

KONAMI

FY2021 Financial Results

Fiscal year ended March 31, 2021

KONAMI HOLDINGS CORPORATION

May 13, 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

Contents

➤ Consolidated Financial Results _____	4
➤ Revenue by Business Segment _____	5
➤ Profit by Business Segment _____	6
➤ Earnings Guidance for FY2022 _____	7
➤ Dividend Declared for FY2021 _____	8
➤ Dividend Guidance for FY2022 _____	9
➤ Digital Entertainment _____	10
➤ Amusement _____	11
➤ Gaming & Systems _____	12
➤ Sports _____	13
➤ Titles Released in Jan - Mar 2021 / Pipeline _____	14
➤ Consolidated Business Performance _____	16
➤ Consolidated Financial Position _____	17
➤ Consolidated Cash Flows _____	18

Consolidated Financial Results

(Yen in Billions)

	FY2020 Actual	FY2021 Actual	YoY Change (Amount)	YoY Change (%)
	12 months ended March 2020	12 months ended March 2021		
Revenue	262.8	272.7	9.8	+3.7%
Business profit *	44.3	64.2	19.9	+44.8%
Other expenses	△ 13.3	△ 27.6	△ 14.3	-
Operating profit	31.0	36.6	5.6	+18.0%
Profit before income taxes	30.4	35.6	5.2	+17.1%
Profit for the period (attributable to owners of the parent)	19.9	32.3	12.4	+62.2%
Earnings per share (JPY)	147.26	242.17	94.91	

*Profit calculated by deducting cost of revenue and SG&A from revenue has been renamed as "Business profit."

Revenue by Business Segment

(Yen in Billions)

<u>Revenue</u>	FY2020 Actual 12 months ended March 2020	FY2021 Actual 12 months ended March 2021	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	153.4	204.2	50.8	+33.1%
Amusement	23.7	17.6	△ 6.1	△25.6%
Gaming & Systems	28.4	16.6	△ 11.8	△41.4%
Sports	59.0	36.4	△ 22.6	△38.3%
Eliminations	△ 1.7	△ 2.2	△ 0.5	-
Total	262.8	272.7	9.8	+3.7%

Profit by Business Segment

(Yen in Billions)

<u>Profit</u>	FY2020	FY2021	YoY	YoY
	Actual	Actual	Change	Change
	12 months ended March 2020	12 months ended March 2021	(Amount)	(%)
Digital Entertainment	43.2	73.4	30.2	+70.0%
Amusement	5.3	2.4	△ 2.9	△54.8%
Gaming & Systems	1.8	△ 2.1	△ 3.9	-
Sports	0.0	△ 5.9	△ 5.9	-
Corporate expenses and eliminations	△ 6.1	△ 3.7	2.3	-
Total business profit *	44.3	64.2	19.9	+44.9%
Other income and other expenses	△ 13.3	△ 27.6	△ 14.3	-
COVID-19 related loss	0.0	△ 4.6	△ 4.6	-
Sports business impairment charge	△ 6.4	△ 18.7	△ 12.3	-
One-off relocation expense	△ 4.8	0.0	4.8	-
Other	△ 2.2	△ 4.3	△ 2.1	-
Total operating profit	31.0	36.6	5.6	+18.0%

*Profit calculated by deducting cost of revenue and SG&A from revenue has been renamed as "Business profit."

Earnings Guidance for FY2022 (TBD)

Earnings visibility remains low given COVID-19 related factors including declarations of state-of-emergency and timeline of vaccine rollout.

Hence, consolidated earnings outlook for the fiscal year ending March 2022 has not been determined with the challenging circumstances to make a reasonable calculation.

We will promptly disclose our guidance when a reasonable projection becomes possible.

Dividend Declared for FY2021

				(JPY)
	FY2020 dividend	FY2021 dividend forecast	FY2021 dividend declared	YoY Change
	12 months ended March 2020	12 months ended March 2021	12 months ended March 2021	
Interim dividend	38.00	22.50	22.50	△ 15.50
Year-end dividend	7.00	22.50 (forecast)	50.50 (declared)	43.50
Annual dividend	45.00	45.00 (forecast)	73.00 (declared)	28.00

Dividend Guidance for FY2022

	(JPY)		
	FY2021 dividend declared	FY2022 dividend Forecast	YoY Change (Amount)
	12 months ended March 2021	12 months ending March 2022	
Interim dividend	22.50	36.50 (forecast)	14.00
Year-end dividend	50.50 (declared)	36.50 (forecast)	△ 14.00
Annual dividend	73.00 (declared)	73.00 (forecast)	0.00

Although the earnings guidance for the year ending March 2022 has not been determined, the payment of dividends is forecasted to maintain the same level of dividends for the year ended March 2021.

