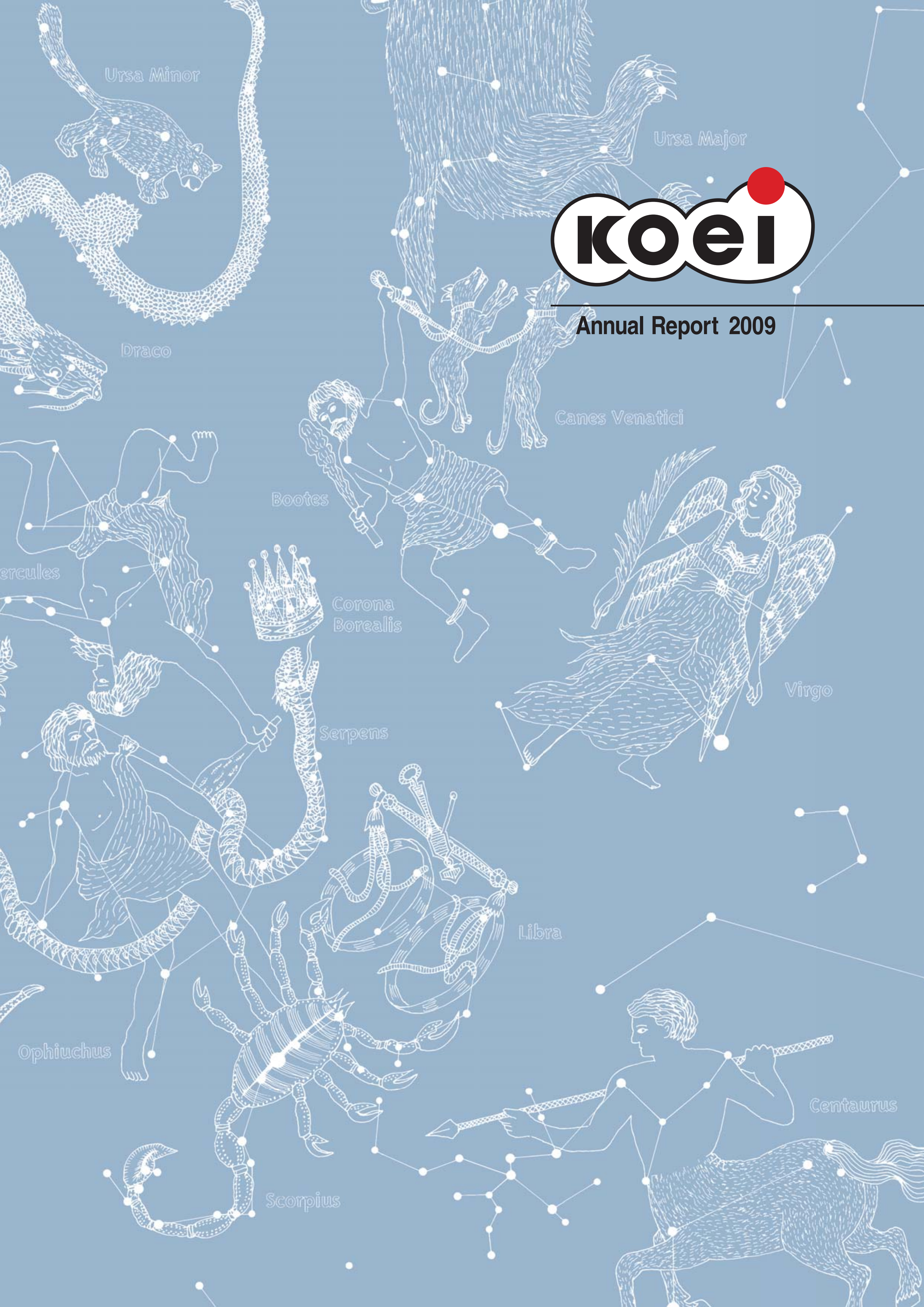

KOEI

Annual Report 2009

PROFILE

Established in 1978, KOEI Co., Ltd. has been involved in planning, developing, and marketing game software since 1981. Since then the company has developed unique simulation technologies that cannot be equaled, and pioneered the historical strategy genre in the game software industry. The company has released a wide range of strategy games, such as its award-winning "Nobunaga's Ambition" and "Romance of the Three Kingdoms" series, establishing its place as a top developer in the personal computer game software field. The company has also ported its popular personal computer game software titles to home video game platforms and has developed original products to broaden the scope of its business. Recently, the company has placed more emphasis on developing action games, as well as online games and content for mobile phones.

In Japan, the holding company, TECMO KOEI HOLDINGS Co., Ltd., was established with TECMO, Ltd. by means of stock-transfer on April 1, 2009. KOEI Co., Ltd. and TECMO, Ltd. became wholly owned subsidiaries of the holding company. In keeping with Koei's commitment to strengthen its development capability and marketing structure beyond its home borders, the company has established subsidiaries overseas in the U.S., as well as in Canada, the U.K., Lithuania, Korea, Taiwan, China and Singapore. Koei will focus its efforts and the capabilities of its Group on moving forward to reach its goal of becoming the World's No.1 Entertainment Content Provider.

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A MESSAGE FROM THE CEO

Last year, Koei welcomed its 30th year of operation. A large part of this is thanks to the loyal support we have received from our customers and stockholders.

Now, this term has seen many significant events. Not only did we see rising food and resource costs in the early part of this year, but late in the year the "Lehman Shock" crisis shocked the world's financial institutions and threw the world economy into turmoil. The game industry however, compared to many other industries was fortunate enough to suffer a relatively minor impact.

During these depressed times, our group, in an effort to become "The World's No.1 Entertainment Content Provider" strove to accomplish the goals set during last year's Mid-Term Business Plan, "Koei Vision 2011". We have expanded to a number of different fields and regions to provide customers with high-quality games and products.

We received praise for products released this term, but some titles were delayed in order to improve their quality to meet our standards. Unfortunately, due to the economic crisis, we saw devaluation loss of 6.86 billion yen for investment securities. As a result, the KOEI Group achieved net sales of 28.09 billion yen (down 1.02 billion yen YoY), income before taxes of 105 million yen (down 8.41 billion yen YoY), and a consolidated net income of 26 million yen (down 5.23 billion yen YoY).

Chairman & CEO
Masaru Iyori

President & COO
Kenji Matsubara

Creation of TECMO KOEI HOLDINGS Co., Ltd.

On April 1st of this year, in an effort to expand our global presence and facilitate our growth as companies, Koei and Tecmo merged to form " TECMO KOEI HOLDINGS Co., Ltd.".

From this merger we hope to exchange technical expertise, share our respective popular content and IPs, as well as maximize each others' strengths and reinforce each others' weaknesses in order to boost our name brand power and business profits. As a result of this merger, for March 2010's results we estimate consolidated net sales of 43 billion yen and net income of 4.7 billion yen.

TECMO KOEI Group, with the spirit of "Creativity and Contribution", hope to meet the high expectations of our customers by developing products that achieve a harmony between creativity and growth and will serve as a stepping stone on which our companies will launch themselves toward a successful future.

We at TECMO KOEI Group appreciate and ask for your continued support in present and future endeavors.

