

(Translation)

This document has been translated for reference purposes only for the convenience of our non-Japanese shareholders. The Japanese original shall prevail in the event of any discrepancy between this translation and the Japanese original.

## **NOTICE OF THE 49<sup>TH</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Stock Code Number: 9766

June 7, 2021

Dear Shareholder,

You are notified that the 49<sup>th</sup> Ordinary General Meeting of Shareholders of KONAMI HOLDINGS CORPORATION (the “Company”) will be held as described hereunder.

With no sign of the rage of novel coronavirus disease (COVID-19) pandemic abating, the third state of emergency has been declared since last year, and the health system and economy are being severely impacted. In response to such circumstances, we carefully deliberated on the matter, and considering the safety of our shareholders first and foremost, we decided to hold this year’s General Meeting of Shareholders without the shareholders in attendance and with only the Company’s officers present.

Shareholders are requested to exercise their voting rights in writing or via the Internet, etc. in advance and refrain from coming to the venue on the day of the meeting, regardless of their health condition.

This decision was made by considering the safety of our shareholders first and foremost to prevent the spread of COVID-19. We kindly ask for your understanding and cooperation.

Shareholders are kindly requested to review the reference materials for the General Meeting of Shareholders, refer to “Matters regarding the exercise of voting rights” on page 3 contained herein, and exercise their voting right by 5:00 p.m. on Wednesday, June 23, 2021.

The Company will accept questions from shareholders prior to the meeting, and will explain matters of high interest to shareholders at the meeting and post the contents on the Company’s website at a later date. For detailed instructions on submitting questions prior to the meeting, refer to the included “Measures for Preventing Infection of the Novel Coronavirus Disease (COVID-19) at the General Meeting of Shareholders.”

Sincerely yours,  
Kimihiko Higashio  
Representative Director, President  
KONAMI HOLDINGS CORPORATION  
1-11-1, Ginza, Chuo-ku, Tokyo

# MEETING AGENDA

**1. Date and time:** 10:00 a.m., Thursday, June 24, 2021

**2. Venue:** Main Office of Konami Sports Club,  
4-10-1, Higashi-Shinagawa, Shinagawa-ku, Tokyo

As previously noted, we ask our shareholders to prioritize their own safety and not come to the venue. As this year's General Meeting of Shareholders will be held without the shareholders in attendance and with only the Company's Officers, the Company asks for your understanding and cooperation.

### 3. Agenda:

- Reports**
1. Business Report, Consolidated Financial Statements for the 49<sup>th</sup> fiscal year (from April 1, 2020 to March 31, 2021); and on the Reports of the accounting auditor and of the Audit & Supervisory Board regarding Consolidated Financial Statements for the 49<sup>th</sup> fiscal year
  2. Financial Statements for the 49<sup>th</sup> fiscal year (from April 1, 2020 to March 31, 2021)

### Proposal

**Proposal 1** Partial Amendment to the Articles of Incorporation

**Proposal 2** Election of five members to the Board of Directors (excluding Directors who are Audit & Supervisory Committee Members)

**Proposal 3** Election of three Directors who are Audit & Supervisory Committee Members

**Proposal 4** Setting Remuneration amount for Directors (excluding Directors who are Audit & Supervisory Committee Members)

**Proposal 5** Setting Remuneration amount for Directors who are Audit & Supervisory Committee Members

### <Requests to shareholders>

- The response listed above may be updated based on the situation of the spread of infection and details of announcements made by the government, etc. until the day of the General Meeting of Shareholders. Please also be advised to check information posted on the Company's website on the Internet (<https://www.konami.com/en/>).
- Exercising voting rights using the voting form raises the risk of infection during the process of returning it to the Company and vote counting. Therefore, when exercising your voting rights in advance, please do so via the Internet, etc. to the extent possible.
- In case any amendments or changes are made to the reference materials for the General Meeting of Shareholders, Business Report, consolidated financial statements and financial statements prior to the date of the meeting, the Company shall notify its shareholders via the Company's website.
- Notification of Business Conducted at the 49<sup>th</sup> Ordinary General Meeting of Shareholders that provides the results of resolutions will be posted on the Company's website instead of being distributed in writing.
- Institutional investors may use the electronic voting platform operated by ICJ, Inc., as a method of exercising their voting rights for the General Meeting of Shareholders of the Company.

Company's website ( <a href="https://www.konami.com/ir/en/stockbond/stockholderinfo/meeting.html">https://www.konami.com/ir/en/stockbond/stockholderinfo/meeting.html</a> )
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### **[Matters regarding the exercise of voting rights]**

There are two ways to exercise your voting rights.

1) Voting via Mail (in writing)

Please complete the enclosed voting form by indicating “for” or “against” for the agenda items, and return the completed form to us. \*

To arrive no later than 5:00 p.m., Wednesday, June 23, 2021

2) Voting via the Internet

Please follow the instructions stated on the next page and enter “for” or “against” for the agenda items.

To be entered no later than 5:00 p.m. on Wednesday, June 23, 2021

\* When there is no indication of “for” or “against” for an agenda item on the voting form, the Company shall treat it as an indication of “for.”

#### **Handling of duplicate exercise of voting rights**

- If you exercise your voting rights both via mail (in writing) and the Internet, etc., we will consider only the vote via the Internet, etc. to be valid.
- Also, if you vote a number of times over the Internet, etc., we will consider the final vote to be the valid one.

## Instructions for the Exercise of Voting Rights via the Internet

### Scanning QR code “Smart voting”

You can login to the website for exercise of voting rights without having to enter your voting code and password.

1. Please scan the QR code located on the bottom right of the voting form.  
\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.
2. Please follow on-screen instructions to enter “for” or “against”.

### **Note that the exercise of voting rights by “Smart voting” is possible only one time.**

If you wish to change the contents of your vote after exercising your voting rights, please access the PC version of the website, enter your “voting code” and your “password” described in the voting form, log in, and exercise your voting rights again.

\* If you rescan the QR code, you can access the Website for Exercising Voting Rights for a personal computer.

### Entering voting code and password

**Voting website URL:**  
**<https://www.web54.net>**

1. Please access the website for exercise of voting rights
2. Please enter your voting code provided on the voting form.
3. Please enter your password provided on the voting form.
4. Please follow on-screen instructions to enter “for” or “against”.

### **Inquiries regarding the exercise of voting rights via the internet**

Dedicated phone line for Securities Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Phone: 0120-652-031

(9:00 a.m. to 9:00 p.m., available only in Japan)

### **Other inquiries**

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited

Phone: 0120-782-031

(9:00 a.m. to 5:00 p.m. on weekdays, available only in Japan)

You may not be able to use the website for exercise of voting rights depending on the Internet environment, etc.

Any connection fees such as telephone charges, telecommunications charges, etc. incurred by shareholders in exercising votes online are to be borne by such shareholders.

## Reference Materials for General Meeting of Shareholders

### Proposal 1: Partial Amendment to the Articles of Incorporation

#### 1. Reasons for change

- (1) The Company will transition to a Company with Audit & Supervisory Committee in order to strengthen the supervisory function of the Board of Directors and further enhance corporate governance. In tandem with this, the Company shall make necessary amendments, such as the establishment of new provisions concerning Audit & Supervisory Committee and Directors who are Audit & Supervisory Committee Members, and the deletion of provisions concerning Audit & Supervisory Board and the Members thereof, and other necessary amendments.
- (2) In addition, required amendments shall be made, including the amendment to article numbers according to the addition and deletion of Articles. This proposal shall be effective at the conclusion of the 49th Ordinary General Meeting of Shareholders scheduled to be held on June 24, 2021.

#### 2. Details of revision

The detail of revision of the Articles of Incorporation is as follows.

(The part to be amended is underlined.)

Current Articles of Incorporation	Proposed amendments
Articles 1 – 3 <Omitted>	Articles 1 – 3 < Unchanged>
Article 4 (Governing Bodies) The Company shall have a Board of Directors, <u>Corporate Auditors, a Board of Corporate Auditors and Accounting Auditors.</u>	Article 4 (Governing Bodies) The Company shall have a Board of Directors, <u>Audit &amp; Supervisory Committee and Accounting Auditors.</u>
Articles 5 – 18 <Omitted>	Articles 5 – 18 < Unchanged>
Chapter IV: DIRECTORS AND THE BOARD OF DIRECTORS	Chapter IV: DIRECTORS AND THE BOARD OF DIRECTORS
Article 19 (Number <u>of Directors</u> )	Article 19 (Number)
1. The number of Directors of the Company shall not be more than twelve (12).	1. The number of Directors of the Company <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> shall not be more than twelve (12).
<New>	2. <u>The number of Directors who are Audit &amp; Supervisory Committee Members of the Company shall not be more than five (5).</u>

Current Articles of Incorporation	Proposed amendments
<p>Article 20 (Election <u>of Directors</u>)</p> <p>1. Directors of the Company shall be elected at a general meeting of shareholders.</p> <p>2. &lt;Omitted&gt;</p> <p>3. &lt;Omitted&gt;</p>	<p>Article 20 (Election)</p> <p>1. Directors of the Company shall be elected at a general meeting of shareholders, <u>separating Directors who are members of the Audit &amp; Supervisory Committee from Directors who are not members of such committee.</u></p> <p>2. &lt; Unchanged &gt;</p> <p>3. &lt; Unchanged &gt;</p>
<p>Article 21 (Term of Office <u>of Directors</u>)</p> <p>1. The term of office of Directors of the Company shall expire upon the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within one (1) year after their election.</p> <p>&lt;New&gt;</p> <p>&lt;New&gt;</p> <p>&lt;New&gt;</p>	<p>Article 21 (Term of Office)</p> <p>1. The term of office of Directors of the Company <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> shall expire upon the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within one (1) year after their election.</p> <p>2. <u>The term of office of Directors who are Audit &amp; Supervisory Committee Members of the Company shall expire upon the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within two (2) years after their election.</u></p> <p>3. <u>The term of office of Director who is an Audit &amp; Supervisory Committee Member of the Company elected to fill a vacancy shall expire at the time the term of office of his or her predecessor expires.</u></p> <p>4. <u>The effective term of appointment of a substitute Director who is an Audit &amp; Supervisory Committee Member of the Company shall be effective until the beginning of the ordinary general meeting of shareholders held with respect to the last business year ending within two (2) years after the ordinary general meeting of shareholders at which such appointment was made.</u></p>
<p>Article 22 (Representative Directors and Directors with Title)</p> <p>1. The Board of Directors shall by its resolution appoint Representative Director(s) of the Company.</p> <p>2. The Board of Directors may by its resolution appoint the President and Director and any other Directors with specific titles.</p>	<p>Article 22 (Representative Directors and Directors with Title)</p> <p>1. The Board of Directors shall by its resolution appoint Representative Director(s) of the Company <u>from among Director(s) (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>2. The Board of Directors may by its resolution appoint the President and Director and any other Directors with specific titles <u>from among Director(s) (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p>

Current Articles of Incorporation	Proposed amendments
<p>Article 23 (Convocation of the Meeting of the Board of Directors and Chairperson)</p> <ol style="list-style-type: none"> <li>1. &lt;Omitted&gt;</li> <li>2. Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director <u>and Audit &amp; Supervisory Board Members</u> three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</li> <li>3. With the consent of all the Directors <u>and Audit &amp; Supervisory Board Members</u>, a meeting of the Board of Directors may be held without complying with the convocation procedures.</li> </ol> <p>Article 24 and 25 &lt;Omitted&gt;</p> <p>Article 26 (Remuneration, etc.) The remuneration for Directors, annual bonus and other proprietary benefits received from the Company as consideration for execution of their duties (hereinafter referred to as “Remuneration, etc.”) shall be determined by resolution of a general meeting of shareholders.</p> <p>Article 27 (Limited Liability Contracts with <u>External</u> Directors) In accordance with the provisions of Article 427, Paragraph 1 of the Corporate Law, the Company may enter into contracts with <u>External</u> Directors under which their liabilities provided for in Article 423, Paragraph 1 of the said law shall be restricted.</p> <p>&lt;New&gt;</p>	<p>Article 23 (Convocation of the Meeting of the Board of Directors and Chairperson)</p> <ol style="list-style-type: none"> <li>1.&lt;Unchanged&gt;</li> <li>2. Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</li> <li>3. With the consent of all the Directors, a meeting of the Board of Directors may be held without complying with the convocation procedures.</li> </ol> <p>Article 24 and 25&lt;Unchanged&gt;</p> <p>Article 26 (Remuneration, etc.) The remuneration for Directors, annual bonus and other proprietary benefits received from the Company as consideration for execution of their duties (hereinafter referred to as “Remuneration, etc.”) shall be determined by resolution of a general meeting of shareholders, <u>separating Directors who are members of the Audit &amp; Supervisory Committee from Directors who are not members of such committee.</u></p> <p>Article 27 (Limited Liability Contracts with <u>Non-Operating</u> Directors) In accordance with the provisions of Article 427, Paragraph 1 of the Corporate Law, the Company may enter into contracts with Directors (<u>excluding Operating Directors</u>) under which their liabilities provided for in Article 423, Paragraph 1 of the said law shall be restricted.</p> <p><u>Article 28 (Delegation of Power to Make Decisions on Execution of Important Operations)</u> <u>In accordance with the provisions of Article 399-13, Paragraph 6 of the Corporate Law, the Company may delegate all or part of the power to make decisions on the execution of important operations (excluding the matters listed in each Item of Paragraph 5 of the same Article) to Directors by a resolution of the Board of Directors.</u></p>

