

FY2023 1st Quarter Financial Results

Three months ended June 30, 2022

KONAMI GROUP CORPORATION

August 4, 2022

Cautionary statement with respect to forward-looking statements

Statements made in this presentation with respect to KONAMI GROUP'S 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)

	FY2022 Q1	FY2023 Q1	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	3 months ended June 2021	3 months ended June 2022			12 months ending March 2023
Revenue	68.3	71.9	3.6	+5.2%	320.0
Business profit	20.3	14.1	△ 6.2	△30.5%	81.0
Other income and other expenses	△ 0.8	△ 0.1	0.8	-	△ 4.5
Operating profit	19.4	14.0	△ 5.4	△27.8%	76.5
Profit before income taxes	19.1	15.9	△ 3.3	△17.1%	76.5
Profit for the period (attributable to owners of the parent)	13.7	11.4	△ 2.2	△16.3%	55.0
Earnings per share (JPY)	102.54	85.41	△ 17.13		411.74

Revenue by Business Segment

(Yen in Billions)

	FY2022 Q1 3 months ended June 2021	FY2023 Q1 3 months ended June 2022	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance 12 months ending March 2023
Digital Entertainment	49.9	50.8	0.9	+1.9%	225.0
Amusement	3.6	2.9	△ 0.6	△17.5%	22.0
Gaming & Systems	6.3	7.7	1.4	+22.2%	29.0
Sports	9.3	11.0	1.6	+17.6%	46.0
Eliminations	△ 0.7	△ 0.5	0.2	-	△ 2.0
Total	68.3	71.9	3.6	+5.2%	320.0

Profit by Business Segment

(Yen in Billions)

	FY2022 Q1 3 months ended June 2021	FY2023 Q1 3 months ended June 2022	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance 12 months ending March 2023
Digital Entertainment	19.2	13.4	△ 5.8	△30.3%	76.5
Amusement	0.3	0.1	△ 0.2	△66.2%	4.0
Gaming & Systems	0.9	0.8	△ 0.1	△10.1%	4.0
Sports	0.6	0.4	△ 0.1	△24.4%	1.0
Corporate expenses and eliminations	△ 0.7	△ 0.6	0.1	-	△ 4.5
Total business profit	20.3	14.1	△ 6.2	△30.5%	81.0
Other income and other expenses	△ 0.8	△ 0.1	0.8	-	△ 4.5
COVID-19 related loss	△ 0.9	0.0	0.9	-	0.0
Other	0.1	△ 0.1	△ 0.1	-	△ 4.5
Total operating profit	19.4	14.0	△ 5.4	△27.8%	76.5

Revenue and profit

(Yen in Billions)

	FY2022 Q1	FY2023 Q1	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	3 months ended June 2021	3 months ended June 2022			12 months ending March 2023
Revenue	49.9	50.8	0.9	+1.9%	225.0
Business profit	19.2	13.4	△ 5.8	△30.3%	76.5
Operating profit	19.2	13.4	△ 5.8	△30.3%	72.0
Operating profit margin	38%	26%			32%

FY2023 Q1 summary

- eFootball™ 2022 console/PC versions updated to v1.0.0 in April and launched its mobile version in June
- Launched console title eBASEBALL PAWAFURU PUROYAKYU 2022 for the first time in two year as PAWAPURO series
- Yu-Gi-Oh! TRADING CARD GAME continues to sustain strong performance from last FY with revenue growth on a global scale
- esports initiatives: hosted the official eFootball™ 2022 esports tournament eFootball™ Championship 2022 and the preliminaries of online world championship KC Grand Tournament 2022 for Yu-Gi-Oh! Duel Links

Revenue and profit

(Yen in Billions)

	FY2022 Q1	FY2023 Q1	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	3 months ended June 2021	3 months ended June 2022			12 months ending March 2023
Revenue	3.6	2.9	△ 0.6	△17.5%	22.0
Business profit	0.3	0.1	△ 0.2	△66.2%	4.0
Operating profit	0.2	0.1	△ 0.1	△43.1%	4.0
Operating profit margin	5%	4%			18%

