

## FY2005 Third Quarter Financial Results

(April – December 2004)

KONAMI CORPORATION

January 27, 2005

1. KONAMI's merger with its subsidiaries and on-line business initiatives
2. Financial Highlights
3. Sales and operating income by business segment
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Statements made in this presentation with respect to the Company's current plans, estimates, strategies and beliefs, including forecasts, are forward-looking statements about the future performance of the Company. 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 currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the euro; (3) Our 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) Our ability to successfully expand internationally with a focus on our video game software business, card game business and gaming machine business; (5) Our 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) Our 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 was not audited by independent public accountants

-Numbers included in this presentation material

(1) are in accordance with U.S. GAAP.

(2) are rounded to the nearest one hundred million yen.

(3) Sales amounts of each business segment include inter-segment sales except on slide 21.

- On April 1, 2005, KONAMI will merger with Konami Computer Entertainment Tokyo, Konami Computer Entertainment Japan, Konami Computer Entertainment Studios and Konami Online

→ The merger will allow for greater level of cooperation between development teams and a shift in resources to on-line business

### Arcade On-line Business (Amusement Business)

- Commanding market share of on-line games (e-AMUSEMENT)
- Outstanding matching services, database, nationwide ranking, etc.

### Home-use On-line Business (Computer & Video Games Business)

#### Yu-Gi-Oh! Online

- Test service started in Dec 04 and full-scale service will start in Spring 05

#### On-line version of WINNING ELEVEN soccer game series

- Pro Evolution Soccer 4 (Xbox, Europe)
- WINNING ELEVEN 8 LIVEWARE EVOLUTION (PS2, Japan)

### Solid Financial Results Due to Favorable Sales during the Christmas Season

(JPY billion)

	(Announced in Jan 04) FY2004 9 months results (Apr/03 - Dec/03)	(Announced in Jan 05) FY2005 9 months results (Apr/04 - Dec/04)	(Announced in May 04) FY2004 Results (Apr/03 - Mar/04)	<Reference> (Announced in Nov 04) FY2005 forecasts (Apr/04 - Mar/05)
<b>Sales</b>	<b>212.3</b>	<b>195.5</b>	<b>273.4</b>	<b>275.0</b>
<b>Operating Income</b>	<b>35.0</b>	<b>27.9</b>	<b>40.7</b>	<b>28.0</b>
<b>Income before Income Taxes</b>	<b>35.4</b>	<b>26.9</b>	<b>40.1</b>	<b>27.0</b>
<b>Income Taxes</b>	<b>15.0</b>	<b>12.0</b>	<b>18.0</b>	<b>10.5</b>
<b>Minority Interest</b>	<b>2.0</b>	<b>2.5</b>	<b>2.2</b>	<b>2.5</b>
<b>Equity in net income of affiliates</b>	<b>0.5</b>	<b>-2.4</b>	<b>0.2</b>	<b>-3.0</b>
<b>Net Income</b>	<b>18.9</b>	<b>10.0</b>	<b>20.1</b>	<b>11.0</b>

Computer & Video Games: Release of METAL GEAR SOLID 3 and Pro Evolution Soccer 4

Toy & Hobby: Solid sales of Yu-Gi-Oh! card game, Introduction of new products

Amusement: Continuous growth of e-AMUSEMENT (On-line game)

Gaming: Sales growth in North America

Health & Fitness: Shift from price-based to quality-based competition

(JPY billion)

