

KONAMI

Fiscal 2023 Konami Group Report

April 1, 2022 – March 31, 2023

KONAMI GROUP CORPORATION

To Our Shareholders

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

I would like to express my genuine appreciation for your continued and generous support.

March 19, 2023, marked the 50th anniversary of the establishment of KONAMI. The fifty years we have been in operation have been a period of extreme change in the entertainment industry, but we have maintained our founding brands and achieved a level of growth that has made us the strong company we are today. We will continue to quickly respond to changes, take on challenges, and strive for sustainable growth in order to stay on the crest of the wave. Please join us in looking forward to seeing the great strides the KONAMI Group will make over the next fifty years.

More than three years have passed since the onset of the COVID-19 pandemic, and now various restrictions are lifting and society is rapidly returning to a new state of normalcy. In the fiscal year ended March 31, 2023, as a result of recovery in the Gaming & Systems Business after COVID-19, we set a new record high in total revenue and sales increased for the sixth consecutive fiscal year.

As a result of this performance, the dividend for the year is ¥124 per share, an increase of ¥0.5 from the previous fiscal year, and the highest ever for a regular dividend. We will work to further enhance business performance and thereby enhance dividends.

In March 2023, KONAMI Osaka Studio opened in OSAKA UMEDA TWIN TOWERS SOUTH. This cutting-edge office, the main production base in western Japan, is characterized by a well-developed environment where creators can demonstrate their full potential, and is set up with the necessary tools for product development, such as motion capture equipment and sound studios. To facilitate growth over the medium to long term, we believe that it is crucial to secure outstanding personnel and build a research and development environment that allows creators to perform to the best of their abilities. Going forward, we will strengthen our strategic management through

proactive investment into human capital.

The area of entertainment, where we conduct R&D, is closely linked to next-generation technologies and services such as artificial intelligence (AI), fifth and sixth generation mobile communications (5G/6G), virtual and augmented reality (VR/AR), non-functional tokens (NFTs), Web3.0, and the metaverse. Leveraging these assets will expand the field we offer innovative products, services, and user experiences that has never been seen before. In the area of sports, with well-being becoming significant to the realization of a sustainable society and the growing social significance of maintaining good health through exercise, we believe that KONAMI is positioned to take on an increasingly important role and responsibilities. We will strive for further growth in the promising entertainment and sports industries.

As we work toward this goal, we would like to ask for the continued support of all of our shareholders.



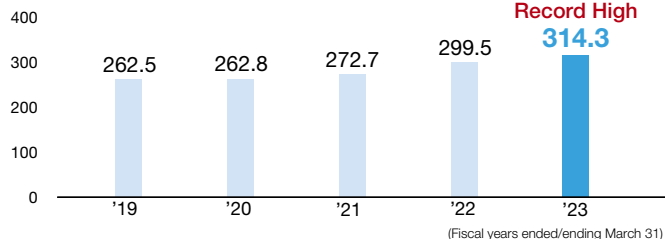
Kimihiko Higashio
Representative Director,
President

Consolidated Financial Highlights

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

Total Revenue

(¥ billion)

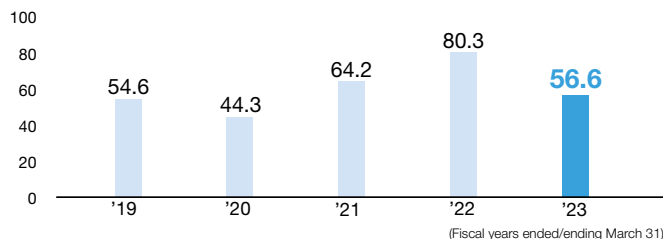


4.9% Increase
YoY

Record High

Business Profit

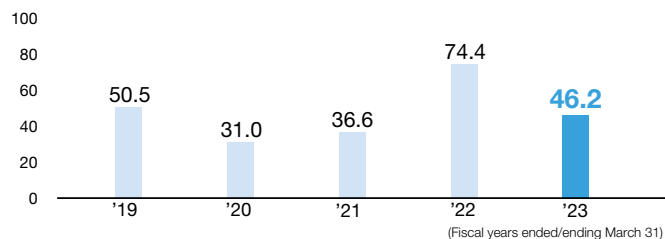
(¥ billion)



