



進化
ACCELERATE EVOLUTION

成長
GAIN MOMENTUM

挑戦
EMPOWER

BANDAI NAMCO GROUP
Information Meeting
(Fiscal Year ended March 2014)

May 8, 2014
NAMCO BANDAI Holdings Inc.
President & Representative Director
Shukuo Ishikawa



FY2014.3 Results

Transition of Results



billion yen

	FY2011.3	FY2012.3	FY2013.3	FY2014.3
Net Sales	394.1	454.2	487.2	507.6
Operating Income	16.3	34.6	48.6	44.6
Recurring Income	16.3	34.9	49.9	47.4
Net Income	1.8	19.3	32.3	25.0
Capital Expenditures	10.7	12.8	18.5	23.4
Depreciation expense	18.0	18.1	20.4	21.7
R&D Investments	40.1	41.1	43.1	51.8
Advertising Expenses	28.7	33.3	32.6	38.0
Personnel Expenses	40.3	43.5	45.7	47.7

Results by Segment



billion yen

		FY2013.3	FY2014.3	YOY
Toys and Hobby	Net Sales	172.9	186.3	+13.4
	OP	11.2	10.5	-0.7
Content	Net Sales	263.5	278.4	+14.9
	OP	36.3	37.2	+0.9
Amusement Facility	Net Sales	60.1	58.1	-2.0
	OP	1.6	-0.8	-2.4
Others	Net Sales	25.7	27.3	+1.6
	OP	1.6	1.6	0
Corporate and Elimination	Net Sales	-35.3	-42.6	
	OP	-2.4	-3.8	
Consolidated	Net Sales	487.2	507.6	+20.4
	OP	48.6	44.6	-4.0

Results by Segment



Favorable

Toys and Hobby SBU: Japan/Asia

Established domestic IP
+ new IP growth



Content SBU

Each category favorable
+ Network content growth



Cover

Difficult

Toys and Hobby SBU:US/Europe

Difficult conditions faced by IP
other than *Power Rangers*

Amusement Facility SBU

Existing-facilities down 6.2% YOY

Approx. ¥3.3 billion in reserves,
etc. for FY2015.3.

Results by Region



billion yen

		FY2013.3	FY2014.3	YOY
Japan	External Sales	406.1	426.6	+20.5
	OP	49.8	49.4	-0.4
Americas	External Sales	33.6	27.4	-6.2
	OP	0.8	-2.6	-3.4
Europe	External Sales	28.2	28.2	0
	OP	-0.5	-0.5	-
Asia	External Sales	19.1	25.3	+6.2
	OP	1.8	1.8	0
Corporate and Elimination	External Sales	-	-	
	OP	-3.2	-3.4	
Consolidated	External Sales	487.2	507.6	+20.4
	OP	48.6	44.6	-4.0

→ Favorable

Difficult

→ Favorable

*Figures are estimates based on management accounting

Investing in the Future



FY 2014.3

In addition to typical annual investment (development expenses / promotional expenses, etc.)

Invest in future growth

+ rapid response to changes in operating environment

¥5.0 billion

Advertising/promotion expense (PAC-MAN related, etc.)

Overseas bases/ R&D Network content related, etc.

Growth from investment in Network content business

FY 2015.3

Starting to recover FY2014.3 investment



Responding to environmental changes
Preparations for next Mid-Term Plan



FY2015.3 Plan

FY2015.3 Plan



billion yen

	FY2014.3 1st Half	FY2014.3 Full Year	FY2015.3 1st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Net Sales	228.5	507.6	235.0	500.0	-7.6
Operating Income	26.3	44.6	20.0	45.0	+0.4
Recurring Income	28.5	47.4	20.0	45.0	-2.4
Net Income	19.6	25.0	12.5	28.0	+3.0
Capital Expenditures	10.9	23.4	7.0	18.0	-5.4
Depreciation expense	9.1	21.7	10.0	23.0	+1.3
R&D Investments	23.3	51.8	22.0	46.0	-5.8
Advertising Expenses	14.8	38.0	17.0	36.0	-2.0
Personnel Expenses	22.8	47.7	21.0	46.0	-1.7

