

Consolidated Financial Results
for the Six Months Ended September 30, 2015
(Prepared in Accordance with IFRS)

October 30, 2015

KONAMI HOLDINGS CORPORATION

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 Stock code number, TSE: 9766
 Ticker symbol, LSE: KNM
 URL: <http://www.konami.co.jp/en>
 Shares listed: Tokyo Stock Exchange and London Stock Exchange
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 Beginning date of dividend payment: November 20, 2015

(Amounts are rounded to the nearest million, except percentages and per share amounts)

1. Consolidated Financial Results for the Six Months Ended September 30, 2015

(1) Consolidated Results of Operations

	Revenue	Operating profit	Profit before income taxes	Profit for the period	Profit attributable to owners of the parent	Total comprehensive income for the period
Six months ended September 30, 2015	107,718	12,444	12,186	7,847	7,847	7,243
% change from previous year	9.1%	92.1%	78.5%	99.7%	101.6%	38.1%
Six months ended September 30, 2014	98,719	6,478	6,827	3,931	3,892	5,246
% change from previous year	-	-	-	-	-	-

	Basic earnings per share (attributable to owners of the parent) (yen)	Diluted earnings per share (attributable to owners of the parent) (yen)
Six months ended September 30, 2015	56.61	-
Six months ended September 30, 2014	28.08	-

(2) Consolidated Financial Position

(Millions of Yen, except percentages and per share amounts)

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
September 30, 2015	346,932	224,004	223,294	64.4%
March 31, 2015	311,592	218,499	217,789	69.9%

2. Cash Dividends

Record Date	Cash dividends per share (yen)				
	First quarter end	Second quarter end	Third quarter end	Year end	Annual
Year ended March 31, 2015	-	8.50	-	12.50	21.00
Year ending March 31, 2016	-	10.50			
Year ending March 31, 2016 -Forecast-			-	10.50	21.00

Note: Recently announced change in dividend forecasts for the fiscal year ending March 31, 2016 during the six months ended September 30, 2015: None

3. Consolidated Earnings Forecast for the Year Ending March 31, 2016

(Millions of Yen, except percentages and per share data)

	Revenue	Operating profit	Profit before income tax	Profit attributable to owners of the parent	Basic earnings per share (attributable to owners of the parent) (yen)
Year ending March 31, 2016	228,000	17,000	16,000	9,500	68.54
% change from previous year	4.5%	11.1%	(5.7)%	(4.2)%	

Note: Recently announced change in earnings forecasts for the fiscal year ending March 31, 2016 during the six months ended September 30, 2015: None

Noted Items

(1) Changes in significant consolidated subsidiaries during the period (status changes of subsidiaries due to changes in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimate

1. Changes in accounting policies required by IFRS: No
2. Other changes: No
3. Changes in accounting estimate: No

(3) Number of shares issued (Share capital)

1. Number of shares issued: (Treasury shares included)
 - As of September 30, 2015 143,500,000 shares
 - As of March 31, 2015 143,500,000 shares
2. Number of treasury shares:
 - As of September 30, 2015 4,892,880 shares
 - As of March 31, 2015 4,890,951 shares
3. Average number of shares outstanding:
 - Six months ended September 30, 2015 138,608,132 shares
 - Six months ended September 30, 2014 138,611,811 shares

Information regarding the audit review procedure:

This report is outside the scope of the procedures for review of quarterly consolidated financial statements as required under the Financial Instruments and Exchange Act of Japan. The aforementioned procedures have not been completed for the quarterly financial statements included in this document as of the time of disclosure of this document.

Cautionary statement with respect to forward-looking statements and other matters:

Statements made in this document with respect to our current plans, estimates, strategies and beliefs, including the above forecasts, are forward-looking statements about our future performance. 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: (i) changes in economic conditions affecting our operations; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (iii) our 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; (iv) the timing of the release of new game titles and products, especially game titles and products that are part of historically popular series; (v) our ability to successfully expand internationally with a focus on our Digital Entertainment business and Gaming & Systems business; (vi) our ability to successfully expand the scope of our business and broaden our customer base through our Health & Fitness business; (vii) regulatory developments and changes and our ability to respond and adapt to those changes; (viii) our expectations with regard to further acquisitions and the integration of any companies we may acquire; and (ix) the outcome of existing contingencies.

