

To Our Shareholders



I sincerely hope that this interim report finds our shareholders in good health and happiness.

In the Japanese economy in which the Konami Group operates, corporate earnings and the employment environment continue to improve, and personal consumption is following a course of moderate recovery. Nonetheless, the future of the global economy remains uncertain, due in part to concerns about a worldwide economic slowdown resulting from trade friction between the United States and China, growing instability in the Middle East, and confusion caused by the Brexit impasse.

In the entertainment market, game content is expected to evolve as mobile devices and home video game consoles become increasingly advanced, and as next-generation communications systems become standardized. In addition, the field of eSports, which brings the competitiveness of sports to games, is garnering more recognition as the fan base expands and is one of the new ways through which customers are able to enjoy our content.

In the amusement arcade market, a variety of industry-wide efforts have led to a growing acknowledgement of amusement facilities as legitimate gathering places for a broad range of users. Moreover, the trend toward the spread and advancement of eSports has resulted in large numbers of eSports tournaments around the world. Players are enjoying games in a diversifying range of ways, and the market is fundamentally trending toward growth.

The gaming business saw ongoing market growth amid the global development and opening of new casino facilities as well as integrated resorts that house casinos. Moreover, the online gaming market also continues to expand, particularly in Europe. We are also making efforts to revitalize the gaming business by attracting younger consumers.

In the sports market, the national government is making efforts to increase the number of people who participate in sports activities, formulating Japan's second Sport Basic Plan, in order to achieve a society in which everyone plays sports. Moreover, we expect further market revitalization and growth spurred by some of the world's largest sports events coming up on the horizon.

Amid these circumstances, we have been able to achieve record business performance in operating profit and profit attributable to owners of the parent by accurately capturing market needs and customer trends and by providing revolutionary products and services worldwide.

As we look to the future, we will continue to win customer trust and meet their expectations while working as a group to increase corporate value. As we work toward these goals, we would like to ask for the continued support of all of our shareholders.

Takuya Kozuki
Representative Director, President