

Melco Group

Business Report 2019

April 1, 2018 to March 31, 2019



To Our Stakeholders

With the addition of Shimadaya Corporation in April 2018, the Melco Group has a three-business structure of IT-related business, food business and financial business.

This is based on our “Forest-like Management Structure” concept. It has elevated our ability to respond to changes in the external environment and is a major step toward our aim of lasting development and maximization of corporate value for all our stakeholders.

We consider the next fiscal year ending March 31, 2020 to be a “decisive year.” We will push ahead with internal reform to become a company that is needed in this age of population decline and population ageing. I believe that we can accomplish reform by having each and every one of our employees, including management, working to win. We will strive to be able to deliver even more joy to those around the world based on the Melco values that consist of the dying wish of our founder and our management philosophy.

I would like to ask for your continued support and understanding in the future. Thank you.

June 2019



Hiroyuki Maki

President and CEO
MELCO HOLDINGS INC.

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 perpetual growth for the Melco Group along with all those who share our 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, in a spirit of fairness and openness, along with people who share high aspirations and passions, will work together as one to overcome any difficulties and achieve our goals.

Building a Business Portfolio That Can Withstand Changes in the External Environment: Further Development and Perpetual Growth Toward Being a Lasting Company

Rapidly-Changing Industry Markets Due to the Political/Economic Situation and Extreme Climate

The Japanese economy in this term recovered against a background of an improvement in corporate earnings and employment conditions. However, the future continues to be uncertain. This is due to the impact of the uncertain political situation with the ongoing US-China trade friction.

In the digital consumer electronics industry, the PC market for corporate users expanded. This was due to demand with the end of basic software support maintenance. Meanwhile, there was an upswing in the flat screen TV market as consumers sought out to upgrade to 4K and OLED TVs due to industry-wide price reductions. Nevertheless, it was possible to sense a topping out in the smartphone market. Furthermore, although the tablet market for corporate users was strong, the market for personal customers was sluggish.

On the other hand, sales in the raw noodle industry remained steady with a focus on cold-related products for both home and commercial use in the first half of the year due to the fierce heat. Sales of products in the fall and winter in the second half of the year were sluggish in the household market due to the high temperatures. Nevertheless, simple functional products that can simplify cooking operations saw an increase in sales in the business market. Profits were affected by the rise in raw ingredient prices and energy costs.

Provision of Value-Added Products and Services That Capture the Needs of Society

Our group is improving management with the aim of building a solid business portfolio that can also withstand the rapidly-changing external environment. In the IT-related business, we have strived to increase the sales of Apartment Wi-Fi* and Buffalo Regular Data Recovery Service in the service field while looking to strengthen sales of high value-added products. These include Wi-Fi routers equipped with our unique mesh function that offers a stable connection from anywhere in the house and hard drives that are designed to record television programs along with a service that moves recorded programs off the device before a drive failure occurs. The aim of this is to support the shrinking peripheral equipment market for personal customers. Meanwhile, we have worked to strengthen sales of products that support health, convenience, and separate meal preferences, as well as increase sales of frozen noodles for commercial use, which is expected to expand in the food business.

As a result, sales were 108,993 million yen (up 50.7% year on year), operating income was 5,959 million yen (up 12.0% year on year), ordinary income was 6,520 million yen (up 2.5% year on year) and net income attributable to parent company shareholders was 3,802 million yen (down 26.4% year on year) in our results in the fiscal year under review.

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

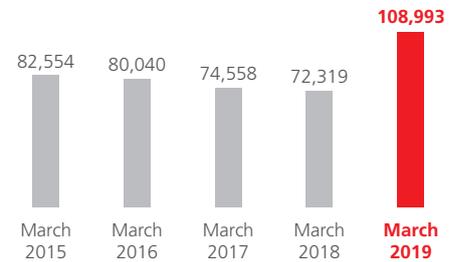
Toward Management That Generates Profits Without Relying on Sales Growth: Proactive Development of Usage of Assets and Growth Investments

The environment surrounding the IT-related business has continued to be severe in recent years. Challenges that should be solved have also been emerging in the food business (e.g., sudden rise in raw ingredient prices/distribution costs and a shortage of labor).

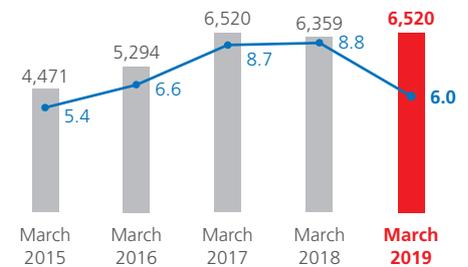
Under such circumstances, we are pushing forward with a management structure that produces profit without relying on product sales expansion. We are striving to continue the expansion of Apartment Wi-Fi installations and to increase the number of Buffalo Regular Data Recovery Service orders accepted in the IT-related business. We are also working to quantitatively increase the sales of frozen noodles for commercial use in the growing market and to extend the “best before” date of our Ryusui noodles product, thus aiming to enhance product value and strengthening sales of health-oriented noodles in the food business. We will also proactively and speedily reduce loss costs, expand and streamline our service bases, and engage in M&As to accelerate business growth. Furthermore, we will solve challenges by effectively utilizing the assets of our group from a company-wide perspective.

