

**BUFFALO**<sup>TM</sup>



**Melco Group**  
**Business Report 2017**

April 1, 2016 to March 31, 2017

# Safety and pleasure through high technical capabilities Medium-term vision “Gateway 2.0” was launched.

## Makoto Maki

Chairman and Representative Director  
MELCO HOLDINGS INC.



Provided by Nikkan Gendai

### As a company that supports the network infrastructure in the IoT era.

Melco Group, with Buffalo as the core company, has built a strong brand in the markets of digital consumer electronics and computer peripherals. It has earned high reputation in the markets, having the largest market share of various digital product lines including wireless LAN, external HDD, and NAS. With these achievements, it launched a 5-year medium-term vision, “Gateway 2.0,” in the term ended March 2017. In the Internet of Things (IoT) era that is getting into full swing, the corporate group is propelling its business operations to provide safe networks to the entire society in order to “provide everyone with pleasure in connecting to the Internet, and storing and playing back data with ease and safely.” In the drastically changing industries of consumer electronics and computers, it will strive for service enrichment and product development and focus on reforming its sales activities, including the development of new sales channels, so as to smoothly fulfill the medium-term vision.

### Established a more robust management base while maintaining profitability

This term, although the sales growth in the smart phone market was healthy, the sales in the flat-screen TV and tablet markets were stagnant; therefore, the digital consumer electronics industry experienced prolonged harsh conditions.

Under these circumstances, Melco Group propelled approaches to fortify the management base. Specifically, it endeavored to augment the number of apartments where “Apartment Wi-Fi (\*),” an Internet service for rental apartments, is introduced by increasing the number of staff involved in sales activities for the service and consequently, it successfully expanded sales by about 350% year on year. At the same time, the corporate group focused on enhancing the sale of products with high added value in the market for individual customers and established a system where sales strategies and measures are set up intensively in the market for corporations. In particular, it proactively strengthened the support for and relationship with its partner companies that have advantages in the education and tourism fields.

As a result, this term, sales were 74,558 million yen (down 6.8% year on year), operating profit was 5,573 million yen (up 28.0%), ordinary profit was 6,520 million yen (up 23.1% year on year), and current net income attributable to the shareholders of the parent company was 4,389 million yen (up 17.5% year on year).

\*Wi-Fi is the registered trademark of Wi-Fi Alliance.

## Further expansion and perpetual growth through new capital policies and growth investment

Melco Group has formulated new capital policies and been striving for long-term improvement of shareholder value. It will manage both investment in future growth and stable shareholder return simultaneously, aiming for “a total return ratio of 80%” and “long-term increase of the net profit per share.”

In addition, in order to strengthen the data recovery business that it newly launched, it has solidified the foundation for stable earnings and enhancement of sales capability by acquiring the ownership of Advanced Design Corp. that has high technical capabilities.

The global situation is unstable and the future exchange rates and material procurement are uncertain, and at this moment, there are many indeterminate factors regarding business forecasts; therefore, the corporate group will announce business projections for the next term when it becomes possible to make rational forecasts.

With the medium-term vision, “Gateway 2.0,” Melco Group will continue further expansion and perpetual growth in order to keep pursuing the path to a lasting company.

### Melco Values

#### ■ A Lasting Company

We earnestly study and put into practice the teachings of our predecessors, and continually look to the future with the aim of achieving the perpetual growth of the Melco Group together with all those who share the Melco Values.

#### ■ Customer Oriented

We always look at things from the perspective of our customers to continue to provide products and services that play a part in the realization of even richer lives. We take pleasure in contributing to the development of society through our wisdom and hard work.

#### ■ Rapid Response to Change

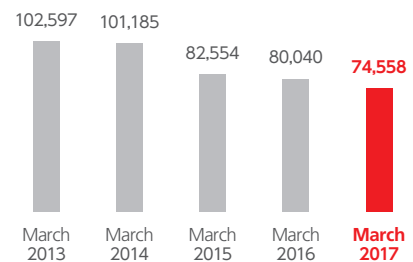
We never shy away from the changes happening in the world around us and we have the courage to change direction when we make mistakes. We always strive to improve ourselves and work hard toward personal transformation.

#### ■ Solidarity

We share high aspirations and passion with a fair and open spirit. At the same time, we overcome any difficulties we encounter to achieve our goals by coming together as one.

