

KONAMI

Fiscal 2019 Konami Group Report

April 1, 2018 – March 31, 2019

KONAMI HOLDINGS CORPORATION

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.

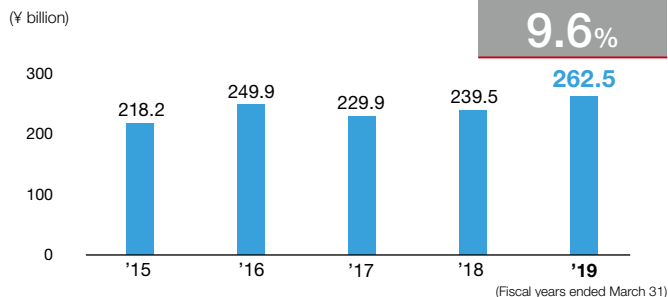
As we look to the future, we will continue to win customer trust and meet their expectations while working as a group to increase corporate value. As we work toward these goals, we would like to ask for the continued support of all of our shareholders.

Takuya Kozuki
Representative Director, President

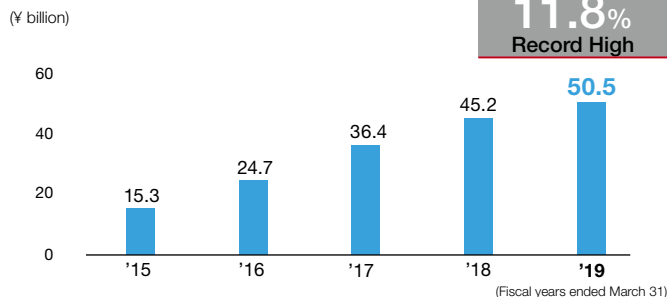
Consolidated Financial Highlights

Note: Figures are in accordance with International Financial Reporting Standards (IFRS).

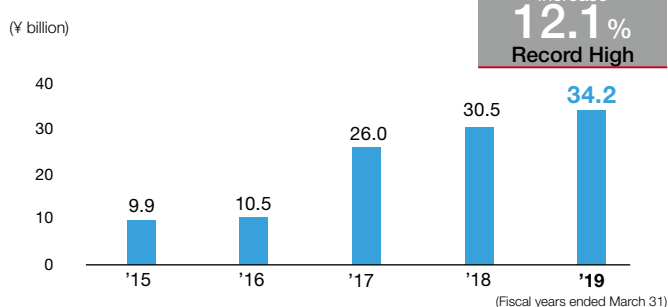
Total Revenue



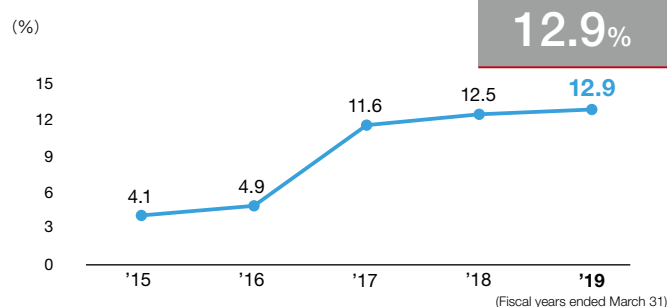
Operating Profit



Profit Attributable to Owners of the Parent



Consolidated ROE (Return on Equity)



In terms of the consolidated results for the fiscal year ended March 31, 2019, total revenue amounted to ¥262,549 million (a year-on-year increase of 9.6%), operating profit was ¥50,522 million (a year-on-year increase of 11.8%), profit before income taxes was ¥50,310 million (a year-on-year increase of 12.5%), and profit attributable to owners of the parent was ¥34,196 million (a year-on-year increase of 12.1%). The amounts for operating profit, profit before income taxes, and profit attributable to owners of the parent were all record highs for the Konami Group.

In the Digital Entertainment Business, mobile games such as *Winning Eleven 2019* (known overseas as *PRO EVOLUTION SOCCER 2019*), *Yu-Gi-Oh! DUEL LINKS*, *JKIKYOU PAWAFURU PUROYAKYU*, and *PROFESSIONAL BASEBALL SPIRITS A (Ace)* continued to perform favorably in Japan and overseas.

Furthermore, as part of our continued active efforts in eSports, we will be co-hosting the “eJ.LEAGUE Winning Eleven 2019 Season” in collaboration with the Japan Professional Football League (J.LEAGUE), with our *Winning Eleven 2019* as the competition title.

