

**KONAMI**

# FY2015 3<sup>rd</sup> Quarter Financial Results

Nine months ended December 31, 2014

**KONAMI CORPORATION**  
February 5, 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 U.S. GAAP
  - b) rounded to the nearest one hundred million yen
- (2) Revenues of each segment include inter-segment sales

## Consolidated Financial Results

(Yen in Billions)

	FY2014 Q1-3	FY2015 Q1-3	FY2015 Guidance
	9 months ended December 2013	9 months ended December 2014	12 months ending March 2015
Net Revenues	155.9	155.9	220.0
Operating Income	7.4	9.7	12.0
Income Before Income Taxes	9.2	11.7	11.0
Net Income	5.1	6.9	7.0
Net Income / Share (JPY)	36.47	49.84	50.50
Dividends / Share (JPY)	-	-	17.00

## Net Revenues and Operating Income by Business Segment

(Yen in Billions)

	FY2014 Q1-3	FY2015 Q1-3	FY2015 Guidance
<u>Net Revenues</u>	9 months ended December 2013	9 months ended December 2014	12 months ending March 2015
Digital Entertainment	71.6	67.9	105.0
Health & Fitness	57.5	55.1	76.0
Gaming & Systems	22.3	23.2	30.0
Pachinko & Pachinko Slot Machines	5.0	10.1	10.0
Other / Elimination	-0.5	-0.5	-1.0
Total	155.9	155.9	220.0
<u>Operating Income</u>			
Digital Entertainment	5.9	8.3	10.0
Health & Fitness	0.9	0.5	1.0
Gaming & Systems	5.5	4.1	7.0
Pachinko & Pachinko Slot Machines	-0.6	0.0	0.0
Corporate / Elimination	-4.4	-3.2	-6.0
Total	7.4	9.7	12.0

## Digital Entertainment (1)

### Net revenues and operating income

	(Yen in Billions)	
	FY2014 Q1-3 9 months ended December 2013	FY2015 Q1-3 9 months ended December 2014
Net Revenues	71.6	67.9
Operating Income	5.9	8.3
Operating Margin	8.3%	12.2%

### FY2015 Q3 summary

- Sales of mobile games driven by “JIKKYOU PAWAFURU PUROYAKYU”, “World Soccer Collection S” etc.
- Positive reception on the new “myClub” mode for “WORLD SOCCER Winning Eleven 2015 / Pro Evolution Soccer 2015”
- Solid PC download sales of “METAL GEAR SOLID V: GROUND ZEROES” for Steam
- Stable recurring revenues from “e-AMUSEMENT Participation” arcade games
- Global sales of Yu-Gi-Oh! trading card games

## Digital Entertainment (2)

### Unit sales - video games

#### ■ Unit sales breakdown

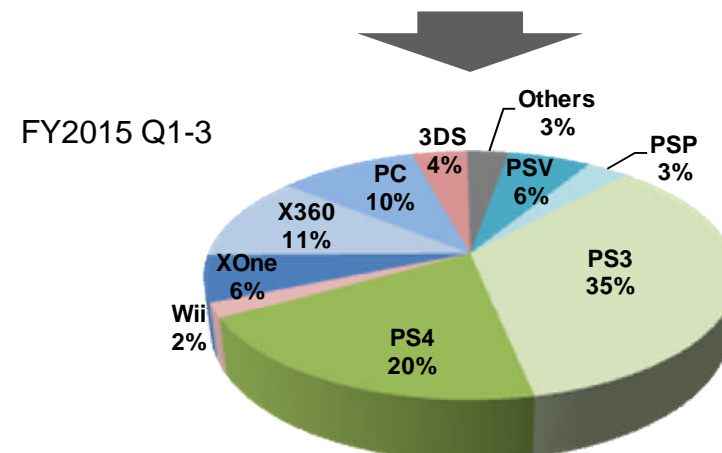
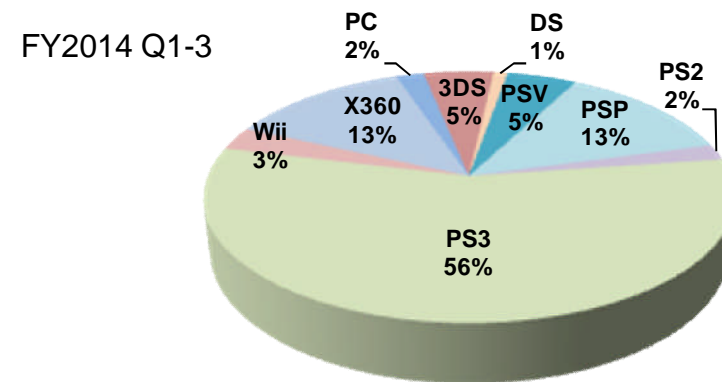
(units in million)

