



NAMCO BANDAI Holdings Inc.

Consolidated Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2011

February 3, 2011

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

NAMCO BANDAI Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

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

February 3, 2011

Consolidated Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2011 (Japanese GAAP)

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Scheduled filing date of the quarterly security report: February 10, 2011

Scheduled starting date for dividend payments: -

The additional materials of the Financial Results for the Third Quarter: Yes

The information session of the Financial Results for the Third Quarter: Yes (for investors and the press)

* Figures are in millions of yen, rounded down

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2011 (April 1, 2010 to December 31, 2010)

(1) Consolidated Operating Results (For the third quarter ended December 31, 2010)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income	
	¥ million	%	¥ million	%	¥ million	%
Third Quarter of the Fiscal Year Ending March 31, 2011	288,030	1.8	16,616	253.0	16,577	235.9
Third Quarter of the Fiscal Year Ended March 31, 2010	282,832	(10.4)	4,706	(76.3)	4,935	(77.2)

	Net income		Net income per share	Net income per share (diluted)
	¥ million	%	¥	¥
Third Quarter of the Fiscal Year Ending March 31, 2011	3,673	-	15.26	15.25
Third Quarter of the Fiscal Year Ended March 31, 2010	(11,744)	-	(48.65)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of December 31, 2010	311,874	217,291	69.1	911.84
As of March 31, 2010	325,935	229,012	69.5	938.74

(Reference)

Equity: 215,652 million yen (as of December 31, 2010), 226,666 million yen (as of March 31, 2010)

2. Cash Dividend

	Annual cash dividend				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal Year Ended March 31, 2010	–	¥12.00	–	¥12.00	¥24.00
Fiscal Year Ending March 31, 2011	–	¥12.00	–		
Fiscal Year Ending March 31, 2011 (Projections)				¥12.00	¥24.00

* Revision to the projections of cash dividend for the Fiscal Year Ending March 31, 2011: No

* The stable portion of the cash dividend is given in the projections for the Fiscal year-end of the Fiscal Year Ending March 31, 2011 based on the Company's basic policy regarding appropriation of profits. Thus, the actual Fiscal year-end cash dividend will be decided according to the consolidated financial results.

3. Consolidated Projections for the Fiscal Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	395,000	4.3	13,500	616.6	13,500	607.6	1,800	–	7.51

* Revision to the projections: Yes

4. Other Information (For details, please refer to “2. Other Information” on page 5 of the Attached Material)

(1) Changes in Significant Subsidiaries during the Third Quarter: No

Note: Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation

(2) Application of Simplified Accounting and Special Accounting for the Third Quarter: Yes

Note: Application of Simplified Accounting and Special Accounting for Preparing the Quarterly Consolidated Financial Statements

(3) Changes in Accounting Policies, Procedures, and Methods of Presentation

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

b) Changes due to other reasons: No

Note: Change in Significant Accounting Policies, Procedures, and Methods, which are stated in “Change in Important Matters in Preparing Quarterly Consolidated Financial Statements”.

(4) Number of Issued Shares (Common Stock)

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

As of December 31, 2010 250,000,000 shares

As of March 31, 2010 250,000,000 shares

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

As of December 31, 2010 13,498,808 shares

As of March 31, 2010 8,540,776 shares

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

For the Third Quarter ended December 31, 2010 240,802,544 shares

For the Third Quarter ended December 31, 2009 241,384,573 shares

* Implementation status of quarterly review

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

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

Consolidated projections for the fiscal year ending March 31, 2011 (announced on November 5, 2010) are revised in this report. Forward-looking statements that have been released prior to this document are based on management's estimates, assumptions, projections and information available at the time of its publications. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of “(3) Qualitative Information Regarding Consolidated Projections” of “1. Qualitative Information Regarding Consolidated Results for the Third Quarter” on pages 4-5 of the attached material to the quarterly financial results report for matters pertaining to the earnings projections.

