

(Translation)

FILE NO. 82-3919

August 5, 2004

**BRIEF STATEMENT OF FINANCIAL AND OPERATING RESULTS
FOR THE FIRST QUARTER OF THE YEAR ENDING MARCH 31, 2005
(CONSOLIDATED)**

BANDAI CO., LTD.(URL: <http://www.bandai.co.jp/>)

Stock Code: 7967

Stock Exchange: Tokyo Stock Exchange (TSE),
First Section

Representative:

Takeo Takasu
President and Representative Director

Person to contact:

Hiroshi Kawasaki
General Manager, President Office
TEL (03) 3847-5005**1. Matters concerning the preparation of quarterly financial information, etc.:**

- 1) Application of simplified accounting methods: Yes

Corporate income taxes are calculated based on a simplified method, by application of the statutory effective tax rate.

- 2) Difference in accounting methods compared with the most recent consolidated business year: None

- 3) Changes in the scope of consolidation and the application of equity method: None

2. Summary of the financial and operating results for the first quarter of the year ending March 31, 2005 (from April 1, 2004 to June 30, 2004):**(1) Progress of consolidated operating results**

(In millions of yen, rounded down, except where noted)

	Net Sales		Operating Income		Recurring Income	
First Quarter Ended June 30, 2004	58,862	1.3%	5,687	(-) 25.3%	5,906	(-) 22.3%
First Quarter Ended June 30, 2003	58,119	-%	7,616	-%	7,601	-%
(For reference) Fiscal Year Ended March 31, 2004	263,174		27,651		27,221	

	Net Income		Net Income per Share	Fully Diluted Earnings per Share
First Quarter Ended June 30, 2004	2,939	(-) 26.7%	29.85 yen	29.79 yen
First Quarter Ended June 30, 2003	4,009	-%	82.03 yen	81.87 yen
(For reference) Fiscal Year Ended March 31, 2004	14,206		142.28 yen	141.95 yen

(Notes) 1. The Company split each share of common stock into two shares on November 20, 2003. Net income per share and fully diluted earnings per share for the first quarter of the fiscal year ended

March 31, 2004 as if the stock split were made at the beginning of the period are 41.02 yen and 40.93 yen, respectively.

2. All percentages in the items of net sales, operating income, etc. represent changes compared to the same period of the prior fiscal year. The preparation of brief quarterly financial statements has commenced as from the prior consolidated fiscal year. Hence, no comparison of the actual results for the first quarter of the year ended March 31, 2004 with those for the first quarter of the year ended March 31, 2003 is given herein.

(2) Movement in the consolidated financial position

(In millions of yen, rounded down, except where noted)

	Total Assets	Stockholders' Equity	Equity Ratio	Equity per Share
First Quarter Ended June 30, 2004	216,636	123,635	57.1%	1,254.76 yen
First Quarter Ended June 30, 2003	218,412	119,223	54.6%	2,439.43 yen
(For reference) Fiscal Year Ended March 31, 2004	228,075	121,068	53.1%	1,227.16 yen

(Note) Equity per share for the first quarter of the fiscal year ended March 31, 2004 as if the stock split were made at the beginning of the fiscal year is 1,219.72 yen.

(3) Consolidated statement of cash flows

(In millions of yen, rounded down)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
First Quarter Ended June 30, 2004	(618)	(3,126)	(780)	77,470
First Quarter Ended June 30, 2003	(3,625)	(5,160)	(2,387)	72,574
(For reference) Fiscal Year Ended March 31, 2004	20,032	(9,830)	(10,885)	82,193

3. Fiscal Year 2005 Full Year Projections (from April 1, 2004 to March 31, 2005)

(In millions of yen, rounded down)

	Net Sales	Recurring Income	Net Income
Interim Period Ending September 30, 2004	125,000	12,500	6,050
Fiscal Year Ending March 31, 2005	280,000	30,000	14,800

Reference: Projected net income per share for fiscal year 2005 (fiscal year ending March 31, 2005): 147.57 yen

The above projections are based on the information available to management as of the date hereof, and estimates involving uncertain factors thought likely to have an effect on future results as of the date hereof. Actual results may differ materially from these projections for a variety of factors in the future.

4. Qualitative information on the summary of operating results for the first quarter and the forecasts of operating results, etc.

