NAMCO BANDAI Holdings Inc.

Notice of the Fourth Ordinary General Meeting of Shareholders to be held on June 22, 2009

An English translation of the original notice in Japanese

DISCLAIMER

The following is an English translation of the Japanese original “Notice of the Fourth Ordinary General Meeting of Shareholders of NAMCO BANDAI Holdings Inc.” which is to be held on June 22, 2009.
The Company provides this translation for your reference and convenience only and does not guarantee its accuracy or otherwise. In the event of any discrepancies, the Japanese original notice shall prevail.

These documents have been prepared solely in accordance with Japanese law and are offered here for informational purposes only. In particular, please note that the financial statements included in the following translation have been prepared in accordance with Japanese GAAP.

Securities code: 7832
June 1, 2009

2-16-2 Konan, Minato-ku, Tokyo
NAMCO BANDAI Holdings Inc.
President and Representative Director
Shukuo Ishikawa

Dear Shareholders,

NOTICE OF THE FOURTH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the Fourth Ordinary General Meeting of Shareholders of NAMCO BANDAI Holdings Inc. ("the Company") to be held as set forth below.

If you are unable to attend the meeting in person, we ask you to please review the enclosed "Reference Documents for the General Meeting of Shareholders." and exercise your voting rights by either of the following methods by 5:30 p.m., Saturday, June 20, 2009.

Exercise of Voting Rights via Postal Mail:

Please indicate, on the enclosed Voting Rights Exercise Form, your approval or disapproval of each item on the agenda and return the completed form so that it arrives by 5:30 p.m., Saturday, June 20, 2009.

Exercise of Voting Rights via the Internet:

1) Please access the website designated by the Company for exercise of voting rights (http://www.evote.jp/) via the Internet. Using the log-in ID and temporary password shown on the enclosed Voting Rights Exercise Form, follow the on-screen instructions and enter your approval or disapproval of each item on the agenda and send them by 5:30 p.m., Saturday, June 20, 2009.

Institutional investors may make use of the Tokyo Stock Exchange's Electronic Voting Platform (commonly known as the TSE Platform).

2) If you exercise your voting rights more than once, via both postal mail and the Internet, then only the vote cast via the Internet shall be deemed valid.

In addition, if you cast your vote via the Internet multiple times, then only the last vote cast shall be deemed valid. If you cast your vote via the Internet using both a personal computer and a mobile phone, then only the last vote cast shall be deemed valid.

Meeting Details

1. **Date and Time:** June 22, 2009 (Monday) at 10:00 a.m.

2. **Place:** "Hiten," Grand Prince Hotel New Takanawa
3-13-1 Takanawa, Minato-ku, Tokyo

3. **Purpose of the Meeting**:

Matters to be Reported:

1. Report on the Contents of the Annual Business Reports, the Consolidated Financial Statements and the Results of the Auditing of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors for the Fourth Fiscal Year (from April 1, 2008 to March 31, 2009)
2. Report on the Contents of the Non-Consolidated Financial Statements for the Fourth Fiscal Year (from April 1, 2008 to March 31, 2009)

Matters to be Resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendment to the Articles of Incorporation
Proposal No. 3: Election of Nine (9) Directors

◎ If you attend the meeting in person, please hand in the enclosed Voting Rights Exercise Form at the reception desk at the place of the shareholders' meeting.
◎ If revisions to the contents of the Reference Documents for the General Meeting of Shareholders, the Business Reports, the Non-Consolidated Financial Statements and the Consolidated Financial Statements are required, the Company shall publish a notification on the Company website at the following URL:
(http://www.bandainamco.co.jp/ir/stock/meeting/index.html).
◎ When exercising your voting rights via the Internet, please see "Information on Exercise of Voting Rights via the Internet" on page four of this document. If you will attend the meeting in person, you do not need to follow the procedures for the exercise of voting rights via postal mail (sending the Voting Rights Exercise Form) or via the Internet.

End of Notice

[Information on Exercise of Voting Rights via the Internet]

1. The exercise of voting rights via the Internet is available only by gaining access to the Company's designated website for exercise of voting rights (http://www.evote.jp/) from a PC or a mobile phone (i-mode, EZweb or Yahoo! Mobile). However, please note that you cannot exercise your voting rights via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.
   * "i-mode," "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI Corporation, and Yahoo Inc. in the U.S., respectively.

2. Please note that you may not be able to exercise your voting rights via PC on the designated website for exercise of voting rights depending on the Internet settings configured on your PC, such as firewalls, etc. that are in place to regulate your Internet connections, anti-virus software that has been installed on your PC, or the use of a proxy server, etc.

3. When exercising voting rights via mobile phone, you must use one of the following services: i-mode, EZweb, or Yahoo! Mobile. For security reasons, you cannot vote using mobile handsets that cannot send encrypted information (SSL communications) or that cannot send information of the mobile phone used.

4. Please note that, in order to prevent unauthorized access to the designated website by individuals other than shareholders (persons impersonating shareholders) and to prevent the alteration of votes, we request that you change your "temporary password" to a permanent password on the designated website for exercise of voting rights, when you want to exercise your voting rights via the Internet.

5. All costs associated with accessing the website for exercise of voting rights (cost of dial-up connections, telephone tolls, etc.) are to be borne by the shareholder. Also, when voting via mobile phone, all packet communication fees and other costs incurred in the use of a mobile phone are also to be borne by the shareholder.

For further assistance regarding the system, please contact:
Transfer Agent Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 to 21:00 (Japan Time); toll free only within Japan)

(Attached Document)

BUSINESS REPORTS

(From April 1, 2008 to March 31, 2009)

1. Current Status of the Group

(1) Business Status for This Fiscal Year

(i) Business Progress and Results

Our economy in this fiscal year saw the disarray in the U.S. financial markets arising from the subprime loan issues which evolved into a global financial crisis, with reduced individual consumption worldwide and employment instability due to the rapid declining of the business performance developing into a social problem. In addition, reduced consumption had substantial impact on the entertainment industry, causing continued uncertainty in the industry as a whole.

In such environment, the BANDAI NAMCO Group (“the Group”) continued to push ahead with strengthening, enriching, and expanding its portfolio management in the third and final year of the three-year mid-term business plan implemented in April 2006.

On the business front, in this difficult market environment, boys’ toys based on popular characters in both Japan and abroad performed well in the Toys and Hobby Business. In the Game Contents Business, popular home video game software titles made a positive contribution to performance overseas. The decline in individual consumption, however, kept performance sluggish as a whole and below the levels of the previous fiscal year. On the expenses front, the Group recorded, among other things, amortization of goodwill resulting from Bandai Visual Co., Ltd. and Bandai Networks Co., Ltd. having been made wholly owned subsidiaries during the previous fiscal year, loss on valuation of investment securities, and impairment loss on amusement facilities.

Consequently, the Group’s consolidated results at fiscal year-end were net sales of 426,399 million yen (year-on-year decrease of 7.4%), operating income of 22,348 million yen (year-on-year decrease of 33.1%), recurring income of 24,513 million yen (year-on-year decrease of 32.3%), and net income of 11,830 million yen (year-on-year decrease of 63.8%).

(ii) Outline of Business by Business Segment

(Millions of yen)

Business Segment	Net Sales			Operating Income		
	Year Ended March 31, 2009	Year Ended March 31, 2008	Change	Year Ended March 31, 2009	Year Ended March 31, 2008	Change
Toys and Hobby	165,725	180,164	Decrease of 14,439	11,533	14,309	Decrease of 2,776
Amusement Facility	77,269	89,829	Decrease of 12,559	393	1,631	Decrease of 1,238
Game Contents	139,405	145,672	Decrease of 6,267	10,940	14,793	Decrease of 3,853
Network	10,890	12,044	Decrease of 1,153	669	904	Decrease of 235
Visual and Music Content	34,638	36,949	Decrease of 2,311	38	3,832	Decrease of 3,793
Other Businesses	19,009	19,809	Decrease of 800	565	753	Decrease of 188
Eliminations and Corporate	(20,538)	(23,997)	Increase of 3,459	(1,791)	(2,813)	Increase of 1,021
Consolidated	426,399	460,473	Decrease of 34,073	22,348	33,411	Decrease of 11,063

Toys and Hobby Business

In the Toys and Hobby Business, boys' toys based on the character, *Engine Sentai Go-onger*, posted strong performances in Japan. In addition, the card game *Battle Spirits*, newly launched in this fiscal year with tie-ups to a made-for-television animation, also became popular. Amidst the stagnation of individual consumption, however, candy toys, children's clothing and other peripheral toy categories were struggling.

Overseas, the *BEN10* character boys' toys made a positive contribution to performance in Europe and North America. Given the economic downturn, however, the results did not equal the strong performance of the previous fiscal year, when the *Tamagotchi* sold well.

As a result, net sales in the Toys and Hobby Business were 165,725 million yen (year-on-year decrease of 8.0%), and operating income was 11,533 million yen (year-on-year decrease of 19.4%).

Amusement Facility Business

In the difficult market environment, the Amusement Facility Business was sluggish, with domestic existing-facility sales at 86.7% of the figure for the previous fiscal year. In view of such environment, continued efforts were made to cut costs in order to improve profitability and about 20% of existing amusement facilities in Japan, a total of 63, were closed to increase efficiency.

Overseas, efforts in the United States were continuously focused on improving operational efficiency. In Europe, this business performed well, particularly in complex facilities in Great Britain. In Asia, *Wonder Park Plus*, a large-scale amusement facility in Hong Kong making use of Group synergies, became popular.

As a result, net sales in the Amusement Facility Business were 77,269 million yen (year-on-year decrease of 14.0%), and operating income was 393 million yen (year-on-year decrease of 75.9%).

Number of Facilities

Directly Managed Facilities	Revenue-Sharing Facilities	Theme Parks	Spa Facilities	Total
322	1,129	4	3	1,458

Game Contents Business

In the Game Contents Business, the worldwide launch of *Soul Caliber IV*, home video game software, for the PLAYSTATION 3 and the Xbox360, contributed strongly to business results. In Europe and North America, *Active Life Outdoor Challenge* (*Family Trainer Athletic World*, in Japan) and *WE SKI* (*Family Ski*, in Japan) for the Wii performed well. In Japan, the multi-platform developed *Gundam Musou 2* for the PLAYSTATION 3, the Xbox360 and the PlayStation 2 and *Taiko Drum Master* series for the Wii and the DS became popular. Minor titles, however, faced difficulties as a whole. Moreover, in preparation for the implementation of the mid-term business plan from April 2009, the valuation of work-in-process related to games under development was revisited and treated part of the costs as an expense.

With respect to arcade game machines, the large medal machine *Sea Story Lucky Marine Theater* gained popularity, but sales did not reach the performance levels of the previous fiscal year, which were strong particularly in repeat sales. Game contents for mobile phones and other mobile devices, however, performed robustly, thanks to the development of a wide variety of content to suit increasingly diverse user preferences.

As a result, net sales in the Game Contents Business were 139,405 million yen (year-on-year decrease of 4.3%), and operating income was 10,940 million yen (year-on-year decrease of 26.0%).

Network Business

In the Network Business, game contents tailored to suit a variety of user preferences in the mobile content sector, from high value-added content, such as *Dragon Ball Mobile* and *ONE PIECE Mobile Jack*, to casual games, such as the *Simple 100* series and *Zoo Keeper*, performed well. Further, customizable contents for mobile phones, particularly customizable *Mobile Suit Gundam* and *Hello Kitty* for standby displays, were popular, but the number of ringtone service subscribers continued to decline.

As a result, net sales in the Network Business were 10,890 million yen (year-on-year decrease of 9.6%). With amortization of goodwill, operating income was 669 million yen (year-on-year decrease of 26.0%).

Visual and Music Content Business

In the Visual and Music Content Business, the animated television series *Mobile Suit Gundam 00 (Double O)*, *Macross F (Frontier)*, and *CODE GEASS: Lelouch of the Rebellion R2*, released on Blu-ray Disc and DVD in Japan, were popular visual software packages. In this transition period for hardware, where there is a shift from DVD to Blu-ray Disc; however, overall performance was sluggish. Sales of music software packages, particularly those related to animation, performed strongly. Overseas, we accepted returning of merchandise in conjunction with a review of the business model for package sales in the United States.

As a result, net sales in the Visual and Music Content Business were 34,638 million yen (year-on-year decrease of 6.3%). With amortization of goodwill, operating income was 38 million yen (year-on-year decrease of 99.0%).

Other Businesses

Other Businesses consist of companies that conduct operations such as logistics support and building management to the Group's each strategic business unit. During this fiscal year, efforts were made to improve the efficiency of these operations related to group support.

As a result, net sales in the Other Business were 19,009 million yen (year-on-year decrease of 4.0%), and operating income was 565 million yen (year-on-year decrease of 25.0%).

(iii) Capital Expenditures

In this fiscal year, the Group carried out 14,658 million yen in capital expenditures; the funds were primarily used for investments in amusement facilities/machines and the manufacturing of molds due to development of new products.

On April 22, 2008, NAMCO BANDAI Games Inc., a subsidiary of the Company, sold the land, buildings and other relevant assets of Yokohama Mirai-Kenkyusho it owned in Yokohama City, Kanagawa (having a book value of 2,225 million yen) to SOTETSU REAL ESTATE Co., Ltd.

(iv) Fundraising

On March 31, 2009, the Company borrowed 10,000 million yen as funds for investment in Distribution Partners S.A.S. by NAMCO BANDAI Games Europe S.A.S., a subsidiary of the Company, and for the tender offer by NAMCO BANDAI Games Inc., a subsidiary of the Company, related to the purchase of shares of D3 INC.

(v) Transfers of Business, Absorption-Type Company Splits, or Incorporation-Type Company Splits

Not applicable.

(vi) Acquisitions of Other Companies' Businesses

Not applicable.

(vii) Successions of Rights or Duties Related to the Businesses of Other Legal Entities, etc. due to Absorption-Type Mergers or Absorption-Type Company Splits.

Not applicable.

(viii) Acquisitions and Disposals of Shares, Other Equities, and Stock Subscription Rights in Other Companies

On April 9, 2008, BANDAI (H.K.) CO., LTD., a subsidiary of the Company, invested in BANDAI (SHENZHEN) CO., LTD., and made it a subsidiary of BANDAI (H.K.) CO., LTD.

Through a tender offer over the period from February 13 to March 16, 2009, NAMCO BANDAI Games Inc., a subsidiary of the Company, acquired a majority of the issued shares of D3 INC. and made D3 INC., as well as its six consolidated subsidiaries, consolidated subsidiaries of the Company .

(2) Status of Assets and Profits & Losses for the Previous Three Fiscal Years

Fiscal Year / Classification	1st Fiscal Year (Year Ended March 31, 2006)	2nd Fiscal Year (Year Ended March 31, 2007)	3rd Fiscal Year (Year Ended March 31, 2008)	4th Fiscal Year (the Current Fiscal Year) (Year Ended March 31, 2009)
Net sales (Millions of yen)	450,829	459,132	460,473	426,399
Recurring income (Millions of yen)	37,122	45,615	36,198	24,513
Net income (Millions of yen)	14,149	24,252	32,679	11,830
Net income per share	¥54.39	¥95.73	¥128.65	¥47.95
Total assets (Millions of yen)	386,651	408,490	413,023	363,444
Net assets (Millions of yen)	243,607	284,254	289,944	260,579
Net assets per share	¥961.36	¥1,063.29	¥1,127.72	¥1,067.71

(Notes) 1. The Company’s first fiscal year is the period from September 29, 2005 to March 31, 2006; however, the first consolidated fiscal year is the period from April 1, 2005 to March 31, 2006.

2. From the second fiscal year, the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan (ASBJ) Statement No. 5, December 9, 2005) and the “Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, December 9, 2005) were applied.

(3) Important Parent Company and Subsidiaries

(i) Relationship with the Parent Company

Not applicable.

