



BANDAI NAMCO Group

Information Meeting

Fiscal year ended March 2016

2nd Quarter Results Presentation

November 5, 2015

Mitsuaki Taguchi

President and Representative Director
BANDAI NAMCO Holdings Inc.



FY2016.3 1st Half Results

1st Half Results



billion yen

	FY 2015.3 1st Half Results	FY 2016.3 1st Half Forecast (end of 1Q)	FY 2016.3 1st Half Results	YOY	Vs.Forecast (end of 1Q)
Net Sales	259.3	255.0	272.7	+13.4	+17.7
Operating Income	31.8	25.0	31.1	▲0.7	+6.1
Recurring Income	33.3	25.5	33.2	▲0.1	+7.7
Net Income	21.2	17.0	22.7	+1.5	+5.7
Capital Investments	8.5	8.0	9.9	+1.4	+1.9
Depreciation	10.4	9.0	9.7	▲0.7	+0.7
R&D Investments	25.7	25.0	27.0	+1.3	+2.0
Advertising Expenses	17.0	17.0	15.9	▲1.1	▲1.1
Personnel Expenses	23.8	22.5	25.8	+2.0	+3.3

1st Half Results by Segment



billion yen

		FY 2015.3 1st Half Results	FY 2016.3 1st Half Forecast (end of 1Q)	FY 2016.3 1st Half Results	YOY	Vs.Forecast (end of 1Q)
Toys and Hobby	Segment sales	106.3	100.0	103.9	▲2.4	+3.9
	Segment income	9.7	9.5	11.5	+1.8	+2.0
Network Entertainment	Segment sales	134.0	1,40.0	147.2	+13.2	+7.2
	Segment income	14.3	13.0	14.7	+0.4	+1.7
Visual and Music Production	Segment sales	22.3	18.0	23.5	+1.2	+5.5
	Segment income	7.9	4.0	5.9	▲2.0	+1.9
Other	Segment sales	13.4	14.0	13.4	0	▲0.6
	Segment income	0.9	0.5	0.5	▲0.4	0
Corporate and Elimination	Segment sales	▲16.8	▲17.0	▲15.4	+1.4	+1.6
	Segment income	▲1.1	▲2.0	▲1.6	▲0.5	+0.4
Consolidated	Net sales	2,59.3	2,55.0	272.7	+13.4	+17.7
	Operating income	31.8	25.0	31.1	▲0.7	+6.1

1st Half Results by Segment



Toys and Hobby

Japan : Gundam, DRAGON BALL, products for older customers favorable
Yo-kai Watch steady popularity

Asia : Gundam, Power Rangers favorable
+ Yo-kai Watch good start



Network Entertainment

Home video game software

Favorable repeat sales + favorable sales of new titles including third-party sales, etc.

Network content

Japan: Existing mainstay titles steady, IDOLM@STER good start

Overseas: Steady start



Visual and Music Production

Mobile Suit Gundam THE ORIGIN favorable
Love Live! School Idol project popularity increases
(Theatrical version + Music CD sales)



1st Half Results



billion yen

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Net Sales	259.3	255.0	272.7	+13.4	+17.7
Operating Income	31.8	25.0	31.1	▲0.7	+6.1
Recurring Income	33.3	25.5	33.2	▲0.1	+7.7
Net Income	21.2	17.0	22.7	+1.5	+5.7
Capital Investments	8.5	8.0	9.9	+1.4	+1.9
Depreciation	10.4	9.0	9.7	▲0.7	+0.7
R&D Investments	25.7	25.0	27.0	+1.3	+2.0
Advertising Expenses	17.0	17.0	15.9	▲1.1	▲1.1
Personnel Expenses	23.8	22.5	25.8	+2.0	+3.3

Overseas share	15.5%	21.6%	24.7%
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Full Year Forecast



billion yen

	FY2015.3 results	FY2016.3 forecast (as of May 2015)	FY2016.3 forecast	Vs. previous year's results	Vs. previous forecast
Net Sales	565.4	530.0	560.0	▲5.4	+30.0
Operating Income	56.3	45.0	50.0	▲6.3	+5.0
Recurring Income	59.3	46.0	52.0	▲7.3	+6.0
Net Income	37.5	30.0	34.0	▲3.5	+4.0
Capital Investments	22.2	20.0	24.0	+1.8	+4.0
Depreciation	23.7	20.0	20.0	▲3.7	0
R&D Investments	55.7	50.0	52.0	▲3.7	+2.0
Advertising Expenses	41.3	40.0	40.0	▲1.3	0
Personnel Expenses	49.2	48.0	49.0	▲0.2	+1.0


Forecast by Segment



billion yen

		FY2015.3 results	FY2016.3 forecast (as of May 2015)	FY2016.3 forecast	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	230.9	210.0	220.0	▲10.9	+10.0
	Segment income	17.0	15.0	17.0	0	+2.0
Network Entertainment	Segment sales	296.4	300.0	310.0	+13.6	+10.0
	Segment income	29.2	25.0	27.0	▲2.2	+2.0
Visual and Music Production	Segment sales	43.7	35.0	40.0	▲3.7	+5.0
	Segment income	10.0	7.0	9.0	▲1.0	+2.0
Other	Segment sales	27.0	28.0	28.0	+1.0	0
	Segment income	1.4	1.0	1.0	▲0.4	0
Corporate and Elimination	Segment sales	▲32.6	▲43.0	▲38.0	▲5.4	+5.0
	Segment income	▲1.5	▲3.0	▲4.0	▲2.5	▲1.0
Consolidated	Net sales	565.4	530.0	560.0	▲5.4	+30.0
	Operating income	56.3	45.0	50.0	▲6.3	+5.0

