

KONAMI

Fiscal 2007



KONAMI GROUP Interim Report

April 1, 2006 - September 30, 2006

KONAMI CORPORATION

KONAMI Group: Our Corporate Goal

We, 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”.

KONAMI Group Brand

[Brand Concept]

Creating a shift from
“The Consumption of Time” to “The Value of Time”

Changing all aspects of life
into a bright and inspiring experience.
Turning “Everyday Life” into “High Quality Life”

Underpinned by a well-balanced business portfolio, KONAMI provides “Valuable Time” to people around the world.

More than six months have passed since KONAMI's change to a holding company structure on March 31, 2006. We have made a strong start under the new structure, with year-on-year increases of 6.9% in interim consolidated net revenues, to ¥119.6 billion, and 35.6% in operating income, to ¥10.1 billion.

In particular, higher earnings from the Health & Fitness Segment and the Gaming & System Segment contributed significantly to overall results.

For several years, we have been focusing efforts on these two business segments to establish a stable business portfolio that is not solely reliant on hit products and continuously heightens corporate value.

In the Health & Fitness Segment, the restructuring of operations through scrap and build measures and other initiatives has successfully paved the way for solid earnings growth. In the Gaming & System Segment, investment in North America, the world's largest market, is now beginning to bear fruit.

Going forward, we will establish a well-balanced business portfolio and offer “Valuable Time” for even more people around the world. As we take on this challenge, I ask our shareholders for their continued guidance and support.

November 2006

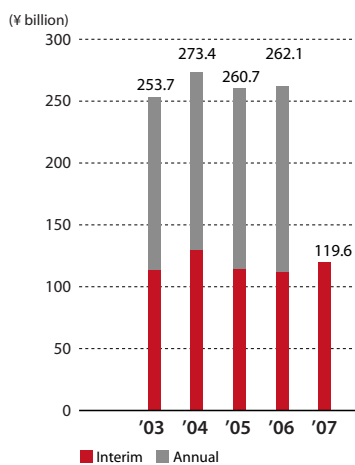
CEO, KONAMI Group **Kagemasa Kozuki**

Consolidated Financial Highlights

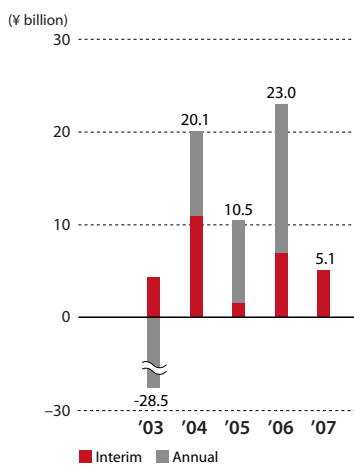
Financial Highlights (U.S. GAAP)

	Six months ended September 30, 2003	Six months ended September 30, 2004	Six months ended September 30, 2005	Six months ended September 30, 2006	Year ended March 31, 2006
Net Revenues (¥ million)	129,976	114,009	111,870	119,599	262,137
Operating Income (¥ million)	21,698	11,851	7,462	10,115	2,481
Income before Income Taxes (¥ million)	22,408	11,586	14,335	9,884	8,438
Net Income (¥ million)	10,859	1,626	6,964	5,114	23,008
Earnings per Share (EPS) (¥)	90.13	13.51	53.45	37.28	175.86
Total Assets (¥ million)	290,642	294,274	304,021	280,535	302,637
Total Stockholders' Equity (¥ million)	96,626	99,847	133,941	165,947	163,815
Total Stockholders' Equity per Share (¥)	801.99	833.28	1,027.89	1,209.39	1,194.41
Equity-Asset Ratio (%)	33.2	33.9	44.1	59.2	54.1
Return on Equity (ROE) (%)	11.6	1.6	5.8	3.1	17.1

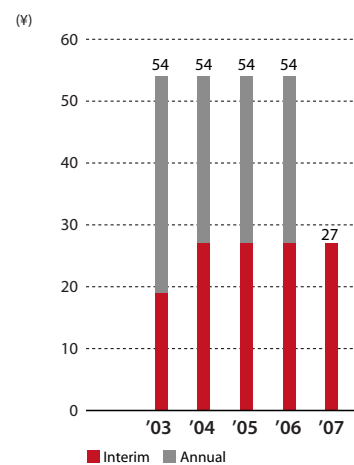
Net Revenues



Net Income

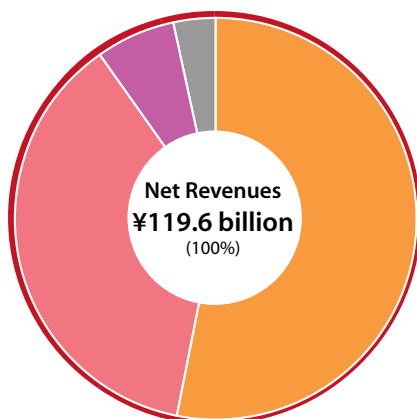


Cash Dividends per Share



Summary of Performance by Business Segment

Net Revenues by Segment



Digital Entertainment Segment

53.1% (¥63.5 billion)

Health & Fitness Segment

37.1% (¥44.4 billion)

Gaming & System Segment

6.4% (¥7.7 billion)

Other, Corporate and Eliminations

3.3% (¥3.9 billion)

Digital Entertainment Segment

The Digital Entertainment Segment comprises five business units:

- Computer & Video Games
- Toy & Hobby
- Amusement
- Online
- Multimedia

Capitalizing on information technology, the segment creates and provides contents that add excitement to customers' everyday lives in a wide range of ways.

