



# **BANDAI NAMCO Holdings Inc.**

**Consolidated Financial Report for the Fiscal Year Ended**

**March 31, 2021**

May 11, 2021

## **DISCLAIMER**

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- This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

# BANDAI NAMCO Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

(URL: <https://www.bandainamco.co.jp/>)

May 11, 2021

## Consolidated Financial Report for the Fiscal Year Ended March 31, 2021 (Japanese GAAP)

Representative: Masaru Kawaguchi, President and Representative Director  
Contact: Yuji Asako, Director, Division General Manager of the Corporate Planning Division  
Date of Ordinary General Meeting of Shareholders: June 21, 2021  
Scheduled starting date for dividend payments: June 22, 2021  
Scheduled filing date of the annual security report: June 21, 2021  
The Financial Highlights of the Financial Results: Yes  
The information session of the Financial Results: Yes (for institutional investors and analysts)

\* Figures are in millions of yen, rounded down

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
<b>Fiscal Year Ended March 31, 2021</b>	<b>740,903</b>	<b>2.3</b>	<b>84,654</b>	<b>7.5</b>	<b>87,612</b>	<b>9.8</b>
Fiscal Year Ended March 31, 2020	723,989	(1.1)	78,775	(6.3)	79,797	(8.1)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
<b>Fiscal Year Ended March 31, 2021</b>	<b>48,894</b>	<b>(15.2)</b>	<b>222.58</b>	—
Fiscal Year Ended March 31, 2020	57,665	(9.0)	262.39	—

(Note) Comprehensive income: 90,527 million yen [69.8%] (FY2021.3), 53,312 million yen [(23.8)%] (FY2020.3)

	ROE (Profit attributable to owners of parent / Net assets)	ROA (Recurring profit / Total assets)	Operating margin (Operating profit / Net sales)
	%	%	%
<b>Fiscal Year Ended March 31, 2021</b>	<b>10.2</b>	<b>13.0</b>	<b>11.4</b>
Fiscal Year Ended March 31, 2020	13.1	12.9	10.9

(Reference) Share of profit (loss) of entities accounted for using equity method: (31) million yen (FY2021.3), (182) million yen (FY2020.3)

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
<b>As of March 31, 2021</b>	<b>732,782</b>	<b>511,433</b>	<b>69.7</b>	<b>2,323.98</b>
As of March 31, 2020	619,819	454,684	72.5	2,045.25

(Reference) Equity: 510,515 million yen (as of March 31, 2021), 449,292 million yen (as of March 31, 2020)

**(3) Consolidated Statements of Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
<b>Fiscal Year Ended March 31, 2021</b>	<b>60,483</b>	<b>(29,771)</b>	<b>(19,037)</b>	<b>203,698</b>
Fiscal Year Ended March 31, 2020	43,131	(23,067)	(35,258)	188,667

**2. Cash Dividends**

	Annual cash dividends					Total dividend payment (Full year)	Payout ratio (Consolidated)	Dividend / Net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year Ended March 31, 2020	—	20.00	—	112.00	132.00	29,034	50.3	6.6
Fiscal Year Ended March 31, 2021	—	21.00	—	91.00	112.00	24,640	50.3	5.1
Fiscal Year Ending March 31, 2022 (Projections)	—	24.00	—	24.00	48.00		—	

(Note) Concerning the projected amounts of the end of second quarter and year-end cash dividends for the fiscal year ending March 31, 2022, the base dividend is stated based on the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2022, will be considered by the Company based on the basic policy on the distribution of profits.

**3. Consolidated Projections for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months Ending September 30, 2021	350,000	3.8	35,000	(23.8)	35,500	(24.8)	25,000	(21.2)	113.81
Full Fiscal Year	750,000	1.2	75,000	(11.4)	76,000	(13.3)	52,000	6.4	236.72

**\* Notes****(1) Changes in Significant Subsidiaries during the Period**

(Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation): Yes  
Included: 1 company (Reflector Entertainment Ltd.)

**(2) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement**

- a) Changes in accounting policies due to revisions to accounting standards and other regulations: No
- b) Changes in accounting policies due to other reasons: No
- c) Changes in accounting estimation: No
- d) Restatement: No

(3) Number of Issued Shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)	
As of March 31, 2021	222,000,000 shares
As of March 31, 2020	222,000,000 shares
b) Number of shares of treasury stock at the end of the period	
As of March 31, 2021	2,326,752 shares
As of March 31, 2020	2,324,320 shares
c) Average number of shares during the period	
For the Fiscal Year Ended March 31, 2021	219,670,097 shares
For the Fiscal Year Ended March 31, 2020	219,770,515 shares

**(Reference) Non-consolidated Information**

**1. Non-consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)**

**(1) Non-consolidated Operating Results**

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
<b>Fiscal Year Ended March 31, 2021</b>	<b>116,975</b>	<b>260.8</b>	<b>110,761</b>	<b>314.1</b>	<b>111,194</b>	<b>303.5</b>
Fiscal Year Ended March 31, 2020	32,419	26.6	26,747	29.7	27,554	29.1

	Profit		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
<b>Fiscal Year Ended March 31, 2021</b>	<b>109,865</b>	<b>304.3</b>	<b>499.42</b>	—
Fiscal Year Ended March 31, 2020	27,177	28.3	123.56	—

**(2) Non-consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
<b>As of March 31, 2021</b>	<b>529,866</b>	<b>360,694</b>	<b>68.1</b>	<b>1,639.51</b>
As of March 31, 2020	414,488	245,921	59.3	1,118.04

(Reference) Equity: 360,694 million yen (as of March 31, 2021), 245,921 million yen (as of March 31, 2020)

**2. Non-consolidated Projections for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)**

(Percentages indicate year-on-year changes.)

	Operating revenue		Recurring profit		Profit		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	42,000	(64.1)	32,000	(71.2)	32,000	(70.9)	145.45

\* Consolidated Financial Reports are not required to be audited by certified public accountants or an audit firm.

\* Explanation on appropriate use of the projections of business results, etc.

- Forward-Looking Statements:

This document contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication and those forward-looking statements do not purport to be a promise by the Company to achieve such results. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of "(4) Future Outlook" of "1. Overview of Operating Results and Others" on page 4 of the attached material for matters pertaining to the earnings projections.

