

August 9, 2004

Consolidated Financial Report for the Three Months Ended June 30, 2004

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1. Notes on Presentation of Quarterly Operating Results

- (1) Simplified methods employed in accounting procedures: Yes
 (2) Changes in accounting treatment from the most-recent consolidated fiscal year: Yes
 The method of valuating the assets and liabilities of consolidated subsidiaries has been changed from the partial fair value method to the full fair value method. This change has no impact on earnings.
 (3) Changes in scope of consolidation and application of equity method: Yes
 Consolidated subsidiaries New: 0 Excluded: 1
 Equity-method Affiliates New: 0 Excluded: 0

2. Consolidated Operating Results for the Three Months Ended June 30, 2004

(1) Results of consolidated operations

Three-month period ended	(Millions of yen)					
	Net sales	Percentage change	Operating income	Percentage change	Ordinary income	Percentage change
June 30, 2004	37,069	4.3	603	-	662	-
June 30, 2003	35,547	-	1,426	-	1,270	-
FYE March 31, 2004	172,594		15,430		14,428	

Three-month period ended	(Millions of yen)			
	Net income	Percentage change	Net income per share (in yen)	Diluted net income per share (in yen)
June 30, 2004	515	-	9.39	-
June 30, 2003	591	-	10.73	10.46
FYE March 31, 2004	7,545		133.00	130.61

Notes:

1. The percentage figures accompanying net sales, operating income, ordinary income, and net income represent year-on-year changes.
2. NAMCO began disclosing quarterly results from fiscal 2004, ended March 31, 2004. Consequently no percent change has been shown for the first quarter of fiscal 2004.
3. Diluted net income per share for the first quarter of fiscal 2005, ending March 31, 2005, has not been shown, as there are no shares with dilutive effect.

[Qualitative Data and Other Information Related to Consolidated Operating Results]

In the first three months of fiscal 2005 (April 1, 2004 ~ June 30, 2004), the Japanese economy continued its modest recovery, characterized by improving corporate profits and higher private-sector capital expenditure that had a positive impact on the employment situation. In this environment, NAMCO's Amusement Facility Operations continued to perform strongly. However, both sales and profits failed to match last year's level in Home Videogame Software, due in part to the lack of major new releases in North America.

As a result of these and other factors, the NAMCO Group posted consolidated net sales for the first three months of fiscal 2005 of ¥37,069 million, an increase of ¥1,521 million, or 4.0%, year on year, an ordinary loss of ¥662 million and a net loss of ¥515 million.

Coin-Operated Game Machines

- Net Sales: ¥7,469 million (¥634 million, or 9%, higher YoY)
- Operating Income: ¥1,849 million (¥113 million, or 7%, higher YoY)

AM Company

- In Japan, sales of medal-collecting game *Sekai Kaseki Hakken!* and photo-seal printing machine *Ka-Cho-Fu-Getsu 2*, an upgrade kit, were strong. Repeat sales of *Big Sweet Land* and other prize-crane pusher games grew. In North America, sales and profits were steady on the back of new release *Wangan Midnight Maximum Tune* and healthy demand for *Ms. Pac-Man/Galaga*. *Pac-Man Ball* continued to post strong sales in Europe.

CX Company

- This company primarily manufactures LCDs for pachinko and pachislot machines. Sales of the LCD unit *Tekken-R* for pachislot machines got underway to YAMASA CO., LTD. in the first quarter.

Home Videogame Software

- Net Sales: ¥5,498 million (¥1,243 million, or 18%, lower YoY)
- Operating Loss: ¥2,211 million

CT Company

Japan

- While repeat sales were strong of *Katamari Damacy* and *Taiko No Tatsujin Appare San Daime* (with controller) for the PlayStation2 (PS2), as well as the separately sold *Taiko No Tatsujin* PS2 controller, sales of new releases such as *Football Kingdom Trial Edition* and *Xenosaga Episode II: Jenseits von Gut und Bose* (regular version), both for the PS2, struggled.

North America

- Repeat sales were robust in North America, particularly NAMCO Museum for the PS2, Xbox and GameCube, and *Tekken 4* for the PS2.

Europe

- Repeat sales of the lower-priced version of *Tekken 4* for the PS2 remained robust in the first quarter, while *Smash Court Tennis Pro Tournament 2*, a newly released title for the PS2, posted strong sales.

