


**Financial Statements Outline and  
Business Plan for the Current Period  
Dec. 2007 Period**

**TECMO**

February 21<sup>st</sup> 2008



# **December 2007 Period Outline of Financial Statements**

# Dec.2007 Period Outline of Consolidated Financial Statements

(Unit: ¥Mil.)

|                    | Dec.2006 Period | Dec.2007 Period |                | Change |                      |
|--------------------|-----------------|-----------------|----------------|--------|----------------------|
|                    | Actual Results  | Target          | Actual Results | Y-o-Y  | Variance from Target |
| Sales              | 11,628          | 14,000          | 12,047         | 419    | -1,953               |
| Operating Profit   | 1,223           | 2,100           | 1,886          | 662    | -214                 |
| Ordinary Profit    | 1,363           | 2,200           | 1,975          | 611    | -225                 |
| Current Net Profit | 813             | 1,100           | 991            | 177    | -109                 |
| Operating Profit%  | 10.5%           | 15.0%           | 15.7%          | 5.1%   | 0.7%                 |
| Ordinary Profit%   | 11.7%           | 15.7%           | 16.4%          | 4.7%   | 0.7%                 |

○ Increase from previous year in both sales and profit, resulting in large profit increase

● Both sales and profit did not achieve the target figures.

# Consolidated Sales/Operating Profit Performance, by Segment

| ① Dec. 2007 Period              |       |        |        |                |        |       |          | (Unit: ¥Mil.) |
|---------------------------------|-------|--------|--------|----------------|--------|-------|----------|---------------|
|                                 | Games | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 4,439 | 642    | 900    | 1,373          | 161    | 4,528 |          | 12,047        |
| Operating Profit                | 847   | 353    | 255    | 730            | 72     | 316   | -689     | 1,886         |
| Operating Profit %              | 19.1% | 55.0%  | 28.3%  | 53.2%          | 44.7%  | 7.0%  |          | 15.7%         |
| ② Dec. 2006 Period              |       |        |        |                |        |       |          | (Unit: ¥Mil.) |
|                                 | Games | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 4,392 | 190    | 908    | 1,367          | 239    | 4,530 |          | 11,628        |
| Operating Profit                | 296   | 118    | 253    | 972            | 115    | 284   | -817     | 1,223         |
| Operating Profit %              | 6.7%  | 62.1%  | 27.9%  | 71.1%          | 48.1%  | 6.3%  |          | 10.5%         |
| ③ Y-o-Y Increase/Decrease (①-②) |       |        |        |                |        |       |          | (Unit: ¥Mil.) |
|                                 | Games | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 47    | 452    | -7     | 6              | -77    | -2    |          | 419           |
| Operating Profit                | 551   | 235    | 1      | -242           | -43    | 32    | 128      | 663           |
| Operating Profit %              | 12.3% | -7.1%  | 0.5%   | -17.9%         | -3.4%  | 0.7%  |          | 5.1%          |

- Drastic improvement in games business revenue.
- Revenue base established for online games business.

# Games Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change    |                      |
|------------------|------------------|------------------|----------------|-----------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y     | Variance from Target |
| Sales            | 4,392            | 5,262            | 4,439          | 47        | -823                 |
| Operating Profit | 296              | 784              | 847            | 551       | 63                   |
| Total Shipments  | 1,450,000        | 1,770,000        | 1,350,000      | - 100,000 | - 420,000            |

○ “NINJA GAIDEN Σ” released in June14, 2007 contributed to sales and profit.  
(610,000 shipped as of end of Dec. 2007)




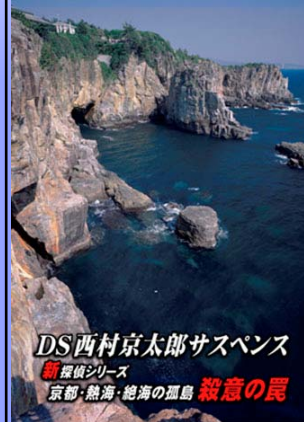
○ “DS Kyotaro Nishimura`s Suspense” released on October 11, 2007 proved to be a smash hit acquiring new women and senior customer groups. (220,000 shipped as of end of Dec. 2007)