- To Obtain Financial Highlights:

The Financial Highlights will be posted on the Company's website on May 11, 2021

## Attached Material

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# 1. Overview of Operating Results and Others

## (1) Overview of Operating Results for the Period (April 1, 2020 to March 31, 2021)

During the fiscal year ended March 31, 2021, the spread of the novel coronavirus disease (COVID-19) continued to have a significant impact on the overall economy and consumer activity in Japan and overseas. As part of our response against the spread of COVID-19, the BANDAI NAMCO Group (“the Group”) has been giving the highest priority to the safety of our various stakeholders, including employees and their families and our customers, while implementing measures to prevent the spread of infection. We also promoted various measures to adapt to changes in lifestyles and preferences of customers such as by strengthening the sales and marketing that utilize digital strategies. In accordance with our three-year Mid-term Plan started in April 2018, in which we set forth the Mid-term Vision of “CHANGE for the NEXT: Empower, Gain Momentum, and Accelerate Evolution,” we have also been taking advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further evolve the “IP axis strategy” that aims to maximize IP value through the provision of the optimal products and services at the optimal possible times. The measures also include an initiative to strengthen development in regions and businesses with high growth potential and an initiative to realize the total capabilities of the Group in regions around the world under the ALL BANDAI NAMCO concept.

During the fiscal year ended March 31, 2021, although each business was impacted by the spread of COVID-19, the Toys and Hobby Business saw increased popularity for products for the mature fan base in Japan and overseas and products utilizing new IP while the Network Entertainment Business enjoyed favorable performance of key titles in network content and strong repeat sales of home video game titles. The wide-ranging business portfolio has produced successful outcomes across the Group.

Consequently, the Group’s consolidated results for the fiscal year ended March 31, 2021 were net sales of 740,903 million yen (year-on-year increase of 2.3%), operating profit of 84,654 million yen (year-on-year increase of 7.5%), recurring profit of 87,612 million yen (year-on-year increase of 9.8%), and profit attributable to owners of parent of 48,894 million yen (year-on-year decrease of 15.2%).

Operating results by segment are as follows.

Effective from the fiscal year ended March 31, 2021, the Group changed the classification of part of its reportable segments. Consequently, in the following year-on-year comparisons, the figures for the previous fiscal year have been restated into the figures for the classifications after the change.

### **Toys and Hobby Business**

As for the Toys and Hobby Business, in Japan, products for the mature fan base such as plastic models of the *Mobile Suit Gundam* series and collectible figures performed favorably due to the successful outcomes produced by sales, marketing, etc. that utilize digital strategies. There was a gain in popularity for long-established IP products such as the *KAMEN RIDER* series, as well as for new IP toys and peripheral products such as confectionery. Overseas, while business was affected by the temporary closures of retail stores, products such as those for the mature fan base performed stably, primarily in the Asian region.

As a result, net sales in the Toys and Hobby Business were 296,016 million yen (year-on-year increase of 16.7%), and segment profit was 38,220 million yen (year-on-year increase of 43.0%).

### **Network Entertainment Business**

As for the Network Entertainment Business, in network content, key titles being distributed worldwide such as the *DRAGON BALL* series and *ONE PIECE*, and key titles in Japan such as *The iDOLM@STER* series, continued to perform favorably due to ongoing measures targeting users. In home video games, in addition to the new titles such as *Little Nightmares II*, repeat sales of existing titles such as the *DRAGON BALL* series, *TEKKEN 7*, and the *DARK SOULS* series enjoyed popularity, primarily overseas, due to ongoing measures targeting users and increased demand for digital sales.

As a result, net sales in the Network Entertainment Business were 344,150 million yen (year-on-year increase of 4.9%), and segment profit was 57,356 million yen (year-on-year increase of 30.7%).

### **Real Entertainment Business**

As for the Real Entertainment Business, the temporary closures of amusement facilities, etc. in Japan and overseas in response to the spread of COVID-19 had a significant impact on facilities operations and the sale of amusement machines. On the other hand, in response to these changes in the business environment, we promoted initiatives that only BANDAI NAMCO can offer, such as offering claw crane games that can be played online and strengthening the use of Group products and services. In addition to recording the fixed costs incurred during the temporary closures of facilities, etc. in response to

the official requests from the national and local governments as loss on temporary store closures and other related to COVID-19, the Company recorded expenses associated with the business structure reform of 11.7 billion yen as loss on impairment of fixed assets, etc. under extraordinary loss.

As a result, net sales in the Real Entertainment Business were 63,923 million yen (year-on-year decrease of 30.3%), and segment loss was 8,379 million yen (segment loss for the previous fiscal year was 1,502 million yen).

### **Visual and Music Production Business**

As for the Visual and Music Production Business, although IP related visual and music package software, among others, including the *LoveLive!* series and *The iDOLM@STER* series, continued to be sold, live events were canceled due to the spread of COVID-19, and releases of visual and music products and the launch of their package software titles were postponed due to delays in production schedules, among other reasons, which impacted business performance. On the other hand, in response to these changes in the business environment, we streamed live events without spectators and carried out other new initiatives for live events suited to these environmental changes.

As a result, net sales in the Visual and Music Production Business were 28,089 million yen (year-on-year decrease of 40.2%), and segment profit was 969 million yen (year-on-year decrease of 87.9%).

### **IP Creation Business**

As for the IP Creation Business, we stirred up public attention by producing video works such as the *Mobile Suit Gundam* series and the *LoveLive!* series, and disseminating information on IP from *GUNDAM FACTORY YOKOHAMA*, leading to those series gaining popularity. In addition, because SOTSU CO., LTD., which became a consolidated subsidiary of the Company in the previous fiscal year, belonged to this business unit in the first quarter of the fiscal year ended March 31, 2021, goodwill was amortized despite recording the revenue of said company.

As a result, net sales in the IP Creation Business were 28,213 million yen (year-on-year increase of 20.1%), and segment profit was 2,740 million yen (year-on-year decrease of 56.3%).

### **Other Businesses**

Other Businesses consist of companies that conduct businesses such as logistics support, printing, and other kinds of administration and operational support for each of the Group companies. We have been making efforts to manage such operations related to group support in an efficient manner.

As a result, net sales in the Other Businesses were 34,088 million yen (year-on-year increase of 9.8%), and segment profit was 1,445 million yen (year-on-year increase of 7.4%).

