



BANDAI NAMCO GROUP

Information Meeting

(Fiscal Year ended March 2010)

May 7, 2010

NAMCO BANDAI Holdings Inc.
President and Representative Director
Shukuo Ishikawa

BANDAI NAMCO Group

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BANDAI NAMCO Group



1. FY2010.3 Results

BANDAI NAMCO Group

Transition of Results



billion yen

	FY2007.3	FY2008.3	FY2009.3	FY2010.3
Net Sales	459.1	460.4	426.3	378.5
Operating Income	42.2	33.4	22.3	1.8
Recurring Income	45.6	36.1	24.5	1.9
Net Income	24.2	32.6	11.8	-29.9
Capital Expenditures	20.3	19.7	14.6	11.5
Depreciation	21.2	24.7	22.5	18.9
R&D Investments	32.1	34.9	33.8	38.5
Advertising Expenses	31.0	30.5	28.4	29.5
Personnel Expenses	36.0	37.2	35.0	39.2

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Business Segments



billion yen

		FY2009.3	FY2010.3	YOY
Toys & Hobby	Net Sales	165.7	148.8	-16.9
	OP	11.5	10.7	-0.8
Game Contents	Net Sales	149.8	137.5	-12.3
	OP	11.6	-6.8	-18.4
Visual & Music Content	Net Sales	34.6	29.2	-5.4
	OP	0	-0.8	-0.8
Amusement Facility	Net Sales	77.2	65.3	-11.9
	OP	0.3	0.2	-0.1
Other	Net Sales	19.0	17.4	-1.6
	OP	0.5	0.3	-0.2
Elimination	Net Sales	-20.1	-19.8	+0.3
	OP	-1.7	-1.8	-0.1
Consolidated	Net Sales	426.3	378.5	-47.8
	OP	22.3	1.8	-20.5

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Business Segments



Main Points

Toys and Hobby

Japan: Performed well, especially in established character toys and cards.
Overseas: Struggled particularly in the United States.

Game Contents

Japan: Small and midsize titles struggled.
Worldwide: Poor performance except for *TEKKEN 6*.

Visual & Music Content

Visual package software sales declined with the sluggish DVD market.

Amusement Facility

Weak performance overall, despite a recovering trend in existing store sales through the year-end.

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Regional Segments



billion yen

		FY2009.3	FY2010.3	YOY
Japan	External Sales	319.5	286.2	-33.3
	OP	15.8	5.5	-10.3
Americas	External Sales	48.3	29.2	-19.1
	OP	0.8	-3.3	-4.1
Europe	External Sales	45.0	45.9	+0.9
	OP	6.2	-0.3	-6.5
Asia	External Sales	13.5	17.1	+3.6
	OP	2.2	2.7	+0.5
Elimination	External Sales	—	—	—
	OP	-2.9	-2.7	+0.2
Consolidated	External Sales	426.3	378.5	-47.8
	OP	22.3	1.8	-20.5

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Extraordinary Losses, etc.



billion yen

	FY2010.3	
Net Sales	378.5	Main Extraordinary Losses Special retirement expenses due to the review of the personnel structure ¥1.9 bn. Loss on the closure of amusement facilities and others ¥ 5.5 bn. Impairment loss on goodwill for some subsidiaries ¥ 12.7 bn.
Operating Income	1.8	
Recurring Income	1.9	
Extraordinary Income/Loss	-21.2	
Income before Income Taxes	-19.3	Withdrawal of a fixed amount from deferred tax assets ¥ 4 bn.
Income Taxes	10.4	
Net Income	-29.9	

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2. BANDAI NAMCO Group Restart Plan

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Mid-term Business Plan



Mid-term Business Plan starting FY2016.3

【Medium to Long-term Group Vision】

**Globally Recognized
Entertainment Group**

Operating Income: ¥100 bn.
Overseas Sales Ratio: 50%
ROE: More than 10%

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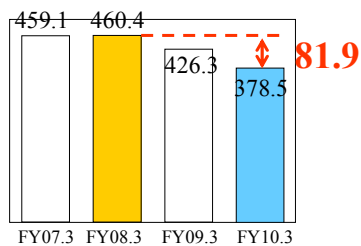
Current Analysis



