



Consolidated Financial Results
for the Three Months Ended June 30, 2023
(Prepared in Accordance with IFRS)

August 3, 2023

KONAMI GROUP CORPORATION

Address: 11-1, Ginza 1-chome, Chuo-ku, Tokyo, Japan
 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
 Contact: Junichi Motobayashi, Corporate Officer, General Manager, Finance Division
 (Phone: +81-3-6636-0573)
 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, 2023

(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, 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%
Three months ended June 30, 2022	71,905	14,099	14,040	15,852	11,432	11,432
% change from previous year	5.2%	(30.5)%	(27.8)%	(17.1)%	(16.3)%	(16.3)%

Total comprehensive income for the period: Three months ended June 30, 2023: ¥19,092 million; 14.2%

Three months ended June 30, 2022: ¥16,724 million; 22.9%

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, 2023	98.67	98.67
Three months ended June 30, 2022	85.41	84.38

(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, 2023	551,759	386,964	386,949	70.1%
March 31, 2023	547,223	376,279	376,264	68.8%

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, 2023	-	62.00	-	62.00	124.00
Year ending March 31, 2024	-				
Year ending March 31, 2024 (Forecast)		62.00	-	62.00	124.00

Note) Recently announced change in dividend forecasts for the fiscal year ending March 31, 2024 during the three months ended June 30, 2023: No

3. Consolidated Earnings Forecast for the Year Ending March 31, 2024

(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, 2024	328,000	63,000	60,000	59,000	41,000	302.45
% change from previous year	4.4%	11.3%	29.9%	25.2%	17.5%	

Note) Recently announced change in earnings forecasts for the fiscal year ending March 31, 2024 during the three months ended June 30, 2023: No

Noted Items

(1) Changes in significant consolidated subsidiaries during the period (status changes of subsidiaries due to changes in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimate

- Changes in accounting policies required by IFRS: No
- Other changes: No
- Changes in accounting estimate: No

(3) Number of shares issued (Share capital)

- Number of shares issued: (Treasury shares included)

As of June 30, 2023	143,500,000 shares
As of March 31, 2023	143,500,000 shares
- Number of treasury shares:

As of June 30, 2023	7,941,403 shares
As of March 31, 2023	7,941,177 shares
- Average number of shares outstanding:

Three months ended June 30, 2023	135,558,690 shares
Three months ended June 30, 2022	133,844,714 shares

Earnings release (Kessan Tanshin) regarding these consolidated financial results is not subject to auditing procedures.

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 8 to 10 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 3, 2023.

1. Business Performance

(1) Analysis of Business Performance

(1) Business Overview

For the three months ended June 30, 2023, domestic economy is showing moderate recovery trend due to factors such as COVID-19 downgrade to Class 5 under the Infectious Disease Control Law in Japan, however, the situation still requires careful attention to issues including surge in energy costs and raw material costs, rapid depreciation of Japanese yen and the impact on economy caused by tight monetary policies around the world.

Amidst these circumstances, in terms of the business results of Konami Group for the three months ended June 30, 2023, both total revenue and profit increased mainly due to improved profit margin of core contents in the Digital Entertainment business and strong performance in the Gaming & Systems business. In regard to revenue for the three months ended June 30, 2023, partly due to depreciation of Japanese yen, it has reached a record high.

In terms of the consolidated results for the three months ended June 30, 2023, total revenue amounted to ¥72,633 million (a year-on-year increase of 1.0%), business profit was ¥17,161 million (a year-on-year increase of 21.7%), operating profit was ¥17,151 million (a year-on-year increase of 22.2%), profit before income taxes was ¥18,394 million (a year-on-year increase of 16.0%), and profit attributable to owners of the parent was ¥13,375 million (a year-on-year increase of 17.0%).

