

**Materials on Earnings Briefing for  
First Half of Fiscal Year Ending  
December 2007**

**Summary of Business Results**

**TECMO**

**August 23, 2007**

# **Business Results for First Half of Fiscal Year Ending December 2007**

# Outline of First Half of Fiscal Year Ending December 2007

## Consolidated interim business results

(Unit: Millions of yen)

	Sales			Operating profit			Ordinary profit			Net income		
		Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease
First half of the fiscal year ending December 2007 (Ratio of the interim results to projections for the full fiscal year)	6,461 (46.2%)	1,783	138.1%	1,316	639	194.5%	1,285 (67.5%)	814	191.5%	787 (65.6%)	326	170.8%
First half of the fiscal year ended December 2006	4,677	688	117.2%	676	179	136.2%	671	44	107.2%	461	127	138.4%
First half of the fiscal year ended December 2005	3,989	-	-	496	-	-	626	-	-	333	-	-

○ Profits are larger than the figures in the upward revision of interim projections, announced on July 5, 2007.

- Ordinary profit: up by 105 million yen; and net income; up by 77 million yen
- The better-than-expected performance is attributed to general, selling and administrative expenses, which were generally smaller than forecast thanks to the improvement of efficiency.

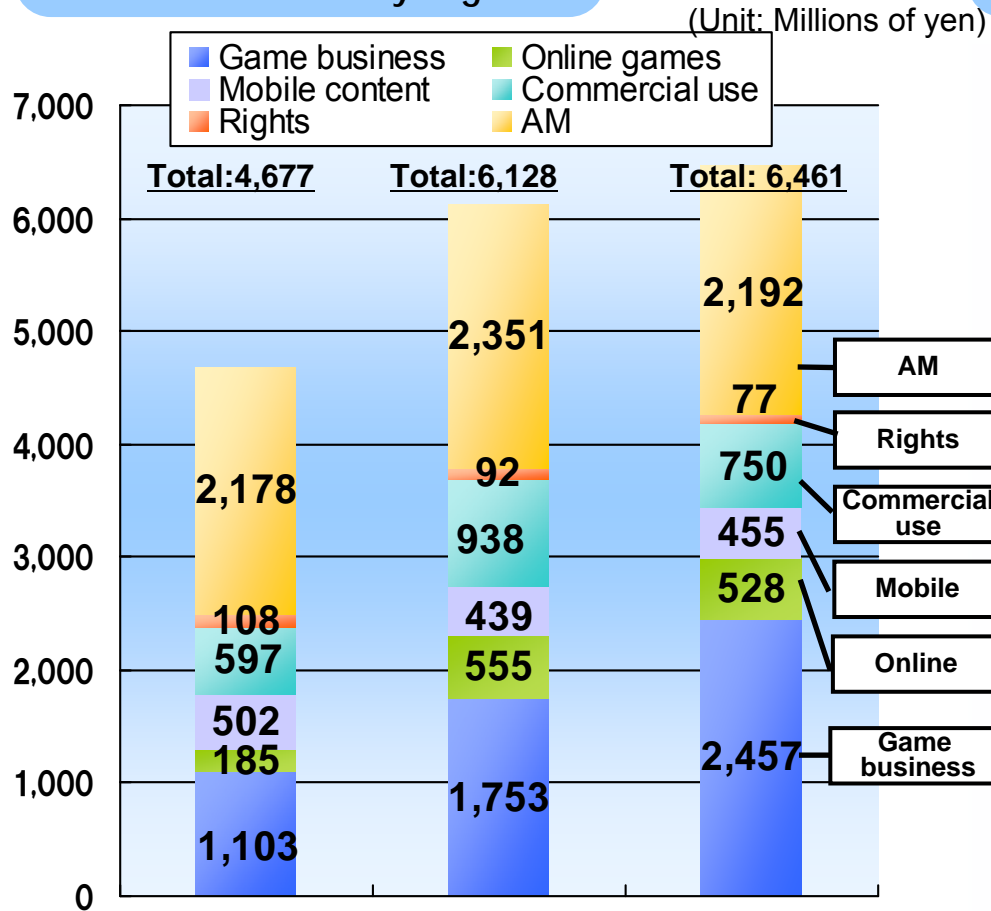
# Topics of First Half of Fiscal Year Ending December 2007

- **Upward revision of earnings of the interim period**
  - Worldwide shipments of 450,000 packages of NINJA GAIDEN Σ, a game-software for PLAYSTATION® 3 (Shipment volume as of August 22: 500,000 packages)
- **Early realization of enhancement of return of profits to shareholders**
  - Implementation of hike in stable dividend level (15 yen per share → 20 yen; with a commemorative dividend of 5 yen added, the year-end dividend will stand at 25 yen)
- **Delay in the start of proprietary online game services**
  - Gallop Racer ONLINE (spring 2007 → september, 2007)
  - Monster Farm Online (summer 2007 → autumn 2007)

