

KONAMI

FY2009 2nd Quarter Financial Results

April 1 – September 30, 2008

KONAMI CORPORATION

November 6, 2008

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

FY2009 2nd Quarter Consolidated Financial Results

(Yen in Billions)

	FY2008 Q2 Apr - Sep '07	FY2009 Q2 Apr - Sep '08	FY2008 Apr '07 - Mar '08	FY2009 Forecast Apr '08 - Mar '09
Net Revenues	133.7	146.9	297.4	330.0
Operating Income	13.0	22.8	33.8	45.0
Income Before Income Taxes	13.1	22.4	32.8	44.5
Net Income	6.3	12.0	18.3	26.0

Net Revenues and Operating Income by Business Segment

(Yen in Billions)

	FY2008 Q2	FY2009 Q2	FY2008	FY2009 Forecast
<u>Net Revenues</u>	Apr - Sep '07	Apr - Sep '08	Apr '07 - Mar '08	Apr '08 - Mar '09
Digital Entertainment	74.1	93.0	178.9	200.0
Health & Fitness	43.9	45.5	86.5	95.0
Gaming & System	7.6	7.9	18.5	21.0
Other / Elimination	8.1	0.6	13.4	14.0
Total	133.7	146.9	297.4	330.0
<u>Operating Income</u>				
Digital Entertainment	12.9	26.3	35.4	43.0
Health & Fitness	3.6	1.6	5.3	6.0
Gaming & System	1.0	1.0	2.8	3.5
Other / Elimination	-4.4	-6.1	-9.6	-7.5
Total	13.0	22.8	33.8	45.0

Digital Entertainment Segment (1)

◆ Net revenues and operating income

(Yen in Billions)

	FY2008 Q2 Apr - Sep '07	FY2009 Q2 Apr - Sep '08
Computer & Video Games	28.3	41.9
Amusement (arcade machines)	23.8	24.9
Card Games	11.6	13.1
Online	9.9	13.9
Other	0.5	-0.8
Total Net Revenues	74.1	93.0
Operating Income	12.9	26.3
Operating Margin	17.4%	28.3%

◆ FY2009 Q2 summary

- “METAL GEAR” series continued to sell well - sold over 4 million units
- Sports, music and quiz games showed solid sales
- Multi-player arcade machines showed solid sales

Digital Entertainment Segment (2)

◆ Unit sales of video game software

■ Unit sales breakdown

(units in million)

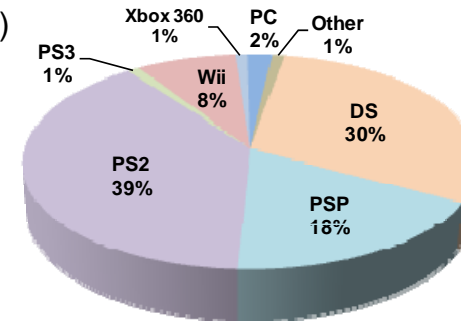
Geographic Areas	FY2008 Q2	FY2009 Q2
	Apr - Sep '07	Apr - Sep '08
Japan	4.57	4.05
North America	1.16	4.05
Europe	2.06	3.49
Asia	0.05	0.17
Total	7.84	11.75

(units in million)

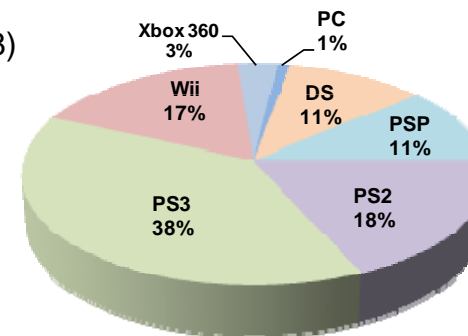
Genre/Category	FY2008 Q2	FY2009 Q2
	Apr - Sep '07	Apr - Sep '08
Soccer	1.74	1.83
Baseball	0.84	0.79
TV Animated	0.91	0.72
Music	0.62	0.92
METAL GEAR	0.51	4.33
Other	3.22	3.16
Total	7.84	11.75