Attached Material

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1. Qualitative Information Regarding Consolidated Results for the Third Quarter

(1) Qualitative Information Regarding Consolidated Operating Results

During the third quarter (nine months) of the fiscal year ending March 31, 2011, while recovery was evident in the economy, there was also international financial instability, an unfavorable employment situation, a sharp rise in the yen and other factors. In the entertainment industry there continues to be uncertainty towards the economy on account of the effect of weak consumption.

In such environment, the BANDAI NAMCO Group (“the Group”) pressed ahead with its sights set on the medium- to long-term Group vision of becoming a “Globally Recognized Entertainment Group,” and it is further developing its global management foundation, based on the three-year Mid-term Business Plan that started in April 2009. Moreover, the Group commenced the “BANDAI NAMCO Group Restart Plan” in April 2010, for the purpose of a more assured implementation of this global management foundation, and it carried out steps to transform itself into a speedy Group, improve its profitability and strengthen its financial standing.

On the business front, the long-established character toys and card products posted strong performances in the Toys and Hobby Business in Japan. In addition, the Group benefitted from certain achievements, particularly in the Content Business and the Amusement Facility Business, through a range of measures being implemented according to the Restart Plan.

Consequently, the Group’s consolidated results for the third quarter (nine months) were net sales of 288,030 million yen (year-on-year increase of 1.8%), operating income of 16,616 million yen (year-on-year increase of 253.0%), and recurring income of 16,577 million yen (year-on-year increase of 235.9%). Concerning net income, extraordinary losses were recognized in the first quarter from loss on valuation of investment securities and the loss on adjustment for changes of accounting standard for asset retirement obligations. There was also an increase in the payment of income taxes accompanying a deepening deficit of certain subsidiaries, mostly sales companies overseas, as well as increased profits mainly by subsidiaries in Japan. As a result, net income was 3,673 million yen (compared with a net loss of 11,744 million yen for the same period of the previous fiscal year).

The Company acquired its own shares as follows in accordance with a decision made by the Board of Directors at a meeting held on November 5, 2010.

- (1) Acquisition period: November 11, 2010 to December 24, 2010
- (2) Total number of shares acquired: 5,000,000 shares
- (3) Total amount paid for the stock acquisition: 4,169 million yen

Operating Results by Segment

Toys and Hobby Business

In the Toys and Hobby Business, long-established character toys, such as the *KAMEN RIDER OOO* (pronounced “O’s”), *HEART CATCH PRETTY CURE !* and *Tamagotchi* posted strong performance figures in Japan, mainly during the Christmas shopping season. Another toy popular in Japan was *VooV*, the new toy vehicle that was launched to expand the target population. The digital card game *DATA CARDDASS* and the card game *PRO BASEBALL OWNERS LEAGUE* that can be played in conjunction with an online game were also strong contributors to performance. Performance also improved in peripheral businesses such as candy toys and children’s clothing as a result of horizontal development of popular characters such as the *KAMEN RIDER* series.

Turning overseas, in North America and Europe, facing a struggling performance from the *Power Rangers* series due to a decline in the frequency of TV broadcasts, the Group started to expand into new categories and content in the

aim of achieving growth in the medium- to long-term. However, performance did not reach the level of the same period of the previous fiscal year, which enjoyed strong performance from *BEN10*.

As a result, net sales in the Toys and Hobby Business were 116,309 million yen, and segment profit was 13,561 million yen.

Content Business

In the Content Business, new titles in home video game software that were released as potential candidates for new franchises, particularly overseas, performed below the planned targets. However, games such as *GOD EATER BURST* and *AKB1/48 Idol to Koishitara...*, a dating simulation game, for PlayStation Portable enjoyed popularity in Japan thanks to a speedier response to meet customer needs.