● Release of two titles postponed to current period:

NINJA GAIDEN Dragon Sword      2007 release → March 20, 2008

Rygar      2007 release → Spring 2008

# Titles Released in Dec. 2007 Period

| Global Strategy Titles   |   |  |  | Domestic Strategy Titles   |  |
|--|---|--|--|--|--|
| DEAD OR ALIVE 4<br>Platinum Hits   | PANGYA! Golf with<br>Style  | NINJA GAIDEN Σ   | Super Swing Golf<br>2  | MONSTER FARM<br>DS   | DS Kyotaro<br>Nishimura's<br>Suspense  |
| Xbox360  | Wii   | PS3  | Wii  | DS   | DS   |
| Japan: released in<br>November 2007<br>N. America: released in<br>March 2007       | Europe: released in<br>June 2007<br>※European title of<br>スイングゴルフ パンヤ<br>※Released in Japan and<br>N. America in 2006 | Japan: released in<br>June 2007<br>N. America : released<br>in July 007<br>Europe:released in<br>July 2007 | Japan: released in<br>November 2007<br>N. America : released in<br>December 2007     | Japan: released in<br>July 2007  | Japan: released in<br>October 2007   |
| 80,000 shipments   | 70,000 shipments  | 610,000 shipments  | 100,000 shipments  | 60,000 shipment s  | 220,000 shipments  |
| Cumulative shipment<br>1,200,000   | Cumulative shipment<br>300,000  | Cumulative shipment<br>610,000   | Cumulative shipment<br>100,000   | Cumulative shipment<br>60,000  | Cumulative shipment<br>220,000   |
|  |                                     |                         |  |  |  |

# Online Games Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|------------------|------------------|------------------|----------------|--------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales            | 190              | 1,250            | 642            | 452    | -608                 |
| Operating Profit | 118              | 524              | 353            | 235    | -171                 |

- Domestic service for “WarRock” started on March 8, 2007.
- Domestic service for “Gallop Racer ONLINE” started on August 29, 2007.
- Domestic service for “MONSTER FARM ONLINE” postponed.  
(Fall 2007 → Service to start in Spring 2008)

# Mobile Games Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|------------------|------------------|------------------|----------------|--------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales            | 908              | 914              | 900            | -7     | -14                  |
| Operating Profit | 253              | 278              | 255            | 1      | -23                  |

○ Steady performance of “NET-FUN Mobile” contributed to sales and profit.

5 new Pachislot Appli distributed.

Monthly fee members: 210,000 (as of Dec. 2007)

○ Medal Appli showed brisk sales .

No. of Downloads: 4,120,000 downloads (Jan. ~ Dec. 2007)

OTAKARA Dungeon RPG service started in Sep.2006.

※No. of medal downloads out of above: 3,990,000 downloads





(KDDI Medal Appli Ranking: Consecutive first place for the period between 2006/11/1~2007/12/1)

OTAKARA Quest RPG service started in Dec. 2007

( KDDI Medal Appli Ranking: <Marked 1<sup>st</sup> place in initial ranking )



# Service Titles for Dec. 2007 Period

| Online-games  |   | Mobile games  |  |
|---|---|---|--|
| <p><b>War Rock</b></p> <p><b>Lievo</b></p> <p>Service launched in Mar. 2007</p> <p>Registered members<br/>310,000</p> | <p><b>Gallop Racer ONLINE</b></p> <p><b>Lievo</b></p> <p>Service launched in Aug. 2007</p> <p>Registered members<br/>50,000</p> | <p><b>OTAKARA Dungeon RPG</b></p> <p><b>au</b> <b>NTTドコモ</b></p> <p>Service launched in Aug. 2007 (NTT Docomo Version)</p> <p>※ For au Version</p> <p>Service launched in Sep. 2006</p> <p>No. of medal downloads<br/>1,860,000 downloads</p> <p>※Cumulative no. of service downloads<br/>2,420,000 downloads</p> | <p><b>OTAKARA Quest RPG</b></p> <p><b>au</b></p> <p>Service launched in Dec. 2007</p> <p>No. of medal downloads<br/>70,000 downloads</p> |
|                                    |   |    |   |

# Commercial Equipment/Software Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|------------------|------------------|------------------|----------------|--------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales            | 1,367            | 1,404            | 1,373          | 6      | -31                  |
| Operating Profit | 972              | 724              | 730            | -242   | 6                    |

- Released total of two pachinko titles such as “TENSAIBAKABON CLASSIC”.
- Released total of five pachislot titles such as “RioParadise”.
- Postponed release of one pachislot title to current period.

