

Consolidated Financial Results for the Year Ended March 31, 2024 (Prepared in Accordance with IFRS)

May 9, 2024

KONAMI GROUP CORPORATION

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 Stock code number, TSE: 9766
 Ticker symbol, LSE: KNM
 URL: <https://www.konami.com/>
 Shares listed: Tokyo Stock Exchange and London Stock Exchange
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Date of General Shareholders Meeting: June 26, 2024 Beginning date of dividend payment: June 5, 2024

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

1. Consolidated Financial Results for the Year Ended March 31, 2024

(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 year	Profit attributable to owners of the parent
Year ended March 31, 2024	360,314	88,212	80,262	82,685	59,172	59,171
% change from previous year	14.6%	55.8%	73.8%	75.5%	69.6%	69.6%
Year ended March 31, 2023	314,321	56,611	46,185	47,120	34,895	34,895
% change from previous year	4.9%	(29.5)%	(38.0)%	(37.3)%	(36.3)%	(36.3)%

Total comprehensive income for the year: Year ended March 31, 2024: ¥67,917 million; 70.5%
 Year ended March 31, 2023: ¥39,834 million; (32.9)%

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)	Return on profit attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
Year ended March 31, 2024	436.50	436.50	14.7%	14.3%	22.3%
Year ended March 31, 2023	258.81	257.49	9.6%	8.8%	14.7%

Reference: Profit from investments accounted for using the equity method

Year ended March 31, 2024: ¥ 274 million

Year ended March 31, 2023: ¥ 137 million

(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	Equity attributable to owners of the parent per share (yen)
March 31, 2024	605,850	427,378	427,362	70.5%	3,152.62
March 31, 2023	547,223	376,279	376,264	68.8%	2,775.65

(3) Consolidated Cash Flows

(Millions of Yen)

	Net cash provided by (used in)			Cash and cash equivalents at the end of year
	Operating activities	Investing activities	Financing activities	
Year ended March 31, 2024	103,061	(29,216)	(24,199)	273,747
Year ended March 31, 2023	36,098	(42,786)	(27,467)	219,263

2. Cash Dividends

Record Date	Cash dividends per share (yen)					Total cash dividends (annual)	Payout ratio (consolidated)	Cash dividend rate for equity attributable to owners of the parent (consolidated)
	First quarter end	Second quarter end	Third quarter end	Year end	Annual			
Year ended March 31, 2023	-	62.00	-	62.00	124.00	¥16,805 million	47.9%	4.6%
Year ended March 31, 2024	-	62.00	-	69.00	131.00	¥17,758 million	30.0%	4.4%
Year ending March 31, 2025 (Forecast)	-	66.00	-	66.00	132.00		30.1%	

3. Consolidated Earnings Forecast for the Year Ending March 31, 2025

(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, 2025	380,000	92,500	84,500	84,500	59,500	438.93
% change from previous year	5.5%	4.9%	5.3%	2.2%	0.6%	

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 March 31, 2024	143,500,000 shares
As of March 31, 2023	143,500,000 shares
- Number of treasury shares:

As of March 31, 2024	7,942,166 shares
As of March 31, 2023	7,941,177 shares
- Average number of shares outstanding:

Year ended March 31, 2024	135,558,384 shares
Year ended March 31, 2023	134,830,397 shares

(Reference) Summary of Non-consolidated Financial Results

Results for the Year Ended March 31, 2024

(1) Non-consolidated Results of Operation

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

	Operating revenues	Operating income	Ordinary income	Net income
Year ended March 31, 2024	36,686	31,119	32,673	32,115
% change from previous year	(24.5)%	(28.8)%	(27.4)%	(27.5)%
Year ended March 31, 2023	48,576	43,677	44,997	44,322
% change from previous year	146.8%	171.8%	170.3%	169.9%

	Basic net income per share (yen)	Diluted net income per share (yen)
Year ended March 31, 2024	236.92	236.92
Year ended March 31, 2023	328.73	326.95

(2) Non-consolidated Financial Position

(Millions of Yen, except percentages)

	Total assets	Total net assets	Equity ratio	Net assets per share (yen)
March 31, 2024	366,557	303,183	82.7%	2,236.56
March 31, 2023	351,413	287,842	81.9%	2,123.38

Reference: Total Stockholders' equity

Year ended March 31, 2024: ¥303,183 million

Year ended March 31, 2023: ¥287,842 million

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 8 to 10 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 May 9, 2024.

