

(Translation)

**FLASH REPORT**  
**CONSOLIDATED FINANCIAL STATEMENTS [Japanese GAAP]**  
**Year Ended March 31, 2022**

Name of the Company : SEGA SAMMY HOLDINGS INC.  
 Code number : 6460  
 (URL <https://www.segasammy.co.jp/>)  
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Annual Meeting of Shareholders : June 22, 2022 (plan)  
 Filing of Financial Report : June 23, 2022 (plan)  
 Start of cash dividend payments : June 2, 2022 (plan)

(Amounts below one million yen are rounded down)

**1. Consolidated Operating Results for the Year Ended March 31, 2022**
**(1) RESULTS OF CONSOLIDATED OPERATIONS**

(Percentage represents changes from the prior year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For Year ended March 31, 2022	320,949	15.6	32,042	389.0	33,344	-	37,027	-
For Year ended March 31, 2021	277,748	(24.2)	6,553	(76.3)	1,715	(93.2)	1,274	(90.7)

(Note) Comprehensive income:

For Year ended March 31, 2022 : ¥39,224 million (709.9%)  
 For Year ended March 31, 2021 : ¥4,843 million (-%)

	Net income per share	Net income per share (Diluted)	Return on equity	Return on assets	Operating income to net sales
	Yen	Yen	%	%	%
For Year ended March 31, 2022	158.85	158.24	12.7	8.6	10.0
For Year ended March 31, 2021	5.42	-	0.4	0.3	2.4

(Reference) Equity in earnings of affiliates:

For Year ended March 31, 2022 : ¥(2,778) million  
 For Year ended March 31, 2021 : ¥(5,662) million

## (2) CONSOLIDATED FINANCIAL POSITION

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	435,492	292,637	67.1	1,311.72
March 31, 2021	421,599	291,256	69.0	1,236.82

(Reference) Shareholders' equity

March 31, 2022 : ¥292,411 million

March 31, 2021 : ¥290,759 million

## (3) CONSOLIDATED CASH FLOWS

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the year-end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For Year ended March 31, 2022	39,607	(8,794)	(35,970)	152,459
For Year ended March 31, 2021	(6,384)	30,473	(31,492)	154,540

## 2. Cash Dividends

	Cash dividends per share					Total dividends paid (annual)	Payout ratio (Consolidated)	Dividends paid to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Year-end	Full-year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	-	10.00	-	20.00	30.00	7,052	553.2	2.4
Year ended March 31, 2022	-	20.00	-	20.00	40.00	9,168	25.2	3.1
Year ending March 31, 2023 (plan)	-	20.00	-	21.00	41.00		32.3	

## 3. Forecast of Consolidated Operating Results for the Year ending March 31, 2023

(Percentage represents changes from the prior year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	375,000	16.8	40,000	24.8	40,000	20.0	28,000	(24.4)	126.83

#### 4. Other

- (1) Changes in significant subsidiaries during the period: Yes  
(Changes in specified subsidiaries causing a change in the scope of consolidation)  
Excluded: 1 company (SEGA GROUP CORPORATION)
- (2) Changes in accounting policies, changes in accounting estimates, restatements
  1. Changes in accounting policies due to amendments of accounting standards, etc.: Yes
  2. Other changes in accounting policies: No
  3. Changes in accounting estimates: No
  4. Restatements: No
- (3) Number of shares outstanding (common stock)
  1. Number of shares outstanding at the end of the period (including treasury stock)

March 31, 2022	:	266,229,476
March 31, 2021	:	266,229,476
  2. Number of treasury stock at the end of the period

March 31, 2022	:	43,307,930
March 31, 2021	:	31,142,581
  3. Average number of shares during the period

For Year ended March 31, 2022	:	233,091,569
For Year ended March 31, 2021	:	235,090,709

#### (Note)

- This report is not required the auditing procedures by certified public accountants or accounting auditors.
- The forward-looking statements, such as results forecasts, included in this document are based on information available to SEGA SAMMY HOLDINGS INC. (the Company) at the time of the announcement and assumptions considered reasonable, and actual results could differ materially, depending on a range of factors. For the assumptions prerequisite to the results forecasts and the points to be noted in the use of the forecasts, please see "Outlook for the fiscal year ending March 31, 2023" on page 7.
- The Company plans to hold a briefing on financial results for institutional investors on May 13, 2022. The contents of the meeting, such as explanations about financial results (video and audio), will be posted on the Company's website.

## **1. Operating Results and Financial Position**

### **(1) Operating results for the fiscal year ended March 31, 2022**

Regarding the environment of the Entertainment Contents Business, in the consumer area, the advance of digitization has continued to bring about major changes to the market environment as the environment of use for game contents and services expands and diversifies to include devices such as PCs, home video game consoles, and mobile devices, as well as networked platforms including cloud gaming services. In terms of business models, revenue opportunities are diversifying, including packaged sales, download content sales, free-to-play games (F2P), and subscription service flat-rate models. As for users, there has been a growing interest in the continued revitalization and growth of the game market on a global scale, as shown mainly by diversification in the ways in which not only players but also game streamers, viewers, and others are becoming involved in games, and expansion of the ecosystem surrounding the game market. As for amusement machines, the overall market remained steady, led by the prize category.

With regard to the pachislot and pachinko industry, the removal of machines based on former regulations was largely completed as of January 31, 2022, and the market has shifted to the new regulation machines. The number of parlors and the number of machines installed in the market decreased to approximately 7,900 (a decrease of 7.9% from the previous fiscal year) and 3,660 thousand (a decrease of 6.1% from the previous fiscal year), respectively, as of March 31, 2022, due to the removal of machines based on former regulations, but a certain size of the market was maintained. For pachinko machines, the replacement is progressing well with multiple titles of new regulation machines gaining popularity to meet the deadline for removing the machines based on former regulations which is scheduled for the end of January 2022. As for status of new regulation machines for pachinko machines, multiple titles gaining popularity released, and for pachislot machines, although the performance has been relatively sluggish, the easing of voluntary regulations, etc. has continued intermittently, and it is hoped that new titles expected to become popular among users will be introduced. Meanwhile, the supply system has been unstable due to the global shortage of semiconductors and logistics disruption.

