

Financial Reporting for the Third Quarter FY 2008 (Jan. to Dec.)

Overview of Business Performance

TECMO

November 12, 2008



3rd Quarter Consolidated Financial Summary for FY Ending Dec. 2008

(Unit: JPY million)

	Q3 of FY Ended Dec. 2007	Q3 of FY Ending Dec. 2008		Increase/Decrease		<Ref.> % Achieved Against Full Year Target Before	<Ref.> % Achieved Against Full Year Target After
	Actual	Target	Actual	Y-o-Y	Variance from Target		
Sales	9,112	10,250	9,100	-11	-1,149	63.6%	73.4%
Operating Profit	1,679	1,600	1,265	-414	-334	57.5%	110.1%
Ordinary Profit	1,753	1,400	1,192	-561	-207	59.6%	119.2%
Current Net Profit	883	600	314	-568	-285	31.4%	126.0%
Operating Profit %	18.4%	15.6%	13.9%	-4.5%	-1.7%	-	-
Ordinary Profit%	19.2%	13.7%	13.1%	-6.1%	-0.6%	-	-

- Sales and profit decreased in both year-on-year and target comparisons.
- Sales: Decrease from target level resulted primarily from the fact that the Games, SP and Amusement Facilities businesses were unable to reach their target.
- Ordinary Profit: Major reason for year-on-year decrease was due to the posting of ¥161million of exchange loss.
(3rd Quarter ended Dec. 2007: ¥57 million exchange loss)
※Exchange rate/ End of Sep. 2007: US\$1= ¥115.46, End of Dec. 2007: US\$1=¥114.16 End of Sep. 2008: US\$1= ¥103.63
- Current Net Profit: Major reasons for year-on-year decrease was due to the posting of ¥242 million for the payment of retroactive wages and ¥85million for shortage of reserve in keeping with the change in methods used to calculate retirement benefits for employees.

Consolidated Sales & Operating Profit Performance, by Segment

(Unit: JPY million)

List of Sales/Operating Profit, by Segment		Q3 of FY Ended Dec. 2007 Actual	Q3 of FY Ending Dec. 2008		Increase/Decrease		<Ref.> % Achieved Against Full Year Target Before Adjustment	<Ref.> % Achieved Against Full Year Target After Adjustment
			Target	Actual	Y-o-Y	Variance from Target		
Games Business	Sales	3,177	5,000	4,451	1,273	-548	65.5%	78.1%
	Operating Profit	720	1,165	1,178	457	13	81.2%	112.2%
Multi-Contents Business	Sales	1,274	1,100	1,205	-68	105	70.9%	68.9%
	Operating Profit	597	400	420	-176	20	67.9%	64.8%
SP Business	Sales	1,105	500	261	-844	-238	26.2%	41.5%
	Operating Profit	583	300	58	-525	-241	11.6%	30.6%
Rights Business	Sales	103	150	85	-18	-64	42.6%	85.1%
	Operating Profit	47	75	28	-18	-46	29.0%	115.9%
Amusement Business	Sales	3,451	3,500	3,097	-354	-402	67.3%	73.4%
	Operating Profit	285	260	55	-229	-204	19.9%	372.4%
Elimination	Operating Profit	-555	-600	-476			63.5%	61.1%
Total	Sales	9,112	10,250	9,100	-11	-1,149	63.6%	73.4%
	Operating Profit	1,679	1,600	1,265	-414	-334	57.5%	110.1%

- Sales in Games Business did not reach the target level.
- Sales and profit of SP and Amusement Facilities businesses both fell below the target level.

