

# KONAMI

## Fiscal 2021 Konami Group Report

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April 1, 2020 – March 31, 2021

KONAMI HOLDINGS CORPORATION

# To Our Shareholders

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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 would like to extend my thoughts and prayers to all of those who have contracted or have been affected by COVID-19. In addition, I offer my utmost respect and gratitude to healthcare professionals and others working on the front lines to treat this disease and prevent infection.

In fiscal 2020, the year ended March 31, 2021, despite the impact of the COVID-19 pandemic throughout the year, the Digital Entertainment Business drove results, yielding an extremely strong financial performance. The Konami Group's success in accurately understanding the entertainment needs that emerged during the COVID-19 pandemic, and in enabling people around the world to enjoy the content and services offered by KONAMI, resulted in business profit reaching a record high, greatly surpassing the previous record.

As a result of this strong financial performance, the total dividend for the year will be ¥73.00 per share, an increase of ¥28.00 compared to the previous fiscal year. Going forward, we will strive to improve our growth and financial performance to further increase dividends.

The entertainment field is expected to continue to be fueled and developed by the evolution of technology, including artificial intelligence (AI), fifth generation mobile communications (5G), cloud technology, and non-fungible tokens (NFTs); the accelerated pace of digital transformation; the growth of esports; and other advancements. While the fields of KONAMI's content and the services we provide continue to expand in the future, we will continue to take on the challenge of further developing our businesses. In the sports market, a new need arose for taking online classes at home in the face of growing health concerns about insufficient exercise due to people refraining from going out and teleworking. Accordingly, we launched new services to meet those needs. In the course of our more than 50 years of history, people's tastes, preferences, and technologies have changed significantly, but the Konami Group has been able to adapt to these changes flexibly and has evolved to the present day. Although the world is currently facing rapid changes, we believe this is a good opportunity to further display these strengths. Please continue to follow our further growth going forward.

Under the approval of the General Shareholders' Meeting held on June 24, 2021, we transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. In light of recent and upcoming events, such as the revision of the Corporate Governance Code and the reorganization of the Tokyo Stock Exchange scheduled to take place next year, we will aim to further enhance corporate governance.

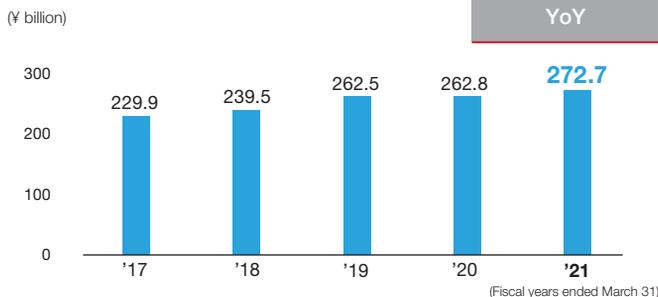
As we work toward this goal, we would like to ask for the continued support of all of our shareholders.

