



NAMCO BANDAI Holdings Inc.

Consolidated Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2013

August 2, 2012

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- This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

NAMCO BANDAI Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

(URL: <http://www.bandainamco.co.jp/>)

August 2, 2012

Consolidated Financial Report for the First Quarter of the Fiscal Year Ending March 31, 2013 (Japanese GAAP)

Representative: Shukuo Ishikawa, President and Representative Director
 Contact: Yuji Asako, Director, Division General Manager of the Corporate Planning Division
 Scheduled filing date of the quarterly security report: August 8, 2012
 Scheduled starting date for dividend payments: –
 The additional materials of the Financial Results for the Quarter: Yes
 The information session of the Financial Results for the Quarter: Yes (for institutional investors and analysts)

* Figures are in millions of yen, rounded down

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012 to June 30, 2012)

(1) Consolidated Operating Results (For the Three Months Ended June 30, 2012)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income	
	¥ million	%	¥ million	%	¥ million	%
First Quarter of the Fiscal Year Ending March 31, 2013	108,695	23.2	16,160	155.3	16,475	149.4
First Quarter of the Fiscal Year Ended March 31, 2012	88,241	7.7	6,329	114.3	6,605	124.5

	Net income		Net income per share	Net income per share (diluted)
	¥ million	%	¥	¥
First Quarter of the Fiscal Year Ending March 31, 2013	10,225	214.8	46.55	–
First Quarter of the Fiscal Year Ended March 31, 2012	3,248	–	14.02	–

(Note) Comprehensive income: 9,637 million yen [65.8%] (FY2013.3 1Q), 5,812 million yen [– %] (FY2012.3 1Q)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2012	331,886	219,635	65.7
As of March 31, 2012	342,171	213,125	61.8

(Reference) Equity: 217,887 million yen (as of June 30, 2012), 211,443 million yen (as of March 31, 2012)

2. Cash Dividends

	Annual cash dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal Year Ended March 31, 2012	–	¥12.00	–	¥14.00	¥26.00
Fiscal Year Ending March 31, 2013	–				
Fiscal Year Ending March 31, 2013 (Projections)		¥12.00	–	¥12.00	¥24.00

(Note) Revision to the projections of cash dividends for the Fiscal Year Ending March 31, 2013: No

3. Consolidated Projections for the Fiscal Year Ending March 31, 2013 (April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six Months Ending September 30, 2012	215,000	10.7	20,000	26.9	20,000	25.2	12,000	49.5	54.62
Full Fiscal Year	455,000	0.2	36,500	5.5	36,500	4.4	21,500	11.4	97.86

(Note) Revision to the projections: Yes

Consolidated projections for the six months ending September 30, 2012 and full fiscal year ending March 31, 2013 (announced on May 8, 2012) are revised in this document.

* Notes

(1) Changes in Significant Subsidiaries during the Period

(Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation): No

(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements: Yes

(Note) For more details, please refer to the section of “(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements” of “2. Matters Regarding Summary Information (Notes)” on page 5 of the attached material.

(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement

a) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b) Changes in accounting policies due to revisions to other reasons: No

c) Changes in accounting estimation: Yes

d) Restatement: No

(Note) These items fall in those set forth in Article 10-5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements. For more details, please refer to the section of “(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement” of “2. Matters Regarding Summary Information (Notes)” on page 5 of the attached material.

(4) Number of Issued Shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2012 222,000,000 shares

As of March 31, 2012 222,000,000 shares

b) Number of shares of treasury stock at the end of the period

As of June 30, 2012 2,308,510 shares

As of March 31, 2012 2,308,176 shares

c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the First Quarter of the Fiscal Year ending March 31, 2013 219,691,588 shares

For the First Quarter of the Fiscal Year ended March 31, 2012 231,611,160 shares

* Implementation status of quarterly review

This Consolidated Financial Report for the First Quarter was exempt from quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the first quarter disclosing, quarterly review for the quarterly financial statements are under way.

* Explanation on appropriate use of the projections of business results, etc.

- Forward-Looking Statements:

Forward-looking statements that have been released prior to this document are based on management's estimates, assumptions, projections and information available at the time of its publications and do not purport to be a promise by the Company to achieve such results. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of “(3) Qualitative Information Regarding Consolidated Projections” of “1. Qualitative Information Regarding Consolidated Results for the First Quarter” on page 4 of the attached material for matters pertaining to the earnings projections.

- To obtain the additional materials:

The additional materials of the Financial Results for the Quarter will be posted on the Company's website on August 2, 2012.

