivalents resulting from change in accounting period" in the consolidated statement of cash flows.

(Million yen)

First six months of the fiscal period ending December 31, 2017	Net sales	Operating profit	Ordinary profit	Net income attributable to owners of parent
Non-consolidated	34,525	(2,247)	(11,285)	(7,431)
Consolidated	43,385	(10,301)	(10,876)	(6,615)

In the first six months of the current transitional consolidated fiscal period, Universal Entertainment Corporation (the "Company") posted net sales of 43,385 million yen (a decrease of 23.3% year on year), operating loss of 10,301 million yen (compared with an operating profit of 15,550 million yen in the same period of the previous consolidated fiscal year), ordinary loss of 10,876 million yen (compared with an ordinary profit of 23,809 million yen), and net loss attributable to owners of parent of 6,615 million yen (compared with net income attributable to owners of parent of 15,801 million yen).

Business segment performance was as follows. Sales are prior to adjustments for inter-segment sales or transfers.

Reportable segment categories are reclassified in the first six months of the current fiscal period. Prior-year figures use the new segment categories for comparison purposes.

(i) Pachislot and Pachinko Business

The Pachislot and Pachinko Business posted net sales of 33,101 million yen (a decrease of 39.9% year on year) and operating profit of 1,814 million yen (a decrease of 92.5% year on year).

All pachislot manufacturers sold a large number of models during the first six months of this fiscal period because of the September 2017 end of sales of category 5.5 pachislot machines due to voluntary restrictions implemented by the pachislot industry.

To support the operations of pachislot halls, Universal Entertainment launched six pachislot titles during the first six months of this fiscal period: "Ragnarok Saga," the Company's third title using projection mapping; "Inoki Road to God," a collaboration with the popular former professional wrestler Antonio Inoki; "The Amazing Spider-man," which uses the popular Marvel Comics character and was featured in a movie released in 2012 that was well received by a broad range of its supporters; "Kai-Dou-Sei Million Arthur," which incorporates the worldview of the related popular smartphone game; and "SLOT DEVILMAN X" and "SLOT Sakigake!! Otokojuku," which use tie-ups with popular anime characters.

In the Pachinko category, one title was launched: "CR Another God Hades Advent," which is part of the Another God

series of highly successful pachislot titles.

(ii) Casino Resort Business

The Casino Resort Business posted net sales of 8,889 million yen and an operating loss of 7,064 million yen (compared with an operating loss of 2,968 million yen in the same period of the previous consolidated fiscal year).

Operations started in December 2016 at parts of OKADA MANILA®, a casino and resort in the Manila Bay region of the Philippines. Work is now in the final stage of preparations for the planned grand opening of this casino and resort early in 2018.

The casino, which includes a VIP section, has been generating steady growth in revenue. In addition, the number of completed rooms in the Pearl Wing luxury hotel, which will have 464 rooms when finished, is increasing. Construction of the fine dining section and shopping mall is also developing and more tenants are starting operations. The improvement in monthly profitability is continuing in the Casino Resort Business as the rising utilization rate of facilities makes it possible to cover an increasing amount of fixed expenses.

(iii) Other

Other Business posted net sales of 1,260 million yen (a decrease of 16.3% year on year) and an operating profit of 268 million yen (compared with 20 million yen in the same period of the previous consolidated fiscal year).

In the Media Content Business, simulator applications for Pachislot title “Ragnarok Saga” and Pachinko title “CR Another God Hades Advent” were distributed on App Store, Google Play and the members-only mobile website “Univa Kingdom”.

Preliminary user registrations have started for “Universal Slot Street,” a new social game that is centered on video slot play.

In the Broadcasting Business, Japan Amusement Broadcasting operates “Pachinko★Pachislot TV!,” the Japan’s largest channel specializing in the Pachislot and Pachinko field. Sales are declining because of the decrease in the number of SKY PerfecTV! subscribers. However, operating profit was generally on target because of the efficient use of production expenses and selling, general and administrative expenses. During the first six months, there were promotions to attract new users as well as measures to increase the satisfaction of current users. One example is a big special TV program at the end of September that featured 10 popular pachinko writers.

