

KONAMI

Fiscal 2020 Konami Group Report

April 1, 2019 – March 31, 2020

KONAMI HOLDINGS CORPORATION

To Our Shareholders

On behalf of the Konami Group, I would like to express our gratitude to all of our shareholders for their ongoing support.

Before any other matters, I extend my deepest sympathies to all those who have contracted or have been affected by COVID-19. In addition, I offer my utmost respect to the healthcare professionals on the front lines working to prevent the spread of this infection.

Since its founding in 1969, the Konami Group has always had a pioneering spirit and the foresight to understand the world's needs. By keeping abreast of the changing trends and technologies, it has continued to read the waves and ride them at their peak.

In the entertainment field, our businesses will continue to expand as we move into the future with the advancement of electronics such as mobile devices and home game consoles, as well as with the emergence of new distribution platforms that utilize cloud technology. What is more, with the evolution of technologies such as AI, 5G, and blockchain, as well as the increasing recognition of esports as a sporting event, we expect the market to be revitalized by inventive new ways to enjoy games. In addition, the growing trend toward digitalization and online consumption has led to the expansion of subscription-based businesses, creating an environment for improved profitability and robust business results.

In a move relevant to the sports market, the national government formulated Japan's second Sport Basic Plan and is promoting initiatives to realize a society where the majority of people actively participate in sports. In an aging society, extending life expectancy has never been more important and there is a growing need for and interest in sports as a whole.

In such an environment, and as a group that provides products and services in both entertainment and sports, our



target business markets are showing significant growth, with opportunities for further expansion on the rise as well.

In addition to aiming for long-term growth as a company, we believe that it is increasingly important to integrate ESG (environmental, social, and governance) into our operations from the perspective of sustainable social development.

By working together with our stakeholders to achieve both business growth and a sustainable society, we aim to be an enterprise that both elicits high expectations from and is deemed necessary by society.

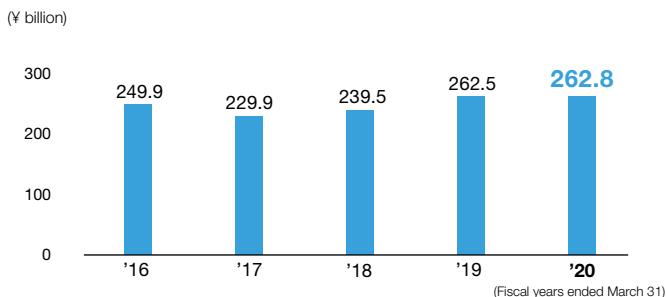
As we work toward this goal, we would like to ask for the continued support of all of our shareholders.

Kimihiko Higashio
Representative Director, President

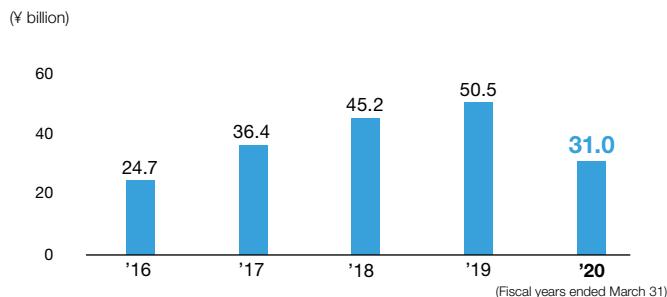
Consolidated Financial Highlights

Note: Figures are in accordance with International Financial Reporting Standards (IFRS).

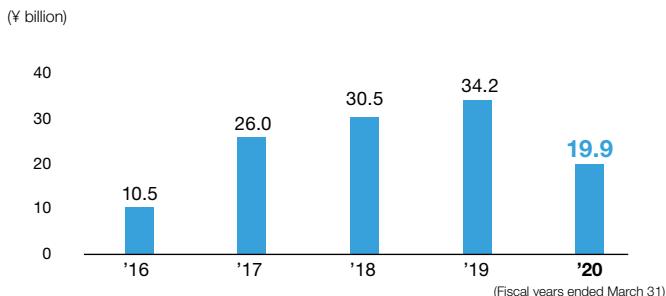
Total Revenue



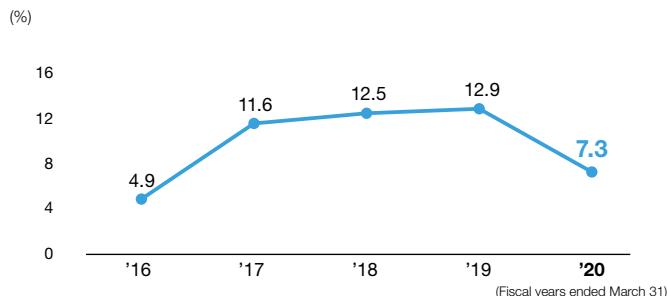
Operating Profit



Profit Attributable to Owners of the Parent



ROE (Return on Equity)