1. Business Performance

(1) Overview of Business Performance

(i) Business Performance

For the year ended March 31, 2024, the domestic economy is expected to continue its moderate recovery, with the Bank of Japan's decision to lift its negative interest rate policy and driven by improvements in the employment and income environment, however, the situation still remains uncertain due to issues including surge in energy costs and raw material costs, the impact on the economy of tightening monetary policies around the world, concerns about the future of the Chinese economy and rising geopolitical risks.

Amidst these circumstances, in terms of the business results of Konami Group for the year ended March 31, 2024, total revenue and business profit reached record highs in the Digital Entertainment business due to an improvement in the profit margin of its core content and the launch of new titles, while the Amusement, Gaming & Systems, and Sports businesses also performed well, resulting in both total revenue and business profit exceeding the previous fiscal year in each business. As a result, total revenue, business profit, operating profit, profit before income taxes and profit attributable to owners of the parent all reached record highs.

In terms of the consolidated results for the fiscal year ended March 31, 2024, total revenue amounted to ¥360,314 million (a year-on-year increase of 14.6%), business profit was ¥88,212 million (a year-on-year increase of 55.8%), operating profit was ¥80,262 million (a year-on-year increase of 73.8%), profit before income taxes was ¥82,685 million (a year-on-year increase of 75.5%), and profit attributable to owners of the parent was ¥59,171 million (a year-on-year increase of 69.6%).

(ii) Performance by Business Segment

Summary of total revenue by business segment:

Millions of Yen, except percentages

	Year ended March 31, 2023	Year ended March 31, 2024	% change
Total revenue:			
Digital Entertainment	¥213,432	¥249,121	16.7
Amusement	19,533	26,427	35.3
Gaming & Systems	38,573	39,729	3.0
Sports	45,473	47,631	4.7
Intersegment eliminations	(2,690)	(2,594)	-
Total revenue	¥314,321	¥360,314	14.6

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.

Amidst these circumstances, as a new initiative for our business, we launched *Momotaro Dentetsu World -Chikyu wa Kibou de Mawatteru!-*, the latest title of the nationally popular board game series *Momotaro Dentetsu*. This title, which has shipped over a million units in total, has been well received by our customers. We also released *METAL GEAR SOLID: MASTER COLLECTION Vol.1*, the first installment of a collection that marks the trajectory of the *METAL GEAR* series. In the *PAWAFURU PUROYAKYU* series, we released *PAWAFURU PUROYAKYU Eikan Nine Cross Road*, which is the first new mobile baseball title in nine years of the series. Furthermore, we announced the appointment of Shohei Ohtani as an ambassador for KONAMI baseball games in celebration of the 30th anniversary of the *PAWAFURU PUROYAKYU* series and the 20th anniversary of the *Professional Baseball Spirits* series, which received considerable attention. We also launched *SILENT HILL: The Short Message*, a new title in the *SILENT HILL* series of psychological horror games. The first series installment in roughly a decade, the game is set in the present day and features familiar themes, such as social networking sites, to allow a younger generation—which has not previously been exposed to the series—to experience the world through the lens of psychological horror. On “Resella,” an NFT marketplace for providing blockchain technology-based services, we began NFT trading of the web3 project “PROJECT ZIRCON.” In addition, we established a new organization, “KONAMI Animation,” with the goal of creating animated movies.

As a continuation of an existing initiative, we began the distribution of *eFootball™ 2024*—in which we implemented a massive update—for consoles, PC, and mobile platforms. Not limited to evolving the game’s operability to allow users to play more intuitively, we also added functionality such as the new *My League* mode. The game has been very well received, and the total number of downloads has exceeded 700 million (750 million as of April 2024) worldwide. In addition, other titles such as *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, which developed measures including the re-appearance of Samurai Japan players who participated in the World Baseball Classic™, as well as *Yu-Gi-Oh! MASTER DUEL*, which implemented measures to commemorate 60 million downloads, continue to be well received by many of our customers. Furthermore, we held a special event “Yu-Gi-Oh! Duel Monsters: The Legend of Duelist QUARTER CENTURY” at the Tokyo Dome in February 2024 for the Yu-Gi-Oh! card game, which is developing a project to commemorate its 25th anniversary, that was attended by approximately 50,000 customers. On the day of the event, the response was highly enthusiastic, due to measures such as a booth where people could bring their own decks to have fun dueling, a live performance stage where people could enjoy well-known Yu-Gi-Oh! songs, and event-exclusive product sales.