**Kimihiko Higashio**  
Representative Director, President

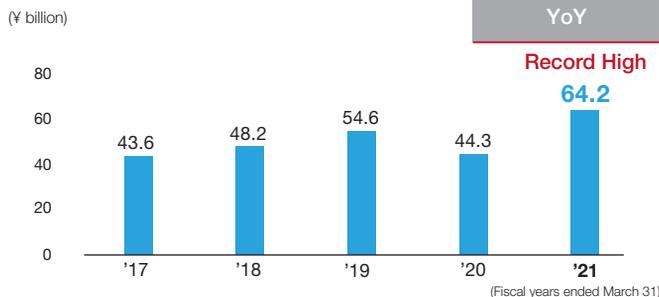
# Consolidated Financial Highlights

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

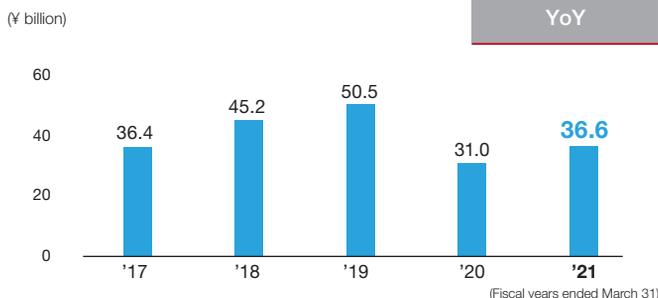
## Total Revenue



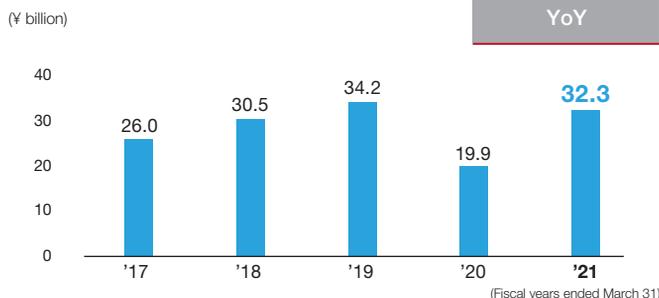
## Business Profit



## Operating Profit



## Profit Attributable to Owners of the Parent



For the consolidated results for the fiscal year ended March 31, 2021, total revenue amounted to ¥272,656 million (a year-on-year increase of 3.7%), business profit amounted to ¥64,164 million (a year-on-year increase of 44.8%), operating profit was ¥36,550 million (a year-on-year increase of 18.0%), profit before income taxes was ¥35,581 million (a year-on-year increase of 17.1%), and profit attributable to owners of the parent was ¥32,261 million (a year-on-year increase of 62.2%).

In the Digital Entertainment Business, mobile games, including "eFootball Winning Eleven 2021" (known overseas as "eFootball PES 2021"), "Yu-Gi-Oh! DUEL LINKS," "PROFESSIONAL BASEBALL SPIRITS A (Ace)," and "JIKKYOU PAWAFURU PUROYAKYU" continued to perform favorably. In addition, the cumulative sales shipments for the video game "Momotaro Dentetsu: Showa, Heisei, Reiwa mo Teiban!" exceeded more than three million copies (including downloads) as of June 2021. As for esports initiatives, "eBASEBALL PAWAFURU PUROYAKYU 2020" was selected as the title for the "2021 TOKYO eSPORTS FESTA" tournament, where heated online battles took place.

In the Amusement Business, in addition to the launch of video games, such as *BUSOU SHINKI: Armored Princess Battle Conductor* and *SOUND VOLTEX -Valkyrie model-*, we began operation of medal games, including

*FORTUNE TRINITY: Treasure Festival of Spirits* and *Anima Lotta: A Tale of Anima and Stars*. We also expanded the number of arcade game titles covered by "KONAMI AMUSEMENT GAME STATION," a service for players to enjoy arcade games on their PC or smartphone.

In the Gaming & Systems Business, the new *DIMENSION 49J™* slot machine was launched as part of our premium participation (revenue share model) range, coupled with sales of our core *KX 43™*, *DIMENSION 27™*, and *DIMENSION 49™* cabinets. Additionally, ongoing delivery of our *SYNKROS®* casino management system continued to major operators in North America and Australia, and we were successful in winning new contracts for future installations.

In the Sports Business, in addition to complying with the guidelines set by the Fitness Industry Association of Japan, we are taking measures to prevent the spread of COVID-19 infection based on our own in-house standards. We have promoted operations that prioritize the safety and security of our customers and employees, and introduced measures connected to avoiding the Three Cs (closed spaces, crowded places, and close-contact settings) via the internet. Additionally, we launched sports-related products including "AEROBIKE EXS" and "asu-body" and expanded the products and services offered at our online store.

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



### Hit Game Breaks Series Record Cumulative Sales Top Three Million

“*Momotaro Dentetsu: Showa, Heisei, Reiwa mo Teiban!*” (Nintendo Switch™), the newest game in the “MOMOTETSU” series, broke a series record by exceeding cumulative sales of more than three million copies (including downloads, as of May 2021). This series of board game-based video games has been released on numerous platforms for over 30 years since it was first released for the *Famicom* (Family Computer) in 1998.

