

**Consolidated Financial Results  
for the Six Months Ended September 30, 2020  
(Prepared in Accordance with IFRS)**

November 5, 2020

**KONAMI HOLDINGS CORPORATION**

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 Stock code number, TSE: 9766  
 Ticker symbol, LSE: KNM  
 URL: <https://www.konami.com/>  
 Shares listed: Tokyo Stock Exchange and London Stock Exchange  
 Representative: Kimihiko Higashio, Representative Director, President  
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 Beginning date of dividend payment: November 26, 2020

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

**1. Consolidated Financial Results for the Six Months Ended September 30, 2020**
**(1) Consolidated Results of Operations**

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

	Revenue	Operating profit	Profit before income taxes	Profit for the period	Profit attributable to owners of the parent	Total income for the period attributable to comprehensive owners of the parent
Six months ended September 30, 2020	116,072	21,368	20,215	13,788	13,791	13,450
% change from previous year	(4.1)%	2.1%	(0.9)%	(9.3)%	(9.3)%	(1.6)%
Six months ended September 30, 2019	121,089	20,922	20,404	15,200	15,201	13,671
% change from previous year	(0.9)%	(16.4)%	(18.2)%	(11.6)%	(11.6)%	(29.4)%

	Basic earnings per share (attributable to owners of the parent) (yen)	Diluted earnings per share (attributable to owners of the parent) (yen)
Six months ended September 30, 2020	103.52	101.90
Six months ended September 30, 2019	112.41	110.67

**(2) Consolidated Financial Position**

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

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
September 30, 2020	464,886	281,460	280,661	60.4%
March 31, 2020	419,134	268,943	268,141	64.0%

**2. Cash Dividends**

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

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2021 during the three months ended September 30, 2020: No

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

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

#### **Noted Items**

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

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

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

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

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

As of September 30, 2020	143,500,000 shares
As of March 31, 2020	143,500,000 shares
2. Number of treasury shares:

As of September 30, 2020	10,285,665 shares
As of March 31, 2020	10,285,500 shares
3. Average number of shares outstanding:

Six months ended September 30, 2020	133,214,445 shares
Six months ended September 30, 2019	135,232,923 shares

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

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

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

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

KONAMI HOLDINGS CORPORATION (the "Company") disclosed the supplemental data for the consolidated financial statements via the Company's website on November 5, 2020.

# 1. Business Performance

## (1) Analysis of Business Performance

### (1) Business Overview

For the six months ended September 30, 2020, due to global restrictions on business activities triggered by the coronavirus outbreak, it is expected that a world-wide economic recovery will take a significant amount of time in the face of difficulties to execute measures to avoid infection and restart social and economic activities at the same time.

Under such circumstances, in terms of the business results of Konami Group for the six months ended September 30, 2020, total revenue decreased due to temporal closure of amusement facilities worldwide, casino facilities overseas and our sports clubs in Japan by the coronavirus outbreak as well as the loss, mainly fixed costs incurred during the closure period, was recognized. Meanwhile, total segment profit and operating profit increased due to strong performance in the Digital Entertainment business.

In terms of the consolidated results for the six months ended September 30, 2020, total revenue amounted to ¥116,072 million (a year-on-year decrease of 4.1%), operating profit was ¥21,368 million (a year-on-year increase of 2.1%), profit before income taxes was ¥20,215 million (a year-on-year decrease of 0.9%), and profit attributable to owners of the parent was ¥13,791 million (a year-on-year decrease of 9.3%).

## (2) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Six months ended September 30, 2019	Six months ended September 30, 2020	% change
<b>Total revenue:</b>			
Digital Entertainment	¥66,982	¥88,272	31.8
Amusement	9,009	6,587	(26.9)
Gaming & Systems	14,865	7,150	(51.9)
Sports	31,061	15,122	(51.3)
Intersegment eliminations	(828)	(1,059)	-
Total revenue	¥121,089	¥116,072	(4.1)

### Digital Entertainment

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

Under such circumstances, in the global market, as for mobile games in the Digital Entertainment segment, *Yu-Gi-Oh! DUEL LINKS* has received favorable reviews and led our revenue by adding the new world, *Yu-Gi-Oh! ZEXAL* and *eFootball Winning Eleven 2020* (Known overseas as *eFootball PES 2020*) has continued to perform strongly. Furthermore, *SUPER BOMBERMAN R ONLINE*, the first title on the gaming platform of Stadia™ was released. In the domestic market, for the promotion of *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, players were selected by MLB pitcher Yu Darvish, as well as former Japanese baseball league players, attracting the attention of many users.

