

BANDAI NAMCO Group

FYE March 2006

Financial Results Presentation

MAY 17, 2006

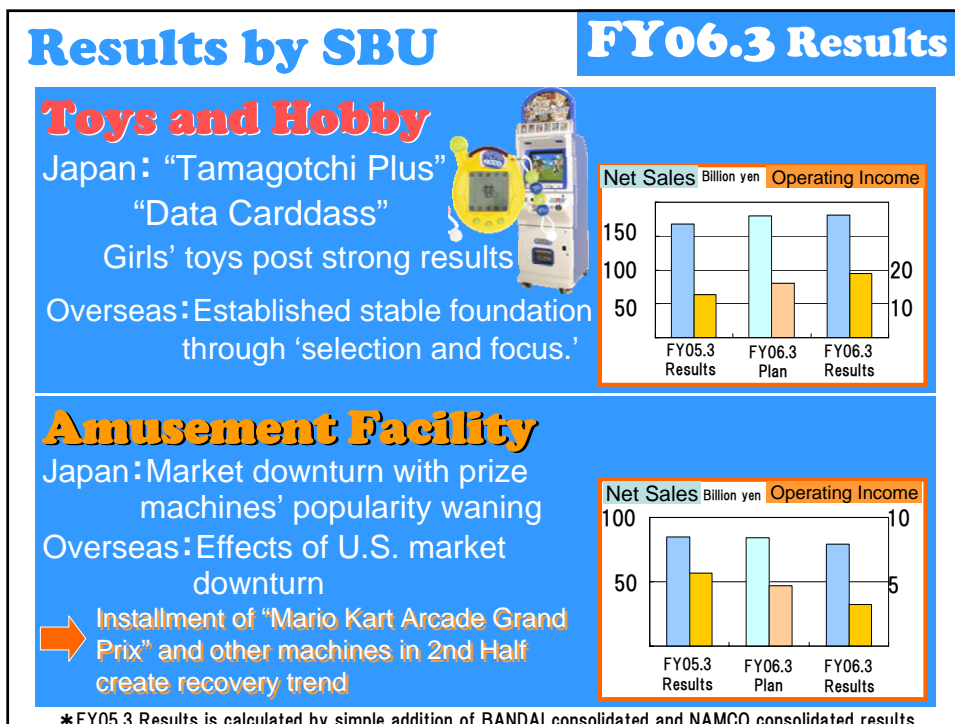
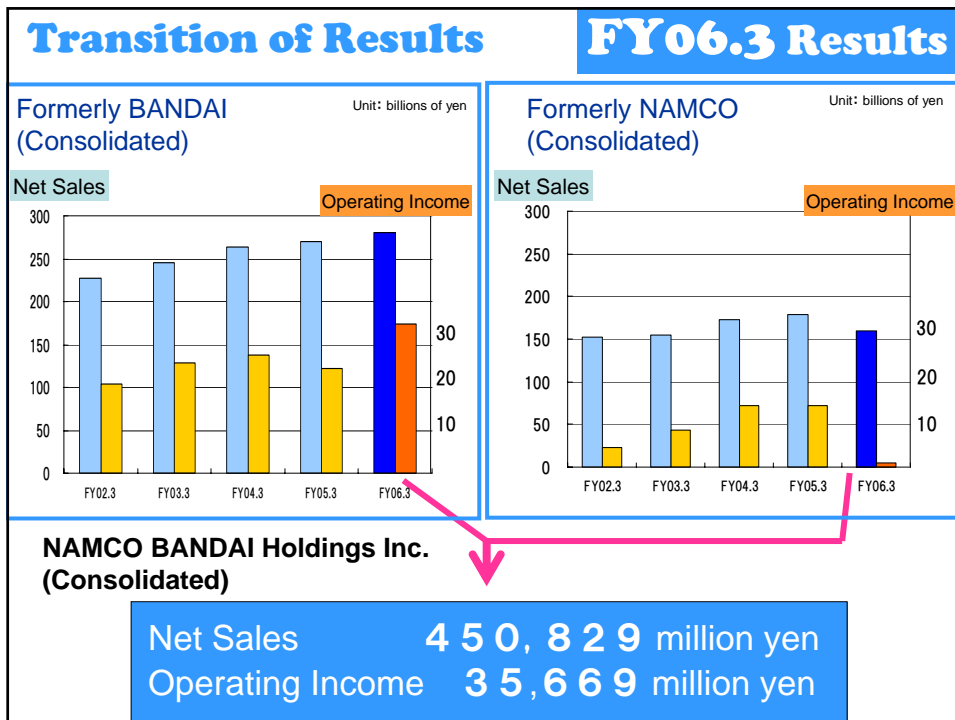
NAMCO BANDAI Holdings Inc.

