

**Consolidated Financial Results
for the Year Ended March 31, 2022
(Prepared in Accordance with IFRS)**

May 12, 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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 Date of General Shareholders Meeting: June 28, 2022
 Beginning date of dividend payment: June 7, 2022

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

1. Consolidated Financial Results for the Year Ended March 31, 2022

(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 year	Profit attributable to owners of the parent
Year ended March 31, 2022	299,522	80,315	74,435	75,163	54,812	54,806
% change from previous year	9.9%	25.2%	103.6%	111.2%	69.8%	69.9%
Year ended March 31, 2021	272,656	64,164	36,550	35,581	32,274	32,261
% change from previous year	3.7%	44.8%	18.0%	17.1%	62.2%	62.2%

Total comprehensive income for the year: Year ended March 31, 2022: ¥59,340 million; 71.8%
 Year ended March 31, 2021: ¥34,536 million; 89.4%

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)	Return on profit attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
Year ended March 31, 2022	410.80	404.62	16.9%	14.8%	24.9%
Year ended March 31, 2021	242.17	238.33	11.4%	7.8%	13.4%

Reference: Profit from investments accounted for using the equity method
 Year ended March 31, 2022: ¥ 87 million
 Year ended March 31, 2021: ¥ 57 million

(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	Equity attributable to owners of the parent per share (yen)
March 31, 2022	528,613	348,076	348,061	65.8%	2,605.63
March 31, 2021	489,006	299,542	298,727	61.1%	2,242.47

(3) Consolidated Cash Flows

(Millions of Yen)

	Net cash provided by (used in)			Cash and cash equivalents at the end of year
	Operating activities	Investing activities	Financing activities	
Year ended March 31, 2022	96,542	(22,993)	(27,913)	250,711
Year ended March 31, 2021	69,770	(22,412)	22,426	202,430

2. Cash Dividends

Record Date	Cash dividends per share (yen)					Total cash dividends (annual)	Payout ratio (consolidated)	Cash dividend rate for equity attributable to owners of the parent (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year end	Annual			
Year ended March 31, 2021	-	22.50	-	50.50	73.00	¥9,725 million	30.1%	3.4%
Year ended March 31, 2022	-	36.50	-	87.00	123.50	¥16,497 million	30.1%	5.1%
Year ending March 31, 2023 (Forecast)	-	62.00	-	62.00	124.00		30.1%	

3. Consolidated Earnings Forecast for the Year Ending March 31, 2023

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

	Revenue	Business profit	Operating profit	Profit before income taxes	Profit attributable to owners of the parent	Basic earnings per share (attributable to owners of the parent) (yen)
Year ending March 31, 2023	320,000	81,000	76,500	76,500	55,000	411.74
% change from previous year	6.8%	0.9%	2.8%	1.8%	0.4%	

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

- Changes in accounting policies required by IFRS: No
- Other changes: No
- Changes in accounting estimate: No

(3) Number of shares issued (Share capital)

- Number of shares issued: (Treasury shares included)

As of March 31, 2022	143,500,000 shares
As of March 31, 2021	143,500,000 shares
- Number of treasury shares:

As of March 31, 2022	9,919,591 shares
As of March 31, 2021	10,286,773 shares
- Average number of shares outstanding:

Year ended March 31, 2022	133,410,926 shares
Year ended March 31, 2021	133,214,149 shares

(Reference) Summary of Non-consolidated Financial Results

Results for the Year Ended March 31, 2022

(1) Non-consolidated Results of Operation (Millions of Yen, except percentages and per share amounts)

	Operating revenues	Operating income	Ordinary income	Net income
Year ended March 31, 2022	19,686	16,066	16,649	16,421
% change from previous year	(62.5)%	(67.8)%	(66.8)%	18.1%
Year ended March 31, 2021	52,495	49,862	50,153	13,909
% change from previous year	35.5%	39.5%	39.4%	(60.6)%

	Basic net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2022	123.09	121.13
Year ended March 31, 2021	104.41	102.60

(2) Non-consolidated Financial Position (Millions of Yen, except percentages)

	Total assets	Total net assets	Equity ratio	Net assets per share (yen)
March 31, 2022	336,617	255,098	75.8%	1,909.70
March 31, 2021	329,278	248,728	75.5%	1,867.14

Reference: Total Stockholders' equity

Year ended March 31, 2022: ¥255,098 million

Year ended March 31, 2021: ¥248,728 million

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 10 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 May 12, 2022.

