

# Thanks! 1st Anniv.



Dreams,  
Fun and  
Inspiration

2006.11.10

## Presentation of the Financial Results for the Interim Period of FY 07.3

**BANDAI NAMCO Group**

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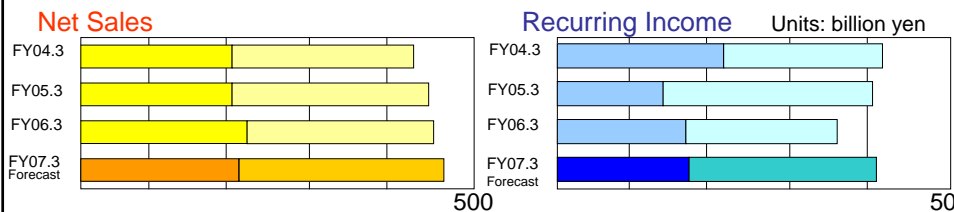
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# FY07.3 First Half Results

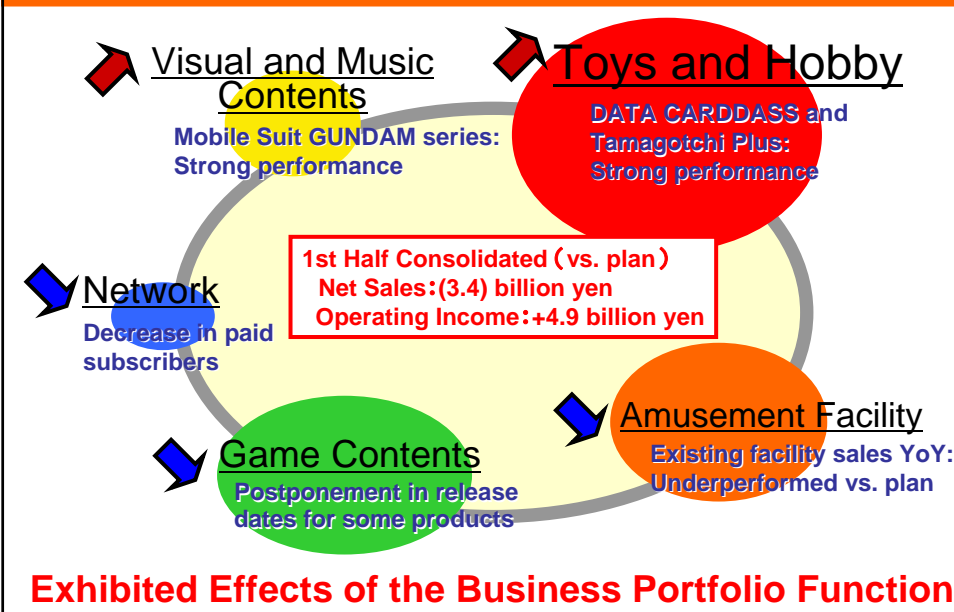


Transition of Results	FY04.3	FY05.3	FY06.3	FY07.3 1st Half		FY07.3 Full Year	
	Results	Results	Results	Plan	Results	Plan	Forecast
Net Sales	435.7	448.4	450.8	210.0	206.6	470.0	470.0
Operating Income	43.0	39.4	35.6	12.3	17.2	40.0	40.0
Recurring Income	41.6	40.3	37.1	12.5	18.5	40.5	40.5
Net Income	21.7	20.6	14.1	6.8	11.0	22.0	23.5
Capital Expenditures	23.2	20.9	20.8	10.0	9.0	22.5	22.5
Depreciation	18.2	19.1	19.1	11.0	8.9	22.0	22.0
R&D Investments	27.3	30.2	32.2	19.0	16.0	33.0	33.0
Advertising Expenses	31.7	31.4	31.0	17.5	14.0	34.5	33.0
Personnel Expenses	30.0	32.1	33.7	17.5	17.6	35.0	35.5

\*Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).



