NAMCO BANDAI Holdings Inc.
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Listed exchange: TSE 1st section
Registered Business Location: Tokyo
(URL: http://www.bandainamco.co.jp/)

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Consolidated Earnings Report for the Nine Month-Period Ended December 31, 2005

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1. Matters concerning the basis of preparation of quarterly financial statements
   (i) Application of simplified accounting methods: YES
   Corporation income taxes are calculated based on a simplified method, by application of the effective statutory tax rate.
   (ii) Change in accounting methods compared with the consolidated financial statements for the fiscal year ended March 31, 2005: NO
   (iii) Change in the scope of consolidation and application of the equity method: YES
   Newly consolidated subsidiaries: 3 companies
   (VIBE Inc., NAMCO SPA RESORT LTD., Bandai Games Inc.)
   Formerly consolidated subsidiaries: 4 companies
   (PALBOX Co., Ltd., Italian Tomato Ltd., Nikkatsu Corporation, BanPocket Co., Ltd.)
   Affiliates newly accounted for under the equity method: 2 companies
   (People Co., Ltd., Italian Tomato Ltd.)

2. Consolidated Business Results for the Nine Month-Period Ended December 31, 2005
   (April 1, 2005 to December 31, 2005)

(1) Consolidated Business Results (¥ million)

	Net Sales	%	Operating income	%	Recurring income	%	Net income	%
Nine months ended December 31, 2005	345,396	-	35,600	-	36,801	-	17,711	-
Nine months ended December 31, 2004	-	-	-	-	-	-	-	-
Fiscal Year Ended March 31, 2005	-		-		-		-	

	Net income per share (¥)	Net income per share (diluted) (¥)
Nine months ended December 31, 2005	70.19	70.18
Nine months ended December 31, 2004	-	-
Fiscal Year Ended March 31, 2005	-	-

Note: Percentage figures accompanying net sales, operating income, etc. represent changes compared with the corresponding period a year earlier.

(2) Consolidated Financial Position

	Total assets	Stockholders' equity	Stockholders' equity ratio	Stockholders' equity per share
	¥ million	¥ million	%	¥
Nine months ended December 31, 2005	400,379	243,301	60.8	969.29
Nine months ended December 31, 2004	-	-	-	-
Fiscal Year Ended March 31, 2005	-	-	-	-

(3) Consolidated Statement of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at period-end
	¥ million	¥ million	¥ million	¥ million
Nine months ended December 31, 2005	14,249	(8,142)	(20,235)	(110,996)
Nine months ended December 31, 2004	-	-	-	-
Fiscal Year Ended March 31, 2005	-	-	-	-

3. Consolidated Projections for Fiscal Year ending March 2006 (April 1, 2005 to March 31, 2006)

	Net sales	Recurring income	Net income
	¥ million	¥ million	¥ million
Fiscal Year Ending March 31, 2006	450,000	33,000	11,000

(Reference) Projected net income per share (full year): ¥41.59

Note: The above projections are based on information available to the Company at the time of release, and assumptions involving uncertain factors thought likely to have an effect on future results. Actual results may differ significantly from projections due to a variety of factors.

4. Results of Operations, Financial Position and Outlook (Qualitative Information)

I. Consolidated Results of Operations

In the period under review (April 1, 2005 – December 31, 2005), Japan's economy saw strong corporate earnings, a slight improvement in business sentiment, and a sustained increase in capital investment. Despite the impact of rising crude oil prices and other factors, steady growth in personal income supported robust consumer spending on the whole.

In the entertainment industry, global competition has come to the fore, driven by the uptake and growth of networking infrastructure in step with technological innovation. In Japan, amid a falling birthrate and diversifying forms of hobbies and entertainment, entertainment companies must attract new customers by creating and providing appealing products and services, as well as conducting active R&D programs. These efforts are becoming increasingly crucial to delivering steady and sustained earnings.

In this environment, Bandai Co., Ltd. and NAMCO LIMITED established NAMCO BANDAI Holdings Inc. as a joint holding company on September 29, 2005. The companies were integrated in order to boost corporate value by building even greater strength and depth into operations, while ensuring success in the fast-changing, increasingly competitive entertainment industry.

Operating results for the period under review reflect market conditions during the year-end selling season that were favorable for mobile hardware in the home video games market and other related products, but generally sluggish in the toys market. BANDAI NAMCO Group reached the 10-million mark in cumulative global sales for the *Tamagotchi Plus* series in the current fiscal year, and crossed the 1-million mark for sales of *Tamagotchi Connection: Corner Shop* for the Nintendo DS, while sales of coin-operated game machines such as the *Mario Kart Arcade GP* have been favorable and contributed to operating results. On the other hand, sales of home video games franchise titles trailed their predecessors due to a failure to respond quickly to changes in the games market environment.

Due to the above, consolidated net sales were ¥345,396 million, recurring income was ¥36,801 million and net income for the period was ¥17,711 million.

Results by Business Segment (¥ million)

	Nine months ended December 31, 2005	
	Net Sales	Operating Income (Loss)
Toys & Hobby	134,710 [52,171]	18,093 [9,696]
Amusement Facility	60,166 [19,114]	1,837 [(462)]
Game Contents	104,904 [41,130]	12,909 [5,460]
Network	9,389 [3,439]	1,439 [582]
Visual & Music Content	33,453 [10,399]	6,128 [3,033]
Affiliated	17,209 [5,988]	68 [128]

Numbers in square parentheses refer to results for the October – December quarter.

Toys & Hobby Business

In Japan, *Chou Jinsei Enjoy! Tamagotchi PLUS*, the 3rd in the *Tamagotchi* series, and related products showed very strong performance, as did girls' toys and children's apparel based on the animation series *Pretty Cure Max Heart.* Meanwhile, popular items for boys included toys based on *Maji Ranger* (*Power Rangers Mystic Force)*, and children's apparel and sundries based on *The King of Beetles "MUSHIKING"*. In addition, demand was also strong for *Data Carddass*, a game that fuses digital data with card games, which was launched at the end of last fiscal year.

Overseas, in the U.S., measures were taken to concentrate resources on carefully selected characters and businesses. Meanwhile, in Europe and Asia, sales centered on the *POWER RANGERS* and *Tamagotchi* series went well.

Due to the above, the Toys & Hobby Business posted net sales of ¥134,710 million and operating income of ¥18,093 million.

Amusement Facility Business

In Japan, the Amusement Facility Business saw lively sales in response to launches of promising proprietary products such as *Mario Kart Arcade GP*, but cumulative revenues at existing directly managed locations fell 3.1 percentage points compared with a year earlier owing to record-setting low temperatures and snowfall.