# Consolidated Sales and Operating Profit by Segment

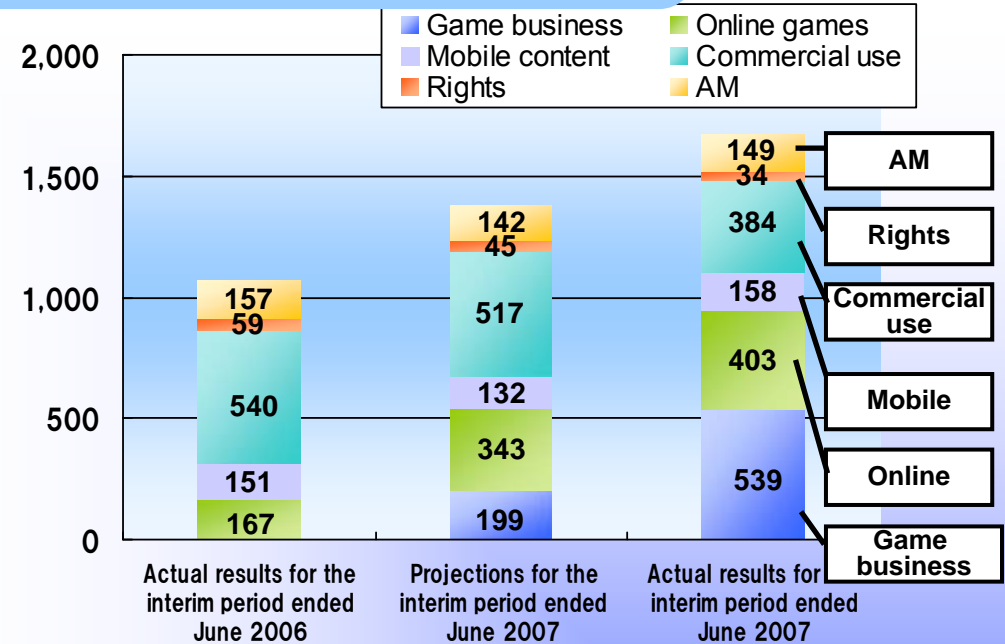
Interim period

Consolidated sales by segment



Actual results for the interim period ended June 2006      Projections for the interim period ended June 2007      Actual results for the interim period ended June 2007

Consolidated operating profit by segment (Unit: Millions of yen)



Consolidated operating profit by segment	Actual results for the interim period ended June 2006	Projections for the interim period ended June 2007	Actual results for the interim period ended June 2007
Game business	-13	199	589
Online games	167	343	403
Mobile content	151	132	158
Commercial-use equipment and software	540	517	384
Rights	59	45	34
Operation of amusement facilities	157	142	149
Elimination or company-wide	▲385	▲429	▲353
<b>Total</b>	<b>676</b>	<b>950</b>	<b>1,316</b>

# Titles Launched in First Half of Fiscal Year Ending December 2007

## Home-use game software

Six titles launched: 720,000 packages shipped

DEAD OR ALIVE 4 Platinum Hits (U.S.):

60,000 packages

NINJA GAIDEN Σ (Japan, the U.S. and Europe):

450,000 packages, and others



## Lievo business and online games

Number of globally registered members of Lievo: 5.5 million

WarRock: Service started on March 8.

The Lord of the Rings Online: Sale started on May 11.



## Mobile content

Number of members paying monthly fees: 240,000 (as of June 2006)

Number of downloading: 2.4 million (January - June 2007)

\* Number of medals downloaded: 2.32 million

Existing titles made to confirm to new game consoles

OTAKARA Dungeon RPG (i-mode) and others



Liquid crystal software for pachinko and pachislot machines

**Four titled launched**

Rio Paradise (NET), etc.

