UNIVERSAL ENTERTAINMENT

Summary of Financial Data and Business Results for the Fiscal Year Ended March 31, 2016 (JP GAAP, Consolidated)

May 13, 2016
Listed Exchange: Tokyo Stock Exchange

Company Name: Universal Entertainment Corporation
Code No.: 6425 URL: http://www.universal-777.com
Representative: (Name) Jun Fujimoto (Title) Representative Director and President
Contact: (Name) Yoshinao Negishi (Title) Director
TEL: +81-3-5530-3055

Scheduled Date of Ordinary Shareholders' Meeting: June 29, 2016
Scheduled Submission Date of Securities Registration Report: June 30, 2016
Supplementary Briefing Materials for Settlement of Accounts: Not available
Briefing on Settlement of Accounts: Not scheduled

(Amounts rounded down to nearest million yen)

1. Consolidated Business Results for the Fiscal Year Ended March 31, 2016
(Period from April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results

(Percentages refer to changes from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal Year Ended March 31, 2016	91,709	4.1	16,896	(19.7)	22,343	1.3	15,661	53.9
Fiscal Year Ended March 31, 2015	88,085	1.5	21,047	(14.6)	22,055	(6.6)	10,173	8.1

(Note) Comprehensive income
Fiscal Year Ended March 31, 2016: 12,314 million yen (down 53.1%)
Fiscal Year Ended March 31, 2015: 26,256 million yen (down 18.5%)

	Net Income per Share	Diluted Net Income per Share	Ratio of Net Income to Shareholders' Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal Year Ended March 31, 2016	213.41	213.38	7.0	6.8	18.4
Fiscal Year Ended March 31, 2015	138.64	-	4.9	8.2	23.9

(Reference) Equity in earnings/losses of affiliates
Fiscal Year Ended March 31, 2016: 2,367 million yen
Fiscal Year Ended March 31, 2015: - million yen

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2016	369,580	229,072	61.7	3,108.92
As of March 31, 2015	288,120	220,020	75.9	2,979.73

(Reference) Shareholders' equity
As of March 31, 2016: 228,143 million yen
As of March 31, 2015: 218,664 million yen

(3) Consolidated Cash Flow Position

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Balance of Cash and Cash Equivalents at the End of Period
	Million Yen	Million Yen	Million Yen	Million Yen
Fiscal Year Ended March 31, 2016	19,118	(66,900)	56,662	51,518
Fiscal Year Ended March 31, 2015	1,508	(11,804)	17,515	39,356

2. Status of Dividends

	Annual Dividends					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Ratio of Dividend to Net Assets (Consolidated)
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of Fiscal Year	Total			
	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
Fiscal Year Ended March 31, 2015	-	0.00	-	15.00	45.00	3,302	32.5	1.6
Fiscal Year Ended March 31, 2016	-	0.00	-	0.00	0.00	0	0.0	0.0
Fiscal Year Ending March 31, 2017 (Forecast)	-	-	-	-	-		-	

(Note) Total annual dividends for the fiscal year ended March 31, 2015 include special dividend from surplus of 30 yen per share with March 5, 2015 as an extraordinary record date.
The dividend forecast for the fiscal year ending March 31, 2017 is to be determined.

3. Consolidated Business Results Forecast for the Fiscal Year Ending March 31, 2017
(Period from April 1, 2016 to March 31, 2017)

(Percentages refer to changes from the previous corresponding period)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent		Net Income per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
First Half Year	36,000	(20.3)	1,100	(86.5)	1,100	(78.6)	1,000	(73.5)	13.63
Full Fiscal Year	110,000	19.9	16,800	(0.6)	16,800	(24.8)	9,200	(41.3)	125.37

As for domestic business, although the stagnation of market growth rate has been seen due to regulation change and industry problem, by introducing new attractive products with high gaming nature into the market, we plan that sales and market share of our products will increase more and more.

As for overseas business, since construction of casino resorts in Manila has been progressing for the target of opening in December 2016, pre opening costs will increase we plan. As a result, we plan net sales of the consolidated business results forecast for the fiscal year 2017 will increase while operating income of the consolidated business results forecast for the fiscal year 2017 will remain almost unchanged from the previous fiscal year.

* Matters of Note

(1) Changes in material subsidiaries during the period (Changes in specified subsidiaries accompanying changes in scope of consolidation) : Yes
Newly added: None
Excluded: 1 (Universal Entertainment Korea co.,Ltd)

(2) Changes in accounting policies, changes in accounting estimates and/or restatements
1) Changes in accounting policies accompanying revision of accounting standards, etc. : Yes
2) Changes in accounting policies other than 1) : None
3) Changes in accounting estimates : None
4) Restatements : None

(3) Number of outstanding shares (common stock)
1) Shares issued at end of fiscal period (including treasury shares)
As of March 31, 2016: 80,195,000 shares
As of March 31, 2015: 80,195,000 shares
2) Number of treasury shares at end of fiscal period
As of March 31, 2016: 6,811,232 shares
As of March 31, 2015: 6,811,154 shares
3) Average number of shares during fiscal period
Fiscal Year Ended March 31, 2016: 73,383,808 shares
Fiscal Year Ended March 31, 2015: 73,383,846 shares

(Reference) Summary of the Non-consolidated Business Results

Non-consolidated Business Results for the Fiscal Year Ended March 31, 2016 (Period from April 1, 2015 to March 31, 2016)

(1) Non-consolidated Operating Results

(Percentages refer to changes from previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal Year Ended March 31, 2016	92,024	4.8	19,065	(12.0)	13,994	(47.4)	7,025	(50.1)
Fiscal Year Ended March 31, 2015	87,808	2.1	21,665	(14.2)	26,600	1.0	14,066	(3.5)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Fiscal Year Ended March 31, 2016	95.74	95.73
Fiscal Year Ended March 31, 2015	191.68	-

(2) Non-consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets Per Share
	Million Yen	Million Yen	%	Yen
As of March 31, 2016	269,938	150,838	55.9	2,054.48
As of March 31, 2015	207,982	147,089	70.7	2,003.94

(Reference) Shareholders' equity
As of March 31, 2016: 150,765 million yen
As of March 31, 2015: 147,056 million yen

*Information Regarding the Implementation of Audit Procedures

This summary of Financial Data and Business Results is not in the scope of audit procedures for consolidated financial statements under the Financial Instruments and Exchange act of Japan. At the time of disclosure of this summary of financial data and business results, the audit procedures are not completed.

*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. Analysis of Operating Results and Financial Status, (1) Analysis of Operating Results" on page 2 of the Attached Materials.