(ii) Important Subsidiaries

Name of Company	Capital	Ratio of Voting Rights	Description of Principal Business
Bandai Co., Ltd.	¥ 24,664 million	100.0%	Manufacturing and sales of toys and apparel, etc.
NAMCO LIMITED	¥ 10,000 million	100.0%	Management of amusement facilities, etc.
NAMCO BANDAI Games Inc.	¥ 15,000 million	100.0%	Planning, development and sales of home video game software and arcade game machines, etc.
Bandai Networks Co., Ltd.	¥ 1,113 million	100.0%	Distribution service of mobile content, etc.
Bandai Visual Co., Ltd.	¥ 2,182 million	100.0%	Planning, production and sales of visual software, etc.
NAMCO BANDAI Holdings (USA) Inc.	US$ 10	100.0%	Pure holding company in the U.S.
NAMCO Holdings UK LTD.	£ 24,500,000	100.0%	Pure holding company in some parts of Europe
BANDAI S.A.	€ 9,000,000	100.0%	Operating holding company in some parts of Europe. Import and sales of toys, etc.
BANDAI (H.K.) CO., LTD.	HK$ 103,000,000	100.0%	Operating holding company in Asian region. Import, manufacturing and sales of toys, etc.

(Note) Bandai Networks Co., Ltd. merged with and was absorbed by NAMCO BANDAI Games Inc. on April 1, 2009.

(4) Issues to Be Addressed

The Group and this industry must address many important, long-term issues, including (i) the increasing diversification of consumer needs, (ii) reacting to changes in the market and the environment, and (iii) increasingly intense competition on a global scale. To address these issues, the Group is using "Focus," a business strategy called for in its mid-term business plan, to clarify the mission of each of its business units. In particular, such strategy categorizes each business as a "business for dynamic growth" or a "business for profit improvement." The Group will make proactive up-front investments in "business for dynamic growth" and will implement measures to improve revenues in "business for profit improvement." At the same time, progress in implementing "Enhancing the Entertainment-hub," its functional strategy, will enable the Group to evolve its business model, which is its core strength, from a domestically focused to a global model.

(i) Common Issues Faced by All Strategic Business Units ("SBUs")

Efforts Toward Domestic Business Expansion

The Group will, in order to create new markets and attract new customer segments for the expansion of its domestic operations, maximize utilization of the managerial resources that it owns and expand its targets and categories through making effective use of synergies between its business units, alliances with external partners, and other approaches. In addition, in response to the changes in environment surrounding the entertainment industry, the Group will also engage in building new business models free from the constraints imposed by existing business practices and models.

Efforts Toward Overseas Business Expansion

The Group is examining ways to build the optimal business model and is strengthening its structure to further the expansion of its operations overseas. In addition, based on the strategy defined in our mid-term business plan, we are setting our sights on further growth through actively devoting managerial resources towards expansion of the Toys and Hobby Business and the Game Contents Business in the European and North American markets.

Efforts Toward Changing the Content Strategy

The Group is reinforcing its content creation, acquisition, development, and utilization functions in order to respond to changes in the environment, including the development of oligopolies in the distribution and media fields and the widespread penetration of networks. In addition, we are holding the Contents Business Strategy Meeting, a new body for conferring that cuts laterally across the Group to consider the synergy effects between the Group businesses and the optimal next-generation business models.

Efforts Toward Corporate Social Responsibility (CSR)

The Group's corporate philosophy is to continue to provide "Dreams, Fun and Inspiration" to people around the world, through entertainment based on creativity and boundless enthusiasm. To ensure that we can continue to provide "Dreams, Fun and Inspiration," we have formulated Groupwide CSR initiatives that include three types of responsibilities.

In accordance with these fundamental principles, a range of measures is being implemented by the Groupwide CSR Committee and its sub-committees—the Group Social Contribution Committee, the Group Environmental Committee, and the Group Compliance Committee—as well as by the Group Crisis Management Committee, the Group Information Security Committee, and the Internal Control Committee:

- Environmental and social contributive responsibilities (safety/quality, environmental conservation, cultural/social support activities)

  Safety/quality initiatives

  The Group follows industry standards and in-house standards corresponding to products and services, and the Group has built a system that facilitates the achievement of higher levels of safety and quality, so that customers can use our products with confidence.

  Environmental conservation initiatives

  The Group is aggressively implementing forward-looking environmental conservation measures to ensure that the Group can continue to provide "Dreams, Fun and Inspiration" to people around the world.

  Cultural/social support activities

  The Group is also active in areas outside the provision of products and services, such as museum operations and volunteer activities.

- Economic initiatives

  The Group is continually working to enhance management transparency and is working to provide maximum returns to society and stakeholders by selecting the optimal operational fields for Group development and focusing our management resources on those fields through monitoring the management plan and conditions of each Group company.

- Legal and ethical responsibilities (compliance)

  The Group has formulated basic compliance standards for Group companies, officers, and employees in Japan and overseas, and the Group conducts regular training as well as constant monitoring to ensure appropriate observance of legal and ethical standards.

(ii) Issues Specific to Each SBU

Toys and Hobby SBU

This unit's industry is facing issues such as "shrinking domestic market due to the falling birthrate" and "increasingly diverse consumer needs." It is addressing these issues by expanding its target population segment and creating new businesses, in addition to enhancing its toy business, a core business of this unit in Japan, as well as by working to reinforce its existing operations and expand its categories overseas, particularly in the European and North American markets. For speedy implementation of its plans, this unit will actively devote managerial resources, especially in Europe and North America, with an eye to actively building cooperative relationships with external partners.

Amusement Facility SBU

"Changes in business revenue structures," "increasingly diverse consumer needs," and "revision of consumption tax rate" are among the issues for this unit's industry. To address these issues, this unit is working to enhance profitability by closing unprofitable facilities and reviewing its standards for opening and closing facilities. It is also reinforcing its ability to target its marketing to each customer segment. In addition, the unit is making use of its know-how in character merchandizing, especially in its domestic operations, to drive the development of facilities and provision of services with the added value only the Group can offer.

Game Contents SBU

This unit's industry is facing issues such as "flattening of growth in the domestic market," "change in customer needs," and "soaring content development costs for higher performance platforms." To address these issues, this unit is enhancing its world-wide development and marketing structure for home video game software. It is also addressing the construction of flexible development systems, including the sharing of know-how and technologies among units, for its arcade game machine and mobile content businesses. These initiatives will enable the Game Contents SBU to exercise its great strength in its development capacity on a world-wide scale, as well as to develop a balanced number of titles across each platform and to respond swiftly to changing customer needs.
(Note) As of April 1, 2009, the Network SBU was integrated into the Game Contents SBU.

Visual and Music Content SBU

The issues for this unit include "change in the profit model in accord with increasingly high performance platforms" and "adapting to the Blu-ray Disc format." To address to these issues, the unit will work to improve ptofitability by implementing strategic resource allocation based on thorough content portfolio management, as well as maximize the Group's capacity to create content and the value of content, and reinforce cross-media strategies. The Visual and Music Content SBU is also formulating new business models in response to the changing environment.

We ask for our shareholders' further assistance and guidance.

(5) Description of the Principal Businesses

Business Segment	Description of Business
Toys and Hobby Business	Manufacturing and sales of toys, candy-toys, vending machine capsule products, cards, plastic models, apparel, sundries, stationery, etc.
Amusement Facility Business	Operation of amusement facilities and spa facilities, etc.
Game Contents Business	Planning, development and sales of home video game software consoles/arcade game machines, and prizes for amusement machines, etc.
Network Business	Distribution service in respect of mobile content, etc.
Visual and Music Content Business	Planning, production and sales of visual content and package software, on demand visual distribution, etc.
Other Businesses	Transportation and storage of products, leasing, management of real estate, printing, development and sales of environmental equipment, etc.

(6) Principal Business Offices of the Group

(i) The Company

Head Office	2-16-2 Konan, Minato-ku, Tokyo

(ii) Principal Subsidiaries

Bandai Co., Ltd.	Taito-ku, Tokyo
NAMCO LIMITED	Ota-ku, Tokyo
NAMCO BANDAI Games Inc.	Shinagawa-ku, Tokyo
Bandai Networks Co., Ltd.	Shinagawa-ku, Tokyo
Bandai Visual Co., Ltd.	Shinagawa-ku, Tokyo
NAMCO BANDAI Holdings (USA) Inc.	California, U.S.A.
NAMCO Holdings UK LTD.	London, U.K.
BANDAI S.A.	Cergy-Pontoise, France
BANDAI (H.K.) CO., LTD.	Central, Hong Kong

(Note) Bandai Networks Co., Ltd. merged with and was absorbed by NAMCO BANDAI Games Inc. on April 1, 2009.

(7) Outline of Employees

(i) Employees of the Group

Business Segment	Number of Employees		Change from the End of Previous Fiscal Year	
Toys and Hobby Business	1,951	(1,618)	Decrease of 54	(Decrease of 225)
Amusement Facility Business	1,307	(5,501)	Decrease of 290	(Decrease of 718)
Game Contents Business	2,753	(320)	Increase of 229	(Increase of 4)
Network Business	143	(46)	Increase of 11	(Increase of 8)
Visual and Music Content Business	284	(19)	Increase of 30	(Increase of 1)
Other Businesses	497	(302)	Increase of 101	(Increase of 5)
Corporate (Common)	241	(42)	Increase of 201	(Increase of 42)
Total	7,176	(7,848)	Increase of 228	(Decrease of 883)

(Notes) 1. The number of employees refers to the employees actually at work.
2. The numbers in parentheses listed for "Number of Employees" are the average numbers of temporary personnel employed for this fiscal year.
3. The number of employees listed for "Corporate (Common)" is the number of employees of administration sector, etc. of the Company and NAMCO BANDAI Holdings (USA) Inc.

(ii) Employees of the Company

Number of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Service
237	Increase of 202	38.0	11.5

(Notes) 1. The number of employees refers to the employees actually at work.
2. The calculation for average years of service includes the total years of service at their respective companies for employees who transferred from Bandai Co., Ltd. or NAMCO BANDAI Games Inc. to the Company.
3. Administrative Headquarter was instituted on April 1, 2008, to consolidate Group administrative tasks and to improve efficiency. As a result, it brought together employees from the administrative divisions of main companies in the Group, so the number of employees of the Company increased sharply.

(8) Principal Lender

Lenders	Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥10,355(million)
Sumitomo Mitsui Banking Corporation	¥6,404 (million)
Mizuho Corporate Bank, Ltd.	¥2,332 (million)
Mitsubishi UFJ Trust and Banking Corporation	¥1,666 (million)

(9) Other Important Matters of the Group

Not applicable.

2. Current Status of the Company

(1) Status of Share

(i) Total Number of Shares Issuable: 1,000,000,000 shares

(ii) Total Number of Issued Shares: 250,000,000 shares (decrease of 6,080,191 shares from the end of the previous fiscal year)

(Note) The decrease in the number of issued shares during this fiscal year resulted from the cancellation of treasury stocks as of August 18, 2008.

(iii) Number of Shareholders: 36,909

(increase of 1,088 from the end of the previous fiscal year)

(iv) Major Shareholders (Top 10 Shareholders)

Name of Shareholders	Investment in the Company	
	Number of Shares Held	Percentage of Voting Rights (%)
Northern Trust Company (AVFC) Sub-account American Client	16,291,350	6.75
Japan Trustee Services Bank, Ltd. (Trust account)	12,547,200	5.20
Japan Trustee Services Bank, Ltd. (Trust account 4G)	12,517,600	5.19
Masaya Nakamura	12,360,000	5.12
MAL Ltd.	12,010,100	4.97
The Master Trust Bank of Japan, Ltd. (Trust account)	11,243,200	4.66
Northern Trust Company (AVFC) Re U.S. Tax Exempted Pension Funds	9,371,700	3.88
Silchester International Investors International Value Equity Trust	8,208,300	3.40
Sanka Ltd.	6,708,000	2.78
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account)	4,586,100	1.90

(Notes) 1. Percentage of voting rights is calculated after reduction of treasury stocks (8,588,333 shares)

2. Out of the above number of shares held, the numbers of shares relating to the trust business are as follows:

Japan Trustee Services Bank, Ltd. (Trust account)	11,746,900 shares
Japan Trustee Services Bank, Ltd. (Trust account 4G)	12,517,600 shares
The Master Trust Bank of Japan, Ltd. (Trust account)	9,493,900 shares
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account)	4,586,100 shares

3. The 4,586,100 shares owned by The Nomura Trust and Banking Co., Ltd. ("Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account") were the shares of Bandai Co., Ltd. that were owned by UFJ Bank (now the Bank of Tokyo-Mitsubishi UFJ, Ltd.), entrusted for retirement and severance benefits. Those shares were exchanged with the Company's shares through the share transfer on September 29, 2005, and The Bank of Tokyo-Mitsubishi UFJ directs the exercise of the voting rights pertaining to those shares.

(2) Stock Subscription Rights, etc.

(i) Stock Subscription Rights Held by Company Directors and Corporate Auditors of the Company That Were Delivered as Consideration for the Execution of Their Duties

A. Stock Subscription Rights as per Resolutions Made at the 1st Ordinary General Meeting of Shareholders Held on June 26, 2006 and the Board of Directors' Meetings Held on June 28, 2006 and July 18, 2006.

a. Number of Stock Subscription Rights
   1,263 (100 shares per stock subscription right)

b. Number of Shares Underlying Stock Subscription Rights
   126,300 shares

c. Amount Paid for the Issuance of Stock Subscription Rights
   No requirement to make payment.

d. Value of the Property to Be Contributed at the Time of Exercising Stock Subscription Rights
   ¥100 per stock subscription right (¥1 per share)

e. Period during Which Stock Subscription Rights Can Be Exercised
   From July 10, 2009 to June 30, 2014

f. Conditions for Exercising Stock Subscription Rights
   - After stock subscription rights are allocated, if the Company's stock price growth rate up to the start of the period for exercising such rights does not exceed the TOPIX (Tokyo Stock Price Index) growth rate, then those stock subscription rights cannot be exercised. The Company's stock price growth rate shall be calculated as the average of the respective closing prices for common stocks of the Company on the Tokyo Stock Exchange on each of the days (except if there is no trading) within the three months prior to the month in which the starting date for the period for exercising the stock subscription rights falls divided by the average of the respective closing prices for common stocks of the Company on the Tokyo Stock Exchange on each of the days (except if there is no trading) within the three months prior to the month in which the allotment date falls. The TOPIX growth rate is calculated in the same way as the Company's stock price growth rate.
   - The stock subscription right holders may also exercise such rights even after they cease to be at their porsitions.
   - If a stock subscription right holder passes away, his or her heir (limited to one individual) shall exercise those rights.
   - No transfer, pledge or any other disposal of stock subscription rights is allowed.

g. Stock Subscription Rights Held by Directors and Corporate Auditors (As of March 31, 2009)

	Number of Stock Subscription Rights	Number of Shares Underlying Stock Subscription Rights	Number of Holders
Directors (excluding Outside Directors)	992	99,200	5
Outside Directors	—	—	—
Corporate Auditors	—	—	—

B. Stock Subscription Rights as per Resolutions Made at the 2nd Ordinary General Meeting of Shareholders Held on June 25, 2007 and the Board of Directors' Meetings Held on the Same Day and July 18, 2007.

a. Number of Stock Subscription Rights
926 (100 shares per stock subscription right)

b. Number of Shares Underlying Stock Subscription Rights
92,600 shares

c. Amount Paid for the Issuance of Stock Subscription Rights
No requirement to make payment.

d. Value of the Property to Be Contributed at the Time of Exercising Stock Subscription Rights
¥100 per stock subscription right (¥1 per share)

e. Period during Which Stock Subscription Rights Can Be Exercised
From July 10, 2010 to June 30, 2015

f. Conditions for Exercising Stock Subscription Rights

- After stock subscription rights are allocated, if the Company's stock price growth rate up to the start of the period for exercising such rights does not exceed the TOPIX (Tokyo Stock Price Index) growth rate, then those stock subscription rights cannot be exercised. The Company's stock price growth rate shall be calculated as the average of the respective closing prices for common stocks of the Company on the Tokyo Stock Exchange on each of the days (except if there is no trading) within the three months prior to the month in which the starting date for the period for exercising the stock subscription rights falls divided by the average of the respective closing prices for common stocks of the Company on the Tokyo Stock Exchange on each of the days (except if there is no trading) within the three months prior to the month in which the allotment date falls. The TOPIX growth rate is calculated in the same way as the Company's stock price growth rate.
- The stock subscription right holders may also exercise such rights even after they cease to be at their positions.
- If a stock subscription right holder passes away, his or her heir (limited to one individual) shall exercise those rights.
- No transfer, pledge or any other disposal of stock subscription rights is allowed.

g. Stock Subscription Rights Held by Directors and Corporate Auditors (As of March 31, 2009)

	Number of Stock Subscription Rights	Number of Shares Underlying Stock Subscription Rights	Number of Holders
Directors (excluding Outside Directors)	831	83,100	5
Outside Directors	—	—	—
Corporate Auditors	—	—	—

(ii) Stock Subscription Rights Delivered to Employees etc. as Consideration for the Execution of Their Duties in This Fiscal Year

Not applicable.

