

**BANDAI NAMCO Group  
Information Meeting  
(Fiscal Year Ended March 2019)**



**Results in FY2019.3**

# Results in FY2019.3

billion yen				
	FY2017.3	FY2018.3	FY2019.3	Vs. previous year's results
Net Sales	620.0	678.3	732.3	+54.0
Operating Profit	63.2	75.0	84.0	+9.0
Recurring Profit	63.2	75.3	86.8	+11.5
Profit Attributable to Owners of Parent	44.1	54.1	63.3	+9.2
Capital Investments	19.5	54.8	22.0	-32.8
Depreciation	21.8	23.5	21.3	-2.2
Game content R&D investments	59.0	70.9	81.4	+10.5
Advertising Expenses	39.3	39.7	44.4	+4.7
Personnel Expenses	53.6	56.5	60.6	+4.1

# Results by Segment

		billion yen				
		FY2018.3 results	FY2019.3 forecast (as of February 2019)	FY2019.3 results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	222.4	240.0	242.8	+20.4	+2.8
	Segment profit	14.4	22.0	21.7	+7.3	-0.3
Network Entertainment	Segment sales	326.5	330.0	340.9	+14.4	+10.9
	Segment profit	50.1	40.0	47.5	-2.6	+7.5
Real Entertainment	Segment sales	90.5	100.0	101.4	+10.9	+1.4
	Segment profit	3.1	4.0	4.2	+1.1	+0.2
Visual and Music Production	Segment sales	40.6	40.0	45.5	+4.9	+5.5
	Segment profit	6.6	7.5	8.7	+2.1	+1.2
IP Creation	Segment sales	16.9	18.0	22.4	+5.5	+4.4
	Segment profit	5.2	4.5	5.0	-0.2	+0.5
Other	Segment sales	27.6	30.0	29.7	+2.1	-0.3
	Segment profit	0.7	1.0	1.1	+0.4	+0.1
Elimination and Corporate	Segment sales	-46.4	-48.0	-50.6	-4.2	-2.6
	Segment profit	-5.4	-4.0	-4.4	+1.0	-0.4
Consolidated	Net sales	678.3	710.0	732.3	+54.0	+22.3
	Operating profit	75.0	75.0	84.0	+9.0	+9.0

# Results by Segment (Main factors for differences with previous forecast)

## Toys and Hobby

Favorable performance of products for mature fan base, centered on Japan and Asia

## Network Entertainment

Network content: Favorable performance of existing key titles

Home video games: Favorable repeat sales and sales from new titles in 4Q,  
increase in download rate

## Real Entertainment

Favorable performance of existing facilities sales in Japan

## Visual and Music Production

Favorable performance of package software and live events related to *IDOLiSH7*,  
*THE IDOLM@STER*, and other series

## IP Creation

License revenue, etc., higher than forecast

# FY2019.3 Dividend

	End of second quarter	Year-end	Total
<b>FY2019.3 Dividend</b>	<b>¥18</b>	<b>¥127</b>	<b>¥145</b>
<b>FY2019.3 Forecast (as of February 2019)</b>	<b>¥18</b>	<b>¥105</b>	<b>¥123</b>
<b>FY2018.3 Dividend</b>	<b>¥12</b>	<b>¥111</b>	<b>¥123</b>

## Dividend

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

**Interim dividend: ¥18**

**Year-end dividend: ¥127**

**(base dividend: ¥18; performance-based dividend: ¥109)**

**→Annually ¥145 per share (DOE: 7.8%; total dividend payout ratio: 50.3%)**

**(base dividend: ¥36; performance-based dividend: ¥109)**

# FY2020.3 Plan

# FY2020.3 Plan

billion yen

	FY2019.3		FY2020.3	
	First half	Full-year	First-half plan	Full-year plan
Net Sales	334.6	732.3	340.0	720.0
Operating Profit	43.9	84.0	31.0	70.0
Recurring Profit	45.8	86.8	31.5	71.0
Profit Attributable to Owners of Parent	34.1	63.3	23.0	50.0
Capital Investments	10.7	22.0	11.0	23.0
Depreciation	9.3	21.3	10.0	23.0
Advertising Expenses	18.5	44.4	21.0	49.0
Personnel Expenses	28.4	60.6	28.0	59.0

# FY2020.3 Plan

billion yen

	FY2019.3		FY2020.3	
	First half	Full-year	First-half plan	Full-year plan
Net Sales	334.6	732.3	340.0	720.0
Operating Profit	43.9	84.0	31.0	70.0
Recurring Profit	45.8	86.8	31.5	71.0
Profit Attributable to Owners of Parent	34.1	63.3	23.0	50.0