Current Articles of Incorporation	Proposed amendments
<p><u>Chapter V: AUDIT &amp; SUPERVISORY BOARD MEMBERS AND AUDIT &amp; SUPERVISORY BOARD</u></p>	<Deleted>
<p><u>Article 28 (Number of Audit &amp; Supervisory Board Members)</u>  <u>The number of Audit &amp; Supervisory Board Members of the Company shall not be more than five (5).</u></p>	<Deleted>
<p><u>Article 29 (Election of Audit &amp; Supervisory Board Members)</u></p>	<Deleted>
<p><u>1. Audit &amp; Supervisory Board Members of the Company shall be elected at a general meeting of shareholders.</u></p>	<Deleted>
<p><u>2. Audit &amp; Supervisory Board Members of the Company shall be elected by the majority of the voting rights of shareholders present at a general meeting of shareholders who have one third (1/3) or more of the voting rights of the shareholders entitled to exercise their voting rights thereat.</u></p>	<Deleted>
<p><u>Article 30 (Term of Office of Audit &amp; Supervisory Board Members)</u></p>	<Deleted>
<p><u>1. The term of office of Audit &amp; Supervisory Board Members of the Company shall expire upon the conclusion of the ordinary general meeting of shareholders with respect to the last business year ending within four (4) year after their election.</u></p>	<Deleted>
<p><u>2. The term of office of the Audit &amp; Supervisory Board Members elected to fill a vacancy of a retired Corporate Auditor shall expire when such predecessor's full term of office would have expired.</u></p>	<Deleted>
<p><u>Article 31 (Full-time Audit &amp; Supervisory Board Member)</u>  <u>The Board of Corporate Auditors shall by its resolution appoint Full-time Audit &amp; Supervisory Board Members.</u></p>	<Deleted>

Current Articles of Incorporation	Proposed amendments
<u>Article 32 (Notice of Convocation of the Meeting of the Audit &amp; Supervisory Board)</u>	<Deleted>
1. <u>Notice of convocation of a meeting of the Audit &amp; Supervisory Board shall be dispatched to each Audit &amp; Supervisory Board Members three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u>	<Deleted>
2. <u>If the consent of all Audit &amp; Supervisory Board Member is obtained, a meeting of the Audit &amp; Supervisory Board may be held without following the procedures for convening the meeting.</u>	<Deleted>
<u>Article 33 (Regulations of the Audit &amp; Supervisory Board)</u>	<Deleted>
<u>Matters regarding the Audit &amp; Supervisory Board shall be determined pursuant to the Regulations of the Audit &amp; Supervisory Board unless otherwise provided for by laws, regulations or this Articles of Incorporation.</u>	<Deleted>
<u>Article 34 (Remuneration, etc.)</u>	<Deleted>
<u>The Remuneration, etc. for Audit &amp; Supervisory Board Members, shall be determined by resolution of a general meeting of shareholders.</u>	<Deleted>
<u>Article 35 (Limited Liability Contracts with External Audit &amp; Supervisory Board Members)</u>	<Deleted>
<u>In accordance with the provisions of Article 427, Paragraph 1 of the Corporate Law, the Company may enter into contracts with External Audit &amp; Supervisory Board Members under which their liabilities provided for in Article 423, Paragraph 1 of the said law shall be restricted.</u>	<Deleted>

Current Articles of Incorporation	Proposed amendments
<New>	<u>Chapter V: AUDIT &amp; SUPERVISORY COMMITTEE</u>
<New>	<u>Article 29 (Full-time Audit &amp; Supervisory Committee Members)</u>
	<u>The Audit &amp; Supervisory Committee may by its resolution appoint Full-time Audit &amp; Supervisory Committee Members.</u>
<New>	<u>Article 30 (Convocation of the Meeting of the Audit &amp; Supervisory Committee)</u>
<New>	<u>1. Notice of convocation of a meeting of the Audit &amp; Supervisory Committee shall be dispatched to each Audit &amp; Supervisory Committee Member three (3) days prior to the date of such meeting; provided, however, that such period may be shortened in case of emergency.</u>
<New>	<u>2. If the consent of all Audit &amp; Supervisory Committee Member is obtained, a meeting of the Audit &amp; Supervisory Committee may be held without following the procedures for convening the meeting.</u>
<New>	<u>Article 31 (Regulations of the Audit &amp; Supervisory Committee)</u>
	<u>Matters regarding the Audit &amp; Supervisory Committee shall be determined pursuant to the Regulations of the Audit &amp; Supervisory Committee unless otherwise provided for by laws, regulations or this Articles of Incorporation.</u>
Chapter VI: ACCOUNTS	Chapter VI: ACCOUNTS
Articles <u>36</u> – <u>39</u> <Omitted>	Articles <u>32</u> – <u>35</u> <Unchanged>

**Proposal 2: Election of five members to the Board of Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The terms of office of all eight Directors expire at the conclusion of this General Meeting of Shareholders, this proposal requests the election of eight Directors. Subject to the approval and adoption of Proposal 1 “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee. Therefore, this proposal requests the election of five Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal). This proposal shall only take effect on condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendment to the Articles of Incorporation” become effective.

Candidates for Directors are as follows:

	Name (Date of birth)	Resume, position and areas of responsibility at the Company, and significant concurrent positions outside the Company	Shares of the Company’s stock owned
1	Kagemasa Kozuki (Nov. 12, 1940)	Mar. 1969    Founded Konami Mar. 1973    Established Konami Industries Co., Ltd. Jun. 1987    Representative Director, Chairman (to present)  Significant concurrent position: Chairman of the Board of Directors, Kozuki Foundation	168,349
2	Kimihiko Higashio (Sep. 24, 1959)	Sep. 1997    Joined the Company Jun. 2005    Director Jan. 2018    Director, Executive Vice President, Corporate Officer of Administration Jun. 2019    Representative Director, Executive Vice President Apr. 2020    Representative Director, President (to present) Apr. 2020    Representative Director, Chairman, Konami Digital Entertainment Co., Ltd. (to present) Apr. 2020    Director, Chairman, Konami Corporation of America (to present) Jul. 2020    Director, Chairman, Konami Gaming, Inc. (to present)  Significant concurrent positions: Director, Kanto IT Software Health Insurance Society	29,603
3	Hideki Hayakawa (Jun. 17, 1970)	Sep. 1996    Joined the Company Apr. 2015    Representative Director, President, Konami Digital Entertainment Co., Ltd. (to present) Jun. 2017    Corporate Officer Jun. 2020    Director (to present)  Significant concurrent positions: Representative Director, President, Konami Digital Entertainment Co., Ltd. Chairman, COMPUTER ENTERTAINMENT SUPPLIER’S ASSOCIATION (CESA) Director, Japan esports Union (JeSU)	1,367

	Name (Date of birth)	Resume, position and areas of responsibility at the Company, and significant concurrent positions outside the Company	Shares of the Company's stock owned
4	Katsunori Okita (Feb. 1, 1968)	Apr. 1990    Joined the Company Aug. 2016    Representative Director, President, Konami Amusement Co., Ltd. (to present) Jun. 2017    Corporate Officer Jun. 2020    Director (to present)  Significant concurrent positions: Representative Director, President, Konami Amusement Co., Ltd. Director, Japan Amusement Industry Association Director, NIPPON DENDOSHIKI YUGIKIKOGYO KYODOKUMIAI	15,152
5	Yoshihiro Matsuura (Mar. 22, 1983)	Apr. 2005    Joined the Company Jun. 2009    General Manager, Nasu Office Jan. 2013    General Manager, President's Office Jun. 2017    Director (to present) Aug. 2019    General Manager, Secretarial Office (to present)	1,823

- Notes: 1. No special conflicts of interest exist between the Company and the proposed candidates for director.
2. Shares of the Company's stock owned by each candidate include the candidate's holdings in the KONAMI officers' stock ownership plan.
3. The Konami Group has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company. The insurance policy covers indemnification for losses the insured assumes liability for in relation to their execution of duties, or for litigation expenses, etc., arising from the insured being pursued for such liabilities. However, losses and costs personally incurred by directors and officers through criminal acts and intentional illegal activities, such as bribery, shall be reason for exemption under the policy as a measure to ensure that the proper performance of duties of officers, etc., is not impaired.
- The insured of the insurance policy are Officers and important members that execute operations, such as Corporate Officers, of the Konami Group.
- The full amount of the insurance premiums for the insurance policy is borne by the Company.
- The term of the policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

### Proposal 3: Election of three Directors who are Audit & Supervisory Committee Members

Subject to the approval and adoption of Proposal 1 “Partial Amendment to the Articles of Incorporation,” the Company will transition to a Company with Audit & Supervisory Committee.

Therefore, this proposal requests the election of three Directors who are Audit & Supervisory Committee Members.

This proposal shall only take effect on condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendment to the Articles of Incorporation” become effective.

Candidates for Directors who are Audit & Supervisory Committee Members are as follows:

	Name (Date of birth)	Resume, position and areas of responsibility at the Company, and significant concurrent positions outside the Company	Shares of the Company’s stock owned
1 Newly appointed	Akira Gemma (Aug. 1, 1934)	<p>Jun. 1997 Representative Director, President, Shiseido Company, Limited</p> <p>Jun. 2001 Representative Director, Chairman, Shiseido Company, Limited</p> <p>Jun. 2004 Director (to present)</p> <p>Apr. 2013 Advisor, Shiseido Company, Limited (to present)</p> <p>Significant concurrent position: Outside Director (Audit and Supervisory Committee Member), TV Asahi Holdings Corporation</p>	8,000
2 Newly appointed	Kaori Yamaguchi (Dec. 28, 1964)	<p>Apr. 2007 Professor, Faculty of Humanities, Musashi University</p> <p>Apr. 2008 Associate Professor, Graduate School of Comprehensive Human Sciences, University of Tsukuba</p> <p>Oct. 2011 Associate Professor, Faculty of Health and Sport Sciences, University of Tsukuba</p> <p>Jun. 2014 Director (to present)</p> <p>Jan. 2018 Professor, Faculty of Health and Sport Sciences, University of Tsukuba (to present)</p> <p>Significant concurrent positions: Committee Member, Tokyo Metropolitan Board of Education Executive Board Member, Japanese Olympic Committee Outside Director, Nippon BS Broadcasting Corporation</p>	4,789
3 Newly appointed	Kimito Kubo (Oct. 17, 1956)	<p>Apr. 1980 Joined Ministry of Education (currently, Ministry of Education, Culture, Sports, Science and Technology)</p> <p>Jul. 2007 Deputy Director General, Higher Education Bureau, Ministry of Education, Culture, Sports, Science and Technology</p> <p>Jan. 2012 Director General, Sports and Youth Bureau, Ministry of Education, Culture, Sports, Science and Technology</p> <p>Apr. 2016 Chairman of the Board of Trustees, Educational Corporation Shobi Gakuen, and University President, Shobi University (to present)</p> <p>Jun. 2017 Director (to present)</p>	1,858

- Notes: 1. No special conflicts of interest exist between the Company and the proposed candidates for director.
2. Shares of the Company's stock owned by each candidate include the candidate's holdings in the KONAMI officers' stock ownership plan.
3. Mr. Akira Gemma, Ms. Kaori Yamaguchi and Mr. Kimito Kubo are the candidates for Outside Directors. Each is currently included in Outside Directors of the Company, and the number of years since assuming the post of Outside Director of the Company as of the conclusion of this General Meeting of Shareholders are 17 years for Mr. Akira Gemma, seven years for Ms. Kaori Yamaguchi, and four years for Mr. Kimito Kubo.
4. The Company registers Mr. Akira Gemma, Ms. Kaori Yamaguchi, and Mr. Kimito Kubo as Independent Officers with the Tokyo Stock Exchange, Inc. If the election of these three persons is approved, the Company plans to continue appointing them as Independent Officers.
5. The Konami Group has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph (1) of the Companies Act with an insurance company. The insurance policy covers indemnification for losses the insured assumes liability for in relation to their execution of duties, or for litigation expenses, etc., arising from the insured being pursued for such liabilities. However, losses and costs personally incurred by directors and officers through criminal acts and intentional illegal activities, such as bribery, shall be reason for exemption under the policy as a measure to ensure that the proper performance of duties of officers, etc., is not impaired.
- The insured of the insurance policy are Officers and important members that execute operations, such as Corporate Officers, of the Konami Group.
- The full amount of the insurance premiums for the insurance policy is borne by the Company.
- The term of the policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.
6. Matters concerning the candidates for Outside Directors are as follows:
- (1) Mr. Akira Gemma has considerable experience, achievement, and insight as a corporate manager. As he has experience at other company in serving as an outside director (Audit and Supervisory Committee Member) independent from executives who execute business, the Company decided to appoint Mr. Gemma as a candidate for an Outside Director based on its judgment that he would make a significant contribution to the Company's management as Outside Director at the Company.
- Ms. Kaori Yamaguchi, as a pioneer of women's judo, has accomplished a multitude of achievements in past international competitions. She currently teaches at a national university and acts as an advisor in the field of sports and education. Given her considerable experience and extensive knowledge, the Company decided to appoint Ms. Yamaguchi as a candidate for an Outside Director based on its judgment that she would make a significant contribution to the management of the Company's Board of Directors that requires a variety of perspectives.
- Having held important posts in the Ministry of Education, Culture, Sports, Science and Technology, Mr. Kimito Kubo now serves as chairman of an educational corporation. Given his considerable experience and extensive knowledge in the field of education, culture and sports, we have decided to appoint this person as a candidate for an Outside Director based on our judgment that he would make a significant contribution to the management of the Company's Board of Directors that requires a variety of perspectives.
- Although Ms. Kaori Yamaguchi has not been involved in company management other than as outside officer, the Board of Directors has concluded that she will be able to perform her duties properly as an Outside Director of the Company based on the reasons noted above.
- Although Mr. Kimito Kubo has not been involved in company management other than as an outside officer, the Board of Directors has concluded that he will be able to perform his duties properly as an Outside Director of the Company based on his involvement in the management of an educational institution as president of an educational institution and the reasons noted above.
- (2) Overview of the Limited Liability Contract
- The Company has entered into a limited liability contract with three Outside Directors, Mr. Akira Gemma, Ms. Kaori Yamaguchi and Mr. Kimito Kubo with respect to their liabilities provided for in Article 423, Paragraph (1) of the Companies Act of Japan. Under this contract, the liabilities of the three persons shall be limited to the aggregate total of the amounts stipulated in Article 425, Paragraph (1) of the said law. If these three persons are elected, the Company will renew the contract with each of them.

