

**Consolidated Financial Results
for the Six Months Ended September 30, 2022
(Prepared in Accordance with IFRS)**

November 2, 2022

KONAMI GROUP CORPORATION

Address: 11-1, Ginza 1-chome, Chuo-ku, Tokyo, Japan
 Stock code number, TSE: 9766
 Ticker symbol, LSE: KNM
 URL: <https://www.konami.com/>
 Shares listed: Tokyo Stock Exchange and London Stock Exchange
 Representative: Kimihiko Higashio, Representative Director, President
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 Beginning date of dividend payment: November 25, 2022

(Amounts are rounded to the nearest million, except percentages and per share amounts)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022
(1) Consolidated Results of Operations

(Millions of Yen, except percentages and per share amounts)

| | Revenue | Business profit | Operating profit | Profit before income taxes | Profit for the period | Profit attributable to owners of the parent |
|-------------------------------------|---------|-----------------|------------------|----------------------------|-----------------------|---|
| Six months ended September 30, 2022 | 148,359 | 25,611 | 25,396 | 27,479 | 19,847 | 19,847 |
| % change from previous year | 6.4% | (33.7)% | (35.1)% | (28.9)% | (28.0)% | (28.0)% |
| Six months ended September 30, 2021 | 139,486 | 38,639 | 39,110 | 38,673 | 27,559 | 27,558 |
| % change from previous year | 20.2% | 50.2% | 83.0% | 91.3% | 99.9% | 99.8% |

Total comprehensive income for the period: Six months ended September 30, 2022: ¥28,269 million; 1.9%

Six months ended September 30, 2021: ¥27,737 million; 106.2%

Note) Business profit is calculated by deducting "cost of revenue" and "selling, general and administrative expenses" from "revenue."

| | Basic earnings per share (attributable to owners of the parent) (yen) | Diluted earnings per share (attributable to owners of the parent) (yen) |
|-------------------------------------|--|--|
| Six months ended September 30, 2022 | 147.87 | 146.48 |
| Six months ended September 30, 2021 | 206.79 | 203.47 |

(2) Consolidated Financial Position

(Millions of Yen, except percentages and per share amounts)

| | Total assets | Total equity | Total equity attributable to owners of the parent | Ratio of equity attributable to owners of the parent |
|--------------------|--------------|--------------|---|--|
| September 30, 2022 | 534,981 | 372,847 | 372,832 | 69.7% |
| March 31, 2022 | 528,613 | 348,076 | 348,061 | 65.8% |

2. Cash Dividends

| Record Date | Cash dividends per share (yen) | | | | |
|---------------------------------------|--------------------------------|--------------------|-------------------|----------|--------|
| | First quarter end | Second quarter end | Third quarter end | Year end | Annual |
| Year ended March 31, 2022 | - | 36.50 | - | 87.00 | 123.50 |
| Year ending March 31, 2023 | - | 62.00 | | | |
| Year ending March 31, 2023 (Forecast) | | | - | 62.00 | 124.00 |

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2023 during the three months ended September 30, 2022: No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2023

(Millions of Yen, except percentages and per share amounts)

| | Revenue | Business profit | Operating profit | Profit before income taxes | Profit attributable to owners of the parent | Basic earnings per share (attributable to owners of the parent) (yen) |
|-----------------------------|---------|-----------------|------------------|----------------------------|---|---|
| Year ending March 31, 2023 | 320,000 | 81,000 | 76,500 | 76,500 | 55,000 | 411.74 |
| % change from previous year | 6.8% | 0.9% | 2.8% | 1.8% | 0.4% | |

Note) Recently announced change in earnings forecasts for the fiscal year ending March 31, 2023 during the three months ended September 30, 2022: No

Noted Items

(1) Changes in significant consolidated subsidiaries during the period (status changes of subsidiaries due to changes in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimate

- Changes in accounting policies required by IFRS: No
- Other changes: No
- Changes in accounting estimate: No

(3) Number of shares issued (Share capital)

- Number of shares issued: (Treasury shares included)

| | |
|--------------------------|--------------------|
| As of September 30, 2022 | 143,500,000 shares |
| As of March 31, 2022 | 143,500,000 shares |
- Number of treasury shares:

| | |
|--------------------------|------------------|
| As of September 30, 2022 | 8,004,425 shares |
| As of March 31, 2022 | 9,919,591 shares |
- Average number of shares outstanding:

| | |
|-------------------------------------|--------------------|
| Six months ended September 30, 2022 | 134,224,059 shares |
| Six months ended September 30, 2021 | 133,265,479 shares |

Earnings release (Kessan Tanshin) regarding these consolidated financial results is not subject to auditing procedures.