The Melco Group will continue to further develop and grow on a perpetual basis with the aim of being a lasting company in the future under the Melco values.

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"

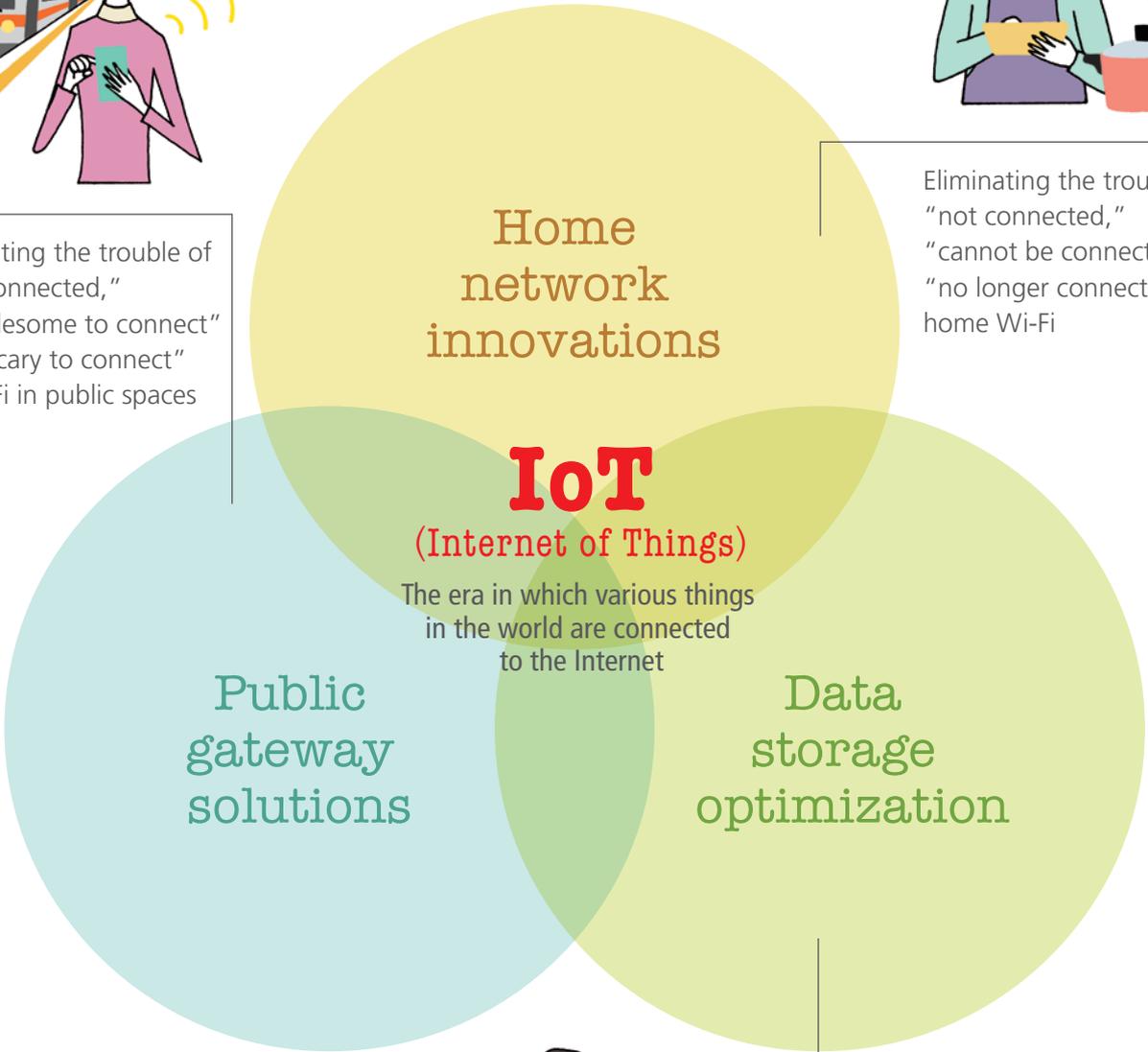
Providing a safe network for all of society in the IoT era



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



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

Supporting the Lives and Businesses of Our Customers with a Three-Business Structure – from IT to Food and Finance

IT-Related Business

We provide various products with a focus on digital consumer electronics and computer peripherals. These include network products (e.g., Wi-Fi), external hard drives for PC/TV recording, and storage products such as NAS for corporate users that allows enables device monitoring over a network. In addition to these, we also offer products that add richness to everyday life. These include our Omoidebako digital photo albums and Digital Music Library devices dedicated to high resolution audio. We also offer various services and solutions for personal customers and corporate users alike, including our Apartment Wi-Fi Internet service for rental properties and data recovery services for storage products.