Asakusa Hanayashiki did well after an overhaul, thanks also to the introduction of *Tsukuba Express*. *SPA･RESORT LIBERTY* (Kishiwada City, Osaka), which opened in December as a spa facility, marked the full-scale entry into hot spring operations.

In the U.S., the Amusement Facility Business displayed weakness at revenue-sharing operations under the effects from hurricanes and poor performance of movie theaters. However, thanks to ongoing measures such as closing unprofitable stores and cost cutting, slippage in cumulative revenues at existing directly-managed locations stopped at 2.5 percentage points compared with a year earlier, suggesting that the bottom is near. In Europe, directly-managed locations that opened in the U.K. in October fared well, while performance in Europe overall was solid. In Asia, performance was also solid thanks to the launch of prize games and proprietary products.

At the end of the period under review, the total number of amusement facilities was 1,689 locations, including 470 directly-managed locations, 1,215 sites operated under revenue-sharing arrangements, and 4 theme parks.

Due to the above, the Amusement Facility Business posted net sales of ¥60,166 million and operating income of ¥1,837 million

Game Contents Business

The Game Contents Business overall fared poorly due to a failure to respond quickly to changes in the home video games market environment, with steep underperformance of franchise titles launched globally such as *Soul Caliber III* compared with its predecessor. In Japan, however, sales of *Tamagotchi Connection: Corner Shop* for the Nintendo DS topped one million units alongside other titles, such as *Dragon Ball Z Sparking!* for the PlayStation 2, which proved popular and contributed to results. Additionally, for new hardware applications, *Ridge Racer 6* went on sale for the Xbox360.

Sales of coin-operated game machines in Japan were good for the globally launched *Mario Kart Arcade GP*. Additionally, *Hana-fubuki* and *Tekken 5 Dark Resurrection* did well in Japan, *Ms. Pacman/Galaga* did well in the U.S., and *The Fast and The Furious (RAW THRILLS INC.)* performed well in Europe.

Contents distribution services operated by NAMCO LIMITED for users of mobile phones and other portable devices performed well in Japan with paying subscribers reaching 1.03 million (up 7.0% year-on-year) thanks to the launch of *Tales of Commons*, a site geared at NTT DoCoMo users, and *Tales of the Abyss: Myuu's Adventure*, featuring content based on home video games. Contents distribution services fared well in the U.S., but performance was weak in Europe due to a delay in the launch of new services.

Due to the above, the Game Contents Business recorded net sales of ¥104,904 million and operating income of ¥12,909 million.

Network Business

In the Network Business operated by Bandai Networks Co., Ltd., the number of paying subscribers fell 5.4% year-on-year to 4.06 million. This was due to a drop in subscribers for standby and ringer tones, reflecting a change in the market environment for mobile contents distribution service for mobile phones. However, thanks to strong performance on high added-value content such as the *Mobile Suit Gundam* simulation game *Gundam Network Online Mobile* and entertainment contents *One Piece Mobile Jack,* average charges per subscriber increased, with beneficial effects on earning power. Moreover, contributions to earnings continued to come from new technology offerings for mobile phones, such as animation display-enabling *2D Vector Engine* and character image-generating *3D Engine*, as well as from solutions for corporations and web content.

Due to the above, the Network Business recorded net sales of ¥9,389 million and operating income of ¥1,439million.

Visual & Music Content Business

The Visual & Music Content Business benefited from TV broadcasts of *Mobile Suit Gundam SEED DESTINY* initiated last year and the highly successful box office results and DVD release of *Mobile Suit Z Gundam a New Translation: Heirs to the Stars* premiered in cinemas in May 2005, with strong group synergy effects coming from the *Mobile Suit Gundam* series, of which these offerings are a part. Sales of rental DVD video products were also favorable and contributed to results. By contrast, overseas performance was weak as returns increased amid slack market conditions in the U.S.

Due to the above, the Visual & Music Content Business recorded net sales of ¥33,453 million and operating income of ¥6,128 million.

Affiliated Business

In this business, the logistics business performed well by boosting further efficiency. New business initiatives include the inception in December 2005 of coin-operated game machines website *The Idol M@ster* featuring *The Idol M@ster Official Goods Shop*. This site is engaged in design and sales of proprietary goods as a *Total Entertainment Service* that interrelates coin-operated game machines and home computer under the concept of "*Entertainment Network Services.*"

Due to the above, Affiliated Business recorded net sales of ¥17,209 million and operating income of ¥68 million.

Geographic Segment Information (¥ million)

	Nine months ended December 31, 2005	
	Net Sales	Operating Income (Loss)
Japan	290,304 [105,575]	38,542 [16,164]
Americas	34,337 [13,707]	(3,018) [208]
Europe	20,040 [7,380]	3,201 [1,410]
Asia	24,073 [10,244]	2,048 [845]

Numbers in square parentheses refer to results for the October – December quarter.

Japan

In Japan, franchise titles such as *Critical Velocity* experienced weak sales in the market for home video games. By contrast, in the Toys & Hobby Business, sales were solid in girls' toys and children's apparel, centered on the *Tamagotchi Plus* series and *Pretty Cure Max Heart*. Game Contents saw solid sales in *Tamagotchi Connection: Corner Shop* for the Nintendo DS and *Dragon Ball Z Sparking!* for the PlayStation 2, while *Mario Kart Arcade GP* did well in sales of coin-operated game machines. Despite recent improved performance in the Amusement Facility Business in reaction to the launch of promising proprietary products, there was a negative impact from record-setting low temperatures and snowfall, and overall, cumulative sales at existing directly managed locations slipped 3.1 percentage points compared with a year earlier.

In distribution services for mobile phones and portable devices, performance was good centered on game contents, while in the Visual & Music Content Business the DVD release of the *Mobile Suit Gundam* series proved popular and had displayed strong group synergy effects.

Due to the above, net sales in Japan were ¥290,304 million and operating income was ¥38,542 million.

Americas

In the Americas (U.S. and Canada), the Toys & Hobby Business continued to narrow its focus on selected franchise characters and operations. In the market for home video games, franchise titles such as *Soul Caliber III* for the PlayStation 2 saw sales trail those of predecessor products, showing overall weak performance due to failure to respond quickly to changes in market environment. In the Visual & Music Content Business, performance suffered as slack market conditions prompted increased product returns. By contrast, in coin-operated game machines sales, sales were solid for *Mario Kart Arcade GP* and *Ms. Pacman/Galaga*. In Amusement Facility Business, thanks to ongoing measures such as closing unprofitable stores and cost cutting, slippage in cumulative revenues at existing directly-managed locations stopped at 2.5 percentage points compared with a year earlier, suggesting that the bottom is near. Contents distribution services for mobile phone and portable devices were solid.

