

**Reorganization of the Japanese Operations of the BANDAI NAMCO Group**  
**- Merger of Bandai and Namco's Game Content Businesses -**

Name of the Company: NAMCO BANDAI Holdings Inc.  
Name and Position of the Representative: Takeo Takasu  
President and Representative Director  
Head office location: Minato-ku, Tokyo, Japan  
First Section, Tokyo Stock Exchange (Stock Code: 7832)

Name of the Company: BANDAI Co., Ltd.  
Name and Position of the Representative: Kazunori Ueno  
President and Representative Director  
Head office location: Taito-ku, Tokyo, Japan

Name of the Company: NAMCO LIMITED  
Name and Position of the Representative: Shigeichi Ishimura  
President and Representative Director  
Head office location: Ohta-ku Ward, Tokyo, Japan

NAMCO BANDAI Holdings Inc. will reorganize the Japanese operations of the BANDAI NAMCO Group with the aim of maximizing the Group's corporate value. On March 31, 2006 it will establish a new Group company under the name of NAMCO BANDAI Games Inc., which will be formed by merging Bandai's home console game content division with NAMCO's home console game content division, its arcade game console content division, its mobile contents business division and part of its new business division.

Following this reorganization, NAMCO BANDAI Games Inc. will serve as the successor to today's NAMCO LIMITED. The functions of the Entertainment Company (which currently manages NAMCO's amusement facilities) along with some of the functions of the Incubation Center will be given to a re-merged NAMCO LIMITED, which will focus its activities on amusement facilities.

Integrating NAMCO and Bandai's game contents businesses will unite Bandai's know-how for planning and developing linkage with and timely media promotion of contents that give life to the vision of characters, with NAMCO's know-how for making the most of accumulated technical skills and for undertaking medium- and long-term planning and development. This step therefore represents an endeavor to further improve the BANDAI NAMCO Group's planning and development capabilities. It will at the same time promote improvements in efficiencies, by making effective use of the resources of both companies (such as their development teams and distribution routes).

The BANDAI NAMCO Group is divided into five Strategic Business Units ("SBUs"): the Toys & Hobby SBU (responsible for toys, models, apparel, and sundries); the Amusement Facility SBU (which manages amusement facilities); the Game Contents SBU (which plans and develops home and arcade console game content); the Network SBU (which supplies mobile content); and the Visual and Music Content SBU (which produces and distributes video software and content). The individual SBUs form the basis for the BANDAI NAMCO Group's pursuit of its business strategies, governed by a management strategy for the Group as a whole.

At present, Bandai's toys & hobby and game content businesses and NAMCO's game content and amusement facilities businesses are split among several SBUs. Following this reorganization however, Bandai will be the base company for the Toys & Hobby SBU, NAMCO for the Amusement Facility SBU, and NAMCO BANDAI Games for the Game Contents SBU. This reorganization will more clearly delineate the mission of each company in the Group, thereby providing greater dynamism in the pursuit of the Group's business strategies. Along with an acceleration of the benefits of synergy between the SBUs, the aim of this reorganization is to maximize our corporate value through portfolio management.

Company Profile of NAMCO BANDAI Games Inc.

(April 1, 2006)

**【Company name】** NAMCO BANDAI Games Inc.

**【Incorporation date】** March 31, 2006

**【Capital】** ¥15 billion

**【Head office address】** Yaguchi, Ohta-ku, Tokyo, Japan

**【Balance date】** March 31

**【Officers】**

Chairman and Director Masaya Nakamura

President and Representative Director Shukuo Ishikawa

Vice-President and Representative Director Shin Unozawa

Directors Tetsuro Takeuchi

Takashi Syouji

Kazuo Asami

Kazuya Kiyoshima

Yuji Asako

Corporate auditors Akiyoshi Sarukawa

Shigeru Yamada

Mitsuo Ichikawa

**【No. of employees】** 1705 (55 from Bandai, 1650 from Namco)

**【Businesses】** Planning, development, and sale of home console game content.

Planning, development, and sale of arcade game consoles.

Planning, development, and sale of mobile content.

In addition to other businesses not specified.

Company Profile of NAMCO LIMITED.

(April 1, 2006)

This NAMCO LIMITED is to be re-created through a de-merger from the existing NAMCO LIMITED.

**【Company name】** NAMCO LIMITED  
**【Incorporation date】** March 31, 2006  
**【Capital】** ¥10 billion  
**【Head office address】** Tamagawa, Ohta-ku, Tokyo, Japan  
**【Balance date】** March 31

**【Officers】**

Chairman and Director	Masaya Nakamura
Representative Director and President	Jun Higashi
Director	Keiji Azuma
Corporate Auditors	Shigeru Yamada
	Mitsuo Ichikawa
	Osamu Sudo

**【No. of employees】** 860

**【Business】** Planning and management of amusement facilities.

In addition to other businesses not specified.

Information in these materials is current as of January 11, 2006 and may be subject to change.