Wi-Fi router



Access point for corporate users



External hard disk



NAS for corporate users



Digital music library



Omoidebako



NEO FIT mouse



Apartment Wi-Fi



Data recovery service



BCN AWARD 2019

(January to December 2018)

Winner in **11** Categories

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

Wireless LAN Category

17th consecutive year
17th win



NAS Category

6th consecutive year
6th win



External HDD Category

11th consecutive year
16th win



Router Category

16th consecutive year
17th win



Hub Category

18th consecutive year
19th win



LAN Card Category

20th consecutive year
20th win



Memory Category

10th consecutive year / 18th win*1

Expansion Interface Category

16th consecutive year / 16th win*2

PC Power Unit Category

8th consecutive year / 8th win

Drive Casing Category

9th consecutive year / 11th win

Graphics Board Category

16th consecutive year / 16th win

*1: 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.

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

Food

We offer a rich lineup of products including udon noodles, soba noodles, Chinese noodles, fried noodles, and pasta, as well as the renowned Ryusui noodles that can be eaten just by unraveling them with water without boiling – a flagship product that recently celebrated its 30th anniversary. We are deploying products for family use centered on refrigerated raw noodles, frozen noodles, cooking noodles and products for commercial use centered on frozen noodles. We are also creating new possibilities in the noodles market by continually making products from the viewpoint of our customers including attractive noodle dishes and new ways of eating noodles in addition to providing noodles as an ingredient.



Ryusui Noodles (Soba Noodles)



Ryusui Noodles (Udon Noodles)



Shinuchi (Thin Wheat Noodles)



Stone Milled Soba Noodles Using Ingredients Produced in Hokkaido



Hon Udon Noodles with 40% Less Sugar



Hon Udon Noodles with Zero Table Salt



Tenobemasari Udon Noodles



Clock Tower Ramen with a Tour of the Flavors of Hokkaido: Nostalgic Rich Soy Sauce Flavor

Finance

This business is contributing to the earnings stabilization in the Melco Group through investment management and financial instrument intermediary services.

Consolidated Net Sales

(Unit: million yen)

■ Finance ■ Food
■ IT-Related

Consolidated Operating Income

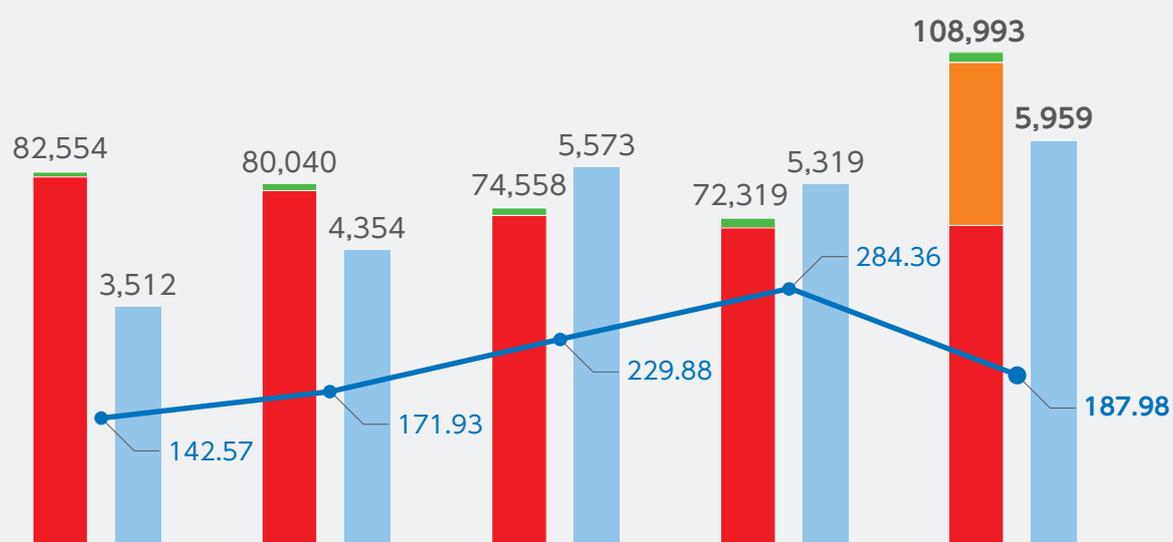
(Unit: million yen)

