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Name of listed company	NAMCO BANDAI Holdings Inc.
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The BANDAI NAMCO Group Restart Plan

Since it was formed in the management integration in September 2005, the BANDAI NAMCO Group has sought to strengthen its management foundations and expand its business as a new group. Additionally, in the three-year mid-term business plan begun in April 2009, in parallel with the promotion of our strategies, we have reexamined the challenges the Group faces in achieving future growth in response to a prolonged and severe business climate.

Since the management integration, the BANDAI NAMCO Group has focused on bolstering its Group foundations through organizational restructuring and other efforts to achieve fusion as a new group as quickly as possible. While the consolidation of administrative tasks and other streamlining and cost-cutting efforts at key companies have yielded some results, the Group lost speed on the operational side. We determined that our inability to fully deliver products and services that responded flexibly to the changing market environment and user preferences led to declining profitability.

Based on present conditions that include the current severe business climate and declining profitability of the Group, to achieve its aim to be a “Globally Recognized Entertainment Group” in the medium to long term, the BANDAI NAMCO Group needs to give urgent attention to (1) Transforming into a speedy Group and (2) Improving its profitability and strengthening its financial standing.

To achieve “Transforming into a speedy Group” and “Improving its profitability and strengthening its financial standing”, the BANDAI NAMCO Group will launch the “BANDAI NAMCO Group Restart Plan” from April 2010.

Also note that ahead of the launch of the Restart Plan, a review of the Group organization and the structure of directors will be conducted to clarify the responsibility of the management.

Contents of the BANDAI NAMCO Group Restart Plan

■ Medium to Long-term Vision

“Globally Recognized Entertainment Group”

■ Goals

- (1) Transforming into a speedy Group
- (2) Improving profitability and strengthening financial standing

■ Group Organizational Restructuring

- Integrating the Game Contents SBU (Strategic Business Unit) with the Visual and Music Content SBU

From April 2010, as part of the Group restructuring, the Game Contents SBU and Visual and Music Content SBU, which both deal with content, will be integrated to form the Content SBU.

To respond quickly and flexibly to situations that involve rapid changes in the business environment and a growing diversity in the outlets for content, the Content SBU will move from a traditional vertically-integrated organization centered on outlets for content, to an organizational structure that functions along a horizontal axis with its focus shifted towards content.

Specifically, business operations will be carried out through two virtual organizations, namely the “Production Group,” which will promote content creation and strategies to maximize value, and the “Publisher Function,” which will deliver content for platforms in a speedy fashion.

As well as enhancing creative functions, this new structure will allow newly created content to be adapted to market changes and customers needs, and delivered as products and services in a fast and flexible manner.

■ Review of the Group Structure

- Greater speed through enhanced cooperation between the holding company and operating companies

Effective from the ordinary general shareholders meeting scheduled to be held in June 2010, the president and representative directors of the three core companies of the BANDAI NAMCO Group, namely Bandai Co., Ltd., NAMCO BANDAI Games Inc. and NAMCO LIMITED will serve concurrently as directors of the Group’s holding company, NAMCO BANDAI Holdings Inc. While enhancing cooperation across the Group, this move seeks to forge a direct link between management and operations and speed up decision-making and

the execution of measures in the rapidly changing industry.

- Representative of the holding company to serve concurrently as representative of NAMCO BANDAI Games Inc.

From April 2010, Shukuo Ishikawa, President and Representative Director of NAMCO BANDAI Holdings Inc., will take up the concurrent post as President and Representative Director of NAMCO BANDAI Games Inc., a core company in the Group's Content SBU.

Due to the many areas into which the Content SBU extends, its large scale as well as the systematic rebuilding urgently needed to improve profitability, the appointment seeks to enhance the Content SBU through a two top management made up of a President and Representative Director and a Vice President and Representative Director (to be the current President & Representative Director Shin Unozawa).

■ Improving Profitability and Strengthening its Financial Standing

- Stronger financial standing through accounting practices such as allowances

In a bid to strengthen our financial standing ahead of the adoption of the Restart Plan, the Company incorporated an allowance for distribution inventories and an estimated valuation loss resulting from stricter inventory reviews for game software and visual package software in Japan and overseas at this fiscal year end into consolidated projections of operating income and recurring income. In addition, the Company will post special additional retirement benefits as extraordinary losses (approximately 2 billion yen) required for workforce reduction aimed at achieving greater organizational efficiency. Moreover, the Company will record a loss on the closure of amusement facilities and others scheduled for the next and subsequent fiscal years (approximately 6 billion yen), and impairment loss on goodwill (approximately 12.5 billion yen) following a strict examination of future business plans of certain subsidiaries (Bandai Visual Co., Ltd. which became wholly owned subsidiary in the fiscal year ended March 2008, and 2 other subsidiaries) based on their performance trends in the second half, as well as withdrawal of a fixed amount (approximately 3.5 billion yen) from deferred tax assets, of which the Company partially recorded in the third quarter results.

- Review of the optimum personnel structure

As a part of reviewing the optimum number of personnel in each business, through the use of solicitations for voluntary retirement at NAMCO BANDAI Games Inc. and the existing voluntary early retirement programs at other companies, we expect that by the end of FY2011.3, the number of employees, currently about 7000, will be decreased by about 630, equivalent to about 10% of the Group-wide workforce. This is expected to reduce consolidated personnel expenditure in the next fiscal year by approximately ¥3.5 billion.

