

# To Our Shareholders

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I sincerely hope that this interim report finds our shareholders in good health and happiness.

In the Japanese economy in which the Konami Group operates, corporate earnings and the employment and income environment continue to improve, while personal consumption is following a course of moderate recovery. Nonetheless, the future of the global economy remains uncertain, due in part to concerns about a worldwide economic slowdown resulting from trade friction between the United States and China, growing instability in the Middle East, and confusion caused by the Brexit impasse.

In the entertainment market, game content is expected to evolve as mobile devices and home video game consoles become increasingly advanced, and as next-generation communications systems become standardized. In addition, the field of esports, which brings the competitiveness of sports to games, is garnering more recognition and is one of the new ways through which customers are able to enjoy our content.

In the amusement arcade market, a variety of industry-wide efforts have led to a growing acknowledgment of amusement facilities as legitimate gathering places for a broad range of users, and the market is fundamentally trending toward growth. Moreover, the spread of esports has resulted in large numbers of esports tournaments being held, not only in Japan but also around the world, and players are enjoying games in a diversifying range of ways.

The gaming business saw ongoing market growth amid the global development and opening of casino facilities and integrated resorts that house casinos. Moreover, online gaming also continues to grow, particularly in Europe. We are also making efforts to revitalize the gaming business by attracting younger consumers.

In the sports market, the national government formulated Japan's second Sport Basic Plan and is promoting initiatives designed to increase the number of people who participate



in sports activities, while sports are attracting growing interest in society as a whole. Moreover, we expect further market revitalization and growth spurred by some of the world's largest sports events coming up on the horizon.

Under such circumstances, the Konami Group has responded to diversifying customer needs in an appropriate manner.

At Konami Creative Center Ginza, the Group's soon-to-be-completed business base, there will be a studio to broadcast esports tournaments, a school for cultivating esports-related human resources, and an interactive show-room. With Konami Creative Center Ginza as a base, we will strive to contribute to the development of the esports industry. As we work toward this goal, we would like to ask for the continued support of all our shareholders.

**Takuya Kozuki**  
President and Representative Director