In the resort industry, travel demand has been sluggish due to the impact from the spread of COVID-19. In Japan, although demand tends to increase outside the periods of state of emergency, etc. in the fiscal year ended March 31, 2022, the state of emergency, etc. were in place for approximately 60% of the days, in Tokyo, causing a significant impact on demand.

In this business environment, net sales for the fiscal year ended March 31, 2022 amounted to ¥320,949 million, (an increase of 15.6% from the previous fiscal year). The Group posted an operating income of ¥32,042 million (an increase of 389.0% from the previous fiscal year), ordinary income of ¥33,344 million (ordinary income of ¥1,715 million for the previous fiscal year), Also, due to recording gain on sales of investment securities as extraordinary income and decreasing taxable income from net loss carried forward and decreasing income taxes from tax credit relevant to research and development for subsidiaries in U.K., profit attributable to owners of parent of ¥37,027 million (profit attributable to owners of parent of ¥1,274 million for the previous fiscal year).

Result of each segment is as follows.

Net sales in each segment here do not include inter-segment sales between segments.

#### « Entertainment Contents »

In the consumer area, the Group worked on "Strengthen the Global Branding of Existing IPs", primarily through global simultaneous launch, multi-platform support, introduction of remastered titles, and support subscription services. For Full Game, the Group released "HUMANKIND™", "Sonic Colors: Ultimate", "LOST JUDGMENT", "Shin Megami Tensei V", "Total War: WARHAMMER III", etc., and these strongly performed, also catalog titles steadily performed, leading to sales of 27,200 thousand copies (41,770 thousand copies in the previous fiscal year). For free-to-play games (F2P), "HATSUNE MIKU: COLORFUL STAGE!" strongly performed, and the Group released new title "PHANTASY STAR ONLINE 2 NEW GENESIS" and "Sin Chronicle".

In the amusement machine sales area, the Group released "EIKETSU TAISEN", etc., and sales of UFO CATCHER® series and prizes, etc. strongly performed.

In the animation and toy area, the Group released "Detective Conan the Movie The Scarlet Bullet" and recorded revenue from video production and distribution, etc. For toys, new products such as "With a front camera! Fun to change mouse covers! Sumikkogurashi Personal Computer Premium", "Demon Slayer POD", etc., and regular products were sold.

As a result, net sales in this segment were ¥235,937 million (an increase of 8.3% from the previous fiscal year) and ordinary income was ¥36,861 million (an increase of 32.0% from the previous fiscal year).

#### « Pachislot and Pachinko Machines »

In the Pachislot and Pachinko Machines, the Group worked on "Creation of hits" by reviewing the product lineup and on "Improvement of business efficiency" by improving development efficiency. For pachislot machines, the Group has sold a revival of past product "Pachislot Aladdin A Classic", etc., leading to overall sales of 77 thousand units (35 thousand units in the previous fiscal year), and for pachinko machines, the Group has sold the latest in major series "P Hokuto No Ken 9 Toushin", etc., leading to overall sales of 97 thousand units (69 thousand units in the previous fiscal year). In addition, due to factors including the effects of the structural reform undertaken in the previous fiscal year, fixed costs have remained at a low level.

As a result, net sales in this segment were ¥75,868 million (an increase of 42.6% from the previous fiscal year) and ordinary income was ¥10,282 million (ordinary loss of ¥11,332 million for the previous fiscal year).

#### « Resort »

In the resort business, at "Phoenix Seagaia Resort", the number of guests for the third quarter ended December 31, 2021 exceeded that of the same period of the previous fiscal year, which largely took the effects of "Go To Travel Campaign", and demand from individual customers was high outside the periods of state of emergency. While, in the fiscal year ended March 31, 2022, the number of facility users decreased by 9.4% compared to the fiscal year ended March 31, 2020, which was before the full impact of COVID-19, as the state of emergency, etc. were in place approximately 60% of the days in the fiscal year ended March 31, 2022, not only in Tokyo but also in Miyazaki and other prefectures.

Overseas, "PARADISE CITY", operated by PARADISE SEGASAMMY Co., Ltd. (affiliate accounted for using the equity method) that the drop amounts (purchased amount of chips by customers at the table) was 48.5%, and the number of guests was 56.9% compared with the previous fiscal year, respectively, saw substantial decline from January to December 2021 due to the restriction of foreign visitors in each country caused by the spread of COVID-19, etc.

\*PARADISE SEGASAMMY Co., Ltd. is posted 3 months delay due to the fiscal year ended in December.

As a result, net sales in this segment were ¥8,663 million (an increase of 37.1% from the previous fiscal year) and ordinary loss was ¥6,738 million (ordinary loss of ¥8,979 million for the previous fiscal year).

## **(2) Financial positions as of March 31, 2022**

(Assets and liabilities)

Total assets as of the end of the fiscal year ended March 31, 2022 increased ¥13,892 million from the end of the previous fiscal year, to ¥435,492 million.

Current assets increased ¥11,493 million from the end of the previous fiscal year. This was attributable to increases in inventories and other factors, despite a decrease in cash and deposits.

Noncurrent assets increased ¥2,399 million from the end of the previous fiscal year. This was attributable to increases in investments in capital relevant to investment in production and other factors, despite decreases in property, plant and equipment, and intangible assets.

Total liabilities as of the end of the fiscal year ended March 31, 2022 increased ¥12,511 million from the end of the previous fiscal year, to ¥142,855 million. This was attributable to increases in notes and accounts payable - trade, accrued expenses, and other factors.