**Proposal 4: Setting Remuneration amount for Directors (excluding Directors who are Audit & Supervisory Committee Members)**

The Company will transition to a Company with Audit & Supervisory Committee, subject to the approval and adoption of Proposal 1 “Partial Amendment to the Articles of Incorporation.” The remuneration amount for the Director of the Company was approved to be not more than ¥875 million a year that is effective until today by the resolution of the 27th Ordinary General Meeting of Shareholders held on June 25, 1999. However, with the transition to a Company with Audit & Supervisory Committee, in accordance with Article 361, Paragraph (1) and Paragraph (2) of the Companies Act, the Company shall abolish such a remuneration amount and newly set the remuneration amount for Directors (excluding Directors who are Audit & Supervisory Committee Members.) The remuneration amount shall be not more than ¥875 million as same as before, by taking into account the level of remuneration that needs to be appropriate relative to company size in addition to various social circumstances, thereby the Company secures diversified and excellent personnel given bigger roles and increased responsibilities being assigned to the Directors of the Company.

The Company has introduced only fixed remuneration and has introduced neither performance-linked compensation, etc., nor non-monetary remuneration, etc. In addition, the said remuneration amount shall not include the employee portion of salary for Directors concurrently being the employee.

The current number of Directors of the Company is eight (including three Outside Directors), and if Proposal 1 “Partial Amendment to the Articles of Incorporation” and Proposal 2 “Election of five members to the Board of Directors (excluding Directors who are Audit & Supervisory Committee Members)” are approved and adopted as originally proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be five. This proposal shall only take effect on condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendment to the Articles of Incorporation” become effective.

**Proposal 5: Setting Remuneration amount for Directors who are Audit & Supervisory Committee Members**

The Company will transition to a Company with Audit & Supervisory Committee, subject to the approval and adoption of Proposal 1 “Partial Amendment to the Articles of Incorporation.”

In accordance with Article 361, Paragraph (1) and Paragraph (2) of the Companies Act, the Company proposes that the remuneration amount for Directors who are Audit & Supervisory Committee Members shall be not more than ¥98.5 million a year by considering various social circumstances.

Meanwhile, at the time of being a Company with Audit & Supervisory Board, the remuneration amount for Audit & Supervisory Committee Members was approved to be not more than ¥98.5 million a year by the resolution of the 27th Ordinary General Meeting of Shareholders held on June 25, 1999.

If Proposal 1 “Partial Amendment to the Articles of Incorporation” and Proposal 3 “Election of three Directors who are Audit & Supervisory Committee Members” are approved and adopted as originally proposed, the number of Directors who are Audit & Supervisory Committee Members (including three Outside Directors) will be three.

This proposal shall only take effect on condition that amendments to the Articles of Incorporation in Proposal 1 “Partial Amendment to the Articles of Incorporation” become effective.

# **Business Report**

(April 1, 2020 – March 31, 2021)

## **1. Business Performance**

### **(1) Konami Group Business Conditions and Results**

For the fiscal year ended March 31, 2021, the economy remained stagnant with global restrictions on social and economic activities, due to the coronavirus outbreak. Prolonged coronavirus outbreak continues to impact on the economy and the future business environment remains significantly uncertain, thus 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. However, strong performance of products and services in the Digital Entertainment business including mobile games, computer and video games and card games led to an increase in revenues and business profit has reached a record high. Moreover, operating profit, profit before income tax and profit attributable to owners of the parent for the fiscal year ended March 31, 2021 have all increased.

Starting from the fiscal year ended March 31, 2021, 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 fiscal year ended March 31, 2021, total revenue amounted to ¥272,656 million (a year-on-year increase of 3.7%), business profit was ¥64,164 million (a year-on-year increase of 44.8%), operating profit was ¥36,550 million (a year-on-year increase of 18.0%), profit before income taxes was ¥35,581 million (a year-on-year increase of 17.1%), and profit attributable to owners of the parent was ¥32,261 million (a year-on-year increase of 62.2%).

### **Performance by business segment**

#### **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 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. 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 using video games 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,

*eFootball Winning Eleven 2021* (Known overseas as *eFootball PES 2021*) and *Yu-Gi-Oh! DUEL LINKS* led our revenue. Furthermore, we have introduced a major update to *Frogger in Toy Town*, which has been released via Apple Arcade.

In the domestic market, *PROFESSIONAL BASEBALL SPIRITS A (Ace)* has continued to perform strongly and various titles, including *JIKKYOU PAWAFURU PUROYAKYU*, have received favorable reviews. In particular for *JIKKYOU PAWAFURU PUROYAKYU*, we started providing online animated videos to make the story in the “SUCCESS MODE,” one of the most attractive modes, more fun for more users.

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. Through sales promotions in conjunction with the latest TV commercial, we continue to generate interest for *Yu-Gi-Oh! RUSH DUEL* among younger users, mainly elementary school students.

As for computer and video games, *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban* became a hot title for online content and various media, and its cumulative sales shipments since release are on track to exceed three million units. Furthermore, the shipments have reached over three million units as of May 2021. VR band performance game *BEAT ARENA* was released as the first title for the *Oculus Quest* series, which is a VR game system offered by Facebook and a digital version of *Solomon Program* for Nintendo Switch™ was released for free with basic gameplay. Furthermore, we made an announcement that the latest title for the *PROFESSIONAL BASEBALL SPIRITS* series, *eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand slam*, and *Yu-Gi-Oh! RUSH DUEL: Saikyoku Battle Royale!!* are intended to be released in summer 2021. In addition, the latest title for the *Bomberman* series, a digital version of *SUPER BOMBERMAN R ONLINE*, is intended to be released for multiple platforms.

As part of our continued active efforts in eSports, with the selection of “*eBASEBALL PAWAFURU PUROYAKYU 2020*” for “TOKYO eSPORTS FESTA 2021,” an exciting online competition was held. In the “eBASEBALL Pro League” 2020 season, which is organized along with Nippon Professional Baseball (NPB), the “eClimax Series” and “eNippon Series” were held to decide the best baseball clubs in Japan. A game competition, “Momotetsu Grand Prix,” which featured *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban* in a celebrity-only exhibition match, was held and attracted many fans. In the “eFootball League 2020-21 Season,” the official eSports tournament for the Winning Eleven series, the tournament was divided into two categories: “eFootball.Pro,” a professional tournament and “eFootball.Open,” a tournament open to all players. The qualifying rounds for both tournaments are still being held.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2021 in this segment amounted to ¥204,185 million (a year-on-year increase of 33.1%) and business profit for the fiscal year ended March 31, 2021 amounted to ¥73,446 million (a year-on-year increase of 70.0%).

## 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 and the latest title for the *SOUND VOLTEX* series, *SOUND VOLTEX -Valkyrie model-*, was also released. In addition, the latest title for the *FORTUNE TRINITY* series, *FORTUNE TRINITY: Treasure Festival of Spirits*, and the latest title for the *Anima Lotta* series, *Anima Lotta: A Tale of Anima and Stars*, 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, NOSTALGIA* and medal game *Medal corner*.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2021 in this segment amounted to ¥17,636 million (a year-on-year decrease of 25.6%) and business profit for the fiscal year ended March 31, 2021 amounted to ¥2,413 million (a year-on-year decrease of 54.8%).

## 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. Despite uncertainties due to continued travel restrictions and other measures, 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, the *DIMENSION 27™*, and *DIMENSION 49™*, 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 fiscal year ended March 31, 2021 in this segment amounted to ¥16,643 million (a year-on-year decrease of 41.4%) and business loss for the fiscal year ended March 31, 2021 amounted to ¥2,077 million (profit of ¥1,782 million in the previous fiscal year).

## 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), Oita City Comprehensive Gymnasium (Oita City, Oita Prefecture), Funabashi City Sports Park and Hoten Park (Funabashi City, Chiba Prefecture) and using our know-how accumulated through sports club operation over many years.

We continue to enhance our products and services, including offering original Konami Sports Club exercise videos for free; releasing “AEROBIKE EXS,” a new fitness bike for use at home that links to an app; starting the sale of original protein supplement “asu-body”; and providing a variety of home fitness equipment via our 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 this segment, we are working hard to reform our cost structure through reductions in fixed costs, including strategic closure of unprofitable facilities. As part of these measures, we decided to close nine directly managed facilities in February 2021 and sixteen facilities in May 2021. We continue to make sure to improve profitability.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2021 in this segment amounted to ¥36,409 million (a year-on-year decrease of 38.3%) and business loss for the fiscal year ended March 31, 2021 amounted to ¥5,873 million (profit of ¥33 million in the previous fiscal year).

## **(2) Capital Expenditures and Financing Activities**

Capital expenditures in the consolidated fiscal year ended March 31, 2021 totaled ¥23,974 million. This primarily consists of the expenses relating to cost of game content creation, investments in sports club and other facilities and equipment purchases for creation and manufacturing activities.

With respect to financing, the Group issued unsecured bonds payable totaling ¥60,000 million. The Company will continue to endeavor to secure adequate short-term liquidity and credit lines for fund raising to finance dynamic business development.

### (3) Trend of Assets and Business Results

#### 1. Financial and business results of the Konami Group (IFRS)

(Millions of yen, except per share data)

Fiscal year Years ended	The 46 <sup>th</sup> (March 31, 2018)	The 47 <sup>th</sup> (March 31, 2019)	The 48 <sup>th</sup> (March 31, 2020)	The 49 <sup>th</sup> (March 31, 2021)
Revenue	239,497	262,549	262,810	272,656
Operating profit	45,181	50,522	30,972	36,550
Profit attributable to owners of the parent	30,507	34,196	19,892	32,261
Basic earnings per share (yen)	225.59	252.86	147.26	242.17
Total assets	363,108	378,037	419,134	489,006
Total equity attributable to owners of the parent	253,782	275,627	268,141	298,727

#### 2. Financial and business results of the Company (Japanese GAAP)

(Millions of yen, except per share data)

Fiscal year Years ended	The 46 <sup>th</sup> (March 31, 2018)	The 47 <sup>th</sup> (March 31, 2019)	The 48 <sup>th</sup> (March 31, 2020)	The 49 <sup>th</sup> (March 31, 2021)
Operating income	16,443	24,870	38,747	52,495
Ordinary income	13,590	21,989	35,983	50,153
Net income	13,710	21,860	35,286	13,909
Basic net income per share (yen)	101.38	161.65	261.23	104.41
Total assets	241,444	243,568	278,767	329,278
Total net assets	215,475	223,972	238,758	248,728

#### **(4) Issues for the Konami Group**

##### ***Responding appropriately to rapid changes in the business environment***

The business environment surrounding our businesses - Digital Entertainment, Amusement, Gaming & Systems, and Sports - requires companies to respond to changes in consumer confidence and consumer behavior resulting from economic trends in individual countries and revision and abolishment, etc. of various regulations. Also, in the process of developing a network environment, users have begun sharing a variety of information, and communities are starting to emerge, each with distinct tastes. In the future, trends are expected to change rapidly; for example, technological innovation will progress globally, progress in the social implementation of new technologies will significantly change people's lives and values, and active progress will be made in business model innovations. The impact of the spread of the coronavirus infection is still unpredictable due to factors such as the state of emergency and the progress of vaccination. We will strive to achieve sustainable growth and enhance corporate value by responding to changes in social structure, consumer confidence and consumer behavior as well as constantly providing innovative products and services that capture the cutting edge for all ages worldwide.

