



First Half Results

	billion yen				
	FY 2018.3 1st Half Results	FY 2019.3 1st Half Forecast (as of Aug. 2018)	FY 2019.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Net Sales	308.8	306.0	334.6	+25.8	+28.6
Operating Profit	34.9	29.0	43.9	+9.0	+14.9
Recurring Profit	35.6	29.5	45.8	+10.2	+16.3
Profit Attributable to Owners of Parent	28.1	22.0	34.1	+6.0	+12.1
Capital Investments	44.6	10.5	10.7	-33.9	+0.2
Depreciation	10.5	11.0	9.3	-1.2	-1.7
Game content R&D investments	32.7	38.0	40.6	+7.9	+2.6
Advertising Expenses	16.7	18.0	18.5	+1.8	+0.5
Personnel Expenses	26.8	26.0	28.4	+1.6	+2.4

1st Half Results by Segment

		billion yen				
		FY 2018.3 1st Half Results	FY 2019.3 1st Half Forecast (as of Aug. 2018)	FY 2019.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	98.1	110.0	112.3	+14.2	+2.3
	Segment profit	5.5	7.0	12.8	+7.3	+5.8
Network Entertainment	Segment sales	150.9	140.0	154.6	+3.7	+14.6
	Segment profit	24.1	17.0	23.4	-0.7	+6.4
Real Entertainment	Segment sales	44.6	46.0	46.0	+1.4	±0
	Segment profit	2.1	2.0	2.0	-0.1	±0
Visual and Music Production	Segment sales	16.3	19.0	20.5	+4.2	+1.5
	Segment profit	2.6	3.0	4.7	+2.1	+1.7
IP Creation	Segment sales	6.8	7.0	9.3	+2.5	+2.3
	Segment profit	2.4	2.0	2.5	+0.1	+0.5
Other	Segment sales	12.8	15.0	14.2	+1.4	-0.8
	Segment profit	0.2	0.5	0.5	+0.3	±0
Corporate and Elimination	Segment sales	-21.0	-31.0	-22.4	-1.4	+8.6
	Segment profit	-2.1	-2.5	-2.1	±0	+0.4
Consolidated	Net sales	308.8	306.0	334.6	+25.8	+28.6
	Operating profit	34.9	29.0	43.9	+9.0	+14.9

1st Half Results by Segment

Toys and Hobby

Japan: Favorable performances by plastic models, figures for the mature fan base, card games, etc.
Smooth progress with established IP, such as *KAMEN RIDER* and *PRETTY CURE!*

Asia: Favorable performance by *Gundam* plastic models, *Ultraman* products popular in China

Europe and the Americas: *DRAGON BALL* trading card games and products for the mature fan base were popular

Network Entertainment

Network content: Conditions remained favorable, centered on existing key titles that had annual events
New titles also got off to good starts
New platform start-ups generated expenses

Home video games: Multiple new titles became smash hits, such as *Mobile Suit Gundam BATTLE OPERATION 2*
Repeat sales and sales of titles from other companies also made a contribution

1st Half Results by Segment

Real Entertainment

Game machines: Favorable results with new *Wangan Midnight* title

Facilities: New-format facilities, such as *V/S PARK*, were favorable, but existing facilities in Japan did not record growth

Visual and Music Production

Packaged content: Favorable results recorded by high-value-added, high-priced products

Live events: Held large-scale events, such as *Love Live! Sunshine!!* and *IDOLiSH7* events

IP Creation

Worked to create new products and foster interest in key IP series, such as *Mobile Suit Gundam* series and *Love Live! Sunshine!!*

Initial Plan for Fiscal Year

		billion yen	
	FY 2018.3 Results	FY 2019.3 Initial plan (as of May 2018)	Vs. previous forecast
Net Sales	678.3	650.0	-28.3
Operating Profit	75.0	60.0	-15.0
Recurring Profit	75.3	61.0	-14.3
Profit Attributable to Owners of Parent	54.1	43.0	-11.1
Capital Investments	54.8	22.0	-32.8
Depreciation	23.5	24.0	+0.5
Game Content R&D Investments	72.4	63.0	-9.4
Advertising Expenses	39.7	42.0	+2.3
Personnel Expenses	56.5	54.5	-2.0

The initial plan will not
be revised at this point
**It will be carefully
reviewed in the future**

Initial Plan for Fiscal Year

		billion yen		
		FY 2018.3 Results	FY 2019.3 Initial plan (as of May 2018)	Vs. previous forecast
Toys and Hobby	Segment sales	222.4	230.0	+7.6
	Segment profit	14.4	15.0	+0.6
Network Entertainment	Segment sales	326.5	300.0	-26.5
	Segment profit	50.1	35.0	-15.1
Real Entertainment	Segment sales	90.5	100.0	+9.5
	Segment profit	3.1	3.5	+0.4
Visual and Music Production	Segment sales	40.6	40.0	-0.6
	Segment profit	6.6	6.0	-0.6
IP Creation	Segment sales	16.9	15.0	-1.9
	Segment profit	5.2	4.5	-0.7
Other	Segment sales	27.6	30.0	+2.4
	Segment profit	0.7	1.0	+0.3
Corporate and Elimination	Segment sales	-46.4	-65.0	-18.6
	Segment profit	-5.4	-5.0	+0.4
Consolidated	Net sales	678.3	650.0	-28.3
	Operating profit	75.0	60.0	-15.0

