

KONAMI

FY2021 3rd Quarter Financial Results

Nine months ended December 31, 2020

KONAMI HOLDINGS CORPORATION
February 4th, 2021

Cautionary statement with respect to forward-looking statements

Statements made in this presentation with respect to KONAMI HOLDINGS' current plans, estimates, strategies and beliefs, including forecasts, are forward-looking statements about the future performance of the Company. These statements are based on management's assumptions and beliefs in light of information currently available to it and, therefore, you should not place undue reliance on them. A number of important factors could cause actual results to be materially different from and worse than those discussed in forward-looking statements. Such factors include, but are not limited to (1) Changes in economic conditions affecting our operations; (2) Fluctuations in foreign exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (3) the Company's ability to continue to win acceptance of our products, which are offered in highly competitive markets characterized by the continuous introduction of new products, rapid developments in technology and subjective and changing consumer preferences; (4) the Company's ability to successfully expand internationally with a focus on our Digital Entertainment business, Amusement business and Gaming & Systems business; (5) the Company's ability to successfully expand the scope of our business and broaden our customer base through our Sports business; (6) Regulatory developments and changes and our ability to respond and adapt to those changes; (7) the Company's expectations with regard to further acquisitions and the integration of any companies we may acquire; and (8) the outcome of contingencies.

- Financial information included herein is not audited by independent public accountants
- (1) Numbers included in this presentation material are;
 - a) in accordance with IFRS
 - b) rounded to the nearest one hundred million yen
- (2) Revenues of each segment include inter-segment sales

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Consolidated Financial Results

	(Yen in Billions)	
	FY2020 Q1-3 9 months ended December 2019	FY2021 Q1-3 9 months ended December 2020
Revenue	193.1	191.9
Business profit*	33.6	45.8
Other expenses	△ 9.6	△ 5.3 ※
Operating profit	24.0	40.5
Profit before income taxes	23.5	39.5
Profit for the period (attributable to owners of the parent)	16.3	27.0
Earnings per share (JPY)	120.60	202.70

*Profit calculated by deducting cost of revenue and SG&A from revenue has been renamed as “business profit.”

※ COVID-19 related loss etc. of ¥5.3 billion recognized in the line item “Other expenses.” The loss, mainly booked under sports segment, contains fixed costs including personnel, depreciation and rent expenses for sports clubs, which were incurred during the temporal closure period throughout Japan in response to the state-of-emergency declaration from the government and business suspension request from local governments to prevent the outbreak of COVID-19.

Revenue by Business Segment

(Yen in Billions)

<u>Revenue</u>	FY2020 Q1-3 9 months ended December 2019	FY2021 Q1-3 9 months ended December 2020	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	108.7	144.6	36.0	+33.1%
Amusement	16.5	11.3	△ 5.2	△31.7%
Gaming & Systems	23.0	11.8	△ 11.2	△48.8%
Sports	46.2	25.9	△ 20.3	△43.9%
Eliminations	△ 1.2	△ 1.6	△ 0.4	-
Total	193.1	191.9	△ 1.2	△0.6%

Business Profit *

(Yen in Billions)

	FY2020 Q1-3	FY2021 Q1-3	YoY Change (Amount)	YoY Change (%)
<u>Business profit</u>	9 months ended December 2019	9 months ended December 2020		
Digital Entertainment	29.1	52.1	23.1	+79.4%
Amusement	3.8	1.2	△ 2.6	△68.2%
Gaming & Systems	2.4	△ 1.5	△ 3.9	-
Sports	2.2	△ 4.0	△ 6.2	-
Corporate expenses and eliminations	△ 3.9	△ 2.0	1.9	-
Total business profit	33.6	45.8	12.2	+36.4%
Other income and other expenses	△ 9.6	△ 5.3	4.3	-
COVID-19 related loss	0.0	△ 4.6	△ 4.6	-
One-off relocation expense	△ 3.8	0.0	3.8	-
Sports business impairment charge	△ 6.2	0.0	6.2	-
Other	0.4	△ 0.6	△ 1.0	-
Total operating profit	24.0	40.5	16.6	+69.0%

* Profit calculated by deducting cost of revenue and SG&A from revenue has been renamed as “business profit.”

