

KONAMI

FY2022 2nd Quarter Financial Results

Six months ended September 30, 2021

KONAMI HOLDINGS CORPORATION

November 4, 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)

	FY2021 H1	FY2022 H1	YoY Change (Amount)	YoY Change (%)
	6 months ended September 2020	6 months ended September 2021		
Revenue	116.1	139.5	23.4	+20.2%
Business profit	25.7	38.6	12.9	+50.2%
Other income and other expenses	△ 4.4	0.5	4.8	-
Operating profit	21.4	39.1	17.7	+83.0%
Profit before income taxes	20.2	38.7	18.5	+91.3%
Profit for the period (attributable to owners of the parent)	13.8	27.6	13.8	+99.8%
Earnings per share (JPY)	103.52	206.79	103.27	

Revenue by Business Segment

(Yen in Billions)

	FY2021 H1 6 months ended September 2020	FY2022 H1 6 months ended September 2021	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	88.3	98.6	10.4	+11.7%
Amusement	6.6	10.0	3.4	+51.2%
Gaming & Systems	7.1	12.3	5.1	+71.7%
Sports	15.1	19.9	4.8	+31.9%
Eliminations	△ 1.1	△ 1.3	△ 0.3	-
Total	116.1	139.5	23.4	+20.2%

Profit by Business Segment

(Yen in Billions)

	FY2020 H1 6 months ended September 2020	FY2021 H1 6 months ended September 2021	YoY Change (Amount)	YoY Change (%)
Digital Entertainment	31.0	35.8	4.8	+15.5%
Amusement	0.3	1.7	1.4	+470.6%
Gaming & Systems	△ 1.2	1.8	3.1	-
Sports	△ 3.0	0.5	3.5	-
Corporate expenses and eliminations	△ 1.4	△ 1.3	0.1	-
Total business profit	25.7	38.6	12.9	+50.2%
Other income and other expenses	△ 4.4	0.5	4.8	-
COVID-19 related loss	△ 4.6	△ 0.7	3.9	-
Other	0.3	1.2	0.9	-
Total Operating Profit	21.4	39.1	17.7	+83.0%

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	22.50	36.50 (declared)	14.00
Year-end dividend	50.50	36.50 (forecast)	△ 14.00
Annual dividend	73.00	73.00 (forecast)	0.00

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 H1	FY2022 H1	YoY Change (Amount)	YoY Change (%)
	6 months ended September 2020	6 months ended September 2021		
Revenue	88.3	98.6	10.4	+11.7%
Business profit	31.0	35.8	4.8	+15.5%
Operating profit	30.9	35.8	4.9	+15.8%
Operating profit margin	35%	36%		

*Operating profit for FY2021 includes other expenses of JPY 0.1 billion

FY2022 Q2 summary

- Strong performance of mobile game PROFESSIONAL BASEBALL SPIRITS A driven by measures featuring players from the national team SAMURAI JAPAN. Mobile title eFootball Winning Eleven 2021 (eFootball PES 2021) tops 450 million downloads worldwide
- Yu-Gi-Oh! Trading card games continue to gain support globally and deliver strong performance amid COVID-19 epidemic
- Released video games eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand Slam and Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!. Rebranded and launched eFootball™ 2022 as free-to-play
- eSports initiatives: finals held for - online world championship "KC Grand Tournament 2021" for Yu Gi Oh! Duel Links; "Meiji Yasuda Life Insurance Company eJLeague Winning Eleven 2021 Season" (co-hosted with JLeague) for mobile game eFootball Winning Eleven 2021. "eAll-star 2021" held for eBASEBALL PAWAFURU PUROYAKYU 2020 (co-hosted with NPB)

Revenue and profit

	(Yen in Billions)			
	FY2021 H1	FY2022 H1	YoY Change (Amount)	YoY Change (%)
	6 months ended September 2020	6 months ended September 2021		
Revenue	6.6	10.0	3.4	+51.2%
Business profit	0.3	1.7	1.4	+470.6%
Operating profit	0.3	1.6	1.3	+485.8%
Operating profit margin	4%	16%		