(For Reference)
Stock Subscription Rights Delivered to Employees, etc. prior to this Fiscal Years

Name of Issue	Second Issuance of Stock Subscription Rights	Third Issuance of Stock Subscription Rights	Fourth Issuance of Stock Subscription Rights	Additional Issuance for Second Issuance of Stock Subscription Rights
Date of resolution at General Meeting of Shareholders	June 26, 2006	June 26, 2006	June 26, 2006	June 25, 2007
Persons receiving rights; number of persons	Directors of subsidiaries of the Company; 14	Employees of the Company and its subsidiaries; 603	Employees of subsidiaries of the Company; 231	Directors of subsidiaries of the Company; 85
Type of stock; number of stock subscription rights (Note)	Common stock; 149,700 shares	Common stock; 1,838,000 shares	Common stock; 583,000 shares	Common stock; 268,100 shares
Date of acquisition	July 18, 2006	July 18, 2006	April 18, 2007	July 19, 2007
Value of the property to be contributed at the time of exercising stock subscription rights	1 yen per share	1,754 yen per share	1,895 yen per share	1 yen per share
Period during which stock subscription rights can be exercised	From July 10, 2009, to June 30, 2014	From July 10, 2008, to June 30, 2010	From April 1, 2009, to June 30, 2010	From July 10, 2010, to June 30, 2015

(Note) In the above, a number of stock subscription rights are stated as converted into a number of shares underlying stock subscription rights.

(3) Directors and Corporate Auditors of the Company

(i) Directors and Corporate Auditors

Title	Name	Responsible Area and Status of Representation of Other Legal Entities, etc.
President and Representative Director	Takeo Takasu	Chairman of The Japan Toy Association
Director	Jun Higashi	Responsible for the Strategic Business Units overall and the Affiliated Business Companies
Director	Shuji Ohtsu	Responsible for Overseas Operations and in charge of the Administrative Headquarter, the Corporate Legal Affairs Office and the Internal Auditing Division
Director	Yusuke Fukuda	In charge of the Corporate Planning Division
Director	Kazunori Ueno	Responsible for the Toys and Hobby SBU and is President and Representative Director of Bandai Co., Ltd.
Director	Masahiro Tachibana	Responsible for the Amusement Facility SBU and is President and Representative Director of NAMCO LIMITED
Director	Shukuo Ishikawa	Responsible for the Game Contents SBU and is President and Representative Director of NAMCO BANDAI Games Inc.
Director	Satoshi Oshita	Responsible for the Network SBU and is President and Representative Director of Bandai Networks Co., Ltd.
Director	Kazumi Kawashiro	Responsible for the Visual and Music Content SBU and is President and Representative Director of Bandai Visual Co., Ltd.
Director	Masatake Yone	Attorney-at-Law. Partner of Mori Hamada and Matsumoto Law Firm
Director	Kazuo Ichijo	Professor of the Graduate School of International Corporate Strategy (ICS), Hitotsubashi University
Full Time Corporate Auditor	Koichiro Honma	
Full Time Corporate Auditor	Katsutoshi Hirasawa	
Corporate Auditor	Osamu Sudo	Attorney-at-Law. Partner of Sudo and Takai Law Office
Corporate Auditor	Kouji Yanase	Attorney-at-Law. Partner of Marunouchi-Chuo Law Office

(Notes)
1. Director, Mr. Masatake Yone and Director, Mr. Kazuo Ichijo are Outside Directors.
2. Corporate Auditor, Mr. Osamu Sudo and Corporate Auditor, Mr. Kouji Yanase are Outside Corporate Auditors.
3. Full Time Corporate Auditor, Mr. Katsutoshi Hirasawa was engaged in financing and accounting activities at the Accounting Department of Bandai Co., Ltd., after he was employed at the Administration Department of Shizuoka Plant of Bandai Co., Ltd., where he was engaged in administration jobs such as accounting, general affairs and so on. Thus, Mr. Katsutoshi Hirasawa has a deep knowledge on financing and accounting.
4. Corporate Auditor, Mr. Osamu Sudo has considerable experience with bankruptcy issues as an attorney and has the deep knowledge of finance and accounting necessary to engage in such bankruptcy issues.
5. Director, Mr. Takeo Takasu assumed the position of Chairman and Representative Director of the Company as of April 1, 2009.

6. Director, Mr. Shukuo Ishikawa resigned from the position of Representative Director of NAMCO BANDAI Games Inc., as of March 31, 2009, and assumed the position of President and Representative Director of the Company as of April 1, 2009.
7. Director, Mr. Satoshi Oshita assumed the position of Managing Director of NAMCO BANDAI Games Inc., in conjunction with the Bandai Networks Co., Ltd., merging with and absorbed by NAMCO BANDAI Games Inc. on April 1, 2009.

(ii) Directors and Corporate Auditors who Resigned or Were Dismissed During This Fiscal Year

Not applicable.

(iii) Total Amount of Remuneration etc. Paid to Directors and Corporate Auditors

	Number of People	Amount Paid
Directors (Outside Directors)	7 (2)	¥221 million (¥31 million)
Corporate Auditors (Outside Corporate Auditors)	4 (2)	¥65 million (¥21 million)
Total (Outside Directors and Outside Corporate Auditors)	11 (4)	¥286 million (¥52 million)

(Notes) 1. There are no employees serving as Directors.
2. At the 1st Ordinary General Meeting of Shareholders held on June 26, 2006, the remuneration limit for Directors was set at ¥700 million per fiscal year, of which ¥350 million was set as the limit for base remuneration and the remaining ¥350 million was set as the limit for cash bonus.
3. At the Ordinary General Meetings of Shareholders for Bandai Co., Ltd. and NAMCO LIMITED (currently NAMCO BANDAI Games Inc.) held on June 23, 2005 and on June 25, 2005 respectively, it was resolved that the total amount of remuneration for Corporate Auditors shall be no more than ¥8 million per month.
4. The total amount of remuneration, etc. stated above includes the following:
・Directors' bonus reserve for the current fiscal year 4 Directors ¥23 million
(Excluding Outside Directors and Part-time Directors)

(iv) Matters Concerning Outside Directors and Outside Corporate Auditors

A. Concurrent Posts with Other Companies (When Serving as an Operating Officer for Such Company) and Relationships Between the Company and Such Other Companies

Not applicable

B. Concurrent Posts As Outside Directors or Outside Corporate Auditors of Other Companies

- Director Masatake Yone is an Outside Director of GCA Savvian Corporation and an Outside Corporate Auditor of THK CO., LTD.
- Director Kazuo Ichijo is an Outside Director of Shimano, Inc. and an Outside Corporate Auditor of Information Services International Dentsu, Ltd.
- Corporate Auditor Osamu Sudo is an Outside Corporate Auditor of NAMCO LIMITED.

(Note) Osamu Sudo resigned from his position as an Outside Corporate Auditor of NAMCO LIMITED as of March 31, 2009.

C. Main Activities in This Fiscal Year

• Status of Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings

	Board of Directors Meetings (held 20 times)		Board of Corporate Auditors Meetings (held 11 times)	
	The Number of Meetings Attended	Attendance Rate	The Number of Meetings Attended	Attendance Rate
Director Masatake Yone	17	85.0%	—	—
Director Kazuo Ichijo	17	85.0%	—	—
Corporate Auditor Osamu Sudo	16	80.0%	10	90.9%
Corporate Auditor Kouji Yanase	19	95.0%	11	100.0%

• Statements Made at Board of Directors Meetings and Board of Corporate Auditors Meetings

Director Masatake Yone provides advice and proposals by giving opinions, etc. primarily from his position as an attorney to ensure the appropriateness and validity of decisions of the Board of Directors.

Director Kazuo Ichijo provides advice and proposals by giving opinions, etc. primarily from his position as a graduate school professor specializing in organizational theory to ensure the appropriateness and validity of decisions of the Board of Directors.

Corporate Auditor Osamu Sudo provides advice and proposals by giving opinions, etc. primarily from his position as an attorney to ensure the appropriateness and validity of decisions of the Board of Directors and the Board of Corporate Auditors.

Corporate Auditor Kouji Yanase provides advice and proposals by giving opinions, etc. primarily from his position as an attorney to ensure the appropriateness and validity of decisions of the Board of Directors and the Board of Corporate Auditors.

D. Summary of Contracts Concerning Limited Liability

Not applicable.

E. Total Amount of Remuneration etc. Paid to Directors and Corporate Auditors by the Parent Company or a Subsidiary

In the current fiscal year, one Outside Corporate Auditor received a total of seven million yen as remuneration paid to Directors, etc., by a subsidiary of the Company.

(4) Accounting Auditors

(i) Name: KPMG AZSA & Co.

(ii) Amount of Remuneration, etc.

	Amount Paid
Amount of Remuneration, etc. for Accounting Auditors for This Fiscal Year	¥79 million
Total in Money and Other Financial Benefits to Be Paid by the Company and Its Subsidiaries to Accounting Auditors	¥259 million

(Notes) 1. NAMCO Holdings UK LTD., BANDAI S.A., and BANDAI (H.K.) CO., LTD., each of which is one of the major subsidiaries of the Company, are audited by an audit corporation other than the Company's Accounting Auditor.

2. Under the audit agreement between the Company and its Accounting Auditors, there is no clear distinction between the total amount of remuneration, etc. for audits under the Companies Act and that under the Financial Instruments and Exchange Act; furthermore, it is practically impossible to make such distinction. Therefore, the amount of remuneration, etc. for this fiscal year described above is the total amount of remuneration, etc. for these audits.

(iii) Non-Auditing Operations

Not applicable.

(iv) Policy on Removal or Non-Renewal of an Accounting Auditor

In the event that an Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, in principal, the Board of Corporate Auditors will remove such Accounting Auditor with the unanimous approval of the Corporate Auditors.

Additionally, in the event that the Board of Corporate Auditors judges that an Accounting Auditor's behavior caused a material impediment to the audit operations of the Company, it will request the Board of Directors to present a proposal for the removal or non-renewal of such Accounting Auditor at a General Meeting of Shareholders, as prescribed in Article 344, Paragraph 2 of the Companies Act - even if such Accounting Auditor does not fall under any of the items of Article 340, Paragraph 1 of the Companies Act.

Under these circumstances, the Board of Directors will be responsible for proposing such agendum to the General Meeting of Shareholders. Moreover, if the Board of Directors finds it necessary because of an impediment to the execution of the duties of the Accounting Auditor, etc., it will, having received the approval of the Board of Corporate Auditors, present the proposal for removal or non-renewal of such Accounting Auditor at a General Meeting of Shareholders, as prescribed in Article 344, Paragraph 1 of the Companies Act.

(v) Summary of Contracts Concerning Limited Liability

Not applicable.

(5) Systems for Ensuring the Properness of Operations

The following outlines decisions regarding systems to ensure that the execution of the duties by Directors complies with the laws and regulations and the Articles of Incorporation and other systems to ensure the properness of the Company's operations.

(i) Systems to Ensure that the Execution of the Duties by Directors Is in Compliance with the Laws and Regulations and the Articles of Incorporation.

A. The Group has established the Group's corporate philosophy, the Group Compliance Charter and the BANDAI NAMCO Group Rules for Executives so that the Directors of the Group companies shall always exercise care in carrying out their duties fairly and in accordance with the law. The president of each Group company has submitted declarations of intent to comply with the Group Compliance Charter.

B. The Group has established regulations concerning compliance as a part of Group management. The Group as a whole has a system to ensure that compliance with laws and regulations, respect for ethical principles and compliance with company regulations are implemented appropriately.

C. The relevant Director is put in charge of compliance and is responsible for supervision of compliance overall. Should violations of compliance or suspicions thereof occur within the Group, the Compliance Committee is convened immediately to discuss and decide how the issue should be handled.

D. Along with the establishment of the compliance regulations, the Company has put in place the Corporate Auditors hotline by means of which, in case of violations of laws or regulations or suspicions thereof, such effect can be reported directly to the Corporate Auditors.

(ii) Systems for Preserving and Managing Information Related to Directors' Execution of Their Duties

A. The Company has established regulations concerning information security as a part of Group management. These regulations provide for a system to ensure appropriate safekeeping and preservation of information.

B. The Company has established regulations concerning document management and ensures (i) the centralized collection and management of minutes of several kinds of meetings, contracts and other documents, and (ii) appropriate safekeeping and managing approval documents and other important documents in each department. The Company has a system to ensure that Directors may peruse those documents at any time.

(iii) Regulations Concerning Management for Risk of Loss and Other Systems

A. The Company has established regulations concerning risk management and compliance as a part of Group management. Throughout the Group, we are working to prevent risk and to discover factors creating risk as rapidly as possible, and aiming to minimize the impact of risk on our business by responding to risk quickly and in an appropriate manner when risk arises.

B. The Company has put a group emergency contact network in place and ensured that should information concerning risk, including violations of laws and regulations, develop, it is reported immediately to the Company's President and Representative Director and a meeting of the Group Crisis Management Committee is held to discuss and decide the Group's response to such risk.

(iv) Systems to Ensure that Directors Execute their Duties Efficiently

A. To promote greater efficiency in the Group business operations, subsidiaries are segmented with separate SBUs for each category. Mid-term business plan and annual budgets are determined for each SBU and the Group as a whole, and each Director in charge of each SBU is responsible for the efficient execution of such SBU businesses.

B. The Company has established several meetings including the Group Strategy Meeting and *Waigaya* (Weekly Meeting) at which full-time Directors and important employees exchange their opinions, ensuring the system for reporting inside the Group and decision making. In addition, the Company has established performance management regulations, organizational regulations, regulations concerning division of duty, regulations concerning operating authority, and regulations concerning managerial decisions, etc., which define the scope of authority and responsibility of each Director and design a system to ensure efficient execution of their respective work duties.

C. The Group has revised the roles of its overseas holding companies that control relevant regions to create a system that ensures that each SBU carries out its operations efficiently.

(v) Systems to Ensure that Employees Execute their Duties in Compliance with the Laws and Regulations and the Articles of Incorporation

A. The Group has established the Group's corporate philosophy and the Group Compliance Charter as the foundations of its compliance system, so that employees shall always exercise care in carrying out their duties fairly and in accordance with the law.

B. The Company has established organizational regulations, regulations concerning division of duty, regulations concerning operating authority, and regulations concerning managerial decisions, etc., which clarify the responsibilities and authority of employees.