[Major Group Companies]

Konami Digital Entertainment Co., Ltd. (Japan)
Konami Digital Entertainment, Inc. (U.S.)
Konami Digital Entertainment B.V. (U.K.)
Konami Digital Entertainment GmbH (Germany)
Konami Digital Entertainment Limited (Hong Kong)
Konami Software Shanghai, Inc. (China)

Health & Fitness Segment

The segment manages the operation of fitness club facilities nationwide and the development, manufacture, and marketing of fitness machines and health-related products.

[Major Group Companies]

Konami Sports & Life Co., Ltd.
Combi Wellness Corporation

Gaming & System Segment

The segment primarily develops, manufactures, and markets gaming machines for casinos and casino management systems.

[Major Group Companies]

Konami Gaming, Inc. (U.S.)
Konami Australia Pty Ltd (Australia)

Topics and Promising New Products

[Digital Entertainment Segment]

Elebits

KONAMI will launch *Elebits*, designed for Nintendo Wii, a new video game console. Taking advantage of the console's uniquely touch-responsive controller, the game involves catching mysterious bright "living creatures," or *Elebits*, in the dark by operating the controller to move objects on the screen exactly as you wish. Everyone finds using actions to move screen objects that correspond to actions used for real objects satisfying, fun, and addictive. Players point the controller at the screen and, for example, push and pull doors or twist faucets. In September, the innovative features of *Elebits* were recognized when it won an award in the Future Division of the Japan Game Awards: 2006.



Stock Trading Trainer Kabutore!



KONAMI plans to market *Stock Trading Trainer Kabutore!*—video game software for Nintendo DS that gives easy access to stock-trading simulations and stock issue searches. In creating this software, KONAMI obtained the full cooperation of the securities company Monex, Inc. Players can gain basic knowledge of stock trading as well as know-how for conducting trades. Further, the game has a screening function that enables players to search for stock issues using a touch pen.

PRO EVOLUTION SOCCER 6

Exhibited at the Games Convention in Germany

We will release *PRO EVOLUTION SOCCER 6*, the latest European version of the *Winning Eleven* soccer game series, for multiple platforms: PlayStation2, PSP, Nintendo DS, Xbox360, and PCs. Visitors to the Games Convention, the Europe's largest game show, held in Leipzig, Germany, highly praised *PRO EVOLUTION SOCCER 6*, which was exhibited as a prototype for five days (local time) from August 23, through August 27.



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MAH-JONG FIGHT CLUB

Plans call for rolling out a lineup of home video game software titles based on KONAMI's ever-popular and highly realistic mah-jong arcade game *MAH-JONG FIGHT CLUB*. We will launch *MAH-JONG FIGHT CLUB ONLINE* for PLAYSTATION 3 and PSP and *MAH-JONG FIGHT CLUB DS Wi-Fi* for Nintendo DS. These mah-jong games provide a new way for users nationwide to play head-to-head online.



NOVA Usagi Game de Ryugaku!?



NOVA USAGI®&©NOVA

A completely new edutainment game which combines intellectual education with entertainment game has appeared in amusement arcades around Japan. The overseas language study school NOVA supervises the editing of all questions in the game. Because the game is e-AMUSEMENT compatible, all play data can be stored, allowing efficient study. Moreover, we regularly add and distribute new content so that players can always enjoy fresh questions through the simple operation of a touch pen.

FAIRY MUSKETEERS AKAZUKIN

Television broadcasts of KONAMI's original animation series *FAIRY MUSKETEERS AKAZUKIN* began at six stations affiliated with TV Tokyo and eight other stations across Japan from July. Depicting a rich world populated by diverse characters, this full-scale animation can be enjoyed by not only children but also whole families. We are developing this animation series across a wide range of platforms, including videos, music, publications, toys, and games.



Akazukin Project , TV Tokyo

Topics and Promising New Products

[Health & Fitness Segment]

Booth at the 33rd International Home Care and Rehabilitation Exhibition

The 33rd International Home Care and Rehabilitation Exhibition was held for three days from September 27. Principally showcasing training machines with the latest “nursing-care prevention” functions, the KONAMI booth featured such products as the *Iki-iki Saino*, *Shikkari Ashikoshi*, *Massugu-sesuji*, and *Raku-raku Kusshin*. We also exhibited home-use fitness products and high-precision *body scan* equipment for measuring body composition and allowed visitors to try these products free of charge.