(1) Qualitative information on the progress of consolidated operating results, etc.

For the first quarter of the fiscal year under review (from April 1, 2004 to June 30, 2004), the Japanese economy showed signs of steady improvement, including better corporate earnings and a rising stock market, as well as slow improvements in employment and personal consumption.

Under these conditions, in the second year of our new three-year Medium-Term Management Plan, our theme became the business expansion focused on profitability, implemented through twin strategies: creating new businesses leveraging our character assets and further expanding our existing businesses. Based on that plan, we embarked on implementing a variety of measures to achieve our goal of raising sales to a new height.

On a consolidated basis, net sales for the first quarter under review were 58,862 million yen, up 1.3% compared to the same period of the prior fiscal year. However, due to greater up-front expenses to expand our existing businesses, operating income was 5,687 million yen, down 25.3%, and recurring income was 5,906 million yen, down 22.3%. Net income was 2,939 million yen, down 26.7%.

Segment performance by business area:

(In millions of yen, rounded down)

	Net Sales			Operating Income		
	First quarter ended June 30, 2004 (As of June 30, 2004)	First quarter ended June 30, 2003 (As of June 30, 2003)	Increase (decrease)	First quarter ended June 30, 2004 (As of June 30, 2004)	First quarter ended June 30, 2003 (As of June 30, 2003)	Increase (decrease)
Toys & Hobby	32,781	33,844	(1,062)	2,916	4,822	(1,906)
Life-style	4,149	4,472	(322)	168	575	(406)
Amusement	4,124	3,634	489	227	88	139
Video Game Software	6,729	5,237	1,492	516	141	375
Visual	8,127	7,865	261	1,531	1,414	117
Networks	2,356	2,561	(205)	405	644	(239)
Other	3,724	3,233	490	242	154	88

In the toys & hobby area, character toys led by *Power Rangers (Tokuso Sentai DekaRangers)* showed steady performance, specifically. New characters, such as *Futariha Precure*, went off to a flying. Our *Tamagotchi Plus*, launched for the first time in seven years, gained popularity. However, in the United States, sales of new character toys are expected to be intensive in the second half of the current fiscal year, which were not so during the prior fiscal year. Additionally, we incurred increased development costs to launch new products. Thus, the business area overall achieved decreased revenues and profits.

In the life-style area, sales of apparel goods, including clothing items for children mainly featuring *Soreike! Anpanman* series, and *Bikkura Tamago* series of egg-shaped bath salts with a figure of a popular character remained favorable. However, due to a slump in the whole apparel industry consequent on bad weather and an increase in advertising and general publicity expenses and other costs relating to new projects, the business area achieved decreased revenues and profits.

In the amusement area, sales of prizes for facilities targeting families, annexed to marquee shopping centers, and amusement equipment, including *Conveni Catcher 2*,

remained favorable. Thus, the business area achieved increased revenue and profits.

In the video game software area, game software for characters, including *Super Robot Wars MX* and *Kinnikuman Generations*, produced strong performance. Thus, the business area achieved increased revenue and profits.

In the visual area, sales of DVD software, including *Ghost In The Shell* series increased favorably. In addition, we received distributions of revenues from a theatrical movie *Zatoichi* directed by Takeshi Kitano. Thus, the business area achieved increased revenue and profits.

In the networks area, sales of game contents for mobile phones, including *Simple 100* series and *Mobile Suit Gundam* series increased steadily. However, we did not gain such licensing revenues in our solution business as we did during the first quarter of the prior fiscal year. Thus, the business area achieved decreased revenue and profits.

In the other business areas, efforts in improving operational efficiency in our distribution business resulted in increased revenue and profits.

Segment performance by region:

(In millions of yen, rounded down)

	Net Sales			Operating Income (Loss)		
	First quarter ended June 30, 2004 (As of June 30, 2004)	First quarter ended June 30, 2003 (As of June 30, 2003)	Increase (decrease)	First quarter ended June 30, 2004 (As of June 30, 2004)	First quarter ended June 30, 2003 (As of June 30, 2003)	Increase (decrease)
Japan	50,982	47,407	3,574	5,863	5,416	447
America	4,840	7,189	(2,349)	(558)	1,379	(1,937)
Europe	3,097	3,574	(477)	367	777	(409)
Asia	6,287	6,163	124	539	439	100

In Japan, character toys led by *Power Rangers (Tokuso Sentai DekaRangers)* showed steady performance, specifically. Our candy toys, vending machine products and cards also gained a great popularity. Additionally, our businesses in the video game software, amusement and visual areas performed well and achieved increased revenues and profits, respectively.

