



BANDAI NAMCO GROUP
Information Meeting
(Second Quarter of the Fiscal
Year ending March 2012)

November 2, 2011

NAMCO BANDAI Holdings Inc.
President & Representative Director

Shukuo Ishikawa

BANDAI NAMCO Group

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1. FY2012.3 Performance

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1st Half Results



(billion yen)

	FY2011.3 1 st half results	FY2012.3 1 st half Previous Forecasts	FY2012.3 1 st half results	YOY	VS. Previous Forecasts
Net Sales	173.5	178.0	194.2	+20.7	+16.2
Operating Income	5.0	6.5	15.7	+10.7	+9.2
Recurring Income	5.0	6.5	15.9	+10.9	+9.4
Net Income	-1.9	3.2	8.0	+9.9	+4.8
Capital Expenditures	5.1	6.0	5.3	+0.2	-0.7
Depreciation	7.7	9.0	8.3	+0.6	-0.7
R&D Investments	20.2	19.0	19.0	-1.2	0
Advertising Expenses	12.1	12.0	13.2	+1.1	+1.2
Personnel Expenses	20.1	19.5	20.8	+0.7	+1.3

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Full Year Forecasts



(billion yen)

	FY2011.3		FY2012.3		YOY	VS. Previous Forecasts
	Full Year Results	Full Year Previous Forecasts	Full Year Previous Forecasts	Full Year Forecasts		
Net Sales	394.1	400.0	420.0	+25.9	+20.0	
Operating Income	16.3	16.5	25.0	+8.7	+8.5	
Recurring Income	16.3	16.5	26.0	+9.7	+9.5	
Net Income	1.8	8.0	15.0	+13.2	+7.0	
Capital Expenditures	10.7	15.0	15.0	+4.3	0	
Depreciation	18.0	21.0	21.0	+3.0	0	
R&D Investments	40.1	38.0	38.0	-2.1	0	
Advertising Expenses	28.7	30.5	32.5	+3.8	+2.0	
Personnel Expenses	40.3	39.5	42.0	+1.7	+2.5	

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Results by Segment



Upper Cell : Net Sales

Lower Cell : Operating Income

(billion yen)

	FY2011.3		FY2012.3		FY2012.3		YOY	
	Full Year Results		Full Year Previous Forecasts		Full Year Forecasts			
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year
Toys and Hobby	72.2	158.3	75.0	160.0	81.6	168.0	+9.4	+9.7
	7.0	13.8	7.0	10.5	8.9	15.0	+1.9	+1.2
Content	71.4	179.9	72.0	180.0	86.7	205.0	+15.3	+25.1
	-2.6	3.0	-1.0	6.5	5.3	10.5	+7.9	+7.5
Amusement Facility	31.6	62.3	31.0	61.0	31.3	61.0	-0.3	-1.3
	1.5	1.7	1.5	1.5	1.8	2.0	+0.3	+0.3
Others	8.7	18.5	11.0	21.0	11.5	24.0	+2.8	+5.5
	0.4	0.8	0.7	0.5	1.0	1.2	+0.6	+0.4
Corporate and Elimination	-10.3	-24.9	-11.0	-22.0	-16.9	-38.0	-6.6	-13.1
	-1.3	-3.1	-1.7	-2.5	-1.5	-3.7	-0.2	-0.6
Consolidated	173.5	394.1	178.0	400.0	194.2	420.0	+20.7	+25.9
	5.0	16.3	6.5	16.5	15.7	25.0	+10.7	+8.7

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Results by Segment **Toys and Hobby**



(billion yen)

	FY2011.3 Results		FY2012.3 Results/Forecasts		YOY		VS. Previous Forecasts	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	72.2	158.3	81.6	168.0	+9.4	+9.7	+6.6	+8.0
OP	7.0	13.8	8.9	15.0	+1.9	+1.2	+1.9	+4.5
OP Margin(%)	9.8%	8.7%	11.0%	8.9%	-	-	-	-

Summary of business results for 1st half of FY 2012.3

Japan: Sales of long-established character toys, such as Kamen Rider, Super Sentai, etc., were strong. Sales of card merchandise, such as digital cards, were robust.