Enabling Easy Health Management Using TVs and PCs



Simultaneous Launch of Three Products, Including the Multifunctional Pedometer *e-walkeylife2*

On September 27, the multifunctional USB-connection pedometer *e-walkeylife2* was launched at Konami sports clubs across Japan. This new health management product can be used with televisions or PCs to conveniently manage daily exercise volumes that the pedometer records. At the same time, we released two other health management tools: *Kenshin Keikaku TV*, which connects to televisions, and *Kenshin Keikaku2*, which is PC compatible. These three products contribute to health maintenance by enabling users to continuously manage at home data relating to their daily step counts, exercise at sports clubs, or personal health and body strength.

Opening of Konami Sports Club Kawasaki

Konami Sports Club Kawasaki opened in LAZONA Kawasaki Plaza on October 1. Boasting a floor space of 4,500 square meters, the club includes a pool, a studio, and a machine gym fully equipped with roughly 90 of KONAMI's original leading-edge machines. Furthermore, it offers a generous choice of leisure facilities, such as baths, a beauty salon, a clinic, and a cafeteria—allowing users to enjoy a wide range of activities. The facility offers excellent accessibility with a direct connection to JR Kawasaki station.



[Gaming & System Segment]

Booth at Australasian Gaming Expo 2006

From September 3 to 5, KONAMI exhibited at the Australasian Gaming Expo 2006, which was held in Sydney, Australia, and is the largest trade show for casino gaming machines in the Oceanian region. We introduced numerous gaming machines that are rich in entertainment value and included progressive jackpots*¹, which are very popular in Australia. Further, the *K2V* and *K2V500**² series of machines, which were launched in spring 2006 and enjoy high popularity, attracted attention among casino operators who visited the Expo.

*¹ progressive jackpots
These are supplementary games that offer the chance to win jackpots while playing gaming machines. Progressive jackpots are normally included in gaming machine contents.

*² *K2V/K2V500*
New-model machines (platforms) that KONAMI obtained licenses for and began marketing in spring 2006.



In 2002, KONAMI established online arcade games as a new genre with our full-fledged introduction of the e-AMUSEMENT service, our original network-linked arcade game service that connects amusement arcade machines nationwide. Since then, we have marketed a string of hit e-AMUSEMENT products, mainly head-to-head games, that are contributing to our business results. This special feature section introduces some of our initiatives targeting further expansion of e-AMUSEMENT services, which continue to offer new games.

What is e-AMUSEMENT?

Ahead of amusement market competitors, KONAMI introduced the e-AMUSEMENT online gaming concept to provide an environment in which users can play anytime, anywhere, and with anyone.

Our amusement arcade machines installed around Japan are linked online, enabling players from different areas to play against each other. Moreover, players can check their nationwide ranking in real time. Also, by using such ID cards as e-AMUSEMENT PASS and Entry Cards, users can continue playing the same game at a different time and location.

At present, we are developing this service overseas, in Hong Kong and other areas. Moreover, we are taking e-AMUSEMENT services beyond amusement arcades. For example, players can use mobile telephones to access game content linked to amusement arcade games. Or, they can view their Internet rankings using PCs.



WORLD SOCCER
Winning Eleven 2006
ARCADE CHAMPIONSHIP
(C) 2001 Korea Football Association
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e-AMUSEMENT®

MOBILE

Users can play game content linked to amusement arcade games!



InterNet

PC

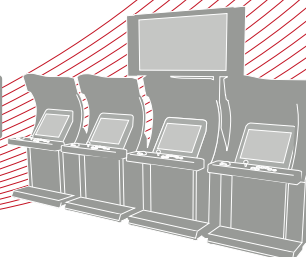
Users can view their Internet rankings via PCs!



CARD

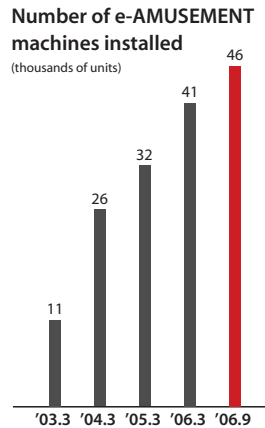
GAME

Users can compete against players from around Japan! The use of an ID card allows ongoing play!



Steady Increase in the Number of Compatible Arcade Machines

e-AMUSEMENT, which is leading the way in the network era, has received favorable reviews from many players because it offers new games and encourages repeated play. As a result, the number of e-AMUSEMENT machines installed surpassed 46,000 units as of the end of September 2006—more than four times the number of machines installed by the end of March 2003. The number of installations continues to rise.



For KONAMI, increasing shipments of e-AMUSEMENT machines not only expands sales but also establishes a new source of stable earnings as revenues from online connection fees rise.



MAH-JONG FIGHT CLUB 5



QUIZ MAGIC ACADEMY 3

Expanding Services to Win New Fans

The e-AMUSEMENT machines that we have introduced to amusement arcades around the country have met with a very favorable reception. Aiming to attract an even wider spectrum of players, we are developing new-concept products. In addition, in November 2005 we issued the e-AMUSEMENT PASS that incorporates an IC chip to further enhance player convenience. Many players are already taking advantage of the pass, a common card that is compatible with all e-AMUSEMENT game titles and consolidates the Entry Cards previously issued separately for each title.

Seeking to encourage as many game fans as possible to become passionate about amusement arcades, KONAMI will leverage synergic benefits by further expanding e-AMUSEMENT services and enhancing their convenience.



e-AMUSEMENT PASS



BASEBALL HEROES 2

Approved by NPB. Usage of NPB BIS Professional Baseball Records. Approved by 13 franchised Baseball Stadiums.

