

KONAMI

FY2018 1st Quarter Financial Results

Three months ended June 30, 2017

KONAMI HOLDINGS CORPORATION

July 28, 2017

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

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Consolidated Financial Results

(Yen in Billions)

| | FY2017 Q1 | FY2018 Q1 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance |
|---|-----------------------------|-----------------------------|---------------------------|----------------------|--------------------------------|
| | 3 months ended June 2016 | 3 months ended June 2017 | | | 12 months ending March 2018 |
| Revenue | 49.4 | 55.7 | 6.3 | +12.8% | 245.0 |
| Operating profit | 9.1 | 12.2 | 3.1 | +34.2% | 40.0 |
| Profit before income taxes | 8.4 | 12.1 | 3.6 | +43.3% | 39.0 |
| Profit for the period (attributable to owners of the parent) | 5.8 | 8.5 | 2.7 | +46.4% | 27.0 |
| Earnings per share (JPY) | 42.99 | 62.94 | 19.95 | | 199.65 |
| Dividend per share (JPY) | - | | | | 60.00 |

Revenue and Profit by Business Segment

(Yen in Billions)

| | FY2017 Q1 3 months ended June 2016 | FY2018 Q1 3 months ended June 2017 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance 12 months ending March 2018 |
|-------------------------------------|--|--|---------------------------|----------------------|--|
| Revenue | | | | | |
| Digital Entertainment | 21.7 | 28.9 | 7.3 | +33.5% | 118.0 |
| Health & Fitness | 17.2 | 16.1 | △ 1.2 | △6.7% | 69.0 |
| Gaming & Systems | 6.8 | 6.5 | △ 0.3 | △4.4% | 32.0 |
| Amusement | 3.9 | 4.6 | 0.7 | +18.7% | 27.0 |
| Eliminations | △ 0.1 | △ 0.3 | △ 0.2 | - | △ 1.0 |
| Total | 49.4 | 55.7 | 6.3 | +12.8% | 245.0 |
| Segment profit (loss) | | | | | |
| Digital Entertainment | 7.6 | 10.4 | 2.9 | +37.8% | 31.0 |
| Health & Fitness | 1.0 | 0.6 | △ 0.4 | △42.5% | 4.5 |
| Gaming & Systems | 0.7 | 0.8 | 0.1 | +8.7% | 5.5 |
| Amusement | 0.8 | 1.6 | 0.8 | +95.5% | 5.2 |
| Corporate expenses and eliminations | △ 0.9 | △ 0.8 | 0.1 | △11.8% | △ 4.5 |
| Other income and other expenses | △ 0.1 | △ 0.4 | △ 0.3 | - | △ 1.7 |
| Total Operating Profit | 9.1 | 12.2 | 3.1 | +34.2% | 40.0 |

Revenue and segment profit

(Yen in Billions)

| | FY2017 Q1 3 months ended June 2016 | FY2018 Q1 3 months ended June 2017 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance 12 months ending March 2018 |
|----------------|--|--|---------------------------|----------------------|--|
| Revenue | 21.7 | 28.9 | 7.3 | +33.5% | 118.0 |
| Segment profit | 7.6 | 10.4 | 2.9 | +37.8% | 31.0 |
| Margin | 35.0% | 36.1% | | | 26.3% |

FY2018 Q1 summary

- Launched mobile games “Winning Eleven 2017 (PES 2017 - PRO EVOLUTION SOCCER 2017 -)” in over 150 countries / regions and “Yu-Gi-Oh! Duel Links” in South Korea, while “JIKKYOU PAWAFURU PUROYAKYU” and “Professional Baseball Spirits A” continues to perform well
- Continued global sales of Yu-Gi-Oh! trading card games, and released cards under the new rules from the new TV animation series
- Solid performance from video games “Super Bomberman R” and “Winning Eleven 2017 (PES 2017 - PRO EVOLUTION SOCCER 2017 -)”

Revenue and segment profit

(Yen in Billions)

| | FY2017 Q1 3 months ended June 2016 | FY2018 Q1 3 months ended June 2017 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance 12 months ending March 2018 |
|----------------|--|--|---------------------------|----------------------|--|
| Revenue | 17.2 | 16.1 | △ 1.2 | △6.7% | 69.0 |
| Segment profit | 1.0 | 0.6 | △ 0.4 | △42.5% | 4.5 |
| Margin | 5.8% | 3.6% | | | 6.5% |

Note: Other expenses of JPY 0 billion (FY2017) and JPY 0.1 billion (FY2018) are not included in segment profit