Cautionary statement with respect to forward-looking statements and other matters:

Statements made in this document with respect to our current plans, estimates, strategies and beliefs, including the above forecasts, are forward-looking statements about our future performance. 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: (i) changes in economic conditions affecting our operations; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (iii) our 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; (iv) the timing of the release of new game titles and products, especially game titles and products that are part of historically popular series; (v) our ability to successfully expand internationally with a focus on our Digital Entertainment, Amusement, and Gaming & Systems businesses; (vi) our ability to successfully expand the scope of our business and broaden our customer base through our Sports business; (vii) regulatory developments and changes and our ability to respond and adapt to those changes; (viii) our expectations with regard to further acquisitions and the integration of any companies we may acquire; and (ix) the outcome of existing contingencies.

Please refer to page from 9 to 11 for further information regarding our business forecasts.

KONAMI GROUP CORPORATION (the "Company") disclosed the supplemental data for the consolidated financial statements via the Company's website on November 2, 2022.

1. Business Performance

(1) Analysis of Business Performance

(1) Business Overview

For the six months ended September 30, 2022, the spread of COVID-19 has slowed down and there are increased expectations for normalization of economic activities. Meanwhile, the situation still remains uncertain due to issues such as prolonged Ukraine conflict, exchange rate fluctuations caused by Japanese yen plunge and surge in resource prices.

Amidst these circumstances, in terms of the business results of Konami Group for the six months ended September 30, 2022, revenues for the second quarter have reached a record high due to successive launch of new titles of core contents and the depreciation of Japanese yen. On the other hand, in addition to amortization of product costs upon new title releases and promotion costs incurred, rising energy costs have impacted on our profit performance.

In terms of the consolidated results for the six months ended September 30, 2022, total revenue amounted to ¥148,359 million (a year-on-year increase of 6.4%), business profit was ¥25,611 million (a year-on-year decrease of 33.7%), operating profit was ¥25,396 million (a year-on-year decrease of 35.1%), profit before income taxes was ¥27,479 million (a year-on-year decrease of 28.9%), and profit attributable to owners of the parent was ¥19,847 million (a year-on-year decrease of 28.0%).

(2) Performance by Business Segment

Summary of total revenue by business segment:

| | Millions of Yen, except percentages | | |
|---------------------------|--|--|----------|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 | % change |
| Total revenue: | | | |
| Digital Entertainment | ¥98,632 | ¥102,703 | 4.1 |
| Amusement | 9,959 | 7,179 | (27.9) |
| Gaming & Systems | 12,274 | 17,119 | 39.5 |
| Sports | 19,942 | 22,460 | 12.6 |
| Intersegment eliminations | (1,321) | (1,102) | - |
| Total revenue | ¥139,486 | ¥148,359 | 6.4 |

Digital Entertainment

In the entertainment market, future development of game content is expected through the functional enhancement of various devices, including mobile devices and video game consoles, and the spread of next generation communication systems. The ways in which content is enjoyed is becoming increasingly diversified, such as increased attention and growing fan bases for the eSports space, which treat video games as sports competitions, and gameplay videos. Furthermore, there is growing recognition for the metaverse, which is a virtual space on the internet. In particular, the high affinity between the metaverse and video games is attracting strong attention.

Amidst these circumstances, as a new initiative in this business, we have started distributing *eFootball™ 2023* on multiple devices. Many of our customers are enjoying *eFootball™ 2023* due to the addition of new usable teams and players, and the pursuit of improved playability. In the computer and video game space, we launched *Teenage Mutant Ninja Turtles: The Cowabunga Collection*, which has started off strongly mainly in Europe and the United States. In the mobile game space, we have started distributing *Yu-Gi-Oh! CROSS DUEL*. It has been well received as a card game with a new feeling in which four players can play simultaneously.

As an ongoing initiative, *PROFESSIONAL BASEBALL SPIRITS A (Ace)* has progressed steadily. *Yu-Gi-Oh! MASTER DUEL* continues to be well received by our customers due to encouragement of transformation to the game environment through the active addition of new cards and changes to regulations. In card games, *Yu-Gi-Oh! TRADING CARD GAME* continues to perform well and its sales grew globally. With the addition of customers who have been newly brought in by *Yu-Gi-Oh! MASTER DUEL* and customers who have started playing again, there continues to create a synergistic effect with overall *Yu-Gi-Oh!* content.

