



BANDAI NAMCO Group Information Meeting (Fiscal Year Ended March 2016)

May 11, 2016

Mitsuaki Taguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.



Results in FY2016.3

Results in FY2016.3



billion yen

	FY2015.3 results	FY2016.3 forecast (as of February 2016)	FY2016.3 results	Vs. previous year's results	Vs. previous forecast
Net Sales	565.4	560.0	575.5	+10.1	+15.5
Operating Income	56.3	43.0	49.6	-6.7	+6.6
Recurring Income	59.3	45.0	50.7	-8.6	+5.7
Net Income Attributable to Shareholders of the Parent	37.5	30.0	34.5	-3.0	+4.5
Capital Investments	22.2	24.0	21.3	-0.9	-2.7
Depreciation	23.7	20.0	21.6	-2.1	+1.6
R&D Investments	55.7	52.0	54.5	-1.2	+2.5
Advertising Expenses	41.3	40.0	37.7	-3.6	-2.3
Personnel Expenses	49.2	48.0	50.4	+1.2	+2.4


Results by Segment



billion yen

		FY2015.3 results	FY2016.3 forecast (as of February 2016)	FY2016.3 results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	230.9	215.0	206.4	-24.5	-8.6
	Segment income	17.0	17.0	16.6	-0.4	-0.4
Network Entertainment	Segment sales	296.4	310.0	320.9	+24.5	+10.9
	Segment income	29.2	20.0	23.9	-5.3	+3.9
Visual and Music production	Segment sales	43.7	45.0	51.9	+8.2	+6.9
	Segment income	10.0	9.0	11.6	+1.6	+2.6
Other	Segment sales	27.0	28.0	27.4	+0.4	-0.6
	Segment income	1.4	1.0	1.1	-0.3	+0.1
Corporate and Elimination	Segment sales	-32.6	-38.0	-31.2	+1.4	+6.8
	Segment income	-1.5	-4.0	-3.7	-2.2	+0.3
Consolidated	Net sales	565.4	560.0	575.5	+10.1	+15.5
	Operating income	56.3	43.0	49.6	-6.7	+6.6

Results by Segment (Vs. Previous Year)



Toys and Hobby			billion yen
Vs. Previous Year	Segment sales	Segment income	
	- 24.5	- 0.4	

Japan
 Strong performance of *Gundam*, *DRAGON BALL* and products for older customers
 Steady popularity of *Yo-kai Watch*

Asia
 Solid performance of *Gundam* and products for older customers

Americas and Europe
 Favorable performance of *Power Rangers*, effectiveness of structural reforms

Network Entertainment			
Vs. Previous Year	Segment sales	Segment income	
	+ 24.5	- 5.3	


Network content
 Strong performance of mainstay titles, full-scale entrance overseas, including Asia
Home video game software
 Popularity of Company titles and titles of other companies in Europe and the Americas

Amusement Facilities
 Profit recovery in facilities but difficult conditions for arcade machine sales

Visual and Music Production			
Vs. Previous Year	Segment sales	Segment income	
	+ 8.2	+ 1.6	

Favorable development of visual products, music, and live events for *Love Live !*
 Favorable sales of the *Gundam* series


Results by Segment (Vs. Previous Forecast)



Toys and Hobby			billion yen
Vs. Previous Forecast	Segment sales	Segment income	
	- 8.6	- 0.4	

Japan
 Solid sales of Gunpla, cards, etc.


Overseas
 Strong performance but below expectations



Network Entertainment			
Vs. Previous Forecast	Segment sales	Segment income	
	+ 10.9	+ 3.9	


Home video game software
 Favorable sales of new *NARUTO* title and titles of other companies in Europe and the Americas

Network content
 Continued favorable performance of mainstay titles in Japan and overseas



Visual and Music Production			
Vs. Previous Forecast	Segment sales	Segment income	
	+ 6.9	+ 2.6	

Strong performance due to the rising popularity of *Love Live !*



FY2016.3 Dividend



	End of second quarter	FY2016.3 Year-End	Total
FY2016.3 Dividend	¥12	¥40	¥52
FY2016.3 forecast (as of February 2015)	¥12	¥30	¥42
FY2015.3 Dividend	¥12	¥50 Note: Includes special dividend of ¥10	¥62

Dividend Policy

Maintain a base level of annual dividend payments of ¥24 per share and a consolidated dividend payout ratio of 30%

Interim ¥12

Year-end ¥40

(stable dividend ¥24 + Performance-based dividend)



