

February 10, 2012

Name of listed company:  
NAMCO BANDAI Holdings Inc.  
Name of representative:  
Shukuo Ishikawa,  
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Contact: Yuji Asako,  
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of the Corporate Planning Division

## **Mid-term Plan of the BANDAI NAMCO Group** **(From April 2012 to March 2015)**

The BANDAI NAMCO Group currently aims at the vision of becoming “The Leading Innovator in Global Entertainment” under a mission to bring “Dreams, Fun and Inspiration” to the world. Since the management integration in 2005, we have promoted the development of our management base under the Mid-term Plan from April 2006 to March 2009 and of a business base for global growth under the Mid-term Plan from April 2009 to March 2012.

In the new Mid-term Plan that will start in April 2012, we will aim at increasing our profit in both Japan and overseas by sticking to our vision of “Empower, Gain Momentum, Accelerate Evolution” in all aspects of our businesses, including our products and services, business model, operation and numerical targets.

I. Our Mid-term Vision

II. Numerical Targets

III. Focus Strategies

1. Business Area Strategies

(1) Basic Business Area (2) Profit Recovering Area (3) New Growth Area

2. Functional Strategies

(1) Group-wide Network Strategy (2) Human Resources Strategy

IV. Strategies by Business

(1) Toys and Hobby Business (2) Content Business (3) Amusement Facility Business

### **I. Our Mid-term Vision**

<b>“Empower, Gain Momentum, Accelerate Evolution”</b>
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Our vision of “Empower, Gain Momentum, Accelerate Evolution” expresses our determination to continue flourishing as the BANDAI NAMCO Group and for our business, operating performance and all of our individual employees to thrive. By implementing each strategy, we will strive to achieve record profit, attain growth of record sales, and enhance our business model to maximize our IP value.

## **II. Numerical Targets**

Numerical targets for the fiscal year ending March 31, 2015

Net sales: ¥480,000 million    Operating income: ¥42,500 million    ROE: 10%

## **III. Focus Strategies**

In advancing the Mid-term Plan, we will promote five Focus Strategies. These consist of three Business Area Strategies, which will be applied to each respective business, and two Functional Strategies, which will be applied commonly across all businesses.

### **1. Business Area Strategies**

In our Business Area Strategies, we will classify the Group's businesses into three areas and implement different strategies to each of them (\*please refer to "IV. Strategies by Business" for details).

Under the Mid-term Plan, we will strive to further expand our market share and profit in Japan, where we have already secured a certain share in the market, by maximizing our strengths at our Toys and Hobby, Content, and Amusement Facility businesses. In our Toys and Hobby Business in the U.S. and Europe and domestic and overseas home video game software business, where we face a challenging situation, our key focus will be on recovering profit to stabilize earnings. In the Asian region, where we can develop our businesses horizontally with Japan, we will be strengthening activities of each of the businesses to develop them as an area of the Group's next growth pillars in the future.

#### **(1) Basic Business Area**

This represents an area where we have secured a certain level of stable market share and profit. It is positioned as the Group's basic business whose focus is on profitability as we expand the business further.

Region: Japan

Business:

- Toys and Hobby Business (Japan)
- Content Business (Japan): Arcade game machine, social networking service, and visual and music content
- Amusement Facility Business (Japan)

#### **(2) Profit Recovering Area**

In this area, the key focus will be on the recovery of profits and we aim to achieve a stable market share and profit.

Region: Mainly the U.S. and Europe

Business:

- Toys and Hobby Business (The U.S. and Europe)
- Content Business: Home video game software (Worldwide)

### (3) **New Growth Area**

This represents an area that we expect the region and businesses to develop as new growth pillars.

Region: Asia, excluding Japan

Business:

- Toys and Hobby Business (Asia)
- Content Business: Arcade game machine (Mainly Asia)
- Amusement Facility Business (Asia centering on China)

## 2. **Functional Strategies**

### (1) **Group-wide Network Strategy**

By assigning a single ID to the users of our various websites and network services that we are developing and expanding, we aim to interlink our existing media and services and promote horizontal integration between business and IP. We will use this single ID as a marketing tool to send information directly to users.

### (2) **Human Resources Strategy**

We will be promoting our hiring and training of valuable personnel from a medium-term perspective by hiring more new graduates on a global basis and by implementing strategic personnel transfers across different businesses and regions. We will also promote employees based overseas more actively and offer training programs that take into account the Group's global development.

## IV. **Strategies by Business**

We will be implementing the following business strategies at each business to advance the Group's Focus Strategies, which are its Business Area Strategies and Functional Strategies.

### (1) **Toys and Hobby Business**

Vision in the Mid-term Plan

**True globalization:** Become "the premier company" in the character business by spreading our strength globally

Focus Strategies

- Carry out integrated brand management of the U.S. and Europe
- Conduct Japan-originated business activities simultaneously in Asia
- Become overwhelming No. 1 in Japan
- Enhance competitiveness through value chain reform

In Japan, we will strive to achieve No. 1 share in all categories by strengthening the development of our long-established characters and expanding target customers. In the U.S. and European regions, we will realize more dynamic product development by unifying the planning and marketing functions in these regions. We will aim to expand our market share mainly in the boys' toys segment. In the Asian region, we will treat Japan and Asia as one unified market and conduct business activities simultaneously, from information transmission to product sales. As a measure to link different regions, we will be enhancing our governance overseas and reforming our value chain to enable a faster response and manufacturing of products at more competitive prices.

## (2) Content Business

Vision in the Mid-term Plan

**Become the No. 1 Content Company in Japan & borderless development:** Offer our customers any genre of content such as games, visual and music content, and also deliver them overseas

Focus Strategies

- Reconstruct existing business: Strategy of achieving No. 1 share
- Maximize business integration using IP as an axis
- Form a network strategy scheme

We will further leverage our strengths in the planning and development of our products and services in arcade game machines, social networking services, and visual and music content in Japan. At the same time, we will aim to achieve a No. 1 position in each of these markets by expanding target customers and distribution channels. In the home video game software in Japan and overseas, we will strive to improve our profitability by concentrating on the Japan-originated titles that have strengths as the titles only the BANDAI NAMCO Group can offer and providing a balanced suite of titles, and by adopting the most appropriate organization to sell products overseas. In addition, we plan to expand our arcade game machine business activities in the Asian region and emerging countries.

Also, as a part of our measures to apply our business strategies across different categories, we will be providing content to various exits using IP as an axis, and strategically transmit IP to unexplored regions and exits where we can demonstrate our strengths.

## (3) Amusement Facility Business

Vision in the Mid-term Plan

**“Become an overwhelming leader in the market:** Strive to obtain 300% customer satisfaction and 30% market share”

Focus Strategies

- Advance marketing by customer segment
- Establish chain store management
- Develop models to utilize IP at facilities
- Explore overseas markets

In Japan, we will strengthen our offering of facilities and services for each customer segment. We will also pursue better service and higher efficiency by brushing up our operations at facilities and supply chains. Furthermore, we will start developing a new type of facility by integrating our expertise in the operation of characters facilities and theme parks. Overseas, we will be constructing a facility in the Asian region using a popular IP at the local market over the medium term.

End of notice

## Forward-Looking Statements

This document contains forward-looking statements and information related to the BANDAI NAMCO Group that are based on our knowledge as well as various assumptions made on the basis of information currently available. Actual results could differ materially from those projected in such forward-looking statements.