■

Net Income per Share

(Unit: yen)

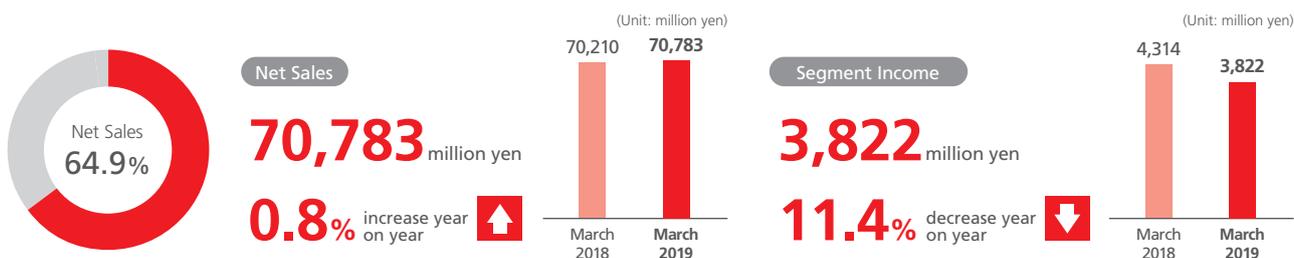
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	March 2015	March 2016	March 2017	March 2018	March 2019
■ Finance	1,142	1,550	1,547	2,107	2,306
■ Food	—	—	—	—	35,900
■ IT-Related	81,412	78,488	73,009	70,210	70,783

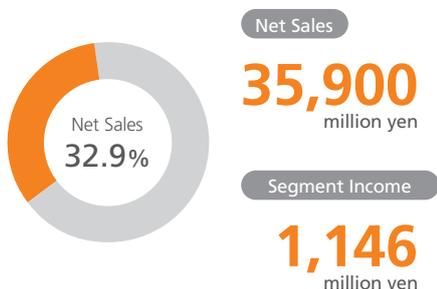
Consolidated Net Sales by Segment/Segment Income

IT-Related



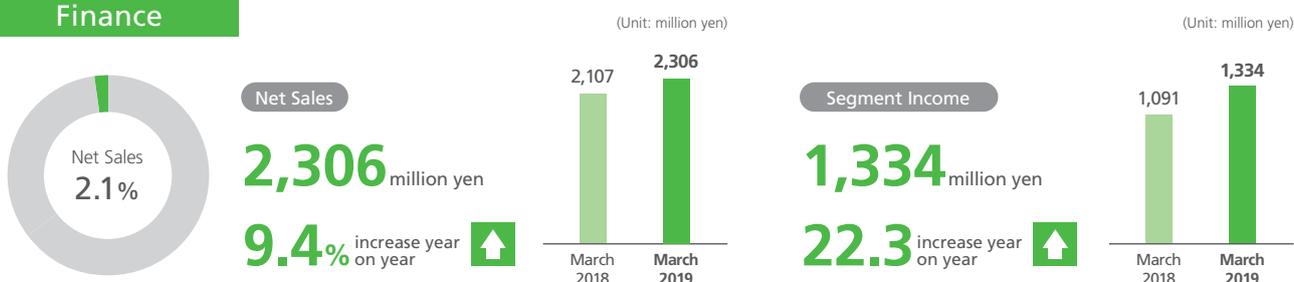
We have worked to expand sales of high value-added products in the market for personal customers. These products include Wi-Fi routers equipped with our unique mesh function that offers a stable connection anywhere in the home and external hard drives with a service that moves recorded programs off the device before drive failure occurs. In addition, we also strove to strengthen our relationship with partners skilled in PR activities and education-related areas. We did this to continue increasing the number of installations of wireless LAN devices developed for commercial use in schools. We received a lot of response in the service field. For example, the number of orders accepted for the Buffalo Regular Data Recovery Service exceeded a cumulative total of 14,000. Moreover, the cumulative number of units our Apartment Wi-Fi Internet service for rental properties has been installed in exceeded 60,000. Even so, costs took priority due to the impact of an increase in personnel by strengthening our service structure. As a result, sales were 70,783 million yen (up 0.8% year on year) and segment income was 3,822 million yen (down 11.4% year on year).

Food



We increased sales of cold-related products, such as Ryusui noodles that can be prepared without boiling by simply using cold water to unravel them, in the first half of the year against seasons of high heat. Sales of time-limited products (e.g., New Year's soba noodles) were also strong in the market for family use in the second half of the year. Nevertheless, sales of seasonal products (e.g., hot pot noodles) were sluggish due to the excessive days with high temperature. On the other hand, we worked to strengthen the sales of healthy products. These include Ryusui noodles, which celebrated their 30th anniversary this year, and Hon Udon Noodles with zero table salt or 40% reduced sugar. In addition, we gave consideration to the ease of eating and health of elderly people in the commercial market. We looked to quantitatively expand Kizami Udon (finely cut noodles with zero salt) and basic products that address the labor shortage problem in the restaurant industry. However, profits were sluggish. This was due to the impact of a significant increase in raw ingredient prices and energy costs. As a result, sales were 35,900 million yen and segment income was 1,146 million yen.