We will recalculate the annual dividend to be at least 73 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 2022.

Digital Entertainment

Revenue and profit

(Yen in Billions)

	FY2020 Actual	FY2021 Actual	YoY Change (Amount)	YoY Change (%)
	12 months ended March 2020	12 months ended March 2021		
Revenue	153.4	204.2	50.8	+33.1%
Business profit	43.2	73.4	30.2	+70.0%
Operating profit	40.7	70.0	29.3	+71.9%
Operating profit margin	27%	34%		

Note: Operating profit includes JPY 2.5 billion (FY2020) and JPY 3.4 billion (FY2021) of other expenses

FY2021 Q4 summary

- Mobile sports titles maintain strong performance led by PROFESSIONAL BASEBALL SPIRITS A while Yu-Gi-Oh! DUEL LINKS launches in mainland China
- Continued global sales of Yu-Gi-Oh! trading card games and promoted Yu-Gi-Oh! RUSH DUEL with new TV commercials targeting younger generations
- Cumulative shipment for video game Momotaro Dentetsu – Showa Heisei Reiwa mo teiban! – tops 3 million copies as of May
- eSports initiatives: Co-hosted the eClimax Series and eNippon Series for the eBASEBALL PRO LEAGUE 2020 season with Nippon Professional Baseball Organization (NPB) . Celebrities participated in exhibition matches for “Momotetsu GP” tournament generating excitement for the Momotaro Dentetsu franchise

Amusement

Revenue and profit

(Yen in Billions)

	FY2020 Actual <small>12 months ended March 2020</small>	FY2021 Actual <small>12 months ended March 2021</small>	YoY Change (Amount)	YoY Change (%)
Revenue	23.7	17.6	△ 6.1	△25.6%
Business profit	5.3	2.4	△ 2.9	△54.8%
Operating profit	5.0	1.7	△ 3.2	△65.1%
Operating profit margin	21%	10%		

Note: Operating profit includes JPY 0.4 billion (FY2020) and JPY 0.7 billion (FY2021) of other expense

FY2021 Q4 summary

- Launched new titles SOUND VOLTEX -Valkyrie model-, FORTUNE TRINITY: Treasure Festival of Spirits, Anima Lotta: A Tale of Anima and Stars, MAH-JONG FIGHT CLUB Shin and Pachinko SENGOKU COLLECTION
- Focused on expansion of contents 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 Actual	FY2021 Actual	YoY Change (Amount)	YoY Change (%)
	12 months ended March 2020	12 months ended March 2021		
Revenue	28.4	16.6	△ 11.8	△41.4%
Business profit	1.8	△ 2.1	△ 3.9	-
Operating profit	1.8	△ 2.4	△ 4.2	-
Operating profit margin	6%	△14%		

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

FY2021 Q4 summary

- Participation-exclusive DIMENSION 49J featuring a J-curve display continues to increase number of installments. DIMENSION 49, launched in Q4, receives strong orders for shipment in Q1
- Multiple installments of casino management system SYNKROS with further installments planned for Q1 - numerous operators see low level of traffic on casino floor from Covid-19 as an opportunity to replace systems

Revenue and profit

(Yen in Billions)

	FY2020 Actual 12 months ended March 2020	FY2021 Actual 12 months ended March 2021	YoY Change (Amount)	YoY Change (%)
Revenue	59.0	36.4	△ 22.6	△38.3%
Business profit	0.0	△ 5.9	△ 5.9	-
Operating profit	△ 6.0	* △ 29.5	△ 23.5	-
Operating profit margin	△ 10%	△ 81%		

*Note: Operating profit for FY2021 includes COVID-19 related loss (fixed cost during temporary closure etc.) of JPY 4.3 billion and Implement loss and closing cost of JPY 19.3 billion

FY2021 Q4 summary

- Closures of unprofitable gyms as a part of structural reform – 9 gyms closed in February and 16 gyms planned to close in May
- Outsourced facilities business – started operation of sports facilities in Funabashi, Chiba from January and announced multiple new contracts with local governments with operations commencing from April
- Started a new service from April, which provides users to take popular instructors lessons in real time and remotely from home
- Announcement of "Online Live Lessons" offering live programs with popular trainers - service commencing in April enabling access remotely from home