In the eSports space, we held the tournament finals for *WBSC eBaseball™: POWER PROS*—the competition title for baseball in the “Olympics eSports Series 2023,” hosted by the International Olympic Committee (IOC)—as well as the world finals for the “eFootball™ Championship Open 2023,” and players fought in heated battles. The 2023 season was held for the “eBaseball Prospi A (Ace) League,” which we co-sponsor with the Nippon Professional Baseball Organization (NPB), and the best team was crowned at the e-Japan Series. Furthermore, the “Yu-Gi-Oh! World Championship 2023” to determine the world’s top duelist, an event which had been postponed in light of the COVID-19 situation and other factors, was held at Tokyo Big Sight for the first time in four years.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2024 in this segment amounted to ¥249,121 million (a year-on-year increase of 16.7%) and business profit for the fiscal year ended March 31, 2024 amounted to ¥79,363 million (a year-on-year increase of 49.7%).

Amusement

Both domestic and international amusement markets are gradually recovering. In addition, deregulation in the sector is creating new opportunities for growth.

Amidst these circumstances, in our medal game business, the medal pusher game *Momotaro Dentetsu - Medal game mo teiban!-*, which was released in the previous fiscal year, continues to be well received by many of our customers. In addition, we began the operation of *ColorCoLotta Maboroshi no Togenkyo*, the latest entry in the *ColorCoLotta* series of ball lottery games—in which players use balls to match colors with the “anima” of characters based on animal motifs. For video games targeted at amusement facilities in this business, we started operating *Polaris Chord*, a music game with simple controls which is easy for beginners to play, including a full lineup of popular songs with SNS buzz and songs by popular artists, and *beatmania IIDX 31 EPOLIS*, the latest game in the DJ simulation game series, which features a worldview set in a near-future city and distinctive yellow lights on a new cabinet. In prize games, we launched the *Konami Online Crane Game (Kona-Crane)* service, which allows users to play crane games on their PCs and smartphones.

In the pachinko and pachislot machine space, in addition to the launch of KONAMI’s first “smart pachislot” titles, *Boku girls Love Kyure 2* and *MAH-JONG FIGHT CLUB KAKUSEI, GI Derby Club Gold* was started its operation. Furthermore, we launched *Magical Halloween 8* in the market, which is a complete reproduction in a smart slot machine format of the long-running and popular *Magical Halloween 5*. This title has also maintained high utilization as the previous title.

In addition, we started the operation of *PACHINKO GI Derby Club 2 Lucky Trigger ver*, which is compliant with changes in pachinko regulations.

In the eSports space, the semifinals and finals for the “BEMANI PRO LEAGUE -SEASON 3- SOUND VOLTEX,” a pro league that fuses music and eSports, were held, and the championship team was chosen following three months of fierce competition after the season kickoff in January 2024. We also implemented in-game events to commemorate the “BEMANI PRO LEAGUE -SEASON 3-” being held. The events, which offered a new way to enjoy music games fused with the appeal of eSports, were met with a very enthusiastic response.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2024 in this segment amounted to ¥26,427 million (a year-on-year increase of 35.3%) and business profit for the fiscal year ended March 31, 2024 amounted to ¥5,187 million (a year-on-year increase of 86.4%).

Gaming & Systems

In the gaming market, the North American market and the Australian market are growing steadily. The market is becoming active due to the constant introduction of new products by competitors.

Amidst these circumstances, in our slot machine business, we introduced the new *DIMENSION 43x3™* cabinet from the *DIMENSION* series, which features the combination of three 43-inch monitors. Also, sales of *DIMENSION 27™* and *DIMENSION 49™*, which feature a 4K super high resolution monitor grew steadily. In participation (revenue-sharing cabinets), we continued to expand sales of *DIMENSION 49J™* with a 49-inch J-curved monitor, and *DIMENSION 75C™* with a 75-inch curved monitor.

In the terms of gaming content, multiple titles from KONAMI were nominated in “Annual Eilers Krejcik Gaming Slot Award Show,” the award show that the industry participants meet together and recognize excellence in slot game development, where the game contents were highly evaluated from the market. *All Aboard™* series is maintaining industry-leading operation, and in the North American market, such titles as *Stuffed Coins Toad™* and *Dragon’s Law Fortune Bags™* are also recording high performance. Furthermore, we introduced the newest *Unwooly Riches™* game series to the market, which players can enjoy delightful animations and effects brought from adorable animal characters. In the Australian market, *Bull Rush™* series maintained high performance.

In the casino management system, *SYNKROS®* went operational at Fontainebleau Las Vegas, a large-scale IR facility opened in Las Vegas in December 2023. The system’s high reliability has been well received by casino operators, and the number of installations continues to grow.

