

KONAMI

Annual Report 2008

Operational Review

For the year ended March 31, 2008



Konami Group: Our Corporate Goal

Our corporate goal is 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”**.

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Cautionary Statements with Respect to Forward-Looking Statements

Statements made in this report with respect to our current plans, estimates, strategies and beliefs, including any forecasts, are forward-looking statements about our future performance. These statements are based on management's assumptions and beliefs in light of information that is currently available to it, and, therefore, you should not place undue reliance on such statements. A number of important factors could cause actual results to be materially different from, and possibly worse than, those discussed in forward-looking statements. Such factors include, but are not limited to: (i) changes in economic conditions affecting our operations; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar and the Euro; (iii) our ability to continue to win acceptance of our products,

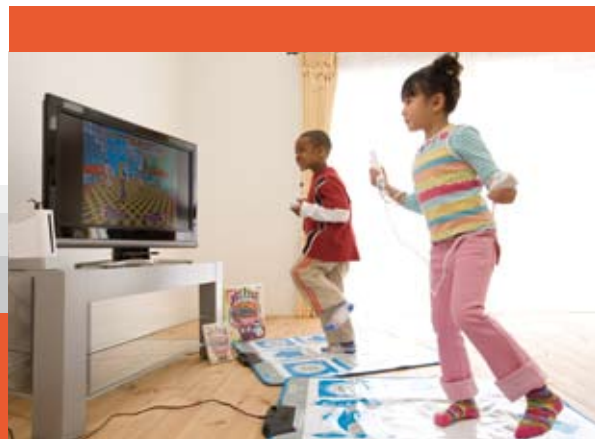
which are offered in highly competitive markets characterized by the continuous introduction of new products, rapid developments in technology and subjective and changing consumer preferences; (iv) our ability to expand internationally, mainly in our video game software business, card game business, and gaming machine business; (v) our ability to successfully expand the scope of our business and broaden our customer base through our health and fitness business; (vi) regulatory developments and changes, and our ability to respond and adapt to those changes; (vii) our expectations with regard to further acquisitions and the integration of any companies we may acquire; and (viii) the outcome of contingencies.

EXPANDING OUR REACH

By responding sensitively to the latest trends and consistently taking on new challenges, Konami has been an endless source of creativity and innovation since its establishment in 1969. In the business areas of "entertainment" and "health," we have provided customers with a diverse range of products and services through three segments: the Digital Entertainment Segment, the Health & Fitness Segment, and the Gaming & System Segment. Through continuing its legacy of tirelessly taking on challenges, the Konami Group will realize new possibilities by expanding our reach over an even wider area to provide people around the globe with dreams and everyday excitement.

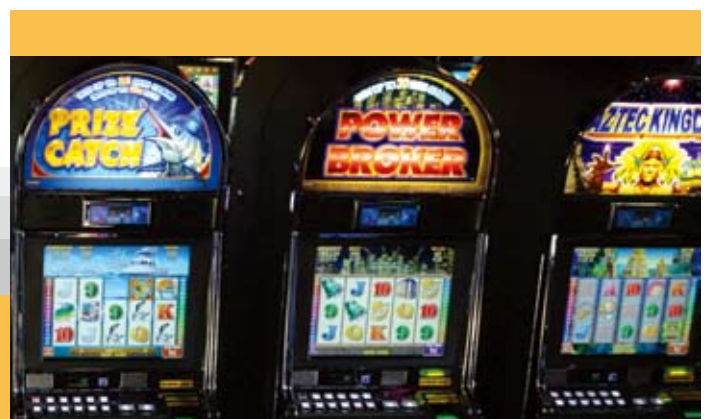


Digital Entertainment Segment



Health & Fitness Segment

Gaming & System Segment



Digital Entertainment Segment

This segment harnesses information technology to create and provide new ways of recreation. We effectively exploit content by developing it across a variety of product types, including video games, card games, mobile contents, toys, music, and books. Further, targeting markets worldwide, the segment is stepping up global rollouts of products and services that provide people around the globe with enjoyment in many different aspects of their everyday lives.

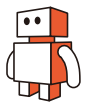




**Amusement
Arcade
Machines**



Card Games



Toys

Health & Fitness Segment

In this segment, we manage fitness clubs and plan, manufacture, and sell fitness machines and health-related products. By bringing together the Konami Group's latest technology and expertise garnered in health management, we incorporate information technology in health management and make fitness fun. Also, in response to society's growing awareness of the need to prevent lifestyle-related diseases, Konami offers comprehensive solutions with a view to expanding its business area in the health industry.



**Operation of
Fitness Clubs**

**Health Guidance
Local Community
Support
Operations**



**Program
Development**

**Fitness Machines
Supplements**



Our Business

Gaming & System Segment

Konami develops, manufactures, sells, and services gaming machines for casinos and casino management systems. We have built a solid sales platform, acquiring gaming licenses in all Australian states as well as in 27 U.S. states and 8 Canadian provinces, and we cater to demand by providing gaming machines with outstanding reliability, technological innovation, and entertainment value that everyone loves.



Slot Machines

**Casino
Management
System**

To Our Shareholders and Investors

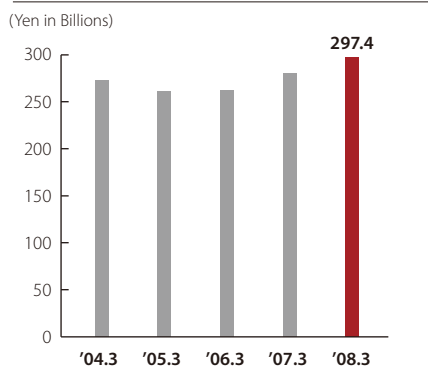


EXPANDING OUR REACH

Our corporate goal is 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”**.

We will further improve the efficiency of management systems to build a robust operating platform that responds flexibly and rapidly to changing conditions.

Net Revenues



■ Management Systems

Fiscal 2008, ended March 31, 2008, was Konami's second year under a holding company system. Based on that new system, we posted record net revenues and grew operating income and net income.

In April 2007, we further strengthened the functions of the holding company system by integrating operational bases that had been previously scattered across Tokyo at a single location in Tokyo Midtown, a modern development in the Roppongi district of Tokyo. One aim of integrating our operational bases was to heighten operational efficiency. Another was to better clarify the roles of individual operating departments while promoting improved communication within the Group to create new synergies and increase the speed of Group management. Already, the merits of operational base integration are evident in a range of everyday business activities. Meetings have become more efficient and interaction within the Group has intensified. Moreover, we believe that we have yet to see the full benefits of integration in business results and other areas.

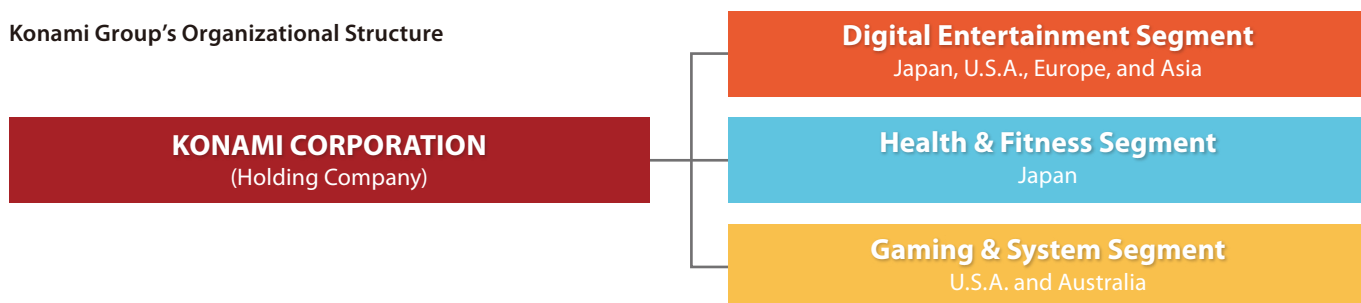
A further benefit of integration has been to raise the standing of the Konami brand by impressing the overall corporate image and size of the Konami Group upon those inside and outside the Company.

■ Business Conditions

Recent dramatic changes in business conditions, including hikes in crude oil and raw material prices, yen appreciation, and stagnation in economies worldwide triggered by the subprime loans problem, are seriously affecting the outlook for Japan's economy. Those factors do not warrant optimism because they either directly or indirectly affect Konami and its businesses in the entertainment and health areas.

However, Konami's Digital Entertainment Segment, Health & Fitness Segment, and Gaming & System Segment are in business areas that offer opportunities to grow even amid such conditions. We will, therefore, continue our corporate management strategy of developing businesses in areas with growing demand to minimize the negative effect of adverse economic forces.

Konami Group's Organizational Structure



In addition to reorganizing the Group, we have adopted U.S. GAAP (Generally Accepted Accounting Principles) for the past several years. Adapting to the consequent changes in accounting practice has caused our reported business results to fluctuate. However, we will continue adapting to international standards.

Although the Konami Group faces volatile business conditions, it will further increase the efficiency of management systems to build an unshakable operating platform that reacts flexibly and rapidly to changing conditions.

■ Fiscal 2008 Business Results

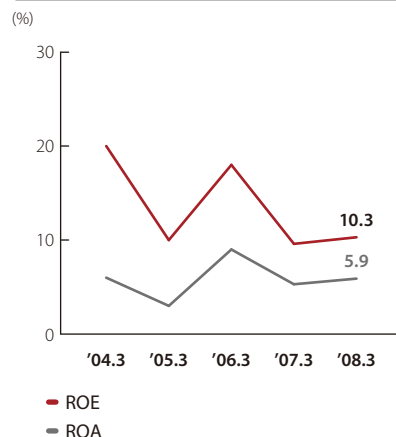
In fiscal 2008, ended March 31, 2008, Konami posted year-on-year increases of 6.1% in net revenues, to ¥297.4 billion; 20.2% in operating income, to ¥33.8 billion; and 13.2% in net income, to ¥18.3 billion. The Company grew revenues and earnings for the second consecutive year since transferring to a holding company system and achieved record net revenues.

■ Future Management Strategy

Konami's Digital Entertainment Segment, Health & Fitness Segment, and Gaming & System Segment have developed businesses in the entertainment and health areas, which promise heavy demand. However, seeking further growth, the Company transferred to a holding company system and integrated its operational bases.

In fiscal 2009, ending March 31, 2009, the Konami Group will advance toward achievement of the final-year targets set out in its three-year medium-term business plan: net revenues of ¥330 billion, operating income of ¥45 billion, and net income of ¥26 billion.

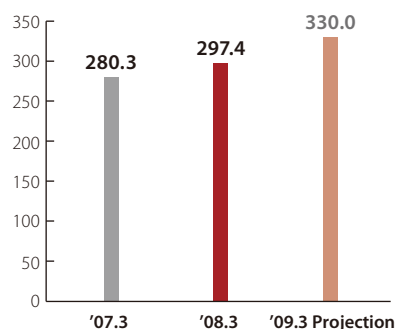
ROE ROA



Highest ever net revenues. Operating income and net income also up.