Attached Material

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1. Qualitative Information Regarding Consolidated Results for the First Quarter

(1) Qualitative Information Regarding Consolidated Operating Results

During the first quarter (three months) of the fiscal year ending March 31, 2013, although there were signs of gradual recovery in the Japanese economy, overall economic conditions continued to be harsh, mainly because of a slowdown in overseas economies caused by fiscal instability in Europe and the rise in the yen. As for the entertainment industry, weak individual consumption and other factors have added further uncertainty to the outlook.

In this environment, the BANDAI NAMCO Group (“the Group”) is implementing various measures aimed at medium- to long-term growth under the concept of “Empower, Gain Momentum, Accelerate Evolution,” which is the vision of the Group’s new Mid-term Plan, started in the current fiscal year.

On the business front, the Content Business made a substantial contribution to performance, particularly in network content, while the Toys and Hobby Business performed favorably, mainly in long-established character toys.

Consequently, the Group’s consolidated results for the first quarter (three months) were net sales of 108,695 million yen (year-on-year increase of 23.2%), operating income of 16,160 million yen (year-on-year increase of 155.3%), recurring income of 16,475 million yen (year-on-year increase of 149.4%), and net income of 10,225 million yen (year-on-year increase of 214.8%).

Operating Results by Segment

Toys and Hobby Business

In the Toys and Hobby Business, domestically, long-established character products including the *KAMEN RIDER FOURZE* and *SMILE PRETTY CURE!* performed well thanks to coordinated sales of products in the variety of categories revolving around toys. Card games, including digital card games such as *DRAGON BALL HEROES* and trading card games such as *Battle Spirits*, also sold favorably. Amid efforts to secure the position as the overwhelming No. 1 in Japan in all categories, development of *The Little Battlers* targeting elementary-school-age boys was strengthened, and preparatory costs were recorded for such purposes as advertising expenses for the launch of new characters.

Meanwhile, overseas, amid efforts to improve profitability in North America and Europe, products of the *Power Rangers* series sold favorably. In the Asian region, plastic models and highly collectable toys for adults became popular in addition to character toys thanks to developments in conjunction with Japan.

As a result, net sales in the Toys and Hobby Business were 39,950 million yen (year-on-year increase of 2.0%), and segment income was 3,953 million yen (year-on-year decrease of 21.5%).

Content Business

In the Content Business, arcade game machine sales were favorable, particularly *Mobile Suit Gundam Extreme VS. Full Boost* and prizes of popular characters. In the network content area, social games such as the *Mobile Suit Gundam* series and *ONE PIECE Grand Collection* made a significant contribution to this business’s performance, while LCD units for pachinko and pachi-slot machines sold favorably. In home video game software, there were contributions from sales of *SOULCALIBUR V* and *NARUTO Shippuden: Ultimate Ninja Storm Generations* for PlayStation 3 and Xbox 360 in the North American region. In the visual and music content areas, *Mobile Suit Gundam UC (Unicorn)* proved popular.

As a result, net sales in the Content Business were 56,968 million yen (year-on-year increase of 60.0%), and

segment income was 12,367 million yen (year-on-year increase of 2,280.0%, compared with segment income of 519 million yen for the same period of the previous fiscal year).

Amusement Facility Business

In the Amusement Facility Business, domestically, despite a steady performance mainly by differentiated facilities located in shopping centers that offer customers the opportunity to experience the distinctive worldview of specific characters, sales of existing facilities declined to 93.5% from the same period of the previous fiscal year, when we recorded high level of sales.

In the challenging market environment presented by countries outside Japan, results were roughly level with those of the same period of the previous fiscal year as a result of efficiency in operations from the selection and concentration of stores.

As a result, net sales in the Amusement Facility Business were 13,892 million yen (year-on-year decrease of 5.8%), and segment income was 6 million yen (year-on-year decrease of 99.1%).

Number of Facilities as of June 30, 2012

Directly Managed Facilities	Revenue-Sharing Facilities	Others	Total
253	1,008	2	1,263

Other Businesses

Other Businesses consist of companies that conduct businesses such as logistics support, printing, and other kinds of administration and operational support for each of the Group's strategic business units. We are making efforts to manage such operations related to group support in an efficient manner.

As a result, net sales in the Other Businesses were 6,204 million yen (year-on-year increase of 8.3%), and segment income was 575 million yen (year-on-year increase of 3.4%).

(2) Qualitative Information Regarding Consolidated Financial Position

At the end of the first quarter of the fiscal year ending March 31, 2013, total assets stood at 331,886 million yen, a decrease of 10,285 million yen from the end of the previous fiscal year. The main factors were decreases of 12,198 million yen in cash and time deposits and 8,105 million yen in trade receivables, while there was an increase of 4,338 million yen in work in process.