Forecast by Segment



First half vs. Second half billion yen

		FY 2016.3 1st Half Results	FY2016.3 2nd Half forecast	FY2016.3 forecast
Toys and Hobby	Segment sales	103.9	116.0	220.0
	Segment income	11.5	5.4	17.0

Product mix change (Cards decrease, *Yo-kai Watch* settles)
Promotion expenses increase (Japan: new program begins, Asia expands)

		FY 2016.3 1st Half Results	FY2016.3 2nd Half forecast	FY2016.3 forecast
Network Entertainment	Segment sales	147.2	162.7	310.0
	Segment income	14.7	12.2	27.0

Home video game title lineup change

		FY 2016.3 1st Half Results	FY2016.3 2nd Half forecast	FY2016.3 forecast
Visual and Music Production	Segment sales	23.5	16.4	40.0
	Segment income	5.9	3.0	9.0

Love Live! School Idol project : Product lineup (Many music products related to first-half theatrical version)
Many large-scale live events held in first half



Toys and Hobby(Japan)



Japan **Maintain No. 1 share through IP portfolio**

Strengthen established IP

【Gundam】

Use new titles' strong start to target wider group
Higher demand from visitors to Japan, popular in Asia
Maintain popularity centered on plastic models

Cater by raising production of Bandai Hobby Center



Establish Yo-kai Watch as mainstay

Stabilize popularity by rolling out through various media



【For preschoolers】

New **KAMEN RIDER** product favorable start
PRETTY CURE! rally from summer onwards
⇒Introduce strategic products end of year



Expand target customers

For girls
Strengthen portfolio



Strengthen products for adults



【DRAGON BALL】

Increase popularity through broadcast of new TV title
Strengthen focus on vending-machine products



Toys and Hobby(Overseas)



Asia

Accumulation of measures produces success

Office integration, free distribution, Internet sales, etc.

Strengthen IP

【Gundam】

Increase free distribution regions and languages
Hold large-scale events in each region



【Yo-kai Watch】

Steady centered on South Korea, Hong Kong, Taiwan

【Power Rangers】

Introduce popular series
Popularity increasing centered on South Korea

【Collectible products】

Foster popularity by linking with events

Fine-tune rollouts carefully to reflect each region's characteristics

Europe and Americas

Move ahead with building a foundation for recovery

Increased efficiency + expanded investment in IP

Organizational restructuring

Japan: Control development and IP acquisition
Europe and Americas: Sales, marketing

Strengthen IP capabilities



Step up Power Rangers promotions toward year-end

Plan to introduce new IP next period

Network Entertainment



Develop IP in content outlets wanted by users

Network content business

Target stable operation of mainstay titles

【Japan】

Stabilize by strengthening mainstay lineup



Mainstay titles for marketing in 3Q



Step up events, promotions toward year-end and New Year

【Asia】

Build pillars overseas

Mainstay titles currently in market

China	HOKAGENINJA ONLINE(NARUTO)	PC
China	KOUKAIYOU KIKOU(ONE PIECE)	App
World wide	ONE PIECE Treasure Cruise	App
World wide	DRAGON BALL Z Dokkan Battle	App
World wide	Drift Spirits	App
Asia	SD Gundam Strikers	App



Network Entertainment



Develop IP in content outlets wanted by users

Home video game software business

【Europe and Americas】

Launch titles that are supported around the world



Make maximum use of own sales network

Increase third party titles carried

【Japan】

Focus on popular series titles



Amusement business

【Arcade game machines】

Plan to introduce major titles in 4Q

Roll out carefully while scrutinizing market conditions

【Amusement facilities】

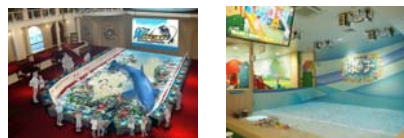
Improve through benefits of cost control, etc.

Establish value chain

Concentrate resources on mainstay facilities

Increase efficiency

Pursue play merging real + digital



Visual and Music Production



Roll out mainstay IP aggressively + Introduce new IP proactively

Roll out mainstay IP aggressively

Strengthen and evolve *Gundam* further

[THE ORIGIN] volume 1 is hit
Launch volume 2 November

[Iron-Blooded Orphans] good start
Target wider group
(junior high and high school students)

[Thunderbolt]
Decided on anime adaptation

Increase *Love Live! School idol project* popularity

[Love Live! The School Idol Movie]
Long-running major hit
Blu-ray Disc (launch December)

[Love Live! Sunshine!!] begins]
1st single is hit

Strengthen production of music for
Group-related titles



Introduce new IP proactively



Strengthen production related businesses

Strengthen live events

Event production company
Artist management & music production company
Made two companies subsidiaries

Strengthen peripheral businesses



Target Direction



Consistently achieve

Sales of ¥500 billion

Operating income of

¥50 billion

Going Concern

**Advance to the
Next Stage**

Advance measures not only for fiscal year but from medium-term and long-term perspectives

Further reinforce BANDAI NAMCO's strength IP axis strategy

Highly enduring
IP portfolio

Existing IP innovation

New IP creation

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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