

**KONAMI**

# FY2010 Financial Results

Fiscal year ended March 31, 2010

**KONAMI CORPORATION**  
May 14, 2010

## 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

## Consolidated Financial Results

(Yen in Billions)

	FY2009	FY2010	FY2011 Guidance
	Apr '08 - Mar '09	Apr '09 - Mar '10	Apr '10 - Mar '11
Net Revenues	309.8	262.1	285.0
Operating Income	27.4	18.7	24.5
Income Before Income Taxes	24.7	17.1	22.5
Net Income	10.9	13.3	13.5
Net Income Per Share (Yen)	79.30	99.76	101.15
Cash Dividends Per Share (Yen)	54.00	54.00	32.00

## Net Revenues and Operating Income by Business Segment

(Yen in Billions)

	FY2009	FY2010
	Apr '08 - Mar '09	Apr '09 - Mar '10
<u>Net Revenues</u>		
Digital Entertainment	187.6	142.7
Gaming & System	18.3	20.0
Health & Fitness	90.0	85.8
Other / Elimination	13.8	13.7
Total	309.8	262.1
<u>Operating Income</u>		
Digital Entertainment	41.6	21.5
Gaming & System	3.4	4.7
Health & Fitness	-8.3	-1.9
Other / Elimination	-9.4	-5.6
Total	27.4	18.7

## Digital Entertainment (1)

### Net revenues and operating income

(Yen in Billions)

	FY2009	FY2010
	Apr '08 - Mar '09	Apr '09 - Mar '10
Computer & Video Games	96.8	63.7
Amusement (arcade machines)	36.8	32.8
Card Games	27.8	27.8
Online	27.7	20.0
Other	-1.5	-1.7
<b>Total Net Revenues</b>	<b>187.6</b>	<b>142.7</b>
<b>Operating Income</b>	<b>41.6</b>	<b>21.5</b>
<b>Operating Margin</b>	<b>22.1%</b>	<b>15.1%</b>

### FY2010 highlights

- Released a wide variety of video games including popular sports / TV-animated series, new IP “LOVEPLUS” and movie-licensed titles for overseas market
- Brisk sales of standard arcade games including “MAH-JONG FIGHT CLUB GARYOTENSEI” and token-operated machine “FORTUNE TRINITY”
- Solid sales of card games
- Distribution of content for smart phones including iPhone

## Digital Entertainment (2)

### Unit sales - video games

#### ■ Unit sales breakdown (units in million)

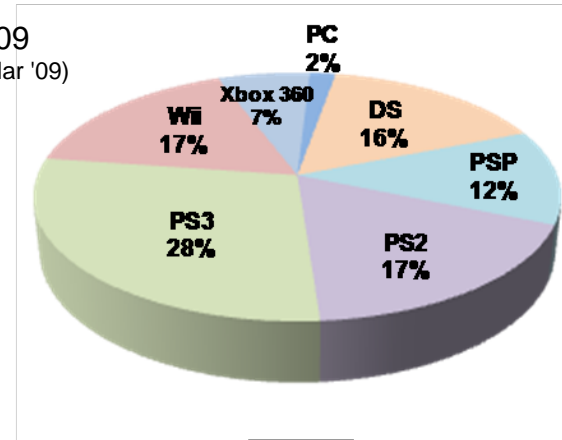
Geographic Region	FY2009	FY2010
	Apr '08 - Mar '09	Apr '09 - Mar '10
Japan	9.03	7.08
North America	7.29	4.99
Europe	10.09	7.80
Asia	0.40	0.33
<b>Total</b>	<b>26.81</b>	<b>20.20</b>

(units in million)

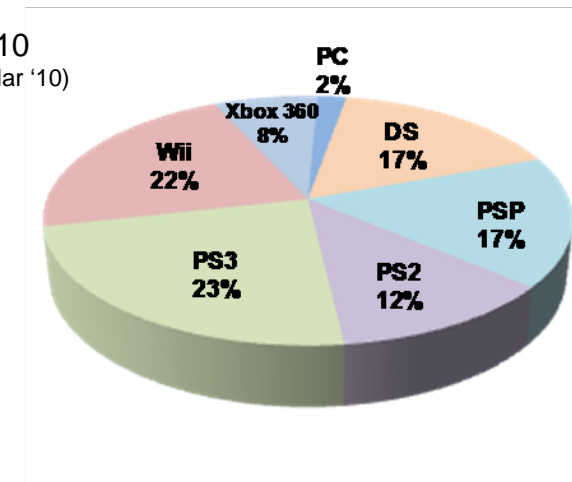
Genre / Category	FY2009	FY2010
	Apr '08 - Mar '09	Apr '09 - Mar '10
Soccer	8.48	7.49
Baseball	1.45	1.42
TV Animated	1.95	1.77
Music	2.35	1.58
METAL GEAR	4.75	0.94
Other	7.84	6.99
<b>Total</b>	<b>26.81</b>	<b>20.20</b>

#### ■ Unit sales platform mix

FY2009  
(Apr '08 - Mar '09)



FY2010  
(Apr '09 - Mar '10)



### Net revenues and operating income

(Yen in Billions)

	FY2009 Apr '08 - Mar '09	FY2010 Apr '09 - Mar '10
Net Revenue	18.3	20.0
Operating Income	3.4	4.7
Operating Margin	18.8%	23.4%

### FY2010 highlights

- Solid sales of video slot machine “Podium” and stepper “Advantage 5”
- Growth in sales of “Konami Casino Management System” and participation agreements
- Showcased our brand new innovative slot machine “Advantage Revolution” at G2E
- Expanded distribution network in Latin American market

