



BANDAI NAMCO Group

Information Meeting
(Second Quarter of the Fiscal Year
ending March 2010)

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NAMCO BANDAI Holdings Inc.
President & Representative Director

Shukuo Ishikawa



1. FY2010.3 Performance

2Q Results 

(billion yen)

	FY09.3 2Q Results	FY10.3 2Q Previous Forecasts	FY10.3 2Q Results	YOY
Net Sales	190.7	165.0	172.7	-18.0
Operating Income	5.5	-3.8	-2.6	-8.1
Recurring Income	7.2	-3.2	-2.8	-10.0
Net Income	1.2	-4.7	-6.0	-7.2
Capital Expenditures	7.9	6.5	5.5	-2.4
Depreciation	10.3	9.0	8.8	-1.5
R&D Investments	16.9	18.0	20.4	+3.5
Advertising Expenses	12.9	12.5	13.3	+0.4
Personnel Expenses	18.4	18.0	19.8	+1.4

Fiscal Year Forecasts



(billion yen)

	FY2009.3 Results		FY2010.3 Previous Forecasts		FY2010.3 Latest Forecasts		Full Year YOY
	2 nd Half	Full Year	2 nd Half	Full Year	2 nd Half	Full Year	
Net Sales	235.6	426.3	235.0	400.0	227.3	400.0	-26.3
Operating Income	16.8	22.3	18.8	15.0	17.6	15.0	-7.3
Recurring Income	17.3	24.5	19.2	16.0	18.8	16.0	-8.5
Net Income	10.6	11.8	13.2	8.5	14.5	8.5	-3.3
Capital Expenditures	6.7	14.6	10.5	17.0	11.5	17.0	+2.4
Depreciation	12.2	22.5	12.0	21.0	12.2	21.0	-1.5
R&D Investments	16.9	33.8	18.0	36.0	17.6	38.0	+4.2
Advertising Expenses	15.5	28.4	16.5	29.0	15.7	29.0	+0.6
Personnel Expenses	16.6	35.0	18.0	36.0	20.2	40.0	+5.0

2Q Results (By Business)



(billion yen)

		FY09.3 2Q Results	FY10.3 2Q Previous Forecasts	FY10.3 2Q Results	YOY	VS. Previous Forecasts
Toys & Hobby	Net Sales	73.2	68.0	66.7	-6.5	-1.3
	OP	4.4	2.4	3.7	-0.7	+1.3
Game Contents	Net Sales	61.6	48.0	57.1	-4.5	+9.1
	OP	0.5	-6.5	-6.7	-7.2	-0.2
Visual & Music Content	Net Sales	15.9	16.5	15.4	-0.5	-1.1
	OP	0.6	0.5	0.3	-0.3	-0.2
Amusement Facility	Net Sales	40.5	34.5	33.7	-6.8	-0.8
	OP	1.0	1.0	1.0	0	0
Other	Net Sales	9.5	8.5	8.8	-0.7	+0.3
	OP	0.2	0.2	0	-0.2	-0.2
Elimination	Net Sales	-10.1	-10.5	-9.2	+0.9	+1.3
	OP	-1.3	-1.4	-1.0	+0.3	+0.4
Consolidated	Net Sales	190.7	165.0	172.7	-18.0	+7.7
	OP	5.5	-3.8	-2.6	-8.1	+1.2

2Q Results (By Business)



Summary of performances by business segments

Toys & Hobby

Japan: Established character toys performed well.
Peripheral toys struggled.
Overseas: Poor performance in the U.S.

Game Contents

Big titles and machines scheduled to be launched in the 2nd half.
Video game software titles in Japan struggled.

Visual & Music Content

Amid the transitional period of hardware, visual package software sales declined.

Amusement Facility

While low performance in existing stores continued, it maintained solid profit level due to the cost-cutting efforts.