	(Announced in Jan 04)	(Announced in Jan 05)	(Announced in May 04)	<Reference> (Announced in May 04)
	FY2004	FY2005	FY2004	FY2005
	9 months results	9 months results	Results	Forecasts
	(Apr/03 - Dec/03)	(Apr/04 - Dec/04)	(Apr/03 - Mar/04)	(Apr/04 - Mar/05)
Computer & Video Games	73.3	73.2	92.5	97.0
Toy & Hobby	47.5	30.8	57.5	47.0
Amusement	24.8	25.2	35.4	35.5
Gaming	8.0	8.7	10.9	12.5
Health & Fitness	59.7	59.7	78.9	83.0
Other / Elimination	-1.0	-2.1	-1.8	0.0
<b>Total Sales</b>	<b>212.3</b>	<b>195.5</b>	<b>273.4</b>	<b>275.0</b>
Computer & Video Games	14.4	16.1	16.1	15.0
Toy & Hobby	18.0	6.9	19.6	9.0
Amusement	8.2	6.9	11.8	9.0
Gaming	0.5	1.1	0.7	1.0
Health & Fitness	2.4	2.5	2.8	5.0
Other / Non-allocable / Elimination	-8.5	-5.6	-10.3	-11.0
<b>Total Operating Income</b>	<b>35.0</b>	<b>27.9</b>	<b>40.7</b>	<b>28.0</b>

(JPY billion)

	(Announced in Jan 04)	(Announced in Jan 05)	(Announced in May 04)	<Reference> (Announced in May 04)
	FY2004	FY2005	FY2004	FY2005
	9 months results	9 months results	Results	Forecasts
	(Apr/03 - Dec/03)	(Apr/04 - Dec/04)	(Apr/03 - Mar/04)	(Apr/04 - Mar/05)
<b>Sales</b>	<b>73.3</b>	<b>73.2</b>	<b>92.5</b>	<b>97.0</b>
<b>Operating Income</b>	<b>14.4</b>	<b>16.1</b>	<b>16.1</b>	<b>15.0</b>

### 9 months overview (Q1 – Q3):

- 19.0 million copies shipment (20.0 million copies in the year-ago period)
- Release of METAL GEAR SOLID 3 in North America and Japan
- WINNING ELEVEN series
  - Pro Evolution Soccer 4 (PS2/Xbox/PC) significantly grew sales in Europe year on year (million copies sales respectively in Japan and Europe for three years in a row)

### Outlook for Q4 and beyond:

- Release of
  - METAL GEAR SOLID 3 in Europe
  - WINNING ELEVEN 8 LIVEWARE EVOLUTION in Japan
  - A Yu-Gi-Oh! new title
  - Enthusia, a realistic racing simulation game

	(Announced in Jan 04)	(Announced in Jan 05)	(Announced in May 04)	<Reference> (Announced in May 04)
	FY2004	FY2005	FY2004	FY2005
	9 months results	9 months results	Results	Forecasts
	(Apr/03 - Dec/03)	(Apr/04 - Dec/04)	(Apr/03 - Mar/04)	(Apr/04 - Mar/05)
<Sales by Region: 1,000 copies>				
Japan	5,150	5,500	6,600	7,500
North America	6,500	6,200	8,050	6,900
Europe	5,800	5,350	6,650	6,900
Asia	250	250	300	300
<b>KONAMI Brand Total</b>	<b>17,700</b>	<b>17,300</b>	<b>21,600</b>	<b>21,600</b>
Distribution	2,300	1,700	3,100	2,700
<b>Grand Total</b>	<b>20,000</b>	<b>19,000</b>	<b>24,700</b>	<b>24,300</b>
<Sales by Category: 1,000 copies>				
Soccer	3,750	4,850	4,600	4,200
Sports other than soccer	1,550	1,300	1,750	1,900
Yu-Gi-Oh!	3,820	2,250	5,010	3,000
Anime other than Yu-Gi-Oh!	2,630	1,500	3,090	2,800
Music simulation	1,500	1,950	1,650	1,300
<b>METAL GEAR SOLID</b>	<b>350</b>	<b>2,650</b>	<b>810</b>	<b>4,000</b>
Other	4,100	2,800	4,690	4,400
<b>KONAMI Brand Total</b>	<b>17,700</b>	<b>17,300</b>	<b>21,600</b>	<b>21,600</b>
Distribution	2,300	1,700	3,100	2,700
<b>Grand Total</b>	<b>20,000</b>	<b>19,000</b>	<b>24,700</b>	<b>24,300</b>

