

**KONAMI**

# FY2011 1<sup>st</sup> Quarter Financial Results

April 1 – June 30, 2010

**KONAMI CORPORATION**

August 5, 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

## Net Revenues and Operating Income by Business Segment

(Yen in Billions)

	FY2010 Q1	FY2011 Q1	FY2010
<u>Net Revenues</u>	Apr - Jun '09	Apr - Jun '10	Apr '09 - Mar '10
Digital Entertainment	24.6	25.0	142.7
Gaming & System	3.9	4.3	20.0
Health & Fitness	21.4	21.4	85.8
Other / Elimination	6.0	2.4	13.7
Total	56.0	53.2	262.1
<u>Operating Income</u>			
Digital Entertainment	1.5	2.3	21.5
Gaming & System	0.7	1.2	4.7
Health & Fitness	0.0	0.1	-1.9
Other / Elimination	-1.3	-0.8	-5.6
Total	1.0	2.9	18.7

## Digital Entertainment (1)

### Net revenues and operating income

(Yen in Billions)

	FY2010 Q1	FY2011 Q1
	Apr - Jun '09	Apr - Jun '10
Computer & Video Games	9.8	14.3
Amusement (arcade machines)	3.5	1.8
Card Games	6.9	5.3
Online	4.7	4.4
Other	-0.3	-0.8
<b>Total Net Revenues</b>	<b>24.6</b>	<b>25.0</b>
<b>Operating Income</b>	<b>1.5</b>	<b>2.3</b>
<b>Operating Margin</b>	<b>6.3%</b>	<b>9.4%</b>

### FY2011 Q1 summary

- Solid performance of video games including “METAL GEAR SOLID PEACE WALKER” and “WORLD SOCCER Winning Eleven 2010 Aoki Samurai no Chosen”
- Extended installation of e-money system “PASELI” in “MAH-JONG FIGHT CLUB GARYOTENSEI”
- Solid sales of “Yu-Gi-Oh! Trading Card Game” series
- Launch of “Pro Evolution Soccer 2010 (Winning Eleven 2010)” for iPhone and iPod touch

## Digital Entertainment (2)

### Unit sales - video games

#### ■ Unit sales breakdown

(units in million)

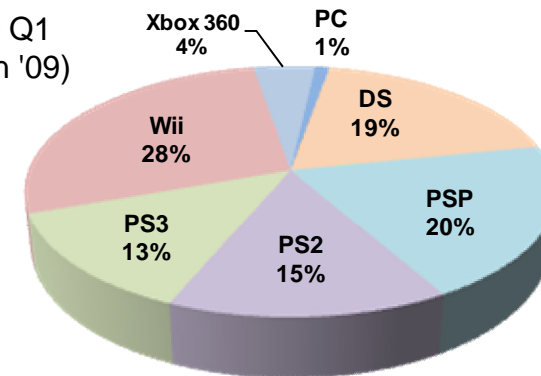
Geographic Region	FY2010 Q1	FY2011 Q1
	Apr - Jun '09	Apr - Jun '10
Japan	1.20	2.44
Americas	0.53	1.02
Europe	1.16	1.08
Asia	0.06	0.09
<b>Total</b>	<b>2.96</b>	<b>4.62</b>

(units in million)

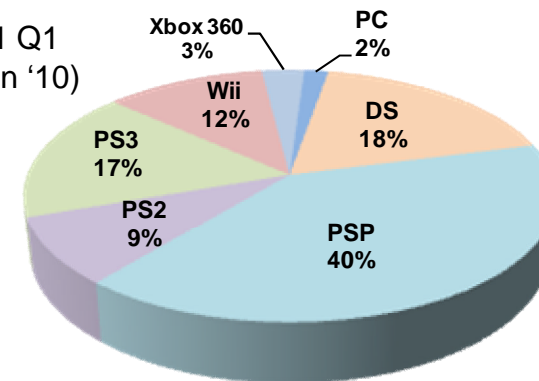
Genre / Category	FY2010 Q1	FY2011 Q1
	Apr - Jun '09	Apr - Jun '10
Soccer	0.86	1.36
Baseball	0.24	0.25
TV Animated	0.30	0.30
Music	0.16	0.21
METAL GEAR	0.16	1.27
Other	1.25	1.24
<b>Total</b>	<b>2.96</b>	<b>4.62</b>

#### ■ Unit sales platform mix

FY2010 Q1  
(Apr - Jun '09)



FY2011 Q1  
(Apr - Jun '10)



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## Digital Entertainment (3)

### Pipeline

\* previously announced titles

Title	Platform	Geographic Region	Release Date
JIKKYOU PAWAFURU PUROYAKYU 2010	PS3 / PSP	Japan	July 15, 2010
J.LEAGUE Winning Eleven 2010 Club Championship	PS2	Japan	August 5, 2010
Castlevania -Lords of Shadow-	PS3 / X360	Global	Fall 2010
Pro Evolution Soccer 2011	PS3 / X360 / PS2 PSP / Wii / PC	Global	Fall 2010
DanceMasters	Kinect for X360	Global	TBD
Adrenalin Misfits	Kinect for X360	Global	TBD
DanceDanceRevolution	Wii	Americas	Fall 2010
Karaoke Revolution Glee	Wii	Americas	Fall 2010
Def Jam Rapstar	PS3 / X360 / Wii	Americas	Fall 2010
SAW II: Flesh & Blood	PS3 / X360 / PC	Americas	Fall 2010
Lucha Libre AAA: Héroes del Ring	PS3 / X360 Wii / PSP	Americas	Fall 2010
METAL GEAR ARCADE	Arcade Machine	Japan	Winter 2010
GI-Turf TV	Arcade Machine	Japan	Sept. 2010



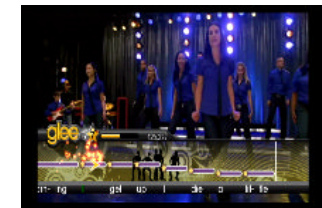
JIKKYOU PAWAFURU  
PUROYAKYU 2010



Castlevania  
-Lords of Shadow-



Pro Evolution Soccer 2011



Karaoke Revolution Glee



DanceMasters



Adrenalin Misfits



METAL GEAR ARCADE



GI-Turf TV

### Net revenues and operating income

(Yen in Billions)

	FY2010 Q1 Apr - Jun '09	FY2011 Q1 Apr - Jun '10
Net Revenue	3.9	4.3
Operating Income	0.7	1.2
Operating Margin	17.5%	26.5%

### FY2011 Q1 summary

- Gained market share in North America through solid performance of the new “Podium” cabinet
- Increased participation revenues
- Extended distribution channels in Latin America, Europe and Asia

### Net revenues and operating income

(Yen in Billions)

	FY2010 Q1 Apr - Jun '09	FY2011 Q1 Apr - Jun '10
Directly Operated Clubs	17.8	17.6
Contract-based Clubs (*)	1.5	1.7
Health Related Products	2.1	2.1
<b>Total Net Revenues</b>	<b>21.4</b>	<b>21.4</b>
<b>Operating Income</b>	<b>0.0</b>	<b>0.1</b>
<b>Operating Margin</b>	<b>0.1%</b>	<b>0.7%</b>

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

### FY2011 Q1 summary

- Enhanced golf lesson programs through installing digital simulation systems
- Opened two new directly operated clubs in April (in Niigata and Yokohama)
- Expanded network of contract-based clubs adding 30 new facilities (including facilities in Hyogo and Fukuoka)

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12 franchise stadiums + Skymark stadium official recognition

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