In terms of the consolidated results for the fiscal year ended March 31, 2020, total revenue amounted to ¥262,810 million (a year-on-year increase of 0.1%), operating profit was ¥30,972 million (a year-on-year decrease of 38.7%), profit before income taxes was ¥30,395 million (a year-on-year decrease of 39.6%), and profit attributable to owners of the parent was ¥19,892 million (a year-on-year decrease of 41.8%).

In the Digital Entertainment Business, mobile games such as *Yu-Gi-Oh! DUEL LINKS*, *eFootball Winning Eleven 2020* (known overseas as *eFootball PES 2020*), and *PROFESSIONAL BASEBALL SPIRITS A (Ace)* continued to perform favorably in Japan and overseas. Meanwhile, as part of our continued efforts in esports, we hosted the final round of the *PAWAPURO APP CHAMPIONSHIPS 2019* season, an esports tournament that decides the best players in the *JIKKYOU PAWAFURU PUROYAKYU* series.

In the Amusement Business, *MAH-JONG FIGHT CLUB GRAND MASTER*, *BOMBERGIRL*, and other video games continued to perform strongly. Furthermore, in the fiscal year under review, we also began operation of medal

games such as *ColorCoLotta: Aim for the win! Dream Treasure Island* and *SMASH STADIUM*, released the prize game *TREASURE ROAD*, and launched the latest titles in two popular series, *Magical Halloween 7* and *SKYGIRLS: Wings of Zero*.

In the Gaming & Systems Business, video slot machines such as *KX 43™*, a new upright cabinet, and the *Concerto™* series of machines enjoyed ongoing strong sales. Moreover, the *SYNKROS®* casino management system also continued to be steadily introduced on large cruise ships and with casino operators in the North American and Oceanian markets.

In the Sports Business, we took steps to provide customers with the tools to achieve fit lifestyles, which included making changes to our personal improvement programs. In addition, we opened our "Small-Group Swimming School" at two locations in Tokyo. At these schools, individual training is provided by former members of Japan's national swimming team employed as coaches. We also continued to expand our lineup in each category of our "Konami Sports Club Original" brand and other sports-related products.

For more detailed financial data, please visit the KONAMI website and go to the Financial Information page.

<https://www.konami.com/ir/en/ir-data/>

Topics

Digital Entertainment



eBASEBALL PAWAFURU PUROYAKYU 2020 Nears Release Date KONAMI's Long-Beloved Baseball Content

The newest title in the *JIKKYOU PAWAFURU PUROYAKYU* series, *eBASEBALL PAWAFURU PUROYAKYU 2020*, is slated for release on July 9, 2020.

The *PAWAPURO* series is KONAMI's flagship series of baseball games, enjoyed for over 25 years since its first console game release in 1994. In 2018, KONAMI began co-hosting the *eBASEBALL Pro League* in cooperation with the Nippon Professional Baseball Organization (NPB), and an early decision has been made to run the league for a third year. The series is the subject of attention for producing esports competition titles.

eBASEBALL PAWAFURU PUROYAKYU 2020 has added elements that increase its appeal. For the first time, "Powerful Festival," "LIVE Scenario," and "EIKAN NINE" modes are available on the Nintendo Switch™, and for the first time on PlayStation®4, up to four people can enjoy co-op play with family and friends.

KONAMI will continue to deliver attractive products and services full of fun to an even greater number of customers.

Amusement



Presenting Our Flagship Model—The Pinnacle of Gameplay Environments The *beatmania IIDX LIGHTNING MODEL*

The newest cabinet model in KONAMI's popular rhythm game series *beatmania IIDX* is currently in operation in amusement facilities across Japan, to favorable reviews.