Fiscal Year Forecasts (By Business)



(billion yen)

		FY2009.3 Results	FY2010.3 Previous Forecasts	FY2010.3 Latest Forecasts	YOY	VS. Previous Forecasts
Toys & Hobby	Net Sales	165.7	158.0	153.0	-12.7	-5.0
	OP	11.5	9.0	9.0	-2.5	0
Game Contents	Net Sales	150.2	140.0	147.0	-3.2	+7.0
	OP	11.6	5.5	5.5	-6.1	0
Visual & Music Content	Net Sales	34.6	34.0	33.0	-1.6	-1.0
	OP	0	1.5	1.5	+1.5	0
Amusement Facility	Net Sales	77.2	70.0	68.0	-9.2	-2.0
	OP	0.3	1.5	1.0	+0.7	-0.5
Other	Net Sales	19.0	18.0	18.0	-1.0	0
	OP	0.5	0.5	0.5	0	0
Elimination	Net Sales	-20.5	-20.0	-19.0	+1.5	+1.0
	OP	-1.7	-3.0	-2.5	-0.8	+0.5
Consolidated	Net Sales	426.3	400.0	400.0	-26.3	0
	OP	22.3	15.0	15.0	-7.3	0

*Game Contents and Network segments were merged from FY2010.3 and the results for Game Contents in FY09.3 were simple sum of the two segments.

2Q Results (By Region)



(billion yen)

		FY09.3 2Q Results	FY10.3 2Q Previous Forecasts	FY10.3 2Q Results	YOY
Japan	External Sales	146.5	132.0	134.4	-12.1
	OP	4.2	0.3	2.6	-1.6
Americas	External Sales	17.3	13.5	13.4	-3.9
	OP	-0.8	-4.0	-3.8	-3.0
Europe	External Sales	20.3	13.5	17.8	-2.5
	OP	2.7	0.7	-0.8	-3.5
Asia	External Sales	6.4	6.0	7.0	+0.6
	OP	0.9	1.0	0.9	0
Elimination	External Sales	—	—	—	—
	OP	-1.5	-1.8	-1.5	0
Consolidated	External Sales	190.7	165.0	172.7	-18.0
	OP	5.5	-3.8	-2.6	-8.1

Fiscal Year Forecasts (By Region)



(billion yen)

		FY2009.3 Results	FY2010.3 Previous Forecasts	FY2010.3 Latest Forecasts	YOY
Japan	External Sales	319.5	300.0	297.5	-22.0
	OP	15.8	11.8	12.7	-3.1
Americas	External Sales	48.3	46.0	43.5	-4.8
	OP	0.8	0	-0.5	-1.3
Europe	External Sales	45.0	40.0	44.5	-0.5
	OP	6.2	4.2	3.8	-2.4
Asia	External Sales	13.5	14.0	14.5	+1.0
	OP	2.2	2.5	2.0	-0.2
Elimination	External Sales	—	—	—	—
	OP	-2.9	-3.5	-3.0	-0.1
Consolidated	External Sales	426.3	400.0	400.0	-26.3
	OP	22.3	15.0	15.0	-7.3



2. Business Strategies

Toys and Hobby



(billion yen)

	FY2008.3	FY2009.3		Full Year	FY2010.3		
	Full Year	1 st Half	2 nd Half		1 st Half	2 nd Half Forecasts	Full Year Forecasts
Net Sales	180.1	73.2	92.5	165.7	66.7	86.3	153.0
Operating Income	14.3	4.4	7.1	11.5	3.7	5.3	9.0
OP Margin	7.9%	6.0%	7.7%	7.0%	5.6%	6.1%	5.9%

- ◆ Christmas and New Year Sales Season in Japan:
Expand aggressively, focusing on strong established characters.
- ◆ Focus more on strong categories in domestic peripheral toys.
- ◆ Overseas, start expansion linked to the next fiscal year in the midst of a hard struggle, mainly in the United States.

Toys and Hobby



Christmas and New Year Sales Season in Japan.



Power Rangers series



Masked Rider W

Bandai Sales (non-consolidated)

Sales (billion yen)	Power Rangers	Masked Rider	Total
FY06.3	10.8	6.5	17.3
FY07.3	10.1	7.1	17.2
FY08.3	7.7	11.5	19.2
FY09.3	12.0	8.7	20.7
FY10.3 Forecasts	10.5	15.0	25.5



Fresh Pretty Cure !

Tamagotchi iD

Expand aggressively,
focusing on strong
established characters !

Largest sales in recent years !

Toys and Hobby



Focus more on strong categories in domestic peripheral toys.