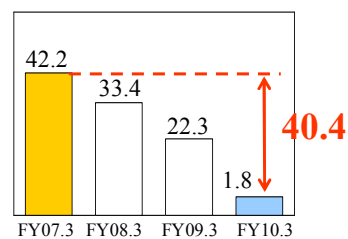
billion yen

	FY2007.3	FY2008.3	FY2009.3	FY2010.3
Net Sales	459.1	460.4	426.3	378.5
Operating Income	42.2	33.4	22.3	1.8
Recurring Income	45.6	36.1	24.5	1.9
Net Income	24.2	32.6	11.8	-29.9

Net Sales



Operating Income



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Restart Plan



Transforming into a speedy Group

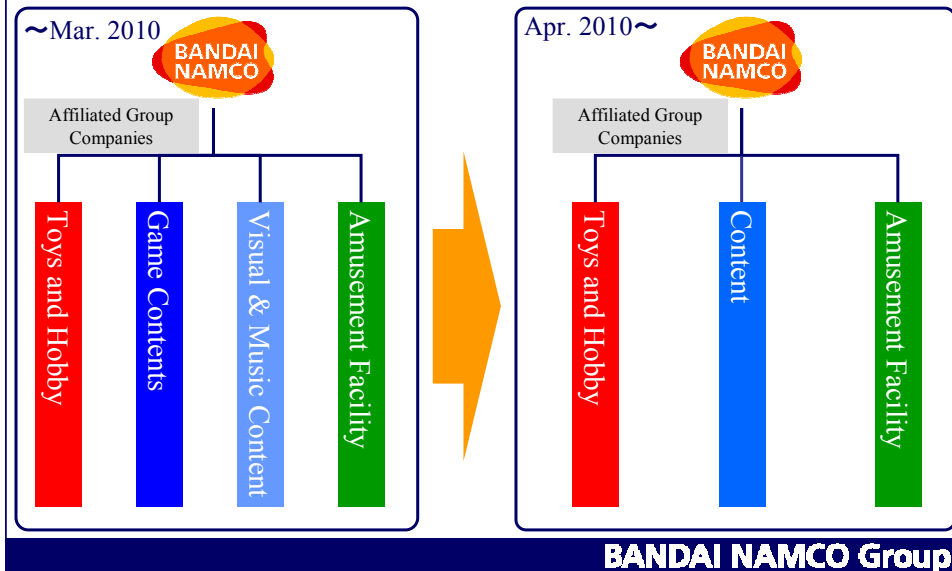
**Improving profitability and
strengthening financial standing**

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Transforming into a speedy Group



(1) Review of Group structure

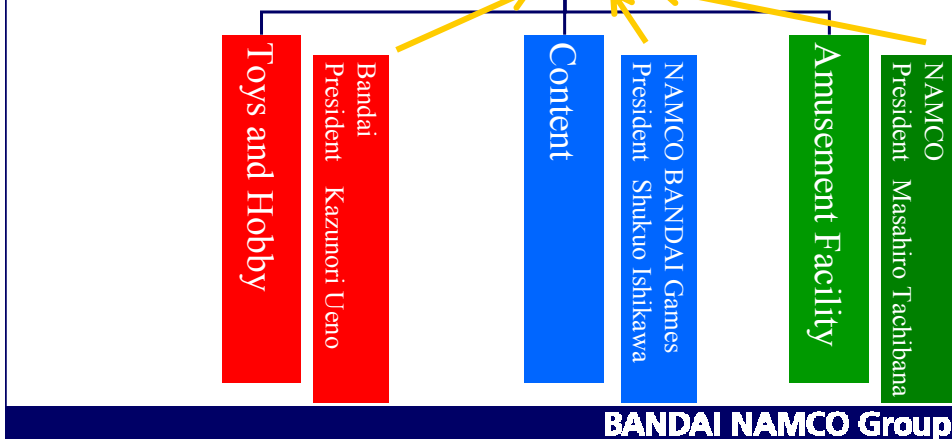


Transforming into a speedy Group



(2) Stronger links between the holding company and business companies

Representatives of SBU core companies plan to concurrently serve as directors of the holding company.