In arcade game machines, performance was solid, particularly with respect to *Mobile Suit Gundam Extreme VS.* and popular character prizes. In visual and music content, favorable package software sales of *Mobile Suit Gundam UC (Unicorn)* and the management principles of selection and concentration of titles led to improved profitability. However, in the mobile content, a decline in fee-paying subscribers led to the posting of weak performance figures.

Note that due to impairment loss on goodwill related to certain subsidiaries that was recognized in the previous fiscal year, amortization of goodwill for the third quarter (nine months) has declined compared with the same period of the previous fiscal year. Fixed costs also declined due to the implementation of efficiency measures.

As a result, net sales in the Content Business were 130,261 million yen, and segment profit was 3,553 million yen.

Amusement Facility Business

In the Amusement Facility Business, amid the environment of the Japanese market bottoming out, the Group implemented different marketing strategies for each customer segment. Specifically, solid performance figures were posted, thanks to stores that have been differentiated by providing the experience of a unique world-view of characters such as *Ultraman* and *Tamagotchi*. As a result, existing-facility sales were 100.9% of the figure for the same period of the previous fiscal year.

Overseas, although the Group posted weak performance figures in Europe amidst difficult market environment, profitability in the Americas was improved due to the efficiency efforts that carried out in the previous fiscal year.

As a result, net sales in the Amusement Facility Business were 46,489 million yen, and segment profit was 1,454 million yen.

Facilities as of December 31, 2010

Directly Managed Facilities	Revenue-Sharing Facilities	Others	Total
277	837	3	1,117

Other Businesses

Other Businesses consist of companies that conduct operations, such as logistics support and building management for each of the Group's strategic business units. During the third quarter (nine months), efforts were made to improve the efficiency of these operations related to group support.

As a result, net sales in the Other Businesses were 13,406 million yen, and segment profit was 796 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

At the end of the third quarter of fiscal year ending March 31, 2011, total assets stood at 311,874 million yen, a decrease of 14,060 million yen from the end of the previous fiscal year. The main factors were as follows. Although there was an increase of 12,867 million yen in trade receivables, this was offset by a decrease of 21,705 million yen in cash and time deposits due to income taxes paid, cash dividends paid and repayment of borrowings.

Total liabilities amounted to 94,582 million yen, a decrease of 2,340 million yen from the end of the previous fiscal year. The main factors of this decline were as follows. Although trade payables increased by 5,704 million yen, there were decreases of 4,224 million yen in advances received included in other current liabilities, 2,888 million yen in short-term borrowings due to repayment, and 1,666 million yen in long-term borrowings included in other long-term liabilities due to repayment.

Total net assets stood at 217,291 million yen, a decrease of 11,720 million yen from the end of the previous fiscal year. The main factors were decreases of 5,431 million yen in foreign currency translation adjustments due to currency fluctuation and 2,136 million yen in retained earnings due to cash dividends paid etc., and the increase of 4,119 million yen in treasury stock through the acquisition of the Company's own shares on the market.

As a result, the equity ratio became 69.1% compared with 69.5% at the end of the previous fiscal year.

(3) Qualitative Information Regarding Consolidated Projections

As for the future of the economy, taking into consideration the global financial instability, the weak individual consumption and other factors, the current uncertainty is expected to continue and have an impact on the entertainment industry, in which the Group is extensively involved.

Facing these circumstances, the Group intends to transform itself into a speedy Group, improve its profitability and strengthen its financial standing based on the "BANDAI NAMCO Group Restart Plan" for the purpose of a more assured implementation of the global management foundation adopted in the three-year Mid-term Business Plan that has been in operation since April 2009.

Specifically, in the Toys and Hobby Business, our plan for Japan is to promote the popular *KAMEN RIDER OOO* (pronounced "O's"), and in addition, to launch other new product series for long-established characters such as *GOKAIGER (Power Rangers series)* and *SUITE PRETTY CURE ♪*. Furthermore, we plan to add strength to the popular *DATA CARDDASS* and work to further popularize *Battle Spirits* and *PRO BASEBALL OWNERS LEAGUE* aiming for expanding our share of the trading card market. Overseas, in addition to the *BEN10* character toys, which have become a long-established character series, we will place our attention on new products that can bring growth in the next fiscal year and beyond such as *POP PIXIE* aimed at girls.