CX Company

- The Taiko No Tatsujin site and fee-based download services performed well. During the first quarter, subscribers increased from 836,400 at the end of fiscal 2004, to 847,100 as of June 30, 2004.

Amusement Facility Operations

- Net Sales: ¥19,090 million (¥1,716 million, or 10%, higher YoY)
- Operating Income: ¥1,237 million (¥366 million, or 42%, higher YoY)

ET Company

Japan

- Although there was a decline in the popularity of prize-crane pusher games and other negative factors, this company posted a marked increase in operating income thanks to measures to strengthen facility management and increase customer footfall.
- The main facilities opened in the first quarter were *NAMCOLAND Saitama Stellar Town* in Saitama City, Saitama Prefecture; *NAMCOLAND Hikari no Mori* in Kikuchi County, Kumamoto Prefecture; a new format, *Internet Space Chi-Kou-Raku Shin-Yokohama* in Kanagawa Prefecture; and *Shima-Shima Town Saitama Stellar Town* in Saitama City, Saitama Prefecture.
- Food theme parks, pioneered by NAMCO, are now an established form of accessible entertainment. NAMCO food theme parks are performing well, including *NAMCO Namja Town*, incorporating *Ikebukuro Gyoza Stadium* and *Ice Cream City*, in Toshima Ward, Tokyo.

Overseas

- In North America, NAMCO continues to implement a number of measures, including expanding its network of revenue-sharing locations, closing unprofitable sites, and reducing costs. Although sales were down year on year, profits were higher.
- In Europe, NAMCO's operations posted favorable sales and profits on the whole.
- In Asia, NAMCO amusement facilities in Hong Kong generally posted a strong performance against the backdrop of a strengthening economy. This economic upturn is being supported by the relaxation of private travel restrictions within China and rising real estate values. The operating environment in China, however, remains challenging due to ongoing restrictions on game machine imports and other barriers to business.

Restaurant Operations

- Net Sales: ¥1,287 million (¥231 million, or 22%, higher YoY)
- Operating Income: ¥57 million (¥29 million, or 34%, lower YoY)
- Italian Tomato Ltd. continued to expand the *Italian Tomato Café Jr.* restaurant chain. These restaurants offer competitively priced pasta dishes, coffee and other products based on a self-service format. In the first quarter, Italian Tomato opened 13 new restaurants, comprising four directly managed and nine franchised locations.

Movies and Graphics

- Net Sales: ¥2,343 million (¥164 million, or 8%, higher YoY)
- Operating Loss: ¥53 million
- Nikkatsu Corp. has exclusively secured the domestic DVD and videogram rights for the August 2004 Athens Olympics.

Others

- Net Sales: ¥1,379 million (¥18 million, or 1%, higher YoY)
- Operating Loss: ¥149 million
- Key developments during the first quarter included the opening of *Hapipara*, a new kind of mobile phone

community website oriented around play, by the Incubation Center in April 2004.

- Also in April 2004, NAMCO expanded *LEDZONE* in Ota Ward, Tokyo, and worked to attract new customers to this experimental network gaming-oriented store opened in June 2003.

(2) Consolidated financial position

Years ended March 31, 2004 and 2003				(Millions of yen)
	Total assets	Total shareholders' equity	Equity ratio (%)	Shareholders' equity per share (in yen)
June 30, 2004	142,003	99,704	70.2	1,816.79
June 30, 2003	143,801	96,632	67.2	1,754.18
FYE March 31, 2004	148,116	101,810	68.7	1,850.91

Notes:

Number of shares outstanding at year-end (in shares)

End of the first quarter for June 31, 2004	54,879,237
End of the first quarter for June 31, 2003	55,086,902
Fiscal year ended March 31, 2004:	54,879,375

(3) Consolidated statements of cash flows

Years ended March 31, 2004 and 2003					(Millions of yen)
	Operating activities	Investing activities	Financing activities	Cash and cash equivalents	
June 30, 2004	7,792	957	2,625	24,179	
June 30, 2003	3,082	370	1,912	36,966	
FYE March 31, 2004	12,931	2,532	10,543	35,548	

[Qualitative Data and Other Information Related to Consolidated Financial Position]

As of June 30, 2004, total assets stood at ¥142,003 million, a decrease of ¥6,113 million compared to March 31, 2004. Shareholders' equity totaled ¥99,704 million, a decrease of ¥2,106 million, compared to March 31, 2004. The shareholders' equity ratio was 70.2%.