Chairman & CEO Masaru Iyori

KOEI Co., Ltd. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
ASSETS			
Current assets:			
Cash and time deposits (Note 3)	**¥4,435**	¥5,411	**$45,149**
Notes and accounts receivable	**5,572**	5,879	**56,724**
Less: Allowance for bad debts	**(403)**	(25)	**(4,103)**
	5,169	5,854	**52,621**
Inventories (Note 4)	**562**	772	**5,721**
Marketable securities (Note 5)	**1,168**	4,646	**11,890**
Deferred income taxes (Note 8)	**1,564**	1,096	**15,922**
Other current assets	**2,410**	1,297	**24,535**
Total current assets	**15,308**	19,076	**155,838**
Property and equipment:			
Land (Note 9)	**4,287**	4,268	**43,642**
Buildings	**9,068**	7,673	**92,314**
Machinery and equipment	**203**	151	**2,067**
Construction in Progress	**787**	1,949	**8,012**
Other	**2,597**	2,594	**26,438**
	16,942	16,635	**172,473**
Less: Accumulated depreciation	**(6,207)**	(5,751)	**(63,189)**
Total property and equipment	**10,735**	10,884	**109,284**
Investments and other assets:			
Investment securities (Note 5)	**24,940**	30,254	**253,894**
Deferred income taxes (Notes 8 and 9)	**3,683**	3,911	**37,494**
Other investments	**188**	263	**1,914**
Less: Allowance for bad debts	**(42)**	(86)	**(429)**
Intangible assets			
Goodwill	**925**	-	**9,417**
Other	**247**	280	**2,516**
Total investments and other assets	**29,941**	34,622	**304,806**
Total assets	**¥55,984**	¥64,582	**$569,928**

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2009	2008	**2009**
LIABILITIES			
Current liabilities:			
Notes and accounts payable – trade	**¥734**	¥1,126	**$7,472**
Accounts payable – other	**709**	894	**7,218**
Accrued income taxes (Note 8)	**408**	1,927	**4,154**
Consumption tax payable	**232**	238	**2,362**
Accrued bonuses to employees	**438**	457	**4,459**
Accrued bonuses to directors	**26**	27	**265**
Allowance for sales returns	**116**	208	**1,181**
Allowance for customer-discount points	**15**	-	**153**
Other current liabilities	**538**	615	**5,476**
Total current liabilities	**3,216**	5,492	**32,740**
Long-term liabilities:			
Deferred income taxes (Note 8)	**1**	46	**10**
Reserve for retirement benefits (Note 7)	**364**	420	**3,706**
Accrued severance indemnities for directors	**446**	418	**4,540**
Deposits on contract	**103**	107	**1,049**
Other long-term liabilities	**32**	43	**325**
Total long-term liabilities	**946**	1,034	**9,630**
Total liabilities	**4,162**	6,526	**42,370**
NET ASSETS (Note 10)			
Shareholders' equity:			
Common stock:	**9,091**	9,091	**92,548**
Authorized: 200,000,000 shares at March 31, 2009 200,000,000 shares at March 31, 2008			
Issued: 68,571,624 shares at March 31, 2009 68,650,510 shares at March 31, 2008			
Additional paid-in capital	**14,185**	12,549	**144,406**
Retained earnings	**36,387**	41,784	**370,427**
Less: Treasury stock	**(0)**	(1,720)	**(0)**
39 shares at March 31, 2009 1,095,736 shares at March 31, 2008			
Total shareholders' equity	**59,663**	61,704	**607,381**
Valuation and translation adjustments:			
Unrealized gains or losses on securities (Note 5)	**(4,000)**	(2,452)	**(40,721)**
Unrealized losses on revaluation of the land (Note 9)	**(3,102)**	(1,841)	**(31,579)**
Foreign currency translation adjustments	**(825)**	(75)	**(8,398)**
Total valuation and translation adjustments	**(7,927)**	(4,368)	**(80,698)**
Share subscription rights (Note 12):	**84**	69	**855**
Minority interest in consolidated subsidiaries:	**2**	651	**20**
Total net assets	**51,822**	58,056	**527,558**
Total liabilities and net assets	**¥55,984**	¥64,582	**$569,928**

The accompanying notes are an integral part of these statements.

KOEI Co., Ltd. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED MARCH 31

	Millions of yen		Thousands of U.S. dollars (Note1)
	2009	2008	**2009**
Net sales	**¥28,088**	¥29,112	**$285,941**
Cost of sales (Note 6)	**15,295**	15,759	**155,706**
Gross profit	**12,793**	13,353	**130,235**
Selling, general and administrative expenses (Note 6)	**6,612**	6,717	**67,311**
Operating income	**6,181**	6,636	**62,924**
Non-operating income (expenses):			
Interest and dividend income	**1,799**	2,513	**18,314**
Gain on sale of investment securities (Note 5)	**415**	1,730	**4,225**
Loss on derivative instruments (Note 11)	**(425)**	(252)	**(4,327)**
Loss on devaluation of investment securities (Note 5)	**(6,859)**	(1,712)	**(69,826)**
Loss on liquidation of discontinued operation	**(18)**	(49)	**(183)**
Exchange (loss) gain, net	**(37)**	(511)	**(377)**
Other	**(951)**	159	**(9,681)**
Income before income taxes	**105**	8,514	**1,069**
Income taxes (Note 8):			
Current	**601**	3,633	**6,118**
Deferred	**(551)**	(478)	**(5,609)**
	50	3,155	**509**
Income before minority interest	**55**	5,359	**560**
Minority interest in consolidated subsidiaries	**(29)**	(102)	**(295)**
Net income	**26**	5,257	**265**

Per share:	Yen		U.S. dollars
Net income – Basic	**¥0.37**	¥77.80	**$0.00**
– Diluted	**-**	77.79	**-**
Cash dividends	**50.00**	55.00	**0.51**

The accompanying notes are an integral part of these statements.

KOEI Co., Ltd. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31

	Millions of yen									
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Unrealized gain or losses on securities	Unrealized losses on revaluation of the land	Foreign currency transaction adjustments	Share subscription rights	Minority interests	Net asets
Balance at March 31, 2007	**¥9,091**	**¥12,546**	**¥39,197**	**(¥1,725)**	**¥749**	**(¥1,841)**	**¥207**	**¥3**	**¥615**	**¥58,842**
Net income			5,257							5,257
Cash dividends paid			(2,702)							(2,702)
Bonus to employees of the			(1)							(1)
overseas subsidiaries										
Purchase of treasury stock										(7)
Disposal of treasury stock		3		(7)						15
Decrease due to consolidation				12						
of subsidiaries			33							33
Net changes during the year					(3,201)		(282)	66	36	(3,381)
Balance at March 31, 2008	**¥9,091**	**¥12,549**	**¥41,784**	**(¥1,720)**	**(¥2,452)**	**(¥1,841)**	**(¥75)**	**¥69**	**¥651**	**¥58,056**
Net income			26							26
Increase due to stock exchange		1,679								1,679
Cash dividends paid			(3,741)							(3,741)
Bonus to employees of the			(1)							(1)
overseas subsidiaries										(4)
Purchase of treasury stock				(4)						
Disposal of treasury stock		(43)	(1,681)	1,724						
Net changes during the year					(1,548)	(1,261)	(750)	15	(649)	(4,193)
Balance at March 31, 2009	**¥9,091**	**¥14,185**	**¥36,387**	**(¥0)**	**(¥4,000)**	**(¥3,102)**	**(¥825)**	**¥84**	**¥2**	**¥51,822**