1. Business Performance

(1) Overview of Business Performance

(i) Business Performance

For the fiscal year ended March 31, 2022, the situation remains uncertain due to issues such as the tense state of affairs in Ukraine and the spread of COVID-19 variants. On the other hand, vaccination efforts have progressed, and we are beginning to see signs of recovery such as the gradual restarting of socioeconomic activities.

Amidst circumstances under a rapidly changing market environment, in terms of the business results for the fiscal year ended March 31, 2022, in addition to solid performance in the Digital Entertainment business throughout the fiscal year, performance of Amusement business, Gaming & System business and Sports business has recovered, resulting in increase of revenue and profit among all business segments. This led to an increase in total revenue and all profit categories, i.e., business profit, operating profit, profit before income taxes and profit attributable to owners of the parent for the fiscal year ended March 31, 2022, have reached a record high.

In terms of the consolidated results for the fiscal year ended March 31, 2022, total revenue amounted to ¥299,522 million (a year-on-year increase of 9.9%), business profit was ¥80,315 million (a year-on-year increase of 25.2%), operating profit was ¥74,435 million (a year-on-year increase of 103.6%), profit before income taxes was ¥75,163 million (a year-on-year increase of 111.2%), and profit attributable to owners of the parent was ¥54,806 million (a year-on-year increase of 69.9%).

(ii) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Year ended March 31, 2021	Year ended March 31, 2022	% change
Total revenue:			
Digital Entertainment	¥204,185	¥215,010	5.3
Amusement	17,636	19,510	10.6
Gaming & Systems	16,643	25,630	54.0
Sports	36,409	41,957	15.2
Intersegment eliminations	(2,217)	(2,585)	-
Total revenue	¥272,656	¥299,522	9.9

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, as a new initiative for our business, we began global distribution of *Yu-Gi-Oh! MASTER DUEL* which allows our customers to enjoy playing *Yu-Gi-Oh! TRADING CARD GAME* as digital content anytime, anywhere. The title has been downloaded over 20 million times, and a wide range of users is enjoying it. Furthermore, the downloads have reached over 30 million times as of April 2022. We began selling Non-Fungible Tokens (NFTs) in an effort to preserve content that has been loved by our customers as an art.

As ongoing initiatives, each of our mobile titles— *eFootball Winning Eleven 2021* (Known overseas as *eFootball PES 2021*), *Yu-Gi-Oh! DUEL LINKS*, which celebrated the fifth anniversary of its global launch, and *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, which announced a collaboration with legend Ichiro Suzuki, who played in the major leagues in Japan and America—has continued to be well received by our customers around the world. 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. In addition, we have endeavored to revitalize our content through measures such as holding major Duel tournaments and selling commemorative packs to mark the 25th anniversary of the original work. Alongside these initiatives, for *Yu-Gi-Oh! RUSH DUEL*, as a first step to enjoy the *Yu-Gi-Oh!* contents, we have been increasing brand awareness primarily to younger customers. In the computer and video games space, many

customers have been enjoying *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban*, which has sold over 3.5 million units, as one of our classic titles.

In the eSports space, we held the finals for the *eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand slam* tournament at “TOKYO eSPORTS FESTA 2022,” and delivered fierce competition. In addition, for the 2021 season of the “eBASEBALL Prospi A (Ace) League,” pro baseball eSports league, we held the eNippon Series to crown the best player in Japan for the first time. Furthermore, for *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, we assembled a record number of participants for the 2021 season of “Prospi A (Ace) Championship” to determine the mightiest player, and the finals drew a massive amount of attention. We are also holding “PROFESSIONAL BASEBALL Virtual Opening Game 2022” using the latest edition of *eBASEBALL PAWAFURU PUROYAKYU 2022* to generate excitement for the start of the pro baseball season. We will continue to work towards further developing and building the appeal of eSports through these tournaments and various events.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2022 in this segment amounted to ¥215,010 million (a year-on-year increase of 5.3%) and business profit for the fiscal year ended March 31, 2022 amounted to ¥76,424 million (a year-on-year increase of 4.1%).

