

KONAMI GROUP CORPORATION

Semi-annual Condensed Consolidated Financial Statements
for the Six Months Ended September 30, 2024

English translation and a part of summary of the Semi-annual Securities Report (Hanki Hokokusho) for the six-month period ended September 30, 2024 pursuant to the Financial Instruments and Exchange Law of Japan

KONAMI GROUP CORPORATION filed its Semi-annual Securities Report for the six-month period ended September 30, 2024 with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on November 13, 2024. The following is the outline of the Semi-annual Securities Report.

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1. Semi-annual Condensed Consolidated Financial Statements

(1) Semi-annual Condensed Consolidated Statement of Financial Position

Millions of Yen			
	Note	As of March 31, 2024	As of September 30, 2024
Assets			
Current assets			
Cash and cash equivalents		¥273,747	¥266,060
Trade and other receivables		43,887	37,104
Inventories		13,764	14,041
Income tax receivables		603	830
Other current assets	9	11,859	14,330
Total current assets		343,860	332,365
Non-current assets			
Property, plant and equipment, net		154,454	165,624
Goodwill and intangible assets		57,226	67,102
Investments accounted for using the equity method		3,456	4,331
Other investments	9	1,768	1,758
Other financial assets	9	15,300	17,407
Deferred tax assets		28,275	27,749
Other non-current assets		1,511	1,424
Total non-current assets		261,990	285,395
Total assets		605,850	617,760
Liabilities and equity			
Liabilities			
Current liabilities			
Bonds and borrowings	9	-	19,985
Other financial liabilities	9	9,263	8,902
Trade and other payables		44,257	33,697
Income tax payables		10,615	11,395
Other current liabilities	5	21,791	23,869
Total current liabilities		85,926	97,848
Non-current liabilities			
Bonds and borrowings	9	59,862	39,899
Other financial liabilities	9	20,262	17,623
Provisions		9,527	9,475
Deferred tax liabilities		1,192	1,285
Other non-current liabilities		1,703	1,823
Total non-current liabilities		92,546	70,105
Total liabilities		178,472	167,953
Equity			
Share capital		47,399	47,399
Share premium		78,144	78,144
Treasury shares		(21,603)	(21,609)
Other components of equity	6	20,625	16,012
Retained earnings		302,797	329,845
Total equity attributable to owners of the parent		427,362	449,791
Non-controlling interests		16	16
Total equity		427,378	449,807
Total liabilities and equity		¥605,850	¥617,760

The accompanying notes are an integral part of these financial statements.

(2) Semi-annual Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Semi-annual Condensed Consolidated Statement of Profit or Loss Six months ended September 30, 2023 and 2024

Millions of Yen			
	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue			
Product sales revenue		¥48,869	¥51,454
Service and other revenue		104,982	132,630
Total revenue	4,8	153,851	184,084
Cost of revenue			
Cost of product sales revenue		(23,645)	(22,428)
Cost of service and other revenue		(63,402)	(73,224)
Total cost of revenue		(87,047)	(95,652)
Gross profit		66,804	88,432
Selling, general and administrative expenses		(31,390)	(38,215)
Other income and other expenses, net		29	(373)
Operating profit		35,443	49,844
Finance income		1,667	1,074
Finance costs		(331)	(259)
Profit from investments accounted for using the equity method		229	204
Profit before income taxes		37,008	50,863
Income taxes		(10,174)	(14,462)
Profit for the period		26,834	36,401
Profit attributable to:			
Owners of the parent		26,834	36,401
Non-controlling interests		¥0	¥0

Yen			
	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Earnings per share (attributable to owners of the parent)			
Basic	10	¥197.95	¥268.53
Diluted	10	¥197.95	¥268.53

Semi-annual Condensed Consolidated Statement of Comprehensive Income
Six months ended September 30, 2023 and 2024