##### ***Enhance profitability and channel managerial resources to growth areas***

In the Digital Entertainment segment, with the rapid spread of online-based digital entertainment, we expect that users will have increasing opportunities to play games, and the needs of those users will become increasingly diverse. Given that we expect users to seek diversity, the Konami Group intends to provide game content and propose play modes that match the features of individual devices, and to invest appropriate managerial resources.

In the Amusement segment, the Konami Group will flexibly respond to the revision and abolishment, etc. of various regulations related to its business, and strive to increase its market share by providing products leveraging the Group's extensive entertainment expertise accumulated over many years in response to changes in how users play games and user preferences. The Konami Group will also seek continuous improvements in the efficiency and quality of production, and at the same time focus on expanding overseas business.

In the Gaming & Systems segment, while the number of countries and regions that have legalized casinos has been increasing yearly, and the online gaming market is continuing to see growth, in its market environment, competition among manufacturers is becoming fierce. In line with the development of global technological innovations, we will promote activities to boost our market presence and achieve sustainable growth, including applications in advanced products incorporating new technologies and the creation of new business models.

In the Sports business, we are required to provide safe and secure services that respond to the new lifestyle. As we face a living environment that is getting ever more diversified, we will be striving to increase opportunities for everyone to participate in sports. At the same time, we will also endeavor to

provide assistance to physical education at schools in various regions and health promotion support in municipalities, among other initiatives.

For Konami Group that offers various products and services in the two areas of “Entertainment” and “Sports,” the size of market is expanding significantly and our growth opportunities are also increasing. Furthermore, our goal is not only confined to achieve long-term growth as a company, but also to manage the company that takes into account of the ESG (Environment, Society and Governance) from the perspective of contributing to sustainable development of society. As such, the Konami Group aims at realizing the two goals of achieving business growth and building a sustainable society, and to that end we will allocate our management resources in an optimal way to become a company that is always highly expected and needed by the society.

We would appreciate your kind support and cooperation.

#### **(5) Principal Business** (as of March 31, 2021)

The principal businesses of the Konami Group are as shown below:

- |  |  |
|--|--|
| <i>1. Digital Entertainment Business</i> | Production, manufacture and sale of digital content and related products including mobile games, card games and computer & video games, etc.                         |
| <i>2. Amusement Business</i>             | Production, manufacture and sale of amusement machines   |
| <i>3. Gaming &amp; Systems Business</i>  | Production, manufacture, sale and service of gaming machines and casino management systems   |
| <i>4. Sports Business</i>                | Operation of fitness activities and sports classes, including swimming, gymnastics, dance, soccer, tennis, and golf, and production and sale of sports related goods |

#### **(6) Main Konami Group Offices** (as of March 31, 2021)

Holding company

KONAMI HOLDINGS CORPORATION	Chuo-ku, Tokyo
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Operating companies in Japan

Konami Digital Entertainment Co., Ltd.	Minato-ku, Tokyo
Konami Amusement Co., Ltd.	Ichinomiya-shi, Aichi
Konami Sports Co., Ltd.	Shinagawa-ku, Tokyo
Internet Revolution, Inc.	Chuo-ku, Tokyo

## Operating companies overseas

Konami Digital Entertainment, Inc.	USA
Konami Cross Media NY, Inc.	USA
Konami Gaming, Inc.	USA
Konami Australia Pty Ltd	Australia
Konami Digital Entertainment B.V.	UK
Konami Digital Entertainment Limited	Hong Kong

## (7) Employees (as of March 31, 2021)

### 1. Konami Group

Business segment	Number of employees	Change from end of previous fiscal year
Digital Entertainment Business	2,067	121
Amusement Business	909	43
Gaming & Systems Business	563	(129)
Sports Business	1,094	(43)
Entire Company (corporate staff)	349	(67)
Total	4,982	(75)

Notes: 1. Employees include all persons on the Konami Group payroll.

2. Employees classified as corporate staff for the entire Company are administrative staff not assigned to any particular business segment.

### 2. The Company

Number of employees	Change from end of previous fiscal year
115	59

Note: Employees include all persons within the Company.

**(8) Major Subsidiaries** (as of March 31, 2021)

Company	Capital	Equity ratio (%)	Major businesses
Konami Digital Entertainment Co., Ltd.	¥200 million	100.0	Planning, production, manufacture and sale of mobile games, card games, computer & video games, etc.
Konami Amusement Co., Ltd.	¥100 million	100.0	Production, manufacture and sale of amusement machines
Konami Sports Co., Ltd.	¥100 million	100.0	Operation of fitness clubs and sports classes, including swimming, gymnastics, dance, soccer, tennis and golf, and development, manufacture and sale of sports-related goods
Internet Revolution, Inc.	¥100 million	(70.0) 70.0	Building and operation of network infrastructure
Konami Corporation of America	US\$35,500 thousand	100.0	Holding company in U.S.A.
Konami Digital Entertainment, Inc.	US\$21,500 thousand	(100.0) 100.0	The digital entertainment business and amusement business in U.S.A.
Konami Cross Media NY, Inc.	US\$10	(100.0) 100.0	Planning, production, distribution and license management of entertainment content in U.S.A., etc.
Konami Gaming, Inc.	US\$25,000 thousand	(100.0) 100.0	Production, manufacture, sale and service of gaming machines in U.S.A., etc.
Konami Digital Entertainment B.V.	Eur 9,019 thousand	100.0	The digital entertainment business and amusement business in Europe
Konami Digital Entertainment Limited	HK\$19,500 thousand	100.0	The digital entertainment business in Asia
Konami Australia Pty Ltd.	A\$30,000 thousand	100.0	Production, manufacture, sale and service of gaming machines in Australia, etc.

Notes: 1. Percentage of Equity ratio shown in parentheses is indirect ownership percentages, and is included in the percentage indicated in the second line.

2. The Company consolidates 24 companies, including the major subsidiaries listed above, and applies the equity method to one affiliated company.

**(9) Major Lenders** (as of March 31, 2021)

(Millions of yen)

Lender	Amount of loans
Sumitomo Mitsui Banking Corporation	3,321
MUFG Bank, Ltd.	2,214

## 2. Status of shares of the Company

Status of Shares (as of March 31, 2021)

1. Number of shares authorized: 450,000,000
2. Number of shares issued: 143,500,000
3. Number of shareholders: 25,628
4. The 10 largest shareholders:

	Number of shares (Thousand)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,615	18.48
Kozuki Foundation	17,100	12.84
KOZUKI HOLDING B.V.	15,700	11.79
Custody Bank of Japan, Ltd.(Trust Account)	11,706	8.79
Kozuki Capital Corporation	7,048	5.29
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,539	2.66
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,622	1.97
STATE STREET BANK AND TRUST COMPANY 505001	1,562	1.17
STATE STREET BANK AND TRUST COMPANY 505103	1,449	1.09
JP MORGAN CHASE BANK 380815	1,394	1.05

Note: The above shareholding ratios are calculated after the deduction of treasury shares (10,286 thousand shares).

### 3. Matters concerning share acquisition rights

Outline of share acquisition rights of euro-yen convertible bond-type bonds with share acquisition rights due 2022 (total face value of ¥10,000 million) issued in accordance with a resolution of a Board of Directors meeting held on December 3, 2015

Date of issue	December 22, 2015
Number of share subscription rights	1,000
Class of stock to which share subscription rights apply	Common stock (board lot of 100 shares)
Number of shares of stock to which share subscription rights apply	A number determined by dividing by conversion price the total face value of bonds pertaining to share subscription rights exercised; provided, however, that any shares less than 1 share shall be rounded down and no cash-based adjustment shall be made.
Amount of cash payment for share subscription rights	No cash payment is required in exchange for share subscription rights.
Conversion price	¥4,349.5 (subject to adjustment according to certain terms and conditions) (Note)
Exercise period for share subscription rights	From January 5, 2016 to December 8, 2022 (exercise application receipt place and local time)

Note: At the meeting of the Board of Directors held on May 20, 2021, accompanying the decision to set the payment of the annual dividend for the fiscal year under review to ¥73 per share, the conversion price of euro-yen convertible bond-type bonds with subscription rights to shares due 2022 was adjusted to ¥4,316.7 pursuant to the terms and conditions on conversion price of the said bonds.

## 4. Officers of the Company

### (1) Directors and Audit & Supervisory Board Members (as of March 31, 2021)

Position	Name	Areas of responsibility and primary duties at the Company, and significant concurrent positions outside the Company
Representative Director, Chairman	Kagemasa Kozuki	Chairman of the Board of Directors, Kozuki Foundation
Representative Director, President	Kimihiko Higashio	Representative Director, Chairman, Konami Digital Entertainment Co., Ltd. Chairman, Konami Australia Pty Ltd. Chairman, Konami Gaming, Inc. Director, Kanto IT Software Health Insurance Association
Director	Hideki Hayakawa	Representative Director, President, Konami Digital Entertainment Co., Ltd.
Director	Katsunori Okita	Representative Director, President, Konami Amusement Co., Ltd.
Director	Yoshihiro Matsuura	General Manager, Secretarial Office
Director	Akira Gemma	Advisor, Shiseido Company, Limited Outside Director (Audit and Supervisory Committee Member), TV Asahi Holdings Corporation
Director	Kaori Yamaguchi	Associate Professor, Faculty of Health and Sport Sciences, University of Tsukuba Representative Member, Tokyo Metropolitan Board of Education Executive Board Member, Japanese Olympic Committee Outside Director, Nippon BS Broadcasting Corporation
Director	Kimito Kubo	Chairman of the Board of Trustees, Educational Corporation Shobi Gakuen, and University President, Shobi University
Full-time Audit & Supervisory Board Member	Shinichi Furukawa	
Full-time Audit & Supervisory Board Member	Minoru Maruoka	
Audit & Supervisory Board Member	Takayoshi Yashiro	
Audit & Supervisory Board Member	Chikara Kawakita	

Position	Name	Areas of responsibility and primary duties at the Company, and significant concurrent positions outside the Company
Audit & Supervisory Board Member	Hideo Shimada	Outside Director, YAMAZAKI BAKING Co., Ltd. Special Adviser, Sumitomo Mitsui Card Company, Limited

- Notes: 1. Mr. Akira Gemma, Ms. Kaori Yamaguchi, and Mr. Kimito Kubo, Director, are the Outside Directors provided in Item 15 of Article 2 of the Companies Act of Japan.
2. Messrs. Minoru Maruoka, Takayoshi Yashiro, Chikara Kawakita and Hideo Shimada, Audit & Supervisory Board Member, are the Outside Audit & Supervisory Board Members provided in Item 16 of Article 2 of the Companies Act of Japan.
3. Full-time Audit & Supervisory Board Member Mr. Minoru Maruoka has experience of managing finance & accounting division of a global company and possesses a keen insight in the areas of financial and accounting.
4. Audit & Supervisory Board Member Mr. Chikara Kawakita served as critical roles in Ministry Finance and Commissioner of the National Tax Agency and possesses a keen insight in the areas of finance and accounting.
5. The Company has appointed seven individuals, Directors Mr. Akira Gemma, Ms. Kaori Yamaguchi and Mr. Kimito Kubo and Audit & Supervisory Board Members Messrs. Minoru Maruoka, Takayoshi Yashiro, Chikara Kawakita and Hideo Shimada as Independent Officers as provided for in the regulations of the Tokyo Stock Exchange, Inc. and notified them to the Exchange.
6. Full-time Audit & Supervisory Board Member Shinichi Furukawa retired from respective positions of Audit & Supervisory Board Member from Konami Digital Entertainment Co., Ltd. and Konami Business Expert Co., Ltd. on August 1, 2020, and retired from the position of Audit & Supervisory Board Member from Konami Amusement Co., Ltd. on September 1, 2020.
7. Full-time Audit & Supervisory Board Member Mr. Minoru Maruoka retired from the position of Audit & Supervisory Board Member from Konami Sports Co., Ltd. on August 1, 2020.
8. There are no special relationships between the Company and any of the companies in which the Outside Directors and Outside Audit & Supervisory Board Members of the Company hold significant concurrent positions.

## **(2) Outline of liability limitation agreement**

The Company and Outside Directors and Outside Audit & Supervisory Board Members have entered into an agreement stipulating that liability set forth in Article 423, Paragraph (1) of the Companies Act of Japan shall not exceed the total amount set forth in the items of Article 425, Paragraph (1) of the Companies Act of Japan.

## **(3) Outline of the contents of directors and officers liability insurance**

The Konami Group entered into directors and officers liability insurance contract with an insurance company, pursuant to Article 430-3, Paragraph (1) of the Companies Act of Japan, which will cover indemnification for losses the insured assumes liability for in relation to their execution of duties or for litigation expenses, etc. arising from the insured being pursued for such liabilities. However, losses and costs personally incurred by directors and officers through criminal acts and intentional illegal activities, such as bribery, shall be reason for exemption under the policy as a measure to ensure that the proper performance of duties of officers, etc., is not impaired.

The insured of the insurance policy are Officers and important members that execute operations, such as Corporate Officers, of the Konami Group.

The full amount of the insurance premiums for the insurance policy is borne by the Company.

The term of the policy is one year, and the Company plans to renew the policy before the expiration of that term by resolution of the Board of Directors.