Regarding major changes in balance sheet items during the 1st quarter of fiscal year 2005, in current assets there was a ¥11,405 million decrease in cash and deposits, and an increase of ¥2,492 million in inventories, compared to the end of fiscal 2004, respectively. In property and equipment, amusement machines and facilities increased ¥433 million.

In current liabilities, trade payables rose ¥1,492 million compared to the end of fiscal 2004, while short-term bank loans declined ¥1,129 million due to the repayment of debt and a decline of ¥4,003 million in deferred income tax, respectively. Retained earnings decreased ¥2,121 million, due to payments of cash dividends.

(Cash Flows)

Cash Flows from Operating Activities

Net cash used by operating activities totaled ¥7,792 million, primarily due to the posting of an operating loss of ¥643 million before income tax, an increase in inventories and payment of deferred income taxes.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥957 million, mainly due to the acquisition of property, plant and equipment.

Cash Flows from Financing Activities

Net cash used in financing activities totaled ¥2,625 million, primarily reflecting cash outflows for the repayment of debt and the payment of cash dividends.

Cash and cash equivalents at the end of the first quarter of fiscal 2005 stood at ¥24,179 million, a decrease of ¥11,369 million compared with March 31, 2004.

3. Forecast of Consolidated Operating Performance for the Fiscal Year ending March 31, 2005

[Qualitative Data and Other Information Related to Consolidated Forecasts]

With results for the first quarter in line with projections, NAMCO expects to meet its initial forecasts for fiscal 2005 (April 1, 2004 ~ March 31, 2005) announced with its earnings for fiscal 2004.

[Forward-Looking Statements]

Forecasts are based on management's assumptions and beliefs in light of information currently available. Actual results could differ from forecasts due to a number of factors.

Supplementary Information

- Condensed First-Quarter Consolidated Balance Sheets
- Condensed First-Quarter Consolidated Statements of Income
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- Production, Orders and Sales
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- Condensed First-Quarter Non-Consolidated Balance Sheets
- Condensed First-Quarter Non-Consolidated Statements of Income

First-Quarter Consolidated Financial Statements

Consolidated Balance Sheets

	Millions of Yen		
	June 30, 2003	June 30, 2004	March 31, 2004
ASSETS			
Current Assets:			
Cash	37,105	24,267	35,672
Trade receivables	10,686	15,186	14,409
Inventories	15,721	22,437	19,944
Deferred income taxes	1,052	1,313	1,227
Others	4,018	4,314	2,911
Allowance for doubtful accounts	(445)	(465)	(551)
Total current assets	68,139	67,053	73,613
Fixed Assets:			
Tangible fixed assets:			
Buildings and structures	4,664	5,124	5,082
Amusement machines and facilities	21,788	21,744	21,510
Land	6,965	6,855	6,855
Others	2,580	2,475	2,310
Net property and equipment	35,998	36,201	35,758
Intangible fixed assets:			
Goodwill	3,346	2,769	2,900
Consolidation adjustments account	300	191	208
Others	1,816	2,277	2,017
Total intangible fixed assets	5,464	5,239	5,126
Investment and others:			
Investment in securities	858	1,534	1,422
Long-term prepaid expenses	932	1,057	1,059
Leasehold deposits	25,871	25,948	25,963
Deferred income taxes	4,605	3,651	3,778
Others	3,151	2,090	2,231
Allowance for doubtful accounts	(1,220)	(772)	(836)
Total investment and others	34,199	33,509	33,617
Total fixed assets	75,662	74,949	74,502
TOTAL ASSETS	143,801	142,003	148,116