C. An Internal Auditing Division has been established independently of the executive sections to work towards the properness of execution of operations through internal audits, and the Compliance Committee has been established to serve as the overall compliance body, putting in place a system such that, should violations of laws or regulations or suspicions thereof occur, the Compliance Committee will immediately discuss and decide how the issue should be handled.

D. Along with the establishment of the compliance regulations, the Company has put in place the Corporate Auditors hotline by means of which, in case of violations of laws or regulations or suspicions thereof, such effect can be reported directly to the Corporate Auditors.

(vi) Systems to Ensure Proper Business Behavior by the Group

A. The Group has established the Group Compliance Charter with which all officers and employees of the Group shall comply while conducting business. The president of each group company has submitted declarations of intent to comply with the Group Compliance Charter. Moreover, to ensure thorough knowledge of the Group Compliance Charter throughout the Group, a guidebook, the Compliance Book, has been issued and distributed to all officers and employees in the Group, and training on compliance is being carried out by, for example, the Group's training system using its internal network.

B. The Group management regulations including, among other regulations, regulations concerning compliance, risk management, performance management and information security management have been established to ensure proper performance of business responsibilities throughout the Group.

C. To promote greater efficiency in Group operations, group businesses are segmented with separate SBUs for each category. The Company has put in place a system primarily headed by the Director in charge of each SBU, to ensure close communication, including appropriate guidance and advice, etc. as necessary, to each Group company.

D. A project is underway to make the Group's internal controls function more effectively, with the primary focus on greater effectiveness and efficiency in operations, reliability in financial reporting and compliance with related laws and regulations.

(vii) Matters Concerning the Systems Related to Employees who Assist the Corporate Auditors and those Employees' Independence from the Directors:

A. The Board of Corporate Auditors' regulations specify in writing and the Board of Directors has adopted a resolution to the effect that the Corporate Auditors may request a Representative Director to assign employees to assist the Corporate Auditors in carrying out their duties and that, to ensure those employees' independence from the Board of Directors, the Directors and the Corporate Auditors are given an opportunity to confer on personnel matters concerning those employees in advance.

(viii) Systems for Reports to the Corporate Auditors, Including Reports to the Corporate Auditors Made by Directors and Other Employees

A. Directors and other employees must promptly report to the Board of Corporate Auditors any matters prescribed by the laws and regulations, matters likely to have a major impact on the Company and the Group, and matters related to the current status of internal audits and compliance.

B. Along with the establishment of the compliance regulations, the Company has put in place the Corporate Auditors hotline by means of which, in case of violations of laws or regulations or suspicions thereof, such effect can be reported directly to the Corporate Auditors.

C. Directors make regular reports to the Board of Directors on the current state of construction and operations of internal control systems.

D. Besides meetings of the Board of Directors, Corporate Auditors also participate in important meetings including Group Strategy Meeting and meetings of the Boards of Directors of principal subsidiary companies, and have regular meetings with Directors and important employees to confirm the current state of affairs of the Company, receive reports, exchange opinions, and so on.

(ix) Systems to Ensure the Effectiveness of Audits Conducted by the Corporate Auditors

A. Besides (i) establishment of the Board of Corporate Auditors' regulations, audit standards for Corporate Auditors, standards for audits of internal control systems and audit plans, and (ii) allocation of duties of Corporate Auditors, Corporate Auditors ensure efficient audits by regularly meeting with Directors and important employees, auditing important documents, and communicating with the Internal Auditing Division and

Accounting Auditors.

B. Besides participating in meetings of the Board of Directors, Corporate Auditors also participate in important meetings including the Group Strategy Committee and meetings of the Boards of Directors of principal subsidiary companies, with the aim of strengthening audits of the subsidiaries.

C. The Group Board of Corporate Auditors, which consists of full-time Corporate Auditors, holds workshops aimed at improving the quality of audits to provide information about audit policies and other relevant matters, confirm the current status of audits, receive reports and discuss. In addition, it provides training in audit procedures for employees who also serve as part-time Corporate Auditors, with the aim of improving the effectiveness of audits for the Group as a whole.

(6) Basic Policy Concerning Control of the Company

(i) Content of Basic Policy

<u>The Group Value</u>

Guided by our vision of becoming "The Leading Innovator in Global Entertainment," the Group mission is to offer "Dreams, Fun and Inspiration" to people around the world.

Emerging victoriously in the global competition of the fast-changing world of entertainment requires not only construction of a solid management foundation but also the creation of entertainment constantly predicting the changes of times and environments. Such creation is closely linked to raising the value of the Company.

Therefore, in determining what and how a person or entity controlling decisions on the financial and business policies should be, the Company should take the enhancement of the corporate value into account.

<u>What and How a Person or Entity Controlling Decisions on the Financial and Business Policies Should Be</u>

We believe that a person or entity controlling decisions on the financial and business policies should be the one who sufficiently understands the importance of our managerial vision and mission of the Group mentioned above, the managing resources, such as content that supports the accomplishment of that vision and mission, and the importance of various stakeholders related to the Company, and who maximizes the mid-to-long term corporate value and shareholders’ common interest.

Therefore, we believe that in the event that any person or entity that attempts to acquire large quantities of the Company's shares falls under any of the followings and would harm the Company’s corporate value for such reason, such person or entity is inappropriate to control the decisions of the Company’s financial and business policies.

・ Any person or entity who could clearly harm the Company’s corporate value
・ Any person or entity who forces shareholders to sell their shares in a hurry by creating a disadvantageous situation if they do not accept a takeover proposal, or
・ Any person or entity that does not provide the Company with the information or the time required for making decisions.

(ii) Details of Engagement

Board of Directors of the Company, to whom the shareholders entrusted the management, is engaged in the following efforts to implement the Group’s basic policy.

Steps to Increase the Company's Corporate Value

・Promoting the Mid-term Business Plan

The three-year mid-term business plan that went into effect on April 1, 2009, promotes two strategies, "Focus," the business strategy, and "Enhancing the Entertainment-hub," the functional strategy, to lay the foundation for global growth.

Under "Focus," the business strategy, the Group clarifies the mission of each of the business units on the basis of market environment and competitive superiority, then categorizing each as (i) a "business for dynamic growth" in which the Group will actively invest and (ii) a "business for profit improvement" for which the Group implement measures to improve revenues. In particular, the Group defines the "Toys and Hobby Business" and the "Game Contents Business" as "businesses for dynamic growth" in which the Group will carry out aggressive forward-looking investments to expand the business, particularly in the European and North American markets. The Group defines the "Visual and Music Content Business" and the "Amusement Facility Business" as "businesses for profit improvement", for which the Group will implement measures to improve revenues, with an emphasis on the domestic market.

The functional strategy, "Enhancing the Entertainment-hub," is directed at further strengthening a series of functions such as creation and acquisition, development and utilization of contents by adding synergies among the Group as well as between the Group and external partner companies. The mid-term business plan calls for developing that approach, which thus far has largely been implemented domestically, into a global model.

・Promoting Efficient Management

The Group has been actively promoting efficient management.

On the business front, business operations have been restructured and consolidated into four strategic business units (SBUs), for efficient group management. In this fiscal year, to accelerate that process, the game business of the Banprest Co., Ltd., was integrated into NAMCO BANDAI Games Inc., Bandai Visual Co., Ltd., merged with and absorbed ANIME CHANNEL CO. LTD., and, as of April 1, 2009, NAMCO BANDAI Games Inc., merged with and absorbed Bandai Networks Co., Ltd. These steps were taken to concentrate businesses and functions within the Group.

On the financial front, a basic policy for efficient use of funds has been decided. In concrete terms, with regard to reserve funds after deducting working capital and outlays for forward capital investments related to operations, the Company will consider purchase of treasury stock for return to shareholders and other purposes, after accounting for an overall assessment of expected earnings for the current and next fiscal year as well as capital investment items, etc.

・Proactive IR Activities

Our Group discloses information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and rules prescribed by the Tokyo Stock Exchange. We aim to be a highly transparent corporation that clearly provides shareholders with information concerning management strategies and business directions. We thus work to provide ample opportunities, for instance, company information and financial information meetings for the president and other executives of the Company to explain directly to both foreign and Japanese individual investors, institutional investors and stock analysts, etc.

・Proactive Policy for the Return of Profits to Shareholders

The Company places the return of profits to shareholders as one of its highest management priorities. The Company assumes that its basic policy is to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company’s corporate value. In concrete terms, the Company's basic policy is to provide a return to shareholders that targets at a payout ratio of 30% in accordance with consolidated operational results, based on stable annual dividend payments of ¥24 per share.

In addition, the Company, after deducting an amount equivalent to a 30% dividend payout ratio from the consolidated net income for the period, attributes a portion of the remaining balance to the acquisition of its own shares, with comprehensive consideration of aspects such as the amount of cash held, its operating performance, its recent share price trend, and existence of its plan for large-scale investments.

Takeover Defenses

At present, the Company has taken no specific measures as takeover defenses; we regard implementing our management and business strategies in accordance with the measures to increase the corporate value and aiming to increase the corporate value of the Group as a whole as a substantial defense against inappropriate takeovers.

That said, since we are entrusted by shareholders as the management of the Group, we will study and develop a system of takeover defenses in anticipation of situations in which an inappropriate entity or person might emerge to become a decision-making authority over the Company’s financial and business policies.

In concrete terms, in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will construct a system that enables the Company to judge from the perspective of improving corporate value first. The Company will continue to study takeover defenses by utilizing stock subscription rights, etc. with a close eye on legal and social trends.

(Note) In this Business Report, fractional amounts less than the indicated unit amount are rounded down for sums of money and numbers of shares, while percentages and other values are rounded off to the nearest figure.

Consolidated Balance Sheet
(As of March 31, 2009)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	106,747
Trade receivables	62,518
Short-term investments	4,426
Merchandise and finished goods	11,642
Work in process	21,653
Raw materials and supplies	4,354
Deferred tax assets	6,145
Other current assets	19,044
Allowance for doubtful receivables	(446)
Total current assets	**236,085**
Fixed assets	
Property, plant and equipment	
Buildings and structures	10,655
Amusement facilities and machines	19,094
Land	11,782
Other property, plant and equipment	10,459
Total property, plant and equipment	51,991
Intangible assets	
Goodwill	12,054
Other intangible assets	10,230
Total intangible assets	22,285
Investments and other assets	
Investment securities	24,949
Guarantee money deposited	18,012
Deferred tax assets	7,124
Other investments and assets	4,248
Allowance for doubtful receivables	(1,254)
Total investments and other assets	53,081
Total fixed assets	**127,359**
TOTAL ASSETS	**363,444**

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Trade payables	36,760
Short-term borrowings	8,857
Accounts payable-other	18,437
Accrued income taxes	6,374
Provision for directors' bonus	635
Provision for losses from business restructuring	154
Provision for sales return	911
Other current liabilities	12,171
Total current liabilities	**84,303**
Long-term liabilities	
Long-term debt	11,990
Deferred tax liabilities, land revaluation	481
Accrued retirement and severance benefits	1,906
Accrued directors' and corporate auditors' retirement and severance benefits	46
Other long-term liabilities	4,136
Total long-term liabilities	**18,561**
TOTAL LIABILITIES	**102,865**

NET ASSETS	
Stockholders' equity	
Common stock	10,000
Additional paid-in capital	79,887
Retained earnings	199,453
Treasury stock	(9,624)
Total stockholders' equity	**279,717**
Valuation difference and translation adjustments	
Other securities valuation difference	(1,911)
Deferred gains or losses on hedges, net of taxes	(105)
Land revaluation	(6,299)
Translation adjustments	(13,755)
Total valuation difference and translation adjustments	**(22,071)**
Stock subscription rights	**1,468**
Minority interests	**1,465**
TOTAL NET ASSETS	**260,579**
TOTAL LIABILITIES AND NET ASSETS	**363,444**

Consolidated Statement of Income
(April 1, 2008 through March 31, 2009)

		(Millions of yen)
	Amount	
Net sales		426,399
Cost of sales		280,376
Gross profit		146,023
Selling, general and administrative expenses		123,674
Operating income		22,348
Non-operating income		3,309
Interest income	1,707	
Dividend income	331	
Equity in gain of affiliated companies	360	
Other non-operating income	909	
Non-operating expenses		1,144
Interest expense	246	
Foreign exchange loss	744	
Other non-operating expenses	153	
Recurring income		24,513
Extraordinary income		2,321
Gain on sales of fixed assets	1,635	
Reversal of allowance for doubtful receivables	47	
Reversal of provision for losses from business restructuring	338	
Gain on reversal of stock subscription rights	188	
Other extraordinary income	110	
Extraordinary loss		5,708
Loss on sales of fixed assets	45	
Loss on disposal of fixed assets	256	
Loss on impairment of fixed assets	953	
Loss on valuation of investment securities	997	
Provision for allowance of doubtful receivables	642	
Special retirement expenses	647	
Litigation settlement	1,061	
Other extraordinary loss	1,103	
Income before income taxes and minority interests		21,125
Corporate income, inhabitant and enterprise taxes	9,843	
Income taxes for the previous period	1,173	
Deferred income taxes	(1,956)	9,059
Minority interests		235
Net income		11,830

Consolidated Statement of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

	(Millions of yen)
Stockholders' equity	
Common stock	
Balance as of March 31, 2008	10,000
Changes during the period	
Total changes during the period	—
Balance as of March 31, 2009	10,000
Additional paid-in capital	
Balance as of March 31, 2008	87,945
Changes during the period	
Purchase of treasury stock from consolidated subsidiaries	278
Retirement of treasury stock	(8,336)
Total changes during the period	(8,058)
Balance as of March 31, 2009	79,887
Retained earnings	
Balance as of March 31, 2008	192,865
Effect of changes in accounting policies applied to foreign subsidiaries	(66)
Changes during the period	
Cash dividends	(6,009)
Net income	11,830
Changes in the scope of consolidation	818
Reversal of land revaluation	15
Total changes during the period	6,654
Balance as of March 31, 2009	199,453
Treasury stock	
Balance as of March 31, 2008	(2,840)
Changes during the period	
Purchase of treasury stock	(15,119)
Disposal of treasury stock	1
Retirement of treasury stock	8,336
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied	(2)
Total changes during the period	(6,784)
Balance as of March 31, 2009	(9,624)

Consolidated Statement of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

	(Millions of yen)
Total stockholders' equity	
Balance as of March 31, 2008	287,971
Effect of changes in accounting policies applied to foreign subsidiaries	(66)
Changes during the period	
Cash dividends	(6,009)
Net income	11,830
Purchase of treasury stock	(15,119)
Purchase of treasury stock from consolidated subsidiaries	278
Disposal of treasury stock	1
Retirement of treasury stock	—
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied	(2)
Changes in the scope of consolidation	818
Reversal of land revaluation	15
Total changes during the period	(8,188)
Balance as of March 31, 2009	279,717
Valuation difference and translation adjustments	
Other securities valuation difference	
Balance as of March 31, 2008	192
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(2,103)
Total changes during the period	(2,103)
Balance as of March 31, 2009	(1,911)
Deferred gains or losses on hedges	
Balance as of March 31, 2008	(112)
Changes during the period	
Net changes in the period other than changes in stockholders' equity	7
Total changes during the period	7
Balance as of March 31, 2009	(105)
Land revaluation	
Balance as of March 31, 2008	(6,284)
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(15)
Total changes during the period	(15)
Balance as of March 31, 2009	(6,299)
Translation adjustments	
Balance as of March 31, 2008	5,028
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(18,784)
Total changes during the period	(18,784)
Balance as of March 31, 2009	(13,755)

Consolidated Statement of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

	(Millions of yen)
Total valuation difference and translation adjustments	
Balance as of March 31, 2008	(1,175)
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(20,896)
Total changes during the period	(20,896)
Balance as of March 31, 2009	(22,071)
Stock subscription rights	
Balance as of March 31, 2008	1,531
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(63)
Total changes during the period	(63)
Balance as of March 31, 2009	1,468
Minority interests	
Balance as of March 31, 2008	1,616
Changes during the period	
Net changes in the period other than changes in stockholders' equity	(150)
Total changes during the period	(150)
Balance as of March 31, 2009	1,465
Total net assets	
Balance as of March 31, 2008	289,944
Effect of changes in accounting policies applied to foreign subsidiaries	(66)
Changes during the period	
Cash dividends	(6,009)
Net income	11,830
Purchase of treasury stock	(15,119)
Purchase of treasury stock from consolidated subsidiaries	278
Disposal of treasury stock	1
Retirement of treasury stock	—
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied	(2)
Changes in the scope of consolidation	818
Reversal of land revaluation	15
Net changes in the period other than changes in stockholders' equity	(21,110)
Total changes during the period	(29,298)
Balance as of March 31, 2009	260,579

Notes to Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down

I. Important Information Constituting the Basis for Preparation of Consolidated Financial Statements

1. Information Concerning the Scope of Consolidation

(1) Status of Consolidated Subsidiaries:

(i) Total Number of Consolidated Subsidiaries:

63 companies

(ii) Names of Principal Consolidated Subsidiaries:

Bandai Co., Ltd., NAMCO LIMITED, NAMCO BANDAI Games Inc., Bandai Networks Co., Ltd., Bandai Visual Co., Ltd., BANDAI LOGIPAL INC., NAMCO BANDAI Holdings (USA) Inc., BANDAI S.A., NAMCO Holdings UK LTD. and BANDAI (H.K.) CO., LTD.