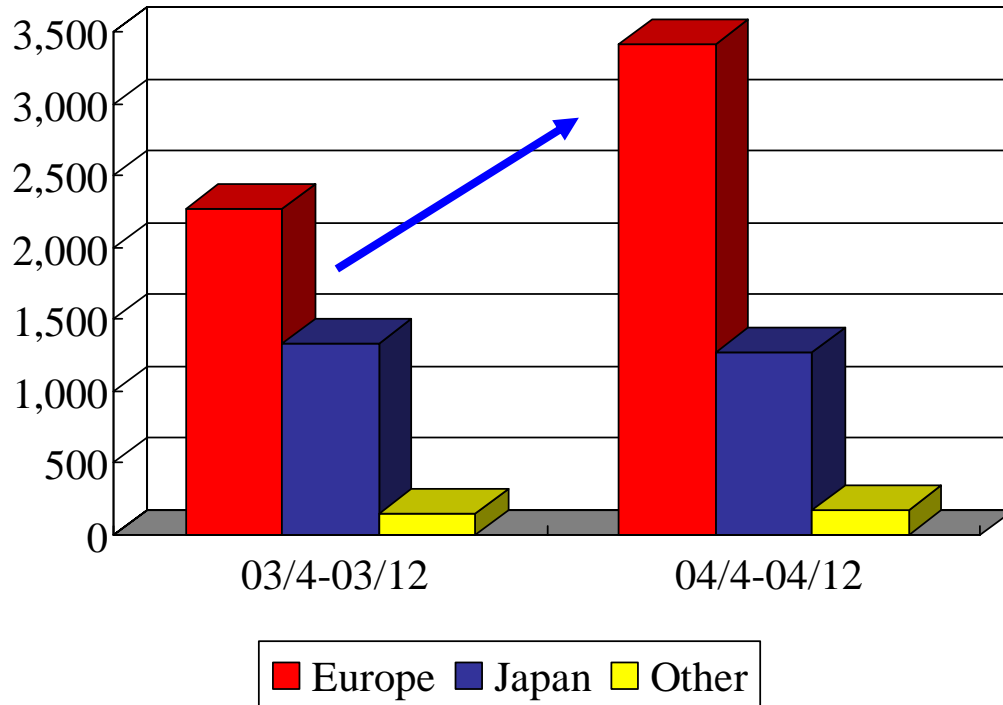
- Release of METAL GEAR SOLID 3 in North America and Japan (Nov 04 in North America and Dec 04 in Japan)
- Expected release of METAL GEAR SOLID 3 in Europe in the fourth quarter
- Release of METAL GEAR ACID for PSP
- 2.65 million copies shipment during the nine months (Apr – Dec 04), resulting in more than 17 million copies accumulated sales (as of Dec 31, 04)





- More than 20 million copies sales since its debut in 1995 (As of Dec 31, 04)
- Number one soccer game in Japan since 1998
- Million copies sales in Japan and Europe respectively for three consecutive years

(Thousand copies)



Significant YOY sales growth in Europe due to strong sales of Pro Evolution Soccer 4 (PS2/Xbox/PC)

(Licenses added for Italian, Spanish and Dutch football leagues)

### Enthusia

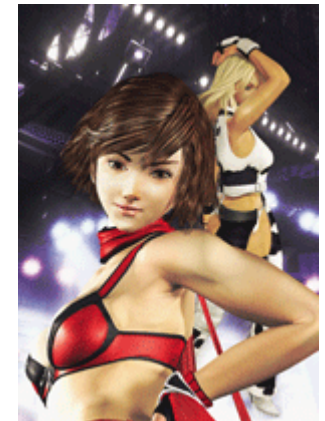
Expected release of an ultra-realistic racing simulation game

- Visual Gravity System
- More than 50 courses, more than 200 kinds of cars available
- Various game modes



### Rumble Roses

- Release of women's wrestling game in North America in Oct 04
- Expected release in Japan in Feb 05
- Beautiful graphics and authentic game play



(JPY billion)