Games Business

◆ Consolidated Sales/Operating Profit

(Unit : JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	3,177	5,000	4,451	1,273	-548
Operating Profit	720	1,165	1,178	457	13
Operating Profit %	22.7%	23.3%	26.5%	3.8%	0
No. of Units Sold	1.09 million	2.81 million	2.03 million	0.94 million	-0.78 million

- Global release of “NINJA GAIDEN II” in June
(At end of Q3 of FY ending Dec. 2008, cumulative global shipment totaled 1.045 million units)
- The repeat version of “NINJA GAIDEN Σ”(released previous FY) and “NINJA GAIDEN Σ , the Best” which was released in July contributed to sales and profit.
(No. of “NG Σ” units shipped at end of Q3 of FY ending Dec. 2008 totaled 70,000, with cumulative global shipment of 680,000 units)
(No. of “NG Σ , the Best” units shipped at end of Q3 of FY ending Dec. 2008 totaled 70,000 with cumulative global shipment of 750,000 units)
- “NINJA GAIDEN Dragon Sword” was released worldwide in June, but the number of units sold did not reach the target level.
(At end of Q3 of FY ending Dec. 2008, cumulative global shipment totaled 340,000 units)
- Scheduled releases of three titles in Q3 were postponed to Q4.

Multi-Contents Business

◆ Consolidated Sales/Operating Profit

(Unit : JPY million)

		FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
		Actual	Target	Actual	Y-o-Y	Variance from Target
Online Games	Sales	587	550	715	128	165
	Operating Profit	379	260	342	-36	82
	Operating Profit %	64.6%	47.3%	47.9%	-16.7%	0.6%
Mobile Games	Sales	686	550	489	-197	-60
	Operating Profit	218	140	78	-140	-61
	Operating Profit %	31.8%	25.5%	16.0%	-15.8%	-9.5%
Multi-Contents Business: Total	Sales	1274	1100	1,205	-68	105
	Operating Profit	597	400	420	-176	20
	Operating Profit %	46.9%	36.4%	34.9%	-12.0%	-1.4%

◇ Online Games

○“Monster Farm Online” domestic service was launched on March 25, 2008 (however, service was suspended on Nov. 3, 2008)

○ Sales of “WarRock” expanded favorably.

※ No. of TECMO Online-Game Registered Members: 650,000

○ Sales posted for income from online games operation rights.

◇ Mobile Contents

○Service for “Ainori★Love Wagon” was launched in July.

○Service for “Kyotaro Nishimura & Misa Yamamura’s Suspense Series” was launched in August.

●Target for “NET-FUN Mobile” was 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: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	1,105	500	261	-844	-238
Operating Profit	583	300	58	-525	-241
Operating Profit %	52.8%	60.0%	22.2%	-30.6%	-37.8%

- Release of two pachinko-models (“CR *Tenku-Kabuki*” “CR *Minisuka Police 2*”)
- Release of two pachinko-models (“*MoguMogu Furin Kazan*” “*Akane 55*”)
- Downturn in both sales and profit due to cooling of the pachinko/pachislot markets affected by regulatory control.
- In addressing specification-changes in keeping with deregulation, three titles scheduled for release in the second half were postponed to next year.

Rights Business

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	103	150	85	-18	-64
Operating Profit	47	75	28	-18	-46
Operating Profit %	46.5%	50.0%	34.1%	-12.4%	-15.9%

- Scheduled release of “Rio” and “Kasumi” figures for the second half of the year was postponed to next year.

Amusement Facilities Management Business

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	3,451	3,500	3,097	-354	-402
Operating Profit	285	260	55	-229	-204
Operating Profit %	8.3%	7.4%	1.8%	-6.5%	-5.6%

- Sales and profit did not reach previous year's figures for both actual and target levels since consumer confidence was shaken by the succession of rising prices of daily necessity items such as gasoline and foodstuff, resulting in decrease of customers visiting the facilities.
- Five stores were closed (Mihama, Yukihashi, and three stores located in Okinawa hotels) mainly for their decline in profitability

Q3 Consolidated Balance Sheet of FY Ending Dec. 2008

(Unit: JPY million)