Attached Materials: Table of Contents

1. Analysis of Operating Results and Financial Status

(1) Analysis of Operating Results

(Million yen)

Fiscal year ended March 31, 2016	Net sales	Operating income	Ordinary income	Net Income Attributable to Owners of the Parent
Non-consolidated	92,024	19,065	13,994	7,025
Consolidated	91,709	16,896	22,343	15,661

In the current consolidated fiscal year, Universal Entertainment (the "Company") posted net sales of 91,709 million yen (a 4.1% increase year on year), operating income of 16,896 million yen (a 19.7% decrease year on year), ordinary income of 22,343 million yen (a 1.3% increase year on year), and Net Income Attributable to Owners of the Parent of 15,661 million yen (a 53.9% increase year on year).

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

(i) Pachislot and Pachinko Business

The Company launched seven Pachislot titles and three Pachinko titles during the current consolidated fiscal year. The number of Pachislot and Pachinko machines installed amounted to approximately 207,000 units. The Pachislot and Pachinko Business posted net sales of 88,290 million yen (an increase of 4.2% year on year) and operating income of 31,851 million yen (a decrease of 11.2% year on year).

In the fourth quarter, concerns involving Japan's Pachislot and Pachinko sector increased due to the industry's adoption of voluntary restrictions on these machines and problems involving the placement of Pachinko machine pins. The result was widespread chaos in the industry because of the reluctance of pachinko hall operators to buy machines and other events.

In this circumstances, the Company has been selling Pachislot and Pachinko machines with a marketing policy aimed at "increasing the number of regular users."

In the Pachislot category, the Company introduced three new titles. One is "Oki-Doki! Tropical," a successor title to the "Oki-Doki!" which has garnered a tremendous degree of popularity among regular users in the current market. In addition, the Company started selling "GETTER MOUSE," the fifth title of the A PROJECT, and "Miracle," the third title from collaboration with Okazaki Sangyo Co., Ltd.

There were also additional sales of "Hanabi FINAL Midnight Sun ver.," a new panel version of "Hanabi," which has been already in use and earned an excellent reputation among users and pachinko hall operators alike.

In the Pachinko category, there were sales from two titles. One is "CR Tengen Toppa Gurren Lagann," which is based on a very popular 2007 mecha animated TV series. The other is "CR Midoridon Hanabi DE Buon Giorno 1/99 ver.," which modifies some specifications of Pachinko machines currently in use.

(ii) Other

Other Business posted net sales of 3,444 million yen (an increase of 2.4% year on year) and an operating loss of 4,132 million yen (compared with an operating loss of 3,108 million yen in the previous consolidated fiscal year) for the current consolidated fiscal year.

In the Media Content Business, the Company distributed simulator applications of Pachislot title "Oki-Doki! Tropical" on App Store, Google Play and the members-only mobile website "Univa Kingdom." Furthermore, the simulator application of Pachislot title “Hanabi (2015)” was distributed at “Univa Kingdom.”

“Oki-Doki! Tropical” has maintained its high rankings at App Store and Google Play and earned a good reputation.

In the Broadcasting Business, Japan Amusement Broadcasting operates “Pachinko★Pachislot TV!,” the Japan’s largest channel specializing in the Pachislot and Pachinko field. A decline in the number of SKY PerfecTV! subscribers negatively affected sales. However, sales in this business were strong because of an increase in the number of J:COM subscribers and sales associated with the “Pachitele! NET Premium” websites that distribute videos to PCs and smartphones. In the Content Distribution Business, sales were down slightly because of the falling market share of feature phones. However, content remained popular among users. As a result, “Arashi Umeya no Slotters☆Journey” ranked first in annual sales in the Pachinko and Pachislot category on the Gyao Store for the fourth consecutive year. The benefits of efficient use of the cost of sales and SG&A expenses along with cost-cutting measures resulted in operating income that was 144% above the goal for the fiscal year.

(Outlook for Next Fiscal Year)

(i) Pachislot and Pachinko Business

In the first half of the fiscal year ending in March 2017, there are a number of concerns about market conditions in this business. Performance will continue to be affected by the voluntary restrictions on the Pachislot and Pachinko machines and problems involving the placement of Pachislot and Pachinko pins. In addition, there will be a period of about one month around the Iseshima G7 Summit to be held on May 26 and 27, 2016 when companies will refrain from introducing new models.

To reduce the negative impact of these events on pachinko hall operators, the Universal Entertainment Group (the “Group”) will conduct sales activities as a comprehensive partner for these operators. Proposals will be created that incorporate Pachislot and Pachinko machines along with peripheral products for the purpose of helping pachinko halls increase earnings by attracting new users and increasing the number of regular users.

Sales of “Azteca -Taiyo no Monsho-,” the new first Pachislot title of the fiscal year ending in March 2017, have already started.

This machine replaces the conventional LCD with projection mapping in order to generate vivid images. The model uses a newly developed ultra-high-speed broadband image processing module capable of supporting both high-performance micro-projectors and 3D imaging engines. Using this technology allows combining real objects with virtual images despite the relative small size of a Pachislot machine. This is an unprecedented technology breakthrough in the Pachislot industry as well as in all other sectors of the entertainment industry. The new module is also expected to be used in security products and for cutting costs and raising recycling rates.

By creating a diverse array of Pachislot and Pachinko titles that combine the key strengths of new technologies and outstanding game-playing characteristics, the Company is determined to contribute to progress of the entire industry.

For the fiscal year ending on March 31, 2017, the Company plans to introduce 220,000 units of Pachislot titles and 32,000 units of Pachinko titles to the market during the full fiscal year.

(ii) Other

In the Media Content Business, the Company is continuing to perform R&D activities with the aim of supplying high-quality simulator applications to users. The goal for “Univa Kingdom,” a members-only mobile website, is to consistently add more apps and functions in order to make this a place where people stay a long time to enjoy games.

Japan Amusement Broadcasting operates “Pachinko★Pachislot TV!,” the Japan’s largest channel specializing in the Pachislot and Pachinko field. To further increase the number of viewers, the priorities of Japan Amusement

Broadcasting are the creation of new business schemes and growth of its "Pachitele! Net Premium" video distribution site. The framework for the existing broadcast and content distribution business will be strengthened as well in order to produce programs that can earn the support of viewers.

At Manila Bay Resorts, the Group's casino resort project in the Philippines, most work on the exterior of the hotels towers has been completed and interior work has started. In addition, construction is proceeding with the glass corridor, fountain and framework for the glass dome.

In addition to a world-class casino, Manila Bay Resorts will boast a luxurious hotel, one of the world's largest fountains, high-end restaurants, a shopping mall and many other facilities. Construction is continuing with the goal of building one of the world's best casino resort facilities.