	Millions of Yen		
	June 30, 2003	June 30, 2004	March 31, 2004
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Notes and accounts payable-trade	12,538	14,499	13,006
Short-term bank loans	4,963	2,901	4,031
Debentures of redemption within one year	7,178	-	-
Accrued income taxes	1,908	770	4,774
Others	9,595	11,780	12,047
Total current liabilities	36,184	29,952	33,860
Long-Term Liabilities:			
Debentures	1,000	1,000	1,000
Long-term borrowings	715	1,113	1,243
Allowance for retirement benefits for employees	1,289	1,602	1,573
Reserve for directors' retirement benefit	2,174	265	2,257
Others	3,401	5,545	3,562
Total long-term liabilities	8,581	9,526	9,637
Total Liabilities	44,766	39,478	43,497
Minority Interest in Consolidated Subsidiaries			
Minority interests in consolidated subsidiaries	2,403	2,820	2,808
Shareholders' Equity			
Common stock	27,369	27,369	27,369
Additional paid-in capital	26,399	26,399	26,399
Retained earnings	43,063	47,073	49,195
Other securities valuation difference	(14)	258	229
Foreign currency translation adjustments	(184)	(980)	(967)
Treasury stock	(1)	(415)	(415)
Total Shareholders' Equity	96,632	99,704	101,810
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	143,801	142,003	148,116

Condensed First-Quarter Consolidated Statements of Income

	Millions of Yen		
	From April 1, 2003 To June 30, 2003	From April 1, 2004 To June 30, 2004	From April 1, 2003 To March 31, 2004
Net sales	35,547	37,069	172,594
Cost of sales	27,127	29,817	123,505
Gross profit	8,419	7,251	49,088
Selling, general and administrative expenses			
Sales promotion	972	1,406	6,797
Salaries	2,244	2,109	8,846
Depreciation and amortization	187	190	730
R&D expenses	1,349	1,746	7,588
Others	2,239	2,402	9,695
Operating (loss) income	1,426	(603)	15,430
Non-operating Income:			
Interest income	30	28	126
Dividends income	1	2	3
Foreign exchange gain	15	37	-
Others	74	70	217
	123	139	348
Non-operating Expenditure:			
Interest	48	17	131
Amortization of goodwill	121	121	485
Loss on disposal of property, plant and equipment	25	23	191
Foreign exchange loss	-	-	239
Other expenses	82	35	302
	278	197	1,349
Ordinary (loss) income	1,270	(662)	14,428
Extraordinary Gains:			
Gains on sale of investment in securities	-	8	1
Gain on sale of subsidiaries' shares	33	-	81
Others	67	10	88
	100	18	170
Extraordinary Loss:			
Revaluation loss on investment securities	26	-	98
Revaluation loss on property, plant and equipment	-	-	747
Others	25	-	531
	52	-	1,377
(Loss) Income before income taxes	1,318	(643)	13,221
(Loss) Income taxes	772	(142)	5,703
Minority interest in earnings of consolidated subsidiaries	(44)	14	(27)
Net (loss) income	591	(515)	7,545

Condensed First-Quarter Consolidated Statements of Cash Flows

	Millions of Yen		
	From April 1, 2003 To June 30, 2003	From April 1, 2004 To June 30, 2004	From April 1, 2003 To March 31, 2004
Cash Flows from Operating Activities:			
Income (Loss) before income taxes	1,318	(643)	13,221
Depreciation and amortization	2,474	2,409	11,104
Amortization of difference between investment costs and equity in net assets acquired	16	17	67
Increase (Decrease) in allowance for doubtful accounts	155	(64)	301
Loss on disposal of amusement machines and facilities	74	198	1,034
Interest and dividend income	(32)	(31)	(130)
Interest expenses	48	17	131
Foreign exchange gain (loss)	(15)	(27)	(23)
Decrease (Increase) in trade receivables	3,648	(780)	(485)
Decrease (Increase) in inventories	(2,150)	(2,472)	(6,135)
Investment for amusement machines and facilities establishment	(2,150)	(2,264)	(10,303)
Increase (Decrease) in trade payables	468	1,477	1,120
Increase (Decrease) in accrued payables	(480)	(1,540)	1,470
Increase (Decrease) in sales deposits	56	590	1,015
Other	159	(11)	1,911
Subtotal	<u>3,593</u>	<u>(3,126)</u>	<u>14,300</u>
Interest and dividends received	31	32	129
Interest paid	(34)	(15)	(131)
Income taxes paid	(507)	(4,682)	(1,367)
Net cash provided by operating activities	<u>3,082</u>	<u>(7,792)</u>	<u>12,931</u>
Cash Flows from Investing Activities:			
Acquisition of property, plant and equipment	(315)	(638)	(1,943)
Payments for acquisition of software	(149)	(94)	(396)
Acquisition of investments in securities	(0)	(66)	(302)
Expenditure for transfer of business	(565)	-	(608)
Expenditure for guaranty money deposited	(103)	(296)	(1,261)
Revenue from the recovery of guaranty money deposit	324	374	1,509
Proceeds from sale of subsidiaries' shares	505	-	982
Other	(65)	(236)	(539)
Net cash used in investing activities	<u>(370)</u>	<u>(957)</u>	<u>(2,532)</u>
Cash Flows from Financing Activities:			
Net decrease in short-term debt	340	288	3,110
Repayment of short-term debt	(1,356)	(1,087)	(4,812)
Proceeds from long-term debt	-	-	1,750
Repayment of long-term debt	(343)	(453)	(1,641)
Payment of debentures on redemption	-	-	(7,148)
Acquisition of treasury stock	(0)	(0)	(414)
Payment of cash dividends	(826)	(1,373)	(1,649)
Proceeds of cash dividends to minority shareholders	273	-	291
Net cash used in financing activities	<u>(1,912)</u>	<u>(2,625)</u>	<u>(10,543)</u>
Effect of exchanges on cash and cash equivalents	88	6	(385)
Net increase (decrease) in cash and cash equivalents	<u>888</u>	<u>(11,369)</u>	<u>(530)</u>
Cash and cash equivalents, beginning of year	<u>36,078</u>	<u>35,548</u>	<u>36,078</u>
Cash and cash equivalents, end of interim period	<u><u>36,966</u></u>	<u><u>24,179</u></u>	<u><u>35,548</u></u>