# FY07.3 First Half Results



# FY07.3 First Half Results



Units: billion yen

By Business Segment		FY07.3 First Half			FY07.3 Full Year		
		Initial Plan	Actual Results	Diff.	Initial Plan	Revised Plan	Diff.
Toys and Hobby	Net Sales	81.5	85.7	+4.2	180.0	180.0	-
	Operating Income	5.0	8.1	+3.1	15.7	16.5	+0.8
Amusement Facility	Net Sales	44.6	43.2	(1.4)	90.0	90.0	-
	Operating Income	2.3	1.8	(0.5)	4.8	3.8	(1.0)
Game Contents	Net Sales	62.0	57.0	(5.0)	153.0	153.0	-
	Operating Income	2.5	1.8	(0.7)	13.0	13.0	-
Network	Net Sales	6.5	6.2	(0.3)	13.5	13.0	(0.5)
	Operating Income	0.9	0.5	(0.4)	1.9	1.1	(0.8)
Visual and Music Content	Net Sales	17.0	19.2	+2.2	37.5	38.0	+ 0.5
	Operating Income	2.5	4.5	+2.0	6.4	7.0	+ 0.6
Other	Net Sales	9.2	10.9	+1.7	19.0	19.0	-
	Operating Income	0.3	0.8	+0.5	0.7	1.0	+ 0.3

# FY07.3 First Half Results



Units: billion yen

By Geographic Segment		FY07.3 First Half			FY07.3 Full Year		
		Initial Plan	Actual Results	Diff.	Initial Plan	Revised Plan	Diff.
Japan	Net Sales (External)	170.2	166.1	(4.1)	370.0	367.0	(3.0)
	Operating Income	12.7	16.5	+ 3.8	34.5	33.0	(1.5)
Americas	Net Sales (External)	22.0	19.9	(2.1)	54.5	54.5	-
	Operating Income	(1.3)	(0.8)	+ 0.5	1.9	2.5	+ 0.6
Europe	Net Sales (External)	11.6	13.9	+ 2.3	33.0	36.0	+ 3.0
	Operating Income	1.0	1.4	+ 0.4	4.0	4.5	+ 0.5
Asia	Net Sales (External)	6.2	6.5	+ 0.3	12.5	12.5	-
	Operating Income	1.1	1.3	+ 0.2	2.1	2.5	+ 0.4

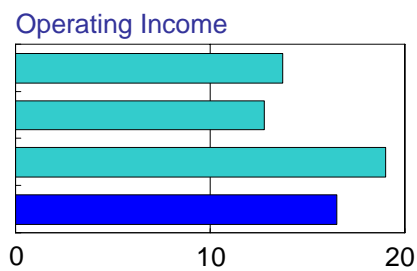
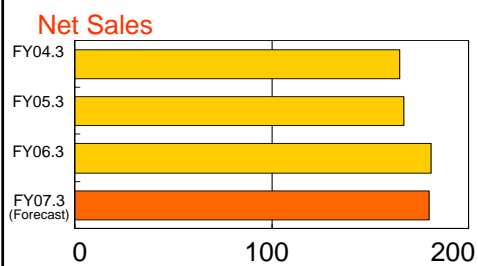
**Overall Strong Performance by Overseas Companies**