FY2017.3 Plan

FY2017.3 Plan



billion yen

	FY2016.3		FY2017.3	
	First half	Full-year	First-half plan	Full-year plan
Net Sales	272.7	575.5	275.0	580.0
Operating Income	31.1	49.6	23.0	50.0
Recurring Income	33.2	50.7	23.5	51.0
Net Income Attributable to Shareholders of the Parent	22.7	34.5	16.5	35.0
Capital Investments	9.9	21.3	9.0	20.0
Depreciation	9.7	21.6	11.0	24.0
R&D Investments	27.0	54.5	25.0	55.0
Advertising Expenses	15.9	37.7	17.0	40.0
Personnel Expenses	25.8	50.4	24.0	50.0

Plan by Segment



billion yen

		FY2016.3		FY2017.3 Plan	
		First half	Full-year	First-half plan	Full-year plan
Toys and Hobby	Segment sales	103.9	206.4	100.0	210.0
	Segment income	11.5	16.6	6.5	16.0
Network Entertainment	Segment sales	147.2	320.9	160.0	340.0
	Segment income	14.7	23.9	14.0	28.0
Visual and Music Production	Segment sales	23.5	51.9	21.0	43.0
	Segment income	5.9	11.6	4.0	9.0
Other	Segment sales	13.4	27.4	14.0	28.0
	Segment income	0.5	1.1	0.5	1.0
Corporate and Elimination	Segment sales	-15.4	-31.2	-20.0	-41.0
	Segment income	-1.6	-3.7	-2.0	-4.0
Consolidated	Net sales	272.7	575.5	275.0	580.0
	Operating income	31.1	49.6	23.0	50.0

Plan by Segment



Toys and Hobby

Japan

Increase sales from mainstay IP such as *Gundam*, steadily expand *Yo-kai Watch*
Introduce multiple new IP, SG&A expense increases from depreciation of card machines

Overseas

Favorable performance for *Power Rangers* in Europe and the Americas
Introduce new IP such as *Finding Dory* (worldwide)

Network Entertainment

Network content Steadily maintain mainstay titles + introduce new titles

Home video game software

Plan to introduce multiple titles such as the new *Dark Souls* series
Plan for titles of other companies and repeat titles in the current product lineup

Amusement facilities

Expand new business categories for facilities, develop arcade machines while constantly making careful examinations

Visual and Music Production

Love Live ! new series not expected to perform at level of the previous year, when the previous series became extremely popular



Progress of Mid-Term Plan

Direction to Aim for in the Mid-Term Plan



Consistently achieve

Net sales of **¥500 billion**

Operating income of

¥50 billion

Going Concern

Advance to the
Next Stage

Requirements for advancing to the next stage

**Further leveraging
BANDAI NAMCO's strengths**

Targeting high potential areas

IP axis strategy

Asia

Results of the Initial Fiscal Year



Accelerate Evolution in IP Axis Strategy

- Growth in newly created IP outlets
- Expanded new range of target customers
- Increased investments to strengthen IP axis strategy

Acquired merchandising rights for new IP,
Made WiZ Co., Ltd. a subsidiary etc.



Gain momentum in global markets

- Favorable progress with Asia initiatives of Toy and Hobby
- Strong performance of home video game software in Europe and the Americas
- Made full-scale entrance into network content

Overseas sales of **¥129.0 billion**
(Overseas percentage **22.4%**←16.7%)





Continuous creation and cultivation of IP in each business and reinforcement of IP outlet strategy

+

Established the Group cross-organizational
“IP Strategy Division”

With the aim of continuing a strong IP axis strategy in the future

Provide further IP value to existing customers

Acquire new customers through new IP creation and IP innovations



- Strengthen overseas development of *Gundam*
- Make innovations to established IP
- Cultivate new range of customers to target
- Strengthen partnerships with licensors

etc.



Direction for Each
Business in FY 2017.3



Toys and Hobby



Japan Expand share through IP portfolio

Strengthen established IP

Mobile Suit Gundam

Strengthen all aspects of Gundam in Japan and Asia
Increase percentage of overseas sales



DRAGON BALL

Make expansions centered on popular card products



Strengthen IP lineup

For boys

Power Rangers, Kamen Rider
+ New Ultraman TV series



For girls

PRETTY CURE!, Kamisama Minarai Himitsu no CoCotama, Tamagotchi



Yo-kai Watch

Lasting expansion to make Yo-kai Watch a standard series

Strengthen established IP

New market

Strengthen efforts toward adult females

Take challenges in new approaches to IP



Toys and Hobby



Asia

Expand development area and IP lineup
Promote detailed expansion in line with the characteristics of each region