#### **(4) Remuneration, etc. of Directors and Audit & Supervisory Board Members**

##### 1. Policy, etc. on decision about the contents of the remuneration, etc. of officers

The Company decides on the policy on decisions about the contents of the remuneration, etc. of each Director (excluding Outside Directors) at Board of Directors meetings. The Board of Directors delegates the method for decision-making to the Compensation Advisory Committee, and the Committee decides on individual remuneration for Directors by comparing their amount with average levels in society and examining the compensation structure and other factors.

Regarding the contents of individual remuneration, etc. for Directors for the fiscal year under review, the members of the Compensation Advisory Committee monitor the status of execution of duties by all Directors, so the Board of Directors delegates the decision to the Compensation Advisory Committee (which consists of three members: Representative Director Kagemasa Kozuki, Representative Director Kimihiko Higashio and Director Yoshihiro Matsuura), then the Compensation Advisory Committee decides on the amount of individual remuneration for Directors. The Board of Directors believes that remuneration for the fiscal year under review aligns with this policy in light of the decision process including the status of holding the Compensation Advisory Committee meetings.

The following are the contents of the policy on decisions about the contents of individual remuneration, etc. for Directors.

##### a. Policy on base compensation

The maximum amount of remuneration, etc. of Directors of the Company is first approved by a resolution at a General Meeting of Shareholders, then the amount of individual remuneration, etc. is decided on within the approved amount.

The amount of individual remuneration, etc. depends on corporate performance trends and other factors and is determined by evaluating the contribution of each Director to achieving financial results and performing corporate management in light of whether or not the Director has the right to represent the company, a title, a role and a responsibility, and is full-time or part-time. Remuneration, etc. that Directors of the Company receive during the fiscal year under review is only fixed-amount compensation.

##### b. Policy on performance-based remuneration, etc.

The Company does not adopt performance-based remuneration.

##### c. Policy on non-monetary remuneration, etc.

The Company does not adopt non-monetary remuneration.

##### d. Policy on percentage of remuneration, etc.

Remuneration, etc. that Directors of the Company receive during the fiscal year under review is only fixed-amount compensation.

##### e. Policy on payment timing and conditions of remuneration, etc.

The determined amount of remuneration, etc. shall be divided by 12, and paid monthly during their tenure.

##### f. Matters on delegation of decisions on remuneration, etc.

Nothing in particular.

g. Matters on decisions on remuneration, etc. other than the above

Nothing in particular

## 2. Total Amount, etc. of Remuneration, etc. for Fiscal Year under Review

Classification	Total remuneration, etc. (Millions of yen)	Total remuneration, etc. by category (Millions of yen)			Number of paid officers (people)
		Fixed remuneration, etc.	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding Outside Directors)	249	249	–	–	7
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	15	15	–	–	1
Outside Officers	87	87	–	–	7

Notes: 1. The total amount of remuneration, etc. for Directors does not include employee salaries for those who are employees and Directors concurrently.

2. The amount of monetary remuneration for Directors was decided to be an annual amount of ¥875 million or less by a resolution at the 27th Ordinary General Meeting of Shareholders held on June 25, 1999 (The amount does not include employee salaries for those who are employees and Directors concurrently).

There were 14 Directors (of which, three were Outside Directors) at the close of the said General Meeting of Shareholders.

3. The amount of monetary remuneration for Audit & Supervisory Board Members was decided to be an annual ¥98.5 million or less by a resolution at the 27th Ordinary General Meeting held on June 25, 1999. There were four Audit & Supervisory Board Members (of which, four were Outside Audit & Supervisory Board Members) at the close of the said General Meeting of Shareholders.

## 3. Retirement benefits for Directors (and other Officers) paid during the fiscal year under review

Retirement benefits for Directors were abolished at the close of the 28th Ordinary General Meeting of Shareholders held on June 23, 2000, and for Audit & Supervisory Board Members were abolished at the close of the 31st Ordinary General Meeting of Shareholders held on June 19, 2003.

## (5) Outside Officers

### 1. Major activities in the fiscal year under review

Category	Name	Major activities
Director	Akira Gemma	Attended all the 5 meetings of the Board of Directors held during the fiscal year under review and, based on his abundant experience and achievements as a corporate executive, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
	Kaori Yamaguchi	Attended all the 5 meetings of the Board of Directors held during the fiscal year under review and based on her abundant achievements and knowledge in the field of education and sports, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
	Kimito Kubo	Attended all the 5 meetings of the Board of Directors held during the fiscal year under review and based on his abundant achievements and knowledge in the field of education, culture and sports, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
Audit & Supervisory Board Member	Minoru Maruoka	Attended all the 5 meetings of the Board of Directors and all the 8 meetings of the Audit & Supervisory Board held during the fiscal year under review and based on his abundant experience and achievements at a global company, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
	Takayoshi Yashiro	Attended all the 5 meetings of the Board of Directors and all the 8 meetings of the Audit & Supervisory Board held during the fiscal year under review and based on his abundant achievements and knowledge at government agencies, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
	Chikara Kawakita	Attended all the 5 meetings of the Board of Directors and all the 8 meetings of the Audit & Supervisory Board held during the fiscal year under review and based on his abundant achievements and knowledge in finance and tax affairs, etc. made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.
	Hideo Shimada	Attended all the 5 meetings of the Board of Directors and all the 8 meetings of the Audit & Supervisory Board held during the fiscal year under review and based on his abundant achievements and knowledge as a corporate executive, made necessary statements concerning deliberations on propositions, etc., from an objective and neutral perspective.

## 5. Status of Accounting Auditor

**(1) Name of Accounting Auditor:** PricewaterhouseCoopers Aarata LLC

### **(2) Amount of Remuneration, etc.**

- |   |              |
|---|--------------|
| 1. Amount of remuneration, etc. paid to the accounting auditor during the fiscal year under review                      | ¥113 million |
| 2. Total of money and other financial benefits to be paid by the Company and its subsidiaries to the accounting auditor | ¥142 million |

Notes: 1. The amounts of remuneration, etc. for the audit based on the Companies Act of Japan and the audit based on the Financial Instruments and Exchange Act are not clearly divided, and cannot be divided substantially, based on the auditing agreement between the Company and the accounting auditor. Therefore, the total of these amounts is shown in the amount of remuneration, etc. shown in 1.

2. In consideration of “Practical Guidelines on Collaboration with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board verified and considered the audit plan of the accounting auditors, as well as their accounting audit procedures and platform. As a result, the Audit & Supervisory Board consented to the accounting auditors’ remuneration, etc. pursuant to Article 399, Paragraph (1) of the Companies Act of Japan.

3. Details of non-audit services commissioned by the Company to the Accounting Auditor include the comfort letter fees regarding the issuance of bonds.

4. Of the important subsidiaries of the Company, overseas subsidiaries underwent an audit by a certified public accountant or an audit firm other than the accounting auditor of the Company.

### **(3) Policy on Decision about the Dismissal or Non-reappointment of an Accounting Auditor**

When it is acknowledged that an accounting auditor is subject to one of the Items of Article 340, Paragraph (1) of the Companies Act of Japan, the Audit & Supervisory Board will dismiss the accounting auditor with the approval of all Audit & Supervisory Board Members.

Besides the foregoing, when it is deemed appropriate to dismiss or not reappoint the accounting auditor due to such reasons as difficulties for the accounting auditor to perform its duties, the Audit & Supervisory Board decides details of a proposal on the dismissal or non-reappointment of the accounting auditor to be presented to the General Meeting of Shareholders.

## **6. Outline of system to secure operational adequacy and its operating state**

### **(1) Systems to Ensure Appropriate Operations**

An outline of matters resolved at a meeting of the Board of Directors as a system for the Company to ensure appropriate business operations is shown below:

1. A system to ensure that the duties of officers and employees of the corporate group comprising Konami Holdings Corporation and its subsidiaries (the “Konami Group”) are executed in conformance with laws and ordinances, as well as the Articles of Incorporation
  - (i) To ensure that corporate activities are pursued in conformance with high ethical standards, we establish the KONAMI GROUP CORPORATE CONDUCT CHARTER. Moreover, as specific guidelines for the code, we establish the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS, by developing the “Konami Group Compliance Policy” thereby demonstrating the importance of complying with laws and ordinances. In addition, the management ensures that it rigorously communicates the provisions of the guidelines to officers and employees of the Konami Group.
  - (ii) The Company has in place the Konami Group Compliance Committee as a body to enhance the effectiveness of compliance by officers and employees of the Konami Group.
  - (iii) The Company has in place an internal notification system as a function to curb illegal acts, and strives to prevent improper incidents from occurring.
  - (iv) The Company strives to ensure that officers and employees of the Konami Group do not have any involvement with anti-social forces and organizations, and that any unfair demand by such is handled resolutely in cooperation with the police and/or other authorities.
2. System concerning the retention and control of information on the execution of duties within the Konami Group
  - (i) Information on the execution of duties by the Company’s Directors is retained and controlled appropriately by developing rules and regulations on information management, while specifying significant documents and defining the form of their retention.
  - (ii) Regarding information on the execution of duties by the Company’s subsidiaries, the Company has “Related Companies Control Regulations” in place, which provide that individual subsidiaries shall report significant business management information and other necessary information to the Company.
3. Regulations and other systems for managing risk of losses for the Konami Group
  - (i) The Company develops the “Konami Group Risk Management Rules” to avoid risks and minimize losses for the entire Group.
  - (ii) The Company and its key subsidiaries have a Risk Management Committee etc., in place as a body to centrally identify and appropriately address risks.

#### 4. System to ensure the efficient execution of duties by Directors of the Konami Group

To define the duties and authority of Directors in different divisions, the Company has in place regulations on the segregation of duties and authority, and a system conforming to the regulations is also established at individual subsidiaries.

#### 5. System to secure the appropriateness of the Konami Group's operations

(i) To ensure that individual group companies' business operations are performed in an appropriate and harmonious manner, in its capacity as a holding company, the Company administers the entire Group's business operations by adequately exercising voting rights.

(ii) All Konami Group companies implement internal control system development, risk control, and compliance in a consistent manner, seeking to build a unified group management structure.

(iii) The Company's Audit & Supervisory Board Members seek to build a group audit platform by periodically holding a "Group Audit & Supervisory Board Meeting" with Audit & Supervisory Board Members of individual subsidiaries to appropriately support necessary collaboration.

#### 6. Matters related to an employee who is requested by an Audit & Supervisory Board Member to serve as an employee charged with assisting his/her duties ("Assistant Employee")

If an Audit & Supervisory Board Member requests an employee to be assigned as an assistant, the management assigns an employee equipped with sufficient specialized skills to provide assistance such as a member of the Internal Control Office.

#### 7. Matters related to securing the independence of an employee assigned as an assistant from the Company's Directors and the effectiveness of the Audit & Supervisory Board Member's instructions to an employee assigned as an assistant

(i) An Audit & Supervisory Board Member may express an opinion on the selection and staff evaluation of an employee to be assigned as an assistant.

(ii) An employee assigned as an assistant shall perform assistance duties under the instructions and orders of the Audit & Supervisory Board Members without receiving directions from any Director.

#### 8. System for reporting to Audit & Supervisory Board Members

(i) Officers and employees the Konami Group shall establish standards for determining matters required to be reported to the Company's Audit & Supervisory Board Members, and the internal notification system, among others, shall be used to report to the Audit & Supervisory Board Members any significant matter that may affect the Group's business operations and financial performance.

(ii) Pursuant to laws and ordinances and its internal regulations, the Konami Group preserves the confidentiality of any information provided by any of its officers and employees to Audit & Supervisory Board Members through the internal notification system, and forbids the informer from being subjected to detrimental treatment.

9. Matters concerning the policy on advance payment and reimbursement procedures for expenses arising from the execution of duties by the Audit & Supervisory Board Member, as well as the processing of other expenses or obligations that arise in the execution of duties

(i) A budget is set for Audit & Supervisory Board Members to execute their duties on an annual basis.

(ii) If, in relation to the execution of duties, an Audit & Supervisory Board Member requests advance payment of expenses pursuant to Article 388 of the Companies Act of Japan, the expenses or obligation are processed promptly with the exception of cases where it is not deemed necessary for the execution of duties.

10. Other systems to ensure that audits of Audit & Supervisory Board Members are conducted effectively

An Audit & Supervisory Board Member, if deeming it necessary for the execution of duties, may request experts such as lawyer and Certified Public Account to provide opinions and advice.

## **(2) Outline of operation of the system**

### 1. Compliance initiatives

(i) The Konami Group's internal network pages contain significant codes and guidelines for its officers and employees, such as its corporate philosophy, the KONAMI GROUP CORPORATE CONDUCT CHARTER, and the KONAMI GROUP CODE OF BUSINESS CONDUCT AND ETHICS, thereby allowing them to be viewed by all officers and employees at all times.

(ii) To ensure and increase the effectiveness of compliance with laws and regulations by the Konami Group's officers and employees, Konami Group periodically holds Konami Group Compliance Committee meetings. In addition, the Group established the Konami Group Compliance Policy and provided compliance training program through e-learning.

