

October 14, 2005

To Whom It May Concern:

Namco Bandai Holdings Inc.

Takeo Takasu
President and Representative Director

NAMCO LIMITED

Shigeichi Ishimura
President and Chief Executive Officer

NAMCO BANDAI Holdings Inc. to Establish US Subsidiary

NAMCO BANDAI Holdings Inc., today announced its decision to establish NAMCO NETWORKS AMERICA INC. to expand its mobile content business in the United States. The new company will operate as a wholly owned subsidiary of NAMCO BANDAI Holdings (USA) Inc. Both companies are scheduled to be established on January 1, 2006.

Until now, NAMCO has carried out mobile phone content development and distribution operations in the country through a division of NAMCO AMERICA INC., a US subsidiary primarily focused on the manufacture and sale of amusement equipment. Now, with the establishment of this dedicated subsidiary, NAMCO aims to achieve more rapid business development and offer higher-quality content as a “comprehensive mobile entertainment creator and provider” in response to expected faster growth in the market.

New Company Overview

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|------------------|---|
| 1. Company name | NAMCO NETWORKS AMERICA INC. |
| 2. Capital | US\$1 million |
| 3. Establishment | January 1, 2006 |
| 4. Business | <ol style="list-style-type: none">1. Game content development, application development and distribution for mobile phone operating systems2. Distribution of ringtone melodies3. Distribution of standby display images4. Aggregation operations5. Development and distribution of network applications |
| 5. Head office | 1740 Technology Drive, Suite 320, San Jose, California, USA |

6. Fiscal year-end	December 31	
7. Directors	Chairman (Part-time)	Shukuo Ishikawa
	President, CEO & COO	Kenji Hisatsune
	Vice President & CFO	Don Davis
	Director (Part-time)	Koichi Tashiro
	Director (Part-time)	Masashi Fukumoto
8. Employees	25 (estimated workforce of 18 full-time and 7 other employees as of January 1, 2006)	
9. Sales forecasts	Year ending December 31, 2005: US\$13.5 million*	
	Year ending December 31, 2006: US\$22.0 million	
	*10 months of results due to change in fiscal year-end	

Note: Information in this press release is accurate as of date of release; content may be changed without prior notification.