# Rights Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|------------------|------------------|------------------|----------------|--------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales            | 239              | 270              | 161            | -77    | -109                 |
| Operating Profit | 115              | 112              | 72             | -43    | -40                  |

- TECMO's popular character items ("Rio" and "Kasumi") showed steady performance
- "Rio" figure released in December as tie-up project with magazine series.
- Scheduled release was delayed to next period, pushing down sales and profit figures.

# Amusement Facilities Management

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                  | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|------------------|------------------|------------------|----------------|--------|----------------------|
|                  | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales            | 4,530            | 4,900            | 4,528          | -2     | -372                 |
| Operating Profit | 284              | 380              | 316            | 32     | -64                  |

- Sales figures were similar to previous year's, but there was rise in y-o-y operating profit due to cost-cutting efforts.
- Targeted figures were more or less achieved for the existing stores, except for Toyosu for which both sales and profit targets were not met.

## Dec. 2007 Period Consolidated Balance Sheet

(Unit:¥Mil.)

|                     | Dec. 2006 Period | Dec. 2007 Period | Change      |
|---------------------|------------------|------------------|-------------|
| Current Assets      | 19,554           | 20,254           | 699         |
| Fixed Assets        | 6,284            | 5,366            | -918        |
| <b>Total Assets</b> | <b>25,839</b>    | <b>25,620</b>    | <b>-218</b> |

|   |               |               |             |
|---|---------------|---------------|-------------|
| Current Liabilities                     | 3,453         | 3,773         | 320         |
| Fixed Liabilities                       | 1,185         | 334           | -850        |
| <b>Total Liabilities</b>                | <b>4,639</b>  | <b>4,108</b>  | <b>-530</b> |
| Total Net Assets                        | 21,200        | 21,512        | 312         |
| <b>Total Liabilities and Net Assets</b> | <b>25,839</b> | <b>25,620</b> | <b>-218</b> |

○ Decrease in Fixed Assets

Decrease as result of TECMOWAVE's "Sales and Leaseback Agreement" for amusement equipment.

○ Decrease in Fixed Liabilities

Decrease due to abolishment of directors retirement benefits and repayment of subsidiary's bank loan.

# Key Points of Dec. 2007 Period Consolidated Balance Sheet

## ◆ Consolidated Balance Sheet Major Changes in Current Assets

(Unit: ¥Mil.)

|                   | Dec. 2006 Period | Dec. 2007 Period | Change |
|-------------------|------------------|------------------|--------|
| Cash and Deposits | 13,337           | 8,008            | -5,329 |
| Securities        | 0                | 6,002            | 6,002  |
| Total             | 13,337           | 14,010           | 673    |

### (1) Cash and Deposits

- Change in recognition of negotiable deposits “(¥5 billion) to “Securities”

### (2) Securities

- Change in recognition of negotiable deposits (¥5 billion) from “Cash and Deposits”.
- ¥1 billion purchase made by TECMOWAVE LTD. in securities (MMF).

# Outline of TECMO Non-Consolidated Financial Statements for Dec. 2007 Period

(Unit: ¥Mil.)

|                    | Dec. 2006 Period | Dec. 2007 Period |                | Change |                      |
|--------------------|------------------|------------------|----------------|--------|----------------------|
|                    | Actual Results   | Target           | Actual Results | Y-o-Y  | Variance from Target |
| Sales              | 6,542            | 8,460            | 6,659          | 117    | -1,801               |
| Operating Profit   | 1,047            | 1,800            | 1,629          | 582    | -171                 |
| Ordinary Profit    | 1,186            | 2,000            | 1,698          | 513    | -301                 |
| Current Net Profit | 791              | 1,100            | 947            | 155    | -153                 |

- Increase from previous year in both sales and profit, resulting in large profit increase
- Both sales and profit did not achieve the target figures.