Finance



Sales were steady in the second half of the year. This was despite being under severe market conditions with a simultaneous decline in stock prices across the world. Sales were 2,306 million yen (up 9.4% year on year) and segment income was 1,334 million yen (up 22.3%).

Interviews with Buffalo Employees

Challenges Facing Program Recording Data Cleared in a Timely Manner in Line with Changes to the Law

Storage Products & Services Business Unit

Tomohiro Hatada, Storage Marketing Section
Daisuke Hamatake, Storage Development Section

It was not possible to watch recorded TV programs by just simply moving it to another hard drive. In addition, data could not be recovered after the drive fails. Therefore, there was a need for a solution for data loss due to drive failure. The Mimamori Aizu for AV, installed onto hard drives, is an application of a function found on PC hard drives and uses LEDs to inform users of drive abnormalities prior to drive failure. In addition, we developed the Recorded Program Moving Service to support this. It is a service in which all recorded data linked by TV and HDD can be transferred. It had not been possible to develop this service due to the provisions in the Copyright Act in the past. We conceived of this idea three years ago and started development on it one year ago. We had already completed a blueprint as a feasible service in case the act was revised. Accordingly, we were able to provide this service at the same time as the revision to the act was enforced.



HD-LDS-A Series



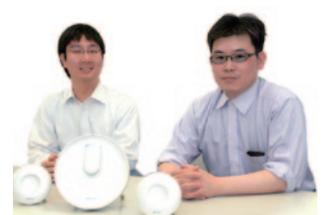
HDV-SAMU3-A Series

Extensive Repetition of Hypotheses and Verifications Has Realized Comfortable Wi-Fi throughout the Home

Broadband Solutions Business Unit

Satoru Yamaguchi and Takahiro Kano,
No. 1 Development Section

The IoT era is one in which various devices are connected on networks. High speed and strong radio waves are needed everywhere in order to utilize cutting edge devices to the maximum possible extent. AirStation connect provides a stable Wi-Fi environment in all corners of a house by constructing a communications network called a “mesh network” that is composed of a base unit and relay devices. The engineers thoroughly repeated hypotheses and verifications of communication routes in a model house. They then proceeded with tuning in line with actual usage situations instead of a theoretical basis. The unique algorithm based on those results is the crystallization of those efforts. We would like to continue performing analysis in the future by reacting to comments from users on this mesh network product that is a first for Buffalo. We would then like to further improve it.



WTR-M2133HP/E2S Series

Continued to Be Loved for 30 Years: Ryusui Noodles Continue to Evolve with Our Unique Technological Strengths

Ryusui noodles, which can be eaten just by unraveling them in cold water, were created in May 1988. This product started with four types (e.g., zaru soba noodles and cold noodles) and has since grown into a product group exceeding 29 types (as of the end of May 2019) over 30 years and developed into a widely-loved brand thanks to repeated creative and ingenious product updates while adapting to structural and lifestyle changes in the population as a leading noodle company.



Ryusui Noodles
(Udon Noodles)



Ryusui Noodles
(Soba Noodles)

*Limited 30th anniversary packaging

Secret Story of the Development of Ryusui Noodles

The impetus to develop this product came from a decline in the consumption of boiled noodles in the summer. "I don't want to use hot water because it is the summer." "I don't like boiling udon noodles." It was comments like these that inspired the idea of noodles that can be eaten without boiling in which no heat is used. Initially, this was a seasonal product. However, it is now used throughout the year. We will continue to provide Ryusui noodles with more deliciousness to eat and convenience to cook without boiling!



List of Awards Won in the Past by Ryusui Noodles



Melco Group Kendo Club: Targeting the Final Eight in 2019

The Melco Group Kendo Club was launched with President and CEO Hiroyuki Maki, who is experienced in kendo, serving as its leader in April 2018. We have joined the All Japan Corporations and Companies Kendo Federation and the Kanto Corporations and Companies Kendo Federation. We participated in the 60th Anniversary Kanto Corporations and Companies Kendo Tournament in June 2018. (We were eliminated in the third round). We then entered into the 61st All Japan Corporations and Companies Kendo Tournament in two teams in September of that year. (The Head Office Team A was eliminated in the fourth round while the Kayabacho Team B was eliminated in the second round.) In addition, one of our members participated in the adult and senior section of the 22nd All-Japan Corporations and Companies Women's and Adult/Seniors Kendo Tournament in March 2019. We train two to three times a month mostly on the weekends. We have 17 male members and one female member – a total of 18 members (current as of March 2019). We are now seeking female members to participate in female team events. Our target for this fiscal year is to reach the final eight at both the All Japan Corporations and Companies Kendo Tournament and the Kanto Corporations and Companies Kendo Tournament. Please cheer us on.