Please refer to pages 10, 11 and 12 for further information regarding our business forecasts.

The Company disclosed the supplemental data for the consolidated financial statements via the Company's website on October 30, 2015.

1. Business Performance

(1) Analysis of Business Performance

(i) Business Overview

The business environment surrounding the Konami Group showed signs of gradual recovery, including solid corporate earnings and improvement in employment conditions and personal incomes in Japan. In terms of the global economy, the economic environment for growth remained uncertain due to concerns that a sharp economic slowdown in China may affect foreign economies, including emerging countries, although the U.S. economy continued a steady recovery supported by strong personal consumption owing to lasting improvement in employment conditions. In the entertainment market, along with the rapid spread of smartphones and tablet PCs, which spurred a worldwide increase in users, as well as enhanced device functionality and the development of information and telecommunications infrastructure, game contents continue to diversify. As new video game consoles also continue to spread at a record-setting pace in Western countries, business opportunities in the game industry are increasing. In the gaming industry, the development of resources related to tourism continues to help spread the casino market worldwide. In Japan, gaming business is expected to continue to grow, including the anticipated submittal to the Diet of a draft bill for Integrated Resort (IR) Promotion.

In connection with the health and fitness industry, there is a growing health consciousness throughout society, especially among senior citizens and women, who year after year have shown an increasing tendency to focus their leisure activities on improving health and physical strength. We continue to see growing health-consciousness, a preference for sports and an interest in preventing the need for nursing care in old age.

Against this background, in the Digital Entertainment segment of the Konami Group, mobile games, including *JIKKYOU PAWAFURU PUROYAKYU* and the *World Soccer Collection* series, continued to enjoy steady sales. In addition, we released *METAL GEAR SOLID V: THE PHANTOM PAIN*, which is the latest title in the *METAL GEAR* series, and *PES 2016 - Pro Evolution Soccer -*, which is the latest title in the U.S. and Europe of the *Winning Eleven* series, and received favorable reviews.

In our Health & Fitness segment, we continued to develop our pricing and membership plans. These plans enable customers to select a pricing plan based on the number of times they use our facilities and to use more than one facility. We intend to promote and spread the Konami Sports Club's services supporting the concept of "sustainable fitness."

In our Gaming & Systems segment, sales of the *Podium* video slot machine and the *SYNKROS* casino management system continued to be strong, mainly in the U.S. and Australian markets.

In the Pachislot and Pachinko Machines segment, we released a new pachislot machine, *GUN SWORD*, which is derived from the popular animation series, as well as *SKYGIRLS—Zero, Again*, which is the latest version in the *SKYGIRLS* series with leveraging our original content.

In terms of the consolidated results for the six months ended September 30, 2015, total revenue amounted to ¥107,718 million (a year-on-year increase of 9.1%), operating profit was ¥12,444 million (a year-on-year increase of 92.1%), profit before income taxes was ¥12,186 million (a year-on-year increase of 78.5%), and profit attributable to owners of the parent was ¥7,847 million (a year-on-year increase of 101.6%).

(ii) Performance by Business Segment

Summary of total revenue by business segment:

	Millions of Yen, except percentages		
	Six months ended September 30, 2014	Six months ended September 30, 2015	% change
Total revenue:			
Digital Entertainment	¥43,993	¥51,702	17.5
Health & Fitness	36,959	35,889	(2.9)
Gaming & Systems	13,640	14,979	9.8
Pachislot & Pachinko Machines	4,473	5,354	19.7
Intersegment eliminations	(346)	(206)	-
Total revenue	¥98,719	¥107,718	9.1

Digital Entertainment

As for mobile games, *JIKKYOU PAWAFURU PUROYAKYU* has surpassed 16 million downloads in the ten months since its distribution started, and contributed to business results. Moreover, we continued to enjoy steady sales, including the *WORLD SOCCER COLLECTION* series, the *CROWS×WORST* series and the *Professional Baseball Dream Nine* series and *Winning Eleven CLUB MANAGER* (known in overseas as *PES CLUB MANAGER*), which is a club management game and the game engine has been optimized for use in a mobile game based on that of *WORLD SOCCER Winning Eleven 2015* (known in the U.S. and Europe as *Pro Evolution Soccer 2015*). In overseas markets, *Star Wars™: Force Collection*, based on the *Star Wars™* film series, and *PES COLLECTION* (known in China as *Shikuangjulebu*) continued stable operation.