Net Revenues

(Yen in Billions)

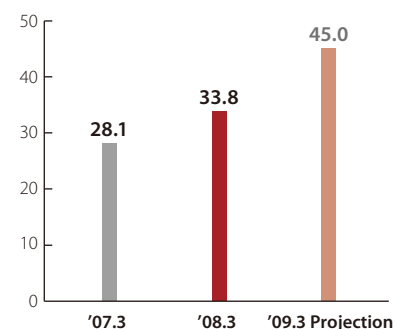


Fiscal 2008

Up 6.1%, to **¥297.4 billion**

Operating Income

(Yen in Billions)

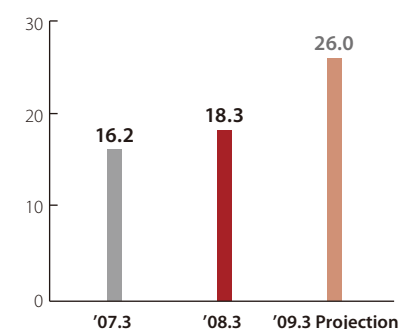


Fiscal 2008

Up 20.2%, to **¥33.8 billion**

Net Income

(Yen in Billions)

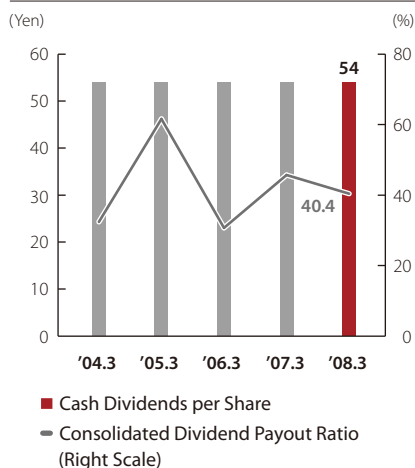


Fiscal 2008

Up 13.2%, to **¥18.3 billion**

As a good corporate citizen, Konami will make wide-ranging social contributions.

Cash Dividends per Share Consolidated Dividend Payout Ratio



■ Returns to Shareholders

Our basic policy is to provide stable dividends to return profits to our shareholders. In fiscal 2008, Konami paid a full-year cash dividend of ¥54.00 per share, comprising an interim cash dividend of ¥27.00 per share and a year-end cash dividend of ¥27.00 per share. Cash dividends remained at ¥54.00 per share for the eighth consecutive year.

In other efforts to increase returns to shareholders, from the interim period of fiscal 2007 we introduced a shareholder benefits program for shareholders owning 100 shares or more.

■ Social Contribution Initiatives

Realizing its overriding corporate management policy of benefiting society as a good corporate citizen, Konami returns profits to society at large and prospers with society through initiatives to preserve the environment, support sports, and sponsor cultural activities. We believe implementing that basic policy is our corporate social responsibility.

As a contribution to the global effort to address the problem of environmental preservation, we actively participate in Team Minus 6%, which is Japan's national project to reach the Kyoto Protocol targets that came into force in 2005. Further, we are switching modes of transportation, known as modal shift, to those that produce lower emissions of harmful gases and lessen the environmental burden.

Konami supports the development of sport in Japan as an official partner of Nippon Professional Baseball Commissioners Organization, Japan Professional Football League, and the Japanese Olympic Committee. Also, we contribute to the spread and development of the arts through special sponsorship of the New National Theatre Foundation.

In addition, we use our unique capabilities to contribute to society. For example, we helped with the production of the Japanese version of Food Force, an educational video game for personal computers that the United Nations World Food Programme distributed to further understanding of food aid activities.

Konami will use its wealth of innovative technology and expertise to realize original products and services in the business areas of entertainment and health. Aiming to remain a business group that people worldwide always look to expectantly, we will continue creating and providing "valuable time."

On behalf of the Konami Group, I ask our shareholders and investors for their continued support and encouragement.

June 2008

Kagemasa Kozuki
CEO, Konami Group

CONSOLIDATED FINANCIAL HIGHLIGHTS (U.S. GAAP)

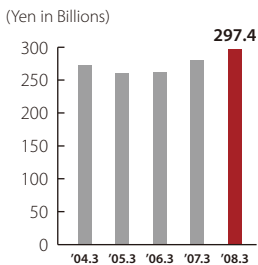
KONAMI CORPORATION and Consolidated Subsidiaries
Years ended March 31, 2006, 2007, and 2008

CONSOLIDATED PERFORMANCE	Yen in Millions (except per share data)			U.S. Dollars in Thousands (except per share data)	% Change 2007/2008
	2006	2007	2008	2008 ⁽²⁾	
Income Statement Data:					
Net revenues	¥262,137	¥280,279	¥297,402	\$2,968,380	6.1
Operating income	2,481	28,145	33,839	337,748	20.2
Net income	23,008	16,211	18,345	183,102	13.2
Basic net income per share (yen)	175.86	118.15	133.63	1.33	13.1
Cash dividends per share ⁽¹⁾ (yen)	54.00	54.00	54.00	0.54	—
Balance Sheet Data:					
Total current assets	¥144,327	¥138,261	¥140,079	\$1,398,134	1.3
Total assets	302,637	304,657	319,248	3,186,426	4.8
Total current liabilities	81,224	82,466	75,113	749,706	-8.9
Total long-term liabilities	55,477	44,832	57,052	569,438	27.3
Total shareholders' equity	163,815	174,662	182,759	1,824,124	4.6
Other Data:					
ROE	17.1%	9.6%	10.3%		
ROA	7.6%	5.3%	5.9%		

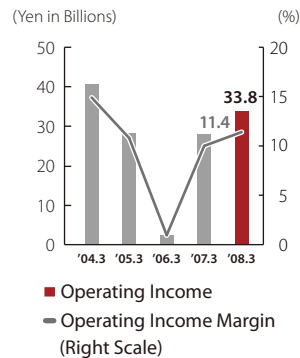
Notes: (1) Cash dividends per share consist of interim dividends paid during the fiscal year and year-end dividends paid after the fiscal year-end.

(2) The U.S. dollar amounts included herein represent a translation using the mid-price for telegraphic transfer of U.S. dollars for yen quoted by The Bank of Tokyo-Mitsubishi UFJ, Ltd., as of March 31, 2008, of ¥100.19 to \$1 and are included solely for the convenience of the reader. The translation should not be construed as a representation that the yen amounts.

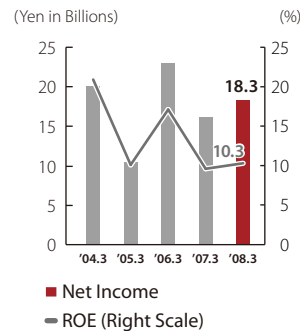
Net Revenues



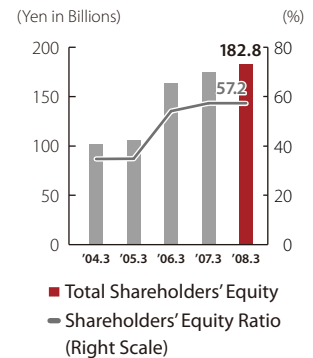
Operating Income Operating Income Margin



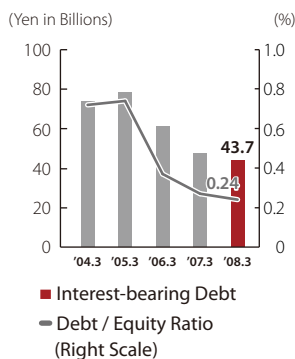
Net Income ROE



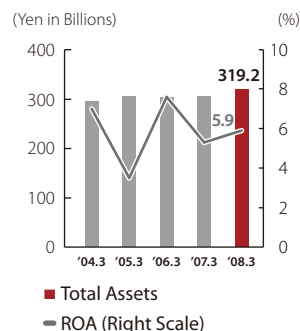
Total Shareholders' Equity Shareholders' Equity Ratio



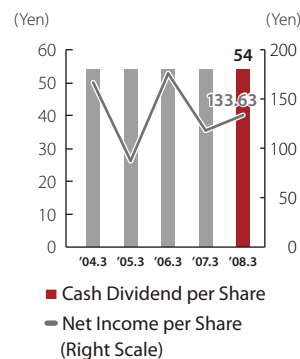
Interest-bearing Debt Debt / Equity Ratio



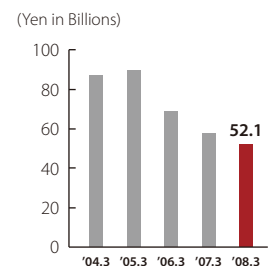
Total Assets ROA



Cash Dividend per Share Net Income per Share



Cash and Cash Equivalents



EXPANDING OUR REACH

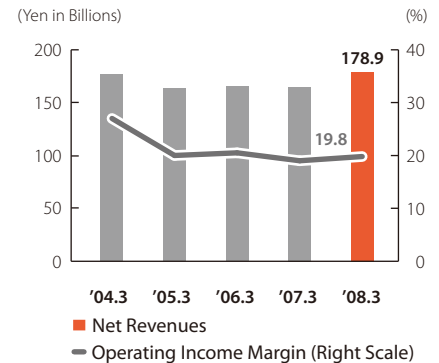
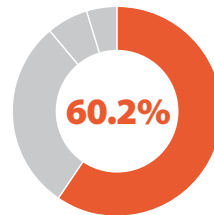
The Konami Group's Digital Entertainment Segment, Health & Fitness Segment, and Gaming & System Segment are steadily growing and building their market presence. This section looks at each segment's strategies for exploiting potential to achieve further growth.

Digital Entertainment Segment

YEAR'S TOPICS

- Worldwide sales of the *Winning Eleven* soccer video game series continued to grow centered on Europe, reaching a record of 9.43 million units
- Sales of various other mainstay video game series remained brisk

Net Revenues by Segment

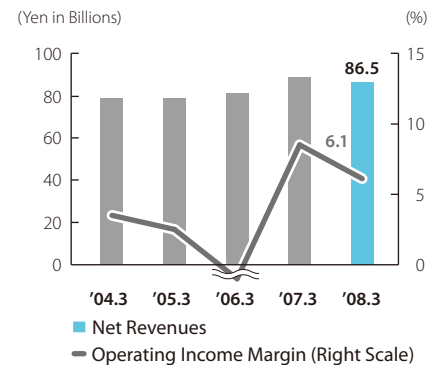
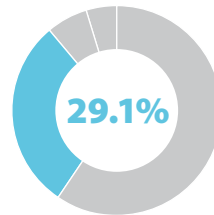


Health & Fitness Segment

YEAR'S TOPICS

- Total number of fitness clubs increased to 332 facilities as of the end of March 2008, with directly managed fitness clubs up 14, to 222 facilities, and fitness clubs managed on behalf of other organizations up 6, to 110 facilities
- Preferential services of Konami Sports Club extended to include all monthly-fee members

Net Revenues by Segment

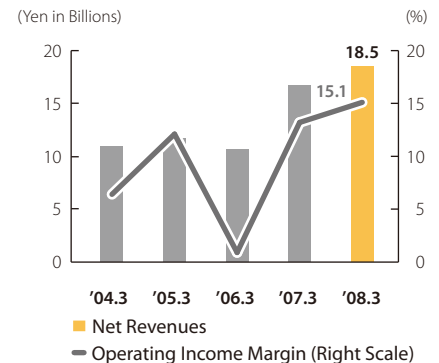
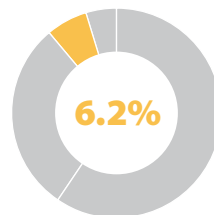


Gaming & System Segment

YEAR'S TOPICS

- Sales of *Advantage 5*, a 5-reel mechanical slot machine, were strong
- Earnings structure stabilized due to increased provision of services for the *Konami Casino Management System*

Net Revenues by Segment



Digital Entertainment Segment



Fumiaki Tanaka

Executive Corporate Officer (in charge of Digital Entertainment Business)
Representative Director, Konami Digital Entertainment Co., Ltd.

We must maximize our strengths in present business areas to build our standing as a world-class digital entertainment company.

As its name suggests, the Digital Entertainment Segment uses digital means to provide entertainment.

The digital entertainment business is becoming increasingly promising as its business area widens. Driving that expansion are the online capabilities of video game systems and amusement arcade machines—which is becoming a standard feature as the ease of accessing the Internet spreads—and an increase in the variety, capabilities, and functions of video game systems.

Further, the significance and potential of our business is growing as digital networks penetrate many different aspects of people's everyday lives due to the steady development of network environments as a necessary part of society's infrastructure. In other words, linking video games through networks that encompass the whole of society opens up limitless possibilities.

