

**Consolidated Financial Results
for the Nine Months Ended December 31, 2021
(Prepared in Accordance with IFRS)**

February 3, 2022

KONAMI HOLDINGS CORPORATION

Address: 11-1, Ginza 1-chome, Chuo-ku, Tokyo, Japan
 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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 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, 2021
(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, 2021	215,048	59,657	60,311	59,860	42,383	42,381
% change from previous year	12.0%	30.2%	48.8%	51.5%	56.9%	57.0%
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%

Total comprehensive income for the period: Nine months ended December 31, 2021: ¥43,800 million; 66.6%

Nine months ended December 31, 2020: ¥26,294 million; 65.5%

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, 2021	317.79	312.89
Nine months ended December 31, 2020	202.70	199.46

(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, 2021	514,996	333,318	332,501	64.6%
March 31, 2021	489,006	299,542	298,727	61.1%

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, 2021	-	22.50	-	50.50	73.00
Year ending March 31, 2022	-	36.50	-		
Year ending March 31, 2022 (Forecast)				36.50	73.00

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2022 during the three months ended December 31, 2021: No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2022

It is difficult to reasonably calculate the impact of the spread of COVID-19 on our projected consolidated results at present. Projected consolidated results for the fiscal year ending March 31, 2022 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: No
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, 2021 143,500,000 shares
 - As of March 31, 2021 143,500,000 shares
2. Number of treasury shares:
 - As of December 31, 2021 9,919,263 shares
 - As of March 31, 2021 10,286,773 shares
3. Average number of shares outstanding:
 - Nine months ended December 31, 2021 133,360,057 shares
 - Nine months ended December 31, 2020 133,214,348 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 3, 2022.

1. Business Performance

(1) Analysis of Business Performance

(1) Business Overview

For the nine months ended December 31, 2021, due to the progress made with vaccinations and other measures, restrictions on socioeconomic activities in Japan have gradually been relaxed. However, infections caused by a new virus variant have spread overseas and the situation still requires careful attention.

Amidst these circumstances, in terms of the business results of Konami Group for the nine months ended December 31, 2021, in addition to strong performance in the Digital Entertainment business, our performance in the Amusement business, Gaming & Systems business and Sports business are recovering from the impact of COVID-19, and both total revenue and profit increased in all business segments. As a result, business profit, operating profit, profit before income taxes and profit attributable to owners of the parent for the nine months ended December 31, 2021 have reached a record high.

In terms of the consolidated results for the nine months ended December 31, 2021, total revenue amounted to ¥215,048 million (a year-on-year increase of 12.0%), business profit was ¥59,657 million (a year-on-year increase of 30.2%), operating profit was ¥60,311 million (a year-on-year increase of 48.8%), profit before income taxes was ¥59,860 million (a year-on-year increase of 51.5%), and profit attributable to owners of the parent was ¥42,381 million (a year-on-year increase of 57.0%).

(2) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Nine months ended December 31, 2020	Nine months ended December 31, 2021	% change
Total revenue:			
Digital Entertainment	¥144,633	¥153,959	6.4
Amusement	11,266	13,709	21.7
Gaming & Systems	11,754	18,680	58.9
Sports	25,925	30,692	18.4
Intersegment eliminations	(1,648)	(1,992)	-
Total revenue	¥191,930	¥215,048	12.0

Digital Entertainment

In the entertainment market, future development of game content is expected through the functional enhancement of various devices, including mobile devices and video game consoles, and the rollout 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. Furthermore, 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.

Amidst these circumstances, in our mobile game business, *eFootball Winning Eleven 2021* (Known overseas as *eFootball PES 2021*) and *Yu-Gi-Oh! DUEL LINKS* have led the global market. In the domestic market, *PROFESSIONAL BASEBALL SPIRITS A (Ace)* has continued to perform well, and *JIKKYOU PAWAFURU PUROYAKYU* has been well-received by our customers.

In the card game space, we continued the global expansion of *Yu-Gi-Oh! TRADING CARD GAME*, and even amidst the COVID-19 pandemic, it received strong support, both in Japan and overseas. At the same time, for *Yu-Gi-Oh! RUSH DUEL*, we are developing this product while continuing to appeal to younger customers through measures such as selling packs which introduce “Gold Rush Rare,” a new rarity for cards which shine gold.