Consequently, in this region, the BANDAI NAMCO Group posted net sales of ¥34,337 million and an operating loss of ¥3,018 million.

Europe

In Europe, the Toys & Hobby Business fared well centered on the *POWER RANGERS* and the T*amagotchi* series, with the *Tamagotchi* attaining Toy of the Year 2005 in the U.K. In home video games operations, *Dragon Ball Z Budokai 4* (Japanese product name: *Dragon Ball Z Sparking!)* performed well, as did *Mario Kart Arcade GP* and *The Fast and The Furious (RAW THRILLS INC.)* in coin-operated game machines. In contents for mobile phones and portable devices, delays in the launch of new services caused weak results, although the Amusement Facility Business in Europe overall was solid.

Due to the above, net sales in Europe were ¥20,040 million and operating income was ¥3,201 million.

Asia

In Asia, home video games operations struggled as sales tumbled below the level of predecessor products for franchise titles such as *Soul Caliber III* for the PlayStation 2. In the Toys & Hobby Business, sales did well centered on the *POWER RANGERS* and the *Tamagotchi* series, while in the Amusement Facility Business, prize games and the launch of proprietary products contributed to solid results.

Due to the above, net sales in Asia were ¥24,073 million and operating income was ¥2,048 million.

II. Financial Position

Cash flows

Cash and cash equivalents at December 31, 2005 totaled ¥110,996 million, a decrease of ¥13,927 million compared to the beginning of the current fiscal year. Cash flows for the nine months ended were as follows:

Cash flows from operating activities

Operating activities provided net cash of ¥14,249 million. This mainly reflected income before income taxes of ¥37,454 million, an increase in trade receivables of ¥9,828 million, and income taxes paid of ¥13,108 million.

Cash flows from investment activities

Investing activities used net cash of ¥8,142 million. This was chiefly attributable to cash outflows of ¥10,433 million for the acquisition of tangible and intangible fixed assets, ¥1,946 million for the acquisition of investment shares in People Co., Ltd., and ¥1,819 million for the acquisition of shares in VIBE Inc. and other subsidiaries, despite cash of ¥5,499 million from the sale of shares in Italian Tomato Ltd. and Nikkatsu Corporation.

Cash flows from financing activities

Financing activities used net cash of ¥20,235 million. This primarily reflected ¥10,548 million from the purchase of treasury stock and dividends paid of ¥4,415 million, alongside ¥3,097 million in cash payments upon the share-for share exchange and the repayment of long-term debt of ¥1,658 million.

III. Full-Year Outlook

Japan’s economic outlook calls for a gradual, sustained recovery supported mainly by improving corporate earnings and higher capital expenditures, although the revaluation of China’s currency will have some impact on the economy.

Furthermore, the operating environment surrounding the BANDAI NAMCO Group will be shaped by diversifying customer preferences in the toy market, and dramatic shifts in the game industry in anticipation of the launch of next-generation game consoles. The outlook for the Group’s operating environment thus remains surrounded in uncertainty.

In this setting, the Toys & Hobby Business of the BANDAI NAMCO Group has enjoyed worldwide popularity surrounding the *Tamagotchi Plus* series, while in the domestic realm, the Visual & Music Content Business is performing well, benefiting from animation contents such as the *Mobile Suit Gundam* series.

However, in the Game Contents Business with its home video games and the Amusement Facility Business which operates amusement facilities, performance has suffered due to failure to quickly adjust to changing market environments and shifting customer needs. At the same time, an increase in returns of DVD software has contributed to a poor performance in the Visual & Music Content Business in the U.S.

Taking these conditions into account, and including expectations for a sustained harsh market environment, the Company further tightened valuation standards for inventory assets surrounding home video games and others, and booked a ¥6.0 billion valuation loss. Furthermore, in light of weak performance in the U.S. and from a cautionary viewpoint, the Company will book a deferred tax asset valuation allowance of ¥1.8 billion relative to deferred tax assets booked at the beginning of the period. Due to the above, results projections announced on November 22, 2005 for the full fiscal year have been revised as shown below.

The Company will launch a three-year medium-term management plan beginning in April 2006, which aims to enhance profitability by reviewing target strategies and implementing structural reform of the product development for home video games operations. Moreover, in the U.S., the Company will work to accomplish a shift to high profitability by introducing a regional holding company structure that separates management and operations, and optimizes the allocation of regional management resources, and establish a stable business basis.

Consolidated Projections for Fiscal Year ending March 2006 (April 1, 2005 – March 31, 2006)

	Net sales	Recurring income	Net income
	¥ million	¥ million	¥ million
Previous projection (A)	470,000	44,100	24,400
Latest projection (B)	450,000	33,000	11,000
Change (amount B-A)	(20,000)	(11,100)	(13,400)
Rate of change (%)	(4.3%)	(25.2%)	(54.9%)

(Reference) Projected net earnings per share (full-year): ¥41.59

Forward-looking statements

This document contains forward-looking statements obtained from information currently available to the Company and Group, and as such, include inherent risks and uncertainties. Actual results may differ materially from projections for a variety of reasons, including changes in the Company and Group’s operating environment, market trends and exchange rate fluctuations.

Consolidated Financial Statement for the Nine Month-Period Ended December 31, 2005

(1) Consolidated Balance Sheet

	As of December 31, 2005		
	Millions of yen		Share (%)
(Assets)			
I Current assets:			
1. Cash and time deposits		104,038	
2. Trade receivables		84,318	
3. Short-term investments		8,895	
4. Inventories		32,523	
5. Deferred tax assets		3,716	
6. Other current assets		25,232	
Allowance for doubtful receivables		(1,517)	
Total current assets		**257,208**	**64.2**
II Fixed assets			
l. Property, plant and equipment			
(1) Buildings and structures	16,540		
(2) Amusement facilities and machines	22,746		
(3) Land	24,082		
(4) Other property, plant and equipment	14,712	78,082	
2. Intangible assets			
(1) Consolidated adjustment accounts	58		
(2) Other intangible assets	8,926	8,984	
3. Investments and other assets			
(1) Investment securities	23,267		
(2) Guarantee money deposited	25,196		
(3) Deferred tax assets	3,892		
(4) Other investments and assets	4,801		
Allowance for doubtful receivables	(1,053)	56,104	
Total fixed assets		**143,171**	**35.8**
Total assets		**400,379**	**100.0**