As for computer and video games, *METAL GEAR SOLID V: THE PHANTOM PAIN*, which is the latest title in the *METAL GEAR* series, was released worldwide in September 2015. In addition, we released *PES 2016 - Pro Evolution Soccer -*, which is the latest title in the *Winning Eleven* series, in North America, Central and South America, Europe and Asia. This title celebrates the 20th anniversary of its first release with improved controllability and reality.

In regards to arcade games, our e-AMUSEMENT Participation system titles, centered on *MAH-JONG FIGHT CLUB* and music genre games, continued to operate steadily. As for family-friendly items, while we released *Matsuri de FEVER!!*, *Monster Retsuden ORECA BATTLE*, which is the kids' card game machine, continued to be extremely popular, especially among elementary school age boys.

The *Yu-Gi-Oh! TRADING CARD GAME* series continued to perform strongly in the global market, including the world tournament was held in Kyoto, Japan, in August 2015.

In terms of financial performance, total revenue for the six months ended September 30, 2015 in this segment amounted to ¥51,702 million (a year-on-year increase of 17.5%) and segment profit for the six months ended September 30, 2015 amounted to ¥12,695 million (a year-on-year increase of 72.3%).

Health & Fitness

With respect to the management of facilities that we operate directly, we developed the services, including the addition of a free exercise plan without limitation on frequency of use and discounted ticket books to be sold year-round, as well as we revised pricing plans so that customers can select the pricing plan based on frequency of use. As for our new facilities, we opened the Nasu Highland Golf Club - Konami Sports Club Beginners' Golf Course in August 2015. We intend to widely expand player population by offering a new operation style with over 20 years experience of operation in golf school facilities. In addition, we reopened Grancise Yebisu Garden in September 2015. Consequently, there are now three Grancise facilities, Otemachi, Aoyama and Yebisu, and we continue to provide high-quality, valuable time and atmosphere.

We also renewed the programs in the facilities with our long-term expertise of fitness guidance and effects, including *V-BODY*, a body conditioning program, and *BIOMETRICS*, a dieting program. The personal training programs, which combine training, diet and supplements, are receiving favorable reviews from a wide range of customers, both men and women. At the *OyZ* exercise school program which mainly targets individuals ages 60 and older, we added the new program, "brain activation course," aimed at preventing senile dementia, to the existing national program "strengthening legs and hip course." In addition, we released *LOCOPIN*, an amino acid beverage produced in response to *OyZ* customer feedback and *PROTEIN PRO 10* supports effective body building for women, by ingesting protein immediately after training. This promotion of supplements is intended to have a synergistic effect with programs.

In addition, we have introduced the "Konami Fitness Methods" web video series demonstrating the correct ways to perform various physical activities and condensing it into an easily understandable format as "Konami Methods Matome." The videos feature athletes affiliated with Konami Sports Club Gymnastic Team

and Swimming Team, and provide parents ideas for how to stay active with their children. These developments were part of our efforts to make people more and more familiar with exercise, promote parent-child communication and enhance the Konami Sports Club brand power.

For the six months ended September 30, 2015, sales from this business decreased mainly due to the closing of large-scale facilities and a reduction in the number of facilities with management outsourced to Konami Group in the previous fiscal year. On the other hand, expenses were reduced due to improved operational efficiency.

In terms of financial performance, total revenue for the six months ended September 30, 2015 in this segment amounted to ¥35,889 million (a year-on-year decrease of 2.9%) and segment profit for the six months ended September 30, 2015 amounted to 1,506 million (a year-on-year increase of 80.8%).