## **(2) Overview of Financial Position for the Period**

At the end of the fiscal year ended March 31, 2021, total assets stood at 732,782 million yen, an increase of 112,962 million yen from the end of the previous fiscal year. The main factors were increases of 54,755 million yen in investment securities, 22,717 million yen in work in process, and 14,470 million yen in cash and time deposits.

Total liabilities amounted to 221,348 million yen, an increase of 56,213 million yen from the end of the previous fiscal year. The main factors were increases of 20,062 million yen in long-term borrowings and 12,305 million yen in trade payables.

Total net assets stood at 511,433 million yen, an increase of 56,749 million yen from the end of the previous fiscal year.

The main factors were increases of 19,787 million yen in retained earnings mainly due to the recording of 48,894 million yen in profit attributable to owners of parent despite cash dividends paid of 29,220 million yen, and 34,749 million yen in valuation difference on available-for-sale securities, net of tax.

As a result, the equity ratio became 69.7% compared with 72.5% at the end of the previous fiscal year.

## **(3) Overview of Cash Flows for the Period**

As of the end of the fiscal year, cash and cash equivalents (“funds”) remaining on hand increased by 15,031 million yen from the end of the previous fiscal year to 203,698 million yen. Below is the breakdown of cash flows by activities.

### **(Cash Flows from Operating Activities)**

The amount of funds provided by operating activities totaled 60,483 million yen (year-on-year increase of 40.2%). As a breakdown of funds used, income taxes paid was 34,714 million yen (compared with 36,079 million yen in the previous fiscal year). However, overall, there was a net increase in funds due to profit before income taxes of 71,940 million yen

(compared with 78,753 million yen in the previous fiscal year) and depreciation and amortization of 24,684 million yen (compared with 23,239 million yen in the previous fiscal year).

**(Cash Flows from Investing Activities)**

The amount of funds used in investing activities totaled 29,771 million yen (year-on-year increase of 29.1%). The main breakdown of funds used was purchases of property, plant and equipment and intangible assets totaling 23,849 million yen (compared with 22,629 million yen in the previous fiscal year).

**(Cash Flows from Financing Activities)**

The amount of funds used in financing activities totaled 19,037 million yen (year-on-year decrease of 46.0%). The main breakdown of funds used was cash dividends paid of 29,220 million yen (compared with 32,328 million yen in the previous fiscal year).

**(Reference) Cash Flow Indices**

	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3
Equity ratio (%)	71.3	71.5	70.0	72.5	69.7
Equity ratio (market capitalization basis) (%)	149.9	142.1	186.1	185.8	236.6
Cash flows to interest bearing debt ratio (years)	0.0	0.0	0.0	0.1	0.5
Interest coverage ratio (times)	1,718.0	1,468.2	2,180.5	345.8	296.0

Equity ratio: Total stockholders' equity/Total assets

Equity ratio (market capitalization basis): Market capitalization/Total assets

Cash flows to interest bearing debt ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest expenses

Note 1: All calculations are performed using consolidated financial figures.

Note 2: Market capitalization is calculated on the basis of the number of issued shares excluding treasury stock.

Note 3: Operating cash flow is used for cash flow.

Note 4: Interest-bearing debt covers all debt reported in the consolidated balance sheets for which interest is paid.

**(4) Future Outlook**

Looking ahead, the Group expects uncertainty to continue in countries around the world due to the impact of the spread of COVID-19 on society, the overall economy, people's daily lives and consumption. Furthermore, we expect the changes occurring in the market environment and in user preferences to become more extreme.

Under these circumstances, the Group will continue carrying out initiatives to prevent the spread of COVID-19, giving the highest priority to the safety of our stakeholders, including employees and their families, and customers. Moreover, as a member of society, we wish to respond to the requests and expectation from society and our customers under our Group's mission to offer "Dreams, Fun and Inspiration" to people around the world through products and services. On the business front, the Group is working to minimize the impact that the spread of COVID-19 is having on society, the overall economy, people's daily lives and consumption, and the impact from the change in the market environment and user preferences, by continuing to collect information and take flexible countermeasures.

**1) Change in the time for starting the next Mid-term Plan**

The Company has changed its plan to start the next three-year Mid-term Plan in the fiscal year ending March 2022 (April 2021), instead deciding to start the next Mid-term Plan in the fiscal year ending March 2023 (April 2022). This was because the Company determined that it was necessary to formulate the next Mid-term Plan that will serve as BANDAI NAMCO's new strategy to compete in this new era in light of the changes in the environment and the results and challenges of the current Mid-term Plan as customers' lifestyles and values are expected to change significantly. The Company has positioned the fiscal year ending March 31, 2022 as a period for formulating the next Mid-term Plan and developing the business foundation and organizational structure to pursue its strategies.



## 2) Reorganization of the Group structure

The Group reorganized its structure in April 2021 from its previous five Unit structure to a three Unit structure ahead of the start of the next Mid-term Plan from April 2022.

### <Details of the reorganization>

- The Toys and Hobby Unit and Network Entertainment Unit have been combined to form the Entertainment Unit. BANDAI NAMCO Entertainment Inc. has become responsible for the Digital Business (network content, home video games, etc.) and BANDAI CO., LTD. has become responsible for the Toys and Hobby Business (toys, plastic models, etc.) as the respective business management companies, and both companies are now responsible for the overall Entertainment Unit in coordination with each other.
- The Visual and Music Production Unit and the IP Creation Unit have been combined to form the IP Production Unit. BANDAI NAMCO Arts Inc. has become responsible for the Visual and Music Business (visual and music content, live entertainment, etc.) and SUNRISE INC. has become responsible for the Creation Business (animation production, etc.) as the respective business management companies, and both companies are now responsible for the overall IP Production Unit in coordination with each other.
- The Real Entertainment Unit has changed its name to the Amusement Unit. BANDAI NAMCO Amusement Inc. has become responsible for the Amusement Unit as a business management company.

### <Purposes of the reorganization>

- Through the combination of the Digital Business and the Toys and Hobby Business, the Entertainment Unit will promote closer coordination of business activities centered around the IP axis and cooperation and expansion that mutually utilize a wide range of outputs, while enhancing the creation of entertainment and strengthening the digital transformation corresponding to customers' new sense of value. With these changes, the Company aims to increase competitiveness in global markets.
- The IP Production Unit will consolidate the studio and production function that creates IP, in order to strengthen the more diverse capabilities to create IP which enables it to produce a synergy effect through collaboration not only within the Unit but also with various businesses of the Group and external partners.
- The Amusement Unit will select and focus on the strengths unique to BANDAI NAMCO in such ways as utilizing IP and the Group's resources, and work to build a strong business foundation to generate earnings stably under a more unified framework for collaborating with the Group's other businesses.