Earnings Guidance for FY2021 (TBD)

With respect to the outlook, under the current circumstances where visibility is low on when COVID-19 will be under control and consumer spending will recover, it is difficult to reasonably calculate its impact on our guidance. Hence, consolidated earnings outlook for the fiscal year ending March 31, 2021 has not been determined. We will promptly disclose our guidance when a reasonable projection becomes possible.

Dividend Forecast for FY2021

(JPY)

	FY2020 dividend	FY2021 dividend forecast	YoY Change (Amount)
	12 months ended March 2020	12 months ending March 2021	
Interim dividend	38.00	22.50	Δ 15.50
Year-end dividend	7.00	22.50 (forecast)	15.50
Annual dividend	45.00	45.00 (forecast)	0.00

No change to the forecast announced on September 23 – Although the earnings guidance for the year ending March 2021 has not been determined, the payment of dividends is forecasted to maintain the same level of dividends for the year ended March 2020.

We will recalculate the annual dividend to be at least 45.00 yen per share to achieve a payout ratio of more than 30% as our basic policy, when the earnings guidance is determined for the year ending March 2021.

Digital Entertainment

Revenue and profit

(Yen in Billions)

	FY2020 Q1-3 <small>9 months ended December 2019</small>	FY2021 Q1-3 <small>9 months ended December 2020</small>	YoY Change (Amount)	YoY Change (%)
Revenue	108.7	144.6	36.0	+33.1%
Business profit	29.1	52.1	23.1	+79.4%
Operating profit	29.1	50.9	21.9	+75.3%
Operating profit margin	27%	35%		

Note: Operating profit for FY2021 includes COVID-19 related loss (includes labor cost during furlough) of JPY 0.1 billion

FY2021 Q3 summary

- Mobile games marks quarterly record revenues driven by PROFESSIONAL BASEBALL SPIRITS A marking its fifth anniversary and eFootball Winning Eleven 2021 with a major update
- Continued global sales of Yu-Gi-Oh! trading card games and introduction of new rules driving increased popularity for Yu-Gi-Oh! RUSH DUEL (launched this fiscal year)
- Video game title Momotaro Dentetsu - Showa Heisei Reiwa mo teiban! - achieving successful launch with unit volume exceeding 2.5 million copies as of January
- eSports initiatives: Hosting Winning Eleven official eSports tournament eFootball League 2020-21 Season with 10 big European club teams participating, and co-sponsored eBASEBALL PRO LEAGUE 2020 season with Professional Baseball Organization of Japan (NPB)

Amusement

Revenue and profit

(Yen in Billions)

	FY2020 Q1-3 9 months ended December 2019	FY2021 Q1-3 9 months ended December 2020	YoY Change (Amount)	YoY Change (%)
Revenue	16.5	11.3	△ 5.2	△ 31.7%
Business profit	3.8	1.2	△ 2.6	△ 68.2%
Operating profit	3.6	1.2	△ 2.5	△ 68.1%
Operating profit margin	22%	10%		

FY2021 Q3 summary

- Launched new titles BUSOU SHINKI ARMORED PRINCESS BATTLE CONDUCTOR, latest iterations from the FEATURE Premium series MAH-JONG FIGHT CLUB 3 / Magical Halloween 7 and ~GIRL'S KEIRIN~ GI Fairy Grand Prix
- Music games pop'n music Lively / GITADORA and medal game Konasute Medal Corner released on KONAMI AMUSEMENT GAME STATION, a streaming service of arcade games for PCs and smartphones through cloud gaming technology

Gaming & Systems

Revenue and profit

(Yen in Billions)