	(Announced in Jan 04) FY2004 9 months results (Apr/03 - Dec/03)	(Announced in Jan 05) FY2005 9 months results (Apr/04 - Dec/04)	(Announced in May 04) FY2004 Results (Apr/03 - Mar/04)	<Reference> (Announced in May 04) FY2005 Forecasts (Apr/04 - Mar/05)
Yu-Gi-Oh! card game	42.0	24.5	49.5	29.0
Other cards	0.7	0.4	0.8	0.5
Products other than cards	4.8	5.9	7.2	17.5
Sales	47.5	30.8	57.5	47.0
Operating Income	18.0	6.9	19.6	9.0

### Nine months overview (Q1 – Q3)

- Solid Yu-Gi-Oh! card game sales (JPY 6.0 billion in Q1, JPY8.5 billion in Q2 and JPY10.0 billion in Q3, total JPY 24.5 billion yen sales)
- New product introductions during the Christmas season
  - “THE JUSTIRISERS” products were released in step with its TV program launch
  - “PLAY-POEMS” new virtual games were also released

### Outlook for Q4 and beyond

- Constant release of Yu-Gi-Oh! card game
- Tournaments and educational events will make Yu-Gi-Oh! a long-lived product

### “PLAY-POEMS” New Virtual Games

First products in this series were released for the Christmas season

→ More products can be expected in this series in the future



“Nekketsu Pawapuro  
Champ” (baseball game)



“Soukai”  
Golf Champ” (golf game)



High-quality virtual game with a reasonable price utilizing POEMS chip  
co-developed by HUDSON SOFT and KONAMI



(JPY billion)

	(Announced in Jan 04)	(Announced in Jan 05)	(Announced in May 04)	<Reference> (Announced in May 04)
	FY2004	FY2005	FY2004	FY2005
	9 months results	9 months results	Results	Forecasts
	(Apr/03 - Dec/03)	(Apr/04 - Dec/04)	(Apr/03 - Mar/04)	(Apr/04 - Mar/05)
Amusement game	10.9	11.9	18.4	18.5
Token-operated game	9.1	8.8	11.0	8.5
LCD unit	4.8	4.5	6.0	8.5
Sales	24.8	25.2	35.4	35.5
Operating Income	8.2	6.9	11.8	9.0

