



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

August 1, 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
 Representative: Kimihiko Higashio, Representative Director, President
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 Beginning date of dividend payment: -

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

1. Consolidated Financial Results for the Three Months Ended June 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
Three months ended June 30, 2024	90,039	25,149	25,145	26,546	19,160	19,160
% change from previous year	24.0%	46.6%	46.6%	44.3%	43.3%	43.3%
Three months ended June 30, 2023	72,633	17,161	17,151	18,394	13,375	13,375
% change from previous year	1.0%	21.7%	22.2%	16.0%	17.0%	17.0%

Total comprehensive income for the period: Three months ended June 30, 2024: ¥24,125 million; 26.4%

Three months ended June 30, 2023: ¥19,092 million; 14.2%

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)
Three months ended June 30, 2024	141.35	141.35
Three months ended June 30, 2023	98.67	98.67

(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
June 30, 2024	612,599	442,148	442,132	72.2%
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	-				
Year ending March 31, 2025 (Forecast)		66.00	-	66.00	132.00

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2025 during the three months ended June 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 June 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 June 30, 2024	143,500,000 shares
As of March 31, 2024	143,500,000 shares
2. Number of treasury shares:

As of June 30, 2024	7,942,369 shares
As of March 31, 2024	7,942,166 shares
3. Average number of shares outstanding:

Three months ended June 30, 2024	135,557,763 shares
Three months ended June 30, 2023	135,558,690 shares

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

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 August 1, 2024.

1. Business Performance

(1) Overview of Business Performance

(1) Business Performance

For the three months ended June 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, the business results of Konami Group for the three months ended June 30, 2024 was mainly driven by the core content of the Digital Entertainment business continuing to perform well. Not only total revenue and every profit item for the three months ended June 30, 2024 have reached record high on a first quarter basis, but also operating profit, profit before income taxes and profit attributable to owners of the parent have reached record high for any given quarter.

In terms of the consolidated results for the three months ended June 30, 2024, total revenue amounted to ¥90,039 million (a year-on-year increase of 24.0%), business profit was ¥25,149 million (a year-on-year increase of 46.6%), operating profit was ¥25,145 million (a year-on-year increase of 46.6%), profit before income taxes was ¥26,546 million (a year-on-year increase of 44.3%), and profit attributable to owners of the parent was ¥19,160 million (a year-on-year increase of 43.3%).

(2) Performance by Business Segment

Summary of total revenue by business segment:

Millions of Yen, except percentages			
	Three months ended June 30, 2023	Three months ended June 30, 2024	% change
Total revenue:			
Digital Entertainment	¥48,130	¥64,202	33.4
Amusement	3,404	4,915	44.4
Gaming & Systems	9,997	9,698	(3.0)
Sports	11,697	11,836	1.2
Intersegment eliminations	(595)	(612)	-
Total revenue	¥72,633	¥90,039	24.0

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 announced to release *PAWAFURU PUROYAKYU 2024-2025*, in July 2024, to commemorate the 30th anniversary of the *PAWAFURU PUROYAKYU* series. In addition, we have set a September 2024 launch date for *Professional Baseball Spirits 2024-2025*, to commemorate the 20th anniversary of the *Professional Baseball Spirits* series, and have begun accepting reservations. Together with KONAMI's baseball game ambassador, player Shohei Ohtani, we will bring enthusiasm for KONAMI's baseball titles to a fever pitch. We also announced worldwide simultaneously that we will release a remake of *SILENT HILL 2*, which is the most acclaimed entry in the *SILENT HILL* series of psychological horror games, reborn using the latest technology in October 2024. Besides, we announced that we will open and make available the

functions of our proprietary NFT solution, “Resella,” to companies and organizations that are considering web3 services.