As for card games, we continued to expand the *Yu-Gi-Oh! TRADING CARD GAME* in the global market and received favorable reviews even in the coronavirus crisis, as well as to generate interest for *Yu-Gi-Oh! RUSH DUEL* among younger users (mainly elementary school students).

As for computer and video games, *eBASEBALL PAWAFURU PUROYAKYU 2020*, selected as the competition title in the “eBASEBALL Pro League” 2020 season, was released and cumulative production shipments had a good start to reach over five hundred thousand. The latest title in the *Winning Eleven* series, *eFootball Winning Eleven 2021 SEASON UPDATE* (Known overseas as *eFootball PES 2021 SEASON UPDATE*), was released. In addition, we made an announcement at Tokyo Game

Show 2020 Online that a game based on *EDENS ZERO*, a popular space fantasy comic, is under development.

As part of our continued active efforts in eSports, with taking its advantage, we continued to provide various contents via online for fun of the customers under the circumstance that our activities are limited by the coronavirus outbreak. In regard to “eBASEBALL Pro League,” which is organized along with the Nippon Professional Baseball (NPB), the tryout of 2020 season began and “eBASEBALL Pro League eAll Star 2020” was held for the first time. As for soccer content, the final round of “eFootball.Open,” the eSports official tournaments in the *Winning Eleven* series, was held. In the *Yu-Gi-Oh!* series, the final round of the “KC Grand Tournament,” a large scale online tournament of the *Yu-Gi-Oh! DUEL LINKS* in which more than one million players joined, was held and decided the best player in the world.

In terms of financial performance, total revenue for the six months ended September 30, 2020 in this segment amounted to ¥88,272 million (a year-on-year increase of 31.8%) and segment profit for the six months ended September 30, 2020 amounted to ¥31,048 million (a year-on-year increase of 65.8%).

### **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 have resumed operations since state-of-emergency declaration from government and business suspension request from local governments were lifted and the number of visitors recover in phases in Japan, however, as for the global market, recovery will take more time.

Under such circumstances, in regard to our video games and medal games, we held various online events to stimulate market recovery and *SENGOKU COLLECTION 4*, the latest title of the *SENGOKU COLLECTION* series, was released. The business loss had incurred for the three months ended June 30, 2020 due to the severe impact of the coronavirus outbreak, nevertheless, these efforts offset the loss and returned to become profitable for the six months ended September 30, 2020.

In terms of financial performance, total revenue for the six months ended September 30, 2020 in this segment amounted to ¥6,587 million (a year-on-year decrease of 26.9%) and segment loss for the six months ended September 30, 2020 amounted to ¥297 million (a year-on-year decrease of 81.0%).

## **Gaming & Systems**

In the gaming market, various measures were taken by governments of each nation to mitigate the coronavirus outbreak from the beginning of this year. As a result, casino facilities were closed temporarily from the middle of March, except in some areas, and the gaming business was forced to suspend virtually all its operations. Although business gradually resumed from the end of May, it will take time for the market to fully recover under this severe business environment due to certain business restrictions and continued travel restrictions.

Under these circumstances, we launched two new slot machines, the *DIMENSION 27™* and the *DIMENSION 49J™* featuring a “J” curve display. In addition, we recognized revenue for the sale of slot machines, including our core *KX 43™* upright cabinet and *Concerto™* series, 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 six months ended September 30, 2020 in this segment amounted to ¥7,150 million (a year-on-year decrease of 51.9%) and segment loss for the six months ended September 30, 2020 amounted to ¥1,236 million (segment profit for the six months ended June 30, 2019 amounted to ¥1,652 million).

## **Sports**

Through the change of life style, such as voluntary stay-at-home to avoid the coronavirus outbreak and encouraged work-from-home, concerns about health are growing due to lack of exercise. In connection with the sports industry, improved hygiene managements and new services for health have been widely provided 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 shortening business hours. As a result, total revenue from this business decreased. Since the declaration and the request have been lifted, 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 daily 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 due to requests mainly from local governments and corporate companies entering into contracts. Meanwhile, we started the operation of new outsourced facilities such as the Kawasaki Shimin Plaza (Kawasaki City, Kanagawa Prefecture), Sakai City Ebara Oike Gymnasium (Sakai City, Osaka Prefecture), and Oita City Comprehensive Gymnasium (Oita City, Oita Prefecture) using our know-how accumulated through sports club operation over many years.

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

In terms of financial performance, total revenue for the six months ended September 30, 2020 in this segment amounted to ¥15,122 million (a year-on-year decrease of 51.3%) and segment loss for the six months ended September 30, 2020 amounted to ¥2,993 million (segment profit for the six months ended June 30, 2019 amounted to ¥1,474 million).

