FY2015.3 1st Half Results
### 1st Half Results

<table>
<thead>
<tr>
<th></th>
<th>FY 2014.3 1st Half Results</th>
<th>FY 2015.3 1st Half Forecast (end of 1Q)</th>
<th>FY 2015.3 1st Half Results</th>
<th>YOY</th>
<th>Vs. Forecast (end of 1Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>228.5</td>
<td>255.0</td>
<td>259.3</td>
<td>+30.8</td>
<td>+4.3</td>
</tr>
<tr>
<td>Operating Income</td>
<td>26.3</td>
<td>25.0</td>
<td>31.8</td>
<td>+5.5</td>
<td>+6.8</td>
</tr>
<tr>
<td>Recurring Income</td>
<td>28.5</td>
<td>25.0</td>
<td>33.3</td>
<td>+4.8</td>
<td>+8.3</td>
</tr>
<tr>
<td>Net Income</td>
<td>19.6</td>
<td>16.0</td>
<td>21.2</td>
<td>+1.6</td>
<td>+5.2</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>10.9</td>
<td>7.0</td>
<td>8.5</td>
<td>-2.4</td>
<td>+1.5</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9.1</td>
<td>10.0</td>
<td>10.4</td>
<td>+1.3</td>
<td>+0.4</td>
</tr>
<tr>
<td>R&amp;D Investments</td>
<td>23.3</td>
<td>22.0</td>
<td>25.7</td>
<td>+2.4</td>
<td>+3.7</td>
</tr>
<tr>
<td>Advertising Expenses</td>
<td>14.8</td>
<td>17.0</td>
<td>17.0</td>
<td>+2.2</td>
<td>0</td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>22.8</td>
<td>22.5</td>
<td>23.8</td>
<td>+1.0</td>
<td>+1.3</td>
</tr>
</tbody>
</table>

### 1st Half Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 2014.3 1st Half Results</th>
<th>FY 2015.3 1st Half Forecast (end of 1Q)</th>
<th>FY 2015.3 1st Half Results</th>
<th>YOY</th>
<th>Vs. Forecast (end of 1Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toys and Hobby</td>
<td>80.7</td>
<td>100.0</td>
<td>106.3</td>
<td>+25.6</td>
<td>+6.3</td>
</tr>
<tr>
<td>Content</td>
<td>123.0</td>
<td>130.0</td>
<td>130.4</td>
<td>+7.4</td>
<td>+0.4</td>
</tr>
<tr>
<td>Amusement Facility</td>
<td>21.7</td>
<td>18.0</td>
<td>22.1</td>
<td>+0.4</td>
<td>+4.1</td>
</tr>
<tr>
<td>Other</td>
<td>12.8</td>
<td>12.0</td>
<td>13.4</td>
<td>+0.6</td>
<td>+1.4</td>
</tr>
<tr>
<td>Corporate and Elimination</td>
<td>-17.4</td>
<td>-17.0</td>
<td>-18.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated</td>
<td>228.5</td>
<td>255.0</td>
<td>259.3</td>
<td>+30.8</td>
<td>+4.3</td>
</tr>
<tr>
<td></td>
<td>26.3</td>
<td>25.0</td>
<td>31.8</td>
<td>+5.5</td>
<td>+6.8</td>
</tr>
</tbody>
</table>
Established IP favorable
+ **Yokai Watch** favorable

→ **Yokai Watch** first-half sales:

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**Content**

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**Home video game software**

U.S. and Europe: **DARK SOULS II** remains hit

Japan: Centered on small and medium-sized titles

**Arcade game machine**

First half: According to plan overall

Prizes: Weak yen affects costs

**Visual & Music Content**

Original IP-related visual content, music, and live performances favorable

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**Amusement Facility**

Sales of existing amusement facilities in Japan decline 9.5% year on year

Efforts to build new pillars, such as taking on challenge of new business formats