# Outline of Fiscal Year Ending December 2007

## ■ Consolidated projections for the full fiscal year

(Unit: Millions of yen)

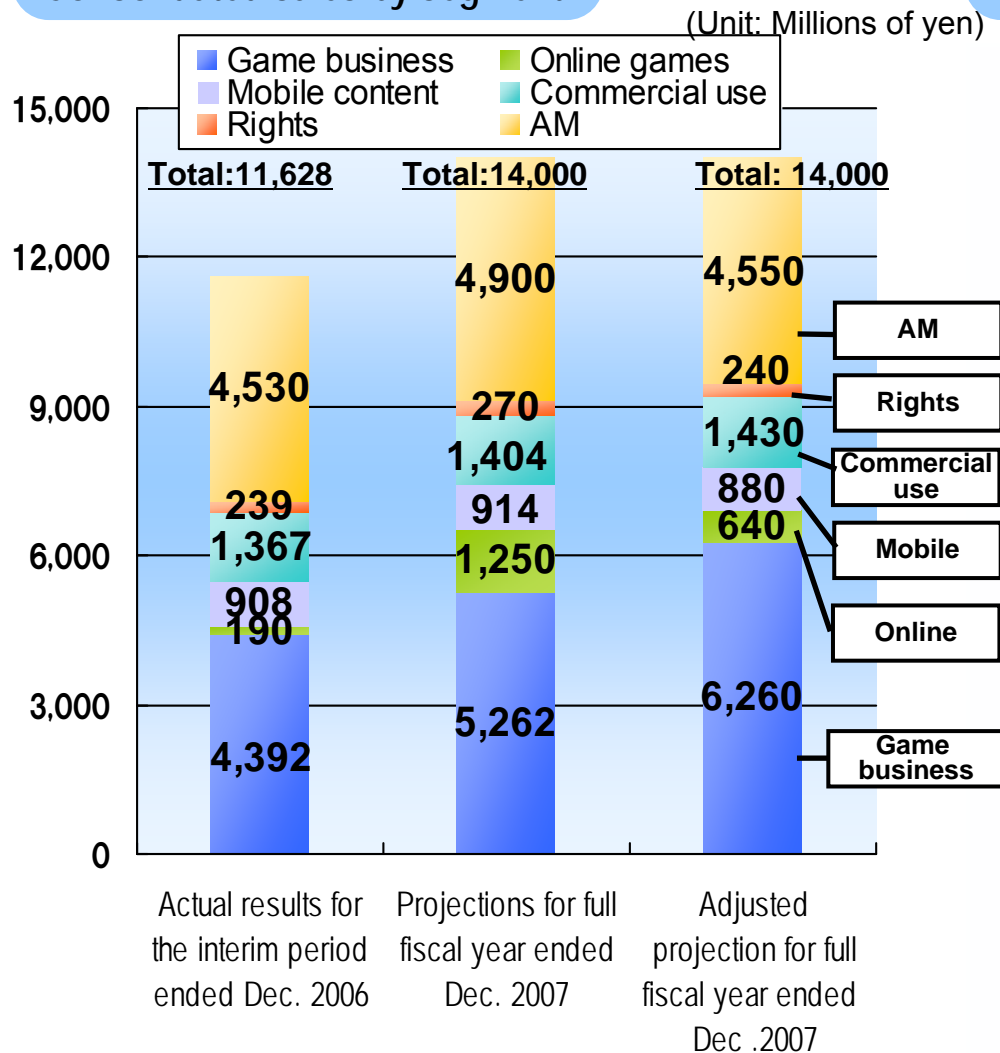
		Sales			Operating profit			Ordinary profit			Net income		
			Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease		Increase/ decrease	Rate of increase/ decrease
Fiscal year ending December 2007	<b>After revision</b>	<b>14,000</b>			<b>2100</b>			<b>2,200</b>			<b>1100</b>		
	(Difference between initial projections and revised figures)		<b>0</b>	<b>0%</b>		<b>200</b>	<b>110.5%</b>		<b>300</b>	<b>115.8%</b>		<b>200</b>	<b>122%</b>
	<b>Initial projections</b>	<b>14,000</b>	<b>2,371</b>	<b>120.4%</b>	<b>1,900</b>	<b>676</b>	<b>155.3%</b>	<b>1,900</b>	<b>536</b>	<b>139.3%</b>	<b>900</b>	<b>86</b>	<b>110.6%</b>
<b>(Reference) Fiscal year ended December 2006</b>		<b>11,628</b>	<b>-</b>	<b>-</b>	<b>1,223</b>	<b>-</b>	<b>-</b>	<b>1,363</b>	<b>-</b>	<b>-</b>	<b>813</b>	<b>-</b>	<b>-</b>

○ We revised earnings projections upward for the full fiscal year: operating profit by 200 million yen, ordinary profit by 300 million yen; and net income by 200 million yen.