### Consolidated Net Sales

(Unit: million yen)

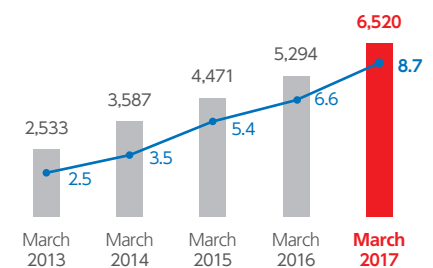


### Consolidated Ordinary Income

(Unit: million yen)

### Consolidated Ordinary Income Margin

(Unit: %)

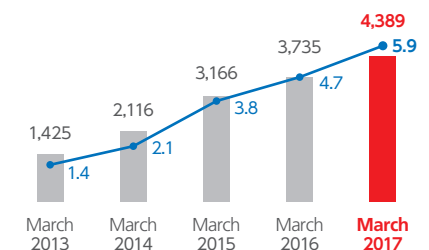


### Net Income Attributable to Parent Company Shareholders

(Unit: million yen)

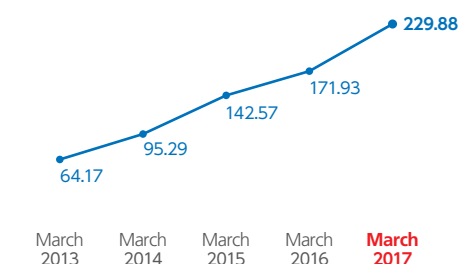
### Consolidated Net Income Margin

(Unit: %)



### Net Income per Share

(Unit: yen)



# Mid-term Vision "Gateway 2.0"

Providing a safe network  
in the whole society for the IoT era



Eliminating the trouble of  
"not connected,"  
"troublesome to connect"  
and "scary to connect"  
to Wi-Fi in public spaces



Eliminating the trouble of  
"not connected,"  
"cannot be connected" and  
"no longer connected" of  
home Wi-Fi

Home  
network  
innovations

**IoT**

(Internet of Things)

The era in which various things  
in the world are connected  
to the Internet

Public  
gateway  
solutions

Data  
storage  
optimization



Eliminating the trouble of  
"lost," "loss fears,"  
"cannot be reproduced" and  
"can be used but only slowly" of  
important data

Melco Group will expand a solution business to new fields by using the technology and know-how that it has cultivated so far.

## Started a data recovery service

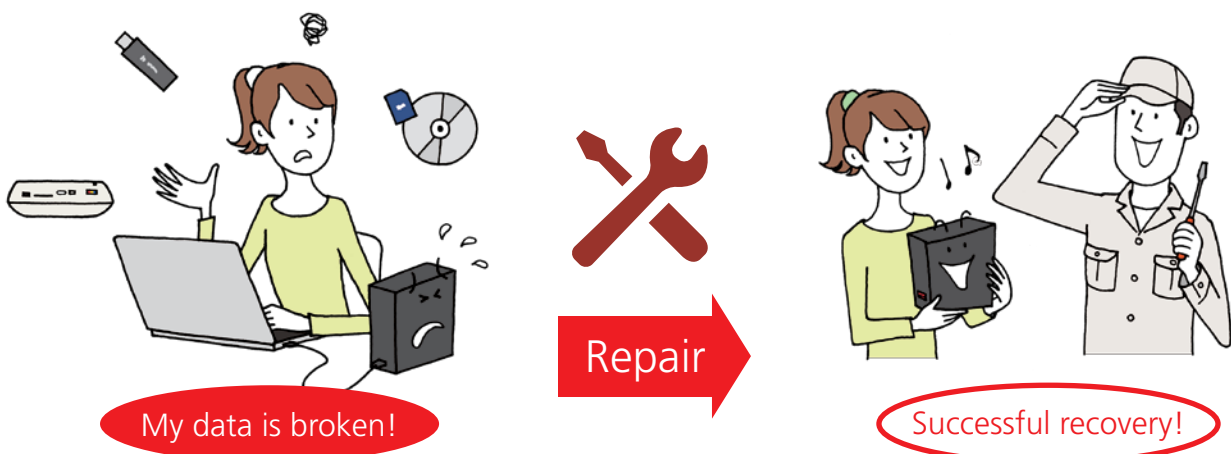
One-stop support – from data recovery to deletion and broken equipment disposal

Fixed price system according to target product and impairment level

Free support for light logic failures within the warranty period

Free diagnosis and quotation

We have started a data recovery business to respond to troubles such as the following: "The data stored on my personal computer has disappeared!" "I cannot retrieve data from my external HDD or USB memory!" We offer free diagnoses and quotations. There is a fixed price system according to the impairment level. Therefore, it is possible to use this service with peace of mind. At the moment, Buffalo products are covered by this service. However, we plan to support products of other firms in the future.



We support the lifestyles and businesses of our customers by making things more user-friendly and comfortable.

## Peripherals

### Network Products

Our network products make it possible to access the Internet and share data via PCs, smartphones and other devices. Wi-Fi environments are becoming the norm in school classrooms, tourist destinations and other locations. Against this background, we strengthen the development of products to achieve stability in communications and to provide comfortable wireless LAN environments.



Wi-Fi router



Access point for corporate users

### Storage Products

Our storage products can store large amounts of data. We provide products that achieve high reliability and performance. These include external hard disks equipped with highly reliable hard disks designed to be suitable for TV recording and NAS for corporate users equipped with a function to enable network monitoring from remote areas.



External hard disk



NAS for corporate users

### Supplies and Accessories

We have a lineup of products that includes mice, keyboards and other input devices, as well as other accessories for tablets. We are pouring our efforts into developing highly convenient products. These include USB chargers equipped with a function to automatically determine whether a device is an iPhone\*1 or Android.