In America, sales of products in the toys & hobby and video game software areas are expected to be intensive in the second half of the year, which were not so during the prior fiscal year. Additionally, we incurred increased development costs to launch new products. Thus, both revenues and profits decreased.

In Europe, favorable growth was seen in products of the *Power Rangers* series. We launched sales of video game software from our *.hack (dot hack)* series and toys for girls *Strawberry Shortcake*. However, adversely affected by the marketing solely in Spain of fashion dolls of *Bratz*, a girl's character, which were popular in the prior fiscal year, both revenues and profits decreased.

In Asia, favorable growth was seen in character toys of the *Power Rangers* series and the *Mobile Suit Gundam* series, among other things. As a result, both revenues and profits increased.

(2) Qualitative information on changes in the consolidated financial status, etc.

1) Summary of assets, liabilities and stockholders' equity at the end of the first quarter of the fiscal year under review:

Total assets decreased by 11,439 million yen from the end of the prior fiscal year, principally due to a decrease of 13,593 million yen in trade receivables and a decrease of 4,723 million yen in cash and cash equivalents.

Liabilities decreased by 14,777 million yen, principally due to a decrease of 7,065 million yen in accounts payable-other and a decrease of 4,392 million yen in accrued income taxes.

Stockholders' equity increased by 2,567 million yen as net income accounted for 2,939 million yen, specifically.

2) Summary of cash flows for the first quarter of the fiscal year under review:

Cash flows from operating activities decreased by 618 million yen, principally due to the payment of 7,220 million yen for income taxes, a decrease of 6,985 million yen in accounts payable – other and a decrease of 2,391 million yen in trade payables while trade receivables decreased by 13,386 million yen and net income before income taxes and minority interests amounted to 6,555 million yen.

Cash flows from investing activities amounted to 3,126 million yen of expenditure due to the payment of 3,059 million yen for acquisition of property, plant and equipment and the payment of 1,412 million yen for acquisition of investment in securities.

Cash flows from financing activities were negative and amounted to 780 million yen due to the payment of 738 million yen in dividends.

As a result, after an effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents at the end of the first quarter of the fiscal year under review decreased by 4,723 million yen from the end of the prior fiscal year to 77,470 million yen.

(3) Qualitative information on the forecasts of operating results, etc.

The Japanese economy is expected to register a tone of gradual recovery, such as better corporate earnings and capital investment growth.

Bandai Group will aggressively carry on business, specifically focusing on our popular branded characters, led by *Mobile Suit Gundam SEED Destiny*, a sequel to its big-hit predecessor, and *Ultraman Nexus*, the latest *Ultraman* series to be broadcasted on TV for

the first time in three years. As to new characters, we have obtained from Sanrio Co., Ltd. a comprehensive master license for its popular character *Cinnamoroll*, including sublicensing rights and will develop the character strategically under joint projects with Sanrio Co., Ltd.

In our overseas markets, in addition to our popular branded character, *Power Rangers*, we will aggressively market new characters, such as Teen Titans, in the toys & hobby area. In the video game software area, we will market our major titles to expand our businesses.

With regard to the forecast of operating results for the interim and whole-year periods of the fiscal year ending March 31, 2005, no amendment is made to the forecast thereof given upon publication of the financial statements for the prior fiscal year on May 11, 2004.

