



挑戦
EMPOWER

成長
GAIN MOMENTUM

進化
ACCELERATE EVOLUTION



BANDAI NAMCO GROUP
Fiscal year ended March 2014
2nd Quarter Results Presentation

Nov. 6 , 2013

NAMCO BANDAI Holdings Inc.
President and CEO, Representative Director
Shukuo Ishikawa

1st Half Results



billion yen

	FY 2013.3 1st Half Results	FY 2014.3 1st Half Forecast (end of 1Q)	FY 2014.3 1st Half Results	YOY	Vs.Forecast (end of 1Q)
Net Sales	222.6	228.0	228.5	+5.9	+0.5
Operating Income	27.7	19.0	26.3	-1.4	+7.3
Recurring Income	28.0	19.5	28.5	+0.5	+9.0
Net Income	17.3	12.5	19.6	+2.3	+7.1
Capital Expenditures	7.5	8.0	10.9	+3.4	+2.9
Depreciation	8.5	9.0	9.1	+0.6	+0.1
R&D Investments	20.4	21.0	23.3	+2.9	+2.3
Advertising Expenses	14.3	16.0	14.8	+0.5	-1.2
Personnel Expenses	20.9	22.0	22.8	+1.9	+0.8

1st Half Results by Segment



Top row: Segment sales/Bottom row: Segment income

billion yen

	FY2013.3 1st half	FY2014.3 1st half		
		Results	Forecast (end of 1Q)	YOY
Toys and Hobby	80.4	80.7	80.0	+0.3
	6.4	5.4	4.5	-1.0
Content	116.6	123.0	125.0	+6.4
	20.1	21.7	16.0	+1.6
Amusement Facility	29.8	29.2	28.0	-0.6
	1.0	-0.1	0	-1.1
Other	12.8	12.8	11.0	0
	1.2	0.8	0.5	-0.4
Corporate and Elimination	-17.2	-17.4	-16.0	-0.2
	-1.1	-1.5	-2.0	-0.4
Consolidated	222.6	228.5	228.0	5.9
	27.7	26.3	19.0	-1.4

1st Half Results by Segment



Toys and Hobby

Japan

1Q: 90% YOY, busy summer sales period: 126% YOY

Strong results from Established IP (*Power Rangers*, *PRETTY CURE!*, etc.) + contribution from *Aikatsu!*

Overseas

Asia: favorable

U.S. and Europe: Business concentrated in busy year-end/new year period

Content

Home video game software...New releases + repeat / DL favorable

Network...Stable results in SNS

Growth due to direct sales of apps and spread of smartphones

Arcade game machine...Multiple titles shifted to 2nd half

Visual and Music Content...Multiple IP titles become smash hits (*Love Live! School Idol Project*, etc.)

Investments for future growth (2Q)...¥2.0 billion plan --> ¥1.5 billion results (¥0.5 billion shifted to 2nd half)

Amusement Facility

Theme park openings --> Building into new operational pillar

Sales at existing facilities in Japan YOY: 94.6%

Full-Year Forecast



billion yen

	FY2013.3: Results			FY2014.3: Results/Forecast			YOY	Vs.Forecast (end of 1Q)
	1st Half	2nd Half	Full- year	1st Half	2nd Half	Full- year		
Net Sales	222.6	264.6	487.2	228.5	256.4	485.0	-2.2	+5.0
Operating Income	27.7	20.8	48.6	26.3	18.6	45.0	-3.6	+5.0
Recurring Income	28.0	21.9	49.9	28.5	17.9	46.5	-3.4	+6.0
Net Income	17.3	15.0	32.3	19.6	9.3	29.0	-3.3	+3.0
Capital Expenditures	7.5	11.0	18.5	10.9	10.5	21.5	+3.0	0
Depreciation	8.5	11.8	20.4	9.1	12.3	21.5	+1.1	0
R&D Investments	20.4	22.7	43.1	23.3	19.6	43.0	-0.1	0
Advertising Expenses	14.3	18.2	32.6	14.8	20.6	35.5	+2.9	+1.5
Personnel Expenses	20.9	24.8	45.7	22.8	22.1	45.0	-0.7	0.5