(2) Explanation of Financial Status

(Assets)

The amount of total assets at the end of the second quarter of the current consolidated fiscal period amounted to 529,125 million yen, a decrease of 39,510 million yen over the end of the previous consolidated fiscal year. This was mainly due to an increase of 31,705 million yen in construction in progress and a decrease of 71,944 million yen in cash and deposits.

(Liabilities)

The amount of liabilities at the end of the second quarter of the current consolidated fiscal period amounted to 297,457 million yen, a decrease of 11,188 million yen over the end of the previous consolidated fiscal year. This was mainly due to decreases of 6,678 million yen in long-term loans payable and 6,215 million yen in notes and accounts payable-trade.

(Net Assets)

The amount of net assets at the end of the second quarter of the current consolidated fiscal period amounted to 231,668 million yen, a decrease of 28,322 million yen over the end of the previous consolidated fiscal year. This was

mainly due to decreases of 13,877 million yen in retained earnings and 13,538 million yen in foreign currency translation adjustment due to fluctuations in exchange rates.

As a result, the ratio of shareholders' equity was 43.8% (compared with 45.6% at the end of the previous consolidated fiscal year).

(3) Overview of Cash Flows for the first six months of Fiscal Year Ending December 31, 2017

As of the end of at the second quarter of the current consolidated fiscal year, the balance of cash and cash equivalents totaled 47,144 million yen. The status of each cash flow and the primary reasons for increases/decreases as of the second quarter of the current consolidated fiscal year is as follows:

<Cash Flows from Operating Activities>

Net cash used by operating activities amounted to 6,842 million yen (compared with 5,157 million yen provided a year earlier), mainly due to booking of loss before income taxes and others of 10,876 million yen (compared with 23,543 million income yen a year earlier), a 6,338 million yen decrease in notes and accounts payable-trade, and 6,336 million yen decrease in inventory, a 4,619 million yen increase in other current liabilities.

<Cash Flows from Investing Activities>

Net cash used in investing activities amounted to 41,965 million yen (compared with 46,931 million yen used a year earlier), mainly due to purchase of property, plant and equipment of 41,534 million yen.

<Cash Flows from Financing Activities>

Net cash provided by financing activities amounted to 3,133 million yen (compared with 72,768 million yen provided a year earlier), mainly due to net increase in short-term loans payable of 6,069 million yen and 3,155 million yen decrease from cash dividend paid.

(4) Explanation of Consolidated Business Results Forecast and Other Forward-looking Statements

(i) Pachislot and Pachinko Business

In the Pachislot category, sales of two new titles have started. One is "SLOT Maho Shoyo Madoka☆Magika A," the third member, and first normal title, in the "Maho Shoyo Madoka☆Magika" series of pachislot titles which have been very popular among users and pachinko hall operators. The other is "Tarot Emperor," the eighth title of the A PROJECT for revival titles.

In the Pachinko category, sales of "CR Darker Than Black – Kuro no Keiyakusha- 88ver." and "CR Guilty Crown 99ver." started in October.

Both titles use rights to popular anime characters to allow people to enjoy pachinko machines that are easy to play and easy to understand.

In September 2017, Japan officially announced Enforcement Rules for the Act Concerning Regulation and Proper Operation of Businesses Affecting Public Morals and Rules for the Partial Revisions to Regulations concerning Authorization and Model Approval for Amusement Machines. These rules are to become effective in February 2018.

The Pachislot and Pachinko market is currently in a period of transition that requires new and highly appealing titles. Universal Entertainment will use its technological expertise and product development and sales skills to consistently create titles that match market conditions. The goals are to contribute to the performance of pachinko halls while capturing a larger share of this market.

(ii) Casino Resort Business

OKADA MANILA® plans to start operating Cove Manila in December 2017. This all-weather dome has a beach club, night club and space for 5,000 people to attend a variety of events. The dome will be a key symbol of this casino and resort along with The Fountain, which made its debut in March 2017. Furthermore, earnings continue to increase due to the completion of a VIP casino and other measures. The plan is for OKADA MANILA® to start making a material contribution to consolidated performance once this resort and casino holds its grand opening.

