

BANDAI NAMCO Group Information Meeting Fiscal Year Ending March 2020 2nd Quarter Result Presentation



# FY2020.3 1st Half Results

# First Half Results

					billion yen
	FY 2019.3 1st Half Results	FY 2020.3 1st Half Forecast (as of Aug. 2019)	FY 2020.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Net Sales	334.6	340.0	349.3	+14.7	+9.3
Operating Profit	43.9	40.0	47.9	+4.0	+7.9
Recurring Profit	45.8	41.0	48.7	+2.9	+7.7
Profit Attributable to Owners of Parent	34.1	29.0	34.6	+0.5	+5.6
<b>Capital Investments</b>	10.7	11.0	13.3	+2.6	+2.3
Depreciation	9.3	10.0	9.7	+0.4	-0.3
Advertising Expenses	18.5	21.0	20.0	+1.5	-1.0
Personnel Expenses	28.4	29.5	30.9	+2.5	+1.4

# 1st Half Results by Segment

						billion yen
		FY 2019.3 1st Half Results	FY 2020.3 1st Half Forecast (as of Aug. 2019)	FY 2020.3 1st Half Results	Vs. previous year's results	Vs. previous forecast
Toys and Hobby	Segment sales	112.3	120.0	128.0	+15.7	+8.0
	Segment profit	12.8	14.0	17.6	+4.8	+3.6
Network	Segment sales	154.6	150.0	153.0	-1.6	+3.0
Entertainment	Segment profit	23.4	21.0	24.9	+1.5	+3.9
Real	Segment sales	46.0	50.0	46.8	+0.8	-3.2
Entertainment	Segment profit	2.0	1.5	1.5	-0.5	±0
Visual and Music Production	Segment sales	20.5	20.0	20.7	+0.2	+0.7
	Segment profit	4.7	3.5	3.8	-0.9	+0.3
IP Creation	Segment sales	9.3	8.0	7.8	-1.5	-0.2
	Segment profit	2.5	2.5	2.2	-0.3	-0.3
Other	Segment sales	14.2	14.0	15.3	+1.1	+1.3
	Segment profit	0.5	0.5	0.9	+0.4	+0.4
Elimination and Corporate	Segment sales	-22.4	-22.0	-22.5		
	Segment profit	-2.1	-3.0	-3.1		
Consolidated	Net sales	334.6	340.0	349.3	+14.7	+9.3
	Operating profit	43.9	40.0	47.9	+4.0	+7.9

# **Initial Plan for Fiscal Year**

## Variable factors in businesses

- Influence of dramatic changes in the business environment on market and user trends
- Trends in the year-end and New Year sales period in the Toys and Hobby business
- Plans to launch major home video game titles in the 4th quarter
- Investment to address changes

## The initial plan will not be revised at this point

It will be carefully reviewed in the future

billion yen

	FY 2019.3 Results	FY 2020.3 Initial plan (as of May 2019)	Vs. previous forecast
Net sales	732.3	720.0	-12.3
Operating profit	84.0	70.0	-14.0

# Trends by Business

## **Toys and Hobby**

## Continued favorable results in Japanese and overseas markets for the mature fan base

#### 1st half

- ► Continued favorable results for products for the mature fan base in Japan and Asia
- ► Full-scale operation of new company in North America
- ▶ New KAMEN RIDER off to a favorable start and solid results with core established IP
- ► Toy-related items remain popular







· Collaborating with Mobile Suit Gundam 40th anniversary animations

·Creating buzz with events in Japan and overseas







## Figures and prizes

- · Holding real events in Japan and overseas, e-commerce site events
- ·Rolling out products in collaboration with movies for ONE PIECE, Pokémon, etc.