Gaming & Systems

The North American market environment was in severe conditions due to affected by the entry of European manufacturers and the resulting intensified competition and increasingly prudent investments by casino operators when purchasing machines. On the other hand, we have expanded the category of the *Podium* series video slot machine and accelerated the development of products which precisely meet each market's demands, including a wider offering in the Central and South American and European market. We also expanded our lineup of premium products in which are subject to a participation agreement (in which profits are shared with casino operators). These products raised higher expectations and willingness from players, by introducing products such as *Podium Goliath*, a larger size version of *Podium*, and contributed stable earnings. The *SYNKROS* casino management system was sequentially introduced into multiple states in North America, and enjoyed strong sales.

In the Oceania market, we continued to roll out a richly diverse product lineup, including *Podium Stack* of the *Podium* series. In the Malaysian market and the fastest-growing market of the Philippines, product sales were strong.

In addition, we exhibited our products at the largest gaming expo in Oceania, Australasian Gaming Expo, held in Sydney, Australia, and at the world's largest gaming expo, Global Gaming Expo, held in Las Vegas, U.S. The titles we exhibited include *Concerto*, a next generation machine revealed for the first time, *Podium Monument* in the *Podium* series, and *Frogger*, leveraging our original content. These rich products and new lineup received high acclaim from operators.

For the six months ended September 30, 2015, operating expenses of this segment increased mainly due to increases in product approval fees, product development costs resulting from expansion of the product lineup in the North American and Australian market, and advance investments including development of human resources for enhancement of the maintenance and other services.

In terms of financial performance, total revenue for the six months ended September 30, 2015 in this segment amounted to ¥14,979 million (a year-on-year increase of 9.8%) and segment profit for the six months ended September 30, 2015 amounted to ¥1,732 million (a year-on-year decrease of 13.9%).

Pachislot & Pachinko Machines

As for pachislot machines, we released *GUN SWORD*, which was derived from the popular animation series. Following the first model adapted to new regulations after the test-methods changed, we released two models. *SKYGIRLS—Zero, Again*, the second pachislot machine version of our original content *SKYGIRLS*, was released in August 2015 and continues to operate steadily on the market with enhanced game properties.

In terms of financial performance, total revenue for the six months ended September 30, 2015 in this segment amounted to ¥5,354 million (a year-on-year increase of 19.7%) and segment profit for the six months ended September 30, 2015 amounted to 247 million (for the six months ended September 30, 2014, segment loss amounted to 829 million).

(2) Consolidated Financial Position

(i) Total Assets, Total Liabilities and Total equity

Total Assets:

Total assets amounted to ¥346,932 million as of September 30, 2015, increasing by ¥35,340 million compared with March 31, 2015. This mainly resulted from increases in cash and cash equivalents, trade and other receivables and inventories.

Total Liabilities:

Total liabilities amounted to ¥122,928 million as of September 30, 2015, increasing by ¥29,835 million compared with March 31, 2015. This primarily resulted from increases in other current liabilities and income tax payables.

Total Equity:

Total equity amounted to ¥224,004 million as of September 30, 2015, increasing by ¥5,505 million compared with March 31, 2015. This mainly resulted from the recognition of profit for the period. Total equity attributable to owners of the parent was 64.4%, decreasing by 5.5 points compared with March 31, 2015.

(ii) Cash Flows

	Millions of Yen		
	Six months ended September 30, 2014	Six months ended September 30, 2015	Change
Cash flow summary:			
Net cash provided by operating activities	¥22,291	¥30,584	¥8,293
Net cash used in investing activities	(13,089)	(11,391)	1,698
Net cash used in financing activities	(7,825)	(2,406)	5,419
Effect of exchange rate changes on cash and cash equivalents	219	(426)	(645)
Net increase in cash and cash equivalents	1,596	16,361	14,765
Cash and cash equivalents at the end of the period	¥51,620	¥81,015	¥29,395

Cash and cash equivalents (hereafter, referred to as “Net cash”), as of September 30, 2015, amounted to ¥81,015 million, an increase of ¥16,361 million compared to the year ended March 31, 2015.

Cash flow summary for each activity for the six months ended September 30, 2015 is as follows:

Cash flows from operating activities:

Net cash provided by operating activities amounted to ¥30,584 million for the six months ended September 30, 2015, a year-on-year increase of 37.2%. This primarily resulted from increases in deferred revenue and trade and other payables, which offset an increase in trade and other receivables.

