

Dreams, Fun and Inspiration



BANDAI NAMCO GROUP Information Meeting (Fiscal Year ended March 2007)

2007.5.11 (Fri)

TODAY'S MENU

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NAMCO BANDAI Holdings Inc.
President and
Representative Director
Takeo Takasu

SBU : Strategic Business Unit



1 . Transition of Results

BANDAI NAMCO Group

Transition of Results

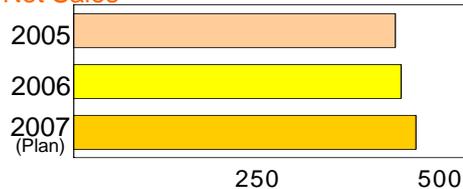


Billion yen

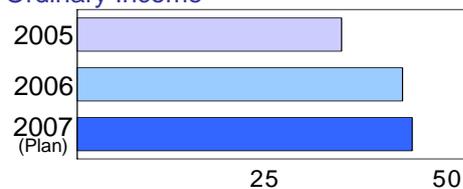
Medium-term Management Plan

	FY06.3	FY07.3	FY08.3	FY08.3	FY09.3
	Results	Results	Plan	Target	Target
Net Sales	450.8	459.1	480.0	500.0	550.0
Operating Income	35.6	42.2	45.0	50.0	58.0
Ordinary Income	37.1	45.6	47.0	50.5	58.5
Net Income	14.1	24.2	26.5	28.0	32.5
Capital Expenditures	20.8	20.3	24.0	22.5	23.0
Depreciation	19.1	21.2	22.5	22.0	22.0
R&D Investments	32.2	32.1	35.0	35.0	38.0
Advertising Expenses	31.0	31.0	32.5	36.5	41.5
Personnel Expenses	33.7	36.0	37.0	35.5	37.5

Net Sales



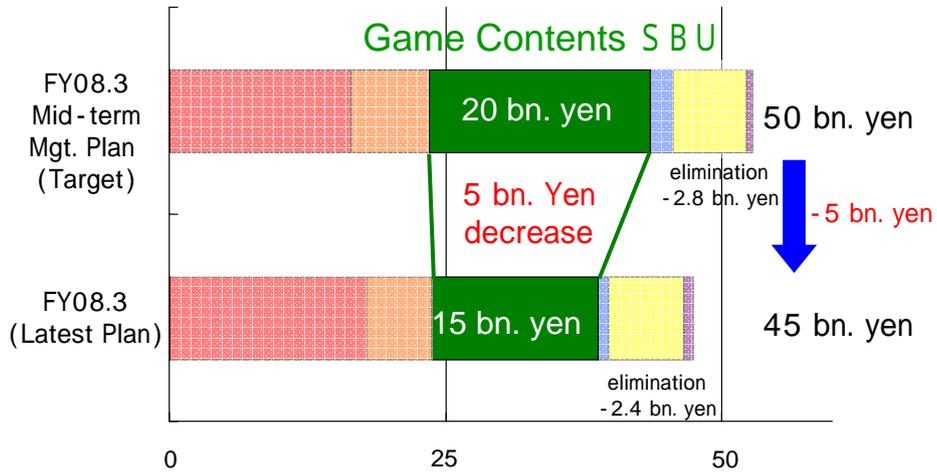
Ordinary Income



Business Segment



Operating Income (plan) for FY2008.3



Business Segment



Billion yen

		FY06.3	FY07.3			FY08.3		
		Results	Initial Plan	Results (margin)	vs. Plan	Previous Target	Plan (margin)	vs. Target
Toys & Hobby	Net sales	181.0	180.0	185.5	+5.5	190.0	190.0	0
	Operating Income	19.0	15.7	17.4 (9.4%)	+1.7	16.5	17.8 (9.4%)	+1.3
Amusement Facility	Net sales	81.2	90.0	88.1	-1.9	104.0	95.0	-9.0
	Operating Income	1.8	4.8	4.0 (4.5%)	-0.8	7.0	6.0 (6.3%)	-1.0
Game Contents	Net sales	130.7	153.0	139.1	-13.9	153.0	150.0	-3.0
	Operating Income	9.7	13.0	11.5 (8.3%)	-1.5	20.0	15.0 (10.0%)	-5.0
Network	Net sales	12.5	13.5	12.4	-1.1	14.5	11.5	-3.0
	Operating Income	1.8	1.9	0.8 (7.0%)	-1.1	2.1	1.0 (8.7%)	-1.1
Visual & Music Content	Net sales	43.3	37.5	43.0	+5.5	40.0	44.0	+4.0
	Operating Income	6.1	6.4	9.4 (22.1%)	+3.0	6.7	6.8 (15.5%)	+0.1
Other	Net sales	20.8	19.0	20.9	+1.9	21.5	19.5	-2.0
	Operating Income	1.1	0.7	1.0 (4.9%)	+0.3	0.5	0.8 (4.1%)	+0.3