[Attachment]

Consolidated Financial Statements for the First Quarter

(1) Summary of Consolidated Balance Sheet for the First Quarter

(In millions of yen, rounded down)

	First quarter ended June 30, 2004 (As of June 30, 2004)		Fiscal year ended March 31, 2004 (As of March 31, 2004)		Increase (decrease)		First quarter ended June 30, 2003 (As of June 30, 2003)	
(Assets)		%		%		%		%
I. CURRENT ASSETS								
1. Cash and time deposits	57,991		77,433				58,337	
2. Trade receivables.....	37,694		51,287				43,271	
3. Inventories	9,197		7,920				9,305	
4. Deferred tax assets-current	5,221		5,221				5,090	
5. Other current assets	37,967		21,922				33,357	
6. Allowance for doubtful receivables	(702)		(655)				(782)	
Total current assets	147,368	68.0	163,130	71.5	(15,762)	(9.7)	148,580	68.0
II. FIXED ASSETS								
1. Property, plant and equipment	41,962	19.4	40,369	17.7	1,593	3.9	38,764	17.8
(1) Buildings and structures	14,367		14,379				10,909	
(2) Land.....	17,908		16,372				16,539	
(3) Other tangible fixed assets	9,686		9,617				11,315	
2. Intangible assets	2,149	1.0	2,247	1.0	(98)	(4.4)	2,457	1.1
3. Investment and other assets.....	25,156	11.6	22,328	9.8	2,828	12.7	28,609	13.1
(1) Investment securities	17,472		14,751				12,871	
(2) Deferred tax assets-non-current.....	3,450		3,577				4,088	
(3) Deferred tax assets, land revaluation difference	-		-				8,398	
(4) Other investments and assets	5,201		4,994				4,381	
(5) Allowance for doubtful receivables	(968)		(994)				(1,130)	
Total fixed assets	69,268	32.0	64,945	28.5	4,322	6.7	69,831	32.0
TOTAL ASSETS	216,636	100.0	228,075	100.0	(11,439)	(5.0)	218,412	100.0

(In millions of yen, rounded down)

	First quarter ended June 30, 2004 (As of June 30, 2004)		Fiscal year ended March 31, 2004 (As of March 31, 2004)		Increase (decrease)		First quarter ended June 30, 2003 (As of June 30, 2003)	
(Liabilities)		%		%		%		%
I. CURRENT LIABILITIES								
1. Trade payable.....	24,319		26,800				25,128	
2. Short-term borrowings.....	332		316				577	
3. Current maturities of bonds.....	50		-				10,000	
4. Accounts payable - other.....	12,988		20,054				11,999	
5. Other current liabilities.....	8,986		14,147				9,283	
Total current liabilities	46,677	21.6	61,318	26.9	(14,641)	(23.9)	56,988	26.1
II. LONG-TERM LIABILITIES								
1. Bonds.....	25,150		25,200				25,200	
2. Long-term debt.....	8		10				21	
3. Deferred tax liabilities, land revaluation difference.....	813		813				-	
4. Accrued retirement and severance benefits.....	560		534				537	
5. Officers' retirement and severance benefits.....	900		1,416				1,257	
6. Other long-term liabilities.....	1,449		1,042				509	
Total long-term liabilities	28,882	13.3	29,018	12.7	(136)	(0.5)	27,525	12.6
TOTAL LIABILITIES	75,559	34.9	90,336	39.6	(14,777)	(16.4)	84,514	38.7
(Minority Interests)								
Minority interests.....	17,441	8.0	16,670	7.3	770	4.6	14,674	6.7
(Stockholders' Equity)								
I. Common stock.....	24,374	11.3	24,292	10.6	81	0.3	23,637	10.8
II. Additional paid-in capital.....	23,707	10.9	23,625	10.4	81	0.3	22,970	10.5
III. Retained earnings.....	94,838	43.8	92,523	40.6	2,314	2.5	82,324	37.7
IV. Land revaluation difference.....	(21,298)	(9.8)	(21,298)	(9.3)	-	-	(12,085)	(5.5)
V. Other securities valuation differences.....	3,122	1.4	2,600	1.1	522	20.1	1,177	0.6
VI. Translation adjustment.....	(943)	(0.4)	(511)	(0.2)	(432)	-	1,351	0.6
VII. Treasury stock.....	(166)	(0.1)	(165)	(0.1)	(1)	-	(152)	(0.1)
Total Stockholders' Equity.....	123,635	57.1	121,068	53.1	2,567	2.1	119,223	54.6
Total Liabilities, Minority Interests and Stockholders' Equity.....	216,636	100.0	228,075	100.0	(11,439)	(5.0)	218,412	100.0

(2) Summary of Consolidated Statement of Income for the First Quarter

(In millions of yen, rounded down)