Amusement

In the amusement market, the global spread of COVID-19 has continued to affect sales of devices, in addition to having an impact on e-amusement participation (revenue share business).

Amidst this situation, in our business of games targeted at amusement facilities, *DANCE aROUND*, the latest dance game in the *Bemani* series, and *QuizKnock STADIUM*, our latest quiz game, began operations. In the medal game space, *GRANDCROSS GOLD*, the latest game in the major medal pusher game series *GRANDCROSS*, which allows players to enjoy the feeling of being physically present that can only be experienced in amusement facilities, as well as *ColorCoLotta: Frozen Island*, the latest game in the *ColorCoLotta* series, which has shifted the stage for adventure from the everlasting summer sea to an icy island and added new play elements, began operations. “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. Furthermore, we held “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, taking all possible measures to prevent infections. The fierce battles across 13 titles were broadcast live, and the event was a great success. *PACHINKO SENGOKU COLLECTION BLACK*, the model with new specifications for *PACHINKO SENGOKU COLLECTION*, and *High School D x D2* also began operations.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2022 in this segment amounted to ¥19,510 million (a year-on-year increase of 10.6%) and business profit for the fiscal year ended March 31, 2022 amounted to ¥3,492 million (a year-on-year increase of 44.7%).

Gaming & Systems

In the gaming market, entrance restriction on casino facilities was relaxed in North America and Australia, and the situation is revitalizing the markets returning to its pre-COVID-19 level. The other markets are gradually recovering although certain restrictions remain.

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 49J™*, which is dedicated to participation (revenue share business), was selected for Best Slot Product, a prestigious award in the 20th Annual Global Gaming Business (GGB) Gaming & Technology Awards. In game content, *Fortune Mint*, a new content on our core cabinets, continued to maintain high performance in the North American market, resulting in increased sales of slot machines. As for titles are dedicated to participation, the new *Lucky Envelope* series has received favorable reviews and the *All Aboard* series has continued to perform well. Moreover, the installation of historical horse racing machines based on historical live horse racing outcomes is proceeding. In the casino management system, the installments of *SYNKROS®* casino management system to casino facilities continues to progress. *Money Klip™*, which was provided to Resorts World Las Vegas, a major IR facility that opened last year, received a great deal of attention as the first case of a cashless system being introduced in Las Vegas.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2022 in this segment amounted to ¥25,630 million (a year-on-year increase of 54.0%) and business profit for the fiscal year ended March 31, 2022 amounted to ¥3,495 million (business loss for the fiscal year ended March 31, 2021 amounted to ¥2,077 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 and the need for sports and exercise is growing.

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—and for Rikkyo Niiza Junior High School and Rikkyo Ikebukuro Junior High School, in collaboration with the Rikkyo Educational Corporation—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.

In the sports and health-related products market, in addition to selling the latest model of *POWER MAX V3 CONNECT*, an aerobic bike targeted at athletes which has been supported by a large number of athletes in the 35 years since its launch in 1986, we have been developing products which will assist many of our customers in their efforts to become healthy, such as the release of "RENER" energy drink, which has 3,000 mg of citric acid in its formula. Also, we added new flavors with Lac - Shield® to protein supplement "asu-body."

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 17 locations for the fiscal year ended March 31, 2022.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2022 in this segment amounted to ¥41,957 million (a year-on-year increase of 15.2%) and business profit for the fiscal year ended March 31, 2022 amounted to ¥767 million (business loss for the fiscal year ended March 31, 2021 amounted to ¥5,873 million).

(iii) Outlook for the Fiscal Year Ending March 31, 2023

Projected consolidated results for the fiscal year ending March 31, 2023 are as follows: total revenue of ¥320,000 million; business profit of ¥81,000 million; operating profit of ¥76,500 million; profit before income tax of ¥76,500 million; and profit attributable to owners of the parent of ¥55,000 million.

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 initiative going forward, we will sell *eBASEBALL PAWAFURU PUROYAKYU 2022*, the latest product in the *PAWAFURU PUROYAKYU* series. In addition to the powered-up standard mode, we will deliver fun to a large number of our customers through the installation of new modes. We will also distribute the competitive mystery game *CRIMESIGHT* via Steam®. Furthermore, we will work toward distributing *Yu-Gi-Oh! CROSS DUEL* content for smartphones, which is a new type of card battle for four players pursuing the fun of a new card game. In addition, we are moving forward with production on *Teenage Mutant Ninja Turtles: The Cowabunga Collection* in the computer and video game space, which is a compilation of 13 games in the series.