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

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

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

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

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

### Digital Entertainment

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

As part of our new efforts, we are planning to deliver our titles via Luna, Amazon's cloud gaming service. In addition, *eFootball Winning Eleven 2021* (Known overseas as *eFootball PES 2021*) for mobile game is intended to be updated and *Momotaro Dentetsu: Showa, Heisei, Reiwa mo teiban*, a new title for computer and video game, is also intended to be released. We are working hard to develop *EDENS ZERO* for computer and video game as well as mobile game, which is based on a popular space fantasy comic.

Furthermore, in regard to our continued efforts, we continue to make sure that our business operations are highly regarded by taking measures to meet user needs in various titles including *PROFESSIONAL BASEBALL SPIRITS A (Ace)* and *Yu-Gi-Oh! DUEL LINKS*. In regard to *Yu-Gi-Oh! TRADING CARD GAME*, we continue to expand it globally and make efforts to attract more users for the new line up of *Yu-Gi-Oh! RUSH DUEL*. As for eSports, the players for each team on the "eBASEBALL Pro League," which is organized along with the Nippon Professional Baseball (NPB), are decided through e-draft conference and e-pennant race opening is coming. Various events are scheduled to decide the best players for each title, such as the "PAWAPURO APP CHAMPIONSHIPS" for the mobile game *JIKKYOU PAWAFURU PUROYAKYU*, "Prospi A CHAMPIONSHIPS" for *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, and "PROFESSIONAL BASEBALL SPIRITS Championship Tournament 2020"

for the console game *PROFESSIONAL BASEBALL SPIRITS 2019*. Furthermore, the *eFootball Winning Eleven* series and *eBASEBALL PAWAFURU PUROYAKYU 2020* have been selected for “National Prefectural Competition eSports Championship 2020 KAGOSHIMA,” an exciting competition to crown the best players in Japan. We will continue to attract fans by providing new experiences through eSports.

## **Amusement**

Konami Group intends to provide new entertainment that can be delivered through person-to-person communication, including the e-amusement service which connects each amusement facility through network all over Japan. We continue to make efforts to expand the game content of our “KONAMI AMUSEMENT GAME STATION,” which delivers high-quality arcade games to devices, such as PCs and smartphones, through streaming and enables users to play the games anytime using cloud gaming. Although “BEMANI PRO LEAGUE,” the pro league mixing music and eSports, is postponed until 2021 due to the coronavirus outbreak, “BEMANI PRO LEAGUE ZERO” is held without spectators this year for the legions of BEMANI PRO LEAGUE fans. Furthermore, “KONAMI Arcade Championship,” an event many fans look forward to every year, is still intended to be held with necessary adjustments for the current situation. We continue to make efforts to create the new platform, where eSports will be enjoyed as a new entertainment. As for new video games, *BUSOU SHINKI: Armored Princess Battle Conductor* is intended to be released and we make efforts to vitalize the amusement market.

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

## **Gaming & Systems**

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

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

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

## **Sports**

We continue to strive to provide our fitness services that enable as many customers as possible to engage in sports and exercise safely and that contribute to the improvement of physical and mental health. In the operation of our sports clubs, especially, we will strive to prevent the coronavirus outbreak by further measures including hygiene management for employees, fully cleaning and ventilation of the facilities and health checks of customers when they come to use the facilities, so that our customers can exercise safely.

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

The coronavirus outbreak is expected to continue to affect the financial performance of the fiscal year ending March 31, 2021 onwards due to changes in the number of memberships and other factors. We will make sure to reform our cost structure through reductions in fixed costs, including reductions in personnel costs and strategic closure of unprofitable facilities, to overcome this challenging environment surrounding the sports business. Furthermore, we continue to make efforts to provide products and services that are tailored to changing values that come with the establishment of a new-normal lifestyle and improve profit structure, including expanding services at operation of outsourced facilities and of exercise guidance to address the needs of local governments and corporate customers, introducing online services and improving product development and sales by leveraging our membership base.

