



BANDAI NAMCO Group

Information Meeting


Fiscal Year Ended March 2018
2nd Quarter Result Presentation


November 7, 2017

Mitsuaki Taguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.



FY2018.3 1st Half
Results

<h1>First Half Results</h1>					
					
billion yen					
	FY 2017.3 1st Half Results	FY 2018.3 1st Half Forecast (as of Aug. 2017)	FY 2018.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Net Sales	294.5	295.0	308.8	+14.3	+13.8
Operating Profit	38.9	27.0	34.9	-4.0	+7.9
Recurring Profit	38.2	27.5	35.6	-2.6	+8.1
Profit Attributable to Owners of Parent	30.1	20.0	28.1	-2.0	+8.1
Capital Investments	9.4	10.5	44.6	+35.2	+34.1
Depreciation	9.4	10.0	10.5	+1.1	+0.5
Game content R&D investments	27.1	27.0	32.7	+5.6	+5.7
Advertising Expenses	16.4	17.0	16.7	+0.3	-0.3
Personnel Expenses	25.7	25.0	26.8	+1.1	+1.8

<h1>1st Half Results by Segment</h1>						
						
billion yen						
		FY 2017.3 1st Half Results	FY 2018.3 1st Half Forecast (as of Aug. 2017)	FY 2018.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	103.7	100.0	98.1	-5.6	-1.9
	Segment profit	8.7	6.0	5.5	-3.2	-0.5
Network Entertainment	Segment sales	167.2	180.0	190.3	+23.1	+10.3
	Segment profit	24.0	18.0	25.7	+1.7	+7.7
Visual and Music production	Segment sales	27.5	20.0	23.3	-4.2	+3.3
	Segment profit	8.0	5.0	5.5	-2.5	+0.5
Other	Segment sales	13.0	15.0	12.8	-0.2	-2.2
	Segment profit	0.5	0.5	0.2	-0.3	-0.3
Corporate and Elimination	Segment sales	-17.0	-20.0	-15.9	+1.1	+4.1
	Segment profit	-2.6	-2.5	-2.1	+0.5	+0.4
Consolidated	Net sales	294.5	295.0	308.8	+14.3	+13.8
	Operating profit	38.9	27.0	34.9	-4.0	+7.9

Trends by Business



Toys and Hobby

Steady performances by domestic established IPs
 Good start by new *KAMEN RIDER* series products
 Sales of *Gundam* plastic models see synergy benefits thanks to opening of *THE GUNDAM BASE TOKYO*



Network Entertainment

Network content: Mainstay titles remain popular in Japan and overseas (Overseas ratio: 25%)

Home video games: Favorable *TEKKEN* sales and repeat sales

Amusement: Solid performance of existing facilities in Japan
 Prior costs due to increased rollout of *VR ZONE* facilities



Visual and Music Production

Although mainstay IPs still performing well, concentration of new title rollouts in second half
 Higher-than-expected packaged software sales and license revenue



Full Year Forecast



billion yen

	FY 2017.3 Results	FY 2018.3 Forecast (as of Aug. 2017)	FY 2018.3 Forecast	Vs. previous year's results	Vs. previous forecast
Net Sales	620.0	620.0	620.0	-	-
Operating Profit	63.2	57.0	57.0	-6.2	-
Recurring Profit	63.2	58.0	58.0	-5.2	-
Profit Attributable to Owners of Parent	44.1	40.0	40.0	-4.1	-
Capital Investments	19.5	21.0	55.0	+35.5	+34.0
Depreciation	21.8	23.0	23.0	+1.2	-
Game Content R&D Investments	59.0	59.0	59.0	-	-
Advertising Expenses	39.3	42.0	42.0	+2.7	-
Personnel Expenses	53.6	52.0	52.0	-1.6	-

Factors Affecting Full-Year Outlook

External factors

- Changes in distribution environment for Toys and Hobby overseas
- Further intensification of network content competition
- Trends in year-end and New-Year selling season

Variable factors in businesses

- Examination of app title lineup and increase in advertising expenses
- Costs of BXD Inc.'s establishment of new platform
- Change in prior costs arising from opening of new facilities, including VR
- Examination of packaged software title lineup