President and Representative Director **Takeo Takasu**

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Results by SBU

FY06.3 Results

Game Contents

Home Video Game Software

Japan・Overseas: Despite some hit titles, market downturn and slow response to changes in customer needs, resulted in sluggish results

Coin-Operated Game Machines

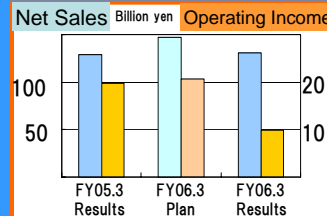
Japan: “Mario Kart Arcade Grand Prix”

“Idol M@ster” posted strong results



Overseas: “Wangan Midnight MAXIMUM TUNE2”

had strong sales



*FY05.3 Results is calculated by simple addition of BANDAI consolidated and NAMCO consolidated results.

Results by SBU

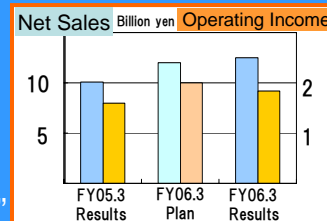
FY06.3 Results

Network

High value-added content strengthens earnings foundation

⇒ increased average charge per subscriber

New technology offerings such as “2D Vector Engine” and “3D Engine”



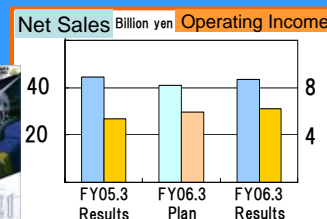
Visual & Music Content

Japan: “Mobile Suit GUNDAM” series

⇒ Strong group synergy effects

Overseas: Product returns increased amid U.S. market downturn

⇒ Posted allowance to reflect severe market conditions



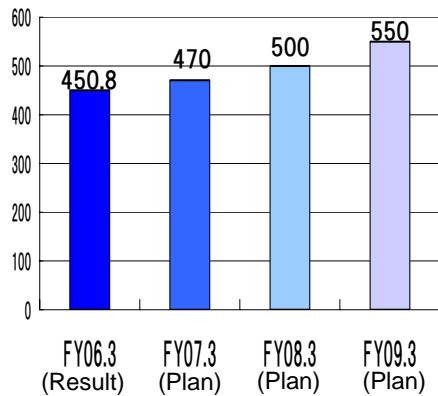
*FY05.3 Results is calculated by simple addition of BANDAI consolidated and NAMCO consolidated results.