In the computer and video games space, as we welcome the one-year anniversary of the release of *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban*, which implemented a free update, it continues to be enjoyed by many of our customers as a staple title. As for new titles, we released *Tokimeki Memorial Girl's Side 4th Heart* and *PAWAPUROKUN POCKET R*, long-awaited new entries in the series, which have been well-received, particularly by series fans.

In the eSports space, at “National Prefectural Competition eSports Championship 2021 MIE,” which featured the computer and video game series *eFootball Winning*

Eleven and the mobile game *PROFESSIONAL BASEBALL SPIRITS A (Ace)* to compete in, hotly contested battles ensued to determine the best players in Japan. Furthermore, for the 2021 season of the “eBASEBALL Prospi A (Ace) League,” a professional baseball eSports league jointly hosted with the Nippon Professional Baseball Organization (NPB), we kicked off league matches between the representatives of the 12 teams, and the tense battle for the title of Japan's top baseball team continues. We also held online qualifiers for the *eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand slam* competitive tournament that will be held at “TOKYO eSPORTS FESTA 2022,” and fierce battles were fought across the country.

In terms of financial performance, total revenue for the nine months ended December 31, 2021 in this segment amounted to ¥153,959 million (a year-on-year increase of 6.4%) and business profit for the nine months ended December 31, 2021 amounted to ¥55,534 million (a year-on-year increase of 6.5%).

Amusement

In the amusement market, the global spread of COVID-19 has continued to affect sales of devices because of the temporary closure of amusement facilities, in addition to having an impact on e-amusement participation (revenue share business). Although the number of visitors to amusement facilities is on a recovery trend both domestically and overseas, infections caused by a new virus variant are spreading, and the situation still requires careful attention.

Amidst these circumstances, in our business for video games targeted at amusement facilities, *beatmania IIDX 29 CastHour* is now in operation as the latest entry in the *beatmania IIDX* series of music games with a completely new presentation and visuals, as well as an evolved playing environment that makes the DJ simulation even more enjoyable, and it has been received positively. In the medal game space, we began operating *GI-WorldClassic RISING*, the latest title in the *GI-WorldClassic* series of horse racing medal games. The game features various new elements such as “GrandOwner,” which allows players to have fun becoming the owner of their favorite racehorse. “KONAMI AMUSEMENT GAME STATION,” which allows users to enjoy playing arcade games on PCs and smartphones at any time, continued its steady growth as well. In the third quarter, we not only added titles and implemented major version upgrades, but in addition to existing support for PC and Android devices, we added new support for iOS devices. In addition, we held “BEMANI PRO LEAGUE 2021,” a professional league that combines music and eSports, under all possible infection control measures. The fierce competition was streamed live, which generated a great deal of excitement. We also began operating *PACHINKO SENGOKU COLLECTION: Sweet Devil 99*, the latest model in the *SENGOKU COLLECTION* series.

In terms of financial performance, total revenue for the nine months ended December 31, 2021 in this segment amounted to ¥13,709 million (a year-on-year increase of 21.7%) and business profit for the nine months ended December 31, 2021 amounted to ¥2,314 million (a year-on-year increase of 93.4%).

Gaming & Systems

In the gaming market, as a result of the vaccine rollout in North America, some restrictions, including entrance restriction on casino facilities, were relaxed. In America, economic restrictions were almost completely lifted and the market is revitalizing. Although some countries and areas remain uncertain due to impact of COVID-19, such as the spread of a variant strain of the virus, the market is recovering gradually.

Amidst these circumstances, we recognized revenue for the sale of slot machines including our core upright cabinet, the *DIMENSION 27™* and the *DIMENSION 49™*. In addition, the *DIMENSION 49™*, which is dedicated to participation (revenue share business), was selected as the first place for Best Slot Product, a prestigious award in the 20th Annual Global Gaming Business (GGB) Gaming & Technology Awards. In game content, *Fortune Mint* continued to maintain high performance in the North American market, resulting in increased sales of slot machines. In addition, we rolled out our video slot game *All Aboard*, which is train-themed game and has been well received in the Australian market, and *Ocean Spin*, which seamlessly flows bubbles into multiple machines. Moreover, the installation of historical horse racing machines based on historical live horse racing outcomes is proceeding. In the casino management system, the strong performance of the previous fiscal year was maintained, and the installments of *SYNKROS®* casino management system to casino facilities continues to progress.