Such networks add to the enjoyment experience by enabling digital entertainment users to communicate with others in real time. Using digital networks or a network infrastructure, we will provide new entertainment to society at large and make people's everyday lives richer and more fun. Becoming a key part of the emerging ubiquitous digital society by creating and providing valuable time is the ultimate goal of the Konami Group and the Digital Entertainment Segment.

To realize that goal, first we have to maximize our strength in existing business areas to build our status as a world-class digital entertainment company. In those efforts, we must constantly keep innovation in mind and be unshackled by previous successes. Accordingly, we will apply outstanding expertise and technology to realize creative ideas that amaze and add new value. Taking such an approach will open the way to making our ideals a reality.

Expect further growth as the Digital Entertainment Segment exploits the limitless potential of a digital society.

■ The Digital Entertainment Segment's Growth Strategy

1. Cater to Regional Demand, Step Up Development of Overseas Business

Strengthening our overseas business is one of the highest priorities of the Digital Entertainment Segment. In the digital entertainment business area, which is centered on video games, the North American and European markets are each more than twice the size of the Japanese market. Therefore, expanding business in those two markets is crucial if the Digital Entertainment Segment is to grow dramatically.

Konami has video game titles—such as its soccer video games and the *METAL GEAR* video game series—that have earned worldwide endorsement. However, to achieve further growth we have to step up the development of our overseas business. To that end, we need to carefully analyze the cultures and preferences of target countries and regions and roll out products that better reflect demand. In order to create appealing content that caters to this regional demand, we will strengthen local development organizations.

In North America, we built a local development organization ahead of other regions. Last year, we integrated our San Francisco and Los Angeles operational bases, and we are beginning to reap the benefits of this integration. In Europe, soccer is very popular, with the European version of our *Winning Eleven* series, *PRO EVOLUTION SOCCER*, achieving unit sales records each year. However, looking at our share relative to the overall soccer fan population shows that there is room for a lot of growth in this market. Aiming to attract even more soccer fans, we will further heighten the appeal of our soccer video games while raising our visibility through promotional initiatives.



PRO EVOLUTION SOCCER 2008

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MLB POWER PROS

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Unit Sales of Video Game Software by Region

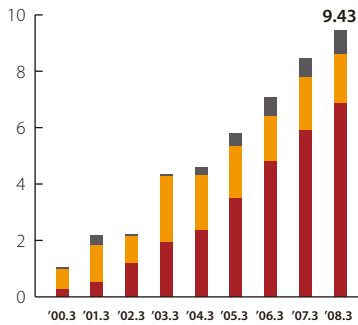
(Millions)

	FY2006	FY2007	FY2008
Japan	8.43	9.39	9.62
North America	6.09	5.11	4.46
Europe	7.32	7.70	8.97
Asia	0.37	0.30	0.28
Total	22.21	22.50	23.33



Unit Sales of Soccer Game by Region

(Millions)



■ Europe
■ Japan
■ Others

2. Provide Playability that Leverages Platform's Unique Features

In the video game market, more than one year has passed since the launch of such video game systems as Wii, PLAYSTATION3, and Xbox 360, each offering unique features. Further, the rampant popularity of such handheld systems as the Nintendo DS and PlayStationPortable is helping fuel a market boom. On the other hand, user demand is becoming more finely segmented due to the diversification of user preferences and the increasing range of digital entertainment products.

In the video game business, which has the largest market among businesses in the Digital Entertainment Segment, Konami is pursuing selection and concentration to maximize earnings. Our response to market diversification is based on a multiplatform strategy that enables us to roll out products tailored to the specific needs of user groups. Because each video game platform is distinctive, each has its own large group of fans. To satisfy those platform-loyal fans, Konami is providing video games with new types of playability that leverage the unique features of the respective platforms.

Further, we are pursuing a "double-pronged" strategy that involves simultaneously rolling out global video game titles that are able to earn popularity around the world and local video game titles that target regional characteristics or the cultural characteristics of particular groups. Global video game titles are enjoyed throughout the world and are likely to achieve a certain level of sales. Those mainly comprise sports video games, such as soccer video games and baseball video games, and the *METAL GEAR* series.

Winning Eleven®

Multiplatform Rollout of Latest Installment of Winning Eleven Series

Console systems				Handheld systems		
PLAYSTATION3 and Xbox 360	PlayStation2	Wii	PCs	PlayStationPortable	Nintendo DS	Mobile Phones
These versions recreate soccer even more faithfully. As well as making full use of the high specifications of both platforms and taking graphics and player motion to new levels, for the first time the video game includes a learning CPU (artificial intelligence).	For this widely popular video game platform, we drew on accumulated experience to realize improved, more comfortable operability, which gives a greater sense of directly controlling players.	The Wii version makes the most of this unique video game platform to extend the bounds of soccer video games. Using the Wii Remote control, or the Nunchuk, gives a visceral sense of operating players directly.	PC versions sold in Europe and North America feature stunning graphics, detailed customizing functions, and online head-to-head playing.	Users can enjoy head-to-head matches in a variety of locations by using the wireless head-to-head playing mode, which is the platform's most distinctive feature and takes advantage of PSP's mobility.	We have used this unique platform to make the video game more enjoyable and accessible. Through Wi-Fi connections, four players can play simultaneously head-to-head in teams of two.	Greater application capacity and the incorporation of 3D graphics enables the rendering of 60 types of player movements. Further, button positions make operation easy for users.

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Local video game titles, on the other hand, focusing on target countries, regional characteristics, or cultural traits include our music video game series for the North American market DanceDanceRevolution. For global video game titles and local video game titles, we simultaneously roll out content for multiple video game platforms to maximize the impact of launches.

An example of that multiplatform rollout strategy was our launch of the global video game title *PRO EVOLUTION SOCCER 2008*, the latest installment in the *Winning Eleven* series, in fiscal 2008. In order to maximize the effect of a multiplatform rollout, we unveiled all versions of the soccer video game title at the same time. That strategy was a major driver of sales of the video game title greatly exceeding expectations. Simultaneously marketing different versions of the same video game tailored to each video game platform's unique features heightened the effectiveness of promotional campaigns by enabling us to target all users regardless of video game platform. Furthermore, the simultaneous launch will likely reduce the cost of those campaigns.

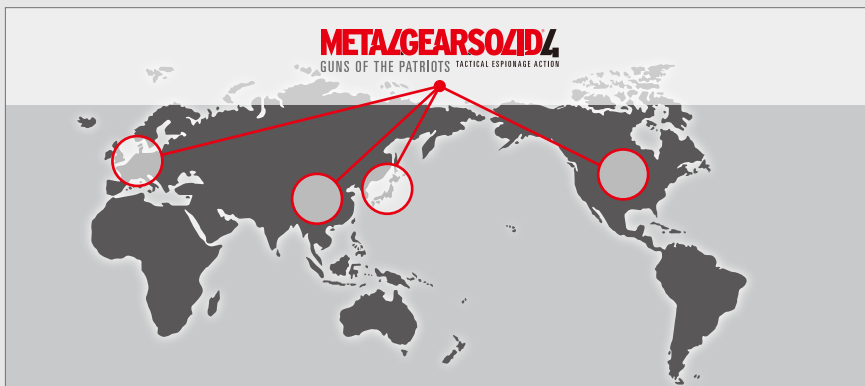


METAL GEAR SOLID 4

GUNS OF THE PATRIOTS TACTICAL ESPIONAGE ACTION

Simultaneous Global Launch of the Latest Installment in the METAL GEAR Series

June 2008 saw the simultaneous launch of *METAL GEAR SOLID 4 GUNS OF THE PATRIOTS* for PLAYSTATION3 in Japan, North America, Europe, and Asia. The previous installments in the video game series had accounted for cumulative sales of more than 22 million units worldwide as of the end of March 2008. This is the first time that we have simultaneously released a *METAL GEAR* global video game title worldwide.





DOKODEMO YOGA
(Let's Yoga)

3. Strengthen Product Development Based on Group Synergies

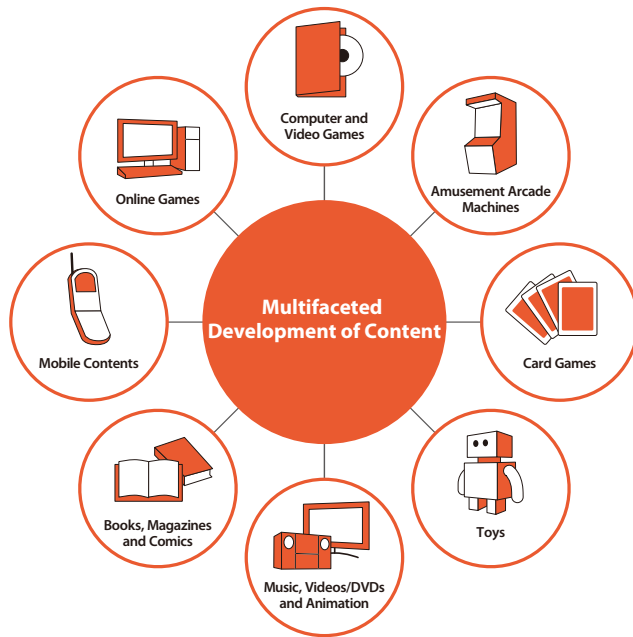
The synergistic benefits of our April 2007 integration of operational bases are beginning to emerge throughout the whole Konami Group. Through collaboration between the Health & Fitness Segment and the Digital Entertainment Segment, we launched the *DOKODEMO YOGA* (overseas title *Let's Yoga*) and *DOKODEMO PILATES* (overseas title *Let's Pilates*) video games in fiscal 2008 to pave the way for the development of this new product category.

One of the Konami Group's strengths is that it has established solid operating platforms in the highly promising business areas of entertainment and health. By further increasing collaboration between the Health & Fitness Segment and other segments, we will develop a series of revolutionary video game titles based on the concept of having fun while getting fit and take on the challenge of establishing a new product category unique to Konami. Not limiting itself to creating synergies between the Digital Entertainment Segment and the Health & Fitness Segment, Konami will capitalize on the strengths of the Digital Entertainment Segment to maximize synergistic benefits throughout the Group.

4. Strengthen Konami's Intellectual Property

We effectively use and strengthen the intellectual property of the Konami brand. For example, in Japan and overseas, demand has grown steadily across different generations for such long-standing video game series as *SILENT HILL* and *Castlevania*. As an addition to the existing marketing of video games, we undertook a fresh marketing initiative by introducing *SILENT HILL THE ARCADE* for amusement arcades in Japan in fiscal 2008.

Konami will continue to strengthen and develop its premium intellectual property. Rather than only developing content in existing formats, we will add value to content by achieving realism, rendering, and playability that reflects current demand. The resulting products will not only spur demand among longtime fans, but will also meet the needs of new users.



5. Develop Content across Multiple Categories

Multifaceted development of content is one of the basic strategies of the Digital Entertainment Segment. Under that strategy, we adapt and develop the same content for a wide variety of products and business areas, including video games, amusement arcade machines, card games, mobile contents, online games, toys, music, and books to heighten synergistic benefits and thereby increase revenues and earnings.

However, because user demand is diversifying and globalizing, when developing content across multiple categories we must identify target customers and select and concentrate our efforts accordingly. By continuing to make the multifaceted development of individual content even more effective, we will foster further user endorsement for content, which will set the stage for creating classic content that is known and loved the world over.





MAH-JONG FIGHT CLUB 6



HORSERIDERS



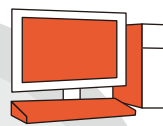
e-AMUSEMENT SPOT

Playing wireless online match-ups using handheld video game systems with wireless LAN connectivity functions and compatible software.



