Bandai Namco Group

Interim Period for the

Fiscal Year ending March 2006

November 24, 2005

NAMCO BANDAI Holdings Inc.

Table of Contents

1. 1st Half Results

- BANDAI ――――――――――――― P 2
- NAMCO ――――――――――――― P 3
- NAMCO BANDAI Holdings ――――――――――――― P 4

2. Business Strategy

- Toys & Hobby ――――――――――――― P 5
- Amusement Facility ――――――――――――― P 6
- Game Contents ――――――――――――― P 6
- Network ――――――――――――― P 7
- Visual and Music Content ――――――――――――― P 8
- North America ――――――――――――― P 8

3. Management Integration Synergies

- Fusion Plans & Projects within the New Group ――――――― P 9
- Business Synergies ――――――――――――― P 10

1st Half Results BANDAI (Consolidated)

(Millions of Yen)

	1st Half Results	Prior Year 1st Half Results	% Change
Net Sales	134,645	121,277	+11.0%
Operating Income	15,332	9,829	+56.0%
Ordinary Income	15,946	10,132	+57.4%
Net Income	5,607	3,883	+44.4%

1st Half Highlights BANDAI (Consolidated)

Toys & Hobby
Posted good results, centered around girls' toys

Visual and Music Contents
Mobile Suit Gundam Series displays and provides group synergy effects

North America
While continuing to struggle due to harsh market conditions and tight competition, our efforts of "selection and focus" resulted in some improvements.

1st Half Results NAMCO (Consolidated)

namco

(Millions of Yen)

	1st Half Results	Prior Year 1st Half Results	% Change
Net Sales	85,052	81,980	+3.7%
Operating Income	2,538	4,422	- 42.6%
Ordinary Income	2,632	4,200	- 37.3%
Net Income	2,526	2,679	- 5.7%

1st Half Highlights NAMCO (Consolidated)

namco

Coin-Op Game Machines

Domestic sales posted strong results.
Installation of large-sized game machines in 2nd half.

Home Videogame Software

Increase in number of units sold overseas.
Concentration of franchise title releases in 2nd half.

Amusement Facility Operations

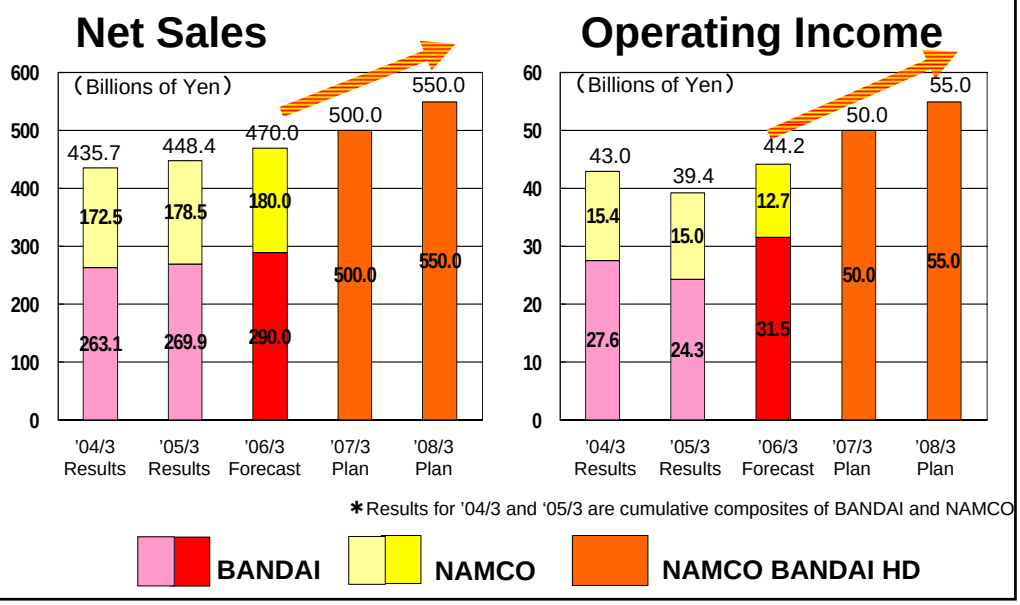
Whilst harsh market conditions, same store sales year on year was 95.7% domestically (Japan), and 97.7% for North America.