(iii) The Konami Group has in place the internal notification system, including an external notification desk, as a system that is independent from the management and regularly informs officers and employees of the Group of the said system. In the fiscal year under review, we did not experience any instance of an internal notification concerning a significant breach of laws or ordinances.

### 2. Risk control initiatives

(i) During the fiscal year under review, the Risk Management Committee in place at the Company performed risk control over the entire Konami Group. A Risk Management Committee has been in place at key Group companies and has been kept ready to handle any crisis promptly for every risk incident.

(ii) It is stipulated that, in the event of a major accident or disaster, the Konami Group may set up an emergency management headquarters following a decision of the Representative Director, President of the Company. Accordingly, in response to the novel coronavirus infection, the Konami Group set up the "Konami Group COVID-19 Task Force" continuing from the previous fiscal year.

### 3. Internal control initiatives at the Konami Group

(i) Significant decision-making at the Konami Group is, pursuant to regulations regarding duties and authority, done through an electronic approval procedure, in principle, and prompt and efficient internal control is implemented.

(ii) In its capacity as the holding company, the Company exercises voting rights appropriately for determining matters required to be deliberated at the General Meeting of Shareholders for resolution, including structure of officers and significant matters of group companies, thereby ensuring that the entire Group's business operations are performed smoothly.

(iii) The Company's Internal Control Office assesses the effectiveness of the entire Group's internal controls in major operating processes, while exchanging opinions with accounting auditors and Audit & Supervisory Board Members on a regular basis.

## **7. Policy on decisions about dividends from retained earnings, etc.**

The Company 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 30% or more and to use retained earnings for investments focused on business fields with good future prospects in order to continually reinforce the Company's growth potential and competitiveness.

We shall distribute the year-end dividend of ¥50.50 per share for the fiscal year ended March 31, 2021. Dividends on an annual basis will be ¥73.00 per share, including the distributed second-quarter-end dividend (¥22.50 per share).

# Consolidated Statement of Financial Position

(As of March 31, 2021)

(Millions of yen)

ASSETS:		LIABILITIES AND EQUITY:	
<b>Current assets</b>	<b>¥266,681</b>	<b>Current liabilities</b>	<b>¥79,860</b>
Cash and cash equivalents	202,430	Bonds and borrowings	5,535
Trade and other receivables	31,874	Other financial liabilities	12,570
Inventories	10,391	Trade and other payables	32,827
Income tax receivables	12,470	Income tax payables	3,027
Other current assets	9,516	Other current liabilities	25,901
<b>Non-current assets</b>	<b>¥222,325</b>	<b>Non-current liabilities</b>	<b>¥109,604</b>
Property, plant and equipment, net	106,025	Bonds and borrowings	69,640
Goodwill and intangible assets	36,813	Other financial liabilities	26,227
Investment property	32,433	Provisions	10,694
Investments accounted for using the equity method	3,128	Deferred tax liabilities	1,332
Other investments	1,590	Other non-current liabilities	1,711
Other financial assets	15,491	<b>Total liabilities</b>	<b>¥189,464</b>
Deferred tax assets	25,051	<b>EQUITY:</b>	
Other non-current assets	1,794	<b>Total equity attributable to owners of the parent</b>	<b>298,727</b>
		<b>Share capital</b>	<b>47,399</b>
		<b>Share premium</b>	<b>74,399</b>
		<b>Treasury shares</b>	<b>(27,843)</b>
		<b>Other components of equity</b>	<b>2,173</b>
		<b>Retained earnings</b>	<b>202,599</b>
		<b>Non-controlling interests</b>	<b>¥815</b>
		<b>Total equity</b>	<b>¥299,542</b>
<b>Total assets</b>	<b>¥489,006</b>	<b>Total liabilities and equity</b>	<b>¥489,006</b>

## Consolidated Statement of Profit or Loss

(Year ended March 31, 2021)

(Millions of yen)

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Revenue	¥272,656
Cost of revenue	(159,215)
<b>Gross profit</b>	<b>113,441</b>
Selling, general and administrative expenses	(49,277)
Other income and other expenses, net	(27,614)
<b>Operating profit</b>	<b>36,550</b>
Finance income	78
Finance costs	(1,104)
Profit from investments accounted for using the equity method	57
<b>Profit before income taxes</b>	<b>35,581</b>
Income taxes	(3,307)
<b>Profit for the year</b>	<b>32,274</b>
Profit attributable to:	
Owners of the parent	32,261
Non-controlling interests	13

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## Consolidated Statement of Changes in Equity

(Year ended March 31, 2021)

(Millions of yen)

	Equity attributable to owners of the parent					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings			
<b>Balance at April 1, 2020</b>	¥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)
<b>Balance at March 31, 2021</b>	¥47,399	¥74,399	¥(27,843)	¥2,173	¥202,599	¥298,727	¥815	¥299,542

## Notes to Consolidated Financial Statements

### Basic Significant Matters Regarding Preparation of Consolidated Financial Statements

#### Scope of Consolidation

1. Number of consolidated subsidiaries: 24
2. Name of principal consolidated subsidiaries
  - Konami Digital Entertainment Co., Ltd.
  - Konami Amusement Co., Ltd.
  - Konami Sports Co., Ltd.
  - Internet Revolution, Inc.
  - Konami Corporation of America
  - Konami Digital Entertainment, Inc.
  - Konami Cross Media NY, Inc.
  - Konami Gaming, Inc.
  - Konami Digital Entertainment B.V.
  - Konami Digital Entertainment Limited
  - Konami Australia Pty Ltd

#### Application of the Equity Method

1. Number of equity-method affiliate: 1
2. Name of the equity-method affiliate: RESOL HOLDINGS Co., Ltd.

#### Summary of Significant Accounting Policies

1. Basis of presentation for consolidated financial statements

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), in compliance with Article 120, Paragraph (1), of the Regulation on Corporate Accounting of Japan. However, in compliance with the second sentence of the paragraph, certain disclosures required on the basis of IFRS are omitted.

2. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by averaging. Net realizable value is estimated selling price in the ordinary course of business, less estimated cost of completion and estimated selling cost.

3. Property, plant and equipment, net

##### (1) Recognition and measurement

Property, plant and equipment, net are stated at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes costs directly related to the acquisition of assets, costs to dismantle and remove assets, initially estimated restoration costs, and borrowing costs to meet the requirements for capitalization. When the useful lives of components of property, plant and equipment, net differ according to each component, assets are recorded as separate property plant and equipment, net items.

## (2) Payment after acquisition

Costs generated after the acquisition of property, plant and equipment related to ordinary repairs and maintenance are treated as an expense as incurred. Costs related to major replacements and improvements are capitalized only when they are expected to bring economic benefits to the Group in the future.

## (3) Depreciation

Depreciation is calculated primarily using the straight-line method over the estimated useful life of each component of property, plant and equipment, net.

Right-of-use assets are depreciated over the shorter of lease period or estimated useful life except for cases when acquisition by the Group by the end of the lease contract is reasonably certain.

Depreciation method, useful life, and residual value are reviewed at the end of the reporting period and revised as needed.

## 4. Goodwill and intangible assets

### (1) Goodwill

Goodwill is valued as the total of the consideration transferred at the acquisition date, the amount of non-controlling interests in acquired companies, and if the business combination is achieved in stages, the fair value at the acquisition date of equity in acquired companies held prior to the acquisition date, less the net recognized amount (generally fair value) of identifiable assets at the acquisition date and liabilities assumed. Goodwill is stated at cost, less accumulated impairment losses. Goodwill is not depreciated, but is tested for impairment annually at about the same time and every time there is a sign of impairment.

### (2) Intangible assets

#### 1. Intangible assets acquired in business combination

Intangible assets such as trademarks and patent acquired through a business combination and recognized separately from goodwill are stated at fair value at the acquisition date. Subsequently, they are valued at cost, less accumulated depreciation and accumulated impairment losses.

#### 2. Development assets

Costs incurred for research activities for the purpose of gaining new scientific or technical knowledge are recognized as expenses as incurred. Costs incurred for development activities are capitalized only if all of the following criteria are demonstrated: the technical feasibility of completing the assets, the ability to generate economic benefits in the future, the ability to measure reliably, and the intention, ability, and resources to use or sell after completion.

Development assets are initially recognized as the total of costs incurred from the date when all criteria for capitalization are met to completion of development. After initial recognition, development assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

#### 3. Other intangible assets

Intangible assets acquired by the Group with fixed useful lives are stated at cost, less accumulated depreciation and accumulated impairment losses.

#### 4. Depreciation

Development assets and intangible assets with fixed useful lives such as patent are depreciated using the straight-line method over their estimated useful lives and tested for impairment when there is a sign of impairment. Depreciation method, useful life, and residual value are reviewed at the end of the reporting period and revised as needed.

Intangible assets with indefinite useful lives such as trademarks, or those not yet available for use, are not depreciated but are tested for impairment annually at about the same time and every time there is a sign of impairment.

#### 5. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease based on the substance of the contract. The Group judges that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset is recognized at the discounted present value of the lease payments after adjusting for initial direct costs, etc. on the commencement date of the lease, and is depreciated using the straight-line method over the shorter of the asset's useful life or the lease term.

#### 6. Investment property

Investment property is presented at cost less any accumulated depreciation and any accumulated impairment losses.

After initial recognition, investment property is measured by the cost model using estimated useful life and depreciation method on the same basis as property, plant and equipment.

#### 7. Financial instruments

##### (i) Initial recognition and measurement of financial assets

The Group recognizes financial assets when it becomes a party to the contract on the financial instruments concerned, and classifies the financial assets as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

While all financial assets were measured at fair value at initial recognition, in case any asset is not classified into financial assets measured at fair value through profit or loss, it is measured at an amount of the fair value plus transaction costs directly attributable to acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss is recognized in profit or loss.

##### 1. Financial assets measured at amortized cost

Financial assets are classified into financial assets measured at amortized cost, on the condition that they meet both of the following criteria:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 2. Financial assets measured at fair value through other comprehensive income

Equity instruments such as shares held mainly for the purpose of maintaining or strengthening business relationships with investees are designated at initial recognition as financial assets measured at fair value through other comprehensive income, and such designation is continuously

applied. Debts instruments whose contractual cash flow consists of payments of principal and interests on the outstanding principal only and held based on a business model for the purpose of both collecting contractual cash flows and sale are classified as financial assets measured at fair value through other comprehensive income.

### 3. Financial assets measured at fair value through profit or loss

Financial assets other than above 1. and 2. are classified as financial assets measured at fair value through profit or loss.

## (ii) Subsequent measurement of financial assets

After initial recognition, financial assets are measured based on the classification as follows:

### 1. Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

### 2. Financial assets measured at amortized cost

Subsequent changes of fair values of the financial assets are recognized in other comprehensive income. In case equity instruments are disposed of, accumulated gain or loss recognized through other comprehensive income is transferred from other components of equity to retained earnings. Dividend income from such financial assets is recognized in profit or loss for the year. Where debt instruments are derecognized, accumulated gain or loss recognized through other comprehensive income is transferred to profit or loss.

### 3. Financial assets measured at fair value through profit or loss

Subsequent changes of fair values of the financial assets are recognized in profit or loss. Dividend income from such financial assets is recognized in profit or loss for the year.

## (iii) Impairment of financial assets

The Company sets aside loss allowance for expected credit losses of financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income. The loss allowance is measured based on evaluation on whether or not credit risks pertinent to financial assets measured at the end of each reporting period significantly increases after the initial recognition. If the Company determines credit risks of financial assets have been significantly increased since initially recognized, loss allowance is measured at the amount equal to expected credit losses for the entire expected remaining period of the applicable financial assets. If the Company determines credit risks of financial assets are not significantly increased after initially recognized, the loss allowance is measured at the amount equal to expected credit loss that arises within 12 months following the end of reporting period. Provided, however, loss allowance of trade receivables is always measured at the amount equal to the expected credit loss for the entire period.

Expected credit losses are measured at present value of a difference between the total present value of cash flow contractually payable to the Group and the estimated future cash flow receivable by the Group, which are then recognized as profit or loss. In case of any event that will reduce loss allowance in a subsequent period, a reversal of loss allowance is recognized in profit or loss.

In case where there is objective evidence of credit impairment of financial assets, such as substantial deterioration of financial conditions of a debtor, default in payment or delinquent payment or other

breach of contract by a debtor, interest income on net carrying amount less loss allowance is measured using the effective interest method. In the absence of reasonable expectation of collecting the entire or a part of the financial assets, such amount is directly deducted from the carrying amount of the financial assets.

(iv) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows from the assets expire, or when it substantially transfers all the risks and rewards of ownership of the assets to another party. If the Group continues to control the transferred assets, the Group continues to recognize the asset and related liabilities to the extent of its continuing involvement.

## 8. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the time value of money is material, provisions are estimated at present value using a discount rate adjusted for risks specific to the liabilities.

## 9. Revenue recognition

The Group recognizes revenue from contracts with customers based on the following five step approach, (excluding interest, dividend and other such income from financial instruments recognized in accordance with IFRS 9 and insurance revenues recognized in accordance with IFRS 4).

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Revenue is measured at the amount of consideration promised in the contract with the customer after deduction of returned goods, trade discounts, and rebates.

## 10. Consumption tax

Consumption tax is excluded from the stated amount of revenue and expenses.