29.5% decrease
YoY

Operating Profit

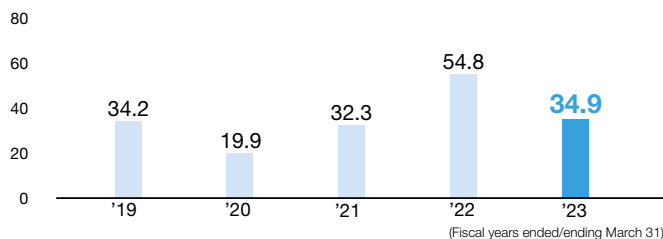
(¥ billion)



38.0% decrease
YoY

Profit Attributable to Owners of the Parent

(¥ billion)



36.3% decrease
YoY

In terms of consolidated results for the fiscal year ended March 31, 2023, total revenue amounted to ¥314,321 million (a year-on-year increase of 4.9%), business profit was ¥56,611 million (a year-on-year decrease of 29.5%), operating profit was ¥46,185 million (a year-on-year decrease of 38.0%), profit before income taxes was ¥47,120 million (a year-on-year decrease of 37.3%), and profit attributable to owners of the parent was ¥34,895 million (a year-on-year decrease of 36.3%).

In the Digital Entertainment Business, we acted as a global sponsor of "2023 World Baseball Classic™" and supported the Japanese national baseball team Samurai Japan as an official partner. Developing promotions and marketing measures connected with this game has meant that "PROFESSIONAL BASEBALL SPIRITS A (Ace)" has generated a great deal of excitement. In addition, "eFootball™" 2023 surpassed the milestone of 600 million downloads thanks to a series of updates, promotions, and a heightened passion for soccer around the world, and is enjoyed by many customers. With regard to card games, we launched a 25th anniversary commemorative project for *Yu-Gi-Oh! CARD GAME*. This had a synergistic effect with "Yu-Gi-Oh! MASTER DUEL," which we began distributing a year earlier, increasing the overall sales momentum of the content. In the eSports space, "WBSC eBASEBALL™: POWER PROS" was selected as the competitive title for "Olympic Esports Series 2023" organized by the International Olympic Committee (IOC).

In the Amusement Business, for videogames targeted at amusement facilities, we began operations of "Mahjong Fight Girl" as well as the medal game "Momotaro Dentetsu: Medal Game mo Teiban!" "KONAMI AMUSEMENT GAME STATION," a service that allows users to enjoy arcade games on their computer or smartphone at any time, is performing well, especially "Medal Corner."

In the Gaming & Systems' slot machine business, the DIMENSION series continues to attract the attention of customers in the North American and Australian markets, where it has won multiple awards. In terms of cabinets, SeleXion™, which enables users to choose their favorite gaming content from among several titles offered on one cabinet, is expanding its market share, and in casino management systems, we introduced a variety of enhanced functions, including payment using Money Klip™, a system that makes cashless casinos possible, maintaining strong performance.

In the Sports Business, in addition to providing facility services, we worked to provide safe and secure opportunities for exercise by enriching our online offerings. With regard to outsourced facilities, we began the contracted operation of sports facilities in new areas and swimming instruction services at schools, leveraging our previously developed operational and leadership expertise. Augmenting "Undo Juku" exercise classes aimed at children, we continued providing "Undo Juku Digital Note," a service that utilizes videos and AI.

For more detailed financial data, please visit the Financial Information page on the KONAMI website.
<https://www.konami.com/ir/en/ir-data/>

Topics

Digital Entertainment



Japan's WBC National Team Joins the Game! "PROFESSIONAL BASEBALL SPIRITS A (Ace)" WBC Collaboration

In March 2023, KONAMI was a global sponsor of the 2023 World Baseball Classic™ (WBC), and added the lineup for Samurai Japan, the team that won the WBC for Japan for the first time in fourteen years, to "PROFESSIONAL BASEBALL SPIRITS A (Ace)." 28 players include WBC MVP Shohei Ohtani, MLB two-way player who both pitches and hits, Masataka Yoshida, Yoshinobu Yamamoto and Munetaka Murakami. In addition, the game enables the kind of timeless collaboration that only a game like this can bring, including as it does renowned players like Nobuhiko Matsunaka, Kosuke Fukudome, Ichiro, Daisuke Matsuzaka, and others who led Japan to victory in the 2006 and 2009 WBC championships. The game is proving highly popular with baseball fans.

