

KONAMI

FY2016 3rd Quarter Financial Results

Nine months ended December 31, 2015

KONAMI HOLDINGS CORPORATION
January 29, 2016

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 Q1-3	FY2016 Q1-3	FY2015 Results	FY2016 Initial Guidance	FY2016 Revised Guidance
	9 months ended December 2014	9 months ended December 2015	12 months ended March 2015	12 months ending March 2016	12 months ending March 2016
Revenue	155.9	179.3	218.2	228.0	243.0
Operating profit	10.7	17.4	15.3	17.0	24.0
Profit before income taxes	12.8	17.1	17.0	16.0	23.5
Profit for the period	7.7	6.3	9.9	9.5	9.5
Earnings per share (JPY)	55.84	45.28	71.55	68.54	68.71
Dividends per share (JPY)	-	-	21.00	21.00	21.00

Revenue and Profit by Business Segment

(Yen in Billions)

	FY2015 Q1-3 9 months ended December 2014	FY2016 Q1-3 9 months ended December 2015	FY2015 Results 12 months ended March 2015	FY2016 Guidance 12 months ending March 2016
<u>Revenue</u>				
Digital Entertainment	67.9	93.4	97.0	126.0
Health & Fitness	55.1	53.6	73.3	71.5
Gaming & Systems	23.2	24.4	33.8	34.0
Pachislot & Pachinko Machines	10.1	8.2	14.7	12.0
Eliminations	-0.5	-0.3	-0.7	-0.5
Total	155.9	179.3	218.2	243.0
<u>Segment profit (loss)</u>				
Digital Entertainment	10.7	25.5	17.0	33.0
Health & Fitness	1.4	2.8	1.9	3.0
Gaming & Systems	4.1	3.6	6.3	5.5
Pachislot & Pachinko Machines	-0.0	-0.7	0.6	-1.5
Corporate expenses and eliminations	-2.8	-2.8	-4.5	-4.0
Other income and other expenses	-2.5	-10.9	-5.9	-12.0
Total Operating Profit	10.7	17.4	15.3	24.0

Digital Entertainment (1)

Revenue and segment profit

(Yen in Billions)

	FY2015 Q1-3	FY2016 Q1-3	FY2016 Guidance
	9 months ended December 2014	9 months ended December 2015	12 months ending March 2016
Revenue	67.9	93.4	126.0
Segment profit	10.7	25.5	33.0
Margin	15.8%	27.3%	26.2%

Note: Other expenses of JPY 2.3 billion (FY2015) and JPY 0.9 billion (FY2016) are not included in segment profit

FY2016 Q3 summary

- Mobile games earnings driven by “JIKKYOU PAWAFURU PUROYAKYU” with 19 million downloads since its launch one year ago, and a solid start from “Professional Baseball Spirits A” released in October
- Stable recurring revenues from “e-AMUSEMENT Participation” arcade games and released a new music game “MÚSECA” in December
- Global sales of Yu-Gi-Oh! trading card games, with domestic market particularly strong
- Continued favorable sales of “METAL GEAR SOLID V: THE PHANTOM PAIN” with 6 million units shipped cumulatively incl. downloads, and released the latest iteration of Winning Eleven series “Winning Eleven 2016” in Japan

KONAMI

Digital Entertainment (2)