Overseas: A new series of Power Rangers made a good start in North America. Sales remained steady in Asia. Sales were sluggish under the harsh business environment in Europe.

Difference from the previous forecasts for 1st half

Sales of Super Sentai and Kamen Rider products exceeded the forecast by around 4 billion yen.

Sales of digital cards reached 120 million units, beating the forecast of 100 million units.

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Results by Segment **Content**



(billion yen)

	FY2011.3 Results		FY2012.3 Results/Forecasts		YOY		VS. Previous Forecasts	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	71.4	179.9	86.7	205.0	+15.3	+25.1	+14.7	+25.0
OP	-2.6	3.0	5.3	10.5	+7.9	+7.5	+6.3	+4.0
OP Margin(%)	-	1.7%	6.2%	5.1%	-	-	-	-

Summary of business results for 1st half of FY 2012.3

Arcade games: Sales of arcade game machines, both new and existing, were strong. Sales of prizes were good.

Video games software: Sales of small and medium-size titles achieved their targets in Japan.

Network: Decline in the number of conventional mobile subscribers counterbalanced by growth in social game subscribers.

Visual and music content: Gundam UC and TIGER & BUNNY gained popularity.

Difference from the previous forecasts for 1st half

In the domestic video game software business, sales of several titles were successful.

Sales of arcade game machines and prizes maintained strong momentum.

Visual package software became hits.

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Results by Segment **Amusement Facility**

(billion yen)

	FY2011.3 Results		FY2012.3 Results/Forecasts		YOY		VS. Previous Forecasts	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	31.6	62.3	31.3	61.0	-0.3	-1.3	+0.3	0
OP	1.5	1.7	1.8	2.0	+0.3	+0.3	+0.3	+0.5
OP Margin(%)	4.8%	2.9%	6.0%	3.3%	-	-	-	-

Summary of business results for 1st half of FY 2012.3

1st quarter: Sales were strong due to “Cheap, Close, and Short” leisure demand.
 2nd quarter: Business suffered some negative effects from the implementation of rolling holidays associated with the electricity-saving campaign.

Year-on-year existing store sales in Japan

Apr.	May	Jun.	1Q	Sep.	Aug.	Sep.	2Q	1 st Half
109.4%	108.2%	105.8%	107.9%	101.8%	96.1%	101.7%	99.4%	103.3%

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2. Business Strategies

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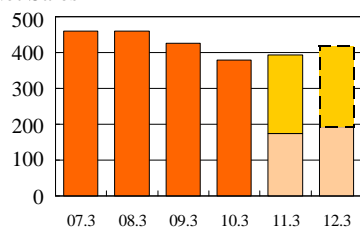
Transition of Results



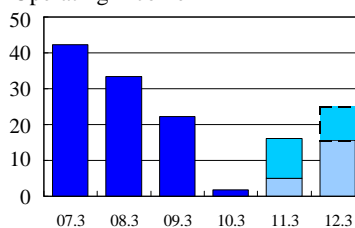
(billion yen)

	FY2010.3	FY2011.3		FY2012.3	
	Full Year	1 st Half	Full Year	1 st Half	Full Year Forecasts
Net Sales	378.5	173.5	394.1	194.2	420.0
Operating Income	1.8	5.0	16.3	15.7	25.0
Recurring Income	1.9	5.0	16.3	15.9	26.0
Net Income	-29.9	-1.9	1.8	8.0	15.0

Net Sales



Operating Income



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Toys and Hobby

Building a dominant No.1 position in Japan



Further strengthen sound business base by focusing on established character toys

Kamen Rider Fourze

Made a good start, maintaining momentum of Kamen Rider OOO.



Gokaiger (Power Rangers)

Maintain strong performance due to a strong tie-up with TV program.



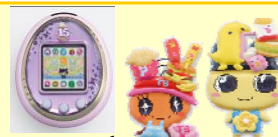
Make the best use of advantages from tie-ups among the categories.

Mobile Suit Gundam AGE



Step up marketing efforts for new targets (primary school students).

