

Overview of Interim Financial Results

Jan. to Dec. Period, 2008

TECMO

August 21, 2008

Jan.-Dec. 2008 Period

Overview of Consolidated Interim Financial Results

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change		<Ref.> % Achieved Against Full Year Target
		Target	Actual Results	Y-o-Y	Variance from Target	
Sales	6,461	6,300	6,793	332	493	47.5%
Operating Profit	1,316	1,000	1,247	-68	247	56.7%
Ordinary Profit	1,485	800	1,183	-301	383	59.2%
Current Net Profit	787	300	378	-408	78	37.9%
Operating Profit %	20.4%	15.9%	18.4%	-2.0%	2.5%	-
Ordinary Profit %	23.0%	12.7%	17.4%	-5.6%	4.7%	-

- Sales and profit both outperformed targeted figures.
- Year-on-year results showed lower earnings on higher sales.
- Major reason of year-on-year decrease in operating profit is the posting of ¥127 mil. foreign exchange loss.
(Interim results for period ended Dec.2007: ¥71 mil foreign exchange gain)
Exchange Rate: End of June, 2007 1\$=¥123.29, End. of Dec. 2007 1\$=¥114.16, June 2008 1\$=¥106.42
- Year-on-year decrease in current net profit resulted primarily from reasons such as the posting of ¥230 mil. for payment of retroactive wages and ¥85 mil. for shortage of reserve in keeping with the change in calculation method of retirement benefits for employees.

Consolidated Sales/Operating Profit Performance by Segment

(Unit: ¥Mil.)

Sales/Operating Profit by Segment		Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change		<Ref.> % Achieved Against Full Year Target
			Target	Actual Results	Y-o-Y	Variance from Target	
Games	Sales	2,457	3,000	3,596	1,138	596	52.9%
	Operating Profit	539	700	1,044	504	344	72.0%
Multi Contents	Sales	983	800	1,008	24	208	59.3%
	Operating Profit	562	400	474	-87	74	76.5%
SP	Sales	750	300	100	-650	-199	10.0%
	Operating Profit	384	150	4	-380	-145	0.9%
Rights	Sales	77	100	60	-16	-39	30.5%
	Operating Profit	34	50	24	-9	-25	24.7%
AM	Sales	2,192	2,100	2,028	-163	-71	44.1%
	Operating Profit	149	100	15	-134	-84	5.4%
Deletion	Operating Profit	-353	-400	-315			42.0%
Total	Sales	6,461	6,300	6,793	332	493	47.5%
	Operating Profit	1,316	1,000	1,247	-68	247	56.7%

○ Games /Multi-Contents businesses resulted in a favorable trend, with sales and profit both outperforming targeted figures

Consolidated Sales by Region

(Unit: ¥Mil.)

Consolidated Sales By Region	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		
			Change	Y-o-Y
Japan	4,091	3,512	-578	85.9%
North America	1,498	1,990	492	132.9%
Europe and other regions	871	1,290	418	148.0%
Total	6,461	6,793	332	105.1%

● Year-on-year downturn in sales for Japan resulted from cooling of the pachinko/pachislot markets dampened by regulatory control and the decline in sales of SP business caused by adjustments postponed to the following period in keeping with deregulation.

Games Business

◆ Consolidated Sales/Operating Profit

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change	
		Target	Actual Results	Y-o-Y	Variance from Target
Sales	2,457	3,000	3,596	1,138	596
Operating Profit	539	700	1,044	504	344
Operating Profit %	22.0%	23.3%	29.0%	7.1%	5.7%
Shipment	720,000	1,770,000	1,660,000	930,000	-110,000

○ Current period worldwide release of “NINJA GAIDEN II”.

(FY Ending Dec. 2008, Interim Period/ Cumulative global shipments: 990,000)

○ Repeat version of “NINJA GAIDEN Σ” (previous period release) contributed to sales and profit.

(FY Ending Dec. 2008, Interim Period / Shipments: 50,000 Cumulative global shipments: 660,000)

● Current period release of “NINJA GAIDEN Dragon Sword” in Japan, USA and Europe, but target not achieved.

(FY Ending Dec. 2008, Interim Period / Cumulative global shipments: 330,000)

Titles Released for Interim Period of FY Ending Dec. 2008 ^{※1}

Global Strategy Titles

NINJA GAIDEN
Dragon Sword

DS

Japan: Released in Mar.2008
N. America: Released in Mar.2008
Europe: Released in June 2008
330,000 shipments

Cumulative shipment:
330,000



NINJA GAIDEN II ^{※2}

Xbox 360

Japan, N. America, Europe
Released in June 2008

990,000 shipments

Cumulative shipment:
990,000



Japanese Strategy Titles

Penelope tete en l'air

DS

Japan
Released in April 2008

30,000 shipments

Cumulative shipment:
30,000



DS Yamamura Misa
Suspense

DS

Japan
Released in June 2008

110,000 shipments

Cumulative shipment:
110,000



※1 Includes titles released from other companies.

※2 Overseas sales of "NINJA GAIDEN II" distributed by Microsoft.

Multi-Contents Business

◆ Consolidated Sales/Operating Profit

(Unit: ¥Mil.)

		Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change	
			Target	Actual Results	Y-o-Y	Variance from Target
Online	Sales	528	500	662	134	162
	Operating Profit	403	300	404	1	104
	Operating Profit %	76.4%	60.0%	61.1%	-15.3%	1.1%
Mobile	Sales	455	300	345	-109	45
	Operating Profit	158	100	69	-88	-30
	Operating Profit %	34.8%	33.3%	20.2%	-14.6%	-13.2%
Total	Sales	983	800	1,008	24	208
	Operating Profit	562	400	474	-87	74
	Operating Profit %	57.1%	50.0%	47.1%	-10.1%	-2.9%

◇ Online-Games

○ “Monster Farm Online” domestic service launched on March 25, 2008.

* Number of TECMO Online-Game Registered Members: 600,000

○ Sales posted for online-games operating rights money.

◇ Mobile-Games

● Game-site service scheduled to start in the first half of the year for new releases, delayed to the second half.

● Target for “NET-FUN Mobile” not attained due to decrease in members affected by the cooling of the pachislot market dampened by regulatory control.

SP Business

◆ Consolidated Sales/Operating Profit

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change	
		Target	Actual Results	Y-o-Y	Variance from Target
Sales	750	300	100	-650	-199
Operating Profit	384	150	4	-380	-145
Operating Profit %	51.2%	50.0%	4.3%	-46.9%	-45.7%

- Release of one pachinko model (“CR Tenku-Kabuki”)
- Release of one pachislot model (“MoguMogu Furin Kazan”)
- Downturn in both sales and profit due to cooling of the pachinko/pachislot markets dampened by regulatory control.
- In addressing specification-changes in keeping with deregulation, 3 titles scheduled for release in the first half were delayed to second half and later periods.

Rights Business

◆ Consolidated Sales / Operating Profit

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change	
		Target	Actual Results	Y-o-Y	Variance from Target
Sales	77	100	60	-16	-39
Operating Profit	34	50	24	-9	-25
Operating Profit %	44.2%	50.0%	40.4%	-3.7%	-9.6%

● Scheduled release of “Rio” figure for the first half the year, delayed to second half.

Amusement Facilities Management

◆ Consolidated Sales/Operating Profit

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change	
		Target	Actual Results	Y-o-Y	Variance from Target
Sales	2,192	2,100	2,028	-163	-71
Operating Profit	149	100	15	-134	-84
Operating Profit %	6.8%	4.8%	0.7%	-6.1%	-4.0%

- Sales shifted around 90% compared to previous period caused by decrease in customers due to the effect of rising gasoline prices.
- Close of three stores located in hotels in Okinawa during the period due to declining profitability.

Outline of TECMO Non-Consolidated Financial Statements for Interim Period of FY Ending Dec. 2008

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period		Change		<Ref.> % Achieved Against Full Year Target
		Target	Actual Results	Y-o-Y	Variance from Target	
Sales	3,853	4,000	4,315	461	315	53.9%
Operating Profit	1,339	1,100	1,340	0	240	67.0%
Ordinary Profit	1,499	800	1,274	-225	474	74.9%
Current Net Profit	880	450	525	-354	75	55.4%
Operating Profit %	34.8%	27.5%	31.1%	-3.7%	3.6%	-
Ordinary Profit %	38.9%	20.0%	29.5%	-9.4%	9.5%	-

● Although figures against target were favorable, year-on-year results showed lower earnings on higher sales.

Interim Period of FY Ending Dec. 2008 Consolidated Balance Sheet

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period	Change
Current Assets	19,340	18,638	-701
Fixed Assets	5,668	5,499	-128
Total Assets	25,008	24,137	-870

Current Liabilities	3,292	3,306	14
Fixed Liabilities	392	332	-60
Total Liabilities	3,685	3,639	-46
Total Net Assets	21,323	20,498	-824
Total Liabilities and Net Assets	25,008	24,137	-870

- Decrease in Current Assets
Repurchase of own shares in June (700,000 shares)
- Decrease in Net Assets
Retirement of own shares in June (600,000 shares)

Key Points of Interim Period of FY Ending Dec. 2008

Consolidated Balance Sheet

◆ Consolidated Balance Sheet Major Changes in Current Assets

(Unit: ¥Mil.)

	Interim Results of FY Ended Dec. 2007	FY Ending Dec. 2008 Interim Period	Change
Cash and Deposits	11,534	6,729	-4,804
Securities	1,000	4,244	3,244
Total	12,534	10,974	-1,560

(1) Cash and Deposits

- Change in recognition of negotiable deposits (¥3.5 billion) to “Securities”.

(2) Securities

- Change in recognition of negotiable deposits (¥3.5 billion) from “Cash and Deposits”.

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.

Right:

『NINJA GAIDEN Dragon Sword』: (C) TECMO,LTD. Team NINJA 2008

『NINJA GAIDEN 2』: (C) TECMO,LTD. Team NINJA 2008

『親子で遊べるDS絵本 うっかりベネロベ』: Penelope by Anne Gutman and Georg Hallensleben/ (C) Gallimard Jeunesse /Licensed by Nippon Animation Co., Ltd./ (C) うっかりベネロベ
製作委員会/ (C) TECMO,LTD. 2008

『DS山村美紗サスペンス 舞妓小菊・記者キャサリン・葬儀屋石原明子 古都に舞う花三輪 京都殺人事件ファイル』: (C) 2008 YamamuraMisa Office All Rights Reserved. (C) TECMO,LTD. 2008

TECMO