FY2018 Q1 summary

- Announcement of rebooting the “XAX” brand as a fitness club dedicated to workout machines and studios – first gym opening on July 7th in Nishikujo, Osaka
- Renewed and further improved efficiency of the “Biometrics” diet program by enhancing its dietary and exercise support
- Launched the “Konami Sports Club Online Shop” in addition to retail store channels for selling health related products selected by Konami Sports Club

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Gaming & Systems

Revenue and segment profit

(Yen in Billions)

| | FY2017 Q1 3 months ended June 2016 | FY2018 Q1 3 months ended June 2017 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance 12 months ending March 2018 |
|----------------|--|--|---------------------------|----------------------|--|
| Revenue | 6.8 | 6.5 | Δ 0.3 | Δ 4.4% | 32.0 |
| Segment profit | 0.7 | 0.8 | 0.1 | +8.7% | 5.5 |
| Margin | 10.9% | 12.4% | | | 17.2% |

Note: YoY impact from the yen depreciation - revenue JPY +0.2 billion, segment profit JPY +50 million

FY2018 Q1 summary

- Enhanced lineup of the Concerto series in North America by launching KONAMI's first curved screen cabinet "Concerto Crescent" and the single tall screen cabinet "Concerto Stack"
- Installed casino management system "SYNKROS" in cruise ships and casinos in North America
- Showcased the horse racing game "Fortune Cup" in May at G2E Asia 2017 held in Macau and won high acclaim from industry participants

Revenue and segment profit

(Yen in Billions)

| | FY2017 Q1 3 months ended June 2016 | FY2018 Q1 3 months ended June 2017 | YoY Change (Amount) | YoY Change (%) | FY2018 Guidance 12 months ending March 2018 |
|----------------|--|--|---------------------------|----------------------|--|
| Revenue | 3.9 | 4.6 | 0.7 | +18.7% | 27.0 |
| Segment profit | 0.8 | 1.6 | 0.8 | +95.5% | 5.2 |
| Margin | 21.2% | 34.9% | | | 19.3% |

Note: Other expenses of JPY 0.1 billion (FY2017) and JPY 0.3 billion (FY2018) are not included in segment profit

FY2018 Q1 summary

- Stable recurring revenues from “e-AMUSEMENT Participation” arcade games including “MAH-JONG FIGHT CLUB ZERO” and music games. Released “Animalotta – Otogino Kunino Anima”, a roulette and ball-jackpot medal game, and launched the multi-electronic money payment system “Thincaterminal” for amusement facilities
- In addition to the launch of an original pachislot title “Luck Vegas”, a horse racing pachislot machine “GI Derby Club” released last FY is showing sustained top-class performance among the new regulation No. 5.5 machines, winning high acclaim and repeat orders

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Titles Released in Apr - Jun 2017 / Pipeline(1)

| Title | Platform | Geography | Release Date | Business Segment (※1) |
|--|--------------------------------|-----------|--------------|-----------------------|
| JIKKYOU PAWAFURU PUROYAKYU Championship 2017 | PS4 / PS3 / PSVita | Japan | May 2017 | DE |
| Winning Eleven 2017 (PES 2017 -PRO EVOLUTION SOCCER-) | App Store Google Play | Global | May 2017 | DE |
| AnimaLotta Otogino Kunino Anima | Arcade (Medal game) | Japan | Jun 2017 | AM |
| 100% Pasukaru Sensei Perfect Paint Bombers | Nintendo 3DS™ | Japan | Jul 2017 | DE |
| Winning Eleven 2018 (PRO EVOLUTION SOCCER 2018) | PS4 / PS3 XOne / X360 PC | Global | Sep 2017 | DE |
| FEATURE PREMIUM 5th title: Tower de Patissietta 6th title: Pirates a Go Go | Arcade (Medal game) | Japan | 2017 | AM |
| Bomber Girl | Arcade (Video game) | Japan | 2017 | AM |
| PriPri Chi-chan!! (Working title) | Nintendo 3DS™ | Japan | This winter | DE |
| METAL GEAR SURVIVE | PS4 XOne / PC | Global | 2018 | DE |

※1 DE: Digital Entertainment AM: Amusement

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JIKKYOU PAWAFURU PUROYAKYU
Championship 2017



Winning Eleven 2018
(PRO EVOLUTION SOCCER 2018)



METAL GEAR SURVIVE



AnimaLotta
Otogino Kunino Anima



FEATURE PREMIUM
5th title: Tower de Patissietta
6th title: Pirates a Go Go



Bomber Girl

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Titles Released in Apr - Jun 2017 / Pipeline(2)

| Title | Platform | Geography | Release Date | Business Segment (※) |
|-----------------------------|----------------|---------------|--------------|----------------------|
| Luck Vegas | Pachislot | Japan | May 2017 | AM |
| Castlevania Lords of Shadow | Pachislot | Japan | Jul 2017 | AM |
| Concerto Crescent | Gaming Machine | Global | May 2017 | GS |
| Concerto Stack | Gaming Machine | Global | May 2017 | GS |
| Frogger: Get Hoppin' | Gaming Machine | North America | FY2018 H1 | GS |
| Beat Square | Gaming Machine | North America | FY2018 H2 | GS |
| Fortune Cup | Gaming Machine | TBD | TBD | GS |

