

# FY2022 1<sup>st</sup> Quarter Financial Results

Three months ended June 30, 2021

**KONAMI HOLDINGS CORPORATION**

August 5, 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

➤ Consolidated Financial Results _____	4
➤ Revenue by Business Segment _____	5
➤ Profit by Business Segment _____	6
➤ Earnings Guidance for FY2022 _____	7
➤ Dividend Forecast for FY2022 _____	8
➤ Digital Entertainment _____	9
➤ Amusement _____	10
➤ Gaming & Systems _____	11
➤ Sports _____	12
➤ Titles Released in Apr - Jun 2021 / Pipeline _____	13
➤ Consolidated Business Performance _____	15
➤ Consolidated Financial Position _____	16
➤ Consolidated Cash Flows _____	17

## Consolidated Financial Results

(Yen in Billions)

	FY2021 Q1	FY2022 Q1	YoY Change (Amount)	YoY Change (%)
	3 months ended June 2020	3 months ended June 2021		
Revenue	52.9	68.3	15.4	+29.2%
Business profit	12.4	20.3	7.9	+64.2%
Other income and other expenses	△ 5.6	△ 0.8	4.7	-
Operating profit	6.8	19.4	12.7	+187.0%
Profit before income taxes	6.3	19.1	12.8	+204.2%
Profit for the period (attributable to owners of the parent)	4.2	13.7	9.5	+225.8%
Earnings per share (JPY)	31.48	102.54	71.06	

## Revenue by Business Segment

(Yen in Billions)

	FY2021 Q1 3 months ended June 2020	FY2022 Q1 3 months ended June 2021	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	42.8	49.9	7.0	+16.4%
Amusement	2.9	3.6	0.7	+23.5%
Gaming & Systems	3.0	6.3	3.3	+111.5%
Sports	4.7	9.3	4.6	+97.1%
Eliminations	△ 0.5	△ 0.7	△ 0.2	-
<b>Total</b>	<b>52.9</b>	<b>68.3</b>	<b>15.4</b>	<b>+29.2%</b>

## Profit by Business Segment

(Yen in Billions)

	FY2020 Q1 3 months ended June 2019	FY2021 Q1 3 months ended June 2020	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	15.3	19.2	3.9	+25.2%
Amusement	△ 0.2	0.3	0.6	-
Gaming & Systems	△ 0.9	0.9	1.8	-
Sports	△ 1.1	0.6	1.7	-
Corporate expenses and eliminations	△ 0.7	△ 0.7	△ 0.0	-
<b>Total business profit</b>	<b>12.4</b>	<b>20.3</b>	<b>7.9</b>	<b>+64.2%</b>
Other income and other expenses	△ 5.6	△ 0.8	4.7	-
COVID-19 related loss	△ 5.7	△ 0.9	4.8	-
Other	0.1	0.1	△ 0.1	-
<b>Total Operating Profit</b>	<b>6.8</b>	<b>19.4</b>	<b>12.7</b>	<b>+187.0%</b>

## Earnings and dividend 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 Forecast for FY2022 (No change)

(JPY)

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

No change to the forecast announced on May 13 – 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 73.00 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 2022.



### Revenue and profit

(Yen in Billions)

	FY2021 Q1	FY2022 Q1	YoY Change (Amount)	YoY Change (%)
	3 months ended June 2020	3 months ended June 2021		
Revenue	42.8	49.9	7.0	+16.4%
Business profit	15.3	19.2	3.9	+25.2%
Operating profit	15.2	19.2	4.0	+26.1%
Operating profit margin	35%	38%		

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

### FY2022 Q1 summary

- Mobile games continuously driven by sports titles e.g. PROFESSIONAL BASEBALL SPIRITS A and eFootball PES 2021
- Continued global sales of Yu-Gi-Oh! Trading card games and recorded strong revenues as per momentum from last FY
- Cumulative sales of video game Momotaro Dentetsu – Showa Heisei Reiwa mo teiban! – exceeded 3 million copies. Announced new titles PAWAPUROKUN POCKET R and Tokimeki Memorial Girl's Side 4th Heart slated for this FY
- eSports initiative: eBASEBALL PAWAFURU PUROYAKYU 2020 selected as the official baseball platform for the inaugural Olympic Virtual Series hosted by the International Olympic Committee (IOC) and five International Sports Federations – the finals broadcasted globally via the IOC's official video channel