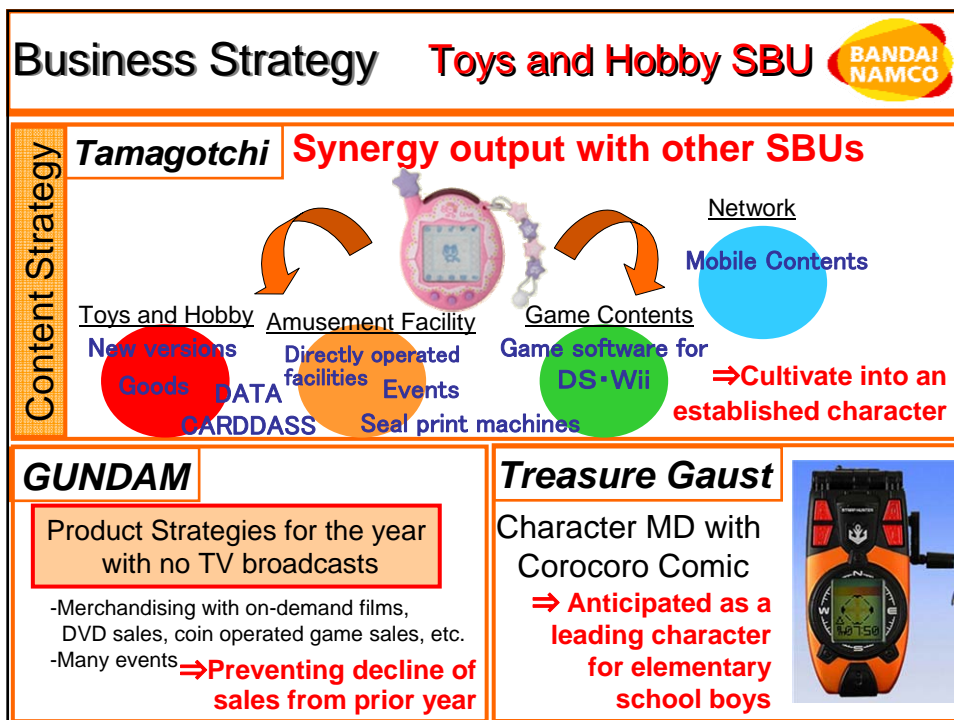
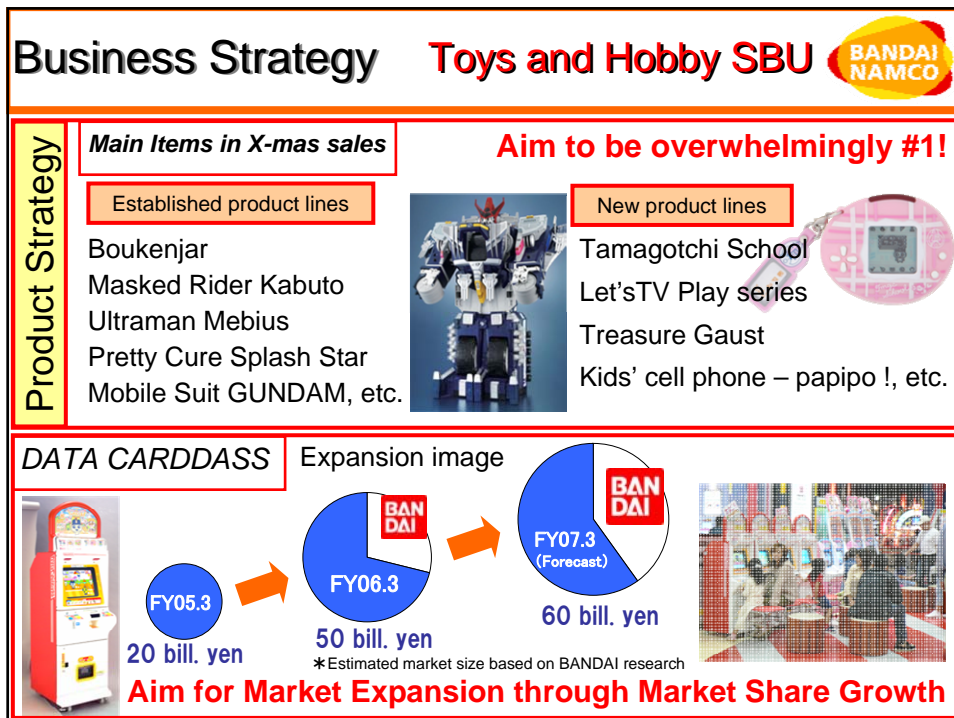
# Business Strategy

## Business Strategy Toys and Hobby SBU

<i>Transition of Results</i>	FY04.3	FY05.03	FY06.3	FY07.3 1st Half	FY07.3 Full Year Forecast
Net Sales	164.8	167.2	181.0	85.7	180.0
Operating Income	13.7	12.8	19.0	8.1	16.5



Unit: Billion yen



## Business Strategy

### Toys and Hobby SBU



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Other

#### M&A

**CCP Co., Ltd.**

- Radio controlled models
- Home appliances



↓

**Entry into New Business Area**

#### Collaboration

**Kokuyo**

**UNIQLO** “Kadokeshi” & “Tamagotchi” Collaboration product

- Sales of Character T-shirts
- Section at NY location



**Further Expansion of Business Domain**

---

Overseas

Americas,

Europe

Tamagotchi,  
Power Rangers:  
Strong performance



Americas

**BEN10:**  
Good start

China


Tamagotchi: Good start



India      Power Rangers: Good start

## Business Strategy

### Amusement Facility SBU




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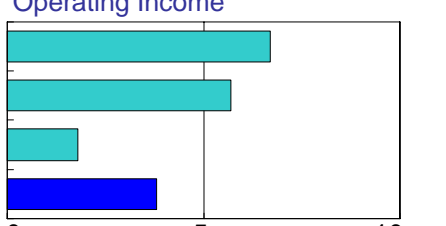
<i>Transition of Results</i>	FY04.3	FY05.03	FY06.3	FY07.3 1st Half	FY07.3 Full Year Forecast
Net Sales	<b>82.3</b>	<b>85.0</b>	<b>81.2</b>	<b>43.2</b>	<b>90.0</b>
Operating Income	<b>6.7</b>	<b>5.7</b>	<b>1.8</b>	<b>1.8</b>	<b>3.8</b>

\* Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).  
 \* FY06.3 figures are based on business segmentation of FY07.3.