Cash flows from investing activities:

Net cash used in investing activities amounted to ¥11,391 million for the six months ended September 30, 2015, a year-on-year decrease of 13.0%. This mainly resulted from a decrease in capital expenditures for property, plant and equipment.

Cash flows from financing activities:

Net cash used in financing activities amounted to ¥2,406 million for the six months ended September 30, 2015, a year-on-year decrease of 69.3%. This primarily resulted from a decrease in dividends paid and there has been no repayment of short-term borrowings which had been during the six months ended September 30, 2014.

(3) Outlook for the Fiscal Year Ending March 31, 2016

Digital Entertainment

With the spread of smartphones and tablet PCs worldwide, the available means of providing games continue to diversify, and opportunities to reach an even greater audience for games are increasing. Against this background, we intend to develop ways of playing games that match the characteristics of each device.

As for mobile games, the total number of registered users of all contents we developed continues to increase steadily. *JIKKYOU PAWAFURU PUROYAKYU* was downloaded 16 million times and *Winning Eleven CLUB MANAGER* (known in overseas as *PES CLUB MANAGER*) distributed worldwide. These games are expected to continue to contribute toward our profits. We are further focusing our managerial resources on the development of content that we believe will become major hits in order to produce more hit content, especially in the native application market. Looking ahead, we will continue to expand our lineup, utilizing previously established production and operational expertise and rich content resources. We also intend to develop more content for overseas market, not only for the U.S. and European markets but also for Asian markets. We also plan to enhance new releases with attractive content by creating synergies with established content.

As for computer and video games, we intend to continue global introduction of titles that have been carefully chosen according to selection and concentration. Furthermore, the new game mode *myClub*, which has been newly adopted for the *Winning Eleven* series (known in the U.S. and Europe as the *Pro Evolution Soccer* series), is expected to provide a sustained enjoyment to our customers. In Japan, *Winning Eleven 2016* (known in the U.S. and Europe as *PES 2016 - Pro Evolution Soccer -*), which was released in October 2015 as the latest titles of Konami Group's leading series, and the latest title of the *JIKKYOU PAWAFURU PUROYAKYU* series have generated great expectations.

As for arcade games, Konami Group intends to work to revitalize the amusement arcade industry by providing new entertainment that can be enjoyed only at an amusement facility through "interpersonal communication" using the e-AMUSEMENT system. This will involve promoting the continual development of equipment compatible with the PASELI e-money service and e-AMUSEMENT Participation, as well as enhancements to and the expansion of various services.

As for card games, we will continue the global development of the *Yu-Gi-Oh! TRADING CARD GAME* series.

Health & Fitness

In our Health and Fitness business, we will continue striving to accurately grasp the needs of our increasingly diverse customer base and to increase the value of Konami Sports Clubs by offering a new lifestyle.

We entered the second year since introducing the revised pricing plan based on usage frequency, and we are pleased to inform that many customers think the pricing plan meets the theme of “sustainable fitness.” The plan has received favorable reviews especially from beginner customers who have never been to sports clubs before, and there is a rise in new member registrations. In October 2015, four more facilities, formerly franchises, became available for use mutually with Konami Sports Clubs nationwide. We intend to enhance convenience for the customers of these facilities by introducing the frequency-based pricing plan similar to Konami Sports Club and further expanding services. Through continuing these measures, we intend to enhance the Konami Sports Club brand power and its degree of recognition.

As Japan’s population continues to age, the government continues to take measures to combat lifestyle diseases and also develop new plans for boosting sports clubs and other aspects of the healthy prolonged life industry as part of the governmental growth strategy. As part of an integrated approach from national and private organizations, we intend to continue to promote fitness club operation and health and fitness equipment development and marketing. The aim of these efforts is to enhance customer satisfaction for a variety of users with diverse lifestyles and age ranges as the leading company in the health and fitness industry.