In addition, during WBC 2023, we worked to increase recognition of "PROFESSIONAL BASEBALL SPIRITS A (Ace)" through stadium signage and TV commercials. Going forward, we will continue to communicate the appeal of our baseball games around the world.

Amusement



First Medal Game for the Momotaro Dentetsu Series "Momotaro Dentetsu: Medal Game mo Teiban!"

KONAMI's newest medal game, "Momotaro Dentetsu: Medal Game mo Teiban!" was rolled out in amusement facilities across Japan in March 2023. The Momotaro Dentetsu video game series takes motifs from *sugoroku*, a traditional Japanese board game, and is loved throughout Japan by people of all ages. The newest title in the series is a medal game, offering players a new way to enjoy the series through unique features, such as a mechanism that allows players to roll the dice inside the cabinet and a train that dispenses medals when the jackpot is hit.

In addition, we collaborated across corporate boundaries to produce the hit "Momotaro Dentetsu: Showa, Heisei, Reiwa mo Teiban!" video game for the Nintendo Switch™, which has sold more than 3.5 million copies. KONAMI will continue to deliver appealing content to as many people as possible by developing popular IPs in various media.

Gaming & Systems



Introducing DIMENSION Series to Europe Exhibiting at ICE London 2023

KONAMI's exhibit at ICE London 2023, Europe's largest gaming convention held in February 2023, garnered high praise from industry professionals.

The KONAMI booth showcased DIMENSION series, one of our main products in the slot machine business. DIMENSION 27™ with three vertically stacked-screens equipped with latest games like Mystical Pearl™ was featured alongside with the curved-screen DIMENSION 49J™ and flat-screen DIMENSION 49™, both carrying popular games like Ocean Spin™ and Fortune Mint™. In addition, we presented our on-line gaming options and our award-winning SYNKROS® casino management system.

ICE attracted more than 40,000 visitors and drew global attention to the ever-expanding gaming market. Going forward, we will continue to deliver attractive products to gaming markets across the world.

Sports



Pilates Mirror

by Konami Sports Club



<https://www.konami.com/sportsclub/pilatesmirror/>

©Konami Sports

Highly Popular Pilates Studio for Women Expanding Pilates Mirror Studios in the Tokyo Metropolitan Area

Pilates Mirror is a studio that combines pilates, which is effective at correcting body lines and posture, with mirrors for checking the movements of the body, has been very well received, especially among young women.

Lessons are 30 minutes long and customers can take part easily, without worrying about bags of a change of clothes, and feature the use of specialized equipment, such as reformers, along with ceiling-mounted mirrors to facilitate effective exercise with proper form. The small class size also makes it possible for even beginners to comfortably enjoy pilates.

Based on strong membership growth at the three new studios, Futako-Tamagawa, Sakura-shinmachi, and Kichijoji, that opened in 2022, we have opened six new studios in 2023 at Kyodo, Jiyugaoka, Nakameguro, Gakugei Daigaku, Mizonokuchi, and Miyazakidai. In addition, openings for studios in Musashi-koyama and Ookayama are also scheduled for this July. We will make Pilates Mirror, which can nurture physical and mental health while participants have fun, available to even more customers.

Accelerating Investment in Personnel

KONAMI celebrated the 50th anniversary of its establishment on March 19, 2023. To continue increasing our corporate value over the next fifty years, it is essential that we secure personnel who will support the business over the long term and invest in their development. In a world where technological evolution is bringing a wide array of changes into people's everyday lives, we strive to continue developing products and services that ride the crest of the wave and, accordingly, are implementing various measures to build an environment in which creators can actively participate.