	As of December 31, 2005	
	Millions of yen	Share (%)
(Liabilities)		
I Current Liabilities		
1. Trade payables	46,576	
2. Short-term borrowings	4,456	
3.Bonds—current portion	10,000	
4. Accounts payable—other	17,812	
5. Accrued income taxes	9,902	
6. Other current liabilities	15,639	
Total current liabilities	**104,388**	**26.1**
II Long-term Liabilities		
1. Bonds	15,000	
2. Long-term debt	2,753	
3.Deferred tax liabilities, land revaluation difference	849	
4. Accrued retirement and severance benefits	2,062	
5. Directors' and auditors' retirement and severance benefits	902	
6. Other long-term liabilities	10,062	
Total long-term liabilities	**31,630**	**7.9**
Total liabilities	**136,018**	**34.0**
(Minority Interests)		
Minority Interests	**21,059**	**5.2**
(Stockholders' Equity)		
I Common stock	**10,000**	**2.5**
II Additional paid-in capital	**92,430**	**23.1**
Ill Retained earnings	**167,762**	**41.9**
IV Land revaluation difference	**(21,246)**	**(5.3)**
V Other securities valuation difference	**4,499**	**1.1**
VI Translation adjustment	**1,000**	**0.3**
VII Treasury stock	**(11,144)**	**(2.8)**
Total stockholder's equity	**243,301**	**60.8**
Total liabilities, minority interests and stockholders' equity	**400,379**	**100.0**

(2) Consolidated Statements of Income

	Nine months ended December 31, 2005		
	Millions of yen		Share (%)
I Net sales		**345,396**	**100.0**
II Cost of sales		**220,874**	**63.9**
Gross profit		**124,521**	**36.1**
Ill Selling, general and administrative expenses		**88,920**	**25.8**
Operating income		**35,600**	**10.3**
IV Non-operating income			
1. Interest income	609		
2. Dividend income	192		
3. Rental income	194		
4. Foreign exchange gain	369		
5. Operation consignment income	213		
6. Equity in earnings of affiliated companies	79		
7. Other non-operating income	391	2,051	0.6
V Non-operating expenses			
1. Interest expense	212		
2. Amortization of goodwill	363		
3. Other non-operating expenses	274	851	0.2
Recurring income		**36,801**	**10.7**
VI Extraordinary income			
1. Gain on sale of property, plant and equipment	186		
2. Gain on sale of investment securities	479		
3. Gain on sale of investments in affiliated companies	2,602		
4. Reversal of allowance for doubtful receivables	55		
5. Other extraordinary income	4	3,328	0.9

	Nine months ended December 31, 2005		
	Millions of yen		Share (%)
VII Extraordinary loss			
1. Loss on sale of property, plant and equipment	40		
2. Loss on disposal of property, plant and equipment	220		
3. Loss on impairment of property, plant and equipment	1,644		
4. Loss on business restructuring	205		
5. Loss on valuation of investment securities	201		
6. Loss on valuation of investments in affiliated companies	21		
7. Loss on valuation of guarantee money deposited	2		
8. Loss on change in equity interests	21		
9. Provision for allowance for doubtful receivables	317	2,675	0.8
Net income before income taxes and minority interests		**37,454**	**10.8**
Corporate income, inhabitant and enterprise taxes	**14,819**		
Tax adjustments	**3,281**	**18,101**	**5.2**
Minority interests		**1,640**	**0.5**
Net income		**17,711**	**5.1**

(3) Consolidated Statements of Cash Flows

	Nine months ended December 31, 2005
	Millions of yen
I Cash Flows from Operating Activities	
Income before income taxes and minority interests	37,454
Depreciation and amortization	13,783
Loss on impairment of property, plant and equipment	1,644
Amortization of consolidated adjustment accounts	92
Increase in allowance for doubtful receivables	337
Increase in accrued retirement and severance benefits	172
Decrease in directors' and auditors' retirement and severance benefits	(94)
Interest and dividend income	(802)
Interest expense	212
Foreign exchange gain	(80)
Equity in earnings of affiliated companies	(79)
Loss on disposal of property, plant and equipment	220
Gain on sale of property, plant and equipment	(145)
Loss on disposal of amusement facilities and machines	813
Gain on sale of investment securities	(3,082)
Loss on valuation of investment securities	223
Increase in trade receivables	(9,828)
Increase in inventories	(793)
Investment in amusement facilities and machines	(8,258)
Increase in trade payables	3,833
Decrease in trade payable—other	(3,122)
Increase in income tax refunds receivable	(5,130)
Bonuses to directors and corporate auditors	(627)
Other	(229)
Subtotal	26,514
Interest and dividends received	1,019
Interest paid	(176)
Income taxes paid	(13,108)
Net cash provided by operating activities	14,249

	Nine months ended December 31, 2005
	Millions of yen
II Cash Flows from Investing Activities	
Payments for deposit in time deposits	(915)
Proceeds from withdrawal from time deposits	509
Proceeds from sales of short-term investments	499
Purchases of property, plant and equipment	(8,019)
Proceeds from sales of property, plant and equipment	703
Purchases of intangible assets	(2,414)
Purchases of investment securities	(1,946)
Sales of investment securities	768
Acquisition of shares in consolidated subsidiaries, net of cash acquired	(38)
Proceeds from sales of shares in consolidated subsidiaries	313
Purchase of subsidiary shares related to changes in scope of consolidation	(1,780)
Proceeds from sales of subsidiary shares related to changes in scope of consolidation	5,185
Proceeds from decrease in capital at non-consolidated subsidiaries	152
Advances of loans receivable	(366)
Collection of loans receivable	482
Guarantee money deposited	(581)
Proceeds from collection of guarantee money deposited	1,091
Payments for succession of business	(1,500)
Other	(286)
Net cash used in investing activities	(8,142)
Ill Cash Flows from Financing Activities	
Net increase in short-term borrowings	493
Repayment of long-term debt	(1,658)
Repayment of bonds	(1,000)
Proceeds from issuance of shares	396
Proceeds from capital paid by minority interests	20
Purchases of treasury stock	(10,548)
Dividends paid	(4,415)
Cash payments upon the share-for-share exchange	(3,097)
Dividends paid to minority interests	(426)
Net cash used in financing activities	(20,235)
IV Effect of exchange rate changes on cash and cash equivalents	1,051
V Net decrease in cash and cash equivalents	(13,076)
VI Cash and cash equivalents at beginning of period	124,923
VII Net Increase in cash and cash equivalents from newly consolidated	10
VIII Net decrease in cash and cash equivalents due to elimination from consolidation	(860)
IX Cash and cash equivalents at end of period	110,996

(4). Segment Information

1. By Business Segment

(¥ million)

	Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 2005)								
	Toys & Hobby Business	Amusement Facility Business	Game Contents Business	Network Business	Visual & Music Content Business	Affiliated Business	Total	Eliminations and Corporate	Consolidated
Net sales									
(1) To external customers	131,882	59,813	102,114	9,167	32,733	9,684	345,396	−	345,396
(2) Intersegment sales and transfers	2,828	352	2,790	221	720	7,524	14,438	(14,438)	−
Total	134,710	60,166	104,904	9,389	33,453	17,209	359,834	(14,438)	345,396
Operating expenses	116,617	58,328	91,995	7,950	27,325	17,140	319,357	(9,562)	309,795
Operating income (loss)	18,093	1,837	12,909	1,439	6,128	68	40,477	(4,876)	35,600

Notes:

1. Business segment classifications are in accordance with classifications adopted for internal management purposes.
2. Principal products and operations in each business segment:

(1) Toys & Hobby Business	Toys, candy toys, products for vending machines, cards, plastic models, apparel, sundries, stationary and other products
(2) Amusement Facility Business	Amusement facility operations and other operations
(3) Game Contents Business	Software for home video games, coin-operated game machines, prizes for coin-operated game machines and other products
(4) Network Business	Mobile content and other products
(5) Visual & Music Content Business	Video titles, visual software, on-demand video distribution and other products and services
(6) Affiliated Business	Transportation and warehousing of products, leasing, real estate management, printing, licensing, restaurant management, human services and nursing care facilities, development and sale of environmental equipment and other activities

3. Operating expenses include an unallocatable amount of ¥5,314 million under eliminations and corporate. This figure primarily consists of expenses related to management divisions at NAMCO BANDAI Holdings, Inc., Bandai Co., Ltd. and NAMCO LIMITED.

2. By Geographic Segment

(¥ million)

	Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 2005)						
	Japan	Americas	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	283,483	33,458	20,026	8,428	345,396	–	345,396
(2) Intersegment sales and transfers	6,821	879	13	15,645	23,358	(23,358)	–
Total	290,304	34,337	20,040	24,073	368,755	(23,358)	345,396
Operating expenses	251,761	37,355	16,838	22,025	327,980	(18,185)	309,795
Operating income (loss)	38,542	(3,018)	3,201	2,048	40,774	(5,173)	35,600

Notes:

1. Methods for classifying geographic segments and principal countries and regions
   (1) The Company classifies geographic segments by such factors as geographic closeness, similarities in economic activities, mutual relationship of business activities.
   (2) Principal countries and regions belonging to each geographic segment
      (i) Americas U.S.A. and Canada
      (ii) Europe France, U.K. and Spain
      (iii) Asia: Hong Kong, Thailand and South Korea

. 2. Operating expenses include an unallocatable amount of ¥5,314 million under eliminations and corporate. This figure primarily consists of expenses related to management divisions at NAMCO BANDAI Holdings, Inc., Bandai Co., Ltd. and NAMCO LIMITED.

NAMCO BANDAI Holdings Inc.
(Bandai Co. Ltd)
Code Number: 7832
Listed exchange: TSE 1st section
Registered Business Location: Tokyo
(URL: http://www.bandainamco.co.jp/)

February 23, 2006

Consolidated Earnings Report for the Nine Month-Period Ended December 31, 2005

Contact Keiji Tanaka, Director
Telephone +81 (03) 5783-5500

1. Matters concerning the basis of preparation of quarterly financial statements
   (i) Application of simplified accounting methods: YES
   Corporation income taxes are calculated based on a simplified method, by application of the effective statutory tax rate.
   (ii) Change in accounting methods compared with the consolidated financial statements for the fiscal year ended March 31, 2005: YES
   Business segment classifications used in the segment information by business category have been changed.
   The accounting treatment of gains and losses from changes in shareholder stakes has been changed to treatment as extraordinary gains and losses.
   (iii) Change in the scope of consolidation and application of the equity method: YES
   Newly consolidated subsidiaries: 2 companies
   (VIBE Inc., Bandai Games Inc.)
   Formerly consolidated subsidiaries: 2 companies*
   (PALBOX Co., Ltd., BanPocket Co., Ltd.)
   Affiliates newly accounted for under the equity method: 1 company:
   (People Co., Ltd.)
   Affiliates formerly accounted for under the equity method: None*

   *Due to corporate separation instituted December 1, 2005, subsidiary and equity-method affiliate administrative operations were partly assumed by NAMCO BANDAI Holdings Inc. from Bandai Co., Ltd. As a result, effective December 31, 2005, Bandai Co., Ltd. relinquished 22 consolidated subsidiaries and 4 equity-method affiliates. These 26 entities are not included in the above-stated formerly consolidated subsidiaries and affiliates formerly accounted for under the equity method as the financial results of these entities are included in the consolidated financial statements of Bandai Co., Ltd.

2. Consolidated Business Results for the Nine Month-Period Ended December 31, 2005

(April 1, 2005 to December 31, 2005)

(1) Consolidated Business Results (¥ million, %)

	Net Sales		Operating income		Recurring income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended December 31, 2005	218,974	13.6	33,985	84.2	35,172	83.4	16,115	70.5
Nine months ended December 31, 2004	192,691	(0.2)	18,452	(25.9)	19,183	(21.7)	9,451	(25.5)
Fiscal Year Ended March 31, 2005	269,945		24,398		25,723		11,225	

	Net income per share	Net income per share (diluted)
	¥	¥
Nine months ended December 31, 2005	163.04	163.01
Nine months ended December 31, 2004	95.92	95.77
Fiscal Year Ended March 31, 2005	111.13	110.99

Note: Percentage figures accompanying net sales, operating income, etc. represent changes compared with the corresponding period a year earlier.

