BANDAI NAMCO Group
Information Meeting
Fiscal Year Ending March 2020
2nd Quarter Result Presentation

FY2020.3 1st Half Results
### First Half Results

<table>
<thead>
<tr>
<th></th>
<th>FY 2019.3 1st Half Results</th>
<th>FY 2020.3 1st Half Forecast (as of Aug. 2019)</th>
<th>FY 2020.3 1st Half Results</th>
<th>Vs. previous year’s results</th>
<th>Vs. previous forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>334.6</td>
<td>340.0</td>
<td>349.3</td>
<td>+14.7</td>
<td>+9.3</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>43.9</td>
<td>40.0</td>
<td>47.9</td>
<td>+4.0</td>
<td>+7.9</td>
</tr>
<tr>
<td>Recurring Profit</td>
<td>45.8</td>
<td>41.0</td>
<td>48.7</td>
<td>+2.9</td>
<td>+7.7</td>
</tr>
<tr>
<td>Profit Attributable to Owners of Parent</td>
<td>34.1</td>
<td>29.0</td>
<td>34.6</td>
<td>+0.5</td>
<td>+5.6</td>
</tr>
<tr>
<td>Capital Investments</td>
<td>10.7</td>
<td>11.0</td>
<td>13.3</td>
<td>+2.6</td>
<td>+2.3</td>
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<tr>
<td>Depreciation</td>
<td>9.3</td>
<td>10.0</td>
<td>9.7</td>
<td>+0.4</td>
<td>-0.3</td>
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<tr>
<td>Game content R&amp;D investments</td>
<td>40.6</td>
<td>45.0</td>
<td>39.3</td>
<td>-1.3</td>
<td>-5.7</td>
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<tr>
<td>Advertising Expenses</td>
<td>18.5</td>
<td>21.0</td>
<td>20.0</td>
<td>+1.5</td>
<td>-1.0</td>
</tr>
<tr>
<td>Personnel Expenses</td>
<td>28.4</td>
<td>29.5</td>
<td>30.9</td>
<td>+2.5</td>
<td>+1.4</td>
</tr>
</tbody>
</table>

### 1st Half Results by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 2019.3 1st Half Results</th>
<th>FY 2020.3 1st Half Forecast (as of Aug. 2019)</th>
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<th>Vs. previous year’s results</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Toys and Hobby</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>112.3</td>
<td>120.0</td>
<td>128.0</td>
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<td>+8.0</td>
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<td>Segment profit</td>
<td>12.8</td>
<td>14.0</td>
<td>17.6</td>
<td>+4.8</td>
<td>+3.6</td>
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<tr>
<td><strong>Network Entertainment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
<td>154.6</td>
<td>150.0</td>
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<td>Segment profit</td>
<td>23.4</td>
<td>21.0</td>
<td>24.9</td>
<td>+1.5</td>
<td>+3.9</td>
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<tr>
<td><strong>Real Entertainment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment sales</td>
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<td>50.0</td>
<td>46.8</td>
<td>+0.8</td>
<td>-3.2</td>
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<td>Segment profit</td>
<td>2.0</td>
<td>1.5</td>
<td>1.5</td>
<td>-0.5</td>
<td>±0</td>
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<tr>
<td><strong>Visual and Music Production</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Segment sales</td>
<td>20.5</td>
<td>20.0</td>
<td>20.7</td>
<td>+0.2</td>
<td>+0.7</td>
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<tr>
<td>Segment profit</td>
<td>4.7</td>
<td>3.5</td>
<td>3.8</td>
<td>-0.9</td>
<td>+0.3</td>
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<tr>
<td><strong>IP Creation</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Segment sales</td>
<td>9.3</td>
<td>8.0</td>
<td>7.8</td>
<td>-1.5</td>
<td>-0.2</td>
</tr>
<tr>
<td>Segment profit</td>
<td>2.5</td>
<td>2.5</td>
<td>2.2</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td><strong>Other</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Segment sales</td>
<td>14.2</td>
<td>14.0</td>
<td>15.3</td>
<td>+1.1</td>
<td>+1.3</td>
</tr>
<tr>
<td>Segment profit</td>
<td>0.5</td>
<td>0.5</td>
<td>0.9</td>
<td>+0.4</td>
<td>+0.4</td>
</tr>
<tr>
<td><strong>Elimination and Corporate</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Segment sales</td>
<td>-22.4</td>
<td>-22.0</td>
<td>-22.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Segment profit</td>
<td>-2.1</td>
<td>-3.0</td>
<td>-3.1</td>
<td></td>
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<tr>
<td><strong>Consolidated</strong></td>
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### Initial Plan for Fiscal Year

**Variable factors in businesses**

- Influence of dramatic changes in the business environment on market and user trends
- Trends in the year-end and New Year sales period in the Toys and Hobby business
- Plans to launch major home video game titles in the 4th quarter
- Investment to address changes