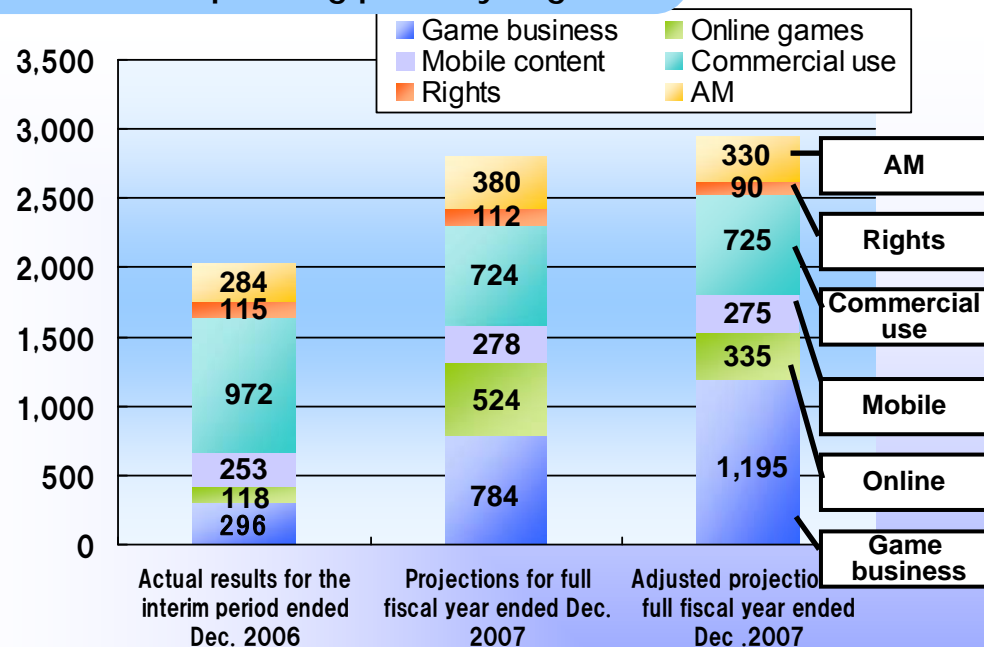
- In the game business, launch of Team NINJA title (not released yet), which had been included in the initial plan, was changed to 2008 or thereafter.
- A decrease in sales due to a delay in the start of service in the online game business is factored in.
- Projected sales and profits of the amusement facility operation business were slightly revised downward.
- The commercial-use equipment and software business and the mobile content business are performing as planned.

# Consolidated Sales and Operating Profit by Segment (Full fiscal year)

Consolidated sales by segment



Consolidated operating profit by segment (Unit: Millions of yen)



Consolidated operating profit by segment	Actual results for the interim period ended Dec 2006	Projections for full fiscal year ended Dec. 2007	Adjusted projection for full fiscal year ended Dec. 2007
Game business	296	784	1,195
Online games	118	524	335
Mobile content	253	278	275
Commercial-use equipment and software	972	724	725
Rights	115	112	90
Operation of amusement facilities	284	380	330
Elimination or company-wide	▲817	▲902	▲850
<b>Total</b>	<b>1,223</b>	<b>1,900</b>	<b>2,100</b>

# Prospects for Fiscal year ending December 2007

[Bid for creation of customers and expansion of business domains]  
[Sales to hit a record high in the recent 10 years, with the second largest operating profit]

## **-To launch 14 home-use game titles**

New Team NINJA titles: “NINJA GAIDEN Σ” (PS3) released on June 14, 2007

“NINJA GAIDEN Dragon Sword” (DS) to be launched

“DS Kyotaro Nishimura Suspense new detective series Kyoto, Atami and solitary island in the distant sea Trick of murderous intent” to be launched (to hit the market on October 11, 2007)

“Swing Golf Pangya 2nd Shot!” (Wii) and “Project Rygar (tentative)” (Wii) to be launched

## **-To start domestic services for 4 online game titles**

“WarRock”: Service started on March 8, 2007

“The Lord of the Rings Online”: Sale started on May 11, 2007

“Gallop Racer ONLINE”: Service started on September

“Monster Farm ONLINE”: Service planned to start in Autumn,2007

## **- To introduce 11 mobile content titles**

“OTAKARA Dungeon RPG” (i-mode), “DOA Paradise ♪” (i-mode) and “TECMO BOWL 2” (North America)

New game titles to be launched in October and new game sites to start in December

## **- To launch six tiles for pachislot machines and two tiles for pachinko machines**

# Titles Launched and To Be Launched in Fiscal year ending December 2007 [1]

## <Console game titles>



April 5  
Rakusho! Pachi-slot  
Declaration 5  
Rio Paradise (PS2)



June 14  
NINJA GAIDEN Σ (PS3)



Planned to be launched  
in 2007  
Project Rygar (tentative)  
(Wii)