Plan Figures

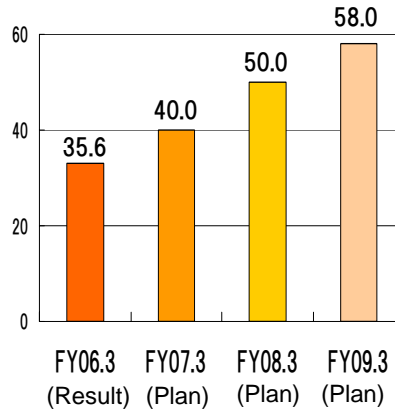
Plan for FY07.3

Net Sales 470 billion yen
Operating Income 40 billion yen

Net Sales



Operating Income

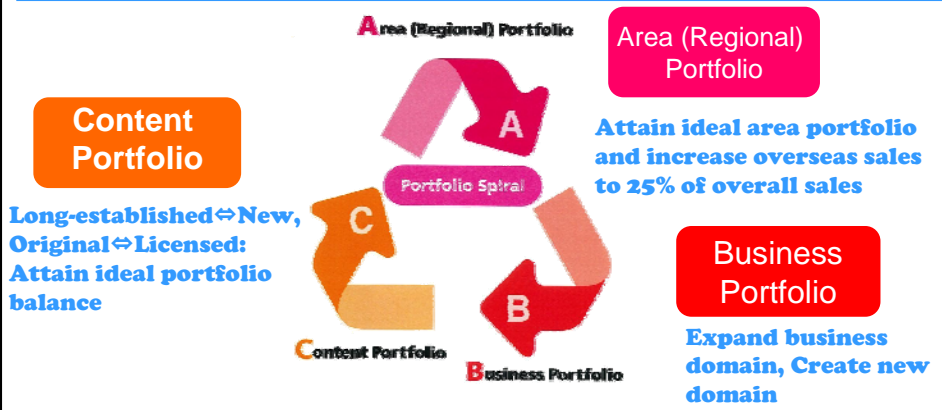


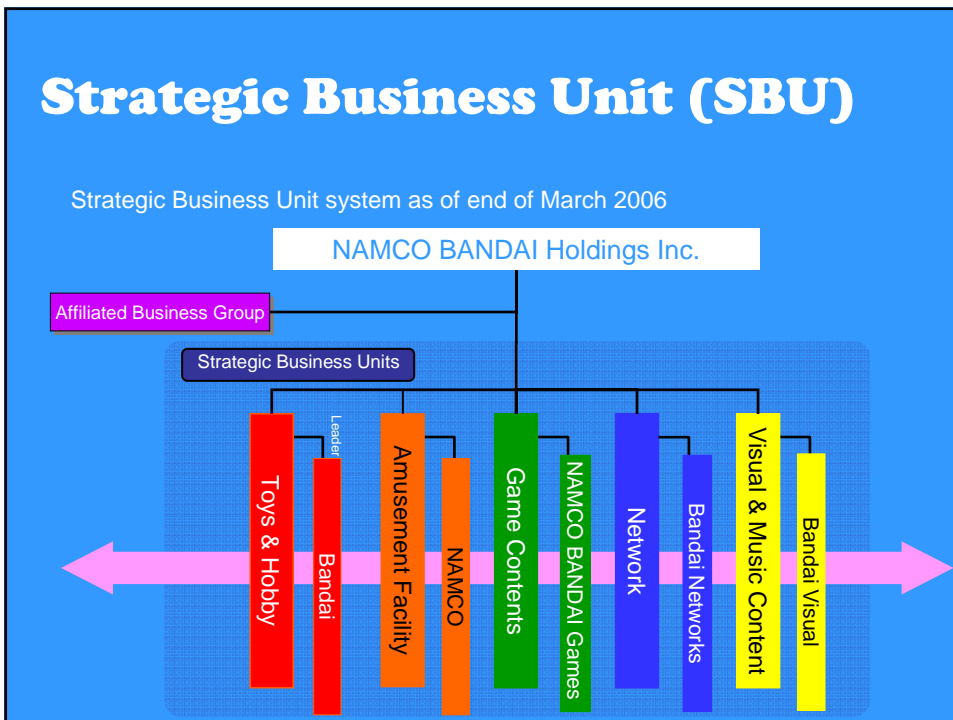
Medium-Term Management Plan Strategy

Medium-Term Management Plan

THEME of Medium-Term Management Plan

Strengthening, Enriching, and Expanding Portfolio Management





Toys & Hobby

FYE 07.3 Business Strategy

Billion yen

Fiscal Year	Net Sales (Billion yen)	Operating Income (Billion yen)
FY06.3 Result	~180	~10
FY07.3 Plan	~180	~10
FY08.3 Plan	~190	~10
FY09.3 Plan	~200	~10

Further strengthening and expansion of popular products

“Tamagotchi Plus”

- Data Carddass
 - Team up with partner companies
 - Campaign, goods sales, etc.
 - Development of peripheral products

⇒ Bring up as established popular characters

⇒ Expand target group!

Data Carddass

- Increase content

“Dragon Ball Z” “NARUTO” “Tamagotchi Plus” “Digimon”

Content Strategy

Long-established popular + New content
⇒ Rich line-up

Toys & Hobby

FYE 07.3 Business Strategy

Partner Company Collaborations

BANDAI X UNIQLO
“Tamagotchi” T-shirts + “chibi-Tamagotchi”

BANDAI X KENWOOD
“Enter-audio” for adult target

BANDAI X WILLCOM
Kids' Keitai (mobile) “papipo!”