In eSports space, for *eFootball™ 2022*, we held “eFootball™ Championship Open 2022” in which all players could participate to determine the No. 1 player for each platform. For *Yu-Gi-Oh! DUEL LINKS*, we held the main battle of “KC Grand

Tournament 2022,” which is a large-scale online tournament. Both tournaments were live-streamed to the whole world and created great excitement.

Since amortization of product costs and promotion costs have incurred by launching new titles of core contents successively from 2022 onwards, business profit in this segment for the six months ended September 30, 2022 decreased.

In terms of financial performance, total revenue for the six months ended September 30, 2022 in this segment amounted to ¥102,703 million (a year-on-year increase of 4.1%) and business profit for the six months ended September 30, 2022 amounted to ¥23,503 million (a year-on-year decrease of 34.4%).

Amusement

In the amusement market, as the “new normal” era of life with COVID-19 becomes normalized, due to changes in people’s behavior and awareness resulting from the COVID-19 pandemic, the range of needs is expanding, such as demand for ways to play arcade games at home in addition to amusement facilities.

Amidst these circumstances, in our business of video games targeted at amusement facilities, for *MAH-JONG FIGHT CLUB Extreme*, we held “Japan Professional Mahjong League 2022 All-Star Tournament (Decided by Ballot)” in which each player used voting rights obtained based on their play to vote for the professional mahjong player whom they want to support, thereby selecting professional mahjong players who symbolize the 20th anniversary of the series. These initiatives have been well received by our customers. We also held the eSports tournament “eMAH-JONG *MAH-JONG FIGHT CLUB Pro* Tournament” that uses the mobile app *MAH-JONG FIGHT CLUB Sp*, jointly with the Japan Professional Mahjong League. A total of 32 “eMAH-JONG professionals,” including 24 ordinary users selected through rigorous screening and 8 professional mahjong players belonging to the Japan Professional Mahjong League, engaged in fierce matches to become the first-ever champion. Furthermore, “KONAMI AMUSEMENT GAME STATION,” which allows users to enjoy arcade games on computers and smartphones at any time, continued its steady growth. We also launched the *pachinko slot BOMBERGIRL* as the first edition of the pachinko slot machine 6.5. This new machine is based on the arcade game *BOMBERGIRL*, which has gained popularity due to its unique female characters.

For the six months ended September 30, 2022, revenues and business profit in this segment decreased due to difference in timing of product launch.

In terms of financial performance, total revenue for the six months ended September 30, 2022 in this segment amounted to ¥7,179 million (a year-on-year decrease of 27.9%) and business profit for the six months ended September 30, 2022 amounted to ¥1,050 million (a year-on-year decrease of 38.0%).

Gaming & Systems

In the gaming market, the operation in casino facilities in North America and Australia returned to its pre-COVID-19 level and the situation brought back in the revitalized markets. Although other markets in some countries and regions are still affected by the COVID-19 pandemic, the market as a whole is on the road to recovery. On the other hand, global supply chain disruptions are resulting to issues, such as rising parts cost and delivery delays of parts and materials.

Amidst these circumstances, in our slot machine business, the *DIMENSION* series continues to attract the attention of customers in the North American and Australian markets, where the series have won multiple awards. In terms of slot machine sales, *DIMENSION 49™* has maintained high operation in the market. In the area of participation (revenue share business), we started market development of *DIMENSION 75C™* featuring a 75-inch curved monitor and are expanding its introduction to casino facilities. In terms of gaming content, *All Aboard™* has recorded industry-leading operation for about two years, and titles such as *Lucky Envelop™* and *Ocean Spin™* have also been well received in the market.

In the casino management system, we introduced a variety of functionality which will enhance and strengthen our product appeal including *Money Klip™* for cashless casinos, maintaining the strong performance of the previous quarter.

In terms of financial performance, total revenue for the six months ended September 30, 2022 in this segment amounted to ¥17,119 million (a year-on-year increase of 39.5%) and business profit for the six months ended September 30, 2022 amounted to ¥2,001 million (a year-on-year increase of 9.5%).

Sports

In the sports market, rising energy prices continues to impact on business environment. Meanwhile, behavioral restrictions are being relaxed so that people can continue their daily lives and economic/social activities and thus demand for sports and health promotion is returning.

Amidst these circumstances, in our operation of sports clubs, we worked to provide safe and secure opportunities for exercise so that customers can participate according to their own lifestyle, including enhancement of online services in addition to providing services at facilities. In August 2022, we opened “Pilates Mirror Kichijoji” (Musashino City, Tokyo) as our second Pilates studio with a ceiling mirror.

