

KONAMI

Fiscal 2012

Konami Group Interim Report

April 1, 2011 – September 30, 2011

KONAMI CORPORATION

To Our Shareholders

I sincerely hope that this interim report finds our shareholders prospering and in good health.

Despite indications of recovery in consumer spending in certain segments, the domestic economy remained mired in uncertainty, largely because of the destruction and interruption to normal activities caused by the Great East Japan Earthquake. A soaring yen as well as the currency crisis in Europe added to the hazy outlook.

The operating environment for the Konami Group continued to present challenges, but with swift decision making and greater emphasis on cash flow management, we are reinforcing our financial position and enhancing profitability. In addition, to achieve sustainable growth into the future, I believe we must direct management resources into areas with a high degree of certainty, which will in turn maximize corporate value.

In our Digital Entertainment, Gaming & Systems, Pachinko & Pachinko Slot Machines and Health & Fitness business segments, consumer interests are diversifying and market conditions are changing at a dizzying pace. To appropriately address sudden swings in consumer demand and promote flexible and continuous evolution in our business activities, we must accurately respond to needs in each market. We must also emphasize systems that set development processes in motion in each business segment. These efforts will foster conditions in which the Group can grow by leaps and bounds.

We, the Konami Group of companies, are aiming to be a business group that is always highly expected by all the people around the globe, through creating and providing them with "Valuable Time."

On behalf of the Konami Group, I ask you, our valued shareholders, for your continued support and encouragement of our efforts.

November 2011

Kagemasa Kozuki
President and Representative Director

KONAMI CORPORATION

Four Pillars Supporting KONAMI Operations

Digital Entertainment Segment

Business Content We produce a wide range of products including social games, computer and video games, amusement arcade video games and card games.



DRAGON COLLECTION



SENGOKU COLLECTION



Professional Baseball Dream Nine

©NPB 2011



J.League™ Dream Eleven

LICENSED BY J. LEAGUE Stats Stadium
©J.LEAGUE PHOTOS INC.

COLLECTION series extremely well-received

Gaming & Systems Segment

Business Content We design, manufacture, sell, and service gaming machines and casino management systems in the globally expanding gaming market.



Rock around the Clock

A '50s-themed game featuring the era's biggest hits.



HIGH VELOCITY GRAND PRIX

Spotlight on graphics and sound evoking an exhilarating sense of speed.

Pachinko & Pachinko Slot Machines Segment

Business Content We handle all business aspects related to pachinko and pachinko slot machines from research, design, and production to sales.



MAGICAL HALLOWEEN 3
(On sale September 2011)



GRADIUS THE SLOT
(On sale July 2011)



JANRYU OUKA
(On sale May 2011)

Health & Fitness Segment

Business Content We operate fitness clubs in addition to designing, manufacturing and selling fitness machines and health-related products.



Konami Sports Club
GRANCISE Osaka



44th All Japan Artistic Gymnastics Competition for adults
KONAMI team wins third consecutive all-around title

Topics

Konami Group Social Games Surpass 10 Million Total Registered Users!

Digital Entertainment

In addition to *DRAGON COLLECTION*, which has attracted more than four million registered users, and *SENGOKU COLLECTION*, with more than two million registered users, the Konami Group's other leading titles in the social game genre include the NPB (Nippon Professional Baseball) League-licensed *Professional Baseball Dream Nine*, the Japan Professional Football League (J.League)-licensed *J.League™ Dream Eleven*, and *CROWSxWORST—Saikyou Densetsu* (created and released by HUDSON SOFT COMPANY, LIMITED), based on the popular mangas *Crows* and *Worst*, all of which have captured top spots on the platforms—social networking sites (SNS)—they are available on.

The number of total registered users for these SNS social games topped 10 million as of August 31, 2011, and KONAMI held an event at TOKYO GAME SHOW 2011 to celebrate this landmark achievement.

DRAGON COLLECTION not only grabbed the No. 1 spot on its platform site but was also inducted into the Hall of Fame at the GREE Platform Awards for the First Half of 2011 in the best overall application category. The title has continued to expand its user

base with the launch of a smartphone version and a serialized manga of the same title in *Weekly Shonen Magazine*, published by Kodansha Ltd. The Konami Group is offering other content for play on smartphones, including *SENGOKU COLLECTION*, a game based on the warring-states period in Japanese history, which enables users to enjoy social games anytime they want.

The Konami Group strives to deliver new entertainment to a greater number of customers by continuing to develop and deliver high-quality content to the ever-expanding social gaming market.



