



# FY2013 First Quarter Consolidated Financial Results [Japanese GAAP]

(April 1, 2012 through June 30, 2012)

July 26, 2012

Company name : **KADOKAWA GROUP HOLDINGS,INC.**  
 Stock exchange on which the shares are listed : Tokyo Stock Exchange  
 Code number : 9477  
 URL : <http://www.kadokawa-hd.co.jp/>  
 Representative person : Tatsuo Sato, President  
 Contact person : Yasuaki Takayama, Director and General Manager  
 Tel. (03) 3238-8561  
 Expected reporting date of quarterly security report : August 8, 2012  
 Expected date of cash dividends paid : —  
 Quarterly results supplementary explanatory documents : Yes  
 Quarterly results explanatory meeting : Yes

(Amounts less than one million yen are omitted)

## 1. Consolidated Financial Results of FY2013 First Quarter (April 1, 2012 through June 30, 2012)

(1) Consolidated operating results (%: Changes from the corresponding period of the preceding year)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
FY2013 first quarter	<b>40,022</b>	<b>13.8</b>	<b>2,384</b>	<b>(18.2)</b>	<b>2,715</b>	<b>(12.8)</b>
FY2012 first quarter	<b>35,171</b>	<b>9.8</b>	<b>2,916</b>	<b>258.0</b>	<b>3,112</b>	<b>191.0</b>

(Note) Comprehensive income: FY2013 first quarter 1,506 million yen ((40.4)%), FY2012 first quarter 2,527 million yen (—)

	Net income		Net income per share-basic	Net income per share-diluted
	(Millions of yen)	%	(Yen)	(Yen)
FY2013 first quarter	<b>1,198</b>	<b>(52.4)</b>	<b>46.29</b>	<b>40.88</b>
FY2012 first quarter	<b>2,518</b>	<b>—</b>	<b>99.55</b>	<b>86.86</b>

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	%
FY2013 first quarter	<b>127,814</b>	<b>77,666</b>	<b>60.0</b>
FY2012	<b>128,751</b>	<b>77,050</b>	<b>59.2</b>

(Reference) Equity capital: FY2013 first quarter 76,743 million yen, FY2012 76,231 million yen

## 2. Cash dividends

	Cash dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year-End	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2012	—	<b>0.00</b>	—	<b>35.00</b>	<b>35.00</b>
FY2013	—	—	—	—	—
FY2013 (Forecast)	—	<b>0.00</b>	—	<b>35.00</b>	<b>35.00</b>

(Note) Revision of cash dividend forecast for FY2013 most recently announced: None

## 3. Consolidated Financial Forecast for FY2013 (April 1, 2012 through March 31, 2013)

(%: Changes from the preceding year)

	Net sales		Operating income		Ordinary income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
FY2013	<b>155,000</b>	<b>5.2</b>	<b>8,000</b>	<b>41.4</b>	<b>8,300</b>	<b>40.6</b>

	Net income		Net income per share
	(Millions of yen)	%	(Yen)
FY2013	<b>4,700</b>	<b>30.4</b>	<b>181.00</b>

(Note) Revision of consolidated forecast for FY2013 most recently announced: None

## **Notes**

- (1) Changes in the significant subsidiaries during this period (Accompanying changes in scope of the consolidation):  
None
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policy, accounting estimates and restatement of prior period financial statements
  - (a) Changes in accounting policy accompanying revisions of accounting standards, etc.: None
  - (b) Changes in accounting policy due to other than the above: None
  - (c) Changes in accounting estimates: None
  - (d) Restatement of prior period financial statements after error corrections: None
- (4) Outstanding shares (Common stock)
  - (a) Number of shares issued and outstanding at the end of each period (including treasury stock):  
FY2013 first quarter 27,260,800 shares, FY2012 27,260,800 shares
  - (b) Number of treasury stock at the end of each period:  
FY2013 first quarter 1,377,406 shares, FY2012 1,377,472 shares
  - (c) Number of weighted-average number of shares issued and outstanding for each three-month period:  
FY2013 first quarter 25,883,342 shares, FY2012 first quarter 25,297,980 shares

### **Indication of quarterly review procedure implementation status**

This quarterly financial result is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. It is under the review procedure process at the time of disclosure of this result.

### **Note regarding use of “Consolidated Financial Forecast for FY2013” and other note**

The forward-looking statements such as financial forecasts contained in this document are based on information currently available and on certain assumptions deemed to be reasonable. Actual financial and other results may differ substantially due to various factors.