DATA CARDDASS

Battle Spirits



Even more popular
after launching the
second TV animation !



Gundam Plastic Model



Masked Rider has
become very popular !
⇒The advantage of being
able to develop rich contents.

Strong expansion
with the boost provided
by the Gundam
30th anniversary !

Toys and Hobby



New products with hit potential



For elementary school boys

*Strong new development revives
the hit product with sales
totaling 20 million !*



Vehicle toy for kindergarten boys

*Provide new games with a
vehicle toy utilizing
Bandai know-how !*

Toys and Hobby



Overseas, start expansion linked to the next fiscal year in the midst of a hard struggle, mainly in the United States.

For Boys



BEN10

*Popular anime series
+ Live action film
Strong merchandizing !*

For Girls



HARUMIKA



KEYTWEENS

Challenge for new categories !

Game Contents



(billion yen)

	FY2008.3	FY2009.3		FY2010.3			
	Full Year (*)	1st Half	2nd Half (*)	Full Year (*)	1st Half	2nd Half Forecasts	Full Year Forecasts
Net Sales	157.7	61.6	88.6	150.2	57.1	89.9	147.0
Operating Income	15.6	0.5	11.1	11.6	-6.7	12.2	5.5
OP Margin	10.0%	0.8%	12.5%	7.7%	-	13.7%	3.7%

*Game Contents and Network segments were merged from FY2010.3 and the results for Game Contents in FY08.3 (Full Year) and FY09.3 (2nd Half and Full Year) were simple sum of the two segments.

- ◆ Videogame Software: popular titles scheduled to be launched in the 2nd half.
 - ⇒ Strong marketing by utilizing newly acquired sales company, NAMCO BANDAI Partners.
- ◆ Arcade Machine: Large-scale machines scheduled to be launched in the 2nd half, and repeat sales beginning to regain momentum.

Game Contents



2nd half large titles of Videogame Software

TEKKEN 6

Platform: PS3•XB360
Plan: 2.5 million units
Area: Worldwide



2.5 million units shipped initially and selling through well!

Dragon Ball Raging Blast

Platform: PS3•XB360
Plan: 1.1 million units
Area: US, Europe, Japan



BEN10

Platform: Multi-platform
Plan: 1.3 million units
Area: Europe, US



Other Major Titles (2nd Half)

thousand units

Title	Platform	Area	Units
Family Trainer 2	Wii	E,US,J	800
Taiko Drum Master 2	Wii	J	500
TEKKEN 6	PSP	E,US,J	500
Secret Saturday	Multi	US,E	500
Astroboy	Multi	US,E	450

Game Contents



Arcade machines in the 2nd half

TANK! TANK! TANK!

Launched in Oct. 2009.



Dead Storm Pirates

Scheduled to be launched in Feb. 2010.



Make full use of the development strength at NAMCO BANDAI Games in the pursuit of fun ⇒ Synergy with Amusement Facility Business !

Game Contents



TOPICS

Price down of hardware

As a software developer, translate this opportunity into results.

Establishment of NAMCO BANDAI Online



Concentrating group resources. Strengthening services in Asia.

Obtained the sales license of Dragon Ball series in the U.S.



Reinforcing worldwide marketing !

For New Platforms



Developing software for iPhone and iPod touch, etc.

Visual and Music Content



(billion yen)

	FY2008.3	FY2009.3		Full Year	FY2010.3		
	Full Year	1 st Half	2 nd Half		1 st Half	2 nd Half Forecasts	Full Year Forecasts
Net Sales	36.9	15.9	18.7	34.6	15.4	17.6	33.0
Operating Income	3.8	0.6	-0.6	0	0.3	1.2	1.5
OP Margin	10.4%	4.1%	—	0.1%	2.3%	6.5%	4.5%

- ◆ With the transitional period of hardware continuing, develop efficient IP portfolios aimed at all targets.
- ◆ Simultaneous worldwide releases of Gundam Unicorn.

Visual and Music Content



With the transitional period of hardware continuing, develop efficient IP portfolios aimed at all targets.

Expanding target customers with abundant low-priced DVD lineups.

Selection and concentration of contents for core anime fans.

Spreading out new package media.