In terms of financial performance, total revenue for the nine months ended December 31, 2021 in this segment amounted to ¥18,680 million (a year-on-year increase of 58.9%) and business profit for the nine months ended December 31, 2021 amounted to ¥2,524 million (business loss for the nine months ended December 31, 2020 amounted to ¥1,486 million).

Sports

In the sports market, due to the promotion of staying at home and working from home as a result of COVID-19, the importance of being healthy was reaffirmed for many people. As the need for sports and exercise is growing, it will be necessary to provide new health services that allow people to engage in sports and exercise safely and securely, in line with their new lifestyles.

Amidst these circumstances, with regard to our operation of sports clubs, we began offering “Keep-Your-Body-Warm Fitness” and “Gut Health Fitness” for “Karada Ikiiki

Project” as a new proposal for healthy habits, with the aim of improving the original functions of people’s bodies, and maintaining and promoting their health. In addition to promoting the expansion of services for “Konami Sports Online Fitness” which allows people to participate from anywhere, including their homes, we opened a facility as a new type of business called “Pilates Mirror Futako Tamagawa,” (Setagaya-ku, Tokyo) women-only Pilates studios for small groups with ceiling-mounted mirrors.

With regard to the operation of outsourced facilities, a form of business that expands our network without ownership of assets, we leveraged our previously developed operational and leadership expertise, as well as our accomplishments, to promote our businesses, and began contracted operations of sports facilities in new areas such as Toyonaka City, Osaka, Chuo-ku, Tokyo and Yoshinogari Town, Saga.

As part of a demonstration project for the "Future Classroom" program, which is run by the Ministry of Economy, Trade and Industry, we began providing club coaching support for Osaka Minoh-Higashi High School, based around the theme of verifying a social system based on integration between a community with a focus on school facilities and the sports club industry.

While this business has been affected by the spread of COVID-19, we have continued to work on reforming our cost structure by strategic withdrawing from unprofitable locations and other measures, and we closed 16 locations for the nine months ended December 31, 2021.

In terms of financial performance, total revenue for the nine months ended December 31, 2021 in this segment amounted to ¥30,692 million (a year-on-year increase of 18.4%) and business profit for the nine months ended December 31, 2021 amounted to ¥1,151 million (business loss for the nine months ended December 31, 2020 amounted to ¥4,027 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, 2022

There seemed to be a lull coming to the COVID-19 pandemic due to the progress made with vaccinations and other measures. However, infections caused by a new virus variant have spread and the outlook remains uncertain.

It is difficult to reasonably calculate the impact under the circumstances at present, therefore our projected consolidated results for the fiscal year ending March 31, 2022 have not been determined. We will carefully assess the projections and announce it promptly when we can disclose it.

Digital Entertainment

With networked entertainment offerings rapidly becoming mainstream, now more than ever, many people have an increasing number of opportunities to enjoy playing games on any device. Amidst such a development, we will propose ways for people to play games which suit the characteristics of each device.

As a new future initiative, we will distribute *Yu-Gi-Oh! MASTER DUEL* as *Yu-Gi-Oh!* cross-platform digital content, themed around the idea of *Yu-Gi-Oh!* which both players and spectators can enjoy. With over 10,000 types of cards for free basic play and the ability to play against people from all over the world at any time, we will deliver the fun of *Yu-Gi-Oh! TRADING CARD GAME* to a vast number of people. In addition, in order to make the fun of a new card game a reality, we will work toward distributing *Yu-Gi-Oh! CROSS DUEL* content for smartphones as a new type of card battle for four players. Furthermore, we are making progress on the development of *eBASEBALL PAWAFURU PUROYAKYU 2022*, the latest entry in the *PAWAFURU PUROYAKYU* series. We will also be selling Non-Fungible Tokens (NFTs) in an effort to preserve content that has been loved by our customers as commemorative art.

As an ongoing initiative, we will continue to take measures for mobile titles such as *PROFESSIONAL BASEBALL SPIRITS A (Ace)* and *Yu-Gi-Oh! DUEL LINKS* that are in line with our customers' needs, and strive for management that upholds our good reputation. We are also working diligently on the *eFootball™ 2022* computer and video game to deliver a quality product which will live up to our customers' expectations.

