

KONAMI

FY2016 2nd Quarter Financial Results

Six months ended September 30, 2015

KONAMI HOLDINGS CORPORATION
October 30, 2015

Cautionary statement with respect to forward-looking statements

Statements made in this presentation with respect to KONAMI HOLDINGS' current plans, estimates, strategies and beliefs, including forecasts, are forward-looking statements about the future performance of the Company. 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) the Company'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) the Company's ability to successfully expand internationally with a focus on our Digital Entertainment business and Gaming & Systems business; (5) the Company'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) the Company'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 H1	FY2016 H1	FY2016 Guidance
	6 months ended September 2014	6 months ended September 2015	12 months ending March 2016
Revenue	98.7	107.7	228.0
Operating profit	6.5	12.4	17.0
Profit before income taxes	6.8	12.2	16.0
Profit for the period	3.9	7.8	9.5
Earnings per share (JPY)	28.08	56.61	68.54
Dividends per share (JPY)	8.50	10.50	21.00

Revenue and Profit by Business Segment

(Yen in Billions)

	FY2015 H1 6 months ended September 2014	FY2016 H1 6 months ended September 2015	FY2016 Guidance 12 months ending March 2016
<u>Revenue</u>			
Digital Entertainment	44.0	51.7	106.0
Health & Fitness	37.0	35.9	73.0
Gaming & Systems	13.6	15.0	34.0
Pachislot & Pachinko Machines	4.5	5.4	16.0
Eliminations	-0.3	-0.2	-1.0
Total	98.7	107.7	228.0
<u>Segment profit (loss)</u>			
Digital Entertainment	7.4	12.7	14.5
Health & Fitness	0.8	1.5	0.6
Gaming & Systems	2.0	1.7	6.5
Pachislot & Pachinko Machines	-0.8	0.2	0.4
Corporate expenses and eliminations	-1.8	-1.9	-5.0
Other income and other expenses	-1.1	-1.9	-
Total Operating Profit	6.5	12.4	17.0

Digital Entertainment (1)

Revenue and segment profit

	(Yen in Billions)		
	FY2015 H1	FY2016 H1	FY2016 Guidance
	6 months ended September 2014	6 months ended September 2015	12 months ending March 2016
Revenue	44.0	51.7	106.0
Segment profit	7.4	12.7	14.5
Margin	16.7%	24.6%	13.7%

Note: Other expenses of JPY 1.1 billion (FY2015) and JPY 0.7 billion (FY2016) are not included in segment profit

FY2016 Q2 summary

- Mobile games earnings driven by “JIKKYOU PAWAFURU PUROYAKYU” with 17 million downloads in eleven months since its launch
- Global launch of the latest game in the Metal Gear series “METAL GEAR SOLID V: THE PHANTOM PAIN” (shipped 5 million units incl. downloads) and the latest iteration of Winning Eleven (Pro Evolution Soccer) series “PES 2016 - Pro Evolution Soccer -” released for North / Latin America, Europe and Asia in September
- Stable recurring revenues from “e-AMUSEMENT Participation” arcade games and released “Matsuri de Fever!! ” targeting family users
- Global sales of Yu-Gi-Oh! trading card games, and hosted its World Championship in Kyoto in August

Digital Entertainment (2)

■ Titles Released in Jul-Sep 2015 / Pipeline

Title	Platform	Geography	Release Date
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
PROFESSIONAL BASEBALL SPIRITS A	iOS Android	Japan	Oct 2015
Crows x WORST V	iOS Android	Japan	Fall 2015
Taisen! BOMBERMAN	iOS Android	Japan	This Winter
MÚSECA	Arcade	Japan	Dec 2015
FEATURE Premium	Arcade	Japan	Dec 2015
JIKKYOU PAWAFURU PUROYAKYU	PS4 / PS3 PS Vita	Japan	Spring 2016

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(C)NPB

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METAL GEAR SOLID V:
THE PHANTOM PAIN



PES2016 - Pro Evolution Soccer
Winning Eleven 2016



PROFESSIONAL BASEBALL
SPIRITS A



Crows x WORST V



JIKKYOU PAWAFURU PUROYAKYU



MÚSECA

Revenue and segment profit

	(Yen in Billions)		
	FY2015 H1	FY2016 H1	FY2016 Guidance
	6 months ended September 2014	6 months ended September 2015	12 months ending March 2016
Revenue	37.0	35.9	73.0
Segment profit	0.8	1.5	0.6
Margin	2.2%	4.2%	0.8%

Note: Other expenses of JPY 0.4 billion (FY2016) is not included in segment profit

FY2016 Q2 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
- Opened “Nasu Highland Golf Club” for beginners in August
- Renewal opening of “Grancise Yebisu Garden” in September
- Established Konami Sports Life Co., Ltd. for development, manufacture and sales of home health service products

Revenue and segment profit

(Yen in Billions)

	FY2015 H1	FY2016 H1	FY2016 Guidance
	6 months ended September 2014	6 months ended September 2015	12 months ending March 2016
Revenue	13.6	15.0	34.0
Segment profit	2.0	1.7	6.5
Margin	14.7%	11.6%	19.1%

FY2016 Q2 summary

- Debuted the next-generation “Concerto” cabinet and latest games including “Frogger” themed slots leveraging Konami Group’s original content at the Global Gaming Expo (G2E)
- Solid number of casino management system “SYNKROS” installations throughout North American states
- Completed construction of new facility in Las Vegas, allowing increased R&D and volume of production to cater to the growing demand of slot machines and casino management systems in the global gaming market

Pachislot & Pachinko Machines

Revenue and segment profit (loss)

(Yen in Billions)

	FY2015 H1	FY2016 H1	FY2016 Guidance
	6 months ended September 2014	6 months ended September 2015	12 months ending March 2016
Revenue	4.5	5.4	16.0
Segment profit (loss)	-0.8	0.2	0.4
Margin	-	4.6%	2.5%

Note: Other expenses of JPY 0.7 billion (FY2016) is not included in segment profit

FY2016 Q2 summary

- Released two new pachislot titles including the August release of “Sky Girls – Zero Futatabi – ” the second iteration of Konami Group’s original content “Sky Girls”

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THANK YOU