Premium fit mouse



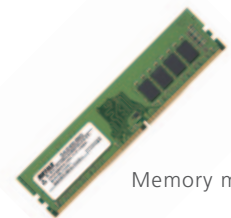
USB charger

### Memory Products

High value-added products such as USB memories equipped with the function to automatically store the connector when removed from the PC by adopting a knock connector etc. We are enhancing our development of products for corporate users such as DDR4-compatible products with high reliability in industrial embedded applications.



USB memory



Memory module

### Other Products

We provide various groups of products with PC technology applied. These include "Kurouto Shikou," a PC component brand that is popular among users who build their own PCs, "Omoidebako," a digital photo album that allows users to digitally view their photos, and our digital music library dedicated to the storage of high-resolution audio.



Omoidebako



Digital music library

## Services

We have developed various services for individuals, corporations and apartment building owners. We are expanding and enhancing support to meet the needs of our users – from on-site configuration to maintenance services. “Apartment Wi-Fi,” an internet service for rental apartments, offers total support – from pre-installation checks through to maintenance. Furthermore, we are also striving to expand new services of our company. For example, we started the NAS/monitoring camera rental service “BITS Rental” for short-term use in construction sites and similar locations.



Apartment Wi-Fi



## Finance

We are involved in investment management business and financial product brokerage business in our financial business.



## BCN AWARD 2017

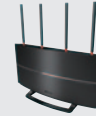
(From January to December 2016)

### Winner in 14 Categories

These prizes are awarded based on actual aggregate sales at major electrical appliance stores across Japan.

#### Wireless LAN Category

15th consecutive year  
15th win



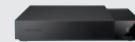
#### NAS Category

4th consecutive year  
4th win



#### External HDD Category

9th consecutive year  
14th win



#### Router Category

14th consecutive year  
15th win



#### Hub Category

16th consecutive year / 17th win

#### LAN Card Category

18th consecutive year / 18th win

#### Print Server Category

17th consecutive year / 17th win

#### Recordable DVD Drive Category

9th consecutive year / 9th win

#### Memory Category

8th consecutive year / 16th win\*2

#### Expansion Interface Category

14th consecutive year / 14th win\*3

#### PC Power Unit Category

6th consecutive year / 6th win

#### Drive Casing Category

7th consecutive year / 9th win

#### Graphics Board Category

14th consecutive year / 14th win

#### Game Controller Category

first win

\*2: This is as the Melco Group. We have won this award six years in a row for a total of six times as CFD sales

\*3: This is as the Melco Group. We have won this award eight years in a row for a total of eight times as CFD sales.

## GfK Japan Certified 2016

(From January to December 2016)

### Winner in 3 Categories

These prizes are awarded to the manufacturers with the greatest sales volume share for the year.

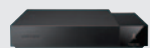
#### Network Category

9th consecutive year  
9th win



#### HDD Category

9th consecutive year  
9th win



#### DVD Drive Category

7th win



## Consolidated Net Sales

(Unit: million yen)