In the Amusement Business, *MAH-JONG FIGHT CLUB GRAND MASTER*,

BOMBER GIRL, and other video games maintained steady operations. In addition, we began operation of medal games such as *GRANDCROSS LEGEND* and *Anima Lotta: Anima and the Big Tree of Clouds*. We also launched *G1 Derby Club 2* in accordance with new regulations.

In our Gaming & Systems Business, sales of the latest video slot machine cabinets in the *Concerto™* series continued to perform strongly. We also attracted market attention through the introduction of the new upright cabinet *KX 43™*. Moreover, the *SYNKROS®* casino management system continued to be installed at major casino operators on a steady basis, including in casinos on large cruise ships.

In the Sports Business, we are making progress with our efforts to provide stronger customer support, which includes increasing the number of facilities that provide our proprietary *BeautyHip* personal fitness program, as well as our *Table Tennis School*, *Trampoline School*, and other exercise schools. As for sports-related products, we expanded our lineup of “Konami Sports Club Original” brand products and redesigned our online shops for improved service.

For more detailed financial data, please visit the KONAMI website and go to the Financial Information page.

<https://www.konami.com/ir/en/ir-data>

Digital Entertainment



JIKKYOU PAWAFURU PUROYAKYU
for Nintendo Switch™
(launching June 27, 2019)



PROFESSIONAL BASEBALL SPIRITS 2019 for PS4
(launching July 18, 2019)

Approved by the Nippon Professional Baseball Organization and franchised baseball stadiums
© Konami Digital Entertainment

25 Years of the PAWAPURO Series and 15 Years of the PROFESSIONAL BASEBALL SPIRITS Series Celebrating the Anniversaries of Our Beloved and Popular Baseball Content

The year 2019 marks the 25th anniversary of the *JIKKYOU PAWAFURU PUROYAKYU* series and the 15th anniversary of the *PROFESSIONAL BASEBALL SPIRITS* series.

JIKKYOU PAWAFURU PUROYAKYU is one of KONAMI's flagship game series. Its popularity comes from its "Success" mode, which combines the fun of building up player-designed characters with the fun of competition. The series has been met with love from a multitude of customers, as seen from the 2014 release of a mobile version of the game, which has been downloaded a total of 40 million times as of June 2019.

PROFESSIONAL BASEBALL SPIRITS is our realistic professional baseball game series. In 2015, we released *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, a mobile game packed with gorgeous graphics and realism, which surpassed the 16 million total download mark on February 2019. We also have high expectations for the latest home console game in the series, scheduled for a July 2019 release.

KONAMI will continue to put forth high-quality products and services by way of its baseball content.

Amusement



GRANDCROSS LEGEND



Anima Lotta: Anima and the Big Tree of Clouds

GRANDCROSS LEGEND and *Anima Lotta: Anima and the Big Tree of Clouds*:

Rave Reviews for New Additions to Our Popular Medal Game Lineup

GRANDCROSS LEGEND is the newest release in the *GRANDCROSS* series, our series of large-scale mass medal pusher games that has earned the approval of a wide range of age groups. Many customers have been enjoying the game since it launched in March.

Thanks to the design of the cabinet, which is adorned with thousands of LED lights and has a large central monitor, the game makes it more possible than ever to have the light-and-color experience that only a dedicated amusement center can provide.

We have also begun operation of *Anima Lotta: Anima and the Big Tree of Clouds*, the latest entry in our *Anima Lotta* series, a series of easy-to-understand lottery medal games which is highly touted in Japan and overseas. The game has been lauded for its appeal to a wide variety of customers, attributed to its evolved gameplay, which includes a new, built-in "digital pocket" with changing lottery numbers and a new bingo game.

Moving forward, KONAMI will continue to leverage its medal games to deliver fun and excitement to even more players.

Gaming & Systems



SYNKROS®, KONAMI's Casino Management System, Debuts on the Las Vegas Strip

Las Vegas casino operator Golden Entertainment, Inc. has introduced the *SYNKROS*® casino management system into its casinos under operation, which include the STRAT Hotel, Casino & Skypod on the Las Vegas Strip.

SYNKROS® can be utilized to perform a wide range of tasks due to its high-grade functions, which not only utilize advanced technology including money management and conversion for slot machines and table games, but also perform analysis and accounting tasks.