Price down of PS3

⇒chance for Blu-ray business !

Gundam Unicorn

Schedule for worldwide simultaneous release of the first story (total of six stories)

Feb. 20, 2010~: Screened in theatres (Japan)

Feb. 20, 2010~: On-line distribution

⇒For PS3 and PSP through PlayStation®Store

Mar. 12, 2010: Worldwide simultaneous releases of Blu-ray and DVD software

Achieve crossover development for worldwide expansion with a range of visual formats !



Amusement Facility



(billion yen)

	FY2008.3	FY2009.3		Full Year	FY2010.3		
	Full Year	1 st Half	2 nd Half		1 st Half	2 nd Half Forecasts	Full Year Forecasts
Net Sales	89.8	40.5	36.7	77.2	33.7	34.3	68.0
Operating Income	1.6	1.0	-0.7	0.3	1.0	0	1.0
OP Margin	1.8%	2.5%	—	0.5%	3.1%	—	1.5%

- ◆ Differentiated facilities with a competitive edge.
- ◆ Marketing based on store location.
- ◆ Further streamlining overseas operations.

Domestic existing store sales (YOY)

	1H	2H	FY
09.3 Results	87.2%	86.2%	86.7%
10.3 Initial Plan	98%	102%	100%
10.3 Results / Forecasts	89.7%	100%	95%

Amusement Facility



Differentiated facilities with a competitive edge.



Thomas Town (Shin-misato)



Facilities utilizing the strength of BANDAI NAMCO

Renewal of NAMCO Wonderpark Hero's Base (Kawasaki City)

Marketing based on store location.



For stores in shopping centers



For roadside stores

Service, products, and events according to the variety of needs



Further streamlining overseas operations.

Persist with a range of actions to improve profitability, with the focus on the United States.



3. Management Strategy

Mid-term Business Plan



Medium to Long-term
(2015~2017)

【2015-2017】
Globally Recognized
Entertainment Group

Operating Profit: 100 billion yen
Overseas sales ratio: 50%
ROE: More than 10%

Next Mid-term Business
Plan (2012-2014)

Substantial growth
in global market

Current Mid-term Business
Plan (2009-2011)

Developing a global
base for growth

For Dynamic Growth: Toys and Hobby



Category expansion in overseas

In the past

Mainly boys' action figure toy

+

From now on

Category expansion

- Girls' Toy
- Pre-school Toy
- Card
- Hobby products etc.

Establishment of sales companies

Poland (2009.8)

In addition to the 10 countries where we sell directly at present, we will build direct sales structures in 7 countries in Eastern Europe where market growth is anticipated in the future.

Mexico (planned in 2010)

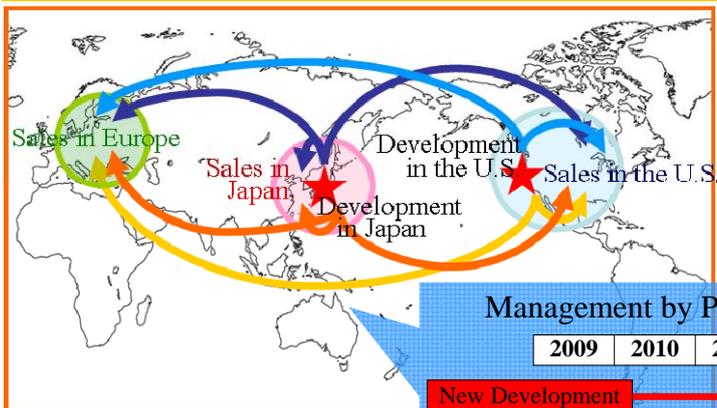
Business expansion by strengthening sales & marketing functions.

Expand businesses in Central and Eastern Europe, as well as Central and South America.

For Dynamic Growth: Game Software



Worldwide Studio



Management by Portfolio Map

	2009	2010	2011	2012	2013
New Development					
Revitalization					
General Progress					

New Development

Revitalization

General Progress

Shared tools for development and sales schedules by region and genre.

For Dynamic Growth: Game Software



Strengthening sales network in Europe

Acquiring 100% shares of NAMCO BANDAI Partners



Medium to Long-term Vision



***Globally Recognized
Entertainment 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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