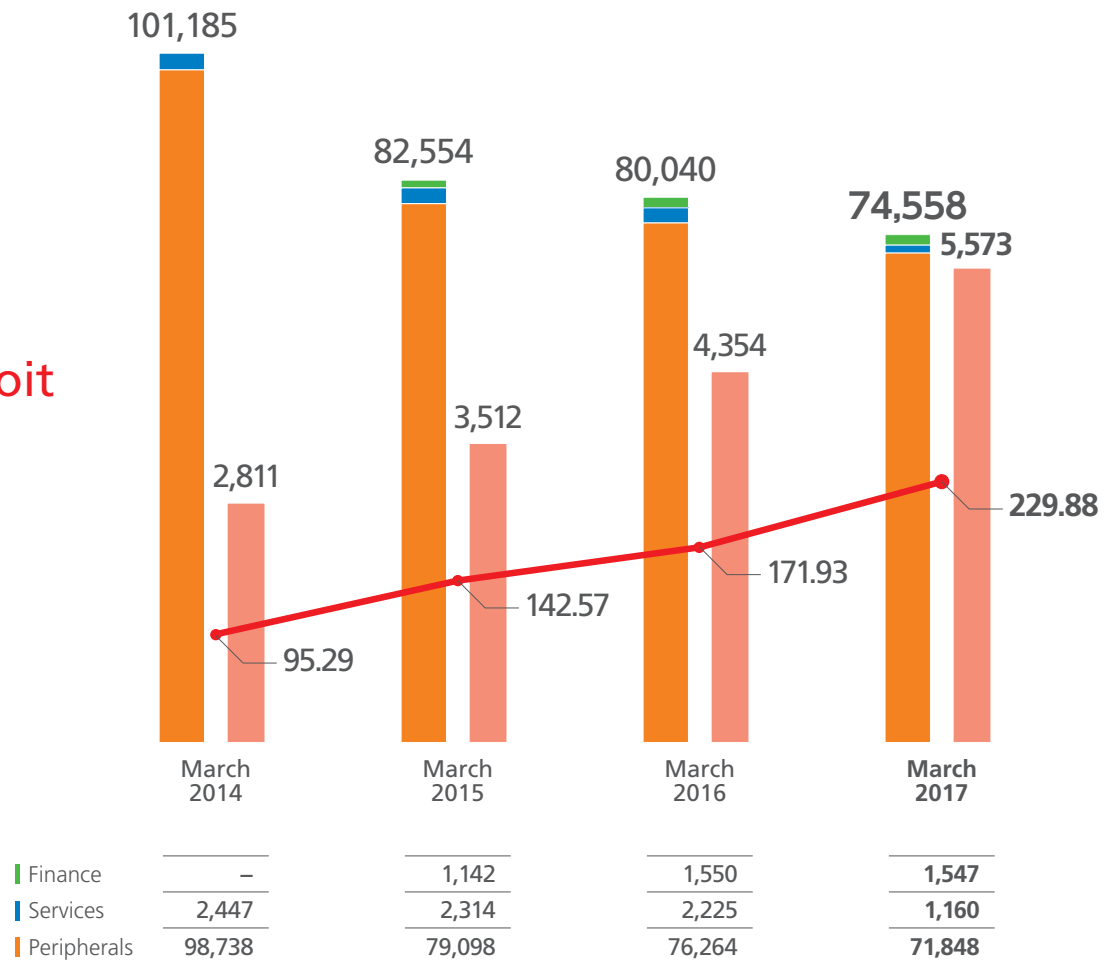
- Finance
- Services
- Peripherals

## Consolidated Operating Profit

(Unit: million yen) ■

## Net Income per Share

(Unit: yen) —●—

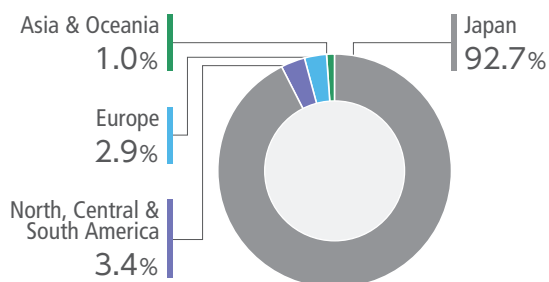


## Overseas Sales (Peripheral Equipment Operations)

**5,216** million yen      **21.7 %** decrease

We promoted a shift in sales to corporate users focused on NAS products and we were able to reduce our unprofitable businesses with the aim of reconstructing our sales structure in our overseas operations. As a result, net sales were 5,216 million yen (down 21.7% year on year).

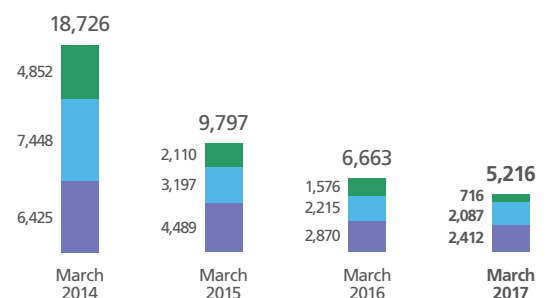
Proportion of Sales by Region (Peripheral Equipment Operations)



Overseas Sales (Peripheral Equipment Operations)

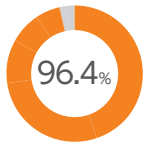
(Unit: million yen)

- North, Central & South America
- Europe
- Asia & Oceania





## Consolidated Net Sales by Segment



### Peripherals

71,848 million yen

5.8% <sup>year on year</sup> decrease

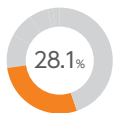
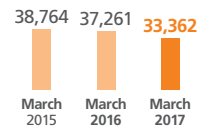
Although sales of our network products continued to be strong, our peripheral equipment business sales were 71,848 million yen (down 5.8% year on year) due to the impact of intensifying price competition and curtailment of sales of unprofitable products in our other major products. Our operating profit was 4,759 million yen (up 57.7% year on year) because of the cost price reduction effect from an appreciation in the yen and a successful shift to sales centered on overseas corporations. We present the situation for our main products below.

### Storage Products



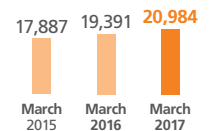
We strived to strengthen sales centered on HDDs for television recording in the Japanese consumer market with our storage products. Although unit sales slightly increased, the effect of the decline in the sales unit price due to price competition meant that sales were 23,105 million yen (down 10.2% year on year). We have been striving to maintain our top share of the Japanese consumer market with NAS products. Furthermore, we have been looking to increase sales by expanding into the educational market with products that greatly reduce the transfer time for large volumes of data for our corporate customers. However, due to a reduction in our market share, our unit sales declined 13.1% year on year and so sales were 10,257 million yen (down 11.1%).

(Unit: million yen)



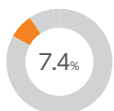
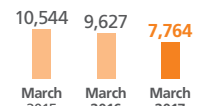
### Network Products

We expanded our share of the wireless LAN market by developing products tailored to the needs of our customers with our network products. We focused on increasing sales of educational-orientated products that achieve stable performance when connecting multiple devices and products with environmental resistance performance for Corporate consumers. As a result, unit sales increased 9.1% year on year and so sales were 20,984 million yen (up 8.2%).