In the realm of eSports, we will hold the eNippon Series in the "eBASEBALL Prospi A (Ace) League," a professional baseball eSports league jointly hosted with the Nippon Professional Baseball Organization (NPB), to determine the best team in Japan. We will also have the finals of the *eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand slam* competition, which will be held at the "TOKYO eSPORTS FESTA 2022." We will continue to work towards further developing and building the appeal of eSports through these tournaments and various events.

Amusement

We will offer new ways to play, created through interpersonal communication via services such as the e-amusement service, which connects amusement facilities around the country by networking them together. In addition, as a service which allows players to enjoy arcade games at any time, we are working to enhance content for “KONAMI AMUSEMENT GAME STATION,” which makes it possible to play high-quality games on PC and smartphone. Furthermore, we plan to hold “The 10th KONAMI Arcade Championship,” the official Konami eSports competition, to determine the top arcade game players, which was pushed back from July 2021 due to the spread of COVID-19.

In the realm of new machines for amusement facilities, we have plans to launch the video games *DANCE aROUND* and *QuizKnock STADIUM*, as well as the medal games *GRANDCROSS GOLD* and *ColorCoLotta: Frozen Island*, and we will strive to have them lead to the revitalization of the amusement market.

In the fourth quarter and beyond, we will continue to monitor the infection situation and develop our business, with the aim of restoring profitability.

Gaming & Systems

In our slot machine business, we will expand our product range with a focus on strengthening our lineup of *DIMENSION™* series cabinets, including the introduction of *DIMENSION 75C™*, a participation-dedicated product which features 75-inch curved monitors. In addition, we plan to start entering the market of Class II machines which are permitted to be used in casino facilities operated by Native American tribes. In game content, we will also focus on expanding our lineup, including introducing new titles such as *Bull Rush* in the Australian market. Through these measures, we will enhance KONAMI's presence in the market.

In our casino management system business, in addition to new installations of *SYNKROS®* to casino facilities in North America and Australia, we will introduce a variety of functionality which will endeavor to enhance and strengthen our product appeal including *Synk Vision*, which provides optimal information to players using the latest biometric authentication technology, *SYNK31™*, which is a money laundering prevention system, and *Quick Play*, which allows cashless enjoyment of casino facilities.

Although the spread of COVID-19 could impact on our future business activities, the market is recovering gradually due to vaccine rollout. We are working hard to strengthen our product appeal and increase further profitability to address the future demand recovery.

Sports

In this business, we will strive to provide services that contribute to the promotion of physical and mental health by enabling as many people as possible to play sports and engage in exercise safely and securely.

For the operation of sports clubs, in addition to our initiatives in accordance with guidelines established by industry associations for preventing the spread of COVID-19, we are continuing to take measures to prevent the spread of infection based on our own standards, such as ozone sterilization, and working to manage our facilities to ensure that our customers can use them safely and securely. In the future, in addition to the services we offer at physical facilities, we will also enhance our online services and work to offer opportunities for our customers to join activities in ways suited to their individual lifestyles, so they can exercise safely and securely.

With regard to the operation of outsourced facilities, a form of business that expands our network without ownership of assets, we will continue to strive to acquire management contracts.

With the “Undo Juku” exercise circle aimed at children, we will provide support for children’s healthy physical, mental and emotional growth, and we will work to enhance “Undo Juku” by providing services that are easier for children and their parents to use than ever before.

In the area of sports and health-related products, we plan to launch the latest model of the *POWER MAX V3 CONNECT* aerobic bike for athletes, which has been supported by a multitude of athletes for 35 years, ever since its launch in 1986.

