



BANDAI NAMCO Group Restart Plan

February 2, 2010

NAMCO BANDAI Holdings Inc.
President and CEO, Shukuo Ishikawa

BANDAI NAMCO Group

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FY2010.3 Financial Overview

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3Q Results



Billion yen

	FY2009.3 3Q (9 months)	FY2010.3 3Q (9 months)	YOY
Net Sales	315.6	282.8	-32.8
Operating Income	19.8	4.7	-15.1
Recurring Income	21.6	4.9	-16.7
Net Income/Loss	9.0	-11.7	-20.7
Capital Expenditures	11.5	8.5	-3.0
Depreciation	16.1	13.9	-2.2
R&D Investments	26.4	30.4	+4.0
Advertising Expenses	20.2	20.6	+0.4
Personnel Expenses	27.7	29.5	+1.8

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3Q Results (Business Segment)



Billion yen

		FY2009.3 3Q (9 months)	FY2010.3 3Q (9 months)	YOY
Toys & Hobby	Net Sales	119.9	108.9	-11.0
	OP	10.4	9.6	-0.8
Game Contents	Net Sales	113.9	104.6	-9.3
	OP	10.6	-3.3	-13.9
Visual & Music Content	Net Sales	23.7	21.9	-1.8
	OP	0.1	-0.1	-0.2
Amusement Facility	Net Sales	59.0	49.1	-9.9
	OP	0	0	0
Other	Net Sales	14.1	13.2	-0.9
	OP	0.4	0.2	-0.2
Elimination	Net Sales	-15.1	-15.1	0
	OP	-1.8	-1.6	+0.2
Consolidated	Net Sales	315.6	282.8	-32.8
	OP	19.8	4.7	-15.1

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Full Year Forecasts



Billion yen

	FY2009.3 Full Year Results	FY2010.3 Full Year (Previous Forecasts)	FY2010.3 Full Year (Latest Forecasts)	YOY
Net Sales	426.3	400.0	380.0	-46.3
Operating Income	22.3	15.0	1.0	-21.3
Recurring Income	24.5	16.0	0.5	-24.0
Net Income/Loss	11.8	8.5	-31.0	-42.8
Capital Expenditures	14.6	17.0	15.0	+0.4
Depreciation	22.5	21.0	20.0	-2.5
R&D Investments	33.8	38.0	38.0	+4.2
Advertising Expenses	28.4	29.0	28.0	-0.4
Personnel Expenses	35.0	40.0	39.0	+4.0

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Strengthening financial standing



- ▣ Allowance for distribution inventories and an estimated valuation loss resulting from stricter inventory reviews for game software and visual package software
- ▣ Special additional retirement benefits required for workforce reduction
- ▣ A loss on the closure of amusement facilities and others scheduled for the next and subsequent fiscal years
- ▣ Impairment loss on goodwill
- ▣ Withdrawal of a fixed amount from deferred tax assets

→ Booking the above costs prior to
the Restart Plan

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Full Year Forecasts (Business Segment)



Billion yen

		FY2009.3 Full Year Results	FY2010.3 Full Year (Previous Forecasts)	FY2010.3 Full Year (Latest Forecasts)	YOY
Toys & Hobby	Net Sales	165.7	153.0	150.0	-15.7
	OP	11.5	9.0	10.0	-1.5
Game Contents	Net Sales	150.2	147.0	138.0	-12.2
	OP	11.6	5.5	-5.0	-16.6
Visual & Music Content	Net Sales	34.6	33.0	28.0	-6.6
	OP	0	1.5	-1.0	-1.0
Amusement Facility	Net Sales	77.2	68.0	65.0	-12.2
	OP	0.3	1.0	-0.5	-0.8
Other	Net Sales	19.0	18.0	18.0	-1.0
	OP	0.5	0.5	0.2	-0.3
Elimination	Net Sales	-20.5	-19.0	-19.0	+1.5
	OP	-1.7	-2.5	-2.7	-1.0
Consolidated	Net Sales	426.3	400.0	380.0	-46.3
	OP	22.3	15.0	1.0	-21.3

*Game Contents and Network segments were merged from FY2010.3 and the results for Game Contents in FY2009.3 were simple sum of the two segments.