PCs

Viewing rankings via the Internet.



AMUSEMENT Network



MOBILE PHONES

Using mobile phones to play video game content linked with amusement arcade games.



CARD

e-AMUSEMENT PASS



AMUSEMENT ARCADE GAMES

Challenging players nationwide to online matches and continuing games using ID cards.

6. Pursue Playability Unique to Amusement Arcades

Themed on “anyone, anytime, and anywhere,” e-AMUSEMENT is an online service for amusement arcade machines, which Konami pioneered in the digital entertainment industry. The service links amusement arcade machines installed at amusement arcades throughout Japan. Using the e-AMUSEMENT service, players can compete against opponents in different regions and view their nationwide rankings. Also, e-AMUSEMENT PASS enables players to continue games at a different time and place.

There were more than 60,000 e-AMUSEMENT-enabled amusement arcade machines installed at the end of March 2008.

Continuous play and communication are becoming important facets of amusement arcade machines. e-AMUSEMENT has greatly increased the ways that players can enjoy amusement arcade machines by allowing them to pit their skills in real time against those of players in other regions as well as to use identification cards to continue previous games.

Konami traces its roots to token-operated games. Expertise and technology built up over a long history underpins the look and feel of products offering distinctive enjoyment. All types of customers, from established users through to such new customer groups as families, can interact with other players and enjoy our token-operated games.

We will continue developing new token-operated games that cater to the needs of a wide range of customers by offering unprecedented playability and enjoyment.



■ Fiscal 2008 Overview

In fiscal 2008, the Digital Entertainment Segment saw year-on-year increases of 8.4% in net revenues, to ¥178.9 billion, and 17.0% in operating income, to ¥35.4 billion. In video games, the soccer video game series *Winning Eleven* sold particularly well centered on Europe, and worldwide sales of soccer video games broke the previous fiscal year's record of 8.47 million units to reach 9.43 million units. In amusement arcade machines, such mainstays as the *MAH-JONG FIGHT CLUB* video game series and the large token-operated machine *GRANDCROSS* generated steady sales. In card games, the mainstay *Yu-Gi-Oh! Trading Card Game* series saw solid revenues. The operating income margin improved from the previous fiscal year's 18.3% to 19.8%.

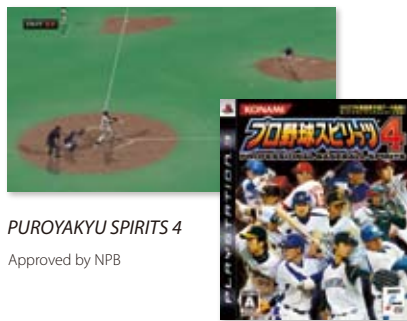
Computer and Video Games

In video games, we marketed sports video game titles, music video game titles, and the *METAL GEAR* video game series, selling a total of 23.33 million units worldwide.

In Japan, the segment posted firm sales by marketing a wide variety of content, including sports video game titles, in which Konami has particular competence, and animation video game titles. Popular sports video game titles included *PROYAKYU SPIRITS 4*, *JIKKYOU PAWAFURU PUROYAKYU 14*, *J.LEAGUE Winning Eleven 2007 CLUB CHAMPIONSHIP*, and *WORLD SOCCER Winning Eleven 2008*, while animation video game titles included the *KIRARIN☆REVOLUTION* video game series.

In Europe, the Company grew sales year on year thanks to favorable performances by such soccer video game titles as *PRO EVOLUTION SOCCER 2008*, released for multiple video game platforms.

In North America, the *DanceDanceRevolution* video game series is as popular as ever, and we are continuing to mainly roll out music video game titles. Among those, a particularly strong seller was our first Wii version of *DanceDanceRevolution HOTTEST PARTY*, launched in fiscal 2008.



PUROYAKYU SPIRITS 4
Approved by NPB



JIKKYOU PAWAFURU PROYAKYU Wii
Approved by NPB



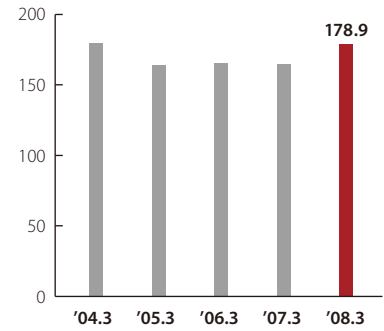
METAL GEAR SOLID PORTABLE OPS+



DanceDanceRevolution HOTTEST PARTY

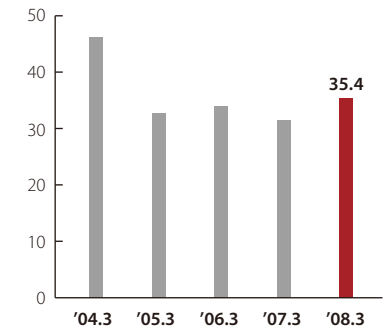
Net Revenues

(Yen in Billions)



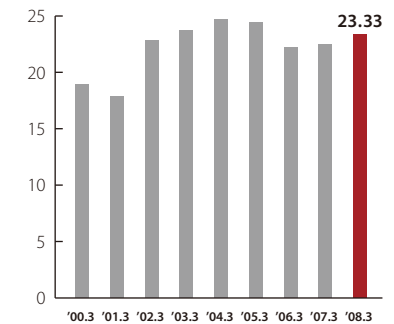
Operating Income

(Yen in Billions)



Unit Sales of Video Game Software

(Millions)





Amusement Arcade Machines

In amusement arcade machines, products using the e-AMUSEMENT service, connecting amusement arcades nationwide, remained upbeat. Other offerings generating steady revenues included the mainstay *MAH-JONG FIGHT CLUB* video game series; *BASEBALL HEROES 3*, which incorporates professional baseball player cards; the nationwide online head-to-head quiz video game *QUIZ MAGIC ACADEMY 5*; the amusement arcade version of the *Winning Eleven* video game series *WORLD SOCCER Winning Eleven ARCADE CHAMPIONSHIP 2008*; and *pop'n music 16*, a new release in a long-running music video game series.

In token-operated games, the large token-operated machine *GRANDCROSS* continued to perform solidly. Further, *SPINFEVER*, a mid-size token-operated pusher game that incorporates elements of pinball and a new jackpot mechanism, was well received.



pop'n music16



BASEBALL HEROES 3

Approved by NPB



QUIZ MAGIC ACADEMY 5

Card Games

Konami continued to market the mainstay card game series *Yu-Gi-Oh! Trading Card Game* worldwide. Other trading card games sold briskly.

Mobile Contents, Online Games

Our operations for the distribution of content for mobile phones through major telecommunications providers in Japan and overseas performed steadily. Seeing the recent emergence of mobile phones with higher capacities and upgraded functions as an opportunity, we began distributing applications featuring even richer content, such as *TOKIMEKI MEMORIAL 2* and *Mobile PAWAFURU PUROYAKYU OFFICIALLY LICENSED 2007*, through the web sites *Konami Net DX* and *PAWAPURO World*. In January 2008, we began distributing *METAL GEAR SOLID MOBILE*, rendered entirely in 3D and including playing styles specially designed for mobile phones. In online video games, we continued catering to a broad spectrum of customers through such services as *Yu-Gi-Oh! ONLINE DUEL EVOLUTION* and the *SHINKI-NET* online service's head-to-head battle mode *BUSOU SHINKI BATTLE RONDO*. For *BUSOU SHINKI*, which is an online video game service as well as a series of action figures, our development of the linkage between the game and figures continued to earn enthusiastic customer support, and related lineups performed steadily. Further, in relation to popular video games we also sold game-strategy books, magazines, and music CDs.



Yu-Gi-Oh! Trading Card Game

©1996 KAZUKI TAKAHASHI ©2008 NAS-TV TOKYO



METAL GEAR SOLID MOBILE



Health & Fitness Segment



Toshimitsu Oishi

Corporate Officer (in charge of Health & Fitness Business)
Representative Director, Konami Sports & Life Co., Ltd.

Continuing to focus on exercise, well-being, and nutrition, we will realize the diverse possibilities of the Health & Fitness Segment to further expand its business area.

In the markets that make up the Health & Fitness Segment, people are becoming increasingly interested in preventing metabolic syndrome and other lifestyle-related diseases as society ages and the baby boomer generation retires. In Japan, public health care initiatives have begun with a view to reducing medical expenses by using preventative medicine to maintain and improve public health. As part of those efforts, designated health checkups and health guidance became mandatory from April 2008 to encourage regular exercise and improve diets. As a result of those trends, we will likely see demand for health and fitness services burgeon and the advent of an era of “investing in health.”

Konami’s Health & Fitness Segment is further improving the wide range of health-support services that it provides through its fitness clubs and a variety of other health-related businesses. Rather than simply aiming to live longer, today the emphasis is on being healthy and fulfilled, or extending one’s healthy life expectancy. That shift in attitudes places a greater responsibility on our shoulders.

This segment has a unique portfolio of businesses that covers managing fitness clubs, developing a range of health-related programs, and the independent planning, manufacturing, and marketing of nutritional supplements as well as commercial and home-use fitness machines. In response to society’s mounting focus on health, many types of company are making forays into the health services industry. However, our competitive advantage is that we can draw on extensive health-related expertise to provide customers with comprehensive solutions. Based on digital data relating to exercise, well-being, and nutrition, those solutions enable customers to “see” their own state of health.

Against the backdrop of an increasing focus on being healthy by preempting the need for medical treatment, the Health & Fitness Segment will expand its business area by continuing to exploit the diverse potential of the health services market.

Expect further growth as the Health & Fitness Segment provides everyone with valuable time.

■ The Health & Fitness Segment's Growth Strategy

1. Expand and Improve Facilities, Add Value to Fitness Club Membership

We will extend and upgrade our network of safe, clean, and comfortable fitness clubs while furthering the efficiency of their management.

For directly managed fitness clubs, we will advance efficient management of facilities that emphasize profitability. To lend impetus to those efforts, the Company will open fitness clubs in areas with high population densities at locations attracting many customers. For example, we will establish fitness clubs alongside or inside large complexes. Reflecting that strategy, new openings in fiscal 2009 include Konami Sports Club Shin-Nagata, in Kobe, Hyogo Prefecture, in April 2008; Konami Sports Club Musashi-Kosugi in Kawasaki, Kanagawa Prefecture, in June 2008; and Konami Sports Club Imazato in Osaka, Osaka Prefecture, in June 2008. Also, plans call for the October 2008 opening of a rebuilt Konami Sports Club Kakogawa, in Kakogawa, Hyogo Prefecture, and the fall opening of Konami Sports Club Kawaguchi, in Kawaguchi, Saitama Prefecture.

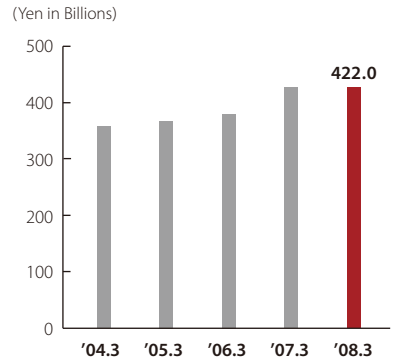
Further, we will add value to our fitness club membership by expanding the menu of preferential services available for members through a tie-up with RESORT SOLUTION Co., Ltd., which provides welfare agency and other services. As part of its differentiation strategy, Konami will continue to consider the possibility of incorporating other similarly appealing services to attract new members. In addition, we increased our facilities in the Tokyo metropolitan area and grew our share of the fitness club market by making Sportsplex Japan Co., Ltd., a subsidiary in March 2008.

Meanwhile, we continue to use expertise and experience accumulated through directly managed fitness clubs to operate fitness clubs on behalf of municipal authorities, which highly evaluate our management efficiency. Going forward, we will increase the number of fitness clubs that we manage on behalf of other organizations and contribute vitality to local communities.