### Revenue and profit

(Yen in Billions)

	FY2021 Q1	FY2022 Q1	YoY Change (Amount)	YoY Change (%)
	3 months ended June 2020	3 months ended June 2021		
Revenue	2.9	3.6	0.7	+23.5%
Business profit	△ 0.2	0.3	0.6	-
Operating profit	△ 0.3	0.2	0.5	-
Operating profit margin	△ 12%	5%		

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

### FY2022 Q1 summary

- Launched lottery-balls machine DUEL DREAM featuring party-and-live feeling of bingo games
- e-amusement participation (revenue share) rebounding close to pre-COVID19 levels through continuous measures including major updates of Quiz Magic Academy series and SOUND VOLTEX series

### Revenue and profit

(Yen in Billions)

	FY2021 Q1	FY2022 Q1	YoY Change (Amount)	YoY Change (%)
	3 months ended June 2020	3 months ended June 2021		
Revenue	3.0	6.3	3.3	+111.5%
Business profit	△ 0.9	0.9	1.8	-
Operating profit	△ 1.2	0.9	2.1	-
Operating profit margin	△39%	15%		

Note: Operating profit includes COVID-19 related loss (fixed cost during temporary closure etc.) of JPY 5.3 billion (FY2021) and JPY 0.9 billion (FY2022).

### FY2022 Q1 summary

- Continued growth of participation units led by the launch of new content Ocean Spin for the participation-exclusive DIMENSION 49J cabinet. Commenced recovery of for-sale products i.e. DIMENSION 27 and DIMENSION 49
- Installments of casino management system SYNKROS at multiple casino facilities – further contribution expected from multiple deals in the second quarter, including its installment at the newly opened integrated resort, Resorts World Las Vegas

### Revenue and profit

(Yen in Billions)

	FY2021 Q1	FY2022 Q1	YoY Change (Amount)	YoY Change (%)
	3 months ended June 2020	3 months ended June 2021		
Revenue	4.7	9.3	4.6	+97.1%
Business profit	△ 1.1	0.6	1.7	-
Operating profit	△ 6.4	△ 0.3	6.1	-
Operating profit margin	△135%	△3%		

Note: Operating profit for FY2021 includes COVID-19 related loss (fixed cost during temporary closure etc.) of JPY 5.3 billion (FY2021) and JPY 0.9 billion (FY2022).

### FY2022 Q1 summary

- Closures of unprofitable gyms as a part of structural reform – closed 16 more gyms in May in addition to the 9 gyms closed in February
- Entry into a new category – opened "Pilates Mirror Futakotamagawa", a small-group pilates studio exclusively for women
- Expanding network of asset-light outsourced facilities – commenced operation of 22 facilities located in Osaka, Chiba, Tokyo, Kanagawa and Ibaraki prefectures
- In response to the government's declaration of emergency and requests for closure from local governments, temporary closures were implemented mainly in Tokyo and Osaka from late April through the end of May

## Titles Released in Apr - Jun 2021 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
SUPER BOMBERMAN R ONLINE	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®	Global	May '21	DE
eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand Slam	Nintendo Switch™	Japan, Asia	Jul '21	DE
JIKKYOU POWERFUL SOCCER (Chinese title : 实况力量足球)	iOS/Android	China	Jul '21	DE
Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!	Nintendo Switch™	Japan	Aug '21	DE
Tokimeki Memorial Girl's Side 4th Heart	Nintendo Switch™	Japan	Oct '21	DE
Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!	Nintendo Switch™	Europe, America	Autumn '21	DE
eFootball™	PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®, Windows® 10, iOS/Android	Global	Autumn '21	DE
PAWAPUROKUN POCKET R	Nintendo Switch™	Japan	Winter '21	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	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®, iOS/Android	Global	TBD	DE
Yu-Gi-Oh! CROSS DUEL	iOS/Android	Global	TBD	DE

