



BANDAI NAMCO Group



CHANGE for the **NEXT**

挑戰 成長 進化

EMPOWER DRIVEN MOMENTUM ACCELERATE EVOLUTION

BANDAI NAMCO Group Information Meeting (Fiscal Year Ended March 2021)



Masaru Kawaguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.

Results in FY2021.3

	FY2019.3	FY2020.3	FY2021.3	Vs. previous year's results	Vs. previous forecast	billion yen
Net Sales	732.3	723.9	740.9	+17.0	+20.9	
Operating Profit	84.0	78.7	84.6	+5.9	+12.6	
Recurring Profit	86.8	79.7	87.6	+7.9	+13.6	
Profit Attributable to Owners of Parent	63.3	57.6	48.8	-8.8	+12.8	
Capital Investments	22.0	27.3	22.7	-4.6	-0.3	
Depreciation	21.3	23.2	24.6	+1.4	+1.1	
Game content R&D investments	83.5	83.2	84.7	+1.5	-0.3	
Advertising Expenses	44.4	44.3	45.2	+0.9	+2.2	
Personnel Expenses	60.6	61.8	66.7	+4.9	+2.7	

Results in FY2021.3

		FY2019.3	FY2020.3	FY2021.3	Vs. previous year's results	Vs. previous forecast	billion yen
Toys and Hobby	Segment sales	242.8	253.7	296.0	+42.3	+6.0	
	Segment profit	21.7	26.7	38.2	+11.5	+2.2	
Network Entertainment	Segment sales	340.9	328.0	344.1	+16.1	+4.1	
	Segment profit	47.5	43.8	57.3	+13.5	+7.3	
Real Entertainment	Segment sales	101.4	91.7	63.9	-27.8	-3.1	
	Segment profit	4.2	-1.5	-8.3	-6.8	+3.7	
Visual and Music Production	Segment sales	45.5	46.9	28.0	-18.9	+3.0	
	Segment profit	8.7	8.0	0.9	-7.1	+0.4	
IP Creation	Segment sales	22.4	23.4	28.2	+4.8	+3.2	
	Segment profit	5.0	6.2	2.7	-3.5	-1.3	
Other	Segment sales	29.7	31.0	34.0	-3.0	+4.0	
	Segment profit	1.1	1.3	1.4	+0.1	+0.4	
Elimination and Corporate	Segment sales	-50.6	-51.0	-53.5	-2.5	+3.5	
	Segment profit	-4.4	-5.9	-7.6	-1.7	-0.1	
Consolidated	Net sales	732.3	723.9	740.9	+17.0	+20.9	
	Operating profit	84.0	78.7	84.6	+5.9	+12.6	

Results by Segment

Toys and Hobby

	FY2021.3	Vs. previous year's results
Segment sales	296.0	+42.3
Segment profit	38.2	+11.5

- Worldwide: Favorable performance of products for the mature fan base
⇒ Products for the mature fan base contributing 40% of Toys and Hobby sales
- Japan: Released *Demon Slayer: Kimetsu no Yaiba* and other new IP products in a timely manner
- Japan: Entertainment snacks and other toy-related products achieved brisk results
- Europe and the Americas: Restored profitability through restructuring of businesses

Network Entertainment

	FY2021.3	Vs. previous year's results
Segment sales	344.1	+16.1
Segment profit	57.3	+13.5

- Network content: Major titles continued to thrive
- Home video games: New title *Little Nightmares II* surpassed one million units
- Home video games: Repeat sales of existing titles totaled 27.63 million units annually
Full package products accounted for 49% of all online sales

Results by Segment

Real Entertainment

	FY2021.3	Vs. previous year's results
Segment sales	63.9	-27.8
Segment profit	-8.3	-6.8

- Amusement facilities: Suffered the effects of COVID-19 through suspended operations and reduced operating hours
- Amusement machines: No new releases of major products
- Incurred extraordinary loss of ¥11.7 billion due to business structure reform in the fourth quarter

Visual and Music Production

	FY2021.3	Vs. previous year's results
Segment sales	28.0	-18.9
Segment profit	0.9	-7.1

- Lineup of packaged products impacted by delays to visual production and product releases
- Number of live events held (308 events in FY2021.3) decreased year on year (from 753 events in FY2020.3)