Consolidated Balance Sheet

(Unit: million yen)

Item	Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2018
1 Assets		
Current assets	67,229	56,596
Fixed assets	21,446	9,421
Tangible fixed assets	14,264	928
Intangible fixed assets	1,068	861
Investments, etc.	6,113	7,631
Total assets	88,675	66,018
2 Liabilities		
Current liabilities	28,510	18,502
Long term liabilities	5,397	1,018
Total liabilities	33,907	19,520
3 Net assets		
Shareholders' equity		
Capital	1,000	1,000
Capital surplus	4,411	902
Retained earnings	57,441	55,146
Treasury stock	△7,973	△10,791
Total shareholders' equity	54,878	46,257
Accumulated other comprehensive income		
Net unrealized gains (losses) on other securities	146	445
Deferred gains or losses on hedges	28	△27
Foreign currency translation adjustments	△160	△98
Remeasurements of defined benefit plans	△144	△79
Total accumulated other comprehensive income	△130	239
Subscription right to shares	19	—
Total net assets	54,767	46,497
Total liabilities and net assets	88,675	66,018

Notes

1. We have given the listed amounts by rounding down to the nearest million yen.
2. (Reference) We have given amounts for which we have retrospectively applied the changes to our accounting policy in line with the revision to the accounting standards for the listed amounts in the previous fiscal year.

POINT

1 Assets

Total assets for the fiscal year ended March 31, 2019 were 88,675 million yen – an increase of 22,657 million yen compared to the end of the previous consolidated fiscal year. Current assets totaled 67,229 million yen – an increase of 10,632 million yen. This change was mainly due to a 2,772 million yen increase in cash and deposits, a 4,253 million yen increase in notes and accounts receivable, and a 1,991 million yen increase in goods and products. Fixed assets totaled 21,446 million yen – an increase of 12,024 million yen. This change was mainly due to a 13,335 million yen increase in tangible fixed assets and a 1,517 million yen decrease in investments, etc.

2 Liabilities

Total liabilities for the fiscal year ended March 31, 2019 were 33,907 million yen – an increase of 14,387 million yen compared to the end of the previous consolidated fiscal year. Current liabilities were 28,510 million yen – an increase of 10,008 million yen. This change was mainly due to a 1,480 million yen increase in notes and accounts payable, a 5 billion yen increase in short-term debt, current portion of long-term debt of 1,074 million yen, and a 1,321 million yen increase in accrued expenses. Long term liabilities totaled 5,397 million yen – an increase of 4,378 million yen. This change was mainly due to a 2,759 million yen increase in long-term debt and a 1,738 million yen increase in defined benefit plans.

3 Net Assets

Total net assets for the fiscal year ended March 31, 2019 were 54,767 million yen – an increase of 8,270 million yen compared to the end of the previous consolidated fiscal year. This change was mainly due to a 3,508 million yen increase in capital surplus, a 2,294 million yen increase in retained earnings, and a 2,817 million yen decrease in treasury stock.

Consolidated Income Statement (Unit: million yen)

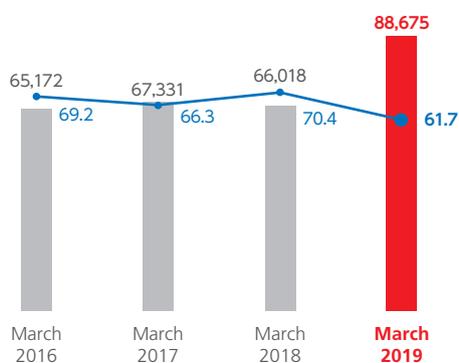
Item	Fiscal Year From April 1, 2018 to March 31, 2019	Fiscal Year From April 1, 2017 to March 31, 2018
Net sales	108,993	72,319
Cost of sales	80,239	53,099
Selling, general and administrative expenses	22,794	13,900
Operating income	5,959	5,319
Non-operating income	1,083	1,066
Non-operating expenses	522	27
Ordinary income	6,520	6,359
Extraordinary income	249	1
Extraordinary loss	1,029	8
Net income before taxes and other adjustments	5,741	6,352
Income, resident and enterprise taxes	1,692	1,392
Income taxes – deferred	245	△204
Net income attributable to parent company shareholders	3,802	5,164

Consolidated Cash Flow Statement (Unit: million yen)