Planned to be launched  
in 2007  
'Swing Golf Pangya 2nd  
Shot!' (Wii)

January	February	March	April	May	June	July	August	September	October	November	December
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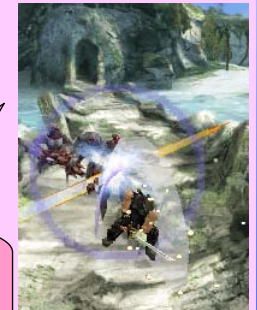
July 12  
Monster Farm DS



October 11  
DS Kyotaro Nishimura  
Suspense



Planned to be launched  
in 2007  
NINJA GAIDEN Dragon  
Sword (DS)



## <Hand-held game titles>

# Number of Home-Use Game Titles by Hardware

		Fiscal year ended December 2004 (period of nine months)				Fiscal year ended December 2005				Fiscal year ended December 2006				Fiscal year ending December 2007 (Projections)			
Manufacturer	Hardware	Japan	North America	Europe and others	Total	Japan	North America	Europe and others	Total	Japan	North America	Europe and others	Total	Japan	North America	Europe and others	Total
Nintendo	Wii	-	-	-	-	-	-	-	-	1	1	-	2	2	2	1	5
	DS	-	-	-	-	1	-	-	1	-	-	-	-	3	1	1	5
Total of Nintendo		-	-	-	-	1	-	-	1	1	1	-	2	5	3	2	10
Microsoft	Xbox	3	3	2	8	2	2	2	6	-	-	-	-	-	-	-	-
	Xbox360	-	-	-	-	1	1	-	2	1	1	2	4	-	-	-	-
Total of Microsoft		3	3	2	8	3	3	2	8	1	1	2	4	-	-	-	-
SCE	PS2	2	1	1	4	5	2	2	9	3	3	1	7	1	-	-	1
	PS3	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	3
	PSP	-	-	-	-	1	1	-	2	-	-	1	1	-	-	-	-
Total of SCE		2	1	1	4	6	3	2	11	3	3	2	8	2	1	1	4
Grand total		5	4	3	12	10	6	4	20	5	5	4	14	7	4	3	14

# Titles Launched and To Be Launched in Fiscal year ending December 2007 [2]

## <Online game titles>



March 8  
WarRock  
Service started

May 11  
"The Lord of the Rings  
Online"  
Sale started



Planned to be launched  
on September  
"Gallop Racer ONLINE"  
Service planned to start



Planned to be  
launched in 2007  
BASTARD!! ONLINE  
Service planned to start

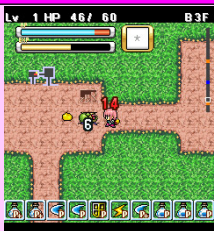


Planned to be launched  
in autumn 2007  
Monster Farm ONLINE  
Service planned to start



January	February	March	April	May	June	July	August	September	October	November	December
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April 17  
OTAKARA  
DungeonRPG  
(i-mode)



## <Mobile game titles>

July 17  
DOA Paradise  
(i-mode)