Segment Information

(1) Business Segment Information

(Millions of yen)

	First Quarter Ended June 30, 2003 (From April 1, 2003 to June 30, 2003)								
	Coin-Operated Game Machines	Home Videogame Software	Amusement Facility Operations	Restaurant Operations	Movies and Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)									
Net sales									
(1) Net sales to customers	6,834	6,742	17,373	1,056	2,178	1,361	35,547	-	35,547
(2) Intersegment sales	244	30	40	16	45	103	481	(481)	-
Total	7,079	6,772	17,414	1,073	2,224	1,464	36,028	(481)	35,547
Operating expenditure	5,343	6,536	16,543	986	2,132	1,743	33,286	835	34,121
Operating income (loss)	1,736	236	870	87	91	(279)	2,742	(1,316)	1,426

(Millions of yen)

	First Quarter Ended June 30, 2004 (From April 1, 2004 to June 30, 2004)								
	Coin-Operated Game Machines	Home Videogame Software	Amusement Facility Operations	Restaurant Operations	Movies and Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)									
Net sales									
(1) Net sales to customers	7,469	5,498	19,090	1,287	2,343	1,379	37,069	-	37,069
(2) Intersegment sales	24	0	45	9	54	263	396	(396)	-
Total	7,493	5,498	19,135	1,297	2,397	1,642	37,465	(396)	37,069
Operating expenditure	5,644	7,709	17,898	1,240	2,450	1,792	36,736	936	37,673
Operating income (loss)	1,849	(2,211)	1,237	57	(53)	(149)	729	(1,333)	(603)

(Millions of yen)

	Fiscal Year Ended March 31, 2004 (From April 1, 2003 to March 31, 2004)								
	Coin-Operated Game Machines	Home Videogame Software	Amusement Facility Operations	Restaurant Operations	Movies and Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)									
Net sales									
(1) Net sales to customers	26,990	44,768	79,890	4,430	10,587	5,926	172,594	-	172,594
(2) Intersegment sales	484	180	253	104	182	606	1,812	(1,812)	-
Total	27,475	44,949	80,144	4,535	10,769	6,532	174,406	(1,812)	172,594
Operating expenditure	20,783	37,923	73,247	4,434	10,578	7,152	154,121	3,042	157,163
Operating income (loss)	6,691	7,025	6,896	100	191	(620)	20,285	(4,855)	15,430

Notes:

1. There have been no changes in the method used to classify business segments.
2. The main products and business lines of each business segment remain unchanged.

