



FY2013 Third Quarter Consolidated Financial Results [Japanese GAAP]

(April 1, 2012 through December 31, 2012)

January 31, 2013

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 : February 12, 2013
 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 Third Quarter (April 1, 2012 through December 31, 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 third quarter	121,170	12.7	5,517	(0.1)	6,155	3.9
FY2012 third quarter	107,551	3.0	5,525	2.6	5,926	(1.0)

(Note) Comprehensive income: FY2013 third quarter 4,092 million yen (50.5%), FY2012 third quarter 2,719 million yen (534.0%)

	Net income		Net income per share-basic		Net income per share-diluted	
	(Millions of yen)	%	(Yen)	(Yen)	(Yen)	(Yen)
FY2013 third quarter	3,001	(14.3)	115.95		102.65	
FY2012 third quarter	3,503	—	136.38		120.32	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
FY2013 third quarter	129,451		80,223		61.3	
FY2012	128,751		77,050		59.2	

(Reference) Equity capital: FY2013 third quarter 79,300 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	—	0.00	—	35.00	35.00
FY2013	—	0.00	—		
FY2013 (Forecast)				35.00	35.00

(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	155,000	5.2	8,000	41.4	8,300	40.6

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

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

Notes

- (1) Changes in significant subsidiaries during this period (Accompanying changes in the scope of consolidation):
None
- (2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, accounting estimates and restatements of prior period financial statements
 - (a) Changes in accounting policies accompanying revisions of accounting standards, etc.: None
 - (b) Changes in accounting policies due to other than the above: None
 - (c) Changes in accounting estimates: None
 - (d) Restatements 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 third quarter 27,260,800 shares, FY2012 27,260,800 shares
 - (b) Number of treasury stock at the end of each period:
FY2013 third quarter 1,377,406 shares, FY2012 1,377,472 shares
 - (c) Number of weighted-average number of shares issued and outstanding for each nine-month period:
FY2013 third quarter 25,883,377 shares, FY2012 third quarter 25,689,677 shares

Indication of quarterly review procedures implementation status

This quarterly financial result is exempt from quarterly review procedures 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)

	FY2012	FY2013 Third quarter
	(As of March 31, 2012)	(As of December 31, 2012)
Assets		
Current assets		
Cash and deposits	12,245	17,775
Notes and accounts receivable-trade	44,315	41,843
Short-term investment securities	601	—
Inventories	14,061	13,355
Deferred tax assets	4,544	3,609
Other	3,578	3,032
Allowance for doubtful accounts	(110)	(64)
Total current assets	79,235	79,551
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	8,234	7,816
Tools, furniture and fixtures, net	1,749	1,638
Land	10,497	10,497
Other, net	720	597
Total property, plant and equipment	21,202	20,548
Intangible assets		
Goodwill	892	705
Other	2,250	2,575
Total intangible assets	3,142	3,280
Investments and other assets		
Investment securities	13,880	15,053
Deferred tax assets	1,946	1,578
Other	9,608	9,734
Allowance for doubtful accounts	(264)	(295)
Total investments and other assets	25,170	26,070
Total noncurrent assets	49,515	49,900
Total assets	128,751	129,451

(Millions of yen)

	FY2012	FY2013 Third quarter
	(As of March 31, 2012)	(As of December 31, 2012)

Liabilities**Current liabilities**

Notes and accounts payable-trade	19,780	19,414
Short-term loans payable	121	60
Income taxes payable	681	616
Provision for bonuses	1,366	656
Provision for sales returns	3,905	4,058
Other	10,273	9,119

Total current liabilities	36,129	33,926
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Noncurrent liabilities

Bonds with subscription rights to shares	11,000	11,000
Long-term loans payable	175	197
Deferred tax liabilities	349	213
Provision for retirement benefits	2,616	2,710
Other	1,429	1,179

Total noncurrent liabilities	15,570	15,301
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Total liabilities

51,700	49,228
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Net assets**Shareholders' equity**

Capital stock	26,330	26,330
Capital surplus	27,375	27,375
Retained earnings	30,695	32,748
Treasury stock	(3,932)	(3,932)

Total shareholders' equity	80,468	82,522
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Accumulated other comprehensive income

Valuation difference on available-for-sale securities	(885)	115
Revaluation reserve for land	(328)	(328)
Foreign currency translation adjustment	(3,023)	(3,008)

Total accumulated other comprehensive income	(4,236)	(3,221)
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Minority interests

819	922
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Total net assets

77,050	80,223
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Total liabilities and net assets

128,751	129,451
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(2) Consolidated quarterly statements of income

(Millions of yen)

	FY2012 Third quarter (April 2011 through December 2011)	FY2013 Third quarter (April 2012 through December 2012)
Net sales	107,551	121,170
Cost of sales	79,191	90,269
Gross profit	28,359	30,900
Reversal of provision for sales returns	3,906	3,905
Provision for sales returns	4,225	4,058
Gross profit-net	28,039	30,747
Selling, general and administrative expenses	22,513	25,229
Operating income	5,525	5,517
Non-operating income		
Interest income	36	38
Dividends income	169	175
Amortization of negative goodwill	61	61
Equity in earnings of affiliates	—	123
Insurance income	48	171
Gain on sales of used papers	124	132
Other	115	53
Total non-operating income	555	756
Non-operating expenses		
Interest expenses	109	98
Equity in losses of affiliates	33	—
Other	11	20
Total non-operating expenses	154	119
Ordinary income	5,926	6,155
Extraordinary income		
Gain on change in equity	—	115
Gain on revision of retirement benefit plan	19	—
Reversal of provision for loss on disaster	306	—
Other	5	1
Total extraordinary income	330	116
Extraordinary loss		
Loss on retirement of noncurrent assets	178	38
Impairment loss	—	124
Loss on valuation of investment securities	872	976
Loss on valuation of investments in capital	8	—
Loss on valuation of membership	14	9
Special retirement expenses	45	84
Other	0	7
Total extraordinary losses	1,120	1,241
Income before income taxes and minority interests	5,137	5,030
Income taxes	1,530	1,957
Income before minority interests	3,607	3,073
Minority interests in income	103	72
Net income	3,503	3,001

(3) Consolidated quarterly statements of comprehensive income

(Millions of yen)

	FY2012 Third quarter (April 2011 through December 2011)	FY2013 Third quarter (April 2012 through December 2012)
Income before minority interests	3,607	3,073
Other comprehensive income		
Valuation difference on available-for-sale securities	(219)	1,000
Foreign currency translation adjustment	(637)	17
Share of other comprehensive income of associates accounted for using equity method	(31)	1
Total other comprehensive income	(887)	1,018
Comprehensive income	2,719	4,092
Comprehensive income attributable to:		
Owners of the parent	2,649	4,016
Minority interests	69	75

(4) Notes on Premise of Going Concern

Not applicable

(5) Notes on Significant Changes in Shareholders' Equity

Not applicable