

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 and from growing instability in the Middle East.

In the entertainment market, game content continues to diversify, while mobile and other devices offer increasingly advanced functions. We are carefully tracking developments in the field of eSports, which brings the competitiveness of sports to games, as a part of our efforts to produce content that offers customers new ways to enjoy themselves.

In the amusement arcade market, efforts aimed at industry-wide market revitalization have led to the cultivation of new 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's fundamental trend is toward growth.

In the gaming business, the market recorded ongoing growth amid the global development and opening of new casino facilities as well as integrated resorts (IR) that house casinos. Moreover, the online gaming market also continues to expand. In this environment, initiatives to attract younger consumers are being implemented, such as the introduction of skill elements (player skill levels) in slot machines and the promotion of eSports betting.

In the sports market, targeting the realization of a society in which everyone plays sports, the national government is implementing measures to expand the number of people who participate in sports activities. Overall social awareness



of sports is increasing, and further market revitalization and growth is anticipated.

In these circumstances, Konami Group took steps to respond to diverse customer needs in an appropriate manner and worked to further increase its corporate value. As a result, we recorded favorable results in the period under review.

On March 21, 2019, KONAMI HOLDINGS CORPORATION will reach its 50th anniversary. Our ability to achieve continued growth up to this point is due to the support of our shareholders, and I would like to convey our heartfelt gratitude. To express our appreciation to our shareholders, in addition to the regular dividend for the fiscal year ending March 31, 2019, we will also implement a commemorative dividend to mark the 50th anniversary of founding.

Moving forward, we would like to ask for the continued support of all our shareholders.

Takuya Kozuki
President and Representative Director