

**Management****Interview with the President****Interview with New President  
Mitsuaki Taguchi****“I would like the Group become an even more free and open place for employees to work.”**

After the General Meeting of Shareholders and the Meeting of the Board of Directors held on June 22, Mitsuaki Taguchi became the new President and Representative Director of BANDAI NAMCO Holdings. We asked President Taguchi, the new leader of the BANDAI NAMCO Group, about his approach to work and ambitions for the Group, the start of the Mid-term Plan that was launched in April, and recent Group trends.

**Would you discuss your approach and ambitions as the new president?**

Taguchi: I was very surprised when Chairman Shukuo Ishikawa, the former president, asked me about becoming president. As president, I am once again feeling the weight of my responsibilities. My major mission is to steadily implement the current Mid-term Plan, which was launched in FY2016.3, and to realize our vision of becoming “The Leading Innovator in Global Entertainment.” Accordingly, I would like the Group become an even more free and open place for employees to work.

**What is the division of roles between you and Chairman Ishikawa?**

Taguchi: Basically, the two of us collaborate. In Group management, Chairman Ishikawa works to expand our business in new fields that are not extensions of previous businesses, such as future-focused new businesses and alliances with companies in other industries.

On the other hand, I work to advance our strategies based on the Mid-term Plan. I will focus on optimal resource allocation and investment in order to further strengthen the IP\* axis strategy, which is the central business strategy in the current Mid-term Plan and the greatest strength of the BANDAI NAMCO Group.

In addition, to expand the IP axis strategy around the world, we will further deepen initiatives with a variety of partners in Japan and overseas.

**What is your view of the entertainment industry?**

Taguchi: The entertainment industry is changing dramatically each year. A major factor that influences our results is the extent to which we can roll out appealing products and services that leverage IP and earn the support of today’s consumers. In addition, the infrastructure environment, including devices, platforms, and networks that are used to communicate with customers, have also advanced with the times, and to ensure that we do not fall behind, we must always extend “antenna” to anticipate changes. The BANDAI NAMCO Group’s business initiatives cover a wide range of content outlets, such as products, services, and facilities. The pace of outlet turnover is rapid, and there is no guarantee that outlets previously supported by customers will continue to earn customer support in the future. Accordingly, we must continually go one step further in identifying and creating new outlets.

Masaya Nakamura, the founder of NAMCO, frequently used the word “*omote-nashi* (hospitality).” This means



Mitsuaki Taguchi  
President & Representative Director,  
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to be the first to grasp the needs of customers and to work to meet those needs. Naoharu Yamashina, the founder of Bandai, used the phrase “*bandai fueki*,” which incorporates the idea that to survive the company should continue to change. I believe that always looking one step ahead will lead to hit products and services.

**The first quarter of Mid-term Plan’s first year has ended. What is your view of the quarter?**

Taguchi: Businesses and regions that had performed well in the previous fiscal year continued to record favorable results in the first quarter of FY2016.3. I think that we were able to get off to a good start. Moving forward, we will step up our efforts and the entire Group will work together, doing our utmost to achieve our numerical plan.

\*IP: Characters and other intellectual property

## Favorable results in Asia, where the Group is targeting higher sales

### Would you comment on Bandai's announcement of a new president?

Taguchi: Kazunori Ueno recently retired as President and Representative Director of Bandai to become Chairman and Director. This reflects Mr. Ueno's decision to give priority to the provision of nursing care for a family member. Masaru Kawaguchi, Senior Managing Director, became Bandai's new President & CEO, and Yusuke Fukuda, Senior Managing Director, became Executive Vice President & COO. This change occurred during the term, but Mr. Kawaguchi has extensive experience in Bandai's core business divisions, such as toys, and Mr. Fukuda is well versed in business divisions as well as administration and planning. Together, they will form a well-balanced system of representative directors, and Mr. Ueno will support them from his position as Chairman. I have absolutely no concerns about this system of two representative directors, and I am confident that the employees will respond with enthusiasm and support the new leadership team.