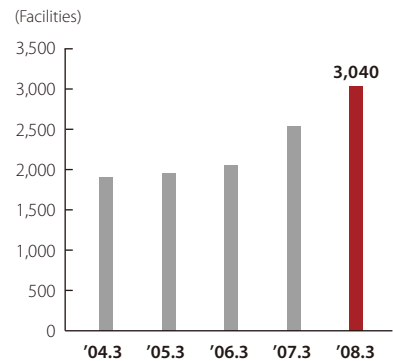
An image of the completed Konami Sports Club Kakogawa

Sales in Domestic Fitness Club Market



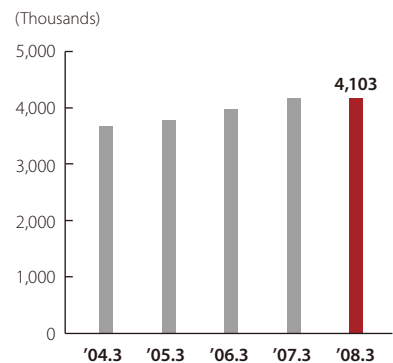
Source: Fitness Club Business Japan 2007

Number of Fitness Club Facilities in Japan



Source: Fitness Club Business Japan 2007

Number of Fitness Club Members



Source: Fitness Club Business Japan 2007





GROOVE MOTION DDR, our next-generation digital fitness studio program

2. Strengthen Product Development and Sales

Our planning, manufacturing, and sales of commercial and home-use fitness machines, health-related programs, and nutritional supplements is progressing rapidly. We can develop new products and services that exactly match customer needs because feedback from our fitness club customers enables us to check the effectiveness of products and services.

Giving full play to that unique advantage, Konami will step up development and marketing of new health-related products and services, developing products and services themed on counteracting lifestyle-related diseases. In particular, we will place emphasis on metabolic syndrome, the main focus of attention amid growing interest in health maintenance and improvement.

3. Expand and Promote IT-Enabled Health Management System e-XAX

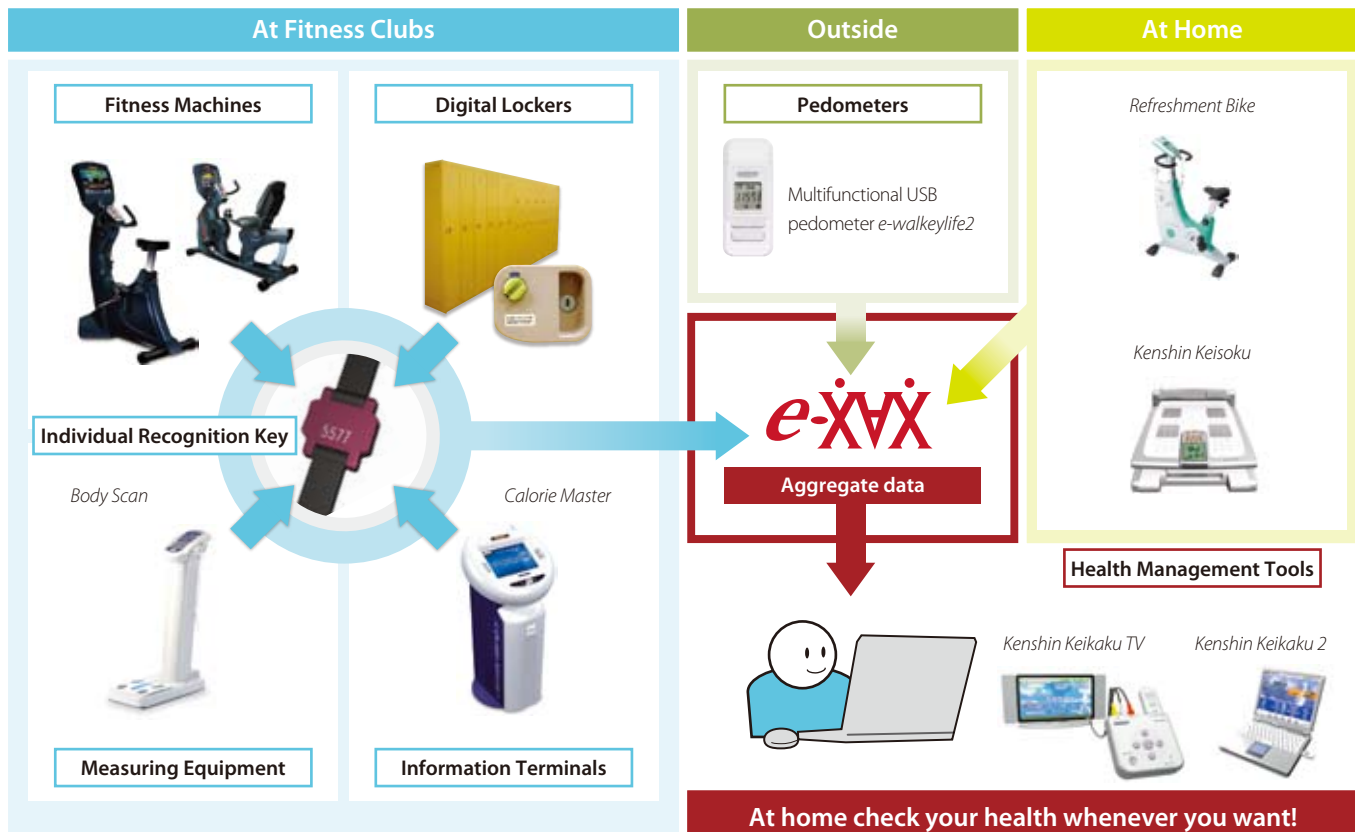
In health maintenance and improvement, the most important thing is to know your state of health. In the Health & Fitness Segment, we are incorporating information technology into health management based on our independently developed next-generation IT-enabled health management system, e-XAX, to enable customers to “see” their health status in the form of digital data.

Konami sports clubs’ flagship differentiation strategy, e-XAX, is a database system that enables the continuous management of data on health and on exercise at fitness clubs, outside, and at home. Using e-XAX data, customers can check and manage their health condition and exercise history at any time. Further, e-XAX allows us to provide effective guidance for exercise suited to each individual and offer solutions to counteract lifestyle-related diseases.

We will continue to introduce the e-XAX system to more fitness clubs. Moreover, we will follow up on the success of the multifunctional USB pedometer, e-walkeylife2, by increasing development of new health-related devices compatible with e-XAX.



e-walkeylife2, the multifunctional USB pedometer



4. Cater to Designated Checkups and Health Guidance

Aiming to reduce such lifestyle-related diseases as metabolic syndrome, from April 2008, Japan introduced mandatory health checkups and health guidance for individuals and their dependents aged forty or above who are covered by health insurance. Viewing designated checkups and health guidance as a new opportunity to expand operations, the Health & Fitness Segment will draw on its unique advantages to develop health guidance services. Those initiatives will leverage our nationwide network of Konami sports clubs, data management technology based on IT-enabled health management systems, and effective guidance provide by personnel with a wealth of experience.

Further, through a comprehensive service package based on a tie-up with RESORT SOLUTION Co. Ltd., we will lighten the implementation burden of health insurance providers.

5. Collaborate with Educational Institutions to Develop Products

In 2007, we began collaborations with Kagawa Nutrition University in July and Osaka Electro-Communication University in September.

Through our collaboration with Kagawa Nutrition University, Japan's only university dedicated to nutrition, we are fostering instructors able to offer combined guidance on appropriate exercise and nutrition. We hope that the tie-up will contribute to the development of comprehensive health-related products and programs encompassing exercise and nutrition as well as the personnel that will underpin such programs.

The partnership with Osaka Electro-Communication University, which has expertise in clinical medicine and information science, will train instructors and engineers with advanced knowledge of health science. In April 2008, Osaka Electro-Communication University established a health and sports science department that will train sports engineers and health instructors through a curriculum focused on sports science, health information, and health and exercise guidance. Konami will help conduct that curriculum's classes and recruit outstanding instructors for its fitness clubs from among graduates. At the same time, we are collaborating with the university on research and development for new health-related devices, with a view to commercializing highly effective and practical training machines and health-related devices.



Konami's Services to Counteract Metabolic Syndrome

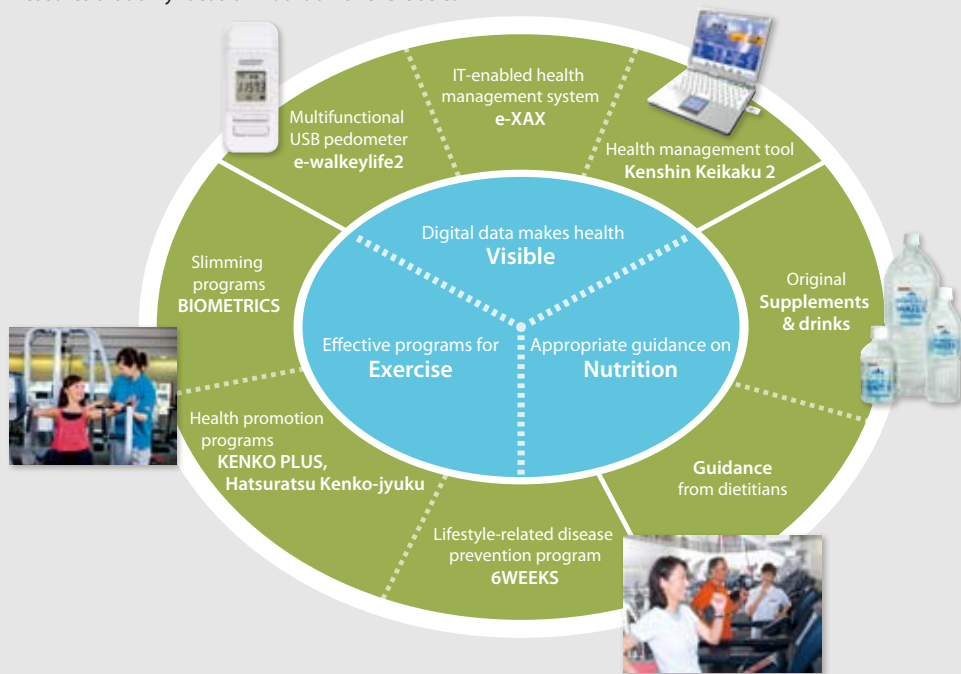
Using Our Unparalleled Expertise and Track Record and "Visible" Health Data to Provide One-Stop Exercise and Nutrition Support

Metabolic syndrome refers to medical disorders that increase the risk of such lifestyle-related diseases as diabetes and cardiovascular disease. Because those disorders impinge upon the healthy life expectancy of individuals, early countermeasures are desirable. Of the approximately 57 million people aged between 40 and 74 subject to health checkups and health guidance in Japan, metabolic syndrome affects 19.4 million people, 9.6 million of whom have the condition and 9.8 million of whom could develop it, according to the estimates of the Ministry of Health, Labour and Welfare as of October 1, 2006.