In the Content Business, the Group will carry out a speedier rollout of its business under a new virtual organization based on the Group's content. Specifically, in the fiscal year ending March 31, 2011, we plan to release three titles for the soon-to-be-launched Nintendo 3DS including *Ridge Racer 3D*. In addition, we are working to deliver timely response to new customer needs such as by developing for SNS (Social Networking Service) with a particular focus on *GUNDAM ROYALE*, a service that commenced in December 2010 and which has got off to a favorable start. For the overseas home video game software, which has been struggling, we have already undertaken structural reform, including revising the development system in the Americas.

For the Amusement Facility Business, the Group will pursue a strategy of differentiation through the promotion of store operations that provide the experience of the Group's unique world-view of characters in Japan, while strengthening profitability by continuing to implement various efficiency measures in Japan and overseas.

In its consolidated projections for the full fiscal year ending March 31, 2011, taking into account the operating results for the third quarter (nine months) and the recent trends in financial performance, the Group has revised its projections that were announced in the Consolidated Financial Report for the second quarter on November 5, 2010. Please see below for the details of the revision.

Revision to the consolidated projections for the full fiscal year

(April 1, 2010 to March 31, 2011)

(¥ million)

	Net Sales	Operating Income	Recurring Income	Net Income (Loss)	Net Income (Loss) per Share
Previous projections (A)	400,000	11,000	10,500	1,800	7.45 yen
Revised projections (B)	395,000	13,500	13,500	1,800	7.51 yen
Change in amount (B–A)	(5,000)	2,500	3,000	–	–
Change (%)	(1.3%)	22.7%	28.6%	–	–
Reference: Results for the previous fiscal year (April 1, 2009 to March 31, 2010)	378,547	1,883	1,907	(29,928)	(123.98) yen

2. Other Information

(1) Summary of Changes in Significant Subsidiaries

No items to report

(2) Summary of Simplified Accounting and Special Accounting

a. Simplified accounting

i. Calculation of debt default estimate for general receivables

As it is deemed that there is no material change in the debt default ratio and the like at the end of the current third quarter from what was calculated at the end of the previous fiscal year, debt default estimate was calculated using the debt default ratio and the like at the end of the previous fiscal year.

ii. Inventory valuation method

With respect to the calculation of inventories at the end of the current third quarter, physical inventories were omitted and a reasonable calculation method based on the physical inventories at the end of the previous fiscal year was employed.

In addition, concerning the write-down of the book value of inventories, only for those items whose drop in profitability was apparent, was an estimate of net selling price made and were book values written down.

iii. Calculation of depreciation of fixed assets

For fixed assets to which the declining-balance method is applied, the amount of depreciation for the fiscal year is proportionally divided up into amounts for the quarterly period.

b. Special accounting

Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against

income before income taxes and minority interests for the fiscal year including the current third quarter, and next by multiplying the quarterly income before income taxes and minority interests by such estimated effective tax rate.

Also, adjustment for income taxes is included in income taxes.

(3) Summary of Changes in Accounting Policies, Procedures, and Methods of Presentation

a. Application of “Accounting Standard for Asset Retirement Obligations”

“Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) were applied from the first quarter.

As a result of this change, gross profit, operating income and recurring income have each decreased by 64 million yen and income before income taxes and minority interests decreased by 1,269 million yen. Also, the change in the amount of asset retirement obligations arising from the application of this accounting standard is 1,637 million yen.

b. Application of accounting standards for business combinations

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008) were applied from the first quarter.

3. Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(¥ million)

	Current 3rd Quarter As of December 31, 2010	(Summary) Prior Fiscal Year As of March 31, 2010
Assets		
Current assets		
Cash and time deposits	74,942	96,647
Trade receivables	65,593	52,726
Finished goods and merchandise	13,563	12,817
Work in process	28,400	23,805
Raw materials and supplies	4,686	4,334
Other current assets	22,039	28,570
Allowance for doubtful receivables	(948)	(1,138)
Total current assets	208,278	217,762
Fixed assets		
Property, plant and equipment	45,675	46,014
Intangible assets		
Other intangible assets	9,367	12,501
Total intangible assets	9,367	12,501
Investments and other assets		
Other investments and assets	50,357	51,463
Allowance for doubtful receivables	(1,803)	(1,807)
Total investments and other assets	48,553	49,656
Total fixed assets	103,596	108,172
Total assets	311,874	325,935
Liabilities		
Current liabilities		
Trade payables	41,660	35,956
Short-term borrowings	5,988	8,876
Accrued income taxes	7,174	8,239
Provision	2,533	3,204
Other current liabilities	27,261	30,326
Total current liabilities	84,617	86,604
Long-term liabilities		
Provision	2,885	2,565
Other long-term liabilities	7,079	7,753
Total long-term liabilities	9,965	10,319
Total liabilities	94,582	96,923

(¥ million)

	Current 3rd Quarter As of December 31, 2010	(Summary) Prior Fiscal Year As of March 31, 2010
Net assets		
Stockholders' equity		
Common stock	10,000	10,000
Additional paid-in capital	79,999	79,960
Retained earnings	161,317	163,454
Treasury stock	(13,575)	(9,455)
Total stockholders' equity	237,741	243,958
Valuation difference and foreign currency translation adjustments		
Unrealized gains or losses on other securities, net of tax	1,012	19
Deferred gains or losses on hedges, net of tax	(278)	79
Land revaluation, net of tax	(6,491)	(6,491)
Foreign currency translation adjustments	(16,331)	(10,900)
Total valuation difference and foreign currency translation adjustments	(22,089)	(17,292)
Stock subscription rights	4	810
Minority interests	1,635	1,535
Total net assets	217,291	229,012
Total liabilities and net assets	311,874	325,935

(2) Quarterly Consolidated Statements of Operations

(¥ million)

	Prior 3rd Quarter (From April 1, 2009 to December 31, 2009)	Current 3rd Quarter (From April 1, 2010 to December 31, 2010)
Net sales	282,832	288,030
Cost of sales	185,332	183,377
Gross profit	97,499	104,652
Selling, general and administrative expenses	92,792	88,036
Operating income	4,706	16,616
Non-operating income		
Interest income	312	125
Dividend income	184	204
Amortization of negative goodwill	92	–
Equity in gain of affiliated companies	–	88
Other non-operating income	360	402
Total non-operating income	950	821
Non-operating expenses		
Interest expense	247	126
Equity in loss of affiliated companies	116	–
Foreign exchange loss	155	658
Other non-operating expenses	202	75
Total non-operating expenses	721	859
Recurring income	4,935	16,577
Extraordinary income		
Gain on sales of fixed assets	12	232
Gain on liquidation of subsidiaries	49	–
Gain on transfer of business	–	405
Reversal of allowance for doubtful receivables	33	118
Reversal of accrued retirement and severance benefits	11	–
Reversal of provision for losses from business restructuring	–	22
Gain on reversal of stock subscription rights	6	715
Other extraordinary income	2	144
Total extraordinary income	115	1,638
Extraordinary loss		
Loss on sales of fixed assets	9	3
Loss on impairment of fixed assets	942	236
Impairment loss on goodwill	5,711	–
Loss on valuation of investment securities	–	2,059
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	1,205
Other extraordinary loss	759	811
Total extraordinary loss	7,423	4,317
Income (loss) before income taxes and minority interests	(2,371)	13,898
Income taxes	9,267	10,054
Income before minority interests	–	3,843
Minority interests	104	169
Net income (loss)	(11,744)	3,673