### What is the situation in the Toys and Hobby SBU?

Taguchi: *Yo-kai Watch* products became a hit in the previous fiscal year. They maintain steady popularity in Japan, and they have been launched in Asia. The *Mobile Suit Gundam* series marked the 35th anniversary of *Gundam* plastic models. *Gundam* products are highly popular not only in Japan but also in Asia. A new TV animation, *Mobile Suit Gundam: Iron-Blooded Orphans*, will start from October 2015, and we expect *Gundam* to become even more popular. In addition, we will launch focus products for the busy year-end sales period for such established IP as *KAMEN RIDER*, for which a new program will start in the fall; *Super Sentai (Power Rangers)*; and *Pretty Cure!*. Moreover, we will also start the roll out of *Kamisama Minarai Himitsu no Cocotama*, a new IP for girls. We have

taken steps to develop adult women customers for *Pretty Guardian Sailor Moon*, and moving forward we will also strengthen our approach to these customers.

### What activities is the Toys and Hobby business implementing overseas?

Taguchi: In Europe and the Americas, *Power Rangers* plays a central role, and from this year *Power Rangers Dino Charge* has gotten off to a favorable start. In the Toys and Hobby business in Europe and the Americas, Japan controls development, while Europe and the Americas focus on sales and marketing. Based on this new system, we are moving ahead with measures to reinforce our foundation in these markets. In the future, we will focus on external partnerships, as with the *BIG HERO 6* partnership with Disney, and we will enhance the lineup of IP for which we are conducting business development initiatives.

### What is the status of the Network Entertainment SBU?

Taguchi: Favorable results are being recorded by *ONE PIECE*, *DRAGONBALL*, *Mobile Suit Gundam*, *IDOLM@STER*, *NARUTO*, and other products. In this way, the Network Entertainment SBU is driving the Group's results. In Europe and the Americas, performance in the home video game software business was better than expected. Strong repeat sales are being recorded by the *DRAGONBALL XENOVERSE* home video game, which

was launched in February 2015. In addition, new titles are also contributing to favorable results. Moreover, in a rapidly changing market, network content is enjoying stable popularity in Japan, including game applications for smartphones and online games for PCs. We have also commenced full-scale initiatives in Asia and other overseas markets, and we are getting favorable results with these initiatives. In the future, we will launch strategic titles, such as *DRAGON BALL Z Dokkan Battle*, on a worldwide basis, including Asia, Europe, and the Americas. Furthermore, we are working to achieve a recovery in the amusement business by enhancing and strengthening the value chain, including arcade game machines and amusement facilities.

### Are results favorable in Asia?

Taguchi: In the current Mid-term Plan, Asia is positioned as a region with high growth potential, and our strategy calls for doubling sales over three years. In Asia, there are many fans of the IP for which we are conducting business development initiatives, and at this point it looks as if we might be able to expand our business at a pace that exceeds our initial expectations.

### What is the situation in the Visual and Music Production SBU?

Taguchi: Live events, where IP fans can have fun in the same location, are becoming a new pillar of our operations, along with the packaged products business. In addition, we are also seeing growth in related businesses, such as fan clubs and merchandise sales. *Love Live! School idol*

## Directors of BANDAI Co., Ltd.

(As of August 5th, 2015)

Chairman & Director	Kazunori Ueno
President & CEO	Masaru Kawaguchi
Executive Vice President & COO	Yusuke Fukuda
Managing Director	Yoshitaka Tao
Director	Akihiro Sato
Director	Naomi Tobita
Director	Kazuhiro Takenaka
Director	Takahiro Mizuno
Director (part time)	Masaharu Igarashi



Masaru Kawaguchi  
President & CEO



Yusuke Fukuda  
Executive Vice President  
& COO

## Swinging the Bat Without Fearing Failure

*project*, which involves linked visual and music elements, has become a major hit IP. For example, it enjoyed strong success with the June release of the theatrical film *Love Live! The School Idol Movie*, which was No. 1 in number of viewers on the weekend for three consecutive weeks. In addition, the *Mobile Suit Gundam THE ORIGIN* series has been a hit from the first work, and we are planning to launch the second work in fall 2015. We have also had hits with live action films, such as *Ryuzo and the Seven Henchmen*. Moving forward, I would like the Visual and Music Production SBU to rapidly take on new challenges, for both established and new work.