(2) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Three months ended June 30, 2022	Three months ended June 30, 2023	% change
Total revenue:			
Digital Entertainment	¥50,800	¥48,130	(5.3)
Amusement	2,930	3,404	16.2
Gaming & Systems	7,695	9,997	29.9
Sports	10,983	11,697	6.5
Intersegment eliminations	(503)	(595)	-
Total revenue	¥71,905	¥72,633	1.0

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 is becoming increasingly diversified, such as 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 *PAWAFURU PUROYAKYU Eikan Nine Cross Road*, a new title in the *PAWAFURU PUROYAKYU* series, the first mobile baseball title in approximately nine years. After the mobile version is released, the game will also be released in the computer and video game space, allowing the series to be enjoyed cross-platform for the first time. In the *METAL GEAR* series, we have received a great response to our announcement that we are working on *METAL GEAR SOLID 4: SNAKE EATER*, which faithfully recreates the story, characters and game design of 2004's *METAL GEAR SOLID 3 SNAKE EATER*, one of the most beloved titles in the series and the origin of "Snake," while evolving the gameplay with modern state-of-the-art computer graphics. In addition, we have announced that the first volume of the anthology *METAL GEAR SOLID: MASTER COLLECTION Vol.1*, which tracks the 35 years of the series, has been confirmed and is now available for pre-order. *Momotaro Dentetsu World -Chikyu wa Kibou de Mawatteru!-*, the latest title of the well-loved Japanese board game series *Momotaro Dentetsu*, is announced to be scheduled for release in November 2023, and reservations for the packaged version of the game are being made available in stores.

As an ongoing initiative, various activities for *PROFESSIONAL BASEBALL SPIRITS A (ACE)* have been undertaken even after "2023 World Baseball Classic™," to the delight of many customers. *eFootball™ 2023* also continued to perform well, with a campaign held to commemorate the 6th anniversary of the launch of the mobile version of the game. Furthermore, in card games, we are working on a project to commemorate the 25th anniversary of Yu-Gi-Oh! card game, and are working to generate excitement through the production of commemorative goods and a promotional campaign.

In eSports, the finals for *WBSC eBASEBALL™: POWER PROS*, a competitive title for "Olympic Esports Series 2023," organized by the International Olympic Committee (IOC), were held in Singapore, and a heated competition ensued. In addition, "eFootball™ Championship Pro 2023," in which professional eSports players contracted with professional European soccer clubs participated, was held offline for the first time in three years, with a final match held to determine the top major club in Europe.

In terms of financial performance, total revenue for the three months ended June 30, 2023 in this segment amounted to ¥48,130 million (a year-on-year decrease of 5.3%) and business profit for the three months ended June 30, 2023 amounted to ¥15,101 million (a year-on-year increase of 13.0%).

Amusement

As economic activities are being normalized around the world, there are signs of recovery from the impact of COVID-19 pandemic in the amusement market.

Amidst these circumstances, in our medal game business, we have received additional orders for the medal pusher game *Momotaro Dentetsu -Medal game mo teiban!-*, which was released in the previous fiscal year, due to its strong performance in the market. In video games targeted at amusement facilities, various initiatives were undertaken, including a collaboration event between *SOUND VOLTEX EXCEED GEAR* and the popular anime *Re:ZERO -Starting Life in Another World-*. In the professional mahjong league “M League 2022-23 season,” “KONAMI MAH-JONG FIGHT CLUB,” named after the arcade game *MAH-JONG FIGHT CLUB*, came in second, its highest placing since the league's creation in 2018, and we launched various related initiatives in an effort to further expand our user base. Furthermore, we launched the “KONAMI ONLINE PRIZE GAME,” an online prize game that can be played on PCs and smartphones. By offering the chance to win various original KONAMI items not available elsewhere, “KONAMI ONLINE PRIZE GAME” has been well received by players.

In the eSports space, there was fierce competition to determine the first champion of *DanceDanceRevolution*, a new competitive title in the professional league “BEMANI PRO LEAGUE -SEASON 2-,” which combines music and eSports. In addition, a *beatmania IIDX* draft was held for “BEMANI PRO LEAGUE -SEASON 3-,” and 32 players were selected.

In terms of financial performance, total revenue for the three months ended June 30, 2023 in this segment amounted to ¥3,404 million (a year-on-year increase of 16.2%) and business profit for the three months ended June 30, 2023 amounted to ¥193 million (a year-on-year increase of 81.9%).

Gaming & Systems

In the gaming market, the North American market and Australian market have regained their pre-COVID-19 energy and those markets are growing steadily. In other regions, the markets as a whole are also moving toward recovery, especially led by Asian market.