# Dec. 2008 Period Business Plan



# Dec.2008 Period Consolidated Plan

(Unit: ¥Mil.)

|                    | Dec. 2007 Period<br>Actual Results | Dec. 2008 Period<br>Target |        |        |
|--------------------|------------------------------------|----------------------------|--------|--------|
|                    |                                    |                            | Change | Y-o-Y  |
| Sales              | 12,047                             | 14,300                     | 2,253  | 118.7% |
| Operating Profit   | 1,886                              | 2,200                      | 314    | 116.6% |
| Ordinary Profit    | 1,975                              | 2,000                      | 25     | 101.3% |
| Current Net Profit | 991                                | 1,000                      | 9      | 100.9% |
| Operating Profit % | 15.7%                              | 15.4%                      | -0.3%  | -      |
| Ordinary Profit %  | 16.4%                              | 14.0%                      | -2.4%  | -      |

○ Targets 20% increase in sales and 16% increase in operating profit from previous year

○ Exchange rate is estimated at \$1=¥100.

Effect of exchange rate per ¥1 = ¥20,000,000 (Sales/ Operating Profit base)

# Consolidated Sales/Operating Profit Plan, by Segment

| ① Dec. 2008 Period              | Plan           |        |        |                |        |       |          | (Unit: ¥Mil.) |
|---------------------------------|----------------|--------|--------|----------------|--------|-------|----------|---------------|
|                                 | Games          | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 6,800          | 850    | 850    | 1,000          | 200    | 4,600 |          | 14,300        |
| Operating Profit                | 1,450          | 360    | 260    | 500            | 100    | 280   | -750     | 2,200         |
| Operating Profit %              | 21.3%          | 42.4%  | 30.6%  | 50.0%          | 50.0%  | 6.1%  |          | 15.4%         |
| ② Dec. 2007 Period              | Actual results |        |        |                |        |       |          | (Unit: ¥Mil.) |
|                                 | Games          | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 4,439          | 642    | 900    | 1,373          | 161    | 4,528 |          | 12,047        |
| Operating Profit                | 847            | 353    | 255    | 730            | 72     | 316   | -689     | 1,886         |
| Operating Profit %              | 19.1%          | 55.0%  | 28.3%  | 53.2%          | 44.7%  | 7.0%  |          | 15.7%         |
| ③ Y-o-Y Increase/Decrease (①-②) |                |        |        |                |        |       |          | (Unit: ¥Mil.) |
|                                 | Games          | Online | Mobile | Commercial Use | Rights | AM    | Deletion | Total         |
| Sales                           | 2,361          | 208    | -50    | -373           | 39     | 72    |          | 2,253         |
| Operating Profit                | 603            | 7      | 5      | -230           | 28     | -36   | -61      | 314           |
| Operating Profit %              | 2.2%           | -12.6% | 2.3%   | -3.2%          | 5.3%   | -0.9% |          | -0.3%         |

○ Games business anticipated to contribute to both sales and profit with release of global titles such as “NINJA GAIDEN Dragon Sword” “NINJA GAIDEN II” “Zero” and “Rygar”.

# Games Business







## ◆ Consolidated Sales / Operating Profit Plan

(Unit: ¥Mil.)

|                        | Dec. 2007 Period | Dec. 2008 Period |           |        |
|------------------------|------------------|------------------|-----------|--------|
|                        | Actual Results   | Target           | Change    | Y-o-Y  |
| Sales                  | 4,439            | 6,800            | 2,361     | 153.2% |
| Operating Profit       | 847              | 1,450            | 603       | 171.2% |
| Total No. of Shipments | 1,350,000        | 3,000,000        | 1,650,000 | 222.2% |

