



BANDAI NAMCO Group



CHANGE for the **NEXT**

挑戰 成長 進化

EMPOWER DRIVEN MOMENTUM ACCELERATE EVOLUTION

Bandai Namco Group Fiscal Year Ending March 2022 3rd Quarter Results Presentation



Masaru Kawaguchi
President and Representative Director
BANDAI NAMCO Holdings Inc.

Results in FY2022.3 (For the First Nine Months of FY2022.3)

	FY2021.3	FY2022.3	Vs. previous year's results	billion yen
	First nine months	First nine months	First nine months	
Net Sales	543.4	628.3	+84.9	
Operating Profit	72.9	92.1	+19.2	
Recurring Profit	75.1	95.5	+20.4	
Profit Attributable to Owners of Parent	50.6	61.7	+11.1	
Capital Investments	17.0	18.9	+1.9	
Depreciation	16.1	18.2	+2.1	
Game content R&D investments	63.9	68.2	+4.3	
Advertising Expenses	29.3	32.8	+3.5	
Personnel Expenses	49.2	53.1	+3.9	

Results Forecast by Segment (For the First Nine Months of FY2022.3)

			FY2021.3 First nine months	FY2022.3 First nine months	Vs. previous year's results First nine months	billion yen
Entertainment Unit	Digital Business	Segment sales	254.0	242.3	-11.7	
		Segment profit	47.3	37.6	-9.7	
	Toys and Hobby Business	Segment sales	224.5	285.9	+61.4	
		Segment profit	36.1	50.7	+14.6	
IP Production Unit	Visual and Music Business	Segment sales	21.1	35.2	+14.1	
		Segment profit	0.6	3.5	+2.9	
	Creation Business	Segment sales	16.2	24.5	+8.3	
		Segment profit	2.6	1.6	-1.0	
Amusement Unit	Amusement Business	Segment sales	42.5	61.3	+18.8	
		Segment profit	-9.7	4.3	+14.0	
Other		Segment sales	18.2	21.0	+2.8	
		Segment profit	0.8	0.8	±0.0	
Elimination and Corporate		Segment sales	-33.4	-42.1	-8.7	
		Segment profit	-5.0	-6.5	-1.5	
Consolidated		Net sales	543.4	628.3	+84.9	
		Operating profit	72.9	92.1	+19.2	

Overview by Business Segment (For the First Nine Months of FY2022.3)

Toys and Hobby Business

Products for the mature fan base continued to register solid results around the world

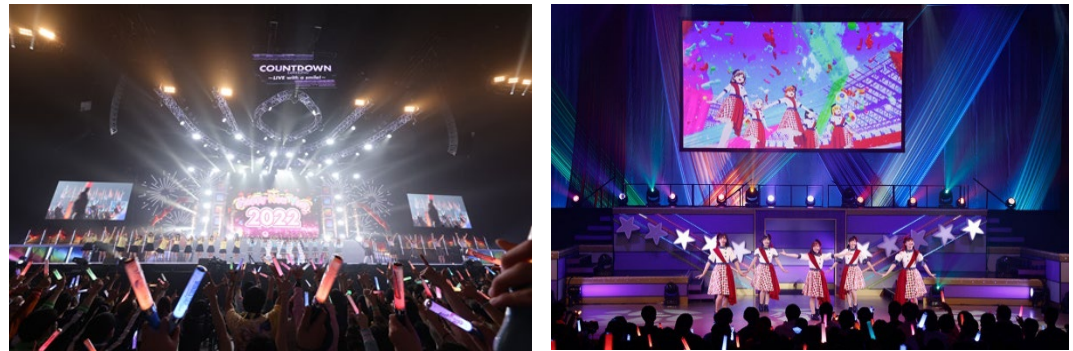
Contributions were also made by toy-related items and new IP products