This model is the first in the BEMANI series to come with a 120Hz monitor, and has features that include much-demanded light-touch buttons and a new turntable with an adjustable level of spin, allowing the player to enjoy the pinnacle of gameplay environments. In addition, the enveloping design, which surrounds the player with sound effects, and LED light decorations that flash based on the music bring more ambiance to the experience than ever before.

What is more, the cabinet has garnered attention in the esports market, having been chosen as a competition title in the BEMANI PRO LEAGUE, Japan's first professional league for rhythm games.

KONAMI will continue to use its cultivated knowledge to develop innovative rhythm games and bring life to amusement facilities.

Gaming & Systems



Debuting *DIMENSION 49J™*—The Latest in 4K Video Slot Machines Unveiled at the Industry’s Largest Exhibitions

In 2019, *DIMENSION 49J™*, KONAMI’s latest 4K video slot machine cabinet, premiered at two of the world’s largest gaming industry events: Global Gaming Expo (G2E) Las Vegas and ICE London, receiving high praise from the many industry representatives in attendance.

The cutting-edge *DIMENSION 49J™* cabinet features a 49-inch, ultrahigh-definition screen. We also presented some of our other products at these events in a manner never before seen, with multiple slot machines revealed together with large animated displays and custom chairs fitted with monitors on the back, effectively raising interest in the machines’ new elements and establishing a powerful presence that garnered major attention on the exhibition floor.

We will continue to develop innovative products to provide people around the world with new ways to enjoy themselves and to add value to their daily lives.

Sports



Helping People Achieve a Tight and Functional Core Introducing Our New Training Program, **BEST CORE**

KONAMI has introduced BEST CORE, a new personal training program aimed at developing a tight and functional core (abdominal muscles and lower back). This is the fifth personal program provided by Konami Sports Club.

The program’s most distinctive feature is the “core conditioning cycle,” Konami Sports’ proprietary training method, which has been lauded by a wide range of customers, including those who are self-conscious about their spare tire, those looking to develop a strong six-pack, or those seeking a competitive edge.

In addition, we are aggressively promoting the development of home fitness products, such as the latest model in our Aero Bike line of home fitness bicycles, the Aero Bike EXS, equipped with Bluetooth® functionality. The bike is currently planned for release in summer 2020.

In the future, we will continue to provide products and services that meet the needs of our customers and support them as they work to achieve their ideal body and health goals.

Aiming for Further Market Growth and Invigoration KONAMI's esports Development

Bringing the competitive nature of sports to video games, esports has shown a particular rise in popularity in North America and Asia, with the number of tournament spectators and viewers continuing to grow to the scale of major traditional sports.

In the field of Digital Entertainment, KONAMI has sponsored world championships for the *Winning Eleven* series since 2001 and the *Yu-Gi-Oh! TRADING CARD GAME* series since 2003. In addition, the Company has also sponsored the *JIKKYOU PAWAFURU PUROYAKYU* series championship in Japan since its inauguration in 2016. Furthermore, KONAMI worked with the Ehime Kokutai (72nd National

Sports Festival) cultural program to hold an e-baseball tournament in 2017, while in 2018 the Company co-sponsored the *eBASEBALL Pro League* in cooperation with the Nippon Professional Baseball Organization (NPB). In these ways, we are working to expand the fan base of esports and invigorate the market thereof.

The 2019 season of the *eBASEBALL Pro League*, its second year, yielded several high-level games. At esports GINZA studio on January 25, 2020, the Yomiuri Giants took the crown as Japan's top team at the *eBASEBALL Pro League 2019 season SMBC eNippon Series*. After the game, NPB Commissioner Atsushi Saito announced the decision to hold the

The *eBASEBALL Pro League 2019 season SMBC eNippon Series*



Players on the Yomiuri Giants team

(Held on January 25, 2020, at esports GINZA studio)

©Nippon Professional Baseball / ©Konami Digital Entertainment

Nippon Professional Baseball Virtual Opening Game 2020



Yomiuri Giants vs. Yokohama DeNA BayStars (Central League)

(Held on March 29, 2020, via online distribution)

「プロ野球」バーチャル開幕戦2020
©Nippon Professional Baseball / ©Konami Digital Entertainment

The 9th KONAMI Arcade Championship



GITADORA

(Held on February 1, 2020, at esports GINZA studio)



beatmania IIDX

(Held on February 8, 2020, at Makuhari Messe)

eBASEBALL Pro League 2020 season, prompting big smiles from the players and thunderous applause at the venue.