Wide Assortment of Machines on Display at Shows around the World

Gaming & Systems

KONAMI actively participated at a number of gaming shows held in countries around the world and garnered positive reviews from many casino operators in attendance.

Major Shows that KONAMI Attended in the First Six Months of Fiscal 2012

- Indian Gaming 2011 (Phoenix, Arizona, United States)
- Canadian Gaming Summit 2011 (Vancouver, British Columbia, Canada)
- Southern Gaming Summit 2011 (Biloxi, Mississippi, United States)
- Global Gaming Expo Asia 2011 (Macau, China)
- Australasian Gaming Expo 2011 (Sydney, Australia)



KONAMI used these events to showcase its extensive lineups and splendid products, including the popular cabinet-style video slot machine Podium with new content and Podium slant featuring KP3, a next-generation platform with software-controlled real-time, high-resolution 3D graphics. Also, KONAMI demonstrated the wide-ranging capabilities of the Konami Casino Management

System, a solution being adopted in an increasing number of markets, including North America and also Australia. The demonstrations were very well received by casino operators in attendance.

KONAMI will continue to provide new fun and “valuable time” to casino patrons worldwide through reliable, entertaining and innovative gaming machines.

New Spin on Popular Series with MAGICAL HALLOWEEN 3

Pachinko & Pachinko Slot Machines

MAGICAL HALLOWEEN 3, the newest story in the MAGICAL HALLOWEEN series—already a favorite among fans of pachinko slot machines—rolled out September 20, 2011.

A unique perspective on the world in MAGICAL HALLOWEEN makes the game highly entertaining. The newest story not only maintains this amusement factor but ramps it up, thanks to Alice, Rose and the other captivating characters who reveal interesting new aspects about the MAGICAL HALLOWEEN realm.

The series goes beyond pachinko slot machines to include

original soundtracks on CD and character figures, which are available for MAGICAL HALLOWEEN 3 as well, and add new dimensions to this magical realm.



Konami Sports Club GRANCISE Osaka Opens

Health & Fitness

On May 4, 2011, KONAMI marked the opening of Konami Sports Club GRANCISE Osaka inside the North Gate Building of Osaka Station City, a giant complex connected directly to JR Osaka Station, the largest rail terminal in western Japan. The GRANCISE brand is the epitome of service in fitness clubs. Favorably located, this luxurious facility offers an environment in which members can fully relax and totally enjoy the bliss of an urban oasis, like executives who expect the very best. GRANCISE Osaka features a fitness studio and exercise machines, men’s and women’s steam room, sauna and shower facilities for invigorating body and soul, and a therapy room for massage as well as an on-site aesthetic salon.

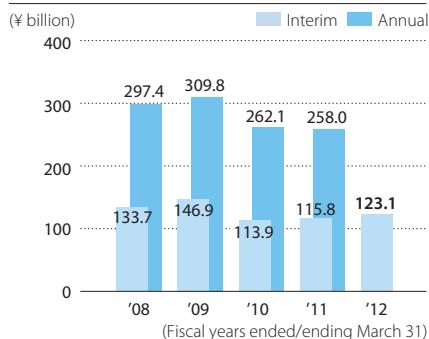
The services at Konami Sports Club GRANCISE Osaka are, essentially, an elegant way to relieve stress, and the objective here is to

ensure that customers get the exercise and pampering they need to stay mentally and physically fit.

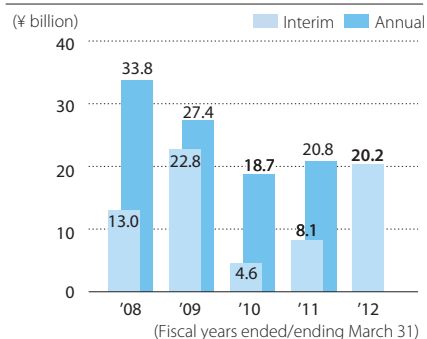


Consolidated Financial Highlights (U.S. GAAP)

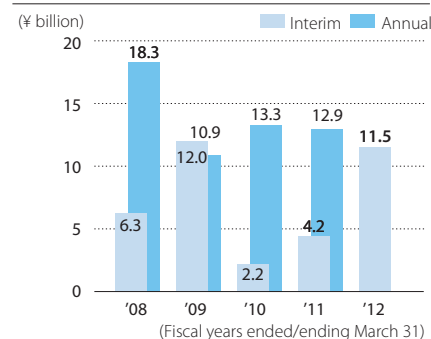
Net Revenues



Operating Income



Net Income



Consolidated Statements of Income (Key items)

(Yen in Millions)

