



Table of Contents



FY2012.3 Performance

New Mid-term Plan

Review of the Past Years

Direction of New Mid-term Plan

New Mid-term Plan: Focus Strategies

(1) Business Area Strategies

(2) Functional Strategies

BANDAI NAMCO Group



FY2012.3 Performance

BANDAI NAMCO Group

3Q Results and Full Year Forecasts



Billion yen

	FY2011.3 Results		FY2012.3 Results / Forecasts		YOY	
	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year
Net Sales	288.0	394.1	323.3	440.0	+35.3	+45.9
Operating Income	16.6	16.3	30.7	31.5	+14.1	+15.2
Recurring Income	16.5	16.3	30.8	31.5	+14.3	+15.2
Net Income	3.6	1.8	16.3	18.5	+12.7	+16.7
Capital Expenditures	8.5	10.7	11.0	15.0	+2.5	+4.3
Depreciation	12.4	18.0	13.3	20.0	+0.9	+2.0
R&D Investments	29.7	40.1	29.8	38.0	+0.1	-2.1
Advertising Expenses	19.5	28.7	21.3	31.0	+1.8	+2.3
Personnel Expenses	29.8	40.3	31.2	43.0	+1.4	+2.7

BANDAI NAMCO Group

Performance by Business



Upper Cell : Net Sales

Lower Cell : Operating Income

Billion yen

	FY2011.3 Results		FY2012.3 Results / Forecasts		YOY	
	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year
Toys and Hobby	116.3	158.3	133.5	172.0	+17.2	+13.7
	13.5	13.8	17.4	17.0	+3.9	+3.2
Content	130.2	179.9	151.4	217.0	+21.2	+37.1
	3.5	3.0	11.6	14.5	+8.1	+11.5
Amusement Facility	46.4	62.3	45.9	61.0	-0.5	-1.3
	1.4	1.7	1.8	2.0	+0.4	+0.3
Others	13.4	18.5	17.7	27.0	+4.3	+8.5
	0.8	0.8	1.7	1.5	+0.9	+0.7
Corporate and Elimination	-18.4	-24.9	-25.3	-37.0	-6.9	-12.1
	-2.7	-3.1	-1.9	-3.5	+0.8	-0.4
Consolidated	288.0	394.1	323.3	440.0	+35.3	+45.9
	16.6	16.3	30.7	31.5	+14.1	+15.2

BANDAI NAMCO Group

Performance by Business Toys and Hobby



Billion yen

	FY2011.3 Results		FY2012.3 Results / Forecasts		YOY	
	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year
Net Sales	116.3	158.3	133.5	172.0	+17.2	+13.7
OP	13.5	13.8	17.4	17.0	+3.9	+3.2
OP Margin(%)	11.7	8.7	13.1	9.9	-	-

Overview

-Strong performance by KAMEN RIDER / POWER RANGERS (Japan) products.

-Earnings contributed from card products.

-The Little Battlers / products designed for adult customers gained popularity.
→Expanded target customers.

Current status

-Good start of new PrettyCure series.
-Started broadcasting of new POWER RANGERS series in Japan on February 26.
-Developing POWER RANGERS in the U.S. and Europe.



BANDAI NAMCO Group

Performance by Business **Content**



Billion yen

	FY2011.3 Results		FY2012.3 Results / Forecasts		YOY	
	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year
Net Sales	130.2	179.9	151.4	217.0	+21.2	+37.1
OP	3.5	3.0	11.6	14.5	+8.1	+11.5
OP Margin(%)	2.7	1.7	7.7	6.7	-	-

Overview

- Strong performance by arcade game machines and prizes.
- Domestic home video game software gained popularity.
TALES OF XILLIA
Mobile Suit Gundam Extreme VS.
- Strong sales of SNS contents.
- Visual package software gained popularity.
Mobile Suit Gundam UC
TIGER&BUNNY

Current status

- SNS members breakthrough 10 million.
→sales expected to exceed ¥10 bn. in FY 2012.3.
- Prizes for arcade game machines remain strong.
- Launching game software Soul Calibur V.



BANDAI NAMCO Group

Performance by Business **Amusement Facility**



Billion yen

	FY2011.3 Results		FY2012.3 Results / Forecasts		YOY	
	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year	3Q(9mo.)	Full Year
Net Sales	46.4	62.3	45.9	61.0	-0.5	-1.3
OP	1.4	1.7	1.8	2.0	+0.4	+0.3
OP Margin(%)	3.1	2.9	4.0	3.3	-	-

Overview

- Characters facilities and events helped to attract customers.



