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FY2012.3 Performance

3Q Results and Full Year Forecasts

<table>
<thead>
<tr>
<th>FY2011.3 Results</th>
<th>FY2012.3 Results / Forecasts</th>
<th>YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q(9mo.)</td>
<td>Full Year</td>
<td>3Q(9mo.)</td>
</tr>
<tr>
<td>Net Sales</td>
<td>288.0</td>
<td>394.1</td>
</tr>
<tr>
<td>Operating Income</td>
<td>16.6</td>
<td>16.3</td>
</tr>
<tr>
<td>Recurring Income</td>
<td>16.5</td>
<td>30.8</td>
</tr>
<tr>
<td>Net Income</td>
<td>3.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>8.5</td>
<td>10.7</td>
</tr>
<tr>
<td>Depreciation</td>
<td>12.4</td>
<td>18.0</td>
</tr>
<tr>
<td>R&amp;D Investments</td>
<td>29.7</td>
<td>40.1</td>
</tr>
<tr>
<td>Advertising Expenses</td>
<td>19.5</td>
<td>28.7</td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>29.8</td>
<td>40.3</td>
</tr>
</tbody>
</table>
### Performance by Business

**Upper Cell: Net Sales**
**Lower Cell: Operating Income**

<table>
<thead>
<tr>
<th></th>
<th>FY2011.3 Results</th>
<th>FY2012.3 Results / Forecasts</th>
<th>YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3Q(9mo.)</td>
<td>Full Year</td>
<td>3Q(9mo.)</td>
</tr>
<tr>
<td>Toys and Hobby</td>
<td>116.3</td>
<td>158.3</td>
<td>133.5</td>
</tr>
<tr>
<td></td>
<td>13.5</td>
<td>13.8</td>
<td>17.4</td>
</tr>
<tr>
<td>Content</td>
<td>130.2</td>
<td>179.9</td>
<td>151.4</td>
</tr>
<tr>
<td></td>
<td>3.5</td>
<td>3.0</td>
<td>11.6</td>
</tr>
<tr>
<td>Amusement Facility</td>
<td>46.4</td>
<td>62.3</td>
<td>45.9</td>
</tr>
<tr>
<td></td>
<td>1.4</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Others</td>
<td>13.4</td>
<td>18.5</td>
<td>17.7</td>
</tr>
<tr>
<td></td>
<td>0.8</td>
<td>0.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Corporate and</td>
<td>-18.4</td>
<td>-24.9</td>
<td>-25.3</td>
</tr>
<tr>
<td>Elimination</td>
<td>-2.7</td>
<td>-3.1</td>
<td>-1.9</td>
</tr>
<tr>
<td>Consolidated</td>
<td>288.0</td>
<td>394.1</td>
<td>323.3</td>
</tr>
<tr>
<td></td>
<td>16.6</td>
<td>16.3</td>
<td>30.7</td>
</tr>
</tbody>
</table>

### Performance by Business - Toys and Hobby

#### FY2011.3 Results
- Net Sales: 116.3 Billion yen
- OP: 13.5 Billion yen
- OP Margin(%): 11.7

#### FY2012.3 Results / Forecasts
- Net Sales: 133.5 Billion yen
- OP: 17.4 Billion yen
- OP Margin(%): 13.1

#### YOY
- Net Sales: +17.2 Billion yen (+13.7%)
- OP: +4.0 Billion yen (+3.2%)

#### Overview
- Strong performance by KAMEN RIDER / POWER RANGERS (Japan) products.
- Earnings contributed from card products.
- The Little Battlers / products designed for adult customers gained popularity.
  → Expanded target customers.