### Nine months overview (Q1 – Q3)

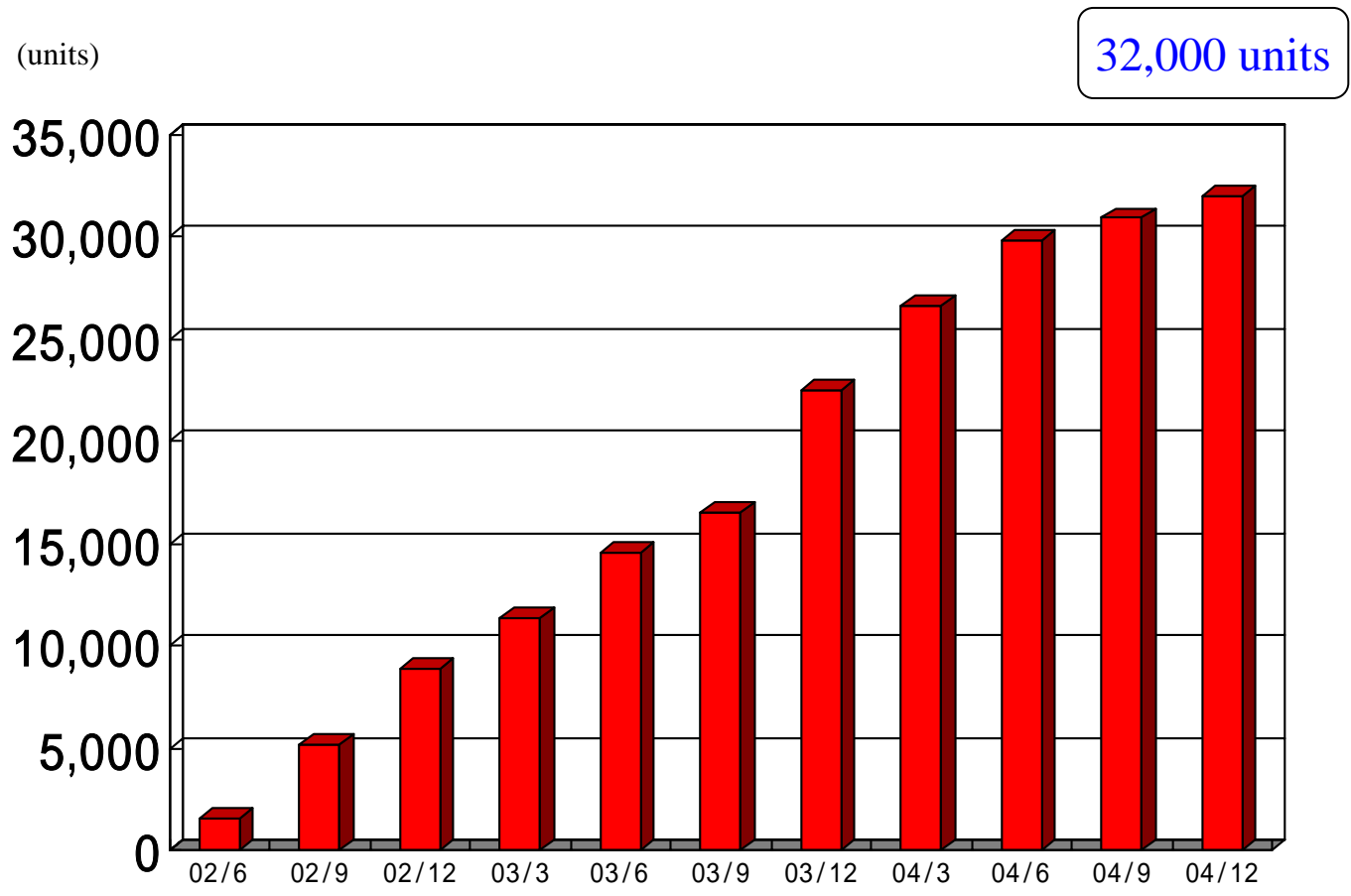
- 32,000 accumulated sales of e-AMUSEMENT games  
Popular titles such as MAH-JONG FIGHT CLUB and Quiz Magic Academy showed favorable sales
- Solid sales of token-operated games such as Wing Fantasia and G1-TURFWILD 2

### Outlook for Q4 and beyond

- Expected release of MAH-JONG FIGHT CLUB 4, the latest title in the blockbuster franchise

### e-AMUSEMENT (Arcade On-line Games)

Establishing a stable high-margin business model through recurring revenue (per-unit monthly fees from arcade operators)



### History of MAH-JONG FIGHT CLUB series

Mar 2002: Release of MAH-JONG FIGHT CLUB 1

Jul 2002: Nationwide on-line function added

Mar 2003: Release of MAH-JONG FIGHT CLUB 2, Japan Professional MAH-JONG Federation version

Mar 2004: MAH-JONG FIGHT CLUB 3 (over 13,000 units)

2005: Expected launch of MAH-JONG FIGHT CLUB 4

Release of MAH-JONG FIGHT CLUB for PSP handheld platform  
(Computer & Video Games Business)



(JPY billion)

	(Announced in Jan 04)	(Announced in Jan 05)	(Announced in May 04)	<Reference> (Announced in May 04)
	FY2004 9 months results (Apr/03 - Dec/03)	FY2005 9 months results (Apr/04 - Dec/04)	FY2004 Results (Apr/03 - Mar/04)	FY2005 Forecasts (Apr/04 - Mar/05)
North American Sales	3.5	4.2	5.5	7.0
Australian Sales	4.5	4.5	5.4	5.5
Sales	8.0	8.7	10.9	12.5
Operating Income	0.5	1.1	0.7	1.0
North American Sales (units)	3,000	3,300	4,500	6,000
Australian Sales (units)	4,700	4,800	5,600	5,800
Total Sales (Number of units)	7,700	8,100	10,100	11,800