- Y-o-Y rise targeted in both sales and profit due to increase in new release titles from 9 (previous period) to 20 (current period)
- Four new global strategy titles are scheduled for release: “NINJA GAIDEN Dragon Sword”(DS)  
 ※ “NINJA GAIDEN II”(Xbox360), “Ryger”(Wii) and ※ “Zero”(Wii).
- “TECMO BOWL” targeting N. America market is scheduled for release (release date undetermined)
- Domestic DS Suspense Series II, “DS Misa Yamamura Suspense” (DS) is scheduled for release.
- Targeting to develop a new client base with scheduled release of “Penelope tete en l'air,” software for preschool children.
- (※) “NINJA GAIDEN II” title is released from Microsoft. “Zero” title is released from Nintendo

# Dec.2008 Period Titles Scheduled for Release

| Global Strategy Title  |  |   | Japanese Strategy Title  |  |  |
|--|--|---|--|--|--|
| NINJA GAIDEN<br>Dragon Sword   | NINJA GAIDEN II  | ※ Zero  | アルゴスの戦士<br>マッスルインパクト   | うっかりペネロペ   | DS山村美紗<br>サスペンス  |
| DS   | Xbox360  | Wii   | Wii  | DS   | DS   |
| Japan<br>To be released on<br>March 20,2008<br><br>North America<br>To be released on<br>March 25,2008 | To be released in June<br>2008   | To be released in summer<br>2008  | To be released in spring<br>2008   | To be released in spring<br>2008   | To be released in spring<br>2008   |
|                      |  |  |  |  |  |

(Note) Titles sold by other companies are included ※ “NINJA GAIDEN II” title is released from Microsoft. “Zero” title is released from Nintendo

# Online Games Business

## ◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

|                    | Dec. 2007 Period | Dec. 2008 Period | Change    | Y-o-Y  |
|--------------------|------------------|------------------|-----------|--------|
|                    | Actual Results   | Target           |           |        |
| Sales              | 642              | 850              | 208       | 132.4% |
| Operating Profit   | 353              | 360              | 7         | 102.0% |
| Registered members | 360,000          | 3,000,000        | 2,640,000 | 833.3% |

- “MONSTER FARM ONLINE” service scheduled to start in spring 2008
- “DOA ONLINE” service scheduled to start in China in summer 2008
- We expect that the number of the member will increase to 3 million (360,000 in 2007)

# Mobile Games Business

## ◆ Consolidated Sales / Operating Profit Plan

(Unit: ¥Mil.)

|                  | 2007.12 Period | Dec. 2008 Period | Change | Y-o-Y  |
|------------------|----------------|------------------|--------|--------|
|                  | Actual Results | Target           |        |        |
| Sales            | 900            | 850              | -50    | 94.4%  |
| Operating Profit | 255            | 260              | 5      | 102.0% |

- Scheduled to start mobile-site service for new titles targeting a wide range of customer base.
- Attempting to increase number of members by renewal of existing sites.

# Commercial Equipment/Software Business

## ◆ Consolidated Sales / Operating Profit Plan

(Unit: ¥Mil.)

|                  | Dec. 2007 Period | Dec. 2008 Period | Change | Y-o-Y |
|------------------|------------------|------------------|--------|-------|
|                  | Actual Results   | Target           |        |       |
| Sales            | 1,373            | 1,000            | -373   | 72.8% |
| Operating Profit | 730              | 500              | -230   | 68.5% |

○ 3 Pachinko titles and 5 Pachislot titles scheduled for release

# Rights Business

## ◆ Consolidated Sales / Operating Profit Plan

(Unit: ¥Mil.)

|                  | Dec. 2007 Period | Dec. 2008 Period |        |        |
|------------------|------------------|------------------|--------|--------|
|                  | Actual Results   | Target           | Change | Y-0-Y  |
| Sales            | 161              | 200              | 39     | 124.2% |
| Operating Profit | 72               | 100              | 28     | 138.9% |

○ With the success of “DOA” figures with costume variations released in Dec. 2007 period, there are plans for second and further releases.



# Amusement Facilities Management

## ◆ Consolidated Sales / Operating Profit Plan

(Unit: ¥Mil.)

|                  | Dec. 2007 Period | Dec. 2008 Period |        |        |
|------------------|------------------|------------------|--------|--------|
|                  | Actual Results   | Target           | Change | Y-o-Y  |
| Sales            | 4,528            | 4,600            | 72     | 101.6% |
| Operating Profit | 316              | 280              | -36    | 88.6%  |

- Scheduled opening of two new stores.
- Aim for strengthening of business in selling amusement equipment and products.