Millions of Yen

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit for the period		¥26,834	¥36,401
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		24	(7)
Total items that will not be reclassified to profit or loss		24	(7)
Items that may be reclassified to profit or loss:			
Exchange differences on foreign operations		7,723	(4,606)
Total items that may be reclassified to profit or loss		7,723	(4,606)
Total other comprehensive income		7,747	(4,613)
Total comprehensive income for the period		34,581	31,788
Comprehensive income attributable to:			
Owners of the parent		34,581	31,788
Non-controlling interests		¥0	¥0

(3) Semi-annual Condensed Consolidated Statement of Changes in Equity

Millions of Yen

	Note	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 period						26,834	26,834	0	26,834
Other comprehensive income					7,747		7,747		7,747
Total comprehensive income for the period		-	-	-	7,747	26,834	34,581	0	34,581
Purchase of treasury shares				(3)			(3)		(3)
Disposal of treasury shares			0	0			0		0
Dividends						(8,405)	(8,405)		(8,405)
Total transactions with the owners	7	-	0	(3)	-	(8,405)	(8,408)	-	(8,408)
Balance at September 30, 2023		¥47,399	¥78,144	¥(21,597)	¥19,627	¥278,864	¥402,437	¥15	¥402,452

Millions of Yen

	Note	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, 2024		¥47,399	¥78,144	¥(21,603)	¥20,625	¥302,797	¥427,362	¥16	¥427,378
Profit for the period						36,401	36,401	0	36,401
Other comprehensive income					(4,613)		(4,613)		(4,613)
Total comprehensive income for the period		-	-	-	(4,613)	36,401	31,788	0	31,788
Purchase of treasury shares				(6)			(6)		(6)
Dividends						(9,353)	(9,353)		(9,353)
Total transactions with the owners	7	-	-	(6)	-	(9,353)	(9,359)	-	(9,359)
Balance at September 30, 2024		¥47,399	¥78,144	¥(21,609)	¥16,012	¥329,845	¥449,791	¥16	¥449,807

The accompanying notes are an integral part of these financial statements.

(4) Semi-annual Condensed Consolidated Statement of Cash Flows

Millions of Yen

	Note	Six months ended September 30, 2023	Six months ended September 30, 2024
<i>Operating activities</i>			
Profit for the period		¥26,834	¥36,401
Depreciation and amortization		9,444	10,308
Impairment losses		54	453
Interest and dividends income		(571)	(727)
Interest expense		317	245
Loss on sale or disposal of property, plant and equipment		6	10
Profit from investments accounted for using the equity method		(229)	(204)
Income taxes		10,174	14,462
Decrease in trade and other receivables		8,465	5,782
Increase in inventories		(971)	(577)
Decrease in trade and other payables		(3,427)	(5,983)
Increase in prepaid expense		(2,542)	(2,161)
Increase in contract liabilities		1,178	2,031
Other, net		(1,292)	(2,670)
Interest and dividends received		566	775
Interest paid		(295)	(223)
Income taxes paid		(4,591)	(13,227)
<i>Net cash provided by operating activities</i>		43,120	44,695
<i>Investing activities</i>			
Capital expenditures		(18,350)	(36,194)
Payments for lease deposits		(65)	(44)
Proceeds from refunds of lease deposits		230	94
Other, net		1	(1,028)
<i>Net cash used in investing activities</i>		(18,184)	(37,172)
<i>Financing activities</i>			
Principal payments of lease liabilities		(3,718)	(3,754)
Dividends paid	7	(8,399)	(9,346)
Other, net		(3)	(6)
<i>Net cash used in financing activities</i>		(12,120)	(13,106)
Effect of exchange rate changes on cash and cash equivalents		4,026	(2,104)
Net increase (decrease) in cash and cash equivalents		16,842	(7,687)
Cash and cash equivalents at the beginning of the period		219,263	273,747
<i>Cash and cash equivalents at the end of the period</i>		¥236,105	¥266,060

The accompanying notes are an integral part of these financial statements.

Notes to Semi-annual Condensed Consolidated Financial Statements

1. Reporting Entity

KONAMI GROUP CORPORATION (the “Company”) is a public company located in Japan.