Tamagotchi

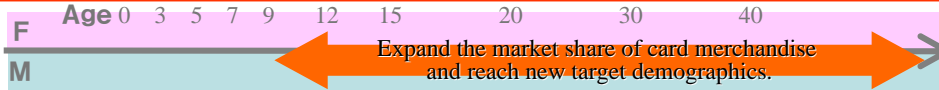


Market 15th anniversary goods. Aim to build into established products through tie-ups with animation programs.

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Toys and Hobby

Building a dominant No.1 position in Japan



Digital Card Game



Widen customer age groups by putting new contents into the market.

The Little Battlers



Solid plastic model sales !



Carry out a cross-media marketing of toys, games, animation, and comics.

Toys for higher age group

大人の超合金
OTONA NO CHOUKAGAN



Expand sales mainly for high value added toys.

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Toys and Hobby

Improving overseas business bases for growth



U.S.

ThunderCats made a good start.
Power Rangers maintains good performance.
Stores handling Power Rangers toys are increasing for the Christmas holidays.
Production of new series in the next fiscal year has started.



Europe

The broadcast of the Power Rangers SAMURAI TV program is starting in several European countries, and contribution to the next FY is expected.



Asia

Promote sales by strengthening ties with Japan.



Promote merchandise for high-end market segment



Aim to achieve higher growth in FY2013.3 !

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Content

Maximizing content value



Arcade Game Machine

Generate synergy effects with the Amusement Facility SBU by introducing popular arcade game machines and prizes.

TEKKEN TAG TOURNAMENT 2
 Mobile Suit Gundam Senjo no Kizuna
 WANGAN MIDNIGHT MAXIMUM TUNE 4

Good performance including repeat sales.

+

Secure stable earnings under the new business model.



Sales of prizes, mainly ONE PIECE, Moekei, and Otomekei continue to be strong.



⇒ Strengthen promotion in Asia.

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Content

Maximizing content value



Network

Upgrade contents for social games and explore possible expansion to overseas while the number of fee-paying subscribers is decreasing.

GUNDAM ROYALE
 (Mobage)



More than 3 million members

Offer series of new contents

Kamen Rider, Power Rangers, Idol Master, Tales series, Tamagotchi, etc.

GUNDAM MASTERS
 (GREE)



More than 1 million members

Establishment of BDNA Inc.

Focus on contents for smart phones.

Expand business overseas.



Visual & Music Content

Expand business by offering existing contents and new contents.

Mobile Suit Gundam series

Release package software of Gundam AGE.
 Gundam UC episode 4: Event movies, VOD service, and Blu-ray package sales started from Nov. 12. (episode 1 – 3: More than 200K units sold per each.)



TIGER & BUNNY

NEXT PROJECT starts.

Sales of CDs of songs played in the animation are strong. (Lantis)



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Content

Maximizing content value



Video Game Software

Improve quality and shorten the lead time by shifting to domestic development.

Solid sales of small and medium-size titles in Japan.



Achieve steady sales of overseas video games by narrowing down the number of titles.



Title Name	Platform	Region	Unit Sales
ONE PIECE UNLIMITED CRUISE SP	1st half 3DS	Japan	240K
TALES OF XILLIA	1st half PS3	Japan	750K
AKB1/48 2	1st half PSP	Japan	450K
ACE COMBAT ASSAULT HORIZON	2nd half PS3, XB360	Worldwide	1,500K
DARK SOULS	2nd half PS3, XB360	Worldwide	1,500K
BEN10	2nd half Multi	U.S. Europe	600K
MOBILE SUIT GUNDAM EXTREME VS.	2nd half PS3	Japan	500K

Group-wide Project

Establish network strategy based on the medium to long-term view.



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Amusement Facility

Development of differentiated facilities



Promotions unique to BANDAI NAMCO utilizing popular characters.

Character package-type amusement facilities perform well.



Launch character campaigns according to the characteristics of each store.



Events at NAMCO NAMJA TOWN.



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Our Mission Statement

Dreams, Fun and Inspiration

Our Vision

The Leading Innovator in Global Entertainment

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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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