Since BEEZ ENTERTAINMENT S.A.S. and SUNRISE Music Publishing Co., Ltd., gained in importance and BANDAI (SHENZHEN) CO., LTD., was newly incorporated, those companies were added to the scope of consolidation from this consolidated fiscal year.

XS ENTERTAINMENT INC. and BANDAI VISUAL USA INC. were liquidated and thus were excluded from the scope of consolidation.

Also, new Banpresto Co., Ltd., was newly incorporated as a result of an incorporation-type company split of Banpresto Co., Ltd., and was added to the scope of consolidation. Banpresto Co., Ltd., was merged with by NAMCO BANDAI Games Inc. due to an absorption-type merger, and thus was excluded from the scope of consolidation.

A tender offer having been carried out by NAMCO BANDAI Games Inc. for D3 INC. and its consolidated subsidiaries, D3PUBLISHER INC., Entertainment Software Publishing Inc., D3Publisher of America, Inc., D3Publisher of Europe Ltd., D3DB S.r.l., and Vicious Cycle Software, Inc., those companies were added to the scope of consolidation.

(2) Status of Non-consolidated Subsidiaries:

(i) Names of the Principal Non-consolidated Subsidiaries:

SHANGHAI NAMCO LTD. and BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason for Exclusion from the Scope of Consolidation:

As the scale of the business conducted by each of the non-consolidated subsidiaries is small, the total assets, net sales, net income or loss and retained earnings, etc. corresponding to the ownership held by the Company of each non-consolidated subsidiary have no material impact on the consolidated financial statements.

2. Information Concerning Application of the Equity Method

(1) Status of Non-consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied:

(i) Number of Non-consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied: 7 companies

(ii) Names of the Principal Non-consolidated Subsidiary and Affiliated Companies to Which the Equity Method Was Applied:

Non-consolidated subsidiary: SHANGHAI NAMCO LTD.

Affiliated companies: Happinet Corporation, Sotsu Co., Ltd. and People Co., Ltd.

In addition, with the sale of shares in Sunlink Co., Ltd. to Happinet Corporation, Sunlink Co., Ltd. was excluded from the scope of application of the equity method for this consolidated fiscal year.

Furthermore, with the investment in Distribution Partners S.A.S. and the acquisition of shares in Sun-Star Stationery Co., Ltd., in connection with that company's split, those companies were treated as companies to which the equity method is applied.

(2) Status of Non-consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Not Applied:

(i) Name of the Principal Non-consolidated Subsidiary or Affiliated Company

BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason the Equity Method Was Not Applied to the Company:

The equity method was not applied to this company, because it was deemed that the exclusion of the company from the application of the equity method would have little, and no material, impact on the consolidated financial statements of the Company and it seemed unimportant in consideration of the company's net income or loss and retained earnings, etc. corresponding to the ownership held by the Company.

3. Information Concerning the Fiscal Year, etc. for Consolidated Subsidiaries

NAMCO BANDAI Holdings (USA) Inc. and some other consolidated subsidiaries (21 domestic and 25 overseas subsidiaries) have the last day of December, January, or February as closing date.

In addition, Bandai Visual Co., Ltd. and NAMCO BANDAI Business Services Inc. changed their respective closing dates from the last day of February to March 31 and thus had a 13-month fiscal year.

In the preparation of the consolidated financial statements, the financial statements of each company for the relevant fiscal year were used, and necessary adjustments for consolidation purposes were made in the case of material transactions conducted prior to the last day of the consolidated fiscal year for the consolidated financial statements of the Company.

4. Information Concerning the Basis for Accounting Treatment

(1) Valuation Basis and Methods for Significant Assets:

(i) Valuation Basis and Methods for Securities

Bonds to be held to maturity: Stated using the amortized cost method (straight-line method)

Other securities:

Securities with market values:

Stated using the market price method based on amounts using market prices, etc. on the closing date. (valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market values:

Stated using the cost method based on the moving average method.

However, with respect to the contributions to limited liability partnerships for investment businesses and similar partnerships, the amount corresponding to the equity holdings of the partnership's assets is stated as investment securities, and the amount corresponding to profits or losses resulting from the operations of the partnership is stated as profits or losses for this consolidated fiscal year.

(ii) Derivative Trading: Stated using the market price method.

(iii) Valuation Basis and Method for Inventories:

Work in process, such as game software, etc.:

Stated using the cost method based on the specific cost method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Others:

Domestic consolidated subsidiaries:

Generally, stated using the cost method based on the total average method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Overseas consolidated subsidiaries:

Generally, stated using the lower of cost method based on the total average method.

(Change in accounting policies)

"Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) was applied from this consolidated fiscal year.

The impact of this change on operating income, recurring income and net income before income taxes and minority interests is immaterial.

(2) Depreciation Methods for Significant Depreciable Assets:

(i) Property, Plant and Equipment (Exclusive of leased assets):

The Company and domestic consolidated subsidiaries:

Generally stated using the declining-balance method.

However, for buildings (excluding equipment attached thereto) acquired on or after April 1, 1998 and for part of the amusement facilities and machines, etc., the straight-line method was used. The general useful life of property, plant and equipment is as follows:

Buildings and structures:	2 to 50 years
Amusement facilities and machines:	3 to 15 years

(Additional information)
As for the property, plant and equipment of some domestic consolidated subsidiaries, the useful life was changed from this consolidated fiscal year, pursuant to the change in statutory useful life in the 2008 revision of the Corporation Tax Law.
The impact of this change on operating income, recurring income, and net income before income taxes and minority interests is immaterial.
Overseas consolidated subsidiaries:
Stated using the straight-line method.
The general useful life of property, plant and equipment is as follows:

Buildings and structures:	5 to 50 years
Amusement facilities and machines:	2 to 7 years

(ii) Intangible Assets:

Stated using the straight-line method.
The general useful life of software is as follows:

Software (used internally):	1 to 5 years

(iii) Leased Assets:

Stated using the straight-line method, with the useful life set to the lease period, for a residual value of zero.
However, financing lease transactions other than those in which titles to leased property are determined to be transferred to lessees, which transactions started on or before March 31, 2008, are stated by applying the accounting treatment applicable to ordinary operating lease transactions.

(3) Basis of Recognition for Significant Provision:

(i) Allowance for Doubtful Receivables:

The allowance for doubtful receivables is provided for possible losses on unrecoverable receivables. For ordinary receivables, the amount of the allowance is based on the historical rate of loss. For receivables from debtors at risk of bankruptcy and receivables from debtors in bankruptcy or under reorganization, etc., the amount of the allowance is based on individually estimated unrecoverable amounts.

(ii) Provision for Directors’ Bonus:

The Company and its domestic consolidated subsidiaries provide accrued bonuses for directors based on the estimated amounts to be paid in respect of this consolidated fiscal year.

(iii) Provision for Losses from Business Restructuring:

Certain consolidated subsidiaries make provision for estimated losses on restructuring of operations.

(iv) Provision for Sales Return:

Certain consolidated subsidiaries provide for losses on returned goods after the end of this consolidated fiscal year based on historic experience.

(v) Accrued Retirement and Severance Benefits:

The Company and its consolidated subsidiaries provide for retirement and severance benefits for employees based on estimated retirement benefit obligations and pension assets as of the end of this consolidated fiscal year.
In addition, actuarial gain/loss is amortized in amounts using the straight-line method in each consolidated fiscal year over a fixed period (9 to 19 years) from the following consolidated fiscal year within the average remaining period of service for affected employees when incurred.

In certain domestic consolidated subsidiaries, past service obligations are amortized over a fixed period (10 to 11 years) within the average remaining period of service for affected employees when incurred.

(vi) Accrued Directors' and Corporate Auditors' Retirement and Severance Benefits:

To prepare for the payment of directors' and corporate auditors' retirement and severance benefits, some domestic consolidated subsidiaries record the amounts payable at the end of fiscal year in accordance with their respective internal rules.

(4) Accounting Standards for Income and Expense:

Videogame Software Production Costs:

The production of videogame software involves the complex combination of both software and content. Consequently, it is difficult to treat these constituent items as separate components for accounting purposes.
In addition, the Company judges the main component of videogame software is the so-called content, which includes visual image and music data, and the game itself.
Therefore, based on the above, videogame software production costs are recorded as work in process effective from the point at which an internal decision is made to commercialize a product.
Also, for software production costs recorded under assets, cost of sales is recorded based on estimated sales volume.

(5) Significant Accounting Policies for Hedging:

(i) Accounting for Hedging:

The Company used deferred hedge accounting.
In addition, the allocation method was used for forward exchange contracts when appropriate. The special method was used for interest rate swaps when appropriate.

(ii) Hedging Instruments and Hedged Items:

Hedging instruments: Forward exchange contracts and interest rate swaps
Hedged items: Foreign-currency-denominated assets and liabilities and scheduled transactions, and interest on debt

(iii) Hedging Policies:

Hedging is implemented for the purpose of reducing risks arising from fluctuations in exchange rates and interest rates involved in operational and financing activities.

(iv) Method of Assessing the Effectiveness of Hedging:

The effectiveness of a hedging transaction is, in principle, determined by comparing the cumulative changes in the cash flows or the market movements of the hedged item and the cumulative changes in the cash flows or the market movements of the hedging instrument from the start of hedging to the time of assessing the effectiveness thereof.
However, if important conditions are common for the hedging instrument and the hedged asset, liability, or scheduled transaction, no such determination is made because it is apparent that 100% effectiveness in hedging was achieved. Also, no such determination is made, either, for interest rate swaps using the special method.

(6) Other Important Information Constituting the Basis of Preparation of Consolidated Financial Statements

Accounting treatment of consumption tax:

Consumption tax is accounted for separately and is not figured into each listed item.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

Assets and liabilities of consolidated subsidiaries are assessed based on their fair market value.

6. Amortization of Positive Goodwill and Negative Goodwill

Goodwill is amortized over a five-year period using the straight-line method.

7. Changes in the Important Information Constituting the Basis for Preparation of Consolidated Financial Statements

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

With the adoption of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF Practical Solution No. 18, issued on May 17, 2006), necessary adjustments to the consolidated returns were carried out.
The impact of this change on operating income, recurring income, and net income before income taxes and minority interests is immaterial.

(Accounting Standard for Lease Transactions)

Before the change the accounting treatment for finance lease transactions not involving the transfer of ownership followed the method for operating lease transactions. However, the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007]) are applied and the accounting treatment for such transactions follows the method for ordinary purchase or sales transactions from this consolidated fiscal year.

In addition, for financing lease transactions other than those in which titles to leased property are determined to be transferred to lessees, which transactions started before the first year in which the new standard was adopted, the accounting treatment applicable to ordinary operating lease transactions continues to apply.

This change has no impact on operating income, recurring income, and net income before income taxes and minority interests.

8. Change in Method of Presentation

(Consolidated Balance Sheet)

(1) With the adoption of the "Cabinet Office Order Partially Amending Terminology, Format, and Method of Presentation of Financial Statements" (Cabinet Office Order No. 50, August 7, 2008), what had been stated in the previous consolidated fiscal year as "Inventories" is, from this consolidated fiscal year, subdivided into "Merchandise and finished goods," "Work in process," and "Raw materials and supplies" In addition, the values of "Merchandise and finished goods," "Work in process," and "Raw materials and supplies" subsumed under "Inventories" in the previous consolidated fiscal year were 11,463 million yen, 21,481 million yen, and 3,484 million yen, respectively.

(2) What had been stated through the previous consolidated fiscal year as "Deferred tax liabilities" (for which the balance for this consolidated fiscal year is 616 million yen) is stated within "Other long-term liabilities" under "Long-term liabilities" since it is at or below one percent of the total of liabilities and net assets.

(Consolidated Statement of Income)

(1) What had been stated through the previous consolidated fiscal year as "Gain on sales of investments in affiliated companies" (for which the total for this consolidated fiscal year is 72 million yen) is stated within "Other extraordinary income" under "Extraordinary income" since it is at or below ten percent of the total extraordinary income.

(2) What had been stated through the previous consolidated fiscal year as "Loss on business restructuring" (for which the total for this consolidated fiscal year is 114 million yen) and as "Provision for losses on business restructuring" (for which the total for this consolidated fiscal year is 130 million) is stated within "Other extraordinary losses" in "Extraordinary loss" since each is at or below ten percent of the total extraordinary loss.

(3) "Income taxes for the previous period," which had been stated through the previous consolidated fiscal year as part of "Corporate income, inhabitant and enterprise taxes," has increased their importance in this consolidated fiscal year and are stated separately.
In addition, the value of "Income taxes for the previous period" subsumed under "Corporate income, inhabitant and enterprise taxes" in the previous consolidated fiscal year was 13 million yen.

II. Notes to Consolidated Balance Sheet

1. Pledged Assets:

Time deposits: ¥131 million
Pledged for bank transaction guarantees

2. Amount of Accumulated Depreciation of Property, Plant and Equipment:

¥121,963 million

3. Land Revaluation

A revaluation of land for business-use was implemented pursuant to the "Law Concerning Revaluation of Land" (Law No. 34, promulgated on March 31, 1998) and the revalued difference was recorded under net assets.

Revaluation Method:

The fair value of land is determined based on official notice prices that are calculated by the method assessed and published by the Commissioner of the National Tax Agency. The Commissioner assesses and publishes the method to calculate land value that forms the foundation for calculating taxable value for land value tax prescribed in "Article 16 of Land Value Tax Law (Law No. 69, promulgated on May 2, 1991)", as stipulated in "Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Cabinet Order No. 119, promulgated on March 31, 1998)". Reasonable adjustments are made to the official notice prices.

Revaluation Date: March 31, 2002

Difference between the market price of the revalued land at the end of this consolidated fiscal year and the revaluated book value after the revaluation: negative ¥157 million.

III. Notes to Consolidated Statement of Changes in Net Assets

1. Type and Total Number of Shares Issued

Common stock 250,000,000 shares

2. Matters Concerning Distribution of Surplus

(1) Paid Dividend Amounts, etc.

Date of Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Date of record	Effective date
June 23, 2008, Annunal General Meeting of Shareholders (Note)	Common stock	3,053	12	March 31, 2008	June 24, 2008
November 5, 2008, Board of Directors' Meeting	Common stock	2,956	12	September 30, 2008	December 8, 2008

(Note) The above is stated excluding dividends on treasury stock owned by affiliated companies. In addition, the total amount of dividends before that exclusion was 3,056 million yen.