In addition, through initiatives aimed at these goals of improving profitability and a stronger financial standing, including the promotion of streamlining across the Group and reviews of indirect operations, Group-wide cost reductions (compared with the current fiscal year) of roughly ¥8 billion are expected.

■ Major Initiatives in Business Strategy

Toys and Hobby SBU

- Achieving No.1 in each category in Japan and strengthening overseas business.
In line with its existing strategy, the Toys and Hobby SBU will continue with its strategy of achieving a number-one position in each category, including forays into new categories in the domestic market, which is performing well. In overseas regions, efforts will be made to expand new areas of business such as those aimed at young girls and preschoolers, enhance the deployment of content originating from overseas and conduct regional expansion.

Content SBU

- Organizational restructuring to facilitate speed and flexibility
To respond quickly and flexibly to situations that involve rapid changes in the business environment and a growing diversity in the outlets for content, the Content SBU will be divided into two organizations, namely the “Production Group,” which will promote content creation and strategies to maximize value, and the “Publisher Function,” which will primarily deliver content for existing platforms. These two organizations will engage in the operation and management of the Content SBU as virtual organization that is not limited by company boundaries.
This is being implemented to address issues in the existing per-outlet, vertically-integrated organization, namely that the targets for content expansion tended to be limited, and that their respective individual qualities could not be fully utilized, by integrating content creating departments. Also, the move aims to respond to new businesses quickly and flexibly amid the growing diversity and fading borders for content outlets.
- Production Group
As well as engaging in content creation, the Production Group will promote strategies to maximize value including content utilization and coordination with the Group and outside partners. Moreover, the Production Group aims to be a group that engages in content creation by utilizing the respective strengths of multiple smaller organizations rather than being consolidated into a single organization.
- Publisher Function
The Publisher Function will engage in fast and flexible sales and marketing for multiple content outlets in Japan and overseas such as home game software, arcade game machines, mobile contents, video and music software packages and on-demand distribution.

A virtual organization known as the “Content Conference” in which key members from each company participate and engage in decision-making and discussions will carry out the business management of these organizations. Moreover, the Content Conference will promote initiatives of which only the BANDAI NAMCO Group is capable, including those to maximize content value through the simultaneous deployment of video software sales and on-demand distribution.

- Improved quality in home game software

As well as bolstering quality control in Japan to improve development quality at the Worldwide Studio (based in Japan and the United States) that was introduced in April 2009, by developing functions to organize titles and resource allocation control through a portfolio map, we will respond to the changing market environment and user preferences in a speedy fashion.

In the development of home game software as well, we will restructure organizations across the Production Group and Publisher Function, and work to create and deploy content based on the overall strategy for the Content SBU.

- Entry into the live entertainment business

With the aim of maximizing the value of Group content, NAMCO BANDAI Live Co., Ltd. (provisional name) will be founded as a new company on April 1, 2010. The company will stage video and music live performances and events related to content originating from Group products and services as a new outlet for content in the Publisher Function.

<Company Outline>

Company name:	NAMCO BANDAI Live Co., Ltd. (provisional name)
Founding:	April 1, 2010
Capital:	¥10 million
Shareholder composition:	Bandai Visual Co., Ltd. (51%), Sunrise Inc. (49%)
President & Representative Director	Shunji Inoue (dual post as President & Representative Director of Lantis Co., Ltd.)
Location:	Shibuya Ward, Tokyo
Description of business:	Planning and production of events and live performances, video production for events and live performances, merchandise planning, manufacturing and sales, ticket sales, etc.

- Improved profitability in the visual package software business

In the visual package software business for which the business environment remains uncertain, improved profitability will be sought by narrowing down the number of packaged software titles, achieving a synergy effect with other businesses in the Content SBU and through the promotion of streamlining.

The establishment of business models for the next generation will also be addressed.

Amusement facility SBU

- Focusing expertise on core businesses and enhanced coordination with the Content SBU

Turning attention to expansion that is specific to amusement facilities, which are capable of capitalizing on the Group's strengths, we will consider and proceed with a withdrawal from peripheral businesses. We will also conduct periodic reviews of the profitability of each facility, determining approximately 10 facilities to be closed in the next fiscal year. Moreover, impairment loss on facilities in the U.S. and Europe will be recorded. In addition, we will enhance coordination with the Content SBU. Through the promotion of personnel exchanges, joint projects and other initiatives, we will seek to produce a speedy response to customer needs in the areas of arcade game machines and amusement facilities.

For the BANDAI NAMCO Group to succeed in the environment of intense global competition that surrounds the world of entertainment, we believe it is necessary to seek business growth in the global market through enhanced expansion in overseas markets with many fields we are yet to enter and a worldwide content expansion in response to the diversification of media and channels. Therefore, the direction indicated by the basic philosophy of the mid-term business plan launched in April 2009, namely to "develop a base for global growth," remains unchanged. Through the "BANDAI NAMCO Group Restart Plan", the Company will advance policies aimed at medium-to-long term growth by promoting our "Transforming into a speedy Group" and "Improving profitability and strengthening its financial standing".

End of Notice