Item	Fiscal Year From April 1, 2018 to March 31, 2019	Fiscal Year From April 1, 2017 to March 31, 2018
Cash flows from operating activities	5,577	4,090
Cash flows from investing activities	△2,083	△733
Cash flows from financing activities	△710	△3,579
Effect of exchange rate changes on cash and cash equivalents	△24	△28
Net increase (decrease) in cash and cash equivalents	2,758	△250
Cash and cash equivalents at the beginning of the period	4,344	4,595
Increase of cash and cash equivalents after consolidation	13	—
Cash and cash equivalents at the end of the period	7,117	4,344

Total Assets (Unit: million yen)

Capital to Asset Ratio (Unit: %)



Notes

- We have given the listed amounts by rounding down to the nearest million yen.
- (Reference) We have given amounts for which we have retrospectively applied the changes to our accounting policy in line with the revision to the accounting standards for the listed amounts in the previous fiscal year.

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MELCO HOLDINGS IR

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Company Information

Japan

MELCO HOLDINGS INC.

<p>Company Name Melco Holdings Inc.</p> <p>Date of Incorporation July 1, 1986</p> <p>Capital Stock 1,000 million yen</p> <p>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.</p> <p>Number of Employees Non-consolidated: 28 Melco Group consolidated: 1,822</p> <p>Number of Group Companies 23 (17 in Japan; 6 overseas)</p>	<p>Board Members (Current as of June 21, 2019)</p> <table border="0"> <tr> <td>President and CEO Hiroyuki Maki</td> <td>Director Kenichi Fukuhara</td> </tr> <tr> <td>Executive Vice President Tamio Matsuo</td> <td>Director Ichiro Hirata</td> </tr> <tr> <td>Director Takehiko Inoue</td> <td>Full-time Corporate Auditor Masanao Tsuzuki</td> </tr> <tr> <td>Director Norio Kinoshita</td> <td>Auditor Akio Oguri</td> </tr> <tr> <td>Director Kuniaki Saiki</td> <td>Auditor Kazuo Ueda</td> </tr> <tr> <td>Director Iwao Tsusaka</td> <td>Auditor Shinji Shibagaki</td> </tr> <tr> <td>Director Tadashi Nakamura</td> <td>Auditor Masashi Kitamura</td> </tr> </table>	President and CEO Hiroyuki Maki	Director Kenichi Fukuhara	Executive Vice President Tamio Matsuo	Director Ichiro Hirata	Director Takehiko Inoue	Full-time Corporate Auditor Masanao Tsuzuki	Director Norio Kinoshita	Auditor Akio Oguri	Director Kuniaki Saiki	Auditor Kazuo Ueda	Director Iwao Tsusaka	Auditor Shinji Shibagaki	Director Tadashi Nakamura	Auditor Masashi Kitamura
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Director Tadashi Nakamura	Auditor Masashi Kitamura														

BUFFALO INC.

<p>Company Name Buffalo Inc.</p> <p>Date of Foundation May 1, 1975</p> <p>Date of Incorporation August 5, 1978</p> <p>Capital Stock 320 million yen</p> <p>Business Activities Development, manufacture and sale of digital home appliances and PC peripherals Data recovery service</p> <p>Number of Employees 512</p>	<p>Board Members (Current as of August 1, 2019)</p> <table border="0"> <tr> <td>President and CEO Hiroyuki Maki</td> <td>Director Daisuke Maki</td> </tr> <tr> <td>Executive Vice President Tamio Matsuo</td> <td>Director Yoshitaka Ikeda</td> </tr> <tr> <td>Managing Director Taiji Watanabe</td> <td>Director Kazunori Yokoi</td> </tr> <tr> <td>Managing Director Shingo Tanaka</td> <td>Director Takashi Nishiwaki</td> </tr> <tr> <td>Managing Director Manabu Wada</td> <td>Director Takeshi Maeda</td> </tr> <tr> <td>Director Ryousuke Yoshizaki</td> <td>Director Katsumi Iwasaki</td> </tr> <tr> <td>Director Masaya Ishimaru</td> <td>Auditor Haruyuki Takefuji</td> </tr> <tr> <td>Director Manabu Yano</td> <td></td> </tr> </table>	President and CEO Hiroyuki Maki	Director Daisuke Maki	Executive Vice President Tamio Matsuo	Director Yoshitaka Ikeda	Managing Director Taiji Watanabe	Director Kazunori Yokoi	Managing Director Shingo Tanaka	Director Takashi Nishiwaki	Managing Director Manabu Wada	Director Takeshi Maeda	Director Ryousuke Yoshizaki	Director Katsumi Iwasaki	Director Masaya Ishimaru	Auditor Haruyuki Takefuji	Director Manabu Yano	
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Director Masaya Ishimaru	Auditor Haruyuki Takefuji																
Director Manabu Yano																	

