

FY2024 2nd Quarter Financial Results

Six months ended September 30, 2023

KONAMI GROUP CORPORATION
November 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

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Consolidated Financial Results

(JPY in billions)

	FY2023 H1 6 months ended September 2022	FY2024 H1 6 months ended September 2023	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance 12 months ending March 2024
Revenue	148.4	153.9	5.5	+3.7%	328.0
Business profit	25.6	35.4	9.8	+38.3%	63.0
Other income and other expenses	△ 0.2	0.0	0.2	-	△ 3.0
Operating profit	25.4	35.4	10.0	+39.6%	60.0
Profit before income taxes	27.5	37.0	9.5	+34.7%	59.0
Profit for the period (attributable to owners of the parent)	19.8	26.8	7.0	+35.2%	41.0
Earnings per share (JPY)	147.87	197.95	50.08		302.45

Revenue by Business Segment

(JPY in billions)

	FY2023 H1 6 months ended September 2022	FY2024 H1 6 months ended September 2023	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance 12 months ending March 2024
Digital Entertainment	102.7	102.1	△ 0.6	△ 0.6%	216.0
Amusement	7.2	10.0	2.8	+39.3%	27.0
Gaming & Systems	17.1	19.1	2.0	+11.6%	39.0
Sports	22.5	23.8	1.3	+6.0%	49.5
Eliminations	△ 1.1	△ 1.2	△ 0.1	-	△ 3.5
Total revenue	148.4	153.9	5.5	+3.7%	328.0

Profit by Business Segment

(JPY in billions)

	FY2023 H1 6 months ended September 2022	FY2024 H1 6 months ended September 2023	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance 12 months ending March 2024
Digital Entertainment	23.5	31.0	7.5	+32.0%	55.5
Amusement	1.1	1.2	0.1	+13.6%	5.5
Gaming & Systems	2.0	3.1	1.1	+55.7%	6.5
Sports	0.5	1.6	1.1	+219.4%	1.0
Corporate expenses and eliminations	△ 1.4	△ 1.5	△ 0.1	-	△ 5.5
Total business profit	25.6	35.4	9.8	+38.3%	63.0
Other income and other expenses	△ 0.2	0.0	0.2	-	△ 3.0
Total operating profit	25.4	35.4	10.0	+39.6%	60.0

Dividend Forecast for FY2024 (No change)

(JPY)

	FY2023 dividend	FY2024 dividend forecast	YoY Change (Amount)
	12 months ended March 2023	12 months ending March 2024	
Interim dividend	62.00	62.00 (declared)	0.00
Year-end dividend	62.00	62.00 (forecast)	0.00
Annual dividend	124.00	124.00 (forecast)	0.00

No change to the forecast announced on May 11. The interim dividend is declared to be JPY 62 per share.

Revenue and profit

(JPY in billions)

	FY2023 H1	FY2024 H1	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance
	6 months ended September 2022	6 months ended September 2023			12 months ending March 2024
Revenue	102.7	102.1	△ 0.6	△ 0.6%	216.0
Business profit	23.5	31.0	7.5	+32.0%	55.5
Operating profit	23.5	31.0	7.5	+32.0%	52.5
Operating profit margin	23%	30%			24%

FY2024 Q2 summary

- eFootball™ 2024 sustains strong reviews post major update
- PAWAFURU PUROYAKYU Eikan Nine Cross Road launches with strong performance
- Card games – Announcement of Yu-Gi-Oh! Duel Monsters The Legend of Duelist QUARTER CENTURY event being held at Tokyo Dome in February 2024
- esports initiative – Yu-Gi-Oh! World Championship 2023 held for the first time in four years with qualifiers battling for the top duelist position in the world

Revenue and profit

(JPY in billions)

	FY2023 H1	FY2024 H1	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance
	6 months ended September 2022	6 months ended September 2023			12 months ending March 2024
Revenue	7.2	10.0	2.8	+39.3%	27.0
Business profit	1.1	1.2	0.1	+13.6%	5.5
Operating profit	1.1	1.2	0.1	+14.0%	5.5
Operating profit margin	15%	12%			20%

FY2024 Q2 summary

- Continued contribution from Momotaro Dentetsu -Medal game mo teiban!-, launched last FY, sustains strong performance
- Launched smart-pachislot titles MAH-JONG FIGHT CLUB Kakusei and Bouku Shojo Love Kyure 2 -Kyokugen no Kyomei-
- Multiple new titles from popular medal game series slated for second half of FY
- New prize game PUKURE under development