	Thousands of U.S. dollars (Note 1)									
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Unrealized gain or losses on securities	Unrealized losses on revaluation of the land	Foreign currency transaction adjustments	Share subscription rights	Minority interests	Net asets
Balance at March 31, 2008	**$92,548**	**$127,751**	**$425,369**	**($17,510)**	**($24,962)**	**($18,742)**	**($764)**	**$702**	**$6,627**	**$591,019**
Net income			265							265
Increase due to stock exchange		17,093								17,093
Cash dividends paid			(38,084)							(38,084)
Bonus to employees of the			(10)							(10)
overseas subsidiaries										(41)
Purchase of treasury stock				(41)						
Disposal of treasury stock		(438)	(17,113)	17,551						
Net changes during the year					(15,759)	(12,837)	(7,634)	153	(6,607)	(42,684)
Balance at March 31, 2009	**$92,548**	**$144,406**	**$370,427**	**($0)**	**($40,721)**	**($31,579)**	**($8,398)**	**$855**	**$20**	**$527,558**

The accompanying notes are an integral part of these statements.

KOEI Co., Ltd. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31

	Millions of yen		Thousands of U.S. dollars (Note1)
	2009	2008	**2009**
Cash flows from operating activities:			
Income before income taxes	**¥105**	¥8,514	**$1,069**
Adjustments for:			
Depreciation and amortization	**712**	695	**7,248**
Amortization of goodwill	**166**	-	**1,690**
Interest and dividend income	**(2,042)**	(2,513)	**(20,788)**
Loss on devaluation of investment securities	**6,859**	1,712	**69,826**
Gain on sale of investment securities, net	**(415)**	(1,730)	**(4,225)**
Loss on redemption of securities	**1,176**	-	**11,972**
Loss on derivative instruments	**425**	251	**4,327**
Exchange loss (gain), net	**32**	356	**326**
Decrease (increase) in notes and accounts receivable	**203**	2,477	**2,067**
Decrease (increase) in inventories	**201**	(372)	**2,046**
Increase (decrease) in notes and accounts payable	**(329)**	(345)	**(3,349)**
Other	**(318)**	(391)	**(3,238)**
Sub total	**6,775**	8,654	**68,971**
Interest and dividend income received	**1,978**	2,396	**20,136**
Interest paid	**(4)**	-	**(41)**
Income taxes paid	**(2,781)**	(4,954)	**(28,311)**
Net cash provided by operating activities	**5,968**	6,096	**60,755**
Cash flows from investing activities:			
Payment for purchase of securities	**(25,242)**	(36,121)	**(256,969)**
Proceeds from sale of securities	**23,523**	37,499	**239,469**
Payment for purchase of property and equipment	**(907)**	(1,423)	**(9,233)**
Payment for purchase of intangible fixed assets	**(90)**	(52)	**(916)**
Payment for purchase of investment in subsidiaries	**-**	(1,415)	**-**
Other	**(190)**	(50)	**(1,935)**
Net cash used in investing activities	**(2,906)**	(1,562)	**(29,584)**
Cash flows from financing activities:			
Proceeds from short-term debt	**2,550**	6,530	**25,959**
Repayment of short-term debt	**(2,550)**	(6,530)	**(25,959)**
Purchase of treasury stock	**(4)**	(7)	**(41)**
Proceeds from sales of treasury stock	**-**	15	**-**
Dividends paid	**(3,741)**	(2,702)	**(38,084)**
Other	**(49)**	(34)	**(499)**
Net cash used in financing activities	**(3,794)**	(2,728)	**(38,624)**
Effect of exchange rate changes on cash and Cash equivalents	**(306)**	(534)	**(3,114)**
Net increase (decrease) in cash and cash equivalents	**(1,038)**	1,272	**(10,567)**
Cash and cash equivalents at beginning of year	**4,961**	3,690	**50,504**
Cash and cash equivalents at end of year (Note 3)	**¥3,923**	¥4,962	**$39,937**

The accompanying notes are an integral part of these statements.

1. Summary of significant accounting policies:

(1) Basis of presentation of consolidated financial statements -

The accompanying consolidated financial statements of KOEI Co., Ltd. have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Prior to the year ended March 31, 2009, the accounts of consolidated overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. As discussed in Note 2, the accounts of consolidated overseas subsidiaries for the year ended March 31, 2009 are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not considered necessary for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2009, which was ¥98.23 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

(2) Basis of consolidation and investments in affiliated companies -

The consolidated financial statements include the accounts of the Company and its subsidiaries, including ERGOSOFT Corporation, KOEI NET Co., Ltd., KOEI CAPITAL Co., Ltd., KOEI Corporation in the U.S., KOEI Ltd. in the UK, KOEI KOREA Corporation, TAIWAN KOEI ENTERTAINMENT SOFTWARE Inc., KOEI France SAS, KOEI Canada Inc., KOEI Entertainment Singapore Pte. Ltd., Tianjin KOEI Software Co., Ltd., and Beijing KOEI Software Co., Ltd. Due to the increase of materiality, Tianjin KOEI Software Co., Ltd. and Beijing KOEI Software Co., Ltd. were newly consolidated only in the balance sheets as of March 31,2008. KOEI France SAS ended liquidation in this consolidated fiscal year. ERGOSOFT Corporation dissolved as of March 31, 2009. Some subsidiaries whose net income would have no material effect on the financial statements have not been consolidated. All significant intercompany transactions and accounts have been eliminated in consolidation.

(3) Translation of foreign currency -

All the assets and liabilities of foreign subsidiaries are translated into Japanese yen at the appropriate year-end rate and all income and expense accounts are translated at the average rate of exchange for the year. The translation of net assets is made using historical rates. The resulting translation differences are presented as "Foreign Currency Translation Adjustments" in the accompanying consolidated balance sheets.

Foreign currency receivables and payables are translated at year-end rates and the resulting translation gains and losses are included in income currently.

(4) Cash equivalents -

For the purpose of the statements of cash flows, the Company has classified time deposits and other highly liquid investments as cash equivalents if the original maturities of such investments are three months or less.

(5) Financial Instruments -

(a) Derivatives

All derivatives are stated at fair value, with changes in fair value being included in the net profit or loss for the period in which they arise.

(b) Marketable securities and investment securities

Marketable securities and investment securities held by the Company and its domestic subsidiaries are classified into three categories:

Trading securities, held for the purpose of generating profits on short-term differences in prices, are stated at fair value, with changes in fair value being included in the net profit or loss for the period in which they arise.

Investments in equity securities issued by unconsolidated subsidiaries are stated at cost because the effect of application of the equity method would be immaterial.

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate component of net assets, net of applicable taxes.

Other securities for which market quotations are not available are stated at cost or at amortized cost, except as stated in the following paragraph:

In cases where the fair value of equity securities issued by unconsolidated subsidiaries, or other securities has declined significantly and such impairment in value is not deemed temporary, those securities are reduced to fair value and the resulting losses are included in the net profit or loss for the period.