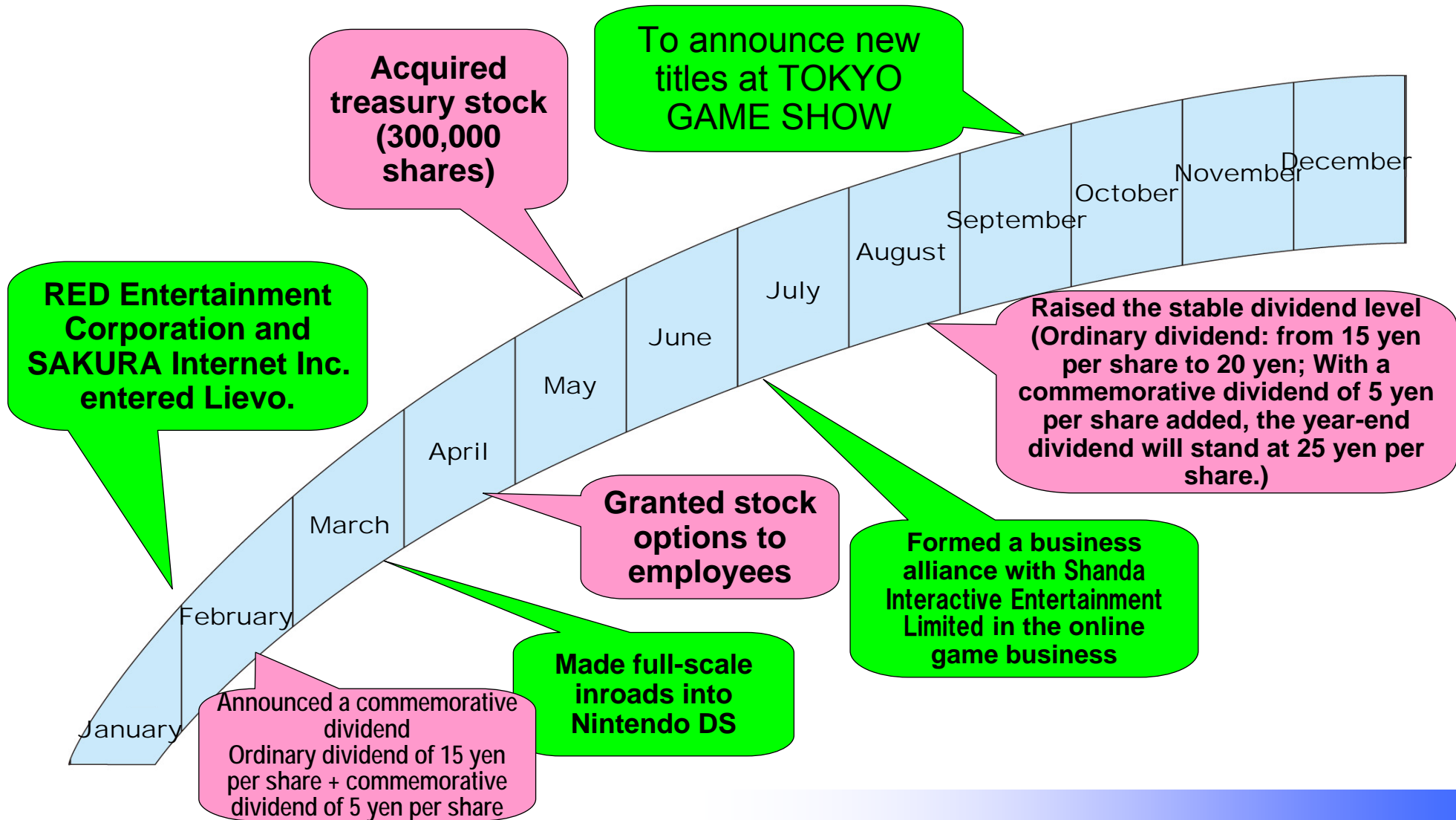
September  
TECMO BOWL 2  
(North America)



October  
New game title

December  
New game site

# Major Efforts in Fiscal Year ending December 2007



# General Conditions of TECMOWAVE, LTD.

# General Conditions of TECMOWAVE

- [1] Revitalization of existing outlets (efficient investment and enhancement of the operation system)
- [2] Promotion of outlets of new categories  
Renovation of “Hello Kitty’s Doremifa Island” and study of opening of the second outlet
- [3] Enhancement of used amusement machine sales business



A character show, in which Hello Kitty appears



“TECMOPIA LUXY” Operating area: About 670 square meters



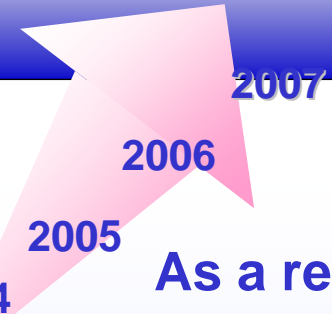
“Hello Kitty’s Doremifa Island” Operating area: About 554 square meters

# General Conditions of ULTRA SOCCER NET COMMUNICATIONS, LTD.

Various businesses have been derived from "ULTRA World SOCCER," one of the largest soccer mobile sites in Japan.

A full-scale portable media era has arrived thanks to technological innovation of cellular phones.

Alliances have been formed with prestigious clubs in the world as a result of the success of FC Barcelona



As a result, business is expanding.



World Eleven Shop  
FC Barcelona SHOP  
Manchester United mobile STORE  
Reds Press Shop

**EC business**

**Overseas site business**

**Video content business**

SNS  
"ULTRA SOCCER"  
Scheduler  
"FC11"



