

**Consolidated Financial Results  
for the Nine Months Ended December 31, 2020  
(Prepared in Accordance with IFRS)**

February 4, 2021

**KONAMI HOLDINGS CORPORATION**

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 Stock code number, TSE: 9766  
 Ticker symbol, LSE: KNM  
 URL: <https://www.konami.com/>  
 Shares listed: Tokyo Stock Exchange and London Stock Exchange  
 Representative: Kimihiko Higashio, Representative Director, President  
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 (Phone: +81-3-6636-0589)  
 Beginning date of dividend payment: -

(Amounts are rounded to the nearest million, except percentages and per share amounts)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2020**

**(1) Consolidated Results of Operations**

(Millions of Yen, except percentages and per share amounts)

	Revenue	Business profit	Operating profit	Profit before income taxes	Profit for the period	Profit attributable to owners of the parent
Nine months ended December 31, 2020	191,930	45,803	40,529	39,521	27,006	27,003
% change from previous year	(0.6)%	36.4%	69.0%	68.2%	65.6%	65.6%
Nine months ended December 31, 2019	193,106	33,585	23,976	23,494	16,312	16,309
% change from previous year	0.2%	(16.6)%	(39.2)%	(40.0)%	(40.1)%	(40.1)%

Total comprehensive income for the period: Nine months ended December 31, 2020: ¥26,294 million; 65.5%

Nine months ended December 31, 2019: ¥15,885 million; (43.5)%

Note) Business profit is calculated by deducting "cost of revenue" and "selling, general and administrative expenses" from "revenue."

	Basic earnings per share (attributable to owners of the parent) (yen)	Diluted earnings per share (attributable to owners of the parent) (yen)
Nine months ended December 31, 2020	202.70	199.46
Nine months ended December 31, 2019	120.60	118.80

**(2) Consolidated Financial Position**

(Millions of Yen, except percentages and per share amounts)

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
December 31, 2020	482,896	291,305	290,500	60.2%
March 31, 2020	419,134	268,943	268,141	64.0%

## 2. Cash Dividends

Record Date	Cash dividends per share (yen)				
	First quarter end	Second quarter end	Third quarter end	Year end	Annual
Year ended March 31, 2020	-	38.00	-	7.00	45.00
Year ending March 31, 2021	-	22.50	-		
Year ending March 31, 2021 (Forecast)				22.50	45.00

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2021 during the three months ended December 31, 2020: No

## 3. Consolidated Earnings Forecast for the Year Ending March 31, 2021

It is difficult to reasonably calculate the impact of the coronavirus outbreak on our projected consolidated results at present. Projected consolidated results for the fiscal year ending March 31, 2021 has consequently not been determined. We will carefully assess the projections and announce it promptly when we can disclose it.

### Noted Items

**(1) Changes in significant consolidated subsidiaries during the period (status changes of subsidiaries due to changes in the scope of consolidation):** None

**(2) Changes in accounting policies and accounting estimate**

1. Changes in accounting policies required by IFRS: No
2. Other changes: Yes
3. Changes in accounting estimate: No

**(3) Number of shares issued (Share capital)**

1. Number of shares issued: (Treasury shares included)

As of December 31, 2020	143,500,000 shares
As of March 31, 2020	143,500,000 shares
2. Number of treasury shares:

As of December 31, 2020	10,286,091 shares
As of March 31, 2020	10,285,500 shares
3. Average number of shares outstanding:

Nine months ended December 31, 2020	133,214,348 shares
Nine months ended December 31, 2019	135,232,809 shares

***Earnings release (Kessan Tanshin) regarding these consolidated financial results is not subject to auditing procedures.***

***Cautionary statement with respect to forward-looking statements and other matters:***

Statements made in this document with respect to our current plans, estimates, strategies and beliefs, including the above forecasts, are forward-looking statements about our future performance. These statements are based on management's assumptions and beliefs in light of information currently available to it and, therefore, you should not place undue reliance on them. A number of important factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include, but are not limited to: (i) changes in economic conditions affecting our operations; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (iii) our ability to continue to win acceptance of our products, which are offered in highly competitive markets characterized by the continuous introduction of new products, rapid developments in technology and subjective and changing consumer preferences; (iv) the timing of the release of new game titles and products, especially game titles and products that are part of historically popular series; (v) our ability to successfully expand internationally with a focus on our Digital Entertainment, Amusement, and Gaming & Systems businesses; (vi) our ability to successfully expand the scope of our business and broaden our customer base through our Sports business; (vii) regulatory developments and changes and our ability to respond and adapt to those changes; (viii) our expectations with regard to further acquisitions and the integration of any companies we may acquire; and (ix) the outcome of existing contingencies.