Gaming & Systems

In regard to slot machine sales, we will strengthen sales and product expansion, focusing on the *Podium* video slot machine, which has received positive reviews, *Podium Monument*, *Podium Stack* and *Rapid Revolver*. We also intend to stabilize our operational results by increasing periodical income through the expansion of participation agreements to enhance sales and address the needs of casino operators by expanding our product lineup. In the Asian, Central and South American, European and African markets, we intend to continue to develop sales by adapting to local needs.

We introduced the *SYNKROS* casino management system and its many functions at various trade shows and business conferences, including demonstrations of *SYNKiosk*, a newly equipped casino management tool. They received positive reviews from major operators. In September 2015, construction of the second factory for gaming devices was completed in Las Vegas, Nevada, U.S. We intend to respond to expanding worldwide demand of gaming machines and casino management systems by strengthening development and manufacture capability.

Pachislot & Pachinko Machines

As for pachislot machines in our Pachislot & Pachinko Machines business, following the release of *SILENT HILL*, the new pachislot product that leverages our original content from the popular horror and adventure video game, we intend to release a tie-up machine with *High School DxD*, which is an animation series based on a popular light novel with more than 3 million copies published combined. To achieve a higher rate of operation, we intend to focus on production and sales activities of our pachislot machines by incorporating anticipated user demands into product development and leveraging Konami Group's original contents.

In addition, we plan to launch a new pachinko machine, *CR PACHINKO Castlevania*, the second pachinko machine developed by our group, which is derived from our original content of *Castlevania: Rondo of Blood* in the *Castlevania* series.

We intend to continue to offer products with a higher rate of operation and to stabilize profitability in the business to boost our market presence by working integrally with production, manufacture and sales in addition to making efforts to reinforce development.

Projected consolidated results for the fiscal year ending March 31, 2016 are as follows: revenue of ¥228,000 million; operating profit of ¥17,000 million; profit before income tax of ¥16,000 million; and profit attributable to owners of the parent of ¥9,500 million. Thus, there is no change from the forecast figures released in the "Consolidated Financial Results for the Year Ended March 31, 2015" dated May 8, 2015.

Special Note:

This document contains "forward-looking statements," or statements related to future events that are based on management's assumptions and beliefs in light of information currently available. These statements are subject to various risks and uncertainties.

When relying on forward-looking statements to make investments, you should not place undue reliance on such forward-looking statements. Actual results may be affected by a number of important factors and may be materially different from those discussed in forward-looking statements. Such factors include, but are not limited to, changes in economic conditions affecting our operations, market trends and fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro.

2. Other

- (1) Changes in significant consolidated subsidiaries during the period (status changes of subsidiaries due to changes in the scope of consolidation):**

None

- (2) Changes in accounting principles, procedures and reporting policies:**

None

3. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statement of Financial Position

	Millions of Yen	
	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and cash equivalents	¥64,654	¥81,015
Trade and other receivables	30,869	40,533
Inventories	12,844	19,701
Income tax receivables	2,055	377
Other current assets	5,951	6,926
Total current assets	116,373	148,552
Non-current assets		
Property, plant and equipment, net	79,261	79,706
Goodwill and intangible assets	61,037	60,449
Investments accounted for using the equity method	2,370	2,494
Other investments	1,323	1,287
Other financial assets	24,257	24,155
Deferred tax assets	23,019	26,438
Other non-current assets	3,952	3,851
Total non-current assets	195,219	198,380
Total assets	311,592	346,932
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	6,009	6,403
Other financial liabilities	4,355	3,996
Trade and other payables	27,717	28,429
Income tax payables	1,248	5,909
Other current liabilities	12,270	37,713
Total current liabilities	51,599	82,450
Non-current liabilities		
Bonds and borrowings	14,943	14,951
Other financial liabilities	18,448	17,612
Deferred tax liabilities	708	740
Other non-current liabilities	7,395	7,175
Total non-current liabilities	41,494	40,478
Total liabilities	93,093	122,928
Equity		
Share capital	47,399	47,399
Share premium	74,175	74,175
Treasury shares	(11,271)	(11,276)
Other components of equity	5,012	4,408
Retained earnings	102,474	108,588
Total equity attributable to owners of the parent	217,789	223,294
Non-controlling interests	710	710
Total equity	218,499	224,004
Total liabilities and equity	¥311,592	¥346,932

