

KONAMI

FY2019 1st Quarter Financial Results

Three months ended June 30, 2018

KONAMI HOLDINGS CORPORATION
July 31, 2018

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, Amusement 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

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Consolidated Financial Results

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ending March 2019
Revenue	55.7	58.5	2.7	+4.9%	250.0
Operating profit	12.2	11.8	△ 0.4	△3.1%	50.0
Profit before income taxes	12.1	11.8	△ 0.2	△1.9%	49.0
Profit for the period (attributable to owners of the parent)	8.5	8.3	△ 0.2	△2.8%	32.0
Earnings per share (JPY)	62.94	61.18	△ 1.76		236.63

Revenue and Profit by Business Segment

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ended March 2019
Revenue					
Digital Entertainment	28.9	30.1	1.2	+4.0%	125.0
Amusement	4.6	6.6	2.0	+43.1%	28.0
Gaming & Systems	6.5	6.4	△ 0.1	△ 1.9%	31.5
Health & Fitness	16.1	15.8	△ 0.3	△ 1.6%	67.0
Eliminations	△ 0.3	△ 0.4	△ 0.0	-	△ 1.5
Total	55.7	58.5	2.7	+4.9%	250.0
Segment profit (loss)					
Digital Entertainment	10.4	9.1	△ 1.4	△ 13.0%	37.5
Amusement	1.6	1.9	0.3	+15.6%	8.0
Gaming & Systems	0.8	0.9	0.1	+7.9%	5.5
Health & Fitness	0.6	1.0	0.4	+67.3%	3.5
Corporate expenses and eliminations	△ 0.8	△ 1.0	△ 0.1	-	△ 4.5
Segment profit (loss)	12.6	11.8	△ 0.8	△ 6.2%	50.0
Other income and other expenses	△ 0.4	△ 0.0	0.4	-	0.0
Total Operating Profit	12.2	11.8	△ 0.4	△ 3.1%	50.0

Digital Entertainment

Revenue and segment profit

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ending March 2019
Revenue	28.9	30.1	1.2	+4.0%	125.0
Segment profit	10.4	9.1	△ 1.4	△ 13.0%	37.5
Margin	36.1%	30.3%			30.0%

FY2019 Q1 summary

- Global rise in soccer enthusiasm led to the solid performance of mobile game “Winning Eleven 2018 (PRO EVOLUTION SOCCER 2018)”. Launched mobile games “Winning Eleven 2018” and “Winning Eleven Card Collection” in the Chinese market through a partnership with a local company
- Continued global sales of Yu-Gi-Oh! trading card games; Various measures from the project to commemorate the 20th anniversary of the card game series draw attention
- Released video game “JIKKYOU PAWAFURU PUROYAKYU 2018” with new features including VR mode. Increased worldwide attention on soccer led to the favorable performance of the online mode “myClub” for “Winning Eleven 2018 (PRO EVOLUTION SOCCER 2018)”
- Announced the launch of professional baseball eSports league “eBASEBALL Pawapuro Pro League” based on “JIKKYOU PAWAFURU PUROYAKYU 2018” as a cooperation with the Nippon Professional Baseball Organization

Revenue and segment profit

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ending March 2019
Revenue	4.6	6.6	2.0	+43.1%	28.0
Segment profit	1.6	1.9	0.3	+15.6%	8.0
Margin	34.9%	28.2%			28.6%

Note: Other expense of JPY 300 million (FY2018) is not included in segment profit

FY2019 Q1 summary

- Continued solid performance of “MAH-JONG FIGHT CLUB”; Launched “Bishi Bashi CHANNEL”, a PvP arcade video game with a collection of mini-games, and “TSUNAGA Lotta Anima to Nijihiro no Hikyou”, a latest release from the medal-game “TSUNAGA Lotta” series featuring one jackpot roulette for all the participating players nationwide
- Announced to join the Professional Mahjong league “M League” launching in October 2018, having a track record of offering Mahjong games through the “MAH-JONG FIGHT CLUB” brand
- Local subsidiary in Thailand established in January 2018 commences full operation

Gaming & Systems

Revenue and segment profit

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ending March 2019
Revenue	6.5	6.4	△ 0.1	△ 1.9%	31.5
Segment profit	0.8	0.9	0.1	+7.9%	5.5
Margin	12.4%	13.6%			17.5%

