BANDAI NAMCO GROUP
Mid-term Business Plan
2009 - 2011

The leading innovator in global entertainment
February 12, 2009

NAMCO BANDAI Holdings Inc.

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</table>
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New BANDAI NAMCO Group Structure

Effective April 1, 2009

NAMCO BANDAI Holdings Inc.
Chairman, Representative Director
Takeo Takasu
President & CEO, Representative Director
Shukuo Ishikawa

Affiliated Business Companies

Strategic Business Units

- Toys and Hobby
  - Core Company: Bandai
    - President: Kazunori Ueno
  - Group Strategy Committee
- Game Contents
  - Core Company: Bandai Namco Games
    - President: Shin Unoizawa
  - NAMCO BANDAI Group Strategy Committee
- Visual and Music Content
  - Core Company: Bandai Visual
    - President: Kazumi Kawashiro
- Amusement Facility
  - Core Company: NAMCO
    - President: Masahiro Tachibana

NAMCO BANDAI Holdings Inc.
Chairman, Representative Director
Takeo Takasu
President & CEO, Representative Director
Shukuo Ishikawa

Effective April 1, 2009

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Strengthening Corporate Governance

Effective April 1, 2009

Shareholders’ Meeting

Board of Directors
11 Directors (Including 2 outside directors)

1 Representative Director

Group Strategy Committee

Group Companies

Shareholders’ Meeting

Board of Directors
9 Directors (Including 3 outside directors)

2 Representative Directors

Group Strategy Committee
6 Directors + 6 Senior Executive Officers

Group Companies

Increasing number of outside directors and reinforcing the executive officer system to strengthen our corporate governance system

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1. FY Mar. 2009 3Q Results and Full Year Forecasts

<table>
<thead>
<tr>
<th></th>
<th>2007.3Q (9 mo.)</th>
<th>2008.3Q (9 mo.)</th>
<th>YOY</th>
<th>2007 Full Year</th>
<th>2008 Full Year Forecasts</th>
<th>YOY</th>
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(All figures in billion yen)
### FY March 2009 3Q Results and Full Year Forecasts

#### Business Segment

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<tr>
<th>Segment</th>
<th>2007 3Q (9 mo.)</th>
<th>2008 3Q (9 mo.)</th>
<th>YOY</th>
<th>2007 Full Year</th>
<th>2008 Full Year Forecasts</th>
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<td><strong>Toys &amp; Hobby</strong></td>
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#### Regional Segment

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<td>33.4</td>
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<td>-9.4</td>
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The leading innovator in global entertainment
**Trends in Performances by Business**

**Toys and Hobby**

**Solid Performance in Christmas sales season**

- Tamagotchi
- Cooking Toy
- Go-onger (Power Rangers)

**Main Characters for the next year**

- Japan
- Battle Spirits (Trading Card)

**Good start and successful events**

- Overseas
- The leading innovator in global entertainment

**Game Contents**

**FY2009.3 Game Software Sales**

<table>
<thead>
<tr>
<th>Title Name</th>
<th>Platform</th>
<th>Region</th>
<th>Unit Sales</th>
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<tbody>
<tr>
<td>Soul Calibur IV</td>
<td>PS3, Xb360</td>
<td>WW</td>
<td>2,300K</td>
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<tr>
<td>Active Life Outdoor Challenge</td>
<td>Wii</td>
<td>US, EU</td>
<td>1,070K</td>
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<tr>
<td>We Ski</td>
<td>Wii</td>
<td>US, EU</td>
<td>960K (910K)</td>
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<tr>
<td>Dragon Ball Z</td>
<td>PS3, Xb360</td>
<td>J, E</td>
<td>730K</td>
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<tr>
<td>Naruto Ultimate Ninja Storm</td>
<td>PS3</td>
<td>US, EU</td>
<td>640K</td>
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<tr>
<td>Guadian Missou 2</td>
<td>PS3, Xb360, PS2</td>
<td>J, A</td>
<td>590K</td>
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<tr>
<td>Naruto Ultimate Ninja 3</td>
<td>PS2</td>
<td>US, EU</td>
<td>580K</td>
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<td>Taiko Drum Master for DS 2</td>
<td>NDS</td>
<td>J</td>
<td>510K</td>
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<td>Super Robot War Z</td>
<td>PS2</td>
<td>J</td>
<td>510K</td>
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<tr>
<td>Taiko Drum Master for Wii</td>
<td>Wii</td>
<td>J</td>
<td>500K</td>
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* Numeric figures in parentheses are accumulated numbers of units including those sold in Japan in the previous fiscal year.