※1 DE: Digital Entertainment  
 ※2 Early reservation discount access started from May 2021  
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 ©Konami Digital Entertainment



eFootball™



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



PAWAPUROKUN POCKET R



SUPER BOMBERMAN R ONLINE



Yu-Gi-Oh! MASTER DUEL



eBASEBALL PROFESSIONAL BASEBALL  
SPIRITS 2021 Grand Slam

## Titles Released in Apr - Jun 2021 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
DUEL DREAM	Amusement machine	Japan	Apr '21	AM
GI Derby Club 3	Amusement machine	Japan	Aug '21	AM
Magical Halloween ~Trick or Treat!~	Amusement machine	Japan	Sep '21	AM
GI-WorldClassic RISING	Amusement machine	Japan	TBD	AM
QuizKnock STADIUM	Amusement machine	Japan	TBD	AM
ColorCoLotta Frozen Island	Amusement machine	Japan	TBD	AM
GRANDCROSS GOLD	Amusement machine	Japan	TBD	AM
SYNK31	Gaming system	North America	FY22 1Q	GS
Ocean Spin	Gaming machine (Content)	North America	FY22 1Q	GS

※ AM: Amusement GS: Gaming & Systems



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DUEL DREAM



©Konami Amusement QuizKnock®

QuizKnock STADIUM



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GI-WorldClassic RISING



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ColorCoLotta Frozen Island



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GRANDCROSS GOLD



Ocean Spin



## Consolidated Business Performance

(Yen in Billions)

	FY2021 Q1	percentile	FY2022 Q1	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	52.9	100.0%	68.3	100.0%	15.4	+29.2%
Total cost of revenue	△ 30.1	56.8%	△ 36.0	52.7%	△ 5.9	
SG&A	△ 10.5	19.8%	△ 12.1	17.7%	△ 1.6	
Other income and other expenses	△ 5.6	10.5%	△ 0.8	1.2%	4.7	
Operating profit	6.8	12.8%	19.4	28.4%	12.7	+187.0%
Finance income	0.0		0.0		△ 0.0	
Finance costs	△ 0.3		△ 0.2		0.1	
Profit from investments accounted for using the equity method	△ 0.2		△ 0.1		0.0	
Profit before income taxes	6.3	11.9%	19.1	28.0%	12.8	+204.2%
Income taxes	△ 2.1	4.0%	△ 5.5	8.0%	△ 3.4	
Profit for the period	4.2	7.9%	13.7	20.0%	9.5	+225.7%
Profit attributable to:						
Owners of the parent	4.2	7.9%	13.7	20.0%	9.5	+225.8%
Non-controlling interests	0.0	0.0%	△ 0.0	△ 0.0%	△ 0.0	