(6) Inventories -

Prior to April 1, 2008, inventories of the Company and consolidated domestic subsidiaries are stated at cost determined using the weighted-average method for merchandise, finished goods and raw materials and the specific identification method for work-in-process (unless market value of inventories declines significantly and is not expected to recover to cost, in such cases costs are reduced to net realizable values). Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted the new accounting standard for measurement of inventories and stated the inventories at the lower of costs or net realizable values at March 31, 2009.The adoption of the new accounting standard had no effects on the consolidated financial statements for the year ended March 31, 2009.

Consolidated foreign subsidiaries state inventories at the lower of market or cost determined using the weighted-average method.

(7) Property and equipment -

The property and equipment of the Company and its domestic subsidiaries is being depreciated using the declining balance method, except for buildings acquired after the year ended March 31, 1998, which are being depreciated by the straight-line method. The property and equipment held by foreign consolidated subsidiaries is being depreciated by the straight-line method, based on the estimated useful lives of the assets.

The ranges of useful lives for “Buildings” and “Machinery and equipment” are principally from 10 to 50 years and 4 to 15 years, respectively.

(Accounting policy change)

Effective from the year ended March 31, 2008, the Company and its domestic subsidiaries changed their depreciation method for tangible fixed assets acquired on or after April 1, 2007 in accordance with the revision of Japanese Corporate Tax Law (Partial Revision of Income Tax Law, Law No. 6 of March 30, 2007; Partial Revision of Income Tax Law Enforcement Ordinance, Cabinet Order No. 83 of March 30, 2007). The effect of this change for the year ended March 31, 2008 was to decrease operating income, ordinary income and income before income taxes by ¥42 million ($419 thousand).

(Additional Information)

Pursuant to an amendment to the Japanese Corporate Tax Law, effective from the year ended March 31, 2008, the Company and its domestic consolidated subsidiaries depreciate the difference between the original residual value of 5% of acquisition cost of assets acquired before April 1, 2007 and the new residual value of 1 Yen (memorandum value) by the straight-line method over 5 years commencing from the fiscal year following the year in which the asset becomes fully depreciated to the original residual value. Depreciated amounts are included in depreciation expenses. The effect of this change for the year ended March 31, 2008 was immaterial.

(8) Intangible assets -

The cost of software for sale, other than that related to R&D activities, is capitalized and amortized in the proportion of revenue for the period to total estimated ultimate revenue. The costs related to R&D activities are expensed as incurred.

Software costs for internal use are capitalized and amortized over their estimated useful lives on a straight-line basis.

Goodwill is amortized over 5 years on a Straight-line basis.

(9) Accrued bonuses –

Accrued bonuses are stated at the estimated amount of the bonus to be paid to employees based on their services provided during the fiscal year.

(10) Deferred assets -

Stock issuance cost is expensed as incurred.

(11) Allowance for bad debts -

An allowance for bad debts is established at an amount considered to be appropriate based primarily on the past credit loss experience of the Company and its subsidiaries, plus an additional amount deemed necessary to cover possible losses estimated on an individual account basis.

(12) Allowance for sales returns -

An allowance for sales returns is provided for losses due to the return of products at an amount calculated based on historical experience.

(13) Allowance for customer-discount points -

An allowance for customer-discount points is provided for the accumulation of points granted to online shopping users. The amount of allowance is determined based on the past usage of points.

(14) Finance leases -

Prior to April 1, 2008, the Company and consolidated domestic subsidiaries accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases. On March 31, 2007, the Accounting Standards Board of Japan issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions" and ASBJ Guidance No.16, "Guidance on Accounting Standard for Lease Transactions". The new accounting standards require that all finance lease transactions be treated as capital leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases.

Effective April 1, 2008, the Company and consolidated domestic subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008. The effect on the financial result was not material.

(15) Income taxes -

Provision is currently made for the income taxes applicable to all revenue and expense items reported in income tax returns on the basis of when such items are taxable or deductible. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities.

(16) Reserve for retirement benefits -

The reserve for retirement benefits as of March 31, 2008 and 2009 represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets except that unrecognized actuarial differences are being amortized on a straight-line basis over a period of 14 years from the year following that in which they arise.

Retirement benefits to directors and statutory auditors are subject to approval at a meeting of shareholders. "Accrued severance indemnities for directors" represents the estimated amount to be paid if all directors and statutory auditors retired at the balance sheet date, based on the retirement rules of the Company.

(17) Net income per share -

Basic net income per share of common stock ("Basic EPS") is computed based on the weighted average number of shares of common stock outstanding during each year. Diluted net income per share of common stock ("Diluted EPS") further assumes the dilutive effect of warrants.

The basic information for net income per share computations for the year ended March 31, 2009 is as follows:

	Millions of yen	Thousands of U.S. dollars	Thousands of shares	Yen	U.S. dollars (Note1)
	Net income		Weighted average number of shares	EPS	
Basic EPS					
Net income	**¥26**	**$265**			
Other	**(1)**	**(10)**			
Net income for common stock shareholders	**¥25**	**$255**	**68,233**	**¥0**	**$0.00**
Effect of Diluted stock shareholders					
Warrants	**-**	**-**	**0**		
Diluted EPS					
Net income for computation	**¥25**	**$255**	**68,233**	**¥0**	**$0.00**

2. Changes in accounting policies:

(1) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

On March 17, 2006, the Accounting Standards Board of Japan issued ASBJ Practical Issues Task Force No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18"). PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries' financial statements prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles. In this case, adjustments for the following six items are required in the consolidation process so that their impacts on net income are accounted for in accordance with Japanese GAAP unless the impact is not material.

(a) Goodwill not subjected to amortization
(b) Actuarial gains and losses of defined benefit plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties, and revaluation of property, plant and equipment, and intangible assets
(e) Retrospective treatment of a change in accounting policies
(f) Accounting for net income attributable to minority interests

There were immaterial effects from adopting PITF No. 18 on the consolidated financial statements for the year ended March 31, 2009.

3. Cash flow information:

(1)Cash and time deposits at March 31, 2009 and 2008 reconciled to cash and cash equivalents as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Cash and time deposits	**¥4,435**	¥5,411	**$45,149**
Time deposits with maturity over three months	**(512)**	(449)	**(5,212)**
Total cash and cash equivalents	**¥3,923**	¥4,962	**$39,937**

(2)Important non-cash transaction

Koei made KOEI NET Co.,Ltd. a wholly owned subsidiary on August 1, 2008 when the share exchange by the issuance of new share was executed.

This share exchange incurred goodwill of ¥1,089 million ($11,086 thousand) and increased the capital surplus by ¥1,679 million ($17,093 thousand).