Golden Entertainment has praised the system for its reliable, multi-site capabilities, which allow for connectivity between the company's multiple casino facilities. It has also garnered a high reputation for implementing wide-ranging improvements to customer convenience. For instance, customers can use a single player card seamlessly across the company's 10 casinos to receive special benefits or attend bonus events.

KONAMI will continue to improve the *SYNKROS*® system to provide an even better experience to casino operators and the customers who enjoy their facilities.

Sports



A New School for Kids, Coached by Former National Competitive Swimmers

The “Small-Group Swimming School” Opens at Two Facilities in Tokyo

KONAMI started classes for its “Small-Group Swimming School” at two Konami Sports Club locations in Tokyo in April. Swimming ranks as a high-in-demand skill for kids, and these classes are one of the popular *undoujuku*—exercise or sports schools for children—provided by Konami Sports Club.

The Small-Group Swimming School is a new school designed to meet the needs of those looking to improve their swimming ability through meticulous coaching. To meet that demand, we have arranged competitive athletes who have represented Japan and seen success as competitive swimmers to use their experience competing on the world stage, combined with expert *undoujuku* training methods, which have been cultivated over several years, to give instruction to children.

Moreover, since the classes are restricted to small numbers, children can receive customized, one-on-one coaching that ranges from learning the four competitive strokes (freestyle, breaststroke, backstroke, and butterfly) to improving performance for competition. As a result, these classes are an efficient way for children to meet their particular goals and improve their skills.

KONAMI will continue to upgrade its *undoujuku* and other services going forward.

Corporate Social Responsibility (CSR) Activities

Certified Three Years Running as an Excellent Health and Productivity Management Corporation in 2019—White 500

KONAMI HOLDINGS CORPORATION has been recognized as a company that cooperates with insurance payers to practice superior health and productivity management, and was thus included in the 2019 Excellent Enterprise of Health and Productivity Management—White 500 list compiled jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. Having been recognized in 2017 and 2018, this makes it the third year running for the Company to receive this honor.

The White 500 program is an initiative launched in 2017 by the Ministry of Economy, Trade and Industry in coordination with Nippon Kenko Kaigi, an organization comprising the leaders of businesses, medical institutions, and municipal government agencies. The program aims to increase the number of companies that practice health and productivity management by recognizing large-scale enterprises exhibiting excellence in coordinating with insurance payers to advance health and productivity management initiatives.

The Konami Group is committed to forming a relationship with its employees that allows for mutual growth by cultivating a workplace environment in which employees are able to fully exercise their talents. To this end, we have stationed nurses at each workplace with whom we coordinate with occupational physicians in order to provide employees with regular health checkups as a baseline for health management. In addition, we have established a system by which employees can easily have health consultations and take various other measures to maintain and improve their health and work-life balance.

Furthermore, through our collaboration with the Kanto IT Software Health Insurance Association,* which is one of Japan's largest comprehensive health insurance unions, we strive to maintain and promote the health of employees and their families.

The Konami Group will continue to promote workstyle reforms in order to cultivate an environment and build a framework for employees to work efficiently and achieve stronger results.

* The Kanto IT Software Health Insurance Association is a comprehensive health insurance union which covers 7,084 business establishments with 510,430 people insured (as of the end of April 2019). The current Executive Vice President of the Konami Group serves as Board Chairman.



Health and Productivity Management Promotion Committee

Certified Konami Group Companies Alongside KONAMI HOLDINGS CORPORATION

Konami Digital Entertainment Co., Ltd.
Konami Amusement Co., Ltd.
Konami Business Expert Co., Ltd.
Internet Revolution, Inc.
Konami Gaming, Inc. (Asia Branch).
Konami Sports Life Co., Ltd.
Konami Real Estate, Inc.

Announcement of the “eSports GINZA studio,” a New eSports Base

The Konami Group will establish the “eSports GINZA studio,” a next-generation hall with cutting-edge stage effects and video distribution equipment, at the Konami Creative Center Ginza (KCC GINZA), which is under construction and is positioned as our new base of business.

KCC GINZA, which is slated to complete construction in November 2019, will serve as a new base for the Konami Group, which not only boasts popular existing games but also creates new forms of entertainment and disseminates them to the public.