(Net assets)

Net assets as of the end of the fiscal year ended March 31, 2022 increased ¥1,380 million from the end of the previous fiscal year, to ¥292,637 million. This was attributable to recording of profit attributable to owners of parent, despite decreases in shareholders' equity due to cash dividends paid, purchase of treasury stock, and other factors.

(Financial ratio)

The current ratio at the end of the fiscal year ended March 31, 2022 decreased 131.4 percentage points from the end of the previous fiscal year to 330.8% due to the transfer of the current portion of long-term loans payable from noncurrent liabilities to current liabilities, etc.

The equity ratio at the end of the current fiscal year decreased 1.9 percentage points from the end of the previous fiscal year to 67.1%.

## **(3) Cash flows for the fiscal year ended March 31, 2022**

Cash and cash equivalents at the end of the fiscal year ended March 31, 2022 decreased ¥2,080 million from the end of the previous fiscal year, to ¥152,459 million.

Cash flows in respect of each area of activities in the current fiscal year are as follows.

(Cash flows from operating activities)

Factors including recording ¥37,921 million of income before income taxes, ¥11,406 million of depreciation and amortization, etc., despite factors including ¥15,354 million of increase in inventories, and ¥5,078 million of income taxes paid, resulted in ¥39,607 million net cash provided by operating activities in the fiscal year ended March 31, 2022 (¥6,384 million outflow in the previous fiscal year).

(Cash flows from investing activities)

Factors including ¥5,983 million of purchase of property, plant and equipment, and ¥4,569 million of purchase of intangible assets, while ¥20,000 million of purchase of short-term investment securities and ¥20,717 million of proceeds from redemption of securities, resulted in ¥8,794 million net cash used in investing activities in the fiscal year ended March 31, 2022 (¥30,473 million inflow in the previous fiscal year).

(Cash flows from financing activities)

Factors including ¥25,036 million of purchase of treasury stock, and ¥9,410 million of cash dividends paid, etc., resulted in ¥35,970 million net cash used in financing activities in the fiscal year ended March 31, 2022 (¥31,492 million outflow in the previous fiscal year).

#### (4) Outlook for the fiscal year ending March 31, 2023

The Company has a group mission of "Constantly Creating, Forever Captivating -Making life more colorful-" in order to realize a sustainable society and increase corporate value. In April 2021, the Group launched the medium-term plan (from FY2022 to FY2024). The Group will shift to management that emphasizes capital efficiency and aim for management that is conscious of sustainability in order to realize a sustainable society and increase corporate value. In addition, the Group has positioned the consumer area in the Entertainment Contents Business as the most important growth area for the future, and the Group will actively invest in this area to expand its revenue on a global basis, given the expected expansion of the global game market.

<Medium-term plan / Vision for 3 years>

Beyond the Status Quo

-Breaking the Current Situation and Becoming a Sustainable Company-

<Management policy / KPI>

The Group will shift to the management focusing on capital efficiency and realize an improvement of ROE. The Group aims for ordinary income ¥45,000 million and ROE over 10% as a management index in the fiscal year ending March 31, 2024 which is the last fiscal year of medium-term plan.

<Concept of investment in growth>

During 5 years from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2026, the Group will invest a total of ¥250 billion in growth areas, which is allocated to ¥100 billion in the consumer area, ¥100 billion in the gaming area, and ¥50 billion in others, and aims for the balancing the realization of business in growth with shareholder returns reflected the business performance.

The initiatives of each business segment are as follows.

##### « Entertainment Contents »

The Group aims for "Becoming a Global Leading Contents Provider" as a long-term target, will invest its management resources mainly in the consumer area. In the medium-term plan, the Group will focus on "Strengthen the Global Branding of Existing IPs" as a priority strategy, and provide game content, etc. globally through expanding touchpoints, prolonging product life cycles, and strengthening user engagement.

In the consumer area, for Full Game, the Group plans to release a digitally remastered version of past title "Sonic Origins" and a new major title "SONIC FRONTIERS", and will focus on expanding sales by strengthening the mix of media including the movie "Sonic the Hedgehog 2" and a new animated TV series on Netflix. In addition, the Group plans to release several new titles such as "Soul Hackers 2", "13 Sentinels: Aegis Rim" (for Nintendo Switch™), and "Two Point Campus", also, expects to increase sales in catalog titles since many new titles were released in the previous fiscal year, leading to sales of 34,250 thousand copies in the fiscal year ending March 31, 2023 (an increase of 7,050 thousand copies from the previous fiscal year). For F2P, the Group will strengthen the operations of "HATSUNE MIKU: COLORFUL STAGE!" and "PHANTASY STAR ONLINE 2 NEW GENESIS". In addition, the Group expects increases in amortization of development costs and marketing expenses in line with the increase in new titles.

In the amusement machine area, the Group plans to sell UFO CATCHER series and prizes, etc., and to release a new medal game machine "HORI A TALE".

In the animated film and toy area, the Group plans to record allocated revenue of movie such as a new film "Detective Conan: The Bride of Halloween", to expand video distribution for animated film, and to sale new products and regular products for toy.

#### « Pachislot and Pachinko Machines »

In the Pachislot and Pachinko Machines Business, the Group aims for "Triple crown of share in utilization, in installation, and in sales" and "Building a stable earnings structure" as long-term targets. In the medium-term plan, the Group's key strategies are to "Creation of hits" by reviewing the product lineup and "Improvement of business efficiency" by improving development efficiency, etc.