Revenue and profit

(JPY in billions)

	FY2023 H1	FY2024 H1	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance
	6 months ended September 2022	6 months ended September 2023			12 months ending March 2024
Revenue	17.1	19.1	2.0	+11.6%	39.0
Business profit	2.0	3.1	1.1	+55.7%	6.5
Operating profit	2.0	3.2	1.2	+60.6%	6.5
Operating profit margin	12%	17%			17%

*Operating profit includes other income of JPY 0.1 billion (FY2024)

FY2024 Q2 summary

- DIMENSION series slot machine – DIMENSION 43x3, featuring three 43-inch stacked displays, well-received at G2E and scheduled for market release in Q3
- Highly acclaimed casino management system SYNKROS continues to expand install base at casino facilities – installment planned at a large IR facility opening in Las Vegas in second half of FY

Revenue and profit

(JPY in billions)

	FY2023 H1	FY2024 H1	YoY Change (Amount)	YoY Change (%)	FY2024 Guidance
	6 months ended September 2022	6 months ended September 2023			12 months ending March 2024
Revenue	22.5	23.8	1.3	+6.0%	49.5
Business profit	0.5	1.6	1.1	+219.4%	1.0
Operating profit	0.3	1.5	1.2	+402.8%	1.0
Operating profit margin	1%	6%			2%

*Operating profit includes other expenses of JPY 0.2 billion (FY2023) and JPY 0.1 billion (FY2024)

FY2024 Q2 summary

- Revenue and profit growth driven by higher demand amid economic recovery
- Strong traction among pilates studios – opened five studios in Q2 and announced eight more studios scheduled to open from Q3 (making cumulative total of 22 studios)
- Commenced operation of sports facilities on behalf of local governments at Tsugaru City (Aomori), Saitama City (Saitama), Asahi City (Chiba), Toshima Ward (Tokyo) and Gifu City (Gifu) this FY, and slated to commence operation at Chuo Ward (Tokyo) in December
- Opened popular swimming school programs for children at six facilities in September. Installed Digital Note - a digital service utilizing video images and AI to improve practice efficiency at swimming schools customized for adult programs - at 36 facilities in September

Titles Released in Jul – Sep 2023 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※)
SUPER BOMBERMAN R 2	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X S, Steam®	Global	Sep '23	DE
PAWAFURU PUROYAKYU Eikan Nine Cross Road	App Store, Google Play Console	Japan	Mobile: Sep '23 Console: TBD	DE
METAL GEAR SOLID: MASTER COLLECTION Vol.1	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox Series X S, Steam®	Global	Oct '23	DE
Super Crazy Rhythm Castle	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X S, Steam®	Global	Nov '23	DE
Momotaro Dentetsu World -Chikyu wa Kibou de Mawatteru!-	Nintendo Switch™	Japan	Nov '23	DE
CYGNI: All Guns Blazing	PlayStation®5, Xbox Series X S, Steam®	Global	2024	DE
Contra: Operation Galuga	Nintendo Switch™, PlayStation®4, PlayStation®5, Xbox One, Xbox Series X S, Steam®	Global	Early 2024	DE
Suikoden I&II HD Remaster Gate Rune & Dunan Unification Wars	Nintendo Switch™, PlayStation®4, Xbox One, Steam®	Global	TBD	DE
SHINEPOST Be Your IDOL!	App Store, Google Play	Japan	TBD	DE
METAL GEAR SOLID Δ: SNAKE EATER	PlayStation®5, Xbox Series X S, Steam®	Global	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