1st Half Results BANDAI NAMCO (Consolidated)

(Billions of Yen)

	1st Half Results	2nd Half Forecast	Full Year Forecast
Net Sales	218.8	251.2	470.0
Operating Income	17.5	26.7	44.2
Ordinary Income	18.2	25.9	44.1
Net Income	7.8	16.6	24.4

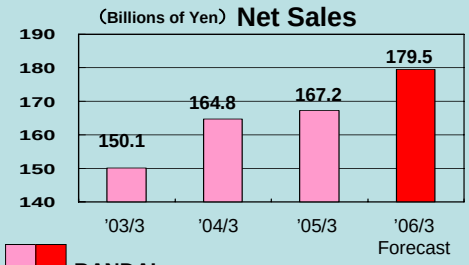
Transition of Results BANDAI NAMCO (Consolidated)

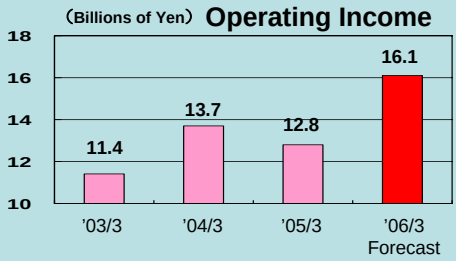


*Results for '04/3 and '05/3 are cumulative composites of BANDAI and NAMCO

BANDAI NAMCO NAMCO BANDAI HD

Business Strategy — Toys & Hobby





▸**Tamagotchi posts strong results**

Worldwide Sales top 5.8 million units in 1st half

Character Merchandise: Strong results

New Tamagotchi Series (Entama)

11/23 On Sale

Plans to link with Data Carddass

▸ **Popular, Long-established Boys' Character Toys**

Maji Ranger (Power Rangers)

Masked Rider Hibiki Disk Animals

Business Strategy — Toys & Hobby

▸**Strong Start for Data Carddass**

Dragon Ball Z series

Started March 2005

2nd Series

NARUTO also starts off strong

4,750 machines installed (as of Oct. 2005)

▸**Apparel, Sundries Strong**

Pretty Cure Max Heart

Cinnamoroll

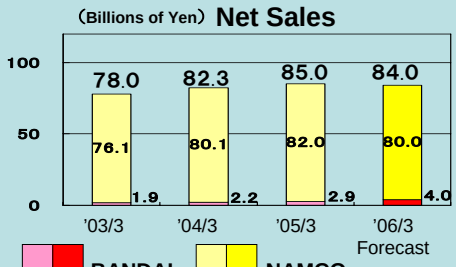
Mushiking

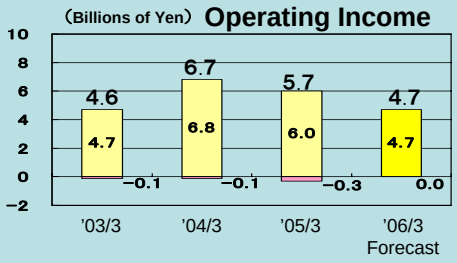
Topics for 2nd Half

☆**Strengthen product competitiveness of Boys' Characters**

☆**Secure profit overseas**

Business Strategy — Amusement Facility





✱Periods prior to 05/3 are combined results of BANDAI and NAMCO

▸**Same store sales**

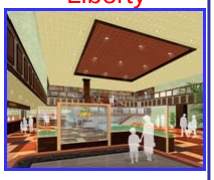
vs. prior year % (domestic): 95.7%

Japan	APR	MAY	JUN	JUL	AUG	SEP
	95.4	89.1	94.6	101.3	95.7	97.7
North America	MAR	APR	MAY	JUN	JUL	AUG
	100.2	94.3	97.8	98.3	97.8	97.9