As a continuation of an existing initiative, we have implemented additional functionality and in-game events for *eFootball™ 2024*, which is currently available on consoles, PC, and mobile platforms and continues to be enjoyed by many customers. In addition, the game has performed well due to the excitement during the final stages of the non-virtual football leagues in each country. For the mobile game *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, we rolled out the “Ichiro Selection” initiative, in collaboration with Ichiro Suzuki. *PAWAFURU PUROYAKYU* drew massive attention due to various events and campaigns featuring player Shohei Ohtani. 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 are holding preliminary matches for “ePremier12,” the global eSports event with the official World Baseball Softball Confederation (WBSC) baseball game, *WBSC eBASEBALL™: POWER PROS*, as the competition title. The final entrants are being selected in order, and excitement is building for the championship game, which will be held in November 2024. In addition, we held a championship tournament for the “eJ.League eFootball™ 2024 season,” an eSports tournament with *eFootball™ 2024* as the competition title, in conjunction with the Japan Professional Football League (J.League). Furthermore, we held the championship round for the “eLiga BBVA MX 2024” in conjunction with Mexico’s top league, with representatives from each of the clubs that made it through the rigorous qualifiers. In addition to these events, the *eFootball™* series has been selected as the competition title for the “National Prefectural Competitive eSports Championship 2024 SAGA,” to be held in December 2024.

In terms of financial performance, total revenue for the three months ended June 30, 2024 in this segment amounted to ¥64,202 million (a year-on-year increase of 33.4%) and business profit for the three months ended June 30, 2024 amounted to ¥23,815 million (a year-on-year increase of 57.7%).

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 announced the July 2024 launch of the *PAWAFURU PUROYAKYU Kaimaku Medal Series!* title, featuring the popular KONAMI IP as its motif. The game recreates the “batting lottery” gameplay unique to *PAWAFURU PUROYAKYU*, in which the player swings at balls thrown by the pitcher at the right moment. 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, the new music game *Polaris Chord*, which we released in the previous fiscal year, has had a stable rollout and is expanding its market reach. In addition, we launched *DanceDanceRevolution WORLD*, the latest title of the *DanceDanceRevolution* series. This title has been redesigned to feature a stylish game interface. Furthermore, in order to pursue the fun of music games, we have not only greatly increased the number of songs included in the game, but also added a filter function that makes it easier to select songs, and it has been enjoyed by many users since launch.

In the eSports space, for “BEMANI PRO LEAGUE -SEASON 3- SOUND VOLTEX”—which ended successfully—we proposed new ways for players to enjoy music games through eSports by holding exhibition matches and events linked to games. Furthermore, for the new “BEMANI PRO LEAGUE -SEASON 4- beatmania IIDX” season, in addition to making the games available to watch at the competition venue, we will hold public viewings at CAFE&BAR STROPSe in the Konami Creative Center Ginza and stream the games online to deliver the realistic feeling of eSports, which is enjoyable for participants and viewers alike, to as many people as possible.

In terms of financial performance, total revenue for the three months ended June 30, 2024 in this segment amounted to ¥4,915 million (a year-on-year increase of 44.4%) and business profit for the three months ended June 30, 2024 amounted to ¥775 million (a year-on-year increase of 300.9%).

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, in our slot machine business, our core products, such as the *DIMENSION 49™* with a 49-inch 4K ultra-high definition portrait display and the *DIMENSION 27™* with the combination of three 27-inch monitors, and the new *DIMENSION 43x3™* which features combined large-sized displays increased their unit sales. In participation (revenue-sharing cabinets), we continued to expand placement of the *DIMENSION 49J™* with a 49-inch J-curved monitor, and the *DIMENSION 75C™* with a 75-inch curved monitor.

In the terms of gaming content, in the North American market, the *Unwooly Riches™* series commenced its operation on casino floor and got off to a great start. The superb animations and effects of a mischievous goat character and an angelic sheep character have been well received by our customers. Additionally, we recently introduced the *Charms Full Link™* series, inspired by the popular *All Aboard™* series, to the market. Irish folklore is the motif of the series, and its variety of bonus events decorated with a four-leaf clover and a rainbow is gathering attention. Moreover, the popular titles from the *Fortune Bags™* and the *Fortune Pots™* series were highly acclaimed by casino operators and thus resulting in increased sales. In the *Bull Rush™* series, the series maintained high performance, recording top-class performance in New South Wales, the largest casino market in Australia. In addition, sales of the *K-pow! Pig™* series that had launched the new title: *Noble Warrior™* remained steady.