- Strengthen stable profit base that is not impacted by changes in the business environment
- Avoid making decisions in digital domains based on existing precedents
- Reinforce IP creation investment in order to strengthen the IP Axis Strategy
- Promote the strengthening of foundations geared toward further global expansion
- Strengthen technological research with a view to the next generation

# FY2020.3 Plan by Segment

		FY2019.3		FY2020.3 Plan	
		First half	Full-year	First-half plan	Full-year plan
Toys and Hobby	Segment sales	112.3	242.8	120.0	250.0
	Segment profit	12.8	21.7	10.0	21.0
Network Entertainment	Segment sales	154.6	340.9	150.0	320.0
	Segment profit	23.4	47.5	16.0	36.0
Real Entertainment	Segment sales	46.0	101.4	50.0	110.0
	Segment profit	2.0	4.2	1.5	5.0
Visual and Music Production	Segment sales	20.5	45.5	20.0	45.0
	Segment profit	4.7	8.7	3.5	8.0
IP Creation	Segment sales	9.3	22.4	8.0	20.0
	Segment profit	2.5	5.0	2.5	5.0
Other	Segment sales	14.2	29.7	14.0	30.0
	Segment profit	0.5	1.1	0.5	1.0
Elimination and Corporate	Segment sales	-22.4	-50.6	-22.0	-55.0
	Segment profit	-2.1	-4.4	-3.0	-6.0
Consolidated	Net sales	334.6	732.3	340.0	720.0
	Operating profit	43.9	84.0	31.0	70.0

# Plans for FY2020.3 by Segment

## Toys and Hobby

**Japan and overseas:** Strengthening of product development for mature fan base  
Focusing of efforts on IP creation, new IP, new product launch, etc.

## Network Entertainment

**Network content:** Stable operation centered on key titles  
**Home video games:** Differences in title lineup (off-season for large-scale worldwide titles)  
Technological research for the next generation

## Real Entertainment

**Amusement machines:** Planned launch in multiple new products  
**Amusement facilities :** Improvement in YoY performance of existing facilities sales in Japan +  
Roll out of new-format facilities

## Visual and Music Production

**Package software:** Not expected to reach levels of FY2019.3, when performance of high-value-added products was strong  
**Live events:** Anticipated decline in number of performances

## IP Creation

Fostering interest in the 40-year anniversary of *GUNDAM*  
Changes in composition of license revenue

# Progress of the Mid-term Plan

## **IP Creation**

- ▶ **Ongoing progress with multiple efforts, including Groupwide projects and external partnerships**
- ▶ **Amount invested in FY2019.3: ¥6.0 billion**
- ▶ **Commencement of the BANDAI NAMCO Content Fund**

## Groupwide, large-scale tours



Continuing on from the North American tour in FY2019.3, worldwide tour planned for FY2020.3



## Business collaboration in China

BANDAI NAMCO Holdings CHINA CO., LTD  
万代南夢宮（中国）投资有限公司

TH

BANDAI NAMCO Toys & Hobby (SHANGHAI) CO.,LTD.  
万代南夢宮（上海）玩具有限公司

NWE

BANDAI NAMCO Entertainment (SHANGHAI) CO., LTD.  
万代南夢宮（上海）互動娛樂有限公司

RE

BANDAI NAMCO Amusement (SHANGHAI) CO., LTD.  
万代南夢宮（上海）遊樂有限公司

IPC

SUNRISE (SHANGHAI) CO., LTD  
日昇（上海）品牌管理有限公司

# Trends by Business

# Trends by Business

## Toys and Hobby

Start of new IP and expansion aimed at mature fan base

Key new IP series

Start of *Ultraman Taiga* in 2Q



AI technologies × Digital card games

Planned release in summer 2019



Collaboration with the 40-year anniversary of *GUNDAM*

Figurines

Advanced release in Asia



SD GUNDAM WORLD SANGOKU SOKETSUDEN



# Trends by Business

## Network Entertainment

Efforts focused on improving quality and increasing contact points with customers

### Network Content

Initiatives and operation based on analyses

Title lineup that emphasizes quality



### Home Video Games

Longer lifespan of games via downloadable content (DLC), etc.