Amidst these circumstances, in our slot machine business, the *DIMENSION* series is expanding its presence in the North American and Australian markets, where the series have won multiple awards. In terms of slot machine sales, *DIMENSION 49™* has maintained high operation in the market. In the area of participation (revenue share business), we are expanding the introduction of *DIMENSION 75C™* featuring a 75-inch curved monitor, to casino facilities. In terms of gaming content, *All Aboard™* has recorded industry-leading operation continuously. *Ocean Spin™*, which allows players to control animations projected on a monitor using a touch panel, and *Dragon's Law™*, which allows players to enjoy effects featuring colorful dragons, have been well received by the market. Moreover, *SeleXion™*, which allows customers to choose their favorite content from multiple titles in a single machine, is also expanding in the market.

In the casino management system, we introduced a variety of functionality which will enhance and strengthen our product appeal including *Money Klip™* which made cashless casinos possible, maintaining the strong performance.

In terms of financial performance, total revenue for the three months ended June 30, 2023 in this segment amounted to ¥9,997 million (a year-on-year increase of 29.9%) and business profit for the three months ended June 30, 2023 amounted to ¥1,971 million (a year-on-year increase of 139.5%).

Sports

In the sports market, rising energy prices continue to impact on business environment. Meanwhile, demand for sports and health promotion is growing with COVID-19 transition to Class 5 under the Infectious Disease Control Law in Japan.

Amidst these circumstances, in our operation of sports clubs, we have continued to provide opportunities for exercise to more customers by expanding both the use of facilities and online lesson services. We have also undertaken initiatives to improve the support for health promotion provided to members, such as the installation in our facilities of supplement servers that allow members to easily obtain protein drinks and other beverages for consumption at any time before or after exercise.

For the “Undo Juku” exercise circle aimed at children, we are developing a variety of options to suit children, including swimming, gymnastics and dance, to encourage physical growth through sport. We have set up new swimming schools in five facilities in Shibuya (Shibuya-ku, Tokyo), Musashi-Kosugi (Kawasaki City, Kanagawa), Tama-plaza and Kibogaoka (Yokohama City, Kanagawa), and Motoyama-Minami (Kobe City, Hyogo). Thanks to synergy between “Undo Juku Digital Note,” which increases the practice effect using video and AI, and the coaching techniques of Konami Sports Club instructors, we have promoted the development of swimming schools that enable children to continue learning in a more enjoyable way.

For “Pilates Mirror,” Pilates studios with mirrors on the ceiling, we opened “Pilates Mirror Nakameguro” and “Pilates Mirror Gakugei-Daigaku” (Meguro-ku, Tokyo) in April 2023, “Pilates Mirror Mizonokuchi” and “Pilates Mirror Miyazakidai” (Kawasaki City, Kanagawa) in June 2023. “Pilates Mirror” has been well received by many customers, with some of the studios having waiting lists for membership.

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, and began contracted operations of sports facilities in new areas such as Tsugaru City, Aomori, Saitama City, Saitama, Asahi City, Chiba, Toshima-ku, Tokyo and Gifu City, Gifu.

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.

In terms of financial performance, total revenue for the three months ended June 30, 2023 in this segment amounted to ¥11,697 million (a year-on-year increase of 6.5%) and business profit for the three months ended June 30, 2023 amounted to ¥723 million (a year-on-year increase of 61.3%).

Please refer to “(1) Quarterly Condensed Consolidated Statement of Financial Position” and “(4) Quarterly Condensed Consolidated Statement of Cash Flows” in “2. Quarterly Condensed Consolidated Financial Statements and Notes” regarding the financial position and cash flows.