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

FY2023 Q1 summary

- Launched the latest iteration MAH-JONG FIGHT CLUB Extreme, marking the 20th anniversary of the online mah-jong game MAH-JONG FIGHT CLUB series
- Continued increase in the number of user base for KONAMI AMUSEMENT GAME STATION, an arcade game service offered for PC and smartphone devices
- Professional league BEMANI PRO LEAGUE that fuses esports and music kicks off with two new companies joining the league bringing the number of team owners to eight

Revenue and profit

(Yen in Billions)

	FY2022 Q1	FY2023 Q1	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	3 months ended June 2021	3 months ended June 2022			12 months ending March 2023
Revenue	6.3	7.7	1.4	+22.2%	29.0
Business profit	0.9	0.8	△ 0.1	△10.1%	4.0
Operating profit	0.9	0.8	△ 0.1	△10.4%	4.0
Operating profit margin	15%	11%			14%

*YoY impact from yen depreciation: revenue JPY +1.1 billion, operating profit JPY +0.1 billion

FY2023 Q1 summary

- The core DIMENSION series cabinets deliver strong sales with North American and Australian markets returning to pre-Covid operations
- KONAMI makes an entry in the VLT (video lottery terminal) market by launching its first product in New York State
- Casino management systems sustains strong performance with continued instalments of SYNKROS at casino facilities

Revenue and profit

(Yen in Billions)

	FY2022 Q1	FY2023 Q1	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	3 months ended June 2021	3 months ended June 2022			12 months ending March 2023
Revenue	9.3	11.0	1.6	+17.6%	46.0
Business profit	0.6	0.4	△ 0.1	△24.4%	1.0
Operating profit	△ 0.3	0.4	0.7	-	1.0
Operating profit margin	△3%	4%			2%

*Operating profit for FY2022 includes other expense of JPY 0.9 billion

FY2023 Q1 summary

- Commenced operations of sports facilities in Yokohama, Hadano, Kyoto and Fukuoka on behalf of local governments as part of an initiative to expand network under an asset-light business model
- Initiated swimming coaching service for all eight elementary schools located in Shiki city, Saitama prefecture in response to growing needs for outsourcing swimming lessons at schools
- Introduced new service Digital Note, utilizing video images and AI to improve practice efficiency at swimming schools for children (scheduled to implement the digital service in approx.100 facilities by the end of March 2023)

Titles Released in Apr - Jun 2022 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
CRIMESIGHT	Steam®	Global	Apr '22	DE
eBASEBALL PAWAFURU PUROYAKYU 2022	Nintendo Switch™ PlayStation®4	Japan	Apr '22	DE
Frogger and the Rumbling Ruins	Apple Arcade	Global	Jun '22	DE
Yu-Gi-Oh! CROSS DUEL	App Store, Google Play	selected countries ※2	Jul '22	DE
AMAZING BOMBERMAN	Apple Arcade	Global	Aug '22	DE
Teenage Mutant Ninja Turtles: The Cowabunga Collection	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®	Global	Aug '22	DE
SUPER BOMBERMAN R 2	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X/S, Steam®	Global	2023	DE
Yu-Gi-Oh! RUSH DUEL Dawn of the Battle Royale!! 2 (working title)	Nintendo Switch™	Japan	this winter	DE
SHINEPOST	App Store, Google Play	Japan	TBD	DE

※1 DE: Digital Entertainment
 ※2 Hong Kong, Canada, The Netherlands



Teenage Mutant Ninja Turtles:
The Cowabunga Collection



Yu-Gi-Oh! RUSH DUEL
Dawn of the Battle Royale!! 2
(working title)



eBASEBALL
PAWAFURU PUROYAKYU 2022



Frogger and the Rumbling Ruins



Yu-Gi-Oh! CROSS DUEL



SUPER BOMBERMAN R 2

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Titles Released in Apr - Jun 2022 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
MAH-JONG FIGHT CLUB Extreme	Amusement machine	Japan	Apr '22	AM
BASEBALL COLLECTION SEASON 2022	Amusement machine	Japan	Apr '22	AM
BOMBERGIRL RAINBOW	Amusement machine	Japan	Jul '22	AM
BOMBERGIRL	Amusement machine	Japan	Sep '22	AM
CHASE CHASE JOKERS	Amusement machine	Japan	TBD	AM
DIMENSION 75C	Gaming machine	North America	Aug '22	GS
DIMENSION TOP Box	Gaming machine	North America	Dec '22	GS