Visual and Music Business

Easing of restrictions on holding live events

Contribution to results from IP-related licensing revenues



Amusement Business

Sales at existing facilities in Japan: up 20.7% YoY

Recovery trend in Europe and Asia



Full-Year Forecast

	FY2021.3	FY2022.3 Previous forecast	FY2022.3 Current forecast	Vs. previous year's results	Vs. previous forecast	billion yen
Net Sales	740.9	795.0	810.0	+69.1	+15.0	
Operating Profit	84.6	90.0	96.0	+11.4	+6.0	
Recurring Profit	87.6	93.0	99.0	+11.4	+6.0	
Profit Attributable to Owners of Parent	48.8	58.0	67.0	+18.2	+9.0	
Capital Investments	22.7	25.0	25.0	+2.3	±0.0	
Depreciation	24.6	28.0	28.0	+3.4	±0.0	
Game content R&D investments	84.7	85.0	90.0	+5.3	+5.0	
Advertising Expenses	45.2	51.0	52.0	+6.8	+1.0	
Personnel Expenses	66.7	70.0	71.0	+4.3	+1.0	

Full-Year Forecast by Business Segment

		FY2021.3 Result	FY2022.3 Previous forecast	FY2022.3 Current forecast	Vs. previous year's results	Vs. previous forecast	
Entertainment Unit	Digital Business	Segment sales	337.9	310.0	310.0	-27.9	±0.0
		Segment profit	56.7	40.0	40.0	-16.7	±0.0
	Toys and Hobby Business	Segment sales	300.8	350.0	365.0	+64.2	+15.0
		Segment profit	39.0	50.0	55.0	+16.0	+5.0
IP Production Unit	Visual and Music Business	Segment sales	34.2	45.0	45.0	+10.8	±0.0
		Segment profit	1.5	4.0	4.0	+2.5	±0.0
	Creation Business	Segment sales	28.2	30.0	30.0	+1.8	±0.0
		Segment profit	2.7	2.5	2.5	-0.2	±0.0
Amusement Unit	Amusement Business	Segment sales	63.9	84.0	84.0	+20.1	±0.0
		Segment profit	-8.3	2.0	2.0	+10.3	±0.0
Other		Segment sales	24.6	25.0	25.0	+0.4	±0.0
		Segment profit	0.6	0.5	0.5	-0.1	±0.0
Elimination and Corporate		Segment sales	-48.8	-49.0	-49.0	-0.2	±0.0
		Segment profit	-7.7	-9.0	-8.0	-0.3	+1.0
Consolidated		Net sales	740.9	795.0	810.0	+69.1	+15.0
		Operating profit	84.6	90.0	96.0	+11.4	+6.0

billion yen

Dividend Forecast

Our policy is to implement shareholder return that targets a total return ratio of **50% or more** based on stable dividend payments with a **dividends on equity (DOE) of 2%** .

FY2022.3 Dividend Forecast Annual ¥153

- Base dividend ¥48
- Performance-based dividend ¥105

Mid-term Plan of the Bandai Namco Group

FY2023.3 – FY2025.3

February 8, 2022



Purpose



Bandai Namco's Purpose

Fun for All into the Future

Bandai Namco exists to share dreams, fun and inspiration with people around the world.

Connecting people and societies in the enjoyment of uniquely entertaining products and services, we're working to create a brighter future for everyone.

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“Providing fun and inspiration to people around the world and working to create smiles and happiness into the future”

Brand



2005: Management Integration of BANDAI and NAMCO

Theme: Integration of BANDAI and NAMCO



16 years since the management integration...

Bandai Namco is moving to the next stage 

□ Bandai Namco's New Logo

★ Design: Speech bubble -- communication, connections

★ Color: Red -- enthusiastic, fun, active



□ Vector element

Expressing Bandai Namco's diversity

Smart

Forward-looking

Invigorating

Forward-looking

Sweeping

Wild

Humorous

Social

Fun

Virtual

Romantic

Sensible

A new framework for connecting with fans

IP fans

BANDAI NAMCO

Business partners

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Employees

World Society

Bandai Namco is connecting with fans around the world

■ Connecting with IP fans

Connecting in a way that makes Bandai Namco essential for IP fans

■ Connecting with business partners

A presence that continues to be choice of business partners

■ Connecting with communities

Looking to the future and coexisting harmoniously with various social communities

A new framework for connecting with fans

IP fans

Business
partners

Deeper connections

Broader connections

**More-multifaceted
connections**

Employee

World
Society

IP fans

BANDAI NAMCO

Business
partners

What's important is **the
quality of connections**

entertaining products and services, we're working to create a
brighter future for everyone.

