

KONAMI

Fiscal 2021 Konami Group Interim Report

April 1, 2020 – September 30, 2020

KONAMI HOLDINGS CORPORATION

To Our Shareholders



On behalf of the Konami Group, I would like to express our gratitude to all of our shareholders for their ongoing support.

Before any other matters, I would like to extend my thoughts and prayers to all of those who have contracted or have been affected by COVID-19. In addition, I offer my utmost respect and gratitude to healthcare professionals and others working on the front lines to treat this disease and prevent infection.

Amid changing tastes, preferences, and technologies, the Konami Group has continued to challenge itself in the entertainment and sports fields. At the same time, we have continued to grow and develop by delivering innovative products and services around the world.

In the entertainment field, we expect the market to be further revitalized due to the advancement of electronics, such as mobile devices and home game consoles, and by the full-scale implementation of 5G (5th generation mobile communications system), which features high-capacity, high-speed, and low-latency communication. This will make

it possible to create games not limited by conventional frameworks, offering customers new ways of game play. In addition, with the changing times, there is increasing interest in “enriching daily life through full and abundant experiences” and continued growth in the esports market that treats competitive gaming as a sporting event, where areas of growth potential have been steadily expanding.

In the sports market, while working from home and refraining from going out is being promoted to prevent the spread of COVID-19, uncertainty about health is increasing due to insufficient exercise. Under these circumstances, we are increasing reinforcement of hygiene management and the importance of providing new services, which are available in the home environment, to enable people to take part in sports in a safe and secure manner. These needs have led to the creation of new styles of services, and the market is expanding.

We will continue to create new products and services in the two high-growth markets of entertainment and sports.

In the course of our more than 50 years of history, the Konami Group has faced numerous crises. Although COVID-19 is yet to be brought under control, we will continue to strengthen our DX (digital transformation) promotion and reform working styles to further increase corporate value.

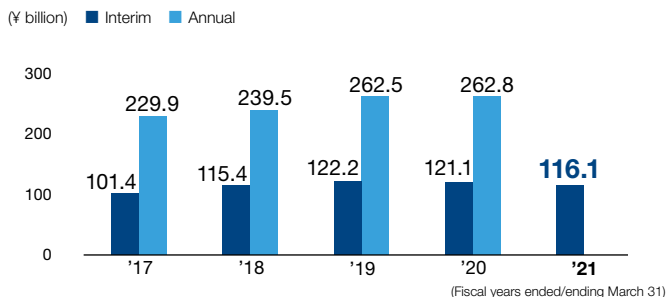
We will maintain our commitment to responding quickly to changes and taking on challenges to ride the cresting wave into a new era, and would like to ask for the continued support of all of our shareholders.