*Operating profit for FY2022 includes other expenses of JPY 0.1 billion

FY2022 Q2 summary

- Strong orders received for the latest model from the Magical Halloween series, Magical Halloween -Trick or Treat!-, the first in the industry to comply with the new regulation
- Held multiple online events for titles including the BEMANI series as measures that lead to market recovery
- Popular titles e.g. ColorColotta KONASUTE released on KONAMI AMUSEMENT GAME STATION, a streaming service of arcade games for PCs and smartphones through cloud gaming technology

Revenue and profit

(Yen in Billions)

	FY2021 H1 6 months ended September 2020	FY2022 H1 6 months ended September 2021	YoY Change (Amount)	YoY Change (%)
Revenue	7.1	12.3	5.1	+71.7%
Business profit	△ 1.2	1.8	3.1	-
Operating profit	△ 1.5	1.8	3.3	-
Operating profit margin	△21%	15%		

*YoY impact from yen depreciation: revenue JPY +0.5 billion, operating profit JPY +0.1 billion

FY2022 Q2 summary

- Recovery trends in North America with lifting restrictions at casino facilities. Slot machine DIMENSION 49 recording strong performance
- Continued to secure instalments of casino management system SYNKROS – notable contribution in the second quarter includes Resorts World Las Vegas among others

Revenue and profit

(Yen in Billions)

	FY2021 H1	FY2022 H1	YoY Change (Amount)	YoY Change (%)
	6 months ended September 2020	6 months ended September 2021		
Revenue	15.1	19.9	4.8	+31.9%
Business profit	△ 3.0	0.5	3.5	-
Operating profit	△ 7.3	0.8	8.1	-
Operating profit margin	△48%	4%		

*Operating profit includes COVID-19 related loss (fixed cost during temporary closure etc.) of JPY 4.3 billion (FY2021) and JPY 0.7 billion (FY2022)

FY2022 Q2 summary

- Lift of business suspension requests and structural reform through closures of unprofitable gyms leading to improved profitability
- Expanded online program "Konami Sports Online Fitness" to non-gym members and commenced offering live lessons and on-demand programs by popular trainers
- A proposal to solve various issues with coaching at school club activities and to pursue new opportunities for regional sports clubs was chosen as an experimental project by the Ministry of Economy, Trade and Industry

Titles Released in Jul - Sep 2021 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
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)	App Store, Google Play	China	Jul '21	DE
Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!	Nintendo Switch™	Japan	Aug '21	DE
Castlevania: Grimoire of Souls	Apple Arcade	Global	Sep '21	DE
eFootball™ 2022	PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®, Windows® 10	Global	Sep '21	DE
Castlevania Advance Collection	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®	Global	Sep '21	DE
Tokimeki Memorial Girl's Side 4th Heart	Nintendo Switch™	Japan	Oct '21	DE
PAWAPUROKUN POCKET R	Nintendo Switch™	Japan	Nov '21	DE
Yu-Gi-Oh! RUSH DUEL Saikyo Battle Royal!!	Nintendo Switch™	Europe, America	Winter '21	DE
Yu-Gi-Oh! MASTER DUEL	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®, App Store, Google Play	Global	Winter '21	DE
GetsuFumaDen: Undying Moon	Steam®, Nintendo Switch™	Global	2022 (※2)	DE
EDENS ZERO (Console Game 3D Action RPG)	TBD	TBD	TBD	DE
EDENS ZERO Pocket Galaxy	App Store, Google Play	Global	TBD	DE
Yu-Gi-Oh! CROSS DUEL	App Store, Google Play	Global	TBD	DE
SHINEPOST	App Store, Google Play	Japan	TBD	DE

