



Consolidated Financial Results
for the Six Months Ended September 30, 2024
(Prepared in Accordance with IFRS)

October 31, 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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 Beginning date of dividend payment: November 21, 2024

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

1. Consolidated Financial Results for the Six Months Ended September 30, 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 period	Profit attributable to owners of the parent
Six months ended September 30, 2024	184,084	50,217	49,844	50,863	36,401	36,401
% change from previous year	19.7%	41.8%	40.6%	37.4%	35.7%	35.7%
Six months ended September 30, 2023	153,851	35,414	35,443	37,008	26,834	26,834
% change from previous year	3.7%	38.3%	39.6%	34.7%	35.2%	35.2%

Total comprehensive income for the period: Six months ended September 30, 2024: ¥31,788 million; (8.1)%

Six months ended September 30, 2023: ¥34,581 million; 22.3%

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)
Six months ended September 30, 2024	268.53	268.53
Six months ended September 30, 2023	197.95	197.95

(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
September 30, 2024	617,760	449,807	449,791	72.8%
March 31, 2024	605,850	427,378	427,362	70.5%

2. Cash Dividends

Record Date	Cash dividends per share (yen)				
	First quarter end	Second quarter end	Third quarter end	Year end	Annual
Year ended March 31, 2024	-	62.00	-	69.00	131.00
Year ending March 31, 2025	-	66.00			
Year ending March 31, 2025 (Forecast)			-	66.00	132.00

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2025 during the three months ended September 30, 2024: No

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%	

Note) Recently announced change in earnings forecasts for the fiscal year ending March 31, 2025 during the three months ended September 30, 2024: No

Noted Items

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

1. Changes in accounting policies required by IFRS: None
2. Changes in accounting policies due to other reasons: None
3. Changes in accounting estimates: None

(3) Number of shares issued (Share capital)

1. Number of shares issued: (Treasury shares included)
 - As of September 30, 2024 143,500,000 shares
 - As of March 31, 2024 143,500,000 shares
2. Number of treasury shares:
 - As of September 30, 2024 7,942,662 shares
 - As of March 31, 2024 7,942,166 shares
3. Average number of shares outstanding:
 - Six months ended September 30, 2024 135,557,586 shares
 - Six months ended September 30, 2023 135,558,561 shares

Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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 9 to 11 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 October 31, 2024.

1. Business Performance

(1) Overview of Business Performance

(1) Business Performance

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 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%).

(2) Consolidated Financial Position

(1) Total Assets, Total Liabilities and Total Equity

Total Assets:

Total assets amounted to ¥617,760 million as of September 30, 2024, increasing by ¥11,910 million compared with March 31, 2024. This mainly resulted from increases in property, plant and equipment, net and goodwill and intangible assets, despite a decrease in cash and cash equivalents primarily due to capital expenditures for the construction of our new site, “Konami Creative Front Tokyo Bay.”

Total Liabilities:

Total liabilities amounted to ¥167,953 million as of September 30, 2024, decreasing by ¥10,519 million compared with March 31, 2024. This primarily resulted from decreases in trade and other payables.

Total Equity:

Total equity amounted to ¥449,807 million as of September 30, 2024, increasing by ¥22,429 million compared with March 31, 2024. This mainly resulted from an increase in total equity attributable to owners of the parent due to recognition of profit for the period, despite impact of fluctuations in exchange rate and payment of dividends.

Ratio of equity attributable to owners of the parent as of September 30, 2024 was 72.8%, increasing by 2.3 points compared with March 31, 2024.

(2) Cash Flows

	Millions of Yen		
	Six months ended September 30, 2023	Six months ended September 30, 2024	Change
Cash flow summary:			
Net cash provided by operating activities	¥43,120	¥44,695	¥1,575
Net cash used in investing activities	(18,184)	(37,172)	(18,988)
Net cash used in financing activities	(12,120)	(13,106)	(986)
Effect of exchange rate changes on cash and cash equivalents	4,026	(2,104)	(6,130)
Net increase (decrease) in cash and cash equivalents	16,842	(7,687)	(24,529)
Cash and cash equivalents at the end of the year	¥236,105	¥266,060	¥29,955

Cash and cash equivalents (hereafter, referred to as “Net cash”) amounted to ¥266,060 million as of September 30, 2024, decreasing by ¥7,687 million compared with March 31, 2024.