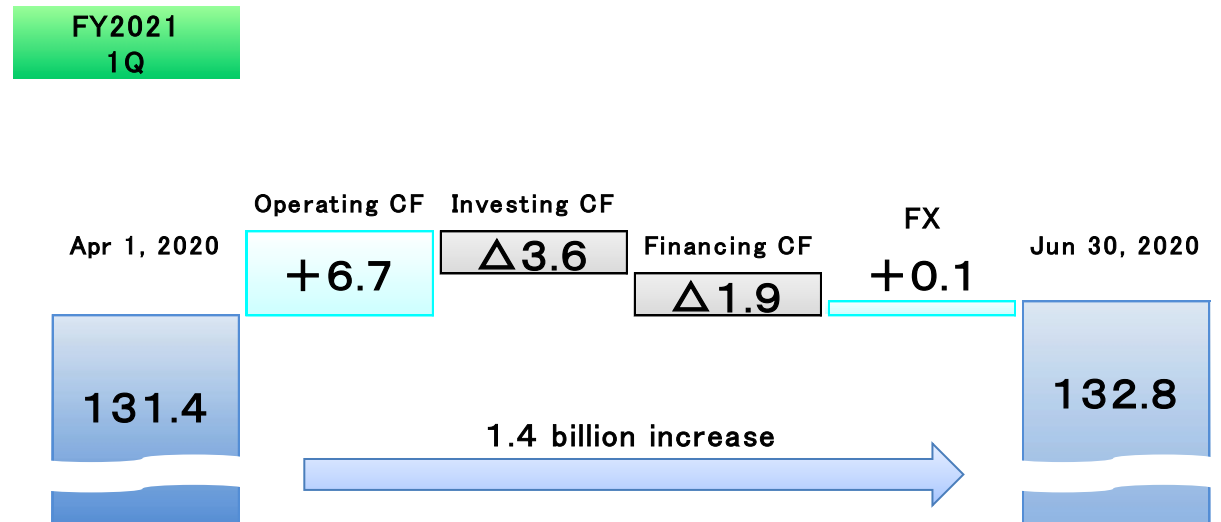
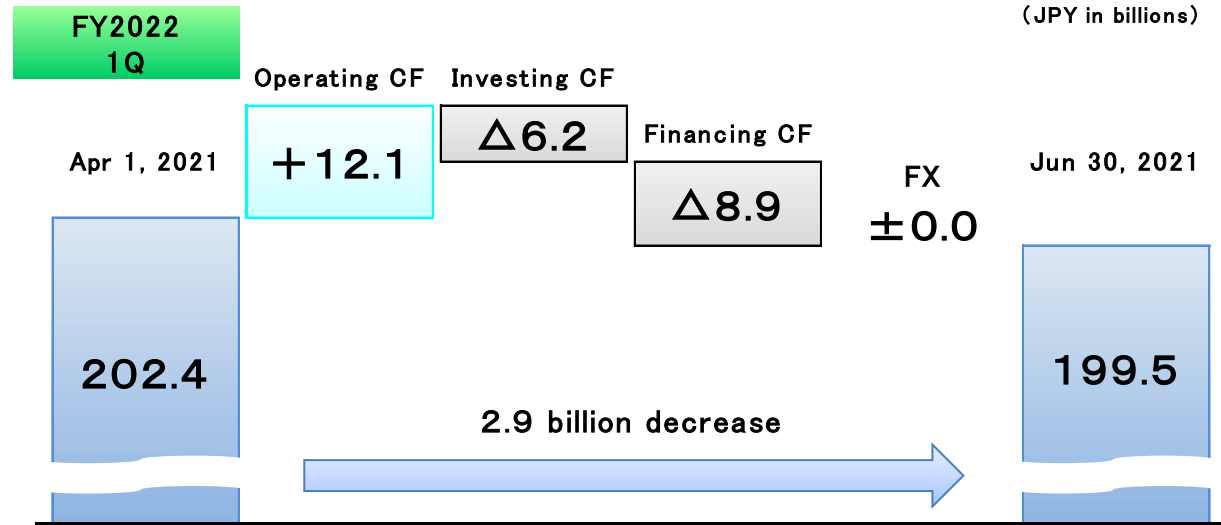
## Consolidated Financial Position

(Yen in Billions)

	Mar 31, 2021	Jun 30, 2021	change		Mar 31, 2021	Jun 30, 2021	change	
Current assets				Current liabilities				
Cash and cash equivalents	202.4	199.5	△ 2.9	Bonds and borrowings	5.5	5.5	△ 0.0	
Trade and other receivables	31.9	26.4	△ 5.5	Trade and other payables	32.8	25.9	△ 6.9	
Inventories	10.4	8.5	△ 1.9	Other current liabilities	41.5	38.2	△ 3.3	
Other current assets	22.0	26.8	4.8	Total current liabilities	79.9	69.6	△ 10.2	
Total current assets	266.7	261.2	△ 5.5	Non-current liabilities				
	(54.5%)	(53.9%)		Bonds and borrowings	69.6	69.7	0.0	
Non-current assets				Other non-current liabilities	40.0	39.2	△ 0.7	
Property, plant and equipment, net	106.0	106.0	△ 0.1	Total non-current liabilities	109.6	108.9	△ 0.7	
Goodwill and intangible assets	36.8	40.0	3.2	Total liabilities	189.5	178.5	△ 11.0	
Investment Property	32.4	32.4	△ 0.0	Total equity attributable to owners of the parent	298.7	305.6	6.9	
Deferred tax assets	25.1	23.5	△ 1.6		(61.1%)	(63.0%)		
Other non-current assets	22.0	21.8	△ 0.2		(per share: JPY)	(2,242.47)	(2,294.12)	(51.65)
Total non-current assets	222.3	223.7	1.4	Non-controlling interests	0.8	0.8	△ 0.0	
	(45.5%)	(46.1%)		Total equity	299.5	306.4	6.9	
Total assets	489.0	484.9	△ 4.1	Total liabilities and equity	489.0	484.9	△ 4.1	



## Consolidated Cash Flows



THANK YOU