

BANDAI NAMCO Group
Information Meeting
(Fiscal Year Ended March 2020)



Results in FY2020.3

	FY2018.3	FY2019.3	FY2020.3	Vs. previous year's results	Vs. previous forecast	billion yen
Net Sales	678.3	732.3	723.9	-8.4	+3.9	
Operating Profit	75.0	84.0	78.7	-5.3	+3.7	
Recurring Profit	75.3	86.8	79.7	-7.1	+3.2	
Profit Attributable to Owners of Parent	54.1	63.3	57.6	-5.7	+3.6	
Capital Investments	54.8	22.0	27.3	+5.3	+4.3	
Depreciation	23.5	21.3	23.2	+1.9	+0.2	
Game content R&D investments	72.4	83.5	83.2	-0.3	-11.8	
Advertising Expenses	39.7	44.4	44.3	-0.1	-5.7	
Personnel Expenses	56.5	60.6	61.8	+1.2	+1.8	

Results by Segment

		FY2018.3	FY2019.3	FY2020.3	Vs. previous year's results	Vs. previous forecast	billion yen
Toys and Hobby	Segment sales	222.4	242.8	253.7	+10.9	-6.3	
	Segment profit	14.4	21.7	26.7	+5.0	-0.3	
Network Entertainment	Segment sales	326.5	340.9	328.0	-12.9	+8.0	
	Segment profit	50.1	47.5	43.8	-3.7	+3.8	
Real Entertainment	Segment sales	90.5	101.4	91.7	-9.7	-3.3	
	Segment profit	3.1	4.2	-1.5	-5.7	-2.5	
Visual and Music Production	Segment sales	40.6	45.5	46.9	+1.4	+1.9	
	Segment profit	6.6	8.7	8.0	-0.7	±0	
IP Creation	Segment sales	16.9	22.4	19.7	-2.7	-0.3	
	Segment profit	5.2	5.0	5.7	+0.7	+0.7	
Other	Segment sales	27.6	29.7	35.7	+6.0	+0.7	
	Segment profit	0.7	1.1	1.8	+0.7	+0.8	
Elimination and Corporate	Segment sales	-46.4	-50.6	-52.0	-1.4	+3.0	
	Segment profit	-5.4	-4.4	-5.9	-1.5	+1.1	
Consolidated	Net sales	678.3	732.3	723.9	-8.4	+3.9	
	Operating profit	75.0	84.0	78.7	-5.3	+3.7	

Results by Segment

Toys and Hobby

	FY2020.3	Vs. previous year's results
Segment sales	253.7	+10.9
Segment profit	26.7	+5.0

- Japan and overseas: Favorable performance of products for the mature fan base
⇒ Products for the mature fan base contributing 40% of Toys and Hobby sales
- Japan: Popularity of established IP toys and toy-related products
- 4Q: Delays in production resulting from influence of novel coronavirus.
Influenced by closure of toy retail stores and distribution restrictions in Europe, the Americas, etc.
- Record high annual results for the Toys and Hobby business.

Network Entertainment

	FY2020.3	Vs. previous year's results
Segment sales	328.0	-12.9
Segment profit	43.8	-3.7

- Network Content: Stable popularity for major titles
⇒ 4Q: Commemorative events for *DRAGON BALL Z DOKKAN BATTLE* did well in Japan
- Home video games: Favorable performance of new titles and repeat titles in a period with a small number of major title launches
- 4Q: Influenced by the closure of game retail stores overseas and by postponement of large-scale events and self-restraint in regard to promotional activities

Results by Segment

Real Entertainment

	FY2020.3	Vs. previous year's results
Segment sales	91.7	-9.7
Segment profit	-1.5	-5.7

- Amusement facility business: Favorable results at existing facilities in Japan in the first nine months of the fiscal year. Facilities closed in the 4Q due to the influence of the novel coronavirus; in March, sales at existing facilities in Japan down 58% YoY
- Amusement machine business: Launch of new products delayed; sales plans not achieved.
- Implemented measures in the 4Q to bolster financial position
 - ▶ Valuation loss on arcade game work in process, etc.: Approximately ¥3.0 billion
 - ▶ Loss on impairment related to amusement facilities: Extraordinary loss of approximately ¥3.0 billion

Visual and Music Production

	FY2020.3	Vs. previous year's results
Segment sales	46.9	+1.4
Segment profit	8.0	-0.7

- Produced popular visual, music, and live events on an IP axis
- Profits influenced by a change in the product mix
- 4Q: Self-restraint due to the influence of the novel coronavirus affected multiple events (The effect on results was limited due to favorable events held in the first half of the 4Q, etc.)