With regard to the operation of outsourced facilities, a form of business that expands our network without ownership of assets, we leveraged our previously developed operational and leadership expertise, as well as our accomplishments, to

promote our businesses, and began contracted operations of sports facilities in new areas such as Yokohama City, Kanagawa, Hadano City, Kanagawa, Kyoto City, Kyoto and Fukuoka City, Fukuoka.

In regard to growing school needs for outsourcing of school swimming classes, we are providing swimming instruction services at many elementary schools throughout Japan, which have been well received.

For the “Undo Juku” exercise circle aimed at children, we opened new swimming schools at four facilities: Isogo (Yokohama City, Kanagawa), Kawanishi (Kawanishi City, Hyogo), Jiyu-ga-Oka (Meguro-ku, Tokyo), and Izumi-Chuo (Izumi City, Osaka). We continue to provide “Undo Juku Digital Note,” a new digital service that improves the effect of practice through synergy between “Smart Swimming Lesson System,” which uses images and AI, and the coaching techniques of Konami Sports Club instructors.

In terms of financial performance, total revenue for the six months ended September 30, 2022 in this segment amounted to ¥22,460 million (a year-on-year increase of 12.6%) and business profit for the six months ended September 30, 2022 amounted to ¥501 million (a year-on-year decrease of 8.9%).

Please refer to “(1) Quarterly Condensed Consolidated Statement of Financial Position” and “(4) Quarterly Condensed Consolidated Statement of Cash Flows” in “2. Quarterly Condensed Consolidated Financial Statements and Notes” regarding the financial position and cash flows.

(2) Outlook for the Fiscal Year Ending March 31, 2023

Digital Entertainment

With networked entertainment offerings rapidly becoming mainstream, now more than ever, many people have an increasing number of opportunities to enjoy playing games on any device. Amidst this situation, in addition to gameplay based on the features of the device, we are promoting cross-platform development so that users can enjoy content beyond the boundaries of various devices. Additionally, as the ways of enjoying content continue to diversify, we will promote global efforts so that users can enjoy a wide range of game genres in various situations such as fan events and eSports competitions.

As new future initiatives, we are proceeding with the remake of the past title *SILENT HILL 2* and the production of a completely new game in order to revive the *SILENT HILL* series, which has attracted attention from all over the world. Furthermore, we announced the 2023 launch of *Suikoden I&II HD Remaster Gate Rune & Dunan Unification Wars*, which is a HD remastered version of *Suikoden* and *Suikoden II* in the *Suikoden* series beloved throughout the world, as well as the 2023 launch of the new vertically scrolling shooting game *CYGN: All Guns Blazing*. We are also diligently working on the mobile game *SHINE POST Be Your Idol!* of the SHINE POST anime series that has been broadcast on TV from July, and on the latest title *SUPER BOMBERMAN R 2* in the *BOMBERMAN* series.

As ongoing initiatives, we expect increased global attention and enthusiasm for soccer this winter, so we continue to add new functions and enhance content for *eFootball™ 2023* so that we can appeal to many soccer fans. We will continue to take appealing measures for mobile titles such as *PROFESSIONAL BASEBALL SPIRITS A (Ace)* with the aim of having these titles well received by our customers. For *Yu-Gi-Oh! TRADING CARD GAME*, it marks 25th anniversary next year. We will focus on creating more exciting content by holding various events and competitions for *Yu-Gi-Oh! MASTER DUEL* and *Yu-Gi-Oh! DUEL LINKS*, as well as *Yu-Gi-Oh! TRADING CARD GAME*.

In the eSports space, we will cooperate with the Nippon Professional Baseball Organization (NPB) to hold the 2022 season of the professional baseball eSports league “eBASEBALL Prospi A (Ace) League.” We will focus on making this a tournament that will attract interest not only from players of *PROFESSIONAL BASEBALL SPIRITS A (Ace)*, but also from fans of professional baseball during the off-season. We will also start the main match of “eJ.LEAGUE eFootball™ 2022 season,” which will be jointly held with the Japan Professional Football League (J.League). Three players selected from each club will represent their clubs in matches, which we expect to create excitement among fans of J. League clubs and other soccer fans. Going forward, we will work on activities to disseminate the appeal of eSports with the aim of expanding the eSports fan base even more.