	FY2020 Q1-3 9 months ended December 2019	FY2021 Q1-3 9 months ended December 2020	YoY Change (Amount)	YoY Change (%)
Revenue	23.0	11.8	△ 11.2	△48.8%
Business profit	2.4	△ 1.5	△ 3.9	-
Operating profit	2.4	△ 1.7	△ 4.1	-
Operating profit margin	11%	△15%		

Note: Operating profit for FY2021 includes COVID-19 related loss (impact from factory shut-down etc.) of JPY 0.2 billion

FY2021 Q3 summary

- DIMENSION 49J featuring a J-curve display debuts exclusively for participation with a strong performance
- Numerous installments of casino management system SYNKROS driven by operator focus on systems investment, with further installments planned for Q4

Revenue and profit

(Yen in Billions)

	FY2020 Q1-3 9 months ended December 2019	FY2021 Q1-3 9 months ended December 2020	YoY Change (Amount)	YoY Change (%)
Revenue	46.2	25.9	△ 20.3	△43.9%
Business profit	2.2	△ 4.0	△ 6.2	-
Operating profit	△ 3.4	△ 8.3	△ 4.9	-
Operating profit margin	△7%	△32%		

Note: Operating profit for FY2021 includes COVID-19 related loss (fixed cost during temporary closure etc.) of JPY 4.3 billion

FY2021 Q3 summary

- Protective measures against COVID-19 with highest priority of ensuring safety of customers employees - daily ozone sanitization to inactivate COVID-19, introduction of online reservation for fitness programs and indicating congestion levels of facilities online, in addition to complying with the guidelines by the FIA (Fitness Industry Association of Japan)
- Outsourced facilities business - won contracts from numerous local governments to operate sports facilities
- Continued reduction of fixed cost and planning reform on cost structure including closures of unprofitable gyms

Titles Released in Oct - Dec 2020 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
Contra Anniversary Collection	Luna	North America	Oct '20	DE
Castlevania Anniversary Collection	Luna	North America	Oct '20	DE
Momotaro Dentetsu - Showa Heisei Reiwa mo teiban! -	Nintendo Switch™	Japan	Nov '20	DE
Frogger in Toy Town "Party Cruise" (※2)	Apple Arcade	Global	Nov '20	DE
eFootball Winning Eleven 2021 LITE eFootball PES 2021 LITE	PS4/Xbox One /PC(※3)	Global	Dec '20	DE
Yu-Gi-Oh! DUEL LINKS Chinese title: "游戏王: 决斗链接"	App Store Android	China	Jan '21	DE
EDENS ZERO (3D action RPG console game)	TBD	TBD	TBD	DE
EDENS ZERO (top-down view action RPG mobile game)	TBD	TBD	TBD	DE
Yu-Gi-Oh! RUSH DUEL (working title)	Nintendo Switch™	TBD	TBD	DE
Yu-Gi-Oh! MASTER DUEL (working title)	TBD	TBD	TBD	DE



eFootball Winning Eleven 2021 LITE
eFootball PES 2021 LITE

Yu-Gi-Oh! DUEL LINKS
Chinese title: "游戏王: 决斗链接"



Momotaro Dentetsu
- Showa Heisei Reiwa mo teiban! -



Yu-Gi-Oh! RUSH DUEL
(working title)