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BANDAI NAMCO Group Restart Plan

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Responsibilities of the Management



- Review of the optimum board structure
- Return of directors' remuneration

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Current Issues



Focus on building the fundamental structure
(Organizational restructuring, etc.)

- The consolidation of administrative tasks and other efforts have yielded some cost cutting results.
- Priority on integration of business models, organizations, and business processes.
⇒ Negating the strengths of each companies

We lost speed on the operation side and could not respond to change in business environment and user needs.

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Objectives of the Restart Plan



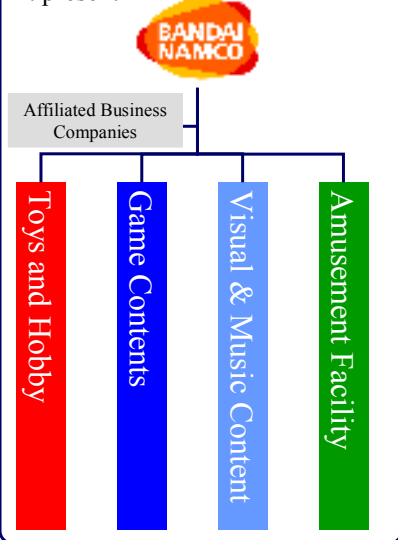
- Transforming into a speedy Group
- Improving profitability and strengthening financial standing

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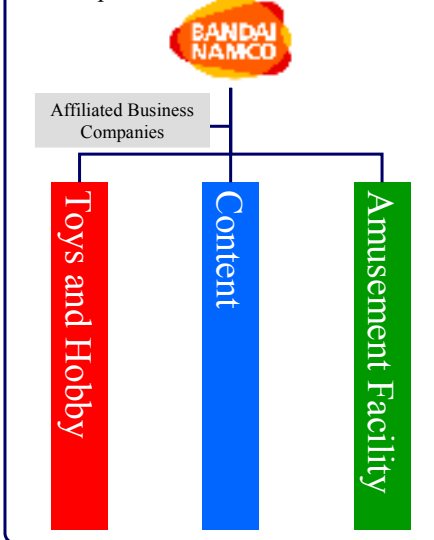
Group Structure



At present



From Apr. 2010

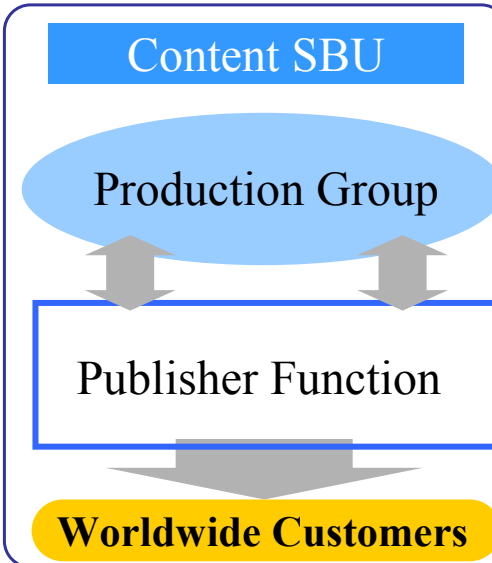
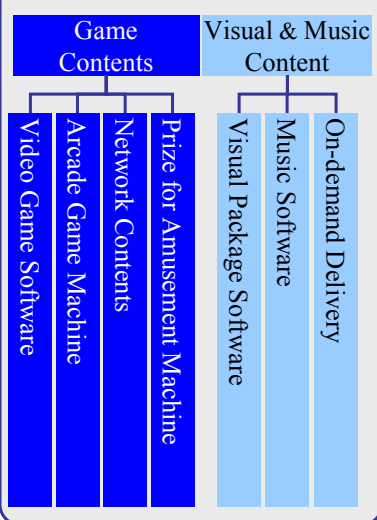


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Content SBU (image)



At Present



BANDAI NAMCO Group

Directors NAMCO BANDAI Holdings Inc.



After June 2010

(On the premise of the decision by the board meeting after the annual general shareholders' meeting)

Chairman and Director Takeo Takasu

President and Representative Director Shukuo Ishikawa

Director Shuji Ohtsu

Director Yuji Asako

Director (Part-time) Kazunori Ueno

Director (Part-time) Masahiro Tachibana

Director (Outside) Masatake Yone

Director (Outside) Kazuo Ichijo

Director (Outside) Manabu Tazaki

Facilitate collaboration among businesses.