In terms of financial performance, total revenue for the fiscal year ended March 31, 2024 in this segment amounted to ¥39,729 million (a year-on-year increase of 3.0%) and business profit for the fiscal year ended March 31, 2024 amounted to ¥6,213 million (a year-on-year increase of 20.2%).

Sports

In the sports market, rising energy prices continue to impact on business environment. Meanwhile, demands for sport and health promotion is growing due to the normalization of social and economic activities in Japan.

Amidst these circumstances, in our operation of sports clubs, we engaged in initiatives such as expanding the number of facilities with supplement servers, allowing users to consume protein drinks and other beverages at any time before and after exercise. We also continue to enhance services offered inside the facilities as well as we promoted efforts to provide more customers with opportunities for exercise outside the facilities, such as special programs for “Konami Sports Online Fitness” in conjunction with Sports Day. In addition, we held “REVIVAL” and “UNITED FEEL,” the large-scale studio program events, at Konami Sports Clubs nationwide. We implemented the programs that can be enjoyed by more people, as popular instructors appeared in those events to provide participants with a different kind of excitement from the regular studio programs. We will continue promoting initiatives to provide better support for the physical fitness of our members.

For the “Undo Juku” exercise circle aimed at children, we are developing a variety of options to suit children, including swimming, gymnastics, and dance, to encourage physical growth through sport. We have opened new swimming schools at 11 facilities for the fiscal year ended March 31, 2024, and we have expanded to a total of 115 facilities. In addition, we held competitions and events for children who attend “Undo Juku” as spaces for them to demonstrate the results of their daily practice in various events. In those events, we made efforts to support children’s motivation and improvement of their skills, including quick lessons on a single point by representatives of Japanese national teams and by professional athletes. We also launched “Digital Note swimming school for adults,” a leveraged version of “Undo Juku Digital Note” which utilizes video and AI to improve the effectiveness of training, as a program for adults at 59 Konami Sports Clubs nationwide.

For “Pilates Mirror,” machine Pilates studios with mirrors on the ceiling, we opened 18 new studios in Tokyo and Kanagawa, bringing the total to 23. “Pilates Mirror” has been well received by many customers, with some of the studios having waiting lists for membership.

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 new contracted operations of sports facilities such as Tsugaru City, Aomori, Saitama City, Saitama, Asahi City, Chiba, Toshima-ku, Tokyo, Chuo-ku, Tokyo, and Gifu City, Gifu.

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

In terms of financial performance, total revenue for the fiscal year ended March 31, 2024 in this segment amounted to ¥47,631 million (a year-on-year increase of 4.7%) and business profit for the fiscal year ended March 31, 2024 amounted to ¥2,328 million (a year-on-year increase of 415.8%).

(iii) Outlook for the Fiscal Year Ending March 31, 2025

Projected consolidated results for the fiscal year ending March 31, 2025 are as follows: total revenue of ¥380,000 million; business profit of ¥92,500 million; operating profit of ¥84,500 million; profit before income tax of ¥84,500 million; and profit attributable to owners of the parent of ¥59,500 million.

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 for new initiatives going forward, in the baseball titles that Shohei Ohtani was appointed as an ambassador for KONAMI baseball games, we will release *PAWAFURU PUROYAKYU 2024-2025* to commemorate the 30th anniversary of the *PAWAFURU PUROYAKYU* series and *Professional Baseball Spirits 2024-2025* to commemorate the 20th anniversary of the *Professional Baseball Spirits* series.

As for ongoing efforts, we are diligently working toward the launch of *METAL GEAR SOLID Δ: SNAKE EATER*, which faithfully recreates the story, characters, and game design of *METAL GEAR SOLID 3 SNAKE EATER*, one of the most beloved entries in the *METAL GEAR* series, updates its graphical style to modern graphics for the current generation, as well as remakes and completely new title in the *SILENT HILL* series, which gained popularity as a psychological horror game. Besides, we are now developing new titles, *CYGNI: All Guns Blazing*, a new vertically scrolling shooter, and *ORE' N*, a browser game. We will also continue to promote attractive measures for currently available titles such as *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, *eFootball™ 2024*, and *Yu-Gi-Oh! MASTER DUEL*, so that even more customers will be able to enjoy them.