The accompanying semi-annual condensed consolidated financial statements consist of the Company and its consolidated subsidiaries (collectively, “Konami Group”) as well as equity interests in its associates.

Konami Group engages in the following four business operations: Digital Entertainment, Amusement, Gaming & Systems, and Sports businesses.

The operations of each business segment are presented in Note 4 “Segment Information”.

2. Basis of Preparation

(1) Compliance with IFRS

The semi-annual condensed consolidated financial statements meet the requirements set out under Article 1-2, Paragraph 1, Item 2 of the Rules on Terminology, Formats and Compilation Methods of Consolidated Financial Statements under which the Company is qualified as a “specified company applied Designated International Accounting Standards” and duly adopted the provisions of Article 312 of the foregoing rules.

Therefore, the Company prepares such semi-annual condensed consolidated financial statements in accordance with IAS 34 “Interim Financial Reporting”. Since the semi-annual condensed consolidated financial statements do not contain all the information required in the consolidated financial statements for the fiscal year ended March 31, 2024, it should be read in combination with the annual consolidated financial statements.

(2) Use of estimates and judgments

In preparing semi-annual condensed consolidated financial statements, management uses estimates and judgments. Judgments made by management, assumptions about the future and uncertainty in estimates may affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and reported amounts of income and expenses as of the reporting date of the semi-annual condensed consolidated financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. The impacts from revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods that are affected.

Information about estimates and judgments made by management that would have significant effects on the amounts recognized in the semi-annual condensed consolidated financial statements is in the same manner of the consolidated financial statements for the fiscal year ended March 31, 2024.

3. Material Accounting Policies

The material accounting policies adopted for these semi-annual condensed consolidated financial statements are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2024.

4. Segment Information

Konami Group's reportable segments constitute units of the Konami Group for which separate financial information is available. The Chief Operating Decision Maker regularly conducts deliberations to determine the allocation of management resources and to assess performance of each segment.

Operating segments are components of business activities from which Konami Group may earn revenues and incur expenses, including revenues and expenses relating to transactions with other operating segments.

The operating segments are managed separately as each segment represents a strategic business unit that offers different products and serves different markets.

Konami Group operates on a worldwide basis principally with the following four operating segments:

a) Digital Entertainment:	Production, manufacture and sale of digital content and related products including mobile games, computer & 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.
d) Sports:	Operation of sports facilities and courses, including swimming, gymnastics, dance, soccer, tennis, and golf, and production and sale of sports related goods.

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. Intersegment eliminations primarily consist of administrative expenses not directly associated with specific segments and eliminations of intercompany sales.

Intersegment sales and revenues are generally recognized at values that represent arm's-length fair value.

Neither Konami Group nor any of its segments depended on any single customer for more than 10% of Konami Group's revenues for the six months ended September 30, 2024.

(1) Operating segment information

For the six months ended September 30, 2023

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥101,768	¥9,266	¥19,036	¥23,781	¥153,851	-	¥153,851
Intersegment	334	736	66	18	1,154	¥(1,154)	-
Total	102,102	10,002	19,102	23,799	155,005	(1,154)	153,851
Business profit	¥31,032	¥1,193	¥3,117	¥1,600	¥36,942	¥(1,528)	35,414
Other income and other expenses, net	-	-	-	-	-	-	29
Operating profit	-	-	-	-	-	-	35,443
Finance income and finance costs, net	-	-	-	-	-	-	1,336
Profit from investments accounted for using the equity method	-	-	-	-	-	-	229
Profit before income taxes	-	-	-	-	-	-	¥37,008

For the six months ended September 30, 2024

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥131,379	¥10,076	¥18,594	¥24,035	¥184,084	-	¥184,084
Intersegment	271	730	8	169	1,178	¥(1,178)	-
Total	131,650	10,806	18,602	24,204	185,262	(1,178)	184,084
Business profit	¥46,655	¥2,071	¥2,377	¥1,111	¥52,214	¥(1,997)	50,217
Other income and other expenses, net	-	-	-	-	-	-	(373)
Operating profit	-	-	-	-	-	-	49,844
Finance income and finance costs, net	-	-	-	-	-	-	815
Profit from investments accounted for using the equity method	-	-	-	-	-	-	204
Profit before income taxes	-	-	-	-	-	-	¥50,863