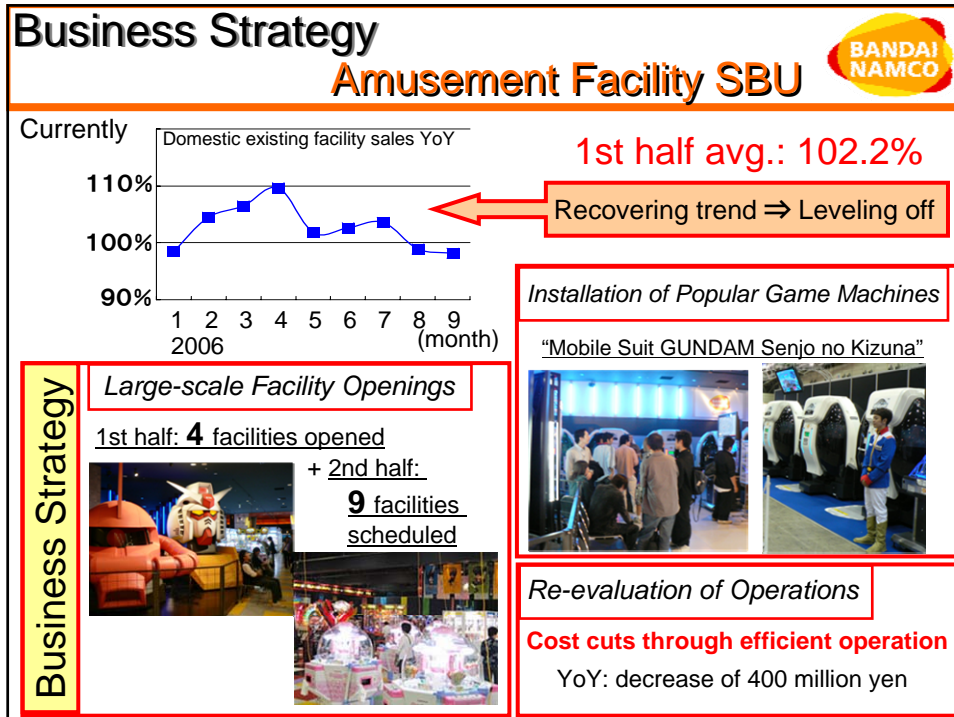
#### Net Sales



#### Operating Income



Unit: billion yen



## Business Strategy

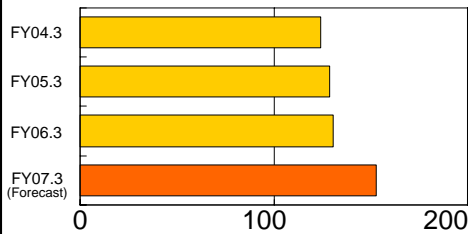
### Game Contents SBU



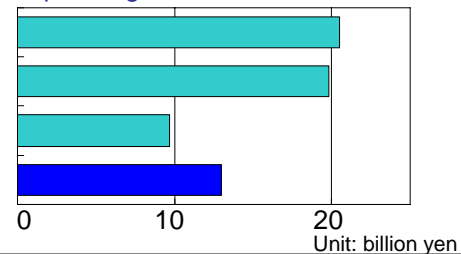
Transition of Results	FY04.3	FY05.03	FY06.3	FY07.3 1st Half	FY07.3 Full Year Forecast
Net Sales	124.4	129.0	130.7	57.0	153.0
Operating Income	20.5	19.8	9.7	1.8	13.0

\* Figures from FY04.3 and FY05.3 are combined results of Bandai (Consolidated) and NAMCO (Consolidated).  
 \* FY06.3 figures are based on business segmentation of FY07.3.