In the eSports space, we will hold the “eJ.League eFootball™ 2024 season”, an e-sports tournament with *eFootball™ 2024* as the competition title, in conjunction with the Japan Professional Football League (J.League). The 40 clubs in J1 and J2 will battle in club competition. The eight winning clubs who advance via online tournaments will compete in an offline tournament from the quarterfinals up to the finals, which will be held in Tokyo in May 2024, to determine the number one club in Japan. In addition, in September 2024, the final competition in the “Yu-Gi-Oh! World Championship 2024” eSports tournament will be held in Seattle, USA, to determine the world’s top Yu-Gi-Oh! duelist. In addition, the “ePremier12” eSports world championship hosted by the World Baseball Softball Confederation (WBSC) will be held at the Tokyo Dome in November 2024, with the official WBSC baseball game, *WBSC eBaseball™: POWER PROS*, as the competition title. 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 the medal game space, we plan to operate *PAWAFURU PUROYAKYU Kaimaku Medal Series!* which is themed around *PAWAFURU PUROYAKYU*, the popular KONAMI IP. Players draw lots by swinging at balls thrown by the pitcher at the right moment, which allows them to enjoy the fun of both a baseball game and a medal game. In the prize game space, we will roll out KONAMI's IP very popular content as amusement prizes to amusement facilities nationwide for the booming prize game market. In addition, we are moving forward with the production of *PUKURE*, a new type of crane game equipped with a searchlight, which provides players with a new sensation.

In the eSports tournament "BEMANI PRO LEAGUE," "BEMANI PRO LEAGUE -SEASON 4- beatmania IIDX" will be held. The competitions using the latest model *beatmania IIDX 31 EPOLIS* will be hotly contested, with the regular stage starting in June 2024 and continuing until the semi-finals and finals, which are scheduled to be held in October 2024. We are committed to adding to the excitement of the *BEMANI* series through the hosting of "BEMANI PRO LEAGUE."

In the pachinko and pachislot machine space, we will work diligently to bring a new lineup of products to the market that can be enjoyed by more people.

Through providing new user experiences, we will deliver the amusement and fun, 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, as competitors continue to introduce new products, the market environment is changing to one that requires greater product appeal. Under the circumstance, we will enhance our brand value by developing new game titles and the latest technological features.

In our slot machine business, we will further expand our lineup of the highly acclaimed *DIMENSION* series in the market. In our gaming contents, we will expand sales of the popular titles from our main game series, which are maintaining high performance, such as *Stuffed Coins™*, *Fortune Bags™*, *Fortune Pots™*, and also the new *Unwooly Riches™* which got off to a great start from its release. We will increase the presence of KONAMI in the market by developing new titles.

In our casino management system, *SYNKROS®* will be implemented to Ocean Casino Resort located in New Jersey, and to JACK Cleveland Casino and JACK Thistledown Racino located in Ohio, USA. We will continuously expand the system implementation and the number of casino facilities connected to *SYNKROS®*.

By proceeding with the development of various functions that utilize cutting-edge technologies, we will meet the needs of our customers and continue to expand our market share.

Sports

For the operation of sports clubs, we will continue striving to be able to provide more people with exercise opportunities through initiatives such as holding various events utilizing our popular studio programs. In addition, with the global sports festival that takes place every four years scheduled for July 2024, we believe that demand for sports will continue to grow. We will strive to improve our services in this business to meet that demand.

For the “Undo Juku” exercise circle aimed at children, we will continue our efforts to provide an environment for exercises which support children’s health and growth by hosting targeted competitions and events in various disciplines, including swimming, gymnastics, and dance.

For “Pilates Mirror,” machine Pilates studios with mirrors on the ceiling, we will open new studios at Shimotakaido, Shimokitazawa, Ogikubo, Hamadayama, Myogadani, Sengawa, Kokubunji, and Kunitachi in Tokyo, and Okurayama, Nakamachidai, and Mukogaoka-yuen in Kanagawa. We plan to expand the number of locations in the future so that even more people can experience “Pilates Mirror,” which will improve them mentally and physically.

As a new initiative, we will develop “Personal 30,” 30-minute intensive personal gym sessions based on the concept of “30 minutes to build a body you love.” We will provide efficient training in a short period of time, which we have been able to implement based on 50 years of experience in exercise instruction. The first studio, “Personal 30,” we opened in April 2024 at Kyodo in Tokyo.

With regard to the operation of outsourced facilities, we will begin contracted operations of sports facilities in new areas such as Machida City, Tokyo, Sagamihara City, Kanagawa, Kahoku City, Ishikawa, and Osaka City, Osaka from April 2024. In addition to operating facilities, we will engage in a variety of initiatives, such as holding various classes and events, so that people of all ages, from children to the elderly, will be able to use them. We will continue to make the most of our achievements and experiences to address local issues through sports and culture.