KONAMI Osaka Studio, our principal production base in western Japan, opened on March 27, 2023, in the centrally located OSAKA UMEDA TWIN TOWERS SOUTH building (Kita-ku, Osaka), which has direct connections to train stations. Operating under the

concept "Creators First," this new facility enables creators to demonstrate their full potential, offering a cutting-edge environment set up with all the tools necessary for product development, including motion capture equipment and sound studios. To facilitate growth over the medium to long term, we believe that it is crucial to secure outstanding personnel and build a research and development environment that allows creators to perform to the best of their abilities.

In 2025, the KONAMI Group will complete its largest ever R&D center, Konami Creative Front Tokyo Bay, in Ariake, Koto-ku, Tokyo. The design of this office is based on the concept of the frontline-creation, and its formulation drew on discussions with creators, resulting in the most sophisticated and advanced R&D environment possible. With a focus on the Digital Entertainment Business, the



OSAKA UMEDA TWIN TOWERS SOUTH

KONAMI CREATIVE FRONT T O K Y O B A Y



Conceptual rendering of the completed Konami Creative Front Tokyo Bay



Certification for Outstanding Health and Productivity Management Organization 2023 (White 500)



Certification for “Eruboshi” and “Kurumin”

office will promote the development of innovative technologies and services, employing such ever-evolving tools as Web3.0 and the metaverse. In terms of interior design, various innovations have been implemented to encourage the generation of ideas and creativity, with all floors connected and laid out in a spiral configuration. The building also has a cafeteria where people can relax and be refreshed as well as an open, green rooftop garden that offers a space for communication. In addition, as it is intended to be a complex facility with a variety of functions, a studio and store for the live broadcasting and video streaming of esports and other events has been planned, which will enliven the atmosphere of the entire Ariake area.

To ensure an environment in which diverse personnel can fully utilize their abilities, we are working on measures to improve employee engagement with the goal of promoting diversity. Also, as part of our “Health and Productivity Management,” which aims to create a healthy workplace for employees, nurses and other health professionals are stationed at business sites. In addition to providing regular health check-ups with guidance from industrial physicians, we have introduced a benefits system in which employees are subsidized for their use of Konami Sports Club. Various other initiatives to promote the maintenance and improvement of employee health are

also implemented. As a result, KONAMI was certified as an Outstanding Health and Productivity Management Organization 2023 (White 500), meaning it is recognized as one of Japan’s top 500 companies meeting set criteria and implementing excellent health and productivity management practices in cooperation with insurers, marking the seventh consecutive year of such recognition. KONAMI has also made efforts to promote women’s participation in the workplace and has received the Grade 3 “Eruboshi” symbol, the highest certification offered under this system. We continue to focus on personnel development and, in addition to role-specific training, we are creating opportunities for employees to gain skills by providing a full range of training for specific purposes, such as technical training for production employees. In March 2023, to improve employee engagement, we implemented an average annual base salary increase for regular employees at domestic Group companies of ¥600,000.

By further accelerating investment in human capital and developing various measures to create an environment in which diverse personnel can fully utilize their abilities, we will continue to provide products and services that enable us to catch the crest of the wave and achieve sustainable growth.

Corporate Data

Company Name	KONAMI GROUP 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	8,857 (As of March 31, 2023) (Including temporary employees, converted at 160 hours per month)
Website	https://www.konami.com

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/english
Public Notices	Shown on the Company's website: https://www.konami.com/ir/en/
Stock Exchange Listings	Tokyo and London

Stock Information (As of March 31, 2023)

Common Stock	
Authorized	450,000,000 shares
Issued	143,500,000 shares (Including 7,941,177 treasury shares)
Number of Shareholders	24,860

The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,142	22.24
Custody Bank of Japan, Ltd. (Trust Account)	17,711	13.07
Kozuki Foundation	17,100	12.61
KOZUKI HOLDING B.V.	15,700	11.58
Kozuki Capital Corporation	7,048	5.20
JP MORGAN CHASE BANK 380815	6,530	4.82
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,538	2.61
STATE STREET BANK WEST CLIENT -TREATY 505234	1,598	1.18
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,472	1.09
JP MORGAN CHASE BANK 385781	1,263	0.93

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/>