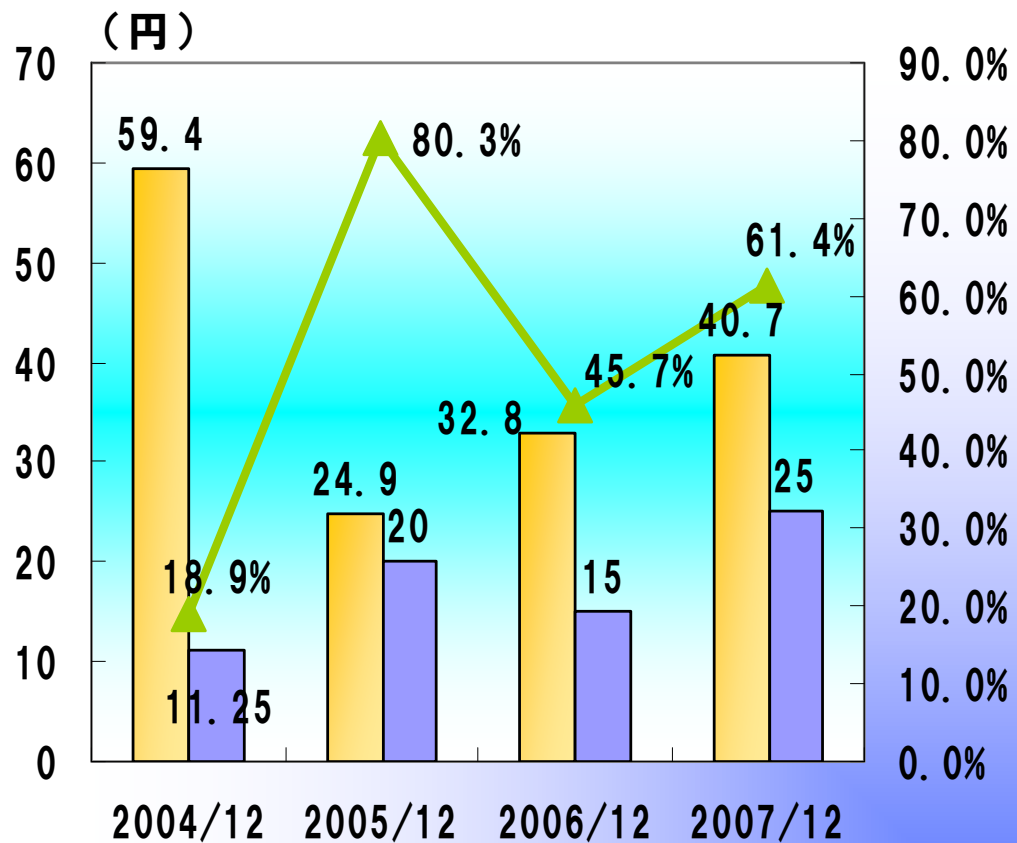
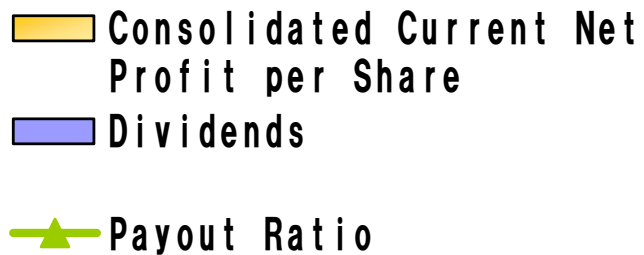
## Dec.2008 Period      TECMO Non-Consolidated Plan

(Unit: ¥Mil.)

|                    | Dec. 2007 Period | Dec. 2008 Period |        |        |
|--------------------|------------------|------------------|--------|--------|
|                    | Actual Results   | Target           | Change | Y-o-Y  |
| Sales              | 6,659            | 8,000            | 1,341  | 120.1% |
| Operating Profit   | 1,629            | 2,000            | 371    | 122.8% |
| Ordinary Profit    | 1,698            | 1,700            | 1      | 100.1% |
| Current Net Profit | 947              | 950              | 3      | 100.3% |

- Target is to increase both sales and operating profit by 20% over previous year.
- Exchange rate is estimated at \$1=¥100 and the plan contains exchange losses of about 300 million yen.