Kimihiko Higashio
Representative Director, President

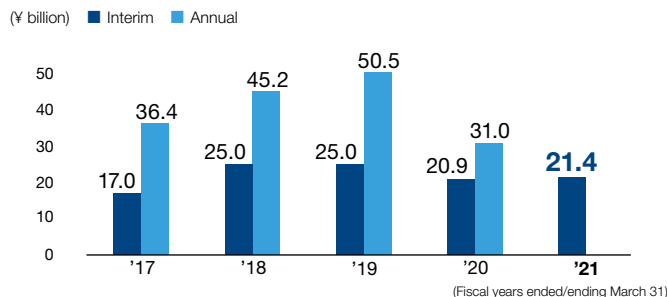
Consolidated Financial Highlights

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

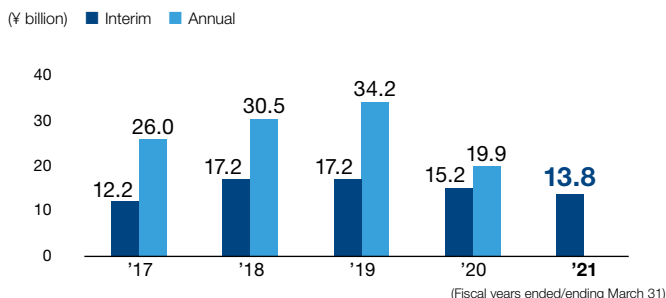
Total Revenue



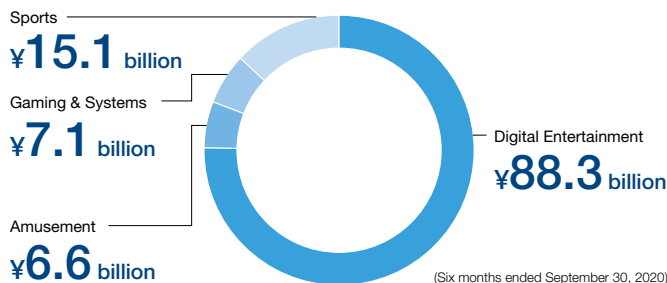
Operating Profit



Profit Attributable to Owners of the Parent



Total Revenue by Business Segment



Looking at the Company's consolidated results for the six-month period ended September 30, 2020, total revenue amounted to ¥116,072 million (a year-on-year decrease of 4.1%), operating profit was ¥21,368 million (a year-on-year increase of 2.1%), profit before income taxes was ¥20,215 million (a year-on-year decrease of 0.9%), and profit attributable to owners of the parent was ¥13,791 million (a year-on-year decrease of 9.3%).

In the Digital Entertainment Business, "Yu-Gi-Oh! DUEL LINKS" and "eFootball Winning Eleven 2020" (known overseas as "eFootball PES 2020") continued to perform favorably. The selection of pro baseball alumnus and MLB player Yu Darvish for the "PROFESSIONAL BASEBALL SPIRITS A (Ace)" collaboration project provoked a huge response and created a great deal of excitement. In terms of video games, the launch of "eBASEBALL PAWAFURU PUROYAKYU 2020" started off well, and cumulative shipments quickly reached 500,000 copies. Meanwhile, as part of our continued efforts in esports, we hosted the inaugural online professional baseball all-star series with "eBASEBALL PRO LEAGUE eALL STAR 2020."

In the Amusement Business, we held numerous online events and

promoted initiatives linked to the recovery of the video game and medal game markets. In addition, we began operation of the newest iteration of the *Sengoku Collection* series, *Sengoku Collection 4*.

In the Gaming & Systems Business, we launched two new slot machines, DIMENSION 27™ and DIMENSION 49J™ that features a "J" curve display. In addition, we recognized revenue for the sale of slot machines, including our flagship upright cabinet KX 43™ and Concerto™ series, as well as revenue from participation agreements.

In the Sports Business, in addition to complying with the guidelines set by the Fitness Industry Association of Japan, we are taking measures to prevent the spread of infection based on our own in-house standards. We have promoted operations that prioritize the safety and security of our customers and employees, and introduced measures connected to outbreak prevention and avoidance of the Three Cs (closed spaces, crowded places, and close-contact settings). These measures include implementing daily disinfection using ozone, which has been proven to neutralize COVID-19, and online reservation for our studio programs.

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/>

Topics

Digital Entertainment



KONAMI's Booming Soccer Content PES (Winning Eleven) Series Celebrates 25th Anniversary

In 2020, PES (Winning Eleven) series celebrated its 25th anniversary. Since its launch in 1995, the series has been enjoyed by many users. In 2001, the game was launched overseas as Pro Evolution Soccer and continues to appeal to soccer fans around the world, including in Europe and South America. In September 2020, the latest edition of the console game “eFootball PES 2021 SEASON UPDATE” was launched.

In June 2020, the mobile version reached 300 million downloads worldwide, and various events, including a special event to celebrate the 25th anniversary, were well received by users. Furthermore, by employing various competition titles for esports tournaments, such as the 18th Asian Games – Jakarta Palembang, we will continue to expand and invigorate esports.