Business Performance

Overview

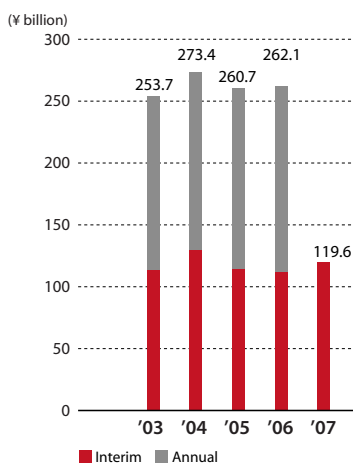
In the entertainment industry that is relevant to the Group, the next-generation video game consoles from all of the manufacturers, which are Wii (Nintendo Co., Ltd.), PLAYSTATION 3 (Sony Computer Entertainment Inc.) and Xbox360 (Microsoft Corporation), will be on sale in this fiscal term. With these new consoles, and following the success of Nintendo DS as a handheld system, we believe the video game software industry is poised to reach a turning point as new game users are assimilated and demand continues to expand and diversify.

The Healthcare Reform Act concluded in June 2006 demonstrates the trend toward prevention in the health industry. With the growing recognition of metabolic syndrome, consumers are more aware of the need to prevent lifestyle-related diseases. The public is taking full-fledged measures for health maintenance, particularly by establishing exercise habits and improving their diets.

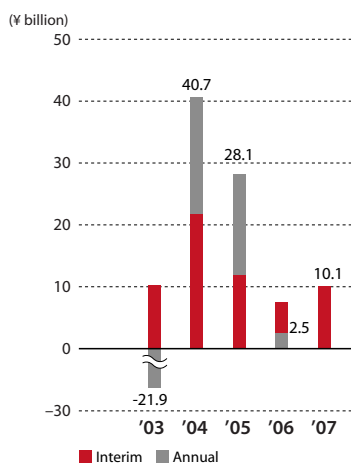
In the Digital Entertainment Segment, soccer video game software has maintained solid sales. In particular, *WORLD SOCCER Winning Eleven 10* for PlayStation2—a title released domestically in April 2006—achieved million-unit-sales status. *GRANDCROSS*, a large-scale token-operated game for amusement arcades and a machine with an overwhelming presence and highly entertaining effects, has enjoyed growing popularity with steady sales. In addition, our products utilizing e-AMUSEMENT, a service connecting amusement arcades nationwide via a network, consistently recorded stable sales.

In the Health & Fitness Segment, progress in the redevelopment of our facilities has become fruitful. We believe we have managed to improve the profit structure of our fitness clubs and that our efforts to attract more members by opening large facilities in front of stations and other favorable locations continue to succeed. In addition, we have promoted reviews of payment programs and the

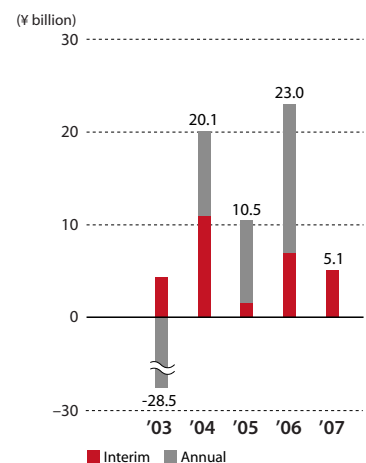
Net Revenues



Operating Income



Net Income



adoption of an original IT health-management system by our facilities. Through these and other efforts, we believe we have continued to provide services to improve customer satisfaction.

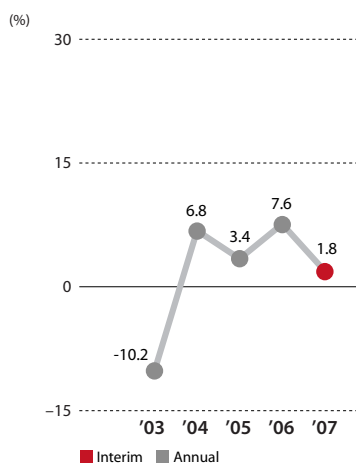
In the Gaming & System Segment, we opened a new office building, introduced new enclosures, and promoted sales of casino systems. The expansion of sales in North America has been strong as a result. Growth in sales of *Konami Casino Management System* has been particularly strong. In system sales, we believe the increase in the number of units installed helps maintain our ongoing income from maintenance and servicing, which is expected to be a stable source of income.