Overseas Businesses

“TAMAGOTCHI”
Continuing strong sales

“POWER RANGERS”

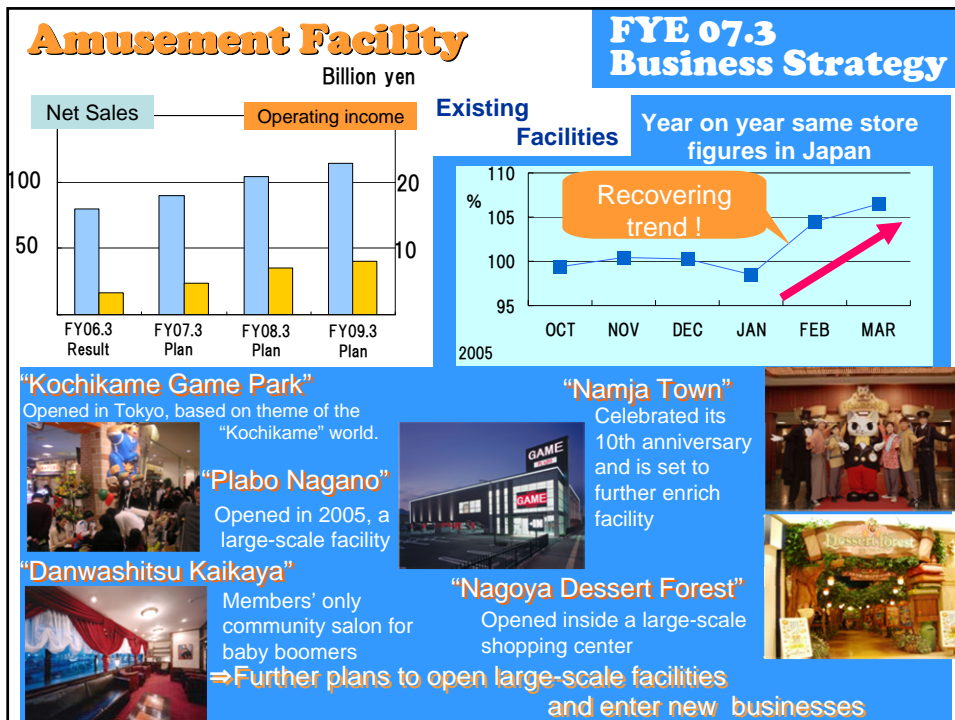
Good start in America
Also started development in India

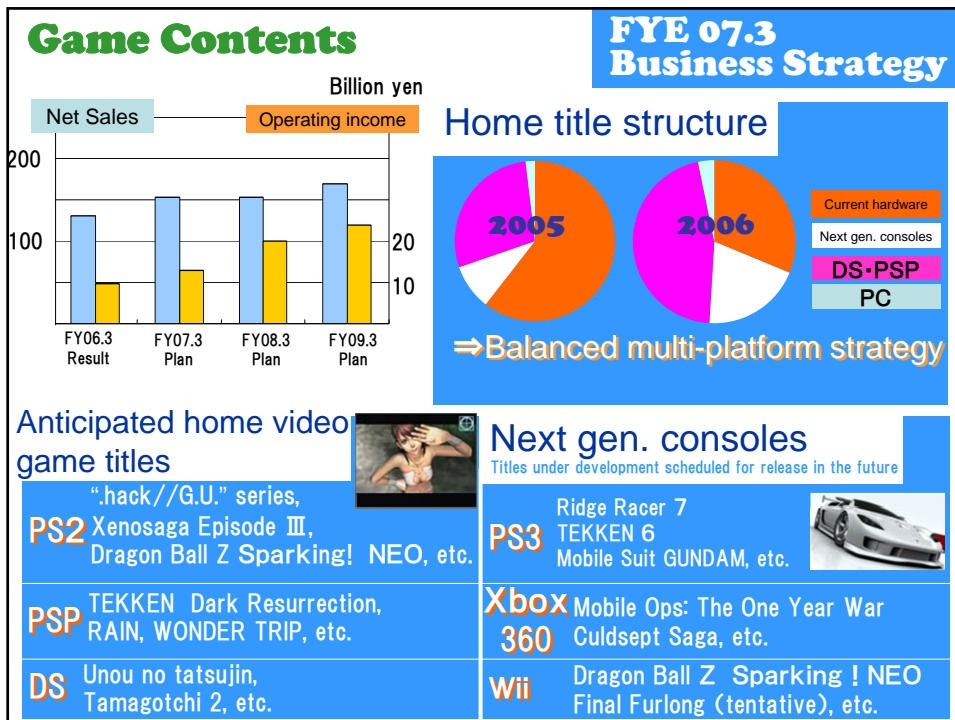
Anticipated Content

“BEN10”
Centered around Boys' toys in U.S.