### Nine months overview (Q1 – Q3)

- Sales growth in North America

- Both video slot and mechanical slot machine business showed healthy growth

- Gaming licenses in 25 states and provinces in North America

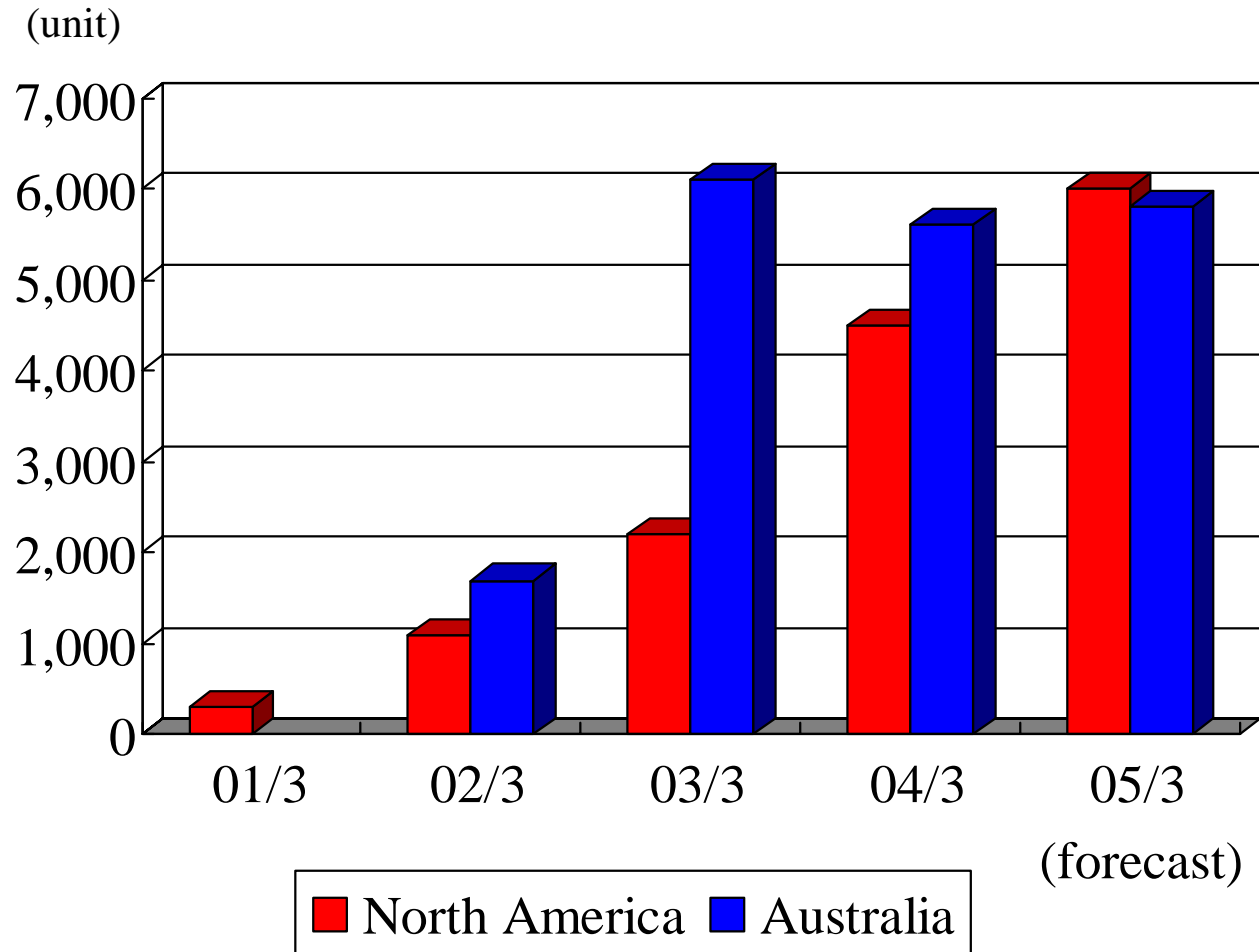
- Showing gaming machines and systems at the Global Gaming Expo (G2E) in Oct 04