Improving profitability and strengthening financial standing



Cost reduction effects in FY2011.3

Cost reduction due to the review of Group personnel structure	¥ 3 billion
Reduction in amortization of goodwill	¥ 2.5 billion
Others (overhauling indirect operations, etc)	¥ 1 billion
Total	¥ 6.5 billion

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3. FY2011.3 Plan

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FY2011.3 Plan



billion yen

	FY2010.3 1st Half	FY2010.3 Full Year	FY2011.3 1st Half Plan	FY2011.3 Full Year Plan	Full Year YOY
Net Sales	172.7	378.5	175.0	400.0	+21.5
Operating Income	-2.6	1.8	-1.0	11.0	+9.2
Recurring Income	-2.8	1.9	-1.0	10.5	+8.6
Net Income	-6.0	-29.9	-3.5	4.5	+34.4
Capital Expenditures	5.5	11.5	7.0	15.0	+3.5
Depreciation	8.8	18.9	10.0	20.0	+1.1
R&D Investments	20.4	38.5	20.0	40.0	+1.5
Advertising Expenses	13.3	29.5	14.5	32.0	+2.5
Personnel Expenses	19.8	39.2	18.5	37.0	-2.2

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FY2011.3 Plan (by Business)



billion yen

		FY2010.3 1st Half	FY2010.3 Full Year	FY2011.3 1st Half Plan	FY2011.3 Full Year Plan	Full Year YOY
Toys & Hobby	Net Sales	66.7	148.8	68.0	155.0	+6.2
	OP	3.7	10.7	2.5	9.5	-1.2
Content	Net Sales	72.6	166.7	77.0	186.5	+19.8
	OP	-6.4	-7.7	-3.0	3.5	+11.2
Amusement Facility	Net Sales	33.7	65.3	32.0	63.0	-2.3
	OP	1.0	0.2	1.0	1.0	+0.8
Other	Net Sales	8.8	17.4	8.5	18.0	+0.6
	OP	0	0.3	0.2	0.5	+0.2
Elimination	Net Sales	-9.2	-19.8	-10.5	-22.5	-2.7
	OP	-1.0	-1.8	-1.7	-3.5	-1.7
Consolidated	Net Sales	172.7	378.5	175.0	400.0	+21.5
	OP	-2.6	1.8	-1.0	11.0	+9.2

* FY2010.3 results for "Content" is the simple sum of the "Game Contents" and "Visual & Audio Content."

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FY2011.3 Plan (by Region)



billion yen

		FY2010.3 1 st Half	FY2010.3 Full Year	FY2011.3 1 st Half Plan	FY2011.3 Full Year Plan	Full Year YOY
Japan	External Sales	134.4	286.2	136.5	292.0	+5.8
	OP	2.6	5.5	3.7	11.0	+5.5
Americas	External Sales	13.4	29.2	14.0	43.0	+13.8
	OP	-3.8	-3.3	-2.0	-0.5	+2.8
Europe	External Sales	17.8	45.9	16.5	47.5	+1.6
	OP	-0.8	-0.3	-1.5	1.5	+1.8
Asia	External Sales	7.0	17.1	8.0	17.5	+0.4
	OP	0.9	2.7	0.5	2.5	-0.2
Elimination	External Sales	—	—	—	—	—
	OP	-1.5	-2.7	-1.7	-3.5	-0.8
Consolidated	External Sales	172.7	378.5	175.0	400.0	+21.5
	OP	-2.6	1.8	-1.0	11.0	+9.2

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4. Business Strategy

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Toys and Hobby



billion yen

	FY2009.3		FY2010.3		FY2011.3 (Plan)	
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Net Sales	73.2	165.7	66.7	148.8	68.0	155.0
Operating Income	4.4	11.5	3.7	10.7	2.5	9.5
OP margin	6.0%	7.0%	5.6%	7.2%	3.7%	6.1%

Main Strategies

- Building a dominant No.1 position in Japan
- Developing a global business base for growth

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Toys and Hobby

Building a dominant No.1 position in Japan



Established character toys performed well !