Provide direct link between management and business.
⇒ Resulting in speeding up

One third (3 out of 9) to be outside directors.

⇒ Enhancing the management supervisory function

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Directors NAMCO BANDAI Games Inc.



After June 2010

President and Representative Director

Shukuo Ishikawa

Overall Management

Vice President and Representative Director

Shin Unozawa

Business Reconstruction

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Improving profitability, Strengthening Financial Standing



To start the Restart Plan:

- Allowance for distribution inventories and an estimated valuation loss resulting from stricter inventory reviews for game software and visual package software
- Special additional retirement benefits required for workforce reduction
- A loss on the closure of amusement facilities and others scheduled for the next and subsequent fiscal years
- Impairment loss on goodwill
- Withdrawal of a fixed amount from deferred tax assets

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Cost Reduction Effect (FY2011.3)



Review of the optimum personnel structure

- Review of the optimum personnel structure in group companies, including NAMCO BANDAI Games Inc.
Personnel cost reduction of approx. ¥3.5 billion in FY2011.3

Reduction of amortization cost of goodwill

- Loss on impairment this Fiscal Year: Approx. ¥12.5 billion
Reduction of amortization cost: ¥3.5 billion in FY2011.3

Group-wide cost reductions (compared with the current fiscal year) of roughly ¥8 billion are expected.

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Business Strategies

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Toys and Hobby SBU



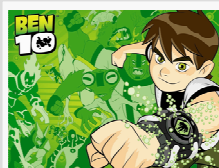
■Japan: Aiming to be No.1 in each business category!

New categories



New vehicle toy including transforming features

■Overseas: Expansion of product categories, sales areas
Strengthening contents originated in overseas



BEN10, originated in the U.S., now become popular in Europe and Asia



Chef Kids
Expanding girls' toys in the U.S. and Europe



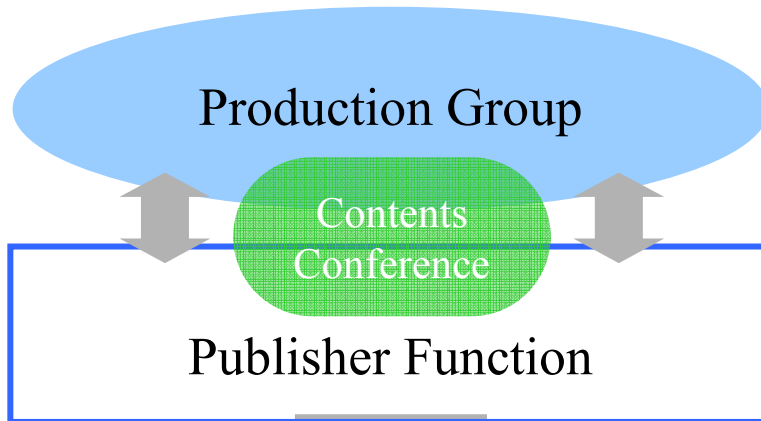
Harumika

Content SBU



Worldwide Customers

Content SBU



Worldwide Customers

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Content SBU



NAMCO BANDAI Live Co., Ltd. (provisional name)

Description of business:

- Planning and production of events and live performances,
- video production for events and live performances,
- merchandise planning, manufacturing and sales, ticket sales, etc.

President & Representative Director :

Shunji Inoue (dual post as President & Representative Director of Lantis Co., Ltd.)

Scheduled foundation date: April 1, 2010

Producing visual and music concerts or events utilizing the group contents



- Utilizing the group contents into new business outlet
- Strengthening ties with external partners

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Amusement Facility SBU



- Focus on the core businesses
- Continuous scrap & build

Fusion of amusement facilities and characters



Heros' Base (Kawasaki)

Character world settings in our amusement facilities



Thomas town (Shinmisato)

Improving profitability by revising business structure



Namja town (Ikebukuro)

- Utilize the group's strengths
 - Collaboration with Content SBU
- ⇒ Responding quickly to customer needs

Campaign for families



Pokémon campaign



Medium to Long-term Vision

Globally Recognized Entertainment Group

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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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