(2) Condensed Consolidated Statements of Profit or Loss and Comprehensive Income

Condensed Consolidated Statements of Profit or Loss

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenue		
Product sales revenue	¥37,429	¥43,988
Service and other revenue	61,290	63,730
Total revenue	98,719	107,718
Cost of revenue		
Cost of product sales revenue	(22,588)	(24,767)
Cost of service and other revenue	(44,950)	(44,136)
Total cost of revenue	(67,538)	(68,903)
Gross profit	31,181	38,815
Selling, general and administrative expenses	(23,583)	(24,491)
Other income and other expenses, net	(1,120)	(1,880)
Operating profit	6,478	12,444
Finance income	871	132
Finance costs	(564)	(548)
Profit from investments accounted for using the equity method	42	158
Profit before income taxes	6,827	12,186
Income taxes	(2,896)	(4,339)
Profit for the period	3,931	7,847
Profit attributable to:		
Owners of the parent	3,892	7,847
Non-controlling interests	¥39	¥0

	Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Earnings per share (attributable to owners of the parent)		
Basic	¥28.08	¥56.61
Diluted	-	-

Condensed Consolidated Statement of Comprehensive Income

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit for the period	¥3,931	¥7,847
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences on foreign operations	1,280	(574)
Net change in fair values of available-for-sale financial assets	35	(30)
Total items that may be reclassified to profit or loss	1,315	(604)
Total other comprehensive income	1,315	(604)
<i>Total comprehensive income for the period</i>	<i>5,246</i>	<i>7,243</i>
Comprehensive income attributable to:		
Owners of the parent	5,207	7,243
Non-controlling interests	¥39	¥0

(3) Condensed Consolidated Statement of Changes in Equity

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
Balance at April 1, 2014	¥47,399	¥74,175	¥(11,264)	¥1,779	¥96,091	¥208,180	¥659	¥208,839
Profit for the period					3,892	3,892	39	3,931
Other comprehensive income				1,315		1,315		1,315
Total comprehensive income for the period	-	-	-	1,315	3,892	5,207	39	5,246
Purchase of treasury shares			(4)			(4)		(4)
Disposal of treasury shares		0	1			1		1
Dividends					(2,356)	(2,356)		(2,356)
Total transactions with the owners	-	0	(3)	-	(2,356)	(2,359)	-	(2,359)
Balance at September 30, 2014	¥47,399	¥74,175	¥(11,267)	¥3,094	¥97,627	¥211,028	¥698	¥211,726

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interest	Total equity
	Share capital	Share premium	Treasury shares	Other components of equity	Retained earnings	Total		
Balance at April 1, 2015	¥47,399	¥74,175	¥(11,271)	¥5,012	¥102,474	¥217,789	¥710	¥218,499
Profit for the period					7,847	7,847	0	7,847
Other comprehensive income				(604)		(604)		(604)
Total comprehensive income for the period	-	-	-	(604)	7,847	7,243	0	7,243
Purchase of treasury shares			(5)			(5)		(5)
Disposal of treasury shares		0	0			0		0
Dividends					(1,733)	(1,733)		(1,733)
Total transactions with the owners	-	0	(5)	-	(1,733)	(1,738)	-	(1,738)
Balance at September 30, 2015	¥47,399	¥74,175	¥(11,276)	¥4,408	¥108,588	¥223,294	¥710	¥224,004