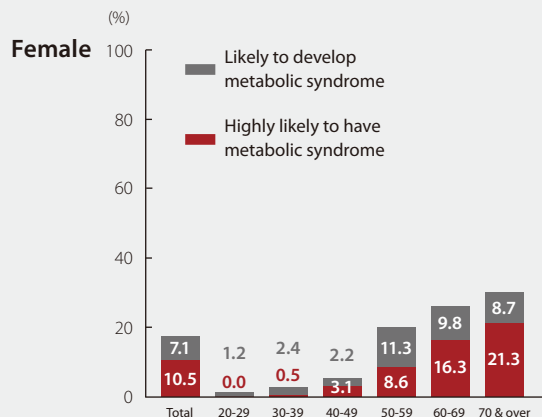
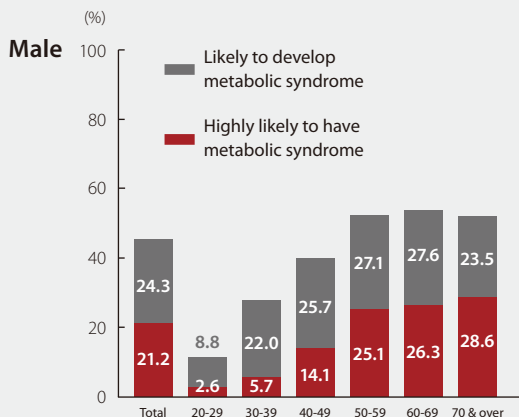
At Konami, we will make a considerable contribution to the prevention of metabolic syndrome through our facilities, health-related programs, qualified instructors, and health-related devices.

Extreme measures that only focus on nutrition or exercise can

result in imbalances that weaken the body. Therefore, balancing nutrition and exercise is important. However, because achieving that balance alone is difficult, receiving advice from a specialist is the best option. In our preventative program for lifestyle-related disease, *6WEEKS*, instructors that have acquired our stringent in-house license provide one-on-one lifestyle improvement guidance tailored to each participant's level. Further, we use the multifunctional USB pedometer, *e-walkeylife2*, to track and make "visible" the amount of exercise customers take in their everyday lives, not only at fitness clubs but also at home and at work. Customers can use their home personal computers to view their health data over the Internet. Moreover, they can record their food intake, enabling effective management of nutrition and exercise.



Metabolic Syndrome (visceral fat syndrome (aged 20 and above))



Source: Ministry of Health, Labour and Welfare

■ Fiscal 2008 Overview

In fiscal 2008, ended March 31, 2008, the Health & Fitness Segment recorded year-on-year declines of 2.2% in net revenues, to ¥86.5 billion, and 29.6% in operating income, to ¥5.3 billion. Amid an aging society and diversifying health demand and health trends, higher operating costs due to recent hikes in crude oil prices and intermittent renovation work in adherence with a policy of making safety our first priority affected the segment's performance. However, Konami will continue to further improve its health-support services.

In operations for directly managed fitness clubs, we provided high-quality services by incorporating information technology into health management and expanding and improving health-related programs. Those efforts involved stepping up introduction of the *e-XAX* system, an IT-enabled health management system that manages exercise history data and health promotion data for individuals, and continuing to promote a variety of health-related programs, including the lifestyle-related disease prevention program, *6WEEKS*, and the *BIOMETRICS* diet program. Further, in fiscal 2008 we acquired from Tokyo Electric Power Company, Inc., shares of Sportsplex Japan Co., Ltd., making it a subsidiary. Our new subsidiary operates 13 fitness clubs in the Tokyo metropolitan area.

In operations for fitness clubs managed on behalf of other organizations, we continued to use our expertise and experience to operate public facilities and improve the health of local residents. Newly assumed facilities included Spark Ayukawa in Ibaraki Prefecture and Wing Arena Kariya in Aichi Prefecture.

As a result, the total of directly managed fitness clubs and those managed on behalf of other organizations was up 20 facilities from the previous fiscal year, to 332 facilities nationwide, as of the end of March 2008. That total comprised 222 directly managed facilities and 110 facilities managed on behalf of other organizations. Further, the membership of directly managed fitness clubs declined 1.1% year on year, to 978,000 members, as of the end of March 2008.

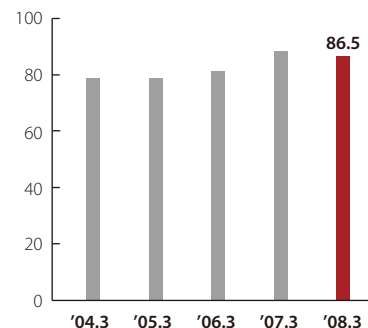
In operations for health-related products, we stepped up marketing of home-use products compatible with the *e-XAX* service of Konami Sports Club, including the multifunctional USB pedometer, *e-walkeylife2*; a health management tool that connects with televisions, *Kenshin Keikaku TV*; and health management software for personal computers, *Kenshin Keikaku 2*. Also, we catered to diversifying health needs by developing original nutritional supplements while further expanding nutritional supplement lineups.

In other initiatives, we made all monthly-fee members eligible for the preferential member services of Konami Sports Club from March 2008. By showing their membership cards, these members can use a range of service discounts and other preferential services from a choice of approximately 6,000 services, including accommodation facilities in Japan and overseas, sports facilities, leisure facilities, English conversation schools, and providers of health checkup services, baby-sitting services, and home nursing care services.

Further, providing members with original services that use health data, we organized the *Ganbare! Nippon!® Walk Rally*, which uses *e-walkeylife2*. Our operations outside fitness clubs mainly consist of planning tours for adults related to sports and leisure and extracurricular activities for children. For example, as part of Konami's *Hawaii Project*, the Company offered marathon and cycling tours in Hawaii. Also, we ran our *Ne-Child Camp* programs, which give children firsthand experience of nature.

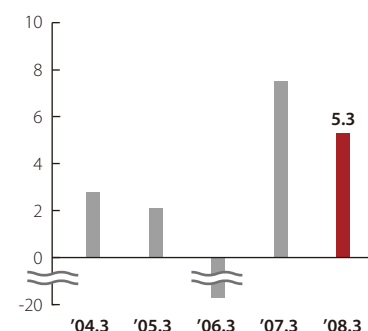
Net Revenues

(Yen in Billions)



Operating Income

(Yen in Billions)



Konami Sports Club membership card

Gaming & System Segment



Satoshi Sakamoto

Corporate Officer (in charge of Gaming & System Business)
Representative Director, Konami Gaming, Inc. (U.S.)
Representative Director, Konami Australia Pty Ltd (Australia)

We will market thrilling, innovative gaming machines that enrich the entertainment value of casinos.

The Gaming & System Segment has a global marketing platform covering international casino hubs in North America and Australia and has acquired gaming licenses in 27 U.S. states, 8 Canadian provinces, and all Australian states and territories.

The North American market may contract temporarily as an economic slump triggered by the subprime loans problem curbs investment in casinos. Nevertheless, the region remains an international center for casinos, and we are convinced it is the market in which we should continue concentrating most of our efforts.

At present, the Gaming & System Segment is carving out a larger share of the North American market by tirelessly launching fresh products featuring the outstanding entertainment value that has become Konami's trademark. In Australia, the world's second largest casino market after North America, we are expanding operations as the first step toward becoming a global supplier trusted in casino markets worldwide. Also, we will open up new markets through information sharing and operational tie-ups among our three operational bases in North America, Australia, and Japan.

Further, we will incorporate the technology and expertise that the Konami Group has accumulated in the digital entertainment field in the manufacture of gaming machines and the development of systems to bring to market fresh, mould-breaking gaming machines that will magnify casinos' entertainment value.

Expect significant advances from the Gaming & System Segment.

■ The Gaming & System Segment's Growth Strategy

1. Build a Global Platform for Operations

Anticipating the coming globalization of the casino industry, the Gaming & System Segment shifted from a regional strategy to a global strategy in fiscal 2006. Making development bases borderless and building systems for conducting operations globally that cover all employee ranks has invigorated our workforce and enabled the pursuit of earnings as an operating company.

We intend to further strengthen collaboration among operational bases in North America, Australia, and Japan to accelerate the development of global operating systems that reliably supply high-quality products and services.

2. Develop Mechanical Slot Machines

Konami has marketed ground-breaking video slot machines that exploit to the utmost graphic representation, advanced technology, and entertainment value that the Digital Entertainment Segment has cultivated. However, in order to heighten our visibility in the slot machine market, we must enter the mechanical slot machine market.

With that in mind, from fiscal 2008 the Company began developing highly original products for the mechanical slot machine market incorporating technology, expertise, and ideas Konami has gathered in the digital entertainment field. The result of those development efforts was the Konami Group's first mechanical slot machine, *Advantage 5*, which won high praise from members of the casino industry. Since sales began, *Advantage 5* has become very popular in North America, with the number of installations growing.

Going forward, we will develop video slot machines and mechanical slot machines to claim bigger shares of markets in North America and Australia.



Konami Gaming, Inc.



Mechanical slot machine *Advantage 5* at the Global Gaming Expo 2007

3. Increase Sales of Konami Casino Management System

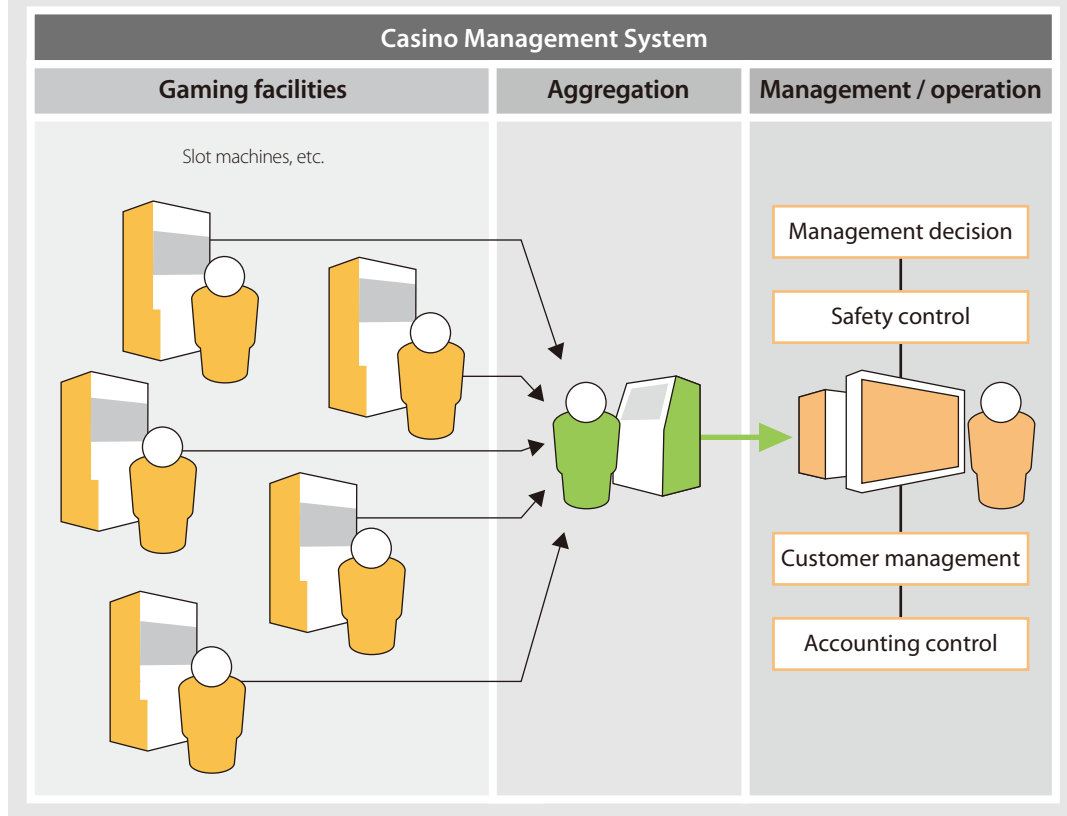
Stabilize earnings through participation agreements

The large number of *Konami Casino Management System* installations concentrated in North America testifies to recognition of the product's convenience and advanced technology. In particular, bolstering customer relationship management functions has elevated the system's reputation and visibility. With a track record of installations at major casinos and a recent upturn in installation demand from regions other than North America, the outlook for this product is becoming brighter and brighter.

Higher installations of *Konami Casino Management System* increase regular revenues from related maintenance services. As another strategy to stabilize revenues, we will conclude more participation agreements, under which we continuously share revenues from gaming machines with casino operators. Konami will grow earnings by increasing sales of hit products that are suited to such revenue-sharing agreements.

