

**BANDAI NAMCO Group  
Information Meeting  
Fiscal Year Ending March 2021  
3rd Quarter Result Presentation**



# Results in FY2021.3

# Results in FY2021.3 (For the First Nine Months of FY2021.3)

	<b>FY2020.3</b>	<b>FY2021.3</b>	<b>Vs. previous year's results</b>	<b>billion yen</b>
	<b>First nine months</b>	<b>First nine months</b>	<b>First nine months</b>	
<b>Net Sales</b>	<b>532.5</b>	<b>543.4</b>	<b>+10.9</b>	
<b>Operating Profit</b>	<b>72.0</b>	<b>72.9</b>	<b>+0.9</b>	
<b>Recurring Profit</b>	<b>73.4</b>	<b>75.1</b>	<b>+1.7</b>	
<b>Profit Attributable to Owners of Parent</b>	<b>52.9</b>	<b>50.6</b>	<b>-2.3</b>	
<b>Capital Investments</b>	<b>19.6</b>	<b>17.0</b>	<b>-2.6</b>	
<b>Depreciation</b>	<b>15.9</b>	<b>16.1</b>	<b>+0.2</b>	
<b>Game content R&amp;D investments</b>	<b>58.0</b>	<b>58.0</b>	<b>±0</b>	
<b>Advertising Expenses</b>	<b>31.9</b>	<b>29.3</b>	<b>-2.6</b>	
<b>Personnel Expenses</b>	<b>46.3</b>	<b>49.2</b>	<b>+2.9</b>	

# Results by Segment (For the First Nine Months of FY2021.3)

		FY2020.3	FY2021.3	Vs. previous year's results	billion yen
		First nine months	First nine months	First nine months	
Toys and Hobby	Segment sales	200.9	220.9	+20.0	
	Segment profit	28.6	35.5	+6.9	
Network Entertainment	Segment sales	232.0	258.4	+26.4	
	Segment profit	36.4	47.7	+11.3	
Real Entertainment	Segment sales	69.0	42.5	-26.5	
	Segment profit	1.1	-9.7	-10.8	
Visual and Music Production	Segment sales	31.6	16.8	-14.8	
	Segment profit	5.5	0.2	-5.3	
IP Creation	Segment sales	11.7	16.2	+4.5	
	Segment profit	3.5	2.6	-0.9	
Other	Segment sales	23.5	25.2	+1.7	
	Segment profit	1.3	1.5	+0.2	
Elimination and Corporate	Segment sales	-36.3	-36.7	-0.4	
	Segment profit	-4.7	-5.0	-0.3	
Consolidated	Net sales	532.5	543.4	+10.9	
	Operating profit	72.0	72.9	+0.9	

# Overview by Business Segment (For the First Nine Months of FY2021.3)

## Toys and Hobby

- ▶ Products for the mature fan base grew in popularity in both Japan and overseas
- ▶ Released new IP products in a timely manner
- ▶ Peripheral products performed favorably
- ▶ Plan to enact measures in the fourth quarter with sights set on further growth in FY2022.3 and beyond



## Network Entertainment

- ▶ Network content
  - Continued to achieve brisk results for existing mainstay titles by virtue of ongoing measures
- ▶ Home video games
  - Repeat sales grew dramatically, totaling 20.69 million units for the nine months ended December 31, 2020
  - ▶ Aim to continue developing major titles and investing toward future growth



SCARLET NEXUS

# Overview by Business Segment (For the First Nine Months of FY2021.3)

## Real Entertainment

- ▶ Amusement facilities in Japan: Customer numbers fell considerably as a result of temporary closures, reduced operating hours, and other factors associated with the spread of COVID-19
- ▶ Amusement facilities overseas: Lockdowns remain in force in certain regions at this time

## Visual and Music Production

- ▶ Releases of visual and music package software titles postponed due to delays in production schedules and other factors
- ▶ Enhanced initiatives for organizing live events, such as online streaming without the presence of an audience, in the wake of their cancellation and postponement and the impact of restrictions imposed on the number of attendees