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 high reliability of the system, 99.9% availability, has been well received by casino operators resulting continued future placements.

The demand has normalized in the last three months ended June 30, 2024, compared to the corresponding period last year 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 three months ended June 30, 2024 in this segment amounted to ¥9,698 million (a year-on-year decrease of 3.0%) and business profit for the three months ended June 30, 2024 amounted to ¥1,278 million (a year-on-year decrease of 35.2%).

Sports

Although the business environment in the sports market continues to be affected by soaring energy prices, 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 expanded the number of facilities with supplement servers, which allow customers to easily consume protein and other beverages in the facilities. In addition, we held a special program for "Konami Sports Online Fitness" in conjunction with International Yoga Day, and decided to hold "UNITED FEEL"—a large-scale studio program event that was well received in the previous fiscal year—in the current fiscal year, as well. We also engaged in various initiatives to provide support for members' efforts to improve their health.

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. We held competitions and events at “Undo Juku” in addition to regular lessons to demonstrate the results of daily training.

For “Pilates Mirror,” machine Pilates studios with mirrors on the ceiling, we opened 11 new studios in Tokyo and Kanagawa, bringing the total to 34. “Pilates Mirror” has been well received by many customers, with some of the studios having waiting lists for membership. As a new initiative, we opened the first “Personal 30,” 30-minute intensive personal gym sessions’ studio, at Kyodo in Tokyo. Based on the concept of “30 minutes to build a body you love,” 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. Participants in “Personal 30” exercise while looking at themselves from behind with a unique infinity mirror—a view they do not get in their daily lives—and aim for their ideal body while checking with their trainer.

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 regard to growing school needs for outsourcing of swimming classes, we are providing swimming instruction services at many elementary and junior high schools throughout Japan, which have been well received.

Due to the recent rise in prices of various goods and continued high energy costs, profits in this business decreased for the three months ended June 30, 2024.

In terms of financial performance, total revenue for the three months ended June 30, 2024 in this segment amounted to ¥11,836 million (a year-on-year increase of 1.2%) and business profit for the three months ended June 30, 2024 amounted to ¥243 million (a year-on-year decrease of 66.4%).

(2) Consolidated Financial Position

(1) Total Assets, Total Liabilities and Total Equity

Total Assets:

Total assets amounted to ¥612,599 million as of June 30, 2024, increasing by ¥6,749 million compared with March 31, 2024. This mainly resulted from increases in other current assets and goodwill and intangible assets, despite a decrease in trade and other receivables.

Total Liabilities:

Total liabilities amounted to ¥170,451 million as of June 30, 2024, decreasing by ¥8,021 million compared with March 31, 2024. This primarily resulted from decreases in trade and other payables and income tax payables.

Total Equity:

Total equity amounted to ¥442,148 million as of June 30, 2024, increasing by ¥14,770 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 and impact of fluctuations in exchange rate, despite payment of dividends.

Ratio of equity attributable to owners of the parent as of June 30, 2024 was 72.2%, increasing by 1.7 points compared with March 31, 2024.

(2) Cash Flows

	Millions of Yen		
	Three months ended June 30, 2023	Three months ended June 30, 2024	Change
Cash flow summary:			
Net cash provided by operating activities	¥16,831	¥18,660	¥1,829
Net cash used in investing activities	(10,603)	(10,361)	242
Net cash used in financing activities	(10,203)	(11,163)	(960)
Effect of exchange rate changes on cash and cash equivalents	2,898	2,980	82
Net (decrease) increase in cash and cash equivalents	(1,077)	116	1,193
Cash and cash equivalents at the end of the year	¥218,186	¥273,863	¥55,677

Cash and cash equivalents (hereafter, referred to as “Net cash”) amounted to ¥273,863 million as of June 30, 2024, increasing by ¥116 million compared with March 31, 2024.