(3) Notes on Premise of Going Concern

No items to report

(4) Segment Information

[By Business Segment]

Prior 3rd quarter (From April 1, 2009 to December 31, 2009)

(¥ million)

	Toys and Hobby Business	Game Contents Business	Visual and Music Content Business	Amusement Facility Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
Net sales								
(1) To external customers	106,692	100,379	21,312	48,987	5,460	282,832	–	282,832
(2) Inter-segment sales and transfers	2,232	4,290	685	171	7,777	15,157	(15,157)	–
Total	108,924	104,669	21,997	49,159	13,237	297,989	(15,157)	282,832
Operating income (loss)	9,640	(3,372)	(122)	37	198	6,381	(1,674)	4,706

Notes: 1. The industry segments used above are those used for internal management purposes.

2. Main products in each business segment:

- | | |
|--|--|
| (1) Toys and Hobby Business: | Toys, candy toys, products for vending machines, cards, plastic models, apparel, sundries |
| (2) Game Contents Business: | Home-use video game software, arcade game machines, mobile contents, prizes for amusement arcade machines |
| (3) Visual and Music Content Business: | Video contents, video software, on demand video distribution, music software |
| (4) Amusement Facility Business: | Amusement facilities operation |
| (5) Other Businesses: | Transportation and storage of products, leases, real estate management, printing, sales of environmental devices |

3. Changes in business segments

On April 1, 2009, for the further growth expected in the network-related market, an absorption-type merger was executed between the Company's consolidated subsidiary Bandai Networks Co., Ltd. (the extinct company) and the Company's consolidated subsidiary NAMCO BANDAI Games Inc. (the surviving company). As a result of a review of business segments that accompanied this merger, it was decided to merge the Network Business segment with the Game Contents Business segment from the first quarter because they had similar business characteristics such as contents of services, content development, and support for multiple media.

The table below presents the results of the third quarter (nine months) of the previous fiscal year (business segment information) under the new business segments.

(¥ million)

	Toys and Hobby Business	Game Contents Business	Visual and Music Content Business	Amusement Facility Business	Other Businesses	Total	Eliminations and Corporate	Consolidated
Net sales								
(1) To external customers	117,985	109,353	23,086	58,828	6,394	315,647	–	315,647
(2) Inter-segment sales and transfers	1,916	4,599	664	268	7,720	15,168	(15,168)	–
Total	119,901	113,952	23,750	59,096	14,114	330,815	(15,168)	315,647
Operating income	10,413	10,607	162	48	426	21,657	(1,815)	19,841

4. In the second quarter, due to the new consolidation of NAMCO BANDAI Partners S.A.S. and its 18 subsidiaries, total assets in the Game Contents Business increased by 17,386 million yen.

[By Geographic Segment]

Prior 3rd quarter (From April 1, 2009 to December 31, 2009)

(¥ million)

	Japan	Americas	Europe	Asia, excluding Japan	Total	Eliminations and Corporate	Consolidated
Net sales							
(1) To external customers	213,433	21,189	35,261	12,947	282,832	–	282,832
(2) Inter-segment sales and transfers	12,844	2,626	421	16,024	31,915	(31,915)	–
Total	226,278	23,815	35,682	28,971	314,747	(31,915)	282,832
Operating income (loss)	9,933	(5,049)	(277)	2,447	7,054	(2,347)	4,706

Note: Definition of geographic segments and main countries and regions in geographic segments:

(1) Foreign geographic segments are defined by geographic region, similarity of economic activities, and interrelation of business activities.

(2) The main countries and regions in each geographic segment are as follows:

- a. Americas: United States and Canada
- b. Europe: France, United Kingdom, Spain and Germany
- c. Asia, excluding Japan: Hong Kong, Thailand, Korea, China and Australia

In the second quarter, due to the new consolidation of NAMCO BANDAI Partners S.A.S. and its 18 subsidiaries, Germany was added to the Europe geographic segment and Australia to the Asia geographic segment.