Amusement

We will offer new ways to play, created through interpersonal communication via services such as the e-amusement service, which connects amusement facilities around the country by networking them together. In addition, as a service which allows players to enjoy arcade games at any time, we are working to enhance content for “KONAMI AMUSEMENT GAME STATION,” which makes it possible to play high-quality games on PC and smartphone.

For new amusement machine, we plan to release a variety of titles, including the video game *CHASE CHASE JOKERS* in which players seek victory with their friends in a 3v3 team battle of tag and the medal pusher game *Momotaro Dentetsu: Medal game mo teiban*. The professional mahjong league “M League 2022-23 season” has started and our company’s professional mahjong team “KONAMI MAH-JONG FIGHT CLUB” continues to compete for the championship. Also, in the professional league “BEMANI PRO LEAGUE” which combines music and eSports, we will open the new “BEMANI PRO LEAGUE -SEASON 2- SOUND VOLTEX” from this year. The new league features the *SOUND VOLTEX* series as competitive title. Through providing new user experiences, we will deliver the amusement and fun of KONAMI titles, which are enjoyable for participants and spectators alike, to an even greater number of customers, and we continue to have them lead to the revitalization of the amusement market.

Gaming & Systems

In the gaming market, the industry’s largest event “Global Gaming Expo (G2E)” was held in October 2022 on the same scale as prior to the COVID-19 pandemic for the first time in three years. The event is expected to be a major boost for a market trending toward recovery.

In our slot machine business, we will promote the development of the slot machine *DIMENSION* series, which has been well received in the market, and of gaming content such as *All Aboard*TM and *Ocean Spin*TM. Furthermore, we will strive to improve the value of the *DIMENSION* series by developing new content.

For the casino management system *SYNKROS*[®], we will capture customer demand by developing various functions that utilize cutting-edge technology.

Sports

For the operation of sports clubs, while continuing daily life and economic/social activities, in addition to making efforts in accordance with the guidelines set by industry groups, we will strive for operation which allows customers to use our facilities with peace of mind by taking measures to prevent the spread of infection according to our own standards.

In December 2022, we will open “Pilates Mirror Sakura-shinmachi” (Setagaya-ku, Tokyo) which will be our third Pilates studio with a ceiling mirror. “Pilates Mirror” has been well received by many women. We plan to increase the number of studios so that more women can experience the “Pilates Mirror.”

With regard to the operation of outsourced facilities, we will start the new outsourced operation of sports facilities in Toyohashi City, Aichi from October 2022.

In the outsourced school swimming classes, we will expand the number of target schools in order to solve various problems faced by schools, improve children's swimming ability and physical strength, and enhance the class environment.

For the “Undo Juku” exercise circle aimed at children, we will support the new challenges of children by expanding facilities providing the swimming school and facilities providing the new digital service “Undo Juku Digital Note.”

We will continue to provide products and services that support a sustainable society.

Projected consolidated results for the fiscal year ending March 31, 2023 are as follows: total revenue of ¥320,000 million; business profit of ¥81,000 million; operating profit of ¥76,500 million; profit before income tax of ¥76,500 million; and profit attributable to owners of the parent of ¥55,000 million. Thus, there is no change from the forecast figures released in the “Consolidated Financial Results for the Year Ended March 31, 2022” dated May 12, 2022.

Special Note:

This document contains “forward-looking statements,” or statements related to future events that are based on management’s assumptions and beliefs in light of information currently available. These statements are subject to various risks and uncertainties.

When relying on forward-looking statements to make investments, you should not place undue reliance on such forward-looking statements. Actual results may be affected by a number of important factors and may be materially different from those discussed in forward-looking statements. Such factors include, but are not limited to, changes in economic conditions affecting our operations, market trends and fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro.