Solid performance based on business portfolio function

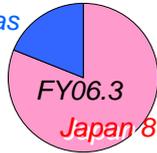
Regional Segment



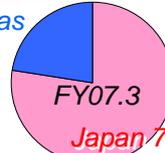
Billion yen

		FY06.3	FY07.3			FY08.3		
		Results	Initial Plan	Results (margin)	vs. Plan	Previous Target	Plan (margin)	vs. Target
Japan	External sales	365.8	370.0	356.2	-13.8	383.0	370.0	-13.0
	Operating Income	37.6	34.5	33.1 (9.3%)	-1.4	42.5	36.2 (9.8%)	-6.3
Americas	External sales	42.7	54.5	52.3	-2.2	63.0	56.0	-7.0
	Operating Income	-3.2	1.9	3.3 (6.5%)	+1.4	3.9	2.5 (4.5%)	-1.4
Europe	External sales	31.2	33.0	37.7	+4.7	39.5	40.0	+0.5
	Operating Income	4.3	4.0	5.2 (13.9%)	+1.2	4.2	6.0 (15.0%)	+1.8
Asia	External sales	11.0	12.5	12.8	+0.3	14.5	14.0	-0.5
	Operating Income	2.2	2.1	2.7 (21.3%)	+0.6	2.2	2.8 (20.0%)	+0.6

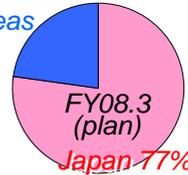
Overseas
19%



Overseas
22%



Overseas
23%



Overseas Sales : 120% YOY



2. SBU Strategies

BANDAI NAMCO Group

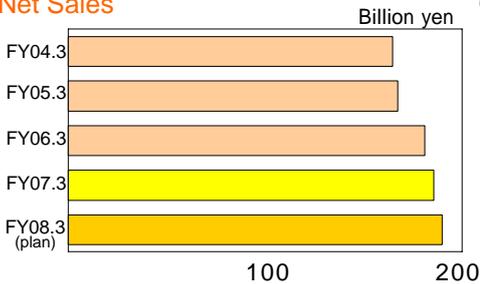
Toys and Hobby



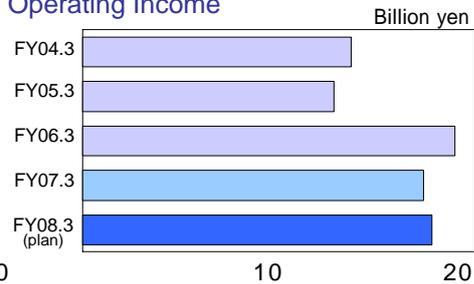
Transition of results	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3 plan	FY08.3 Mid-term Mgt. plan target
Net Sales	164.8	167.2	181.0	185.5	190.0	190.0
Operating Income	13.7 * [10.7]	12.8 * [9.8]	19.0 * [16.4]	17.4	17.8	16.5
OP margin	8.3% * [6.5%]	7.7% * [5.9%]	10.5% * [9.1%]	9.4 %	9.4%	8.7%

* Rule for allocation of overhead cost was changed in FY07.3. OP figures in parenthesis [] are for reference if the change had been made at the beginning of each FY.

Net Sales



Operating Income



Toys and Hobby



Japan

- Reinforcement of long-established character toys
- Increasing market share in DATA CARDDASS



* Bandai Research

Approx. 53 bn. yen

- Expanding target age
- Start "Daikaiju Battle" (Ultraman) from May 2007



- Challenge for new businesses based on Character MD

- Character hair salon
- Character photo studio



- Streamlining of development process

Overseas



Expanding areas of the contents

Amusement Facility



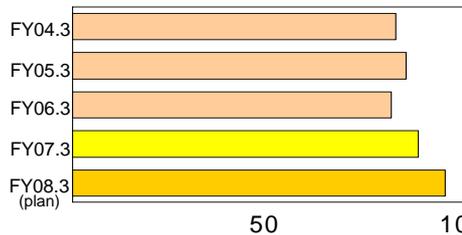
Transition of results	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3 plan	FY08.3 Mid-term Mgt. plan target
Net Sales	82.3	85.0	81.2	88.1	95.0	104.0
Operating Income	6.7 *1 [4.7]	5.7 *1 [3.7]	1.8 *1 [0.8]	4.0	6.0	7.0
OP margin	8.1% *1 [5.7%]	6.7% *1 [4.4%]	2.3% *1 [1.0%]	4.5 %	6.3%	6.7%

* 1 Rule for allocation of overhead cost was changed in FY07.3. OP figures in parenthesis [] are estimated figures if the change had been made at the beginning of each FY.