OKADA MANILA® is located in a special economic zone in the Philippines positioned as an “entertainment city” that is a new hub for this entire region of Asia. This resort and casino, which is one of the largest in the world, benefits from reduced casino and other taxes and is operated by a highly experienced management team. Universal Entertainment believes this property can attract large numbers of people from the Philippines and other countries and produce substantial earnings. Everyone involved with this project has a strong commitment to ensuring that guests have the best possible experience as expressed by the OKADA MANILA® motto “Discover Extraordinary.”

(iii) Other

In the Media Content Business, the distribution of high-quality simulator applications will continue on App Store, Google Play and the members-only mobile website “Univa Kingdom”.

In addition, additional functions and versions are to be launched frequently for “Universal Slot Street,” a new social game that is now being distributed.

Japan Amusement Broadcasting operates “Pachinko★Pachislot TV!,” the Japan’s largest channel specializing in the Pachinko and Pachislot field. This company added three programs in October and plans to air a number of big special programs at the end of December. The objective is to provide services that can earn even greater support from viewers by broadcasting programs that have more value.

(iv) Forecast of Consolidated Business Results

Although expenses associated with the discovery and recording of testimony and other phases of ongoing litigation in the United States peaked in the second three months of this consolidated fiscal period, performance was not sufficient to offset the loss in the first three months.

The Pachislot and Pachinko Business was profitable in the first six months of this consolidated fiscal period as earnings in the second three months more than offset the loss in the first three months.

In the Casino Resort Business, losses are decreasing faster than expected. Sales increased from about 3,200 million yen in the first three months to about 5,600 million yen in the second three months of this consolidated fiscal period. Furthermore, the operating loss decreased from about 4 billion yen in the first three months to about 3 billion yen in the second three months and some months were profitable on a stand-alone basis. Earnings in this business are therefore expected to increase rapidly.

In the remainder of this fiscal period we anticipate an end to the substantial litigation expenses and other one-time expenses as well as an end of the negative impact of restrictions in Japan on sales of pachislot and pachinko titles. We therefore forecast a profit in the Pachislot and Pachinko Business and a smaller loss in the Casino Resort Business. There are also a number of potential sales and other activities that are likely to contribute to performance. Based on this outlook, there are no revisions to the current forecast for the transitional nine-month consolidated fiscal period ending on December 31, 2017.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	The 2nd Quarter of the Current Consolidated Fiscal Year (September 30, 2017)
Assets		
Current assets		
Cash and deposits	119,296	47,352
Notes and accounts receivable-trade	11,983	11,014
Securities	13	13
Merchandise and finished goods	3,100	2,171
Work in process	16,264	10,658
Raw materials and supplies	23,310	23,461
Other	18,784	15,679
Allowance for doubtful accounts	(20)	(14)
Total current assets	192,734	110,336
Non-current assets		
Property, plant and equipment		
Land	7,298	7,230
Construction in progress	240,393	272,099
Other	23,829	33,178
Total property, plant and equipment	271,521	312,508
Intangible assets		
Other	1,826	1,887
Total intangible assets	1,826	1,887
Investments and other assets		
Investment securities	60,323	57,796
Long-term deposits	6,866	6,903
Long-term deposits for affiliates	27,897	27,418
Other	5,897	10,732
Allowance for doubtful accounts	(1,064)	(740)
Total investments and other assets	99,920	102,109
Total non-current assets	373,268	416,506
Deferred assets	2,632	2,282
Total assets	568,635	529,125