## IP Creation

- ▶ Produced visual products and created buzz for IP for the *Gundam* series and *Love Live!* series



# The Unceasing Evolution of *Gundam*

## GUNDAM FACTORY YOKOHAMA

Opened on December 9, 2020

Located in Yamashita Futo,  
Yokohama

Features a life-size moving  
*Gundam*



## Life-Size *Freedom Gundam* Statue

To be unveiled  
in Shanghai,  
China in 2021



## New Visuals



## Products and Services



*Mobile Suit Gundam: Senjō no  
Kizuna II* arcade game  
Scheduled for release in 2021



BANDAIHOBBYPOPUPSTORELA

# Results in FY2021.3 (Full-year)

	FY 2020.3 Full-year	FY 2021.3 Full-year	FY 2021.3 Previous Forecast	billion yen
Net Sales	723.9	720.0	650.0	
Operating Profit	78.7	72.0	50.0	
Recurring Profit	79.7	74.0	50.5	
Profit Attributable to Owners of Parent	57.6	36.0	33.0	
Capital Investments	27.3	23.0	23.0	
Depreciation	23.2	23.5	23.5	
Game content R&D investments	80.3			
Advertising Expenses	44.3	43.0	41.0	
Personnel Expenses	61.8	64.0	59.0	

# Results by Segment (Full-year)

		FY 2020.3 Full-year	FY 2021.3 Full-year	Vs. previous year's result Full-year	billions yen
Toys and Hobby	Segment sales	253.7	290.0	+36.3	
	Segment profit	26.7	36.0	+9.3	
Network Entertainment	Segment sales	328.0	340.0	+12.0	
	Segment profit	43.8	50.0	+6.2	
Real Entertainment	Segment sales	91.7	67.0	-24.7	
	Segment profit	-1.5	-12.0	-10.5	
Visual and Music Production	Segment sales	46.9	25.0	-21.9	
	Segment profit	8.0	0.5	-7.5	
IP Creation	Segment sales	23.4	25.0	+1.6	
	Segment profit	6.2	4.0	-2.2	
Other	Segment sales	31.0	30.0	-1.0	
	Segment profit	1.3	1.0	-0.3	
Elimination and Corporate	Segment sales	-51.0	-57.0	-6.0	
	Segment profit	-5.9	-7.5	-1.6	
Consolidated	Net sales	723.9	720.0	-3.9	
	Operating profit	78.7	72.0	-6.7	

# Full-Year Forecast Assumptions and Extraordinary Loss

## Full-Year Forecast (Fourth-Quarter Forecast) Assumptions

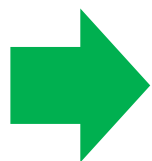
- Current state due to COVID-19 is expected to continue in Japan and overseas.
- Fourth quarter positioned as a period for the development of IP and products and services for FY2022.3 and beyond.

## Extraordinary Loss

Cost associated with restructuring of the Real Entertainment Business: ¥13.0 billion

Operations in Japan: ¥10.0 billion

Operations overseas: ¥3.0 billion



Pursue **the development of a robust business foundation** based on the new organizational system by shedding fixed costs, improving business efficiency, and engaging in selection and concentration strategies in the Real Entertainment Business, in addition to complying with various accounting standards.