METAL GEAR SOLID:
MASTER COLLECTION Vol.1



PAWAFURU PUROYAKYU
Eikan Nine Cross Road



Momotaro Dentetsu World
-Chikyu wa Kibou de Mawatteru!-



Contra: Operation Galuga



SILENT HILL 2



CYGNI: All Guns Blazing

Titles Released in Jul – Sep 2023 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
Bouku Shoujo Love Kyure 2 -Kyokugen no Kyomei-	Pachislot Machine	Japan	Aug '23	AM
MAH-JONG FIGHT CLUB Kakusei	Pachislot Machine	Japan	Sep '23	AM
Sengoku Collection 5 Cho-gokuraku LOOP	Pachislot Machine	Japan	Sep '23	AM
FORTUNE TRINITY Jiku no Diamond	Arcade Machine (Medal Game)	Japan	Oct '23	AM
ELDORA CROWN Yukyu no Labyrinth	Arcade Machine (Medal Game)	Japan	Nov '23	AM
Magical Halloween 8	Pachislot Machine	Japan	Dec '23	AM
ColorCoLotta Maboroshi no Togenkyo	Arcade Machine (Medal Game)	Japan	FY2024 Q4	AM
PACHINKO GI Derby Club 2 Lucky Trigger ver	Pachinko Machine	Japan	Mar '24	AM
PUKURE	Arcade Machine (Prize Game)	Japan	TBD	AM
DIMENSION 43x3	Gaming Machine	North America	FY2024 Q3	GS

※ AM: Amusement GS: Gaming & Systems



MAH-JONG FIGHT CLUB Kakusei



Magical Halloween 8



ELDORA CROWN Yukyu no Labyrinth



FORTUNE TRINITY Jiku no Diamond



DIMENSION 43x3

Consolidated Business Performance

(JPY in billions)

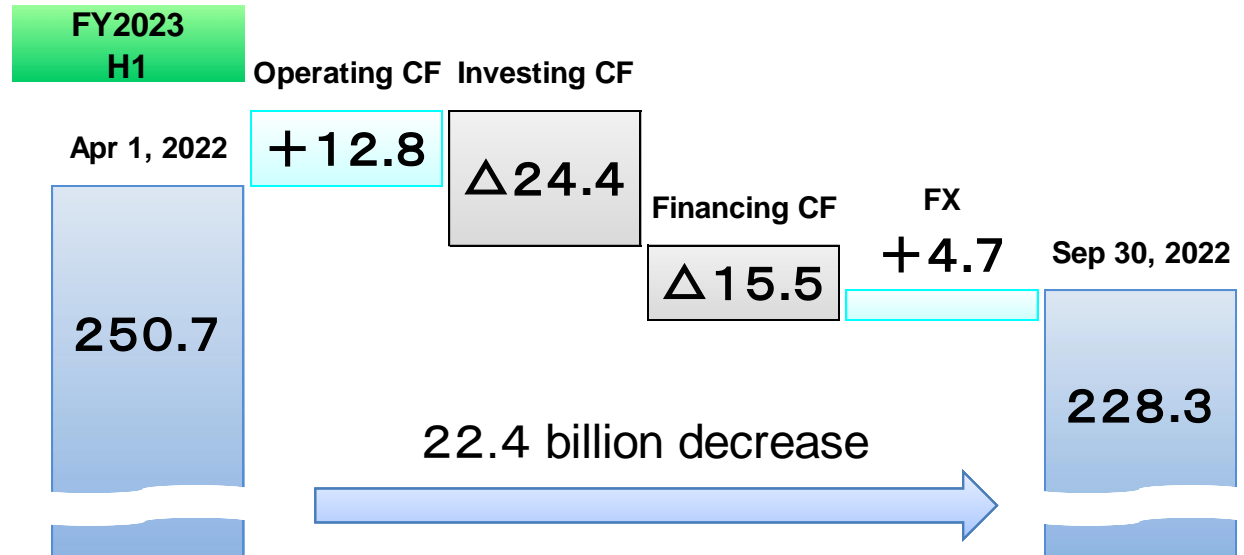
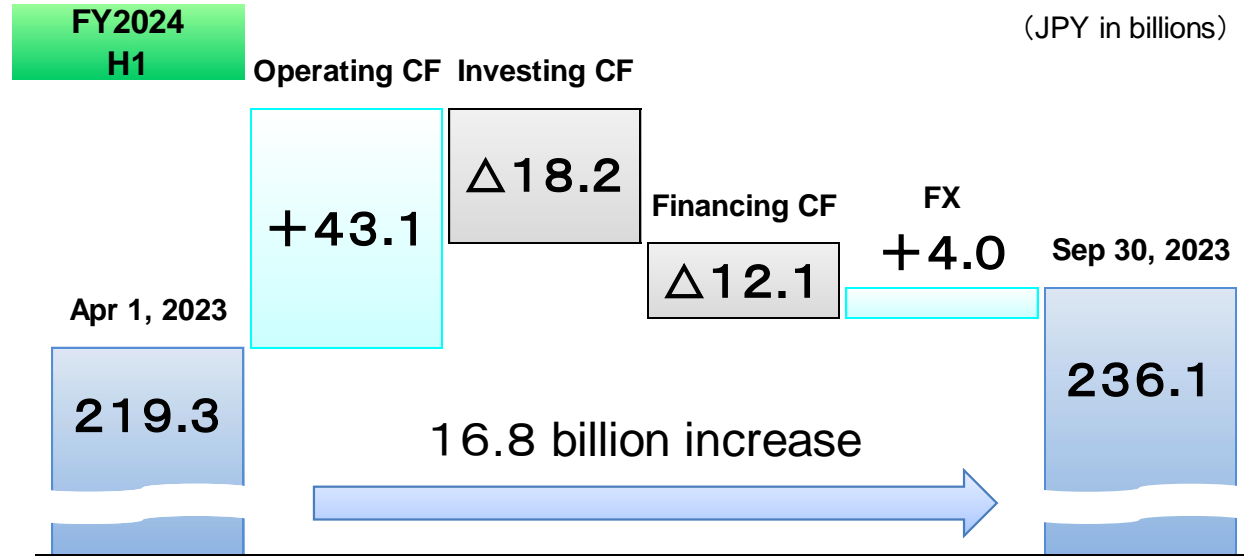
	FY2023 H1	Percentile	FY2024 H1	Percentile	YoY Change (Amount)	YoY Change (%)
Revenue	148.4	100.0%	153.9	100.0%	5.5	+3.7%
Total cost of revenue	△ 91.8	61.8%	△ 87.0	56.6%	4.7	
SG&A	△ 31.0	20.9%	△ 31.4	20.4%	△ 0.4	
Other income and other expenses	△ 0.2	0.1%	0.0	-	0.2	
Operating profit	25.4	17.1%	35.4	23.0%	10.0	+39.6%
Finance income	2.4		1.7		△ 0.7	
Finance costs	△ 0.4		△ 0.3		0.1	
Profit from investments accounted for using the equity method	0.1		0.2		0.1	
Profit before income taxes	27.5	18.5%	37.0	24.1%	9.5	+34.7%
Income taxes	△ 7.6	5.1%	△ 10.2	6.6%	△ 2.5	
Profit for the period	19.8	13.4%	26.8	17.4%	7.0	+35.2%
Profit attributable to:						
Owners of the parent	19.8	13.4%	26.8	17.4%	7.0	+35.2%
Non-controlling interests	0.0	0.0%	0.0	0.0%	0.0	