(2) Geographic information

Revenue from external customers for the six months ended September 30, 2023 and 2024

	Millions of Yen	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue:		
Japan	¥105,998	¥133,065
United States	29,794	30,784
Europe	9,819	12,106
Asia/Oceania	8,240	8,129
Consolidated	¥153,851	¥184,084

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

5. Other Current Liabilities

The following is a breakdown of other current liabilities as of March 31, 2024 and September 30, 2024.

	Millions of Yen	
	As of March 31, 2024	As of September 30, 2024
Contract liabilities	¥12,467	¥14,426
Others	9,324	9,443
Total	¥21,791	¥23,869

6. Equity

Changes in other components of equity consisted of the following:

	Millions of Yen	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Exchange differences on translation of foreign operations		
Balance at the beginning of the period	¥11,367	¥20,279
Net change during the period	7,723	(4,606)
Transfer to retained earnings	-	-
Balance at the end of the period	¥19,090	¥15,673
Net Change in fair value of equity financial assets measured at fair value through other comprehensive income		
Balance at the beginning of the period	¥513	¥346
Net change during the period	24	(7)
Transfer to retained earnings	-	-
Balance at the end of the period	¥537	¥339

7. Dividends

The Company paid dividends 62.00 yen per share and the total amount of ¥8,405 million for the six months ended September 30, 2023.

The Company paid dividends 69.00 yen per share and the total amount of ¥9,353 million for the six months ended September 30, 2024.

The board of directors' meeting held on October 31, 2024 resolved a cash dividend of 66.00 yen per share and the total amount of ¥8,947 million will be paid for shareholders on record as of September 30, 2024.

8. Revenue

The following is a breakdown of the reportable segment revenue from external customers, which is categorized based on the geographical location of each Konami Group company.

For the six months ended September 30, 2023

Millions of Yen					
	Japan	United States	Europe	Asia/Oceania	Total revenue
Digital Entertainment	¥72,951	¥15,097	¥9,819	¥3,901	¥101,768
Amusement	9,266	-	-	-	9,266
Gaming & Systems	-	14,697	-	4,339	19,036
Sports	23,781	-	-	-	23,781
Revenue from external customers	¥105,998	¥29,794	¥9,819	¥8,240	¥153,851
Revenue recognized from contracts with customers	¥105,998	26,433	¥9,819	¥8,240	150,490
Revenue recognized from other sources	-	¥3,361	-	-	¥3,361

Note) Revenue recognized from other sources consists of revenue in accordance with IFRS 16, "Leases."

For the six months ended September 30, 2024

Millions of Yen					
	Japan	United States	Europe	Asia/Oceania	Total revenue
Digital Entertainment	¥98,954	¥15,984	¥12,106	¥4,335	¥131,379
Amusement	10,076	-	-	-	10,076
Gaming & Systems	-	14,800	-	3,794	18,594
Sports	24,035	-	-	-	24,035
Revenue from external customers	¥133,065	¥30,784	¥12,106	¥8,129	¥184,084
Revenue recognized from contracts with customers	132,885	27,482	¥12,106	¥8,129	180,602
Revenue recognized from other sources	¥180	¥3,302	-	-	¥3,482

Note) Revenue recognized from other sources consists of revenue in accordance with IFRS 16, "Leases."

9. Fair Value of Financial Instruments

(1) Measuring fair value of financial instruments

Methods for measuring the fair value of financial assets and liabilities are as follows:

1. Financial assets and liabilities measured at amortized cost

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts because they have short term maturities.

The fair values of lease deposits and other financial assets are calculated as the present value of the total principal and interest discounted at interest rates reflecting the credit risks estimated by Konami Group, and categorized as Level 2.