### The initial plan will not be revised at this point

**It will be carefully reviewed in the future**

<table>
<thead>
<tr>
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<th>FY 2019.3 Results</th>
<th>FY 2020.3 Initial plan (as of May 2019)</th>
<th>Vs. previous forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>732.3</td>
<td>720.0</td>
<td>-12.3</td>
</tr>
<tr>
<td>Operating profit</td>
<td>84.0</td>
<td>70.0</td>
<td>-14.0</td>
</tr>
</tbody>
</table>

### Trends by Business

### Results and Current Trends in Each Business

#### 1st half

**Toys and Hobby**

**Continued favorable results in Japanese and overseas markets for the mature fan base**

- Continued favorable results for products for the mature fan base in Japan and Asia
- Full-scale operation of new company in North America
- New KAMEN RIDER off to a favorable start and solid results with core established IP
- Toy-related items remain popular

**Gundam plastic models**

- Collaborating with Mobile Suit Gundam 40th anniversary animations
- Creating buzz with events in Japan and overseas

**Figures and prizes**

- Holding real events in Japan and overseas, e-commerce site events
- Rolling out products in collaboration with movies for ONE PIECE, Pokémon, etc.

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### Results and Current Trends in Each Business

#### Toys and Hobby

**Introduction of core items for children and new IP**

**Established IP**

- Successive introduction of items for the Christmas sales period
- China: Bolstering roll-outs for KAMEN RIDER and Ultraman

**Cards**

Nurturing ZENONZARD IP with app, cards, and anime distribution
Network Entertainment

Results and Current Trends in Each Business

Stable popularity of core titles and roll-outs for new platforms

**1st half**

- NE: Successful event for 300 million downloads of DOKKAN BATTLE
  - Continued popularity for multiple other titles due to anniversary events, Treasure Cruise initiatives linked with the ONE PIECE film, etc.
  - New titles: Favorable results with GUNDAM BREAKER MOBILE
- CE: Release of CODE VEIN at end of 2nd quarter
  - Favorable repeat sales

Network Content

- Titles planned for future introduction
- Business alliance with Crunchyroll
  - NARUTO X BORUTO NINJA TRIBES
- Joining Apple Arcade
  - PAC-MAN PARTY ROYALE

Results and Current Trends in Each Business

In 2nd half, taking on the challenge of worldwide titles and new fields

**Home Video Games**

- Fostering longer product lives by focusing on quality and strengthening fan communications
- In addition to KAKAROT in the 4th quarter, currently developing worldwide titles
- Expanding roll-outs of titles originating overseas

- Holding BANDAI NAMCO Entertainment festival
- Sports entertainment
  - Professional basketball team management

New entertainment fields
Results and Current Trends in Each Business

**Real Entertainment**

**Prize sales favorable, launch of new title machines planned for 2nd half**

**1st half**

- Facilities: Favorable results at existing facilities in Japan (Film-related prizes, etc., favorable)
- Amusement machines: Favorable utilization of Mobile Suit Gundam: Extreme Vs. 2, no launches of major new products in 1st half

**Facilities**

- Expanding roll-outs of NAMCO-only prizes
- Expanding roll-outs of new business format facilities that leverage technologies and know-how

**Amusement machines**

Planning launches of new products in 2nd half

Results and Current Trends in Each Business

**Visual and Music Production**

**Continued roll-out of business collaborations, targeting IP creation and development**

**1st half**

- Core IP maintains popularity, but YoY difference in packaged product lineup has an influence
- IP that is also popular overseas recording favorable results
- Investment in studio MOTHER to strengthen IP creation capabilities

**New titles**

- Love Live! 9th Anniversary Blu-ray BOX
- Rifle is Beautiful

**New initiatives in IP creation**

- Collaboration among anime, game app, and futsal events
- Start of new projects

**Additional initiatives**

- Official idol unit Rifling4 currently active
- FUTSAL BOYS!!!!!!

ONE PUNCH MAN That Time I Got Reincarnated as a Slime
### Results and Current Trends in Each Business

**IP Creation**

**New IP creation and simultaneous roll-out of core IP innovations**

<table>
<thead>
<tr>
<th>1st half</th>
<th>Stepping up IP roll-outs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Release of new <em>Gundam</em> animation and launch of official YouTube channel</td>
<td>Capital participation in <em>echoes</em> Inc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>MOBILE SUIT GUNDAM</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of channel subscribers surpassed 260,000</td>
</tr>
</tbody>
</table>

**Rolling-out multiple new visual products & Advancing worldwide strategy**

### Progress with main strategies of Mid-term Plan

**IP AXIS STRATEGY** Boost capability to create IP (structural changes)

- **Initiatives for new IP creation**  
  Implementing Groupwide initiatives through strategic investment, BANDAI NAMCO Content Fund, etc.

- **Strengthening roll-outs of existing core IP (further bolstering strengths)**  
  Advancing worldwide roll-outs of Japanese IP

- **SOTSU CO., LTD., becoming wholly owned subsidiary**  
  Accelerating worldwide *Gundam* roll-outs through further unification

**REGION STRATEGY** Make full-blown entry into Chinese market

- **Start of activities by each Unit company established in China**
- **Establishment of joint venture company with *Shueisha* Inc.**  
  Rolling out products aligned with the preferences of fans in China
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.