Total liabilities amounted to 112,251 million yen, a decrease of 16,795 million yen from the end of the previous fiscal year. The main factors were decreases of 5,319 million yen in trade payables, 3,933 million yen in accrued income taxes mainly due to income taxes paid, and 6,376 million yen in accrued employee bonuses included in other current liabilities mainly due to employee bonuses paid.

Total net assets stood at 219,635 million yen, an increase of 6,510 million yen from the end of the previous fiscal year. The main factor was an increase of 7,148 million yen in retained earnings thanks to the recording of net income through favorable consolidated results, despite cash dividends paid of 3,077 million yen.

As a result, the equity ratio became 65.7% compared with 61.8% at the end of the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Projections

As for the future of the economy, a difficult business environment is expected to continue due to factors such as weak individual consumption in Japan, economic sluggishness in North America and Europe and the rise in the yen. Such factors are also expected to have an impact on the entertainment industry, in which the Group is extensively involved, resulting in ongoing uncertainty in this business environment.

Facing these circumstances, the Group started its three-year Mid-term Plan in the current fiscal year, and will steadily implement the strategies in this plan, aiming for medium- to long-term growth.

Specifically, in the Toys and Hobby Business, our plan for the Japanese market is to strengthen development through coordinated sales of products in the variety of categories revolving around long-established character toys, such as the *KAMEN RIDER* series, *Super Sentai* series (*POWER RANGERS* series), and *PRETTY CURE!* series. In addition, while aiming for the position as the overwhelming No. 1 in Japan, we will introduce new products and services such as card games, plastic models for elementary school students, highly collectable toys for adults and babies' and pre-school toys in order to broaden the variety of customers targeted. Overseas, the Group will strive to improve profitability by focusing on products of the mainstay content *Power Rangers* series by strengthening integrated brand management of North America and Europe. In the Asian region, the Group aims to achieve growth through developments in conjunction with Japan, focusing on plastic models and highly collectable toys for adults that are popular in Japan.

With respect to the Content Business, in arcade game machines, while strengthening development and sales of machines that provide new play experiences, we aim to achieve growth by establishing multiple sales channels and strengthening development aimed at the developing countries, including those in Asia. In home video game software, we aim to boost profitability through franchise titles that are also popular in arcade game machines, such as *Tekken Tag Tournament 2* for PlayStation 3 and Xbox 360 and speedy launch of the second installment of *TALES OF XILLIA* for PlayStation 3, which achieved popularity in the previous fiscal year, as well as through a lineup that caters for diverse customer preferences, including *Mobile Suit Gundam Battle Operation*, an online game for PlayStation 3. We also aim to maximize the value of our content by such means as strengthening social games through the timely provision of content and appropriate operation, and strengthening sales of visual package software through the creation of new intellectual property (IP) such as characters to complement the popular *Mobile Suit Gundam* series.

In the Amusement Facility Business, in Japan, we will continue to promote differentiated facilities that offer the experience of the Group's distinctive worldview of specific characters, while developing facilities and services aimed at each target customer through reinforcement of our marketing by customer segment. Overseas, while striving to boost profitability by implementing various efficiency measures in North America and Europe, we will embark upon the development of facilities utilizing popular characters aimed at the Asian market.

In light of the favorable performance of the Content Business in Japan in the first quarter (three months) and more recently, the Group has revised its consolidated projections for the six months ending September 30, 2012 and the full fiscal year ending March 31, 2013 that were announced in the Consolidated Financial Report for the Fiscal Year Ended March 31, 2012 on May 8, 2012. Please see page 5 for the details of the revision.

Revision to the consolidated projections for the six months
(April 1, 2012 to September 30, 2012)

(¥ million)

	Net Sales	Operating Income	Recurring Income	Net Income	Net Income per Share
Previous projections (A)	200,000	13,500	13,500	7,500	34.14 yen
Revised projections (B)	215,000	20,000	20,000	12,000	54.62 yen
Change in amount (B–A)	15,000	6,500	6,500	4,500	–
Change (%)	7.5%	48.1%	48.1%	60.0%	–
Reference: Results for the same period of the previous fiscal year (April 1, 2011 to September 30, 2011)	194,241	15,757	15,977	8,026	34.96 yen

Revision to the consolidated projections for the full fiscal year
(April 1, 2012 to March 31, 2013)

(¥ million)

	Net Sales	Operating Income	Recurring Income	Net Income	Net Income per Share
Previous projections (A)	440,000	30,000	30,000	17,500	79.66 yen
Revised projections (B)	455,000	36,500	36,500	21,500	97.86 yen
Change in amount (B–A)	15,000	6,500	6,500	4,000	–
Change (%)	3.4%	21.7%	21.7%	22.9%	–
Reference: Results for the previous fiscal year (April 1, 2011 to March 31, 2012)	454,210	34,606	34,960	19,303	85.62 yen

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements

Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes and minority interests for the fiscal year including the current first quarter, and next by multiplying the quarterly income before income taxes and minority interests by such estimated effective tax rate.