In the outsourced school swimming classes, we will continue to increase the number of schools we work with in order to solve various problems they face, improve children’s swimming skills and physical fitness, and enhance the swimming environment.

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

(2) Consolidated Financial Position

(i) Total Assets, Total Liabilities and Total Equity

Total Assets:

Total assets amounted to ¥605,850 million as of March 31, 2024, increasing by ¥58,627 million compared with March 31, 2023. This mainly resulted from an increase in cash and cash equivalents due to the stable performance in each business, despite a decrease in income tax receivables.

Total Liabilities:

Total liabilities amounted to ¥178,472 million as of March 31, 2024, increasing by ¥7,528 million compared with March 31, 2023. This primarily resulted from an increase in trade and other payables.

Total Equity:

Total equity amounted to ¥427,378 million as of March 31, 2024, increasing by ¥51,099 million compared with March 31, 2023. This mainly resulted from an increase in total equity attributable to owners of the parent due to recognition of profit for the year and impact of fluctuations in exchange rate, despite payment of dividends.

Ratio of equity attributable to owners of the parent as of March 31, 2024 was 70.5%, increasing by 1.7 points compared with March 31, 2023.

(ii) Cash Flows

	Millions of Yen		
	Year ended March 31, 2023	Year ended March 31, 2024	Change
Cash flow summary:			
Net cash provided by operating activities	¥36,098	¥103,061	¥66,963
Net cash used in investing activities	(42,786)	(29,216)	13,570
Net cash used in financing activities	(27,467)	(24,199)	3,268
Effect of exchange rate changes on cash and cash equivalents	2,707	4,838	2,131
Net (decrease) increase in cash and cash equivalents	(31,448)	54,484	85,932
Cash and cash equivalents at the end of the year	¥219,263	¥273,747	¥54,484

Cash and cash equivalents (hereafter, referred to as “Net cash”), as of March 31, 2024, amounted to ¥273,747 million, an increase of ¥54,484 million compared to the year ended March 31, 2023.

Cash flow summary for each activity for the year ended March 31, 2024 is as follows:

Cash flows from operating activities:

Net cash provided by operating activities amounted to ¥103,061 million for the year ended March 31, 2024, a year-on-year increase of 185.5%. This primarily resulted from an increase in profit for the year and a decrease in income taxes paid.

Cash flows from investing activities:

Net cash used in investing activities amounted to ¥29,216 million for the year ended March 31, 2024, a year-on-year decrease of 31.7%. This primarily resulted from a decrease in capital expenditures.

Cash flows from financing activities:

Net cash used in financing activities amounted to ¥24,199 million for the year ended March 31, 2024, a year-on-year decrease of 11.9%. This primarily resulted from a decrease in dividends paid.

(iii) Basic Policy on the Distribution of Profits

Konami Group believes that the provision of dividends and the enhancement of corporate value are important ways to return profits to our shareholders. It is our policy to emphasize payment of dividends as a target of a consolidated payout ratio of more than 30% and to use retained earnings for investments focused on business fields with good future prospects in order to continually reinforce Konami Group's growth potential and competitiveness.

The year-end dividend for the consolidated year ended March 31, 2024 will be 69.00 yen per share. As a result, the dividends on an annual basis will be 131.00 yen per share including the distributed interim dividend (62.00 yen per share).

The dividend forecast on an annual basis for the fiscal year ending March 31, 2025 will be 132.00 yen per share.

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. Basic Policy on the Selection of Accounting Standards

The Company has voluntarily adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2015, for the purpose of enhancing comparability with the financial information of overseas companies in the same industry.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	¥219,263	¥273,747
Trade and other receivables	39,276	43,887
Inventories	12,705	13,764
Income tax receivables	9,486	603
Other current assets	9,311	11,859
Total current assets	290,041	343,860
Non-current assets		
Property, plant and equipment, net	155,788	154,454
Goodwill and intangible assets	49,553	57,226
Investments accounted for using the equity method	3,239	3,456
Other investments	1,890	1,768
Other financial assets	15,001	15,300
Deferred tax assets	30,220	28,275
Other non-current assets	1,491	1,511
Total non-current assets	257,182	261,990
Total assets	547,223	605,850
Liabilities and equity		
Liabilities		
Current liabilities		
Other financial liabilities	8,751	9,263
Trade and other payables	37,558	44,257
Income tax payables	9,760	10,615
Other current liabilities	19,025	21,791
Total current liabilities	75,094	85,926
Non-current liabilities		
Bonds and borrowings	59,819	59,862
Other financial liabilities	23,050	20,262
Provisions	10,031	9,527
Deferred tax liabilities	1,141	1,192
Other non-current liabilities	1,809	1,703
Total non-current liabilities	95,850	92,546
Total liabilities	170,944	178,472
Equity		
Share capital	47,399	47,399
Share premium	78,144	78,144
Treasury shares	(21,594)	(21,603)
Other components of equity	11,880	20,625
Retained earnings	260,435	302,797
Total equity attributable to owners of the parent	376,264	427,362
Non-controlling interests	15	16
Total equity	376,279	427,378
Total liabilities and equity	¥547,223	¥605,850