Current status

- Solid performance of facilities especially for families.
- Focusing on efforts to differentiate our facilities.
→POWER RANGERS series introduced into character-packaged entertainment facilities.

Year-on-year existing store sales in Japan

1st Half	Oct.	Nov.	Dec.	3Q (3mo.)	3Q (9mo.)	2nd half Forecast	Full Year Forecast
103.0%	99.8%	99.7%	97.6%	98.9%	101.9%	97%	100%

BANDAI NAMCO Group



進化

ACCELERATE EVOLUTION

成長

GAIN MOMENTUM

挑戦

EMPOWER

BANDAI NAMCO Group
Mid-term Plan
Apr. 2012 – Mar. 2015

BANDAI NAMCO Group



Review of the Past Years

BANDAI NAMCO Group

Previous Mid-term Plans



Objectives of the Management Integration

**Aiming at a major step forward
in the entertainment business.**



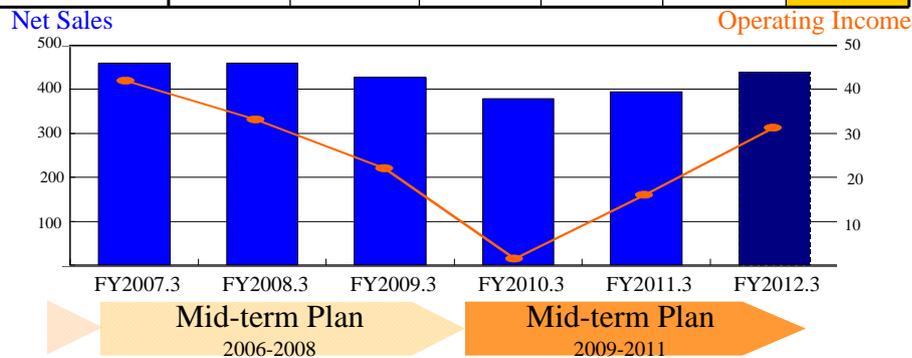
BANDAI NAMCO Group

Transition of Results



Billion yen

	FY2007.3	FY2008.3	FY2009.3	FY2010.3	FY2011.3	FY2012.3 Forecasts
Net Sales	459.1	460.4	426.3	378.5	394.1	440.0
Operating Income	42.2	33.4	22.3	1.8	16.3	31.5
Recurring Income	45.6	36.1	24.5	1.9	16.3	31.5
Net Income	24.2	32.6	11.8	-29.9	1.8	18.5



BANDAI NAMCO Group

Mid-term Plan 2009-2011 Pursued Goal



Focused on:
Development of a global base for growth.

**Business expansion
 in the U.S. and
 Europe markets**

**Initiatives to boost
 profitability in
 the Japan market**

Mid-term Plan 2009-2011 Financial Results



Recorded significant losses in the first year, mainly in Content business, on failure to respond to changes in the business environment.

**BANDAI NAMCO
 Restart Plan**

- Transforming into a speedy group
- Improving profitability and strengthening financial standing

Mid-term Plan 2009-2011

Achievements and Issues



Toys and Hobby	Japan: Implemented strategy of achieving a No. 1 position. Overseas: Struggled particularly in the U.S. and Europe.
Content	Japan: Positive effects from Restart Plan. Overseas: Struggled with home video game software in the U.S. and Europe.
Amusement Facility	Opened differentiated amusement facilities. Challenges in developing new earnings drivers.

All domestic Strategic Business Units achieved some success.
All overseas Strategic Business Units struggled.
Still in the recovery stage at Content business.