**PC business**



**Consigned editing business, etc.**

**Sale of software for cellular phones**

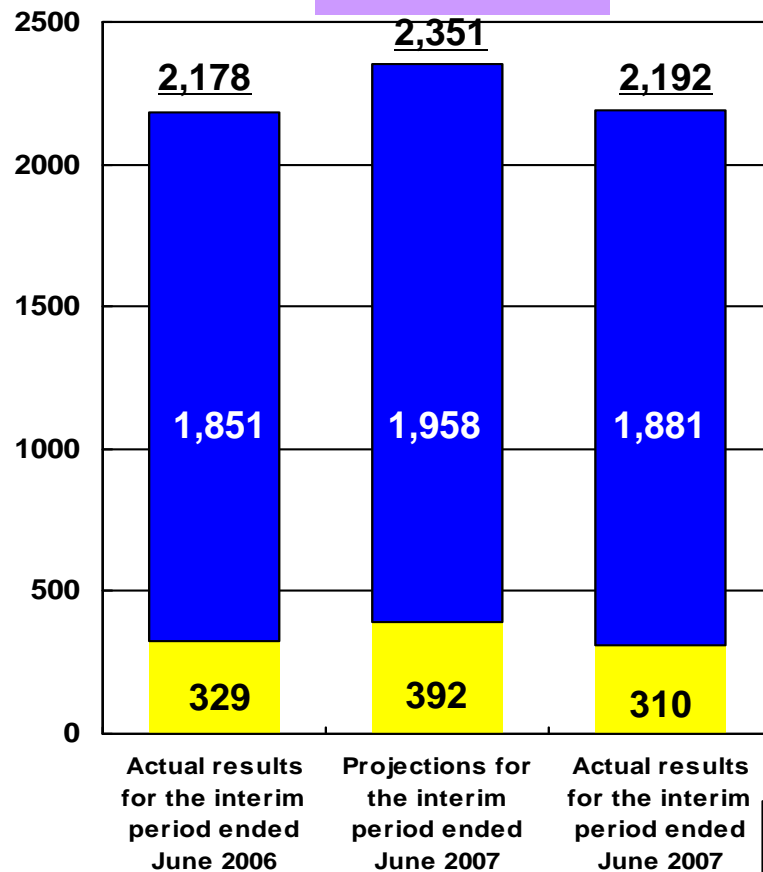
**<Technology> ASP business**

# Consolidated Sales and Operating Profit by Segment

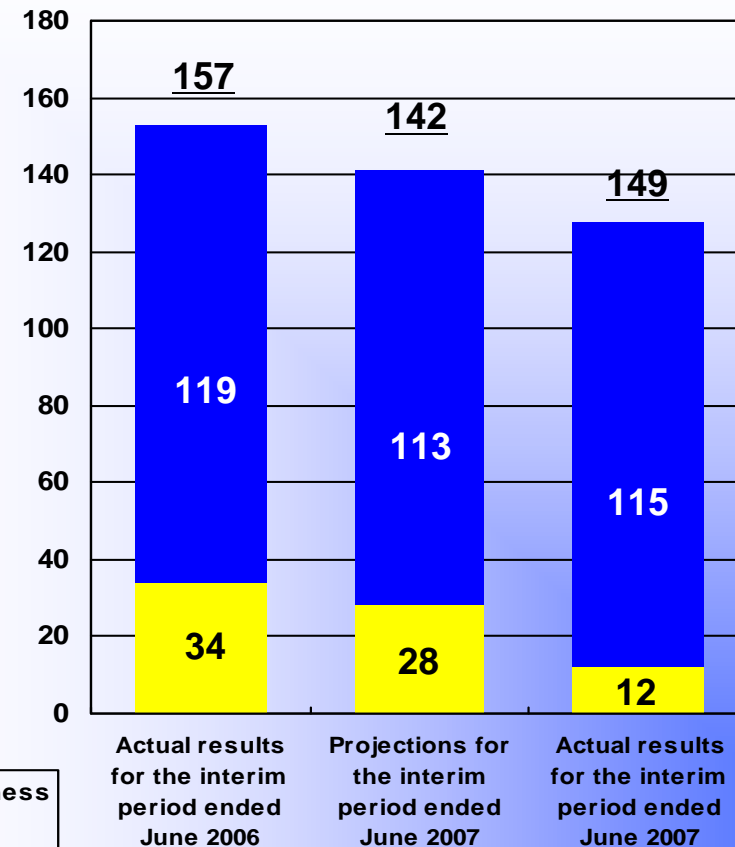
Interim period

## Sales

(Unit: Millions of yen)