#### Net Sales



#### Operating Income



## Business Strategy


### Game Contents SBU



Home Video Game Software	<h4>Anticipated Titles</h4> <p><b>PS3</b>                      Mobile Suit GUNDAM Target in Sight                      Ridge Racer 7, etc.</p> 	<p><b>Wii</b>                      Ennichi no Tatsujin,                      Tamagotchi no Pika-pika Daitoryo!,                      Crayon Shinchan, etc.</p>  
	<p><b>DS</b>                      Tales of the Tempest,                      Dragon Ball Z,                      Heisei Kyoiku linkai, etc.</p> 	<p><b>PS2</b>                      GUNDAM,                      NARUTO,                      TAIKO Drum Master,                      Super Robot Wars OG, etc.</p>  
	<p><b>PSP</b>                      TEKKEN®: DARK RESURRECTION,                      Gunpey, Tales of series, etc.</p>	<p><b>Xbox360</b>                      Idol M@ster, GUNDAM, etc.</p>
	<p><b>Multi-Platform Strategy based on Customer Needs</b></p>	

## Business Strategy


# Game Contents SBU



Coin-Op Game Machines


**Anticipated Game Machines**

“Mobile Suit GUNDAM  
Senjo No Kizuna”




16 pods installed at  
HERO'S BASE!


Mobile Suit GUNDAM  
“Spirits of ZEON”



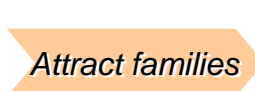
Pasha-pasha Seal  
Tamagotchi to  
Tama-2 shot



**GREAT START!**



Attract core users




Attract families

Pursue Synergy Effects with Facilities

## Business Strategy

# Game Contents SBU



WMC

Surpassed 1.06 million paid subscribers!




Transfer Popular Game  
Contents to Mobile Phones

Other

Consolidation of Domestic  
Offices (Shinagawa Area)

“Face to Face Office”

Concentration of People,  
Equipment, and Skills

Overseas

**Reorganization of Europe region**

Establishment of  
New Companies

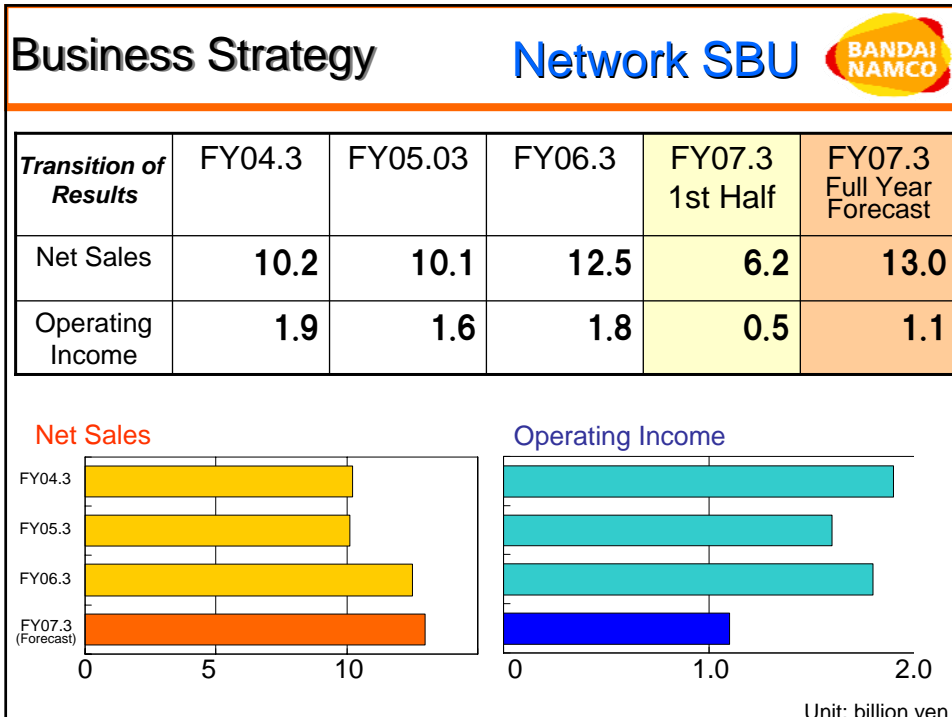
**NAMCO BANDAI Games Europe S.A.S.**  
⇒Consolidation of home video game businesses