Currently, the introduction of the No. 6.5 model (medal machines) for new regulation machines from June 2022 and No. 6.5 model (smart pachislot machines) from November 2022 are planned, as the easing of voluntary regulations, etc., particularly for pachislot machines, has continued intermittently. The Group expects to increase sales units of both pachislot and pachinko as a result of launching new titles such as No. 6.5 model (medal machines) "Pachislot Kabaneri of the Iron Fortress", scheduled delivery from July 2022, etc., including mainstay titles corresponding to the easing of regulations. As a result, in the fiscal year ending March 31, 2023, the Group plans to sell 84 thousand units of pachislot (an increase of 6 thousand units from the previous fiscal year) and 114 thousand units of pachinko (an increase of 16 thousand units from the previous fiscal year), respectively. In addition, the impact of the global semiconductor shortage and logistics disruptions has not been included in results forecasts at this time, as it is difficult to make a reasonable calculation due to the unstable parts procurement system.

#### « Resort »

In the Resort Business, at "Phoenix Seagaia Resort" and overseas "PARADISE CITY", the Group is working to strengthen the ability to acquire guests. Assuming that the restrictions on activities due to COVID-19 will be eased, the Group expects "Phoenix Seagaia Resort" to return to profitability, and "PARADISE CITY" to reduce its loss compared with the previous fiscal year.

In light of the above, the Group is forecasting consolidated net sales of ¥375,000 million (an increase of 16.8% from the previous fiscal year), operating income of ¥40,000 million (an increase of 24.8% from the previous fiscal year), ordinary income of ¥40,000 million (an increase of 20.0% from the previous fiscal year), and profit attributable to owners of parent of ¥28,000 million (a decrease of 24.4% from the previous fiscal year) for the fiscal year ending March 31, 2023.

#### **(5) Basic policy concerning distribution of earnings and dividends for the fiscal year ended March 31, 2022 and the fiscal year ending March 31, 2023**

The Company positions the return of profits to shareholders as an important management issue. The basic policy for shareholder returns is to maintain a total return ratio of 50% or more, taking the optimal balance between investment for business growth and capital efficiency improvement into account. With regard to dividends, the Company has set a dividend policy of DOE (Dividend on equity ratio) 3% or more as an indicator for achieving stable dividends and determine the specific dividends amount while also considering the results of past dividends. Also, as a way for shareholder return, the Company will determine buybacks of share flexibly, taking business performance trend and stock market trend into account.

For dividends from retained earnings for the fiscal year ending March 31, 2022, annual dividends per share is scheduled to be ¥40 (of which, ¥20 for interim dividends) in accordance with the above basic policy for shareholder returns. In addition, as a shareholder return policy, the Company purchased ¥29,999 million of treasury stock during the period from November 9, 2021 to April 19, 2022, resulting in a total return ratio of 105.8% including dividends from retained earnings for the fiscal year ended March 31, 2022 (the total return ratio for the period from November 9, 2021 to March 31, 2022, including ¥25,024 million of purchase of treasury stock and dividends from retained earnings, was 92.3%).

For dividends from retained earnings for the fiscal year ending March 31, 2023, annual dividends per share is scheduled to be ¥41 (of which, ¥20 for interim dividends) equivalent to DOE 3% in accordance with the above basic policy for shareholder returns, with regard to year-end shareholder return, the Company will calculate the amount of shareholder return in accordance with the profit level at the timing when the business performance of the fiscal year ending March 31, 2023 has been determined, and return the amount to shareholders through dividends or purchase of treasury stock.



## **2. Basic Approach Concerning Selection of Accounting Standards**

To prepare for the future adoption of IFRS, the Group is working towards the establishment of internal manuals, guidelines among others. However, for the time being, Japanese GAAP is adopted.

### **3. Consolidated Financial Statements and Notes**

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year (As of March 31, 2021)	Current year (As of March 31, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	154,972	152,459
Notes and accounts receivable - trade	38,176	-
Notes and accounts receivable - trade and contract assets	-	38,952
Short-term investment securities	721	-
Merchandise and finished goods	7,514	9,336
Work in process	31,941	42,145
Raw materials and supplies	13,456	16,044
Income taxes receivable	10,365	11,814
Other	19,447	17,360
Allowance for doubtful accounts	(298)	(323)
<b>Total current assets</b>	<b>276,295</b>	<b>287,789</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	74,670	76,578
Accumulated depreciation	(46,451)	(47,823)
Buildings and structures, net	28,219	28,755
Machinery, equipment and vehicles	12,687	8,836
Accumulated depreciation	(11,220)	(7,518)
Machinery, equipment and vehicles, net	1,467	1,318
Amusement machines and facilities	7,285	7,049
Accumulated depreciation	(6,320)	(6,347)
Amusement machines and facilities, net	964	701
Land	18,396	18,522
Construction in progress	1,239	657
Other	50,118	46,755
Accumulated depreciation	(38,788)	(36,352)
Other, net	11,330	10,403
<b>Total property, plant and equipment</b>	<b>61,617</b>	<b>60,358</b>
<b>Intangible assets</b>		
Goodwill	4,711	3,460
Other	10,288	9,722
<b>Total intangible assets</b>	<b>14,999</b>	<b>13,183</b>
<b>Investments and other assets</b>		
Investment securities	38,323	40,699
Long-term loans receivable	383	428
Lease and guarantee deposits	8,075	7,164
Net defined benefit assets	4,376	2,984
Deferred tax assets	13,272	13,446
Other	4,667	9,826
Allowance for doubtful accounts	(413)	(387)
<b>Total investments and other assets</b>	<b>68,686</b>	<b>74,161</b>
<b>Total noncurrent assets</b>	<b>145,304</b>	<b>147,703</b>
<b>Total assets</b>	<b>421,599</b>	<b>435,492</b>