### Outlook for Q4 and beyond

- Expected significant increase in production capacity at the new manufacturing factory



### Sales growth in North America, the world's largest casino machine market



## Global Gaming Expo (G2E)

The world's largest gaming show

Las Vegas Convention Center, 5–7 Oct, 04

KONAMI showed casino gaming system “FORCISE” in addition to video slot machines and mechanical slot machines



(JPY billion)

	(Announced in Jan 04) FY2004 9 months results (Apr/03 - Dec/03)	(Announced in Jan 05) FY2005 9 months results (Apr/04 - Dec/04)	(Announced in May 04) FY2004 Results (Apr/03 - Mar/04)	<Reference> (Announced in May 04) FY2005 Forecasts (Apr/04 - Mar/05)
<b>Konami Sports sales</b>	58.5	59.0	77.5	81.0
<b>Other sales</b>	1.2	0.7	1.4	2.0
Sales	59.7	59.7	78.9	83.0
<b>Konami Sports operating income</b>	4.0	3.6	5.1	6.5
<b>Other</b>	-1.6	-1.1	-2.3	-1.5
Operating Income	2.4	2.5	2.8	5.0

### Nine months overview (Q1 – Q3)

- Shift from price-based to quality-based competition  
The average monthly fee increased by 5.3% YOY
- Expansion of nationwide network of facilities
- Hawaii Project
- Entry into the nutritional supplement business
- Full-fledged entry into the fitness machines business

### Outlook for Q4 and beyond

- Further expansion of nationwide network of facilities

## Shift from price-based to quality-based competition

- Introduction of KONAMI brand fitness machines
- Enhancement of massage, esthetic day spa and healing services
- Utilization of IT expertise for health management

## Expansion of nationwide network of facilities

- Announcement of opening the first facility in Okinawa prefecture, creating a network of facilities covering Japan from Hokkaido to Okinawa
- 4 new openings during the nine months (Q1 – Q3)

## Hawaii Project

- Sep 04: “Honolulu Century Ride” tour
- Dec 04: “Honolulu Marathon” tour



## Nutritional Supplement Business

- Release of “Flavangenol up 50” and “Flavangenol MSM plus” in Jul 04

## Fitness machine business

- Placement of EZ series (5 titles) at Konami Sports facilities
- Introduction of 9 original resistance training machines
- Release of “Refreshment bike” for home-use



(JPY billion)

	(Announced in Jan 04) FY2004 9 months results (Apr/03 - Dec/03)	(Announced in Jan 05) FY2005 9 months results (Apr/04 - Dec/04)	(Announced in May 04) FY2004 Results (Apr/03 - Mar/04)	<Reference> (Announced in May 04) FY2005 Forecasts (Apr/04 - Mar/05)
<b>&lt;Computer &amp; Video Games&gt;</b>				
<b>Total sales</b>	71.5	72.0	90.1	95.6
<b>&lt;Toy &amp; Hobby&gt;</b>				
Yu-Gi-Oh! card game (Japan, Asia)	42.0	24.5	49.5	29.0
Other cards	0.7	0.4	0.8	0.5
Products other than cards	4.8	5.7	7.0	17.4
<b>Total sales</b>	47.5	30.6	57.3	46.9
<b>&lt;Amusement&gt;</b>				
Amusement games	10.4	11.3	17.5	18.0
Token-operated games	9.1	8.8	11.0	8.5
LCD units	4.8	4.5	6.0	8.5
<b>Total sales</b>	24.3	24.6	34.5	35.0
<b>&lt;Gaming&gt;</b>				
Gaming in North America	3.5	4.2	5.5	7.0
Gaming in Australia	4.5	4.5	5.4	5.5
<b>Total Sales</b>	8.0	8.7	10.9	12.5
<b>&lt;Health &amp; Fitness&gt;</b>				
Konami Sports Sales	58.5	59.0	77.5	81.0
Other sales	1.2	0.5	1.4	2.0
<b>Total sales</b>	59.7	59.5	78.9	83.0