For the fiscal year ending March 31, 2022, the Group will accelerate the integration and cooperation more than before for all businesses worldwide under the ALL BANDAI NAMCO concept to prepare the business foundation and organizational structure for the next Mid-term Plan and sustainable growth in the medium to long term. In addition, the Group will strengthen the creation of new IP and development of existing IP, further expand the IP axis strategy utilizing the Group's wide range of businesses and promote business development in global markets.

In light of the implementation of these measures, the consolidated projections of the fiscal year ending March 31, 2022 are as follows: net sales of 750,000 million yen (year-on-year increase of 1.2%), operating profit of 75,000 million yen (year-on-year decrease of 11.4%), recurring profit of 76,000 million yen (year-on-year decrease of 13.3%), and profit attributable to owners of parent of 52,000 million yen (year-on-year increase of 6.4%).

\*For your reference, we are experiencing or expect to experience the following impacts on business operations from the spread of COVID-19.

- Impact on consumption due to factors including the closure of sales outlets
- Postponement or cancellation of events and an associated impact on promotion
- Impact on the development schedule of products
- Impact on the production schedule of the Group's factories and other cooperating factories
- Impact on the development schedule of home video games and network content and on operation systems
- Impact from the closure of amusement facilities
- Impact on the schedules or releases of visual productions and package launch scheduled

## (5) Basic Policy on the Distribution of Profits

The Company ranks the return of profits to shareholders as one of its highest priorities in its management. The Company aims to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. Specifically, the Company follows a basic

policy of providing a return to shareholders that targets a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity). Under this policy, the Company strives to maintain long-term and stable dividends and be more aware of capital cost.

For the year-end dividend for the fiscal year ended March 31, 2021, based on this basic policy and the performance in the fiscal year, a performance-based dividend of 70 yen will be added to a base dividend of 21 yen, for a total of 91 yen per share. Since the Company paid an interim dividend of 21 yen per share on December 7, 2020, the annual cash dividend will be 112 yen per share (total return ratio of 50.3%). The Company's annual dividend forecast for the fiscal year ending March 31, 2022 is 48 yen per share, which is the base dividend set in accordance with the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2022 will be considered by the Company based on the basic policy on the distribution of profits.

## **2. Basic Concept Regarding Selection of Accounting Standards**

The Group plans to continue using Japanese GAAP to prepare its consolidated financial statements for the time being, as they facilitate comparison with previous consolidated financial statements and with other companies.

The Group's policy on applying International Financial Reporting Standards is to take action as appropriate based on considerations of various conditions in Japan and overseas.

### 3. Consolidated Financial Statements and Significant Notes

#### (1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
Assets		
Current assets		
Cash and time deposits	189,856	204,326
Trade receivables	83,754	91,765
Finished goods and merchandise	22,282	28,994
Work in process	51,098	73,816
Raw materials and supplies	3,409	4,075
Other current assets	34,658	53,872
Allowance for doubtful receivables	(1,398)	(1,639)
Total current assets	383,662	455,210
Fixed assets		
Property, plant and equipment		
Buildings and structures	33,076	38,643
Accumulated depreciation	(17,676)	(19,970)
Buildings and structures, net	15,399	18,672
Amusement facilities and machines	72,030	60,675
Accumulated depreciation	(55,949)	(54,761)
Amusement facilities and machines, net	16,081	5,914
Land	43,156	43,047
Other property, plant and equipment	133,875	139,509
Accumulated depreciation	(111,606)	(118,801)
Other property, plant and equipment, net	22,269	20,707
Total property, plant and equipment	96,906	88,341
Intangible assets		
Goodwill	15,704	17,069
Other intangible assets	11,718	15,944
Total intangible assets	27,423	33,014
Investments and other assets		
Investment securities	66,453	121,208
Deferred tax assets	27,313	16,310
Net defined benefit asset	223	407
Other investments and assets	18,270	18,707
Allowance for doubtful receivables	(432)	(418)
Total investments and other assets	111,827	156,215
Total fixed assets	236,157	277,571
Total assets	619,819	732,782

(¥ million)

	Prior Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
Liabilities		
Current liabilities		
Trade payables	70,169	82,474
Provision for directors' bonuses	1,891	1,646
Other provision	2,001	1,900
Other current liabilities	68,444	89,898
Total current liabilities	142,506	175,920
Long-term liabilities		
Long-term borrowings	171	20,234
Other provision	238	301
Net defined benefit liability	9,840	7,212
Deferred tax liabilities for land revaluation	249	199
Other long-term liabilities	12,128	17,480
Total long-term liabilities	22,628	45,428
Total liabilities	165,135	221,348
Net assets		
Stockholders' equity		
Common stock	10,000	10,000
Capital surplus	52,004	52,232
Retained earnings	394,699	414,487
Treasury stock	(3,634)	(3,905)
Total stockholders' equity	453,069	472,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	16,837	51,587
Deferred gains or losses on hedges, net of tax	250	988
Revaluation reserve for land, net of tax	(3,902)	(4,016)
Foreign currency translation adjustments	(12,321)	(7,438)
Remeasurements of defined benefit plans, net of tax	(4,639)	(3,419)
Total accumulated other comprehensive income	(3,776)	37,701
Non-controlling interests	5,392	917
Total net assets	454,684	511,433
Total liabilities and net assets	619,819	732,782