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**Full Year Forecast**

<table>
<thead>
<tr>
<th></th>
<th>FY 2014.3 Results</th>
<th>FY 2015.3 Forecast (end of IQ)</th>
<th>FY 2015.3 Forecast</th>
<th>YOY</th>
<th>Vs. Forecast (end of IQ)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>507.6</td>
<td>500.0</td>
<td>520.0</td>
<td>+12.4</td>
<td>+20.0</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td>50.0</td>
<td>+5.4</td>
<td>+5.0</td>
</tr>
<tr>
<td><strong>Recurring Income</strong></td>
<td></td>
<td></td>
<td>52.0</td>
<td>+4.6</td>
<td>+7.0</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>25.0</td>
<td>28.0</td>
<td>30.0</td>
<td>+5.0</td>
<td>+2.0</td>
</tr>
<tr>
<td><strong>Capital Expenditures</strong></td>
<td>23.4</td>
<td>18.0</td>
<td>18.0</td>
<td>-5.4</td>
<td>0</td>
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<tr>
<td><strong>Depreciation</strong></td>
<td>21.7</td>
<td>23.0</td>
<td>23.0</td>
<td>+1.3</td>
<td>0</td>
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<tr>
<td><strong>R&amp;D Investments</strong></td>
<td>51.8</td>
<td>46.0</td>
<td>48.0</td>
<td>-3.8</td>
<td>+2.0</td>
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<tr>
<td><strong>Advertising Expenses</strong></td>
<td>38.0</td>
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<td>38.0</td>
<td>0</td>
<td>+2.0</td>
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<tr>
<td><strong>Personnel Expenses</strong></td>
<td>47.7</td>
<td>46.0</td>
<td>48.0</td>
<td>+0.3</td>
<td>+2.0</td>
</tr>
</tbody>
</table>
## Results by Segment

**Top row:** Segment sales  
**Bottom row:** Segment income  

<table>
<thead>
<tr>
<th></th>
<th>FY 2014.3 Results</th>
<th>FY 2015.3 Forecast (end of 1Q)</th>
<th>FY 2015.3 Forecast YOY</th>
<th>Vs. Forecast (end of 1Q)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toys and Hobby</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>186.3</td>
<td>200.0</td>
<td>210.0</td>
<td>+23.7</td>
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<tr>
<td>Segment income</td>
<td>10.5</td>
<td>13.0</td>
<td>16.0</td>
<td>+5.5</td>
</tr>
<tr>
<td><strong>Content</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>278.4</td>
<td>260.0</td>
<td>270.0</td>
<td>-8.4</td>
</tr>
<tr>
<td>Segment income</td>
<td>37.2</td>
<td>32.0</td>
<td>35.0</td>
<td>-2.2</td>
</tr>
<tr>
<td><strong>Amusement Facility</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>58.2</td>
<td>60.0</td>
<td>58.0</td>
<td>-0.2</td>
</tr>
<tr>
<td>Segment income</td>
<td>-0.8</td>
<td>1.0</td>
<td>0.5</td>
<td>+1.3</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>27.3</td>
<td>25.0</td>
<td>25.0</td>
<td>-2.3</td>
</tr>
<tr>
<td>Segment income</td>
<td>1.6</td>
<td>1.0</td>
<td>1.0</td>
<td>-0.6</td>
</tr>
<tr>
<td><strong>Corporate and Elimination</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>-42.6</td>
<td>-45.0</td>
<td>-43.0</td>
<td>-</td>
</tr>
<tr>
<td>Segment income</td>
<td>-3.8</td>
<td>-2.0</td>
<td>-2.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>507.6</td>
<td>500.0</td>
<td>520.0</td>
<td>+12.4</td>
</tr>
<tr>
<td>Segment income</td>
<td>44.6</td>
<td>45.0</td>
<td>50.0</td>
<td>+5.4</td>
</tr>
</tbody>
</table>

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### Analysis

- **Toys and Hobby**
  - Segment sales: 186.3 billion yen in FY 2014.3, forecast to increase to 200.0 billion yen in FY 2015.3, showing a YOY increase of 23.7%. The forecast margin is expected to increase by 10.0% compared to the end of 1Q in FY 2015.

- **Content**
  - Segment sales: 278.4 billion yen in FY 2014.3, forecast to increase to 260.0 billion yen in FY 2015.3, showing a YOY decrease of 8.4%. The forecast margin is expected to increase by 10.0% compared to the end of 1Q in FY 2015.

- **Amusement Facility**
  - Segment sales: 58.2 billion yen in FY 2014.3, forecast to increase to 60.0 billion yen in FY 2015.3, showing a YOY decrease of 0.2%. The forecast margin is expected to decrease by 2.0% compared to the end of 1Q in FY 2015.

- **Other**
  - Segment sales: 27.3 billion yen in FY 2014.3, forecast to remain at 25.0 billion yen in FY 2015.3, showing a YOY decrease of 2.3%.

- **Corporate and Elimination**
  - Segment sales: -42.6 billion yen in FY 2014.3, forecast to remain at -45.0 billion yen in FY 2015.3, showing a YOY decrease of -8.4%.

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**Key Points**

- Although favorable trends of year-end/new-year shopping season expected to continue, cost burden likely to accompany second-half changeover of established IP.