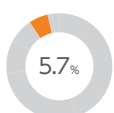
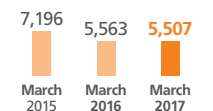
### Memory Products

Unit sales of our memory products declined 38.4% year on year, and sales were 2,963 million yen (down 19.9%). This was due to the shrinking market for personal computer expansion memory products and sluggish sales of industrial use embedded memory products. In terms of our flash memory products, sales of USB memories grew steadily and we increased our market share. Unit sales increased 3.7% year on year. However, sales of custom-made products for industrial equipment declined. Therefore, sales were 4,801 million yen (down 11.1%).



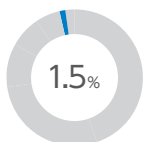
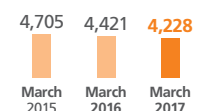
### Supplies and Accessories

In terms of supply and accessory products, we focused on selling high added value products, such as mice equipped with functionality and design based on sensitivity assessments and USB chargers that perform optimal rapid charging by identifying the type of smartphone. However, due to the impact of clearing out unprofitable products, sales were 5,507 million yen (down 1.0%).



### Other Products

In terms of our other products, we established Melco Syncretis Inc. to further develop our high resolution audio equipment business and strived to improve the level of recognition for Omoidebako digital photo albums. However, we were unable to completely compensate for the reduction in sales of discontinued products and so sales were 4,228 million yen (down 4.3% year on year).

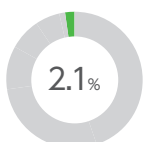


### Services

1,160 million yen

47.8% <sup>year on year</sup> decrease

We worked on increasing the number of introductions of our Apartment Wi-Fi\* Internet service for rental apartment building owners in our services business. However, we were not able to completely compensate for the reduction in sales of optical line agency setting services that have been declining due to the improved penetration rate. Therefore, sales were 1,160 million yen (down 47.8% year on year and operating losses were 87 million yen (operating profits were 342 million yen in the previous fiscal year).



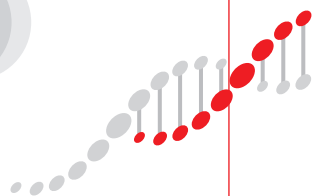
### Finance

1,547 million yen

0.2% <sup>year on year</sup> decrease

Against a backdrop of severe global market conditions, our financial business saw sales of 1,547 million yen (down 0.2% year on year) and operating profits were 806 million yen (down 7.3% year on year).

\*Wi-Fi is the registered trademark of Wi-Fi Alliance.



# Products DNA

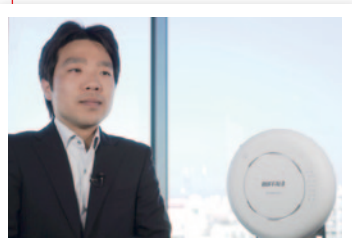
## Wireless LAN for the educational market that realizes a comfortable ICT environment

### Access Point for Corporate Users

Akinori Shibata of the Network Division

In classes using one tablet per child, all students can now send/receive files and watch videos at the same time. We enabled this by developing tri-band, adding a supplementary 5 GHz band to the dual band (5 GHz + 2.4 GHz) in our previous model to speed up and stabilize communications. This has realized a more comfortable communications environment with a band steering function that efficiently distributes the number of tablets connected to each radio band. In addition, the dedicated radar wave monitoring antenna solves the problem in which wireless comes to a halt due to the access point moving to another channel when a weather radar or similar signal is detected by facilitating smooth channel movement. We believe we have developed a product that will

realize comfortable lessons in a fully-fledged ICT environment that is also compatible with other similar management functions.



WAPM-2133TR

## High-speed NAS equipped with SSD that combines functionality and design at a high level

### NAS equipped with SSD

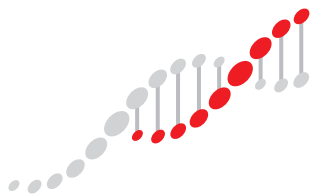
Yuuki Nakajima of the Network Division /  
Hibiki Ikegami of the Design Section, Shared Technology Department

We updated the existing NAS by adopting a SSD in the internal storage. With the original HDD, the storage speed would bottleneck when attempting to extract the potential of 10 GbE with a transmission speed of 10 Gbps to the maximum extent possible. We dramatically improved the transfer speed by adopting a SSD. This made it possible to employ the benefits of 10 GbE. It also greatly improved the earthquake resistance and energy efficiency of the product. Moreover, we selected a SSD with good compatibility and few faults by testing 10 types of SSD with the main unit at the time of development. Our advancement won the Red Dot Design Award – a historic German design award - because it clearly incorporated the concept of “NAS outside of server rooms” for key arrangement and dust prevention design decisions.