As a result, in this interim consolidated accounting period, net revenues amounted to ¥119,599 million (a 6.9% increase compared with the previous period), consolidated operating income was ¥10,115 million (a 35.6% increase compared with the previous period), consolidated income

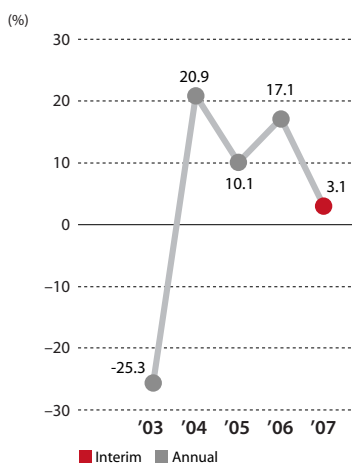
before income taxes was ¥9,884 million (a 31.1% decrease compared with the previous period), and consolidated net income was ¥5,114 million (a 26.6% decrease compared with the previous period). The primary reason for the decrease in consolidated income before income taxes and consolidated net income for the six months ended September 30, 2006, compared with the previous period, was sales of shares of Takara Co., Ltd., executed in the interim fiscal year 2006, on which we realized a gain on sale of ¥6,917 million.

The interim dividend for the six months ended September 30, 2006, was ¥27.0 per share.

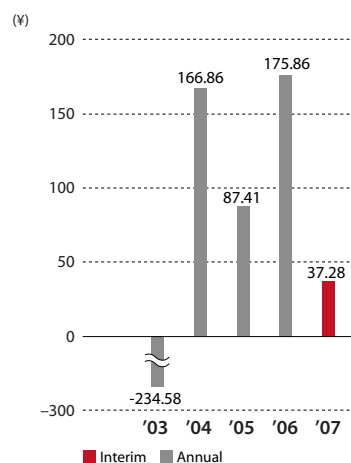
Return on Assets (ROA)



Return on Equity (ROE)



Earnings per Share (EPS)

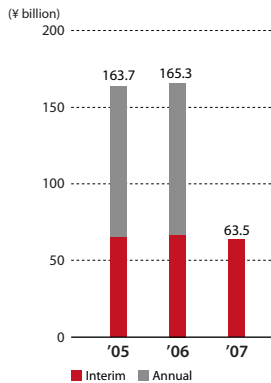


Business Performance

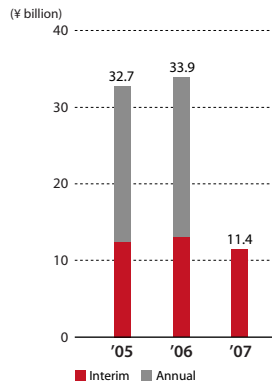
Overview by business segment:

Digital Entertainment Segment

Net Revenues



Operating Income



In the Digital Entertainment Segment, *WORLD SOCCER Winning Eleven 10*, a title we released domestically in April 2006, achieved million-unit-sales status. Also, a diverse lineup of mainstays, including baseball games, animation titles, and music titles, posted favorable sales. In addition, the worldwide roll-out of the *Yu-Gi-Oh!* trading card game series, which has become a mainstay, and products that use the e-AMUSEMENT network-linked service connecting amusement arcades around Japan continued to achieve brisk sales.

In overseas video game software, the *Pro Evolution Soccer* series, released in Europe in the previous fiscal year, recorded favorable sales. In North America, sales of *Dance Dance Revolution SuperNOVA*, launched at the end of September 2006, made a strong start. In the Amusement

Business, among video games using the e-AMUSEMENT service, the *MAH-JONG FIGHT CLUB* series and the baseball game incorporating professional baseball player cards *BASEBALL HEROES*, proved highly popular. In music games, the latest installment of the *Dance Dance Revolution SuperNOVA* series also met with strong approval. In token-operated games, we launched *GRANDCROSS*, the largest-ever token-operated machine, enabling 32 people to play at the same time. This new offering sold well.

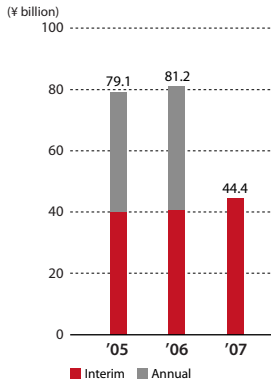
Regarding synergies among the respective business units of the Digital Entertainment Segment, KONAMI releases music CDs and DVDs and game-strategy magazines tied in with popular game series. Also, in the Toy & Hobby Business, we began the *Shinki Net* online service in conjunction with sales of *Buso Shinki*, a new-concept customizable action figure marketed from September 2006. Further, we are coordinating *Tokimeki Memorial ONLINE*, a service launched in March 2006, with the TV animation program *Tokimeki Memorial OnlyLove*, which aired from October 2006. In addition to online services, we are focusing efforts on such spin-offs from such animation productions as music and novels.

In the Digital Entertainment Segment, we will step up the multifaceted development of content by creating original content and actively linking respective business units.

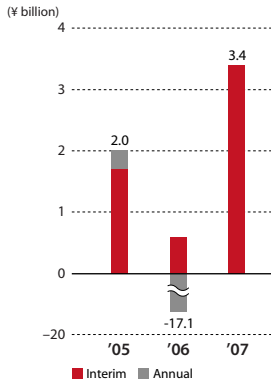
As a result, the Digital Entertainment Segment recorded year-on-year declines of 4.7% in consolidated net revenues, to ¥63,540 million, and 12.7% in operating income, ¥11,386 million.