IP Creation

	FY2020.3	Vs. previous year's results
Segment sales	19.7	-2.7
Segment profit	5.7	+0.7

- Worked to create buzz about the 40th anniversary of *Mobile Suit Gundam*; rolled out new visual products, such as TV animations and movies
- To strengthen IP creation, reinforced production system and advanced Groupwide projects

FY2020.3 Dividend

	End of second quarter	Year-end	Total
FY2019.3 Dividend	¥18	¥127	¥145
FY2020.3 Forecast (as of February 2020)	¥20	¥103	¥123
FY2020.3 Dividend	¥20	¥112	¥132
FY2021.3 (forecast)	¥21	¥21	¥42

* The dividend forecast for FY2021.3 is the base dividend portion, based on equity as of the end of the previous period.

Dividend

Aim for a total dividend payout ratio of 50% or more based on a stable dividend of DOE 2%

Interim dividend: ¥20

Year-end dividend: ¥112 (base dividend: ¥20; performance-based dividend: ¥92)

**Annually ¥132 per share (base dividend: ¥40; performance-based dividend: ¥92)
(DOE: 6.6%; total dividend payout ratio: 50.3%)**

Results Forecast for FY2021.3

In Japan and overseas, the influence of the spread of the novel coronavirus infection is expected to continue for the time being



The results forecast for FY2021.3 will be disclosed promptly when it becomes possible to make a reasonable calculation

Influence of the novel coronavirus infection (expected)

Groupwide

- Suspension of operations at retail stores
- Distribution restrictions
- Effect on various promotions due to self-restraint regarding events

Network Entertainment

- Delays in development of home video games and apps
- Influence on operational systems related to game events, updates, etc.

Visual and Music Production

- Delays in visual and music product production operations, such as drawing and recording
- Delays in sales of packaged products due to postponement of visual product openings
- Direct influence on live event sales

Toys and Hobby

- Influence on the overseas operations of the Company and cooperating plants
- Influence of amusement facility closure on sales of prizes and DATA CARDDASS products

Real Entertainment

- Suspension of operations at facilities in Japan and overseas
- Influence on demand for amusement machines
- Delays in amusement machine development

IP Creation

- Delays in visual product production operations, such as drawing and recording
- Delays in visual product opening schedules
- *Gundam* global roll-outs

To reduce as much as possible the influence on business operations, we will implement initiatives to address these issues and will step up our efforts to gather information and make decisions rapidly

Future-focused initiatives

Groupwide initiatives

- Strengthen global Gundam roll-out initiatives.
- Expand business in the Chinese market.
- Establish IP innovation.
- New IP creation project.

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Initiatives by Unit

- Plans for 40th anniversary of Gundam plastic models.
- Developing major home video games.
- Bolstering financial and operational foundations.
- Production of new series for established IP and new visual products. etc.

**Global entertainment roll-outs
in accordance with the IP axis strategy**

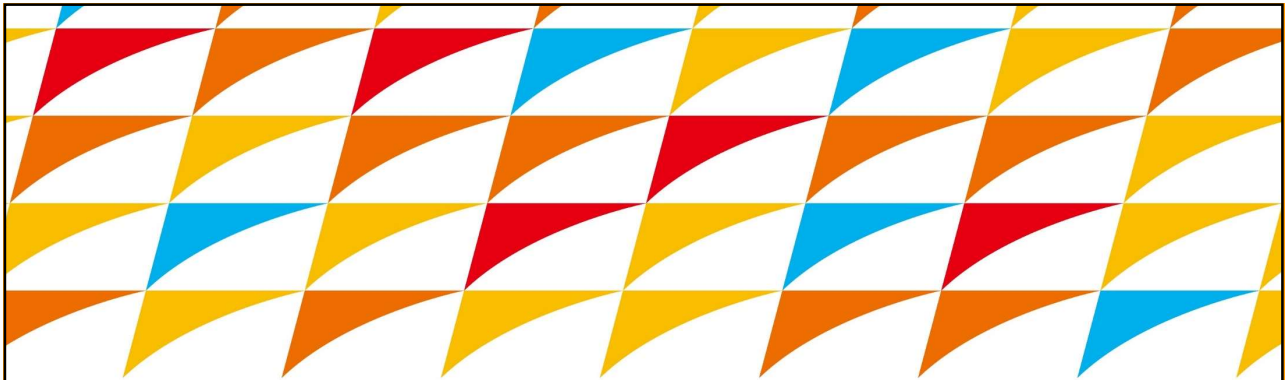
Preparing for the post-coronavirus period.

CHANGE for the **NEXT**

挑戰 成長 進化

EMPOWER GAIN MOMENTUM ACCELERATE EVOLUTION





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