Special Note:

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

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

## 2. Quarterly Condensed Consolidated Financial Statements and Notes

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

	Millions of Yen	
	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	¥131,432	¥175,207
Trade and other receivables	29,894	28,282
Inventories	10,000	10,588
Income tax receivables	1,924	3,555
Other current assets	14,493	13,938
<b>Total current assets</b>	<b>187,743</b>	<b>231,570</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	116,631	115,296
Goodwill and intangible assets	34,423	38,190
Investment property	32,484	32,458
Investments accounted for using the equity method	3,128	2,675
Other investments	1,554	1,582
Other financial assets	17,229	16,563
Deferred tax assets	23,735	24,450
Other non-current assets	2,207	2,102
<b>Total non-current assets</b>	<b>231,391</b>	<b>233,316</b>
<b>Total assets</b>	<b>419,134</b>	<b>464,886</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bonds and borrowings	28,265	5,290
Other financial liabilities	12,187	10,431
Trade and other payables	31,264	27,573
Income tax payables	2,997	3,783
Other current liabilities	22,053	24,013
<b>Total current liabilities</b>	<b>96,766</b>	<b>71,090</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	9,855	69,591
Other financial liabilities	34,553	33,491
Provisions	6,674	6,680
Deferred tax liabilities	886	1,102
Other non-current liabilities	1,457	1,472
<b>Total non-current liabilities</b>	<b>53,425</b>	<b>112,336</b>
<b>Total liabilities</b>	<b>150,191</b>	<b>183,426</b>
<b>Equity</b>		
Share capital	47,399	47,399
Share premium	74,399	74,399
Treasury shares	(27,836)	(27,836)
Other components of equity	(89)	(427)
Retained earnings	174,268	187,126
<b>Total equity attributable to owners of the parent</b>	<b>268,141</b>	<b>280,661</b>
Non-controlling interests	802	799
<b>Total equity</b>	<b>268,943</b>	<b>281,460</b>
<b>Total liabilities and equity</b>	<b>¥419,134</b>	<b>¥464,886</b>

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

### Quarterly Condensed Consolidated Statement of Profit or Loss

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue		
Product sales revenue	¥30,839	¥27,008
Service and other revenue	90,250	89,064
Total revenue	121,089	116,072
Cost of revenue		
Cost of product sales revenue	(16,400)	(13,965)
Cost of service and other revenue	(57,216)	(54,707)
Total cost of revenue	(73,616)	(68,672)
Gross profit	47,473	47,400
Selling, general and administrative expenses	(26,659)	(21,673)
Other income and other expenses, net	108	(4,359)
Operating profit	20,922	21,368
Finance income	176	65
Finance costs	(628)	(821)
Loss from investments accounted for using the equity method	(66)	(397)
Profit before income taxes	20,404	20,215
Income taxes	(5,204)	(6,427)
Profit for the period	15,200	13,788
Profit attributable to:		
Owners of the parent	15,201	13,791
Non-controlling interests	¥(1)	¥(3)

	Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Earnings per share (attributable to owners of the parent)		
Basic	¥112.41	¥103.52
Diluted	¥110.67	¥101.90

## Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit for the period	¥15,200	¥13,788
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net change in fair value of equity financial assets measured at fair value through other comprehensive income	(13)	18
Share of other comprehensive income of entity accounted for using the equity method	(0)	-
Total items that will not be reclassified to profit or loss	(13)	18
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	(1,516)	(356)
Total items that may be reclassified to profit or loss	(1,516)	(356)
Total other comprehensive income	(1,529)	(338)
<b>Total comprehensive income for the period</b>	<b>13,671</b>	<b>13,450</b>
Comprehensive income attributable to:		
Owners of the parent	13,672	13,453
Non-controlling interests	¥(1)	¥(3)

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

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2019</b>	¥47,399	¥74,426	¥(21,325)	¥1,583	¥173,544	¥275,627	¥777	¥276,404
Changes in accounting policies					(5,180)	(5,180)		(5,180)
Beginning balance after adjusting	47,399	74,426	(21,325)	1,583	168,364	270,447	777	271,224
Profit for the period					15,201	15,201	(1)	15,200
Other comprehensive income				(1,529)		(1,529)	0	(1,529)
Total comprehensive income for the period	-	-	-	(1,529)	15,201	13,672	(1)	13,671
Purchase of treasury shares			(1)			(1)		(1)
Dividends					(8,858)	(8,858)		(8,858)
Changes in ownership interests in subsidiaries		(27)				(27)	20	(7)
Transfer from other components of equity to retained earnings				(9)	9	-		-
Total transactions with the owners	-	(27)	(1)	(9)	(8,849)	(8,886)	20	(8,866)
<b>Balance at September 30, 2019</b>	¥47,399	¥74,399	¥(21,326)	¥45	¥174,716	¥275,233	¥796	¥276,029