	Q3 of FY Ended Dec. 2007	Q3 of FY Ending Dec. 2008	Increase/Decrease
Current Assets	19,882	18,043	-1,839
Fixed Assets	5,645	5,501	-144
Total Assets	25,528	23,545	-1,983

Current Liabilities	3,755	2,827	-927
Fixed Liabilities	346	294	-51
Total Liabilities	4,101	3,122	-978
Total Net Assets	21,427	20,422	-1,004
Total Liabilities and Net Assets	25,528	23,545	-1,983

- Decrease in assets
Decrease in the total amount of "Cash and Deposits" and "Securities" (¥ 2,566 million)
- Decrease in Liabilities
Decrease in current liabilities (mainly income taxes payable). Due to decrease in net profit before taxes and other adjustments (¥ 430 million)
- Decrease in net assets
Decrease in retained earnings, mainly for retirement of treasury stock (¥624 million)

Q3 of FY Ending Dec. 2008

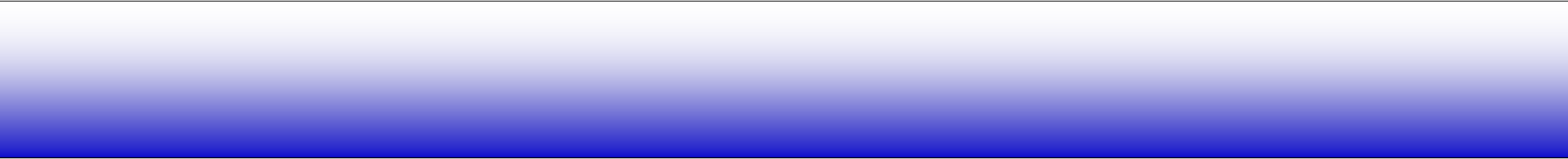
Main Points of the Consolidated Balance Sheet

◆ Consolidated Balance Sheet Main Changes in Current Assets Section

(Unit: JPY million)

	Q3 of FY Ended Dec. 2007	Q3 of FY Ending Dec. 2008	Increase/Decrease
Cash and Deposits	13,080	7,769	-5,310
Securities	1,001	3,745	2,743
Total	14,081	11,514	-2,566

○ Decrease in the total amount of “Cash and Deposits” and “Securities”
 Major reasons for the decrease were: dividend payment for FY ended Dec. 2007 (¥565 million), corporate tax payment(¥405 million) and acquisition of treasury stock (¥741 million).



**FY Ending Dec. 2008
Financial Information
for July – September Period**
Overview of Business Performance

TECMO

November 12, 2008



Consolidated Financial Summary for July ~ September Period, FY Ending Dec. 2008

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	2,651	3,950	2,307	-344	-1,643
Operating Profit	363	600	18	-345	-582
Ordinary Profit	268	600	9	-259	-591
Current Net Profit	96	300	-64	-160	-364
Operating Profit %	18.4%	15.2%	13.9%	-4.5%	-1.3%
Ordinary Profit%	19.2%	15.2%	13.1%	-6.1%	-2.1%

● Sales and profit decreased in both year-on-year and target comparisons.

Consolidated Sales/Operating Profit Performance, by Segment (July-Sep. 2008 Period)

(Unit: JPY million)

List of Sales/Operating Profit, by Segment		FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
		Actual	Target	Actual	Y-o-Y	Variance from Target
Games Business	Sales	720	2,000	855	135	-1,145
	Operating Profit	181	465	134	-47	-331
Multi-Contents Business	Sales	291	300	197	-94	-103
	Operating Profit	35	0	-54	-89	-54
SP Business	Sales	355	200	161	-194	-39
	Operating Profit	199	150	54	-145	-96
Rights Business	Sales	26	50	25	-1	-25
	Operating Profit	13	25	4	-9	-21
Amusement Business	Sales	1,259	1,400	1,069	-190	-331
	Operating Profit	136	160	40	-96	-120
Elimination	Operating Profit	-202	-200	-161		
Total	Sales	2,651	3,950	2,307	-344	-1,643
	Operating Profit	363	600	18	-345	-582

- Sales and profit fell below previous year's results for all segments.