FY2015.3 Plan by Segment



billion yen

		FY2014.3 1st Half	FY2014.3 Full Year	FY2015.3 1st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Toys and Hobby	Net Sales	80.7	186.3	90.0	200.0	+13.7
	OP	5.4	10.5	5.0	13.0	+2.5
Content	Net Sales	123.0	278.4	120.0	260.0	-18.4
	OP	21.7	37.2	15.0	32.0	-5.2
Amusement Facility	Net Sales	29.2	58.1	30.0	60.0	+1.9
	OP	-0.1	-0.8	0.5	1.0	—
Others	Net Sales	12.8	27.3	12.0	25.0	-2.3
	OP	0.8	1.6	0.5	1.0	-0.6
Corporate and Elimination	Net Sales	-17.4	-42.6	-17.0	-45.0	
	OP	-1.5	-3.8	-1.0	-2.0	
Consolidated	Net Sales	228.5	507.6	235.0	500.0	-7.6
	OP	26.3	44.6	20.0	45.0	+0.4

FY2015.3 Plan by Segment



Toys and Hobby SBU

billion yen

	FY2014.3 1 st Half	FY2014.3 Full Year	FY2015.3 1 st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Net Sales	80.7	186.3	90.0	200.0	+13.7
OP	5.4	10.5	5.0	13.0	+2.5

Japan)

- Growth in sales through target expansion / launch of new IP
- Increase in depreciation due to launch of new digital card game cabinet machines

Overseas)

Improvement in profits through reduction of loss in the U.S. and Europe
--> Aiming for full-scale growth under next Mid-Term Plan

FY2015.3 Plan by Segment



Content SBU

billion yen

	FY2014.3 1 st Half	FY2014.3 Full Year	FY2015.3 1 st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Net Sales	123.0	278.4	120.0	260.0	-18.4
OP	21.7	37.2	15.0	32.0	-5.2

- **Game software)** Decrease YOY due to major WW titles that were hits and strong repeat business in previous year
- **Arcade game)** Ongoing lack of transparency in domestic facility market, influence of higher prices for prizes
- **Network)** Rapid response to platform changes
Increased expenses accompanying intensified competition
- **Visual & music)** Lower revenues YOY due to strong results of multiple new titles in previous year, higher advertising and promotion expenses

FY2015.3 Plan by Segment



Amusement Facility SBU

billion yen

	FY2014.3 1st Half	FY2014.3 Full Year	FY2015.3 1st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Net Sales	29.2	58.1	30.0	60.0	+1.9
OP	-0.1	-0.8	0.5	1.0	-

- Effect of previous year's initiatives (closure of unprofitable facilities, impairment loss on continuing facilities)
 - Reorganize domestic foundation businesses
 - IP facility contribution
- Forecasting recovery through these and other measures

