

FY2023 3rd Quarter Financial Results

Nine months ended December 31, 2022

KONAMI GROUP CORPORATION
February 2, 2023

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

➤ Consolidated Financial Results _____	4
➤ Revenue by Business Segment _____	5
➤ Profit by Business Segment _____	6
➤ Earnings Guidance Revision _____	7
➤ Dividend Forecast for FY2023 _____	10
➤ Digital Entertainment _____	11
➤ Amusement _____	12
➤ Gaming & Systems _____	13
➤ Sports _____	14
➤ Titles Released in Oct - Dec 2022 / Pipeline _____	15
➤ Consolidated Business Performance _____	17
➤ Consolidated Financial Position _____	18
➤ Consolidated Cash Flows _____	19

Consolidated Financial Results

(JPY in billions)

	FY2022 Q1-3	FY2023 Q1-3	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance
	9 months ended December 2021	9 months ended December 2022			12 months ending March 2023
Revenue	215.0	226.9	11.8	+5.5%	320.0
Business profit	59.7	41.1	△ 18.6	△ 31.2%	81.0
Other income and other expenses	0.7	△ 3.5	△ 4.2	-	△ 4.5
Operating profit	60.3	37.5	△ 22.8	△ 37.8%	76.5
Profit before income taxes	59.9	38.4	△ 21.5	△ 35.9%	76.5
Profit for the period (attributable to owners of the parent)	42.4	27.6	△ 14.8	△ 34.9%	55.0
Earnings per share (JPY)	317.79	204.82	△ 112.97		411.74

Revenue by Business Segment

(JPY in billions)

	FY2022 Q1-3 9 months ended December 2021	FY2023 Q1-3 9 months ended December 2022	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance 12 months ending March 2023
Digital Entertainment	154.0	156.4	2.5	+1.6%	225.0
Amusement	13.7	10.6	△ 3.2	△ 23.0%	22.0
Gaming & Systems	18.7	27.9	9.2	+49.2%	29.0
Sports	30.7	33.7	3.0	+9.9%	46.0
Eliminations	△ 2.0	△ 1.7	0.3	-	△ 2.0
Total	215.0	226.9	11.8	+5.5%	320.0

Profit by Business Segment

(JPY in billions)

	FY2022 Q1-3 9 months ended December 2021	FY2023 Q1-3 9 months ended December 2022	YoY Change (Amount)	YoY Change (%)	FY2023 Guidance 12 months ending March 2023
Digital Entertainment	55.5	37.4	△ 18.1	△ 32.6%	76.5
Amusement	2.3	1.1	△ 1.3	△ 54.1%	4.0
Gaming & Systems	2.5	3.9	1.4	+53.8%	4.0
Sports	1.2	0.8	△ 0.3	△ 28.8%	1.0
Corporate expenses and eliminations	△ 1.9	△ 2.1	△ 0.3	-	△ 4.5
Total business profit	59.7	41.1	△ 18.6	△ 31.2%	81.0
Other income and other expenses	0.7	△ 3.5	△ 4.2	-	△ 4.5
Total operating profit	60.3	37.5	△ 22.8	△ 37.8%	76.5

Earnings Guidance Revision (Consolidated Revenue)

(JPY in billions)

	FY2022 Actual	FY2023 Initial Guidance	FY2023 Revised Guidance
	12 months ended March 2022	12 months ending March 2023	12 months ending March 2023
Revenue	299.5	320.0	303.0
Business profit	80.3	81.0	50.5
Operating profit	74.4	76.5	42.5
Profit before income taxes	75.2	76.5	42.5
Profit for the period (attributable to owners of the parent)	54.8	55.0	29.0
Earnings per share (JPY)	410.80	411.74	213.93

Earnings Guidance Revision (Revenue Breakdown)

(JPY in billions)