※1 DE: Digital Entertainment

※2 Early reservation discount access started from May 2021



PAWAPUROKUN POCKET R



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



Yu-Gi-Oh! MASTER DUEL



eFootball™ 2022



eBASEBALL PROFESSIONAL BASEBALL SPIRITS 2021 Grand Slam

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Titles Released in Jul - Sep 2021 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
GI Derby Club 3	Amusement machine	Japan	Aug '21	AM
Magical Halloween ~Trick or Treat!~	Amusement machine	Japan	Sep '21	AM
PA Pachinko Sengoku Collection Sweet Little Devil 99	Amusement machine	Japan	Nov '21	AM
GI-WorldClassic RISING	Amusement machine	Japan	Dec '21	AM
GRANDCROSS GOLD	Amusement machine	Japan	Jan '22	AM
QuizKnock STADIUM	Amusement machine	Japan	Mar '22	AM
ColorCoLotta Frozen Island	Amusement machine	Japan	Mar '22	AM
DIMENSION 75C	Gaming machine	North America	Jan '22	GS
DIMENSION TOP Box	Gaming machine	North America	Jun '22	GS

※ AM: Amusement GS: Gaming & Systems



GI-WorldClassic RISING



QuizKnock STADIUM



GRANDCROSS GOLD



ColorCoLotta Frozen Island



DIMENSION 75C



DIMENSION TOP Box

Consolidated Business Performance

(Yen in Billions)

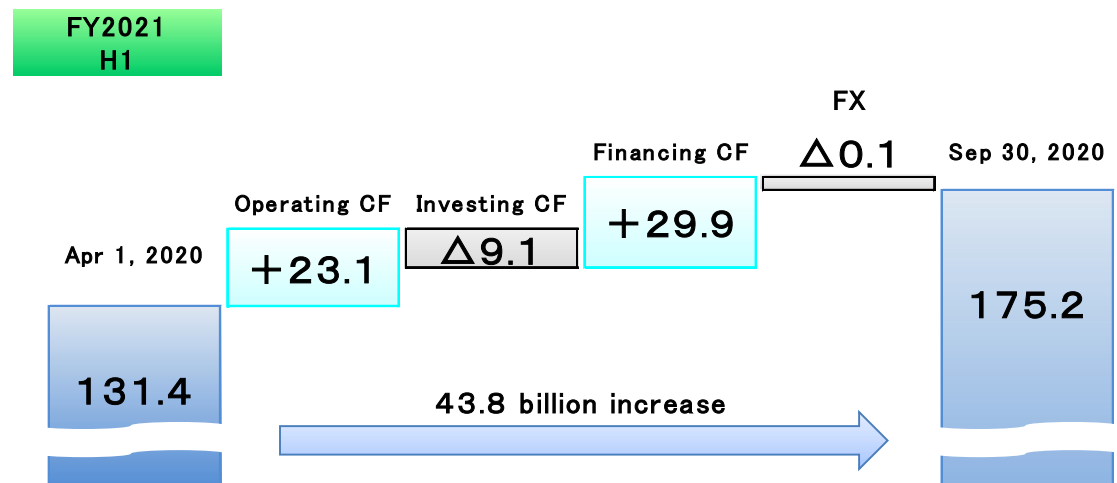
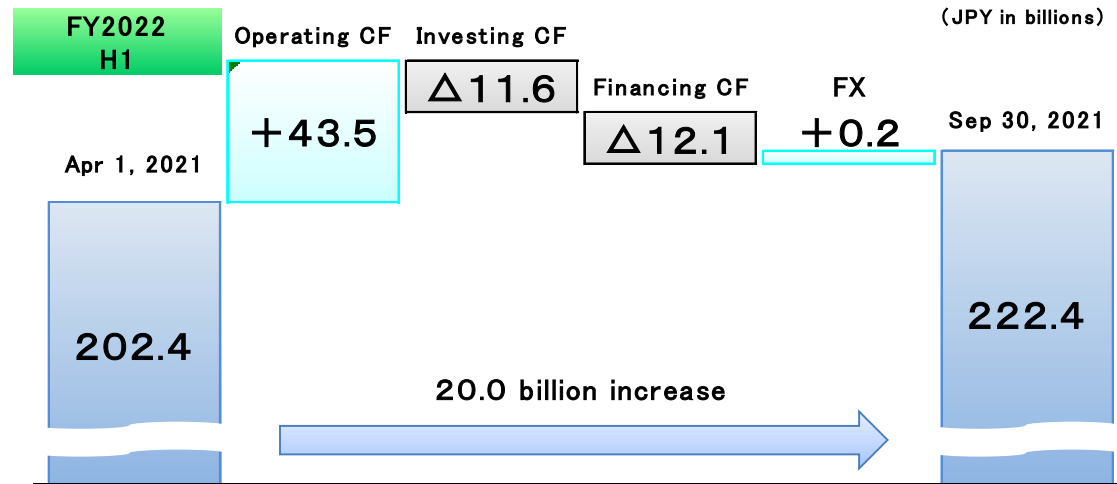
	FY2021 H1	percentile	FY2022 H1	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	116.1	100.0%	139.5	100.0%	23.4	+20.2%
Total cost of revenue	△ 68.7	59.2%	△ 75.7	54.3%	△ 7.1	
SG&A	△ 21.7	18.7%	△ 25.1	18.0%	△ 3.4	
Other income and other expenses	△ 4.4	3.8%	0.5	△ 0.3%	4.8	
Operating profit	21.4	18.4%	39.1	28.0%	17.7	+83.0%
Finance income	0.1		0.1		0.1	
Finance costs	△ 0.8		△ 0.4		0.4	
Profit from investments accounted for using the equity method	△ 0.4		△ 0.2		0.2	
Profit before income taxes	20.2	17.4%	38.7	27.7%	18.5	+91.3%
Income taxes	△ 6.4	5.5%	△ 11.1	8.0%	△ 4.7	
Profit for the period	13.8	11.9%	27.6	19.8%	13.8	+99.9%
Profit attributable to:						
Owners of the parent	13.8	11.9%	27.6	19.8%	13.8	+99.8%
Non-controlling interests	△ 0.0	△ 0.0%	0.0	0.0%	0.0	