(2) Dividends with a Date of Record in This Consolidated Fiscal Year but an Effective Date in the Following Consolidated Fiscal Year

Date of Scheduled Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Date of record	Effective date
June 22, 2009, Annual General Meeting of Shareholders	Common stock	2,896	Retained earnings	12	March 31, 2009	June 23, 2009

3. Number of the Company's Stock Subject to Stock Subscription Rights

Series 3 stock subscription rights:
Common stock 1,776,000 shares

IV. Notes Concerning Per-Share Data

1. Net assets per share: ¥1,067.71
2. Net income per share for this fiscal year: ¥47.95

V. Notes Concerning Significant Subsequent Events

(Transactions conducted by commonly controlled entities, etc.)
The merger of subsidiaries and succession to part of the businesses of subsidiaries due to a company split in the course of the restructuring of the Group's businesses

On April 1, 2009, NAMCO BANDAI Games Inc. merged with and absorbed Bandai Networks Co., Ltd. due to an absorption-type merger. Also, the Company succeeded to a part of the share management business that had been carried out by Bandai Networks Co., Ltd., due to the company split (absorption-type company split) on such date.

1. Names and Business Content of Combined Companies, Legal Form of Business Combination, and Overview of Transaction Including Transaction Objectives

(1) Names and Business Content of Combined Companies

(i) NAMCO BANDAI Games Inc.

Planning, development, and sales of home video game software and coin-operated game machines, etc.

(ii) Bandai Networks Co., Ltd.

Distribution of content for mobile phones, consignment of website development, mail order sales, etc.

(iii) NAMCO BANDAI Holdings Inc. (the Company)

Planning and implementation of management strategy and business management and instruction of the group companies.

(2) Legal Form of the Business Combination

(i) An absorption-type merger in which Bandai Networks Co., Ltd. is the merged company; and NAMCO BANDAI Games Inc. is the surviving company.

(ii) An absorption-type company split in which Bandai Networks Co., Ltd. is the split company; and the Company is the successor company.

(3) Overview of Transaction Including Transaction Objectives

The Group has considered what its optimal organizational structure would be to work for further growth in the network-related market, which includes distributing content for mobile phones: this is a market for which technological progress and other factors have produced drastic changes in the environment and in which competition is becoming increasingly intense on a global scale. Thus far, NAMCO BANDAI Games Inc. has strengths in leveraging its in-house technical development capabilities and effectively utilizing content for each platform, including home video game software, coin-operated game machines, and mobile phones. Also, Bandai Networks Co., Ltd. has strengths in the comprehensive development of operations, such as e-commerce, centered on the distribution of mobile phone content and the provision of technical solutions. NAMCO BANDAI Games Inc., and Bandai Networks Co., Ltd., have each worked to grow their businesses by leveraging their respective strengths.

This time, the merger of these two companies and the establishment of a new business unit within NAMCO BANDAI Games Inc. are designed to reinforce the total power of the network business within the Group and to create new content and businesses through the synergistic fusion of varied strengths.

In addition, upon this restructuring within the Group, the Company has succeeded to part of the share management business that had been carried out by Bandai Networks Co., Ltd., due to the company split (absorption-type company split).

2. Overview of Accounting Process

The accounting process for the consolidated financial statements was conducted as transactions conducted by commonly controlled entities, handled in accordance with the provisions of the "Accounting Standard for Business Combinations" (issued by the Business Accounting Council on October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, final revision issued on November 15, 2007)

(Capital increase in a subsidiary)

As of April 27, 2009, the Company carried out a paid-in capital increase of 50 million euros in BANDAI S.A., a subsidiary of the Company.

1. Reason for the capital increase

To secure the funds for the acquisition of shares in Distribution Partners S.A.S. from Atari Europe S.A.S. by NAMCO BANDAI Games Europe S.A.S., a subsidiary of BANDAI S.A.

2. Use of the Funds

The funds were used to make a capital increase in NAMCO BANDAI Games Europe S.A.S.

VI. Other Notes

1. Additional Information

(Legal action, etc.)

On December 4, 2006, Kevin Curran and three other persons, successors in interest to General Computer Corporation in the United States, sued the Company's group for compensation for damages related to payment of royalty payments. An out-of-court settlement was reached in December 2008. In addition, a loss of 1,061 million yen (9.236 million US dollars) accompanying that settlement was stated as "Litigation settlement."

2. Loss on Impairment of Fixed Assets

In order to identify assets for impairment, the Company and its consolidated subsidiaries group their fixed assets according to management accounting classifications based on each strategic business unit, except for important idle assets, assets scheduled for disposal and lease assets. Of these, in the amusement facility business, the smallest unit mainly used in managerial accounting, the individual facility, is the basic unit for grouping assets.

(Changes in grouping of assets)

In the past, in the amusement facility business, asset groupings were mainly organized by a certain region; in some domestic consolidated subsidiaries, however, due to changes in their organization, the units used in the managerial accounting and the units in those groupings diverge; thus, from this consolidated fiscal year, the smallest unit mainly used in managerial accounting, the individual facility, is the basic unit for grouping assets.

Accompanying these changes, the Company stated an impairment loss of 160 million yen as an extraordinary loss and reduced net income before income taxes and minority interests in the same amount of the impairment loss.

In addition, the book value of the following assets, except for those assets which may be reused, was reduced to the collectible amount and the decrease in value was recorded as a loss on impairment of fixed assets in extraordinary loss.

Location	Items	Classification	Impairment Loss (Millions of yen)
Kanazawa City, Ishikawa, etc. (Note 1)	Amusement facility	Amusement facilities and machines, etc.	208
Sendai City, Miyagi, etc. (Note 2)	Amusement facility	Amusement facilities and machines, etc.	93
Osaka City, Osaka, etc. (Note 3)	Amusement facility	Amusement facilities and machines, etc.	474
Sapporo City, Hokkaido, etc. (Note 1)	Assets for business use	Buildings & structures, property, plant and equipment (others)	48
Shibuya-ku, Tokyo (Note 4)	Assets for business use	Buildings & structures, property, plant and equipment (others)	38
Seoul, KOREA (Note 1)	Software for Internet content business	Other intangible fixed assets	25
Minato-ku, Tokyo (Note 5)	Assets scheduled for disposal	Buildings & structures, property, plant and equipment (others)	22
Minato-ku, Tokyo (Note 5)	Assets scheduled for disposal	Buildings & structures	13
Ibaraki City, Osaka, etc. (Note 6)	Idle assets	Land	28
Total			953

(Notes) 1. An impairment loss was recorded because it was predicted that the book value of this fixed asset could not be collected due to the decrease in business profitability. In addition, the asset was determined to have no value.

2. An impairment loss was recorded because it was judged that the value that could be collected on this fixed asset had fallen substantially, due to the decision to close the facility. In addition, the asset was determined to have no value.
3. This asset was separated from its existing grouping and an impairment loss was recorded for the asset because, while it had previously been operated to generate income, a rethinking of the main objective of the operation led to a decision to operate the asset as a research facility for new product development and development of new types of facilities; upon that decision, the asset was recognized that the value that could be collected on this fixed asset had fallen substantially. In addition, the asset was determined to have no value.
4. This asset was separated from its current grouping and recorded as an impairment loss because the collectible amount of this fixed asset largely decreased due to the decision to close the facility. The asset was determined to have no value.
5. An impairment loss was recorded on this asset, for which no future use is anticipated, accompanying the relocation of the Company and its subsidiaries' head office functions. In addition, the asset was determined to have no value.
6. Assets that had no foreseeable use in the future were written down and impairment loss was recorded. The recoverable amount of real estate assets was measured to be the net selling price, which was assessed based on real assets appraisals.

3. Notes Concerning Transactions with Related Parties

(Additional information)

From this consolidated fiscal year, the “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11, issued October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, issued on October 17, 2006) have been adopted.

As a result, transactions with Happinet Corporation have been added to the scope of disclosure of transactions with related parties.

Transactions with Related Parties

Transactions with related parties by consolidated subsidiaries of the Company

Non-consolidated subsidiaries and affiliated companies, etc., of the Company

(Millions of yen)

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance at the end of this term
Affiliated companies	Happinet Corporation	Holding directly 26.0% indirectly 0.3%	Sales agency	Sales of products, etc. (Note 2)	38,643	Accounts receivable -trade	7,444

(Notes) 1. The above transaction amount does not include consumption tax; the balance at the end of this term does include consumption tax.

2. Transaction terms and policy for determining transaction terms:
For the transaction stated above, the products were sold on the same terms as in general transactions.

4. Notes Concerning Business Combinations, etc.

(Transactions, etc. conducted by commonly controlled entities)

Organizational Restructuring of the Domestic Group

(1) Names and Business Content of Restructured Companies, Legal Form of Business Combinations, and Overview of the Transaction Including Transaction Objectives

(i) Names and Business Content of Restructured Companies

A. NAMCO BANDAI Games Inc.
Planning, development, and sales of home video game software and coin-operated game machines, etc.

B. NAMCO LIMITED
Management of amusement facilities, etc.

C. Banpresto Co., Ltd. (a newly-incorporated company in an incorporation-type company split)
Planning, development, and sales of prizes, etc., for coin-operated game machines.

D. Bandai Co., Ltd.
Manufacturing and sales of toys, apparel, and related products.

E. NAMCO BANDAI Holdings Inc. (the Company)
Planning and implementation of management strategy and business management and instruction of the group companies.

(ii) Legal Form of Business Combinations

A. An incorporation-type company split of Banpresto Co., Ltd., with the establishment of a subsidiary (the new Banpresto Co., Ltd).
B. An absorption-type company split in which Banpresto Co., Ltd. is the split company and NAMCO LIMITED is the successor company.
C. An absorption-type company split in which Banpresto Co., Ltd. is the split company and the Company is the successor company.
D. An absorption-type merger in which Banpresto Co., Ltd. is the merged company and NAMCO BANDAI Games Inc. is the surviving company.–
E. An absorption-type company split in which Bandai Co., Ltd. is the split company and the Company is the successor company.

(iii) Overview of Transaction Including Transaction Objectives

An organizational restructuring of the group companies in Japan was carried out as of April 1, 2008, to maximize the value of the group companies.

A. Transfer and Integration of Game Operations of Banpresto Co., Ltd.
The game operations of Banpresto Co., Ltd., which planned and developed home video game software and coin-operated game machines, was transferred to NAMCO BANDAI Games Inc., which integrates the Group game operations; Pleasure Cast Co., Ltd., and Hanayashiki Co., Ltd., engaged in operating amusement facilities, as subsidiaries of Banpresto, were made subsidiaries of NAMCO LIMITED, which integrates the amusement facilities operation business of the Group. Banpresto Co., Ltd. was redefined as focusing on the prize business, with an emphasis on prizes for coin-operated game machines.
B. Consolidation of Subsidiaries with Group Support Functions
As of April 1, 2008, a Shared Services Division was established within the Company and the share management operations for NAMCO BANDAI Business Services Inc., and Artpresto Co., Ltd., which had been carried out by Bandai Co., Ltd., and Banpresto Co., Ltd., were transferred to the Company.

(2) Overview of Accounting Process

The accounting process for the consolidated financial statements was conducted as transactions conducted by commonly controlled entities, handled in accordance with the provisions of the “Accounting Standard for Business Combinations” (issued by the Business Accounting Council on October 31, 2003) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, final revision issued on November 15, 2007).

Non-Consolidated Balance Sheet
(As of March 31, 2009)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	12,424
Trade receivables	207
Prepaid expenses	212
Short-term loans receivables from affiliated companies	600
Uncollected refunds of income taxes	3,477
Other current assets	444
Total current assets	**17,367**
Fixed assets	
Property, plant and equipment	
Buildings	16
Tools, furniture and fixtures	24
Construction in progress	138
Total property, plant and equipment	179
Intangible assets	
Goodwill	622
Software	7
Total intangible assets	630
Investments and other assets	
Investment securities	9,299
Investments in affiliated companies	277,085
Long term prepaid expenses	75
Other investments and assets	1,942
Total investments and other assets	288,402
Total fixed assets	**289,211**
TOTAL ASSETS	**306,579**

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Short-term borrowings from affiliated companies	31,700
Short-term borrowings	8,671
Accounts payable-other	598
Accrued expenses	190
Accrued income taxes	388
Deposits receivables	12
Provision for directors’ bonus	23
Other current liabilities	102
Total current liabilities	**41,687**
Long-term liabilities	
Long-term debt	11,990
Accrued retirement and severance benefits	7
Total long-term liabilities	**11,998**
TOTAL LIABILITIES	**53,686**

NET ASSETS	
Stockholders’ equity	
Common stock	10,000
Additional paid-in capital	201,967
Capital reserve	2,500
Other capital surplus	199,467
Retained earnings	51,331
Legal reserve	1,645
Other retained earnings	49,686
General reserve	26,104
Retained earnings carried forward	23,581
Treasury stock	(9,588)
Total stockholders’ equity	**253,709**
Valuation difference and translation adjustments	
Other securities valuation difference	(2,284)
Total valuation difference and translation adjustments	**(2,284)**
Stock subscription rights	**1,468**
TOTAL NET ASSETS	**252,893**
TOTAL LIABILITIES AND NET ASSETS	**306,579**

Non-Consolidated Statement of Income
(April 1, 2008 through March 31, 2009)

		(Millions of yen)
		Amount
Operating revenue		23,754
Dividend income from affiliated companies	21,421	
Business management income from affiliated companies	2,332	
Operating expenses		2,885
General and administrative expenses	2,885	
Operating income		20,869
Non-operating income		1,952
Interest income	23	
Dividend income	137	
Rental income	1,737	
Other non-operating income	52	
Non-operating expenses		2,048
Interest expense	302	
Expenses related to rental assets	1,722	
Other non-operating expenses	23	
Recurring income		20,773
Extraordinary income		768
Gain on extinguishment of tie-in shares	579	
Gain on reversal of stock subscritpion rights	188	
Other extraordinary income	1	
Extraordinary loss		981
Loss on impairment of fixed assets	22	
Loss on valuation of investment securities	860	
Other extraordinary losses	97	
Income before income taxes		20,560
Corporate income, inhabitant and enterprise taxes	541	
Deferred income taxes	82	623
Net income		19,936

Non-Consolidated Statement of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

	(Millions of yen)
Stockholders' equity	
Common stock	
Balance as of March 31, 2008	10,000
Changes during the period	
Total changes during the period	—
Balance as of March 31, 2009	10,000
Additional paid-in capital	
Capital reserve	
Balance as of March 31, 2008	2,500
Changes during the period	
Total changes during the period	—
Balance as of March 31, 2009	2,500
Other capital surplus	
Balance as of March 31, 2008	207,875
Changes during the period	
Retirement of treasury stock	(8,408)
Total changes during the period	(8,408)
Balance as of March 31, 2009	199,467
Total additional paid-in capital	
Balance as of March 31, 2008	210,375
Changes during the period	
Retirement of treasury stock	(8,408)
Total changes during the period	(8,408)
Balance as of March 31, 2009	201,967
Retained earnings	
Legal reserve	
Balance as of March 31, 2008	1,645
Changes during the period	
Total changes during the period	—
Balance as of March 31, 2009	1,645
Other retained earnings	
General reserve	
Balance as of March 31, 2008	26,104
Changes during the period	
Total changes during the period	—
Balance as of March 31, 2009	26,104
Retained earnings carried forward	
Balance as of March 31, 2008	9,658
Changes during the period	
Cash dividends	(6,013)
Net income	19,936
Total changes during the period	13,923
Balance as of March 31, 2009	23,581
Total retained earnings	
Balance as of March 31, 2008	37,408
Changes during the period	
Cash dividends	(6,013)
Net income	19,936
Total changes during the period	13,923
Balance as of March 31, 2009	51,331

Non-Consolidated Statement of Changes in Net Assets
(From April 1, 2008 to March 31, 2009)

	(Millions of yen)
Treasury stock	
Balance as of March 31, 2008	(2,521)
Changes during the period	
Purchase of treasury stock	(15,477)
Disposal of treasury stock	1
Retirement of treasury stock	8,408
Total changes during the period	(7,067)
Balance as of March 31, 2009	(9,588)
Total stockholders’ equity	
Balance as of March 31, 2008	255,262
Changes during the period	
Cash dividends	(6,013)
Net income	19,936
Purchase of treasury stock	(15,477)
Disposal of treasury stock	1
Retirement of treasury stock	—
Total changes during the period	(1,552)
Balance as of March 31, 2009	253,709
Valuation difference and translation adjustments	
Other securities valuation difference	
Balance as of March 31, 2008	(1,029)
Changes during the period	
Net changes in the period other than changes in stockholders’ equity	(1,254)
Total changes during the period	(1,254)
Balance as of March 31, 2009	(2,284)
Total valuation difference and translation adjustments	
Balance as of March 31, 2008	(1,029)
Changes during the period	
Net changes in the period other than changes in stockholders’ equity	(1,254)
Total changes during the period	(1,254)
Balance as of March 31, 2009	(2,284)
Stock subscription rights	
Balance as of March 31, 2008	1,531
Changes during the period	
Net changes in the period other than changes in stockholders’ equity	(63)
Total changes during the period	(63)
Balance as of March 31, 2009	1,468
Total net assets	
Balance as of March 31, 2008	255,764
Changes during the period	
Cash dividends	(6,013)
Net income	19,936
Purchase of treasury stock	(15,477)
Disposal of treasury stock	1
Retirement of treasury stock	—
Net changes in the period other than changes in stockholders’ equity	(1,317)
Total changes during the period	(2,870)
Balance as of March 31, 2009	252,893

Notes to Non-Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down.