## (2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

### (Consolidated Statements of Operations)

	(¥ million)	
	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Net sales	723,989	740,903
Cost of sales	463,041	458,897
Gross profit	260,948	282,006
Selling, general and administrative expenses	182,172	197,352
Operating profit	78,775	84,654
Non-operating income		
Interest income	692	311
Dividend income	821	1,234
Foreign exchange gains	—	480
Gain on investments in deferred compensation plan	—	384
Other non-operating income	947	1,058
Total non-operating income	2,461	3,470
Non-operating expenses		
Interest expense	124	229
Foreign exchange losses	1,008	—
Other non-operating expenses	306	283
Total non-operating expenses	1,440	512
Recurring profit	79,797	87,612
Extraordinary income		
Gain on sales of fixed assets	1,931	464
Gain on sales of investment securities	22	307
Gain on step acquisitions	1,722	—
Subsidies for employment adjustment and other related to COVID-19	—	1,373
Other extraordinary income	8	81
Total extraordinary income	3,683	2,225
Extraordinary loss		
Loss on impairment of fixed assets	3,596	11,284
Loss on temporary store closures and other related to COVID-19	—	3,059
Loss on liquidation of business	—	1,754
Other extraordinary loss	1,131	1,799
Total extraordinary loss	4,728	17,897
Profit before income taxes	78,753	71,940
Income taxes - current	22,541	24,527
Income taxes - deferred	(1,695)	(1,452)
Total income taxes	20,845	23,074
Profit	57,908	48,865
Profit (loss) attributable to non-controlling interests	242	(28)
Profit attributable to owners of parent	57,665	48,894

**(Consolidated Statements of Comprehensive Income)**

(¥ million)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Profit	57,908	48,865
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	(3,101)	34,636
Deferred gains or losses on hedges, net of tax	244	736
Revaluation reserve for land, net of tax	682	—
Foreign currency translation adjustments	(3,468)	4,892
Remeasurements of defined benefit plans, net of tax	1,065	1,220
Share of other comprehensive income of associates accounted for using equity method	(17)	175
Total other comprehensive income	(4,595)	41,661
Comprehensive income	53,312	90,527
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	52,847	90,486
Comprehensive income attributable to non-controlling interests	465	40

### (3) Consolidated Statements of Changes in Net Assets

Prior Fiscal Year (From April 1, 2019 to March 31, 2020)

(¥ million)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of year	10,000	52,308	369,315	(2,298)	429,326
Cumulative effects of changes in accounting policies			948		948
Restated balance	10,000	52,308	370,264	(2,298)	430,275
Changes during the period					
Cash dividends			(32,328)		(32,328)
Profit attributable to owners of parent			57,665		57,665
Change of scope of consolidation			433	(1,370)	(937)
Capital increase of consolidated subsidiaries		1			1
Change of scope of consolidation - foreign currency translation adjustment					—
Change in ownership interest of parent due to transactions with non-controlling interests		(715)			(715)
Purchase of treasury stock				(8)	(8)
Disposal of treasury stock		409		42	451
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0
Reversal of revaluation reserve for land			(1,335)		(1,335)
Net changes of items other than stockholders' equity					
Total changes during the period	—	(304)	24,434	(1,336)	22,794
Balance at end of year	10,000	52,004	394,699	(3,634)	453,069

(¥ million)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of year	20,190	5	(5,920)	(8,864)	(5,705)	(294)	612	429,644
Cumulative effects of changes in accounting policies								948
Restated balance	20,190	5	(5,920)	(8,864)	(5,705)	(294)	612	430,593
Changes during the period								
Cash dividends								(32,328)
Profit attributable to owners of parent								57,665
Change of scope of consolidation							4,032	3,095
Capital increase of consolidated subsidiaries							28	30
Change of scope of consolidation - foreign currency translation adjustment				15		15		15
Change in ownership interest of parent due to transactions with non-controlling interests							274	(441)
Purchase of treasury stock								(8)
Disposal of treasury stock								451
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied								0
Reversal of revaluation reserve for land			1,335			1,335		—
Net changes of items other than stockholders' equity	(3,353)	244	682	(3,472)	1,065	(4,832)	444	(4,388)
Total changes during the period	(3,353)	244	2,017	(3,456)	1,065	(3,482)	4,779	24,091
Balance at end of year	16,837	250	(3,902)	(12,321)	(4,639)	(3,776)	5,392	454,684



Current Fiscal Year (From April 1, 2020 to March 31, 2021)

(¥ million)

	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stockholders' equity
Balance at beginning of year	10,000	52,004	394,699	(3,634)	453,069
Changes during the period					
Cash dividends			(29,220)		(29,220)
Profit attributable to owners of parent			48,894		48,894
Change in ownership interest of parent due to transactions with non-controlling interests		5		(309)	(303)
Purchase of treasury stock				(9)	(9)
Disposal of treasury stock		222		48	270
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0
Reversal of revaluation reserve for land			113		113
Net changes of items other than stockholders' equity					
Total changes during the period	—	228	19,787	(270)	19,745
Balance at end of year	10,000	52,232	414,487	(3,905)	472,814

(¥ million)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities, net of tax	Deferred gains or losses on hedges, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans, net of tax	Total accumulated other comprehensive income		
Balance at beginning of year	16,837	250	(3,902)	(12,321)	(4,639)	(3,776)	5,392	454,684
Changes during the period								
Cash dividends								(29,220)
Profit attributable to owners of parent								48,894
Change in ownership interest of parent due to transactions with non-controlling interests							(4,823)	(5,127)
Purchase of treasury stock								(9)
Disposal of treasury stock								270
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied								0
Reversal of revaluation reserve for land			(113)			(113)		—
Net changes of items other than stockholders' equity	34,749	738	—	4,883	1,220	41,592	349	41,941
Total changes during the period	34,749	738	(113)	4,883	1,220	41,478	(4,474)	56,749
Balance at end of year	51,587	988	(4,016)	(7,438)	(3,419)	37,701	917	511,433

#### (4) Consolidated Statements of Cash Flows

(¥ million)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Profit before income taxes	78,753	71,940
Depreciation and amortization	23,239	24,684
Loss on impairment of fixed assets	3,596	11,284
Amortization of goodwill	667	2,309
Increase (decrease) in allowance for doubtful receivables	199	163
Increase (decrease) in provision for directors' bonuses	28	(247)
Increase (decrease) in other provision	504	(60)
Increase (decrease) in net defined benefit liability	610	(126)
Interest and dividend income	(1,514)	(1,546)
Interest expense	124	229
Foreign exchange losses (gains)	232	(128)
Share of loss (profit) of entities accounted for using equity method	182	31
Loss (gain) on valuation of derivatives	25	44
Loss on disposal of fixed assets	268	626
Loss (gain) on sales of fixed assets, net	(1,904)	(452)
Loss on disposal of amusement facilities and machines	337	1,607
Loss (gain) on sales of investment securities, net	(5)	(307)
Loss (gain) on step acquisitions	(1,722)	—
Decrease (increase) in trade receivables	12,813	(6,653)
Decrease (increase) in advance payments to suppliers	(2,812)	(2,478)
Decrease (increase) in inventories	(10,864)	(29,053)
Acquisition of amusement facilities and machines	(7,335)	(4,252)
Increase (decrease) in trade payables	(7,349)	11,308
Increase (decrease) in accounts payable-other	(4,159)	8,006
Increase (decrease) in consumption tax payables	89	(424)
Increase (decrease) in other current liabilities	(2,542)	12,769
Other	(3,674)	(5,434)
Subtotal	77,789	93,842
Interest and dividends received	1,545	1,560
Interest paid	(124)	(204)
Income taxes paid	(36,079)	(34,714)
Net cash provided by operating activities	43,131	60,483