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED BALANCE SHEETS  
AS OF MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year (As of March 31, 2021)	Current year (As of March 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	16,994	24,455
Short-term loans payable	-	10,000
Accrued expenses	15,713	20,360
Income taxes payable	839	2,069
Provision for bonuses	8,372	8,383
Provision for directors' bonuses	732	1,189
Provision for point card certificates	311	115
Asset retirement obligations	105	199
Other	16,708	20,211
Total current liabilities	59,777	86,986
<b>Noncurrent liabilities</b>		
Bonds payable	10,000	10,000
Long-term loans payable	42,000	32,000
Lease obligations	4,808	4,013
Net defined benefit liability	4,542	4,395
Deferred tax liabilities	778	469
Asset retirement obligations	2,933	2,560
Provision for dismantling of fixed assets	420	420
Other	5,083	2,009
Total noncurrent liabilities	70,566	55,869
Total liabilities	130,343	142,855
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	29,953	29,953
Capital surplus	118,048	117,689
Retained earnings	200,551	224,684
Treasury stock	(53,561)	(77,886)
Total shareholders' equity	294,991	294,440
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,930	2,270
Deferred gains or losses on hedges	(725)	(33)
Revaluation reserve for land	(1,109)	(1,109)
Foreign currency translation adjustment	(3,867)	41
Remeasurements of defined benefit plans	(459)	(3,199)
Total accumulated other comprehensive income	(4,231)	(2,028)
Subscription rights to shares	-	176
Non-controlling interests	496	49
Total net assets	291,256	292,637
Total liabilities and net assets	421,599	435,492

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year From April 1, 2020 To March 31, 2021	Current year From April 1, 2021 To March 31, 2022
Net sales	277,748	320,949
Cost of sales	176,973	193,081
Gross profit	100,775	127,868
Selling, general and administrative expenses		
Advertising expenses	13,476	17,402
Sales commission	709	707
Salaries and allowances	16,496	15,821
Provision for bonuses	4,507	3,882
Provision for directors' bonuses	674	1,161
Retirement benefit expenses	1,390	1,127
Research and development expenses	22,597	20,941
Provision of allowance for doubtful accounts	(56)	4
Other	34,425	34,778
Total selling, general and administrative expenses	94,221	95,825
Operating income (loss)	6,553	32,042
Non-operating income		
Interest income	136	112
Dividends income	356	498
Gain on investments in partnership	1,404	3,052
Foreign exchange gains	-	1,337
Other	922	906
Total non-operating income	2,820	5,907
Non-operating expenses		
Interest expenses	470	301
Equity in losses of affiliates	5,662	2,778
Commission fee	97	102
Loss on investments in partnership	208	479
Foreign exchange losses	487	-
Loss on retirement of noncurrent assets	294	469
Other	436	474
Total non-operating expenses	7,657	4,606
Ordinary income (loss)	1,715	33,344

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year From April 1, 2020 To March 31, 2021	Current year From April 1, 2021 To March 31, 2022
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	15,258	1,988
Gain on sales of investment securities	11,266	2,516
Gain on sales of shares of subsidiaries and affiliates	783	698
Other	1,520	71
Total extraordinary income	28,828	5,273
<b>Extraordinary losses</b>		
Loss on sales of noncurrent assets	0	50
Impairment loss	3,347	430
Loss on valuation of investment securities	0	0
Loss on COVID-19	2,822	113
Structural reform expenses	34,191	-
Other	27	101
Total extraordinary losses	40,389	696
Income (loss) before income taxes	(9,844)	37,921
Income taxes - current	478	1,989
Income taxes - deferred	(12,200)	(1,086)
Total income taxes	(11,722)	903
Profit (loss)	1,877	37,018
<b>(Breakdown)</b>		
Profit (loss) attributable to owners of parent	1,274	37,027
Profit (loss) attributable to non-controlling interests	602	(8)
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,534)	334
Deferred gains or losses on hedges	8	(14)
Foreign currency translation adjustment	4,651	3,526
Remeasurements of defined benefit plans, net of tax	968	(2,844)
Share of other comprehensive income of entities accounted for using equity method	(127)	1,203
Total other comprehensive income	2,966	2,206
Comprehensive income	4,843	39,224
<b>(Breakdown)</b>		
Comprehensive income attributable to owners of parent	4,236	39,230
Comprehensive income attributable to non-controlling interests	606	(5)

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2021 AND 2022

Prior year (From April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balances as of April 1, 2020	29,953	118,564	206,334	(53,555)	301,296	4,470	(596)
Cumulative effects of changes in accounting policies					-		
Restated balance	29,953	118,564	206,334	(53,555)	301,296	4,470	(596)
Changes of items during the period							
Dividends from surplus			(7,052)		(7,052)		
Profit attributable to owners of parent			1,274		1,274		
Effect of changes in accounting period of consolidated subsidiaries			(4)		(4)		
Purchase of treasury stock				(11)	(11)		
Disposal of treasury stock		(0)		5	5		
Change in scope of consolidation					-		
Change in scope of equity method					-		
Change in ownership interest of parent due to transactions with non-controlling interests		(88)			(88)		
Tax effect adjustments relating to changes in past years' equity		(427)			(427)		
Net changes of items other than shareholders' equity						(2,540)	(129)
Total changes of items during the period	-	(516)	(5,782)	(5)	(6,304)	(2,540)	(129)
Balances as of March 31, 2021	29,953	118,048	200,551	(53,561)	294,991	1,930	(725)

	Accumulated other comprehensive income				Subscription rights to share	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balances as of April 1, 2020	(1,109)	(8,480)	(1,478)	(7,193)	813	1,941	296,858
Cumulative effects of changes in accounting policies				-			-
Restated balance	(1,109)	(8,480)	(1,478)	(7,193)	813	1,941	296,858
Changes of items during the period							
Dividends from surplus							(7,052)
Profit attributable to owners of parent							1,274
Effect of changes in accounting period of consolidated subsidiaries							(4)
Purchase of treasury stock							(11)
Disposal of treasury stock							5
Change in scope of consolidation							-
Change in scope of equity method							-
Change in ownership interest of parent due to transactions with non-controlling interests							(88)
Tax effect adjustments relating to changes in past years' equity							(427)
Net changes of items other than shareholders' equity		4,612	1,019	2,961	(813)	(1,444)	703
Total changes of items during the period	-	4,612	1,019	2,961	(813)	(1,444)	(5,601)
Balances as of March 31, 2021	(1,109)	(3,867)	(459)	(4,231)	-	496	291,256