1. Notes Concerning Significant Accounting Policies

(1) Valuation Basis and Methods for Assets:

Valuation basis and methods for securities:

(i) Shares of Subsidiaries and Affiliated Companies:

Stated using cost method based on the moving average method.

(ii) Other Securities:

Securities with market values:

Stated using the market price method based on amounts estimated using market prices, etc. on the closing date. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market values:

Stated using cost method based on the moving average method.

(2) Depreciation Methods for Fixed Assets:

(i) Property, Plant and Equipment:

The declining-balance method was used.

The general useful life of property, plant and equipment is as follows:

Buildings	8 to 18 years
Tools, furniture and fixtures	5 to 15 years

(ii) Intangible Assets:

The straight-line method was used.

The general years of depreciation of intangible assets is as follows:

Goodwill	5 years
Software (used internally)	5 years

(3) Basis of Recognition for Provision:

(i) Provision for Directors' Bonus:

The Company provides accrued bonuses for directors based on the estimated amounts to be paid in respect of this fiscal year.

(ii) Accrued Retirement and Severance Benefits:

The Company provides for retirement and severance benefits for employees based on estimated retirement benefit obligations as of end of this fiscal year.

(4) Accounting Treatment of Consumption Tax:

Consumption tax is accounted for separately and is not figured into each listed item.

(5) Change in Method of Presentation

(Statement of income)

(i) What had been stated through the previous fiscal year as "Foreign exchange gain" (for which the total for this fiscal year is 44 million yen) is stated within "Other non-operating income" under "Non-operating income" since it is at or below ten percent of total Non-operating income.

(ii) What had been stated through the previous fiscal year as "Loss on valuation of investments in affiliated companies" (for which the total for this fiscal year is 17 million yen) is stated within "Other extraordinary losses" under "Extraordinary loss" since it is at or below ten percent of total Extraordinary loss.

2. Notes to Non-Consolidated Balance Sheet

(1) Amount of accumulated depreciation of property, plant and equipment: ¥54 million

(2) Monetary claims and obligations with respect to affiliated companies (excluding amounts given in specific categories)

Short-term monetary claims on affiliated companies: ¥633 million
Short-term monetary obligations to affiliated companies: ¥387 million

3. Notes to Non-Consolidated Statement of Income

Transactions with affiliated companies (excluding amounts given in specific categories)
Non-operating Transactions:

Non-operating income	¥1,750 million
Non-operating expenses	¥206 million

4. Notes to Non-Consolidated Statement of Changes in Net Assets

The total number and category of treasury stock as of the end of this fiscal year

Common stock	8,588,333 shares

5. Notes Concerning Tax Effect Accounting

Breakdown of Main Reasons for Deferred Tax Assets

Deferred tax assets	
Loss on valuation of investments in affiliated companies	¥1,079 million
Other securities valuation difference	¥927 million
Loss on valuation of investment securities	¥418 million
Stock remuneration expenses	¥373 million
Accrued enterprise tax	¥98 million
Office relocation expenses	¥32 million
Accrued bonuses	¥26 million
Others	¥29 million
Subtotal deferred tax assets	¥2,986 million
Valuation allowance	(¥2,986 million)
Total deferred tax assets	¥－ million

6. Notes Concerning Transactions with Related Parties

Subsidiaries and affiliated companies, etc.

(Millions of yen)

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account Items	Balance at the end of this term
Subsidiary	Bandai Co., Ltd.	Holding directly 100.0%	Interlocking directorate	Receipt of dividends (Note 1)	11,776	—	—
				Borrowings (Note 2)	4,982 (Note 3)	Short-term borrowings from affiliated companies	8,000
				Payment of interest	41	—	—
Subsidiary	NAMCO BANDAI Games Inc.	Holding directly 100.0%	Interlocking directorate	Receipt of dividends (Note 1)	5,450	—	—
				Rental building	1,685	—	—
				Borrowings (Note 2)	4,477 (Note 3)	—	—
				Payment of interest	35	—	—
Subsidiary	Bandai Networks Co., Ltd.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 2)	3,275 (Note 3)	Short-term borrowings from affiliated companies	4,000
				Payment of interest	23	—	—
Subsidiary	Bandai Visual Co., Ltd.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 2)	3,361 (Note 3)	Short-term borrowings from affiliated companies	4,000
				Payment of interest	23	—	—
Subsidiary	Sunrise Inc.	Holding directly 91.7% indirectly 7.6%	—	Borrowings (Note 2)	8,572 (Note 3)	Short-term borrowings from affiliated companies	9,700
				Payment of interest	61	Accrued expenses	4

Conditions of transactions and policies for determining the conditions of transactions

(Notes) 1. The receipt of dividends is based on the Group Company's regulations.

2. The borrowings from subsidiaries are determined based on the Group Company's regulations with consideration for the market interest rate.

3. The amount of borrowings is the average balance for the period of the borrowings.

7. Notes Concerning Per-Share Data

Net assets per share: ¥1,041.48

Net income per share: ¥80.72

8. Notes Concerning Significant Subsequent Events

(Transactions, etc. conducted by commonly controlled entities)

In connection with an organizational restructuring of the Group, merger of a subsidiary and succession to part of its business through a company split.

These notes are omitted here because they are stated above in the Notes to Consolidated Financial Statements, under "V. Notes Concerning Significant Subsequent Events."

(Capital increase in a subsidiary)

Capital increase in BANDAI S.A.

These notes are omitted here because they are stated above in the Notes to Consolidated Financial Statements, under "V. Notes Concerning Significant Subsequent Events."

9. Other Notes

Matters Concerning Business Combinations, etc.
(Transactions, etc. conducted by commonly controlled entities)
Organizational Restructuring of the Domestic Group

These notes are omitted here because they are stated above in the Notes to Consolidated Financial Statements, under “VI. Other Notes, 4. Notes Concerning Business Combinations, Etc.”

Accounting Auditor's Report Concerning the Consolidated Financial Statements

Independent Auditor's Report

May 15, 2009

The Board of Directors
NAMCO BANDAI Holdings Inc.

KPMG AZSA & Co.

Hiroshi Shiina (Seal)
Designated and Engagement Partner
Certified Public Accountant

Seiichi Sasa (Seal)
Designated and Engagement Partner
Certified Public Accountant

Yoshichika Kaneko (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, that is, the consolidated balance sheets, the consolidated statements of income, consolidated statements of changes in net assets and notes to consolidated financial statements of NAMCO BANDAI Holdings Inc. for this consolidated fiscal year from April 1, 2008 to March 31, 2009 in accordance with Article 444, Paragraph 4 of the Companies Act. The preparation of the consolidated financial statements is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit as an independent auditor.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated financial statements are free of material false statement. An audit is performed on a test basis, and includes assessing the principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

We find that the aforementioned consolidated financial statements are compliant with corporate auditing standards generally accepted in Japan and that all of the important matters concerning property, losses, and profits for this consolidated fiscal year of these statements for NAMCO BANDAI Holdings Inc. and the Group consisting of consolidated subsidiaries are correctly listed.

Our firm and engagement partners have no interest with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

END

Accounting Auditor's Report Concerning the Non-Consolidated Financial Statements

Independent Auditor's Report

May 15, 2009

The Board of Directors
NAMCO BANDAI Holdings Inc.

KPMG AZSA & Co.

Hiroshi Shiina (Seal)
Designated and Engagement Partner
Certified Public Accountant

Seiichi Sasa (Seal)
Designated and Engagement Partner
Certified Public Accountant

Yoshichika Kaneko (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the non-consolidated financial statements, that is, the non-consolidated balance sheets, the non-consolidated statements of income, non-consolidated statements of changes in net assets and notes to financial statements of NAMCO BANDAI Holdings Inc. and their supplementary statements for the 4th fiscal year from April 1, 2008 to March 31, 2009 in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act. The preparation of the non-consolidated financial statements and their supplementary statements is the responsibility of the Company's management. Our responsibility is to express an opinion on the non-consolidated financial statements and their supplementary statements based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the non-consolidated financial statements and their supplementary statements are free of material false statement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and their supplementary statements. We believe that our audit provides a reasonable basis for our opinion.

We find that the aforementioned non-consolidated financial statements and their supplementary statements are compliant with corporate auditing standards generally accepted in Japan and that all of the important matters concerning property, profits and losses for the non-consolidated financial statements and their supplementary statements are correctly listed.

Our firm and engagement partners have no interest with the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

END

Board of Corporate Auditors' Report

Audit Report

We, the Board of Corporate Auditors, prepared this audit report, as a unanimous opinion of all members of the Board of Corporate Auditors, on the execution of duties by Directors during the 4th fiscal year from April 1, 2008 to March 31, 2009, based on audit reports prepared by each Corporate Auditor.

1. Method and Content of Audits by Corporate Auditors and the Board of Corporate Auditors

We devised the 4th auditing plan (auditing policies, duties assigned to each Corporate Auditor and auditing methods), received reports on the progress on, and results of, audits from each Corporate Auditor, as well as reports on the execution of their duties from Directors, etc. and the Accounting Auditor, and requested explanations as necessary.

Each Corporate Auditor communicated with the Directors, the internal auditing division, and other employees, etc., in accordance with the internal regulations established by the Board of Corporate Auditors, such as Board of Corporate Auditors regulations, Corporate Auditors regulations, auditing standards for internal control system, and the above-mentioned auditing plan, to collect information and improve the auditing environment. We attended the meetings of the Board of Directors and other significant meetings, received reports on the execution of duties from Directors and employees, etc., obtained explanations thereof as necessary, viewed documents concerning important decisions, and investigated the conditions of operations and assets of the Company. We also monitored and verified the internal administrative system that was organized based on decisions by the Board of Directors in relation to the development of a system to ensure that the execution of duties by Directors and other operations of the Company were in conformity with applicable laws and regulations and the Company's Articles of Incorporation, and a system stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Ordinance of the Companies Act. In addition, we received reports on evaluations and audit status of internal controls on financial reporting from Directors, etc. and from KPMG AZSA & Co., the Accounting Auditor of the Company, concerning internal controls on financial reporting, and requested explanations thereof as necessary. We further examined the content of basic policies (Article 118, Item 3-(a) of the Enforcement Ordinance of the Companies Act) and actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in business reports based on the meetings of the Board of Directors and other discussions. Regarding the Company's subsidiaries, we communicated and shared information with the Directors and the Corporate Auditors, etc of the subsidiaries, and received reports as necessary from them. Using the aforementioned method, we examined the business reports and supplementary statements for this fiscal year under review.

Furthermore, we monitored and verified that the Accounting Auditor remained independent and performed audits appropriately, and we were also notified that a "system for ensuring the proper execution of duties" (as per Article 131 of the Corporate Accounting Rules) was organized in accordance with "Quality Control Standards for Auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary. Using the aforementioned method, we examined non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes thereto), their supplementary statements and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes thereto) for this fiscal year under review.

2. Results of the Audit

(1) Audit Results of business report, etc.

(i) We confirm that the business report and its supplementary statements fairly represent the condition of the Company and are in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

(ii) We confirm that, with respect to the execution of duties by Directors, there are no fraudulent acts, or material facts that violate applicable laws and regulations or the Articles of Incorporation.

(iii) We confirm that the decisions made by the Board of Directors with regard to internal control systems are proper. We recognize that there is nothing to be cited with respect to the execution of duties by Directors for those internal control systems. In addition, as of the date hereof, we have received reports from the Directors, etc. and from KPMG AZSA & Co. as to the effectiveness of the internal controls on financial reporting.

(iv) We confirm that there is nothing to be cited in respect of the basic policy described in the business report concerning how controlling policy decisions regarding the financial and business activities of the Company should be made.

We confirm that actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in the business report are in accordance with this basic policy and that these actions do not damage our Group's value and shareholders' interest, nor serve to maintain the position of the directors of the Company.

(2) Audit Result of non-consolidated financial statements and their supplementary statements.

We confirm that the methods and the results of the audit by KPMG AZSA & Co., the Accounting Auditor of the Company, are appropriate.

(3) Audit Result of consolidated financial statements

We confirm that the methods and the results of the audit by KPMG AZSA & Co., the Accounting Auditor of the Company, are appropriate.

May 15, 2009

Board of Corporate Auditors

NAMCO BANDAI Holdings Inc.

Standing Corporate Auditor	Koichiro Homma	(Seal)
Standing Corporate Auditor	Katsutoshi Hirasawa	(Seal)
Outside Corporate Auditor	Osamu Sudo	(Seal)
Outside Corporate Auditor	Kouji Yanase	(Seal)

END

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Appropriation of Surplus

Appropriation of surplus is as follows:

Fiscal Year-end Dividends

The Company places the return of profits to shareholders as one of its highest management priorities. The Company assumes its basic policy is to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. In concrete terms, the Company's basic policy is to provide a return to shareholders that targets at a payout ratio of 30% in accordance with consolidated operational results and based on stable annual dividend payments of ¥24 per share.

In regard to dividends for the 4th fiscal year, in consideration of the business results for the Company's fiscal year, we would like to make the year-end dividend of ¥12 per share.

Since we paid an interim dividend of ¥12 per share on December 8, 2008, the total annual dividend for the fiscal year will be ¥24 per share.

(i) Type of dividend assets:
Cash

(ii) Allocation of dividend assets to be paid to shareholders and total amount of dividend:
¥12 per share of common stock of the Company
Total amount of dividends would be ¥2,896,940,004

(iii) Date on which the appropriation of surplus goes into effect:
June 23, 2009

Proposal No. 2 Partial Amendment to the Articles of Incorporation

The Company would like to amend its Articles of Incorporation in accordance with the proposed amendments mentioned below.

1. Reasons for Amendments

(1) In conjunction with the transfer of the head office to strengthen ties within the Group companies and enhance further operational efficiency, we will revise Article 3 (Location of Head Office) of the existing Articles of Incorporation to change the location of the head office provided therein from Minato-ku, Tokyo, to Shinagawa-ku, Tokyo.