Topics for 2nd Half

☆**Development of new types of location businesses**

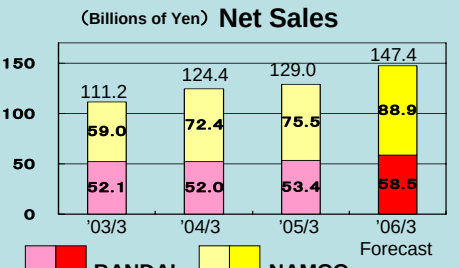
Spa Resort Liberty

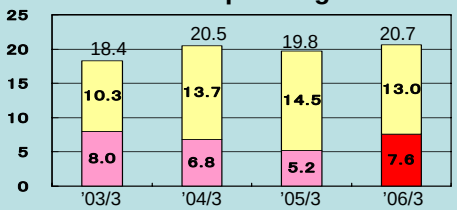


☆ **Invigorate same store sales with installation of new AM machines, etc.**

☆**Further progress in high quality services and low cost operations**

Business Strategy — Game Contents





✱Periods prior to 05/3 are combined results of BANDAI and NAMCO

▶**Domestic Sales of AM machines post strong 1st half results**

The Idolmaster

Medal no Tatsujin

Topics for 2nd Half

☆**Earn higher results from installation of new machines**

⇒**synergies with AM facility operations**

Mario Kart GP

Tekken 5

▶**NAMCO mobile phone content subscribers top 1 million in Japan**

Taiko no Tatsujin

Together with Bandai Networks subscribers, total subscriptions amount to more than 5 million

Business Strategy — Game Contents

Home Videogame Software

Despite severe market conditions, the following titles contributed to strong sales

Super Robot Wars α

Dragon Ball Z Sparking!

Tamagotchi

Ridge Racers (US/Europe)

Tekken 5 (Europe)

Topics for 2nd Half

☆High expectations for 2nd half releases of franchise titles

Tales of the Abyss for PS2

Soul Caliber III for PS2

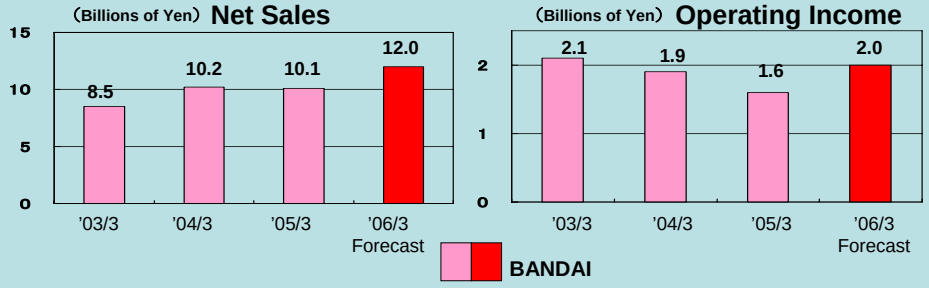
Mobile Suit Gundam SEED for PS2

☆Increased emphasis on multi-platform strategy

Support next generation hardware systems

Ridge Racer 6 for Xbox 360

Business Strategy — Network



▸Game Contents Strong

Subscribers at 1.48 million at the end of September 2005

⇒ An increase of 35% year on year

Various content implementation that match diversified consumer needs

▸Strengthen Solutions Business

⇒ 3D engine contributed to results

GNO Mobile

Tamagotchi (for mobile phones)

Topics for 2nd Half

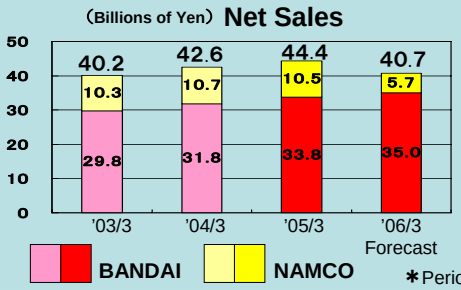
☆Effective implementation of inter-group resources