IP Creation

	FY2021.3	Vs. previous year's results
Segment sales	28.2	+8.5
Segment profit	2.7	-3.0

- Produced visual content and created buzz for mainstay IP products and services (GUNDAM FACTORY YOKOHAMA, etc.)
- Visual production costs increased

Results Forecast for FY2022.3

	FY2019.3	FY2020.3	FY2021.3	Vs. previous year's results	billion yen
Net Sales	723.9	740.9	750.0	+9.1	
Operating Profit	78.7	84.6	75.0	-9.6	
Recurring Profit	79.7	87.6	76.0	-11.6	
Profit Attributable to Owners of Parent	57.6	48.8	52.0	+3.2	
Capital Investments	27.3	22.7	23.0	+0.3	
Depreciation	23.2	24.6	27.0	+2.4	
Game content R&D investments	83.2	84.7	85.0	+0.3	
Advertising Expenses	44.3	45.2	50.0	+4.8	
Personnel Expenses	61.8	66.7	65.0	-1.7	

Results Forecast by Segment for FY2022.3

			FY2020.3	FY2021.3	FY2022.3	Vs. previous year's results	billion yen
Entertainment Unit	Digital Business	Segment sales	328.0	344.1	310.0	-34.1	
		Segment profit	43.8	57.3	40.0	-17.3	
	Toys and Hobby Business	Segment sales	253.7	296.0	300.0	+4.0	
		Segment profit	26.7	38.2	35.0	-3.2	
IP Production Unit	Visual and Music Business	Segment sales	46.9	28.0	45.0	+17.0	
		Segment profit	8.0	0.9	4.0	+3.1	
	Creation Business	Segment sales	23.4	28.2	30.0	+1.8	
		Segment profit	6.2	2.7	4.0	+1.3	
Amusement Unit	Amusement Business	Segment sales	91.7	63.9	84.0	+20.1	
		Segment profit	-1.5	-8.3	2.0	+10.3	
Other		Segment sales	31.0	34.0	25.0	-9.0	
		Segment profit	1.3	1.4	0.5	-0.9	
Elimination and Corporate		Segment sales	-51.0	-53.5	-44.0	+9.5	
		Segment profit	-5.9	-7.6	-10.5	-2.9	
Consolidated		Net sales	723.9	740.9	750.0	+9.1	
		Operating profit	78.7	84.6	75.0	-9.6	

Results Forecast by Segment for FY2022.3

Entertainment Unit Digital Business

	FY2022.3	Vs. previous year's results
Segment sales	310.0	-34.1
Segment profit	40.0	-17.3

- Network content: Increase in number of new titles (17 titles worldwide, up 12 units from FY2021.3)
- Home video games: Rise in lineup of new titles
Sales to comprise mixture of new and existing titles in FY2022.3, in comparison with relatively high repeat sales of existing titles in FY2021.3 owing to demand associated with people staying at home

Entertainment Unit Toys and Hobby Business

	FY2022.3	Vs. previous year's results
Segment sales	300.0	+4.0
Segment profit	35.0	-3.2

- Irrespective of solid FY2021.3 results stemming from demand associated people staying at home
- Rise in depreciation and amortization expenses in Japan
- Increase in costs associated with strengthening of organizational structure and marketing activities overseas

Results Forecast by Segment for FY2022.3

IP Production Unit Visual and Music Business

	FY2022.3	Vs. previous year's results
Segment sales	45.0	+17.0
Segment profit	4.0	+3.1

- Expand the release of visual products and lineup of packaged products
- Increase in number of live events through utilization of digitalization-related knowledge

IP Production Unit Creation Business

	FY2022.3	Vs. previous year's results
Segment sales	30.0	+1.8
Segment profit	4.0	+1.3

- Expand the release of visual products, including major IP products
- Higher license revenue owing to secondary use of IP

Amusement Unit

	FY2022.3	Vs. previous year's results
Segment sales	84.0	+20.1
Segment profit	2.0	+10.3

- Amusement facilities: Sales projected to grow 15% year on year at existing facilities in Japan
- Amusement machines: Launch of strategic products, such as *Senjō no Kizuna II*
- Expect to benefit from robust structure forged through business structure reform

FY2021.3 Dividend

	End of second quarter	Year-end	Total
FY2020.3 Dividend	¥20	¥112	¥132
FY2021.3 Forecast (as of February 2021)	¥21	¥61	¥82
FY2021.3 Dividend	¥21	¥91	¥112
FY2021.3 (forecast)*	¥24	¥24	¥48

* The dividend forecast for FY2022.3 is the base dividend portion, based on equity as of the end of the previous period.