Current year (From April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balances as of April 1, 2021	29,953	118,048	200,551	(53,561)	294,991	1,930	(725)
Cumulative effects of changes in accounting policies			(2,067)		(2,067)		
Restated balance	29,953	118,048	198,484	(53,561)	292,924	1,930	(725)
Changes of items during the period							
Dividends from surplus			(9,411)		(9,411)		
Profit attributable to owners of parent			37,027		37,027		
Effect of changes in accounting period of consolidated subsidiaries					-		
Purchase of treasury stock				(25,036)	(25,036)		
Disposal of treasury stock		(90)		711	621		
Change in scope of consolidation			(1,317)		(1,317)		
Change in scope of equity method		(186)	(97)		(284)		
Change in ownership interest of parent due to transactions with non-controlling interests		(82)			(82)		
Tax effect adjustments relating to changes in past years' equity					-		
Net changes of items other than shareholders' equity						340	692
Total changes of items during the period	-	(358)	26,200	(24,325)	1,515	340	692
Balances as of March 31, 2022	29,953	117,689	224,684	(77,886)	294,440	2,270	(33)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balances as of April 1, 2021	(1,109)	(3,867)	(459)	(4,231)	-	496	291,256
Cumulative effects of changes in accounting policies				-			(2,067)
Restated balance	(1,109)	(3,867)	(459)	(4,231)	-	496	289,189
Changes of items during the period							
Dividends from surplus							(9,411)
Profit attributable to owners of parent							37,027
Effect of changes in accounting period of consolidated subsidiaries							-
Purchase of treasury stock							(25,036)
Disposal of treasury stock							621
Change in scope of consolidation							(1,317)
Change in scope of equity method							(284)
Change in ownership interest of parent due to transactions with non-controlling interests							(82)
Tax effect adjustments relating to changes in past years' equity							-
Net changes of items other than shareholders' equity		3,909	(2,739)	2,203	176	(447)	1,932
Total changes of items during the period	-	3,909	(2,739)	2,203	176	(447)	3,448
Balances as of March 31, 2022	(1,109)	41	(3,199)	(2,028)	176	49	292,637

SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year From April 1, 2020 To March 31, 2021	Current year From April 1, 2021 To March 31, 2022
<b>Net cash provided by (used in) operating activities</b>		
Income (loss) before income taxes	(9,844)	37,921
Depreciation and amortization	14,826	11,406
Impairment loss	3,347	430
Structural reform expenses	34,191	-
Amount of transfer of equipment by amusement center operation business	(1,528)	-
Loss (gain) on sales of noncurrent assets	(15,258)	(1,937)
Loss on retirement of noncurrent assets	294	469
Loss (gain) on sales of investment securities	(11,248)	(2,489)
Loss (gain) on valuation of investment securities	0	0
Loss (gain) on investments in partnership	(1,195)	(2,573)
Amortization of goodwill	1,908	2,311
Increase (decrease) in allowance for doubtful accounts	(47)	(25)
Increase (decrease) in provision for directors' bonuses	(87)	437
Increase (decrease) in net defined benefit liability	100	96
Increase (decrease) in provision for bonuses	362	(116)
Interest and dividends income	(493)	(610)
Interest expenses	470	301
Foreign exchange losses (gains)	(559)	(1,112)
Equity in (earnings) losses of affiliates	5,662	2,778
Decrease (increase) in notes and accounts receivable - trade	632	338
Decrease (increase) in inventories	(8,080)	(15,354)
Increase (decrease) in notes and accounts payable - trade	(593)	6,495
Increase (decrease) in guarantee deposits received	(2,267)	(1,589)
Other, net	(3,601)	5,960
Subtotal	6,989	43,138
Interest and dividends income received	477	664
Interest expenses paid	(497)	(300)
Extra retirement payments	(7,260)	(2,236)
Income taxes paid	(7,558)	(5,078)
Income taxes refund	1,464	3,419
Net cash provided by (used in) operating activities	(6,384)	39,607



SEGA SAMMY HOLDINGS INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2021 AND 2022

(Unit: Millions of yen)

	Prior year From April 1, 2020 To March 31, 2021	Current year From April 1, 2021 To March 31, 2022
Net cash provided by (used in) investing activities		
Payments into time deposits	(8,036)	(5,000)
Proceeds from withdrawal of time deposits	8,000	5,000
Purchase of short-term investment securities	-	(20,000)
Proceeds from redemption of securities	5,200	20,717
Purchase of trust beneficiary right	(809)	(1,309)
Proceeds from sales of trust beneficiary right	808	1,167
Purchase of property, plant and equipment	(7,350)	(5,983)
Proceeds from sales of property, plant and equipment	18,125	2,141
Purchase of intangible assets	(6,849)	(4,569)
Proceeds from sales of intangible assets	-	0
Purchase of investment securities	(61)	(196)
Proceeds from sales of investment securities	21,203	2,565
Proceeds from redemption of investment securities	415	-
Payments for investment in partnerships	(763)	(821)
Proceeds from distribution of investment in partnerships	789	2,596
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(6,953)	-
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	212
Purchase of stocks of subsidiaries and affiliates	(98)	(4,903)
Payments of loans receivable	(5,677)	(769)
Collection of loans receivable	7,411	2,381
Reduction of investments in trusts	2,400	-
Payments for lease deposits	(553)	(238)
Collection of lease deposits	497	514
Other, net	2,776	(2,300)
Net cash provided by (used in) investing activities	30,473	(8,794)
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	(13,331)	-
Redemption of bonds	(10,000)	-
Purchase of treasury stock	(11)	(25,036)
Purchase of treasury stock of subsidiaries	(91)	(98)
Proceeds from exercise of stock options	4	-
Cash dividends paid	(7,063)	(9,410)
Dividends paid to non-controlling interests	-	(93)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(7)	-
Other, net	(991)	(1,331)
Net cash provided by (used in) financing activities	(31,492)	(35,970)
Effect of exchange rate change on cash and cash equivalents	3,311	3,029
Net increase (decrease) in cash and cash equivalents	(4,091)	(2,128)
Cash and cash equivalents at beginning of period	158,617	154,540
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	47
Increase (decrease) in cash and cash equivalents resulting from change in accounting period of consolidated subsidiaries	13	-
Cash and cash equivalents at end of period	154,540	152,459