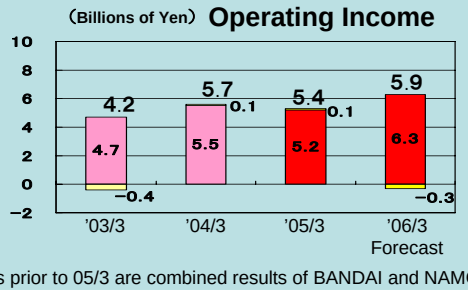
Service begins Winter 2006

Joint development with NAMCO

SD Gundam RPG for i-mode

Business Strategy Visual and Music Content





∗Periods prior to 05/3 are combined results of BANDAI and NAMCO

▸ ***Gundam* Displays Group Synergy Effect**

***Mobile Suit Gundam* Series Strong**
⇒Group Synergy Effect increases income rate

Topics

TAKESHIS'

In theaters in Japan

Mobile Suit Z Gundam
-A New Translation-

Topics

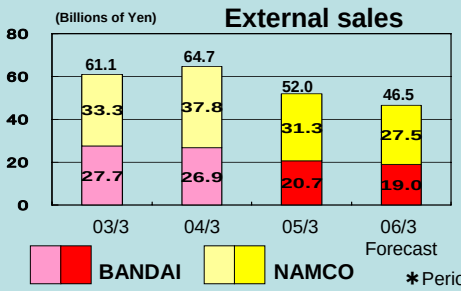
☆Business Expansion

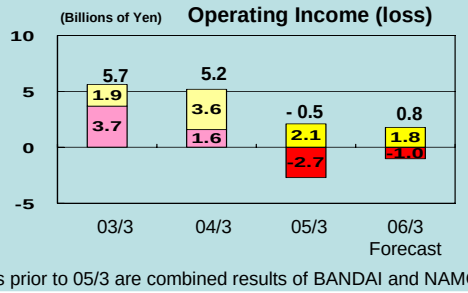
Expansion of contents business from Visual content to Audio, as well as text content

☆Area Expansion

Expansion overseas based on 'Made in Japan' high value-added business model

North America Area Business Strategy





∗Periods prior to 05/3 are combined results of BANDAI and NAMCO

▸1st Half Results

Toys & Hobby

Tamagotchi series posts very strong results

Game Contents

Ridge Racer for PSP posts strong results

Amusement Facility

Efficiency improvement measures have positive impact on income rate

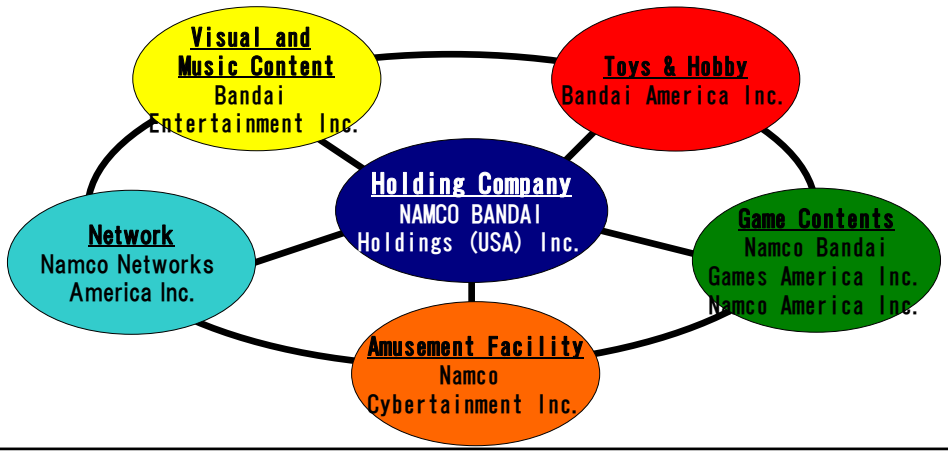
⇒However, the results fell short of the initial plan due to more emphasis on the 2nd half of the FY as well as severe market conditions and competitions

North America Area Business Strategy

Topics

☆Enhancement of portfolio function

Organization from January 2006



Management Integration Synergy Effects

Fusion Plans and Projects within the New Group

BANDAI NAMCO management integration commemorative essay

Over 2000 entries
Announcement of winners/inductees in January, 2006
⇒ Realization of Ideas