Titles Released in Jan - Mar 2021 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
Momotaro Dentetsu - Showa Heisei Reiwa mo teiban! -	Nintendo Switch™	Japan	Nov '20	DE
Yu-Gi-Oh! DUEL LINKS Chinese title: "游戏王: 决斗链接"	App Store Android	China	Jan '21	DE
eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand Slam	Nintendo Switch™	Japan	Jul '21	DE
Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!	Nintendo Switch™	Japan	Aug '21	DE
SUPER BOMBERMAN R ONLINE	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®	Global	2021	DE
GetsuFumaDen: Undying Moon	PC (Steam®) Nintendo Switch™	Global	2022 (※2)	DE
EDENS ZERO (Console Game 3D Action RPG)	TBD	TBD	TBD	DE
EDENS ZERO (Mobile Game Bird's-eye view Action RPG)	TBD	TBD	TBD	DE
Yu-Gi-Oh! MASTER DUEL (Working Title)	TBD	TBD	TBD	DE

※1 DE: Digital Entertainment

※2 Early reservation discount access will start from May 2021



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



Momotaro Dentetsu
- Showa Heisei Reiwa mo teiban! -



eBASEBALL PROFESSIONAL
BASEBALL SPIRITS 2021
Grand Slam



Yu-Gi-Oh! RUSH DUEL
Saikyo Battle Royal!!

KONAMI

Titles Released in Jan - Mar 2021 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
MAH-JONG FIGHT CLUB Shin	Amusement machine	Japan	Jan '21	AM
FORTUNE TRINITY: Treasure Festival of Spirits	Amusement machine	Japan	Jan '21	AM
SOUND VOLTEX -Valkyrie model-	Amusement machine	Japan	Feb '21	AM
Anima Lotta: A Tale of Anima and Stars	Amusement machine	Japan	Mar '21	AM
Pachinko SENGOKU COLLECTION	Amusement machine	Japan	Mar '21	AM
DUEL DREAM	Amusement machine	Japan	Apr '21	AM
GI Derby Club 3	Amusement machine	Japan	FY22 2Q	AM
DIMENSION 49	Gaming machine	North America	FY21 4Q	GS
SYNK31	Gaming system	North America	FY22 1Q	GS
Ocean Spin	Gaming machine (Content)	North America	FY22 1Q	GS

※ AM: Amusement GS: Gaming & Systems



©Konami Amusement

SOUND VOLTEX -Valkyrie model-



©Konami Amusement

FORTUNE TRINITY:
Treasure Festival of Spirits



©Konami Amusement

Anima Lotta:
A Tale of Anima and Stars



©Konami Amusement

DUEL DREAM



DIMENSION 49



Ocean Spin

Consolidated Business Performance

(Yen in Billions)