As an ongoing initiative, we will continue to take attractive measures for mobile titles such as *PROFESSIONAL BASEBALL SPIRITS A (Ace)* and *Yu-Gi-Oh! DUEL LINKS*, and strive for management that upholds our good reputation. With regard to *Yu-Gi-Oh! MASTER DUEL*, we are managing the game so that even more of our customers will be able to enjoy it, through activities such as holding events under various regulations and tournaments. Furthermore, for *eFootball™ 2022* in the computer and video game space, we have made improvements and adjustments based on customer feedback, and we have updated the version of the game to improve the sense of urgency in the battle for the ball between players, which is often seen in real soccer matches, as well as the fun of playing with unique team tactics.

In the eSports space, the *eFootball™* series and *PROFESSIONAL BASEBALL SPIRITS A (Ace)* were selected as competitive titles for “National Prefectural Competition eSports Championship 2022 TOCHIGI,” which is a “Once in a Lifetime” National Sports Festival of Japan, Hosted by Tochigi cultural program. Going forward, we will work on activities to disseminate the appeal of eSports with the aim of expanding the eSports fan base even more.

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 will offer a new user experience by holding the eSports tournament “eMAH-JONG MAH-JONG FIGHT CLUB Pro Tournament” played via *MAH-JONG FIGHT CLUB*, hosted in conjunction with the Japan Professional Mahjong League, as well as the second season of the “BEMANI PRO LEAGUE –SEASON 2-” for the “BEMANI PRO LEAGUE,” which combines music and eSports. Through these events, we will deliver the amusement and fun of Konami titles, which are enjoyable for participants and spectators alike, to an even greater number of customers.

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, and *DIMENSION TOP Box™*, a participation-dedicated product which combines a 27-inch main monitor with a 49-inch monitor. 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 and the market of Video Lottery Terminals (VLT) in New York State. In game content, we will also focus on expanding our lineup to match the characteristics of *DIMENSION™* series cabinets. 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™*, a money laundering prevention system. In addition, we will continue to develop products tailored to customers' needs, including a new *Synkbox Lite*, a hardware that is smaller than previous versions and more easily carried in casino facilities and cruise ships.

Sports

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.

With regard to the operation of outsourced facilities, we were newly chosen by Yokohama City, Minami-ku (Kanagawa Prefecture), Fukuoka City (Fukuoka Prefecture), and Kyoto Prefecture to serve as designated management for the operations of sports facilities in each region, and will begin operations starting in April 2022.

For the “Undo Juku” exercise circle aimed at children, at the swimming school, we will begin offering “Undo Juku Digital Note”—a digital service which helps children to continue learning in a fun way through synergy between “Smart Swimming Lesson System,” a service developed by Sony Network Communications Inc., and the coaching techniques of Konami Sports Club instructors—and assist children in their efforts to take on new challenges.

We will continue to provide products and services that are tailored to changing values that come with the establishment of a new-normal lifestyle.

(2) Consolidated Financial Position

(i) Total Assets, Total Liabilities and Total Equity

Total Assets:

Total assets amounted to ¥528,613 million as of March 31, 2022, increasing by ¥39,607 million compared with March 31, 2021. This mainly resulted from an increase in cash and cash equivalents due to solid performance in the Digital Entertainment business, despite a decrease in income taxes receivable.

Total Liabilities:

Total liabilities amounted to ¥180,537 million as of March 31, 2022, decreasing by ¥8,927 million compared with March 31, 2021. This primarily resulted from a decrease in bonds and borrowings due to repayment of short-term borrowings.

Total Equity:

Total equity amounted to ¥348,076 million as of March 31, 2022, increasing by ¥48,534 million compared with March 31, 2021. This mainly resulted from an increase in retained earnings due to recognition of profit attributable to owners of the parent for the year.

Ratio of equity attributable to owners of the parent was 65.8%, increasing by 4.7 points compared with March 31, 2021 due to an increase in equity including recognition of profit for the year.