KONAMI will continue to deliver to soccer fans the appeal of soccer, which is “fun to watch AND play.”

Amusement



Successful Action Figure – *BUSOU SHINKI* Coming Out on KONAMI Arcade Game Soon

The new video game *BUSOU SHINKI ARMORED PRINCESS BATTLE CONDUCTOR* will begin sequential operation at amusement facilities nationwide this December.

BUSOU SHINKI, which up to now has been expanding across entertainment platforms, including action figures and animation, will make its debut as an arcade game. This is an action game in which players train and customize their own “SHINKI” for battle.

The “SHINKI” are displayed in 3D on a transparent LCD screen next to the main monitor, which provides the user with the unique experience of feeling immersed in the *BUSOU SHINKI* world that only an arcade game can offer. Players can save the “SHINKI” they collect in the game on CARDCONNECT cards and enjoy a collection of their favorite “SHINKI.”

We will continue to suggest new ways to enjoy arcade games and offer customers time with “value.”

Gaming & Systems



Casino Journal's Top 20 Most Innovative Gaming Technologies DIMENSION 49J™ and SYNK31™ Selected for 2020 Award

DIMENSION 49J™ and SYNK31™ were recognized among the Top 20 Most Innovative Gaming Technologies awarded by *Casino Journal*, the well-known industry publication with a history of more than 30 years.

DIMENSION 49J™ is a cabinet that features a 49-inch, ultrahigh resolution curved screen. A monitor has been installed in the back of the custom chair which, together with the large display, projects dynamic images that make the cabinet stand out on the casino floor.

SYNK31™, a new feature of the SYNKROS® casino management system, is an effective system for preventing criminal activities, such as unusual transactions. Customer information is captured within the system and aggregated in real time, enabling casino operators to identify the cause of the problem in an emergency situation.

Konami Gaming, Inc. will continue to develop innovative products that will help shape the future of the gaming industry and aims to be a leading company in the industry.

Sports



Have Fun Dancing and Submit a Video Holding a Solo Dance Video Contest

On October 1, 2020, Konami Sports Club started accepting applications for "Konami Sports Club Dancing Stars Best Dancer 2020," a solo dance video contest.

This dance video contest replaced "Konami Sports Club Dancing Stars Contest 2020," which was canceled due to COVID-19. The video contest was held with the hope that it will become a new goal for children attending the Konami Sports Club Dancing Stars dance school who had been practicing hard to be recognized as the No. 1 dancer.

Each division will be judged through the first and second rounds, with the final round scheduled to be live streamed from esports GINZA studio on December 20, 2020.

Konami Sports Club will continue to support the healthy growth of children, as well as convey the joy of dancing and expressing oneself, through the Dancing Stars initiatives.

Evolution of Popular KONAMI Mobile Games

Even before the widespread use of smartphones, KONAMI was one of the first to begin developing mobile games that utilized its intellectual property.

The most popular of all our mobile games is the JIKKYOU PAWAFURU PUROYAKYU series, which reached 440 million downloads by September 2020. One reason for its perpetual popularity is the numerous anime and manga comic collaborations. These collaborative works appeal to many users, including an untapped user base discovered as a result of interest in the original works, in addition to existing users who are continuously provided with new content. In September 2020, KONAMI launched a well-received collaboration with the classic baseball manga *H2* (original work by Mitsuru Adachi).

In 2015, KONAMI released “PROFESSIONAL BASEBALL SPIRITS A (Ace),” where users can enjoy authentic baseball

action with easy controls and player development. The game includes substantial pro baseball information, such as game and player stats. This is not just a way to enjoy the game but is also a pro baseball information tool, which is why it is so popular among baseball fans. This year, Yu Darvish of the Chicago Cubs, assisted in supervising the data, such as a variety of pitches, for the second installment of our special collaboration project with him, which gained a lot of attention.