(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement

Change in accounting policy that is difficult to distinguish from change in accounting estimation

Following the revision of the Corporation Tax Act, the Company and part of its domestic consolidated subsidiaries applied the depreciation method in compliance with the revised Corporation Tax Act to property, plant and equipment acquired on or after April 1, 2012, from the current first quarter.

The impact of this change on operating income, recurring income, and income before income taxes and minority interests for the first quarter (three months) was immaterial.

(4) Additional Information

Application of consolidated taxation regime

From the current first quarter, the Company applied consolidated taxation regime.

3. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2012)	Current 1st Quarter (As of June 30, 2012)
Assets		
Current assets		
Cash and time deposits	106,958	94,760
Trade receivables	69,102	60,996
Short-term investments	2,073	3,891
Finished goods and merchandise	12,907	13,178
Work in process	19,417	23,755
Raw materials and supplies	4,714	5,135
Other current assets	26,423	30,133
Allowance for doubtful receivables	(677)	(580)
Total current assets	240,920	231,270
Fixed assets		
Property, plant and equipment	44,500	45,100
Intangible assets	8,194	8,440
Investments and other assets		
Other investments and assets	50,267	48,647
Allowance for doubtful receivables	(1,711)	(1,572)
Total investments and other assets	48,556	47,075
Total fixed assets	101,251	100,615
Total assets	342,171	331,886

(¥ million)

	Prior Fiscal Year (As of March 31, 2012)	Current 1st Quarter (As of June 30, 2012)
Liabilities		
Current liabilities		
Trade payables	48,742	43,422
Short-term borrowings	6,773	5,414
Accrued income taxes	9,360	5,427
Provision	2,980	1,544
Other current liabilities	40,091	35,266
Total current liabilities	107,946	91,073
Long-term liabilities		
Long-term borrowings	12,883	12,883
Provision	3,140	3,279
Other long-term liabilities	5,075	5,014
Total long-term liabilities	21,099	21,177
Total liabilities	129,046	112,251
Net assets		
Stockholders' equity		
Common stock	10,000	10,000
Additional paid-in capital	52,245	52,245
Retained earnings	173,250	180,398
Treasury stock	(2,383)	(2,383)
Total stockholders' equity	233,112	240,260
Accumulated other comprehensive income		
Unrealized gains or losses on other securities, net of tax	2,867	1,895
Deferred gains or losses on hedges, net of tax	229	216
Land revaluation, net of tax	(6,408)	(6,408)
Foreign currency translation adjustments	(18,357)	(18,075)
Total accumulated other comprehensive income	(21,669)	(22,372)
Minority interests	1,682	1,748
Total net assets	213,125	219,635
Total liabilities and net assets	342,171	331,886

(2) Quarterly Consolidated Statements of Operations and Quarterly Consolidated Statements of Comprehensive**Income****(Quarterly Consolidated Statements of Operations)**

(¥ million)

	Prior 1st Quarter (From April 1, 2011 to June 30, 2011)	Current 1st Quarter (From April 1, 2012 to June 30, 2012)
Net sales	88,241	108,695
Cost of sales	53,592	63,216
Gross profit	34,648	45,478
Selling, general and administrative expenses	28,319	29,318
Operating income	6,329	16,160
Non-operating income		
Dividend income	135	185
Other non-operating income	239	421
Total non-operating income	375	606
Non-operating expenses		
Foreign exchange loss	–	237
Other non-operating expenses	99	54
Total non-operating expenses	99	291
Recurring income	6,605	16,475
Extraordinary income		
Gain on sales of fixed assets	5	0
Other extraordinary income	1	–
Total extraordinary income	7	0
Extraordinary loss		
Loss on impairment of fixed assets	12	167
Provision for loss on litigation	55	–
Other extraordinary loss	87	46
Total extraordinary loss	155	214
Income before income taxes and minority interests	6,457	16,261
Income taxes	3,035	5,971
Income before minority interests	3,421	10,289
Minority interests	173	64
Net income	3,248	10,225

(Quarterly Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior 1st Quarter (From April 1, 2011 to June 30, 2011)	Current 1st Quarter (From April 1, 2012 to June 30, 2012)
Income before minority interests	3,421	10,289
Other comprehensive income		
Unrealized gains or losses on other securities, net of tax	767	(943)
Deferred gains or losses on hedges, net of tax	(97)	(13)
Foreign currency translation adjustments	1,739	327
Share of other comprehensive income of associates accounted for using equity method	(18)	(22)
Total other comprehensive income	2,390	(652)
Comprehensive income	5,812	9,637
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,603	9,522
Comprehensive income attributable to minority interests	209	115

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in the Amount of Stockholders' Equity

Not applicable.