Geography	FY2014 Q1-3	FY2015 Q1-3
	9 months ended December 2013	9 months ended December 2014
Japan	2.37	1.80
Americas	1.84	1.94
Europe	2.88	2.48
Asia	0.11	0.12
<b>Total</b>	<b>7.19</b>	<b>6.34</b>

(units in million)

Genre / Category	FY2014 Q1-3	FY2015 Q1-3
	9 months ended December 2013	9 months ended December 2014
Soccer	3.72	2.95
Baseball	0.68	0.38
METAL GEAR	1.11	1.99
Other	1.68	1.03
<b>Total</b>	<b>7.19</b>	<b>6.34</b>

#### ■ Unit sales platform mix



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## Digital Entertainment (3)

### ■ Titles released after Oct. 2014 / Pipeline

Title	Platform	Geography	Release Date
JIKKYOU PAWAFURU PUROYAKYU 2014	PS3 / PSV	Japan	Oct 2014
BOMBERMAN	App Store / Google Play	Japan	Nov 2014
Pro Evolution Soccer 2015 WORLD SOCCER Winning Eleven 2015	PS4 / XOne PS3 / X360 / PC	Global	Nov 2014
Nisekoi Yomeiri !?	PSV	Japan	Nov 2014
SPIN! GEAR DRIVE	Arcade	Japan	Dec 2014
SCOTTO	Arcade	Japan	Dec 2014
JIKKYOU PAWAFURU PUROYAKYU	App Store / Google Play	Japan	Dec 2014
Yu-Gi-Oh ARC-V TAGFORCE SPECIAL	PSP	Japan	Jan 2015
Kingdom Dragonion	App Store / Google Play	Japan	Jan 2015
CHRONOS RING	App Store / Google Play	Japan	This Winter
KYOJIN SENSOU	App Store / Google Play	Japan	This Winter
PROFESSIONAL BASEBALL SPIRITS 2015	PS3 / PSV	Japan	Mar 2015
Monster Strike MULTI BURST	Arcade	Japan	Mar 2015
Disney Tsum Tsum	Arcade	Japan	Mar 2015
Otocadoll	Arcade	Japan	TBD
ShadowPrincess	Arcade	Japan	TBD
METAL GEAR SOLID V: THE PHANTOM PAIN	PS4 / XOne PS3 / X360 / PC	Global	2015



JIKKYOU PAWAFURU PUROYAKYU



CHRONOS RING



SPIN! GEAR DRIVE



Otocadoll



ShadowPrincess



METAL GEAR SOLID V:  
THE PHANTOM PAIN

### Net revenues and operating income

	(Yen in Billions)	
	FY2014 Q1-3 9 months ended December 2013	FY2015 Q1-3 9 months ended December 2014
Net Revenues	57.5	55.1
Operating Income	0.9	0.5
Operating Margin	1.6%	0.9%

### FY2015 Q3 summary

- Opened Konami Sports Club Tsudanuma Kanadenomori (Chiba Prefecture)
- Extended number of gyms offering swimming and P.E. lessons
- Launched smartphone healthcare applications “Caloriecise” for managing calorie intake and “Dr.Walk” for walking support
- Released hands-free exercise bike “S-BODY” for home use
- Added 34 new contract-based clubs



### Net revenues and operating income

(Yen in Billions)

	<b>FY2014 Q1-3</b> 9 months ended December 2013	<b>FY2015 Q1-3</b> 9 months ended December 2014
Net Revenue	22.3	23.2
Operating Income	5.5	4.1
Operating Margin	24.8%	17.6%

### FY2015 Q3 summary

- Continued solid sales of Podium cabinets
- Announced a lineup of new international releases at SAGSE 2014 (Buenos Aires), and debuted Podium Monument and new game titles including Exotic Princess in Latin America
- Casino management system SYNKROS well-reputed by operators

## Pachinko & Pachinko Slot Machines

### Net revenues and operating income

(Yen in Billions)

	FY2014 Q1-3 9 months ended December 2013	FY2015 Q1-3 9 months ended December 2014
Net Revenue	5.0	10.1
Operating Income	-0.6	0.05
Operating Margin	-	0.5%

### FY2015 Q3 summary

- Launched Konami's original IP themed "Senritsuno Stratus" pachislot machine
- Growth in unit sales driven by strong performance of popular cartoon animation themed "Dororon Enmakun Mera Mera" pachislot machine

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THANK YOU