Please refer to page from 9 to 12 for further information regarding our business forecasts.

KONAMI HOLDINGS CORPORATION (the "Company") disclosed the supplemental data for the consolidated financial statements via the Company's website on February 4, 2021.

# 1. Business Performance

## (1) Analysis of Business Performance

### (1) Business Overview

For the nine months ended December 31, 2020, the economy remains stagnant with global restrictions on social and economic activities, due to the coronavirus outbreak. As governments of various nations struggle to simultaneously execute measures to avoid infection and restart social and economic activities, it is expected that world-wide economic recovery requires more time.

Under such circumstances, revenues of some business segments were impacted from temporal closures to prevent the coronavirus outbreak as well as world-wide economic slowdown during the three months ended June 30, 2020. Meanwhile, strong performance of products and services in the Digital Entertainment business including mobile games, computer and video games and card games led to the significant increase in profit. Thus, business profit, operating profit and profit before income tax of Konami Group for the nine months ended December 31, 2020 have all reached a record high.

Starting from the three-month period ended December 31, 2020, the name of the profit, which is calculated by deducting “cost of revenue” and “selling, general and administrative expenses” from “revenue,” has been defined as “Business profit.”

In terms of the consolidated results for the nine months ended December 31, 2020, total revenue amounted to ¥191,930 million (a year-on-year decrease of 0.6%), business profit was ¥45,803 million (a year-on-year increase of 36.4%), operating profit was ¥40,529 million (a year-on-year increase of 69.0%), profit before income taxes was ¥39,521 million (a year-on-year increase of 68.2%), and profit attributable to owners of the parent was ¥27,003 million (a year-on-year increase of 65.6%).

## (2) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	% change
<b>Total revenue:</b>			
Digital Entertainment	¥108,667	¥144,633	33.1
Amusement	16,487	11,266	(31.7)
Gaming & Systems	22,980	11,754	(48.8)
Sports	46,192	25,925	(43.9)
Intersegment eliminations	(1,220)	(1,648)	-
Total revenue	¥193,106	¥191,930	(0.6)

### Digital Entertainment

In the entertainment market, future development of game contents is expected through the functional enhancement of various devices, including mobile devices and video game consoles, and the standardization of next generation communication systems. In conjunction with the changing times, the preference for enriching daily life through full and abundant experiences in personal spending has been strengthened. In the game industry, new experiences through game content are being offered in various ways, including eSports, which is regarded as a form of sports competition and is becoming well-known to a wide range of users and attracting more and more fans.

Under such circumstances, in the global market, as for mobile games in the Digital Entertainment segment, updated *eFootball Winning Eleven 2021* (Known overseas as *eFootball PES 2021*) and *Yu-Gi-Oh! DUEL LINKS* led our revenue. Furthermore, *Contra Anniversary Collection* and *Castlevania Anniversary Collection* were delivered via Luna, Amazon's cloud gaming service. In the domestic market, *PROFESSIONAL BASEBALL SPIRITS A (Ace)* that marked fifth anniversary since its release has continued perform strongly and various titles, including *JIKKYOU PAWAFURU PUROYAKYU*, have received favorable reviews.

As for card games, we continued to expand *Yu-Gi-Oh! TRADING CARD GAME* globally and received favorable reviews in the global and domestic market even in the coronavirus crisis. *Yu-Gi-Oh! RUSH DUEL* has also received favorable reviews with the introduction of a new rule, "Maximum Summon."

As for computer and video games, *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban* was released and its cumulative production shipments for the nine months ended December 31, 2020 had a good start to reach over one and a half million units. Furthermore, the shipments have reached over two and a half million units as of January 2021. As for the *eFootball Winning Eleven 2021 SEASON UPDATE* (Known overseas as *eFootball PES 2021 SEASON UPDATE*), *eFootball Winning Eleven 2021 LITE* was released, which allows users to enjoy popular online mode "myClub" for free with basic gameplay. In addition, the game was also released for Steam®, a PC

game digital distribution platform, in the domestic market with expanded content. We made an announcement that “*Yu-Gi-Oh! RUSH DUEL*” (tentative title) for Nintendo Switch™ is under development.