The fair values of bonds and borrowings and other financial liabilities are calculated as the present value of the total principal and interest, discounted at interest rates that would be applied to new borrowings of Konami Group with similar terms and the same remaining maturity, and categorized as Level 2.

2. Equity financial assets measured at fair value through other comprehensive income

With regards to equity instruments included in other investments, the fair values of marketable securities are measured based on quoted market prices on equity markets of identical assets, and categorized as Level 1. The fair values of unlisted securities are determined based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and categorized as Level 3.

3. Financial assets and liabilities measured at fair value through profit or loss

The fair values of foreign exchange contracts are measured using valuation provided by financial institutions based on observable market data at the end of each reporting period, and categorized as Level 2. The fair values of debt instruments included in other investments are determined based on an approach using observable inputs such as the comparable company's share prices and unobservable inputs, and categorized as Level 3.

(2) Fair value hierarchy

Fair values are categorized within the fair value hierarchy as follows:

- Level 1: Fair values measured at a price quoted in an active market.
- Level 2: Fair values calculated directly or indirectly using an observable price except for level 1.
- Level 3: Fair values calculated through valuation techniques, including inputs that are not based on observable market data.

(3) Fair value of financial instruments

The table is a breakdown of financial instruments showing carrying amounts and fair values as of March 31, 2024 and September 30, 2024.

Millions of Yen

	As of March 31, 2024		As of September 30, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Financial assets measured at amortized cost				
Loans receivable	¥14	¥14	¥5	¥5
Lease deposits	16,790	17,447	19,627	20,210
Other financial assets	1,072	1,004	649	621
Equity financial assets measured at fair value through other comprehensive income				
Other investments (Securities)	1,616	1,616	1,606	1,606
Other investments (Non-securities)	72	72	72	72
Financial assets measured at fair value through profit or loss				
Other investments (Non-securities)	80	80	80	80
Financial liabilities:				
Financial liabilities measured at amortized cost				
Bonds and borrowings	¥59,862	¥57,586	¥59,884	¥57,764
Other financial liabilities	2,102	2,102	1,991	1,991

(4) Fair values measured and disclosed on the semi-annual condensed consolidated statements of financial position

The following is a breakdown of financial assets that are measured at fair value on a recurring basis as of March 31, 2024 and September 30, 2024.

	Millions of Yen			
Balance at March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity financial assets measured at fair value through other comprehensive income				
Other investments (Securities)	¥892	-	¥724	¥1,616
Other investments (Non-securities)	-	-	72	72
Financial assets measured at fair value through profit or loss				
Other investments (Non-securities)	-	-	80	80
Total	¥892	-	¥876	¥1,768

	Millions of Yen			
Balance at September 30, 2024	Level 1	Level 2	Level 3	Total
Financial assets:				
Equity financial assets measured at fair value through other comprehensive income				
Other investments (Securities)	¥882	-	¥724	¥1,606
Other investments (Non-securities)	-	-	72	72
Financial assets measured at fair value through profit or loss				
Other investments (Non-securities)	-	-	80	80
Total	¥882	-	¥876	¥1,758

Other investments, which are classified as Level 3, have no significant changes for the six months ended September 30, 2024.

10. Earnings per Share

The breakdown of the basic and diluted earnings per share attributable to owners of the parent for the six months ended September 30, 2023 and 2024 is as follows:

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit attributable to owners of the parent	26,834million yen	36,401million yen
Adjustments for profit used in the calculation of diluted earnings per share	-million yen	-million yen
Profit used in the calculation of diluted earnings per share	26,834million yen	36,401million yen
Basic weighted average ordinary shares outstanding	135,558,561shares	135,557,586shares
Adjustments for convertible bond-type bonds with subscription rights to shares	-shares	-shares
Basic weighted average ordinary shares outstanding used in the calculation of diluted earnings per share	135,558,561shares	135,557,586shares
Earnings per share attributable to owners of the parent for the period		
Basic	197.95yen	268.53yen
Diluted	197.95yen	268.53yen

Note) Diluted earnings per share attributable to owners of the parent for the period 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.

