

**KONAMI**

# FY2010 2<sup>nd</sup> Quarter Financial Results

April 1 – September 30, 2009

**KONAMI CORPORATION**

November 5, 2009

## 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 video game software business, card game business and gaming machine 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

## FY2010 2<sup>nd</sup> Quarter Consolidated Financial Results

(Yen in Billions)

|                            | <b>FY2009 H1</b> | <b>FY2010 H1</b> | <b>FY2009</b>     | <b>FY2010 Guidance</b> |
|----------------------------|------------------|------------------|-------------------|------------------------|
|                            | Apr - Sep '08    | Apr - Sep '09    | Apr '08 - Mar '09 | Apr '09 - Mar '10      |
| Net Revenues               | 146.9            | 113.9            | 309.8             | 310.0                  |
| Operating Income           | 22.8             | 4.6              | 27.4              | 30.0                   |
| Income Before Income Taxes | 22.4             | 4.0              | 24.7              | 28.5                   |
| Net Income                 | 12.0             | 2.2              | 10.9              | 16.0                   |

## Net Revenues and Operating Income by Business Segment

(Yen in Billions)

|                         | FY2009 H1     | FY2010 H1     | FY2009            | FY2010 Guidance   |
|-------------------------|---------------|---------------|-------------------|-------------------|
|                         | Apr - Sep '08 | Apr - Sep '09 | Apr '08 - Mar '09 | Apr '09 - Mar '10 |
| <u>Net Revenues</u>     |               |               |                   |                   |
| Digital Entertainment   | 93.0          | 51.4          | 187.6             | 183.0             |
| Health & Fitness        | 45.5          | 43.4          | 90.0              | 91.0              |
| Gaming & System         | 7.9           | 8.9           | 18.3              | 20.0              |
| Other / Elimination     | 0.6           | 10.2          | 13.8              | 16.0              |
| Total                   | 146.9         | 113.9         | 309.8             | 310.0             |
| <u>Operating Income</u> |               |               |                   |                   |
| Digital Entertainment   | 26.3          | 4.5           | 41.6              | 31.0              |
| Health & Fitness        | 1.6           | 0.3           | -8.3              | 3.5               |
| Gaming & System         | 1.0           | 2.2           | 3.4               | 3.5               |
| Other / Elimination     | -6.1          | -2.4          | -9.4              | -8.0              |
| Total                   | 22.8          | 4.6           | 27.4              | 30.0              |

## Digital Entertainment (1)

### Net revenues and operating income

(Yen in Billions)

|                             | FY2009 H1<br>Apr - Sep '08 | FY2010 H1<br>Apr - Sep '09 |
|-----------------------------|----------------------------|----------------------------|
| Computer & Video Games      | 41.9                       | 20.8                       |
| Amusement (arcade machines) | 24.9                       | 7.5                        |
| Card Games                  | 13.1                       | 14.3                       |
| Online                      | 13.9                       | 9.6                        |
| Other                       | -0.8                       | -0.7                       |
| <b>Total Net Revenues</b>   | <b>93.0</b>                | <b>51.4</b>                |
| <b>Operating Income</b>     | <b>26.3</b>                | <b>4.5</b>                 |
| <b>Operating Margin</b>     | <b>28.3%</b>               | <b>8.7%</b>                |

### FY2010 Q2 summary

- Released a wide variety of video games including sports, TV-animated and dating simulation titles
- Launched music arcade game “jubeat ripples” and mass multiplayer token-operated machine “InfinityRings”
- Continued to enjoy brisk sales of card games
- Released “Power Pros” for iPhone/iPodTouch

## Digital Entertainment (2)

### Unit sales - video games

#### ■ Unit sales breakdown

(units in million)