	FY2022 Actual	FY2023 Initial Guidance	FY2023 Revised Guidance
	12 months ended March 2022	12 months ending March 2023	12 months ending March 2023
Digital Entertainment	215.0	225.0	203.0
Amusement	19.5	22.0	19.5
Gaming & Systems	25.6	29.0	37.5
Sports	42.0	46.0	45.0
Eliminations	△ 2.6	△ 2.0	△ 2.0
Total	299.5	320.0	303.0

Earnings Guidance Revision (Profit Breakdown)

(JPY in billions)

	FY2022 Actual	FY2023 Initial Guidance	FY2023 Revised Guidance
	12 months ended March 2022	12 months ending March 2023	12 months ending March 2023
Digital Entertainment	76.4	76.5	47.5
Amusement	3.5	4.0	2.5
Gaming & Systems	3.5	4.0	5.0
Sports	0.8	1.0	0.5
Corporate expenses and eliminations	△ 3.9	△ 4.5	△ 5.0
Total business profit	80.3	81.0	50.5
Other income and other expenses	△ 5.9	△ 4.5	△ 8.0
Total operating profit	74.4	76.5	42.5

Dividend Forecast for FY2023

	(JPY)		
	FY2022 Dividend	FY2023 Dividend Forecast	YoY Change (Amount)
	12 months ended March 2022	12 months ending March 2023	
Interim dividend	36.50	62.00	25.50
Year-end dividend	87.00	62.00 (forecast)	△ 25.00
Annual dividend	123.50	124.00 (forecast)	0.50

No change to the forecast announced on May 12, 2022 - maintaining the level of ordinary dividends based on initial earnings guidance.

Revenue and profit

(JPY in billions)

	FY2022 Q1-3	FY2023 Q1-3	YoY Change (Amount)	YoY Change (%)	FY2023 Initial Guidance	FY2023 Revised Guidance
	9 months ended December 2021	9 months ended December 2022			12 months ending March 2023	12 months ending March 2023
Revenue	154.0	156.4	2.5	+1.6%	225.0	203.0
Business profit	55.5	37.4	△ 18.1	△32.6%	76.5	47.5
Operating profit	55.5	37.7	△ 17.9	△32.2%	72.0	43.0
Operating profit margin	36%	24%			32%	21%

*Operating profit for FY2023 includes other profit of JPY 0.2 billion

FY2023 Q3 summary

- eFootball™ 2023 revenue growth driven by soccer drawing global excitement
- SILENT HILL series reboot - announced the development of SILENT HILL 2 remake along with new titles SILENT HILL: Townfall and SILENT HILL f
- Yu-Gi-Oh! TRADING CARD GAME continues to sustain strong performance
- esports initiatives: 1) the finals held for eJ.LEAGUE eFootball™ 2022 Season, a tournament co-hosted by J.LEAGUE with all 40 clubs participating, 2) co-hosted the eBASEBALL Prospi A League 2022 season with Nippon Professional Baseball (NPB)

Revenue and profit

(JPY in billions)

	FY2022 Q1-3	FY2023 Q1-3	YoY Change (Amount)	YoY Change (%)	FY2023 Initial Guidance	FY2023 Revised Guidance
	9 months ended December 2021	9 months ended December 2022			12 months ending March 2023	12 months ending March 2023
Revenue	13.7	10.6	△ 3.2	△23.0%	22.0	19.5
Business profit	2.3	1.1	△ 1.3	△54.1%	4.0	2.5
Operating profit	2.1	1.1	△ 1.0	△48.7%	4.0	2.5
Operating profit margin	15%	10%			18%	13%

*Operating profit for FY2022 includes other expenses of JPY 0.2 billion

FY2023 Q3 summary

- Launched a team-based tag game arcade machine (video game) CHASE CHASE JOKERS
- Continued strong performance from adding content on KONAMI AMUSEMENT GAME STATION, an arcade game service offered for PC and smartphone devices
- The presence of audience, in addition to online live broadcast, built excitement for the finals of the BEMANI PRO LEAGUE, a professional league combining music and e-sports

Revenue and profit

(JPY in billions)