“NARUTO”
Centered around Cards in U.S.

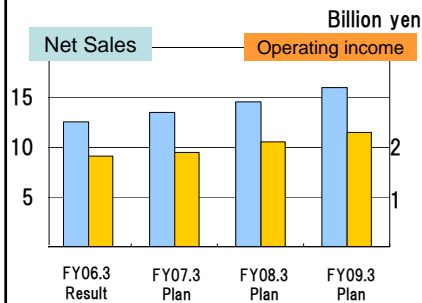
“POCOYO”
Centered around infants' toys in Europe





Network

FYE 07.3 Business Strategy

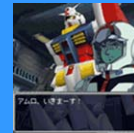


Strengthening content

Expand rich content

Develop with quality that makes full use of new functions and technologies of mobile phones

Game Content
Video Content
Electric comic, etc.



Synergy



Content for i-mode
"SD GUNDAM RPG"

Bandai Networks
× NAMCO BANDAI Games

Start of service scheduled for June



Joint development

Expansion of business domain

Make service available and expand "picture recognition engine"

Linking catalog shopping, packaged software, search engine, etc.

Internet advertising business starts

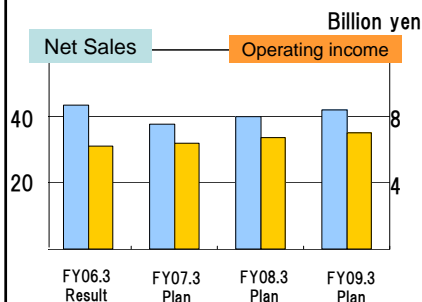
Bandai Networks × V I B E × Tokyu Agency

Pillar of new businesses



Visual & Music Content

FYE 07.3 Business Strategy



GUNDAM developments

Various approaches to bringing out the world of GUNDAM

"Mobile Suit GUNDAM DVD-BOX" (2 boxes) on sale

"GUNDAM SEED C. E. 73 Stargazer" internet streaming

"Mobile Suit GUNDAM MS IGLOO" DVD on sale



Theatrical works

Directors' Fortnight submission finalized

"Yureru"

Directed by Miwa Nishikawa
Produced by Hirokazu Koreeda
Starring Joe Odagiri



Cannes Film Festival sidebar

Expansion of business domain

Maximize content value

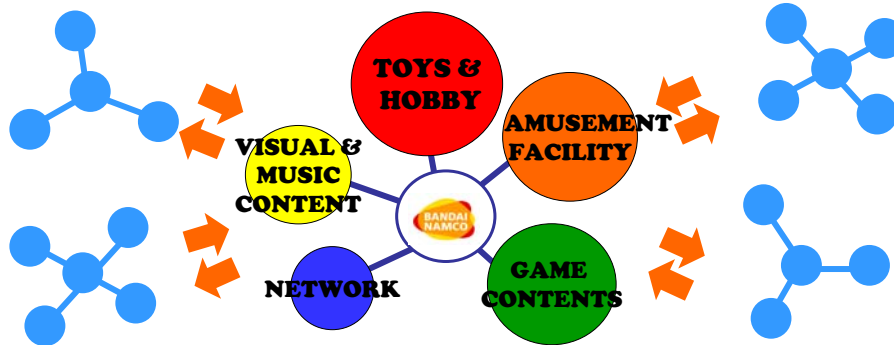
Lantis stock purchase

⇒ Take initiative in music content business

Provide songs to animation portals, etc.



Entertainment Hub Concept



Bandai Namco Group's Mission

“Dreams, Fun and Inspiration”

BANDAI NAMCO Group

FYE March 2006

Financial Results Presentation

Note on Projections

This document contains forward-looking statements and information related to BANDAI NAMCO Group that are based on our beliefs as well as various assumptions made on the basis of information currently available to us. The words "plan," "target," "estimation," "projection," "intend," "will" and similar expressions, as they relate to us, are intended to identify forward-looking statements and information. Actual results could differ materially from those projected in such forward-looking statements.

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