#### Current status
- Good start of new PrettyCure series.
- Started broadcasting of new POWER RANGERS series in Japan on February 26.
- Developing POWER RANGERS in the U.S. and Europe.
### Performance by Business

#### Content

<table>
<thead>
<tr>
<th>FY2011.3 Results</th>
<th>FY2012.3 Results / Forecasts</th>
<th>YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q(9mo.)</td>
<td>Full Year</td>
<td>3Q(9mo.)</td>
</tr>
<tr>
<td>Net Sales</td>
<td>130.2</td>
<td>179.9</td>
</tr>
<tr>
<td>OP</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td>OP Margin(%)</td>
<td>2.7</td>
<td>1.7</td>
</tr>
</tbody>
</table>

**Overview**

- Strong performance by arcade game machines and prizes.
- Domestic home video game software gained popularity.
  - **TALES OF XILLIA**
  - **Mobile Suit Gundam Extreme VS.**
- Strong sales of SNS contents.
- Visual package software gained popularity.
  - **Mobile Suit Gundam UC**
  - **TIGER&BUNNY**

**Current status**

- SNS members breakthrough 10 million.
  - Sales expected to exceed ¥10 bn. in FY 2012.3.
- Prizes for arcade game machines remain strong.
- Launching game software **Soul Calibur V**.

### Performance by Business

#### Amusement Facility

<table>
<thead>
<tr>
<th>FY2011.3 Results</th>
<th>FY2012.3 Results / Forecasts</th>
<th>YOY</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q(9mo.)</td>
<td>Full Year</td>
<td>3Q(9mo.)</td>
</tr>
<tr>
<td>Net Sales</td>
<td>46.4</td>
<td>62.5</td>
</tr>
<tr>
<td>OP</td>
<td>1.4</td>
<td>1.7</td>
</tr>
<tr>
<td>OP Margin(%)</td>
<td>3.1</td>
<td>2.9</td>
</tr>
</tbody>
</table>

**Overview**

- Characters facilities and events helped to attract customers.

**Current status**

- Solid performance of facilities especially for families.
- Focusing on efforts to differentiate our facilities.
  - **POWER RANGERS** series introduced into character-packaged entertainment facilities.

**Year-on-year existing store sales in Japan**

<table>
<thead>
<tr>
<th>1st Half</th>
<th>Oct.</th>
<th>Nov.</th>
<th>Dec.</th>
<th>3Q (3mo.)</th>
<th>3Q (9mo.)</th>
<th>2nd half Forecast</th>
<th>Full Year Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>103.0%</td>
<td>99.8%</td>
<td>99.7%</td>
<td>97.6%</td>
<td>98.9%</td>
<td>101.9%</td>
<td>97%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Review of the Past Years
Previous Mid-term Plans

Objectives of the Management Integration

Aiming at a major step forward in the entertainment business.

Mid-term Plan

Development of our management base.
- Generating synergies.
- Restructured organization.
- Strengthened financial base.
- Aligned corporate culture and human resources.

Mid-term Plan

Development of a global base for growth.
- Globalization
- Invested in growing business areas.
- Reinforced profitability to support up-front investments.

Transition of Results

<table>
<thead>
<tr>
<th></th>
<th>FY2007.3</th>
<th>FY2008.3</th>
<th>FY2009.3</th>
<th>FY2010.3</th>
<th>FY2011.3</th>
<th>FY2012.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>459.1</td>
<td>460.4</td>
<td>426.3</td>
<td>378.5</td>
<td>394.1</td>
<td>440.0</td>
</tr>
<tr>
<td>Operating Income</td>
<td>42.2</td>
<td>33.4</td>
<td>22.3</td>
<td>1.8</td>
<td>16.3</td>
<td>31.5</td>
</tr>
<tr>
<td>Recurring Income</td>
<td>45.6</td>
<td>36.1</td>
<td>24.5</td>
<td>1.9</td>
<td>16.3</td>
<td>31.5</td>
</tr>
<tr>
<td>Net Income</td>
<td>24.2</td>
<td>32.6</td>
<td>11.8</td>
<td>-29.9</td>
<td>1.8</td>
<td>18.5</td>
</tr>
</tbody>
</table>

BANDAI NAMCO Group
Mid-term Plan 2009-2011 Pursued Goal

**Focused on:**
Developing a global base for growth.

- **Business expansion in the U.S. and Europe markets**
- **Initiatives to boost profitability in the Japan market**

---

Mid-term Plan 2009-2011 Financial Results

**Net Sales (Billion yen)**

- FY2007.3: 400
- FY2008.3: 400
- FY2009.3: 300
- FY2010.3: 200
- FY2011.3: 200
- FY2012.3: 200

**Operating Income**

- FY2007.3: 50
- FY2008.3: 50
- FY2009.3: 40
- FY2010.3: 30
- FY2011.3: 30
- FY2012.3: 30

**Recorded significant losses in the first year, mainly in Content business, on failure to respond to changes in the business environment.**