Results by Segment



Top row: Segment sales

Bottom row: Segment income

billion yen

	FY2013.3: Results			FY2014.3: Results/Forecast			YOY	Vs.Forecast (end of 1Q)
	1st Half	2nd Half	Full-year	1st Half	2nd Half	Full-year		
Toys and Hobby	80.4	92.5	172.9	80.7	99.2	180.0	+7.1	0
	6.4	4.8	11.2	5.4	7.5	13.0	+1.8	0
Content	116.6	146.9	263.5	123.0	136.9	260.0	-3.5	+10.0
	20.1	16.3	36.4	21.7	11.7	33.5	-2.9	+4.5
Amusement Facility	29.8	30.3	60.1	29.2	28.7	58.0	-2.1	0
	1.0	0.6	1.6	-0.1	1.1	1.0	-0.6	0
Others	12.8	12.9	25.7	12.8	11.1	24.0	-1.7	0
	1.2	0.4	1.6	0.8	0.1	1.0	-0.6	0
Corporate and Elimination	-17.2	-18.0	-35.3	-17.4	-19.5	-37.0	-1.7	-5.0
	-1.2	-1.2	-2.4	-1.5	-1.9	-3.5	-1.1	+0.5
Consolidated	222.6	264.6	487.2	228.5	256.4	485.0	-2.2	+5.0
	27.7	20.8	48.6	26.3	18.6	45.0	-3.6	+5.0

Results by Segment



Toys and Hobby	FY2013.3: Results			FY2014.3: Results/Forecast			2nd Half YOY	Full-year YOY
	1st Half	2nd Half	Full-year	1st Half	2nd Half	Full-year		
Net Sales	80.4	92.5	172.9	80.7	99.2	180.0	+6.7	+7.1
Segment Income	6.4	4.8	11.2	5.4	7.5	13.0	+2.7	+1.8

Established IP favorable, solid results centered on domestic business
 2nd half: Increase in advertising expenses due to launch of new IP, certain expenses shifted to 2nd half

Content	FY2013.3: Results			FY2014.3: Results/Forecast			2nd Half YOY	Full-year YOY
	1st Half	2nd Half	Full-year	1st Half	2nd Half	Full-year		
Net Sales	116.6	146.9	263.5	123.0	136.9	260.0	-10.0	-3.5
Segment Income	20.1	16.3	36.4	21.7	11.7	33.5	-4.6	-2.9

Full year: Sales forecast as of August—Network + ¥5.0 billion; Visual and Music Content + ¥2.5 billion
 2nd half: Increase in early-stage costs due to development and launch of network content
 2nd half: Upfront costs due to launch of multiple new titles for arcade game machines

Amusement Facility	FY2013.3: Results			FY2014.3: Results/Forecast			2nd Half YOY	Full-year YOY
	1st Half	2nd Half	Full-year	1st Half	2nd Half	Full-year		
Net Sales	29.8	30.3	60.1	29.2	28.7	58.0	-1.6	-2.1
Segment Income	1.0	0.6	1.6	-0.1	1.1	1.0	+0.5	-0.6

Improve existing facilities in Japan, take on challenge of new formats

Toys and Hobby SBU



Striving to achieve an overwhelming No. 1 position in Japan with strong IP for each target

Excellent starts for popular new IP series



Heisei Rider:
Record high initial results

stable growth with 3 characters for boys



Developing for three generations

gaining fans among elementary school students



Expanding lineup

nurturing into established IP

Established IP: Continued favorable results



New IP: Successive launches



Growing popularity among women and girls



Toys and Hobby SBU



Steady progress toward growth in Asia

Favorable progress in conducting Japan-originated business activities simultaneously in Asia

- Strong tie-ins between each market's media and products
- Business development fine-tuned to meet each market's preferences
- Emphasizing IP brands over the medium to long term
- Business development conducted simultaneously with operations in Japan



Gundam event (Hong Kong)

Preparing for renewal of operations in the U.S. and Europe with IP expansion



Strong results with *Power Rangers*, next focus will be *Kaikoku Sentai Gokaiger*



Full-scale business development in FY2015.3



IP launched in 2014

Content SBU



Continue the strategy based on IP as an axis

Home video game software

Well-balanced lineup [Large <-> Small/medium packaged <-> F2P]

Well-timed IP business development



Integration with network content



Leverage abundant content outlets and emphasize appeal of IP

Content SBU



Continue the strategy based on IP as an axis

Network content

Using accumulated know-how to support stable operations



Well-balanced business development using IP as an axis

Arcade game machines/Prizes

Launching new machines



Expanding distribution / regions



Visual and Music content

Generating profits with wide-ranging IP business development

Continued reinforcement of IP creation function



Leverage abundant content outlets and emphasize appeal of IP

Amusement Facility SBU



Key issue: organizational reform in preparation for consumption tax increase

Existing facilities in Japan YOY (%)	1st Half	2nd Half	Full-year
FY2013.3	94.6	96.4	95.5
FY2014.3 (Results/Projection)	94.6	102.0	98.0

Cultivating new operational pillars other than traditional facilities

Strengthening theme parks



IP shops



Pay-by-time facilities



Integrating IP and dining

Summary



Japan

Continue striving to achieve
overwhelming No. 1 position

Asia

Work as an organization and
increase speed

U.S. and Europe

Steadily build foundation

“Empower, Gain Momentum, Accelerate Evolution”



挑戦
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President and CEO, 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

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