Following its completion in December 2016, Manila Bay Resorts will provide guests with entertainment that ranks among the best in the world.

(2) Analysis of Financial Status

(i) Status of Assets, Liabilities and Net Assets
The amount of total assets at the end of the current consolidated fiscal year amounted to 369,580 million yen, an increase of 81,459 million yen over the end of the previous consolidated fiscal year. This was mainly due to a 13,124 million yen increase in cash and deposits, a 6,750 million yen increase in raw materials and supplies, and a 64,922 million yen increase in construction in progress, where there are decreases of 12,729 million yen in notes and accounts receivable-trade and 6,097 million yen in long-term deposits.

The amount of liabilities at the end of the current consolidated fiscal year amounted to 140,507 million yen, an increase of 72,407 million yen over the end of the previous consolidated fiscal year. This was mainly due to the issuance of bonds of 70,588 million yen, a 6,950 increase in accounts payable- other, and a 14,508 million yen decrease in short-term loans payable.

The amount of net assets at the end of the current consolidated fiscal year amounted to 229,072 million yen, an increase of 9,052 million yen over the end of the previous consolidated fiscal year. This was mainly due to a 12,358 million yen increase in retained earnings.

(ii) Status of Cash Flows

As of the end of the current consolidated fiscal year, the balance of cash and cash equivalents totaled 51,518 million yen. The status of each cash flow and the primary reasons for increases/decreases as of the end of the current consolidated fiscal year are as follows:

<Cash Flows from Operating Activities>
Net cash provided by operating activities amounted to 19,118 million yen (compared with 1,508 million yen provided a year earlier), mainly due to booking of income before income taxes and others of 23,935 million yen (compared with 21,481 million yen a year earlier), a 12,729 million yen decrease in notes and accounts receivable-trade, a 14,390 million yen increase in inventories, and income taxes paid of 9,342 million yen.

<Cash Flows from Investing Activities>
Net cash used in investing activities amounted to 66,900 million yen (compared with 11,804 million yen used a year earlier), mainly due to purchase of property, plant and equipment of 70,136 million yen.

<Cash Flows from Financing Activities>
Net cash provided by financing activities amounted to 56,662 million yen (compared with 17,515 million yen provided a year earlier), mainly due to proceeds from issuance of bonds of 70,849 million yen and a 14,495 million yen net decrease in short-term loans payable.

(Reference) Transition of Cash Flow-related Indicators

	Mar. 2012 Fiscal Year	Mar. 2013 Fiscal Year	Mar. 2014 Fiscal Year	Mar. 2015 Fiscal Year	Mar. 2016 Fiscal Year
Ratio of shareholders' equity (%)	86.0	74.5	77.5	75.9	61.7
Ratio of shareholders' equity on market value basis (%)	90.8	62.7	55.6	49.9	37.1
Ratio of interest-bearing liabilities to cash flows (years)	0.2	0.7	6.2	19.4	4.4
Interest coverage ratio (x)	322.3	187.3	6.4	3.9	45.4

Ratio of shareholders' equity = shareholders' equity / total assets

Ratio of shareholders' equity on market value basis = total market value of shares / total assets

Ratio of interest-bearing liabilities to cash flows = interest bearing liabilities / cash flows

Interest coverage ratio = cash flows / interests paid

*Note 1: All figures are calculated based on consolidated financial values.

*Note 2: The total market value of shares is calculated based on the number of issued shares minus treasury shares.

*Note 3: Cash flows are represented by operating cash flows.

*Note 4: Interest-bearing liabilities include all liabilities accounted for on the consolidated balance sheet for which interests are paid.

(3) Basic Policy Regarding Distribution of Profits and Dividends for the Current and Next Fiscal Years

The Group views the return of profits to its shareholders as one of its foremost management priorities. To this end, the Group is endeavoring to establish a highly profitable corporate structure and to improve the ratio of profit to shareholder's equity continuously. It also adopts a basic policy of maintaining a stable level of dividends that reflects its business performance.

It is the Group's basic policy to maintain the internal reserve at appropriate levels to ensure a healthy financial base and to strengthen the management foundation of the Group in order to invest necessary funds efficiently in promising businesses.

There is no dividend for the fiscal year ended March 31, 2016 because of the additional demand for construction funds and opening costs as construction of Manila Bay Resorts nears completion and preparations are made for the grand opening.

(4) Businesses Risks

Of the items relating to the status of business and the status of financial condition, as stated in this Summary of Financial Data and Business Results, factors that might affect investor decisions are described below. The Group recognizes the possibility that these risks might emerge, and will work to avoid such risks, or deal with them appropriately if they arise. However, the factors listed below do not cover all risks related to the business of the Group.

(i) Pachislot and Pachinko Business

According to the "Act Concerning Regulation and Proper Operation of Businesses Affecting Public Morals," Pachislot and Pachinko machines need to meet the "technical standards" defined in the National Public Safety Commission's rules (Regulations Concerning Authorization and Model Approval for Amusement Machines). Each type of machine must pass the model test conducted by the designated testing organization (Security Communications Association) and the model inspection conducted by the Public Safety Commission of the applicable prefecture. In case these laws or standards are amended or abolished, the Group will analyze industry trends and the application status of other companies, and make new applications for new machines in a structured and strategic fashion. However, if major changes need to be made due to administrative direction or voluntary restriction by the industry, the business results of the Group would be materially impacted.

There is also the possibility that profitability would be adversely affected by changing preferences in the market, as well as economic trends in Japan that include income levels.

(ii) Foreign Exchange Risks

In preparing consolidated financial statements, foreign currency-denominated profits/losses and assets/liabilities of each overseas subsidiary of the Group are incorporated into the consolidated financial statements after they are translated into Japanese yen. As a result, business results of the Group may be adversely affected by fluctuations in currency exchange rates.

(iii) Litigation

The Group has several pending lawsuits, and their outcomes may have an impact on the business results of the Group. Although the Group continues to make every effort to eliminate litigation risk, there is always a possibility that third parties may file new cases against the Group, with the rulings in these cases having the potential to affect future business results.

(iv) Litigation with Wynn Resorts, Limited

Litigation between the Group and Wynn Resorts (NASDAQ: WYNN) is currently under way. Depending on the outcome of this dispute and facts that are confirmed in the future, there may be an effect on the Group’s financial position and results of operations.

2. Management Policy

(1) Basic Management Policy of the Company

The basic management policy of the Group is to create enjoyment as a total global entertainment company and to participate in the forming of a society with dreams.