With the postponement of the professional baseball season opener, we gave fans the opportunity to enjoy professional baseball by co-hosting Nippon Professional Baseball Virtual Opening Game 2020 with NPB. Through these actions and others, the *JIKKYOU PAWAFURU PUROYAKYU* series championship is driving the development of esports even further.

Similarly, in the Amusement field, we have sponsored events across a variety of esports genres, including the KONAMI Arcade Championship (KAC), an official esports tournament to find the ultimate arcade gamer, sponsored since 2011. Another especially notable example attracting much attention is Japan's first esports league for rhythm games, the BEMANI PRO LEAGUE, launched in 2019.

The BEMANI PRO LEAGUE follows a format whereby company-sponsored teams compete in league games and

vie for victory. In the first year of the league, *beatmania IIDX*, mentioned previously in the Topics section of this report, was selected as a competition title.

Players who pass the qualifying test conducted by KONAMI become professional players by being assigned to a four-player team during a draft meeting and then signing a contract with that team. The six-month season consists of three stages: the "Regular Season," the "Semi-Final Season," which is contested by the top three teams during the Regular Season, and the "Final Season," in which the remaining two teams compete. All eyes are on how these matches will develop going forward.

Through these activities, KONAMI will continue to provide enjoyment and excitement to customers all over the world and contribute to the further expansion and invigoration of esports in Japan.

Corporate Data

Company Name	KONAMI HOLDINGS CORPORATION
Headquarters	1-11-1, Ginza, Chuo-ku, Tokyo 104-0061, Japan Tel: 81-3-6636-0573 Fax: 81-3-6893-1573
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,398 million
Consolidated Employees	10,392 (As of March 31, 2020) (Including temporary employees, converted at 160 hours per month)
Website	https://www.konami.com

Stock Information (As of March 31, 2020)

Common Stock	
Authorized	450,000,000 shares
Outstanding	143,500,000 shares (Including 10,285,500 treasury shares)
Number of Shareholders	30,520

The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,800	18.62
Kozuki Foundation	17,100	12.84
KOZUKI HOLDING B.V.	15,700	11.79
Japan Trustee Services Bank, Ltd. (Trust Account)	13,572	10.19
Kozuki Capital Corporation	7,048	5.29
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2,845	2.14
Japan Trustee Services Bank, Ltd. (Trust Account 7)	1,744	1.31
JP MORGAN CHASE BANK 385151	1,638	1.23
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,454	1.09
STATE STREET BANK WEST CLIENT - TREATY 505234	1,358	1.02

Note: The above shareholding ratios are calculated after the deduction of treasury shares.

Guide to Investor Relations (IR) Site

Our website includes an IR section that provides easy access to our latest financial information, news releases, and other relevant IR information.

<https://www.konami.com/ir/en/>

Shareholder Information

Fiscal Year-End	March 31
Ordinary General Meeting of Shareholders	June
Record Dates for Shareholders	Annual shareholders' meeting: March 31 Year-end dividend: March 31 Interim dividend: September 30 Other (when necessary): As announced in advance
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Location of Transfer Agent	Handling Office Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Mailing Address	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
Website	https://www.smtb.jp/tools/english
Public Notices	Shown on the Company's website: https://www.konami.com/ir/en/
Stock Exchange Listings	Tokyo and London

For ADR Holders

Depository and Transfer Agent for American Depositary Receipts	JPMorgan Chase Bank, N.A. 383 Madison Avenue, Floor 11, New York, NY 10179, U.S.A.
ADR Holder Contact	JPMorgan Service Center
Telephone Inquiries	Toll-free U.S.A. & Canada: 1-800-990-1135 Outside U.S.A.: 1-651-453-2128 An automated IVR system is available 24 hours a day, seven days a week. Representatives are available from 8:00 a.m. to 8:00 p.m. EST on weekdays.
Website	Visit https://www.adr.com and go to the "CONTACT" section, and then refer to the "REGISTERED ADR HOLDERS" section.
Mail for Regular Correspondence	P.O. Box 64504, St. Paul, MN 55164-0504, U.S.A.