(1) Consolidated Statements of Income

	Nine months ended December 31, 2005		Nine months ended December 31, 2004		Change		Fiscal Year ended March 31, 2005	
	Millions of yen	Share (%)	Millions of yen	Share (%)	Millions of yen	Change (%)	Millions of yen	Share (%)
I Net sales	218,974	100.0	192,691	100.0	26,283	13.6	269,945	100.0
II Cost of sales	121,941	55.7	107,935	56.0	14,006	13.0	153,144	56.7
Gross profit	97,033	44.3	84,755	44.0	12,277	14.5	116,801	43.3
III Selling, general and administrative expenses	63,047	28.8	66,303	34.4	(3,255)	(4.9)	92,402	34.3
Operating income	33,985	15.5	18,452	9.6	15,533	84.2	24,398	9.0
IV Non-operating income	1,489	0.7	1,144	0.6	345	30.2	1,806	0.7
1. Interest income	488		384				526	
2. Equity in earnings of affiliated companies	98		5				—	
3. Other non-operating income	903		754				1,280	
V Non-operating expenses	302	0.1	413	0.2	(111)	(26.9)	481	0.2
1. Interest expense	170		135				190	
2. Equity in losses of affiliated companies	—		—				24	
3. Other non-operating expenses	131		278				266	
Recurring income	35,172	16.1	19,183	10.0	15,989	83.4	25,723	9.5
VI Extraordinary income	549	0.2	2,697	1.4	(2,148)	(79.6)	3,157	1.2
1. Gain on sale of property, plant and equipment	180		2				21	
2. Gain on sale of investment securities	282		2,636				2,953	
3. Other extraordinary income	85		57				181	
VII Extraordinary loss	2,665	1.2	2,807	1.5	(142)	(5.1)	3,912	1.5
1. Loss on sale of property, plant and equipment	250		287				711	
2. Loss on impairment of property, plant and equipment	1,644		1,528				1,528	
3. Expense of special depreciation of property, plant, and equipment	—		104				104	
4. Amortization of goodwill	—		392				392	
5. Loss on business restructuring	205		—				590	
6. Loss on valuation of investment securities	223		101				156	
7. Loss on valuation of guarantee money deposited	2		25				25	
8. Loss on change in equity interests	21		—				—	
9. Payment for compromise	—		49				54	
10. Provision for allowance for doubtful receivables	317		316				348	
Net income before income taxes and minority interests	33,056	15.1	19,072	9.9	13,983	73.3	24,968	9.2
Corporate income, inhabitant and enterprise taxes	15,196	6.9	8,209	4.3	6,986	85.1	12,125	4.4
Minority interests	1,744	0.8	1,412	0.7	332	23.6	1,616	0.6
Net income	16,115	7.4	9,451	4.9	6,664	70.5	11,225	4.2

(2) Segment Information

1. By Business Segment

(¥ million)

	Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 2005)								
	Toys & Hobby Business	Amusement Facility Business	Game Contents Business	Network Business	Visual & Music Content Business	Affiliated Business	Total	Eliminations and Corporate	Consolidated
Net sales									
(1) To external customers	132,015	3,003	42,808	9,168	26,976	5,001	218,974	—	218,974
(2) Intersegment sales and transfers	2,695	114	1,549	221	705	7,000	12,286	(12,286)	—
Total	134,710	3,118	44,358	9,389	27,682	12,001	231,261	(12,286)	218,974
Operating expenses	116,290	2,928	36,866	7,955	21,005	11,039	196,086	(11,097)	184,989
Operating income (loss)	18,420	189	7,492	1,434	6,676	962	35,175	(1,189)	33,985

(¥ million)

	Nine Months Ended December 31, 2004 (Fiscal Year from April 1, 2004 to March 31, 2005)								
	Toys & Hobby Business	Amusement Facility Business	Game Contents Business	Network Business	Visual & Music Content Business	Affiliated Business	Total	Eliminations and Corporate	Consolidated
Net sales									
(1) To external customers	122,491	2,080	34,386	7,111	22,172	4,448	192,691	—	192,691
(2) Intersegment sales and transfers	917	33	879	172	525	7,096	9,625	(9,625)	—
Total	123,408	2,114	35,266	7,283	22,698	11,544	202,316	(9,625)	192,691
Operating expenses	111,724	2,375	32,494	6,059	19,496	10,716	182,866	(8,628)	174,238
Operating income (loss)	11,684	(261)	2,771	1,224	3,201	828	19,449	(996)	18,452

(¥ million)

	Fiscal Year Ended March 31, 2005 (April 1, 2004 to March 31, 2005)								
	Toys & Hobby Business	Amusement Facility Business	Game Contents Business	Network Business	Visual & Music Content Business	Affiliated Business	Total	Eliminations and Corporate	Consolidated
Net sales									
(1) To external customers	165,943	2,941	52,194	9,886	33,045	5,934	269,945	—	269,945
(2) Intersegment sales and transfers	1,349	49	1,303	250	833	9,117	12,904	(12,904)	—
Total	167,293	2,991	53,497	10,136	33,878	15,051	282,849	(12,904)	269,945
Operating expenses	154,486	3,363	48,208	8,471	28,618	14,112	257,260	(11,712)	245,547
Operating income (loss)	12,807	(371)	5,289	1,665	5,260	938	25,589	(1,191)	24,398

Notes:

1. Business segment classifications are in accordance with classifications adopted for internal management purposes.

(Accounting changes)

In step with group management of BANDAI NAMCO Group driven by individual strategic business units (SBUs), business segment classifications of Bandai Group have been changed in accordance with the SBUs of BANDAI NAMCO Group.

Segment information for the nine months ended December 31, 2004 and for the fiscal year ended March 31, 2005 is presented on the basis of the changed segment classification.

2. Principal products and operations in each business segment

(1) Toys & Hobby Business	Toys, candy toys, products for vending machines, cards, plastic models, apparel, sundries, stationary and other products
(2) Amusement Facility Business	Amusement facility operations, and other operations
(3) Game Contents SBU	Software for home video games, game software for mobile devices, equipments and prizes for amusement machines, and other products
(4) Network Business	Mobile content and other products
(5) Visual & Music Content Business	Animation works, visual software, on-demand video distribution and other products and services
(6) Affiliated Business	Transportation and warehousing of products, leasing, real estate management, printing and other activities.

3. Operating expenses include an unallocatable amount under eliminations and corporate of ¥1,758 million for the nine months ended December 31, 2005, ¥1,429 million for the nine months ended December 31, 2004, and ¥1,873 million for the fiscal year ended March 31, 2005.These figures primarily consist of expenses related to management divisions at the Company.

2. By Geographic Segment

(¥ million)

	Nine Months Ended December 31, 2005 (Fiscal Year from April 1, 2005 to March 31, 2006)						
	Japan	Americas	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	183,263	12,196	15,569	7,945	218,974	—	218,974
(2) Intersegment sales and transfers	4,842	745	13	15,645	21,246	(21,246)	—
Total	188,105	12,941	15,583	23,591	240,221	(21,246)	218,974
Operating expenses	155,855	14,669	12,404	21,643	204,572	(19,583)	184,989
Operating income (loss)	32,250	(1,728)	3,178	1,947	35,648	(1,663)	33,985

(¥ million)

	Nine Months Ended December 31, 2004 (Fiscal Year from April 1, 2004 to March 31, 2005)						
	Japan	Americas	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	160,415	12,905	13,371	5,999	192,691	—	192,691
(2) Intersegment sales and transfers	4,302	714	—	17,274	22,291	(22,291)	—
Total	164,717	13,619	13,371	23,273	214,982	(22,291)	192,691
Operating expenses	147,110	16,011	10,538	21,321	194,981	(20,743)	174,238
Operating income (loss)	17,607	(2,392)	2,833	1,951	20,000	(1,548)	18,452

(¥ million)