Whether learning about geography and local specialties while playing as a family or playing with friends via the online battle function, players from all generations can enjoy this game at home.

The “Gameplay Video Campaign,” where players can freely upload videos under certain guidelines, is a big hit. YouTube videos related to the game received a cumulative view count of over 196 million views (as of June 14, 2021, according to in-house research) and showed various ways to enjoy playing the game.

We will continue to deliver the appeal of KONAMI games, which are loved by customers of all ages.

## Amusement



### Rave Reviews for High-End Model of the Popular Music Game VOLTE SOUND VOLTEX -Valkyrie model-

The newest model in the “SOUND VOLTEX” series has been received favorably by customers at amusement facilities across Japan.

This series was launched in 2012 under the slogan, “the ultimate music game made by you.” In addition to the new gameplay of arranging songs as you play, the acceptance of image and song submissions by the general public was received favorably by a wide range of customers.

This new cabinet model, equipped with a large main monitor with high-quality display, a touch panel, and a total of five high-performance speakers, allows players to experience a powerful bass sound and a sense of presence. In addition, the device has been adjusted to esports specifications, allowing players to enjoy the pinnacle of gameplay environments that can only be experienced at amusement facilities.

KONAMI will continue to invigorate the amusement industry by creating innovative products that incorporate new technologies.

## Gaming & Systems



### Slot Game for *DIMENSION 49J™* All Aboard™ Expands Sales to North American Casinos

The slot game All Aboard™, released by KONAMI for casino operators, has been extremely well received around the world.

This game, which was a big hit in the Australian gaming market, is a slot game for the latest in 4K video slot machines, *DIMENSION 49J™*. All Aboard™ achieved considerable industry recognition and was voted one of the most anticipated slot games in EILERS-FANTINI Slot Survey 4Q20, the leading industry report. As of April 2021, All Aboard™ has been sold to casinos in more than 20 states and provinces in North America, and we plan to introduce the game into even more casinos going forward.

We have also released All Aboard™ for PC and smart-phone. The game is expected to grow as an “omnichannel product” that can be played anywhere in the world where it is legally authorized and on a variety of media.

Going forward, KONAMI will contribute to the continuous growth and expansion of the gaming industry while applying new technologies to our products.

## Sports



### Women's Only Pilates Studio Utilizing Ceiling-Mounted Mirrors Pilates Mirror Opening June 16

On June 16, Konami Sports opened the flagship women's only pilates studio, Pilates Mirror, in Futako-Tamagawa, Tokyo. The studio's concept is “wanting to look in the mirror more.”

Pilates Mirror is a studio that combines pilates, which is effective at correcting body line and posture, with mirrors for checking the movements of your body, where even beginners can learn the correct form by using specialized equipment and mirrors.

The 30-minute lesson is easy to take without worrying about a change of clothes or shoes, and customers can enjoy effective exercise with the instructor's full support in a small group lesson of up to six people, while knowing that thorough measures have been taken to prevent infection against COVID-19.

In response to customers who want to reconnect with their bodies during a change in lifestyle, we will continue to provide an environment where they can exercise safely and securely in a studio that takes thorough measures to prevent infection against COVID-19.

# KONAMI's New Initiatives During the COVID-19 Pandemic

In 2020, people's lifestyles and values changed drastically due to the global spread of COVID-19 and the evolution of technology in the digital domain. In order to further enrich the lives of our customers and meet the demand for digital transformation (DX)-rich services, we launched new initiatives at KONAMI.

We offered "Remote Duel" for the globally popular battle card game "Yu-Gi-Oh!," where players can battle remotely if they have a PC or smartphone. We held "Remote Duel" tournaments globally where players can play against people you usually can't play face-to-face with by utilizing the special remote function. This generated considerable excitement among players. Additionally, we released the "Yu-Gi-Oh! NEURON" official mobile app that enables players to check cards via their camera and share data on social media.