※ AM: Amusement GS: Gaming & Systems

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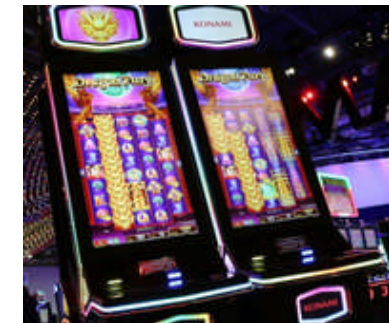
Castlevania
Lords of Shadow



Luck Vegas



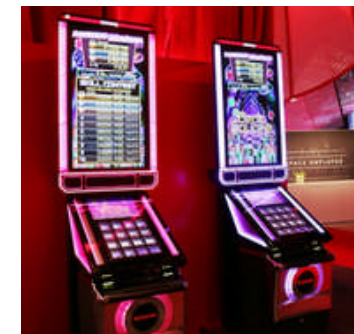
Concerto Crescent



Concerto Stack



Fortune Cup



Beat Square

Consolidated Business Performance

(Yen in Billions)

| | FY2017 Q1 | percentile | FY2018 Q1 | percentile | YoY Change (Amount) | YoY Change (%) |
|---|-----------|------------|-----------|------------|---------------------|----------------|
| Revenue | 49.4 | 100.0% | 55.7 | 100.0% | 6.3 | 12.8% |
| Total cost of revenue | △ 29.9 | 60.4% | △ 32.1 | 57.6% | △ 2.2 | |
| SG&A | △ 10.4 | 21.0% | △ 11.0 | 19.8% | △ 0.7 | |
| Other income and other expenses | △ 0.1 | 0.2% | △ 0.4 | 0.7% | △ 0.3 | |
| Operating profit | 9.1 | 18.4% | 12.2 | 21.9% | 3.1 | 34.2% |
| Finance income | 0.1 | | 0.1 | | 0.0 | |
| Finance costs | △ 0.7 | | △ 0.2 | | 0.5 | |
| Profit from investments accounted for using the equity method | 0.0 | | 0.0 | | △ 0.0 | |
| Profit before income taxes | 8.4 | 17.0% | 12.1 | 21.6% | 3.6 | 43.3% |
| Income taxes | △ 2.6 | 5.3% | △ 3.6 | 6.4% | △ 1.0 | |
| Profit for the period | 5.8 | 11.8% | 8.5 | 15.3% | 2.7 | 46.2% |
| Profit attributable to: | | | | | | |
| Owners of the parent | 5.8 | 11.8% | 8.5 | 15.3% | 2.7 | 46.4% |
| Non-controlling interests | 0.0 | 0.0% | 0.0 | 0.0% | △ 0.0 | |