## 11. Rounding policy

Amounts of less than one million yen are rounded to the nearest unit.

### Notes to Changes in Accounting Policies

The significant accounting policies adopted for these 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 changes in accounting policies described hereunder.

IFRS		Overview of new/revised standards
IFRS 16	Leases	Revision in regard to COVID-19-related rent concessions

The Group has implemented the early application of “Covid-19-Related Rent Concessions (Amendment to IFRS 16)” (issued in May 2020) from the fiscal year ended 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 permits the lessee not to assess whether a rent concession that meets certain prescribed conditions is a lease modification as stipulated in IFRS 16.

The 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 fiscal year ended March 31, 2021 was immaterial.

## Notes to Accounting Estimates

In preparing the IFRS-compliant consolidated financial statements, the management of the Group uses estimates and judgments. Uncertainty associated with judgments, assumptions about the future, and estimates by management affects the amount of assets, liabilities, the disclosure of contingent assets and contingent liabilities, as well as the reported amounts of revenues and expenses as of the reporting date of the consolidated financial statements.

Estimates, and the assumptions on which they are based, are continuously reviewed. The impact of revisions to accounting estimates is recognized in the accounting period for which the estimates are revised, and in any future accounting periods that are affected.

Estimates and judgments by management that have a significant effect on the amounts in the consolidated financial statements are as follows:

### 1. Evaluation on property, plant and equipment, goodwill and intangible assets

The carrying amount of property, plant and equipment, and goodwill and intangible assets in the consolidated statement of financial position as of March 31, 2021, was ¥142,838 million.

For property, plant and equipment and intangible assets in the Sports business, recoverable amount has been calculated on the assumption that the impact of COVID-19 will continue next fiscal year, and that the business will recover gradually over a period of several years. The Group have recognized impairment losses for cash-generating units where the recoverable amount is lower than the carrying amount.

Because it is difficult to predict the situation of the spread of COVID-19, at this point in time, it is not practicable to make a reasonable calculation of the impact caused by changes in assumptions underlying the estimates.

For development assets in the Digital Entertainment business and the Amusement business, the Group makes a judgment at the end of each reporting period, at the individual title level, as to whether there are signs of impairment. An impairment test is performed for development assets where there are signs of impairment, such as where the earnings projection for a title is negative, or where the carrying amount of the asset is significantly lower than the market value, and for those development assets with a recoverable amount below the carrying amount an impairment loss is recognized. The recoverable amount of development assets is determined based on their value in use derived from future cash flow estimates, which are based on earnings projections for each title.

### 2. Revenue recognition

Revenue in the consolidated statement of profit or loss for the year ended March 31, 2021 was ¥272,656 million.

The Digital Entertainment business consists mainly of the distribution of mobile games, the sale of card games, and the sale of computer and video games.

With respect to products that the Group determines the performance obligations are satisfied at the time when they are delivered to customers, revenue is recognized at that point in time. In the case of games incorporating a function for connecting and playing online, the performance obligation, such as the function for playing online, continues to be provided after the sale is complete, and so revenue is recognized at a predetermined amount over the estimated usage period.

Revenue from the sale of virtual items within the game, depending on the nature of the items, is recognized at the point at which the customer consumes the item, or over the estimated usage period, at the point in time at which the provision of the performance obligation is judged to have been completed.

## Notes to Consolidated Statement of Financial Position

- Loss allowance deducted directly from assets  
Trade and other receivables ¥379 million  
Other financial assets (non-current) ¥37 million
- Accumulated depreciation and accumulated impairment losses of property, plant and equipment, net ¥133,753 million

## Notes to Consolidated Statement of Changes in Equity

- Type and number of shares issued at the end of the year under review

Common stock: 143,500,000 shares

- Dividends

### (1) Dividend payment

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 21, 2020	Common stock	933	7.00	March 31, 2020	June 10, 2020
Board of Directors meeting held on November 5, 2020	Common stock	2,997	22.50	September 30, 2020	November 26, 2020
Total		3,930			

- Of dividends whose record date belongs to the year under review, those dividends whose effective date is in the subsequent fiscal year

Resolution	Type of shares	Fund of dividends	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors meeting held on May 20, 2021	Common stock	Retained earnings	6,727	50.50	March 31, 2021	June 8, 2021
Total			6,727			

- Matters concerning subscription rights to shares

Class and number of shares to be issued upon exercise of subscription rights to shares (excluding those for which the initial date of exercise period has not arrived) as of March 31, 2021

Common stock: 2,299,114 shares

## Notes on Financial Instruments

### 1. Matters concerning financial instruments

The Group's basic policy for capital management emphasizes building and maintaining healthy financial structure with the aim of ensuring continuous and stable growth and expansion of the business and continuously and sustainably securing and improving corporate value and shareholder value. The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk and interest risk) in the course of business activities, and manages risks in accordance with certain policies in order to avoid or reduce such risks. Although operating payables and debt obligations are exposed to liquidity risk, that risk is managed by monthly preparing and updating the funding plan of each Group company, reporting to the managers regularly, and implementing other controls.

As the Group policy, we limit derivatives trading to those for the purpose of mitigating risks of transactions truly required and do not enter into derivative financial transactions for trading or speculative purpose.

### 2. Matters concerning the market value of financial instruments

Amount on the consolidated statement of financial position, fair value and the variance as of March 31, 2021 (the financial closing date of the year under review) are as follows. Financial instruments measured at fair value in the consolidated statements of financial position and financial instruments, whose fair value and carrying amount are approximately equal, are not included in the following table.

	Amount on consolidated statement of financial position (*) (Millions of yen)	Fair value (*) (Millions of yen)	Variance (Millions of yen)
Lease deposits	18,046	18,654	608
Bonds and borrowings	(75,175)	(73,082)	(2,093)

(\*) Items posted under liabilities are presented in a bracket of “(.)”

Note: Calculation method for the market value of financial instruments

(Fair value of financial assets and financial liabilities measured at amortized cost)

Because cash and cash equivalents, trade and other receivables, and trade and other payables have short settlement periods and estimated fair values approximate the carrying amount, the carrying amount has been used as fair value.

Fair value of lease deposits and other financial assets are calculated by present value by discounting the total of principal using a discount rate that reflects credit risks estimated by the Group.

Bonds and borrowings are calculated by fair value discounting the total of principal using the rate for loans with the same residual period under similar conditions.

(Fair value of financial assets measured at fair value through other comprehensive income)

Of other investments that are equity instruments, fair value of marketable shares is calculated using a market price of the same assets in the share market on the end of the reporting period. The fair value of unlisted shares is calculated using a valuation technique that uses observable indicators, such as market values of comparable companies and unobservable indicators.

(Fair value of financial assets measured at fair value through profit or loss)

The fair value of foreign exchange contracts is determined based on the prices presented by financial institutions that are our business counterparties. For other investments that are debt instruments, the fair value is calculated by a valuation technique that uses observable indicators, such as market values of comparable companies and unobservable indicators.

### Notes on Investment Property

#### 1. Matters concerning investment property

The Group owns a rental office building.

As for the building recognized as investment property, commencement of owner-occupation is scheduled from February 1, 2022 due to expiration of current fixed-term building lease agreement on January 31, 2022. Property is transferred from investment property to property, plant and equipment, net as of commencement of owner-occupation.

#### 2. Matters concerning the fair value of investment property

Amount on consolidated statement of financial position (Millions of yen)	Fair value (Millions of yen)
32,433	29,460

Notes: 1. The amount on the consolidated statement of financial position is the acquisition cost less accumulated depreciation.

2. The fair value of investment property is based mainly on evaluations by independent real estate appraisers, and is based on the appraisal value using the discount cash flow method or the market prices, etc. of observable similar assets.

### Notes on Per Share Data

Equity attributable to owners of the parent per share:	¥2,242.47
Basic profit for the year per share:	¥242.17

### Notes on Significant Subsequent Events

There is no applicable item.

**Balance Sheet**  
**(As of March 31, 2021)**

(Millions of yen)

<b>ASSETS:</b>		<b>LIABILITIES:</b>	
<b>Current assets</b>	<b>¥160,865</b>	<b>Current liabilities</b>	<b>¥9,488</b>
Cash and deposits	139,355	Other accounts payable	3,789
Trade accounts receivable	822	Accrued expenses	183
Prepaid expenses	103	Income taxes payable	41
Short-term loans	9,386	Deposits received	5,321
Income taxes receivable	10,891	Provision for bonuses	98
Other	306	Other	55
		<b>Long-term liabilities</b>	<b>¥71,061</b>
		Bonds payable	60,000
		Bonds with subscription rights to shares	10,012
		Other	1,049
<b>Fixed assets</b>	<b>¥168,412</b>	<b>Total liabilities</b>	<b>¥80,550</b>
<b>Property and equipment, net</b>	<b>26</b>		
Tools and fixtures	26	<b>NET ASSETS:</b>	
<b>Intangible fixed assets</b>	<b>36</b>	<b>Stockholders' equity</b>	<b>¥248,607</b>
In-house software	35	<b>Common stock</b>	<b>47,398</b>
Trademark	0	<b>Capital surplus</b>	<b>40,118</b>
Other	0	Additional paid-in capital	36,893
<b>Investments and other assets</b>	<b>168,350</b>	Other capital surplus	3,225
Investment securities	983	<b>Retained earnings</b>	<b>188,533</b>
Shares of subsidiaries and associates	96,611	Legal reserve	283
Long-term loans	70,519	Other retained earnings	188,249
Long-term prepaid expenses	6	Special reserves	80,000
Deferred income taxes, net	167	Retained earnings brought forward	108,249
Other	61	<b>Treasury stock</b>	<b>(27,442)</b>
		<b>Difference of appreciation and conversion</b>	<b>¥120</b>
		<b>Net unrealized gains on available for-sale securities</b>	<b>120</b>
		<b>Total net assets</b>	<b>¥248,728</b>
<b>Total assets</b>	<b>¥329,278</b>	<b>Total liabilities and net assets</b>	<b>¥329,278</b>

**Statement of Income**  
**(Year ended March 31, 2021)**

(Millions of yen)

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<b>I</b>	<b>Operating revenues</b>	<b>¥52,495</b>
	Management fee revenue	2,916
	Dividend income	49,578
<b>II</b>	<b>Costs and expenses</b>	<b>2,633</b>
	Selling, general and administrative expenses	2,633
	<b>Operating income</b>	<b>49,862</b>
<b>III</b>	<b>Non-operating income</b>	<b>836</b>
	Interest income	743
	Foreign exchange gains	71
	Other	21
<b>IV</b>	<b>Non-operating expense</b>	<b>545</b>
	Interest expenses	31
	Bond interest expenses	152
	Bond issuance costs	299
	Commitment fee	9
	Other	53
	<b>Ordinary income</b>	<b>50,153</b>
<b>V</b>	<b>Extraordinary losses</b>	<b>48,424</b>
	Loss on valuation of shares of subsidiaries and associates	48,424

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	<b>Net income before income taxes</b>	<b>1,729</b>
	<b>Income taxes</b>	<b>(12,179)</b>
	Current	(12,065)
	Deferred	(114)
	<b>Net income</b>	<b>13,909</b>

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**Statement of Changes in Net Assets**  
**(Year ended March 31, 2021)**

(Millions of yen)

	Stockholders' equity									
	Common stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total stockholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						Special reserves	Retained earnings brought forward			
Balance at April 1, 2020	¥47,398	¥36,893	¥3,225	¥40,118	¥283	¥80,000	¥98,269	¥178,553	¥(27,435)	¥238,636
Changes during the year										
Cash dividends							(3,929)	(3,929)		(3,929)
Net income							13,909	13,909		13,909
Purchase of treasury stock									(7)	(7)
Reissuance of treasury stock			0	0					0	0
Net change of items other than stockholders' equity										
Total changes during the year	-	-	0	0	-	-	9,979	9,979	(7)	9,971
Balance at March 31, 2021	¥47,398	¥36,893	¥3,225	¥40,118	¥283	¥80,000	¥108,249	¥188,533	¥(27,442)	¥248,607

	Difference of appreciation and conversion		Total net assets
	Net unrealized gains on available-for-sale securities	Total difference of appreciation and conversion	
Balance at April 1, 2020	¥122	¥122	¥238,758
Changes during the year			
Cash dividends			(3,929)
Net income			13,909
Purchase of treasury stock			(7)
Reissuance of treasury stock			0
Net change of items other than stockholders' equity	(1)	(1)	(1)
Total changes during the year	(1)	(1)	9,970
Balance at March 31, 2021	¥120	¥120	¥248,728

## Notes to the Financial Statements

### Summary of Significant Accounting Policies

#### 1. Methods and standards for the valuation of assets

##### Securities

Shares in subsidiaries and affiliates: Stated at cost based on the moving average method.

##### Other investment securities:

Quoted securities: The market value method is applied, based on the market value as of the fiscal year-end. The entire positive or negative valuation difference with the acquisition price is booked directly as net assets, and the cost of securities sold is calculated using the moving average method.

Unquoted securities: Valued at cost using the moving average method.

#### 2. Depreciation and amortization methods of fixed assets

Tangible fixed assets: Depreciated mainly using the straight-line method.