As part of our continued active efforts in eSports, with taking its advantage, we continued to provide various contents via online for fun of the customers under the circumstance that our activities are limited by the coronavirus outbreak. A total of ten major European clubs have joined the “eFootball League 2020-21 Season,” the official eSports tournament for the *Winning Eleven* series, where the tournament was divided into two categories: “eFootball.Pro,” a professional tournament and “eFootball.Open,” a tournament open to all players. In addition, the “eBASEBALL Pro League,” which is organized along with Nippon Professional Baseball (NPB), 2020 season has begun and is attracting many fans continuously by delivering exciting matches every day of the week, except for on Mondays, just like the real professional baseball league. Furthermore, we hosted various qualifying rounds and regional tournaments, such as the “PAWAPURO APP CHAMPIONSHIPS” for the mobile game *JIKKYOU PAWAFURU PUROYAKYU*, “Prospi A CHAMPIONSHIPS” for *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, and “PROFESSIONAL BASEBALL SPIRITS Championship Tournament 2020” for the console game *PROFESSIONAL BASEBALL SPIRITS 2019*. “National Prefectural Competition eSports Championship 2020 KAGOSHIMA” was held as an online competition where the best players in Japan were decided for each title for the *eFootball Winning Eleven* series and *eBASEBALL PAWAFURU PUROYAKYU 2020*.

In terms of financial performance, total revenue for the nine months ended December 31, 2020 in this segment amounted to ¥144,633 million (a year-on-year increase of 33.1%) and business profit for the nine months ended December 31, 2020 amounted to ¥52,120 million (a year-on-year increase of 79.4%).

## **Amusement**

In the amusement industry market, the coronavirus outbreak around the world had an effect on sales of amusement machines and e-amusement participation (revenue share business) due to temporal closure of amusement facilities. The facilities in Japan have resumed operations since state-of-emergency declaration from government and business suspension request from local governments were lifted last year and the number of visitors has been recovering in phases, however, the domestic market is uncertain at present. As for the global market, recovery will take more time.

Under such circumstances, in regard to our video games for amusement facilities, *BUSOU SHINKI: Armored Princess Battle Conductor* was released. In addition, *MAH-JONG FIGHT CLUB 3*, the latest title in the *FEATURE Premium* series, *Magical Halloween 7* and *GIRL'S KEIRIN: GI Fairy Grand Prix* were released. In regard to “KONAMI AMUSEMENT GAME STATION,” which delivers arcade games to PCs and

smartphones, various titles were released, such as the music games *pop'n music Lively* and *GITADORA* and medal game *Medal corner*. The eSports event “BEMANI PRO LEAGUE ZERO” was held without spectators as we took measures to prevent the coronavirus outbreak, where players competed in exciting matches.

In terms of financial performance, total revenue for the nine months ended December 31, 2020 in this segment amounted to ¥11,266 million (a year-on-year decrease of 31.7%) and business profit for the nine months ended December 31, 2020 amounted to ¥1,196 million (a year-on-year decrease of 68.2%).

### **Gaming & Systems**

In the gaming market, various measures were taken by governments of each nation to mitigate the coronavirus outbreak. As a result, casino facilities were closed temporarily from March 2020, except in some areas. Although certain restrictions remain, most of casino facilities in the U.S. have resumed operations in phases and the market is recovering. It will take time for the market to fully recover under this severe business environment due to continued travel restrictions, however, the market is expected to recover gradually.

Under these circumstances, we launched a new slot machine, the *DIMENSION 49J™* featuring a “J” curve display dedicated to participation (revenue share business). In addition, we recognized revenue for the sale of slot machines, including our core *KX 43™* upright cabinet and the *DIMENSION 27™*, as well as revenue from participation agreements (in which profits are shared with casino operators). The *SYNKROS®* casino management system was introduced into major casino operators in the North American and Australian markets, and new contracts were also executed.

In terms of financial performance, total revenue for the nine months ended December 31, 2020 in this segment amounted to ¥11,754 million (a year-on-year decrease of 48.8%) and business loss for the nine months ended December 31, 2020 amounted to ¥1,486 million (business profit for the nine months ended December 31, 2019 amounted to ¥2,423 million).

### **Sports**

Through the change of lifestyle, such as voluntary stay-at-home to avoid the coronavirus outbreak and encouraged work-from-home, concerns about health effects which are caused by lack of exercise and feeling stressed are socially growing. In connection with the sports industry, improved hygiene managements and new services for health have been required so that customers can exercise safely.

Under such circumstances, state-of-emergency declaration from government and business suspension request from local governments forced us to take measures to

avoid the coronavirus outbreak, such as temporal closure of both directly managed and outsourced facilities and shortened business hours. As a result, total revenue from this business decreased. In addition to complying with the guidelines determined by general incorporated association FIA (Fitness Industry Association of Japan), we are taking measures to prevent the coronavirus outbreak in line with our company standards, such as ozone sanitization, which has been proven to inactivate COVID-19, the introduction of an online fitness reservation system, and online announcements regarding crowding situations at our facilities to avoid outbreaks and the “Three Cs” with the highest priority of ensuring safety and security of customers and employees.