(3) Assets and liabilities of newly consolidated subsidiaries:

Assets and liabilities of Tianjin KOEI Software Co., Ltd. and Beijing KOEI Software Co., Ltd. with the investment cost and net cash outflow of such investment, which are included in “Payment for purchase of investment in subsidiaries” for the ended March 31, 2008 is as follows:

	Millions of yen
	2008
Current assets	**¥2,080**
Non current assets	**¥124**
Current liabilities	**(¥91)**
Minority interests	**(¥2)**
Shares of the Company before additional investment	**(¥261)**
Additional investment cost of shares	**¥1,850**
Cash and cash equivalents of subsidiaries	**(¥435)**
Net cash used for acquisition of subsidiaries	**¥1,415**

4. Inventories:

Inventories at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Merchandise	**¥91**	¥65	**$926**
Finished goods	**369**	346	**3,757**
Work in process	**18**	256	**183**
Raw materials	**84**	105	**855**
	¥562	¥772	**$5,721**

5. Marketable securities and investment securities:

A comparison of the aggregate cost and fair value of "Other securities for which market quotations is available" at March 31, 2009 and 2008 were as follows:

	Millions of yen			
	At March 31,2009			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Other securities for which market quotations are available -				
Equity securities	**¥6,794**	**¥124**	**¥763**	**¥6,155**
Debt securities	**24,499**	**80**	**6,191**	**18,388**
Other	**1,167**	**2**	**-**	**1,169**
	¥32,460	**¥206**	**¥6,954**	**¥25,712**

	Thousands of U.S. dollars(Note 1)			
	At March 31,2009			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Other securities for which market quotations are available -				
Equity securities	**$69,164**	**$1,262**	**$7,767**	**$62,659**
Debt securities	**249,404**	**815**	**63,026**	**187,193**
Other	**11,881**	**20**	**-**	**11,901**
	$330,449	**$2,097**	**$70,793**	**$261,753**

	Millions of yen			
	At March 31,2008			
	Cost	**Gross unrealized gains**	**Gross unrealized losses**	**Fair value**
Other securities for which market quotations are available -				
Equity securities	¥10,291	¥995	¥1,375	¥9,911
Debt securities	24,610	726	4,536	20,800
Other	2,399	103	132	2,370
	¥37,300	¥1,824	¥6,043	¥33,081

Impairment loss of ¥6,859 million ($69,826 thousand) and ¥1,702 million are included in the above for the years ended March 31, 2009 and 2008, respectively.

"Debt securities" contain exchange linked bonds of $5,000 thousand as a contract amount for the years ended March 31, 2009 and 2008, and stock conversion bonds of ¥1,100 million as a contract amount for the year ended March 31, 2008.

The unrealized loss of ¥425 million ($4,327 thousand) and ¥252 million on the bonds are stated in the statement of income for the years ended March 31, 2009 and 2008, respectively.

Available-for-sale securities sold for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Sales amount	**¥3,080**	¥13,535	**$31,355**
Gross realized gains	**553**	1,898	**5,630**
Gross realized losses	**¥138**	¥85	**$1,405**

The aggregate fair value of trading securities was ¥1,393 million at March 31, 2008.

The aggregate carrying value of unlisted securities included in "Other securities for which market quotations are unavailable" was ¥256 million ($2,606 thousand) and ¥286 million at March 31, 2009 and 2008, respectively.

6. Research and Development Expenses:

Research and development expenses included in cost of sales and selling, general and administrative expenses for the years ended March 31, 2009 and 2008 were ¥651 million ($6,627 thousand) and ¥870 million, respectively.

7. Retirement Benefit Plan:

Under the terms of the Company's retirement plan, substantially all employees are entitled to pension or lump sum payments at the time of retirement. The amounts of retirement benefits are, in general, determined on the basis of length of service, current basic rate of pay and the conditions under which termination occurs. The minimum payment is an amount based on voluntary retirement. In addition to the minimum payment based on voluntary retirement, employees receive additional benefits for retirement at the normal retirement age, death or other defined reasons.

The Company has a non-contributory defined benefit funded pension plan with trust banks and insurance companies, adopted in April 1990, to cover 100 percent of the amounts payable under the existing retirement plan to employees entitled to the above pension benefits. The benefits are payable, at the option of retiring employees who have twenty years or more of service as annuities or in a lump-sum payment and, to retiring employees with less than twenty years of service, in a lump-sum payment. The consolidated domestic subsidiaries have adopted lump-sum payment plans, and the foreign consolidated subsidiary has adopted a contributory defined benefit pension plan.

The reserve for retirement benefits as of March 31, 2009 and 2008 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Projected benefit obligations	**(¥2,041)**	(¥1,833)	**($20,777)**
Plan assets	**1,262**	1,237	**12,847**
	(779)	(596)	**(7,930)**
Unrecognized actuarial differences	**415**	176	**4,224**
Reserve for retirement benefits	**(¥364)**	(¥420)	**($3,706)**

The net pension expenses relating to retirement benefits for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Service cost	**¥193**	¥195	**$1,965**
Interest cost	**35**	33	**356**
Expected return on plan assets	**(43)**	(44)	**(438)**
Amortization of actuarial differences	**25**	15	**255**
Net pension expense	**¥210**	¥199	**$2,138**

The assumptions used in calculation of the above information were as follows:

	2009	2008
Discount rate	**2.0%**	2.0%
Expected rate of return on plan assets	**3.5%**	3.5%
Method of attributing the projected benefits to periods of service	**Straight- line basis**	Straight- line basis
Amortization of unrecognized actuarial differences	**14 years from the year following that in which they arise**	14 years from the year following that in which they arise

8. Income taxes:

The income taxes applicable to the Company and its subsidiaries in Japan include corporation tax, enterprise tax and inhabitant tax which, in aggregate, resulted in an effective tax rate of approximately 40.6% for the years ended March 31, 2009 and 2008. The Company's effective tax rates for financial reporting purposes differ from the statutory tax rate due to a number of items, including various tax credits, certain expenses not allowable for income tax purposes, the non-deductibility of the losses of subsidiaries, different tax rates applicable to foreign subsidiaries and dividend income which is not taxable.

The reconciliation of differences between the statutory tax rate and the effective tax rate for the year ended March 31, 2009 and 2008 were as follows:

	2009	2008
Statutory tax rate	**40.6%**	40.6%
Increase (decrease) in taxes resulting from:	**-**	-
Non-taxable dividend income	**-**	(0.3)
Special tax credit for research and development expenses and other	**-**	(4.9)
Non-deductible expenses	**61.4**	-
Valuation allowance	**358.3**	(0.5)
Adjustment to past corporate taxes	**64.0**	-
Amortization of goodwill	**(63.3)**	-
Minority interests in subsidiary	**(12.2)**	-
Use of loss carried forward of foreign subsidiaries	**(250.7)**	-
Differences in tax rate applied to certain subsidiaries	**(152.2)**	-
Other	**1.8**	2.2
Effective tax rate	**47.7%**	37.1%

The significant components of deferred tax assets and liabilities included in the balance sheet were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	**2009**
Deferred tax assets:			
Unrealized gain on sales of inventories	**¥157**	¥221	**$1,598**
Inventory write-down	**-**	116	**-**
Reverse for bad debts	**159**	-	**1,619**
Provision for enterprise tax	**-**	177	**-**
Accrued bonuses	**165**	187	**1,680**
Directors' retirement allowances	**138**	132	**1,405**
Reserve for retirement benefit	**191**	208	**1,944**
Loss on investment securities	**712**	473	**7,248**
Revaluation of land	**-**	1,261	**-**
Unrealized loss on investment securities	**2,736**	1,783	**27,853**
Deficit amount	**837**	-	**8,521**
Other	**528**	449	**5,375**
Total deferred tax assets	**5,623**	5,007	**57,243**
Valuation allowance	**(376)**	-	**(3,828)**
Total deferred tax assets, net of valuation allowance	**5,247**	5,007	**53,415**
Deferred tax liabilities:			
Special reserve for tax purposes	**-**	-	**-**
Unrealized gain on investment securities	**1**	46	**10**
Other	**-**	-	**-**
Total deferred tax liabilities	**1**	46	**10**
Net deferred tax assets	**¥5,246**	¥4,961	**$53,405**