(¥ million)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Payments into in time deposits	(165)	(31,313)
Proceeds from withdrawal of time deposits	7,132	31,907
Purchases of property, plant and equipment	(16,900)	(16,032)
Proceeds from sales of property, plant and equipment	2,873	863
Purchases of intangible assets	(5,728)	(7,816)
Purchases of investment securities	(901)	(7,053)
Proceeds from sales of investment securities	108	522
Purchase of shares of subsidiaries and associates	(560)	(135)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(7,531)	(137)
Payments of loans receivable	(237)	(800)
Collection of loans receivable	24	132
Payments of guarantee deposits	(1,698)	(436)
Proceeds from refund of guarantee deposits	746	627
Other	(229)	(98)
Net cash used in investing activities	(23,067)	(29,771)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,500)	(500)
Proceeds from long-term borrowings	200	20,400
Repayments of long-term borrowings	(249)	(397)
Repayments of lease obligations	(931)	(815)
Purchase of treasury stock	(8)	(9)
Cash dividends paid	(32,328)	(29,220)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(441)	(8,494)
Net cash used in financing activities	(35,258)	(19,037)
Effect of exchange rate changes on cash and cash equivalents	(2,531)	3,357
Net increase (decrease) in cash and cash equivalents	(17,726)	15,031
Cash and cash equivalents at beginning of year	206,270	188,667
Increase in cash and cash equivalents from newly consolidated subsidiary	123	—
Cash and cash equivalents at end of year	188,667	203,698

## **(5) Notes to Consolidated Financial Statements**

### **(Notes on Premise of Going Concern)**

Not applicable.

### **(Segment Information)**

#### **a. Segment Information**

##### **1. Overview of reportable segments**

The reportable segments of the Company are components of the Group whose separate financial information is available and which are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Group is made up of (1) five Units, one for each business domain, namely the Toys and Hobby Unit, the Network Entertainment Unit, the Real Entertainment Unit, the Visual and Music Production Unit, and the IP Creation Unit, and (2) the affiliated business companies that mainly serve a supporting role for these Units. The core company of each Unit leads the planning and promotion of the business strategies of the unit for Japan and overseas.

Accordingly, the Group has the following five reportable segments: Toys and Hobby Business, Network Entertainment Business, Real Entertainment Business, Visual and Music Production Business, and IP Creation Business.

The Toys and Hobby Business conducts production and sales of toys, candy toys and products for vending machines. The Network Entertainment Business conducts planning, development and distribution of network content, and planning, development and distribution of home video games, etc. The Real Entertainment Business conducts planning, production and sales of arcade games, etc., and planning and operation of amusement facilities. The Visual and Music Production Business conducts planning, production and sales of visual and music content and package software, and live entertainment operations. The IP Creation Business conducts planning and development of animations, etc., and management and administration of copyrights and other rights, etc.

Effective from the current fiscal year, the classification of SOTSU CO., LTD., which previously was classified as a business belonging to the Other segment, was changed to a business belonging to the IP Creation Business in order to strengthen the IP axis strategy.

Segment information of the prior fiscal year is prepared and disclosed based on the reportable segment classifications after the change.

##### **2. Method for calculating the amounts of net sales, profit/loss, assets, liabilities and others by reportable segment**

The accounting method used for the business segments reported is the same as the accounting method stated in “Important Information Constituting the Basis for Preparation of Consolidated Financial Statements” presented in the most recent annual security report (filed on June 22, 2020).

The profit of reportable segments is measured by operating profit.

The inter-segment transactions are based on prevailing market prices.

### 3. Information regarding the amounts of net sales, profit/loss, assets, liabilities and others by reportable segment

Prior Fiscal Year (From April 1, 2019 to March 31, 2020)

(¥ million)

	Reportable Segments						Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Toys and Hobby Business	Network Entertain- ment Business	Real Entertain- ment Business	Visual and Music Production Business	IP Creation Business	Subtotal				
Net sales										
To external customers	245,880	322,872	90,983	38,742	16,084	714,563	9,426	723,989	–	723,989
Inter-segment sales and transfers	7,834	5,207	770	8,209	7,412	29,433	21,628	51,061	(51,061)	–
Total	253,714	328,079	91,753	46,951	23,497	743,996	31,054	775,051	(51,061)	723,989
Segment profit (loss)	26,733	43,879	(1,502)	8,032	6,269	83,412	1,346	84,759	(5,983)	78,775
Segment assets	121,625	168,058	62,793	24,384	55,489	432,351	32,408	464,760	155,059	619,819
Others										
Depreciation and amortization	10,815	2,555	7,974	519	48	21,913	588	22,502	737	23,239
Amortization of goodwill	215	–	14	21	415	667	–	667	–	667
Loss on impairment of fixed assets	96	–	3,478	21	–	3,596	–	3,596	–	3,596
Investment in associates accounted for using equity method	801	–	–	–	–	801	10,677	11,479	–	11,479
Increase in property, plant and equipment and intangible assets	11,908	3,692	10,160	650	979	27,392	1,193	28,585	4,820	33,406

Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and printing for each of the Group companies are classified.