As for the operation of outsourced facilities, the facilities are forced to be closed temporarily and shortened its business hours due to requests mainly from local governments and corporate companies entering into contracts. Meanwhile, we started the operation of new outsourced facilities such as the Kawasaki Shimin Plaza (Kawasaki City, Kanagawa Prefecture), Sakai City Ebara Oike Gymnasium (Sakai City, Osaka Prefecture), and Oita City Comprehensive Gymnasium (Oita City, Oita Prefecture) using our know-how accumulated through sports club operation over many years.

We continue to enhance our products and services, including delivering original Konami Sports Club exercise videos for free, providing a variety of home fitness equipment via official online shop. We are also focusing on the need to address concerns about exercising at our facilities under the current situation and increasing opportunities to exercise at home.

In terms of financial performance, total revenue for the nine months ended December 31, 2020 in this segment amounted to ¥25,925 million (a year-on-year decrease of 43.9%) and business loss for the nine months ended December 31, 2020 amounted to ¥4,027 million (business profit for the nine months ended December 31, 2019 amounted to ¥2,203 million).

Please refer to “(1) Quarterly Condensed Consolidated Statement of Financial Position” and “(4) Quarterly Condensed Consolidated Statement of Cash Flows” in “2. Quarterly Condensed Consolidated Financial Statements and Notes” regarding the financial position and cash flows.



## (2) Outlook for the Fiscal Year Ending March 31, 2021

We are not able to reasonably calculate the impact on our projected consolidated results under the circumstances that we could not predict when the outbreak settles down and consumption trend recovers. Projected consolidated results for the fiscal year ending March 31, 2021 have not been determined consequently. We will carefully assess the projections and announce it promptly when we can disclose it.

As for the consolidated dividend forecast announced on September 23, 2020, the dividend on an annual basis for the fiscal year ending March 31, 2021 will be the same amount as the previous fiscal year ended March 31, 2020. The interim dividend was 22.50 yen per share and year-end dividend forecast will be 22.50 yen per share, as a result, the dividend forecast on an annual basis will be 45.00 yen per share.

We will calculate again the dividend on an annual basis to be at least 45.00 yen per share to achieve a consolidated payout ratio of more than 30 % as our basic policy, at the time when the consolidated earnings forecast for the fiscal year ending March 31, 2021 is able to become reasonably determined.

### Digital Entertainment

With the spread of entertainment offered through networks, the available means of providing games continue to diversify. Opportunities to reach an even greater audience for games are increasing. Against this background, we intend to develop ways of playing games that match the characteristics of each device.

As part of our new efforts, the mobile game *Yu-Gi-Oh! DUEL LINKS* (Known in China as 游戏王：决斗链接) was released in China, with the cooperation of Chinese company NetEase. We continue to develop *Yu-Gi-Oh! MASTER DUEL (Tentative title)* as well as *Yu-Gi-Oh! RUSH DUEL (Tentative title)* for Nintendo Switch™.

Furthermore, in regard to eSports, with the selection of “eBASEBALL PAWAFURU PUROYAKYU 2020” for “TOKYO eSPORTS FESTA 2021,” a thrilling online competition will start soon.

In regard to our continued efforts, we continue to attract many users by conducting events and promotions to meet user needs in various titles including *PROFESSIONAL BASEBALL SPIRITS A (Ace)* and *Yu-Gi-Oh! DUEL LINKS*. We continue to expand *Yu-Gi-Oh! TRADING CARD GAME* globally and attract more users for the new line up of *Yu-Gi-Oh! RUSH DUEL*. As for computer and video games, we continue to make efforts to acquire new users through effective sales promotions and expansions of game content, in particular with *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban*. In addition, we are working hard to develop *EDENS ZERO* for computer and video game as well as mobile game, which is based on a popular space fantasy comic.