# Policy on Profit-Return to Shareholders



- Maintain level of stable dividends per share at ¥20.
- Review possibility of raising the dividend level in keeping with the performance trend of the current period.

# (Ref.) No. of Home Console Game Titles Sold, by Hardware

|              |          | Dec. 2005 Period |            |                        |           | Dec. 2006 Period |            |               |           | Dec. 2007 Period |            |                        |          |
|--------------|----------|------------------|------------|------------------------|-----------|------------------|------------|---------------|-----------|------------------|------------|------------------------|----------|
| Manufacturer | Hardware | Japan            | N. America | Eur. & Other Countries | Total     | Japan            | N. America | Eur. & Others | Total     | Japan            | N. America | Eur. & Other Countries | Total    |
| Nintendo     | Wii      | -                | -          | -                      | -         | 1                | 1          | -             | 2         | 1                | 1          | 1                      | 3        |
|              | DS       | 1                | -          | -                      | 1         | -                | -          | -             | -         | 2                | -          | -                      | 2        |
|              | Total    | 1                | -          | -                      | 1         | 1                | 1          | -             | 2         | 3                | 1          | 1                      | 5        |
| Microsoft    | Xbox360  | 1                | 1          | -                      | 2         | 1                | 1          | 2             | 4         | -                | -          | -                      | -        |
|              | Total    | 1                | 1          | -                      | 2         | 1                | 1          | 2             | 4         | -                | -          | -                      | -        |
| SCE          | PS2      | 5                | 2          | 2                      | 9         | 3                | 3          | 1             | 7         | 1                | -          | -                      | 1        |
|              | PS3      | -                | -          | -                      | -         | -                | -          | -             | -         | 1                | 1          | 1                      | 3        |
|              | PSP      | 1                | 1          | -                      | 2         | -                | -          | 1             | 1         | -                | -          | -                      | -        |
|              | Total    | 6                | 3          | 2                      | 11        | 3                | 3          | 2             | 8         | 2                | 1          | 1                      | 4        |
| <b>TOTAL</b> |          | <b>8</b>         | <b>4</b>   | <b>2</b>               | <b>14</b> | <b>5</b>         | <b>5</b>   | <b>4</b>      | <b>14</b> | <b>5</b>         | <b>2</b>   | <b>2</b>               | <b>9</b> |

# (Ref.) Change of Key Management Indicators ①

|                         |   |                | Dec. 2004    | Dec. 2005.   | Dec. 2006    | Dec. 2007    |
|-------------------------|---|----------------|--------------|--------------|--------------|--------------|
| Total Return Ratio      | Dividends                                 | (¥ Mil.)       | 277          | 497          | 368          | 606          |
|                         | Acquisition of Treasury Stocks            | (¥ Mil.)       | -            | -            | 273          | 340          |
|                         | Total                                     |                | 277          | 497          | 641          | 946          |
|                         | Consolidated Current Net Profit           | (¥ Mil.)       | 1,435        | 617          | 814          | 991          |
|                         | <b>Total Return Ratio</b>                 | <b>(%)</b>     | <b>19.3%</b> | <b>80.6%</b> | <b>78.7%</b> | <b>95.5%</b> |
| Dividend Payout Ratio   | Consolidated Current Net Profit per Share | (¥/share)      | 59.4         | 24.9         | 32.8         | 40.7         |
|                         | Dividends                                 | (¥/ share )    | 11.25        | 20           | 15           | 25           |
|                         | <b>Dividend Payout Ratio</b>              | <b>(%)</b>     | <b>18.9%</b> | <b>80.3%</b> | <b>45.8%</b> | <b>61.4%</b> |
| ROE                     | Consolidated Current Net Profit           | (¥ Mil.)       | 1,435        | 617          | 814          | 991          |
|                         | Net Assets (Shareholders' Equity)         | (¥ Mil.)       | 19,410       | 19,946       | 21,200       | 21,512       |
|                         | <b>ROE</b>                                | <b>(%)</b>     | <b>7.39%</b> | <b>3.09%</b> | <b>3.84%</b> | <b>4.61%</b> |
| DOE                     | <b>DOE=ROE× Dividend Payout Ratio</b>     | <b>(%)</b>     | <b>1.4%</b>  | <b>2.5%</b>  | <b>1.8%</b>  | <b>2.8%</b>  |
| PER<br>(as of year-end) | Share Price (as of year-end)              | (¥/ share )    | 814          | 1,111        | 915          | 1,309        |
|                         | Consolidated Current Net Profit per Share | (¥/ share )    | 59.4         | 24.9         | 32.8         | 40.7         |
|                         | <b>PER</b>                                | <b>(times)</b> | <b>13.7</b>  | <b>44.6</b>  | <b>27.9</b>  | <b>32.2</b>  |
| (Ref.)                  | Average No. of Shares During Period       | (Share )       | 23,651,222   | 24,787,750   | 24,841,412   | 24,378,921   |