2. Quarterly Condensed Consolidated Financial Statements and Notes

(1) Quarterly Condensed Consolidated Statement of Financial Position

| | Millions of Yen | |
|--|-------------------------|-----------------------------|
| | As of March 31, 2022 | As of September 30, 2022 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | ¥250,711 | ¥228,283 |
| Trade and other receivables | 29,054 | 27,689 |
| Inventories | 8,957 | 13,441 |
| Income tax receivables | 1,443 | 7,266 |
| Other current assets | 9,461 | 12,560 |
| Total current assets | 299,626 | 289,239 |
| Non-current assets | | |
| Property, plant and equipment, net | 138,869 | 151,713 |
| Goodwill and intangible assets | 45,392 | 49,852 |
| Investments accounted for using the equity method | 3,159 | 3,211 |
| Other investments | 1,231 | 1,108 |
| Other financial assets | 15,302 | 15,048 |
| Deferred tax assets | 23,671 | 23,264 |
| Other non-current assets | 1,363 | 1,546 |
| Total non-current assets | 228,987 | 245,742 |
| Total assets | 528,613 | 534,981 |
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Bonds and borrowings | 8,377 | 270 |
| Other financial liabilities | 9,106 | 8,657 |
| Trade and other payables | 33,486 | 31,766 |
| Income tax payables | 12,418 | 2,091 |
| Other current liabilities | 19,200 | 23,196 |
| Total current liabilities | 82,587 | 65,980 |
| Non-current liabilities | | |
| Bonds and borrowings | 59,775 | 59,797 |
| Other financial liabilities | 25,263 | 23,300 |
| Provisions | 10,450 | 10,310 |
| Deferred tax liabilities | 770 | 935 |
| Other non-current liabilities | 1,692 | 1,812 |
| Total non-current liabilities | 97,950 | 96,154 |
| Total liabilities | 180,537 | 162,134 |
| Equity | | |
| Share capital | 47,399 | 47,399 |
| Share premium | 75,027 | 78,044 |
| Treasury shares | (26,868) | (21,762) |
| Other components of equity | 6,701 | 15,363 |
| Retained earnings | 245,802 | 253,788 |
| Total equity attributable to owners of the parent | 348,061 | 372,832 |
| Non-controlling interests | 15 | 15 |
| Total equity | 348,076 | 372,847 |
| Total liabilities and equity | ¥528,613 | ¥534,981 |

(2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Quarterly Condensed Consolidated Statement of Profit or Loss

| | Millions of Yen | |
|--|--|--|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
| Revenue | | |
| Product sales revenue | ¥39,562 | ¥51,463 |
| Service and other revenue | 99,924 | 96,896 |
| Total revenue | 139,486 | 148,359 |
| Cost of revenue | | |
| Cost of product sales revenue | (18,471) | (25,746) |
| Cost of service and other revenue | (57,256) | (66,007) |
| Total cost of revenue | (75,727) | (91,753) |
| Gross profit | 63,759 | 56,606 |
| Selling, general and administrative expenses | (25,120) | (30,995) |
| Other income and other expenses, net | 471 | (215) |
| Operating profit | 39,110 | 25,396 |
| Finance income | 149 | 2,355 |
| Finance costs | (423) | (381) |
| (Loss) profit from investments accounted for using the equity method | (163) | 109 |
| Profit before income taxes | 38,673 | 27,479 |
| Income taxes | (11,114) | (7,632) |
| Profit for the period | 27,559 | 19,847 |
| Profit attributable to: | | |
| Owners of the parent | 27,558 | 19,847 |
| Non-controlling interests | ¥1 | ¥0 |

| | Yen | |
|---|--|--|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
| Earnings per share (attributable to owners of the parent) | | |
| Basic | ¥206.79 | ¥147.87 |
| Diluted | ¥203.47 | ¥146.48 |

Quarterly Condensed Consolidated Statement of Comprehensive Income

| | Millions of Yen | |
|---|--|--|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
| Profit for the period | ¥27,559 | ¥19,847 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Net change in fair value of equity financial assets measured at fair value through other comprehensive income | (9) | 36 |
| Total items that will not be reclassified to profit or loss | (9) | 36 |
| Items that may be reclassified to profit or loss: | | |
| Exchange differences on foreign operations | 187 | 8,386 |
| Total items that may be reclassified to profit or loss | 187 | 8,386 |
| Total other comprehensive income | 178 | 8,422 |
| Total comprehensive income for the period | 27,737 | 28,269 |
| Comprehensive income attributable to: | | |
| Owners of the parent | 27,736 | 28,269 |
| Non-controlling interests | ¥1 | ¥0 |

