

**BANDAI NAMCO Group
Information Meeting
(Fiscal Year Ended March 2018)**



Results in FY2018.3

Results in FY2018.3

billion yen				
	FY2016.3 results	FY2017.3 results	FY2018.3 results	Vs. previous year's results
Net Sales	575.5	620.0	678.3	+58.3
Operating Profit	49.6	63.2	75.0	+11.8
Recurring Profit	50.7	63.2	75.3	+12.1
Profit Attributable to Owners of Parent	34.5	44.1	54.1	+10.0
Capital Investments	21.3	19.5	54.8	+35.3
Depreciation	21.6	21.8	23.5	+1.7
Game content R&D investments	54.5	59.0	72.4	+13.4
Advertising Expenses	37.7	39.3	39.7	+0.4
Personnel Expenses	50.4	53.6	56.5	+2.9

Results by Segment

billion yen						
		FY2017.3 results	FY2018.3 forecast (as of February 2018)	FY2018.3 results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	218.0	215.0	222.4	+4.4	+7.4
	Segment profit	13.3	15.0	14.4	+1.1	-0.6
Network Entertainment	Segment sales	355.5	380.0	405.9	+50.4	+25.9
	Segment profit	42.0	36.0	52.3	+10.3	+16.3
Visual and Music production	Segment sales	56.2	50.0	56.0	-0.2	+6.0
	Segment profit	13.4	12.0	12.5	-0.9	+0.5
Other	Segment sales	26.7	30.0	27.6	+0.9	-2.4
	Segment profit	0.7	1.0	0.7	±0	-0.3
Elimination and Corporate	Segment sales	-36.7	-45.0	-33.7	+3.0	+11.3
	Segment profit	-6.2	-7.0	-5.1	+1.1	+1.9
Consolidated	Net sales	620.0	630.0	678.3	+58.3	+48.3
	Operating profit	63.2	57.0	75.0	+11.8	+18.0

Results by Segment (Vs. Previous Forecast)

Toys and Hobby

billion yen		
Segment sales	+7.4	Japan and Asia: Strong performance of established IP products and products for the mature fan base, among others
Segment profit	-0.6	Europe and the Americas: Profitability at a level below forecast

Network Entertainment

Segment sales	+25.9	Home video games: Solid sales of new and third-party titles as well as robust repeat sales
Segment profit	+16.3	Network content: Strong performance of <i>Dragon Ball Z Dokkan Battle</i> worldwide

Visual and Music Production

Segment sales	+6.0	Steady performance of sales associated with live events for mainstay IP
Segment profit	+0.5	

Results by Segment (Vs. Previous Year)

Toys and Hobby

billion yen		
Segment sales	+4.4	Japan and Asia: Favorable performance of mainstay IP products and products for the mature fan base, among others
Segment profit	+1.1	Europe and the Americas: Start of new initiatives for card games, etc.

Network Entertainment

Segment sales	+50.4	Network content: Continued steady performance of mainstay titles
Segment profit	+10.3	Home video games: Healthy sales of new titles and repeat sales
		Amusement: Steady performance of existing facilities in Japan
		Upfront costs associated with VR (facilities and machines)

Visual and Music Production

Segment sales	-0.2	Despite continued popularity of mainstay IP, an impact was felt from the release of key products at different times
Segment profit	-0.9	

FY2018.3 Dividend

	End of second quarter	FY2017.3 Year-end	Total
FY2018.3 Dividend	¥12	¥111	¥123
FY2018.3 Forecast (as of February 2018)	¥12	¥83	¥95
FY2017.3 Dividend	¥12	¥70	¥82

Dividend

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

Interim dividend: ¥12

Year-end dividend: ¥111

(base dividend: ¥20; performance-based dividend: ¥66; special dividend ¥25)

→Annually ¥123 per share

(base dividend: ¥32; performance-based dividend: ¥66; special dividend ¥25)

FY2019.3 Plan

FY2019.3 Plan

billion yen

	FY2018.3		FY2019.3	
	First half	Full-year	First-half plan	Full-year plan
Net Sales	308.8	678.3	306.0	650.0
Operating Profit	34.9	75.0	29.0	60.0
Recurring Profit	35.6	75.3	29.5	61.0
Profit Attributable to Owners of Parent	28.1	54.1	22.0	43.0
Capital Investments	44.6	54.8	10.5	22.0
Depreciation	10.5	23.5	11.0	24.0
Game Content R&D Investments	32.7	72.4	30.0	63.0
Advertising Expenses	16.7	39.7	18.0	42.0
Personnel Expenses	26.8	56.5	26.0	54.5