■ Titles Released in Oct - Dec 2015 / Pipeline

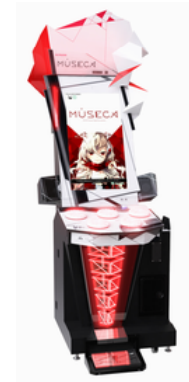
Title	Platform	Geography	Release Date
Winning Eleven 2016	PS4 / PS3	Japan	Oct 2015
PROFESSIONAL BASEBALL SPIRITS A	iOS Android	Japan	Oct 2015
Crows × WORST V	iOS Android	Japan	Nov 2015
MÚSECA	Arcade (video game)	Japan	Dec 2015
FEATURE Premium	Arcade (coin pusher)	Japan	Dec 2015
Taisen! BOMBERMAN	iOS Android	Japan	Jan 2016
TSUNAGA Lotta	Arcade (coin pusher)	Japan	This Winter
JIKKYOU PAWAFURU PUROYAKYU 2016	PS4 / PS3 PS Vita	Japan	Spring 2016
JIKKYOU PAWAFURU PUROYAKYU SUCCESS SPECIAL	PS4 / PS3 PS Vita	Japan	Spring 2016
Yu-Gi-Oh! Duel Links	iOS Android	Global	Spring 2016
Yu-Gi-Oh! for Nintendo 3DS (title TBD)	3DS	Global	Summer 2016



PROFESSIONAL BASEBALL SPIRITS A



Crows × WORST V



MÚSECA



JIKKYOU PAWAFURU PUROYAKYU 2016



Taisen! BOMBERMAN



TSUNAGA Lotta

"PlayStation" is a registered trademark of Sony Computer Entertainment Inc.
 iOS is a trademark of Apple Inc., registered in the U.S. and other countries.
 Google Play™ is a trademark or registered trademark of Google Inc.
 Nintendo 3DS and the Nintendo 3DS logo are trademarks of Nintendo Co., Ltd.
 (C)Hiroshi Takahashi (Akitashoten) 1991-2016

Revenue and segment profit

	(Yen in Billions)		
	FY2015 Q1-3	FY2016 Q1-3	FY2016 Guidance
	9 months ended December 2014	9 months ended December 2015	12 months ending March 2016
Revenue	55.1	53.6	71.5
Segment profit	1.4	2.8	3.0
Margin	2.5%	5.2%	4.2%

Note: Other expenses of JPY 1 billion (FY2016) is not included in segment profit

FY2016 Q3 summary

- Introduced usage frequency based price plans in four franchise facilities starting October 2015
- With an aim to expand the franchise business from 2016, Konami Sports Club Amakusa is scheduled to open in July
- Introduction of revised pricing plan based on usage frequency resulting in rising new member registrations of beginner customers who have never been to sports clubs before
- 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

KONAMI

Gaming & Systems

Revenue and segment profit

(Yen in Billions)

	FY2015 Q1-3 9 months ended December 2014	FY2016 Q1-3 9 months ended December 2015	FY2016 Guidance 12 months ending March 2016
Revenue	23.2	24.4	34.0
Segment profit	4.1	3.6	5.5
Margin	17.7%	14.8%	16.2%

FY2016 Q3 summary

- Initiated shipping the new Concerto cabinet from the latter half of the 3rd quarter
- Solid number of casino management system SYNKROS installations throughout North American states
- Offered a wide variety of product lineup in the Asia / Oceania region and focused on enhancing sales activities globally including the South African market

Pachislot & Pachinko Machines

Revenue and segment profit (loss)

	(Yen in Billions)		
	FY2015 Q1-3	FY2016 Q1-3	FY2016 Guidance
	9 months ended December 2014	9 months ended December 2015	12 months ending March 2016
Revenue	10.1	8.2	12.0
Segment profit (loss)	0.0	-0.7	-1.5
Margin	-	-	-

Note: Other expenses of JPY 0.2 billion (FY2015) and JPY 9.1 billion (FY2016) are not included in segment profit

FY2016 Q3 summary

- Booked impairment loss of JPY 8.3 billion (cumulatively JPY 9.1 billion) on tangible fixed assets and intangible assets as other expenses on the P&L statement to restructure the pachinko business through selection and concentration of titles
- Launched pachislot titles “Silent Hill” based on the popular horror adventure game, and “High School DxD”, a tie-up with the popular TV animation series
- Release of Konami Group’s second pachinko title “CR Pachinko Akumajo Dracula” based on the Castlevania series

KONAMI



THANK YOU