* 2 Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).

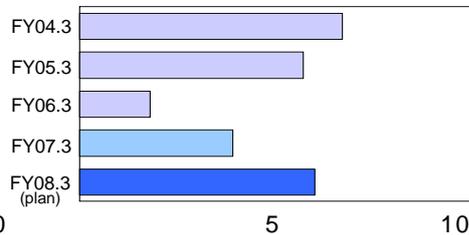
Net Sales

Billion yen



Operating Income

Billion yen



Amusement Facility



Japan

NAMCO WONDERPARK Hero's Base



- Openings of large-scale facilities

FY07.3	13 facilities
FY08.3 (plan)	10 facilities

Large-scale facilities in FY08.3



NAMCOLAND Miyazaki



NAMCOLAND Shibuya

- Strengthening earnings base of existing facilities

FY07.3	101.1%
FY08.3 (plan)	101%

- Expanding target age

"Gensou Koubou"

Opened in March 2007

Popular topic among media



- Scrap-and-Build

Improving margin by closures of unprofitable facilities

Overseas

Expansion focused on hybrid facility bowling alleys

Expansion of revenue-share type, Cost reduction



Expansion according to regional characteristics

Game Contents



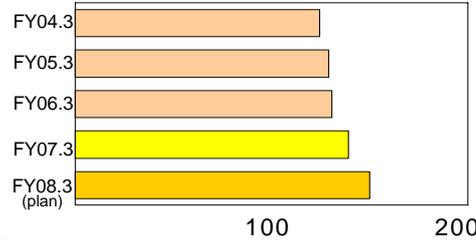
Transition of results	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3 plan	FY08.3 Mid-term Mgt. plan target
Net Sales	124.4	129.0	130.7	139.1	150.0	153.0
Operating Income	20.5 *1 [19.5]	19.8 *1 [18.8]	9.7 *1 [10.0]	11.5	15.0	20.0
OP margin	16.5% *1 [15.7%]	15.3% *1 [14.6%]	7.4% *1 [7.7%]	8.3%	10.0%	13.1%

* 1 Rule for allocation of overhead cost was changed in FY07.3. OP figures in parenthesis [] are estimated figures if the change had been made at the beginning of each FY.

* 2 Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).

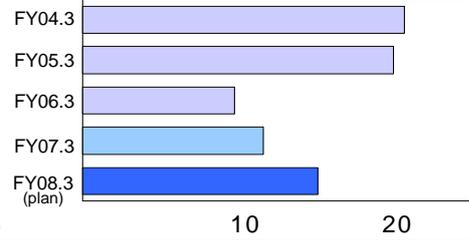
Net Sales

Billion yen



Operating Income

Billion yen



Plases refer to the supplemental document (P13-18), "Game Contents SBU: Business Strategies"

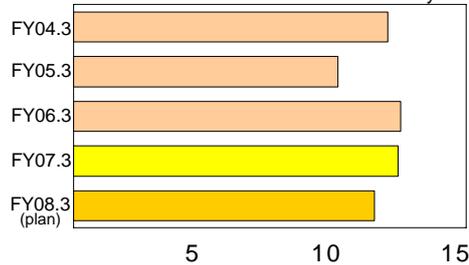
Network



Transition of results	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3 plan	FY08.3 Mid-term Mgt. plan target
Net Sales	10.2	10.1	12.5	12.4	11.5	14.5
Operating Income	1.9	1.6	1.8	0.8	1.0	2.1
OP margin	18.6%	15.8%	14.7%	7.0%	8.7%	14.5%

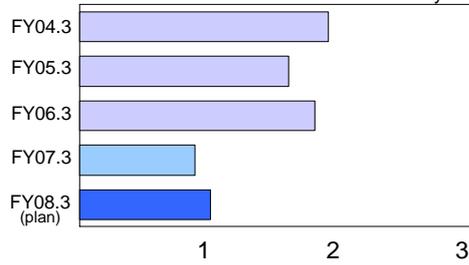
Net Sales

Billion yen



Operating Income

Billion yen



Network



Content Strategy

Pay Subscribers (thousand)