Specifically, as a manufacturer engaged in the planning, development, manufacture, and sale of Pachislot and Pachinko machines, the Group is offering enjoyment for all players. At the same time, by developing integrated resort overseas including casinos, the Group will offer total entertainment full of appeal to numerous travelers, attracting people from around the world.

(2) Targeted Performance Indicators

In the Pachislot and Pachinko Business, the Group will gather information from the market and further reinforce the sales framework in order to capture the No. 1 market share position by securing unit sales through the provision of Pachislot and Pachinko machines that match market needs. Additionally, the Group will build a lean management framework by improving operational efficiency, and strive to forge a stable and profitable corporate culture.

(3) Medium- and Long-term Business Strategy

The Pachislot and Pachinko industry in Japan has been slowly shrinking because of the country's declining birthrate and the diversification of recreational activities. In addition, a revision in the pachislot machine testing method and tighter voluntary restrictions on these machines are likely to have an effect on the ability of manufacturers to develop and produce these machines. The impact of the revised testing method may create a situation that is similar to the temporary downturn in the Pachislot machine market that occurred in 2007 following the complete transition from regulation 4 to regulation 5 machines. There was a temporary downturn at the Group as well at that time. However, the Group subsequently succeeded in developing revolutionary systems and machines with entirely new and appealing features that generated strong support and contributed to growth of the Pachislot industry. The Group remains dedicated to creating new ideas for content and software and using its technologies and experience gained over many years in order to create attractive products that meet the expectations of users.

The Group is currently working on a casino resort project in the Philippines, where it aims to build one of the world's top class casino resorts to attract tourists from Asian countries, mainly China.

(4) Issues to be Addressed by the Company

(i) Pachislot and Pachinko Business

The 2014 revision to the pachislot machine testing method and tighter voluntary restrictions on Pachislot and Pachinko machines may have an effect on this business. The Group will continue to supply machines that can make a significant contribution to the operations of pachinko halls by developing machines with captivating content and features that utilize the traditional appeal of these machines.

(ii) Patent Strategy

The Group has long been aware of the importance of creating and protecting intellectual property, and has worked towards the establishment of a system that enables it to acquire patent rights for superior inventions through standardization of patent applications. Also, the Group has been working to improve the quality of its patent applications and improve the ratio of patent registrations to submitted applications, by establishing a structure whereby individual inventions are categorized into different technical fields and applications for patents are filed for a group of inventions in each technical field.

The technologies which the Company has acquired or applied for patents are considerably more effective and commercially viable than those of its competitors. The Company intends to fully apply these technologies in the development of its products to improve the value of said products, thereby differentiating them from the competition in terms of technology. The Company believes this will enable it to achieve a competitive advantage. Also, in order to secure license income from its patents, the Company will move forward vigorously with strategies for both patent utilization and the protection of its patent rights when said rights are violated.

(iii) Casino Resort Business

To capitalize on opportunities for growth in Asia, construction of a casino and resort facility in the Philippines, where the government is promoting growth of the tourism industry, is nearing completion. Preparations are moving forward at the Group for the start of a casino and resort business.

(5) Other Significant Management Matters of the Company

(i) Basic Policy Regarding Transactions with Related Parties

For transactions with related parties, the Company pays extra attention to establish terms and conditions equivalent with those of corresponding transactions with third parties in general.

(ii) Guideline for Protection of Non-controlling Shareholders in Transactions with Controlling Shareholders

In conducting transactions with controlling shareholders, etc., the Company makes it a rule to carefully review and deal with such transactions in consideration of market values so that the interest of non-controlling shareholders is not harmed. In order to make such transactions as appropriate and fair as other arm’s length transactions, the Company obtains opinions from parties with no interests related to the controlling shareholders, etc., and seeks advice from legal professionals or assessment by appropriate third parties if necessary.

3. Basic Approach to the Selection of Accounting Standards

To prepare for the use of International Financial Reporting Standards (IFRS), work is proceeding on an internal manual, guidelines and other items and a study is under way to determine when to start using these standards.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	39,155	52,280
Notes and accounts receivable-trade	26,571	13,842
Securities	505	14
Merchandise and finished goods	1,272	4,994
Work in process	11,226	15,141
Raw materials and supplies	17,175	23,926
Deferred tax assets	825	637
Other	6,505	8,813
Allowance for doubtful accounts	(41)	(7)
Total current assets	103,196	119,643
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,803	15,550
Accumulated depreciation	(6,457)	(6,402)
Buildings and structures (net amount)	9,345	9,147
Lease assets	-	6,243
Accumulated depreciation	-	(693)
Lease assets (net amount)	-	5,549
Land	7,764	7,330
Construction in progress	52,235	117,158
Other	23,481	19,476
Accumulated depreciation	(13,063)	(13,126)
Other (net amount)	10,418	6,349
Total property, plant and equipment	79,763	145,536
Intangible assets		
Other	1,653	1,965
Total intangible assets	1,653	1,965
Investments and other assets		
Investment securities	58,330	61,376
Long-term deposits	13,096	6,999
Long-term deposits for affiliates	28,964	30,034
Deferred tax assets	-	21
Other	6,287	4,911
Allowance for doubtful accounts	(3,171)	(2,840)
Total investments and other assets	103,506	100,502
Total non-current assets	184,923	248,004
Deferred assets	-	1,932
Total assets	288,120	369,580

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,243	22,566
Short-term loans payable	28,782	14,274
Current portion of bonds	500	-
Accounts payable-other	6,904	13,854
Income taxes payable	7,082	6,020
Provision for bonuses	246	270
Deferred tax liabilities	10	15
Other	6,782	4,684
Total current liabilities	65,554	61,686
Non-current liabilities		
Bonds payable	-	70,588
Deferred tax liabilities	1,635	1,885
Other	910	6,347
Total non-current liabilities	2,545	78,821
Total liabilities	68,100	140,507
Net assets		
Shareholders' equity		
Capital stock	98	98
Capital surplus	10,852	10,852
Retained earnings	205,314	217,673
Treasury shares	(14,296)	(14,296)
Total shareholders' equity	201,967	214,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30	(577)
Foreign currency translation adjustment	16,665	14,395
Total accumulated other comprehensive income	16,696	13,817
Subscription rights to shares	32	73
Non-controlling interests	1,323	854
Total net assets	220,020	229,072
Total liabilities and net assets	288,120	369,580