TS5210DF

# — Genealogy —



We embodied the need for surveillance cameras through cooperation with our customers

### Surveillance camera system

Takeo Miyake of the Network Division / Takashi Yamasaki of Development Division

Many existing surveillance cameras are either large-scale products requiring network knowledge or extremely simple products for home-use at the other end of the extreme. Thus, they are difficult to introduce to small shops and offices. We developed the Surcam CR1000 series by talking to around 100 mainly local shops and offices throughout the development process to generate a solution unique to Buffalo. The series is both easy to install and use as an answer to their needs. It is possible to operate the camera by just connecting

the LAN cable; a PC is not needed. We have two types of system: a system with two cameras and a system with four cameras. We have focused these systems on “shooting” and

“watching” to keep down costs. By incorporating customer needs down to the finest details according to the Buffalo philosophy of “Customer-Orientated”, we designed a product in cooperation with our customers for their satisfaction.



CR1000

Omoidebako: Continuing to evolve based on the voices of our customers

### Digital Photo Album

Masayuki Nemoto of the market division, New Business Department

Our Omoidebako photo albums for the digital era make it possible to share important memories with family and friends. Our new



model, the fifth generation PD-1000S series, has improved the transfer speed and carrying of memories. The biggest improvement is that we have made it possible to support 11 ac. It has also become possible to use the 5 GHz band in addition to the 2.4 GHz band. This has enabled high-speed transfers and smooth and stable communications. The newly added clip function allows users to bring photographs in the Omoidebako to other locations by downloading albums onto a smartphone. We made this possible in response requests from customers who want to see the photographs they have saved in the Omoidebako even when they go outside. We will continue to evolve the Omoidebako based on the voices of our customers in the future.



PD-1000S

## ● Consolidated Balance Sheet (Unit: million yen)

Item	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016
<b>① Assets</b>		
Current assets	58,712	60,476
Fixed assets	8,468	4,506
Tangible fixed assets	871	619
Intangible fixed assets	1,271	968
Investments, etc.	6,325	2,917
<b>Total assets</b>	<b>67,181</b>	<b>64,982</b>
<b>② Liabilities</b>		
Current liabilities	21,312	18,671
Long term liabilities	2,512	2,507
<b>Total liabilities</b>	<b>23,824</b>	<b>21,179</b>
<b>③ Net assets</b>		
Shareholders' equity		
Common stock	1,000	1,000
Additional paid-in capital	902	774
Retained earnings	49,595	45,993
Treasury stock	△8,184	△3,831
<b>Total shareholders' equity</b>	<b>43,312</b>	<b>43,936</b>
Accumulated other comprehensive income		
Net unrealized gains (losses) on other securities	245	190
Deferred gains or losses on hedges	△26	△50
Foreign currency translation adjustments	△92	△233
Remeasurements of defined benefit plans	△83	△40
Total accumulated other comprehensive income	43	△133
<b>Total net assets</b>	<b>43,356</b>	<b>43,803</b>
<b>Total liabilities and net assets</b>	<b>67,181</b>	<b>64,982</b>

## POINT

### ① Assets

Total assets for the fiscal year ended March 31, 2017 were 67,181 million yen – a increase of 2,198 million yen compared to the end of the previous consolidated fiscal year. Current assets totaled 58,712 million yen – a decrease of 1,763 million yen. This change was mainly due to a 374 million yen decrease in notes and accounts receivable, a 3,000 million yen decrease in securities, and a 1,663 million yen increase in goods and products. Fixed assets totaled 8,468 million yen – an increase of 3,962 million yen. This change was mainly due to a 3,343 million yen increase in investment securities.

### ② Liabilities

Total liabilities for the fiscal year ended March 31, 2017 were 23,824 million yen – a increase of 2,645 million yen compared to the end of the previous consolidated fiscal year. Current liabilities were 21,312 million yen – a increase of 2,640 million yen. This change was mainly due to a 1,824 million yen increase in notes and accounts payable and a 1,071 million yen increase in Accrued income taxes, etc. Long-term liabilities totaled 2,512 million yen – an increase of 4 million yen.

### ③ Net Assets

Total net assets for the fiscal year ended March 31, 2017 were 43,356 million yen – a decrease of 446 million yen compared to the end of the previous consolidated fiscal year. This change was mainly due to the acquisition of net income attributable to parent company shareholders of 4,389 million yen, dividend payments of 787 million yen and the acquisition of 4,613 million yen in treasury stock.