9. Qualified revaluation of land:

Pursuant to the Law Concerning Land Revaluation that became effective on March 31, 2000, the Company comprehensively revalued the land it used for business purposes, and the resultant unrealized loss on revaluation of ¥3,102 million ($31,579 thousand) at March 31, 2009 and ¥1,841 million, net of related deferred tax assets of ¥1,261 million, at March 31, 2008 was recorded as a separate component of net assets on the balance sheet. The land prices used for the revaluation were based on the prices shown in an official notice published by the Commissioner of the National Tax Agency in accordance with Article 2, Paragraph 4 of the Enforcement Ordinance Concerning Land Revaluation, after reasonable adjustments.

Deferred tax assets relating to the revaluation were included in the "Deferred income taxes" account (non-current assets) as presented in Note 8.

The book value before revaluation and the value assessed at the time of revaluation as at March 31, 2000 were as follows:

	Millions of yen
Book value before revaluation	¥6,349
Carrying amount after revaluation	3,247

As of March 31, 2009, the fair value of the revalued land, estimated using the method descried above, had further declined to ¥2,893 million ($29,451 thousand).

10. Net Assets:

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Japanese Corporate Law (the "Law"), in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earning reserve and additional paid in capital could be used to eliminate or reduce a deficit or could be capitalized by resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Law.

At the annual shareholders' meeting held on June 22, 2009, the shareholders resolved cash dividends amounting to ¥1,714 million ($17,449 thousand). Such appropriations have not been accrued in the consolidated financial statements as of March 31, 2009. Such appropriations will be recognized in the period when they are resolved.

11. Derivative Instruments:

The Company had certain derivative instruments including exchange linked bonds for the purpose to earn high interest as one of the portfolio management. The risk for the investment in the derivative instruments contains the fluctuation of bonds prices and foreign exchange rate. The company does not anticipate any material losses arising from credit risk because the counterparties to those contracts are limited to major international financial institutions. The Finance Department executes and controls the transactions and positions based on the rules decided by the board meeting. Each contract and its results are to be periodically reported to the board meeting.

12. Share Subscription Rights:

The summarized contents of share subscription rights as of March 31, 2009 is as follows:

	Share subscription rights #2	Share subscription rights #3	Share subscription rights #4
Date of the annual shareholders' meeting	June 23, 2004	June 22, 2006	June 22, 2006
Position and number of grantee	5 directors and 519 employees of the Company	5 directors	13 executive officer, 136 employees of the company and 65 employees of the subsidiaries
Date of grant	August 23, 2004	March 15, 2007	March 15, 2007
Class and number of stock	Common Stock 299,780	Common Stock 20,800	Common Stock 316,400
Exercised period	From July 1, 2006 to June 30, 2009	From July 1, 2008 to June 30, 2011	From July 1, 2008 to June 30, 2011

The following tables summarize scale and movement of share subscription rights as of March 31, 2009.

	Share subscription rights #2	Share subscription rights #3	Share subscription rights #4
Non-exercisable (number of shares)			
Outstanding at April 1, 2008	-	15,800	302,600
Granted	-	-	-
Forfeited	-	-	-
Exercised	-	15,800	302,600
Outstanding at March 31, 2009	-	-	-
Exercisable (number of shares)			
Outstanding at April 1, 2008	226,980	-	-
Granted	-	15,800	302,600
Forfeited	5,720	-	9,400
Exercised	-	-	-
Outstanding at March 31, 2009	221,260	15,800	293,200
Exercise price	¥1,895	¥2,191	¥2,191
	$19.29	$22.30	$22.30
Average stock price at exercise	-	-	-
	-	-	-
Fair value price at grant date	-	¥274	¥274
	-	$2.79	$2.79

13. Business Combination:

(1) Outline of business combination

Company name:	KOEI NET Co., Ltd.("NET")
Business activities:	Distribution of software for PCs and home video game systems.
Legal form of the business combination:	Transaction under common control
New company name after the business combination:	Not change.
Transaction overview :	90 shares of the Company's common stock were allocated to 1 share of NET's common stock.

(2) Outline of accounting method

The transaction qualified as a business combination under common control under the "Accounting Standard for Business Combinations (Business Accounting Council, October 31, 2003)" and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (Accounting Standards Boards of Japan, Guidance No. 10)."
The share exchange was executed on August 1, 2008.

(3) Acquisition cost

		Millions of yen	Thousands of U.S. dollars
		2009	**2009**
Acquisition Price	The company’s common stock	**¥1,679**	**$17,093**
Direct Expenses	Advisory fees and other expenses	**45**	**458**
Acquisition cost	Acquisition cost	**¥1,724**	**$17,551**

(4) Type of shares to be issued, share exchange ratio, share exchange ratio calculation, number of shares to be issued and valuation cost

Type of shares to be issued and share exchange ratio
Type of shares to be issued: Common stocks
Share exchange ratio: 90 shares of the Company for 1 share of NET.

Share exchange ratio calculation
The Company requested a third-party institution to calculate the share exchange ratio. The both companies finally agreed and decided on the share exchange ratio upon negotiation and careful examination of the valuation results.

Number of shares to be issued and valuation cost
Number of shares to be issued: 1,020,240 stocks
Valuation cost: ¥1,679million ($17,093 thousand)

(5) Goodwill, Source and Amortization of Method and Period

Goodwill: ¥1,088 million ($11,076 thousand)

Source: The goodwill derives from future profitability

Amortization Method and Period: Goodwill is amortized over 5 years on a Straight-line basis.

14. Segment Information:

(1) Industry Segments Information-

Koei Group has formulated a mid- term business plan “Koei Vision 2011” defining the business segments of “Game Software,” ”Online&Mobile,” “Media&Rights” and “Other” in November, 2007. By the execution of organization change and share exchange etc., established the organization aim to realize the mid-term business plan. To present the business segment more appropriately, it changed a past business segment to the new business segment announced in the mid-term business plan.
The Company operates principally in the following business segments:

a) Game Software: Design, development, manufacture and sale of game software for personal computers (PCs) and home video game systems.
b) Online & Mobile: Design, development, and management of software for online game and mobile phone.
c) Media & Rights: Design, development, manufacture and sale of game software related products such as books, music CDs and picture DVDs and management of game software product licenses.
d) Other: Real estate management, venture capital, advertising factorage etc.,

The following tables present net sales and operating income and operating expenses, identifiable assets and depreciation and capital expenditure information by industry segment for the years ended March 31, 2009 and 2008.