Cash flow summary for each activity for the six months ended September 30, 2024 is as follows:

Cash flows from operating activities:

Net cash provided by operating activities amounted to ¥44,695 million for the six months ended September 30, 2024, a year-on-year increase of 3.7%. This primarily resulted from an increase in profit for the period, despite an increase in income taxes paid.

Cash flows from investing activities:

Net cash used in investing activities amounted to ¥37,172 million for the six months ended September 30, 2024, a year-on-year increase of 104.4%. This primarily resulted from an increase in capital expenditures.

Cash flows from financing activities:

Net cash used in financing activities amounted to ¥13,106 million for the six months ended September 30, 2024, a year-on-year increase of 8.1%. This primarily resulted from an increase in dividends paid.

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

Digital Entertainment

With networked entertainment offerings rapidly becoming mainstream, more people than ever before have a growing number of opportunities to enjoy playing games on any device. Amidst this situation, we will continue to propose ways for our games to be played so that even more people can enjoy them, regardless of the device they use. In addition, 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 console game titles, we are releasing a remake of *SILENT HILL 2*, the psychological horror game which has enjoyed global popularity, in October 2024. Using the story of the original game as a foundation, we evolved the graphics, sound, and the unique worldview of *SILENT HILL* to an even greater extent. Not only will fans of the original enjoy the content of the remake, but players who are new to *SILENT HILL* will have fun, as well. In the *Professional Baseball Spirits* series, we will release *Professional Baseball Spirits 2024-2025* to commemorate the 20th anniversary of the series. Additionally, we intend to launch the *eBaseball™: MLB PRO SPIRIT* mobile game.

As for ongoing efforts, for the *METAL GEAR* series, we are working diligently on production of a *METAL GEAR SOLID Δ: SNAKE EATER* remake—which retains the core of the original title while evolving with the latest graphics and three-dimensional sound expression—to get the ready for release. We will continue to produce completely new titles in the *SILENT HILL* series, and intend to provide a variety of information through the “SILENT HILL Transmission” program, which will be broadcast simultaneously around the world. We will also continue to promote attractive measures for currently available titles such as *eFootball™*, *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, and *Yu-Gi-Oh! MASTER DUEL*, so that even more customers will be able to enjoy them.

In the esports space, we have signed a collaboration agreement with the International Federation of Association Football (FIFA). As part of this initiative, we will host the “FIFAE World Cup™” in 2024, with *eFootball™* as the competition title. In October 2024, we will start holding matches to select players who will be prefectural representatives for the *eFootball™* series, which is the competition for the “National Prefectural Competitive eSports Championship 2024 SAGA.” Furthermore, we will host the 2024 season of two competitions, “eBASEBALL Prospi A Pro League” and “eBASEBALL Prospi A Championship,” using the mobile game *PROFESSIONAL BASEBALL SPIRITS A (ACE)* as the competition title. Additionally, the final of the “WBSC ePremier12 2024” 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 will introduce *Anima Lotta Yusha Anima to Ryu no Hiho* to the market. We have evolved the pocket in the center of the cabinet to a digital version, and this latest version is loaded with new elements for the game and its jackpot. For video games targeted at amusement facilities, we will launch operations for *MINECRAFT DUNGEONS ARCADE*, as a video game for amusement arcades through a recreation of the world of *Minecraft*— which holds the Guinness World Record™ as the world’s best-selling video game—which is beloved by a diverse range of players, including children, adults, and streamers. In addition, we intend to introduce *Monster Retsuden Oreca Battle 2* to the market. This is the latest *Monster Retsuden Oreca Battle* game, which has garnered popularity by combining the fun of a video game where you collect and train highly unique monsters for battles against the CPU and other players with the enjoyment of a card game where you collect various cards.