2. The details of adjustment amounts are as follows:

- (1) Included in the 5,983 million yen deducted from segment profit (loss) as adjustment are an addition of 928 million yen in inter-segment eliminations, and a deduction of 6,911 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
- (2) Included in the 155,059 million yen added to segment assets as adjustment are a deduction of 33,424 million yen in inter-segment eliminations, and an addition of 188,484 million yen in corporate assets that cannot be allocated to any reportable segment. The corporate assets are mainly cash and time deposits, investment securities, and assets etc. related to the administration division that has not been attributed to a reportable segment.
- (3) Included in the 737 million yen added to depreciation and amortization as adjustment are a deduction of 378 million yen in inter-segment eliminations, and an addition of 1,116 million yen in depreciation and amortization related to the administration division that has not been attributed to a reportable segment.
- (4) Included in the 4,820 million yen added to increase in property, plant and equipment and intangible assets as adjustment is the amount of corporate assets that cannot be allocated to any reportable segment.

3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of operations.

**Current Fiscal Year (From April 1, 2020 to March 31, 2021)**

(¥ million)

	Reportable Segments						Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Toys and Hobby Business	Network Entertain- ment Business	Real Entertain- ment Business	Visual and Music Production Business	IP Creation Business	Subtotal				
Net sales										
To external customers	287,745	340,434	62,703	23,405	16,416	730,705	10,198	740,903	–	740,903
Inter-segment sales and transfers	8,270	3,716	1,219	4,684	11,796	29,687	23,889	53,577	(53,577)	–
Total	296,016	344,150	63,923	28,089	28,213	760,392	34,088	794,481	(53,577)	740,903
Segment profit (loss)	38,220	57,356	(8,379)	969	2,740	90,907	1,445	92,352	(7,698)	84,654
Segment assets	140,292	211,356	56,631	25,531	45,633	479,445	30,986	510,431	222,350	732,782
Others										
Depreciation and amortization	11,820	2,379	6,816	559	657	22,233	610	22,844	1,840	24,684
Amortization of goodwill	333	–	8	15	1,951	2,309	–	2,309	–	2,309
Loss on impairment of fixed assets	9	821	10,496	0	–	11,328	–	11,328	(43)	11,284
Investment in associates accounted for using equity method	915	–	–	–	–	915	10,285	11,200	–	11,200
Increase in property, plant and equipment and intangible assets	16,289	5,332	6,374	489	1,413	29,900	825	30,725	782	31,507

- Notes:
- The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and printing for each of the Group companies are classified.
  - The details of adjustment amounts are as follows:
    - Included in the 7,698 million yen deducted from segment profit (loss) as adjustment are an addition of 272 million yen in inter-segment eliminations, and a deduction of 7,970 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
    - Included in the 222,350 million yen added to segment assets as adjustment are a deduction of 42,497 million yen in inter-segment eliminations, and an addition of 264,848 million yen in corporate assets that cannot be allocated to any reportable segment. The corporate assets are mainly cash and time deposits, investment securities, and assets etc. related to the administration division that has not been attributed to a reportable segment.
    - Included in the 1,840 million yen added to depreciation and amortization as adjustment are a deduction of 137 million yen in inter-segment eliminations, and an addition of 1,977 million yen in depreciation and amortization related to the administration division that has not been attributed to a reportable segment.
    - Included in the 43 million yen deducted from loss on impairment of fixed assets as adjustment is related to inter-segment eliminations.
    - Included in the 782 million yen added to increase in property, plant and equipment and intangible assets as adjustment is the amount of corporate assets that cannot be allocated to any reportable segment.
  - Segment profit (loss) is adjusted with operating profit in the consolidated statements of operations.

**b. Related Information****Prior Fiscal Year (From April 1, 2019 to March 31, 2020)****1. Information by product and service**

This information is omitted because the same information has been presented in Segment Information.

**2. Information by region****(1) Net sales**

(¥ million)

Japan	Americas	Europe	Asia	Total
500,952	91,118	61,374	70,543	723,989

Note: Net sales are classified by country and region based on customer location.

**(2) Property, plant and equipment**

(¥ million)

Japan	Americas	Europe	Asia	Total
80,938	2,084	8,159	5,723	96,906

**3. Information by major customer**

(¥ million)

Name of customer	Net sales	Names of related segments
Apple Inc.	102,697	Toys and Hobby Business, Network Entertainment Business, and Visual and Music Production Business
Google Inc.	77,590	Toys and Hobby Business, Network Entertainment Business, and Visual and Music Production Business

Note: Apple Inc. and Google Inc. are both platform-provision companies. The actual results of sales to these companies are usage fees, etc. for users (ordinary users) of game services provided by the Group.

**Current Fiscal Year (From April 1, 2020 to March 31, 2021)****1. Information by product and service**

This information is omitted because the same information has been presented in Segment Information.

**2. Information by region****(1) Net sales**

(¥ million)

Japan	Americas	Europe	Asia	Total
489,994	102,983	72,602	75,323	740,903

Note: Net sales are classified by country and region based on customer location.

**(2) Property, plant and equipment**

(¥ million)

Japan	Americas	Europe	Asia	Total
72,327	457	8,058	7,497	88,341



### 3. Information by major customer

(¥ million)

Name of customer	Net sales	Names of related segments
Apple Inc.	105,334	Toys and Hobby Business, Network Entertainment Business, and Visual and Music Production Business
Google Inc.	75,272	Toys and Hobby Business, Network Entertainment Business, Visual and Music Production Business, and IP Creation Business

Note: Apple Inc. and Google Inc. are both platform-provision companies. The actual results of sales to these companies are usage fees, etc. for users (ordinary users) of game services provided by the Group.

#### c. Information Regarding Loss on Impairment of Fixed Assets by Reportable Segment

##### Prior Fiscal Year (From April 1, 2019 to March 31, 2020)

This information is omitted because the same information has been presented in Segment Information.

##### Current Fiscal Year (From April 1, 2020 to March 31, 2021)

This information is omitted because the same information has been presented in Segment Information.

#### d. Information Regarding Amortized Amounts and Unamortized Balance of Goodwill by Reportable Segment

##### Prior Fiscal Year (From April 1, 2019 to March 31, 2020)

(¥ million)

	Toys and Hobby Business	Network Entertainment Business	Real Entertainment Business	Visual and Music Production Business	IP Creation Business	Other	Eliminations and Corporate	Total
Amortized amount	215	—	14	21	415	—	—	667
Unamortized balance	1,429	—	14	38	14,221	—	—	15,704

##### Current Fiscal Year (From April 1, 2020 to March 31, 2021)

(¥ million)

	Toys and Hobby Business	Network Entertainment Business	Real Entertainment Business	Visual and Music Production Business	IP Creation Business	Other	Eliminations and Corporate	Total
Amortized amount	333	—	8	15	1,951	—	—	2,309
Unamortized balance	1,100	—	—	22	15,946	—	—	17,069

#### e. Information Regarding Gain on Negative Goodwill by Reportable Segment

##### Prior Fiscal Year (From April 1, 2019 to March 31, 2020)

Not applicable.