**Main titles for the next year**

- Tekken 6 (PS3, Xb360, Worldwide sales)
- Family Ski & Snow Board (Wii, US&Europe)
- Afro Samurai (PS3, Xb360, US&Europe)

FY2009.3: 71 Titles

**The leading innovator in global entertainment**
Trends in Performances by Business

Visual and Music Content
Development of TV series for Blu-ray Disc and DVD
Mobile Suit Gundam 00
Building new business models for the world
AKIRA
Same format globally-simultaneous release of Blu-ray Disc

Amusement Facility
Improving profitability
Existing store sales YOY (Japan)

<table>
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<tr>
<th></th>
<th>1st Half</th>
<th>3Q (3 mos.)</th>
<th>2nd Half</th>
<th>Full Year</th>
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<td>07 Results</td>
<td>95.8%</td>
<td>92.1%</td>
<td>92.5%</td>
<td>94.1%</td>
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<tr>
<td>08 Initial Plan</td>
<td>98%</td>
<td>-</td>
<td>101%</td>
<td>99%</td>
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<tr>
<td>08 Results/Forecasts</td>
<td>87.2%</td>
<td>87.7%</td>
<td>87%</td>
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Number of facilities (Japan)

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<th></th>
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<th>Openings</th>
<th>Closures</th>
<th>Year-end</th>
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<td>07 Full Year</td>
<td>316</td>
<td>12</td>
<td>35</td>
<td>293</td>
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<tr>
<td>08 Full Year</td>
<td>293</td>
<td>10</td>
<td>69</td>
<td>234</td>
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</table>

Developing the operating base to strengthen profitability

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Consolidated Mid-term Plan and Results

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<td>+/-</td>
<td>Plan</td>
<td>Results</td>
<td>+/-</td>
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<td>470.0</td>
<td>459.1</td>
<td>97.7%</td>
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<td>OP ($ bn.)</td>
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<td>33.4</td>
<td>66.8%</td>
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<td>ROA</td>
<td>10.0%</td>
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<td>+1.5%</td>
<td>12.0%</td>
<td>8.8%</td>
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<td>9.4%</td>
<td>+1.4%</td>
<td>9.5%</td>
<td>11.7%</td>
<td>+2.2%</td>
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We aim to accelerate future growth by allocating corporate resources to focused business opportunities.
3. Overview of the Next Mid-tem Business Plan (2009-2011)

(1) Business Environment & Our Directions

Market Environment (1)
Shrinking Japanese market and growing overseas market

Changes in shares by region in the global market

<table>
<thead>
<tr>
<th>Region</th>
<th>2003</th>
<th>2007</th>
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<tbody>
<tr>
<td>Asia</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Europe</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>US</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>Japan</td>
<td>32%</td>
<td>32%</td>
</tr>
</tbody>
</table>

74% in US & Europe (¥3.8 trillion)

170% growth in US & Europe

<table>
<thead>
<tr>
<th>Mkt. Size</th>
<th>2003</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>Toys and Hobby</td>
<td>¥4.9 trillion</td>
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<tr>
<td>Video Game Software</td>
<td>¥1.3 trillion</td>
<td>¥2.1 trillion</td>
</tr>
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</table>

Strengthening overseas business is essential

1. Europe: United Kingdom, France, Germany, Spain, Italy
2. Asia: China, South Korea, Taiwan, Singapore, Malaysia, India

Sources: The Japan Toy Association, IDG, NPD, Euromonitor
Market Environment (2)
Promising contents can lead to global hits in a short period

- Distribution and media becoming oligopolistic
  - Global market is becoming oligopolistic and developing business in the global market becoming prerequisite
- Digitization and networking
  - Contents can be simultaneously output to the world on the prevailing Internet