Health & Fitness Segment

Net Revenues



Operating Income



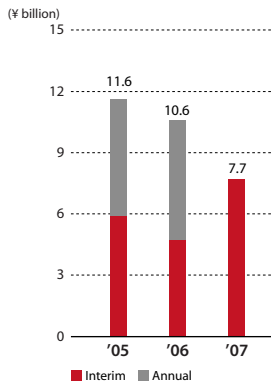
In the Health & Fitness Segment, a major development was the implementation in earnest of health-maintenance measures concentrated on encouraging regular exercise and diet improvement. These developments reflected the June 2006 enactment of the Healthcare Reform Act, which clarified an emphasis on prevention, and the widening recognition of metabolic syndrome, which has led to

increased concern with the prevention of lifestyle-related diseases. Against this backdrop, demand for sports clubs is burgeoning, with membership at Konami sports clubs up 10.2% year on year, to 992,000. In addition to increased membership, the profit structure of our directly managed facilities has improved significantly thanks to the implementation of a scrap-and-build strategy, a review of programs for facilities in the past several years, and the enhancement of facilities' operational efficiency. As of September 30, 2006, the Company managed a total of 311 facilities, comprising 209 directly managed facilities and 102 facilities for the operation of sports facilities outsourced to us.

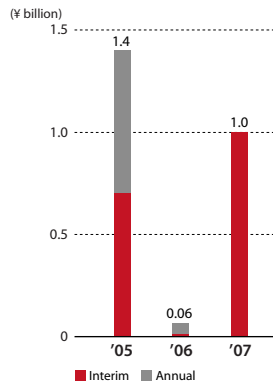
As a result, Health & Fitness Segment posted a 9.4% increase in consolidated net revenues, to ¥44,445 million, and operating income grew five times year on year, to ¥3,372 million.

Gaming & System Segment

Net Revenues



Operating Income



In the Gaming & System Segment, the new K2V platform launched in North America last year penetrated the market, and machines sales were brisk. Further, the *Konami Casino Management System* recorded favorable results with

an increase in the number of connected machines in Canada fueling higher monthly revenues from maintenance and servicing. These revenues, together with machine installments under profit-sharing agreements, generate steady income that is stabilizing this business. Further, in North America's expanding market we obtained a gaming license for the state of Pennsylvania, which has newly legalized casinos. The Australian market remains flat. In response, we are developing new businesses and securing customers in domestic and overseas markets.

As a result, the Gaming & System Segment recorded a 63.3% year-on-year increase in consolidated net revenues, to ¥7,718 million, and operating income was up significantly, to ¥1,004 million.

Interim Consolidated Balance Sheets (Unaudited)

(Yen in Millions)

	September 30, 2006	March 31, 2006		September 30, 2006	March 31, 2006
ASSETS			LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT ASSETS:	¥120,150	¥144,327	CURRENT LIABILITIES:	¥ 69,882	¥ 81,224
Cash and cash equivalents	43,347	68,694	Short-term borrowings	500	958
Trade notes and accounts receivable, net of allowance for doubtful accounts	27,053	32,294	Current portion of long-term debt and capital lease obligations	22,860	24,492
Inventories	24,356	20,109	Trade notes and accounts payable	19,611	19,357
Deferred income taxes, net	16,755	16,510	Accrued income taxes	2,206	7,487
Prepaid expenses and other current assets	8,639	6,720	Accrued expenses	14,116	16,323
PROPERTY AND EQUIPMENT, NET	44,221	42,452	Deferred revenue	5,318	5,353
INVESTMENTS AND OTHER ASSETS:	116,164	115,858	Other current liabilities	5,271	7,254
Investments in marketable securities	531	572	LONG-TERM LIABILITIES:	42,196	55,477
Investments in affiliates	6,084	6,050	Long-term debt and capital lease obligations, less current portion	21,337	35,631
Identifiable intangible assets	38,752	38,575	Accrued pension and severance costs	2,684	2,658
Goodwill	22,962	22,102	Deferred income taxes, net	12,605	11,924
Lease deposits	26,488	25,277	Other long-term liabilities	5,570	5,264
Other assets	18,095	20,103	TOTAL LIABILITIES	112,078	136,701
Deferred income taxes, net	3,252	3,179	MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES		
TOTAL ASSETS	¥280,535	¥302,637	MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	2,510	2,121
			COMMITMENTS AND CONTINGENCIES		
			COMMITMENTS AND CONTINGENCIES	—	—
			STOCKHOLDERS' EQUITY:		
			COMMON STOCK, NO PAR VALUE	47,399	47,399
			ADDITIONAL PAID-IN CAPITAL	77,178	77,110
			LEGAL RESERVE	284	284
			RETAINED EARNINGS	55,167	53,756
			ACCUMULATED OTHER COMPREHENSIVE INCOME	4,431	3,957
			Total	184,459	182,506
			Treasury stock, at cost	(18,512)	(18,691)
			TOTAL STOCKHOLDERS' EQUITY	165,947	163,815
			TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	¥280,535	¥302,637

① LONG-TERM DEBT

In September 2006, ¥15.0 billion in unsecured bonds was redeemed.