Kamen Rider W



Main Product YOY Sales: 110%

Heart Catch Pretty Cure !



main product YOY Sales: 150%



DATA CARDDASS

Kamen Rider Ganbaride
YOY 250% (Jan. -Mar.)

Plus

Strong links among categories

Ex.) Expansion of the Goseiger card



DATA CARDDASS



Timely merchandising linked to television programs

Promotion through television programs/products
Bundling with products



Candy Toy



Apparel

Insertion of cards

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Toys and Hobby Building a dominant No.1 position in Japan



Expanding Target Customers

Infants



Elementary school boys



Good start supported by promotions through television, magazines, events, etc.
A sales target of 5 million units by fiscal year end ⇒ Looks likely to be achieved earlier than expected.

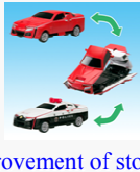
40's~Male



Apollo for adults

0 3 5 7 10 12 15 20 30 40 50

Pre-school



Intensive improvement of store by introducing exclusive equipment.

Targeting elementary school boys and broader generations



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Toys and Hobby Developing a global business base for growth



Restoring the North American region

Mainly action figure toys for boys



Expanding target customers

Girls' Toy

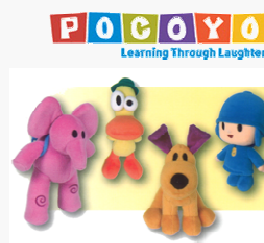


Cooking toy



Fashion toy

Pre-school Toy



Boys' Toy



Radio Control

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Efforts to create new IP and expand regions

Boys' toy in US & Europe



Establishment of sales company in Poland

- Developing direct marketing systems in Eastern Europe, where market growth is anticipated in the future.

Girls' toy in Europe
Pop pixie



Establishment of sales company in Mexico

- Marketing will start in FY2011.3.
- Over the medium term, marketing will be expanded into Central and South America.

Boys' toy in Europe
ARMOURON



Pre-school toy in Europe
Tinga Tinga Tales



Content



billion yen

	FY2009.3		FY2010.3		FY2011.3 (Plan)	
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Net Sales	77.6	184.5	72.6	166.7	77.0	186.5
Operating Income	1.1	11.6	-6.4	-7.7	-3.0	3.5
OP margin	1.5%	6.3%	-	-	-	1.9%

* FY2009.3 & FY2010.3 results are the simple sum of the "Game Contents" and "Visual & Audio Content."

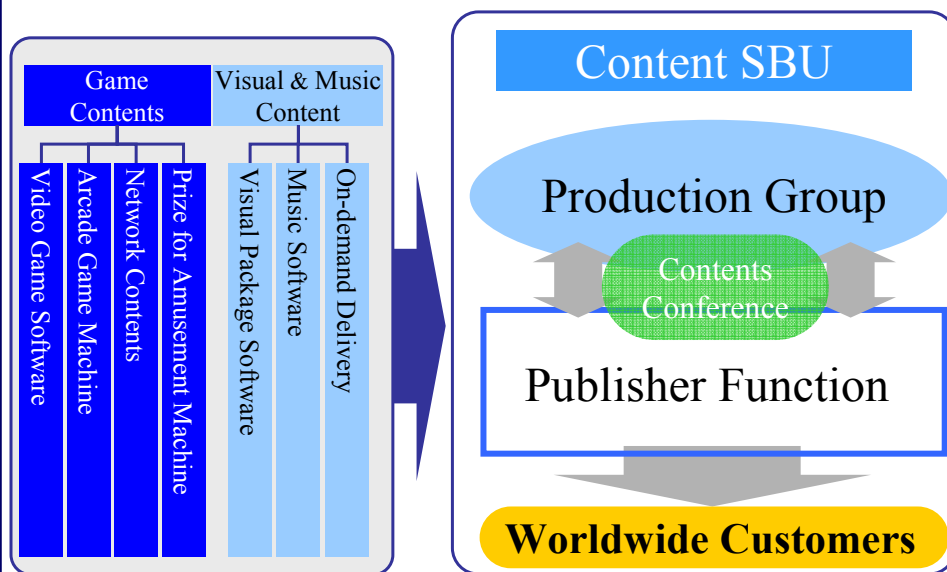
Main Strategies

- Maximizing content value
- Developing a global base for growth

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Content

Maximizing content value



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Content Maximizing content value

New Business Model

Tales of Vesperia
Video software & a free PS3 download

Movie
8 theatres
37K visitors

Macross Frontier (movie ver.)
Visual software bundled with game software.