* YoY impact from forex: revenue JPY △100 million, operating profit JPY △20 million

FY2019 Q1 summary

- Enhanced lineup of the Concerto series e.g. curved screen cabinet “Concerto Crescent” and the single tall screen cabinet “Concerto Stack” in North America, Asia and Oceania
- Installment of “Fortune Cup”, a multi-station machine featuring a mechanical horse racing track based on Konami’s proven experience and technology from amusement machines, to vitalize the market with new forms of entertainment
- Continued installment of casino management system “SYNKROS” in cruise ships

Health & Fitness

Revenue and segment profit

(Yen in Billions)

	FY2018 Q1 3 months ended June 2017	FY2019 Q1 3 months ended June 2018	YoY Change (Amount)	YoY Change (%)	FY2019 Guidance 12 months ending March 2019
Revenue	16.1	15.8	△ 0.3	△ 1.6%	67.0
Segment profit	0.6	1.0	4.0	+67.3%	3.5
Margin	3.6%	6.1%			5.2%

Note: Other expense of JPY 100 million (FY2018) is not included in segment profit

FY2019 Q1 summary

- Opened three XAX branded fitness clubs dedicated to workout machines and studios; XAX Akabane on April 1st, XAX Shiki and XAX Nakamozu on May 6th. Announced the July 16th opening of XAX Umeda X-STUDIO, with fitness space for studio programs with an all-new feel
- Announced the launch and expansion of table tennis and trampoline schools (the first full-service sports club in Japan to offer these programs)
- Launched new exercise programs “Boulder-fit”, combining bouldering and fitness, and “Hip Cross”, an exercise focused on lower body training

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Titles Released in Apr - Jun 2018 / Pipeline(1)

Title	Platform	Geography	Release Date	Business Segment (※1)
JIKKYOU PAWAFURU PUROYAKYU 2018	PS4 / PS Vita	Japan	Apr 2018	DE
Super Bomberman R	PS4 XOne / PC	Global	Jun 2018	DE
Winning Eleven 2018 Chinese title: "实况足球"	App Store Google Play	China	Jun 2018 (※2)	DE
Winning Eleven Card Collection Chinese title: "实况：王者集结"	App Store Google Play	China	Jun 2018 (※2)	DE
LOVEPLUS EVERY	App Store Google Play	Japan	Aug 2018	DE
Winning Eleven 2019 (PRO EVOLUTION SOCCER 2019)	PS4 XOne / PC	Global	Aug 2018	DE
ANUBIS ZONE OF THE ENDERS : M V R S	PS4 / PS VR Steam / Steam VR	Global	Sep 2018	DE
Weekly Shonen Jump Jikkyou Jan Jan Stadium	App Store Google Play	Japan	2018	DE
Hyper Sports R	Nintendo Switch™	Global	TBD	DE
Castlevania Grimoire of Souls	App Store Google Play	Global	TBD	DE
TSUNAGA Lotta Anima to Nijjiro no Hikyou	Amusement machine	Japan	Apr 2018	AM
Bishi Bashi CHANNEL	Amusement machine	Japan	Jun 2018	AM

※1 DE: Digital Entertainment AM: Amusement
 ※2 Open beta

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JIKKYOU PAWAFURU
PUROYAKYU 2018



Winning Eleven 2019
PRO EVOLUTION SOCCER 2019



LOVEPLUS EVERY



ANUBIS ZONE OF THE ENDERS : M V R S



Hyper Sports R



TSUNAGA Lotta
Anima to Nijjiro no Hikyou

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Titles Released in Apr - Jun 2018 / Pipeline(2)

Title	Platform	Geography	Release Date	Business Segment (※)
BOMBERMAN THE MEDAL	Amusement machine	Japan	Jul 2018	AM
Color Colotta Taiyo to Himitsu no Shima	Amusement machine	Japan	Jul 2018	AM
BOMBERGIRL	Amusement machine	Japan	Aug 2018	AM
BASEBALL COLLECTION	Amusement machine	Japan	Sep 2018	AM
Magical Halloween 6	Amusement machine	Japan	May 2018	AM
EL INCA Ougonbunmei	Amusement machine	Japan	Jul 2018	AM
ROULETTE QUEEN Megami no Rashinban	Amusement machine	Japan	Aug 2018	AM
SYNKROS 3.24.6	Casino Management System (Software)	North America	FY Mar 2019 H1	GS
SYNKROS 3.24.7	Casino Management System (Software)	North America	FY Mar 2019 H1	GS
Beat Square	Gaming Machine	North America	FY Mar 2019 H2	GS
Concerto Opus	Gaming Machine	North America	FY Mar 2019 H2	GS
Crystal Cyclone	Gaming Machine	TBD	TBD	GS