Shimadaya Corporation

<p>Company Name Shimadaya Corporation</p> <p>Date of Foundation July 20, 1931</p> <p>Date of Incorporation March 4, 1949</p> <p>Capital Stock 1,000 million yen</p> <p>Business Activities Manufacture and sale of noodles and related food products</p> <p>Number of Employees 323</p>	<p>Board Members (Current as of May 14, 2019)</p> <table border="0"> <tr> <td>President and CEO Norio Kinoshita</td> <td>Director Ryuta Sugiyama</td> </tr> <tr> <td>Senior Managing Director Shinichiro Soma</td> <td>Director Tamio Matsuo</td> </tr> <tr> <td>Managing Director Nobuyuki Obara</td> <td>Auditor Mitsuru Arai</td> </tr> <tr> <td>Managing Director Isao Iwata</td> <td>Auditor Seishi Toyooka</td> </tr> <tr> <td>Managing Director Kenji Okada</td> <td></td> </tr> </table>	President and CEO Norio Kinoshita	Director Ryuta Sugiyama	Senior Managing Director Shinichiro Soma	Director Tamio Matsuo	Managing Director Nobuyuki Obara	Auditor Mitsuru Arai	Managing Director Isao Iwata	Auditor Seishi Toyooka	Managing Director Kenji Okada	
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Managing Director Kenji Okada											

CFD SALES INC.

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

BIOS CORPORATION

Development, manufacture and sale of storage-related products

MELCO SYNCRETS INC.

Development and sale of audio equipment and related products

BUFFALO IT SOLUTIONS INC.

Network infrastructure construction and maintenance services

Advanced Design Corp.

Data recovery/erasure/conversion services and manufacture and sale of 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

(Current as of March 31, 2019)

Stock

Number of Shares Outstanding 22,237,873
(including 2,537,468 treasury stocks)

Number of Shareholders 4,378

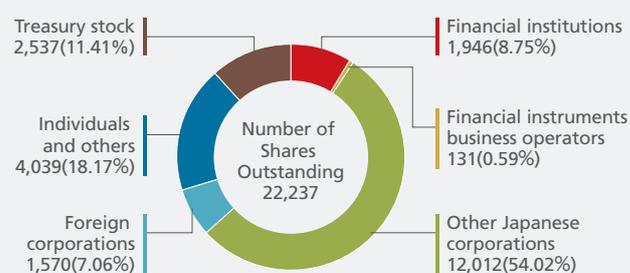
Major Shareholders (Top 10)

Shareholder Name	Number of Shares Held (1,000 Shares)	Shareholding Ratio (%)
Makis Inc.	11,308	57.40(50.85)
Hiroyuki Maki	617	3.14(2.78)
Daisuke Maki	617	3.14(2.78)
The Bank of Nagoya, Ltd.	501	2.55(2.26)
The Melco Foundation	500	2.54(2.25)
Jun Maki	395	2.01(1.78)
The Master Trust Bank of Japan, Ltd. (trust account)	384	1.95(1.73)
GOVERNMENT OF NORWAY	287	1.46(1.29)
Hidetomo Oka	259	1.32(1.17)
Hiroimi Maki	199	1.01(0.90)

Notes:

- The number of shares held has been rounded down to the nearest one thousand
- We have calculated the shareholding ratio based on the total number of outstanding shares less treasury stocks. We have then given this ratio by rounding up/down the figures to the second decimal place. The shareholding ratio in the parentheses () is calculated based on the total number of outstanding shares including treasury stock.

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



Notes:

- The number of shares held has been rounded down to the nearest one thousand.
- The composition ratio has been rounded off to the second 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 https://melco-hd.jp/koukoku/
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 •Telephone Inquiries 0120-782-031 (Toll free) 9:00 to 17:00 (Except on Saturdays, Sundays and public holidays)
Managing underwriter:	(Main) Daiwa Securities (Secondary) Nomura Securities, Mizuho Securities and SMBC Nikko Securities

MELCO HOLDINGS INC. (Securities code: 6676)

Tokyo Headquarters:	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo, 104-0033 Japan TEL: 81-3-3523-2250
Nagoya Headquarters:	Akamon-dori Bldg., 3-30-20 Ohsu, Naka-ku, Nagoya, 460-8315 Japan TEL: 81-52-251-6891 FAX: 81-52-249-6609

Cover Photo

This photo was taken at Mel Shop in the Radio Center Ameyoko Bldg., in Osu, Nagoya in 1978. Makoto Maki is in the center (29 years old at that time).

Website Guide

MELCO HOLDINGS INC.

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



<https://melco-hd.jp>

BUFFALO INC.

Provides product/service information and application cases and support information.



<https://www.buffalo.jp>

Shimadaya Corporation

Introduces a variety of information on recommended recipes and products.



<https://www.shimadaya.co.jp>