"Yu-Gi-Oh! Remote Duel"

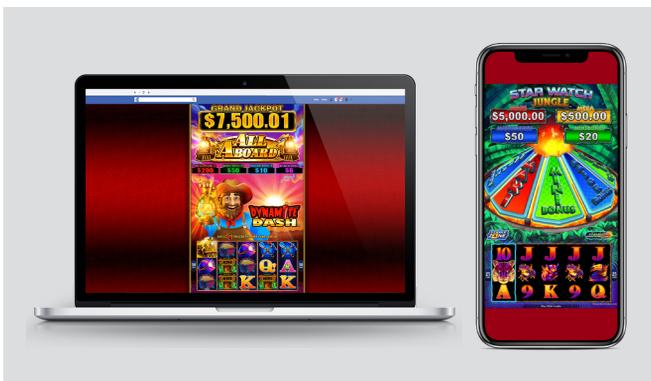
Going forward, we will promote initiatives that will allow more customers to enjoy "Yu-Gi-Oh!" by utilizing the advances in information technology.

Arcade games in amusement facilities are also enhancing services that can be enjoyed regardless of region or environment. The lineup for *Konaste* (KONAMI AMUSEMENT GAME STATION), a service that allows users to enjoy arcade games that are typically played at amusement facilities on their PC, now includes the updated version of *beatmania IIDX INFINITAS*, released in 2015. We have also commenced the service of various music games such as *pop'n music Lively* and medal games. A variety of controllers are also available, allowing players to enjoy full-scale play at home.

Smartphone apps for *beatmania IIDX ULTIMATE MOBILE*



Konaste (KONAMI AMUSEMENT GAME STATION)



iGaming provided by Konami Gaming, Inc.

and *jubeat* are available to further expand opportunities to enjoy arcade games on various platforms.

In the overseas gaming market, we are also focusing on the iGaming business for PCs and smartphones so that players can enjoy popular slot games such as All Aboard™ at home. The game is expected to grow as an “omnichannel product” that can be played anywhere in the world where it is legally authorized and on a variety of media. Future expansion is expected in the iGaming market, and we will continue to strive for continuous growth.

Even in the sports market, we are expanding online lessons for monthly members to take part in safely and securely at home. This online service supports those who feel out of shape or are not getting sufficient exercise while working from home and are refraining from going out due to the pandemic.



Konami Sports Club Online Live Lessons

Participation is increasing because customers can enjoy the programs of popular instructors remotely and in real time, and can take part casually at their own pace and without worrying about what other people think. We plan to expand the number of programs going forward to provide more opportunities to exercise safely and securely during this change in lifestyle.

While praying for this pandemic to be brought under control soon, we will continue to provide new products and services with a focus on the “With-Covid” and “Post-Covid” society.

## 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	9,072 (As of March 31, 2021) (Including temporary employees, converted at 160 hours per month)
Website	<a href="https://www.konami.com">https://www.konami.com</a>

## 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	<a href="https://www.smtb.jp/tools/english">https://www.smtb.jp/tools/english</a>
Public Notices	Shown on the Company's website: <a href="https://www.konami.com/ir/en/">https://www.konami.com/ir/en/</a>
Stock Exchange Listings	Tokyo and London

## Stock Information (As of March 31, 2021)

Common Stock	
Authorized	450,000,000 shares
Issued	143,500,000 shares (Including 10,286,773 treasury shares)
Number of Shareholders	25,628

### The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	24,615	18.48
Kozuki Foundation	17,100	12.84
KOZUKI HOLDING B.V.	15,700	11.79
Custody Bank of Japan, Ltd. (Trust Account)	11,706	8.79
Kozuki Capital Corporation	7,048	5.29
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,539	2.66
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	2,622	1.97
STATE STREET BANK AND TRUST COMPANY 505001	1,562	1.17
STATE STREET BANK AND TRUST COMPANY 505103	1,449	1.09
JP MORGAN CHASE BANK 380815	1,394	1.05

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/>