For our soccer content, the mobile version of the PES (Winning Eleven) series, “eFootball PES 2020,” reached 300 million downloads worldwide by June 2020. New Dribbling Technique: Finesse Dribble, developed under the supervision of Andrés Iniesta, is now available in the mobile version of the game, allowing users to enjoy the same high level of tactics



JIKKYOU PAWAFURU PUROYAKYU



“PROFESSIONAL BASEBALL SPIRITS A (Ace)”

一般社団法人日本野球機構承認 日本プロ野球OBクラブ公認 日本プロ野球名球会公認 日本プロ野球外国人OB選手会公認 / データ提供: 共同通信デジタル / データは (株) 共同通信デジタルが独自に収集したものであり、公式記録とは異なる場合があります。提供情報を手段を問わず、いかなる目的であれ無断で複製、転送、販売等を行う事を固く禁じます。©Konami Digital Entertainment



"eFootball PES 2020"



"Yu-Gi-Oh! DUEL LINKS"

as in the console video game. Furthermore, the PES (Winning Eleven) series celebrated its 25th anniversary this year and KONAMI is rolling out various initiatives, including special events and login campaigns, to show its appreciation to loyal users of the game.

In 2016, the launch of the mobile game of the globally popular "Yu-Gi-Oh! TRADING CARD GAME," "Yu-Gi-Oh! DUEL LINKS," garnered considerable fanfare. In this game, users can experience the realism of the original manga comic through the 3D depiction of monsters and character voice performance, which was not available in the "Yu-Gi-Oh! TRADING CARD GAME." Additionally, regular releases of card boxes are another appeal that users eagerly anticipate, and the game has now reached 100 million downloads worldwide.

KONAMI was also quick to focus on esports, which has garnered significant attention in recent years, and has held mobile game esports tournaments.

Every year, countless users participate in esports tournaments to determine the No. 1 player of mobile games, such as "JIKKYOU PAWAFURU PUROYAKYU" and "PROFESSIONAL BASEBALL SPIRITS A (Ace)." This year, KONAMI also experienced a huge turnout at the "KC Grand Tournament," a large-scale online tournament to decide the No. 1 "Yu-Gi-Oh! DUEL LINKS" player.

KONAMI will continue to create new user experiences through the production of appealing mobile games that focus on the advancement of various devices and the next generation of mobile communications, 5G, and will bring a new era of entertainment to even more customers.

Corporate Data

Company Name	KONAMI HOLDINGS CORPORATION
Headquarters	1-11-1, Ginza, Chuo-ku, Tokyo 104-0061, Japan Tel: 81-3-6636-0573 Fax: 81-3-6893-1573
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,398 million
Consolidated Employees	9,499 (As of September 30, 2020) (Including temporary employees, converted at 160 hours per month)
Website	https://www.konami.com

Stock Information (As of September 30, 2020)

Common Stock	
Authorized	450,000,000 shares
Outstanding	143,500,000 shares (Including 10,285,665 treasury shares)
Number of Shareholders	30,041

The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	25,188	18.91
Kozuki Foundation	17,100	12.84
KOZUKI HOLDING B.V.	15,700	11.79
Custody Bank of Japan, Ltd. (Trust Account)	12,896	9.68
Kozuki Capital Corporation	7,048	5.29
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,539	2.66
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,699	2.03
JP MORGAN CHASE BANK 385781	1,543	1.16
Custody Bank of Japan, Ltd. (Trust Account 5)	1,489	1.12
STATE STREET BANK AND TRUST COMPANY 505103	1,477	1.11

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
Website	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, seven days a week. Representatives are available from 8:00 a.m. to 8:00 p.m. EST on weekdays.
Website	Visit https://www.adr.com and go to the "CONTACT" section, and then refer to the "REGISTERED ADR HOLDERS" section.
Mail for Regular Correspondence	P.O. Box 64504, St. Paul, MN 55164-0504, U.S.A.