(2) Outlook for the Fiscal Year Ending March 31, 2024

Digital Entertainment

With networked entertainment offerings rapidly becoming mainstream, now more than ever, many people have an increasing number of opportunities to enjoy playing games on any device. Amidst this situation, in addition to gameplay based on the features of the device, we are promoting cross-platform development so that users can enjoy content beyond the boundaries of various devices. Additionally, 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 major new titles to be released for the future, we have several titles in the *METAL GEAR* series and in the *SILENT HILL* series, which have received very favorable feedback since announcement of those production. We are working assiduously to produce *METAL GEAR SOLID Δ: SNAKE EATER*, which faithfully recreates the story, characters and game design of the original title while evolving the gameplay with modern computer graphics, and to produce a remake and entirely new titles in the *SILENT HILL* series. Moreover, we will be drawing more attention to *METAL GEAR SOLID: MASTER COLLECTION Vol.1*, a first collection of past entries of the *METAL GEAR* series, as we lead up to its launch.

In addition, *PAWAFURU PUROYAKYU Eikan Nine Cross Road*, which offers cross-platform play between two versions of the game—the mobile version with the computer and video game version—to be enjoyed, is scheduled to be released. *Momotaro Dentetsu World -Chikyu wa Kibou de Mawatteru!-*, the latest title of the *Momotaro Dentetsu* series which is well-loved Japanese board game and the first in the series to use Earth reproduced on a spherical map, *SUPER BOMBERMAN R 2*, the latest title of the *BOMBERMAN* series, a new rhythm and puzzle action adventure *Super Crazy Rhythm Castle*, and the new vertically scrolling shooting game *CYONI: All Guns Blazing* are also scheduled to be released.

As an ongoing initiative, we will continue to take appealing measures for titles such as *PROFESSIONAL BASEBALL SPIRITS A (ACE)*, *eFootball™ 2023* and *Yu-Gi-Oh! MASTER DUEL*, with the aim of having these titles well received by our customers.

In the eSports space, we have announced information on the “eBASEBALL Prosperi A (Ace) League” 2023 season, which will be held jointly with the Nippon Professional Baseball Organization (NPB). In addition, we will hold the eSports world championship “Yu-Gi-Oh! World Championship 2023” for the first time in four years since the pandemic to decide the world’s top duelists in *Yu-Gi-Oh! OFFICIAL CARD GAME DUEL MONSTERS* (Known overseas as *Yu-Gi-Oh! TRADING CARD GAME*), *Yu-Gi-Oh! DUEL LINKS*, and *Yu-Gi-Oh! MASTER DUEL*. 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.

For the online crane game “KONAMI ONLINE PRIZE GAME,” we will work to increase the number of player seats and increase the variety of prizes that can be won in order to allow more customers to enjoy the game. Furthermore, we will begin selling prizes capitalizing on KONAMI’s IP assets for the booming prize game market. In overseas markets, we will strive to expand machine sales, especially in North America, where the market is recovering remarkably.

In the eSports tournament “BEMANI PRO LEAGUE -SEASON 3-,” the regular stage for *beatmania IIDX* is being held, and we will continue to generate further excitement in the competition in the runup to the final tournament.

With regard to pachinko and pachinko slot, we will launch KONAMI's first "smart pachislot" titles, *Boku girls Love Kyure 2* and *MAH-JONG FIGHT CLUB KAKUSEI*. Amid expectations that the market environment will improve, we are preparing for the production and sale of numerous titles in the smart pachinko and smart pachislot spaces.

Through providing new user experiences, we will deliver the amusement and fun of KONAMI titles, 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 our slot machine business, we will promote to expand the *DIMENSION* series, which has been well received in the market, in addition to expand gaming contents including *All Aboard*TM and *Ocean Spin*TM. Furthermore, we will strive to improve the value of the *DIMENSION* series by developing new content.

For the casino management system *SYNKROS*[®], it has been well received from customers and was newly decided to be adopted for a large-scale IR facility to be opened in Las Vegas. In addition, we plan to introduce various new functions, including "Oracle[®] Analytics," which will provide a dashboard feature that visualize the data collected by *SYNKROS*[®] using AI analysis, and "*SYNK Vision*," which will identify players in casino facilities using state-of-the-art facial recognition technology. We aim to expand our market share by proceeding with the development of various functions that utilize cutting-edge technologies to meet the needs of our customers.

Sports

For the operation of sports clubs, we will continue to improve our services to provide more people with opportunities to exercise.