As for eSports, we hold the final rounds to decide the best players for each title, such as the “Prospi A CHAMPIONSHIPS” for *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, “PROFESSIONAL BASEBALL SPIRITS Championship Tournament 2020” for *PROFESSIONAL BASEBALL SPIRITS 2019* and “PAWAPURO APP CHAMPIONSHIPS” for *JIKKYOU PAWAFURU PUROYAKYU*. In the “eBASEBALL Pro League” 2020 season, which is organized along with Nippon Professional Baseball (NPB), the “eClimax Series” and “eNippon Series” will be held to decide the best baseball clubs in Japan. Furthermore, in the “eFootball League 2020-21 Season,” the official eSports tournaments for the *Winning Eleven* series, we continue to hold two tournaments: “eFootball.Pro,” a professional tournament and “eFootball.Open,” a tournament open to all players. We will make sure to attract more eSports fans by promoting this brand-new sport.

### **Amusement**

Konami Group intends to provide new entertainment that can be delivered through person-to-person communication, including the e-amusement service which connects each amusement facility through network all over Japan. We continue to make efforts to expand the game content of our “KONAMI AMUSEMENT GAME STATION,” which delivers high-quality arcade games to devices, such as PCs and smartphones, through streaming and enables users to play the games anytime using cloud gaming. Furthermore, we will hold “The 10th KONAMI Arcade Championship,” which is an official eSports tournament that decides the best arcade game players. By delivering new user experiences through the competition, we intend to provide new and fun entertainment with our KONAMI game titles, which are sure to attract both players and spectators. In regard to new amusement machines, various titles are intended to be released, such as the music game *SOUND VOLTEX-Valkyrie model-*, medal games *Anima Lotta: A Tale of Anima and Stars* and *FORTUNE TRINITY: Treasure Festival of Spirits*, and pachislot game *MAH-JONG FIGHT CLUB SHIN*. We are making efforts to vitalize the amusement market through these releases.

The impact of the coronavirus outbreak on its future business activities is uncertain at present, thus it is expected to continue to affect the financial performance of the fiscal year ending March 31, 2021 onwards.

### **Gaming & Systems**

In our slot machine business, we will add our latest *DIMENSION™* series cabinets to our lineup in addition to our core *KX 43™*. We will also expand our video slot game *All Aboard*, which has been well received in the Australian market, to the North American market, and promote the expansion of game content against the backdrop of its high performance and enhance KONAMI’s presence in the market.

In our casino management system business, in addition to new installations of *SYNKROS*<sup>®</sup> to large casino facilities in North America and Australia, we introduced new functionality which will endeavor to enhance and strengthen our product appeal including *SynkConnect*<sup>™</sup>, which allows the user to display and manage their own account on their mobile device, *SynkVision*, which provides optimal information to players using the latest biometric authentication technology, and a money laundering prevention system, *SYNK31*<sup>™</sup>.

The coronavirus outbreak is expected to continue to impact on our future business activities and the financial performance of the fiscal year ending March 31, 2021 onwards, depending on when the outbreak settles down, when the restrictions on overseas travel and operation of casino facilities are lifted, and when business conditions of companies and the number of visitors recover. Meanwhile, we are working hard to improve the earnings through various measures including cost reductions.

## **Sports**

We continue to strive to provide our fitness services that enable as many customers as possible to engage in sports and exercise safely and that contribute to the improvement of physical and mental health. In the operation of our sports clubs, we strive to prevent the coronavirus outbreak by further measures including hygiene management for employees, fully cleaning and ventilation of the facilities and health checks of customers when they come to use the facilities in addition to complying with the guidelines determined by general incorporated association FIA (Fitness Industry Association of Japan), so that our customers can exercise safely.

As for the operation of outsourced facilities, which is a business model expanding a network without capital assets, outsourcing contracts for sports facility operations were closed with several local governments. We have started the operation of new outsourced facilities in Funabashi City, Chiba Prefecture since January 2021 and are scheduled to start the operations in Toyonaka City, Osaka Prefecture, Chuo-ku, Tokyo and Kawasaki City, Kanagawa Prefecture from April 2021. Furthermore, we will start the operation of outsourced facility for “Funabashi City General Gymnasium” from April 2021, which is home arena of CHIBA JETS, a top team in Japan Professional Basketball League B.LEAGUE B1.

In regard to “Undo Juku,” our fitness program for children, we formed a business alliance with Hulic Co.,Ltd., a company that handles real estate leasing, and Riso Kyoiku Co.,Ltd., a company that is engaged in educational business for children, such as one-on-one private tuition schools and childcare education. Through this alliance, we continue to make efforts to provide one-stop services for children, utilize vacant facilities belonging to each company and expand “Undo Juku.”