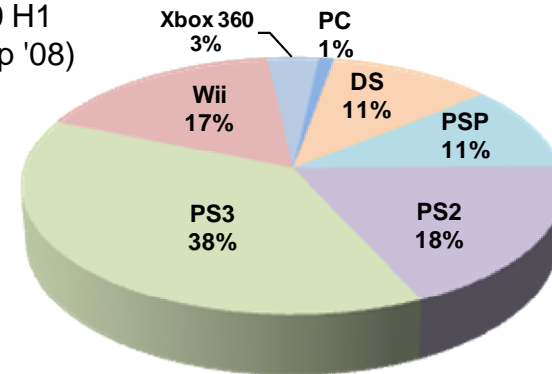
| Geographical Zone | FY2009 H1     | FY2010 H1     |
|-------------------|---------------|---------------|
|                   | Apr - Sep '08 | Apr - Sep '09 |
| Japan             | 4.05          | 2.75          |
| North America     | 4.05          | 1.32          |
| Europe            | 3.49          | 1.72          |
| Asia              | 0.17          | 0.10          |
| <b>Total</b>      | <b>11.75</b>  | <b>5.89</b>   |

(units in million)

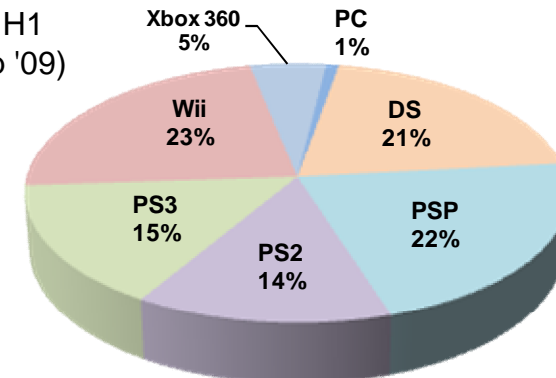
| Genre / Category | FY2009 H1     | FY2010 H1     |
|------------------|---------------|---------------|
|                  | Apr - Sep '08 | Apr - Sep '09 |
| Soccer           | 1.83          | 1.25          |
| Baseball         | 0.79          | 0.77          |
| TV Animated      | 0.72          | 0.82          |
| Music            | 0.92          | 0.30          |
| METAL GEAR       | 4.33          | 0.36          |
| Other            | 3.16          | 2.38          |
| <b>Total</b>     | <b>11.75</b>  | <b>5.89</b>   |

#### ■ Unit sales platform mix

FY2009 H1  
(Apr - Sep '08)



FY2010 H1  
(Apr - Sep '09)



## Digital Entertainment (3)

### Business Outlook

- Promote global business operation
- “Multi-place” release of content
- Stable growth of existing franchises / utilization of existing IP
- Expand products and services utilizing online network