For the "Undo Juku" exercise circle aimed at children, we will support the new challenges of children by expanding facilities providing the swimming school and providing "Undo Juku Digital Note." In addition, "Digital Note swimming school for adults," a version of "Undo Juku Digital Note" customized into a program for adults, will begin in September at 36 Konami Sports Club facilities. By making swimming more visible, we aim to provide swimming lessons that are easy to understand.

For the three months ended September 30, 2023, we will open five Pilates Mirror studios, "Pilates Mirror Ookayama" (Ota-ku, Tokyo), "Pilates Mirror Musashi-Koyama" (Meguro-ku, Tokyo), "Pilates Mirror Sangen-Jaya" and "Pilates Mirror Chitose-Funabashi" (Setagaya-ku, Tokyo), and "Pilates Mirror Motosumiyoshi" (Kawasaki City, Kanagawa). We plan to increase the number of studios so that more customers can experience the "Pilates Mirror."

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, 2024 are as follows: total revenue of ¥328,000 million; business profit of ¥63,000 million; operating profit of ¥60,000 million; profit before income tax of ¥59,000 million; and profit attributable to owners of the parent of ¥41,000 million. Thus, there is no change from the forecast figures released in the "Consolidated Financial Results for the Year Ended March 31, 2023" dated May 11, 2023.

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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	¥219,263	¥218,186
Trade and other receivables	39,276	30,694
Inventories	12,705	13,902
Income tax receivables	9,486	8,782
Other current assets	9,311	13,233
Total current assets	290,041	284,797
Non-current assets		
Property, plant and equipment, net	155,788	157,161
Goodwill and intangible assets	49,553	55,932
Investments accounted for using the equity method	3,239	3,316
Other investments	1,890	2,082
Other financial assets	15,001	16,073
Deferred tax assets	30,220	30,799
Other non-current assets	1,491	1,599
Total non-current assets	257,182	266,962
Total assets	547,223	551,759
Liabilities and equity		
Liabilities		
Current liabilities		
Other financial liabilities	8,751	8,877
Trade and other payables	37,558	31,869
Income tax payables	9,760	4,384
Other current liabilities	19,025	23,677
Total current liabilities	75,094	68,807
Non-current liabilities		
Bonds and borrowings	59,819	59,830
Other financial liabilities	23,050	23,122
Provisions	10,031	9,999
Deferred tax liabilities	1,141	1,193
Other non-current liabilities	1,809	1,844
Total non-current liabilities	95,850	95,988
Total liabilities	170,944	164,795
Equity		
Share capital	47,399	47,399
Share premium	78,144	78,144
Treasury shares	(21,594)	(21,596)
Other components of equity	11,880	17,597
Retained earnings	260,435	265,405
Total equity attributable to owners of the parent	376,264	386,949
Non-controlling interests	15	15
Total equity	376,279	386,964
Total liabilities and equity	¥547,223	¥551,759

(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, 2022	Three months ended June 30, 2023
Revenue		
Product sales revenue	¥21,885	¥21,912
Service and other revenue	50,020	50,721
Total revenue	71,905	72,633
Cost of revenue		
Cost of product sales revenue	(10,802)	(9,489)
Cost of service and other revenue	(32,331)	(31,151)
Total cost of revenue	(43,133)	(40,640)
Gross profit	28,772	31,993
Selling, general and administrative expenses	(14,673)	(14,832)
Other income and other expenses, net	(59)	(10)
Operating profit	14,040	17,151
Finance income	1,853	1,278
Finance costs	(192)	(168)
Profit from investments accounted for using the equity method	151	133
Profit before income taxes	15,852	18,394
Income taxes	(4,420)	(5,019)
Profit for the period	11,432	13,375
Profit attributable to:		
Owners of the parent	11,432	13,375
Non-controlling interests	¥0	¥0
	Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Earnings per share (attributable to owners of the parent)		
Basic	¥85.41	¥98.67
Diluted	¥84.38	¥98.67