Frogger in Toy Town

※1 DE: Digital Entertainment

※2 Additional Update

※3 Only available for PS4 and PC in Japan

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Titles Released in Oct - Dec 2020 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
~GIRL'S KEIRIN~ GI Fairy Grand Prix	Amusement machine	Japan	Nov '20	AM
FEATURE Premium MAH-JONG FIGHT CLUB 3	Amusement machine	Japan	Nov '20	AM
FEATURE PREMIUM Magical Halloween 7	Amusement machine	Japan	Nov '20	AM
BUSOU SHINKI ARMORED PRINCESS BATTLE CONDUCTOR	Amusement machine	Japan	Dec '20	AM
MAH-JONG FIGHT CLUB Shin	Amusement machine	Japan	Jan '21	AM
FORTUNE TRINITY Seirei no Shihousai	Amusement machine	Japan	Jan '21	AM
SOUND VOLTEX -Valkyrie model-	Amusement machine	Japan	Feb '21	AM
Anima Lotta Anima to Hoshi no Monogatari	Amusement machine	Japan	Mar '21	AM
Pachinko SENGOKU COLLECTION	Amusement machine	Japan	Mar '21	AM
DUEL DREAM	Amusement machine	Japan	Apr '21	AM
DIMENSION 49J	Gaming machine	North America	FY21 3Q	GS
DIMENSION 27	Gaming system	North America	FY21 3Q	GS
DIMENSION 49	Gaming system	North America	FY21 4Q	GS
SYNK31	Gaming system	North America	FY22 1Q	GS

※ AM: Amusement GS: Gaming & Systems



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BUSOU SHINKI ARMORED PRINCESS BATTLE CONDUCTOR



©Konami Amusement

SOUND VOLTEX -Valkyrie model-



©Konami Amusement

DUEL DREAM



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FORTUNE TRINITY Seirei no Shihousai



DIMENSION Series (49J/27/49)

Consolidated Business Performance

(Yen in Billions)

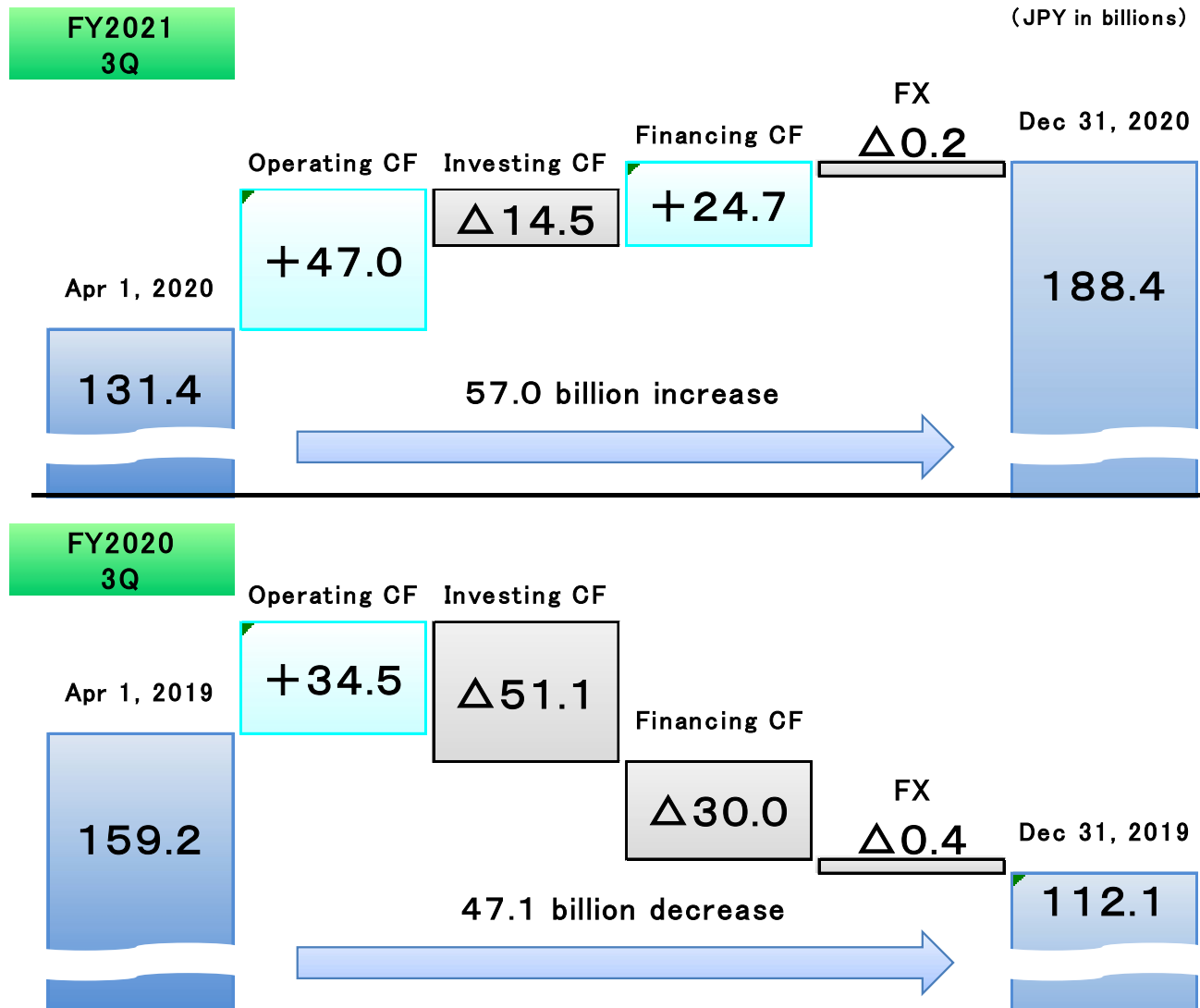
	FY2020 Q1-3	percentile	FY2021 Q1-3	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	193.1	100.0%	191.9	100.0%	△ 1.2	△0.6%
Total cost of revenue	△ 118.3	61.3%	△ 112.6	58.7%	5.7	
SG&A	△ 41.2	21.3%	△ 33.5	17.5%	7.7	
Other income and other expenses	△ 9.6	5.0%	△ 5.3	2.7%	4.3	
Operating profit	24.0	12.4%	40.5	21.1%	16.6	+69.0%
Finance income	0.2		0.1		△ 0.2	
Finance costs	△ 0.8		△ 1.3		△ 0.5	
Profit from investments accounted for using the equity method	0.1		0.2		0.1	
Profit before income taxes	23.5	12.2%	39.5	20.6%	16.0	+68.2%
Income taxes	△ 7.2	3.7%	△ 12.5	6.5%	△ 5.3	
Profit for the period	16.3	8.4%	27.0	14.1%	10.7	+65.6%
Profit attributable to:						
Owners of the parent	16.3	8.4%	27.0	14.1%	10.7	+65.6%
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	