##### Current Fiscal Year (From April 1, 2020 to March 31, 2021)

Not applicable.

**(Per-Share Data)**

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Net assets per share	2,045.25 yen	2,323.98 yen
Basic earnings per share	262.39 yen	222.58 yen

Notes: 1. Diluted earnings per share is not presented since no potential shares exist.

2. The basis of calculating basic earnings per share is as follows:

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Basic earnings per share		
Profit attributable to owners of parent (¥ million)	57,665	48,894
Amount not applicable to common stockholders (¥ million)	—	—
Profit attributable to owners of parent available to common stock (¥ million)	57,665	48,894
Average number of common stock outstanding (shares)	219,770,515	219,670,097

**(Significant Subsequent Events)**

(Change to reportable segments)

The Group reorganized the structure based on Units comprising operating companies in April 2021 from its previous five Unit structure to a three Unit structure ahead of the start of the next Mid-term Plan from April 2022.

In conjunction with this organizational restructure, effective from the following fiscal year, the reportable segments will be changed from the Toys and Hobby Business, Network Entertainment Business, Real Entertainment Business, Visual and Music Production Business, and IP Creation Business to the Digital Business, Toys and Hobby Business, Visual and Music Business, Creation Business, and Amusement Business.

Information regarding the amounts of net sales, profit/loss, assets, liabilities and others by reportable segment for the fiscal year ended March 31, 2021, assuming the classification of its reportable segments after the organizational change is as follows.

**Current Fiscal Year (From April 1, 2020 to March 31, 2021)**

(¥ million)

	Reportable Segments						Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Digital Business	Toys and Hobby Business	Visual and Music Business	Creation Business	Amuse- ment Business	Subtotal				
Net sales										
To external customers	334,303	292,099	29,535	16,416	62,703	735,059	5,844	740,903	–	740,903
Inter-segment sales and transfers	3,660	8,715	4,684	11,796	1,219	30,076	18,810	48,887	(48,887)	–
Total	337,964	300,815	34,219	28,213	63,923	765,136	24,655	789,791	(48,887)	740,903
Segment profit (loss)	56,776	39,086	1,549	2,740	(8,379)	91,772	602	92,374	(7,720)	84,654
Segment assets	208,475	144,095	28,462	45,633	56,631	483,298	26,438	509,736	223,045	732,782
Others										
Depreciation and amortization	2,331	11,972	607	657	6,816	22,385	458	22,844	1,840	24,684
Amortization of goodwill	–	333	15	1,951	8	2,309	–	2,309	–	2,309
Loss on impairment of fixed assets	821	9	0	–	10,496	11,328	–	11,328	(43)	11,284
Investment in associates accounted for using equity method	–	915	–	–	–	915	10,285	11,200	–	11,200
Increase in property, plant and equipment and intangible assets	5,243	16,329	578	1,413	6,374	29,940	785	30,725	782	31,507

Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services for each of the Group companies are classified.

2. The details of adjustment amounts are as follows:

- (1) Included in the 7,720 million yen deducted from segment profit (loss) as adjustment are an addition of 250 million yen in inter-segment eliminations, and a deduction of 7,970 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
- (2) Included in the 223,045 million yen added to segment assets as adjustment are a deduction of 41,803 million yen in inter-segment eliminations, and an addition of 264,848 million yen in corporate assets that cannot be allocated to any reportable segment. The corporate assets are mainly cash and time deposits, investment securities, and assets etc. related to the administration division that has not been attributed to a reportable segment.

- (3) Included in the 1,840 million yen added to depreciation and amortization as adjustment are a deduction of 137 million yen in inter-segment eliminations, and an addition of 1,977 million yen in depreciation and amortization related to the administration division that has not been attributed to a reportable segment.
  - (4) Included in the 43 million yen deducted from loss on impairment of fixed assets as adjustment is related to inter-segment eliminations.
  - (5) Included in the 782 million yen added to increase in property, plant and equipment and intangible assets as adjustment is the amount of corporate assets that cannot be allocated to any reportable segment.
3. Segment profit (loss) is adjusted with operating profit in the consolidated statements of operations.

## 4. Other

### Changes in Directors and Audit & Supervisory Board Members

#### (1) Change in Representative

Not applicable.

#### (2) Other Changes in Directors and Audit & Supervisory Board Members

New candidates for Director

Director (Part-time)	Satoshi Kono	(current position: President and Representative Director of BANDAI NAMCO Arts Inc.)
Director (Part-time)	Hiroshi Kawasaki	(current position: President and Representative Director of BANDAI NAMCO Amusement Inc.)
Director (Outside)	Toshio Shimada	(current position: Special Advisor of CAC Holdings Corporation)

Retiring Director

Director (Part-time)	Hitoshi Hagiwara	(current position: Chairman & Director of BANDAI NAMCO Amusement Inc.)
Director (Part-time)	Kazumi Kawashiro	
Director (Outside)	Yuzuru Matsuda	

#### (3) Scheduled Date of Assuming Office and Retirement

June 21, 2021

#### (4) Responsible Area of Directors (Effective June 21, 2021)

Mitsuaki Taguchi	Chairman and Director Supervising IP Production Unit
Masaru Kawaguchi	President and Representative Director Responsible for Entertainment Unit
Shuji Ohtsu	Director and Division General Manager of the Group Administrative Headquarters
Yuji Asako	Director and Division General Manager of Corporate Planning Division Supervising Amusement Unit
Yasuo Miyakawa	Director (Part-time) in charge of Digital Business of Entertainment Unit
Satoshi Kono	Director (Part-time) in charge of Visual and Music Business of IP Production Unit
Makoto Asanuma	Director (Part-time) in charge of Creation Business of IP Production Unit
Hiroshi Kawasaki	Director (Part-time) in charge of Amusement Unit
Koichi Kawana	Director (Outside)
Satoko Kuwabara	Director (Outside)
Mikiharu Noma	Director (Outside)
Toshio Shimada	Director (Outside)