Games Business (July-Sep. 2008 Period)

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	720	2,000	855	135	-1,145
Operating Profit	181	465	134	-47	-331
Operating Profit %	25.1%	23.3%	15.7%	-9.5%	-7.6%
No. of Units Sold	0.37 million	1.04 million	0.37 million		-0.67 million

○“NINJA GAIDEN Σ, the Best” released in July contributed to sales and profit.

(No. of “NG Σ, the Best” units shipped at end of Q3 of FY ending Dec. 2008 totaled 70,000, with cumulative worldwide shipment at 750,000 units)

●Scheduled releases of three titles in Q3 were postponed to Q4.

Multi-Contents Business (July-Sep. 2008 Period)

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

		FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
		Actual	Target	Actual	Y-o-Y	Variance from Target
Online Games	Sales	59	50	53	-6	3
	Operating Profit	-24	-40	-62	-38	-22
	Operating Profit %	-40.7%	-80.0%	-117.0%	-76.3%	-37.0%
Mobile Games	Sales	231	250	144	-87	-106
	Operating Profit	60	40	9	-51	-31
	Operating Profit %	26.0%	16.0%	6.3%	-19.7%	-9.8%
Multi-Contents Business: Total	Sales	291	300	197	-94	-103
	Operating Profit	35	0	-54	-89	-54
	Operating Profit %	12.0%	0.0%	-27.4%	-39.4%	-27.4%

◇ Online Games

○ Sales of "WarRock" expanded favorably.

※ No. of TECMO Online-Game Registered Members: 650,000

- "Monster Farm Online" did not reach target.
- Start of "DOA Online" service was postponed to Q4.

◇ Mobile Contents

○ Service for "Ainori ★ Love Wagon" was launched in July.

○ Service for "Kyotaro Nishimura & Misa Yamamura's Suspense Series" was launched in August.

- Target for "NET-FUN Mobile" was not attained due to decrease in members resulting from the cooling of the pachislot market, affected by regulatory control.

SP Business (July-Sep. 2008 Period)

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	355	200	161	-194	-39
Operating Profit	199	150	54	-145	-96
Operating Profit %	56.1%	75.0%	33.5%	-22.5%	-41.5%

- Release of one pachinko-model (" CR Minisuka Police 2")
- Release of one pachinko-model ("Akane 55 ")
- Downturn in both sales and profit due to cooling of the pachinko/pachislot markets as result of regulatory control.
- In addressing specification-changes in keeping with deregulation, three titles scheduled for release in the second half were postponed to next year.

Rights Business (July-Sep. 2008 Period)

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ending Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	26	50	25	-1	-25
Operating Profit	13	25	4	-9	-21
Operating Profit %	50.0%	50.0%	16.0%	-34.0%	-34.0%

- Scheduled release of “Rio” and “Kasumi” figures for the second half of the year was postponed to next year.

Amusement Facilities Management Business (July-Sep. 2008 Period)

◆ Consolidated Sales/Operating Profit

(Unit: JPY million)

	FY Ended Dec. 2007 3rd Quarter	FY Ending Dec. 2008 3rd Quarter		Increase/Decrease	
	Actual	Target	Actual	Y-o-Y	Variance from Target
Sales	1,259	1,400	1,069	-190	-331
Operating Profit	136	160	40	-96	-120
Operating Profit %	10.8%	11.4%	3.7%	-7.1%	-7.7%

- Sales and profit did not reach previous year's figures for both actual and target levels since consumer confidence was shaken by the succession of rising prices of daily necessity items such as gasoline and foodstuff, which resulted in decrease of customers visiting the facilities.
- Three stores (Mihama, Yukihashi, and a store located in a hotel in Okinawa) were closed mainly for their decline in profitability

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.

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