Quarterly Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit for the period	¥11,432	¥13,375
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	(5)	130
Total items that will not be reclassified to profit or loss	(5)	130
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	5,297	5,587
Total items that may be reclassified to profit or loss	5,297	5,587
Total other comprehensive income	5,292	5,717
Total comprehensive income for the period	16,724	19,092
Comprehensive income attributable to:		
Owners of the parent	16,724	19,092
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, 2022	¥47,399	¥75,027	¥(26,868)	¥6,701	¥245,802	¥348,061	¥15	¥348,076
Profit for the period					11,432	11,432	0	11,432
Other comprehensive income				5,292		5,292		5,292
Total comprehensive income for the period	-	-	-	5,292	11,432	16,724	0	16,724
Purchase of treasury shares			(5)			(5)		(5)
Dividends					(11,621)	(11,621)		(11,621)
Conversion of convertible bond-type bonds with subscription rights to shares		1,099	1,865			2,964		2,964
Total transactions with the owners	-	1,099	1,860	-	(11,621)	(8,662)	-	(8,662)
Balance at June 30, 2022	¥47,399	¥76,126	¥(25,008)	¥11,993	¥245,613	¥356,123	¥15	¥356,138

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

(4) Quarterly Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Three months ended June 30, 2022	Three months ended June 30, 2023
<i>Operating activities</i>		
Profit for the period	¥11,432	¥13,375
Depreciation and amortization	5,738	3,655
Impairment losses	59	-
Interest and dividends income	(51)	(238)
Interest expense	185	160
(Profit) Loss on sale or disposal of property, plant and equipment	(0)	3
Profit from investments accounted for using the equity method	(151)	(133)
Income taxes	4,420	5,019
Decrease in trade and other receivables	5,343	10,308
Increase in inventories	(1,980)	(416)
Decrease in trade and other payables	(4,290)	(4,503)
Increase in prepaid expense	(3,349)	(3,313)
Increase in contract liabilities	1,233	1,805
Other, net	2,228	1,176
Interest and dividends received	54	234
Interest paid	(111)	(96)
Income taxes paid	(13,047)	(10,205)
<i>Net cash provided by operating activities</i>	7,713	16,831
<i>Investing activities</i>		
Capital expenditures	(19,193)	(10,662)
Payments for lease deposits	(129)	(44)
Proceeds from refunds of lease deposits	751	103
Other, net	0	0
<i>Net cash used in investing activities</i>	(18,571)	(10,603)
<i>Financing activities</i>		
Principal payments of lease liabilities	(1,962)	(1,835)
Dividends paid	(11,563)	(8,366)
Other, net	(6)	(2)
<i>Net cash used in financing activities</i>	(13,531)	(10,203)
Effect of exchange rate changes on cash and cash equivalents	3,026	2,898
Net decrease in cash and cash equivalents	(21,363)	(1,077)
Cash and cash equivalents at the beginning of the period	250,711	219,263
<i>Cash and cash equivalents at the end of the period</i>	¥229,348	¥218,186

(5) Going Concern Assumption

None

(6) Segment Information

(i) Operating Segment Information

For the three months ended June 30, 2022

Millions of Yen

	Reportable segments					Intersegment eliminations	Consolidated
	Digital Entertainment	Amusement	Gaming & Systems	Sports	Total		
Revenue							
External customers	¥50,643	¥2,588	¥7,695	¥10,979	¥71,905	-	¥71,905
Intersegment	157	342	-	4	503	¥(503)	-
Total	50,800	2,930	7,695	10,983	72,408	(503)	71,905
Business profit	¥13,361	¥106	¥823	¥448	¥14,738	¥(639)	14,099
Other income and other expenses, net	-	-	-	-	-	-	(59)
Operating profit	-	-	-	-	-	-	14,040
Finance income and finance costs, net	-	-	-	-	-	-	1,661
Profit from investments accounted for using the equity method	-	-	-	-	-	-	151
Profit before income taxes	-	-	-	-	-	-	¥15,852

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

(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, card games and computer and video 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 for overseas markets.
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 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, 2022	Three months ended June 30, 2023
Revenue:		
Japan	¥48,774	¥49,468
United States	14,467	14,139
Europe	4,761	4,520
Asia/Oceania	3,903	4,506
Consolidated	¥71,905	¥72,633

(Note)

For the purpose of presenting operations in the geographic areas above, Konami Group attributes revenues from external customers to individual countries in each area based on where Konami Group sold products or rendered services.