(ii) Cash Flows

	Millions of Yen		
	Year ended March 31, 2021	Year ended March 31, 2022	Change
Cash flow summary:			
Net cash provided by operating activities	¥69,770	¥96,542	¥26,772
Net cash used in investing activities	(22,412)	(22,993)	(581)
Net cash provided by (used in) financing activities	22,426	(27,913)	(50,339)
Effect of exchange rate changes on cash and cash equivalents	1,214	2,645	1,431
Net increase in cash and cash equivalents	70,998	48,281	(22,717)
Cash and cash equivalents at the end of the year	¥202,430	¥250,711	¥48,281

Cash and cash equivalents (hereafter, referred to as “Net cash”), as of March 31, 2022, amounted to ¥250,711 million, an increase of ¥48,281 million compared to the year ended March 31, 2021.

Cash flow summary for each activity for the year ended March 31, 2022 is as follows:

Cash flows from operating activities:

Net cash provided by operating activities amounted to ¥96,542 million for the year ended March 31, 2022, a year-on-year increase of 38.4%. This primarily resulted from an increase in profit for the year and an increase in income taxes refund.

Cash flows from investing activities:

Net cash used in investing activities amounted to ¥22,993 million for the year ended March 31, 2022, a year-on-year increase of 2.6%. This primarily resulted from a decrease in proceeds from refunds of lease deposits.

Cash flows from financing activities:

Net cash used in financing activities amounted to ¥27,913 million for the year ended March 31, 2022 (Net cash provided by financing activities amounted to ¥22,426 million for the year ended March 31, 2021). This primarily resulted from an increase in dividends paid, and proceeds from issuance of bonds for the fiscal year ended March 31, 2021.

(iii) Basic Policy on the Distribution of Profits

Konami Group believes that the provision of dividends and the enhancement of corporate value are important ways to return profits to our shareholders. It is our policy to emphasize payment of dividends as a target of a consolidated payout ratio of more than 30% and to use retained earnings for investments focused on business fields with good future prospects in order to continually reinforce Konami Group's growth potential and competitiveness.

The year-end dividend for the consolidated year ended March 31, 2022 will be 87.00 yen per share. As a result, the dividends on an annual basis will be 123.50 yen per share including the distributed interim dividend (36.50 yen per share).

The dividend forecast on an annual basis for the fiscal year ending March 31, 2023 will be 124.00 yen per share.

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. Basic Policy on the Selection of Accounting Standards

The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015, for the purpose of enhancing comparability with the financial information of overseas companies in the same industry.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	¥202,430	¥250,711
Trade and other receivables	31,874	29,054
Inventories	10,391	8,957
Income tax receivables	12,470	1,443
Other current assets	9,516	9,461
Total current assets	266,681	299,626
Non-current assets		
Property, plant and equipment, net	106,025	138,869
Goodwill and intangible assets	36,813	45,392
Investment property	32,433	-
Investments accounted for using the equity method	3,128	3,159
Other investments	1,590	1,231
Other financial assets	15,491	15,302
Deferred tax assets	25,051	23,671
Other non-current assets	1,794	1,363
Total non-current assets	222,325	228,987
Total assets	489,006	528,613
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	5,535	8,377
Other financial liabilities	12,570	9,106
Trade and other payables	32,827	33,486
Income tax payables	3,027	12,418
Other current liabilities	25,901	19,200
Total current liabilities	79,860	82,587
Non-current liabilities		
Bonds and borrowings	69,640	59,775
Other financial liabilities	26,227	25,263
Provisions	10,694	10,450
Deferred tax liabilities	1,332	770
Other non-current liabilities	1,711	1,692
Total non-current liabilities	109,604	97,950
Total liabilities	189,464	180,537
Equity		
Share capital	47,399	47,399
Share premium	74,399	75,027
Treasury shares	(27,843)	(26,868)
Other components of equity	2,173	6,701
Retained earnings	202,599	245,802
Total equity attributable to owners of the parent	298,727	348,061
Non-controlling interests	815	15
Total equity	299,542	348,076
Total liabilities and equity	¥489,006	¥528,613