BANDAI × namco = ∞

Bandai, NAMCO intercompany HR transfer

Inter-company departments with available openings posted and start transfer process based on entries

November 2005 Listing
December 2005 Decision
April 2006 Transfer

HR Development Program bilateral participation

BANDAI HR development training ⇄ NAMCO HR development training

February thru July, 2006

Groupwide Projects

- Environmental Project
- BANDAI NAMCO Group Rights Project
- BANDAI NAMCO Group Intellectual Property Project

Management Integration Synergy Effects Business Synergy

Merchandising expansion of NAMCO contents

Toys & Hobby × Game Contents

Revival of past hit arcade games with “Let’s TV Play”

- Dragon Buster
- GAPLUS
- Xevious • MAPPY

Let’s TV Play Series

Visual × Game Contents

Arrange NAMCO game contents to visual content

- Idol Master, etc.

Idle Master

Toys & Hobby × Game Contents

Plastic models of futuristic jets from ‘Ace Combat Zero’

Scheduled for sale Spring 2006

×

Simulated images

Toys & Hobby × Game Contents

Production and sale of figure toys based on NAMCO game content

Scheduled for sale Winter 2006

- Soul Caliber III
- Tekken

Management Integration Synergy Effects Business Synergy

Location expansion

Toys & Hobby × Locations

Tamagotchi Café （tentative）

Installation of ‘Deka-tamagotchi’ at NAMCO facilities ⇒Over 200 facilities

Toys & Hobby × Locations

Installation of Data Carddass units at NAMCO locations

⇒160 locations, 260 units

Collaborative development

Game Contents × Locations

Development of Amusement Machines “Mobile Suit Gundam Senjo no Kizuna”

Domestic release next fiscal year

Game Contents × Network

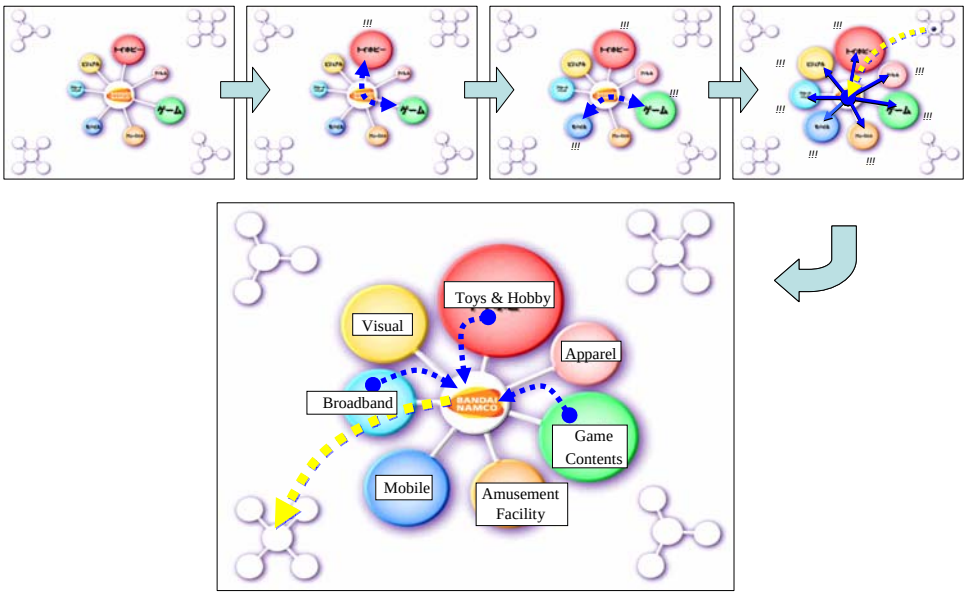
Development of Mobile contents

Offer SD Gundam RPG for i-mode services this winter

Service starts Winter 2006

SDガンダム RPG

Our Business Model: Entertainment Hub



URL： www.bandainamco.co.jp/

Warning concerning forward-looking statements:

This report contains figures that are based on the information currently available to management and estimates involving uncertain factors thought likely to have an effect on future results.

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