	FY2022 Q1-3	FY2023 Q1-3	YoY Change (Amount)	YoY Change (%)	FY2023 Initial Guidance	FY2023 Revised Guidance
	9 months ended December 2021	9 months ended December 2022			12 months ending March 2023	12 months ending March 2023
Revenue	18.7	27.9	9.2	+49.2%	29.0	37.5
Business profit	2.5	3.9	1.4	+53.8%	4.0	5.0
Operating profit	2.5	0.3	△ 2.2	△87.2%	4.0	1.5
Operating profit margin	14%	1%			14%	4%

*Operating profit for FY2023 includes other expenses of JPY 3.6 billion

FY2023 Q3 summary

- The core DIMENSION series cabinets deliver strong sales with operations in North American and Australian markets returning to pre-COVID levels
- Business profit margin improvement from reduction of components purchase price
- Casino management systems sustains strong performance with continued instalments of SYNKROS at casino facilities

Revenue and profit

(JPY in billions)

	FY2022 Q1-3	FY2023 Q1-3	YoY Change (Amount)	YoY Change (%)	FY2023 Initial Guidance	FY2023 Revised Guidance
	9 months ended December 2021	9 months ended December 2022			12 months ending March 2023	12 months ending March 2023
Revenue	30.7	33.7	3.0	+9.9%	46.0	45.0
Business profit	1.2	0.8	△ 0.3	△28.8%	1.0	0.5
Operating profit	1.5	0.6	△ 0.9	△59.5%	1.0	0.5
Operating profit margin	5%	2%			2%	1%

*Operating profit includes other profit of JPY 0.3 billion (FY2022) and other expense of JPY 0.2 billion (FY2023)

FY2023 Q3 summary

- Commenced operation of Toyohashi City (Aichi) sports facility in October, as part of an initiative to expand network under an asset-light business model – total of 12 facilities commencing operation on behalf of local governments this FY
- Strong traction among pilates studios – opened third studio Pilates Mirror Sakura-Shimmacachi and announced the March opening of two more studios in Jiyugaoka and Kyodo
- Continued to promote installment of Digital Note, a digital service utilizing video images and AI to improve practice efficiency at swimming schools

Titles Released in Oct – Dec 2022 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※)
Yu-Gi-Oh! RUSH DUEL Dawn of the Battle Royale!! 2	Nintendo Switch™	Japan	Dec '22	DE
SUPER BOMBERMAN R 2	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X S, Steam®	Global	2023	DE
Suikoden I&II HD Remaster Gate Rune & Dunan Unification Wars	Nintendo Switch™, PlayStation®4, Xbox One, Steam®	Global	2023	DE
CYGNI: All Guns Blazing	PlayStation®5, Xbox Series X S, Steam®	Global	2023	DE
SHINEPOST Be Your IDOL!	App Store, Google Play	Japan	TBD	DE
SILENT HILL 2	PlayStation®5, Steam®	Global	TBD	DE
SILENT HILL: Townfall	TBD	Global	TBD	DE
SILENT HILL f	TBD	Global	TBD	DE

※ DE: Digital Entertainment



Yu-Gi-Oh! RUSH DUEL
Dawn of the Battle Royale!! 2



SUPER BOMBERMAN R 2



SILENT HILL 2



Suikoden I&II HD Remaster
Gate Rune & Dunan Unification Wars



CYGNI: All Guns Blazing

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Titles Released in Oct – Dec 2022 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
Pachinko GI Derby Club 2 Breaking Through the Ultra-Limit	Pachinko Machine	Japan	Nov '22	AM
CHASE CHASE JOKERS	Arcade Machine (Video Game)	Japan	Dec '22	AM
Momotaro Dentetsu Medal Game mo Teiban!	Arcade Machine (Medal Game)	Japan	Mar '23	AM
Animalotta Yumeno Animaland	Arcade Machine (Medal Game)	Japan	Mar '23	AM
MAH-JONG FIGHT GIRL	Arcade Machine (Video Game)	Japan	Mar '23	AM
SENGOKU COLLECTION 5	Pachislot Machine	Japan	Mar '23	AM
Slodol	Pachislot Machine	Japan	Mar '23	AM
DIMENSION TOP Box	Gaming Machine	North America	Apr-Jun '23	GS

※ AM: Amusement GS: Gaming & Systems



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CHASE CHASE JOKERS



©AKIRA SAKUMA
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©Konami Amusement

Momotaro Dentetsu Medal Game mo Teiban!