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

Cash flows from operating activities:

Net cash provided by operating activities amounted to ¥18,660 million for the three months ended June 30, 2024, a year-on-year increase of 10.9%. This primarily resulted from an increase in profit for the period.

Cash flows from investing activities:

Net cash used in investing activities amounted to ¥10,361 million for the three months ended June 30, 2024, a year-on-year decrease of 2.3%. This primarily resulted from a decrease in capital expenditures.

Cash flows from financing activities:

Net cash used in financing activities amounted to ¥11,163 million for the three months ended June 30, 2024, a year-on-year increase of 9.4%. 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 will release *PAWAFURU PUROYAKYU 2024-2025* to commemorate the 30th anniversary of the *PAWAFURU PUROYAKYU* series and *Professional Baseball Spirits 2024-2025* to commemorate the 20th anniversary of the *Professional Baseball Spirits* series. Additionally, we will launch a home console version of *PAWAFURU PUROYAKYU Eikan Nine Cross Road*, which has already been released for mobile devices, and allow players to link it with data from the mobile version. For the *Momotaro Dentetsu* series, we will release a free trial version of *Momotaro Dentetsu World -Chikyu wa Kibou de Mawatteru!-*, which has already shipped more than a million units. We will continue to promote this title—which has received a steady stream of positive feedback from educators, such as “it deepens students’ international understanding” and “it helps students to acquire knowledge”—so that it can be enjoyed by an even broader range of players. In addition to that, we will release *SILENT HILL 2*, a psychological horror game, and *CYGN: All Guns Blazing*, a new vertically scrolling shooter.

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 *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, *eFootball™ 2024*, and *Yu-Gi-Oh! MASTER DUEL*, so that even more customers will be able to enjoy them.

In the eSports space, we will host the “eFootball™ CHAMPIONSHIP 2024 World Finals” to determine the top player in the world. In addition, in September 2024, the final competition in the “Yu-Gi-Oh! World Championship 2024” eSports tournament will be held in Seattle, the USA, to determine the world’s top Yu-Gi-Oh! duelist. Furthermore, the “ePremier12” 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 launch *PAWAFURU PUROYAKYU Kaimaku Medal Series!* This medal pusher game offers the fun of both a medal game and a baseball game. In the prize game space, we will roll out *PUKURE*, a new type of crane game equipped with a searchlight, which provides players with a new sensation. In addition, we will expand KONAMI's IP very popular content as amusement prizes to amusement facilities nationwide. 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 has sold more than 300 million units in total, and 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 distributors. The game is set in the world of *Minecraft* and players aim to clear stages by defeating familiar enemy characters from the game.

In the eSports tournament “BEMANI PRO LEAGUE -SEASON 4- beatmania IIDX,” fierce competition will unfold during the regular season of the eSports league, as players attempt to advance to the semi-finals and finals. In each match, each team will aim for the championship along with DJ performances and other spectacular productions. 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 bring *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. 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 further expand our lineup of the highly acclaimed *DIMENSION* series in the market. In our gaming contents, we will continue to expand game series such as the *Unwooly Riches*™ series, which is performing very well since its launch, and the *Charms Full Link*™ series. Moreover, we are going to launch the *Crazy Stuffed Coins*™ series which is an improved version of the popular *Stuffed Coins*™ series. The original *Stuffed Coins*™ series was ranked in the casino industry's Top 25 Indexing Games-Core, Parent Theme for ten consecutive months and nominated for the “Most Innovative Land-Based Game” in EKG Slot Award show in 2024. We will continue to develop titles from our high-performing popular game series.

In our casino management system, *SYNKROS*® will be introduced to several additional casino facilities. We will continuously expand the number of casino facilities connected to *SYNKROS*®.

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. Furthermore, in connection with the global sports festival that takes place every four years scheduled, we believe that demand for sports will continue to grow. We will strive to improve our services in this business to meet that demand.