※ AM: Amusement GS: Gaming & Systems



BOMBERMAN THE MEDAL

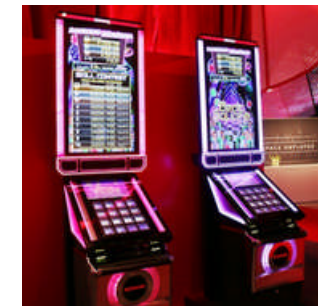


BOMBERGIRL

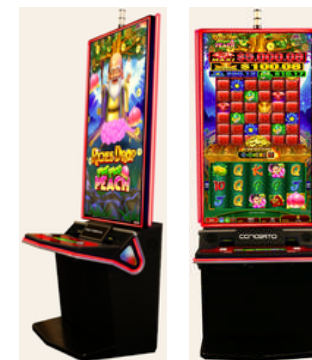


BASEBALL COLLECTION

※Game screen under development



Beat Square



Concerto Opus



Crystal Cyclone

Consolidated Business Performance

(Yen in Billions)

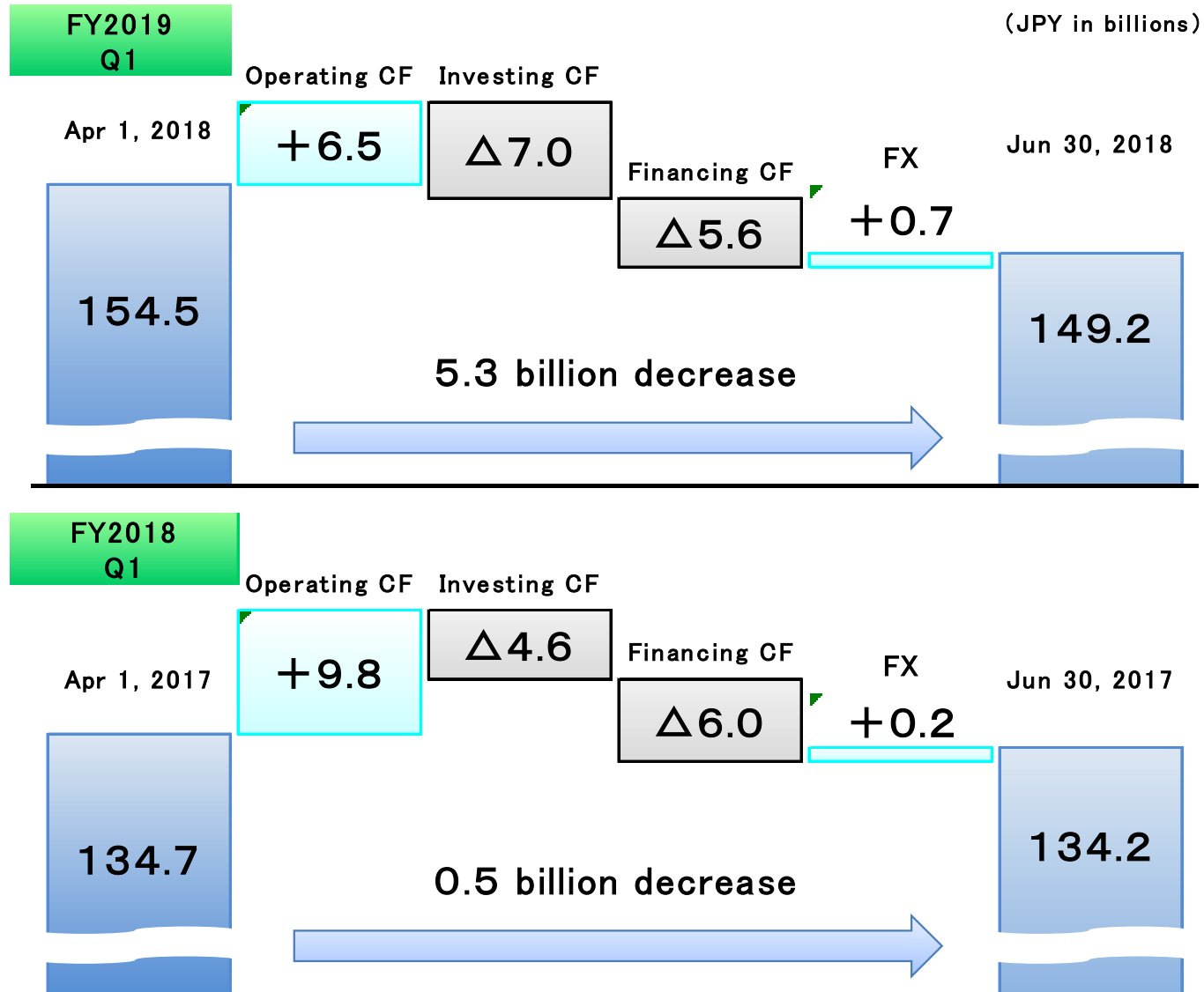
	FY2018 Q1	percentile	FY2019 Q1	percentile	YoY Change (Amount)	YoY Change (%)
Revenue	55.7	100.0%	58.5	100.0%	2.7	4.9%
Total cost of revenue	△ 32.1	57.6%	△ 34.4	58.8%	△ 2.3	
SG&A	△ 11.0	19.8%	△ 12.3	21.0%	△ 1.2	
Other income and other expenses	△ 0.4	0.7%	△ 0.0	0.0%	0.4	
Operating profit	12.2	21.9%	11.8	20.2%	△ 0.4	△3.1%
Finance income	0.1		0.2		0.1	
Finance costs	△ 0.2		△ 0.2		0.0	
Profit from investments accounted for using the equity method	0.0		0.1		0.1	
Profit before income taxes	12.1	21.6%	11.8	20.3%	△ 0.2	△1.9%
Income taxes	△ 3.6	6.4%	△ 3.6	6.1%	△ 0.0	
Profit for the period	8.5	15.3%	8.3	14.2%	△ 0.2	△2.8%
Profit attributable to:						
Owners of the parent	8.5	15.3%	8.3	14.2%	△ 0.2	△2.8%
Non-controlling interests	0.0	0.0%	0.0	0.0%	△ 0.0	