Konami Casino Management System

Casino management systems provide a network linking slot machines, table games, other cash-handling areas, and computer servers. The *Konami Casino Management System* with its advanced rapid performance enabling the management of slot machine information, customer information, and settlements in real time using a single membership card.



■ Fiscal 2008 Overview

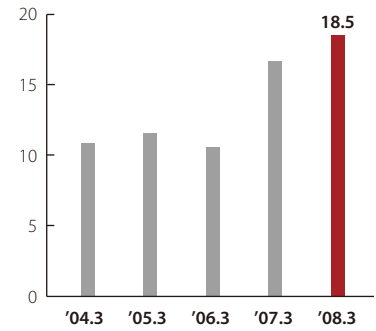
In fiscal 2008, ended March 31, 2008, the Gaming & System Segment strengthened its operating platform and increased and improved its lineup in North America. Thanks to those efforts, the segment posted higher revenues and earnings for the second consecutive year, with year-on-year increases of 10.3% in net revenues, to ¥18.5 billion, and 28.8% in operating income, to ¥2.8 billion. In particular, operating income was up significantly due to improved profitability resulting from completion in the previous fiscal year of a round of upfront investment needed for the acquisition of gaming licenses and the development of marketing and manufacturing bases.

In North America, the world's largest gaming market, the *K2V* video slot machine series, which is becoming a mainstay, and *Konami Casino Management System* sold steadily. Further, we debuted our first 5-reel mechanical slot machine, *Advantage 5*, at the gaming industry's largest international trade show, Global Gaming Expo 2007, in Las Vegas in November 2008. That new offering contributed significantly to revenues. Also, the segment's earnings structure further stabilized due to higher regular revenues stemming from increases in participation agreements, under which we share revenues with casino operators, and maintenance services provided for *Konami Casino Management System*.

In the Australian market, faced with the regulation of installation numbers in some states, the regulatory establishment of nonsmoking areas in clubs and bars, and revisions to the tax system, we improved services for existing customers and continued to bring new products to market.

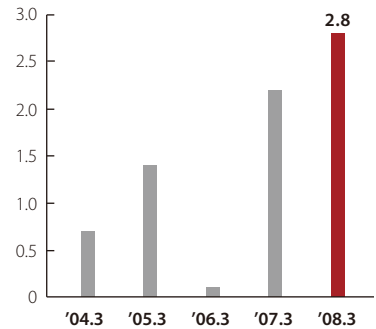
Net Revenues

(Yen in Billions)



Operating Income

(Yen in Billions)



Advantage 5
(Vibrant 7's)



Advantage+
(Incan Majesty)



Advantage+
(Aztec Kingdom)

Corporate Governance and Compliance



Noriaki Yamaguchi

Vice President, Director and Chief Financial Officer

**Based on stringent corporate governance systems,
Konami tirelessly ensures rigorous compliance.**

The Konami Group's Corporate Governance and Compliance

Trust is important in building good relationships with stakeholders. We believe that such trust results from a track record of continuous effort. Konami always ensures rigorous compliance based on stringent corporate governance systems. At the same time, the Company cultivates a corporate culture that discourages impropriety by inculcating a strong sense of ethics in each employee.

■ Corporate Governance

Our fundamental corporate governance policy is to achieve open and transparent management. Ahead of many other companies, KONAMI CORPORATION reformed its Board of Directors. We have introduced a corporate officer system that clarifies roles and enables fast, efficient management by delegating responsibility for decision making to the Board of Directors and responsibility for operational implementation to corporate officers. Also, we are strengthening management oversight. At present the Board of Directors comprises seven directors, three of whom are external directors. Further, the Company employs an auditor system based on Japan's Corporate Law and heightens management transparency by making all four corporate auditors external.

Response to the U.S. Sarbanes-Oxley Act (internal control)

In 2002, KONAMI CORPORATION listed on the New York Stock Exchange, which has the most exacting listing standards of any securities exchange in the world. Since then, we have developed systems in response to the U.S. Sarbanes-Oxley Act, which was enacted to strengthen regulation for corporate governance and disclosure. In fiscal 2007, we began specific development initiatives by beginning to build Company-wide internal control systems. Through such initiatives, we have strengthened systems that prevent improprieties and errors. Moreover, the whole Group will make a concerted effort to realize even stronger corporate governance systems.

■ Compliance

To promote compliance, we have established the Konami Group Conduct Charter and the Konami Group Code of Business and Ethics, and we work toward a common awareness of compliance by informing each employee about compliance principles. Further, to prevent corporate corruption, we encourage the use of an internal notification system and rigorously protect the privacy of informants. Three internal organizations, the Risk Management Committee, the Compliance Committee, and the Disclosure Committee undertake systematic compliance measures that include Companywide preventative and educational initiatives.

■ Acquisition and Renewal of Gaming Licenses

In 2000, Konami became the first Japanese company to obtain a license from the state of Nevada, in the United States, for the manufacture and sale of casino gaming machines. As of March 2008, we had obtained licenses in 35 states and provinces in North America. Those licenses not only entail thorough investigations of companies but also require strict compliance by individual executives. Further, in order to maintain licenses for the manufacture and sale of casino gaming machines, we must rigorously inform all Group employees about the importance of compliance. Konami believes that such strict corporate discipline will further earn stakeholder trust.

Board of Directors, Corporate Auditors, and Corporate Officers

The 37th Board of Directors and Corporate Auditors, KONAMI CORPORATION

(As of June 27, 2008)

Position	Name	
Representative Director	Kagemasa Kozuki	
Representative Director	Noriaki Yamaguchi	
Representative Director	Kimihiko Higashio	
Director	Kagehiko Kozuki	
Director (External)	Tomokazu Godai	Chairman, MAYATEC Co., Ltd.
Director (External)	Hiroyuki Mizuno	Director, Hiroshima Prefectural Institute of Industrial Science and Technology (Former Vice President, Matsushita Electric Industrial Co., Ltd.)
Director (External)	Akira Gemma	Senior Advisor, Shiseido Co., Ltd. (Former President, Shiseido Co., Ltd.)
Standing Corporate Auditor (External)	Noboru Onuma	(Former Director, Sumitomo Mitsui Banking Corporation)
Corporate Auditor (External)	Tachio Ohori	(Former Superintendent-General of the Metropolitan Police Department)
Corporate Auditor (External)	Masaru Mizuno	Senior Advisor, Japan Tobacco Inc. (Former Commissioner, National Tax Agency, Former Representative Director and President, Japan Tobacco Inc.)
Corporate Auditor (External)	Shogo Sasabe	Senior Advisor, BANDO CHEMICAL INDUSTRIES, LTD., President, Kobe Pharmaceutical University (Former Representative Director and President, BANDO CHEMICAL INDUSTRIES, LTD.)

Corporate Officers, KONAMI CORPORATION

(As of May 15, 2008)

Position	Name
President, Director, CEO	Kagemasa Kozuki
Vice President, Director, CFO	Noriaki Yamaguchi
Vice President, Director, CAO	Kimihiko Higashio
Executive Corporate Officer	Fumiaki Tanaka
Executive Corporate Officer	Kazumi Kitaue
Executive Corporate Officer	Akihiko Nagata

Position	Name
Corporate Officer	Toshimitsu Oishi
Corporate Officer	Satoshi Sakamoto
Corporate Officer	Shuji Kido
Corporate Officer	Shigeo Niwa
Corporate Officer	Akira Tamai
Corporate Officer	Mineaki Yoshiba

Group Companies

(As of July 2, 2008)

■ Konami Digital Entertainment Co., Ltd.

Paid-in Capital: ¥26,000 million
7-2, Akasaka 9-chome, Minato-ku, Tokyo 107-8324, Japan
TEL: 81-3-5771-0573 FAX: 81-3-5412-3310

■ Konami Sports & Life Co., Ltd.

Paid-in Capital: ¥11,000 million
7-2, Akasaka 9-chome, Minato-ku, Tokyo 107-8325, Japan
TEL: 81-3-3746-0573 FAX: 81-3-5412-3380

■ Konami Manufacturing and Service, Inc.

Paid-in Capital: ¥200 million
1-1, Higashihara 5-chome, Zama City, Kanagawa
228-0004, Japan
TEL: 81-46-298-0573 FAX: 81-46-256-3404

■ Konami Real Estate, Inc.

Paid-in Capital: ¥10,000 million
7-2, Akasaka 9-chome, Minato-ku, Tokyo 107-8326, Japan
TEL: 81-3-5772-0200 FAX: 81-3-5412-3400

■ KPE, Inc.

Paid-in Capital: ¥1,000 million
1-1, Higashihara 5-chome, Zama City, Kanagawa
228-0004, Japan
TEL: 81-46-257-0573 FAX: 81-46-298-1573

■ Hudson Soft Company, Limited

Paid-in Capital: ¥5,064 million
7-2, Akasaka 9-chome, Minato-ku, Tokyo 107-8446, Japan
TEL: 81-3-6439-4622 FAX: 81-3-6439-4623

■ Konami Corporation of America

Paid-in Capital: US\$35.5 million
2381 Rosecrans Avenue, Suite 200,
El Segundo, CA 90245-4922, U.S.A.
TEL:1-310-220-8100 FAX:1-310-220-8200

■ Konami Digital Entertainment, Inc.

Paid-in Capital: US\$21.5 million
2381 Rosecrans Avenue, Suite 200,
El Segundo, CA 90245-4922, U.S.A.
TEL:1-310-220-8100 FAX:1-310-220-8200



Konami Digital Entertainment Co., Ltd.
Konami Sports & Life Co., Ltd.

■ Konami Gaming, Inc.

Paid-in Capital: US\$25 million
585 Trade Center Drive,
Las Vegas, NV 89119, U.S.A.
TEL:1-702-367-0573 FAX:1-702-367-0007

■ Konami Digital Entertainment B.V.

Paid-in Capital: Euro 9.01 million
389 Chiswick High Road, Chiswick, London,
W4 4AL UK
TEL:44-20-8987-5733 FAX:44-20-8987-5734

■ Konami Digital Entertainment GmbH

Paid-in Capital: Euro 5.11 million
Berner Str. 103-105, 60437 Frankfurt am Main,
Germany
TEL:49-69-985573-0 FAX:49-69-985573-77

■ Konami Digital Entertainment Limited

Paid-in Capital: HK\$19.5 million
Room Nos. 611B, 612 & 613, 6F, Tsim Sha Tsui Centre,
66 Mody Road, Kowloon, Hong Kong
TEL:852-2956-0573 FAX:852-2956-2300

■ Konami Software Shanghai, Inc.

Paid-in Capital: US\$2 million
9F, Shanghai Westgate Mall, No.1038
Nanjing Road (W) Shanghai 200041, P.R. China
TEL:86-21-6267-0573 FAX:86-21-6271-1002

■ Konami Australia Pty Ltd

Paid-in Capital: A\$30 million
28 Lord Street, Botany, NSW, Australia 2019
TEL:61-2-9666-5731 FAX:61-2-9666-3695



Konami Gaming, Inc.