For the “Undo Juku” exercise circle aimed at children, we hold “the 11th Konami Sports Club Kids Golfer Challenge Cup,” a tournament for child golfers, at the “Undo Juku” golf school. 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, we will open seven new studios in Tokyo and Kanagawa. 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 continue to increase the number of schools we work with in order to solve various problems they face, improve children’s swimming skills and physical fitness, and enhance the swimming environment.

We will continue to provide products and services that support a sustainable society.

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. Quarterly Condensed Consolidated Financial Statements and Notes

(1) Quarterly Condensed Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	¥273,747	¥273,863
Trade and other receivables	43,887	36,997
Inventories	13,764	14,411
Income tax receivables	603	799
Other current assets	11,859	15,449
Total current assets	343,860	341,519
Non-current assets		
Property, plant and equipment, net	154,454	154,062
Goodwill and intangible assets	57,226	62,159
Investments accounted for using the equity method	3,456	4,356
Other investments	1,768	1,816
Other financial assets	15,300	18,329
Deferred tax assets	28,275	28,860
Other non-current assets	1,511	1,498
Total non-current assets	261,990	271,080
Total assets	605,850	612,599
Liabilities and equity		
Liabilities		
Current liabilities		
Other financial liabilities	9,263	9,182
Trade and other payables	44,257	39,209
Income tax payables	10,615	6,914
Other current liabilities	21,791	23,399
Total current liabilities	85,926	78,704
Non-current liabilities		
Bonds and borrowings	59,862	59,873
Other financial liabilities	20,262	19,210
Provisions	9,527	9,525
Deferred tax liabilities	1,192	1,234
Other non-current liabilities	1,703	1,905
Total non-current liabilities	92,546	91,747
Total liabilities	178,472	170,451
Equity		
Share capital	47,399	47,399
Share premium	78,144	78,144
Treasury shares	(21,603)	(21,605)
Other components of equity	20,625	25,590
Retained earnings	302,797	312,604
Total equity attributable to owners of the parent	427,362	442,132
Non-controlling interests	16	16
Total equity	427,378	442,148
Total liabilities and equity	¥605,850	¥612,599

(2) Quarterly Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Quarterly Condensed Consolidated Statement of Profit or Loss

	Millions of Yen	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue		
Product sales revenue	¥21,912	¥25,780
Service and other revenue	50,721	64,259
Total revenue	72,633	90,039
Cost of revenue		
Cost of product sales revenue	(9,489)	(10,302)
Cost of service and other revenue	(31,151)	(36,000)
Total cost of revenue	(40,640)	(46,302)
Gross profit	31,993	43,737
Selling, general and administrative expenses	(14,832)	(18,588)
Other income and other expenses, net	(10)	(4)
Operating profit	17,151	25,145
Finance income	1,278	1,426
Finance costs	(168)	(157)
Profit from investments accounted for using the equity method	133	132
Profit before income taxes	18,394	26,546
Income taxes	(5,019)	(7,386)
Profit for the period	13,375	19,160
Profit attributable to:		
Owners of the parent	13,375	19,160
Non-controlling interests	¥0	¥0

	Yen	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Earnings per share (attributable to owners of the parent)		
Basic	¥98.67	¥141.35
Diluted	¥98.67	¥141.35

Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit for the period	¥13,375	¥19,160
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	130	33
Total items that will not be reclassified to profit or loss	130	33
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	5,587	4,932
Total items that may be reclassified to profit or loss	5,587	4,932
Total other comprehensive income	5,717	4,965
Total comprehensive income for the period	19,092	24,125
Comprehensive income attributable to:		
Owners of the parent	19,092	24,125
Non-controlling interests	¥0	¥0

(3) Quarterly 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					13,375	13,375	0	13,375
Other comprehensive income				5,717		5,717		5,717
Total comprehensive income for the period	-	-	-	5,717	13,375	19,092	0	19,092
Purchase of treasury shares			(2)			(2)		(2)
Disposal of treasury shares		0	0			0		0
Dividends					(8,405)	(8,405)		(8,405)
Total transactions with the owners	-	0	(2)	-	(8,405)	(8,407)	-	(8,407)
Balance at June 30, 2023	¥47,399	¥78,144	¥(21,596)	¥17,597	¥265,405	¥386,949	¥15	¥386,964