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

(Consolidated Statement of Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Net sales	88,085	91,709
Cost of sales	38,994	43,688
Gross profit	49,091	48,020
Selling, general and administrative expenses	28,044	31,124
Operating income	21,047	16,896
Non-operating income		
Interest income	87	77
Dividend income	9	349
Foreign exchange gains	1,695	3,163
Equity in earnings of affiliates	-	2,367
Other	173	275
Total non-operating income	1,964	6,234
Non-operating expenses		
Interest expenses	466	421
Commission fee	234	195
Sales discounts	233	154
Other	22	16
Total non-operating expenses	956	787
Ordinary income	22,055	22,343
Extraordinary income		
Gain on sales of non-current assets	2	57
Gain on sales of shares of subsidiaries and affiliates' stock	1,314	-
Gain on liquidation of subsidiaries	-	1,832
Other	27	7
Total extraordinary income	1,344	1,897
Extraordinary losses		
Loss on sales of non-current assets	-	39
Loss on retirement of non-current assets	1	38
Impairment loss	86	227
Loss on business of affiliates	1,256	-
Loss on business of other affiliates	574	-
Other	-	0
Total extraordinary losses	1,918	305
Income before income taxes and others	21,481	23,935
Income taxes-current	10,559	8,311
Income taxes-deferred	782	431
Total income taxes	11,341	8,742
Net income	10,140	15,192
Net income (loss) attributable to non-controlling interests	(33)	(468)
Net income attributable to owners of the parent	10,173	15,661

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Net income	10,140	15,192
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	(608)
Foreign currency translation adjustment	16,136	(2,270)
Total other comprehensive income	16,116	(2,878)
Comprehensive income	26,256	12,314
(Breakdown)		
Comprehensive income attributable to owners of the parent	26,290	12,782
Comprehensive income attributable to non-controlling interests	(33)	(468)

(3) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	10,852	195,701	(14,296)	192,355
Changes of items during period					
Dividends of surplus			(1,834)		(1,834)
Net income attributable to owners of the parent			10,173		10,173
Change in scope of consolidation			1,273		1,273
Purchase of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	9,612	-	9,612
Balance at end of current period	98	10,852	205,314	(14,296)	201,967

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	51	528	580	22	1,356	194,314
Changes of items during period						
Dividends of surplus						(1,834)
Net income attributable to owners of the parent						10,173
Change in scope of consolidation						1,273
Purchase of treasury shares						
Net changes of items other than shareholders' equity	(20)	16,136	16,116	10	(33)	16,092
Total changes of items during period	(20)	16,136	16,116	10	(33)	25,705
Balance at end of current period	30	16,665	16,696	32	1,323	220,020

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	10,852	205,314	(14,296)	201,967
Changes of items during period					
Dividends of surplus			(3,302)		(3,302)
Net income attributable to owners of the parent			15,661		15,661
Change in scope of consolidation					
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	12,358	(0)	12,358
Balance at end of current period	98	10,852	217,673	(14,296)	214,326

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	30	16,665	16,696	32	1,323	220,020
Changes of items during period						
Dividends of surplus						(3,302)
Net income attributable to owners of the parent						15,661
Change in scope of consolidation						
Purchase of treasury shares						(0)
Net changes of items other than shareholders' equity	(608)	(2,270)	(2,878)	40	(468)	(3,306)
Total changes of items during period	(608)	(2,270)	(2,878)	40	(468)	9,052
Balance at end of current period	(577)	14,395	13,817	73	854	229,072

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Income before income taxes and others	21,481	23,935
Depreciation	3,244	3,966
Impairment loss	86	227
Loss on retirement of non-current assets	1	38
Loss(gain) on sales of non-current assets	(2)	(17)
Loss (gain) on sales of shares of subsidiaries and affiliates’ stock	(1,314)	-
Equity in (earnings) losses of affiliates	-	(2,367)
Loss on business of affiliates	1,256	-
Loss (gain) on liquidation of affiliates	-	(1,832)
Loss on business of other affiliates	574	-
Increase (decrease) in provision for bonuses	13	23
Increase (decrease) in allowance for doubtful accounts	363	602
Interest and dividend income	(96)	(427)
Interest expenses	466	421
Foreign exchange losses (gains)	(4,030)	(5,202)
Decrease (increase) in notes and accounts receivable-trade	(6,701)	12,729
Decrease (increase) in inventories	(3,652)	(14,390)
Decrease (increase) in accounts receivable-other	126	(32)
Increase (decrease) in accrued consumption taxes	2,458	(2,686)
Increase (decrease) in notes and accounts payable-trade	(2,889)	7,322
Increase (decrease) in accounts payable-other	(204)	8,419
Decrease (increase) in other current assets	(923)	(1,232)
Increase (decrease) in other current liabilities	1,544	(1,232)
Decrease (increase) in other non-current assets	1,236	-
Increase (decrease) in other non-current liabilities	4	(56)
Other	51	249
Subtotal	13,095	28,455
Interest and dividend income received	96	427
Interest expenses paid	(382)	(421)
Income taxes paid	(11,300)	(9,342)
Net cash provided by (used in) operating activities	1,508	19,118

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Cash flows from investing activities		
Decrease (increase) in time deposits	8,719	-
Purchase of property, plant and equipment	(17,889)	(70,136)
Proceeds from sales of property, plant and equipment	15	341
Purchase of intangible assets	(770)	(665)
Purchase of investment securities	(9)	(1,469)
Payments for a short term-loans	-	(86)
Payments for lease and guarantee deposits	(1,919)	(218)
Decrease (increase) in deposits paid	(4)	5,131
Other	54	203
Net cash provided by (used in) investing activities	(11,804)	(66,900)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	11,491	(14,495)
Repayments of long-term loans payable	(344)	-
Proceeds from issuance of bonds	-	70,849
Redemption of bonds	(1,640)	(500)
Cash dividends paid	(1,834)	(3,302)
Decrease (increase) in pledged deposit	8,885	(530)
Proceeds from sales and leasebacks	-	6,243
Payment for sales and leasebacks	-	(556)
Proceeds from sales and purchasebacks	1,232	-
Payment for sales and purchasebacks	(186)	(1,045)
Other	(88)	-
Net cash provided by (used in) financing activities	17,515	56,662
Effect of exchange rate change on cash and cash equivalents	3,392	3,620
Net increase (decrease) in cash and cash equivalents	10,612	12,500
Cash and cash equivalents at beginning of consolidated fiscal year	28,743	39,356
Increase in cash and cash equivalents from newly consolidated subsidiary	5	-
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(4)	(338)
Cash and cash equivalents at end of consolidated fiscal year	39,356	51,518

(5) Notes to Consolidated Financial Statements

(Notes Pertaining to Going Concern)

There is no applicable information.

(Changes in Accounting Policies)

Application of the Accounting Standard for Business Combinations and others

Effective from the first quarter of the current consolidated fiscal year, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and other standards. Accordingly, difference arising from changes in the Company’s ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current consolidated fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first nine months of the previous consolidated fiscal year and the previous consolidated fiscal year have been revised.