The COVID-19 infection situation may affect trends in the numbers of new members and quitting members at our facilities in the future. We will manage the operation of outsourced facilities in accordance with the needs of local governments and corporations and enhance product sales which leverage our customer base, among other activities, and promote the offering of products and services that are responsive to people’s perspectives on life and their values—which are shifting as new ways of living become established—to move forward with transforming our revenue 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, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	¥202,430	¥231,337
Trade and other receivables	31,874	29,278
Inventories	10,391	8,770
Income tax receivables	12,470	1,126
Other current assets	9,516	11,229
Total current assets	266,681	281,740
Non-current assets		
Property, plant and equipment, net	106,025	108,188
Goodwill and intangible assets	36,813	47,545
Investment property	32,433	32,395
Investments accounted for using the equity method	3,128	2,860
Other investments	1,590	1,511
Other financial assets	15,491	15,550
Deferred tax assets	25,051	23,631
Other non-current assets	1,794	1,576
Total non-current assets	222,325	233,256
Total assets	489,006	514,996
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	5,535	11,817
Other financial liabilities	12,570	10,281
Trade and other payables	32,827	32,176
Income tax payables	3,027	8,339
Other current liabilities	25,901	18,646
Total current liabilities	79,860	81,259
Non-current liabilities		
Bonds and borrowings	69,640	59,764
Other financial liabilities	26,227	26,598
Provisions	10,694	10,726
Deferred tax liabilities	1,332	1,656
Other non-current liabilities	1,711	1,675
Total non-current liabilities	109,604	100,419
Total liabilities	189,464	181,678
Equity		
Share capital	47,399	47,399
Share premium	74,399	75,001
Treasury shares	(27,843)	(26,866)
Other components of equity	2,173	3,590
Retained earnings	202,599	233,377
Total equity attributable to owners of the parent	298,727	332,501
Non-controlling interests	815	817
Total equity	299,542	333,318
Total liabilities and equity	¥489,006	¥514,996

(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, 2020	Nine months ended December 31, 2021
Revenue		
Product sales revenue	¥43,745	¥63,722
Service and other revenue	148,185	151,326
Total revenue	191,930	215,048
Cost of revenue		
Cost of product sales revenue	(22,193)	(29,736)
Cost of service and other revenue	(90,415)	(87,490)
Total cost of revenue	(112,608)	(117,226)
Gross profit	79,322	97,822
Selling, general and administrative expenses	(33,519)	(38,165)
Other income and other expenses, net	(5,274)	654
Operating profit	40,529	60,311
Finance income	93	391
Finance costs	(1,308)	(631)
Profit (Loss) from investments accounted for using the equity method	207	(211)
Profit before income taxes	39,521	59,860
Income taxes	(12,515)	(17,477)
Profit for the period	27,006	42,383
Profit attributable to:		
Owners of the parent	27,003	42,381
Non-controlling interests	¥3	¥2

	Yen	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Earnings per share (attributable to owners of the parent)		
Basic	¥202.70	¥317.79
Diluted	¥199.46	¥312.89

Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit for the period	¥27,006	¥42,383
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	14	(56)
Total items that will not be reclassified to profit or loss	14	(56)
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	(726)	1,473
Total items that may be reclassified to profit or loss	(726)	1,473
Total other comprehensive income	(712)	1,417
Total comprehensive income for the period	26,294	43,800
Comprehensive income attributable to:		
Owners of the parent	26,291	43,798
Non-controlling interests	¥3	¥2

(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		
Balance at April 1, 2020	¥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)
Balance at December 31, 2020	¥47,399	¥74,399	¥(27,838)	¥(801)	¥197,341	¥290,500	¥805	¥291,305

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		
Balance at April 1, 2021	¥47,399	¥74,399	¥(27,843)	¥2,173	¥202,599	¥298,727	¥815	¥299,542
Profit for the period					42,381	42,381	2	42,383
Other comprehensive income				1,417		1,417		1,417
Total comprehensive income for the period	-	-	-	1,417	42,381	43,798	2	43,800
Purchase of treasury shares			(6)			(6)		(6)
Disposal of treasury shares		1	0			1		1
Dividends					(11,603)	(11,603)		(11,603)
Conversion of convertible bond-type bonds with subscription rights to shares		601	983			1,584		1,584
Total transactions with the owners	-	602	977	-	(11,603)	(10,024)	-	(10,024)
Balance at December 31, 2021	¥47,399	¥75,001	¥(26,866)	¥3,590	¥233,377	¥332,501	¥817	¥333,318