Consolidated Financial Position

(Yen in Billions)

	Mar 31, 2021	Sep 30, 2021	change		Mar 31, 2021	Sep 30, 2021	change
Current assets				Current liabilities			
Cash and cash equivalents	202.4	222.4	20.0	Bonds and borrowings	5.5	5.6	0.1
Trade and other receivables	31.9	27.7	△ 4.2	Trade and other payables	32.8	27.8	△ 5.1
Inventories	10.4	8.4	△ 2.0	Other current liabilities	41.5	36.2	△ 5.3
Other current assets	22.0	13.6	△ 8.4	Total current liabilities	79.9	69.5	△ 10.3
Total current assets	266.7	272.1	5.4	Non-current liabilities			
	(54.5%)	(54.3%)		Bonds and borrowings	69.6	68.1	△ 1.5
Non-current assets				Other non-current liabilities	40.0	41.5	1.5
Property, plant and equipment, net	106.0	108.5	2.5	Total non-current liabilities	109.6	109.6	0.0
Goodwill and intangible assets	36.8	43.5	6.7	Total liabilities	189.5	179.1	△ 10.3
Investment Property	32.4	32.4	△ 0.0	Total equity attributable to owners of the parent	298.7	321.3	22.6
Deferred tax assets	25.1	23.2	△ 1.8		(61.1%)	(64.1%)	
Other non-current assets	22.0	21.6	△ 0.4	(per share: JPY)	(2,242.47)	(2,405.40)	(162.93)
Total non-current assets	222.3	229.2	6.9	Non-controlling interests	0.8	0.8	0.0
	(45.5%)	(45.7%)		Total equity	299.5	322.1	22.6
Total assets	489.0	501.3	12.3	Total liabilities and equity	489.0	501.3	12.3

Consolidated Cash Flows



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THANK YOU