In the esports tournament “BEMANI PRO LEAGUE -SEASON 4- beatmania IIDX,” we will hold semifinal and final matches between the top four teams, who have made it through numerous heated battles on the regular stage, to crown the winning team. After the final matches have concluded, we will hold live DJ performances by impressive artists who are regulars in the *BEMANI* series to have fans enjoy a fresh entertainment sensation that combines “esports and music.” 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 launch *Kyokara Orewa!! Pachislot Hen*—based on the popular manga of the same name, which has been adapted into a TV drama series and a live-action film—to the market. In addition, we intend to release *Momotaro Dentetsu -Pachislot mo teiban!-*, a smart slot recreation of the nationally beloved *Momotaro Dentetsu: Showa, Heisei, Reiwa mo Teiban!* board game, which has sold a total of more than four million copies as a console game. We plan to launch a lineup of other new titles so that even more people can enjoy them.

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, competitors are introducing new products successively, creating an environment that requires higher product appeal. Under such circumstances, KONAMI will also enhance our brand value by developing our new game titles and system features.

In the slot machine business, we will continue to expand the highly acclaimed *DIMENSION* series in the market. In our gaming contents, we will continue to expand popular game series such as the *Unwooly Riches™* series. In the Global Gaming Expo, the largest event in the industry held in October 2024, we exhibited multiple new game series including *Bingo Frenzy Stampede™* with a bingo bonus feature. We are committed to expand our lineup for enjoyment of even more customers.

As our new embarkment, we will expand Class II machines to the market. Also, we have received an order of VLT (Video Lottery Terminal) from a major operator in Illinois, the USA, and the terminals will be shipped sequentially from the third quarter.

In our casino management system, *SYNKROS®* will be introduced to several casino facilities. Moreover, we will expand the feature of *SYNK Vision™*, the world's only player facial recognition solution for Electronic Game Machines, to table games to enhance convenience of the system. This expansion enables seamless management throughout casino floor.

By proceeding with the development of various functions that utilize cutting-edge technologies, responding to our client needs, we will aim to expand our market share.

Sports

For the operation of sports clubs, we will continue to improve our services to provide more people with opportunities for exercise. We will sequentially host large-scale “UNITED FEEL 2024” studio program events at 21 Konami Sports Club locations all over Japan.

For the “Undo Juku” exercise circle aimed at children, we will also hold competitions and events that children in each discipline can set as targets to help improve their skills and motivation.

For “Pilates Mirror,” machine Pilates studios with mirrors on the ceiling, in addition to opening four new studios in Tokyo and Kanagawa, we will open “Pilates Mirror Takatsuki” in Takatsuki City, Osaka, the first location to open in Kansai. Meanwhile, “Personal 30”—a personal gym with intensive 30-minute sessions—offers short, efficient, and comfortable ways for customers to achieve the bodies they want to have as they go through repeated 30-minute sessions. Going forward, we plan to expand the number of new business line locations in order to meet the needs of more people.

In the outsourced school swimming classes, we will strive to improve children's swimming abilities through effective instruction provided by professional staff members in a safe and secure environment. We will continue to expand the number of target schools in order to provide a safe environment where students can take classes at indoor pools, which are less affected by weather and temperature.

We will continue to provide products and services that meet the needs of our customers.

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. Thus, there is no change from the forecast figures released in the “Consolidated Financial Results for the Year Ended March 31, 2024” dated May 9, 2024.

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. Semi-annual Condensed Consolidated Financial Statements and Notes

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

	Millions of Yen	
	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	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	1,768	1,758
Other financial assets	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	-	19,985
Other financial liabilities	9,263	8,902
Trade and other payables	44,257	33,697
Income tax payables	10,615	11,395
Other current liabilities	21,791	23,869
Total current liabilities	85,926	97,848
Non-current liabilities		
Bonds and borrowings	59,862	39,899
Other financial liabilities	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	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

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

Semi-annual Condensed Consolidated Statement of Profit or Loss

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

Semi-annual Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	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)
<i>Total comprehensive income for the period</i>	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

	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	-	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

	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	-	-	(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

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

	Millions of Yen	
	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	(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

(5) Going Concern Assumption

None

(6) Segment Information

(i) 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

(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 & 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 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 (loss) 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	
	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

(Note)

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.