



BANDAI NAMCO Group

Information Meeting

Fiscal Year Ended March 2018

2nd Quarter Result Presentation

November 7, 2017

Mitsuaki Taguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.

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FY2018.3 1st Half Results

First Half Results



billion yen

	FY 2017.3 1st Half Results	FY 2018.3 1st Half Forecast (as of Aug. 2017)	FY 2018.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Net Sales	294.5	295.0	308.8	+14.3	+13.8
Operating Profit	38.9	27.0	34.9	-4.0	+7.9
Recurring Profit	38.2	27.5	35.6	-2.6	+8.1
Profit Attributable to Owners of Parent	30.1	20.0	28.1	-2.0	+8.1
Capital Investments	9.4	10.5	44.6	+35.2	+34.1
Depreciation	9.4	10.0	10.5	+1.1	+0.5
Advertising Expenses	16.4	17.0	16.7	+0.3	-0.3
Personnel Expenses	25.7	25.0	26.8	+1.1	+1.8

1st Half Results by Segment



billion yen

		FY 2017.3 1st Half Results	FY 2018.3 1st Half Forecast (as of Aug. 2017)	FY 2018.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	103.7	100.0	98.1	-5.6	-1.9
	Segment profit	8.7	6.0	5.5	-3.2	-0.5
Network Entertainment	Segment sales	167.2	180.0	190.3	+23.1	+10.3
	Segment profit	24.0	18.0	25.7	+1.7	+7.7
Visual and Music production	Segment sales	27.5	20.0	23.3	-4.2	+3.3
	Segment profit	8.0	5.0	5.5	-2.5	+0.5
Other	Segment sales	13.0	15.0	12.8	-0.2	-2.2
	Segment profit	0.5	0.5	0.2	-0.3	-0.3
Corporate and Elimination	Segment sales	-17.0	-20.0	-15.9	+1.1	+4.1
	Segment profit	-2.6	-2.5	-2.1	+0.5	+0.4
Consolidated	Net sales	294.5	295.0	308.8	+14.3	+13.8
	Operating profit	38.9	27.0	34.9	-4.0	+7.9

Trends by Business



Toys and Hobby

Steady performances by domestic established IPs

Good start by new *KAMEN RIDER* series products

Sales of *Gundam* plastic models see synergy benefits thanks to opening of *THE GUNDAM BASE TOKYO*



Network Entertainment

Network content: Mainstay titles remain popular in Japan and overseas (Overseas ratio: 25%)

Home video games: Favorable *TEKKEN* sales and repeat sales

Amusement: Solid performance of existing facilities in Japan
Prior costs due to increased rollout of *VR ZONE* facilities



Visual and Music Production

Although mainstay IPs still performing well,
concentration of new title rollouts in second half

Higher-than-expected packaged software sales and license revenue



Full Year Forecast

billion yen

	FY 2017.3 Results	FY 2018.3 Forecast (as of Aug. 2017)	FY 2018.3 Forecast	Vs. previous year's results	Vs. previous forecast
Net Sales	620.0	620.0	620.0	-	-
Operating Profit	63.2	57.0	57.0	-6.2	-
Recurring Profit	63.2	58.0	58.0	-5.2	-
Profit Attributable to Owners of Parent	44.1	40.0	40.0	-4.1	-
Capital Investments	19.5	21.0	55.0	+35.5	+34.0
Depreciation	21.8	23.0	23.0	+1.2	-
Advertising Expenses	39.3	42.0	42.0	+2.7	-
Personnel Expenses	53.6	52.0	52.0	-1.6	-

Factors Affecting Full-Year Outlook

**BANDAI
NAMCO**

External factors

- **Changes in distribution environment for Toys and Hobby overseas**
- **Further intensification of network content competition**
- **Trends in year-end and New-Year selling season**

Variable factors in businesses

- **Examination of app title lineup and increase in advertising expenses**
- **Costs of BXD Inc.'s establishment of new platform**
- **Change in prior costs arising from opening of new facilities, including VR**
- **Examination of packaged software title lineup**