[Foreign Sales]

Prior 3rd quarter (From April 1, 2009 to December 31, 2009)

	Americas	Europe	Asia, excluding Japan	Total
I Foreign sales (¥ million)	22,878	35,496	15,874	74,249
II Consolidated sales (¥ million)	–	–	–	282,832
III Share of sales to customers outside Japan (%)	8.1	12.6	5.6	26.3

- Notes:
- Foreign sales are defined as total sales by the Company and its consolidated subsidiaries in countries and regions other than Japan.
 - Segmentation by country or by region and the main countries and regions in each geographic segment are as follows:
 - Foreign geographic segments are defined by geographic region, similarity of economic activities, and interrelation of business activities.
 - The main countries and regions in each geographic segment are as follows:
 - a. Americas: United States, Canada and Latin America
 - b. Europe: France, United Kingdom, Spain, Germany, Middle East and Africa
 - c. Asia, excluding Japan: Hong Kong, Singapore, Thailand, Korea, Australia, China and Taiwan
- In the second quarter, due to the new consolidation of NAMCO BANDAI Partners S.A.S. and its 18 subsidiaries, Germany was added to the Europe geographic segment.

[Segment Information]

1. Overview of reportable segments

The reportable segments of the Company are components of the Group whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Group is made up of (1) three strategic business units, one for each business domain, namely the Toys and Hobby SBU, the Content SBU, and the Amusement Facility SBU, and (2) the affiliated business companies that mainly serve a supporting role for these strategic business units. The major company of each strategic business unit leads the planning and promotion of the business strategies of the strategic business unit for Japan and overseas.

Accordingly, the Group has the following three reportable segments: Toys and Hobby Business, Content Business, and Amusement Facility Business.

The Toys and Hobby Business conducts manufacturing and sales of toys, candy toys and products for vending machines. The Content Business conducts production and sales of home-use video game software and video related products, and the manufacturing and sales of arcade game machines. The Amusement Facility Business conducts the operation of amusement facilities.

2. Information regarding the amounts of net sales and profit/loss by reportable segment

Current 3rd quarter (From April 1, 2010 to December 31, 2010)

(¥ million)

	Reportable Segments				Other Businesses (Note 1)	Total	Adjustment (Note 2)	Amount recorded in the quarterly consolidated statements of operations (Note 3)
	Toys and Hobby Business	Content Business	Amusement Facility Business	Total				
Net sales								
To external customers	113,659	123,012	46,432	283,104	4,926	288,030	-	288,030
Inter-segment sales and transfers	2,649	7,249	57	9,956	8,479	18,436	(18,436)	-
Total	116,309	130,261	46,489	293,060	13,406	306,467	(18,436)	288,030
Segment profit	13,561	3,553	1,454	18,569	796	19,365	(2,749)	16,616

- Notes:
1. The “Other Businesses” category is a business segment not included in reportable segments under which operations such as logistics support and building management for each of the Group’s strategic business units are classified.
 2. Included in the 2,749 million yen deducted from segment profit as adjustment are 565 million yen as inter-segment eliminations, and 2,184 million yen as corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administrative division that have not been attributed to a reportable segment.
 3. Segment profit is adjusted with operating income in the quarterly consolidated statements of operations.

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

In the current third quarter (nine months), there was no recognition of any material loss on impairment of fixed assets, nor was there recognition of any material changes in the amount of goodwill or material gains on negative goodwill.

(Additional information)

“Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) were applied from the first quarter.

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

During the third quarter (nine months), in accordance with a decision made by the Board of Directors at a meeting held on November 5, 2010, the Company acquired 5,000,000 of its own shares at a purchase price of 4,169 million yen, raising the value of treasury stock as of the end of the third quarter to 13,575 million yen.