Innovation in our content strategy is essential

Market Environment (3)
Increasingly intense competition in the global market

<table>
<thead>
<tr>
<th>Large-scale M&amp;A in and outside the industry and regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video game industry: Intensified cross-border acquisition</td>
</tr>
<tr>
<td>Toys and hobby industry: Acquisition by leading companies</td>
</tr>
<tr>
<td>Entertainment industry in general: Acquisition by big players in the surrounding industries</td>
</tr>
</tbody>
</table>

Expanding our scale is essential to compete in the global market

(1) Business Environment & Our Directions

- Strengthening overseas business
- Innovation in our content strategy
- Expanding our scale to compete in the global market

Building a base supporting our continuous growth

Pursuing growth in the global market from a long-term prospective

Medium to Long-term Group Vision

Globally recognized entertainment group
(2) Position of the New Mid-Term Business Plan

**Medium to Long-term Group Vision**

**Globally recognized entertainment group**

<table>
<thead>
<tr>
<th>Overseas Sales ratio(%)</th>
<th>Operating Income (billion yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008.3 Results</td>
<td></td>
</tr>
</tbody>
</table>

Targeting for 100 billion yen in operating income and 50% overseas sales ratio in the Mid-Term Business Plan starting from 2015.

Note: Overseas sales ratios of EA, Activision Blizzard, Mattel, and Hasbro are calculated with sales in regions other than North America. Sources: IR publications of the above companies.

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(2) Position of the New Mid-Term Business Plan

**Our medium to long-term growth steps**

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Completing development of our management base - Restructured organization - Aligned corporate culture and human resources - Strengthened financial base, etc.</td>
<td>Developing a global base for growth - Investments in growing business areas - Reinforcing profitability to support up-front investments</td>
<td>Substantial growth in global market - Generating returns from our investments - Making further investments in growth</td>
</tr>
</tbody>
</table>

【2015-2017】Globally recognized entertainment group
Operating Income: 100 billion yen
Overseas Sales Ratio: 50%
One of Japan's leading entertainment groups

Globally recognized entertainment group

Strategy A: Focus (business strategy)
Targeted/prioritized investment
1. Businesses for dynamic growth
   Toys and Hobby, Game Contents
2. Businesses for profit improvement
   Visual and Music Content, Amusement Facility

Strategy B: Enhance the Entertainment-Hub (function strategy)
Evolve from best domestic model to best global model

Evolution A
- Strengthen IP creation/acquisition capability

Evolution B
- Enhance IP marketing capability

Evolution C
- Maximize merchandising development capability

(3) Strategy A. Focus
Focus business areas

Market attractiveness

Toys and Hobby
- Overwhelming market size (US/Europe in particular); Stable market

Game Contents
- Remarkable growth added to market size (US/Europe in particular)

Visual and Music Content
- Anime market
  - Niche and stable

Amusement Facility
- Domestic (certain size), overseas (small) 
  - Shrinking

Competitive advantage

- Strongest domestic character merchandising model
- Global title development capability for worldwide target

Particular focus on US/Europe markets
- No. 1 domestic anime package
- Declining profitability

- No. 2 domestic game center
- Declining profitability

Focus on domestic market/mission change
(3) Strategy A. Focus

Dynamic Growth

1. Toys and Hobby

Dramatically expand the Character Merchandising Model to the Global Market

- **Character (IP)**
  - Strengthening characters originating from Japan and the U.S.

- **Products (Merchandising)**
  - Strengthening products originating from Japan and the U.S.
  - Expanding our categories

- **Sales & Marketing**
  - Expanding sales areas
  - Strengthening collaboration with Japan
  - Building a dominant No. 1 position in the Market
  - Strengthening collaboration with the U.S.
  - Expanding sales areas

**Visual & Music Content**
Focus on Japan

**Amusement Facility**
Focus on Japan

**Game Contents**
Focus on game software in US/Europe

**Toys & Hobby**
Focus on US/Europe

Net Sales (billion yen)

Profit Improvement

OP Margin (%)
(3) Strategy A. Focus  
**Toys and Hobby**

### Strategy for the United States

#### Utilizing characters
- Making the most of Japanese characters
- Strengthening creation of U.S. characters

#### Stepping up development of products originating from Japan
- Developing unique products of categories popular in the U.S.

#### Entering new businesses
- Considering growth initiatives, including M&A

**Utilizing characters to develop new categories**
- Action Figure Toys
- Trading Cards
- Girls (Dolls)
- Pre-school Toys etc.