Dividend

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

Interim dividend: ¥21

Year-end dividend: ¥91 (base dividend: ¥21; performance-based dividend: ¥70)



**Annually ¥112 per share (base dividend: ¥42; performance-based dividend: ¥70)
(DOE: 5.1%; return ratio: 50.3%)**

FY2022.3—A Year of Transition

FY2019.3 to FY2021.3
Previous mid-term plan

FY2022.3

FY2023.3 to FY2025.3
Next mid-term plan

Pursue a robust business foundation
for the BANDAI NAMCO Group

Issues to Address and Initiatives to Pursue in Each Business



Entertainment Unit

Digital Business

Toys and Hobby Business

IP Production Unit

Visual and Music Business

Creation Business

Amusement Unit

Affiliated Business Companies

Issues to Address and Initiatives to Pursue in Each Business

Entertainment Unit Digital Business

- Produce and manage high-quality content that maintains user interest
- Strengthen development capabilities and raise the level of quality
- Enhance marketing capabilities

New Titles for Release in FY2022.3

【 Home Video Games】



SCARLET NEXUS



TALES of ARISE

【Network Content】



My Hero Academia: ULTRA IMPACT

In addition to the above, a slate of new home video game and network content titles will be released in FY2022.3.

Issues to Address and Initiatives to Pursue in Each Business

Entertainment Unit Toys and Hobby Business

- Expand business overseas targeting mature fan base
- Ensure stable performance of existing mainstay IP products and services in Japan

《Overseas》

Reorganize operating companies in China and North America

Strengthen Gundam plastic model business

⇒ Shanghai: Opening of second flagship store

⇒ North America: Rollout to major distributors



《Japan》



PRETTY CURE!