▼

Will reexamine full-year outlook

Forecast by Segment

billion yen

		FY 2017.3 Results	FY 2018.3 Forecast (as of Aug. 2017)	FY 2018.3 Forecast	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	218.0	215.0	215.0	-3.0	-
	Segment profit	13.3	15.0	15.0	+1.7	-
Network Entertainment	Segment sales	355.5	370.0	370.0	+14.5	-
	Segment profit	42.0	36.0	36.0	-6.0	-
Visual and Music production	Segment sales	56.2	50.0	50.0	-6.2	-
	Segment profit	13.4	12.0	12.0	-1.4	-
Other	Segment sales	26.7	30.0	30.0	+3.3	-
	Segment profit	0.7	1.0	1.0	+0.3	-
Corporate and Elimination	Segment sales	-36.7	-45.0	-45.0	-8.3	-
	Segment profit	-6.2	-7.0	-7.0	-0.8	-
Consolidated	Net sales	620.0	620.0	620.0	-	-
	Operating profit	63.2	57.0	57.0	-6.2	-

Trends by Business

Toys and Hobby

Strengthening of Domestic Established IPs

KAMEN RIDER



Strongest start in RIDER series for 30 years



Super Sentai / Power Rangers

Ultraman

PRETTY CURE!



Proactive rollouts targeting year-end and New-Year selling season

Raising of Gundam Plastic Model's Level

Measures for fans in Japan and overseas



Toys and Hobby



Expansion of Rollouts for Adult Customers in Japan and Overseas

IP lineup with Worldwide Popularity



Measures to Increase IP Fans

Initiatives in New Fields



DRAGON BALL

Favorable performances by DATA CARDDASS in Japan and trading cards in North America



BN-Bot PROJECT

Use of latest technologies from the Group's research

Network Entertainment



Network content

Aiming for stability and growth of mainstay titles



Number of app title launches

	First half	Second half	Full year
Japan :	8	11	19
Overseas:	2	12	14

Introduction of major titles

Establishment of new platform

NARUTO×BORUTO NINJA BORUTAGE



BXD



Network Entertainment



Home Video Game

Introduction of multiple worldwide titles

DRAGON BALL FIGHTERZ



CODE VEIN



SWORD ART ONLINE FATAL BULLET



+ Beginning of development of original titles for *Nintendo Switch*

Amusement

Amusement facilities: Continued opening of facilities

Second-half facility openings: Japan 29
Overseas 2

VR: Introduction of new activities and addition of portal facilities



Equipment: Stepping up of gaming device development



Visual and Music production



New Rollouts of Established IPs

Mobile Suit Gundam: THE ORIGIN: Battle Of Loum

Packaged software launch in November



Love Live! Sunshine!! season 2

Start of TV broadcast in October
Packaged software launch in December



First stage of *GIRLS und PANZER: The Final Chapter*

Theatrical screening in December



Visual Rollouts of New IP

IDOLiSH7

Start of TV broadcast in January
Packaged software launch in February



Visual and Music production



Addition of New Animation Production Company to the Group



+ 株式会社 **アクタス**
Actas. Inc.

Strengthening of IP creation capability



Toward
Next Mid-term Plan

Direction of Next Mid-term Plan



**Mission: Providing “Dreams, Fun and Inspiration”
to people around the world**



Direction of next Mid-term Plan

- ▶ Strengthening of the IP axis strategy ⇒ Drive IP creation
- ▶ Acceleration of overseas development
- ▶ Business collaboration unique to BANDAI NAMCO

Mid-term Vision



NEXT STAGE *build upon current success*



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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The slide features a blue background with a subtle pattern of stars and a large, faint 'BANDAI NAMCO' logo in the top right corner. The main text is centered and reads: 'BANDAI NAMCO Group Information Meeting Fiscal Year Ended March 2018 2nd Quarter Result Presentation'. Below this, the name 'Mitsuaki Taguchi' is listed, followed by his title 'President and Representative Director' and the company name 'BANDAI NAMCO Holdings Inc.'.