※ AM: Amusement GS: Gaming & Systems



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CHASE CHASE JOKERS



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BOMBERGIRL



©Konami Amusement

MAH-JONG FIGHT CLUB Extreme



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BOMBERGIRL RAINBOW



DIMENSION 75C



DIMENSION TOP Box

Consolidated Business Performance

(Yen in Billions)

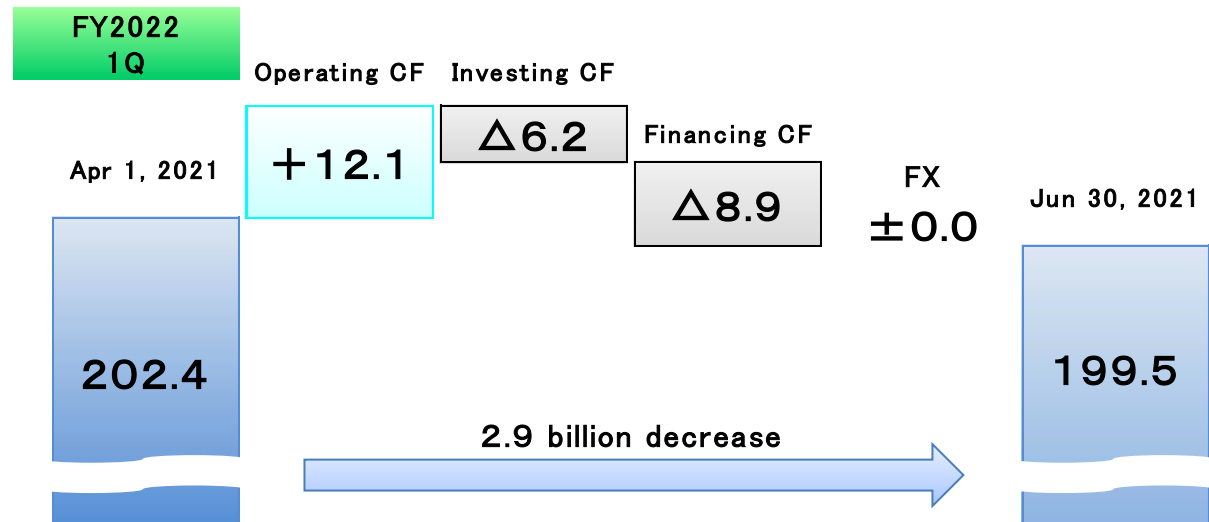
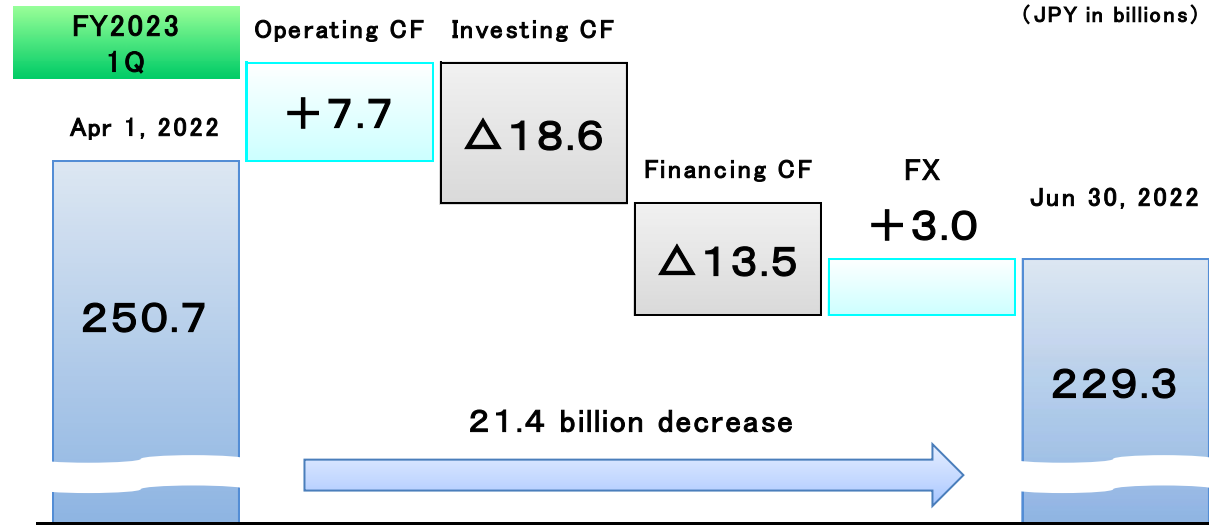
	FY2022 Q1	percentile	FY2023 Q1	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	68.3	100.0%	71.9	100.0%	3.6	+5.2%
Total cost of revenue	△ 36.0	52.7%	△ 43.1	60.0%	△ 7.2	
SG&A	△ 12.1	17.7%	△ 14.7	20.4%	△ 2.6	
Other income and other expenses	△ 0.8	1.2%	△ 0.1	0.1%	0.8	
Operating profit	19.4	28.4%	14.0	19.5%	△ 5.4	△ 27.8%
Finance income	0.0		1.9		1.8	
Finance costs	△ 0.2		△ 0.2		0.0	
Profit from investments accounted for using the equity method	△ 0.1		0.2		0.3	
Profit before income taxes	19.1	28.0%	15.9	22.0%	△ 3.3	△ 17.1%
Income taxes	△ 5.5	8.0%	△ 4.4	6.1%	1.0	
Profit for the period	13.7	20.0%	11.4	15.9%	△ 2.2	△ 16.3%
Profit attributable to:						
Owners of the parent	13.7	20.0%	11.4	15.9%	△ 2.2	△ 16.3%
Non-controlling interests	△ 0.0	0.0%	0.0	0.0%	0.0	