	Fiscal Year Ended March 31, 2005 (April 1, 2004 to March 31, 2005)						
	Japan	Americas	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	219,221	20,749	21,744	8,230	269,945	—	269,945
(2) Intersegment sales and transfers	5,666	1,096	—	22,606	29,369	(29,369)	—
Total	224,888	21,845	21,744	30,837	299,315	(29,369)	269,945
Operating expenses	201,847	24,573	17,776	28,856	273,053	(27,506)	245,547
Operating income (loss)	23,040	(2,728)	3,967	1,980	26,261	(1,863)	24,398

Notes:

1. Methods for classifying geographic segments and principal countries and regions
   (1) The Company classifies geographic segments by geographic closeness.
   (2) Principal countries and regions belonging to each geographic segment
      (i) Americas: U.S.A. and Canada
      (ii) Europe: France, U.K. and Spain
      (iii) Asia: Hong Kong, Thailand and South Korea

. 2. Operating expenses include an unallocatable amount under eliminations and corporate of ¥1,758 million for the nine months ended December 31, 2005, ¥1,429 million for the nine months ended December 31, 2004, and ¥1,873 million for the fiscal year ended March 31, 2005.These figures primarily consist of expenses related to management divisions at the Company.

NAMCO BANDAI Holdings Inc.
(NAMCO LIMITED)
Code Number: 7832
Listed exchange: TSE 1st section
Registered business location: Tokyo
(URL: http://www.bandainamco.co.jp/)

February 23, 2006

Consolidated Earnings Report for the Nine Months Ended December 31, 2005

Contact Keiji Tanaka, Director
Telephone +81 (03) 5783-5500

1. Matters concerning the basis of preparation of quarterly financial statements
   (i) Application of simplified accounting methods: YES
   Corporation income taxes are calculated based on a simplified method, by application of the effective statutory tax rate.
   (ii) Change in accounting methods compared with the consolidated financial statements for the fiscal year ended March 31, 2005: NO
   (iii) Change in the scope of consolidation and application of the equity method: YES
   New consolidated subsidiary: 1 company (NAMCO SPA RESORT LTD.)
   Formerly consolidated subsidiaries: 2 companies* (Italian Tomato Ltd., Nikkatsu Corporation)
   Affiliates newly accounted for under the equity method: 1 company (Italian Tomato Ltd.)

*Due to corporate division instituted December 1, 2005, subsidiary and equity-method affiliate administrative operations were partly assumed by NAMCO BANDAI Holdings Inc. from NAMCO LIMITED. As a result, effective 31 December, 2005, NAMCO LIMITED relinquished 12 consolidated subsidiaries. These 12 entities are not included in the number of formerly consolidated subsidiaries stated above as their financial results are included in the consolidated financial statements of NAMCO LIMITED.

2. Consolidated Business Results for the Nine Month-Period Ended December 31, 2005
(April 1, 2005 to December 31, 2005)

(1) Consolidated Business Results (¥ million, %)

	Net sales		Operating income		Recurring income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine months ended December 31, 2005	128,148	(2.9)	2,769	(74.4)	2,875	(72.3)	2,512	(62.0)
Nine months ended December 31, 2004	132,024	(1.9)	10,803	(26.4)	10,371	(25.2)	6,603	(0.2)
Fiscal Year Ended March 31, 2005	178,551		15,085		14,588		9,464	

	Net income per share	Net income per share (diluted)
	¥	¥
Nine months ended December 31, 2005	22.86	-
Nine months ended December 31, 2004	60.17	-
Fiscal Year Ended March 31, 2005	83.63	-

Notes:

1. Percentage figures accompanying net sales, operating income, etc. represent changes compared with the corresponding period a year earlier.
2. Effective November 19, 2004, a stock split at the ratio of 1:2 per share of common stock was implemented. Net earnings per share for the fiscal year ended March 31, 2005 and for the nine months ended December 31, 2004, have been calculated assuming that the stock split was implemented at the beginning of the fiscal year.
3. Owing to an absence of dilutive instruments, diluted net earnings per share are not stated for the nine months ended December 31, 2005.

Consolidated Statements of Income

	Nine months ended December 31, 2004			Nine months ended December 31, 2005			Fiscal Year ended March 31, 2005		
	Millions of yen		Share (%)	Millions of yen		Share (%)	Millions of yen		Share (%)
Ⅰ Net sales		**132,024**	**100.0**		**128,148**	**100.0**		**178,551**	**100.0**
Ⅱ Cost of sales		**97,168**	**73.6**		**99,709**	**77.8**		**130,996**	**73.4**
Gross profit		**34,856**	**26.4**		**28,439**	**22.2**		**47,555**	**26.6**
Ⅲ Selling, general and administrative expenses									
1 Advertising	4,508			4,418			5,760		
2 Salaries and allowances	6,431			6,403			8,789		
3 Depreciation	572			805			789		
4 R&D expenses	4,899			5,126			6,781		
5 Other selling, general and administrative expenses	7,640	24,052	18.2	8,915	25,670	20.0	10,348	32,469	18.2
Operating income		**10,803**	**8.2**		**2,769**	**2.2**		**15,085**	**8.4**
Ⅳ Non-operating income									
1 Interest income	102			121			144		
2 Dividend income	5			13			10		
3 Store closing indemnity	-			86			-		
4 Foreign exchange gain	-			177			2		
5 Other non-operating income	150	258	0.2	225	624	0.5	207	364	0.2
Ⅴ Non-operating expenses									
1 Interest expense	50			41			68		
2 Amortization of goodwill	363			363			485		
3 Disposal of fixed assets	75			-			79		
4 Provision for doubtful receivables	115			-			109		
5 Foreign exchange loss	41			-			-		
6 Other non-operating expenses	43	690	0.5	112	518	0.4	118	861	0.5
Recurring income		**10,371**	**7.9**		**2,875**	**2.2**		**14,588**	**8.2**
Ⅵ Extraordinary income									
1 Gain on sale of investment securities	100			196			319		
2 Reversal of allowance for doubtful receivables	7			-			34		
3 Gain on change in equity interests	37			-			37		
4 Gain on sale of equity in subsidiaries	-			2,602			-		
5 Gain on collection on written-off claims	48			-			122		
6 Other extraordinary income	3	197	0.1	11	2,811	2.2	515	1,030	0.6
Ⅶ Extraordinary loss									
1 Loss on valuation of inventories	11			-			9		
2 Loss on impairment of property, plant and equipment	4			-			4		
3 Other extraordinary losses	2	18	0.0	-	-	0.0	63	78	0.0
Net income before income taxes and minority interests		**10,550**	**8.0**		**5,686**	**4.4**		**15,540**	**8.7**
Corporate income, inhabitant and enterprise taxes		**3,891**	**2.9**		**3,226**	**2.5**		**5,985**	**3.4**
Minority interests		**54**	**0.0**		**(51)**	(0. 0)		**89**	**0.1**
Net income		**6,603**	**5.0**		**2,512**	**2.0**		**9,464**	**5.3**