Interim Consolidated Statements of Operations (Unaudited)

(Yen in Millions)

	Six months ended September 30, 2006	Six months ended September 30, 2005
NET REVENUES: ②	¥119,599	¥111,870
Product sales revenue	79,353	74,377
Service revenue	40,246	37,493
COSTS AND EXPENSES:	109,484	104,408
Costs of products sold	45,547	44,038
Costs of services rendered	37,797	36,572
Selling, general and administrative	26,140	23,798
OPERATING INCOME ③	10,115	7,462
OTHER INCOME (EXPENSES), NET:	(231)	6,873
Interest income	398	365
Interest expense	(579)	(531)
Gain on sale of shares of an affiliated company ④	—	6,917
Other, net	(50)	122
INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY IN NET INCOME OF AFFILIATED COMPANIES	9,884	14,335
INCOME TAXES	4,473	7,167
INCOME BEFORE MINORITY INTEREST AND EQUITY IN NET INCOME OF AFFILIATED COMPANIES	5,411	7,168
MINORITY INTEREST IN INCOME OF CONSOLIDATED SUBSIDIARIES	378	204
EQUITY IN NET INCOME OF AFFILIATED COMPANIES	81	—
NET INCOME	¥ 5,114	¥ 6,964

② NET REVENUES

	Six months ended September 30, 2006	Six months ended September 30, 2005
Digital Entertainment Segment	¥ 63,540	¥ 66,671
Health & Fitness Segment	44,445	40,609
Gaming & System Segment	7,718	4,727
Other, Corporate and Eliminations	3,896	(137)
Consolidated	¥119,599	¥111,870

③ OPERATING INCOME

	Six months ended September 30, 2006	Six months ended September 30, 2005
Digital Entertainment Segment	¥11,386	¥13,048
Health & Fitness Segment	3,372	681
Gaming & System Segment	1,004	3
Other, Corporate and Eliminations	(5,647)	(6,270)
Consolidated	¥10,115	¥ 7,462

④ GAIN ON SALE OF SHARES OF AN AFFILIATED COMPANY

In the previous interim period, the Company recorded a ¥6.9 billion gain on the sale of shares of Takara Co., Ltd., which had been an equity method affiliate.

Interim Consolidated Statements of Cash Flows (Unaudited)

(Yen in Millions)

	Six months ended September 30, 2006	Six months ended September 30, 2005		Six months ended September 30, 2006	Six months ended September 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:			CASH FLOWS FROM INVESTING ACTIVITIES:		
Net income	¥ 5,114	¥ 6,964	Proceeds from sales of shares of affiliates	¥ —	¥ 11,016
Adjustments to reconcile net income to net cash provided by operating activities—			Capital expenditures	(5,141)	(5,784)
Depreciation and amortization	4,902	4,484	Proceeds from sales of property and equipment	25	2,484
Provision for doubtful receivables	(18)	105	Acquisition of new subsidiaries, net of cash acquired	(227)	1,433
Loss (gain) on sale or disposal of property and equipment, net	76	(484)	Purchase of investments in subsidiaries	—	(695)
Gain on sale of shares of an affiliated company	—	(6,917)	Increase in lease deposits, net	(768)	(833)
Equity in net income of affiliated companies	(81)	—	Expenditure on acquisition of operation	(1,061)	—
Minority interest	378	204	Other, net	(58)	(451)
Deferred income taxes	501	5,258	Net cash provided by (used in) investing activities	(7,230)	7,170
Change in assets and liabilities, net of business acquired:			CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in trade notes and accounts receivable	6,556	10,559	Net decrease in short-term borrowings	(452)	(3,632)
Increase in inventories	(4,119)	(4,793)	Repayments of long-term debt	(1,696)	(619)
Decrease in trade notes and accounts payable	(353)	(2,902)	Principal payments under capital lease obligations	(1,541)	(1,210)
Decrease in accrued income taxes	(5,265)	(9,384)	Redemption of bonds	(15,000)	(15,000)
Decrease in accrued expenses	(1,923)	(1,560)	Dividends paid	(3,714)	(3,369)
Increase (decrease) in deferred revenue	(34)	567	Purchase of treasury stock by parent company	(52)	(29)
Other, net	(1,913)	211	Other, net	125	(40)
Net cash provided by operating activities	¥ 3,821	¥ 2,312	Net cash used in financing activities	(22,330)	(23,899)
			Effect of exchange rate changes on cash and cash equivalents	392	512
			Net decrease in cash and cash equivalents	(25,347)	(13,905)
			Cash and cash equivalents, beginning of the period	68,694	89,583
			Cash and cash equivalents, end of the period	¥ 43,347	¥ 75,678

Common Stock

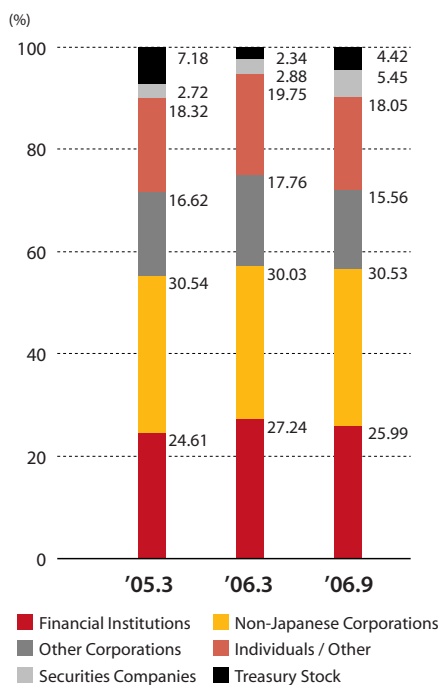
Authorized: 450,000,000 shares

Outstanding: 143,555,786 shares

(including 6,339,945 treasury shares)