## Consolidated Quarterly Financial Statements

### (1) Consolidated quarterly balance sheets

(Millions of yen)

	<b>FY2012</b> (As of March 31, 2012)	<b>FY2013 First quarter</b> (As of June 30, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	12,245	13,403
Notes and accounts receivable-trade	44,315	43,130
Short-term investment securities	601	300
Inventories	14,061	14,005
Deferred tax assets	4,544	4,085
Other	3,578	3,658
Allowance for doubtful accounts	(110)	(87)
<b>Total current assets</b>	<b>79,235</b>	<b>78,497</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	8,234	8,307
Tools, furniture and fixtures, net	1,749	1,798
Land	10,497	10,497
Other, net	720	653
<b>Total property, plant and equipment</b>	<b>21,202</b>	<b>21,257</b>
<b>Intangible assets</b>		
Goodwill	892	829
Other	2,250	2,303
<b>Total intangible assets</b>	<b>3,142</b>	<b>3,133</b>
<b>Investments and other assets</b>		
Investment securities	13,880	13,755
Deferred tax assets	1,946	1,741
Other	9,608	9,727
Allowance for doubtful accounts	(264)	(298)
<b>Total investments and other assets</b>	<b>25,170</b>	<b>24,927</b>
<b>Total noncurrent assets</b>	<b>49,515</b>	<b>49,317</b>
<b>Total assets</b>	<b>128,751</b>	<b>127,814</b>

(Millions of yen)

	FY2012 (As of March 31, 2012)	FY2013 First quarter (As of June 30, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	19,780	18,939
Short-term loans payable	121	215
Income taxes payable	681	440
Provision for bonuses	1,366	744
Provision for sales returns	3,905	3,964
Other	10,273	10,623
<b>Total current liabilities</b>	<b>36,129</b>	<b>34,927</b>
<b>Noncurrent liabilities</b>		
Bonds with subscription rights to shares	11,000	11,000
Long-term loans payable	175	231
Deferred tax liabilities	349	103
Provision for retirement benefits	2,616	2,626
Other	1,429	1,259
<b>Total noncurrent liabilities</b>	<b>15,570</b>	<b>15,220</b>
<b>Total liabilities</b>	<b>51,700</b>	<b>50,148</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	26,330	26,330
Capital surplus	27,375	27,375
Retained earnings	30,695	30,945
Treasury stock	(3,932)	(3,932)
<b>Total shareholders' equity</b>	<b>80,468</b>	<b>80,719</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(885)	(1,105)
Revaluation reserve for land	(328)	(328)
Foreign currency translation adjustment	(3,023)	(2,541)
<b>Total accumulated other comprehensive income</b>	<b>(4,236)</b>	<b>(3,975)</b>
<b>Minority interests</b>	<b>819</b>	<b>923</b>
<b>Total net assets</b>	<b>77,050</b>	<b>77,666</b>
<b>Total liabilities and net assets</b>	<b>128,751</b>	<b>127,814</b>

## (2) Consolidated quarterly statements of income

(Millions of yen)

	FY2012 First quarter (April 2011 through June 2011)	FY2013 First quarter (April 2012 through June 2012)
<b>Net sales</b>	<b>35,171</b>	<b>40,022</b>
Cost of sales	24,788	29,050
<b>Gross profit</b>	<b>10,383</b>	<b>10,971</b>
Reversal of provision for sales returns	3,526	3,908
Provision for sales returns	3,635	3,964
<b>Gross profit-net</b>	<b>10,274</b>	<b>10,916</b>
Selling, general and administrative expenses	7,357	8,531
<b>Operating income</b>	<b>2,916</b>	<b>2,384</b>
<b>Non-operating income</b>		
Interest income	14	21
Dividends income	95	100
Amortization of negative goodwill	20	20
Equity in earnings of affiliates	1	42
Insurance income	13	112
Gain on sales of used papers	45	49
Other	64	19
<b>Total non-operating income</b>	<b>255</b>	<b>365</b>
<b>Non-operating expenses</b>		
Interest expenses	38	32
Loss on valuation of compound financial instruments	12	—
Other	7	1
<b>Total non-operating expenses</b>	<b>58</b>	<b>34</b>
<b>Ordinary income</b>	<b>3,112</b>	<b>2,715</b>
<b>Extraordinary income</b>		
Gain on change in equity	—	115
Other	—	0
<b>Total extraordinary income</b>	<b>—</b>	<b>116</b>
<b>Extraordinary loss</b>		
Loss on sales of noncurrent assets	0	—
Loss on retirement of noncurrent assets	122	5
Loss on valuation of investment securities	0	748
Loss on valuation of investments in capital	8	—
Loss on valuation of membership	1	9
Special retirement expenses	3	14
Other	—	7
<b>Total extraordinary losses</b>	<b>136</b>	<b>785</b>
<b>Income before income taxes and minority interests</b>	<b>2,975</b>	<b>2,046</b>
Income taxes	421	836
<b>Income before minority interests</b>	<b>2,554</b>	<b>1,209</b>
Minority interests in income	35	11
<b>Net income</b>	<b>2,518</b>	<b>1,198</b>

### (3) Consolidated statements of comprehensive income

(Millions of yen)

	<b>FY2012 First quarter</b> (April 2011 through June 2011)	<b>FY2013 First quarter</b> (April 2012 through June 2012)
<b>Income before minority interests</b>	<b>2,554</b>	<b>1,209</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	90	(220)
Foreign currency translation adjustment	(132)	483
Share of other comprehensive income of associates accounted for using equity method	14	34
<b>Total other comprehensive income</b>	<b>(26)</b>	<b>297</b>
<b>Comprehensive income</b>	<b>2,527</b>	<b>1,506</b>
Comprehensive income attributable to:		
Owners of the parent	2,480	1,459
Minority interests	46	47

**(4) Notes on Premise of Going Concern**

Not applicable

**(5) Notes on Significant Changes in Shareholders' Equity**

Not applicable