(4) Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<i>Operating activities</i>		
Profit for the period	¥27,006	¥42,383
Depreciation and amortization	14,607	12,642
Impairment losses	907	244
Interest and dividends income	(59)	(53)
Interest expense	677	612
Loss on sale or disposal of property, plant and equipment	249	16
(Profit) loss from investments accounted for using the equity method	(207)	211
Income taxes	12,515	17,477
(Increase) decrease in trade and other receivables	(5,067)	3,062
(Increase) decrease in inventories	(2,272)	1,811
Increase (decrease) in trade and other payables	1,930	(3,085)
Increase in prepaid expense	(1,628)	(2,552)
Increase (decrease) in contract liabilities	8,344	(5,738)
Other, net	1,508	(1,362)
Interest and dividends received	73	54
Interest paid	(527)	(490)
Income taxes (paid) refund	(11,026)	993
<i>Net cash provided by operating activities</i>	47,030	66,225
<i>Investing activities</i>		
Capital expenditures	(16,814)	(16,900)
Payments for lease deposits	(222)	(572)
Proceeds from refunds of lease deposits	5,242	1,809
Payments for asset retirement obligations	(3,274)	(1,458)
Payments into time deposits	-	(574)
Proceeds from withdrawal of time deposits	586	971
Other, net	1	104
<i>Net cash used in investing activities</i>	(14,481)	(16,620)
<i>Financing activities</i>		
Proceeds from short-term (more than 3 months) borrowings	7,449	5,496
Repayments of short-term (more than 3 months) borrowings	(30,301)	(7,776)
Proceeds from issuance of bonds	60,000	-
Principal payments of lease liabilities	(8,225)	(7,687)
Dividends paid	(3,924)	(11,587)
Other, net	(302)	(5)
<i>Net cash provided by (used in) financing activities</i>	24,697	(21,559)
Effect of exchange rate changes on cash and cash equivalents	(241)	861
Net increase in cash and cash equivalents	57,005	28,907
Cash and cash equivalents at the beginning of the period	131,432	202,430
<i>Cash and cash equivalents at the end of the period</i>	¥188,437	¥231,337

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the nine months ended December 31, 2020

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥144,136	¥10,345	¥11,754	¥25,695	¥191,930	-	¥191,930
Intersegment	497	921	-	230	1,648	¥(1,648)	-
Total	144,633	11,266	11,754	25,925	193,578	(1,648)	191,930
Business profit	¥52,120	¥1,196	¥(1,486)	¥(4,027)	¥47,803	¥(2,000)	45,803
Other income and other expenses, net	-	-	-	-	-	-	(5,274)
Operating profit	-	-	-	-	-	-	40,529
Finance income and finance costs, net	-	-	-	-	-	-	(1,215)
Profit from investments accounted for using the equity method	-	-	-	-	-	-	207
Profit before income taxes	-	-	-	-	-	-	¥39,521

For the nine months ended December 31, 2021

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥153,460	¥12,446	¥18,680	¥30,462	¥215,048	-	¥215,048
Intersegment	499	1,263	-	230	1,992	¥(1,992)	-
Total	153,959	13,709	18,680	30,692	217,040	(1,992)	215,048
Business profit	¥55,534	¥2,314	¥2,524	¥1,151	¥61,523	¥(1,866)	59,657
Other income and other expenses, net	-	-	-	-	-	-	654
Operating profit	-	-	-	-	-	-	60,311
Finance income and finance costs, net	-	-	-	-	-	-	(240)
Loss from investments accounted for using the equity method	-	-	-	-	-	-	(211)
Profit before income taxes	-	-	-	-	-	-	¥59,860

(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. Konami Group defines business profit associated with each segment as segment profit. Segment profit 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. Intersegment eliminations primarily consist of administrative expenses not directly associated with specific segments and eliminations of intercompany sales.
4. 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, 2020	Nine months ended December 31, 2021
Revenue:		
Japan	¥153,931	¥166,141
United States	21,333	30,818
Europe	10,566	9,827
Asia/Oceania	6,100	8,262
Consolidated	¥191,930	¥215,048

(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.

(7) Note to consolidated statement of profit or loss

During the three months ended June 30, 2020 and 2021, COVID-19-related loss of ¥5,723 million and ¥862 million were recognized and included in the line item “other income and other expenses, net,” respectively. 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 spread of COVID-19.

During the three months ended September 30, 2020 and 2021, 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 and ¥206

million were deducted from COVID-19 related loss included in the line item “other income and other expenses, net,” respectively, which were 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 and 2021.