- Through various measures will target catch-up at yearend/new year.
Continuing to vigorously advance our strategy of having overwhelming No.1 position

**Established IP**
- Recording good starts by new programs
- Strengthening promotions for year-end / new year

**New IP**
- Aiming to make established IP long-lasting through cross-media strategy
- Strengthening / expanding / improving IP lineup further
- Taking on the challenge of Disney IP
- Strengthening female customer group
**Toys and Hobby SBU**

**U.S. and Europe**
- Expanding and improving IP with a view to next medium-term plan
  - **[Power Rangers]**
    - Strengthening promotions and sales-area creation
  - **[New IP]**
    - Expanding IP and sales areas

**Asia**
- Expanding steadily
  - **Gundam** products and products for older customers favorable
  - Synchronizing throughout Japan and Asia
  - Expanding IP and regions
  - Expanding into Southwest Asia

---

**Content SBU**

- Advancing IP-based strategy further

**Network**
- **[Application game]**
  - Increasing titles steadily
  - Introducing new strategic titles

**Overseas**
- Accumulating experience and results and expanding in medium term

**[Application game]**
- Planning to introduce **ONE PIECE**, **THE IDOLM@STER**, **Gundam**, etc. in future

**SNS**
- Managing mainstay titles steadily

**[PC online game]**
- Beginning services for **NARUTO**, **Gundam**, etc.
Content SBU

Advancing IP-based strategy further

**Visual and Music content**

**[Visual]**
- Continuing to roll out powerful established IP
- Taking on the challenge of new IP

**[Music / Live performance]**
- Establishing music content and live performance businesses as pillars

**Going on a world tour!**
Planning to hold events in six cities—including Singapore, Taipei, Seoul, Hong Kong, and Las Vegas—beginning in January 2015

Content SBU

Advancing IP-based strategy further

**Home video game**
- Conducting multifaceted rollouts of original IP
- Popular existing series + New platforms, genres, and IP

**Arcade game machine**
- Catering to diverse sales formats
- Helping attract customers through appealing equipment and prizes

**Rolling out worldwide**
Beginning operations in 2015

**[Main titles (2nd Half)]**

<table>
<thead>
<tr>
<th>Game</th>
<th>Platforms</th>
<th>Release Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOTOUCHI TESUDO</td>
<td>3DS•WiiU</td>
<td>Nov.</td>
</tr>
<tr>
<td>Tales of Zestiria</td>
<td>PS3</td>
<td>Jan.</td>
</tr>
<tr>
<td>GOD EATER 2 RAGE BURST</td>
<td>PS4•PSVITA</td>
<td>Feb.</td>
</tr>
<tr>
<td>DRAGON BALL Z XENOVERSE</td>
<td>PS4•XBoxONE•PS3•XBox360</td>
<td>Feb.</td>
</tr>
</tbody>
</table>

**STAR WARS BATTLE POD**
Amusement Facility SBU

Achieving a recovery for existing amusement facilities + Building new pillars of business

【Amusement Facility in Japan】
Focusing on large amusement facilities in SC
Changing from a uniform management style to a personal management style for each amusement facility
Equipment, prizes, and services that reflect regions and user groups

【Taking on the challenge of new business formats】

 станок

Puzzle-solving game × restaurant

Anime song × restaurant

【Overseas】

Level 257: Puzzle-solving game × restaurant
Planning to open in January 2015
Opening entertainment facility themed on PAC-MAN in Chicago, the U.S.

Topics

【Creating original IP】
In-house proposal-collection system aimed at fostering original IP creation
Proposals received
First time: 160 proposals
→ Ultimately 5 proposals displayed at trade shows
Second time: More than 100 proposals

【Distributing anime overseas】

Anime Consortium Japan Inc.

Executive vice president & representative director of BANDAI NAMCO Games Inc., Shin Unozawa, appointed president (holding posts concurrently)
Will conduct Japanese anime content streaming and e-commerce operations targeting overseas markets
By receiving investment from Cool Japan Fund Inc. and distributing anime overseas as one of Japan’s cultural flagships
→ Aim to increase anime fans
Aims of next medium-term management plan

Consistently achieve
Sales of ¥500 billion
Operating income of ¥50 billion

Requirements for advancing to the next stage
Make extensive mutual use of individuality and expertise
Take maximum advantage of BANDAI NAMCO’s combined strength

November 6, 2014
BANDAI NAMCO Holdings Inc.
President & Representative Director
Shukuo Ishikawa
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.