Will reexamine full-year outlook

Forecast by Segment



billion yen

		FY 2017.3 Results	FY 2018.3 Forecast (as of Aug. 2017)	FY 2018.3 Forecast	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	218.0	215.0	215.0	-3.0	-
	Segment profit	13.3	15.0	15.0	+1.7	-
Network Entertainment	Segment sales	355.5	370.0	370.0	+14.5	-
	Segment profit	42.0	36.0	36.0	-6.0	-
Visual and Music production	Segment sales	56.2	50.0	50.0	-6.2	-
	Segment profit	13.4	12.0	12.0	-1.4	-
Other	Segment sales	26.7	30.0	30.0	+3.3	-
	Segment profit	0.7	1.0	1.0	+0.3	-
Corporate and Elimination	Segment sales	-36.7	-45.0	-45.0	-8.3	-
	Segment profit	-6.2	-7.0	-7.0	-0.8	-
Consolidated	Net sales	620.0	620.0	620.0	-	-
	Operating profit	63.2	57.0	57.0	-6.2	-

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Trends by Business

Toys and Hobby



Strengthening of Domestic Established IPs

KAMEN RIDER



Strongest start in
RIDER series for 30 years

Super Sentai / Power Rangers

Ultraman

PRETTY CURE!



Proactive rollouts targeting
year-end and New-Year selling
season

Raising of *Gundam* Plastic Model's Level

Measures for fans in Japan and overseas



THE GUNDAM BASE
T O K Y O



Toys and Hobby



Expansion of Rollouts for Adult Customers in Japan and Overseas

IP lineup with Worldwide Popularity



※画像はイメージです。

Measures to Increase IP Fans

Initiatives in New Fields



DRAGON BALL

Favorable performances by
DATA CARDDASS in Japan
and trading cards in North
America



BN-Bot
PROJECT

Use of latest
technologies from
the Group's research

Network Entertainment



Network content

Aiming for stability and growth of mainstay titles



Number of app title launches

	First half	Second half	Full year
Japan :	8	11	19
Overseas:	2	12	14

Introduction of major titles

**NARUTO×BORUTO
NINJA BORUTAGE**



Establishment of new platform

BXD



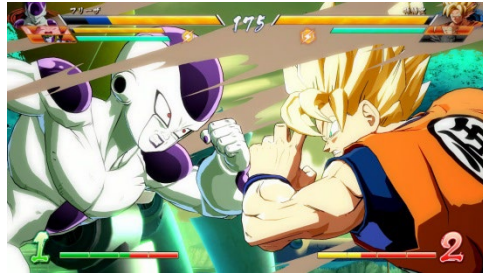
Network Entertainment



Home Video Game

Introduction of multiple worldwide titles

**DRAGON BALL
FIGHTERZ**



CODE VEIN



**SWORD ART
ONLINE FATAL
BULLET**



+ Beginning of development of original titles for *Nintendo Switch*

Amusement

Amusement facilities: Continued opening of facilities

Second-half facility openings: Japan 29

Overseas 2

VR: Introduction of new activities and addition of portal facilities



Equipment: Stepping up of gaming device development



Visual and Music production



New Rollouts of Established IPs

*Mobile Suit Gundam:
THE ORIGIN:
Battle Of Loum*

**Packaged software
launch in November**



*Love Live! Sunshine!!
season 2*

**Start of TV broadcast in
October**

**Packaged software launch in
December**



*First stage of
GIRLS und PANZER:
The Final Chapter*

**Theatrical screening in
December**



Visual Rollouts of New IP

IDOLiSH7

**Start of TV broadcast in
January**

**Packaged software launch in
February**



Visual and Music production



Addition of New Animation Production Company to the Group

Visual and
Music production
SBU



株式会社 アクタス

Actas. Inc.

Strengthening of IP creation capability

A blue rectangular area with a geometric pattern of overlapping triangles and lines. There are several small white stars and one larger pink star scattered across the background.

Toward Next Mid-term Plan

Direction of Next Mid-term Plan



**Mission: Providing “Dreams, Fun and Inspiration”
to people around the world**



Direction of next Mid-term Plan

- ▶ Strengthening of the IP axis strategy ⇒ Drive IP creation
- ▶ Acceleration of overseas development
- ▶ Business collaboration unique to BANDAI NAMCO

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.



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Fiscal Year Ended March 2018
2nd Quarter Result Presentation

Mitsuaki Taguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.