(3) Quarterly Condensed Consolidated Statement of Changes in Equity

Millions of Yen

| | Equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|--|---|---------------|-----------------|----------------------------|-------------------|----------|---------------------------|--------------|
| | Share capital | Share premium | Treasury shares | Other components of equity | Retained earnings | Total | | |
| Balance at April 1, 2021 | ¥47,399 | ¥74,399 | ¥(27,843) | ¥2,173 | ¥202,599 | ¥298,727 | ¥815 | ¥299,542 |
| Profit for the period | | | | | 27,558 | 27,558 | 1 | 27,559 |
| Other comprehensive income | | | | 178 | | 178 | | 178 |
| Total comprehensive income for the period | - | - | - | 178 | 27,558 | 27,736 | 1 | 27,737 |
| Purchase of treasury shares | | | (6) | | | (6) | | (6) |
| Disposal of treasury shares | | 1 | 0 | | | 1 | | 1 |
| Dividends | | | | | (6,727) | (6,727) | | (6,727) |
| Conversion of convertible bond-type bonds with subscription rights to shares | | 601 | 983 | | | 1,584 | | 1,584 |
| Total transactions with the owners | - | 602 | 977 | - | (6,727) | (5,148) | - | (5,148) |
| Balance at September 30, 2021 | ¥47,399 | ¥75,001 | ¥(26,866) | ¥2,351 | ¥223,430 | ¥321,315 | ¥816 | ¥322,131 |

Millions of Yen

| | Equity attributable to owners of the parent | | | | | | Non-controlling interests | Total equity |
|--|---|---------------|-----------------|----------------------------|-------------------|----------|---------------------------|--------------|
| | Share capital | Share premium | Treasury shares | Other components of equity | Retained earnings | Total | | |
| Balance at April 1, 2022 | ¥47,399 | ¥75,027 | ¥(26,868) | ¥6,701 | ¥245,802 | ¥348,061 | ¥15 | ¥348,076 |
| Profit for the period | | | | | 19,847 | 19,847 | 0 | 19,847 |
| Other comprehensive income | | | | 8,422 | | 8,422 | | 8,422 |
| Total comprehensive income for the period | - | - | - | 8,422 | 19,847 | 28,269 | 0 | 28,269 |
| Purchase of treasury shares | | | (7) | | | (7) | | (7) |
| Dividends | | | | | (11,621) | (11,621) | | (11,621) |
| Conversion of convertible bond-type bonds with subscription rights to shares | | 3,017 | 5,113 | | | 8,130 | | 8,130 |
| Transfer from other components of equity to retained earnings | | | | 240 | (240) | - | | - |
| Total transactions with the owners | - | 3,017 | 5,106 | 240 | (11,861) | (3,498) | - | (3,498) |
| Balance at September 30, 2022 | ¥47,399 | ¥78,044 | ¥(21,762) | ¥15,363 | ¥253,788 | ¥372,832 | ¥15 | ¥372,847 |

(4) Quarterly Condensed Consolidated Statement of Cash Flows

| | Millions of Yen | |
|--|--|--|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
| <i>Operating activities</i> | | |
| Profit for the period | ¥27,559 | ¥19,847 |
| Depreciation and amortization | 8,216 | 12,986 |
| Impairment losses | 128 | 188 |
| Interest and dividends income | (38) | (113) |
| Interest expense | 410 | 364 |
| Loss on sale or disposal of property, plant and equipment | 13 | 19 |
| Loss (profit) from investments accounted for using the equity method | 163 | (109) |
| Income taxes | 11,114 | 7,632 |
| Decrease in trade and other receivables | 4,332 | 4,036 |
| Decrease (increase) in inventories | 1,986 | (3,459) |
| Decrease in trade and other payables | (6,315) | (5,604) |
| Increase in prepaid expense | (3,000) | (2,446) |
| Decrease in contract liabilities | (4,631) | (1,452) |
| Other, net | (1,799) | (151) |
| Interest and dividends received | 38 | 113 |
| Interest paid | (363) | (329) |
| Income taxes refund (paid) | 5,718 | (18,742) |
| <i>Net cash provided by operating activities</i> | 43,531 | 12,780 |
| <i>Investing activities</i> | | |
| Capital expenditures | (10,829) | (25,225) |
| Payments for lease deposits | (569) | (134) |
| Proceeds from refunds of lease deposits | 1,211 | 834 |
| Payments for asset retirement obligations | (1,317) | (70) |
| Payments into time deposits | (574) | - |
| Proceeds from withdrawal of time deposits | 403 | - |
| Other, net | 102 | 163 |
| <i>Net cash used in investing activities</i> | (11,573) | (24,432) |
| <i>Financing activities</i> | | |
| Proceeds from short-term (more than 3 months) borrowings | 5,496 | - |
| Repayments of short-term (more than 3 months) borrowings | (5,496) | - |
| Principal payments of lease liabilities | (5,404) | (3,869) |
| Dividends paid | (6,720) | (11,606) |
| Other, net | (5) | (7) |
| <i>Net cash used in financing activities</i> | (12,129) | (15,482) |
| Effect of exchange rate changes on cash and cash equivalents | 151 | 4,706 |
| Net increase (decrease) in cash and cash equivalents | 19,980 | (22,428) |
| Cash and cash equivalents at the beginning of the period | 202,430 | 250,711 |
| <i>Cash and cash equivalents at the end of the period</i> | ¥222,410 | ¥228,283 |