Cash flows from purchase of shares of subsidiaries and sales of shares of subsidiaries resulting in change in scope of consolidation are presented under cash flows from investing activities and cash flows arising from acquisition costs of shares of subsidiaries resulting in change in scope of consolidation or not resulting in change in scope of consolidation are presented under cash flows from operating activities for the consolidated statement of cash flows for the current consolidated fiscal year.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no impact on the consolidated financial statements for the current consolidated fiscal year.

(Changes in Significant Accounting Policies for the Preparation of Consolidated Financial Statements)

Changes in the Scope of Consolidation or Application of the Equity Method

Universal Entertainment Korea co.,Ltd was excluded from the scope of consolidation in the first quarter of the current consolidated fiscal year, because of the completion of its liquidation.

(Changes in Description)

Consolidated Balance Sheet

“Machinery, equipment and vehicles”, ”Accumulated depreciation” , “Machinery, equipment and vehicles(net amount), , “Aircraft”, “Accumulated Depreciation”, “Aircraft(net amount)”, “Assets for rent”, “Accumulated depreciation” and “Assets for rent(net amount)” under “Property, plant and equipment” presented as separate items in the previous consolidated fiscal year, are included in “Other” in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, “Machinery, equipment and vehicles” of 4,419 million yen, its “Accumulated depreciation” of (2,831) million yen, and “Machinery, equipment and vehicles (net amount)” of 1,587 million yen and ”Aircraft ”of 5,976 million yen, its “Accumulated depreciation” of (747) million yen, “Aircraft (net amount)” of 5,229 million yen, and “Assets for rent” of 643 million yen, its “Accumulated depreciation” of (643) million yen, and “Assets for rent (net amount)” of 0 million yen under “Property, plant and equipment” in the consolidated balance sheet for the previous consolidated fiscal year have been respectively reclassified into “Other,” “Accumulated depreciation” and “Other (net amount).”

"Long-term loans receivable," "Lease and guarantee deposits," "Claims provable in bankruptcy, claims provable in rehabilitation and other" and "Long-term accounts receivable-other" under "Investments and other assets" presented as separate items in the previous consolidated fiscal year, are included in "Other" in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Long-term loans receivable of 130 million yen, "Lease and guarantee deposits" of 1,430 million yen, "Claims provable in bankruptcy, claims provable in rehabilitation and other" of 2,437 million yen, and "Long-term accounts receivable-other" of 1,544 million yen under "Investments and other assets" in the consolidated balance sheet for the previous consolidated fiscal year have been reclassified into "Other."

"Accrued consumption taxes" under "Current Liabilities" presented as a separate item in the previous consolidated fiscal year, is included in "Other" in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Accrued consumption taxes" of 1,745 million yen under "Current Liabilities" in the consolidated balance sheet for the previous consolidated fiscal year has been reclassified into "Other."

"Asset retirement obligations" under "Non-current liabilities" presented as a separate item in the previous consolidated fiscal year, is included in "Other" in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Asset retirement obligations" of 377 million yen under "Non-current liabilities" in the consolidated balance sheet for the previous consolidated fiscal year has been reclassified into "Other."

Consolidated Statement of cash flows

"Increase (decrease) in advances received" and "Decrease (increase) in clams provable in bankruptcy, claims provable in rehabilitation" under "Cash from operating activities " presented as a separate item in the previous consolidated fiscal year, are included in "Other" in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Increase (decrease) in advances received" of (999) million yen and "Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation" of (625) million yen under "Cash flows from operating activities " in the consolidated statement of cash flows for the previous consolidated fiscal year has been reclassified into "Other."

"Purchase of shares of subsidiaries", "Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation", and "Proceeds from collection of lease and guarantee deposits" under "Cash flows from investing activities " presented as a separate item in the previous consolidated fiscal year, are included in "Other" in the current consolidated fiscal year given the reduced significance. To reflect this change in description, the reclassification of accounts has been made for the consolidated financial statements for the previous consolidated fiscal year.

As a result, "Purchase of shares of subsidiaries "of (316) million yen, " Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation" of 313 million yen and "Proceeds from collection of lease and guarantee deposits" of 15 million yen under "Cash flows from financing activities " in the consolidated statement of cash flows for the previous consolidated fiscal year has been reclassified into "Other."

(Additional Information)

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. The trial is currently scheduled to begin in February 2017. 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 four 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, with Aruze USA Inc. and others, filed a lawsuit in the Court of First Instance of the Macau Special Administrative Region of the People's Republic of China against Wynn Resorts (Macau) S.A. and four of its directors, including Steve Wynn. The pending suit asks for the dissolution of Wynn Resorts (Macau) S.A., payment of damages totaling about 8 billion Macau patacas and other actions.

(Borrowing costs into the acquisition cost)

Finance from loans and corporate bonds/debentures (private placement bonds) has formed part of the construction funds required by the Casino Resort Business for its long-term projects. Given the significance of these amounts, we have included borrowing costs that are funding ongoing construction periods in our calculation of the acquisition cost.

(Consolidated Balance Sheet)

*1. Assets pledged as collateral and secured liabilities
Assets pledged as collateral are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Cash and deposits	270	775
Buildings	1,309	-
Land	5,168	-
Long-term deposits	6,028	-

Secured liabilities are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Short-term loans payable	6,028	6,010
Current portion of bonds	500	-

*2. Investment securities for non-consolidated subsidiaries and affiliates are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Investment securities (stocks)	3,617	5,941

3. Contingent liabilities
Guaranteed debt

Standby letters of credit issued to companies other than consolidated companies are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
KONE PTE LTD	-	519 (4 Million US dollars)

Tiger Resort, Leisure and Entertainment, Inc., which is a consolidated subsidiary of the Company, has issued an import letter of credit to KONE PTE LTD by submitting a request to BDO UNIBANK, INC. The Company's consolidated subsidiary pledged the following assets as collateral when this import letter of credit was issued.

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Cash and deposits	-	519 (4 Million US dollars)

Standby letters of credit issued to companies other than consolidated companies are as follows.

(Million yen)

	Previous Consolidated Fiscal Year (March 31, 2015)	Current Consolidated Fiscal Year (March 31, 2016)
Philippine Amusement and Gaming Corporation	270 (100 Million Philippine Peso)	256 (100 Million Philippine Peso)

Tiger Resort, Leisure and Entertainment, Inc., which is a consolidated subsidiary of the Company, has issued a standby letter of credit to Philippine Amusement and Gaming Corporation by submitting a request to BDO UNIBANK, INC. The issuance of this letter of credit is stipulated in the contract concerning the Group's casino resort project in the Philippines. The Company's consolidated subsidiary pledged the following assets as collateral when this standby letter of credit was issued.