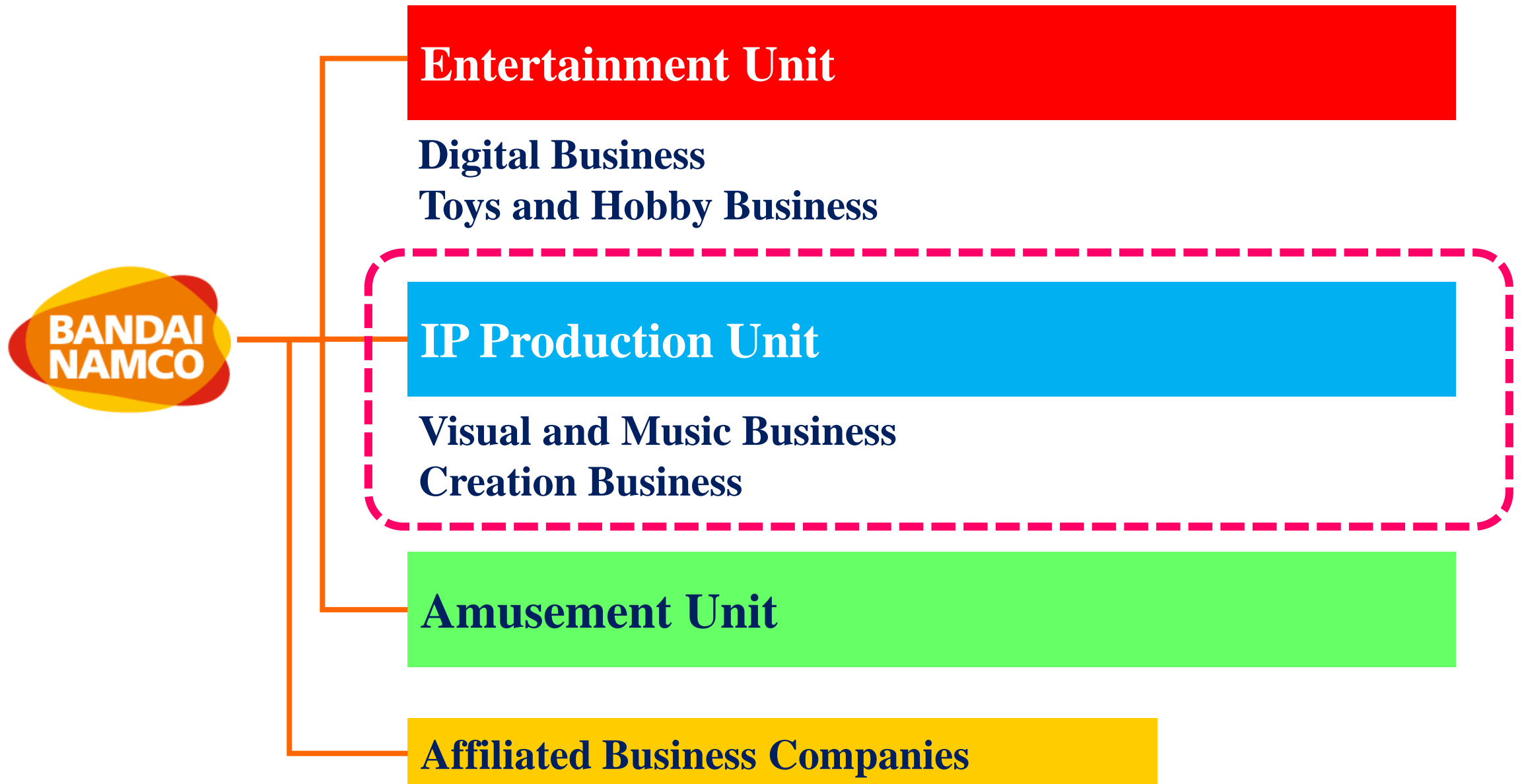
Super Sentai



Digimon



Issues to Address and Initiatives to Pursue in Each Business



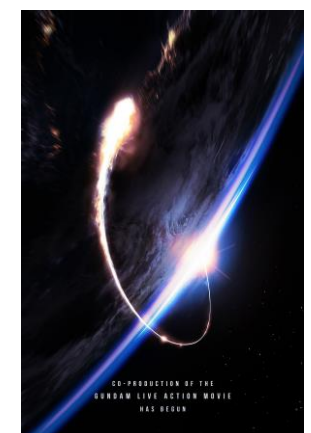
Issues to Address and Initiatives to Pursue in Each Business

IP Production Unit

- Continue to strengthen IP creation
- Forge ahead with initiatives tailored to changes in business environment resulting from COVID-19

New Visuals

A unique and diverse lineup of IP created by the production studios of BANDAI NAMCO and through joint efforts with other companies



X-Reality (Virtual Reality, Augmented Reality, and Mixed Reality—Commonly Known as XR) Initiative

Combining know-how in virtual YouTuber content and live event management



Issues to Address and Initiatives to Pursue in Each Business



Entertainment Unit

Digital Business

Toys and Hobby Business

IP Production Unit

Visual and Music Business

Creation Business

Amusement Unit

Affiliated Business Companies

Issues to Address and Initiatives to Pursue in Each Business

Amusement Unit

- Redevelop the business by capitalizing on the Group's IP and resources
- Continue to implement efficiency-improvement measures

Rollout of amusement facilities embracing the Group's strengths



スキをギュッと
Huggood!

New product releases and flexible sales approach



機動戦士ガンダム
戦場の絆™
MOBILE SUIT SURVIVAL GAME
U.C.0079, the long war between ERF and Zeon reaches its end. You are a soldier fighting on the battlefield, a living witness of history. From the cockpit, you will control your mobile suit and lead your side to victory. Call us in your comrades. So begin a new battle.

BANDAI NAMCO Group Sustainability Policy

Under the IP Axis Strategy, we will work with fans to promote sustainability activities corresponding to social issues that should be addressed by the Group.

Medium- to Long-Term Targets for Decarbonization

By 2050:

Reduce the amount of energy-related carbon dioxide emissions at Group business sites (offices, own plants, directly operated amusement facilities, etc.) to net-zero

By 2030:

A 35% reduction compared with FY2020.3 (a 50% reduction compared with FY2014.3) in energy-related carbon dioxide emissions at Group business sites

GUNPLA
RECYCLING
PROJECT



Gearing up for Our Next Mid-Term Plan

CHANGE *for the* **NEXT**

挑戰 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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