- **Transforming into a speedy group**
- **Improving profitability and strengthening financial standing**

---

**BANDAI NAMCO Group**
<table>
<thead>
<tr>
<th></th>
<th>Achievements</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toys and Hobby</strong></td>
<td>Japan: Implemented strategy of achieving a No. 1 position.</td>
<td>Overseas: Struggled particularly in the U.S. and Europe.</td>
</tr>
<tr>
<td><strong>Content</strong></td>
<td>Japan: Positive effects from Restart Plan.</td>
<td>Overseas: Struggled with home video game software in the U.S. and Europe.</td>
</tr>
<tr>
<td><strong>Amusement Facility</strong></td>
<td>Opened differentiated amusement facilities.</td>
<td>Challenges in developing new earnings drivers.</td>
</tr>
</tbody>
</table>

All domestic Strategic Business Units achieved some success.
All overseas Strategic Business Units struggled.
Still in the recovery stage at Content business.

**Direction of New Mid-term Plan**
Group Mission and Vision

Mission
Dreams, Fun and Inspiration

Vision
The Leading Innovator in Global Entertainment

Mid-term Vision

ACCELERATE EVOLUTION

EMPOWER

GAIN MOMENTUM
Mid-term Vision

**Empower**
Achieve record profits.
Operating Income ¥42.5 billion

**Gain Momentum**
Implement a growth strategy.
Net Sales ¥480 billion
Growth to generate record sales.

**Accelerate Evolution**
Enhance our IP value business model.
Acquire 30 million BANDAI NAMCO ID members.
Enhancement of our IP model.

---

**Numerical Targets**

**FY 2015.3 Targets**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2015.3 Targets</th>
<th>Billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>480 billion yen</td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td>42.5 billion yen</td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2012.3 Forecasts</th>
<th>FY2015.3 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toys and Hobby</td>
<td>172.0</td>
<td>220.0</td>
</tr>
<tr>
<td>Content</td>
<td>217.0</td>
<td>220.0</td>
</tr>
<tr>
<td>Amusement Facility</td>
<td>61.0</td>
<td>70.0</td>
</tr>
<tr>
<td>Others</td>
<td>27.0</td>
<td>25.0</td>
</tr>
<tr>
<td>Corporate and Elimination</td>
<td>-37.0</td>
<td>-55.0</td>
</tr>
<tr>
<td>Consolidated</td>
<td>440.0</td>
<td>4,80.0</td>
</tr>
</tbody>
</table>

BANDAI NAMCO Group
Top Management

NAMCO BANDAI Holdings
President & CEO
Shukuo Ishikawa
Executive Vice President
Kazunori Ueno

Core Company: Bandai
President & CEO
Kazunori Ueno

Executive Vice President
Mitsuaki Taguchi

Core Company: NAMCO BANDAI Games
President & CEO
Satoshi Oshita

Executive Vice President
Shin Unoza

Core Company: NAMCO
President & CEO
Masahiro Tachibana

New Mid-term Plan: Overview

Mission & Vision
Dreams, Fun and Inspiration
The Leading Innovator in Global Entertainment

Mid-term Vision
Empower
Operating Income: ¥42.5 billion
Achieve record profits

Gain Momentum
Net Sales: ¥480 billion
Implement a growth strategy

Accelerate Evolution
Acquire 30 million BANDAI NAMCO ID members.
Enhance our IP value business model

Focus Strategies
Basic Business Area
Content
Amusement Facility

Profit Recovering Area
Toys & Hobby (Japan)
Content (Japan)
Amusement Facility (Japan)

New Growth Area
Toys & Hobby (U.S. & EU)
Video Game Software (Worldwide)
Amusement Facility (Asia)

Group-wide Network Strategy
Human Resources Strategy
## New Mid-term Plan: Focus Strategies

### (1) Business Area Strategies

<table>
<thead>
<tr>
<th><strong>Basic Business Area</strong></th>
<th><strong>Profit Recovering Area</strong></th>
<th><strong>New Growth Area</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieve profitable expansion in basic business area.</td>
<td>Recover low-profit and loss-making businesses.</td>
<td>Create and develop new growth area.</td>
</tr>
</tbody>
</table>