FY2019.3 Plan by Segment

billion yen		FY2018.3		FY2019.3 Plan	
		First half	Full-year	First-half plan	Full-year plan
Toys and Hobby	Segment sales	98.1	222.4	110.0	230.0
	Segment profit	5.5	14.4	7.0	15.0
Network Entertainment	Segment sales	150.9	326.5	140.0	300.0
	Segment profit	24.1	50.1	17.0	35.0
Real Entertainment	Segment sales	44.6	90.5	46.0	100.0
	Segment profit	2.1	3.1	2.0	3.5
Visual and Music Production	Segment sales	16.3	40.6	19.0	40.0
	Segment profit	2.6	6.6	3.0	6.0
IP Creation	Segment sales	6.8	16.9	7.0	15.0
	Segment profit	2.4	5.2	2.0	4.5
Other	Segment sales	12.8	27.6	15.0	30.0
	Segment profit	0.2	0.7	0.5	1.0
Elimination and Corporate	Segment sales	-21.0	-46.4	-31.0	-65.0
	Segment profit	-2.1	-5.4	-2.5	-5.0
Consolidated	Net sales	308.8	678.3	306.0	650.0
	Operating profit	34.9	75.0	29.0	60.0

FY2019.3 Plan by Segment

Toys and Hobby

Japan and Asia: Strengthen established IP products and products for the mature fan base
 Europe and the Americas: Enhance efficiency with the aim of improving profits

Network Entertainment

Network content: Increase number of new titles for apps, begin operation of new platforms
 Home video games: Formulate plans based on the potential of each individual title

Real Entertainment

Facilities: Strengthen existing facilities in Japan, promote the opening of stores such as new enterprises
 Amusement machines: Introduce new products for popular series

Visual and Music Production

Expand visual content, music, and live events associated with mainstay IPs

IP Creation

Despite continue popularity of mainstay IP, declines in license revenue expected

Outline of the Mid-term Plan

Corporate Philosophy	<p>Dreams, Fun and Inspiration The Leading Innovator in Global Entertainment</p>		
Mid-term Vision	<p>CHANGE for the NEXT 挑戰 成長 進化 <small>CHALLENGE GROWTH EVOLUTION</small></p>		
Main Strategies	IP axis strategy	<p>Accelerate evolution in IP axis strategy</p> <p>Boost capability to create IP (structural changes) Invest aggressively in IP creation</p>	
	Business strategy	<p>Empower push into new entertainment</p> <p>Establish and enhance business infrastructure Expand and strengthen business fields Promote incubation</p>	
	Region strategy	<p>Gain momentum with ALL BANDAI NAMCO</p> <p>Make full-blown entry into Chinese market Establish system for ALL BANDAI NAMCO</p>	
	Personnel strategy	<p>Make personnel the core of the Group</p> <p>Establish environment to optimize employees' performance by tapping their individual strengths, and to empower new ventures</p>	

Trends by Business

Trends by Business

Toys and Hobby

Stable popularity of mainstay IPs



KAMEN RIDER



PRETTY CURE!

DRAGON BALL



Strengthening of new IPs



Start of
Ultraman R/B series



Favorable performance
of plastic models for
Gundam Build Divers

Expand business aimed
at the mature fan base



Full-scale start of
BANDAI SPIRITS CO., LTD.



Solid start for card games in
North America

Trends by Business

Network Entertainment

Network Content

Continuous expansion of titles worldwide



+ New apps



Start of new platforms



Home Video Games

Release of numerous titles worldwide, active response to new platforms



Soulcalibur VI



CODE VEIN

【For the Nintendo Switch】

TAIKO: DRUM MASTER Nintendo Switch Version!

Pro Yakyuu Famista Evolution

MY HERO ONE'S JUSTICE, etc.

Trends by Business

Real Entertainment

Providing Areas and Content Unique to BANDAI NAMCO

Promote the opening of new enterprises



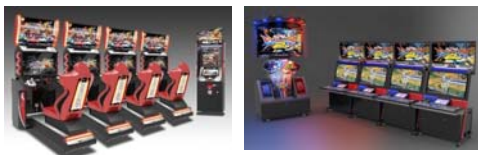
Variety sports facility "VS PARK"

Introduce new activities at VR ZONE



Positive turnout for DRAGON QUEST VR

Launch of well-known titles on new devices

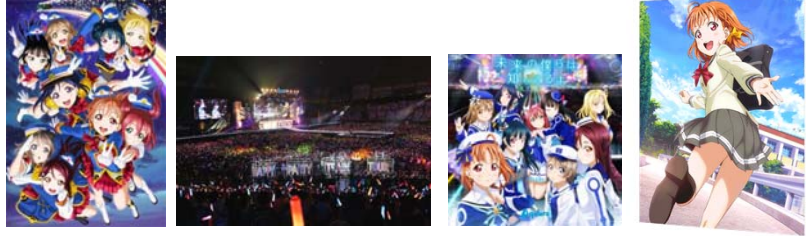


Trends by Business

Visual and Music Production

Producing IP for Visual Content, Music, and Live Events

Maximize IP value through collaboration with works of art, etc.



Actively expand theatrical and live events both in Japan and overseas



Trends by Business

IP Creation

Strengthening New IP Creation

Maximize IP value through Groupwide collaboration (with toys, games, etc.)



Strengthen IP creation through measures including strategic investment



Increase recognition of IP overseas

Appearance of *GUNDAM* in Hollywood movies!

Ready Player One
Pacific Rim: Uprising



Mid-term Vision

CHANGE for the NEXT

挑戦 成長 進化

EMPOWER DEFINE MOMENTUM ACCELERATE EVOLUTION



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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