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

Consolidated Statement of Profit or Loss

	Millions of Yen	
	Year ended March 31, 2021	Year ended March 31, 2022
Revenue		
Product sales revenue	¥61,177	¥85,901
Service and other revenue	211,479	213,621
Total revenue	272,656	299,522
Cost of revenue		
Cost of product sales revenue	(31,237)	(40,673)
Cost of service and other revenue	(127,978)	(124,010)
Total cost of revenue	(159,215)	(164,683)
Gross profit	113,441	134,839
Selling, general and administrative expenses	(49,277)	(54,524)
Other income and other expenses, net	(27,614)	(5,880)
Operating profit	36,550	74,435
Finance income	78	1,472
Finance costs	(1,104)	(831)
Profit from investments accounted for using the equity method	57	87
Profit before income taxes	35,581	75,163
Income taxes	(3,307)	(20,351)
Profit for the year	32,274	54,812
Profit attributable to:		
Owners of the parent	32,261	54,806
Non-controlling interests	¥13	¥6

	Yen	
	Year ended March 31, 2021	Year ended March 31, 2022
Earnings per share (attributable to owners of the parent)		
Basic	¥242.17	¥410.80
Diluted	¥238.33	¥404.62

Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Year ended March 31, 2021	Year ended March 31, 2022
Profit for the year	¥32,274	¥54,812
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	23	(334)
Total items that will not be reclassified to profit or loss	23	(334)
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	2,239	4,862
Total items that may be reclassified to profit or loss	2,239	4,862
Total other comprehensive income	2,262	4,528
Total comprehensive income for the year	34,536	59,340
Comprehensive income attributable to:		
Owners of the parent	34,523	59,334
Non-controlling interests	¥13	¥6

(3) 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 year					32,261	32,261	13	32,274
Other comprehensive income				2,262		2,262		2,262
Total comprehensive income for the year	-	-	-	2,262	32,261	34,523	13	34,536
Purchase of treasury shares			(7)			(7)		(7)
Disposal of treasury shares		0	0			0		0
Dividends					(3,930)	(3,930)		(3,930)
Total transactions with the owners	-	0	(7)	-	(3,930)	(3,937)	-	(3,937)
Balance at March 31, 2021	¥47,399	¥74,399	¥(27,843)	¥2,173	¥202,599	¥298,727	¥815	¥299,542

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 year					54,806	54,806	6	54,812
Other comprehensive income				4,528		4,528		4,528
Total comprehensive income for the year	-	-	-	4,528	54,806	59,334	6	59,340
Purchase of treasury shares			(8)			(8)		(8)
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
Changes in ownership interests in subsidiaries		26				26	(806)	(780)
Total transactions with the owners	-	628	975	-	(11,603)	(10,000)	(806)	(10,806)
Balance at March 31, 2022	¥47,399	¥75,027	¥(26,868)	¥6,701	¥245,802	¥348,061	¥15	¥348,076

(4) Consolidated Statement of Cash Flows

	Millions of Yen	
	Year ended March 31, 2021	Year ended March 31, 2022
<i>Operating activities</i>		
Profit for the year	¥32,274	¥54,812
Depreciation and amortization	19,172	17,933
Impairment losses	22,232	6,717
Interest and dividends income	(76)	(64)
Interest expense	899	804
Loss on sale or disposal of property, plant and equipment	415	686
Profit from investments accounted for using the equity method	(57)	(87)
Income taxes	3,307	20,351
(Increase) decrease in trade and other receivables	(1,352)	4,532
Decrease in inventories	62	2,087
Increase (decrease) in trade and other payables	3,686	(3,870)
Increase in prepaid expense	(560)	(1,778)
Increase (decrease) in contract liabilities	3,506	(2,927)
Other, net	3,689	(3,010)
Interest and dividends received	90	65
Interest paid	(773)	(723)
Income taxes (paid) refund	(16,744)	1,014
<i>Net cash provided by operating activities</i>	69,770	96,542
<i>Investing activities</i>		
Capital expenditures	(23,561)	(23,128)
Payments for lease deposits	(827)	(590)
Proceeds from refunds of lease deposits	5,538	2,036
Payments for asset retirement obligations	(3,377)	(1,812)
Payments into time deposits	(423)	(574)
Proceeds from withdrawal of time deposits	586	971
Other, net	(348)	104
<i>Net cash used in investing activities</i>	(22,412)	(22,993)
<i>Financing activities</i>		
Proceeds from short-term (more than 3 months) borrowings	10,561	5,496
Repayments of short-term (more than 3 months) borrowings	(33,413)	(11,239)
Proceeds from issuance of bonds	60,000	-
Principal payments of lease liabilities	(10,485)	(9,789)
Dividends paid	(3,929)	(11,593)
Other, net	(308)	(788)
<i>Net cash provided by (used in) financing activities</i>	22,426	(27,913)
Effect of exchange rate changes on cash and cash equivalents	1,214	2,645
Net increase in cash and cash equivalents	70,998	48,281
Cash and cash equivalents at the beginning of the year	131,432	202,430
<i>Cash and cash equivalents at the end of the year</i>	¥202,430	¥250,711