(5) Segment Information**(Segment Information)****I. Prior 1st Quarter (From April 1, 2011 to June 30, 2011)****1. Information regarding the amounts of net sales and income/loss by reportable segment**

(¥ million)

	Reportable Segments				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Total (Note 3)
	Toys and Hobby Business	Content Business	Amusement Facility Business	Subtotal				
Net sales								
To external customers	38,184	33,428	14,730	86,343	1,897	88,241	–	88,241
Inter-segment sales and transfers	992	2,176	10	3,179	3,832	7,011	(7,011)	–
Total	39,177	35,604	14,740	89,522	5,730	95,253	(7,011)	88,241
Segment income	5,037	519	744	6,302	557	6,859	(530)	6,329

- Notes: 1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and building management for each of the Group’s strategic business units are classified.
2. Included in the 530 million yen deducted from segment income as adjustment are an addition of 133 million yen in inter-segment eliminations, and a deduction of 663 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
3. Segment income is adjusted with operating income in the quarterly consolidated statements of operations.

2. Information regarding loss on impairment of fixed assets and goodwill by reportable segment

(Material loss on impairment of fixed assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.

II. Current 1st Quarter (From April 1, 2012 to June 30, 2012)

1. Information regarding the amounts of net sales and income/loss by reportable segment

(¥ million)

	Reportable Segments				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Total (Note 3)
	Toys and Hobby Business	Content Business	Amusement Facility Business	Subtotal				
Net sales								
To external customers	37,788	54,601	13,882	106,272	2,422	108,695	–	108,695
Inter-segment sales and transfers	2,161	2,367	9	4,539	3,781	8,321	(8,321)	–
Total	39,950	56,968	13,892	110,812	6,204	117,016	(8,321)	108,695
Segment income	3,953	12,367	6	16,326	575	16,902	(742)	16,160

- Notes:
1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and building management for each of the Group’s strategic business units are classified.
 2. Included in the 742 million yen deducted from segment income as adjustment are an addition of 159 million yen in inter-segment eliminations, and a deduction of 901 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
 3. Segment income is adjusted with operating income in the quarterly consolidated statements of operations.

2. Information regarding loss on impairment of fixed assets and goodwill by reportable segment

(Material loss on impairment of fixed assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.

(6) Significant Subsequent Events

(Transactions conducted by commonly controlled entities)

At a meeting of the Board of Directors held on July 18, 2012, it was resolved that NAMCO BANDAI Games Europe S.A.S. and NAMCO BANDAI Partners S.A.S. (“NBP”), both of which are the Company’s consolidated subsidiaries, will be merged.

1. Names and business content of companies to be combined, date of business combination, legal form of business combination, name of company after combination and overview of transaction including transaction objectives

(1) Names and business content of companies to be combined

- (i) NAMCO BANDAI Games Europe S.A.S. Sales and marketing of home video game software
- (ii) NAMCO BANDAI Partners S.A.S. Holding company of the NBP Group, which conducts sales of home video game software, etc.; shared services company

(2) Date of business combination

September 28, 2012 (scheduled)

(3) Legal form of business combination

An absorption-type merger in which NAMCO BANDAI Games Europe S.A.S. shall be the surviving company; and NAMCO BANDAI Partners S.A.S. shall be the disappearing company.

(4) Name of company after combination

NAMCO BANDAI Games Europe S.A.S.

(5) Overview of transaction including transaction objectives

To recover profits in the Content Business in the European region in accordance with the aims of the Mid-term Plan, which commenced in April 2012, by integrating the marketing operations of NAMCO BANDAI Games Europe S.A.S. with the sales operations of NAMCO BANDAI Partners S.A.S., thus promoting operational efficiency.

2. Overview of accounting process

The accounting process for the consolidated financial statements is to be carried out as transactions conducted by commonly controlled entities, in accordance with the provisions of “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan Statement No. 21, issued on December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (Accounting Standards Board of Japan Guidance No. 10, issued on December 26, 2008).