	First quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)		First quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)		Increase (decrease)		Fiscal year ended March 31, 2004 (April 1, 2003 to March 31, 2004)	
		%		%		%		%
I. Net Sales	58,862	100.0	58,119	100.0	743	1.3	263,174	100.0
II. Cost of Sales	32,840	55.8	31,831	54.8	1,008	3.2	146,916	55.8
Gross Profit	26,022	44.2	26,287	45.2	(265)	(1.0)	116,268	44.2
III. Selling, General and Administrative Expenses	20,335	34.5	18,671	32.1	1,664	8.9	88,607	33.7
Operating Income	5,687	9.7	7,616	13.1	(1,929)	(25.3)	27,651	10.5
IV. Non-operating Income	434	0.7	358	0.6	75	21.1	1,359	0.5
1. Interest income	111		102				386	
2. Other non-operating income.....	323		256				973	
V. Non-operating Expenses	215	0.4	373	0.6	(158)	(42.4)	1,789	0.7
1. Interest expense	42		98				347	
2. Equity in loss of affiliated companies	98		114				838	
3. Other non-operating expenses	73		160				603	
Recurring Income	5,906	10.0	7,601	13.1	(1,695)	(22.3)	27,221	10.3
VI. Extraordinary Income	1,075	1.8	361	0.6	714	197.8	2,028	0.8
1. Gain on sale of property, plant and equipment	-		3				29	
2. Gain on sale of investment securities	1,053		326				1,867	
3. Others	21		31				130	
VII. Extraordinary Loss	426	0.7	133	0.2	293	220.8	1,932	0.7
1. Loss on disposal and sale of property, plant and equipment.....	15		21				1,005	
2. Loss on sale of investment securities	-		12				16	
3. Loss on valuation of investment securities	15		24				691	
4. Loss on valuation of guarantee money deposited.....	2		-				68	
5. Amortization of goodwill	392		-				-	
6. Others.....	-		75				150	
Net Income before Income Taxes and minority interests	6,555	11.1	7,830	13.5	(1,274)	(16.3)	27,318	10.4
Income Taxes	2,808	4.8	3,579	6.2	(770)	(21.5)	12,137	4.6
Minority Interests	806	1.3	241	0.4	564	233.6	974	0.4
Net Income	2,939	5.0	4,009	6.9	(1,069)	(26.7)	14,206	5.4

(3) Summary of Consolidated Statement of Cash Flows for the First Quarter

(In millions of yen, rounded down)

	First quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)	First quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)	Fiscal year ended March 31, 2004 (April 1, 2003 to March 31, 2004)
I. Cash Flows from Operating Activities			
Income before income taxes and minority interests.....	6,555	7,830	27,318
Depreciation and amortization	1,612	1,478	7,169
Increase (decrease) in allowances and reserves.....	(461)	(18)	(80)
Equity in loss of affiliated companies	98	114	838
Loss (gain) on disposal and sale of property, plant and equipment.....	15	18	975
Loss (gain) on sale and valuation of investment securities.....	(1,037)	(290)	(1,159)
Decrease (increase) in trade receivables	13,386	2,865	(5,889)
Decrease (increase) in inventories	(1,326)	(1,139)	159
Increase (decrease) in trade payables.....	(2,391)	(2,086)	(291)
Increase (decrease) in accounts payable-other.....	(6,985)	(5,359)	2,895
Bonus to directors	(313)	(277)	(280)
Other	(2,760)	(1,882)	(1,493)
Subtotal	6,391	1,253	30,161
Interest and dividends received	213	229	628
Interest paid	(3)	(128)	(414)
Income taxes paid	(7,220)	(4,979)	(10,342)
Net cash provided by operating activities	(618)	(3,625)	20,032
II. Cash Flows from Investing Activities			
Decrease (increase) in time deposits.....	450	(40)	750
Decrease (increase) in short-term investments	(97)	(499)	109
Purchases of property, plant and equipment.....	(3,059)	(3,030)	(11,032)
Sale of property, plant and equipment	3	12	483
Purchases of investment securities	(1,412)	(2,136)	(2,823)
Sale of investment securities	1,295	716	1,918
Acquisition of shares in consolidated subsidiaries, net of cash acquired	-	(1)	144
Sale of shares in consolidated subsidiaries	-	-	1,325
Advances of loans receivable	(231)	(152)	(600)
Collection of loans receivable	61	53	436
Other	(136)	(81)	(542)
Net cash provided by (used in) investing activities	(3,126)	(5,160)	(9,830)