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the year ended March 31, 2021

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥203,527	¥16,384	¥16,643	¥36,102	¥272,656	-	¥272,656
Intersegment	658	1,252	-	307	2,217	¥(2,217)	-
Total	204,185	17,636	16,643	36,409	274,873	(2,217)	272,656
Business profit	¥73,446	¥2,413	¥(2,077)	¥(5,873)	¥67,909	¥(3,745)	64,164
Other income and other expenses, net	-	-	-	-	-	-	(27,614)
Operating profit	-	-	-	-	-	-	36,550
Finance income and finance costs, net	-	-	-	-	-	-	(1,026)
Profit from investments accounted for using the equity method	-	-	-	-	-	-	57
Profit before income taxes	-	-	-	-	-	-	¥35,581

For the year ended March 31, 2022

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥214,363	¥17,877	¥25,630	¥41,652	¥299,522	-	¥299,522
Intersegment	647	1,633	-	305	2,585	¥(2,585)	-
Total	215,010	19,510	25,630	41,957	302,107	(2,585)	299,522
Business profit	¥76,424	¥3,492	¥3,495	¥767	¥84,178	¥(3,863)	80,315
Other income and other expenses, net	-	-	-	-	-	-	(5,880)
Operating profit	-	-	-	-	-	-	74,435
Finance income and finance costs, net	-	-	-	-	-	-	641
Profit from investments accounted for using the equity method	-	-	-	-	-	-	87
Profit before income taxes	-	-	-	-	-	-	¥75,163

(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	
	Year ended March 31, 2021	Year ended March 31, 2022
Revenue:		
Japan	¥221,512	¥229,606
United States	28,551	44,195
Europe	13,478	12,988
Asia/Oceania	9,115	12,733
Consolidated	¥272,656	¥299,522

(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

For the fiscal year ended March 31, 2021, impairment loss of ¥18,717 million related to the Sports segment, COVID-19-related loss of ¥5,723 million and the deduction of the employment adjustment subsidies of ¥1,075 million from government in accordance with IAS 20 “Accounting for Government Grants and Disclosure of Government Assistance,” which was a leave allowance related to COVID-19, were mainly recognized and included in the line item “other income and other expenses, net.” These were mainly resulted from state-of-emergency declaration from government and business suspension request from local governments to avoid the spread of COVID-19.

For the fiscal year ended March 31, 2022, impairment loss for internally generated intangible assets of ¥5,094 million related to the Digital Entertainment segment and the Amusement segment were mainly recognized and included in the line item

“other income and other expenses, net.” This was mainly resulted from revisions to the recoverable amounts of internally generated intangible assets.

(8) Earnings per Share

	Year ended March 31, 2021	Year ended March 31, 2022
Profit attributable to owners of the parent	32,261 million yen	54,806 million yen
Adjustments for profit used in the calculation of diluted earnings per share	36 million yen	32 million yen
Profit used in the calculation of diluted earnings per share	32,297 million yen	54,838 million yen
Basic weighted average ordinary shares outstanding	133,214,149 shares	133,410,926 shares
Adjustments for convertible bond-type bonds with subscription rights to shares	2,299,114 shares	2,118,248 shares
Basic weighted average ordinary shares outstanding used in the calculation of diluted earnings per share	135,513,263 shares	135,529,174 shares
Earnings per share attributable to owners of the parent for the year		
Basic	242.17 yen	410.80 yen
Diluted	238.33 yen	404.62 yen

(9) Subsequent Events

None