Lineup of selected new titles



# Trends by Business

## Real Entertainment

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

### Amusement machines

Launch of multiple  
new titles and  
improvement to  
competitiveness



### Facilities

Expansion of new-format  
facilities



Plans underway for new large-  
scale concept facilities

New technologies  
and  
IP worldviews

# Trends by Business

## Visual and Music Production

Strengthen roll-out of IP among visual, music, and live events

### Strengthen key IP roll-out

*GIRLS und PANZER*



Roll-out of new visuals



### Anticipated package software titles

Release of visual package software for theatrical versions of hit titles



### New roll-out of key IP

*The Magnificent KOTOBUKI*



Roll-out of new visuals linked to apps



### Anticipated live events

20-year anniversary of the Lantis label



# Trends by Business

IP Creation

Strengthen roll-out of *GUNDAM* with a view to the future

## 40-year anniversary of *GUNDAM*

Roll-out and creation of multiple new visuals



Multiple ongoing projects

*GUNDAM GLOBAL CHALLENGE*



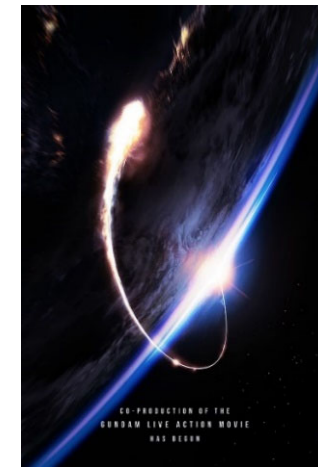
*GUNDAM* live-action Hollywood movie

New release in the *GUNDAM BUILD* series

*SD GUNDAM WORLD SANGOKU SOKETSUDEN*

*GUNDAM Reconguista in G Theatrical Movie*

*MOBILE SUIT GUNDAM HATHAWAY*



# Mid-term Vision

**CHANGE** *for the* **NEXT**

**挑戦 成長 進化**

EMPOWER

GAIN MOMENTUM

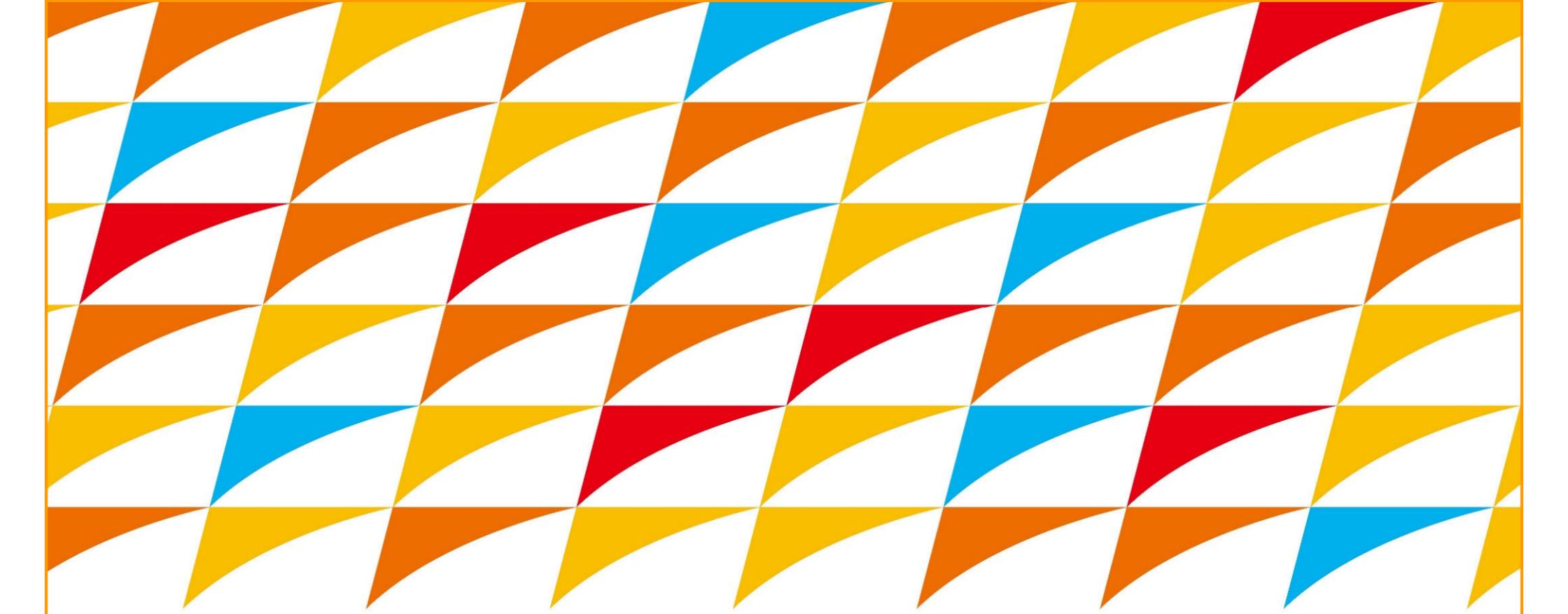
ACCELERATE EVOLUTION



## 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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