(In millions of yen, rounded down)

	First quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)	First quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)	Fiscal year ended March 31, 2004 (April 1, 2003 to March 31, 2004)
III. Cash Flows from Financing Activities			
Net increase (decrease) in short-term borrowings.....	21	(873)	(1,108)
Repayment of long-term borrowings.....	(3)	(80)	(146)
Redemption of bonds.....	-	-	(10,000)
Proceeds from issuance of shares	163	7	1,318
Proceeds from capital paid by minority interests	-	14	1,354
Purchases of treasury stock	(1)	(2)	(15)
Dividends paid	(738)	(1,222)	(1,957)
Dividends paid to minority interests	(222)	(230)	(330)
Net cash provided by (used in) financing activities	(780)	(2,387)	(10,885)
IV. Effect of exchange rate changes on Cash and Cash Equivalents.....	(198)	40	(830)
V. Net Increase (Decrease) in Cash and Cash Equivalents	(4,723)	(11,132)	(1,513)
VI. Cash and Cash Equivalents at the Beginning of the Period.....	82,193	83,326	83,326
VII. Increase in Cash and Cash Equivalents due to additional consolidation of subsidiaries	-	506	506
VIII. Decrease in Cash and Cash Equivalents due to exclusion of consolidated subsidiaries	-	(125)	(125)
IX. Cash and Cash Equivalents at the End of the Period	77,470	72,574	82,193

(4) Segment Information
[Segment Information by Business Area]

(In millions of yen, rounded down)

	First Quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)					
	Toys & Hobby	Life-style	Amusement	Video Game Software	Visual	Networks
Net sales						
(1) Sales to outside customers	32,515	4,140	3,852	6,725	7,896	2,314
(2) Inter-segment sales or transfers	266	8	271	3	230	42
Total	32,781	4,149	4,124	6,729	8,127	2,356
Operating expenses	29,865	3,981	3,896	6,212	6,595	1,951
Operating income	2,916	168	227	516	1,531	405

	First Quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)			
	Other	Total	Elimination or All Group	Consolidated
Net sales				
(1) Sales to outside customers	1,417	58,862	-	58,862
(2) Inter-segment sales or transfers	2,307	3,130	(3,130)	-
Total	3,724	61,993	(3,130)	58,862
Operating expenses	3,481	55,983	(2,807)	53,175
Operating income	242	6,010	(322)	5,687

(In millions of yen, rounded down)

	First Quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)					
	Toys & Hobby	Life-style	Amusement	Video Game Software	Visual	Networks
Net sales						
(1) Sales to outside customers	33,561	4,456	3,415	5,231	7,594	2,530
(2) Inter-segment sales or transfers	283	15	218	5	271	30
Total	33,844	4,472	3,634	5,237	7,865	2,561
Operating expenses	29,021	3,896	3,546	5,095	6,451	1,917
Operating income	4,822	575	88	141	1,414	644

	First Quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)			
	Other	Total	Elimination or All Group	Consolidated
Net sales				
(1) Sales to outside customers	1,328	58,119	-	58,119
(2) Inter-segment sales or transfers	1,905	2,730	(2,730)	-
Total	3,233	60,850	(2,730)	58,119
Operating expenses	3,079	53,008	(2,505)	50,502
Operating income	154	7,841	(224)	7,616

(In millions of yen, rounded down)

	Fiscal Year ended March 31, 2004 (April 1, 2003 to March 31, 2004)					
	Toys & Hobby	Life-style	Amusement	Video Game Software	Visual	Networks
Net sales						
(1) Sales to outside customers	144,328	18,963	14,635	38,759	30,942	10,061
(2) Inter-segment sales or transfers	1,491	95	847	24	916	193
Total	145,820	19,059	15,483	38,784	31,859	10,255
Operating expenses	134,166	17,008	14,928	32,559	26,317	8,295
Operating income (loss)	11,653	2,051	554	6,225	5,541	1,959

	Fiscal Year ended March 31, 2004 (April 1, 2003 to March 31, 2004)			
	Other	Total	Elimination or All Group	Consolidated
Net sales				
(1) Sales to outside customers	5,483	263,174	-	263,174
(2) Inter-segment sales or transfers	7,842	11,412	(11,412)	-
Total	13,325	274,587	(11,412)	263,174
Operating expenses	12,634	245,910	(10,386)	235,523
Operating income (loss)	691	28,676	(1,025)	27,651

(Notes) 1. The "business area" classification is in accordance with the classification adopted for internal management purposes.