	06.3	06.9	07.3
Game	1,570	1,550	1,790
Character	1,070	940	920
Sound	1,090	920	800
Other	200	150	160
Total	3,930	3,560	3,670

· To improve profitability:

- Closing unprofitable contents
- Improving the margin of solution business by revising its business model

Reinforcing Profit Base

Synergy

Game Contents

- ▶ Start of the contents distribution in Europe through NAMCO BANDAI Networks Europe
- ▶ Mobile site of "Gundam Senjo no Kizuna" (coordination with Coin-op Machine)

Game Contents

Balanced contents for broad targets



← CORE

→ SIMPLE

Visual and Music Content

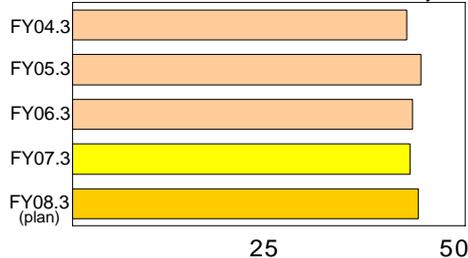


Transition of results	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3 plan	FY08.3 Mid-term Mgt. plan target
Net Sales	42.6	44.4	43.3	43.0	44.0	40.0
Operating Income	5.7	5.4	6.1	9.4	6.8	6.7
OP margin	13.4%	12.2%	14.3%	22.1%	15.5%	16.8%

* Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).

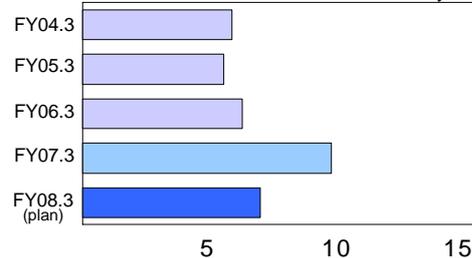
Net Sales

Billion yen



Operating Income

Billion yen



Visual and Music Content



For New Hardware

Japan 30 titles planned for HD DVD and Blu-ray disc in FY2008.3

Overseas Simultaneous worldwide releases

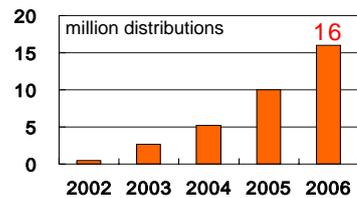
First Shot

FREEDOM 1
Twin format
(HD DVD&DVD)



Video On Demand

Pay distribution by Bandai Channel



No.1 share in animation distribution

Content Strategy

Visual Music · Publishing
Cross expansion · fusion



New Business Model



New Contents



IDOL M@STER
XENOGLOSSIA



CODE GEASS
Lelouch of the Rebellion



"Kantoku Banzai !"
by Takeshi Kitano



3 . Overall Strategies

BANDAI NAMCO Group

Entertainment Hub



Strengthening relationship, including capital ties, with content holders

Effective Usage of Assets



Basic policy for the application of cash



For this portion, the Company considers acquisition of treasury stock for return to shareholders and other purposes, after considering the following aspects:

- expected earnings for the current and next term
- capital expenditure items, etc.

Acquisition of the Company's own shares (announced on April 18, 2007)

Total amount of shares to be acquired:
Up to 10,000 million Yen
Number of shares to be acquired:
Up to 5,000,000 shares
(equivalent to 1.92% of a total of issued shares)
Schedule of acquisition:
From May 10, 2007 to September 30, 2007

CSR Topics



BANDAI NAMCO's Forest

Utilizing the forest for environmental education to improve the awareness of kids and our employees toward environmental issues.



Sponsoring YOSAKOI Festival

Supporting people who challenge for new entertainment with dreams



To Become The World's Most Inspiring Entertainment Group



Dreams,
Fun and
Inspiration

BANDAI NAMCO Group

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.

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BANDAI NAMCO Group



Game Contents SBU Business Strategies

BANDAI NAMCO GROUP
Information Meeting
(Fiscal Year ended March 2007)

2007.5.11 (Fri)

TODAY'S MENU

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NAMCO BANDAI Games Inc.
President and Representative Director
Shukuo Ishikawa

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NAMCO BANDAI Games Inc.
Vice President and Representative Director
Shin Unozawa

SBU : Strategic Business Unit

Game Contents SBU (General Overview)				BANDAI NAMCO
(Billion yen)				
	FY06.3	FY07.3	FY08.3 Plan	FY08.3 Mid-tem plan target
Net Sales	130.7	139.1	150.0	153.0
Operating Income	9.7	11.5	15.0	20.0