BANDAI NAMCO Group



Direction of New Mid-term Plan

BANDAI NAMCO Group

Group Mission and Vision



Mission

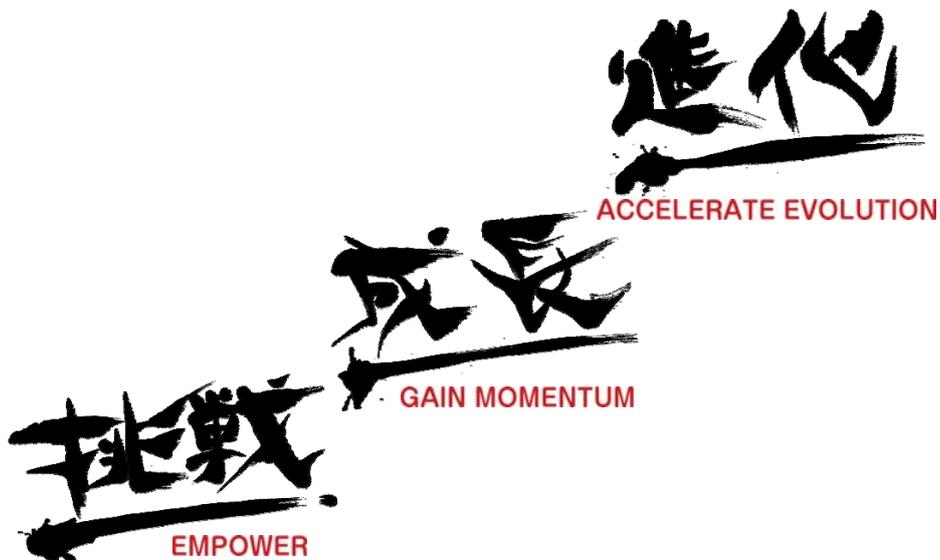
Dreams, Fun and Inspiration

Vision

The Leading Innovator
in Global Entertainment

BANDAI NAMCO Group

Mid-term Vision



BANDAI NAMCO Group

Mid-term Vision



Empower



Gain Momentum



**Accelerate
Evolution**

Achieve record profits.

Operating Income
¥42.5 billion

Achieve record profits.

Implement a
growth strategy.

Net Sales
¥480 billion

Growth to generate
record sales.

Enhance our IP value
business model.

Acquire 30 million
BANDAI NAMCO
ID members.
Enhancement of
our IP model.

BANDAI NAMCO Group

Numerical Targets



FY 2015.3 Targets

Billion yen

Net Sales 480 billion yen

**Operating
Income** 42.5 billion yen

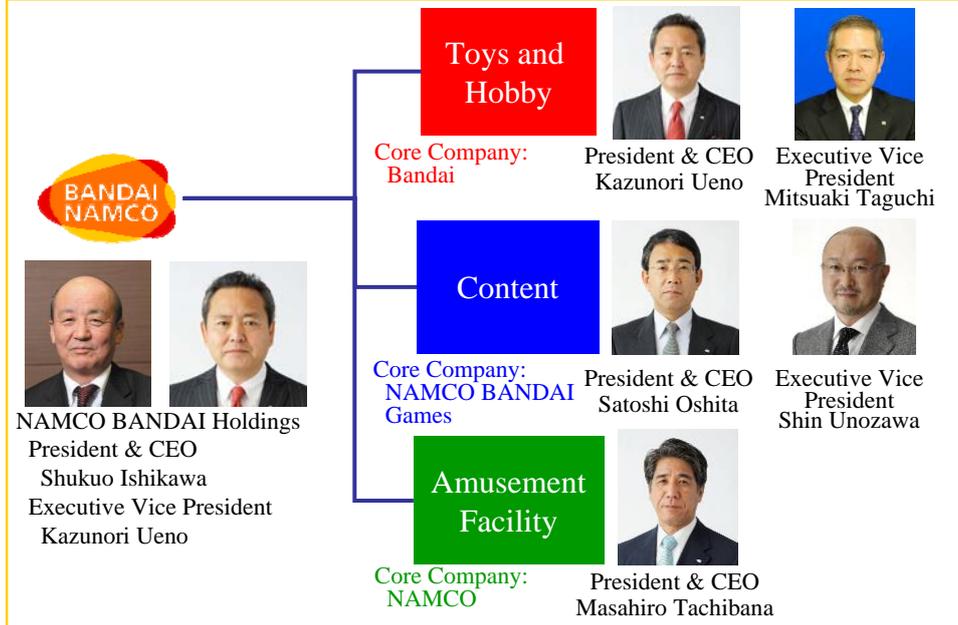
ROE 10%

Upper Cell : Net Sales Lower Cell : Operating Income	FY2012.3 Forecasts	FY2015.3 Targets
Toys and Hobby	172.0 17.0	220.0 22.0
Content	217.0 14.5	220.0 20.0
Amusement Facility	61.0 2.0	70.0 3.5
Others	27.0 1.5	25.0 1.0
Corporate and Elimination	-37.0 -3.5	-55.0 -4.0
Consolidated	440.0 31.5	4,80.0 42.5