The coronavirus outbreak is expected to continue to affect the financial performance of the fiscal year ending March 31, 2021 onwards due to changes in the number of memberships and other factors. We will make sure to reform our

cost structure through reductions in fixed costs, including reductions in personnel costs and strategic closure of unprofitable facilities, to overcome this challenging environment surrounding the sports business. Furthermore, we endeavor to provide products and services that are tailored to changing values that come with the establishment of a new-normal lifestyle, including the expansion of services at outsourced facilities, enhancement of exercise guidance to address the needs of local governments and corporate customers, introduction of online fitness services and support programs for running and walking outside of facilities that are in demand given the current situation, and improvement of product development and sales by leveraging our membership base. Through these efforts, we make sure to improve profit structure.

**Special Note:**

This document contains “forward-looking statements,” or statements related to future events that are based on management’s assumptions and beliefs in light of information currently available. These statements are subject to various risks and uncertainties.

When relying on forward-looking statements to make investments, you should not place undue reliance on such forward-looking statements. Actual results may be affected by a number of important factors and may be materially different from those discussed in forward-looking statements. Such factors include, but are not limited to, changes in economic conditions affecting our operations, market trends and fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro.

## 2. Quarterly Condensed Consolidated Financial Statements and Notes

### (1) Quarterly Condensed Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	¥131,432	¥188,437
Trade and other receivables	29,894	34,551
Inventories	10,000	12,354
Income tax receivables	1,924	452
Other current assets	14,493	9,495
<b>Total current assets</b>	<b>187,743</b>	<b>245,289</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	116,631	117,444
Goodwill and intangible assets	34,423	38,533
Investment property	32,484	32,446
Investments accounted for using the equity method	3,128	3,278
Other investments	1,554	1,575
Other financial assets	17,229	16,115
Deferred tax assets	23,735	26,184
Other non-current assets	2,207	2,032
<b>Total non-current assets</b>	<b>231,391</b>	<b>237,607</b>
<b>Total assets</b>	<b>419,134</b>	<b>482,896</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bonds and borrowings	28,265	5,175
Other financial liabilities	12,187	10,117
Trade and other payables	31,264	31,548
Income tax payables	2,997	7,309
Other current liabilities	22,053	27,207
<b>Total current liabilities</b>	<b>96,766</b>	<b>81,356</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	9,855	69,616
Other financial liabilities	34,553	31,555
Provisions	6,674	6,415
Deferred tax liabilities	886	1,187
Other non-current liabilities	1,457	1,462
<b>Total non-current liabilities</b>	<b>53,425</b>	<b>110,235</b>
<b>Total liabilities</b>	<b>150,191</b>	<b>191,591</b>
<b>Equity</b>		
Share capital	47,399	47,399
Share premium	74,399	74,399
Treasury shares	(27,836)	(27,838)
Other components of equity	(89)	(801)
Retained earnings	174,268	197,341
<b>Total equity attributable to owners of the parent</b>	<b>268,141</b>	<b>290,500</b>
Non-controlling interests	802	805
<b>Total equity</b>	<b>268,943</b>	<b>291,305</b>
<b>Total liabilities and equity</b>	<b>¥419,134</b>	<b>¥482,896</b>

## (2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

### Quarterly Condensed Consolidated Statement of Profit or Loss

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Revenue		
Product sales revenue	¥50,766	¥43,745
Service and other revenue	142,340	148,185
Total revenue	193,106	191,930
Cost of revenue		
Cost of product sales revenue	(26,626)	(22,193)
Cost of service and other revenue	(91,675)	(90,415)
Total cost of revenue	(118,301)	(112,608)
Gross profit	74,805	79,322
Selling, general and administrative expenses	(41,220)	(33,519)
Other income and other expenses, net	(9,609)	(5,274)
Operating profit	23,976	40,529
Finance income	244	93
Finance costs	(832)	(1,308)
Profit from investments accounted for using the equity method	106	207
Profit before income taxes	23,494	39,521
Income taxes	(7,182)	(12,515)
Profit for the period	16,312	27,006
Profit attributable to:		
Owners of the parent	16,309	27,003
Non-controlling interests	¥3	¥3

	Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Earnings per share (attributable to owners of the parent)		
Basic	¥120.60	¥202.70
Diluted	¥118.80	¥199.46

## Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit for the period	¥16,312	¥27,006
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in fair value of equity financial assets measured at fair value through other comprehensive income	6	14
Share of other comprehensive income of entity accounted for using the equity method	(0)	-
Total items that will not be reclassified to profit or loss	6	14
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	(433)	(726)
Total items that may be reclassified to profit or loss	(433)	(726)
Total other comprehensive income	(427)	(712)
<b>Total comprehensive income for the period</b>	<b>15,885</b>	<b>26,294</b>
Comprehensive income attributable to:		
Owners of the parent	15,882	26,291
Non-controlling interests	¥3	¥3