11. Subsequent Events

There have been no events after September 30, 2024 that would require adjustments to the semi-annual condensed consolidated financial statements or disclosures in the notes to the semi-annual condensed consolidated financial statements.

12. Approval of Semi-annual Condensed Consolidated Financial Statements

The semi-annual condensed consolidated financial statements were approved by Representative Director, President, Kimihiko Higashio, on November 12, 2024.

2. Business Review

(1) Business Overview

For the six months ended September 30, 2024, the domestic economy has continued to recover moderately amid improvement in the employment and personal income, despite concerns of inflation weighing on personal spending. On the other hand, the outlook on the world economy remains uncertain mainly due to the effects of monetary tightening by governments, concerns over the outlook on the Chinese economy and heightened geopolitical risks in the Middle East.

Amidst these circumstances, for the business results of Konami Group for the six months ended September 30, 2024, the core content of the Digital Entertainment business mainly led to a stable contribution to the business performance. As a result, in addition to total revenue, all profit categories—business profit, operating profit, profit before income taxes and profit attributable to owners of the parent—reached record highs.

In terms of the consolidated results for the six months ended September 30, 2024, total revenue amounted to ¥184,084 million (a year-on-year increase of 19.7%), business profit was ¥50,217 million (a year-on-year increase of 41.8%), operating profit was ¥49,844 million (a year-on-year increase of 40.6%), profit before income taxes was ¥50,863 million (a year-on-year increase of 37.4%), and profit attributable to owners of the parent was ¥36,401 million (a year-on-year increase of 35.7%).

(2) Performance by Business Segment

Summary of total revenue by business segment:

Millions of Yen, except percentages			
	Six months ended September 30, 2023	Six months ended September 30, 2024	% change
Total revenue:			
Digital Entertainment	¥102,102	¥131,650	28.9
Amusement	10,002	10,806	8.0
Gaming & Systems	19,102	18,602	(2.6)
Sports	23,799	24,204	1.7
Intersegment eliminations	(1,154)	(1,178)	-
Total revenue	¥153,851	¥184,084	19.7

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 are becoming more diverse, such as the 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 implemented a major update for *eFootball™*, which is currently available on consoles, PC, and mobile platforms. In addition to adding new functionality for maximizing players' individual abilities and other new elements, we conducted a startup campaign to celebrate the start of the new season, and the game is still going strong. We also announced the fall launch of the mobile game *eBaseball™: MLB PRO SPIRIT*, featuring player Shohei Ohtani—Konami's baseball game ambassador—as the game's cover athlete and the face of the app icon, among other visual elements. This title is an entirely new mobile game that features realistic graphics for all 30 Major League Baseball (MLB) teams, their home stadiums, and actual major leaguers, allowing players to experience the world of MLB anytime, anywhere. The announcement has

been met with an overwhelming response. In the console game *PAWAFURU PUROYAKYU* series, we released *PAWAFURU PUROYAKYU 2024-2025* to commemorate the 30th anniversary.

As a continuation of an existing initiative, for *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, *JIKKYOU PAWAFURU PUROYAKYU*, and *PAWAFURU PUROYAKYU Eikan Nine Cross Road*, we ran a campaign to mark “Pawapuro Day,” among other measures, which generated a great deal of excitement. In addition, for *Yu-Gi-Oh! MASTER DUEL*, we ran a campaign to celebrate the game surpassing 70 million total downloads. We are continuing to develop a project for the Yu-Gi-Oh! card game to commemorate its 25th anniversary. We have also sold goods and conducted campaigns which have been well-received by many customers.

In the esports space, we held the “eFootball™ Championship 2024 World Finals” at the esports GINZA studio in Konami Creative Center Ginza to decide the top player in the world for the console and mobile versions, respectively. In addition, the final competition of the “Yu-Gi-Oh! World Championship 2024” esports tournament was held in Seattle, the USA, to determine the world’s top Yu-Gi-Oh! duelists in all four categories. A total of 88 players, who made it through the qualifiers held in countries and regions all over the world, engaged in heated competition over the course of two days. Furthermore, at the TOKYO GAME SHOW 2024, we held the “WBSC ePremier12 2024” esports world championship to determine who would represent Japan, hosted by the World Baseball Softball Confederation (WBSC), with the official WBSC baseball game, *WBSC eBASEBALL™: POWER PROS*, as the competition title.