BANDAI NAMCO Group

Top Management

From April 2012



New Mid-term Plan: Overview



New Mid-term Plan: Focus Strategies



(1) Business Area Strategies		Toys and Hobby	Content	Amusement Facility
Basic Business Area Achieve profitable expansion in basic business area. Japan	Toys & Hobby (Japan)	Content (Japan) Arcade game, SNS, Visual & Music	Amusement Facility (Japan)	
Profit Recovering Area Recover low-profit and loss-making businesses. U.S., EU	Toys & Hobby (U.S. & EU)	Video Game Software (Worldwide)		
New Growth Area Create and develop new growth area. Asia	Toys & Hobby (Asia)	Arcade Game (Asia)	Amusement Facility (Asia)	
(2) Functional Strategies				
	Group-wide Network Strategy		Human Resources Strategy	



New Mid-term Plan: Focus Strategies

New Mid-term Plan: Focus Strategies



(1) Business Area Strategies	Toys and Hobby	Content	Amusement Facility
Basic Business Area Achieve profitable expansion in basic business area. Japan	Toys & Hobby (Japan)	Content (Japan) Arcade game, SNS, Visual & Music	Amusement Facility (Japan)
Profit Recovering Area Recover low-profit and loss-making businesses. U.S., EU	Toys & Hobby (U.S. & EU)	Video Game Software (Worldwide)	
New Growth Area Create and develop new growth area Asia	Toys & Hobby (Asia)	Arcade Game (Asia)	Amusement Facility (Asia)

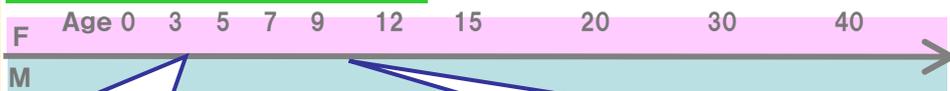
(2) Functional Strategies	
Group-wide Network Strategy	Human Resources Strategy

Focus Strategies

(1) Business Area Strategies **Basic Business Area**



Toys and Hobby (Japan)



Preschool-age children
Strengthen long-established character products.

Promote tie-ups among the categories. Develop IP by fully utilizing media.



Elementary school-age boys
Continue introducing IP into various product categories.



Develop strong IP and products for each target customers.



Achieve overwhelming No.1 share in all categories in Japan !

BANDAI NAMCO Group



Content (Japan)

Arcade Game, Prize

Strengthen links with amusement facilities.

- Diversify sales approaches for arcade game machines.
- Services linked to mutual utilization of game cards.
- Expand market share for prizes.
- Explore new distribution channels.

Visual and Music content

Age-specific Gundam strategy.

- Develop multiple animations for different age groups.
- Create new content.
- Strengthen lineups for the high-end and female markets.

SNS

Leverage our strengths to launch rapidly.

	Feature	Contents
	Developed jointly.	
	Developed in house.	
BDNA	Smartphone SNS games with overseas markets in mind.	Gundam, MACROSS, etc.

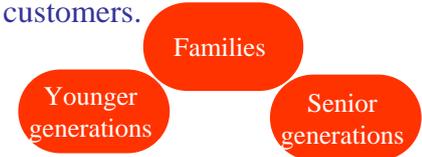
Achieve No.1 position in each market !

BANDAI NAMCO Group



Amusement Facility (Japan)

Advance marketing by targeted customers.



Establish chain store management.

- Standardize and improve services
- Highly efficient operation

Develop models to utilize IP at facilities.



Achieve No.1 share !

BANDAI NAMCO Group

Focus Strategies

(1) Business Area Strategies Profit Recovering Area



Toys and Hobby (U.S., Europe)

Carry out integrated brand management of the U.S. and Europe.



Development of major IP brand management unified in the U.S. and Europe.

Expansion of areas by extending the U.S. and European market.

BANDAI NAMCO Group

Focus Strategies

(1) Business Area Strategies Profit Recovering Area



Video Game Software

Boost profitability and efficiency.

Utilize NAMCO BANDAI Studio.

Launch franchise titles that can be linked with arcade game machines.

Rapidly launch seasonal titles.



Selection and concentration in titles.

Restructure the business in the U.S. and Europe.

Narrowing down to franchise titles developed in Japan.

Overseas bases focusing on sales and marketing.