[Notes]

(Assumptions for going concern)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for Revenue Recognition)

Effective from the beginning of the fiscal year ended March 31, 2022, the Group applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued by the Accounting Standards Board of Japan on March 31, 2020), etc. Under the accounting standard, revenue is recognized when control over promised goods or services is transferred to customers, at an amount that the Group is expected to receive in exchange for the said goods or services. The Group previously recognized revenue from the sale of content update rights for some products at a point when the sale took place, but as a result of the adoption of the accounting standard, revenue is now recognized over a certain period of time when control over goods or services is transferred to customers over a certain period of time. Additionally, revenue pertaining to the sales of some products through consignment arrangements was previously recognized at a total amount, but revenue is now recognized at a net amount as a result of the Group's judgement on the roles (principal or agent) in providing goods or services to customers.

In adopting the Accounting Standard for Revenue Recognition, etc., the Group followed the transitional treatment stipulated in the provision of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retrospectively applying the new accounting policy to periods prior to the beginning of the fiscal year ended March 31, 2022 has been added to or subtracted from retained earnings at the beginning of the fiscal year ended March 31, 2022, and the new accounting policy has been applied effective from the said beginning balance of retained earnings. The impact on profit and loss, and retained earnings for the fiscal year ended March 31, 2022 was immaterial.

Due to the application of the Accounting Standards for Revenue Recognition, etc., from the fiscal year ended March 31, 2022, "notes and accounts receivable - trade", which was included in the consolidated balance sheets of the previous fiscal year, have been included in "notes and accounts receivable - trade and contract assets". The Company has not reclassified the previous fiscal year using the new presentation method in accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition.

(Accounting Standard for Fair Value Measurement)

Effective from the beginning of the fiscal year ended March 31, 2022, the Group applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, issued by the Accounting Standards Board of Japan on July 4, 2019), etc. In accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan, July 4, 2019, ASBJ Statement No. 10), the Group has decided to adopt the new accounting policy stipulated by the Accounting Standard for Fair Value Measurement, etc. prospectively from the date of the change. The impact on profit and loss, and retained earnings for the fiscal year ended March 31, 2022 was immaterial.

(Segment information)

1. Outline of reporting segments

Reporting segments of the Group are the organizational units for which separated financial information is available, and on the basis of which the Board of Directors makes decision on the allocation of management resources and examines financial performance on a regular basis.

Planning of business development and strategies as well as execution of business activities in respect of each product and service, is carried out by each Group company that provides such product and service.

As such, the Group is comprised of segments classified by product and service provided through the business run by each company, in which "Entertainment Contents Business", "Pachislot and Pachinko Machines Business", and "Resort Business" are the reporting segments.

Line of business at each reporting segment is as follows.

Segment	Main product and business
Entertainment Contents Business	Development and sales of consumer game software including Full Game, F2P, etc. and amusement machines, planning, production and sales of animated films, development, manufacture and sales of toys
Pachislot and Pachinko Machines Business	Development, manufacture and sales of pachislot and pachinko machines
Resort Business	Development and operation of hotels and golf courses, etc. in the integrated resorts business and other facilities businesses

2. Method of calculating the amounts of net sales, income or loss, assets and other items by each reporting segment

The accounting methods used for reporting segments are generally the same as those described in "Significant matters forming the basis of preparing the consolidated financial statements" on annual securities reports for the previous fiscal year.

As described in (Changes in accounting policies), the Group applied "Accounting Standard for Revenue Recognition", etc. from the beginning of the fiscal year ended March 31, 2022, and as a result of a change in the accounting treatment for revenue recognition, the calculation method of segment income (loss) was changed as well. The impact on profit and loss for the fiscal year ended March 31, 2022 was immaterial.

3. Information on the amounts of net sales, income or loss, assets and other items by each reporting segment  
Prior year (From April 1, 2020 to March 31, 2021)

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Note)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot Pachinko	Resort			
Net sales						
(1) Sales to third parties	217,810	53,198	6,320	277,330	418	277,748
(2) Inter-segment sales and transfers	714	429	94	1,238	(1,238)	-
Total	218,525	53,628	6,415	278,569	(820)	277,748
Segment income (loss)	27,917	(11,332)	(8,979)	7,605	(5,889)	1,715
Segment assets	180,735	68,603	30,736	280,075	141,524	421,599
Other items						
Depreciation	8,704	4,183	957	13,846	980	14,826
Interest income	39	246	0	286	(150)	136
Interest expenses	141	65	32	239	230	470
Equity in earnings (losses) of affiliates	222	(1,117)	(4,792)	(5,687)	24	(5,662)
Investments in affiliates accounted for using equity method	1,296	576	17,146	19,019	805	19,824
Increases in property, plant and equipment and intangible assets	10,471	3,336	194	14,002	502	14,504