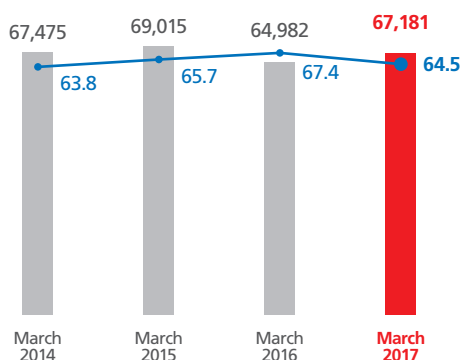
## ● Consolidated Income Statement (Unit: million yen)

Item	Fiscal Year From April 1, 2016 to March 31, 2017	Fiscal Year From April 1, 2015 to March 31, 2016
Net sales	74,558	80,040
Cost of sales	56,203	62,537
Selling, general and administrative expenses	12,781	13,148
<b>Operating income</b>	<b>5,573</b>	<b>4,354</b>
Non-operating income	1,172	1,000
Non-operating expenses	225	60
<b>Ordinary income</b>	<b>6,520</b>	<b>5,294</b>
Extraordinary income	0	1
Extraordinary loss	28	144
<b>Net income before taxes and other adjustments</b>	<b>6,491</b>	<b>5,152</b>
<b>Income, resident and enterprise taxes</b>	<b>2,116</b>	<b>705</b>
<b>Income taxes – deferred</b>	<b>△15</b>	<b>711</b>
<b>Net income attributable to parent company shareholders</b>	<b>4,389</b>	<b>3,735</b>

## ● Consolidated Cash Flow Statement (Unit: million yen)

Item	Fiscal Year From April 1, 2016 to March 31, 2017	Fiscal Year From April 1, 2015 to March 31, 2016
Cash flows from operating activities	6,487	6,108
Cash flows from investing activities	△1,151	△4,662
Cash flows from financing activities	△5,401	△5,102
Effect of exchange rate changes on cash and cash equivalents	△4	△83
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>△69</b>	<b>△3,740</b>
Cash and cash equivalents at the beginning of the period	4,664	8,404
<b>Cash and cash equivalents at the end of the period</b>	<b>4,595</b>	<b>4,664</b>

Total Assets (Unit: million yen)  
Capital to Asset Ratio (Unit: %)



For detailed information:

MELCO HOLDINGS IR

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## Japan

### ● MELCO HOLDINGS INC.

Company Name	Melco Holdings Inc.	<b>Board Members</b> (Current as of June 14, 2017)
Date of Incorporation	July 1, 1986	Chairman and Representative Director Makoto Maki
Capital Stock	1,000 million yen	President and CEO Hiroyuki Maki
Business Activities	Pure holding company of Melco Group Melco Holdings Inc. is a pure holding company that holds the shares of the group's operating companies. Governs the operating companies in our group by providing support for business activities and offering managerial guidance.	Executive Vice President Tamio Matsuo
Number of Employees	Non-consolidated: 22 Melco Group consolidated: 771	Senior Managing Director Kuniaki Saiki
Number of Group Companies	20 (12 in Japan; 8 overseas)	Director Iwao Tsusaka
		Director Hiroyuki Minoura
		Full-time Corporate Auditor Masanao Tsuzuki
		Auditor Akio Oguri
		Auditor Kazuo Ueda

### ● BUFFALO INC.

Company Name	Buffalo Inc.	<b>Board Members</b> (Current as of May 9, 2017)
Date of Foundation	May 1, 1975	President and CEO Takehiko Inoue
Date of Incorporation	August 5, 1978	Executive Vice President Tamio Matsuo
Capital Stock	320 million yen	Managing Director Taiji Watanabe
Business Activities	Development, manufacture and sale of digital home appliances and PC peripherals	Director Ryousuke Yoshizaki
Number of Employees	454	Director Shingo Tanaka
		Director Manabu Wada
		Director Masaya Ishimaru
		Director Kazunori Yokoi
		Corporate Auditor Takeyasu Oshima

### Business Locations

Headquarters	Akamon-dori Bldg., 3-30-20 Ohsu, Naka-ku, Nagoya, 460-8315, Japan	TEL: 81-52-249-6610	FAX: 81-52-249-6609
Tokyo Branch Office	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo, 104-0033, Japan	TEL: 81-3-3523-3333	FAX: 81-3-3523-3300
Osaka Branch Office	Sumitomo Seimei Shin-Osaka Kita Bldg., 4-1-14 Miyahara, Yodogawa-ku, Osaka, 532-0003, Japan	TEL: 81-50-5533-1250	FAX: 81-6-6398-5755
Hokkaido Sales Office	San Keisei Bldg., 1-4-1 Kitaichijo Higashi, Chuo-ku, Sapporo, 060-0031, Japan	TEL: 81-11-200-8150	FAX: 81-11-200-8151
Tohoku Sales Office	Miyagino Center Bldg., 4-5-22 Tsutsujigaoka, Miyagino-ku, Sendai, 983-0852, Japan	TEL: 81-22-291-0311	FAX: 81-22-298-9470
Tokyo Branch Office	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo, 104-0033, Japan	TEL: 81-3-3523-3342	FAX: 81-3-3523-3320
Chubu Sales Office	Akamon-dori Bldg., 3-30-20 Ohsu, Naka-ku, Nagoya, 460-8315, Japan	TEL: 81-52-249-6600	FAX: 81-52-249-6601
Chu-Shikoku Sales Office	Hiroshima Intes, 10-10 Hashimoto-cho, Naka-ku, Hiroshima, 730-0015, Japan	TEL: 81-50-5830-8888	FAX: 81-82-221-8612
Kyushu Sales Office	Yaoji Center Bldg., 4-9-2 Hakataekimae, Hakata-ku, Fukuoka, 812-0011, Japan	TEL: 81-92-477-3711	FAX: 81-92-477-3755