	Six months ended September 30, 2011	Six months ended September 30, 2010
Net revenues	123,096	115,763
Operating income	20,185	8,050
Income before income taxes	19,375	7,227
Net income	11,462	4,192

Consolidated Balance Sheets (Key items)

(Yen in Millions)

	As of September 30, 2011	As of March 31, 2011
Current assets	149,834	148,934
Fixed assets	163,453	164,957
Total assets	313,287	313,891
Current liabilities	62,420	63,155
Long-term liabilities	45,321	52,329
Equity	205,546	198,407
Total liabilities and equity	313,287	313,891

Consolidated Statements of Cash Flows (Key items)

(Yen in Millions)

	Six months ended September 30, 2011	Six months ended September 30, 2010
Net cash provided by (used in) operating activities	7,032	6,099
Net cash used in investing activities	(3,351)	(6,332)
Net cash used in financing activities	(8,343)	(3,158)
Cash and cash equivalents, end of period	53,956	46,373

In the Digital Entertainment segment, sales of social games, including the *COLLECTION* series increased steadily.

In the Gaming & Systems segment, sales of the video slot machine and stepper machine series, etc., and sales through participation agreements increased and continued to be favorable.

In the Pachinko & Pachinko Slot Machines segment, we delivered a solid performance, with the sales volume of *MAGICAL HALLOWEEN 3* reaching the highest level of any Konami Group's pachinko slot machine.

In the Health & Fitness segment, we developed and introduced new services in order to meet diversifying customers' needs, and we provided upgraded services to those customers whose health consciousness is on the rise. Some of our directly managed facilities have been closed due to the Great East Japan Earthquake. However, with the reopening in August of Konami Sports Club Sendai Nagamachi (Sendai City, Miyagi Prefecture), the last of these directly managed facilities have resumed operations.

In terms of the consolidated results for the six months ended September 30, 2011, net revenues amounted to ¥123,096 million (a year-on-year increase of 6.3%), operating income was ¥20,185 million (a year-on-year increase of 150.8%), income before income taxes and equity in net income of affiliated company was ¥19,375 million (a year-on-year increase of 168.1%), and net income attributable to KONAMI CORPORATION was ¥11,462 million (a year-on-year increase of 173.4%).

Since sales were solid in the second quarter, the interim dividend went up to ¥25 per share, ¥9 higher than initially forecast.

Multifaceted Development of Baseball Content

KONAMI develops baseball-themed content for video game software, social games, card games, amusement arcade machines and smartphones.

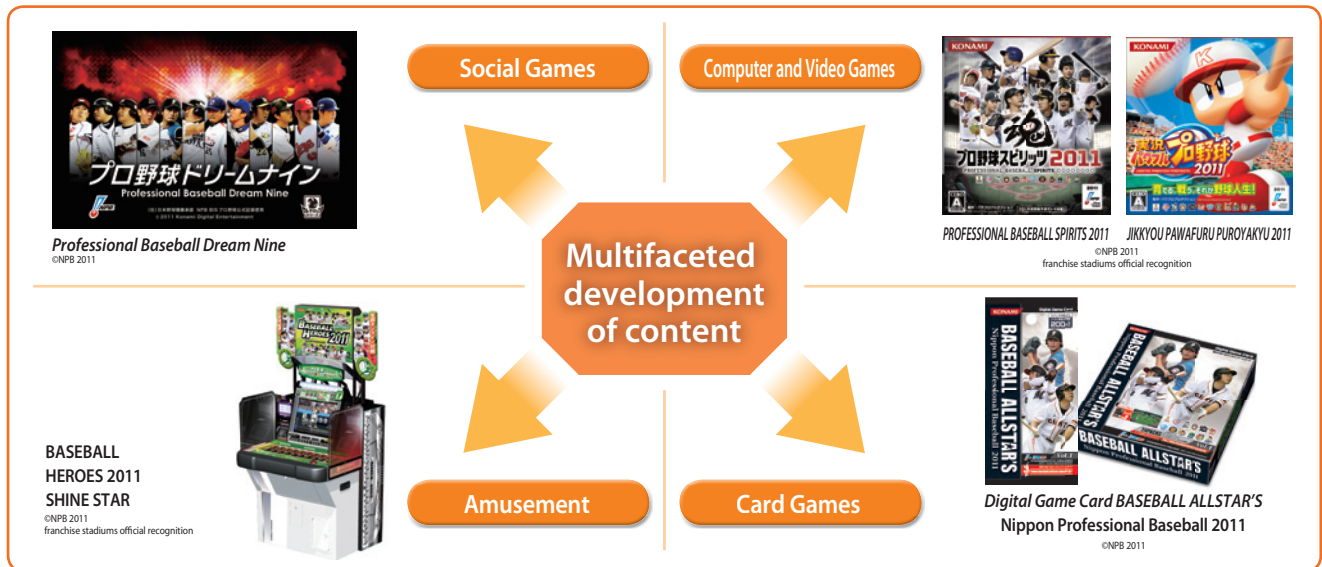
Content showing actual players from all 12 Nippon Professional Baseball teams included up-and-coming first-year rookies who joined the league this year and led to a player-based dream team match-up that coincided with this season's pennant race.