©Konami Amusement

Animalotta Yumeno Animaland



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SENGOKU COLLECTION 5



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MAH-JONG FIGHT GIRL



DIMENSION TOP Box

Consolidated Business Performance

(JPY in billions)

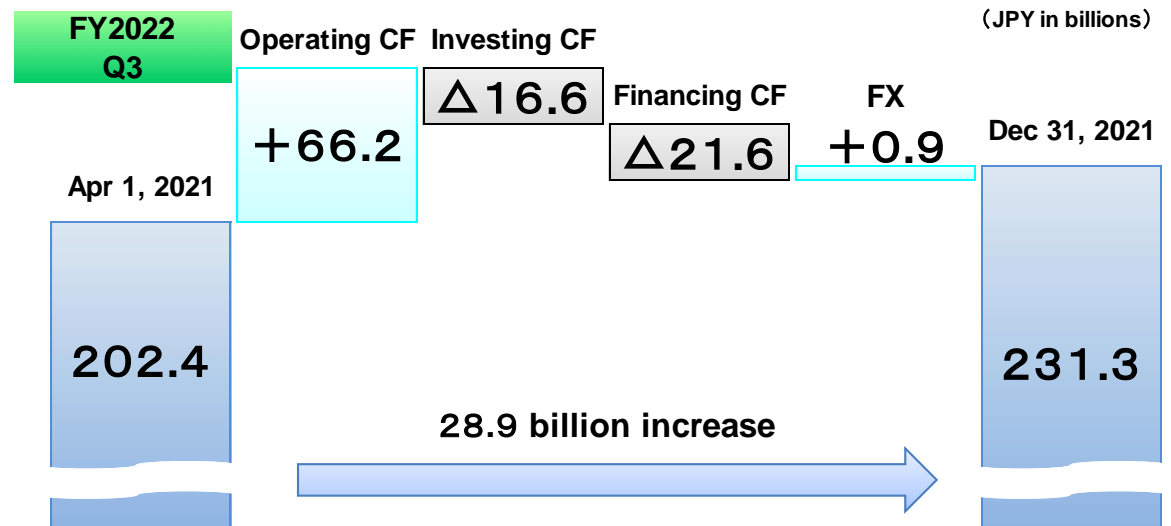
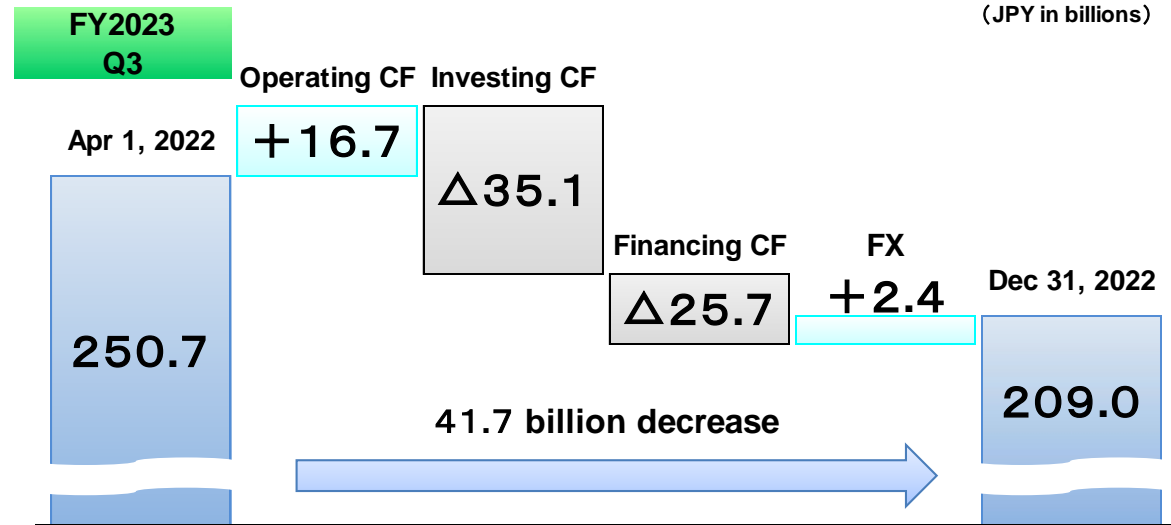
	FY2022 Q1-3	Percentile	FY2023 Q1-3	Percentile	YoY Change (Amount)	YoY Change (%)
Revenue	215.0	100.0%	226.9	100.0%	11.8	+5.5%
Total cost of revenue	△ 117.2	54.5%	△ 139.4	61.4%	△ 22.1	
SG&A	△ 38.2	17.7%	△ 46.5	20.5%	△ 8.3	
Other income and other expenses	0.7	△ 0.3%	△ 3.5	1.6%	△ 4.2	
Operating profit	60.3	28.0%	37.5	16.5%	△ 22.8	△ 37.8%
Finance income	0.4		1.3		0.9	
Finance costs	△ 0.6		△ 0.6		0.1	
Profit from investments accounted for using the equity method	△ 0.2		0.1		0.3	
Profit before income taxes	59.9	27.8%	38.4	16.9%	△ 21.5	△ 35.9%
Income taxes	△ 17.5	8.1%	△ 10.8	4.8%	6.7	
Profit for the period	42.4	19.7%	27.6	12.2%	△ 14.8	△ 34.9%
Profit attributable to:						
Owners of the parent	42.4	19.7%	27.6	12.2%	△ 14.8	△ 34.9%
Non-controlling interests	0.0	0.0%	0.0	0.0%	△ 0.0	