	Millions of yen						
	For the year ended March 31, 2009						
	Game Software	Online & Mobile	Media & Rights	Other	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	**¥19,381**	**¥5,417**	**¥3,167**	**¥123**	**¥28,088**	**-**	**¥28,088**
(2) Inter-segment net sales	**250**	**24**	**21**	**-**	**295**	**(295)**	**-**
Total	**19,631**	**5,441**	**3,188**	**123**	**28,383**	**(295)**	**28,088**
Operating expenses	**16,093**	**3,438**	**2,576**	**96**	**22,203**	**(297)**	**21,906**
Operating income	**¥3,538**	**¥2,003**	**¥612**	**¥27**	**¥6,180**	**¥2**	**¥6,181**
II. Identifiable assets, depreciation							
and capital expenditure:							
Identifiable assets	**¥11,542**	**¥3,868**	**¥1,194**	**¥3,010**	**¥19,614**	**¥36,370**	**¥55,984**
Depreciation	**374**	**167**	**21**	**53**	**615**	**97**	**712**
Capital expenditure	**236**	**69**	**10**	**47**	**362**	**395**	**757**

	Thousands of U.S. dollars (Note1)						
	For the year ended March 31, 2009						
	Game Software	Online & Mobile	Media & Rights	Other	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	**$197,302**	**$55,146**	**$32,241**	**$1,252**	**$285,941**	**-**	**$285,941**
(2) Inter-segment net sales	**2,545**	**244**	**214**	**-**	**3,003**	**(3,003)**	**-**
Total	**199,847**	**55,390**	**32,455**	**1,252**	**288,944**	**(3,003)**	**285,941**
Operating expenses	**163,829**	**34,999**	**26,225**	**977**	**226,030**	**(3,023)**	**223,007**
Operating income	**$36,018**	**$20,391**	**$6,230**	**$275**	**$62,914**	**$20**	**$62,934**
II. Identifiable assets, depreciation							
and capital expenditure:							
Identifiable assets	**$117,500**	**$39,377**	**$12,155**	**$30,653**	**$199,685**	**$370,253**	**$569,928**
Depreciation	**3,807**	**1,700**	**214**	**540**	**6,261**	**987**	**7,248**
Capital expenditure	**2,403**	**702**	**102**	**478**	**3,685**	**4,021**	**7,706**

	Millions of yen						
	For the year ended March 31, 2008						
	Game Software	Online & Mobile	Media & Rights	Other	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	¥22,068	¥3,410	¥3,363	¥271	¥29,112	-	¥29,112
(2) Inter-segment net sales	376	11	12	10	409	(409)	-
Total	22,444	3,421	3,375	¥281	29,521	(409)	29,112
Operating expenses	17,873	1,882	2,945	223	22,923	(447)	22,476
Operating income	¥4,571	¥1,539	¥430	¥58	¥6,598	¥38	¥6,636
II. Identifiable assets, depreciation							
and capital expenditure:							
Identifiable assets	¥15,437	¥7,761	¥1,417	¥3,709	¥28,324	¥36,258	¥64,582
Depreciation	566	2	14	46	628	67	695
Capital expenditure	750	0	31	6	787	691	1,478

The amounts of corporate assets included in the "Elimination or Corporate Assets" column for the years ended March 31, 2009 and 2008 were ¥36,398 million ($370,539 thousand) and ¥39,393 million, respectively. Corporate assets mainly comprise surplus operating funds (cash and marketable securities), long-term investment securities of the Company and assets held by the corporate division of the Company.

(2) Geographic Area Information -

The following tables present sales, operating expenses and operating income and assets information by geographic area for the years ended March 31, 2009 and 2008.

	Millions of yen						
	For the year ended March 31, 2009						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	**¥26,087**	**¥1,059**	**¥310**	**¥632**	**¥28,088**	**-**	**¥28,088**
(2) Inter-segment net sales	**901**	**365**	**-**	**1,585**	**2,851**	**(2,851)**	**-**
Total	**26,988**	**1,424**	**310**	**2,217**	**30,939**	**(2,851)**	**28,088**
Operating expenses	**21,592**	**1,433**	**470**	**1,306**	**24,801**	**(2,894)**	**21,907**
Operating income	**¥5,396**	**(¥9)**	**(¥160)**	**¥911**	**¥6,138**	**¥43**	**¥6,181**
II. Identifiable assets:	**¥15,391**	**¥1,159**	**¥155**	**¥3,865**	**¥20,570**	**¥35,414**	**¥55,984**

	Thousands of U.S. dollars (Note1)						
	For the year ended March 31, 2009						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	**$265,571**	**$10,781**	**$3,156**	**$6,433**	**$285,941**	**-**	**$285,941**
(2) Inter-segment net sales	**9,172**	**3,716**	**-**	**16,136**	**29,024**	**(29,024)**	**-**
Total	**274,743**	**14,497**	**3,156**	**22,569**	**314,965**	**(29,024)**	**285,941**
Operating expenses	**219,811**	**14,588**	**4,785**	**13,295**	**252,479**	**(29,462)**	**223,017**
Operating income	**$54,932**	**($91)**	**($1,629)**	**$9,274**	**$62,486**	**438**	**$62,924**
II. Identifiable assets:	**$156,683**	**$11,799**	**$1,578**	**$39,347**	**$209,407**	**$360,521**	**$569,928**

	Millions of yen						
	For the year ended March 31, 2008						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Assets	Consolidated Total
I. Net sales and operating income:							
Net sales							
(1) Net sales to outside customers	¥22,563	¥3,962	¥1,701	¥886	¥29,112	-	¥29,112
(2) Inter-segment net sales	2,946	227	-	269	3,442	(3,442)	-
Total	25,509	4,189	1,701	1,155	32,554	(3,442)	29,112
Operating expenses	19,087	3,851	1,662	1,315	25,915	(3,439)	22,476
Operating income	¥6,422	¥338	¥39	(¥160)	¥6,639	(¥3)	¥6,636
II. Identifiable assets:	¥20,506	¥1,476	¥914	¥3,709	¥26,605	¥37,977	¥64,582

The segmentation policy used for the net sales of overseas countries and significant countries in each area are as follows:

- The segmentation policy for the net sales of overseas countries was based on geographic location.
- The significant countries in each area are: North America: U.S.A. and Canada Europe: The U.K. and France
  Asia: The Republic of Korea, Taiwan and Singapore

The amount and major items of corporate assets included in the "Elimination or Corporate assets" column are the same as those in (1) Industry segment information.

(3) Overseas sales information -

The following table presents overseas sales information for the years ended March 31, 2009 and 2008.