BASEBALL HEROES 2011 SHINE STAR, an arcade game that allows players all over the country to compete online, features interoperability with *Professional Baseball Dream Nine*, a social game with more than two million registered users. This unique capability went live October 12, 2011.

Opening a new chapter in baseball history, KONAMI became a

name sponsor of the Professional Baseball Nippon Series (host: The Nippon Professional Baseball Organization), with the official name of the series changing to KONAMI Nippon Series 2011 for this year. With this connection, KONAMI naturally linked the baseball series to *Professional Baseball Dream Nine* and implemented various campaigns to integrate actual baseball with the social game, including a real-time event paralleling game progress.

KONAMI will continue to develop a wide array of baseball content to convey the enjoyment and sheer brilliance of this sport to consumers everywhere.



Corporate Data

Company Name	KONAMI CORPORATION
Representative Director, Chairman and President	Kagemasa Kozuki
Headquarters	9-7-2, Akasaka, Minato-ku, Tokyo 107-8323, Japan TEL: 81-3-5770-0573 FAX: 81-3-5412-3300
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,399 million
Web Site URL	www.konami.co.jp/en

Shareholder Information

Fiscal Year-end	March 31
Ordinary General Meeting of Shareholders	June
Record Date for Shareholders	Annual shareholders' meeting: March 31 Year-end dividend: March 31 Interim dividend: September 30 Other (when necessary): As announced in advance
Transfer Agent	The Sumitomo Trust and Banking Co., Ltd. 4-5-33, Kitahama, Chuo-ku, Osaka, Japan
Location of Transfer Agent Handling Office	The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department 2-3-1, Yaesu, Chuo-ku, Tokyo, Japan
Mailing Address	The Sumitomo Trust and Banking Co., Ltd. Stock Transfer Agency Department 1-10, Nikko-cho, Fuchu, Tokyo 183-8701, Japan
Public Notices	Shown on the Company web site: http://www.konami.co.jp/en/ir/
Stock Exchange Listings	Tokyo, New York, and London

Guide to Investor Relations Site

Our web site includes an investor relations section that provides easy access to our latest financial information, news releases, and other relevant IR information.

URL: www.konami.co.jp/en/ir

Stock Information (As of September 30, 2011)

Common Stock

Authorized:	450,000,000 shares
Outstanding:	143,500,000 shares (including 4,877,000 treasury shares)
Number of Shareholders:	54,156

Principal Shareholders

Shareholder's Name	Shares (Thousands)	% of Total
Kozuki Foundation For Sports and Education	15,500	11.18
Kozuki Holding	15,000	10.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,307	8.88
Japan Trustee Services Bank, Ltd. (Trust Account)	10,883	7.85
Kozuki Capital Corporation	7,048	5.08
Sumitomo Mitsui Banking Corporation	4,017	2.90
Japan Trustee Services Bank, Ltd. (Trust Account No. 9)	3,461	2.50
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2,760	1.99
JPMorgan Securities Japan Co., Ltd.	2,204	1.59
The Nomura Trust and Banking Co., Ltd. (Mutual Fund Account)	1,526	1.10

Note: The above shareholding ratios are calculated after the deduction of treasury shares.

For ADR Holders

Depository and Transfer Agent for American Depositary Receipts:

JPMorgan Chase Bank, N.A.

1 Chase Manhattan Plaza, Floor 58, New York, NY 10005, U.S.A.

ADR Holder Contact:

JPMorgan Service Center

JPMorgan ADR Holder Transfer Services:

Telephone Inquiries

Toll-free U.S. & Canada	1-800-990-1135
Outside U.S.	1-651-453-2128
Hearing impaired	1-866-700-1652

Automated IVR system is available 24 hours/7 days a week.

Representatives are available 8:00 am to 8:00 pm EST weekdays.

Internet URL

Visit <http://www.adr.com> and go to Shareholder Services page.

Mail for regular correspondence

JPMorgan Chase Bank, N.A.

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