■ Unit sales platform mix

FY2008 Q2
(Apr - Sep '07)



FY2009 Q2
(Apr - Sep '08)



Digital Entertainment Segment (3)

◆ Outlook / Product slate

- Deploy global operation
 - Promote stable growth of existing franchises and utilize existing IP
 - Expand products and services utilizing online network
- “PRO EVOLUTION SOCCER 2009”, “WORLD SOCCER Winning Eleven 2009”
(PS3, Xbox 360, PS2, Wii, PSP, PC Europe: Now on sale Japan, North America: November) * Wii version: 2009
 - “DanceDanceRevolution HOTTEST PARTY 2” (Wii North America: Now on sale Japan: December)
“Karaoke Revolution Presents: American Idol Encore 2” (PS3, Xbox 360, Wii North America: this winter)
 - “Silent Hill: Homecoming” (PS3, Xbox 360 North America: Now on sale Europe: Feb ‘09 Japan: TBD)
 - “Castlevania Judgment” (Wii North America, Europe: TBD Japan: Jan ‘09)
 - “PUROYAKYU SPIRITS 5 KANZENBAN” (PS3, PS2 Japan: December)
 - “GENSO SUIKODEN TIERKREIS” (DS Japan: December)

“METAL GEAR ONLINE”
2nd Expansion Pack
“MEME EXPANSION”



PS3
Release: Nov '08

“Chaotic Eden”



PC
Release: Spring '09

“GTI Club + Rally Cote D'Azur”



PS3 (available through PSN)
Release: TBD

“BASEBALL HEROES 2008 SEIHA”



Coin –op video game for arcades
Release: October

Health & Fitness Segment (1)

◆ Net revenues and operating income

(Yen in Billions)

	FY2008 Q2 Apr - Sep '07	FY2009 Q2 Apr - Sep '08
Directly Operated Facilities	36.8	38.3
Contract-based Facilities (*)	2.9	3.0
Health Products Sales	4.2	4.2
Total Net Revenues	43.9	45.5
Operating Income	3.6	1.6
Operating Margin	8.2%	3.4%

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

◆ FY2009 Q2 summary

- Directly operated clubs: 222 (y/y +14), Contract-based clubs: 115 (y/y +4)
Total No. of clubs: 337 (y/y +18)
- Membership: 964,350 (y/y -2.9%)
- Strengthened service - introduction of “metabolic syndrome” prevention program
- Rise in prices of commodities, increased competition from diversified health services

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Health & Fitness Segment (2)

◆ Outlook

➤ Introduction of fitness program to countermeasure against “metabolic syndrome” - “Targeting Waist Program”



➤ Development of health related products



“PROTEIN PRO”
 • Protein: 20g, Fat free, 120 kcal
 • Jelly-type drink for after workout

“Family Vegetable Garden AojiruMansaiJo”
 • Vegetable juice tablet
 • Rich in folic acid



➤ Establishment of new directly operated and contract-based fitness clubs:

- Kawaguchi, Izumi-chuo - November
- Kakogawa – October (rebuild)



Gaming & System Segment

◆ Net revenue and operating income

(Yen in Billions)

	FY2008 Q2	FY2009 Q2
	Apr - Sep '07	Apr - Sep '08
Net Revenue	7.6	7.9
Operating Income	1.0	1.0
Operating Margin	12.5%	13.2%

◆ FY2009 Q2 summary

- Solid sales of “K2V” series and 5-reel spinner “Advantage 5” in North America
- Steady increase of income from participation fee and maintenance fee from “Konami Casino Management System”
- Introduction of caps on machines / smoking regulations in major Australian states causing continuous demand decline

◆ Outlook

- Strengthen development and marketing of video slots and mechanical reel spinners
- Stabilize revenues by increasing fixed income
- Introduction of “Konami Casino Management System” in Australia

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THANK YOU