# (Ref.) Change of Key Management Indicators ②

|   | Mar. 2003 | Mar. 2004 | Dec. 2004 | Dec. 2005 | Dec. 2006 | Dec. 2007 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Sales (¥ Mil.)  | 10,516    | 12,156    | 7,926     | 12,277    | 11,628    | 12,047    |
| Ordinary Profit (¥ Mil.)                              | 1,720     | 2,590     | 1,201     | 1,220     | 1,363     | 1,975     |
| Current Net Profit (¥ Mil.)                           | 1,011     | 1,415     | 1,434     | 617       | 813       | 991       |
| Net Assets (¥ Mil.)                                   | 14,952    | 16,091    | 19,410    | 19,946    | 21,200    | 21,512    |
| Total Assets (¥ Mil.)                                 | 17,838    | 19,924    | 23,512    | 26,106    | 25,839    | 25,620    |
| Net Assets per Share (¥)                              | 876.6     | 943.6     | 784.4     | 802.4     | 813.8     | 834.8     |
| Current Net Profit per Share (¥)                      | 57.0      | 80.8      | 59.4      | 24.9      | 32.8      | 40.7      |
| Capital Adequacy Ratio (%)                            | 83.82     | 80.76     | 82.56     | 76.40     | 77.35     | 79.0      |
| Return on Equity (%)                                  | 6.9       | 9.12      | 8.08      | 3.14      | 4.20      | 4.93      |
| Price-to-Earnings Ratio (times)                       | 16        | 14.3      | 13.71     | 44.63     | 27.93     | 32.18     |
| Cash Flow from Operating Activities (¥Mil.)           | 1,863     | 1,034     | 1,096     | 477       | 2,729     | 1,898     |
| Cash Flow from Investing Activities (¥1,000)          | -535      | -712      | -654      | -748      | -10,180   | -2,840    |
| Cash Flow from Financing Activities (¥Mil.)           | -341      | -206      | 3,851     | 883       | -948      | -155      |
| Year-End Balance of Cash and Cash Equivalents (¥Mil.) | 7,778     | 7,798     | 12,030    | 12,711    | 4,337     | 3,232     |
| No. of Employees                                      | 346       | 383       | 418       | 446       | 474       | 471       |

Plans, strategies and ideas of TECMO, LTD. (hereinafter referred to as TECMO), which are written in this document, are judgments and ideas of the management based on the information available when this document was prepared. Information on the future earnings projections, which is provided in this document, is as of the time when this document was prepared.

Actual earnings of the Company will possibly differ greatly from the projections because of various elements. They may be worse than the assumptions in this document. Elements that could affect the actual earnings of the Company include the following, but are not limited to them.

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

TECMO is not obliged to update or revise the prospects for its future earnings according to new information and events that will occur after the announcement day.

Please refrain from using this document as the grounds for your own outlook. Also, please refrain from assuming that this document will remain to be correct or valid information in the future.