PES 2010 - Pro Evolution Soccer  
WORLD SOCCER Winning Eleven 2010



DanceDanceRevolution  
Hottest Party 3



TOKIMEKI MEMORIAL 4



METAL GEAR SOLID  
PEACE WALKER



MAH-JONG FIGHT CLUB



BASEBALL HEROES 2009 HASHA

### Pipeline

| Title                                          | Platform          | Geographical Zone | Release Date |
|------------------------------------------------|-------------------|-------------------|--------------|
| PES 2010 - Pro Evolution Soccer                | PS3・Xbox 360      | Europe            | 2009/10/22   |
|                                                |                   | North America     | 2009/11/3    |
|                                                | PS2・PSP           | Europe            | 2009/11/5    |
|                                                | PS2・PSP・Wii       | North America     | 2009/11/10   |
|                                                | Wii               | Europe            | 2009/11/19   |
| WORLD SOCCER Winning Eleven 2010               | PS3・Xbox 360      | Japan             | 2009/11/5    |
|                                                | PS2・PSP           |                   | 2009/12/10   |
| Winning Eleven PLAY MAKER 2010                 | Wii               |                   |              |
| SAW                                            | PS3・Xbox 360・PC   | North America     | 2009/10/6    |
| DanceDanceRevolution Hottest Party 3           | Wii               | North America     | 2009/10/27   |
| DanceDanceRevolution X2                        | PS2               | North America     | 2009/10/27   |
| DanceDanceRevolution                           | PS3・Xbox 360      | North America     | FY2010       |
| Karaoke Revolution                             | PS3・Xbox 360・Wii  | North America     | 2009         |
| Silent Hill: Shattered Memories                | Wii・PS2・PSP       | Global            | FY2010       |
| TOKIMEKI MEMORIAL 4                            | PSP               | Japan             | 2009/12/3    |
| Pawapuro-kun Pocket 12                         | DS                | Japan             | 2009/12/3    |
| Pen1 Grand Prix ~A penguin's troubles special~ | DS                | Japan             | 2009/12/17   |
| METAL GEAR SOLID PEACE WALKER                  | PSP               | Global            | 2010         |
| Castlevania: Lords of Shadow                   | PS3・Xbox 360      | Global            | 2010         |
| METAL GEAR SOLID RISING                        | PS3・Xbox 360・PC   | Global            | TBD          |
| NINETY-NINE NIGHTS II                          | Xbox 360          | Global            | TBD          |
| DARKSIDERS                                     | PS3・Xbox 360      | Japan             | TBD          |
| flowny (pet raising game)                      | Mobile (SNS)      | Japan             | Oct '09      |
| Golfriends (working title)                     | NTT DoCoMo / KDDI | Japan             | Nov '09      |
| BASEBALL HEROES 2009 HASHA                     | Arcade Machine    | Japan             | Oct '09      |
| MAH-JONG FIGHT CLUB                            | Arcade Machine    | Japan             | Dec '09      |
| METAL GEAR ARCADE                              | Arcade Machine    | Japan             | 2010         |

### Net revenues and operating income

|                           | (Yen in Billions) |               |
|---------------------------|-------------------|---------------|
|                           | FY2009 H1         | FY2010 H1     |
|                           | Apr - Sep '08     | Apr - Sep '09 |
| Directly Operated Clubs   | 38.3              | 36.0          |
| Contract-based Clubs (*)  | 3.0               | 3.1           |
| Health Related Products   | 4.2               | 4.3           |
| <b>Total Net Revenues</b> | <b>45.5</b>       | <b>43.4</b>   |
| <b>Operating Income</b>   | <b>1.6</b>        | <b>0.3</b>    |
| <b>Operating Margin</b>   | <b>3.4%</b>       | <b>0.7%</b>   |

(\*) Contract-based clubs: Outsourcing the operations of sports facilities run by regional public bodies and private-sectors to Konami

### FY2010 Q2 summary

- Directly operated clubs: 212 (y/y -10), Contract-based clubs: 115 (y/y ±0), Total: 327 (y/y -10)
- Introduced new membership types based on customer needs and lifestyles
- Closed 19 clubs (including club consolidations) in H1 as a part of structural reform

### Business Outlook

- Release of products that match with the diversified needs, lifestyles, exercise habits and regional characteristics
- Improvement of profitability and quality through optimization of operational cost, increased work efficiency and effective use of human resources

# KONAMI

## Gaming & System

### Net revenues and operating income

(Yen in Billions)

|                  | FY2009 H1<br>Apr - Sep '08 | FY2010 H1<br>Apr - Sep '09 |
|------------------|----------------------------|----------------------------|
| Net Revenue      | 7.9                        | 8.9                        |
| Operating Income | 1.0                        | 2.2                        |
| Operating Margin | 13.2%                      | 24.9%                      |

### FY2010 Q2 summary

- Solid performance of slot machines, Konami Casino Management System (KCMS) and participation agreements
- Launched and showcased “Podium”, a brand new video slot cabinet at the Australasian Gaming Expo, etc.

### Business Outlook

- Improvement of operating margin through encouraging efficient management
- Conveyance of Konami group’s entertainment know-how to slot machines
- Prompt establishment of a framework to enter new markets

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THANK YOU