- (Notes) 1. Adjustment to segment income (loss) of ¥(5,889) million includes elimination of inter-segment transactions of ¥605 million and general corporate expenses of ¥(6,495) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.
2. Adjustment to segment assets of ¥141,524 million includes elimination of inter-segment transactions of ¥(21,955) million and general corporate assets of ¥163,480 million which are not allocated to each reporting segment. General corporate assets are mainly assets of the Company that are not allocated to each segment.
3. Adjustments to depreciation are mainly consisted of depreciation associated with the Company.
4. Adjustment to interest income of ¥(150) million includes elimination of inter-segment transactions of ¥(345) million and interest income of the Company ¥195 million.
5. Adjustment to interest expenses of ¥230 million includes elimination of inter-segment transactions of ¥(345) million and interest expenses of the Company ¥575 million.
6. Adjustments to equity in earnings (losses) of affiliates are equity in earnings or losses of affiliates that are not belonged to each reporting segment.
7. Adjustments to investments in affiliates accounted for using equity method are investments in affiliates accounted for using equity method that are not belonged to each reporting segment.
8. Adjustments to increases in property, plant and equipment and intangible assets are mainly consisted of purchase of noncurrent assets relating to the Company.
9. Adjustment has been made to segment income (loss) and ordinary income in the consolidated statements of income and comprehensive income.

Current year (From April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reporting segment			Subtotal	Adjustment (Note)	Amount in consolidated financial statements
	Entertainment Contents	Pachislot Pachinko	Resort			
Net sales						
(1) Sales to third parties	235,937	75,868	8,663	320,469	480	320,949
(2) Inter-segment sales and transfers	553	349	143	1,046	(1,046)	-
Total	236,491	76,218	8,806	321,515	(565)	320,949
Segment income (loss)	36,861	10,282	(6,738)	40,405	(7,061)	33,344
Segment assets	191,320	56,738	31,701	279,760	155,732	435,492
Other items						
Depreciation	6,247	3,566	683	10,497	908	11,406
Interest income	34	239	0	274	(162)	112
Interest expenses	83	77	30	191	109	301
Equity in earnings (losses) of affiliates	1,028	291	(4,116)	(2,795)	17	(2,778)
Investments in affiliates accounted for using equity method	30	659	18,542	19,232	813	20,046
Increases in property, plant and equipment and intangible assets	7,365	4,114	434	11,914	1,130	13,045

(Notes) 1. Adjustment to segment income (loss) of ¥(7,061) million includes elimination of inter-segment transactions of ¥83 million and general corporate expenses of ¥(7,145) million which are not allocated to each reporting segment. General corporate expenses are mainly consisted of the expenses of the Group management incurred by the Company.

2. Adjustment to segment assets of ¥155,732 million includes elimination of inter-segment transactions of ¥(19,256) million and general corporate assets of ¥174,988 million which are not allocated to each reporting segment. General corporate assets are mainly assets of the Company that are not allocated to each segment.

3. Adjustments to depreciation are mainly consisted of depreciation associated with the Company.

4. Adjustment to interest income of ¥(162) million includes elimination of inter-segment transactions of ¥(327) million and interest income of the Company ¥164 million.

5. Adjustment to interest expenses of ¥109 million includes elimination of inter-segment transactions of ¥(327) million and interest expenses of the Company ¥436 million.

6. Adjustments to equity in earnings (losses) of affiliates are equity in earnings or losses of affiliates that are not belonged to each reporting segment.

7. Adjustments to investments in affiliates accounted for using equity method are investments in affiliates accounted for using equity method that are not belonged to each reporting segment.

8. Adjustments to increases in property, plant and equipment and intangible assets are mainly consisted of purchase of noncurrent assets relating to the Company.

9. Adjustment has been made to segment income (loss) and ordinary income in the consolidated statements of income and comprehensive income.

## (Per share information)

Items	Prior year (From April 1, 2020 to March 31, 2021)	Current year (From April 1, 2021 to March 31, 2022)
Net assets per share	¥1,236.82	¥1,311.72
Net income per share	¥5.42	¥158.85
Net income per share (diluted)	-	¥158.24

(Notes) 1. Profit per share (diluted) in the fiscal year ended March 31, 2021 is not described because of no potential shares including dilutive effects.

2. The calculation basis for net assets per share is as follows.

Items	Prior year (As of March 31, 2021)	Current year (As of March 31, 2022)
Total of net assets in the consolidated balance sheets (Millions of yen)	291,256	292,637
Amounts deducted from net assets in the consolidated balance sheets (Millions of yen)	496	225
(Subscription rights to shares) (Millions of yen)	-	176
(Non-controlling interests) (Millions of yen)	496	49
Net assets available for common stock (Millions of yen)	290,759	292,411
Number of common stock used to calculate net assets per share (Thousands of shares)	235,086	222,921

3. The calculation basis for net income per share and net income per share (diluted) is as follows.

Items	Prior year (From April 1, 2020 to March 31, 2021)	Current year (From April 1, 2021 to March 31, 2022)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	1,274	37,027
Amount not attributable to common stockholders (Millions of yen)	-	-
Profit attributable to owners of parent available for common stock (Millions of yen)	1,274	37,027
Average number of shares of common stock during the period (Thousands of shares)	235,090	233,091
Net income per share (diluted)		
Adjustment for profit attributable to owners of parent (Millions of yen)	-	-
Increase in common stock (Thousands of shares)	-	909
(Subscription rights to shares) (Thousands of shares)	-	909
Outline of potential shares not included in calculation of net income per share (diluted) because of no dilutive effect	-	-

(Significant subsequent events)

(Cancellation of treasury stock)

At Board of Directors meeting held on May 13, 2022, the Company has resolved to cancel its treasury stock based on the provisions of Article 178 of Companies Act.

Overview of the cancellation of treasury stock

1. Class of shares cancelled

Common stock of the Company

2. Number of shares cancelled

25,000,000 shares (Ratio to the total number of outstanding shares before cancellation: 9.39%)

3. Date of cancellation

May 24, 2022 (plan)

4. Total number of outstanding shares after cancellation

241,229,476 shares