### Net revenues and operating income

	(Yen in Billions)	
	FY2009	FY2010
	Apr '08 - Mar '09	Apr '09 - Mar '10
Directly Operated Clubs	74.3	70.7
Contract-based Clubs (*)	5.9	6.1
Health Related Products	9.8	9.0
<b>Total Net Revenues</b>	<b>90.0</b>	<b>85.8</b>
<b>Operating Income</b>	<b>-8.3</b>	<b>-1.9</b>

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

### FY2010 highlights

- Directly operated clubs: 211 (y/y -17), Contract-based clubs: 116 (y/y -1), Total: 327 (y/y -18)
- Opened six new clubs including relocations and rebuilds
- Closed and consolidated 21 clubs as a part of structural reform
- Enhanced services and products based on regional characteristics and customer needs

## FY2011 Guidance

(Yen in Billions)

	<b>FY2010</b>	<b>FY2011 Guidance</b>
	Apr '09 - Mar '10	Apr '10 - Mar '11
Net Revenues	262.1	285.0
Operating Income	18.7	24.5
Income Before Income Taxes	17.1	22.5
Net Income	13.3	13.5
Net Income Per Share (Yen)	97.40	101.15
Cash Dividends Per Share (Yen)	54.00	32.00

### Business Outlook

- Promote global business operation
- Development of global titles, release of “Castlevania”
- Launch of content for new hardware and interface
- Offer new ways of entertainment by installing e-money “PASELI” for arcades
- Stable growth of card games in domestic and international market
- Focus on online distribution of original IP

### Pipeline

Title	Platform	Geographic Region	Release Date
PROFESSIONAL BASEBALL SPIRITS 2010	PS3/PS2/PSP	Japan	April 1, 2010
METAL GEAR SOLID PEACE WALKER	PSP	Japan	April 29, 2010
		North America	June 8, 2010
		Europe	June 17, 2010
WORLD SOCCER Winning Eleven 2010 Aoki Samurai no Chosen	PS3/PS2/PSP/Wii	Japan	May 20, 2010
LOVEPLUS+	DS	Japan	June 24, 2010
JIKKYO PAWAFURU PUROYAKYU 2010	PS3/PSP	Japan	July 15, 2010
Castlevania -Lords of Shadow-	PS3/Xbox360	Global	2010
Pro Evolution Soccer 2011	PS3/Xbox 360/PS2 PSP/Wii/PC	Global	Fall 2010
DanceDanceRevolution	TBD	Global	2010
LOVEPLUS i/LOVEPLUS iR/LOVEPLUS iN	iPhone/iPod touch	Japan	April 5, 2010
METAL GEAR ARCADE	Arcade Machine	Japan	2010
GI-Turf TV	Arcade Machine	Japan	2010



PROFESSIONAL  
BASEBALL SPIRITS 2010



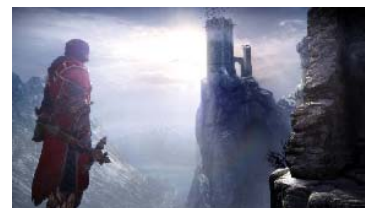
METAL GEAR SOLID  
PEACE WALKER



WORLD SOCCER Winning Eleven 2010  
Aoki Samurai no Chosen



LOVEPLUS+



Castlevania  
-Lords of Shadow-



Pro Evolution Soccer 2011



METAL GEAR ARCADE



GI-Turf TV

### Business Outlook

- Strengthen marketing of stepper “Advantage 5” and video slot machine “Podium”
- Offer new products on leveraging Konami group’s strong nature of entertainment
- Active entry into Asian market e.g. Singapore
- Develop new functions and expand marketing of “KCMS” to markets outside of North America and Australia
- Increase participation revenues to stabilize earnings

## FY2011 Guidance: Gaming & System (2)

### Slot machines with string nature of entertainment



ADVANTAGE 5

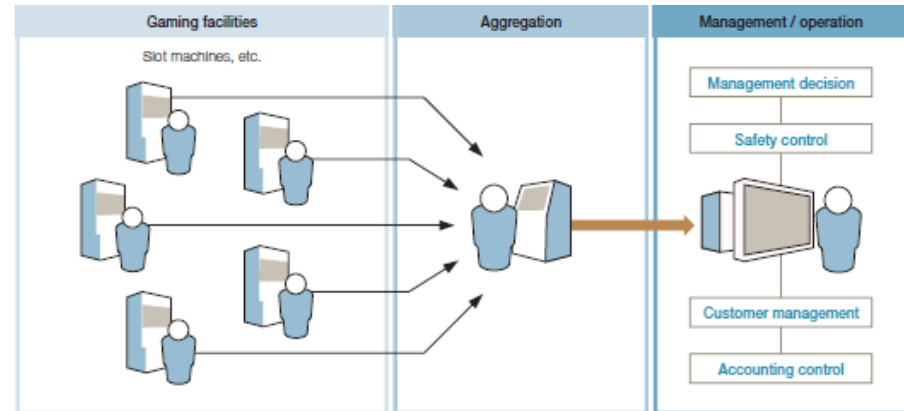


PODIUM



ADVANTAGE  
REVOLUTION

### Expand marketing of “Konami Casino Management System”



### R&D/production centers and its sales territory



### Business Outlook

- Capture the diversifying needs of customers and enhance our value by offering new lifestyles
- Introduction of clubs, products and services that match with the needs of regional characteristics and customer needs
- Reform cost structure to improve profitability

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