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2017)	The 2nd Quarter of the Current Consolidated Fiscal Year (September 30, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,461	8,246
Short-term loans payable	10,110	15,874
Current portion of long-term loans payable	-	1,038
Accounts payable-other	26,807	17,465
Income taxes payable	5,840	310
Provision for bonuses	273	285
Other	15,032	21,588
Total current liabilities	72,527	64,809
Non-current liabilities		
Bonds payable	140,532	145,043
Long-term loans payable	88,736	82,057
Net defined benefit liability	64	108
Other	6,785	5,438
Total non-current liabilities	236,118	232,647
Total liabilities	308,645	297,457
Net assets		
Shareholders' equity		
Capital stock	98	98
Capital surplus	20,070	20,070
Retained earnings	236,827	222,949
Treasury shares	(2,737)	(2,737)
Total shareholders' equity	254,258	240,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(152)	(369)
Foreign currency translation adjustment	5,285	(8,252)
Remeasurements of defined benefit plans	(41)	(41)
Total accumulated other comprehensive income	5,091	(8,663)
Subscription rights to shares	99	103
Non-controlling interests	539	(152)
Total net assets	259,990	231,668
Total liabilities and net assets	568,635	529,125

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
 (Quarterly Consolidated Statement of Income)

(The Cumulative Second Quarter of the Consolidated Fiscal Year)

(Million yen)

	The Cumulative 2nd Quarter of the Previous Consolidated Fiscal Year (April 1 to September 30, 2016)	The Cumulative 2nd Quarter of the Current Consolidated Fiscal Year (April 1 to September 30, 2017)
Net sales	56,585	43,385
Cost of sales	23,452	26,483
Gross profit	33,132	16,901
Selling, general and administrative expenses	17,582	27,202
Operating profit (loss)	15,550	(10,301)
Non-operating income		
Interest income	50	272
Dividend income	7	9
Foreign exchange gains	8,396	-
Equity in earnings of affiliates	27	364
Other	73	65
Total non-operating income	8,554	713
Non-operating expenses		
Interest expenses	160	139
Foreign exchange losses	-	1,047
Commission fee	72	96
Sales discounts	21	-
Other	42	4
Total non-operating expenses	295	1,288
Ordinary profit (loss)	23,809	(10,876)
Extraordinary income		
Gain on sales of non-current assets	0	-
Other	-	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	0
Loss on business of subsidiaries and associates	267	-
Other	-	0
Total extraordinary losses	267	0
Income (loss) before income taxes and others	23,543	(10,876)
Income taxes-current	4,769	554
Income taxes-deferred	3,096	(4,122)
Total income taxes	7,865	(3,568)
Net income (loss)	15,677	(7,308)
Net loss attributable to non-controlling interests	(124)	(692)
Net income (loss) attributable to owners of the parent	15,801	(6,615)

(Quarterly Consolidated Statement of Comprehensive Income)

(The Cumulative Second Quarter of the Consolidated Fiscal Year)

(Million yen)

	The Cumulative 2nd Quarter of the Previous Consolidated Fiscal Year (April 1 to September 30, 2016)	The Cumulative 2nd Quarter of the Current Consolidated Fiscal Year (April 1 to September 30, 2017)
Net income (loss)	15,677	(7,308)
Other comprehensive income		
Valuation difference on available-for-sale securities	23	(266)
Foreign currency translation adjustment	(32,150)	709
Total other comprehensive income	(32,127)	442
Comprehensive income	(16,450)	(6,865)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(16,326)	(6,173)
Comprehensive income attributable to non-controlling interests	(124)	(692)

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	The Cumulative 2nd Quarter of the Previous Consolidated Fiscal Year (April 1 to September 30, 2016)	The Cumulative 2nd Quarter of the Current Consolidated Fiscal Year (April 1 to September 30, 2017)
Cash flows from operating activities		
Income (loss) before income taxes and others	23,543	(10,876)
Depreciation	1,934	3,987
Equity in (earnings) losses of affiliates	(27)	(364)
Increase (decrease) in provision for bonuses	1	12
Increase (decrease) in allowance for doubtful accounts	(137)	(22)
Increase (decrease) in net defined benefit liability	-	47
Interest and dividend income	(57)	(282)
Interest expenses	160	139
Loss on business of subsidiaries and affiliates	267	-
Foreign exchange losses (gains)	(8,439)	1,185
Decrease (increase) in notes and accounts receivable-trade	(1,709)	1,395
Decrease (increase) in inventories	4,435	6,336
Decrease (increase) in accounts receivable-other	(125)	38
Increase (decrease) in notes and accounts payable-trade	(12,508)	(6,338)
Increase (decrease) in accrued consumption taxes	2,988	(1,601)
Increase (decrease) in accounts payable-other	1,465	685
Decrease (increase) in other current assets	(957)	(209)
Increase (decrease) in other current liabilities	(98)	4,619
Increase (decrease) in other non-current liabilities	10	55
Other	44	231
Subtotal	10,789	(961)
Interest and dividend income received	57	282
Interest expenses paid	(160)	(94)
Income taxes (paid) refund	(5,529)	(6,070)
Net cash provided by (used in) operating activities	5,157	(6,842)