Consolidated Financial Position

(Yen in Billions)

	March 31, 2018	June 30, 2018	change		March 31, 2018	June 30, 2018	change
Current assets				Current liabilities			
Cash and cash equivalents	154.5	149.2	△ 5.3	Bonds and borrowings	11.9	12.2	0.3
Trade and other receivables	26.1	25.4	△ 0.7	Trade and other payables	31.3	25.3	△ 6.0
Inventories	6.8	8.4	1.5	Other current liabilities	26.1	24.8	△ 1.4
Other current assets	8.3	9.3	1.1	Total current liabilities	69.3	62.2	△ 7.0
Total current assets	195.7	192.3	△ 3.4	Non-current liabilities			
	(53.9%)	(53.4%)		Bonds and borrowings	14.7	14.8	0.0
Non-current assets				Other non-current liabilities	24.5	24.3	△ 0.2
Property, plant and equipment, net	79.1	78.9	△ 0.2	Total non-current liabilities	39.3	39.1	△ 0.2
Goodwill and intangible assets	36.9	38.1	1.2	Total liabilities	108.6	101.3	△ 7.2
Investments accounted for using the equity method	3.0	3.0	△ 0.0	Total equity attributable to owners of the parent	253.8	258.1	4.3
Deferred tax assets	22.0	21.5	△ 0.4		(69.9%)	(71.7%)	
Other non-current assets	26.5	26.3	△ 0.2	(per share: JPY)	(1,876.62)	(1,908.33)	(31.71)
Total non-current assets	167.4	167.9	0.4	Non-controlling interests	0.8	0.8	0.0
	(46.1%)	(46.6%)		Total equity	254.5	258.8	4.3
Total assets	363.1	360.2	△ 3.0	Total liabilities and equity	363.1	360.2	△ 3.0

Consolidated Cash Flows



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THANK YOU

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