<i>Sales by category</i>	FY06.3	FY07.3	FY08.3 Plan	FY08.3 Mid-tem plan target
Video Game Software	75.9	72.2	78.5	83.5
Coin-op Machines	46.9	55.9	60.0	50.5
Others (WMC,P7, etc.)	9.4	14.2	15.0	19.0
Elimination	- 1.5	- 3.2	- 3.5	-
Total	130.7	139.1	150.0	153.0

Game Contents SBU (General Overview)				BANDAI NAMCO
Change to the organizational structure that can show stronger performances				
Adopt the personnel system to evaluate based on the total optimization				
Group together the SBU bases				
<i>More synergies by promoting fusion</i>				

Coin-op Machines



Strategies

Increasing marketing share by introducing mass-medal machines

Creation of new entertainments

Challenge for dynamic expansion in overseas

Anticipated Lineups



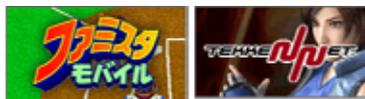
Others (WMC・P7)



WMC Strategies

Further increase of domestic subscribers

Reinforcement of current contents
+ Development of new contents



Pay Subscribers: 1,210 K
(as of March 2007)
increase of 230K YOY

Reinforcement of overseas businesses

Tie-up with telecommunication companies:

Comprehensive tie-up with KDDI



P-7 Strategies

Providing differentiated contents
from competitors



Video Game Software		(thousand)			BANDAI NAMCO	
		FY06.3	FY07.3	increase/ decrease	FY07.3 Initial Plan	
By Platform	PS2	16,080	10,670	↓	11,610	
	DS	2,420	4,730	↑	3,400	
	PSP	2,900	4,640	↑	5,850	
	PS3	—	970	↗	1,510	
	Wii	—	490	↗	870	
	Xbox360	260	240	→	990	
	Others	5,210	1,610	↓	1,560	
By Region	Japan	13,110	12,220	↓	13,730	
	Americas	6,400	5,930	↓	6,770	
	Europe	6,730	4,720	↓	4,850	
	Asia	630	490	↓	440	
Total		26,870	23,350	↓	25,790	

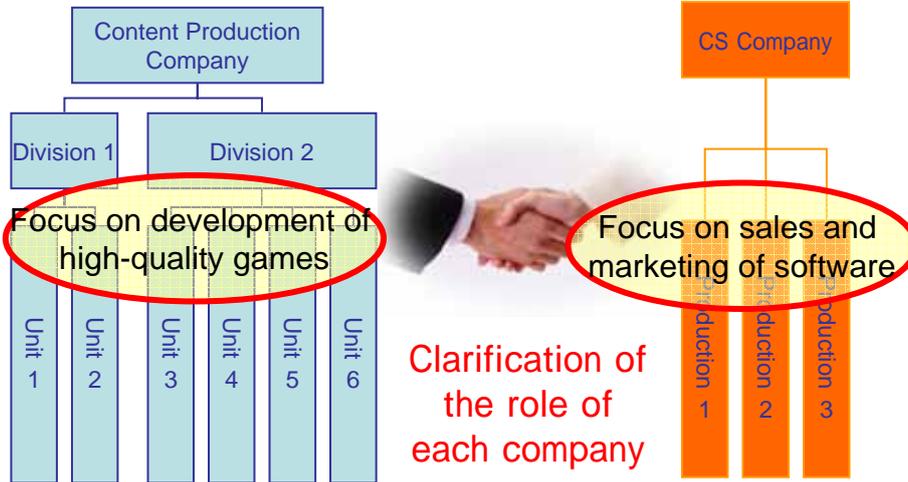
Video Game Software		(thousand)		BANDAI NAMCO	
By Platform	FY08.3 Plan	Directions			
PS2	5,990	Focus on character games			
DS	8,100	Simple games targeting casual users			
PSP	2,340	Games targeting high school students			
Wii	4,140	Providing new games by making full use of the platform characteristics			
PS3	2,860	Accumulation of development know-how			
Xbox360	1,210	Streamlining of development process Game + Network New business			
By Region	FY08.3 Plan				
Japan	15,200				
Americas	4,950				
Europe	4,650				
Asia	400				
Total	25,200				

Video Game Software



Organization

Organization unique to NAMCO BANDAI Games by blending the strengths of NAMCO and Bandai



Video Game Software



Overseas Strategies

Hit titles (FY07.3)	Anticipated titles (FY08.3)
	<p>“Ace Combat” series “Dragon Ball” series “NARUTO” series “Tamagotchi” series</p> <p>& More To Come...</p>

Improving profitability by focusing more on worldwide sales of franchise titles

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