BANDAI NAMCO Group

Focus Strategies **(1)Business Area Strategies** **New Growth Area**  

Toys and Hobby (Asia)	Arcade Game (Asia)
<p>Conduct Japan-originated business activities simultaneously in Asia.</p> <p>Reinforce development of existing IP.</p> <p>Strengthen Japan-Asia cooperation in the hobby and collectible toy businesses.</p> <div style="display: flex; align-items: flex-start;"> <div style="background-color: #f96; padding: 5px; margin-right: 5px;"> <p>Transmit Information.</p> <p>Develop and manufacture Products.</p> <p>Sell products.</p> </div> <div> <ul style="list-style-type: none"> -Visual content distribution. -Events. -Develop products tailored to local needs. -Launch online sales. </div> </div> <div style="display: flex; align-items: center; margin-top: 10px;">   </div>	<p>Actively target Asian and emerging markets.</p> <p>Expand range of redemption machines overseas, where demand is strong.</p> <p>Strengthen development of prizes.</p>
	Amusement Facility (Asia)
	<p>Start full-scale development of facilities using popular IP at the local market.</p>

BANDAI NAMCO Group



New Mid-term Plan: Functional Strategies

BANDAI NAMCO Group

New Mid-term Plan: Focus Strategies



(1) Business Area Strategies			
	Toys and Hobby	Content	Amusement Facility
Basic Business Area Achieve profitable expansion in basic business area. Japan	Toys & Hobby (Japan)	Content (Japan) Arcade game, SNS, Visual & Music	Amusement Facility (Japan)
Profit Recovering Area Recover low-profit and loss-making businesses. U.S., EU	Toys & Hobby (U.S. & EU)	Video Game Software (Worldwide)	
New Growth Area Create and develop new growth area. Asia	Toys & Hobby (Asia)	Arcade Game (Asia)	Amusement Facility (Asia)

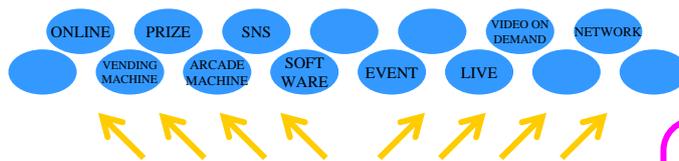
(2) Functional Strategies	
Group-wide Network Strategy	Human Resources Strategy

Focus Strategies

(2) Functional Strategies Group-wide Network Strategy



Marketing tools to accelerate horizontal integration across the Group.



TOY GAME FACILITY VISUAL MUSIC

BANDAI NAMCO Group

Existing media and platforms

Offer products, content and services directly to users.



BANDAI NAMCO Group



Promote hiring and training of valuable personnel to take the Group's future.

Hiring

Hire new graduates globally.

Accelerate worldwide personnel strategy.

Implement strategic personnel transfers.

Identify personnel capable of managing multiple business areas.

Training

Promote employees based overseas more actively.

Business globalization.

Offer training programs.

Cultivate future business leaders.



New Mid-term Plan: Strategies by Business

Strategies by Business Toys and Hobby

True globalization: Become “the premier company” in the character business by spreading our strength globally.



Basic Business Area

Toys & Hobby (Japan)



Profit Recovering Area

Toys & Hobby (U.S., EU)



New Growth Area

Toys & Hobby (Asia)

Focus Strategies

Carry out integrated brand management of the U.S. and Europe.

Conduct Japan-originated business activities simultaneously in Asia.

Become overwhelming No. 1 in Japan.

Enhance competitiveness through value chain reform.

Numerical Targets in FY2015.3

Net Sales **¥220 billion**

Operating Income **¥22 billion**

BANDAI NAMCO Group

Strategies by Business Toys and Hobby

Enhance competitiveness through value chain reform.

Initiatives to boost product development and manufacturing.

Cooperation across regions.
Faster response and manufacturing of product at more competitive prices.

Reinforce and increase the efficiency of development and manufacturing by concentrating functions in fewer locations.

Consider manufacturing in areas other than China and Thailand.

BANDAI NAMCO Group

Strategies by Business Content



Become the No. 1 Content Company in Japan & borderless development:
Offer our customers any genre of content such as games, visual and music content, and also deliver them overseas.

Basic Business Area

- Arcade Game (Japan)
- SNS (Japan)
- Visual & Music (Japan)

Profit Recovering Area

Video Game Software (Worldwide)

New Growth Area

Arcade Game (Asia)

Focus Strategies

- Reconstruct existing business: Strategy of achieving No. 1 share.
- Maximize business integration using IP as an axis.
- Form a network strategy scheme.

Numerical Targets in FY2015.3

Net Sales **¥220 billion**

Operating Income **¥20 billion**

BANDAI NAMCO Group

Strategies by Business Content



Spin off planned on April 2, 2012

Games
NAMCO BANDAI Studio

Content development (arcade game machines, video game software, networked games, etc.)

Integrated game development team that can respond quickly.
Introduce systems and mechanisms focused on development.