In terms of financial performance, total revenue for the six months ended September 30, 2024 in this segment amounted to ¥131,650 million (a year-on-year increase of 28.9%) and business profit for the six months ended September 30, 2024 amounted to ¥46,655 million (a year-on-year increase of 50.3%).

Amusement

In the amusement market, socio-economic activity has returned to normal, and the market as a whole is performing steadily.

Amidst these circumstances, in our medal game business, on the heels of the *Momotaro Dentetsu - Medal game mo teiban!*- game, which has been increasing in sales volume, we released the *PAWAFURU PUROYAKYU KAIMAKU MEDAL SERIES!*, featuring the popular KONAMI IP as its motif. This medal game has also been well received by many customers. Despite being a pusher game, it offers players the opportunity to experience the thrill of hitting the ball, which is the most exciting part of baseball. For video games targeted at amusement facilities in this business, we launched *pop'n music Jam&Fizz*, the latest title of the *pop'n music* series. For the title, we redesigned the production elements to feature a theme of food, music, and an atmosphere that are American diner-inspired, and added numerous features in response to player requests. We also launched the *e-amusement for NetCafe* service, which allows users to play Konami’s games for amusement facilities at net cafes across Japan. The service allows players to enjoy Konami’s popular and well-regarded titles that are currently available in amusement facilities, such as *MAH-JONG FIGHT GIRL* and *QuizKnock STADIUM*. For prize games, we introduced the new *PUKURE* crane game cabinet to the market, which is equipped with a “searchlight” that makes it easy even for new players to aim for amusement prizes by shining a light on their target. Furthermore, we launched *KONAMI premium kuji ONLINE* as a new service. The online lottery drawings, which offer premium original goods and ensure that no one walks away empty-handed, can be easily enjoyed on the Internet using a PC or smartphone.

In the esports space, “BEMANI PRO LEAGUE -SEASON 4- beatmania IIDX” has started. In addition to making the games available for viewing at the competition site, we also host public viewings and stream the games so that participants can enjoy esports in a variety of ways that are enjoyable for both participants and viewers, to as many people as possible.

In terms of financial performance, total revenue for the six months ended September 30, 2024 in this segment amounted to ¥10,806 million (a year-on-year increase of 8.0%) and business profit for the six months ended September 30, 2024 amounted to ¥2,071 million (a year-on-year increase of 73.6%).

Gaming & Systems

In the gaming industry, the North American and the Australian markets remained robust. The markets continue to experience the constant introduction of new products by competing slot machine manufacturers providing for new placement opportunities.

Amidst these circumstances, the *DIMENSION 49™* with a 49-inch ultra-high definition portrait display and the *DIMENSION 27™* with the combination of three 27-inch monitors drove the sales of the slot machine segment. The *DIMENSION 43x3™* also steadily increased its unit sales. In participation (revenue-sharing cabinets), placement of cabinets such as the *DIMENSION 49J™* with a 49-inch curved display are expanding.

In the terms of gaming content, in the North American market, the popular titles from *Unwooly Riches™* series, *Spice™* and *Sugar™* are maintaining the momentum of their great start. The effects driven by superb animations of the goat and the sheep character have been well received by our customers. Furthermore, the popular titles from *Fortune Bags™* series such as *Lucky Honeycomb™* and *Dragon's Law™* are increasing its sales. Moreover, the *Charms Full Link™* series, inspired by the popular *All Aboard™* series, is also expanding in the market. In the Australian market, the *K-pow! Pig™* series that features the heroic golden pig character, and *Bull Rush™* series are maintaining high performance.

Additionally, in August 2024, we have started the test operation of Class II machines in Florida, the USA, which are permitted to be used in casino facilities operated by Native American tribes.