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

Consolidated Statement of Profit or Loss

	Millions of Yen	
	Year ended March 31, 2023	Year ended March 31, 2024
Revenue		
Product sales revenue	¥106,833	¥116,807
Service and other revenue	207,488	243,507
Total revenue	314,321	360,314
Cost of revenue		
Cost of product sales revenue	(53,732)	(55,868)
Cost of service and other revenue	(138,198)	(144,409)
Total cost of revenue	(191,930)	(200,277)
Gross profit	122,391	160,037
Selling, general and administrative expenses	(65,780)	(71,825)
Other income and other expenses, net	(10,426)	(7,950)
Operating profit	46,185	80,262
Finance income	1,550	2,814
Finance costs	(752)	(665)
Profit from investments accounted for using the equity method	137	274
Profit before income taxes	47,120	82,685
Income taxes	(12,225)	(23,513)
Profit for the year	34,895	59,172
Profit attributable to:		
Owners of the parent	34,895	59,171
Non-controlling interests	¥0	¥1

	Yen	
	Year ended March 31, 2023	Year ended March 31, 2024
Earnings per share (attributable to owners of the parent)		
Basic	¥258.81	¥436.50
Diluted	¥257.49	¥436.50

Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Year ended March 31, 2023	Year ended March 31, 2024
Profit for the year	¥34,895	¥59,172
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	511	(167)
Total items that will not be reclassified to profit or loss	511	(167)
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	4,428	8,912
Total items that may be reclassified to profit or loss	4,428	8,912
Total other comprehensive income	4,939	8,745
<i>Total comprehensive income for the year</i>	39,834	67,917
Comprehensive income attributable to:		
Owners of the parent	39,834	67,916
Non-controlling interests	¥0	¥1

(3) 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, 2022	¥47,399	¥75,027	¥(26,868)	¥6,701	¥245,802	¥348,061	¥15	¥348,076
Profit for the year					34,895	34,895	0	34,895
Other comprehensive income				4,939		4,939		4,939
Total comprehensive income for the year	-	-	-	4,939	34,895	39,834	0	39,834
Purchase of treasury shares			(9)			(9)		(9)
Dividends					(20,022)	(20,022)		(20,022)
Conversion of convertible bond-type bonds with subscription rights to shares		3,117	5,283			8,400		8,400
Transfer from other components of equity to retained earnings				240	(240)	-		-
Total transactions with the owners	-	3,117	5,274	240	(20,262)	(11,631)	-	(11,631)
Balance at March 31, 2023	¥47,399	¥78,144	¥(21,594)	¥11,880	¥260,435	¥376,264	¥15	¥376,279

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, 2023	¥47,399	¥78,144	¥(21,594)	¥11,880	¥260,435	¥376,264	¥15	¥376,279
Profit for the year					59,171	59,171	1	59,172
Other comprehensive income				8,745		8,745		8,745
Total comprehensive income for the year	-	-	-	8,745	59,171	67,916	1	67,917
Purchase of treasury shares			(9)			(9)		(9)
Disposal of treasury shares		0	0			0		0
Dividends					(16,809)	(16,809)		(16,809)
Total transactions with the owners	-	0	(9)	-	(16,809)	(16,818)	-	(16,818)
Balance at March 31, 2024	¥47,399	¥78,144	¥(21,603)	¥20,625	¥302,797	¥427,362	¥16	¥427,378