FY2015.3 Plan by Region

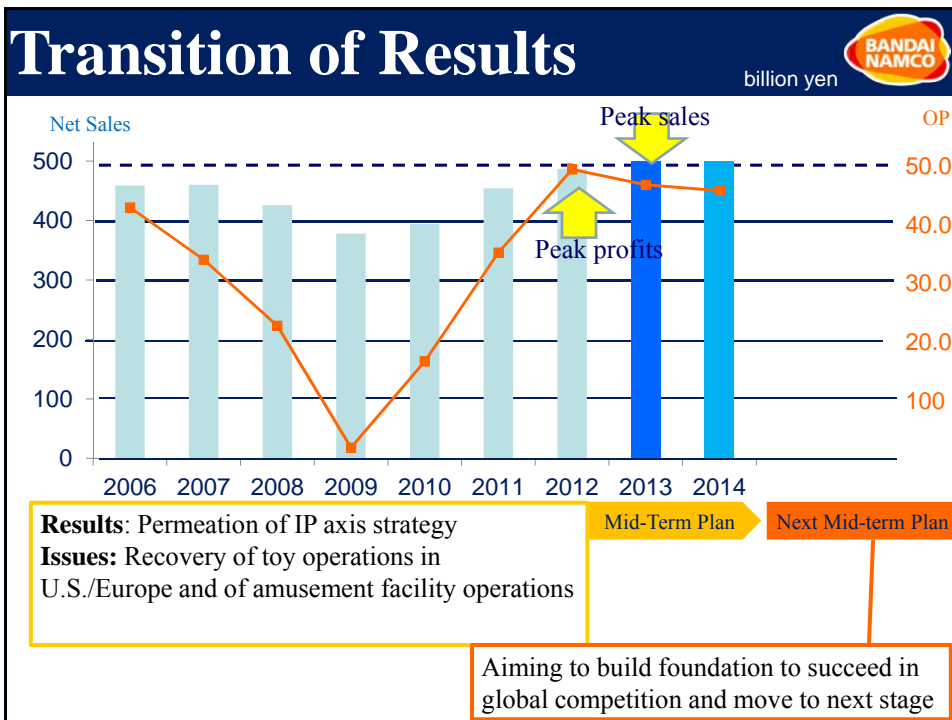


		FY2014.3 1st Half	FY2014.3 Full Year	FY2015.3 1st Half Plan	FY2015.3 Full Year Plan	YOY (Full Year)
Japan	External Sales	197.4	426.6	200.0	409.0	-17.6
	OP	28.5	49.4	21.2	45.6	-3.8
Americas	External Sales	10.4	27.4	13.5	31.5	+4.1
	OP	-0.5	-2.6	0.1	0.5	-
Europe	External Sales	11.5	28.2	12.3	36.0	+7.8
	OP	-0.2	-0.5	0.3	1.2	-
Asia	External Sales	9.0	25.3	9.2	23.5	-1.8
	OP	0.6	1.8	0.3	1.0	-0.8
Corporate and Elimination	External Sales	-	-	-	-	-
	OP	-1.9	-3.4	-1.9	-3.3	-
Consolidated	External Sales	228.5	507.6	235.0	500.0	-7.6
	OP	26.3	44.6	20.0	45.0	+0.4

Recovery in the U.S. and Europe is the top priority



FY2015.3 Main Strategies by SBUs



Toys and Hobby SBU



Japan

Step up efforts to achieve an overwhelming No. 1 position in Japan

【Established IP】

Reinforce media tie-ups and collaborative business models



【New IP】

Continual launches of original IP and IP from other companies



Expand share through increase in IP

【Expanded age range】

Open up new market through collaboration targeting adult women



Toys and Hobby SBU



US and Europe

Group's highest priority

Targeting the Next Mid-Term Plan with Expanded IP

【Power Rangers】



Viewership up due to improved viewing environment

Focus on promotions

【PAC-MAN】



Good start for product/marketing initiatives in line with European broadcasts

Establish success model

【New IP】

IP that is established in Japan + IP from overseas
↓
Multiple IP under preparation



IP lineup expansion

Toys and Hobby SBU



Asia

In favorable conditions, further increase speed
 Implementing measures finely tuned to each market

Start of *Aikatsu!*
 roll out in 6 countries
 in Asia (planned)

Active tie-ups
 with local media



Business development in
 line with local preferences



Consolidate offices for 7 Group companies
 in Hong Kong



Information sharing
 and collaboration
 among businesses
 will be the driving
 force



Content SBU



Further advance IP axis strategy

Game software

Continued balanced business development in line
 with IP characteristics

Arcade game

Initiative that leverage
 development capabilities
 +
 Strengthen sales in regions where
 demand is increasing



【Japan】

Launch popular IP with
 optimal timing



Expand targets and enter
 new genres

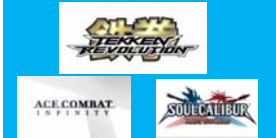


【Worldwide】

franchise IP



Integrate games and
 networks



High value added, highly
 productive new prize lineup

Expand distribution
 / strengthen overseas
 initiatives



Content SBU

BANDAI NAMCO

Further advance IP axis strategy

Network

<p>【SNS】</p> <p>Popular titles: stable management / maintenance</p>	<p>【Online】</p> <p>Existing titles: stable management</p>
<p>【Apps】</p> <p>High-potential titles: Implement selection and concentration</p> <p>Strategic titles: launch</p>	<p>【Overseas】</p> <p>Plan to launch multiple titles</p> <p>Nurture over medium/long term</p>

Content SBU


BANDAI NAMCO

Further advance IP axis strategy

Visual&Music


<p>【Visual】</p> <p>Popular IP series + new IP</p> <p>Multiple IP titles popular in FY2014.3</p>	<p>【Music/Live Events】</p> <p>New possibilities through real + virtual</p> <p>【Gundam 35th Anniversary】</p> <p>Initiatives targeting 40th and 50th anniversaries</p>
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Amusement Facility SBU



Recovery through front-line capabilities + Group strengths

【Reevaluate structure / reorganize existing facilities】



NAMCO's new President
Hitoshi Hagiwara

Strengthen collaboration with other Group companies

Reform from various viewpoints


Strengthen sales function

Reallocate personnel and other resources


Strengthen front-line capabilities and increase efficiency

Measures to encourage repeat customers


Introduce new prizes weekly
Implement annual campaign




【Strengthen IP initiatives】




【IP Theme parks】



【IP retail facilities】



【IP food service facilities】



【IP events】

New sources of earnings

Media that maximizes IP value

Preparing for the Next Mid-Term Plan



Stable foundation that will succeed in global competition

Continued expansion of IP axis strategy

Maintain / expand overseas initiatives

Aim for BANDAI NAMCO's next stage
over the medium to long term