Consolidated Financial Position

(JPY in billions)

	Mar 31, 2022	Dec 31, 2022	Change		Mar 31, 2022	Dec 31, 2022	Change
Current assets				Current liabilities			
Cash and cash equivalents	250.7	209.0	△ 41.7	Bonds and borrowings	8.4	-	△ 8.4
Trade and other receivables	29.1	29.8	0.8	Trade and other payables	33.5	32.4	△ 1.1
Inventories	9.0	13.6	4.7	Other current liabilities	40.7	26.7	△ 14.0
Other current assets	10.9	17.7	6.8	Total current liabilities	82.6	59.2	△ 23.4
Total current assets	299.6	270.1	△ 29.5	Non-current liabilities			
	(56.7%)	(51.5%)		Bonds and borrowings	59.8	59.8	0.0
Non-current assets				Other non-current liabilities	38.2	37.2	△ 1.0
Property, plant and equipment, net	138.9	155.9	17.0	Total non-current liabilities	98.0	97.0	△ 1.0
Goodwill and intangible assets	45.4	52.6	7.2	Total liabilities	180.5	156.1	△ 24.4
Investment Property	3.2	3.2	0.0	Total equity attributable to owners of the parent	348.1	367.9	19.9
Deferred tax assets	23.7	24.1	0.4		(65.8%)	(70.2%)	
Other non-current assets	17.9	18.2	0.3	(per share: JPY)	(2,605.63)	(2,714.24)	(108.61)
Total non-current assets	229.0	253.9	25.0	Non-controlling interests	0.0	0.0	0.0
	(43.3%)	(48.5%)		Total equity	348.1	368.0	19.9
Total assets	528.6	524.1	△ 4.5	Total liabilities and equity	528.6	524.1	△ 4.5

Consolidated Cash Flows



THANK YOU