## Toys and Hobby

#### Introduction of core items for children and new IP

#### **Established IP**

•Successive introduction of items for the Christmas sales period

• China: Bolstering roll-outs for KAMEN RIDER and

Ultraman







#### Cards

Nurturing ZENONZARD IP with app, cards, and anime distribution





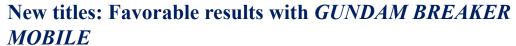


## **Network Entertainment**

## Stable popularity of core titles and roll-outs for new platforms

#### 1st half

► NE: Successful event for 300 million downloads of *DOKKAN BATTLE*Continued popularity for multiple other titles due to anniversary events, *Treasure Cruise* initiatives linked with the *ONE PIECE* film, etc.



► CE: Release of *CODE VEIN* at end of 2nd quarter Favorable repeat sales









#### **Network Content**

• Titles planned for future introduction • Business alliance with Crunchyroll



- Business alliance with Crunchyroll
   NARUTO X BORUTO NINJA TRIBES
- Joining Apple Arcade

  PAC-MAN PARTY ROYALE



## **Network Entertainment**

## In 2nd half, taking on the challenge of worldwide titles and new fields

#### **Home Video Games**

- ► Fostering longer product lives by focusing on quality and strengthening fan communications
- ► In addition to KAKAROT in the 4th quarter, currently developing worldwide titles
- ► Expanding roll-outs of titles originating overseas





**BLESS UNLEASHED** 

#### New entertainment fields

- •Holding BANDAI NAMCO Entertainment festival
- •Sports entertainment Professional basketball team management







## **Real Entertainment**

## Prize sales favorable, launch of new title machines planned for 2nd half

#### 1st half

- ► Facilities: Favorable results at existing facilities in Japan (Film-related prizes, etc., favorable)

  2nd quarter MAZARIA opening
- ► Amusement machines: Favorable utilization of Mobile Suit Gundam: Extreme Vs. 2, no launches of major new products in 1st half



#### **Facilities**

- Expanding roll-outs of NAMCO-only prizes
- Expanding roll-outs of new business format facilities that leverage technologies and know-how

#### **Amusement machines**

Planning launches of new products in 2nd half

## **Visual and Music Production**

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

#### 1st half

- ► Core IP maintains popularity, but YoY difference in packaged product lineup has an influence
- ► IP that is also popular overseas recording favorable results
- ► Investment in studio MOTHER to strengthen IP creation capabilities

  studio Mother





ONE PUNCH MAN That Time I Got Reincarnated as a Slime

## New titles



Love Live! 9th Anniversary Blu-ray BOX



Official idol unit

Rifling4 currently active

Rifle is Beautiful

#### New initiatives in IP creation



Collaboration among anime, game app, and futsal events

Start of new projects

FUTSAL BOYS!!!!!

## **IP** Creation

## New IP creation and simultaneous roll-out of core IP innovations

#### 1st half

► Release of new *Gundam* animation and launch of official YouTube channel



Number of channel subscribers surpassed 260,000



## **Stepping up IP roll-outs**



Capital participation in echoes Inc.

New IP creation
Invigorating existing IP
Strengthening ability to communicate
the appeal of IP

#### **MOBILE SUIT GUNDAM**

Rolling-out multiple new visual products

&

Advancing worldwide strategy









# Progress with main strategies of Mid-term Plan

#### IPAXIS STRATEGY

**Boost capability to create IP (structural changes)** 

- Initiatives for new IP creation
  Implementing Groupwide initiatives through strategic investment,
  BANDAI NAMCO Content Fund, etc.
- Strengthening roll-outs of existing core IP (further bolstering strengths)
  Advancing worldwide roll-outs of Japanese IP
- SOTSU CO., LTD., becoming wholly owned subsidiary
  Accelerating worldwide *Gundam* roll-outs through further unification

#### REGION STRATEGY

Make full-blown entry into Chinese market

- Start of activities by each Unit company established in China
- Establishment of joint venture company with Shueisha Inc.
  Rolling out products aligned with the preferences of fans in China

## **Mid-term Vision**





#### **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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