(4) Condensed Consolidated Statement of Cash Flows

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
<i>Operating activities</i>		
Profit for the period	¥3,931	¥7,847
Depreciation and amortization	8,450	8,736
Impairment losses	1,036	1,500
Interest and dividends income	(149)	(127)
Interest expense	564	480
Loss on sale or disposal of property, plant and equipment	84	128
Profit from investments accounted for using the equity method	(42)	(158)
Income taxes	2,896	4,339
Decrease (increase) in trade and other receivables	10,326	(9,812)
Increase in inventories	(1,226)	(6,957)
Increase (decrease) in trade and other payables	(2,364)	1,798
Increase in prepaid expense	(546)	(701)
Increase (decrease) in deferred revenue	(711)	23,577
Other, net	269	1,763
Interest and dividends received	168	120
Interest paid	(555)	(512)
Income taxes paid	160	(1,437)
<i>Net cash provided by operating activities</i>	22,291	30,584
<i>Investing activities</i>		
Capital expenditures	(13,698)	(11,466)
Decrease in lease deposits, net	144	79
Decrease (increase) in term deposits, net	564	(5)
Other, net	(99)	1
<i>Net cash used in investing activities</i>	(13,089)	(11,391)
<i>Financing activities</i>		
Increase (decrease) in short-term borrowings, net	(4,400)	405
Principal payments under capital lease and financing obligations	(1,069)	(1,075)
Dividends paid	(2,354)	(1,732)
Other, net	(2)	(4)
<i>Net cash used in financing activities</i>	(7,825)	(2,406)
Effect of exchange rate changes on cash and cash equivalents	219	(426)
Net increase in cash and cash equivalents	1,596	16,361
Cash and cash equivalents at the beginning of the period	50,024	64,654
<i>Cash and cash equivalents at the end of the period</i>	¥51,620	¥81,015

(5) Going concern assumption

None

(6) Significant changes in the equity attributable to owners of the parent

None

(7) Segment Information

(i) Operating segment information

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenue:		
Digital Entertainment –		
External customers	¥43,828	¥51,661
Intersegment	165	41
Total	¥43,993	¥51,702
Health & Fitness –		
External customers	¥36,781	¥35,724
Intersegment	178	165
Total	¥36,959	¥35,889
Gaming & Systems –		
External customers	¥13,640	¥14,979
Intersegment	-	-
Total	¥13,640	¥14,979
Pachislot & Pachinko Machines –		
External customers	¥4,470	¥5,354
Intersegment	3	0
Total	¥4,473	¥5,354
Intersegment eliminations and Eliminations	¥(346)	¥(206)
Consolidated	¥98,719	¥107,718

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Segment profit (loss):		
Digital Entertainment	¥7,366	¥12,695
Health & Fitness	833	1,506
Gaming & Systems	2,011	1,732
Pachislot & Pachinko Machines	(829)	247
Total segment profit and loss, net	9,381	16,180
Corporate expenses and eliminations	(1,783)	(1,856)
Other income and other expenses, net	(1,120)	(1,880)
Finance income and finance costs, net	307	(416)
Profit from investments accounted for using the equity method	42	158
Profit before income taxes	¥6,827	¥12,186

(Notes)

1. Konami Group operates on a worldwide basis principally with the following four business segments:

a) Digital Entertainment:	Production, manufacture and sale of digital content and related products including mobile games, computer and video games, arcade games and card games.
b) Health & Fitness:	Operation of health and fitness clubs, and production, manufacture and sale of health and fitness related goods.
c) Gaming & Systems:	Development, manufacture, sale and service of gaming machines and casino management systems for overseas markets.
d) Pachislot & Pachinko Machines:	Production, manufacture and sale of pachislot machines and pachinko machines.

2. Segment profit (loss) is determined by deducting “cost of revenue” and “selling, general and administrative expenses” from “revenue,” which does not include corporate expenses, finance income and finance costs, and certain non-regular expenses associated with each segment such as impairment losses on property, plant and equipment, goodwill and intangible assets.
3. Corporate expenses primarily consist of administrative expenses not directly associated with specific segments.
4. Intersegment eliminations primarily consist of eliminations of intercompany sales.

5. Other income and other expenses, net include impairment losses on property, plant and equipment and goodwill and intangible assets and profit or loss of sales and disposal on property, plant and equipment.

(ii) Geographic Information

Revenue from external customers

	Millions of Yen	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Revenues:		
Japan	¥76,916	¥78,520
United States	15,589	19,715
Europe	2,777	5,564
Asia/Oceania	3,437	3,919
Consolidated	¥98,719	¥107,718

(Note)

For the purpose of presenting operations in the geographic areas above, Konami Group attributes revenues from external customers to individual countries in each area based on where Konami Group sold products or rendered services, and attributes assets based on where assets are located.