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					19,160	19,160	0	19,160
Other comprehensive income				4,965		4,965		4,965
Total comprehensive income for the period	-	-	-	4,965	19,160	24,125	0	24,125
Purchase of treasury shares			(2)			(2)		(2)
Dividends					(9,353)	(9,353)		(9,353)
Total transactions with the owners	-	-	(2)	-	(9,353)	(9,355)	-	(9,355)
Balance at June 30, 2024	¥47,399	¥78,144	¥(21,605)	¥25,590	¥312,604	¥442,132	¥16	¥442,148

(4) Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Three months ended June 30, 2023	Three months ended June 30, 2024
<i>Operating activities</i>		
Profit for the period	¥13,375	¥19,160
Depreciation and amortization	3,655	4,572
Impairment losses	-	2
Interest and dividends income	(238)	(354)
Interest expense	160	151
Loss on sale or disposal of property, plant and equipment	3	2
Profit from investments accounted for using the equity method	(133)	(132)
Income taxes	5,019	7,386
Decrease in trade and other receivables	10,308	7,760
Increase in inventories	(416)	(1)
Decrease in trade and other payables	(4,503)	(4,311)
Increase in prepaid expense	(3,313)	(3,469)
Increase (decrease) in contract liabilities	1,805	(608)
Other, net	1,176	(761)
Interest and dividends received	234	401
Interest paid	(96)	(86)
Income taxes paid	(10,205)	(11,052)
<i>Net cash provided by operating activities</i>	16,831	18,660
<i>Investing activities</i>		
Capital expenditures	(10,662)	(9,441)
Payments for lease deposits	(44)	(29)
Proceeds from refunds of lease deposits	103	23
Other, net	0	(914)
<i>Net cash used in investing activities</i>	(10,603)	(10,361)
<i>Financing activities</i>		
Principal payments of lease liabilities	(1,835)	(1,844)
Dividends paid	(8,366)	(9,318)
Other, net	(2)	(1)
<i>Net cash used in financing activities</i>	(10,203)	(11,163)
Effect of exchange rate changes on cash and cash equivalents	2,898	2,980
Net (decrease) increase in cash and cash equivalents	(1,077)	116
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>	¥218,186	¥273,863

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the three months ended June 30, 2023

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥47,944	¥3,042	¥9,961	¥11,686	¥72,633	-	¥72,633
Intersegment	186	362	36	11	595	¥(595)	-
Total	48,130	3,404	9,997	11,697	73,228	(595)	72,633
Business profit	¥15,101	¥193	¥1,971	¥723	¥17,988	¥(827)	17,161
Other income and other expenses, net	-	-	-	-	-	-	(10)
Operating profit	-	-	-	-	-	-	17,151
Finance income and finance costs, net	-	-	-	-	-	-	1,110
Profit from investments accounted for using the equity method	-	-	-	-	-	-	133
Profit before income taxes	-	-	-	-	-	-	¥18,394

For the three months ended June 30, 2024

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥64,036	¥4,560	¥9,694	¥11,749	¥90,039	-	¥90,039
Intersegment	166	355	4	87	612	¥(612)	-
Total	64,202	4,915	9,698	11,836	90,651	(612)	90,039
Business profit	¥23,815	¥775	¥1,278	¥243	¥26,111	¥(962)	25,149
Other income and other expenses, net	-	-	-	-	-	-	(4)
Operating profit	-	-	-	-	-	-	25,145
Finance income and finance costs, net	-	-	-	-	-	-	1,269
Profit from investments accounted for using the equity method	-	-	-	-	-	-	132
Profit before income taxes	-	-	-	-	-	-	¥26,546

(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	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue:		
Japan	¥49,468	¥63,850
United States	14,139	16,653
Europe	4,520	5,828
Asia/Oceania	4,506	3,708
Consolidated	¥72,633	¥90,039

(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.