Employees

World
Society

Metaverse



BANDAI NAMCO

Fun for All into the Future

Metaverse: A new framework for connecting with fans



※画像はイメージです

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Metaverse: A new framework for connecting with fans



● Collecting *Gundam* information

Able to access to information collected when fans themselves portray avatars

● Metaverse content development

Providing new services integrated with the real world

● Community formation

Providing the optimal venues for fans and business partners

Accelerating evolution in the IP axis strategy



Bandai Namco's strengths

Making digital and physical connections





Maximizing IP value \geq Maximizing businesses

Group Mid-term Vision



Connect with Fans

We want to foster deep, broad, multifaceted connections with fans (IP fans, business partners, employees, communities) around the world who have goodwill and empathy for Bandai Namco.

**Mid-term
Vision**

Connect with Fans

Focus Strategies

**IP Axis
Strategy**

IP×Fan

Connecting with fans through IP

A new framework for connecting with fans

IP×Value

Enhancing IP value

Accelerating evolution in the IP axis strategy

IP×World

Connecting with the world through IP

Building businesses under the ALL BANDAI NAMCO concept

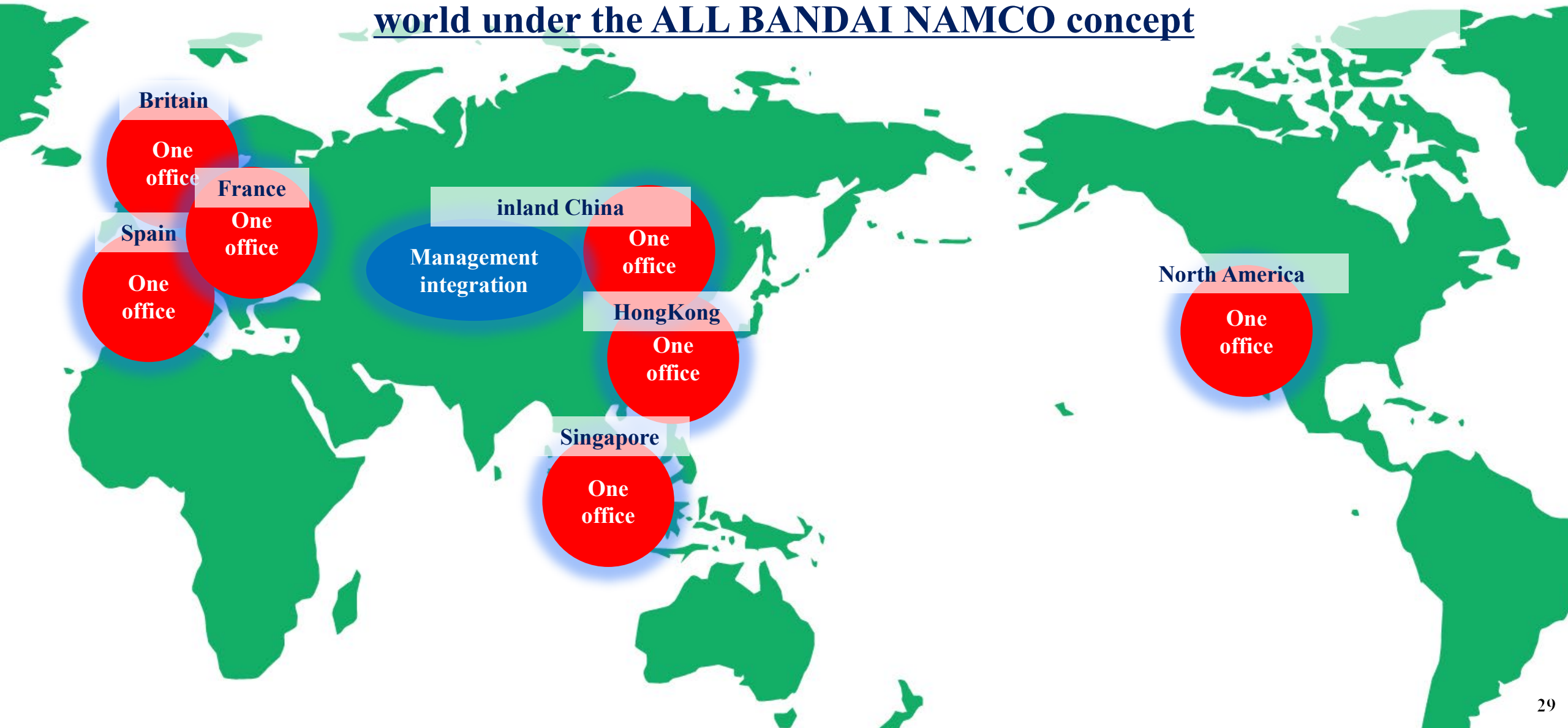
Personnel Strategy

Developing diverse human resources

Sustainability

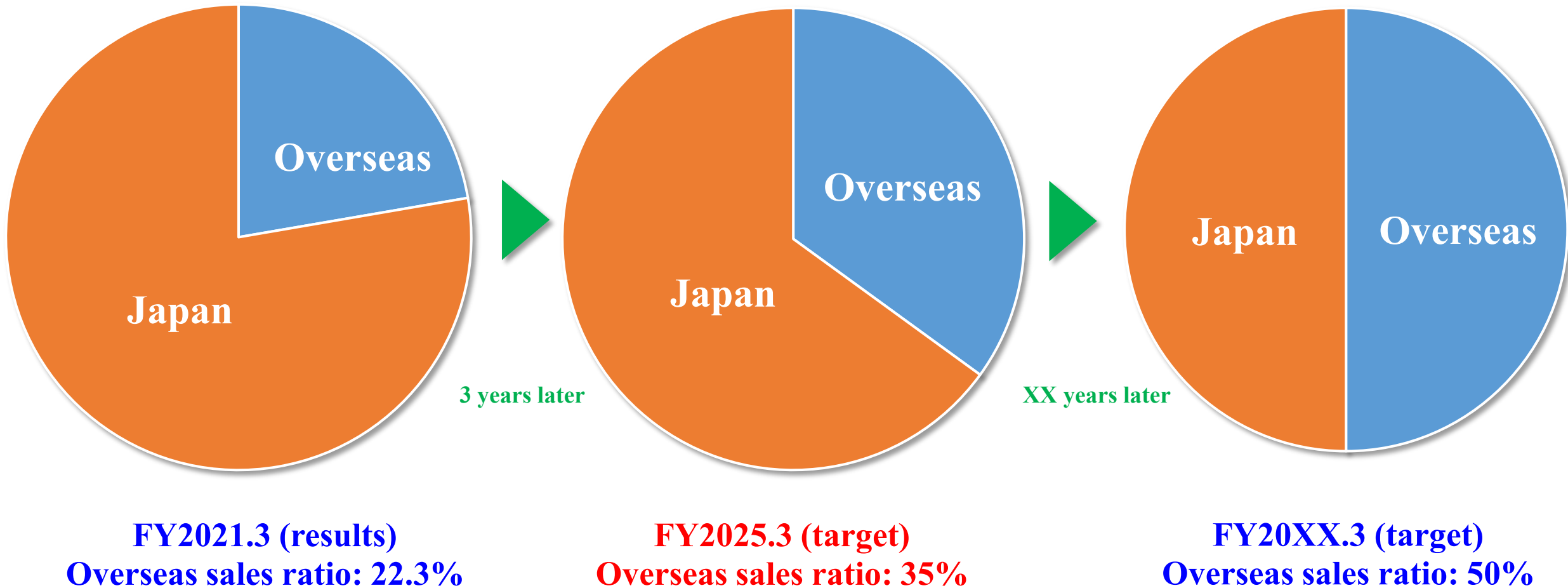
Connecting to a future of smiles

Completing the establishment of systems to compete in regions around the world under the ALL BANDAI NAMCO concept