Americas and Europe

Strengthen established IP

Power Rangers

Build excitement for the movie



Increased category

Full-scale introduction of products for older customers



Expand IP lineup

Promote worldwide expansion of Finding Dory

Launch products in over 100 different countries and regions around the world
→ Shift toward standard IP

Introduce new girl IP into the North American market



Network Entertainment



Home video game software

Continuous introduction of powerful titles



February release: Over 1.7 million copies sold



April release
(May release in North America,
June release in Europe)



April release: Over 3 million copies sold

Bolster sales from downloads

Reinforced sales of titles of other companies overseas



Network content

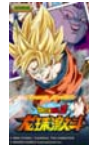
Strengthen existing and new content both in Japan and overseas

Detailed expansion through collaboration with business partners in each region

【Japan】



【China】



【Americas and Europe】

Implementation of title development focusing on global markets



Development of new entertainment, not limited only to games, that leverages the Company's network

Network Entertainment



Creating new customers through space + the BANDAI NAMCO essence

Amusement Facilities

Development of numerous stores that offer a new business style + continued improvement in efficiency



Amusement Machines

- Shift to an agile structure after intense examination of last period's business
- Currently moving forward with projects to offer new fun that integrates facilities and leverages BANDAI NAMCO's strengths



Power of space × IP
Power of space × power of technology



Fun that only BANDAI NAMCO can offer

Visual and Music production



Focus efforts on leveraging IP in a diverse manner

<p>Cultivating IP</p> <p>Cultivating IP together with fans</p>		<p>Actively introduce IP and titles</p> <p>Strengthen visual and product collaboration</p>	
<p>Offer titles that suit the target audience</p> <p>Deepen relationship with existing customers</p>		<p>Strengthen "2.5-D" live events</p> <p>Expand the adult female customer range</p>	
<p>Create new customers</p>		<p>Make advancements overseas</p>	

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.

©前通・サンライズ ©BANDAI WIZ ©P-スタジオ/集英社・フジテレビ・東映アニメーション ©前通・サンライズ・MBS ©丹谷プロ ©ウルトラマンオーブ制作委員会・テレビ東京 ©LS/WIP-TX TM & © 2016 SGC Power Rangers LLC. All Rights Reserved.
©BNP/BANDAI,DF PROJECT ©BNP/BANDAI,DENTSU,TV TOKYO ©やなせたけし/フールベム館・TMS-NTV TM&©2016 ZAGTOON,METHOD,SAMG,TOEI ANIMATION ©幸田正美/龍騎士聖矢 真念流制作委員会 ©武内直子・P/NP・講談社・東映アニメーション ©Naoko Takeuchi ©BANDAI NAMCO Entertainment Inc. ©P-スタジオ/集英社・フジテレビ・東映アニメーション ©BANDAI NAMCO Entertainment Inc.
©2002 MASASHI KISHIMOTO / 2007 SHIPPUDEN All Rights Reserved. ©BANDAI NAMCO Entertainment Inc. ©岸本斉史 エコカ/集英社・テレビ東京・びんご ©新海誠/NARUTO制作委員会2014 © BANDAI NAMCO Entertainment Inc.
©BANDAI NAMCO Entertainment Inc. ©2011-2016 FrontSoftware, Inc. ©尾田栄一郎/集英社・フジテレビ・東映アニメーション ©BANDAI NAMCO Entertainment Inc. The Witcher® is a trademark of CD PROJEKT S. A. The Witcher game © CD PROJEKT S. A. All rights reserved. The Witcher game is based on a novel by Andrzej Sapkowski. All other copyrights and trademarks are the property of their respective owners. ©尾田栄一郎/集英社・フジテレビ・東映アニメーション © BANDAI NAMCO Entertainment Inc.
©2002 MASASHI KISHIMOTO / 2007 SHIPPUDEN All Rights Reserved. ©BANDAI NAMCO Entertainment Inc. ©BIRD STUDIO / SHUEISHA, TOEI ANIMATION ©BANDAI NAMCO Entertainment Inc.
©Naoko Takeuchi/P/NP/KODANSHA/TOEI ANIMATION ©Naoko Takeuchi ©BANDAI NAMCO Entertainment Inc. ©2013 フジテレビ・フジテレビ ©2015 フジテレビ・フジテレビ ©(c)2016 フジテレビ・フジテレビ サンシャイン11
©GIRLS und PANZER Film Projekt ©前通・サンライズ・MBS ©前通・サンライズ ©2015 エンタテインメント/アロエフィルム制作委員会
©藤巻忠俊/集英社・舞台「黒子のバスケ」制作委員会 ©Gerald Galliano ©BNP/BANDAI, DF PROJECT
©BNP/ NAS, TV TOKYO