(Million yen)

	Previous Consolidated Fiscal Year (Ended March 31, 2015)	Current Consolidated Fiscal Year (Ended March 31, 2016)
Cash and deposits	270 (100 Million Philippine Peso)	256 (100 Million Philippine Peso)

*4. The equity method is not used for Wynn Resorts stock held by the Company because this investment does not have a significant effect on the consolidated financial statements. The details are stated in "(Additional Information)."

(Consolidated Statement of Income)

*1. Major items of selling, general and administrative expenses

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Research and development expenses	4,561	5,288
Salaries and allowances	4,651	5,205
Provision for bonuses	78	83
Provision of allowance for doubtful accounts	187	727
Commission fee	6,734	6,198
Depreciation	2,675	3,274

*2. Total amount of research and development expenses included in general and administrative expenses, and manufacturing expenses

(Million yen)

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
4,561	5,288

(Consolidated Statement of Changes in Equity)

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

1. Matters regarding the class and number of issued shares and treasury shares (Shares)

	As of Apr. 1, 2014	Increase	Decrease	As of Mar. 31, 2015
Issued shares				
Common stock	80,195,000	-	-	80,195,000
Total	80,195,000	-	-	80,195,000
Treasury shares				
Common stock	6,811,154	-	-	6,811,154
Total	6,811,154	-	-	6,811,154

2. Matters regarding subscription rights to shares and subscription rights to own shares

Classification	Classification of subscription rights to shares	Type of shares subject to subscription rights to shares	Number of shares subject to subscription rights to shares				Balance as of Mar. 31, 2015 (Million yen)
			As of Apr. 1, 2014	Increase	Decrease	As of Mar. 31, 2015	
The Company (parent company)	Subscription rights to shares as stock options	-	-	-	-	-	32
Total		-	-	-	-	-	32

(Note) Regarding the above subscription rights to shares as stock options, the exercisable period of rights has not yet arrived.

3. Matters regarding dividends

(1) Amount paid as dividends

(Resolution)	Class of share	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 1, 2014	Common stock	1,834	Retained earnings	25	Mar. 31, 2014	June 27, 2014

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date is in the following consolidated fiscal year

(Resolution)	Class of share	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on Feb. 13, 2015	Common stock	2,201	Retained earnings	30	Mar. 5, 2015	May 8, 2015
Board of Directors' meeting held on May 8, 2015	Common stock	1,100	Retained earnings	15	Mar. 31, 2015	June 29, 2015

Note: The dividend payment approved by the Board of Directors on February 13, 2015 is for the special dividend with a record date of March 5, 2015.

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)

1. Matters regarding the class and number of issued shares and treasury shares (Shares)

	As of Apr. 1, 2015	Increase	Decrease	As of Mar. 31, 2016
Issued shares				
Common stock	80,195,000	-	-	80,195,000
Total	80,195,000	-	-	80,195,000
Treasury shares				
Common stock	6,811,154	78	-	6,811,232
Total	6,811,154	78	-	6,811,232

2. Matters regarding subscription rights to shares and subscription rights to own shares

Classification	Classification of subscription rights to shares	Type of shares subject to subscription rights to shares	Number of shares subject to subscription rights to shares				Balance as of Mar. 31, 2016 (Million yen)
			As of Apr. 1, 2015	Increase	Decrease	As of Mar. 31, 2016	
The Company (parent company)	Subscription rights to shares as stock options	-	-	-	-	-	73
Total		-	-	-	-	-	73

(Note) Regarding the above subscription rights to shares as stock options, the exercisable period of rights has not yet arrived.

3. Matters regarding dividends

(1) Amount paid as dividends

(Resolution)	Class of share	Total amount of dividends (Million yen)	Dividend resource	Dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on Feb. 13, 2015	Common stock	2,201	Retained earnings	30	Mar. 5, 2015	May 8, 2015
Board of Directors' meeting held on May 8, 2015	Common stock	1,100	Retained earnings	15	Mar. 31, 2015	June 29, 2015

Note: The dividend payment approved by the Board of Directors on February 13, 2015 is for the special dividend with a record date of March 5, 2015.

(2) Dividends for which the record date belongs to the current consolidated fiscal year and the effective date is in the following consolidated fiscal year

There is no applicable information.

(Consolidated Statement of Cash Flows)

*1. The relationship between the balance of cash and cash equivalents at the end of the consolidated fiscal year and the amount of items posted in the consolidated balance sheet is as follows.

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Cash and deposit account	39,155	52,280
Securities account	505	14
Deposits pledged as collateral	(270)	(775)
Payment for escrow account deposit	(34)	-
Cash and cash equivalents	39,356	51,518

*2. Assets and liabilities of a subsidiary excluded from the consolidation

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

The breakdown of assets and liabilities of EAGLE II HOLDCO, INC. at the time of exclusion from the consolidation due to the sale of its stock, as well as the sales price of EAGLE II HOLDCO's stock and net proceeds from the sales are as follows.

	(Million yen)
Current assets	9
Non-current assets	7,084
Current liabilities	(7,099)
Foreign currency translation adjustment	382
Decrease of consolidated subsidiaries - retained earnings	(379)
Gain on sales of shares	322
Sales price of shares	320
Cash and cash equivalents	(6)
Net proceeds from the sales	313

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
There is no applicable information.

*3. Significant non-cash transactions
(1) Borrowing costs into the acquisition cost

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Borrowing costs into the acquisition cost	-	2,587

(2) Assets and obligations relating to finance lease transactions

(Million yen)

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Assets relating to finance lease transactions	-	6,243
Obligations relating to finance lease transactions	-	6,243

(Segment Information, etc.)

Segment information

1. Outline of reportable segments
The segments reported herein by the Company are the units constituting the Company, of which segregated financial information is available and which are subject to periodical reviews by the Board of Directors so as to determine allocations of management resources and to evaluate business performance.
The Company has established business divisions classified by products and services at the headquarters and each business division devises comprehensive strategies for domestic or overseas products and services and deploys its business activities.
Accordingly, the Company is composed of segments classified by products or services based on the business divisions and specifies “Pachislot and Pachinko Business” as its reportable segment.
“Pachislot and Pachinko Business” includes development, manufacture and sales of Pachislot and Pachinko machines.

2. Calculation method of net sales, income/loss, assets, liabilities and other items in each reportable segment
Accounting method applied to reportable segments is identical to that of the consolidated financial statements.
Values in segment income/loss are based on operating income.
Inter-segment sales or transfer amounts are based on actual market prices.