	Millions of Yen			
	For the year ended March 31, 2009			
	North America	Europe	Asia and Oceania	Total
I. Net sales	**¥1,059**	**¥481**	**¥2,883**	**¥4,423**
II. Consolidated net sales	**-**	**-**	**-**	**¥28,088**
III. Ratio between I. And II	**3.8%**	**1.7%**	**10.2%**	**15.7%**

	Thousands of U.S. dollars (Note 1)			
	For the year ended March 31, 2009			
	North America	Europe	Asia and Oceania	Total
I. Net sales	**$10,781**	**$4,897**	**$29,349**	**$45,027**
II. Consolidated net sales	**-**	**-**	**-**	**$285,941**
III. Ratio between I. And II	**3.8%**	**1.7%**	**10.2%**	**15.7%**

	Millions of Yen			
	For the year ended March 31, 2008			
	North America	Europe	Asia and Oceania	Total
I. Net sales	¥3,962	¥2,127	¥1,499	¥7,588
II. Consolidated net sales	-	-	-	¥29,112
III. Ratio between I. And II	13.6%	7.3%	5.2%	26.1%

The principal countries or areas included in each region are as follows;
North America: U.S.A.
Europe: The U.K., France and Germany
Asia and Oceania: The Republic of Korea, Taiwan, China and Australia

15. Subsequent Events:

Shareholders of the Company approved a resolution to establish a holding company with Tecmo, Ltd. by means of stock-transfer at the extraordinary shareholders' meeting held on January 26, 2009. The holding company, TECMO KOEI HOLDINGS Co., Ltd., was established as of April 1, 2009. The Company and Tecmo Ltd. became wholly owned subsidiaries of the holding company.

Outline of TECMO KOEI HOLDINGS Co., Ltd.

Company name:	TECMO KOEI HOLDINGS Co., Ltd.
Representatives of company:	Yasuharu Kakihara, Chairman Kenji Matsubara, President
Location of Head office:	1-18-12, Minowa-cho Kouhoku-ku Yokohama
Capital stock:	¥15,000 million($152,703thousand)
Main reason of the share transfer:	To share the management resource, maximize each others' strengths and reinforce each others' weaknesses to boost our name brand power and to acquire a big growth chance in a global base.
Business activities:	Design, development, manufacture and sale of game software for PCs and home video game systems. Design, development, manufacture and sale of game software related products such as books, music CDs and picture DVDs. Design, development, and management of amusement facilities.

KPMG AZSA&Co.

AZSA Center Building 1-2,
Tsukdo-cho, Shinjuku-ku, Tokyo
162-8551, Japan

To the Board of Directors of
KOEI Co., Ltd.:

We have audited the accompanying consolidated balance sheets of KOEI Co., Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of KOEI Co., Ltd. and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to Note 15 to the consolidated financial statements, shareholders of the Company approved a resolution to establish a holding company with Tecmo, Ltd. by means of stock-transfer at the extraordinary shareholders' meeting held on January 26, 2009. The holding company, TECMO KOEI HOLDINGS CO., LTD., was established as of April 1, 2009. The Company and Tecmo Ltd. became wholly owned subsidiaries of the holding company.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Tokyo, Japan
June 22, 2009

KPMG AZSA & Co.

BOARD OF DIRECTORS AND STATUTORY AUDITORS

Founder, Director & Chief Advisor
Yoichi Erikawa

Founder & Chairman Emeritus
Keiko Erikawa

Chairman & CEO
Masaru Iyori

President & COO
Kenji Matsubara

Senior Managing Director
Yoshiki Sugiyama

Senior Managing Director & CFO
Kenjiro Asano

Director
Shintaro Kobayashi
Kazuyoshi Sakaguchi

Auditors
Satoru Morishima
Tsuyoshi Torii
Miyoshi Matsui
Ouchi Takashi

Managing Executive Officers
Akihiro Suzuki
Hisashi Koinuma

Executive Officers
Masatoshi Hosaka
Toru Ogawa
Naoki Sano
Hiroshi Moriguchi
Seinosuke Fukui
Yasuichiro Shinbo
Takeshi Hara
Kouji Harao
Kazuhiro Ogawa
Toru Akutsu
Yoshiaki Inose

(As of July 1, 2009)

CORPORATE DATA

KOEI Co., Ltd.

Head Office
1-18-12 Minowa-cho, Kouhoku-ku,
1-18-12 Minowa-cho, Kouhoku-ku,
Yokohama, Kanagawa 223-8503 Japan
Tel : +81-45-561-6888
http://www.koei.co.jp/

Date Established :
July 25, 1978

Paid-in Capital :
¥9,091 Million (As of March, 2009)

Number of Employees :
1,276 (As of March 31, 2009 : Consolidated Basis)

Account Settlement :
March 31

Transfer Agent of Common Stock :
The Chuo Mitsui Trust and Banking Co., Ltd.
33-1 Shiba 3-chome, Minato-ku, Tokyo
105-8574 Japan

Independent Auditor :
KPMG AZSA & Co.

HOLDING COMPANY

TECMO KOEI HOLDINGS Co., Ltd.
1-18-12 Minowa-cho, Kouhoku-ku,
Yokohama, Kanagawa 223-8503 Japan
Tel : +81-45-562-8111
http://www.koeitecmo.co.jp/

MAJOR SUBSIDIARIES

KOEI NET Co., Ltd.
1-23-3 Minowa-cho, Kouhoku-ku,
Yokohama, Kanagawa 223-0051 Japan
Tel : +81-45-565-3123
http://www.koeinet.co.jp/

KOEI CAPITAL Co., Ltd.
1-23-3 Minowa-cho, Kouhoku-ku,
Yokohama, Kanagawa 223-0051 Japan
Tel : +81-45-564-1195

KOEI Corporation
1818 Gilbreth RD., Suite 235
Burlingame, CA 94010 U.S.A
Tel : +1-650-692-9080
http://www.koei.com/

KOEI KOREA Corporation
Hyundai Tower 603, Sinchen-dong,
Songpa-gu, Seoul, 138-735 KOREA
Tel : +82-2-3401-7154
http://www.koeikorea.co.kr/

TECMO KOEI EUROPE LIMITED
Unit 209a The Spirella Building Bridge
Road Letchworth Garden City
Hertfordshire, SG6 4ET, UK
Tel : +44-1462-476130
http://www.tecmokoei-europe.com/

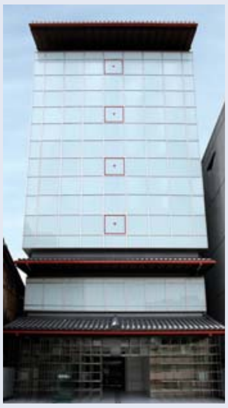
TAIWAN KOEI ENTERTAINMENT SOFTWARE Inc.
11F, No.323, Sec. 1, Fu-Hsing S. Road, Daan Chiu,
Taipei, 106, Taiwan
Tel : +886-2-2325-0111
http://www.koei.com.tw/

KOEI CANADA Inc.
257 Adelaide Street West Suite 500, Toronto,
Ontario M5H 1X9, Canada
Tel : +1-416-599-5634
http://www.koeicanada.ca/

KOEI ENTERTAINMENT SINGAPORE Pte. Ltd.
18 Cross Street, #10-01/02 China Square Central,
Singapore 048423
Tel : +65-6220-7581
http://www.koei.com.sg/

Beijing KOEI Software Co., Ltd.
RM.701 Beijing Inn
No.6 South ZhuGan HuTong,
Chaoyang men Nei, Dongcheng District,
Beijing China.
Tel :+86-10-6588-3571

Tianjin KOEI Software Co., Ltd.
Global Permutably Center
No.309 Nanjin Road, Nankai District,
Tianjing China
Tel : +86-22-8328-0020



KOEI Co., Ltd.
1-18-12 MINOWA-CHO, KOUHOKU-KU, YOKOHAMA, KANAGAWA 223-8503, JAPAN