3. Unallocated administrative expenses related to administrative divisions, including "Elimination or Corporate Items," were as follows:

End of the first quarter for June 30, 2003:	¥1,191 million
End of the first quarter for June 30, 2004:	¥1,332 million
Fiscal year ended March 31, 2004:	¥4,746 million

(2) Geographical Segment Information

(Millions of yen)

	First Quarter Ended June 30, 2003 (From April 1, 2003 to June 30, 2003)						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)							
Net sales							
(1) Net sales to customers	26,234	6,959	2,224	129	35,547	-	35,547
(2) Intersegment sales	1,041	113	0	-	1,154	(1,154)	-
Total	27,275	7,072	2,224	129	36,702	(1,154)	35,547
Operating expenditure	24,866	6,967	1,954	142	33,930	191	34,121
Operating income (loss)	2,409	105	269	(12)	2,772	(1,346)	1,426

(Millions of yen)

	First Quarter Ended June 30, 2004 (From April 1, 2004 to June 30, 2004)						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)							
Net sales							
(1) Net sales to customers	30,686	4,464	1,808	109	37,069	-	37,069
(2) Intersegment sales	818	3	0	-	823	(823)	-
Total	31,505	4,467	1,809	109	37,892	(823)	37,069
Operating expenditure	29,294	5,897	1,723	103	37,018	654	37,673
Operating income (loss)	2,210	(1,430)	86	6	873	(1,477)	(603)

(Millions of yen)

	Fiscal Year Ended March 31, 2004 (From April 1, 2003 to March 31, 2004)						
	Japan	North America	Europe	Asia	Total	Elimination or Corporate Items	Consolidated
Net sales and operating income (loss)							
Net sales							
(1) Net sales to customers	128,177	37,842	6,019	555	172,594	-	172,594
(2) Intersegment sales	3,507	237	1	-	3,746	(3,746)	-
Total	131,684	38,079	6,021	555	176,340	(3,746)	172,594
Operating expenditure	115,020	34,419	5,910	542	155,892	1,271	157,163
Operating income (loss)	16,664	3,660	111	12	20,448	(5,018)	15,430

Notes:

1. There have been no changes in the method used to classify geographical segments.

2. The main countries and regions comprising each geographical segment are unchanged.
3. Unallocated administrative expenses related to administrative divisions, including "Elimination or Corporate Items," were as follows:

End of the first quarter for June 30, 2003:	¥1,191 million
End of the first quarter for June 30, 2004:	¥1,332 million
Fiscal year ended March 31, 2004:	¥4,746 million

(3) Overseas Sales Information

	First Quarter Ended June 30, 2003 (From April 1, 2003 to June 30, 2003)			
	North America and Latin America	Europe	Asia and Oceania	Total
I Overseas sales (Millions of yen)	6,972	3,565	581	11,119
II Net sales (Millions of yen)				35,547
III Percentage of net sales (%)	19.6	10.0	1.6	31.3

	First Quarter Ended June 30, 2004 (From April 1, 2004 to June 30, 2004)			
	North America and Latin America	Europe	Asia and Oceania	Total
I Overseas sales (Millions of yen)	4,470	2,926	460	7,857
II Net sales (Millions of yen)				37,069
III Percentage of net sales (%)	12.1	7.9	1.2	21.2

	Fiscal Year Ended March 31, 2004 (From April 1, 2003 to March 31, 2004)			
	North America and Latin America	Europe	Asia and Oceania	Total
I Overseas sales (Millions of yen)	37,879	13,620	1,397	52,897
II Net sales (Millions of yen)				172,594
III Percentage of net sales (%)	21.9	7.9	0.8	30.6

Notes:

1. There have been no changes in the method used to classify countries and regions.
2. The main countries and regions comprising each segment are unchanged.
3. Overseas sales are sales by the Company and its consolidated subsidiaries derived in countries or regions outside Japan.

Production, Orders and Sales

(1) Results of Production

Business Segments	Millions of yen	Percentage change
Coin-Operated Game Machines	6,027	198.5
Home Videogame Software	4,072	108.1
Restaurant Operations	142	247.6
Movies and Graphics	232	74.5
Other	145	161.7
Total	10,620	146.2

Notes:

1. Intersegment transactions are eliminated.
2. Monetary amounts are based on manufacturing costs.
3. Monetary amounts above are exclusive of consumption tax.

(2) Orders -- No order-based production is conducted by NAMCO Limited.

(3) Sales -- Details listed under Segment Information.