**You have talked about establishing a corporate culture where people take on challenges.**

**Would you comment on this goal?**

Taguchi: I would like to create a corporate culture where young people are even more eager to take on challenges. Since

I joined Bandai, I have failed many times, and I tell younger employees that “I was a leader in failing.” However, I definitely want to say “Don’t be afraid of failure.” If you are afraid of failure you cannot accomplish anything. If you learn from the experience of failure then it is not a waste. I would like to create a corporate culture in which we watch over our failures and make sure to turn them into food for the future.

**Would you discuss the Group’s future policies?**

Taguchi: Under the current Mid-term Plan, the major themes are strengthening the IP axis strategy and implementing business development in Asia. To those ends, a major issue will be what we do to maximize IP value. I think that *Mobile Suit Gundam* will play a leading role in these initiatives. *Gundam* is very popular in Asia, and enjoys strong demand. We will



offer new *Gundam* products and services in Asia at the same time as in Japan, and furthermore we will take steps to leverage these initiatives in order to break through to worldwide launches. I consider these aggressive IP strengthening initiatives to be my mission, and I plan to swing the bat decisively. I would like to ask for everyone’s continued guidance and encouragement in the future.

### Profile of President Mitsuaki Taguchi

#### Hobbies and interests

Golf, baseball, mountain climbing, boating

#### Books and movies that made an impression on President Taguchi

*Kokou no Hito (The Climber)*, *Hula Girls*

#### Ambition to be a teacher

When he was a student, President Taguchi aimed to be a teacher in his hometown of Akita, and he enrolled in a teacher training course. He obtained teaching certificates for junior and senior high school social studies and Japanese language, but there were no openings for new teachers. As a result, he entered Bandai with the intention of staying just one year and once again trying to become a teacher the following year. He says that the reason he chose Bandai is that it was “a company that provides dreams to children.”

#### Assignment to plastic model department

After he entered the company he was assigned to the plastic model department. This was the height of the boom in *Gundam* plastic models. He worked in sales, but the department’s philosophy for employees was not to go outside the company on sales visits until they became full-fledged employees, so he did not go out on sales calls for a year. His initial intention was to stay for just a year, but he then thought he would “not quit until he affirmed his own independence as a person.” On that basis, he worked hard in his department. The sales manual that he prepared at the end of his first year earned him praise from the department chief for the first time.

#### Words that he remembers

His boss in the plastic model department had high expectations, both of him and of others, and he was influenced by his boss in many ways. In particular, the words “always consider the worst possible outcome” became one of his policies in his subsequent work starting up a variety of new businesses. He began to always take an optimistic outlook while simultaneously considering the potential loss from the worst case scenario.

#### More than 10 transfers

After about two years in the plastic model department, he transferred to the fashion department, which was a new business department. He subsequently gained experience with more than 10 business projects. As indicated by the statement “I was a leader in failing,” he launched a new original children’s fashion brand, but cumulative losses totaled ¥600 million over six years and eventually the Company shut it down. He failed many times, but he accumulated many valuable experiences, and subsequently he successfully expanded the vending machine capsule products business and the lifestyle-related products business.

#### Self-evaluation and reputation within the company

President Taguchi says, “In business, I delegate authority, but on the other hand, it’s ok even if strike out, so I stand in the batter’s box and take my swings.” Within the Company, he is known as someone who “steadily advances work” and who “encourages others to take on challenges.”