The “eSports GINZA studio” will be a public hall fully equipped with the devices best suited for eSports, such as sound and lighting systems used for stage effects as well as video distribution equipment. At KCC GINZA, the Konami Group also plans to offer classes that are aimed at fostering human resources in the field of eSports, and to set up a shop that sells products related to eSports.

eSports, which brings the competitiveness of sports to games, is garnering attention in Japan and other parts of the world, and continues to grow to a scale that rivals major active sports in terms of tournament spectators and viewing audiences.

The Konami Group has sponsored the eSports championships for the *Winning Eleven* series since 2001, including the world championships, the PES LEAGUE, also held this year. In addition, KONAMI is co-hosting the “eJ.LEAGUE Winning Eleven 2019 Season” in collaboration with the Japan Professional Football League (J.LEAGUE), with our mobile game *Winning Eleven 2019* as the competition title.

The *Yu-Gi-Oh!* series has been holding world championships for its trading card game since 2003, and entered the mobile game market in 2017. The *JIKKYOU PAWAFURU PUROYAKYU* series has been holding a national championship since 2016, and

began hosting eBASEBALL tournaments jointly organized with the Nippon Professional Baseball (NPB) Organization in 2018.

We have also held the official eSports tournament for arcade games, the “KONAMI Arcade Championship,” since 2011. From the second tournament onward, players from overseas were accepted, making it an international event.

In 2020, all eyes will be on Tokyo as international interest in sports reaches full swing. We ask for your anticipation as KONAMI utilizes KCC GINZA as a new hub to spread entertainment to the world and works to promulgate and invigorate the eSports industry.



Conceptual rendering of the Konami Creative Center Ginza (KCC GINZA)
Left: rendering from the west side / Ginza street
Right: rendering from the north side / Kyobashi

Corporate Data (As of March 31, 2019)

Company Name	KONAMI HOLDINGS CORPORATION
Headquarters	9-7-2, Akasaka, Minato-ku, Tokyo 107-8323, Japan Tel: 81-3-5770-0573 Fax: 81-3-5412-3300
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,398 million
Number of Employees (consolidated)	10,392 (Including temporary employees, converted at 160 hours per month.)
Website	https://www.konami.com/

Stock Information (As of March 31, 2019)

Common Stock	
Authorized	450,000,000 shares
Outstanding	143,500,000 shares (including 8,266,959 treasury shares)
Number of Shareholders	30,195

The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,471	18.83
Kozuki Foundation	17,100	12.64
Kozuki Holding B.V.	15,700	11.61
Japan Trustee Services Bank, Ltd. (Trust Account)	11,860	8.77
Kozuki Capital Corporation	7,048	5.21
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	3,610	2.67
Sumitomo Mitsui Banking Corporation	2,017	1.49
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,573	1.16
Goldman Sachs Japan Co., Ltd. BNYM	1,493	1.10
JP MORGAN CHASE BANK 385151	1,463	1.08

Note: The above shareholding ratios are calculated after the deduction of treasury shares.

Guide to Investor Relations (IR) Site

Our website includes an IR section that provides easy access to our latest financial information, news releases, and other relevant IR information.

<https://www.konami.com/ir/en/>

Shareholder Information

Fiscal Year-End	March 31
Ordinary General Meeting of Shareholders	June
Record Dates for Shareholders	Annual shareholders' meeting: March 31 Year-end dividend: March 31 Interim dividend: September 30 Other (when necessary): As announced in advance
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Location of Transfer Agent Handling Office	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Mailing Address	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
URL	https://www.smtb.jp/tools/english
Public Notices	Shown on the Company's website: https://www.konami.com/ir/en/
Stock Exchange Listings	Tokyo and London

For ADR Holders

Depository and Transfer Agent for American Depositary Receipts	JPMorgan Chase Bank, N.A. 383 Madison Avenue, Floor 11, New York, NY 10179, U.S.A.
ADR Holder Contact	JPMorgan Service Center
Telephone Inquiries	Toll-free U.S.A. & Canada: 1-800-990-1135 Outside U.S.A.: 1-651-453-2128 An automated IVR system is available 24 hours a day/7 days a week. Representatives are available from 8:00 am to 8:00 pm EST on weekdays.
URL	Visit https://www.adr.com and go to the "INVESTORS" section, then click on "Access My Account" to go to the Shareholder Services page.
Mail for Regular Correspondence	P.O. Box 64504, St. Paul, MN 55164-0504, U.S.A.