**Toys and Hobby**
- **Japan**: Toys & Hobby (Japan)
- **U.S., EU**: Toys & Hobby (U.S. & EU)
- **Asia**: Toys & Hobby (Asia)

**Content**
- **Japan**: Content (Japan)
- **Worldwide**: Video Game Software (Worldwide)

**Amusement Facility**
- **Japan**: Amusement Facility (Japan)
- **Asia**: Amusement Facility (Asia)

### (2) Functional Strategies

- **Group-wide Network Strategy**
- **Human Resources Strategy**

---

**New Mid-term Plan: Focus Strategies**
New Mid-term Plan: Focus Strategies

(1) Business Area Strategies

<table>
<thead>
<tr>
<th>Basic Business Area</th>
<th>Profit Recovering Area</th>
<th>New Growth Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toys and Hobby (Japan)</strong></td>
<td><strong>Toys &amp; Hobby (U.S. &amp; EU)</strong></td>
<td><strong>Toys &amp; Hobby (Asia)</strong></td>
</tr>
<tr>
<td><strong>Content (Japan)</strong></td>
<td><strong>Video Game Software (Worldwide)</strong></td>
<td><strong>Arcade Game (Asia)</strong></td>
</tr>
<tr>
<td><strong>Amusement Facility (Japan)</strong></td>
<td></td>
<td><strong>Amusement Facility (Asia)</strong></td>
</tr>
</tbody>
</table>

(2) Functional Strategies

- Group-wide Network Strategy
- Human Resources Strategy

Focus Strategies

(1) Business Area Strategies

**Basic Business Area**

- Achieve profitable expansion in basic business area.

**Toys and Hobby (Japan)**

- Strengthen long-established character products.
- Promote tie-ups among the categories.
- Develop IP by fully utilizing media.

- Elementary school-age boys
  - Continue introducing IP into various product categories.

- Preschool-age children
  - Achieve overwhelming No.1 share in all categories in Japan!

**Content (Japan)**

- Arcade game, SNS, Visual & Music

**Amusement Facility (Japan)**

- Toys & Hobby
- Video Game Software
- Amusement Facility

Asia

U.S., EU

Japan
Diversify sales approaches for arcade game machines.
Leverage our strengths to launch rapidly.

**Content (Japan)**

**Arcade Game, Prize**
- Strengthen links with amusement facilities.
- Diversify sales approaches for arcade game machines.
- Services linked to mutual utilization of game cards.
- Expand market share for prizes.
- Explore new distribution channels.

**Visual and Music content**
- Age-specific Gundam strategy.
- Develop multiple animations for different age groups.
- Create new content.
- Strengthen lineups for the high-end and female markets.

**SNS**
- Leverage our strengths to launch rapidly.
- Developed jointly.
- Developed in house.
- Smartphone SNS games with overseas markets in mind.

Achieve No.1 position in each market!

---

**Amusement Facility (Japan)**

**Basic Business Area**

**Focus Strategies**

(1) **Business Area Strategies**

**Families**
- Advance marketing by targeted customers.

**Senior generations**
- Establish chain store management.
- Standardize and improve services
- Highly efficient operation

**Younger generations**
- Develop models to utilize IP at facilities.

Achieve No.1 share!
Carry out integrated brand management of the U.S. and Europe.

Development of major IP brand management unified in the U.S. and Europe.

Expansion of areas by extending the U.S. and European market.

Focus Strategies
(1) Business Area Strategies

Toys and Hobby (U.S., Europe)

Boost profitability and efficiency.
Utilize NAMCO BANDAI Studio.
Launch franchise titles that can be linked with arcade game machines.
Rapidly launch seasonal titles.
Selection and concentration in titles.

Restructure the business in the U.S. and Europe.
Narrowing down to franchise titles developed in Japan.
Overseas bases focusing on sales and marketing.

Video Game Software

Profit Recovering Area

BANDAI NAMCO Group
Conduct Japan-originated business activities simultaneously in Asia.

- Visual content distribution.
- Events.
- Develop products tailored to local needs.
- Launch online sales.