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
<b>Balance at April 1, 2020</b>	¥47,399	¥74,399	¥(27,836)	¥(89)	¥174,268	¥268,141	¥802	¥268,943
Profit for the period					13,791	13,791	(3)	13,788
Other comprehensive income				(338)		(338)		(338)
Total comprehensive income for the period	-	-	-	(338)	13,791	13,453	(3)	13,450
Purchase of treasury shares			(0)			(0)		(0)
Disposal of treasury shares		0	0			0		0
Dividends					(933)	(933)		(933)
Total transactions with the owners	-	0	(0)	-	(933)	(933)	-	(933)
<b>Balance at September 30, 2020</b>	¥47,399	¥74,399	¥(27,836)	¥(427)	¥187,126	¥280,661	¥799	¥281,460

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

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
<b><i>Operating activities</i></b>		
Profit for the period	¥15,200	¥13,788
Depreciation and amortization	12,593	9,407
Impairment losses	134	34
Interest and dividends income	(170)	(45)
Interest expense	463	444
Loss on sale or disposal of property, plant and equipment	12	30
Loss from investments accounted for using the equity method	66	397
Income taxes	5,204	6,427
Decrease in trade and other receivables	415	1,349
Increase in inventories	(4,259)	(503)
Decrease in trade and other payables	(6,442)	(3,580)
Increase in prepaid expense	(2,017)	(1,767)
Increase in contract liabilities	3,828	2,965
Other, net	(552)	2,102
Interest and dividends received	187	59
Interest paid	(457)	(370)
Income taxes paid	(7,540)	(7,683)
<b><i>Net cash provided by operating activities</i></b>	<b>16,665</b>	<b>23,054</b>
<b><i>Investing activities</i></b>		
Capital expenditures	(14,621)	(9,963)
Payments for lease deposits	(643)	(220)
Proceeds from refunds of lease deposits	799	502
Proceeds from withdrawal of time deposits	-	586
Other, net	(375)	2
<b><i>Net cash used in investing activities</i></b>	<b>(14,840)</b>	<b>(9,093)</b>
<b><i>Financing activities</i></b>		
Proceeds from short-term (more than 3 months) borrowings	5,429	5,364
Repayments of short-term (more than 3 months) borrowings	(5,429)	(28,216)
Proceeds from issuance of bonds	-	60,000
Redemption of bonds	(5,000)	-
Principal payments of lease liabilities	(6,797)	(6,021)
Dividends paid	(8,848)	(935)
Other, net	(8)	(300)
<b><i>Net cash (used in) provided by financing activities</i></b>	<b>(20,653)</b>	<b>29,892</b>
Effect of exchange rate changes on cash and cash equivalents	(1,029)	(78)
Net (decrease) increase in cash and cash equivalents	(19,857)	43,775
Cash and cash equivalents at the beginning of the period	159,242	131,432
<b><i>Cash and cash equivalents at the end of the period</i></b>	<b>¥139,385</b>	<b>¥175,207</b>

## (5) Going Concern Assumption

None

## (6) Changes in Accounting Policies

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

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

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

Konami Group has elected to apply this practical expedient for rent concessions that meet certain prescribed conditions, however, the impact on profit before income taxes for the six months ended September 30, 2020 was immaterial.

## (7) Segment Information

### (i) Operating Segment Information

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Revenue:</b>		
Digital Entertainment -		
External customers	¥66,680	¥87,947
Intersegment	302	325
Total	¥66,982	¥88,272
Amusement -		
External customers	¥8,639	¥6,007
Intersegment	370	580
Total	¥9,009	¥6,587
Gaming & Systems -		
External customers	¥14,865	¥7,150
Intersegment	-	-
Total	¥14,865	¥7,150
Sports -		
External customers	¥30,905	¥14,968
Intersegment	156	154
Total	¥31,061	¥15,122
Intersegment eliminations	¥(828)	¥(1,059)
Consolidated	¥121,089	¥116,072

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Segment profit (loss):</b>		
Digital Entertainment	¥18,732	¥31,048
Amusement	1,560	297
Gaming & Systems	1,652	(1,236)
Sports	1,474	(2,993)
Total segment profit and loss, net	23,418	27,116
Corporate expenses and eliminations	(2,604)	(1,389)
Other income and other expenses, net	108	(4,359)
Finance income and finance costs, net	(452)	(756)
Loss from investments accounted for using the equity method	(66)	(397)
Profit before income taxes	¥20,404	¥20,215

(Notes)

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

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

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

## (ii) Geographic Information

Revenue from external customers

	Millions of Yen	
	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Revenue:</b>		
Japan	¥94,229	¥93,476
United States	18,040	12,913
Europe	4,866	6,538
Asia/Oceania	3,954	3,145
Consolidated	¥121,089	¥116,072

(Note)

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

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

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

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