Consolidated Financial Position

(Yen in Billions)

	Mar 31, 2022	Jun 30, 2022	change		Mar 31, 2022	Jun 30, 2022	change
Current assets				Current liabilities			
Cash and cash equivalents	250.7	229.3	△ 21.4	Bonds and borrowings	8.4	5.4	△ 3.0
Trade and other receivables	29.1	25.3	△ 3.7	Trade and other payables	33.5	30.9	△ 2.5
Inventories	9.0	11.5	2.5	Other current liabilities	40.7	38.0	△ 2.7
Other current assets	10.9	16.8	5.9	Total current liabilities	82.6	74.4	△ 8.2
Total current assets	299.6	283.0	△ 16.6	Non-current liabilities			
	(56.7%)	(53.6%)		Bonds and borrowings	59.8	59.8	0.0
Non-current assets				Other non-current liabilities	38.2	37.4	△ 0.8
Property, plant and equipment, net	138.9	151.4	12.5	Total non-current liabilities	98.0	97.2	△ 0.8
Goodwill and intangible assets	45.4	48.5	3.1	Total liabilities	180.5	171.6	△ 8.9
Investments accounted for using the equity method	3.2	3.3	0.1	Total equity attributable to owners of the parent	348.1	356.1	8.1
Deferred tax assets	23.7	23.4	△ 0.3		(65.8%)	(67.5%)	
Other non-current assets	17.9	18.1	0.2	(per share: JPY)	(2605.63)	(2,652.11)	(46.48)
Total non-current assets	229.0	244.7	15.8	Non-controlling interests	0.0	0.0	0.0
	(43.3%)	(46.4%)		Total equity	348.1	356.1	8.1
Total assets	528.6	527.7	△ 0.9	Total liabilities and equity	528.6	527.7	△ 0.9

Consolidated Cash Flows



THANK YOU