Worldwide simultaneous sales of software immediately after movie release.
Ranked No.1 on the Oricon Weekly Rankings in the first week after release!
Total sales of 160K units in BD&DVD!

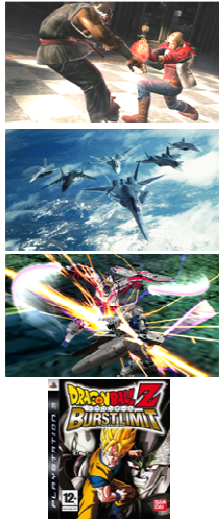
On-line distribution
Ranked top in all-time on-line distribution at the PlayStation Store!

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Content Developing a global base for growth

Existing franchise titles

+ *New franchise title*



GOD EATER

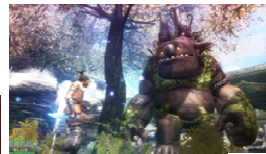


Sales totaled 600K units within 50 days of launch!
 Will be released in overseas, too.
 Explore worldwide as a new franchise!

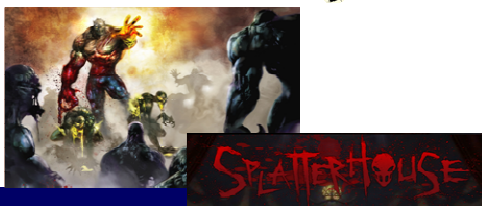
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Content Developing a global base for growth

New titles (FY2011.3)



Majin
 The Fallen Realm (仮)



Title Name	Platform	Region	Target unit sales
SPLATTER HOUSE	PS3•Xb360	World-wide	1,000K
Majin (Tentative name)	PS3•Xb360	World-wide	1,000K
CLASH OF THE TITANS	PS3•Xb360	World-wide	700K
DEAD TO RIGHTS RETRIBUTION	PS3•Xb360	World-wide	700K

Plans to launch several other big titles.

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Content

Maximizing content value



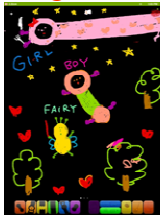
Arcade Game Machines

Strengthening merchandising in Asia



New Outlets for Contents

Providing contents for iPad



Establishment of
NAMCO BANDAI Live Creative



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Content

Maximizing content value



Strong business partner

Business advisory agreement
with Mr. Avi Arad



Strong content revived with
the 30th anniversary of
the creation of Pac-man



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Amusement Facility



billion yen

	FY2009.3		FY2010.3		FY2011.3 (Plan)	
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Net Sales	40.5	77.2	33.7	65.3	32.0	63.0
Operating Income	1.0	0.3	1.0	0.2	1.0	1.0
OP margin	2.5%	0.5%	3.1%	0.4%	3.1%	1.6%

Main Strategies

- ▣ Differentiated facilities with a competitive edge
- ▣ Increasing profitability by efficient operations

Domestic existing store sales (YOY)

	1st Half	2nd Half	Full Year
FY09.3	87.2%	86.2%	86.7%
FY10.3	89.7%	93.0%	91.2%
FY11.3 Plan	100%	100%	100%

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Amusement Facility



Differentiated facilities with a competitive edge

Enhanced merchandising by capitalizing on the Group's strength in characters.



Tamagotchi Idol Park



ULTRA HEROS

Character package-type play zones will be set up at 27 facilities.



Thomas Town
Shinmisato
Big hit with
queues of people.



Wonderpark Heros' Base

NAMCO Namjatown
Popular character
events



Increasing profitability by efficient operations

Bolstering profitability by improving efficiency in Japan and overseas.

Periodical renewal to
maintain freshness.

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Medium to Long-term Group 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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