# Dividend Forecast

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



**Projected annual dividend for FY2021.3: ¥82**

- Base dividend: ¥42
- Performance-based dividend: ¥40

# Organizational System

**From April 2021:**



## **Entertainment Unit**

**(current Network Entertainment Unit + Toys and Hobby Unit)**

**BANDAI NAMCO Entertainment Inc.** (in charge of Digital business)

**BANDAI CO., LTD.** (in charge of Toys and Hobby business)

## **IP Production Unit**

**(current Visual and Music Production Unit + IP Creation Unit)**

**BANDAI NAMCO Arts Inc.** (in charge of Visual and Music business)

**SUNRISE INC.** (in charge of Creation business)

## **Amusement Unit**

**(current Real Entertainment Unit)**

**BANDAI NAMCO Amusement Inc.**

**Affiliated companies**

# Officer System (From April 2021)



**Mitsuaki Taguchi**  
**Chairman and Director**  
**BANDAI NAMCO Holdings Inc.**



**Masaru Kawaguchi**  
**President and Representative Director**  
**BANDAI NAMCO Holdings Inc.**

# Officer System (From April 2021)



**Yasuo Miyakawa**  
**President and Representative Director**  
**BANDAI NAMCO Entertainment Inc.**



**Naoki Katashima**  
**Representative Senior Managing Director**  
**BANDAI NAMCO Entertainment Inc.**

# Officer System (From April 2021)



**Kazuhiro Takenaka**  
**President and Representative Director**  
**BANDAI CO., LTD.**



**Nao Udagawa**  
**President and Representative Director**  
**BANDAI SPIRITS CO., LTD.**

# Officer System (From April 2021)



BANDAI NAMCO Arts



**Satoshi Kono**  
**President and Representative Director**  
**BANDAI NAMCO Arts Inc.**



Amusement



**Hiroshi Kawasaki**  
**President and Representative Director**  
**BANDAI NAMCO Amusement Inc.**

# Mid-term Vision

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

**挑戦 成長 進化**

EMPOWER

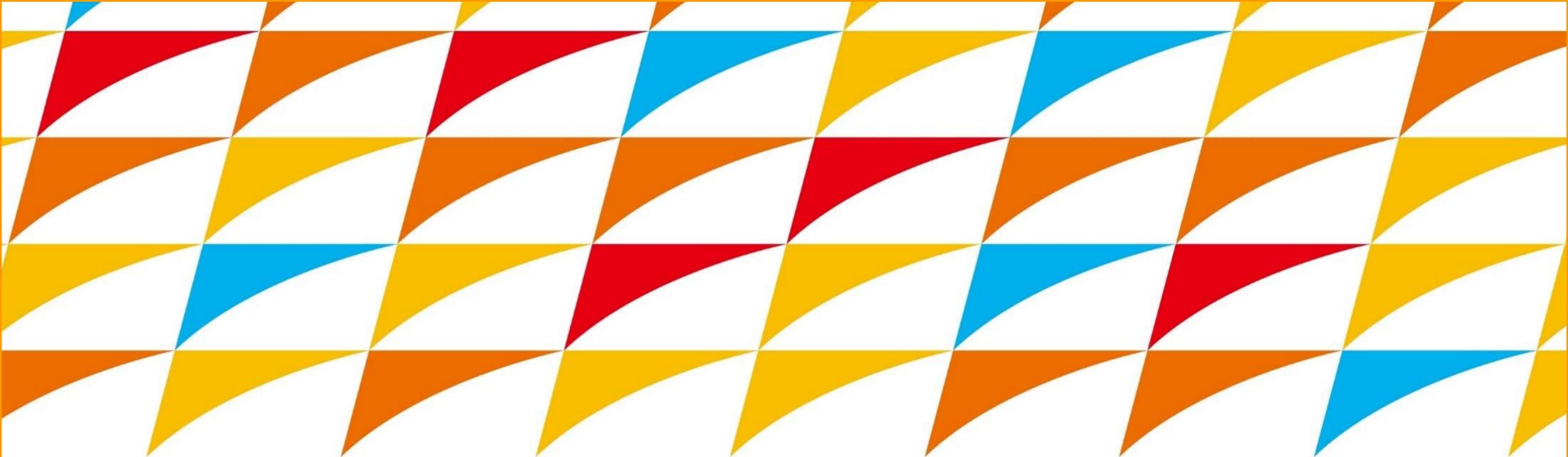
GAIN MOMENTUM

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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