(4) Consolidated Statement of Cash Flows

	Millions of Yen	
	Year ended March 31, 2023	Year ended March 31, 2024
<i>Operating activities</i>		
Profit for the year	¥34,895	¥59,172
Depreciation and amortization	23,845	23,267
Impairment losses	3,562	3,778
Interest and dividends income	(397)	(1,357)
Interest expense	721	639
Loss on sale or disposal of property, plant and equipment	3,323	4,053
Profit from investments accounted for using the equity method	(137)	(274)
Income taxes	12,225	23,513
Increase in trade and other receivables	(8,749)	(2,218)
(Increase) decrease in inventories	(3,309)	293
Increase in trade and other payables	478	3,288
Decrease (increase) in prepaid expense	66	(1,125)
(Decrease) increase in contract liabilities	(1,788)	2,885
Other, net	913	(2,085)
Interest and dividends received	370	1,336
Interest paid	(664)	(596)
Income taxes paid	(29,256)	(11,508)
<i>Net cash provided by operating activities</i>	36,098	103,061
<i>Investing activities</i>		
Capital expenditures	(43,779)	(29,316)
Payments for lease deposits	(884)	(105)
Proceeds from refunds of lease deposits	1,812	397
Other, net	65	(192)
<i>Net cash used in investing activities</i>	(42,786)	(29,216)
<i>Financing activities</i>		
Principal payments of lease liabilities	(7,459)	(7,395)
Dividends paid	(20,000)	(16,796)
Other, net	(8)	(8)
<i>Net cash used in financing activities</i>	(27,467)	(24,199)
Effect of exchange rate changes on cash and cash equivalents	2,707	4,838
Net (decrease) increase in cash and cash equivalents	(31,448)	54,484
Cash and cash equivalents at the beginning of the year	250,711	219,263
<i>Cash and cash equivalents at the end of the year</i>	¥219,263	¥273,747

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the year ended March 31, 2023

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥212,750	¥17,964	¥38,453	¥45,154	¥314,321	-	¥314,321
Intersegment	682	1,569	120	319	2,690	¥(2,690)	-
Total	213,432	19,533	38,573	45,473	317,011	(2,690)	314,321
Business profit	¥53,009	¥2,782	¥5,169	¥451	¥61,411	¥(4,800)	56,611
Other income and other expenses, net	-	-	-	-	-	-	(10,426)
Operating profit	-	-	-	-	-	-	46,185
Finance income and finance costs, net	-	-	-	-	-	-	798
Profit from investments accounted for using the equity method	-	-	-	-	-	-	137
Profit before income taxes	-	-	-	-	-	-	¥47,120

For the year ended March 31, 2024

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥248,462	¥24,916	¥39,636	¥47,300	¥360,314	-	¥360,314
Intersegment	659	1,511	93	331	2,594	¥(2,594)	-
Total	249,121	26,427	39,729	47,631	362,908	(2,594)	360,314
Business profit	¥79,363	¥5,187	¥6,213	¥2,328	¥93,091	¥(4,879)	88,212
Other income and other expenses, net	-	-	-	-	-	-	(7,950)
Operating profit	-	-	-	-	-	-	80,262
Finance income and finance costs, net	-	-	-	-	-	-	2,149
Profit from investments accounted for using the equity method	-	-	-	-	-	-	274
Profit before income taxes	-	-	-	-	-	-	¥82,685

(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, computer and video games, and card 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	
	Year ended March 31, 2023	Year ended March 31, 2024
Revenue:		
Japan	¥215,702	¥256,743
United States	66,185	65,151
Europe	16,236	20,353
Asia/Oceania	16,198	18,067
Consolidated	¥314,321	¥360,314

(Note)

For the purpose of presenting operations in the geographic areas above, revenue from external customers is categorised based on the geographical location of each Konami Group company.

(7) Earnings per Share

	Year ended March 31, 2023	Year ended March 31, 2024
Profit attributable to owners of the parent	34,895million yen	59,171million yen
Adjustments for profit used in the calculation of diluted earnings per share	9million yen	-million yen
Profit used in the calculation of diluted earnings per share	34,904million yen	59,171million yen
Basic weighted average ordinary shares outstanding	134,830,397shares	135,558,384shares
Adjustments for convertible bond-type bonds with subscription rights to shares	728,583shares	-shares
Basic weighted average ordinary shares outstanding used in the calculation of diluted earnings per share	135,558,980shares	135,558,384shares
Earnings per share attributable to owners of the parent for the year		
Basic	258.81yen	436.50yen
Diluted	257.49yen	436.50yen

(Note)

Diluted earnings per share attributable to owners of the parent for the year ended March 31, 2024 is presented as same amount as basic earnings per share attributable to owners of the parent for the period, since there are no potentially dilutive ordinary shares for the relevant period.

(8) Subsequent Events

None