● **CFD SALES INC.**

Development, manufacture and sale of personal computer parts and peripheral equipment

● **BUFFALO IT SOLUTIONS INC.**

Provision of network infrastructure construction and maintenance services

● **BUFFALO MEMORY CO., LTD.**

Development, manufacture and sale of industrial use embedded memory and storage products

● **BIOS CORPORATION**

Development, manufacture and sale of storage-related products

● **Buffalo Direct Inc.**

Internet shopping

● **MELCO SYNCRETS INC.**

Development and sale of audio equipment and related products

● **Advanced Design Corp.**

Manufacture and sale of data recovery/erasure/conversion services and data erasure products

● **MELCO FINANCIAL HOLDINGS INC.**

Overall management of financial business within the Melco Group

● **MELCO INVESTMENTS INC.**

Investment management and financial instrument intermediary services

**Overseas**

● **<USA> BUFFALO AMERICAS, INC.**

Sale of network-related equipment and PC peripherals

● **<Europe> BUFFALO EU B.V.**

Sale of network-related equipment and PC peripherals

● **<Taiwan> BUFFALO TECHNOLOGY (TAIWAN) INC.**

Procurement and Management of the product

● **<Singapore> MELCO CAPITAL PTE. LTD.**

Investment management

# Stock Information

(Current as of March 31, 2017)

● **Stock**

**Number of Shares Outstanding** 22,237,873  
(including treasury stocks 3,630,890)

**Number of Shareholders** 5,456

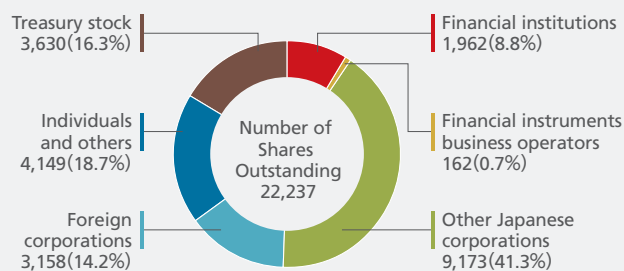
● **Major Shareholders (Top 10)**

Shareholder Name	Number of Shares Held (1,000 Shares)	Shareholding Ratio (%)
Makis Inc.	8,485	45.6
Makoto Maki	630	3.4
Hiroyuki Maki	617	3.3
Daisuke Maki	617	3.3
The Bank of Nagoya, Ltd.	501	2.7
The Melco Foundation	500	2.7
The Master Trust Bank of Japan, Ltd.,(trust account)	265	1.4
GOVERNMENT OF NORWAY	259	1.4
STATE STREET BANK AND TRUST COMPANY 505103	239	1.3
STATE STREET BANK AND TRUST COMPANY	237	1.3

Notes:

1. The number of shares held has been rounded down to the nearest one thousand.
2. The shareholding ratio calculation does not include treasury stock and this has been rounded off to the first decimal place.

● **Shareholding Distribution by Type of Shareholder (Unit: thousand shares)**



Notes:

1. The number of shares held has been rounded down to the nearest one thousand.
2. The composition ratio has been rounded off to the first decimal place.

## Shareholder Notes

Fiscal year-end:	March 31
Ordinary general meeting of shareholders:	June
Dates to determine stock ownership:	For shareholders with voting rights: March 31 For shareholders eligible for year-end dividends: March 31 For shareholders eligible for interim dividends: September 30
Stock listings:	First section of the Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code:	6676
Number of shares per trading unit:	100 shares
Method of public notice:	Posted electronically on <a href="http://melco-hd.jp/koukoku/">http://melco-hd.jp/koukoku/</a>
Stock agencies:	Sumitomo Mitsui Trust Bank, Limited
Contact Information:	Sumitomo Mitsui Trust Bank, Limited., Stock Transfer Agency Business Planning Dept. 2-8-4 Izumi, Suginami-ku, Tokyo <ul style="list-style-type: none"><li>• Telephone Inquiries 0120-782-031 (Toll free) 9:00 to 17:00 (Except on Saturdays, Sundays and public holidays)</li></ul>
Managing underwriter	(Main) Daiwa Securities (Secondary) Nomura Securities, Mizuho Investors Securities and SMBC Nikko Securities

## MELCO HOLDINGS INC. (Securities code: 6676)

Headquarters: Akamon-dori Bldg., 3-30-20 Ohsu, Naka-ku, Nagoya, 460-8315, Japan  
TEL: 81-52-251-6891 FAX: 81-52-249-6609

## BUFFALO INC.

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## ● Website Guide

### MELCO HOLDINGS INC.

Provides the latest news, corporate information, information for investors and other data.



PC [melco-hd.jp](http://melco-hd.jp)

### BUFFALO INC.

Product information and other data is provided on the site of the core company in the Melco Group.



PC [buffalo.jp](http://buffalo.jp)



Smartphone [m.buffalo.jp](http://m.buffalo.jp)