2. Main products of each business area

(1) Toys & Hobby area: Toys, candy toys, products for vending machines, cards, plastic models, etc.

(2) Life-style area: Apparel, sundries, stationery, etc.

- (3) Amusement area: Amusement equipment and prizes, etc.
 - (4) Video Game software area: Game software for home game machines and portable game machines, etc.
 - (5) Visual area: Visual works, Visual software, etc.
 - (6) Networks area: Mobile phone contents, broadband video distribution, on-line games, etc.
 - (7) Other areas: Transportation and warehousing of products, leasing, real estate management, printing, etc.
3. Of the operating expenses, the unallocatable amounts included in "elimination or all group" were 458 million yen for the first quarter of the current fiscal year, compared to 392 million yen for the first quarter of the prior fiscal year and 1,571 million yen for the prior fiscal year. Main components of these amounts include expenses incurred in the Company's general affairs and other administrative sections.

[Segment Information by Region]

(In millions of yen, rounded down)

	First Quarter ended June 30, 2004 (April 1, 2004 to June 30, 2004)						
	Japan	America	Europe	Asia, excluding Japan	Total	Elimination or All Group	Consolidated
Net sales							
(1) Sales to outside customers	49,674	4,599	3,097	1,491	58,862	-	58,862
(2) Inter-segment sales or transfers	1,307	241	-	4,796	6,345	(6,345)	-
Total	50,982	4,840	3,097	6,287	65,207	(6,345)	58,862
Operating expenses	45,118	5,399	2,729	5,747	58,995	(5,820)	53,175
Operating income (loss)	5,863	(558)	367	539	6,212	(525)	5,687

	First Quarter ended June 30, 2003 (April 1, 2003 to June 30, 2003)						
	Japan	America	Europe	Asia, excluding Japan	Total	Elimination or All Group	Consolidated
Net sales							
(1) Sales to outside customers	46,317	7,021	3,574	1,206	58,119	-	58,119
(2) Inter-segment sales or transfers	1,090	168	-	4,956	6,215	(6,215)	-
Total	47,407	7,189	3,574	6,163	64,334	(6,215)	58,119
Operating expenses	41,990	5,810	2,797	5,723	56,322	(5,820)	50,502
Operating income	5,416	1,379	777	439	8,012	(395)	7,616

	Fiscal Year ended March 31, 2004 (April 1, 2003 to March 31, 2004)						
	Japan	America	Europe	Asia, excluding Japan	Total	Elimination or All Group	Consolidated
Net sales							
(1) Sales to outside customers	208,157	26,921	22,271	5,823	263,174	-	263,174
(2) Inter-segment sales or transfers	5,048	799	-	22,624	28,472	(28,472)	-
Total	213,206	27,721	22,271	28,448	291,647	(28,472)	263,174
Operating expenses	191,779	26,092	18,145	26,428	262,445	(26,921)	235,523
Operating income	21,426	1,629	4,126	2,019	29,201	(1,550)	27,651

- Notes: 1. Method of classification of countries and areas by segment and main countries or areas included in each segment
- (1) Classification of countries and areas by segment is based on geographical proximity.
 - (2) Main countries or areas included in each segment
 - (i) America: the United States, Canada
 - (ii) Europe: France, the United Kingdom, Spain
 - (iii) Asia, excluding Japan: Hong Kong, Thailand, South Korea
2. Of the operating expenses, the unallocatable amounts included in "elimination or all group" were 458 million yen for the first quarter of the current fiscal year, compared to 392 million yen for the first quarter of the prior fiscal year and 1,571 million yen for the prior fiscal year. Main components of these amounts include expenses incurred in the Company's general affairs and other administrative sections.