Konami Milestones

Mar.	1969	Kagemasa Kozuki (current Chairman of the Board and Chief Executive Officer) founded a jukebox rental and repair business at 148 Kozushima, Toyonaka, Osaka.
Mar.	1973	KONAMI INDUSTRY CO., LTD. (Konami) was established at 3-124-1 Meishinguchi, Toyonaka, Osaka, with capital of ¥1 million. Konami began to manufacture amusement machines for arcades.
Jan.	1978	Konami created and began to market video games using microcomputers.
Jan.	1979	Konami exported products to the U.S. for the first time (marked the first step towards expansion into the U.S.).
May	1980	Headquarters was transferred to the newly constructed office building at 2-11-1 Shonai-Sakaemachi, Toyonaka, Osaka.
Mar.	1981	The Konami logo was established.
Mar.	1982	Konami entered the toy game business. Konami received an investment from Osaka Small and Medium Business Investment & Consultation Co., Ltd. and increased its capital to 120 million yen. Headquarters was transferred to Osaka Ekimae Daiyon Building at 1-11-4 Umeda, Kita-ku, Osaka.
Jun.	1982	President Kagemasa Kozuki contributed his own Konami shares to establish the Kozuki Foundation for Higher Education (approved by Hyogo Prefecture) to which he was inaugurated as the Executive Director (began social contribution activities).
Oct.	1982	Konami entered the PC game business.
Nov.	1982	Konami of America, Inc. (currently Konami Digital Entertainment, Inc.) was established in the U.S.
Dec.	1983	Konami entered the MSX game business.
Mar.	1984	Construction was completed on the new building for the Technology Development Center in Toyonaka, Osaka.
May	1984	Konami Ltd. (currently Konami Digital Entertainment B.V.) was established in the U.K.
Oct.	1984	Konami was listed on the Second Section of the Osaka Securities Exchange (specially designated stocks in the second section) and increased capital to ¥2.94 billion.
Dec.	1984	Konami GmbH (currently Konami Digital Entertainment GmbH) was established in Germany.
Apr.	1985	Konami entered the Nintendo ENTERTAINMENT SYSTEM (called "FAMILY COMPUTER" in Japan) game business.
Aug.	1986	CI was introduced on the occasion of the 17th anniversary of its founding. Konami's logo went through a transformation. Headquarters was transferred to the newly constructed Konami Software Development Building at 7-3-2 Minatojima-Nakamachi, Chuo-ku, Kobe, Hyogo.
Oct.	1986	Construction was completed on the new building for the production control department and distribution center in Toyonaka, Osaka.
Dec.	1987	Konami Kosan Co., Ltd. (currently Konami Real Estate, Inc.) was established.
Feb.	1988	Konami was listed on the Second Section of the Tokyo Stock Exchange.
Aug.	1988	Konami was listed on the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange.
May	1991	Construction was completed on the Konami Technology Development Center (currently Kobe Office) in Nishi-ku, Kobe, Hyogo.
Jun.	1991	KONAMI INDUSTRY CO., LTD. changed its trade name to KONAMI CO., LTD.
Nov.	1991	Konami entered the PC Engine game business.
Jun.	1992	The Tokyo Headquarters was set up at 4-3-1 Toranomom, Minato-ku, Tokyo.
Dec.	1992	Konami entered the MEGADRIVE (called "GENESIS" in North America) game business.
Aug.	1994	Construction was completed on the Tokyo Technical Center (currently Zama Office) in Zama, Kanagawa.
Sep.	1994	Konami (Hong Kong) Limited (currently Konami Digital Entertainment Limited) was established in Hong Kong.
Dec.	1994	Konami entered the PlayStation game business.
Jan.	1995	The Kobe Building in Minatojima, Chuo-ku, Kobe, received some damage due to the Great Hanshin-Awaji Earthquake.
Nov.	1996	U.S. holding company, Konami Corporation of America was established in the U.S. Konami Australia Pty Ltd was established in Australia.
Jan.	1997	Konami Gaming, Inc. was established in the U.S.
Mar.	1997	Construction was completed on the Amusement Machine Division Plant (merged with current Kobe Office) in Kobe, Hyogo.
Oct.	1997	Konami entered a gaming machines market in Australia.
Nov.	1997	Konami was listed on the Singapore Exchange. European holding company, Konami Europe B.V. (currently Konami Digital Entertainment B.V.) was established in the Netherlands.

Oct.	1998	Konami's logo was changed from italics to plain text.
Feb.	1999	Konami entered the card game business and released the <i>Yu-Gi-Oh! Trading Card Game</i> .
Jun.	1999	Konami began to create, manufacture, and market LCD games for pachinko manufacturers.
Sep.	1999	Konami was listed on the London Stock Exchange.
Dec.	1999	The registered office of Konami was transferred to "4-3-1 Toranomom, Minato-ku, Tokyo", from "Kobe, Hyogo".
Jan.	2000	Konami became the first Japanese company to enter the world's largest gaming machines market in the U.S.
Mar.	2000	The Kozuki Foundation for Higher Education established the Kozuki Foundation for Advanced Information Technology (approved by the Ministry of Education, Culture, Sports, Science and Technology) to which Kagemasa Kozuki was inaugurated as Executive Director (the social contribution activities were expanded on a nationwide scale).
Jun.	2000	Konami Software Shanghai, Inc. was established in China.
Jul.	2000	The corporate name was changed from KONAMI CO., LTD. to KONAMI CORPORATION.
Nov.	2000	Konami announced a new type of financial product called "Game Fund Tokimeki Memorial".
Feb.	2001	PEOPLE CO., LTD. became a subsidiary through a friendly TOB (Take Over Bid) (currently Konami Sports & Life Co., Ltd.) and Konami entered the Health & Fitness business.
Aug.	2001	Konami invested in HUDSON SOFT CO., LTD. and made it an affiliated company.
Sep.	2001	Konami donated the Konami Multimedia Hall to Osaka Electro-Communication University (Neyagawa, Osaka).
Oct.	2001	Konami entered the toy candy business.
Feb.	2002	Konami entered the Xbox game business.
Mar.	2002	Konami launched e-AMUSEMENT (online service for arcade machines).
Apr.	2002	The names of Konami sports facilities were changed to Konami Sports Club.
Aug.	2002	Headquarters was transferred to 2-4-1 Marunouchi, Chiyoda-ku, Tokyo.
Sep.	2002	Konami was listed on the New York Stock Exchange.
Mar.	2003	Kozuki Foundation for Education established Kozuki Foundation for Sports and Athletes (approved by the Ministry of Education, Culture, Sports, Science and Technology) to which Kagemasa Kozuki was inaugurated as Executive Director (supported athletes and expanded social contribution activities focused on the promotion of sports).
Apr.	2003	Konami introduced a new logo on the occasion of the 30th anniversary since the establishment of the company. The newly developed EZ training machine series was installed at Konami Sports Clubs nationwide.
Oct.	2003	Konami was added to the Nikkei Stock Average (Nikkei 225).
Sep.	2004	AEDs (Automated External Defibrillator) were installed at every Konami Sports Club.
Mar.	2005	Kozuki Foundation for Education, Kozuki Foundation for Advanced Information Technology and Kozuki Foundation for Sports were merged under Kozuki Foundation for Sports and Education (approved by the Ministry of Education, Culture, Sports, Science and Technology).
Apr.	2005	Konami accepted new third-party shares issued by HUDSON SOFT CO., LTD. and made it a consolidated subsidiary.
Jun.	2005	Construction was completed on the new offices and production facility for casino machines in Las Vegas, Nevada, U.S.
Jul.	2005	Konami Sports Club received authorization by the Japanese Olympic Committee to become Japan's first "JOC Athlete Support Center".
Oct.	2005	Konami Logistics and Service, Inc. (currently Konami Manufacturing and Service, Inc.) was established.
Feb.	2006	Internet Revolution, Inc. was established as a joint venture company with Internet Initiative Japan Inc.
Mar.	2006	Konami acquired capital in Resort Solution Co., Ltd. (equity method affiliate) and business alliance. Konami Digital Entertainment Co., Ltd. was newly established to take over Konami's digital entertainment business and Konami shifted to a pure holding company.
May	2006	Konami acquired entire stake in Combi Wellness Corporation and made it a subsidiary.
Aug.	2006	Konami entered a pachinko slot machines market.
Apr.	2007	Headquarters was transferred to Midtown East, 9-7-2, Akasaka, Minato-ku, Tokyo. The offices of Konami group in Tokyo moved together to "Tokyo Midtown".
Mar.	2008	Konami transformed Sportsplex Japan Co., Ltd. into a consolidated subsidiary through a share purchase.

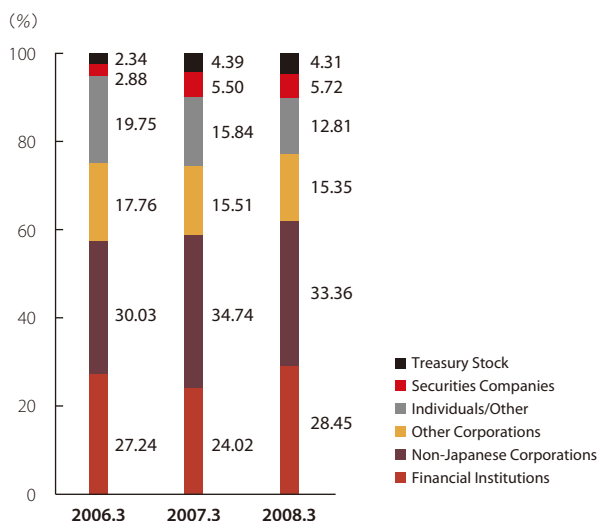
Investor Information

(As of March 31, 2008)

Common Stock

- **Authorized:** 450,000,000 shares
- **Outstanding:** 143,500,000 shares
(including 6,178,443 treasury shares)
- **Number of Shareholders:** 42,122

Composition of Shareholders



Principal Shareholders

Shareholder's Name	Shares (Thousands)	% of Total
Kozuki Foundation For Sports and Education	14,330	9.99
Kozuki Holding B.V.	13,530	9.43
THE MASTER TRUST BANK OF JAPAN, LTD. (TRUST ACCOUNT)	11,840	8.25
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT)	11,058	7.71
Kozuki Capital Corporation	7,036	4.90
KONAMI CORPORATION	6,178	4.31
DEUTSCHE SECURITIES INC.	4,259	2.97
SUMITOMO MITSUI BANKING CORPORATION	4,135	2.88
JPMORGAN CHASE BANK 380055	3,869	2.70
BNP PARIBAS SECURITIES (JAPAN) LTD.	2,770	1.93
SOCIETE GENERALE SECURITIES (NORTH PACIFIC) LTD. TOKYO BRANCH	2,378	1.66
STATE STREET BANK AND TRUST COMPANY	2,061	1.44
TRUST & CUSTODY SERVICES BANK, LTD. (TRUST ACCOUNT Y)	2,006	1.40
TRUST & CUSTODY SERVICES BANK, LTD. (INVESTMENT TRUST ACCOUNT)	1,997	1.39
NOMURA SECURITIES CO., LTD.	1,754	1.22
KONAMI SHAIN MOCHIKABUKAI	1,332	0.93
MOXLEY AND COMPANY	1,281	0.89
MORGAN WHITEFRIARS EQUITY DERIVATIVES	1,170	0.82
NIKKOCITI TRUST AND BANKING CORPORATION (INVESTMENT TRUST ACCOUNT)	1,115	0.78
JAPAN TRUSTEE SERVICES BANK, LTD. (TRUST ACCOUNT 4)	1,079	0.75

Corporate Data

(As of March 31, 2008)

Company Name	KONAMI CORPORATION
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,399 million
Representative	Kagemasa Kozuki, Chairman of the Board and Chief Executive Officer
Headquarters	7-2, Akasaka 9-chome, Minato-ku, Tokyo 107-8323, Japan TEL: 81-3-5770-0573 FAX: 81-3-5412-3300
Employees	Consolidated: 5,472
Principal Businesses	<ul style="list-style-type: none">■ Digital Entertainment Segment Planning, production, manufacture, and sale of digital content for computer and video games, amusement arcade machines, card games, online games, and related products■ Health & Fitness Segment Operation of fitness clubs Planning, manufacture, and sale of fitness machines and health-related products■ Gaming & System Segment Development, manufacture, sale, and service of gaming machines for casinos and casino management systems
Home Page	URL: www.konami.co.jp/en

KONAMI



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Printed in Japan