Consolidated Financial Position

(JPY in billions)

	Mar 31, 2023	Sep 30, 2023	Change		Mar 31, 2023	Sep 30, 2023	Change
Current assets				Current liabilities			
Cash and cash equivalents	219.3	236.1	16.8	Trade and other payables	37.6	34.3	△ 3.3
Trade and other receivables	39.3	33.0	△ 6.3	Other current liabilities	37.5	38.3	0.8
Inventories	12.7	14.7	2.0	Total current liabilities	75.1	72.6	△ 2.5
Other current assets	18.8	14.5	△ 4.3	Non-current liabilities			
Total current assets	290.0	298.4	8.3	Bonds and borrowings	59.8	59.8	0.0
	(53.0%)	(52.3%)		Other non-current liabilities	36.0	35.2	△ 0.8
Non-current assets				Total non-current liabilities	95.9	95.0	△ 0.8
Property, plant and equipment, net	155.8	156.4	0.7	Total liabilities	170.9	167.6	△ 3.3
Goodwill and intangible assets	49.6	61.2	11.6	Total equity attributable to	376.3	402.4	26.2
Deferred tax assets	30.2	31.5	1.2	owners of the parent	(68.8%)	(70.6%)	
Other non-current assets	21.6	22.7	1.0	(per share: JPY)	(2,775.65)	(2,968.73)	(193.08)
Total non-current assets	257.2	271.7	14.5	Non-controlling interests	0.0	0.0	0.0
	(47.0%)	(47.7%)		Total equity	376.3	402.5	26.2
Total assets	547.2	570.1	22.9	Total liabilities and equity	547.2	570.1	22.9

Consolidated Cash Flows



THANK YOU