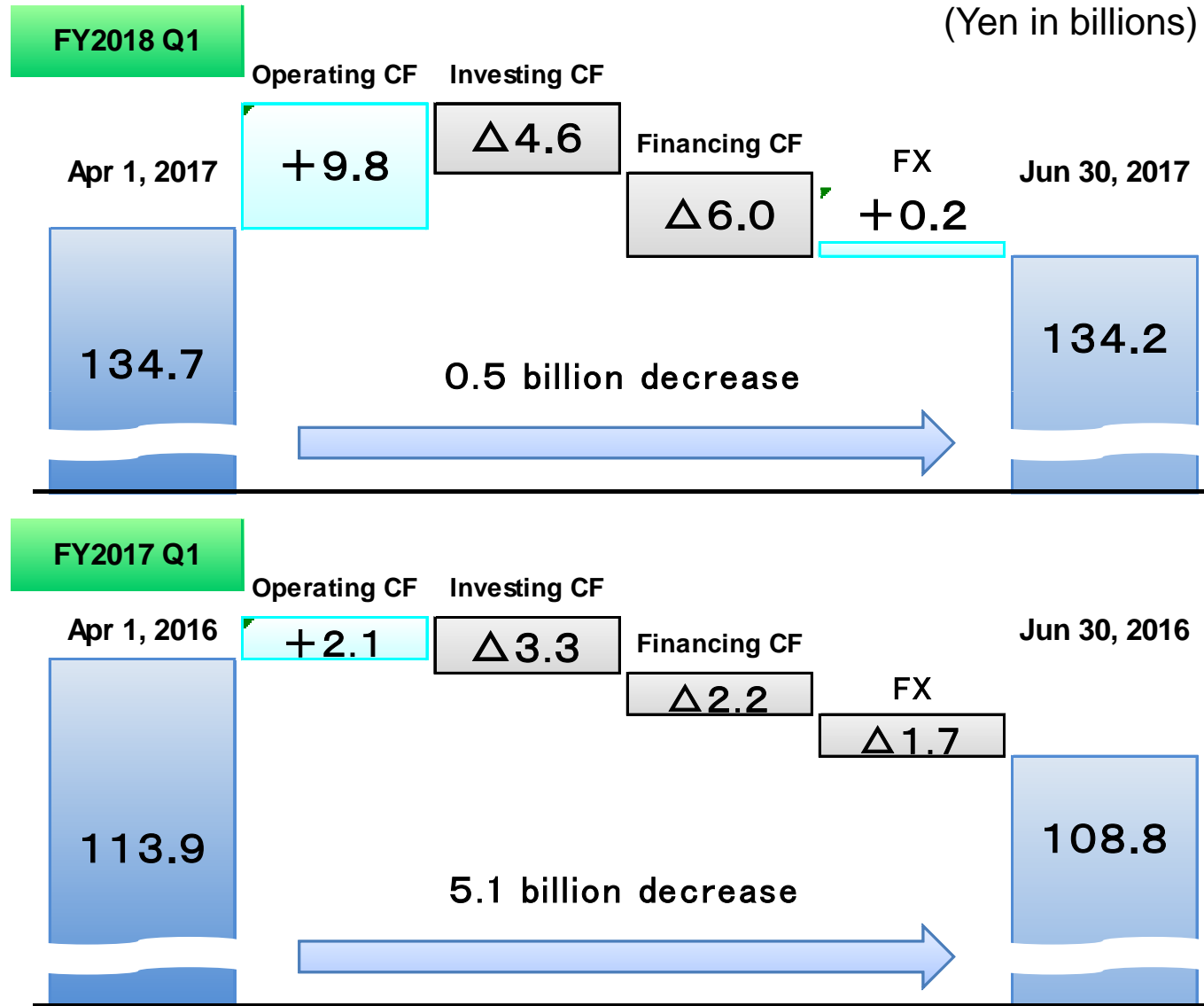
Consolidated Financial Position

(Yen in Billions)

| | March 31, 2017 | June 30, 2017 | change | | March 31, 2017 | June 30, 2017 | change |
|--|-------------------|------------------|--------|--|-------------------|------------------|--------|
| Current assets | | | | Current liabilities | | | |
| Cash and cash equivalents | 134.7 | 134.2 | Δ 0.5 | Bonds and borrowings | 10.6 | 10.6 | Δ 0.1 |
| Trade and other receivables | 26.0 | 22.0 | Δ 4.0 | Trade and other payables | 25.9 | 21.8 | Δ 40.1 |
| Inventories | 7.4 | 7.9 | 0.5 | Other current liabilities | 20.4 | 20.6 | 2.3 |
| Other current assets | 6.8 | 8.2 | 1.4 | Total current liabilities | 56.8 | 53.1 | Δ 37.9 |
| Total current assets | 174.9 | 172.4 | Δ 2.6 | Non-current liabilities | | | |
| | 51.9% | 51.3% | | Bonds and borrowings | 19.7 | 19.7 | 0.2 |
| Non-current assets | | | | Other non-current liabilities | 25.4 | 25.0 | Δ 4.1 |
| Property, plant and equipment, net | 75.6 | 76.3 | 0.7 | Total non-current liabilities | 45.1 | 44.7 | Δ 4.0 |
| Goodwill and intangible assets | 34.8 | 36.4 | 1.6 | Total liabilities | 102.0 | 97.8 | Δ 41.9 |
| Investments accounted for using the equity method | 2.8 | 2.8 | Δ 0.0 | Total equity attributable to owners of the parent | 234.4 | 237.6 | 31.1 |
| Deferred tax assets | 22.3 | 21.9 | Δ 0.5 | | 69.5% | 70.7% | |
| Other non-current assets | 26.7 | 26.4 | Δ 0.3 | (per share: yen) | 1,733.57 | 1,756.57 | 23.0 |
| Total non-current assets | 162.2 | 163.7 | 1.5 | Non-controlling interests | 0.8 | 0.8 | 0.0 |
| | 48.1% | 48.7% | | Total equity | 235.2 | 238.3 | 31.1 |
| Total assets | 337.1 | 336.1 | Δ 1.1 | Total liabilities and equity | 337.1 | 336.1 | Δ 10.8 |

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Consolidated Cash Flows



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THANK YOU

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