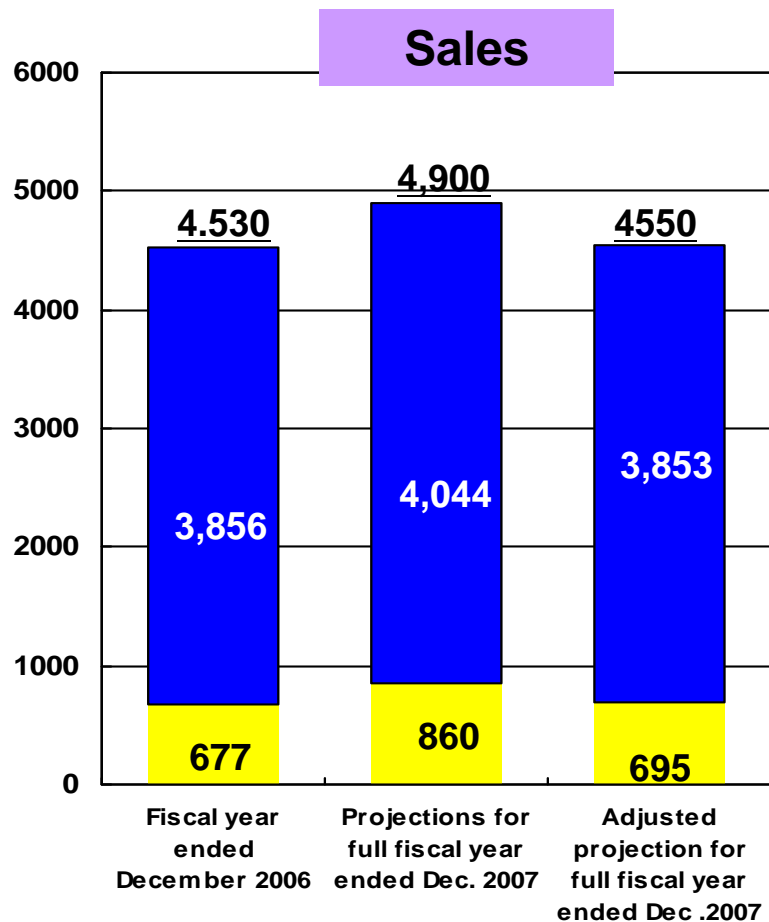


## Operating profit

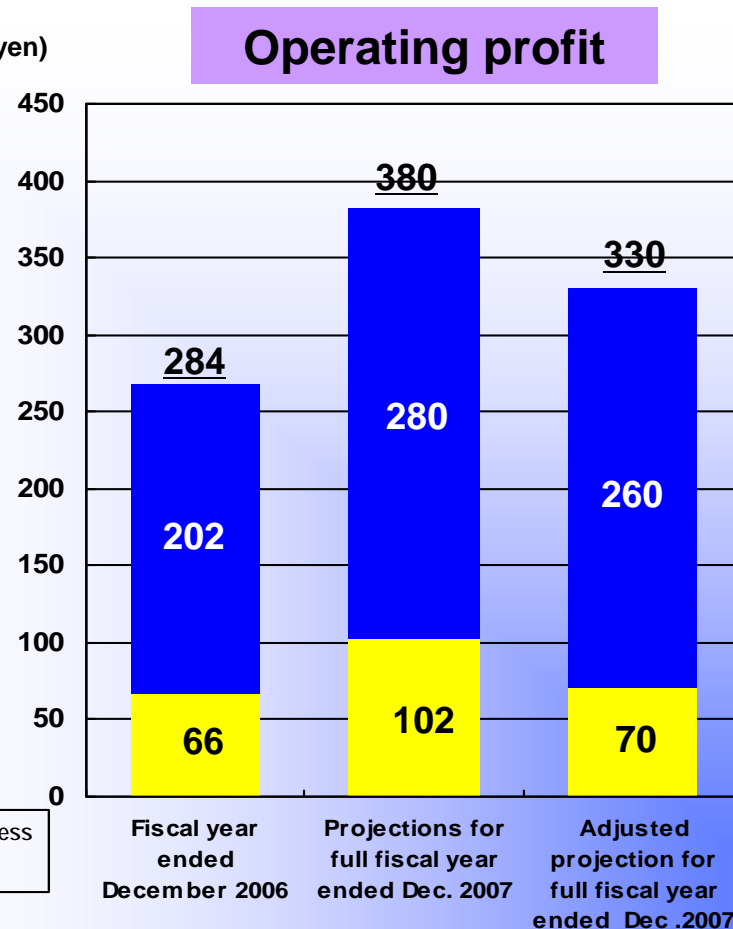


# Consolidated Sales and Operating Profit by Segment

Full fiscal year



(Unit: Millions of yen)



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1. Changes in the economic environment, which will affect the business of TECMO
2. Fluctuations in exchange rate between the yen and the U.S. dollar (in particular) and the euro
3. TECMO's capability to continue to provide products and services that are accepted by consumers in each field
4. TECMO's capability to successfully expand operations internationally in businesses concerning games, commercial-use software, online games and mobile content
5. Revision of laws and regulations, and TECMO's capability to cope with such revisions

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