(2) The following changes in the existing Articles of Incorporation are necessitated by the Act for Partial Revision of the Act on Book-Entry Transfer of Company Bonds, etc. for Streamlining Settlement Concerning Share Trading, etc.(Act No. 88 of 2004, hereinafter referred to as the "Act for Streamlining Settlement of Share Trading, etc."), which came into effect on January 5, 2009:

(i) Pursuant to Article 6, Paragraph 1 of the Supplementary Provisions of the Act for Streamlining Settlement of Share Trading, etc., as of January 5, 2009, the date of implementation of stock dematerialization , the Company is deemed to have passed a resolution abolishing the provision in the Articles of Incorporation which stipulates that the Company issues its share certificates. Therefore, we will delete Article 8 (Issuance of Share Certificates) of the existing Articles of Incorporation, and delete and revise other portions of text concerning share certificates. In addition, the administrator of the register of shareholders, in principle, no longer directly handles affairs concerning shares, and thus we will delete Article 11, Paragraph 3 and Article 13 of the existing Articles of Incorporation;

(ii) In conjunction with the abolishment of the Law Concerning Custody and Transfers of Share Certificates, Etc., we will delete the terms "beneficial shareholders" and "register of beneficial shareholders" in Article 9 and Article 10 of the existing Articles of Incorporation ;

(iii) The Company is required to prepare and maintain a register of lost share certificates by the day when one year has passed from the day following the enactment date of the Act for Streamlining Settlement of Share Trading, etc. came into effect; therefore, we will add, as supplementary provisions, articles providing for that register, with the provisions stated in Article 10 and Article 11, Paragraph 3, of the existing Articles of Incorporation, and providing for those articles to be deleted on January 6, 2010; and

(iv) In addition, we will make necessary changes, including other revisions to provisions and wordings as needed and moving up the numbering of the articles.

2. Details of Amendments

The details of the proposed amendments in content are as follows.

(Amendments shown by underlines.)

Existing Articles	Proposed Amendments
Article 1 - Article 2 (Omitted)	Article 1 - Article 2 (Unchanged)
Article 3 (Location of Head Office) The head office of the Company shall be located in <u>Minato-ku</u>, Tokyo.	Article 3 (Location of Head Office) The head office of the Company shall be located in <u>Shinagawa-ku</u>, Tokyo.
Article 4 - Article 7 (Omitted)	Article 4 - Article 7 (Unchanged)

Existing Articles	Proposed Amendments
<u>Article 8 (Issuance of Share Certificates)</u> <u>1. The Company shall issue share certificates for its shares.</u> <u>2. Notwithstanding the immediately preceding paragraph, the Company shall not issue share certificates for Shares Less Than One Unit.</u>	(Deleted)
Article <u>9</u> (Request by Holders of Shares Less Than One Unit to Purchase Shares) A holder of Shares Less Than One Unit of the Company <u>(including the beneficial shareholder thereof hereinafter)</u> may request that the Company sell to such holder such number of additional shares that would, together with the Shares Less Than One Unit held by such holder, constitute one unit (*Tangen*) of shares (hereinafter referred to as 'Additional Share Purchase') pursuant to the provisions of the Share Handling Regulations.	Article <u>8</u> (Request by Holders of Shares Less Than One Unit to Purchase Shares) A holder of Shares Less Than One Unit of the Company may request that the Company sell to such holder such number of additional shares that would, together with the Shares Less Than One Unit held by such holder, constitute one unit (*Tangen*) of shares (hereinafter referred to as 'Additional Share Purchase') pursuant to the provisions of the Share Handling Regulations.
Article <u>10</u> (Share Handling Regulations) In addition to the matters provided for by laws and regulations or in these Articles of Incorporation, <u>classes of share certificates issued by the Company,</u> listing or recording in the register of shareholders <u>(including the register of beneficial shareholders hereinafter), the register of lost share certificates</u> and the register of stock subscription rights, purchase of Shares Less Than One Unit by the Company and Additional Share Purchases by holders of Shares Less Than One Unit, other matters relating to handling of shares or stock subscription rights, and procedures, etc. and handling fees upon exercising the shareholders' right shall be governed by the Share Handling Regulations established by the Board of Directors.	Article <u>9</u> (Share Handling Regulations) In addition to the matters provided for by laws and regulations or in these Articles of Incorporation, listing or recording in the register of shareholders and the register of stock subscription rights, purchase of Shares Less Than One Unit by the Company and Additional Share Purchases by holders of Shares Less Than One Unit, other matters relating to handling of shares or stock subscription rights, and procedures, etc. and handling fees upon exercising the shareholders' right shall be governed by the Share Handling Regulations established by the Board of Directors.

Existing Articles	Proposed Amendments
Article 11 (Administrator of the Register of Shareholders) 1. (Omitted) 2. (Omitted) 3. The register of shareholders, the register of lost share certificates and the register of stock subscription rights of the Company, shall be kept at the handling office of the administrator of the register of shareholders. Listing or recording in the register of shareholders, the register of lost share certificates and the register of stock subscription rights, purchase of Shares Less Than One Units by the Company and Additional Share Purchases by holders of Shares Less Than One Unit, and other affairs regarding shares and stock subscription rights shall be handled by the administrator of the register of shareholders and not by the Company.	Article 10 (Administrator of the Register of Shareholders) 1. (Unchanged) 2. (Unchanged) (Deleted)
Article 12 (Omitted)	Article 11 (Unchanged)
Article 13 (Notification from Shareholders, Etc.) 1. Shareholders, registered pledgees of shares, or their legal representatives, shall notify the administrator of the register of shareholders of their names, addresses and seal impressions in accordance with the form prescribed by the Company, provided, however, that foreign nationals who are accustomed to signing may use their specimen signatures instead of seal impressions. 2. A person or entity mentioned in the immediately preceding paragraph who resides overseas shall designate an address in Japan at which it receives notification or an agent in Japan and shall notify the administrator of the register of shareholders of such matters. 3. If any changes in the matters provided for in preceding 2 paragraphs occurs, notification shall also be made.	(Deleted)

Existing Articles	Proposed Amendments
Article 14 - Article 55 (Omitted)	Article 12 - Article 53 (Unchanged)
(New)	Supplementary Provisions
(New)	Article 1 The register of lost share certificates shall be kept at the handling office of the administrator of the register of shareholders. Any affair with respect to listing or recording in the register of lost share certificates shall be handled by the administrator of the register of shareholders and not by the Company.
(New)	Article 2 In addition to the matters provided for by laws and regulations or in these Articles of Incorporation, listing or recording in the register of lost share certificates shall be governed by the Share Handling Regulations established by the Board of Directors.
(New)	Article 3 Articles 1 through this Article 3 of the Supplementary Provisions shall be deleted as of January 6, 2010.

Proposal No. 3 Election of Nine (9) Directors

Since the terms of office of the eleven (11) Directors of the Company will expire as of the conclusion of this General Meeting of Shareholders, the Company requests the election of nine (9) Directors.

The candidates for the Directors are as follows:

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
1	Takeo Takasu (June 24, 1945)	Apr. 1968: Joined the Sanwa Bank Ltd. (currently the Bank of Tokyo Mitsubishi UFJ, Ltd.) Oct. 1993: General Manager, Los Angeles Branch, the Sanwa Bank Ltd. Apr. 1996: Joined Bandai Co., Ltd. as General Manager, Planning Office Jun. 1996: President and Representative Director, Bandai Holding Corp. Jun. 1997: Managing Director, Bandai Co., Ltd. Mar. 1999: President and Representative Director, Bandai Co., Ltd. Jun. 2005: Chairman and Representative Director, Bandai Co., Ltd. Sep. 2005: President and Representative Director of the Company May 2007: Chairman of The Japan Toy Association (current position) Apr. 2009: Chairman and Representative Director of the Company (current position) (Representation of other companies) Chairman of The Japan Toy Association	75,950 Shares

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
2	Shukuo Ishikawa (April 15, 1955)	Apr. 1978: Joined NAMCO LIMITED (currently NAMCO BANDAI Games Inc.) Aug. 1991: General Manager, EM Development Department of NAMCO LIMITED Jun. 1995: Director in charge of Development Division II, General Manager, EM Development Department and VS Development Department of NAMCO LIMITED Jun. 1999: Managing Director in charge of Research, Development and Production, and Development Division II of NAMCO LIMITED Apr. 2005: Executive Vice President and Representative Director in charge of contents business of NAMCO LIMITED Apr. 2006: President and Representative Director of NAMCO BANDAI Games Inc. Jun. 2006: Director of the Company Apr. 2009: President and Representative Director of the Company (current position)	3,300 Shares

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
3	Jun Higashi (April 18, 1953)	Apr. 1976: Joined NAMCO LIMITED (currently NAMCO BANDAI Games Inc.) Apr. 1990: General Manager, Sales Planning Department of NAMCO LIMITED Jun. 1991: Director and General Manager, Sales Planning Department of NAMCO LIMITED Jun. 1999: Executive Officer and General Manager, Sales Planning Headquarters of NAMCO LIMITED May 2002: Managing Executive Officer and President, ET Company of NAMCO LIMITED Apr. 2004: Senior Managing Executive Officer and President, ET Company of NAMCO LIMITED Jun. 2004: Director and President, ET Company of NAMCO LIMITED Apr. 2005: Executive Vice President and Representative Director in charge of location business and President, ET Company of NAMCO LIMITED Mar. 2006: President and Representative Director of NAMCO LIMITED* Jun. 2006: Director of the Company Jun. 2008: Director in charge of the Strategic Business Units Overall and Affiliated Business Companies (current position) * Newly established company through the split of NAMCO LIMITED (currently NAMCO BANDAI Games Inc.)	4,300 Shares

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
4	Shuji Ohtsu (August 6, 1959)	Mar. 1986: Admitted to the CPA in Japan Dec. 1996: Partner of Century Audit Corporation Jan. 2000: Partner of Century Ota Showa & Co. (currently Ernst & Young ShinNihon) Sep. 2003: Partner of KPMG AZSA & Co. May 2004: Board Member of KPMG AZSA & Co. Oct. 2007: Joined the Company as Adviser Jun. 2008: Director of the Company in charge of Overseas Operations, Group Administrative Headquarters, Corporate Legal Affairs Office and Internal Auditing Division Apr. 2009: Director of the Company in charge of Overseas Operations, Administrative Headquarter and Internal Auditing Division (current position)	2,200 Shares
5	Yusuke Fukuda (February 9, 1961)	Apr. 1985: Joined Bandai Co., Ltd. Apr. 2001: Executive Officer and General Manager, the President Office of Bandai Co., Ltd. Apr. 2006: Director in charge of Group Policy and General Manager, the President Office and the Business Strategy Office of Bandai Co., Ltd. Apr. 2008: Director of Bandai Co., Ltd. (current position) Joined the Company as Adviser and in charge of Corporate Planning Division Jun. 2008: Director of the Company in charge of Corporate Planning Division (current position)	3,100 Shares

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
6	Kazunori Ueno (September 16, 1953)	Apr. 1977: Joined Bandai Co., Ltd. Apr. 1991: General Manager, Candy Toy / Vending Machine Business Department of Bandai Co., Ltd. Jun. 2001: Director in charge of the Toy Business Projects and General Manager, Character Toy Business Department of Bandai Co., Ltd. Apr. 2003: Managing Director and President, Toys & Hobby Company and Chief Gundam Officer (CGO) of Bandai Co., Ltd. Jun. 2005: President and Representative Director of Bandai Co., Ltd., and Chief Gundam Officer (CGO) (current position) Sep. 2005: Director of the Company Jun. 2007: Director in charge of Toys and Hobby SBU of the Company (current position) (Representation of other companies) President of Bandai Co., Ltd.	24,950 Shares
7	Masatake Yone (July 8, 1954)	Apr. 1981: Admitted to the bar in Japan Mar. 1987: Admitted to the bar in the State of New York Jan. 1989: Partner, Mori Sogo Law Firm (currently Mori Hamada and Matsumoto Law Firm) (current position) Sep. 2005: Director of the Company (current position) (Representation of other companies) Partner, Mori Hamada and Matsumoto Law Firm	--- Shares
8	Kazuo Ichijo (October 13, 1958)	Apr. 1988: Full-time Instructor in the Faculty of Social Sciences, Hitotsubashi University Oct. 1993: Associate Professor in the Faculty of Social Sciences, Hitotsubashi University Apr. 2001: Professor in the Graduate School of Social Sciences, Hitotsubashi University Jun. 2005: Director of Bandai Co., Ltd. Sep. 2005: Director of the Company (current position) Apr. 2007: Professor in the Graduate School of International Corporate Strategy, Hitotsubashi University (current position)	--- Shares

Candidate No.	Name (Date of Birth)	Brief Personal History (Positions, Duties and Representation of Other Companies)	Number of Shares of the Company Owned
9	Manabu Tasaki (November 8, 1948)	Jul. 1972 Joined McDonald’s Company (Japan), Ltd. (currently McDonald’s Holdings Japan) Dec. 1989 Joined Toys “R” US-Japan, Ltd. Apr. 1993 President and Representative Director of Toys “R” US-Japan, Ltd. Apr. 2004 Chairman, Representative Director, and Chief Executive Officer of Toys “R” US-Japan, Ltd. Jun. 2006 Advisor to StudioAlice Co., Ltd. (current position) Jul. 2006 Business Advisor to the Company (current position) Apr. 2008 Director of NAMCO LIMITED* * Newly established company through the split of NAMCO LIMITED (currently NAMCO BANDAI Games Inc.)	--- Shares

(Notes) 1. Each of Mr. Masatake Yone, Mr. Kazuo Ichijo, and Mr. Manabu Tasaki is a candidate for Outside Director. Both Mr. Masatake Yone and Mr. Kazuo Ichijo are currently Outside Directors of the Company and, at the conclusion of this General Meeting of Shareholders, it will be about three years and nine months since they assumed their respective positions. A Liability Limitation Agreement under the Companies Act, Article 427, Paragraph 1, has not been concluded between either of these two candidates and the Company.

(1) Reason for Proposing Them as Candidates for Outside Directors and Their Competence as Outside Directors

Though Mr. Masatake Yone has not been involved in the management of a company other than through his role as an Outside Director or Outside Corporate Auditor in the past, the reason for proposing Mr. Yone as a candidate for Outside Director arises from the expectation that, due to his experience as an attorney over many years, he will be able to supervise and review the Company's management, mainly from a legal risk perspective, and the Company believes that he will be able to appropriately fulfill the duties of an Outside Director.

Though Mr. Kazuo Ichijo has not been involved in the management of a company other than through his role as an Outside Director or Outside Corporate Auditor in the past, the reason for proposing Mr. Ichijo as a candidate for Outside Director arises from the expectation that, due to his teaching experience as researcher of organizational theory, etc. over many years, he will be able to use his deep knowledge to supervise and review the Company's management, and the Company believes that he will be able to appropriately fulfill the duties of an Outside Director.

The reason for proposing Mr. Manabu Tasaki as a candidate for Outside Director arises from the expectation that, due to his extensive experience as a manager of corporations, his excellent character and knowledge, and his thorough view of trends in the industries including the toys and hobby industry in which the Group is developing its businesses, he will be able to serve to strengthen management oversight and check functions further as well as to incorporate a broader managerial perspective into the Company.

(2) Independence as an Outside Director

As the property to be described pursuant to Article 74, Paragraph 4, Item 6 (b) of the Ordinance for Enforcement of the Companies Act, with respect to Mr. Masateke Yone, NAMCO BANDAI Games Inc. pays remuneration to Mori Hamada and Matsumoto Law Firm, of which Mr. Masatake Yone is a partner, for legal work. With respect to Mr. Manabu Tasaki, the Company pays him remuneration for his service as a business advisor.

2. Apart from the remuneration stated in 1. (2) above, there are no special interests between the candidates for the Directors and the Company.

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