Consolidated Financial Position

(Yen in Billions)

	Mar 31, 2020	Dec 31, 2020	change		Mar 31, 2020	Dec 31, 2020	change
Current assets				Current liabilities			
Cash and cash equivalents	131.4	188.4	57.0	Bonds and borrowings	28.3	5.2	△ 23.1
Trade and other receivables	29.9	34.6	4.7	Trade and other payables	31.3	31.5	0.3
Inventories	10.0	12.4	2.4	Other current liabilities	37.2	44.6	7.4
Other current assets	16.4	9.9	△ 6.5	Total current liabilities	96.8	81.4	△ 15.4
Total current assets	187.7	245.3	57.5	Non-current liabilities			
	(44.8%)	50.8%		Bonds and borrowings	9.9	69.6	59.8
Non-current assets				Other non-current liabilities	43.6	40.6	△ 3.0
Property, plant and equipment, net	116.6	117.4	0.8	Total non-current liabilities	53.4	110.2	56.8
Goodwill and intangible assets	34.4	38.5	4.1	Total liabilities	150.2	191.6	41.4
Investment Property	32.5	32.4	△ 0.0	Total equity attributable to owners of the parent	268.1	290.5	22.4
Deferred tax assets	23.7	26.2	2.4		(64.0%)	(60.2%)	
Other non-current assets	24.1	23.0	△ 1.1	(per share: JPY)	(2012.85)	(2180.70)	(167.85)
Total non-current assets	231.4	237.6	6.2	Non-controlling interests	0.8	0.8	0.0
	(55.2%)	(49.2%)		Total equity	268.9	291.3	22.4
Total assets	419.1	482.9	63.8	Total liabilities and equity	419.1	482.9	63.8

Consolidated Cash Flows



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THANK YOU

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