Strengthen Japan-Asia cooperation in the hobby and collectible toy businesses.

Transmit Information.
Develop and manufacture Products.
Sell products.

Actively target Asian and emerging markets.

Expand range of redemption machines overseas, where demand is strong.

Strengthen development of prizes.

Start full-scale development of facilities using popular IP at the local market.

New Mid-term Plan: Functional Strategies
New Mid-term Plan: Focus Strategies

(1) Business Area Strategies

Basic Business Area
Achieve profitable expansion in basic business area.

Profit Recovering Area
Recover low-profit and loss-making businesses.

New Growth Area
Create and develop new growth area.

(2) Functional Strategies

Group-wide Network Strategy
Human Resources Strategy

Focus Strategies

Marketing tools to accelerate horizontal integration across the Group.

Offer products, content and services linked directly to users.

Existing media and platforms
Promote hiring and training of valuable personnel to take the Group’s future.

**Hiring**
- Hire new graduates globally.
- Accelerate worldwide personnel strategy.
- Implement strategic personnel transfers.
- Identify personnel capable of managing multiple business areas.

**Training**
- Promote employees based overseas more actively.
- Business globalization.
- Offer training programs.
- Cultivate future business leaders.

New Mid-term Plan: Strategies by Business
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.

Numerical Targets in FY2015.3
- Net Sales ¥220 billion
- Operating Income ¥22 billion

Enhance competitiveness through value chain reform.

Initiatives to boost product development and manufacturing.
- Cooperation across regions.
- Faster response and manufacturing of product at more competitive prices.
- Reinforce and increase the efficiency of development and manufacturing by concentrating functions in fewer locations.
- Consider manufacturing in areas other than China and Thailand.
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.

**Basic Business Area**
- Arcade Game (Japan)
- SNS (Japan)
- Visual & Music (Japan)

**Profit Recovering Area**
- Video Game Software (Worldwide)

**New Growth Area**
- Arcade Game (Asia)

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

**Strategies by Business**

**Content**

**Spin off planned on April 2, 2012**

**Games**

NAMCO BANDAI Studio

Content development (arcade game machines, video game software, networked games, etc.)

Integrate game development team that can respond quickly. Introduce systems and mechanisms focused on development.

**Enhance content development skills.**

**Improve efficiency.**

**Strategies to maximize business integration using IP as an axis.**

Transmit IP to unexplored regions and exits.
**Strategies by Business Amusement Facility**

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

<table>
<thead>
<tr>
<th>Basic Business Area</th>
<th>New Growth Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amusement Facility (Japan)</td>
<td>Amusement Facility (Asia)</td>
</tr>
</tbody>
</table>

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

### Numerical Targets in FY2015.3

<table>
<thead>
<tr>
<th></th>
<th>Net Sales</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>¥70 billion</td>
<td>¥3.5 billion</td>
</tr>
</tbody>
</table>

**New Mid-term Plan: Focus Strategies**

### (1) Business Area Strategies

#### Basic Business Area
- Achieve profitable expansion in basic business area.
  - **Japan**

#### Profit Recovering Area
- Recover low-profit and loss-making businesses.
  - **U.S., EU**

#### New Growth Area
- Create and develop new growth area.
  - **Asia**

### (2) Functional Strategies
- Group-wide Network Strategy
- Human Resources Strategy
## Capital Policy

<table>
<thead>
<tr>
<th>Dividend</th>
<th>Maintain current policy for return of profit to shareholders.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Target a consolidated payout ratio of 30% based on a stable dividend payments of 24 yen per share.</td>
</tr>
<tr>
<td>Share Buy-back</td>
<td>Continuously consider for capital efficiency.</td>
</tr>
<tr>
<td></td>
<td>Upon consideration of funds on hand, performance trends, recent share price trends and existence or non-existence of investment proposals.</td>
</tr>
<tr>
<td>Others</td>
<td>Special shareholder benefits: respond to diversifying needs.</td>
</tr>
<tr>
<td></td>
<td>Selective system: gift certificates for kids, meal certificates, points to buy Group products online, donations.</td>
</tr>
</tbody>
</table>

## Mid-term Vision

- **ACCELERATE EVOLUTION**
- **GAIN MOMENTUM**
- **EMPOWER**
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.