SYNKROS®, our casino management system, was installed at multiple large-scale casino facilities, including Ocean Casino Resort in New Jersey, JACK Cleveland Casino and JACK Thistledown Racino in Ohio, the USA. The number of facilities introducing the system is increasing even more. The high reliability of the system of 99.9% availability is well received by casino operators.

The demand has normalized in the six months ended September 30, 2024 compared to the same period in 2023 when there was an increase in sales due to the recovery of the Asian market from COVID-19.

In terms of financial performance, total revenue for the six months ended September 30, 2024 in this segment amounted to ¥18,602 million (a year-on-year decrease of 2.6%) and business profit for the six months ended September 30, 2024 amounted to ¥2,377 million (a year-on-year decrease of 23.7%).

Sports

Although the business environment in the sports market continues to be affected by soaring energy costs, the market is expanding due to people's growing consciousness of health, as well as the diversification of business categories and services.

Amidst these circumstances, in our operation of sports clubs, we held "UNITED FEEL"—a large-scale studio program event that was well received in the previous fiscal year. In September 2024, to commemorate the release of the 100th class for "BODYCOMBAT", one of the most popular studio programs, we invited the guest performer from New Zealand, where its headquarters is located, to a special event. We deployed an impressive studio program, which was met with great enthusiasm. Furthermore, we introduced "pickleball"—a sport which has garnered attention in recent years because it is easy to pick up and play for everyone, from children to the elderly—at the "Konami Sports tennis

school Omiya.” We will continue to support many people in their efforts to lead healthy and fulfilling lives through sports.

For the “Undo Juku” exercise circle aimed at children, we are developing a variety of options for children, including swimming, gymnastics, dance, soccer, tennis, and golf, to encourage physical growth through sports. For the golf lesson, we held the final tournament for “the 11th Konami Sports Club Kids Golfer Challenge Cup” at the Nasu Highland Golf Club, and the children who made it through the qualifying tournaments and the seeded players engaged in heated competition. During the practice session on the day before the tournament, a professional coach gave lessons to help the participating players improve their skills, while conveying the fun of golf to them at the same time.

For “Pilates Mirror,” machine Pilates studios with mirrors on the ceiling, we opened 20 new studios in Tokyo and Kanagawa, bringing the total to 43. “Pilates Mirror” has been well received by many customers, with some of the studios having waiting lists for membership. In addition, we opened the first “Personal 30,” 30-minute intensive personal gym sessions’ studio, at Kyodo in Tokyo. We offer an efficient training there in a short period of time, which we have been able to implement based on 50 years of experience in exercise instruction.

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. We began new contracted operations of sports facilities, including Machida City, Tokyo, Sagami-hara City, Kanagawa, Kahoku City, Ishikawa, and Osaka City, Osaka.

In response to the growing need for schools to outsource swimming instruction, we are expanding swimming instruction services at many elementary and junior high schools throughout Japan.

Due to the recent rise in prices of various goods and continued high energy costs, the membership fees have been revised effective August 2024.

In terms of financial performance, total revenue for the six months ended September 30, 2024 in this segment amounted to ¥24,204 million (a year-on-year increase of 1.7%) and business profit for the six months ended September 30, 2024 amounted to ¥1,111 million (a year-on-year decrease of 30.6%).

3. Risk Factors

For the six-month period ended September 30, 2024, there is no significant change in risk factors which were described on the Annual Report for the year ended March 31, 2024.

Responsibility Statement

The following responsibility statement is made solely to comply with the requirements of DTR 4.1.12 of the United Kingdom Financial Conduct Authority's Disclosure Rules and Transparency Rules, in relation to KONAMI GROUP CORPORATION as an issuer whose financial instruments are admitted to trading on the London Stock Exchange.

Kimihiko Higashio, Representative Director, President, confirms that:

to the best of his knowledge, the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of KONAMI GROUP CORPORATION and the undertakings included in the consolidation taken as a whole; and

to the best of his knowledge, this annual financial information includes a fair review of the development and performance of the business and the position of KONAMI GROUP CORPORATION and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.