3. Information pertaining to amounts of net sales, income/loss, assets, liabilities and other items in each reportable segment
Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

(Million yen)

	Reportable Segment	Others (Note)	Total
	Pachislot and Pachinko Business		
Net sales			
Sales to external customers	84,731	3,354	88,085
Inter-segment sales or transfers	-	10	10
Total	84,731	3,365	88,096
Segment income (loss)	35,882	(3,108)	32,774
Segment assets	84,949	12,353	97,303
Other items			
Depreciation	1,268	1,028	2,296
Increase in property, plant and equipment and intangible assets	2,438	595	3,034

(Note) “Others” classification consists of business segments not included in the reportable segment and is inclusive of the Broadcasting Business, Media Business and others.

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)

(Million yen)

	Reportable Segment	Others (Note)	Total
	Pachislot and Pachinko Business		
Net sales			
Sales to external customers	88,290	3,419	91,709
Inter-segment sales or transfers	0	25	25
Total	88,290	3,444	91,734
Segment income (loss)	31,851	(4,132)	27,718
Segment assets	99,169	12,019	111,188
Other items			
Depreciation	2,256	738	2,995
Increase in property, plant and equipment and intangible assets	4,470	61,521	65,992

(Note) "Others" classification consists of business segments not included in the reportable segment and is inclusive of the Broadcasting Business, Media Business and others.

4. Difference between the total amounts in reportable segment and the amounts recorded in consolidated financial statements and primary items of such difference (matters pertaining to difference adjustments)

(Million yen)

Net Sales	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segment	84,731	88,290
Net sales in "Others" classification	3,365	3,444
Eliminated inter-segment transactions	(10)	(25)
Net sales in consolidated financial statements	88,085	91,709

(Million yen)

Income	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segment	35,882	31,851
Loss in "Others" classification	(3,108)	(4,132)
Eliminated inter-segment transactions	113	2,630
Unallocated expenses (Note)	(11,840)	(13,452)
Operating income in consolidated financial statements	21,047	16,896

(Note) Unallocated expenses are mainly composed of selling, general and administrative expenses not attributed to the reportable segment.

(Million yen)

Assets	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total of reportable segment	84,949	99,169
Assets in "Others" classification	12,353	12,019
Unallocated assets (Note)	190,817	258,391
Total assets in consolidated financial statements	288,120	369,580

(Note) Unallocated assets are mainly composed of investments in affiliates, excess funds in working capital (cash and deposits and securities) and land, etc. not attributed to the reportable segment.

(Million yen)

Other Items	Total of Reportable Segment		Others		Adjusted Amounts		Amounts Recorded in Consolidated Financial Statements	
	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Depreciation	1,268	2,258	1,028	738	953	971	3,249	3,966
Increase in property, plant and equipment and intangible assets	2,438	4,470	595	61,521	15,625	13,899	18,659	79,891

(Note) The adjusted amounts in increase in property, plant and equipment and intangible assets are allocated investment amounts.

Related information

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

1. Information by product and service

Description of this item is omitted because the same information is indicated in Segment information.

2. Geographical information

(1) Net sales

Description of this item is omitted because Japanese sales to external customers accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Million yen)

Japan	Philippines	Other Overseas Countries	Total
25,984	50,867	2,911	79,763

3. Information by specific major customer

(Million yen)

Name	Sales	Related segments
ORIX Corporation	9,707	Pachislot and Pachinko Business

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)

1. Information by product and service

Description of this item is omitted because the same information is indicated in Segment information.

2. Geographical information

(1) Net sales

Description of this item is omitted because Japanese sales to external customers accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

(Million yen)

Japan	Philippines	Other Overseas Countries	Total
26,579	115,869	3,087	145,536

3. Information by specific major customer

(Million yen)

Name	Sales	Related segments
Fields Corporation	13,450	Pachislot and Pachinko Business

Information pertaining to impairment loss of non-current assets in each reportable segment

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)
This information is not disclosed due to the lack of its significance.

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
This information is not disclosed due to the lack of its significance.

Information pertaining to amortization and unamortized balance of goodwill in each reportable segment

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)
There is no applicable information.

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
There is no applicable information.

Information regarding gain on negative goodwill in each reportable segment

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)
There is no applicable information.

Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
There is no applicable information.

(Per Share Information)

(Yen)

Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)		Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)	
Net assets per share	2,979.73	Net assets per share	3,108.92
Net income per share	138.64	Net income per share	213.41
----------		Diluted net income per share	213.38

(Notes) 1. "Diluted net income per share" for the previous consolidated fiscal year is not stated, because dilutive shares did not exist.

2. The calculation bases for net income per share and diluted net income per share are as follows:

	Previous Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)	Current Consolidated Fiscal Year (April 1, 2015 to March 31, 2016)
Net income per share		
Net income attributable to owners of the parent (million yen)	10,173	15,661
Amount not attributed to common shareholders (million yen)	-	-
Net income attributable to owners of the parent applicable to common stock (million yen)	10,173	15,661
Average number of shares during the year (thousand shares)	73,383	73,383
Diluted net income per share		
Adjusted Net income attributable to owners of the parent (million yen)	-	-
Increase in the number of common stock (thousand shares)	-	11
(Of which, subscription rights to shares (thousand shares))	-	(11)
Description of the potential shares not included in the calculation of diluted net income per share due to their non-dilutive effect	Stock option approved at the Board of Directors' meeting held on Jun. 26, 2014: Common stock of 700,000 shares (Subscription rights to shares of 7,000 units) Stock option approved at the Ordinary Shareholders' Meeting on June 26, 2014 and the Board of Directors' meeting held on October 31, 2014: Common stock of 124,000 shares (Subscription rights to shares of 1,240 units)	Stock option approved at the Board of Directors' meeting held on Jun. 26, 2014: Common stock of 650,000 shares (Subscription rights to shares of 6,500 units)

(Significant Subsequent Events)

(Significant loan)

On May 6, 2016, the Company's consolidated subsidiary Tiger Resort, Leisure and Entertainment, Inc. executed the loan agreement as follows:

(1) Reason
To partially finance the costs for the Manila Bay Resorts project in the Philippines

(2) Lender
BDO Unibank Inc.

(3) Amount borrowed
37.6 billion Philippine Pesos

(4) Tenor
5 years from the initial drawdown date

(5) Borrowing conditions
Floating interest rate

(6) Collateral
Mortgage over the project's immovable and movable assets. Mortgage on the voting shares of Tiger Resort, Leisure and Entertainment, Inc. etc.