**Certain hit products in Japan**
- (Tamagotchi,  Bubble Packing)

**New**
- Hobby (Vehicle), Girls (Activity toys) etc.

**Strengthening our existing competitive advantages and expanding our product categories**

---

### Strategy for Europe

**Accelerating export of U.S. contents**

- (Case of Ben10)

**Creation**
- Collaboration with Cartoon Network

- **U.S.** FY09.3 sales: 6 billion yen

- **Europe** FY09.3 sales: 8 billion yen

**Won the 2009 UK Toy of the Year Award**

**Realizing dynamic growth in collaboration with the U.S. and expanding sales areas**
(3) Strategy A. Focus  

### Toys and Hobby

#### Strategy for Europe

- Expanding sales area in Europe

- New Girls Products
  - KeyTeens

- Realizing dynamic growth in collaboration with the U.S. and expanding sales areas

#### Strategy for Japan

- Maintaining our No. 1 market share categories
  - Boys Character Toys
  - Plastic Model
  - Capsule Toys
  - Candy Toys

- Driving for the No. 1 position in categories
  - Trading Cards
  - Girls Toys
  - Boys Basic Toys

- Building dominant position in Japanese market

---

**The leading innovator in global entertainment**
(3) Strategy A. Focus  Dynamic Growth

1. Game Contents

Directions of business and regional strategy

- **Video Game Software**
  - Japan: Maintaining and bolstering number one market share among third parties
  - US & Europe: Reinforcing Worldwide development and sales system

- **Arcade Game Machine**
  - Japan: Strengthening development capabilities to meet needs for the next generation
  - Asia: Horizontal sales expansion of Japanese arcade game machines

- **Mobile Contents**
  - Japan: Achieving synergy effects from Group restructuring
  - US & Europe: Expanding market share

The leading innovator in global entertainment
(3) Strategy A. Focus

Game Contents

Titles targeted for U.S. and European markets

<table>
<thead>
<tr>
<th>Strong</th>
<th>Medium</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our superiority</td>
<td>- RPG - Nurturing - Practical etc.</td>
<td>- Strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintaining leading position in a niche market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aiming for outstanding position in a rapidly growing market</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-scale participation in the largest markets in the US and Europe</td>
</tr>
</tbody>
</table>

Screening titles based on marketability in the U.S. and Europe and our competitive edge

(3) Strategy A. Focus

Game Contents

Development patterns for the U.S. and Europe

<table>
<thead>
<tr>
<th>Current Strengths</th>
<th>New Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing major franchises</td>
<td>Taking new technologies Strengthening multi-platform development</td>
</tr>
<tr>
<td>Technologies cultivated on arcade games Strength from holding unique IP (Pac-Man, etc.)</td>
<td>User research and testing and finalizing</td>
</tr>
<tr>
<td>Applying technical and planning capabilities</td>
<td>Game engine development Large-scale project Management capability improvement</td>
</tr>
</tbody>
</table>

Building competitive advantage

The leading innovator in global entertainment
(3) Strategy A. Focus  Game Contents

Take Over Bid  D3 INC. (Listed on JASDAQ)

Further growth in rapidly changing game market with diversified customer needs by fusion of both companies’ strengths

Business expansion in growing overseas markets

Collaboration in domestic mobile content market

<table>
<thead>
<tr>
<th>Duration</th>
<th>From Feb 13, 2009 to Mar. 16, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOB Price</td>
<td>62,000 yen</td>
</tr>
<tr>
<td>Total Investment</td>
<td>Approx. 1.4 billion yen</td>
</tr>
<tr>
<td>Number of shares to be purchased</td>
<td>From 74.78% of the issued shares, including the shares held by FIELDS CORPORATION, D3’s parent company, up to 100%</td>
</tr>
</tbody>
</table>

Number of shares to be purchased

Distribution Partners (tentative name)

NAMCO BANDAI Holdings Inc. 100%

Bandai SA 100%

NAMCO BANDAI Games Europe 34%

Infogrames Entertainment 100%

Atari Europe 66%

Expanding distributors into 10 sales bases in 20 countries

Driving for a top 5 in Europe

Amount of investment:

Approx. 27 million euros

* We have concluded an share purchase agreement with an option enabling us to make the company a wholly owned subsidiary in the future.
(3) Strategy A. Focus  **Profit Improvement**

1. Visual and Music Content
   - IP (Intellectual Property) Portfolio
   - Building an optimal IP portfolio through the strategic and flexible appropriation of resources
   - Return on investment from a global perspective

   Content development function, a source of business for the Group

   - Users
   - Core
   - Casual
   - Licensed
   - Original
   - Region
   - Business Model

   Improving Profitability

(3) Strategy A. Focus  **Profit Improvement**

2. Amusement Facility
   - Bolstering profitability with focus and selection

   **Japan**
   - Reinforcing profit base
   - Number of facilities (Japan)
   - Raising profits of high potential outlets
   - Opening differentiated facilities with a competitive edge
   - Appropriate services based on customer segment
   - Reviewing strategies to meet needs of shopping center and downtown & roadside facilities
   - Accelerating scrap-and-build measures

   **Overseas**
   - U.S.: Continuing to rebuild business model
   - Europe: Withdrawal from Spain
   - No intention to enter a new region

The leading innovator in global entertainment
(3) Strategy B. Enhance the Entertainment-Hub

Business model unique to BANDAI NAMCO

IP creation/Acquisition  IP marketing (media use)  Merchandising Development

- Increase value through use of media
- Launch diverse products on IP

Synergy by linkage

Enhance the model to best global model

The leading innovator in global entertainment

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(3) Strategy B. Enhance the Entertainment-Hub

IP creation/Acquisition
- Generation: Establish worldwide studio (game)
- Joint content production with major TV stations
- Acquisition: Invest in and acquire license to large-scale content capable of global launch

IP marketing (media use)
- Simultaneous global content launch
  - Domestic: TV/movies
  - US/Europe: TV/movies
  - Global scale online launch

Merchandising Development
- Improving profitability by expanding categories at global level
(4) Group Initiatives in Support of the Strategies

- Pursuing management efficiency
  Reviewing business portfolios
  Restructuring unprofitable businesses and defining rules for withdrawal
  - Adopting ROIC (return on investment capital) by business as a new index for performance assessment

- Cost Reduction
  Cutting costs by consolidating the operating processes of the Group, etc.

- CSR activities
  Reinforcing our environmental management

  Mid-Term Group Environmental Objectives

  As a top runner entertainment company, we will introduce environmentally friendly measures into the products and services of the Group companies and reduce CO2 emissions from the Group offices, by 5.4% in comparison with FY2009.3 levels by the end of FY2012.3.

(4) Group Initiatives in Support of the Strategies

- Capital Policy
  Appropriation of earnings
  After appropriation of an amount equivalent to a 30% dividend payout ratio, based on a stable annual dividend payments of 24 yen per share, from the consolidated periodical net income, the Company attributes a portion of this remaining balance to the acquisition of its own shares, with comprehensive consideration of aspects such as the level of cash held, its operating performance, its share price trend, and its plan for large-scale investments.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>First three years after management integration</td>
<td>Three years for the development of institutional systems for substantial growth worldwide</td>
<td>Attaining growth potential worldwide</td>
</tr>
</tbody>
</table>

Retained the funds needed to grow - Conducted share buy-back

Investing for global growth - M&A, development investment, etc.

Sustained investment for continued growth

Maintaining a 30% consolidated dividend payout ratio based on a stable annual dividend payments of 24 yen per share
Corporate Philosophy

Mission

Dreams, Fun and Inspiration

Dreams, Fun and Inspiration are the Engine of Happiness. Through our entertainment products and services, BANDAI NAMCO will continue to provide Dreams, Fun and Inspiration to people around the world, based on our boundless creativity and enthusiasm.

Vision

The leading innovator in global entertainment

As an entertainment leader across the ages, BANDAI NAMCO is constantly exploring new areas and heights in entertainment. We aim to be loved by people who have fun and will earn their trust as the leading innovator in global entertainment.

Note on Projections

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. The words “forecast,” “plan,” “target,” “estimation,” “projection,” “intend,” “will” and similar expressions, as related to the Group, are intended to identify forward-looking statements and information. Actual results could differ materially from those projected in such forward-looking statements.