Segment Information

(1) By Business Segment (¥ million)

	Nine Months Ended December 31, 2004 (April 1, 2004 to December 31, 2004)								
	Coin-operated Game Machines	Home Video Game Software	Amusement Facility Operations	Restaurant Operations	Movies & Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales									
(1) To external customers	24,558	31,342	60,513	3,787	7,252	4,568	132,024	—	132,024
(2) Intersegment sales and transfers	213	0	172	44	143	578	1,153	(1,153)	—
Total	24,772	31,343	60,686	3,832	7,396	5,146	133,178	(1,153)	132,024
Operating expenses	17,934	27,196	56,422	3,831	7,569	5,542	118,497	2,724	121,221
Operating income (loss)	6,838	4,147	4,264	0	(173)	(395)	14,681	(3,877)	10,803

	Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 2005)							
	Coin-operated Game Machines	Home Video Game Software	Amusement Facility Operations	Movies & Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales								
(1) To external customers	24,724	36,161	56,810	5,783	4,668	128,148	—	128,148
(2) Intersegment sales and transfers	263	0	238	4	522	1,028	(1,028)	—
Total	24,988	36,161	57,048	5,787	5,190	129,177	(1,028)	128,148
Operating expenses	19,048	35,942	55,041	6,152	6,068	122,254	3,125	125,379
Operating income (loss)	5,939	219	2,006	(364)	(877)	6,923	(4,154)	2,769

	Fiscal Year Ended March 31, 2005 (April 1, 2004 to March 31, 2005)								
	Coin-operated Game Machines	Home Video Game Software	Amusement Facility Operations	Restaurant Operations	Movies & Graphics	Other	Total	Elimination or Corporate Items	Consolidated
Net sales									
(1) To external customers	27,771	47,488	81,788	5,110	10,343	6,050	178,551	—	178,551
(2) Intersegment sales and transfers	250	0	252	62	189	737	1,491	(1,491)	—
Total	28,021	47,488	82,040	5,172	10,532	6,787	180,043	(1,491)	178,551
Operating expenses	21,329	39,600	75,953	5,146	10,341	7,347	159,719	3,746	163,466
Operating income (loss)	6,691	7,888	6,086	25	191	(560)	20,323	(5,237)	15,085

Notes:

1. Methods for classifying operations

   Due to a partial stock transfer of its equity on April 15, 2005, the status of former consolidated subsidiary Italian Tomato Ltd. changed to that of an equity method subsidiary. As a result, the segment Restaurant Operations ceases to appear in segment information by type of business beginning with the term under review.

   Due to a partial stock transfer of its equity on September 28, 2005, former consolidated subsidiary Nikkatsu Corporation was excluded from consolidation on financial statements for the six-month interim period to September 30, 2005. Business results of this entity for the period until September 30, 2005, are included in Movies & Graphics operations.

2. Principal products and operations of business segments are unchanged except for Restaurant Operations and Movies & Graphics business segments.

3. Unallocatable operating expense amounts included in Eliminations and Corporate Items related to administrative divisions are as follows.

Nine months ended December 31, 2004	¥3,885 million
Nine months ended December 31, 2005	¥4,201 million
Fiscal year ended March 31, 2005	¥5,257 million

(2) By Geographic Segment (¥ million)

	Nine Months Ended December 31, 2004 (April 1, 2004 to December 31, 2004)						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	104,985	22,065	4,598	376	132,024	—	132,024
(2) Intersegment sales and transfers	3,461	67	0	—	3,529	(3,529)	—
Total	108,447	22,132	4,599	376	135,554	(3,529)	132,024
Operating expenses	94,343	21,517	4,512	330	120,703	517	121,221
Operating income (loss)	14,103	615	86	46	14,851	(4,047)	10,803

(¥ million)

	Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 2005)						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	101,940	21,268	4,457	482	128,148	—	128,148
(2) Intersegment sales and transfers	1,977	133	—	—	2,111	(2,111)	—
Total	103,918	21,402	4,457	482	130,259	(2,111)	128,148
Operating expenses	95,825	22,726	4,470	393	123,415	1,963	125,379
Operating income (loss)	8,092	(1,324)	(12)	88	6,844	(4,075)	2,769

(¥ million)

	Fiscal Year Ended March 31, 2005 (April 1, 2004 to March 31, 2005)						
	Japan	North America	Europe	Asia	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	140,606	31,343	6,081	519	178,551	—	178,551
(2) Intersegment sales and transfers	4,580	69	0	—	4,650	(4,650)	—
Total	145,187	31,412	6,082	519	183,202	(4,650)	178,551
Operating expenses	127,050	29,259	6,004	472	162,786	679	163,466
Operating income (loss)	18,136	2,153	77	47	20,415	(5,329)	15,085

Notes:
1. Methods are unchanged for classifying geographic segments and principal countries and regions.
2. Constituent principal countries and regions of each segment are unchanged.
3. Unallocatable operating expense amounts included in eliminations and corporate related to administrative divisions are as follows.

Nine months ended December 31, 2004	¥3,885 million
Nine months ended December 31, 2005	¥4,201 million
Fiscal year ended March 31, 2005	¥5,257 million

(3) Overseas Sales

Nine Months Ended December 31, 2004 (April 1,2004 to December 31, 2004)

	North America	Europe	Asia/Oceania	Total
I Overseas Sales (¥ million)	22,313	8,471	1,254	32,039
II Consolidated Sales (¥ million)				132,024
III Overseas sales as a ratio of consolidated sales (%)	16.9	6.4	1.0	24.3

Nine Months Ended December 31, 2005 (April 1,2005 to December 31, 2005)

	North America	Europe	Asia/Oceania	Total
I Overseas Sales (¥ million)	22,263	13,717	1,662	37,643
II Consolidated Sales (¥ million)				128,148
III Overseas sales as a ratio of consolidated sales (%)	17.4	10.7	1.3	29.4

Fiscal Year Ended March 31, 2005 (Fiscal Year from April 1, 2004 to March 31, 2005)

	North America	Europe	Asia/Oceania	Total
I Overseas Sales (¥ million)	31,974	11,618	2,105	45,699
II Consolidated Sales (¥ million)				178,551
III Overseas sales as a ratio of consolidated sales (%)	17.9	6.5	1.2	25.6

Notes:

1. Methods are unchanged for classifying geographic segments and principal countries and regions.
2. Constituent principal countries and regions of each segment are unchanged.
3. Overseas Sales are net sales that occur in countries or regions other than that of the Company or affiliated subsidiaries.