Intangible fixed assets: Amortized mainly using the straight-line method. For in-house software, amortization is computed using the straight-line method based on the estimated useful life of within 5 years.

#### 3. Accounting standards for reserves

##### (1) Allowance for doubtful accounts

Generally, allowance for doubtful accounts is calculated based on the actual ratio of bad debt losses incurred. For specific accounts with higher possibility of bad debt loss, the allowance is determined by respective judgment.

##### (2) Provision for bonuses

To provide for payments of bonuses to employees, the Company sets aside an estimate of bonuses payable in the next fiscal year that is applicable to the current fiscal year.

#### 4. Consumption tax

Consumption tax is excluded from the stated amount of revenue and expenses.

#### 5. Adoption of the consolidated taxation system

The Company adopts the consolidated taxation system.

#### 6. Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

As for items regarding the transition to the group tax sharing system introduced in the “Act Partially Amending the Income Tax Act” (Act No. 8 of 2020) and items revised on non-consolidated taxation system in connection with the transition to the group tax sharing system, the Company has not applied the provisions of paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Guidance No. 28, February 16, 2018) as allowed by the provisions of paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (ASBJ PITF No. 39, March 31, 2020). Accordingly, amounts of deferred tax assets and deferred tax liabilities are determined in accordance with the provisions of the tax law before revision.

#### 7. Rounding policy

Amounts of less than one million yen are rounded to the nearest unit.

## Notes to Changes in Presentation

Application of “Accounting Standard for Disclosure of Accounting Estimates”

The Company has applied “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) to its financial statements effective from the fiscal year ended March 31, 2021, and notes to accounting estimates have been provided.

## Notes to Accounting Estimates

In preparing the financial statements, the management of the Company uses estimates and judgments. Uncertainty associated with judgments, assumptions about the future, and estimates by management affects the amount of assets and liabilities, as well as the reported amounts of income and expenses as of the reporting date of the financial statements.

Estimates, and the assumptions on which they are based, are continuously reviewed. The impact of revisions to accounting estimates is recognized in the accounting period for which the estimates are revised, and in any future accounting periods that are affected.

Estimates and judgments by management that have a significant effect on the amounts in the financial statements are as follows:

- Evaluation of shares of subsidiaries and associates

The carrying amount of shares of subsidiaries and associates in the balance sheet as of March 31, 2021, was ¥96,611 million.

Shares of subsidiaries and affiliates are stated at cost, but when the shares suffer a significant decline in effective value, except in cases where there is sufficient evidence to support the possibility of a recovery the shares must be written down.

In the fiscal year ended March 31, 2021, the Company recorded a loss on valuation of shares of subsidiaries and associates in relation to the impact of the spread of COVID-19 on the shares of Konami Sports Co., Ltd., a consolidated subsidiary of the Company.

## Notes to Balance Sheet

### 1. Monetary assets and liabilities in relation to subsidiaries and affiliates

	(Millions of yen)
Short-term assets	10,539
Short-term liabilities	8,846
Long-term assets	70,519

2. Accumulated depreciation of property and equipment 124

### 3. Guarantee obligation

The Company extends guarantees to the following consolidated subsidiaries for bank loans.

	(Millions of yen)
Konami Gaming, Inc.	5,535

## Notes to Statement of Income

### 1. Transactions with subsidiaries and affiliates

	(Millions of yen)
Operating revenues	52,477
Selling, general and administrative expenses	680
Non-operating transactions	740

### 2. Extraordinary losses

A loss on valuation of shares of subsidiaries and associates was recorded in relation to the following subsidiary.

	(Millions of yen)
Konami Sports Co., Ltd.	48,424

## Notes to Statement of Changes in Net Assets

### Type and number of treasury stock

(Thousand shares)

	Number of shares as of April 1, 2020	Number of shares increased during the period	Number of shares decreased during the period	Number of shares as of March 31, 2021
Common stock	10,285	1	0	10,286
Total	10,285	1	0	10,286

Notes: 1. The increase of 1 thousand shares of common stock as treasury stock is due to purchases of shares constituting less than one unit.

2. The decrease of 0 thousand shares of common stock as treasury stock is due to the sale of shares constituting less than one unit.

## Notes on Tax Effect Accounting

Breakdown by major cause for the occurrence of deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets	
Investments and other	1,613
Long-term other accounts payable	321
Accrued expenses, etc.	44
Revision to the carrying amount of investments in relation to the consolidated taxation system	2,984
Loss brought forward for tax purposes	3,309
Others	<u>316</u>
Deferred tax assets subtotal	<u>8,590</u>
Valuation allowance related to loss brought forward for tax purposes	(3,075)
Valuation allowance related to total of deductible temporary difference	<u>(5,190)</u>
Valuation allowance	<u>(8,265)</u>
Total deferred tax assets	324
Deferred tax liabilities	
Investments and other	<u>(157)</u>
Total deferred tax liabilities	<u>(157)</u>
Net deferred tax assets	<u>167</u>

## Notes on Transactions with Related Parties

### Subsidiaries and affiliates, etc.

Attributes	Company name	Percentage of voting rights	Relationship with the related party	Transactions	Amount of transactions (Millions of yen)	Account title	Ending balance (Millions of yen)
Subsidiary	Konami Digital Entertainment Co., Ltd.	Direct 100%	Interlocking of directors	Receipt of business management fees	2,141	–	–
				Individually attributed amounts in relation to the consolidated taxation system	14,699	Deposits received	5,300
	Konami Sports Co., Ltd.	Direct 100%	Lending and borrowing of funds, etc.	Payment of advertising expenses	300	Other accounts payable	82
				Individually attributed amounts in relation to the consolidated taxation system	3,448	Other accounts payable	3,448
				Lending of funds	3,500	Short-term loans	3,500
	Konami Real Estate, Inc.	Direct 100%	Lending and borrowing of funds, etc. Interlocking of directors	Lending of funds	4,700	Short-term loans	2,836
				Recovery of funds	1,908	Long-term loans	70,519
				Interest income	711		
	Konami Business Expert Co., Ltd.	Direct 100%	Lending and borrowing of funds, etc.	Recovery of funds	4,579	Short-term loans	3,050
				Interest income	21		
Konami Gaming, Inc.	Indirect 100%	Interlocking of directors	Guarantee of obligation	5,535	–	–	

Notes: Transaction terms and the policy, etc. of deciding transaction terms

1. The receipt of business management fees is determined through negotiations, considering the running costs, etc. of the Company as a pure holding company.
2. Advertising expenses are for advertising generated by all sports club activities.
3. The rate for lending and borrowing of funds are determined based on the market interest rates and others.
4. Guarantee of obligation applies to loans by its subsidiary.
5. Consumption taxes are not included in the amount of transactions but are included in the ending balance.

### Notes on Per Share Data

Net assets per share:	¥1,867.14
Basic net income per share:	¥104.41

### Notes on Significant Subsequent Events

There is no applicable item.

## Independent Auditor's Report (English Translation)

May 20, 2021

To the Board of Directors of  
KONAMI HOLDINGS CORPORATION

PricewaterhouseCoopers Aarata LLC  
Tokyo office  
Shigeru Takahama, CPA  
Designated limited liability Partner  
Engagement Partner  
Takeshi Tadokoro, CPA  
Designated limited liability Partner  
Engagement Partner  
Yoshihisa Chiyoda, CPA  
Designated limited liability Partner  
Engagement Partner

### *Opinion*

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements of KONAMI HOLDINGS CORPORATION and its consolidated subsidiaries (hereinafter referred to as the "Group") for the fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the consolidated financial statements referred to above, which were prepared in accordance with the provision of second sentence of Article 120 (1) of the Regulation on Corporate Accounting of Japan which prescribes some omissions of disclosure items required under the designated International Financial Reporting Standards (hereinafter "IFRS"), present fairly, in all material respects, the financial position and its financial performance of the Group for the period covered by the financial statements.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the second sentence of Article 120 (1) of the Regulation on Corporate Accounting of Japan, which permits the omission of some disclosure items required under IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the provision of the second sentence of Article 120 (1) of the Regulation on Corporate Accounting of Japan, which permits the omission of some disclosure items required under IFRS and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with the provision of the second sentence of Article 120 (1) of the Regulation on Corporate Accounting of Japan, which permits the omission of some disclosure items required under IFRS, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### *Interest required to be disclosed by the Certified Public Accountants Act of Japan*

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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#### \* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Independent Auditor's Report (English Translation)

May 20, 2021

To the Board of Directors of  
KONAMI HOLDINGS CORPORATION

PricewaterhouseCoopers Aarata LLC  
Tokyo office  
Shigeru Takahama, CPA  
Designated limited liability Partner  
Engagement Partner  
Takeshi Tadokoro, CPA  
Designated limited liability Partner  
Engagement Partner  
Yoshihisa Chiyoda, CPA  
Designated limited liability Partner  
Engagement Partner

### *Opinion*

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the Balance Sheet, Statement of Income, Statement of Changes in Net Assets and Notes to the financial statements, and the supplementary schedules of KONAMI HOLDINGS CORPORATION (hereinafter referred to as the "Company") for the 49<sup>th</sup> fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Supplementary Schedules*

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules*

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Interest required to be disclosed by the Certified Public Accountants Act of Japan*

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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\* Notes to the Readers of Independent Auditor's Report

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## AUDIT REPORT

Regarding the performance of duties by the Directors for the 49<sup>th</sup> fiscal year from April 1, 2020 to March 31, 2021, the Audit & Supervisory Board hereby submits its audit report, which has been prepared through discussions based on the audit report prepared by each Audit & Supervisory Board Member.

### 1. Auditing Methods and Details of Such Methods

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties and other relevant matters and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and the accounting auditors regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards of Audit & Supervisory Board Members, followed auditing policies, allocation of duties, and other relevant matters established by the Audit & Supervisory Board, communicated with the Directors, the internal audit department, other employees, and any other relevant personnel, and made efforts to optimize the environment for information collection and audit, and conducted an audit by following the methods described below.
  - (a) We participated in meetings of the Board of Directors and other important meetings, received reports from the Directors, employees, and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal place of business. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.
  - (b) As for the details of the resolution of the Board of Directors related to the establishment of the systems as indicated in the Business Report to ensure that the execution of the duties of Directors conform to laws and regulations and the Articles of Incorporation and the systems necessary to ensure appropriate operations of corporations and their subsidiaries as stipulated in Paragraphs (1) and (3) of Article 100 of the Ordinance of Enforcement of the Companies Act of Japan, and the condition of the systems put in place in accordance with the aforesaid resolution (internal control system), we received periodical reporting from Directors and employees, sought explanations as necessary, and provided our recommendations.

- (c) We received audit reports from accounting auditors, monitored and verified whether the accounting auditors maintained their independence and implemented appropriate audits, and we received reports from the accounting auditors regarding the performance of their duties and sought explanations as necessary. In addition, we received notice from the accounting auditors that “the system for ensuring that duties are performed properly” (matters set forth in each Item of Article 131 of the Regulation on Corporate Accounting of Japan) is organized in accordance with the “product quality management standards regarding audits” (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and its supporting schedules, non-consolidated financial statements (Balance Sheet, Statement of Income, Statement of Changes in Net Assets and Notes to the Financial Statements) and their supporting schedules, as well as consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements, all prepared with the omission of certain disclosures required by the IFRS pursuant to the provision of the second sentence of Article 120, Paragraph (1) of the Regulation on Corporate Accounting of Japan) related to the fiscal year under review.

## 2. Results of Audit

### (1) Results of audit of Business Report

- (a) In our opinion, the Business Report and its supporting schedules are in accordance with the related laws and regulations and the Articles of Incorporation, and fairly represent the Company’s condition.
- (b) With regard to the performance of duties by the Directors, we have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation.
- (c) In our opinion, the contents of the resolutions of the Board of Directors regarding the internal control system are fair and reasonable. In addition, we have found no matters on which to remark in regard to the content of the Business Report and the performance of duties of the Directors regarding the internal control system.

### (2) Results of audit of non-consolidated financial statements and their supporting schedules

In our opinion, the methods and results of audit employed and rendered by PricewaterhouseCoopers Aarata LLC, accounting auditors, are fair and reasonable.

### (3) Results of audit of consolidated financial statements

In our opinion, the methods and results of audit employed and rendered by PricewaterhouseCoopers Aarata LLC, accounting auditors, are fair and reasonable.

May 20, 2021

Audit & Supervisory Board  
KONAMI HOLDINGS CORPORATION

Audit & Supervisory Board Member (Full-time)	Shinichi Furukawa
Audit & Supervisory Board Member (Full-time)	Minoru Maruoka
Audit & Supervisory Board Member	Takayoshi Yashiro
Audit & Supervisory Board Member	Chikara Kawakita
Audit & Supervisory Board Member	Hideo Shimada

Note: Audit & Supervisory Board Members (Full-time) Mr. Minoru Maruoka; Audit & Supervisory Board Members Messrs. Takayoshi Yashiro, Chikara Kawakita and Hideo Shimada are Outside Audit & Supervisory Board Members as provided for in Article 2, Item (xvi) and Article 335, Paragraph (3) of the Companies Act of Japan.