### (3) Quarterly Condensed Consolidated Statement of Changes in Equity

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2019</b>	¥47,399	¥74,426	¥(21,325)	¥1,583	¥173,544	¥275,627	¥777	¥276,404
Changes in accounting policies					(5,180)	(5,180)		(5,180)
Beginning balance after adjusting	47,399	74,426	(21,325)	1,583	168,364	270,447	777	271,224
Profit for the period					16,309	16,309	3	16,312
Other comprehensive income				(427)		(427)	0	(427)
Total comprehensive income for the period	-	-	-	(427)	16,309	15,882	3	15,885
Purchase of treasury shares			(3)			(3)		(3)
Dividends					(13,997)	(13,997)		(13,997)
Changes in ownership interests in subsidiaries		(27)				(27)	20	(7)
Transfer from other components of equity to retained earnings				(9)	9	-		-
Total transactions with the owners	-	(27)	(3)	(9)	(13,988)	(14,027)	20	(14,007)
<b>Balance at December 31, 2019</b>	¥47,399	¥74,399	¥(21,328)	¥1,147	¥170,685	¥272,302	¥800	¥273,102

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2020</b>	¥47,399	¥74,399	¥(27,836)	¥(89)	¥174,268	¥268,141	¥802	¥268,943
Profit for the period					27,003	27,003	3	27,006
Other comprehensive income				(712)		(712)		(712)
Total comprehensive income for the period	-	-	-	(712)	27,003	26,291	3	26,294
Purchase of treasury shares			(2)			(2)		(2)
Disposal of treasury shares		0	0			0		0
Dividends					(3,930)	(3,930)		(3,930)
Total transactions with the owners	-	0	(2)	-	(3,930)	(3,932)	-	(3,932)
<b>Balance at December 31, 2020</b>	¥47,399	¥74,399	¥(27,838)	¥(801)	¥197,341	¥290,500	¥805	¥291,305



#### (4) Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b><i>Operating activities</i></b>		
Profit for the period	¥16,312	¥27,006
Depreciation and amortization	20,017	14,607
Impairment losses	9,396	907
Interest and dividends income	(231)	(59)
Interest expense	675	677
Loss on sale or disposal of property, plant and equipment	79	249
Profit from investments accounted for using the equity method	(106)	(207)
Income taxes	7,182	12,515
Decrease (increase) in trade and other receivables	1,898	(5,067)
Increase in inventories	(2,693)	(2,272)
(Decrease) increase in trade and other payables	(1,868)	1,930
Increase in prepaid expense	(1,200)	(1,628)
(Decrease) increase in contract liabilities	(795)	8,344
Other, net	(1,627)	1,508
Interest and dividends received	246	73
Interest paid	(640)	(527)
Income taxes paid	(12,189)	(11,026)
<b><i>Net cash provided by operating activities</i></b>	<b>34,456</b>	<b>47,030</b>
<b><i>Investing activities</i></b>		
Capital expenditures	(50,378)	(16,814)
Payments for lease deposits	(649)	(222)
Proceeds from refunds of lease deposits	1,338	5,242
Payments for asset retirement obligations	(12)	(3,274)
Payments into time deposits	(1,034)	-
Proceeds from withdrawal of time deposits	-	586
Other, net	(387)	1
<b><i>Net cash used in investing activities</i></b>	<b>(51,122)</b>	<b>(14,481)</b>
<b><i>Financing activities</i></b>		
Proceeds from short-term (more than 3 months) borrowings	5,429	7,449
Repayments of short-term (more than 3 months) borrowings	(6,516)	(30,301)
Proceeds from issuance of bonds	-	60,000
Redemption of bonds	(5,000)	-
Principal payments of lease liabilities	(9,951)	(8,225)
Dividends paid	(13,976)	(3,924)
Other, net	(11)	(302)
<b><i>Net cash (used in) provided by financing activities</i></b>	<b>(30,025)</b>	<b>24,697</b>
Effect of exchange rate changes on cash and cash equivalents	(412)	(241)
Net (decrease) increase in cash and cash equivalents	(47,103)	57,005
Cash and cash equivalents at the beginning of the period	159,242	131,432
<b><i>Cash and cash equivalents at the end of the period</i></b>	<b>¥112,139</b>	<b>¥188,437</b>

## (5) Going Concern Assumption

None

## (6) Changes in Accounting Policies

The significant accounting policies adopted for these quarterly condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2020 with the exception of the item described hereunder.

