

KONAMI

FY2016 1st Quarter Financial Results

Three months ended June 30, 2015

KONAMI CORPORATION
August 6, 2015

Cautionary statement with respect to forward-looking statements

Statements made in this presentation with respect to the KONAMI's current plans, estimates, strategies and beliefs, including forecasts, are forward-looking statements about the future performance of KONAMI. 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 (1) Changes in economic conditions affecting our operations; (2) Fluctuations in foreign exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (3) KONAMI's 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; (4) KONAMI's ability to successfully expand internationally with a focus on our Digital Entertainment business and Gaming & Systems business; (5) KONAMI's ability to successfully expand the scope of our business and broaden our customer base through our Health & Fitness business; (6) Regulatory developments and changes and our ability to respond and adapt to those changes; (7) KONAMI's expectations with regard to further acquisitions and the integration of any companies we may acquire; and (8) the outcome of contingencies.

- Financial information included herein is not audited by independent public accountants
- (1) Numbers included in this presentation material are;
 - a) in accordance with IFRS
 - b) rounded to the nearest one hundred million yen
- (2) Revenues of each segment include inter-segment sales

Consolidated Financial Results

(Yen in Billions)

	FY2015 Q1	FY2016 Q1	FY2016 Guidance
	3 months ended June 2014	3 months ended June 2015	12 months ending March 2016
Revenue	48.6	51.2	228.0
Operating profit	3.5	6.5	17.0
Profit before income taxes	2.9	6.9	16.0
Profit for the period	1.6	4.3	9.5
Earnings per share (JPY)	11.88	30.89	68.54
Dividends per share (JPY)	—	—	21.00

Revenue and Profit by Business Segment

(Yen in Billions)

	FY2015 Q1 3 months ended June 2014	FY2016 Q1 3 months ended June 2015	FY2016 Guidance 12 months ending March 2016
<u>Revenue</u>			
Digital Entertainment	20.4	23.8	106.0
Health & Fitness	18.0	17.6	73.0
Gaming & Systems	6.8	6.8	34.0
Pachislot & Pachinko Machines	3.5	3.1	16.0
Eliminations	-0.1	-0.1	-1.0
Total	48.6	51.2	228.0
<u>Segment profit (loss)</u>			
Digital Entertainment	3.6	6.4	14.5
Health & Fitness	0.2	0.5	0.6
Gaming & Systems	1.3	0.6	6.5
Pachislot & Pachinko Machines	-0.6	0.2	0.4
Corporate expenses and eliminations	-0.8	-0.9	-5.0
Other income and other expenses	-0.2	-0.3	-
Total Operating Profit	3.5	6.5	17.0

Digital Entertainment (1)

Revenue and segment profit

(Yen in Billions)

	FY2015 Q1	FY2016 Q1	FY2016 Guidance
	3 months ended June 2014	3 months ended June 2015	12 months ending March 2016
Revenue	20.4	23.8	106.0
Segment profit	3.6	6.4	14.5
Margin	17.7%	27.1%	13.7%

FY2016 Q1 summary

- Mobile games earnings driven by “JIKKYOU PAWAFURU PUROYAKYU” with 14 million downloads in eight months since its launch in December 2014 and announced the global release of “Winning Eleven CLUB MANAGER (PES CLUB MANAGER)”.
- Stable recurring revenues from “e-AMUSEMENT Participation” arcade games.
- Global sales of Yu-Gi-Oh! trading card games.
- Solid item monetization on the “myClub” mode for “WORLD SOCCER Winning Eleven 2015 / Pro Evolution Soccer 2015”.

Digital Entertainment (2)

■ Contributing titles in Apr-Jun 2015 / Pipeline

Title	Platform	Geography	Release Date
PES CLUB MANAGER Winning Eleven CLUB MANAGER	App Store / Google Play	Global	Jun 2015
UEFA Champions League PES FLICK UEFA Champions League Winning Eleven FLICK	App Store / Google Play	Global	Jun 2015
Matsuri de Fever!!	Arcade	Japan	Jul 2015
Yu-Gi-Oh! Legacy of the Duelist	PS4 / XOne	Americas Europe	Jul 2015
METAL GEAR SOLID V: THE PHANTOM PAIN	PS4 / XOne PS3 / X360 / PC	Global	Sep 2015
PES2016 - Pro Evolution Soccer	PS4 / XOne PS3 / X360 / PC	Americas Europe Asia	Sep 2015
Winning Eleven 2016	PS4 / PS3	Japan	Oct 2015
MÚSECA	Arcade	Japan	Dec 2015



JIKKYOU PAWAFURU PUROYAKYU



METAL GEAR SOLID V:
THE PHANTOM PAIN



MÚSECA



PES2016 - Pro Evolution Soccer
Winning Eleven 2016



PES CLUB MANAGER
Winning Eleven CLUB MANAGER



Matsuri de Fever!!

Revenue and segment profit

	(Yen in Billions)		
	FY2015 Q1	FY2016 Q1	FY2016 Guidance
	3 months ended June 2014	3 months ended June 2015	12 months ending March 2016
Revenue	18.0	17.6	73.0
Segment profit	0.2	0.5	0.6
Margin	1.1%	2.6%	0.8%

FY2016 Q1 summary

- Revenue decline due to closures of large-scale gyms and decrease in number of contract-based facilities; Implemented cost reduction measures through optimization of operations.
- Renewed fitness programs “V-BODY” and “BIOMETRICS” - favorable reception of personal training lessons combining exercise and dietary/supplement control.
- Announced the August opening of golf course “Nasu Highland Golf Club” for beginners.

Revenue and segment profit

(Yen in Billions)

	FY2015 Q1	FY2016 Q1	FY2016 Guidance
	3 months ended June 2014	3 months ended June 2015	12 months ending March 2016
Revenue	6.8	6.8	34.0
Segment profit	1.3	0.6	6.5
Margin	18.7%	9.3%	19.1%

FY2016 Q1 summary

- Expanded lineup of the “Podium” series with a focus on offering diversified products to Latin American and European markets.
- Solid number of casino management system “SYNKROS” installations throughout North American states.
- Increased cost from: development to enhance product lineup, growing maintenance and servicing headcount, up-front product approval fees in the North American market.

Pachislot & Pachinko Machines

Revenue and segment profit (loss)

(Yen in Billions)

	FY2015 Q1	FY2016 Q1	FY2016 Guidance
	3 months ended June 2014	3 months ended June 2015	12 months ending March 2016
Revenue	3.5	3.1	16.0
Segment profit (loss)	-0.6	0.2	0.4
Margin	—	7.8%	2.5%

FY2016 Q1 summary

- Launched TV animation-themed pachislot machine “Gun × Sword” compliant with the new approval testing method.
- Solid resale of “Sengoku Collection 2” driven by its strong performance in parlors.

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THANK YOU