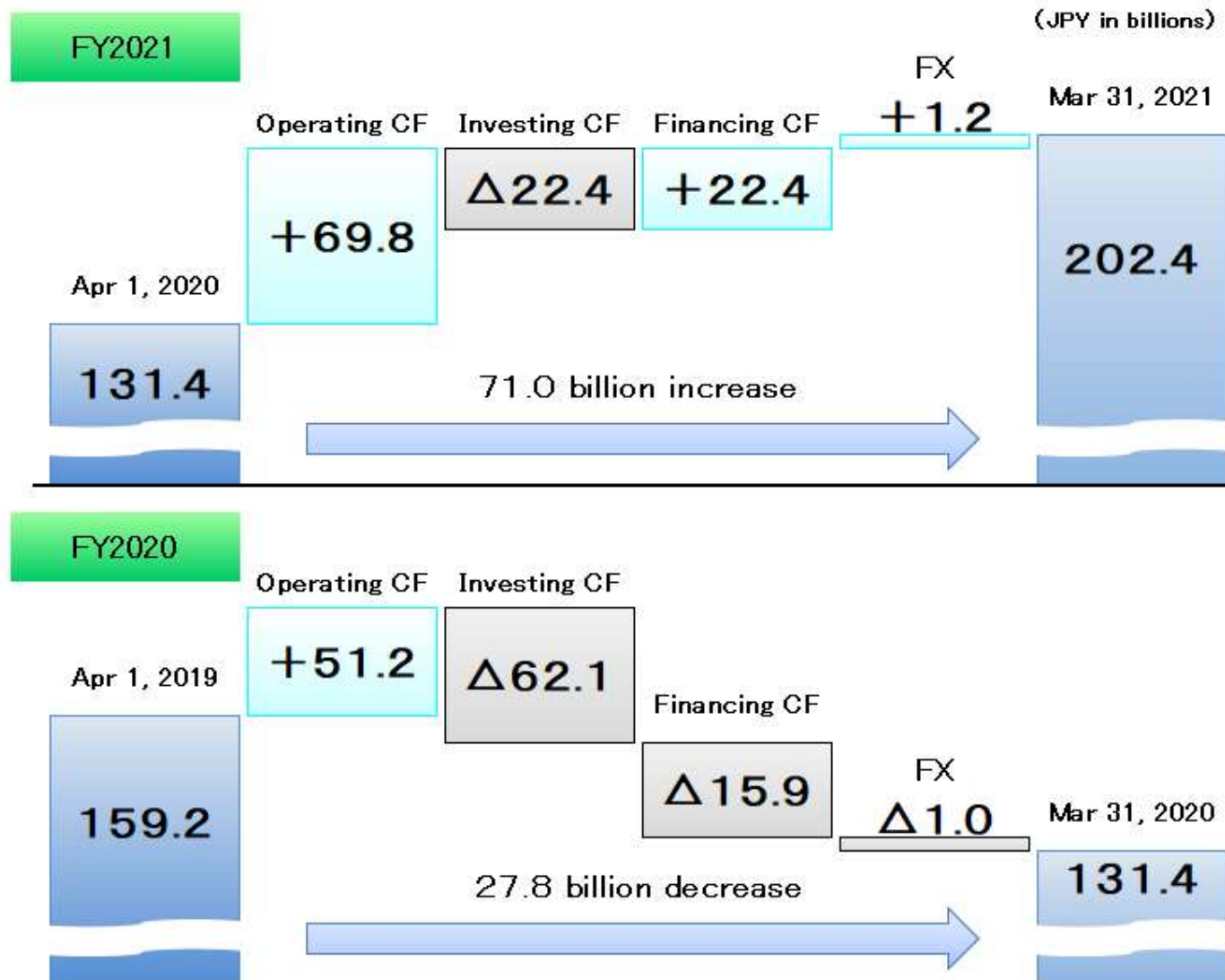
	FY2020	percentile	FY2021	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	262.8	100.0%	272.7	100.0%	9.8	+3.7%
Total cost of revenue	△ 163.0	62.0%	△ 159.2	58.4%	3.8	
SG&A	△ 55.5	21.1%	△ 49.3	18.1%	6.2	
Other income and other expenses	△ 13.3	5.1%	△ 27.6	10.1%	△ 14.3	
Operating profit	31.0	11.8%	36.6	13.4%	5.6	+18.0%
Finance income	0.4		0.1		△ 0.3	
Finance costs	△ 0.9		△ 1.1		△ 0.2	
Profit from investments accounted for using the equity method	△ 0.0		0.1		0.1	
Profit before income taxes	30.4	11.6%	35.6	13.0%	5.2	+17.1%
Income taxes	△ 10.5	4.0%	△ 3.3	1.2%	7.2	
Profit for the period	19.9	7.6%	32.3	11.8%	12.4	+62.2%
Profit attributable to:						
Owners of the parent	19.9	7.6%	32.3	11.8%	12.4	+62.2%
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	

Consolidated Financial Position

(Yen in Billions)

	Mar 31, 2020	Mar 31, 2021	change		Mar 31, 2020	Mar 31, 2021	change
Current assets				Current liabilities			
Cash and cash equivalents	131.4	202.4	71.0	Bonds and borrowings	28.3	5.5	△ 22.7
Trade and other receivables	29.9	31.9	2.0	Trade and other payables	31.3	32.8	1.6
Inventories	10.0	10.4	0.4	Other current liabilities	37.2	41.5	4.3
Other current assets	16.4	22.0	5.6	Total current liabilities	96.8	79.9	△ 16.9
Total current assets	187.7	266.7	78.9	Non-current liabilities			
	(44.8%)	(54.5%)		Bonds and borrowings	9.9	69.6	59.8
Non-current assets				Other non-current liabilities	43.6	40.0	△ 3.6
Property, plant and equipment, net	116.6	106.0	△ 10.6	Total non-current liabilities	53.4	109.6	56.2
Goodwill and intangible assets	34.4	36.8	2.4	Total liabilities	150.2	189.5	39.3
Investment Property	32.5	32.4	△ 0.1	Total equity attributable to owners of the parent	268.1	298.7	30.6
Deferred tax assets	23.7	25.1	1.3		(64.0%)	(61.1%)	
Other non-current assets	24.1	22.0	△ 2.1	(per share: JPY)	(2012.85)	(2,242.47)	(229.62)
Total non-current assets	231.4	222.3	△ 9.1	Non-controlling interests	0.8	0.8	0.0
	(55.2%)	(45.5%)		Total equity	268.9	299.5	30.6
Total assets	419.1	489.0	69.9	Total liabilities and equity	419.1	489.0	69.9

Consolidated Cash Flows



KONAMI



THANK YOU

©KONAMI