Standards	Title	Overview of new/revised Standards
IFRS 16	Leases	Covid-19-Related Rent Concessions Amendment

Konami Group has applied “Covid-19-Related Rent Concessions Amendment to IFRS 16” (issued in May 2020) early from the first quarter of the fiscal year ending March 31, 2021. This amendment allows a lessee of a lease subject to a rent concession occurring as a direct consequence of the COVID-19 pandemic to elect to apply the practical expedient that the lessee may not assess whether a rent concession that meets certain prescribed conditions is a lease modification as stipulated in IFRS 16.

Konami Group has elected to apply this practical expedient for rent concessions that meet certain prescribed conditions, however, the impact on profit before income taxes for the nine months ended December 31, 2020 was immaterial.

## (7) Segment Information

### (i) Operating Segment Information

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Revenue:</b>		
Digital Entertainment -		
External customers	¥108,200	¥144,136
Intersegment	467	497
Total	¥108,667	¥144,633
Amusement -		
External customers	¥15,968	¥10,345
Intersegment	519	921
Total	¥16,487	¥11,266
Gaming & Systems -		
External customers	¥22,980	¥11,754
Intersegment	-	-
Total	¥22,980	¥11,754
Sports -		
External customers	¥45,958	¥25,695
Intersegment	234	230
Total	¥46,192	¥25,925
Intersegment eliminations	¥(1,220)	¥(1,648)
Consolidated	¥193,106	¥191,930

Konami Group defines business profit associated with each segment as segment profit. Business profit is calculated by deducting “cost of revenue” and “selling, general and administrative expenses” from “revenue.”

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Business profit (loss):</b>		
Digital Entertainment	¥29,051	¥52,120
Amusement	3,766	1,196
Gaming & Systems	2,423	(1,486)
Sports	2,203	(4,027)
Total segment profit and loss, net	37,443	47,803
Corporate expenses and eliminations	(3,858)	(2,000)
Total business profit and loss, net	33,585	45,803
Other income and other expenses, net	(9,609)	(5,274)
Finance income and finance costs, net	(588)	(1,215)
Profit from investments accounted for using the equity method	106	207
Profit before income taxes	¥23,494	¥39,521

(Notes)

1. Konami Group operates on a worldwide basis principally with the following four business segments:

a) Digital Entertainment:	Production, manufacture and sale of digital content and related products including mobile games, card games and computer and video games.
b) Amusement:	Production, manufacture and sale of amusement machines.
c) Gaming & Systems:	Production, manufacture, sale and service of gaming machines and casino management systems for overseas markets.
d) Sports:	Operation of fitness activities and sports classes, including swimming, gymnastics, dance, soccer, tennis, and golf, and production and sale of sports related goods.

2. Segment profit (loss) is determined by deducting “cost of revenue” and “selling, general and administrative expenses” from “revenue.” This does not include corporate expenses, finance income and finance costs, and certain non-regular expenses associated with each segment such as impairment losses on property, plant and equipment, goodwill and intangible assets.
3. Corporate expenses primarily consist of administrative expenses not directly associated with specific segments.
4. Intersegment eliminations primarily consist of eliminations of intercompany sales.

5. Other income and other expenses, net include impairment losses on property, plant and equipment and goodwill and intangible assets and profit or loss of sales and disposal on property, plant and equipment.

## (ii) Geographic Information

Revenue from external customers

	Millions of Yen	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Revenue:</b>		
Japan	¥149,253	¥153,931
United States	28,270	21,333
Europe	8,803	10,566
Asia/Oceania	6,780	6,100
Consolidated	¥193,106	¥191,930

(Note)

For the purpose of presenting operations in the geographic areas above, Konami Group attributes revenues from external customers to individual countries in each area based on where Konami Group sold products or rendered services.

## (8) Note to consolidated statement of profit or loss

During the three months ended June 30, 2020, COVID-19 related loss of ¥5,723 million was recognized and included in the line item “other income and other expenses, net.” The loss, mainly in sports segment, contains fixed costs of sports clubs including personnel expenses, depreciation expenses and rent expenses, which were incurred during the temporal closure period of sports clubs all over Japan in line with state-of-emergency declaration from government and business suspension request from local governments to avoid the coronavirus outbreak.

During the three months ended September 30, 2020, we received employment adjustment subsidies from the government, which is a leave allowance related to COVID-19. In accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance,” the subsidies of ¥1,075 million was deducted from COVID-19 related loss included in the line item “other income and other expenses, net,” which was related to fixed costs incurred during the temporal closure period in line with state-of-emergency declaration from government and business suspension request from local governments during the three months ended June 30, 2020.