Enhance content development skills.

Improve efficiency.

Strategies to maximize business integration using IP as an axis.

Transmit IP to unexplored regions and exits.

IP	Video game	Arcade game	SNS	PC	Video	Music	Others
Jap	IP D	Video game	Arcade game	SNS	PC	Video	Music
U.S.	Jap	IP C	Video game	Arcade game	SNS	PC	Video
EU	U.S.	Jap	IP B	Video game	Arcade game	SNS	PC
Asi	EU	U.S.	Jap	IP A	Video game	Arcade game	SNS
	Asi	EU	U.S.	Japan			
		Asi	EU	U.S.			
			Asi	EU			
				Asi			

BANDAI NAMCO Group

Strategies by Business Amusement Facility

“Become an overwhelming leader in the market:
Strive to obtain 300% customer satisfaction and 30% market share”



Focus Strategies

- Advance marketing by customer segment.
- Establish chain store management.
- Develop models to utilize IP at facilities.
- Explore overseas markets.

Numerical Targets in
FY2015.3

Net Sales **¥70 billion**

Operating Income **¥3.5 billion**

BANDAI NAMCO Group

New Mid-term Plan: Focus Strategies

(1) Business Area Strategies		Toys and Hobby	Content	Amusement Facility
 Basic Business Area Achieve profitable expansion in basic business area. Japan		Toys & Hobby (Japan)	Content (Japan) Arcade game, SNS, Visual & Music	Amusement Facility (Japan)
 Profit Recovering Area Recover low-profit and loss-making businesses. U.S., EU		Toys & Hobby (U.S. & EU)	Video Game Software (Worldwide)	
 New Growth Area Create and develop new growth area. Asia		Toys & Hobby (Asia)	Arcade Game (Asia)	Amusement Facility (Asia)
(2) Functional Strategies				
 Group-wide Network Strategy	 Human Resources Strategy			

Capital Policy



Dividend	<p>Maintain current policy for return of profit to shareholders.</p> <p style="border: 1px solid orange; padding: 5px; text-align: center;">Target a consolidated payout ratio of 30% based on a stable dividend payments of 24 yen per share.</p>
Share Buy-back	<p>Continuously consider for capital efficiency.</p> <p style="border: 1px solid orange; padding: 5px; text-align: center;">Upon consideration of funds on hand, performance trends, recent share price trends and existence or non-existence of investment proposals.</p>
Others	<p>Special shareholder benefits: respond to diversifying needs.</p> <p style="border: 1px solid orange; padding: 5px; text-align: center;">Selective system: gift certificates for kids, meal certificates, points to buy Group products online, donations.</p>

BANDAI NAMCO Group

Mid-term Vision



The graphic features three horizontal brush strokes of varying lengths, each with a corresponding English translation below it:

- 進化** (Shūka) - ACCELERATE EVOLUTION
- 成長** (Seichō) - GAIN MOMENTUM
- 挑戦** (Chōsen) - EMPOWER

BANDAI NAMCO Group

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.

©ABC・東映アニメーション ©2012テレビ朝日・東映AG・東映 TM&©2012 SCG Power Rangers LLC.All Rights Reserved.
©石森プロ・テレビ朝日・ADK・東映ビデオ・東映 ©2011 NBGI
© 2012 NAMCO BANDAI Games Inc. ©2012 Ubisoft Entertainment. All Rights Reserved. Assassin's Creed, Ubisoft, and the Ubisoft logo are trademarks of Ubisoft Entertainment in the U.S. and/or other countries.
©BANDAI WIZ/TV TOKYO・2010 Team たまごっちTV ©2011石森プロ・テレビ朝日・ADK・東映 ©BANDAI 2010 ©創通・サンライズ・MBS
©サンライズ/バンダイ・メ〜テレ ©L5/PDS・TX ©バードスタジオ/集英社・フジテレビ・東映アニメーション ©BANDAI 2010
©やなせたかし/フレーベル館・TNS・NTV ©BANDAI・WIZ 2004 ©尾田栄一郎/集英社・フジテレビ・東映アニメーション ©NBGI
©本郷あきよし・東映アニメーション・テレビ朝日・電通 ©NBOI ©2011 石森プロ・テレビ朝日・ADK・東映
©SUNRISE/T&B PARTNERS, MBS ©Cartoon Network THUNDERCATS:TM Warner Bros.Entertainment Inc.and
© WarnerBros.Entertainment Inc.and Ted Wolf.

BANDAI NAMCO Group