Number of Shareholders: 58,912

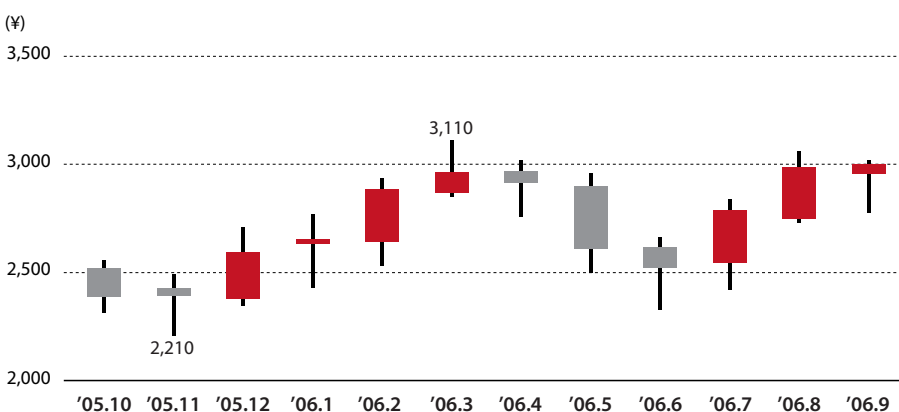
Composition of Shareholders



Principal Shareholders

Shareholder's Name	Shares (Thousands)	% of total
Kozuki Foundation For Sports and Education	14,330	9.98%
Kozuki Holding B.V.	13,530	9.42%
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	10,914	7.60%
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	10,504	7.32%
Kozuki Capital Corporation	7,036	4.90%
KONAMI CORPORATION	6,339	4.42%
SUMITOMO MITSUI BANKING CORPORATION	4,135	2.88%
DEUTSCHE SECURITIES INC.	2,905	2.02%
BNP PARIBAS SECURITIES (JAPAN) LTD.	2,817	1.96%
CALYON DMA OTC	2,285	1.59%
TRUST & CUSTODY SERVICES BANK, LTD. (INVESTMENT TRUST ACCOUNT)	2,100	1.46%
STATE STREET BANK AND TRUST COMPANY	2,068	1.44%
KONAMI SHAIN MOCHIKABUKAI	1,400	0.98%
MORGAN WHITEFRIARS EQUITY DERIVATIVES	1,368	0.95%
SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD., TOKYO BRANCH	1,071	0.75%
MOXLEY AND COMPANY	1,064	0.74%
NOMURA SECURITIES CO., LTD.	1,058	0.74%
BANK OF NEW YORK GCM CLIENT ACCOUNTS E ISG	985	0.69%
UBS AG LONDON ASIA EQUITIES	951	0.66%
NIKKOCITI TRUST AND BANKING CORPORATION (INVESTMENT ACCOUNT)	946	0.66%

Stock Price



Shareholder Information / Corporate Data

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 1-4-4, Marunouchi, Chiyoda-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
• Telephone inquiries	(Change in address): 0120-175-417 (Other inquiries): 0120-176-417
• Internet URL	http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html
Intermediary Office	The Sumitomo Trust and Banking Co., Ltd. Head Office and all branches in Japan
Public Notice	Shown on the Company website. http://www.konami.co.jp
Stock Exchange Listings	Tokyo, New York, London, and Singapore
The Sumitomo Trust and Banking Co., Ltd., carries out various procedures related to the handling of KONAMI shares. For more details on share handling procedures, please visit The Sumitomo Trust and Banking Co., Ltd.'s website.	

For ADR Holders

Depository and Transfer Agent for American Depositary Receipts:

JPMorgan Chase Bank, N.A.
4 New York Plaza, 13th Floor, New York, NY 10004, U.S.A.

ADR Holder Contact: JPMorgan Service Center

JPMorgan ADR Holder Transfer Services

Phone

Toll-free US & Canada 1-800-990-1135
Outside the US 1-201-680-6630
Hearing Impaired 1-201-680-5469
Automated IVR system available 24 hours / 7 days a week.
Representatives are available 9:00 am to 7:00 pm EST weekdays.

Internet

Visit www.adr.com and go to the Investor Services page.

Mail for regular correspondence

JPMorgan Service Center
P.O. Box 3408, South Hackensack, NJ 07606-3408

Corporate Data (As of September 30, 2006)

Company Name	KONAMI CORPORATION
Representative	Kagemasa Kozuki, Chairman of the Board and Chief Executive Officer
Headquarters	2-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-6330, Japan TEL: 81-3-5220-0573 FAX: 81-3-5220-9900
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,399 million
Home Page URL	www.konami.co.jp/en

Guide to Investor Relations Site

Our website 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