(Million yen)

	The Cumulative 2nd Quarter of the Previous Consolidated Fiscal Year (April 1 to September 30, 2016)	The Cumulative 2nd Quarter of the Current Consolidated Fiscal Year (April 1 to September 30, 2017)
Cash flows from investing activities		
Purchase of property, plant and equipment	(44,727)	(41,534)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(393)	(467)
Purchase of investment securities	(13)	(5)
Payments of short term-loans receivable	-	(451)
Payments for lease and guarantee deposits	(180)	(3)
Payments of long-term loans receivable	(1,625)	-
Other	7	496
Net cash provided by (used in) investing activities	(46,931)	(41,965)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,160)	6,069
Proceeds from long-term loans payable	75,834	-
Cash dividends paid	-	(3,155)
Decrease (increase) in pledged deposit	425	32
Proceeds from sales and leasebacks	-	535
Payment for sales and leasebacks	(330)	(347)
Other	-	(0)
Net cash provided by (used in) financing activities	72,768	3,133
Effect of exchange rate change on cash and cash equivalents	(6,453)	(106)
Net increase (decrease) in cash and cash equivalents	24,540	(45,780)
Cash and cash equivalents at beginning of consolidated fiscal year	51,518	119,038
Decrease in cash and cash equivalents resulting from change in accounting period	-	(26,113)
Cash and cash equivalents at end of consolidated fiscal year	76,059	47,144

(4) Notes to Quarterly Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

There is no applicable information.

(Notes in Event of Significant Fluctuation in Amount of Shareholders' Equity)

There is no applicable information.

(5) Additional Information

(Litigation)

The lawsuit involving Wynn Resorts, Limited (NASDAQ: WYNN) is currently in the stage of disclosure of evidence including discovery and recording of testimony. Next will be a trial with witness examinations and other activities that will result in a verdict. Consequently, taking into account the difficulty of estimating with certainty the effects that could potentially arise from the results of filing this countersuit on the financial status, operating results, and cash flow status of the corporate group consisting of the Company and its consolidated subsidiaries, etc. in a particular period of time, the Wynn Resorts stock has been valued at the acquisition cost since the end of March 2013.

Interest payments for the long-term note issued by Wynn Resorts for the past five years (38,728,852.63 U.S. dollars each year) have been paid to the clerk of the court for deposit in the court trust account. However, since the Company believes the interest payments do not belong to the Group based on the principle of the right to claim, the Company has concluded that it is very likely that there will be no need to recognize the interest paid by this check as interest received for either accounting or tax purposes. Consequently, the Company's consolidated financial statements do not reflect the issuance of this check with an interest payment.

In February 2015, the Company, Aruze USA Inc. and others filed a lawsuit in the Court of First Instance of the Macau Special Administrative District of the People's Republic of China against Wynn Resorts (Macau) S.A. and four of its directors, including Steve Wynn. The suit asked for the dissolution of Wynn Resorts (Macau), the payment of damages totaling 8 billion Macau patacas and other actions. On July 11, 2017, the court reached a verdict that rejected all of the Company's demands. The company is dissatisfied with the decision and took the appeal procedure on July 27th 2017 and submitted the appeal statement of the reasons on October 16th 2017.

(Borrowing Costs into the Acquisition Cost)

Loans and bonds/debentures (private placement bonds) have been used to procure part of the funds required by the Casino Resort Business for its long-term projects. Given the significance of these amounts, the Company has included borrowing costs that are funding ongoing construction periods into its calculation of the acquisition cost.