The initial plan will not
be revised at this point
**It will be carefully
reviewed in the future**

Factors Affecting Full-Year Outlook

Variable factors in businesses

- Trends in the coming Christmas / New Year selling season, the largest selling season of the year for the Toys and Hobby business
- Plans for multiple new home video game titles in 3rd quarter onward
- Changes in operating environment for digital content, which is currently recording favorable results
- Careful review of title lineup for visual and music packaged products

Will reexamine full-year outlook

Trends by Business

Trends by Business

Toys and Hobby

Strengthening roll-outs for the mature fan base in Japan and overseas

Gundam Plastic Model



Favorable results, centered on Japan and Asia

THE GUNDAM BASE SHANGHAI



First flagship shop in inland China

Opened in August 2018

Collectable items

Expanding brand recognition in Japan and overseas



Full-blown entry to North America through establishment of new company



Card Products

Japan: *DATA CARDDASS* favorable
North America: Trading card games popular



Trends by Business

Toys and Hobby

Mainstay products for children in Japan + launch of new products

Established IPs



New *KAMEN RIDER* off to a favorable start



Launch of new *Tamagotchi* model



Launch of new card game products using AI technologies

Toy-related items

Successive launches of toy-related items, such as apparel, capsule toys, cosmetics, and confectionery / foods



Smartphone-linked shoes: *UNLIMITIV*



Capsule toys: *Roly Poly Bug*



Cosmetics: *La Rose de Versailles Liquid Eyeliner*



Food: *Charaful*

Trends by Business

Network Entertainment

Continued favorable performances by key titles & taking on the challenge of providing new value

Network content: Existing key titles

Maintaining popularity through operations that reflect effective event implementation and data analysis



Network content: New titles

Launches of titles with a focus on quality



Group collaboration for new IP



enza



Moving forward, start full-scale collaboration with Group businesses

Dragonball Dragon Potato (Bucchigiri Match Ver.)



Trends by Business

Network Entertainment

Launches of major titles concentrated in 2nd half, strengthening e-sports initiatives

Home Video Games

Launch major worldwide titles in 2nd half



SOULCALIBUR VI

GOD EATER 3

ACE COMBAT 7

JUMP FORCE

e-Sports

Strengthen initiatives with aim of expanding base of fans and users



Tokyo Game Show: TEKKEN Pro Championships — Play-Off Match to Determine the Japan Representative

Trends by Business

Real Entertainment

In addition to the launch of new machines, start to roll-out new venues

Facilities



Favorable results with new-format facilities

Amusement facilities: Targeting the busy year-end/New Year's sales period, roll out a variety of initiatives, such as limited-edition prizes

Amusement machines

Start of operation of *Mobile Suit Gundam: Extreme Vs. 2*



Retail-tainment mall

Start of Hamleys roll-out in Japan

BANDAI NAMCO's hospitality
×
Hamelys' worldview



Trends by Business

Visual and Music Production

Continued roll-out of business collaborations, targeting IP creation and development

Strengthening IP creation capabilities

- Strengthening collaboration among visual, music, and live
- Strengthening development system at Actas



Future high-expectation titles



That Time I Got Reincarnated as a Slime
October: Start of animation broadcast



The Magnificent KOTOBUKI
January: Start of animation broadcast

Major live events



IDOLiSH7 1st LIVE
MetLife Dome



Love Live! Sunshine!! Aqours 4th LoveLive!
Tokyo Dome



Trends by Business

IP Creation

Simultaneously rolling out newly created IP and key innovations

Strengthening IP creation capabilities



Investment in Sublimation Inc., which has high-quality computer graphics product capabilities
⇒ Strengthening IP creation capabilities

High-expectation products in the 2nd half



DOUBLE DECKER!
Doug & Kirill



Theatrical version
Love Live! Sunshine!!

Mobile Suit Gundam

Advancing strategies, targeting theatrical product openings & worldwide roll-outs



Progress with main strategies

Strengthening IP axis strategy

BANDAI NAMCO Content Fund

- Groupwide investment
- Collaboration with external partners
- Full-scale operation from FY2020.3
- Investment limit: ¥5.0 billion

Make full-blown entry into Chinese market

In process of building organizational foundation

- Also preparing for roll-outs in businesses other than Toys and Hobby and Network Entertainment

Mid-term Vision

CHANGE for the NEXT

挑戦 成長 進化

EMPOWER GRIN 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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