**NAMCO EUROPE LIMITED**  
⇒Coin operated game machine sales company

**NAMCO BANDAI Networks Europe Limited**  
⇒Consolidation of mobile phone content businesses


Clarification of  
Responsibilities

Speedy Operations



Business Strategy




Network SBU



Content Strategy

Selective Content Expansion


- Reevaluation of content profitability
- Higher unit-value and efficiency through site consolidation
- Strengthening R&D of rich contents

New business


Establishment of Solid Business Foundation through Expansion of Business Domain


Start of service and expansion of "Picture Recognition Engine"

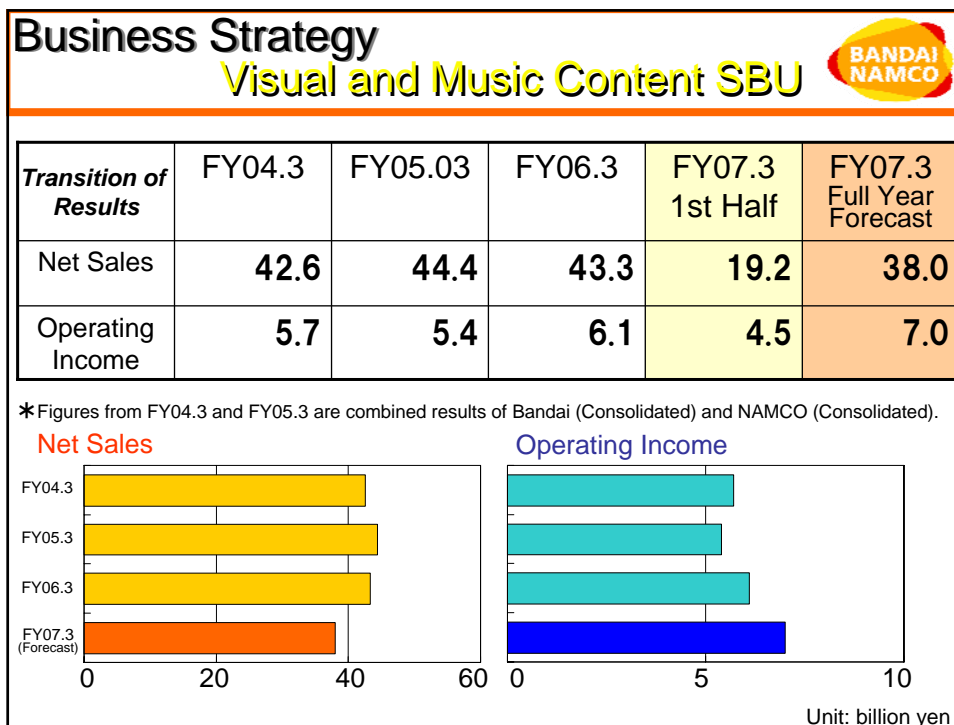


Internet advertising business: Steady start

Over 140,000 subscribers!







## Business Strategy

### Visual and Music Content SBU



Content Strategy

**First GUNDAM DVD-BOX on sale**



Part 1(¥37,800)  
Over 120,000 sets pre-ordered

**Anticipated contents**



**CODE GEASS**  
Lelouch of the Rebellion  
(TBS・MBS broadcast)  
SUNRISE×CLAMP



**Synergy**





Animation of Idol M@ster

New business

**Anime Channel** 

<http://www.dot-anime.com>

- Internet sales of DVDs, etc.
- Video streaming distribution
- Downloads of full-length songs
- Planning and sales of original products, etc.

— バンダイチャンネル キッズ —

**BANDAI CHANNEL Kids**

Nov.2 Start

Collaboration with USEN

Market Development for Distribution of Visual Content for Children

# Group Mission and Vision



## MISSION

Dreams, Fun and Inspiration

## VISION

To Become the World's Most Inspiring Entertainment Group

**Thanks!**  
**1st**  
**Anniv.**



Dreams,  
Fun and  
Inspiration

### Note on Projections

This document contains forward-looking statements and information related to the BANDAI NAMCO Group that are based on our knowledge as well as various assumptions made on the basis of information currently available. The words "forecast," "plan," "target," "estimation," "projection," "intend," "will" and similar expressions, as related to the Group, are intended to identify forward-looking statements and information. Actual results could differ materially from those projected in such forward-looking statements.

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