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the six months ended September 30, 2021

| | Reportable segments | | | | | Intersegment eliminations | Consolidated |
|---|--------------------------|-----------|---------------------|---------|----------|------------------------------|--------------|
| | Digital Entertainment | Amusement | Gaming & Systems | Sports | Total | | |
| Revenue | | | | | | | |
| External customers | ¥98,299 | ¥9,125 | ¥12,274 | ¥19,788 | ¥139,486 | - | ¥139,486 |
| Intersegment | 333 | 834 | - | 154 | 1,321 | ¥(1,321) | - |
| Total | 98,632 | 9,959 | 12,274 | 19,942 | 140,807 | (1,321) | 139,486 |
| Business profit | ¥35,848 | ¥1,694 | ¥1,827 | ¥550 | ¥39,919 | ¥(1,280) | 38,639 |
| Other income and other expenses, net | - | - | - | - | - | - | 471 |
| Operating profit | - | - | - | - | - | - | 39,110 |
| Finance income and finance costs, net | - | - | - | - | - | - | (274) |
| Loss from investments accounted for using the equity method | - | - | - | - | - | - | (163) |
| Profit before income taxes | - | - | - | - | - | - | ¥38,673 |

For the six months ended September 30, 2022

Millions of Yen

| | Reportable segments | | | | | Intersegment eliminations | Consolidated |
|---|--------------------------|-----------|---------------------|---------|----------|------------------------------|--------------|
| | Digital Entertainment | Amusement | Gaming & Systems | Sports | Total | | |
| Revenue | | | | | | | |
| External customers | ¥102,390 | ¥6,437 | ¥17,080 | ¥22,452 | ¥148,359 | - | ¥148,359 |
| Intersegment | 313 | 742 | 39 | 8 | 1,102 | ¥(1,102) | - |
| Total | 102,703 | 7,179 | 17,119 | 22,460 | 149,461 | (1,102) | 148,359 |
| Business profit | ¥23,503 | ¥1,050 | ¥2,001 | ¥501 | ¥27,055 | ¥(1,444) | 25,611 |
| Other income and other expenses, net | - | - | - | - | - | - | (215) |
| Operating profit | - | - | - | - | - | - | 25,396 |
| Finance income and finance costs, net | - | - | - | - | - | - | 1,974 |
| Profit from investments accounted for using the equity method | - | - | - | - | - | - | 109 |
| Profit before income taxes | - | - | - | - | - | - | ¥27,479 |

(Notes)

1. Konami Group operates on a worldwide basis principally with the following four business segments:

| | |
|---------------------------|---|
| a) Digital Entertainment: | Production, manufacture and sale of digital content and related products including mobile games, card games and computer and video games. |
| b) Amusement: | Production, manufacture and sale of amusement machines. |
| c) Gaming & Systems: | Production, manufacture, sale and service of gaming machines and casino management systems for overseas markets. |
| d) Sports: | Operation of fitness activities and sports classes, including swimming, gymnastics, dance, soccer, tennis, and golf, and production and sale of sports related goods. |

2. Konami Group defines business profit associated with each segment as segment profit. Segment profit is determined by deducting “cost of revenue” and “selling, general and administrative expenses” from “revenue.” This does not include corporate expenses, finance income and finance costs, and certain non-regular expenses associated with each segment such as impairment losses on property, plant and equipment, goodwill and intangible assets.
3. Intersegment eliminations primarily consist of administrative expenses not directly associated with specific segments and eliminations of intercompany sales.
4. Other income and other expenses, net include impairment losses on property, plant and equipment and goodwill and intangible assets and profit or loss of sales and disposal on property, plant and equipment.

(ii) Geographic Information

Revenue from external customers

| | Millions of Yen | |
|-----------------|--|--|
| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
| Revenue: | | |
| Japan | ¥109,220 | ¥97,991 |
| United States | 18,203 | 33,308 |
| Europe | 6,465 | 9,297 |
| Asia/Oceania | 5,598 | 7,763 |
| Consolidated | ¥139,486 | ¥148,359 |

(Note)

For the purpose of presenting operations in the geographic areas above, Konami Group attributes revenues from external customers to individual countries in each area based on where Konami Group sold products or rendered services.