First, aim for overseas sales ratio of 35%

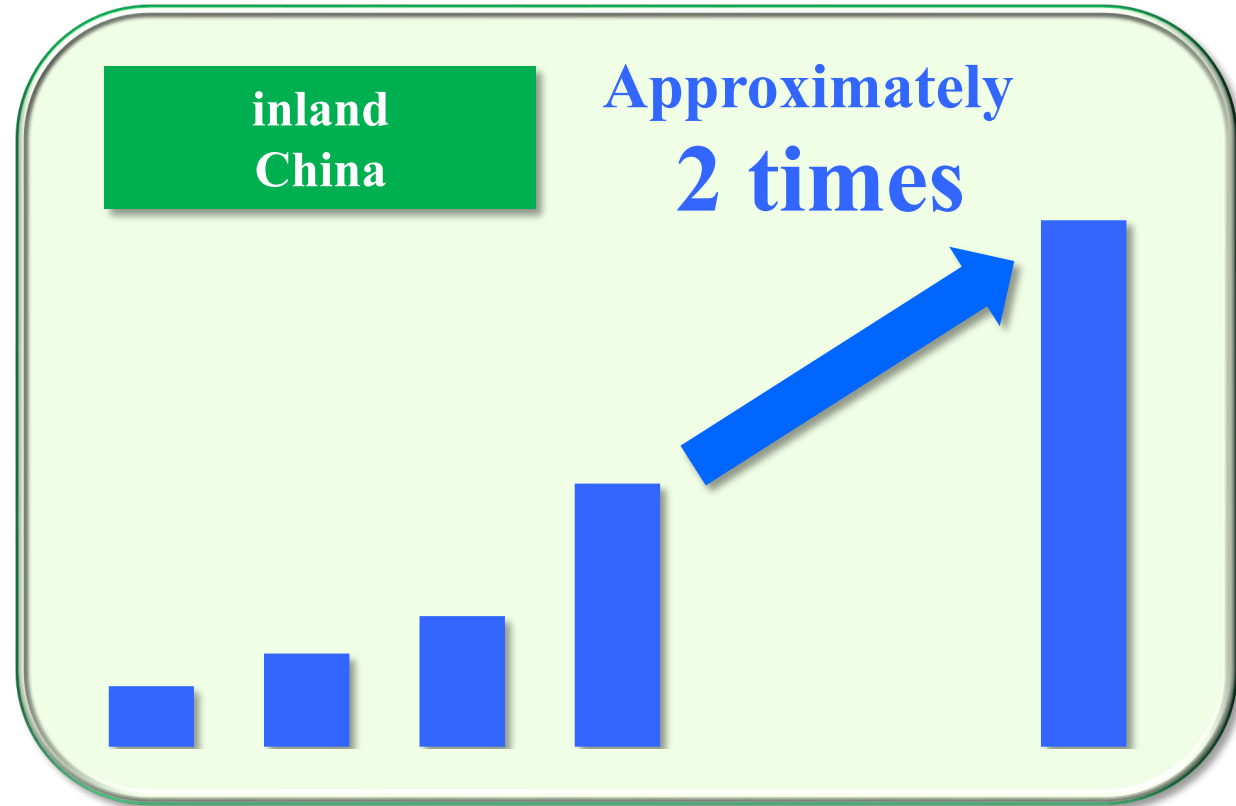
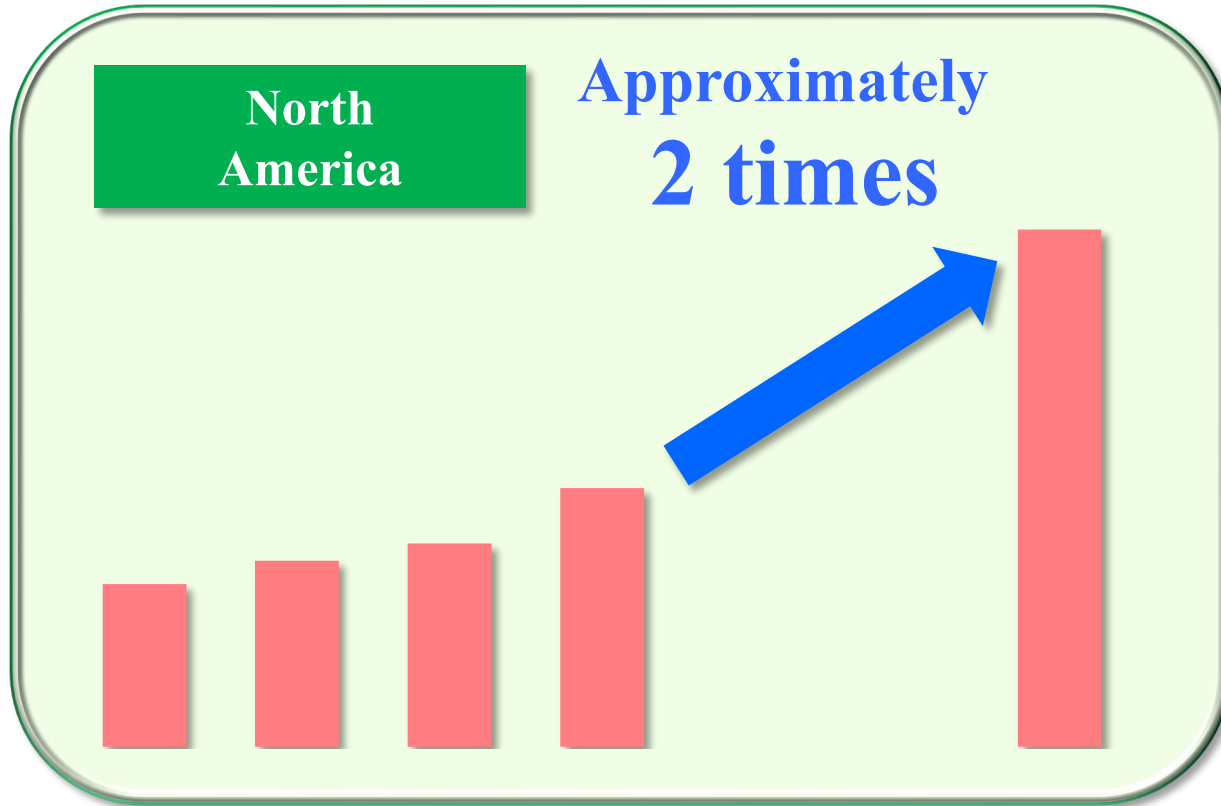
* Sales ratio by region



□ Focus area

Digital business: Introduction of major worldwide titles (North America)

Toys and Hobby business: Expansion of business for the mature fan base (North America, inland China)



Strengthening production system in line with business expansion

□ Continuing investment to accelerate evolution in the IP axis strategy

Over the period of the next Mid-term Plan, advancing investment to accelerate evolution in the IP axis strategy

FY2023.3 to FY2025.3

Investment to accelerate evolution in the IP axis strategy

* Not including capital investment to strengthen partnerships

40 billion

- **Investment to maximize IP value** **25 billion**
 - New IP creation
 - IP projects (*Gundam* project, etc.)
 - Open innovation

- **Investment for development of the IP Metaverse** **15 billion**
 - Development of the IP Metaverse
 - Data Universe concept

IP axis strategy (Integrated management of Group data)

□ Data Universe concept

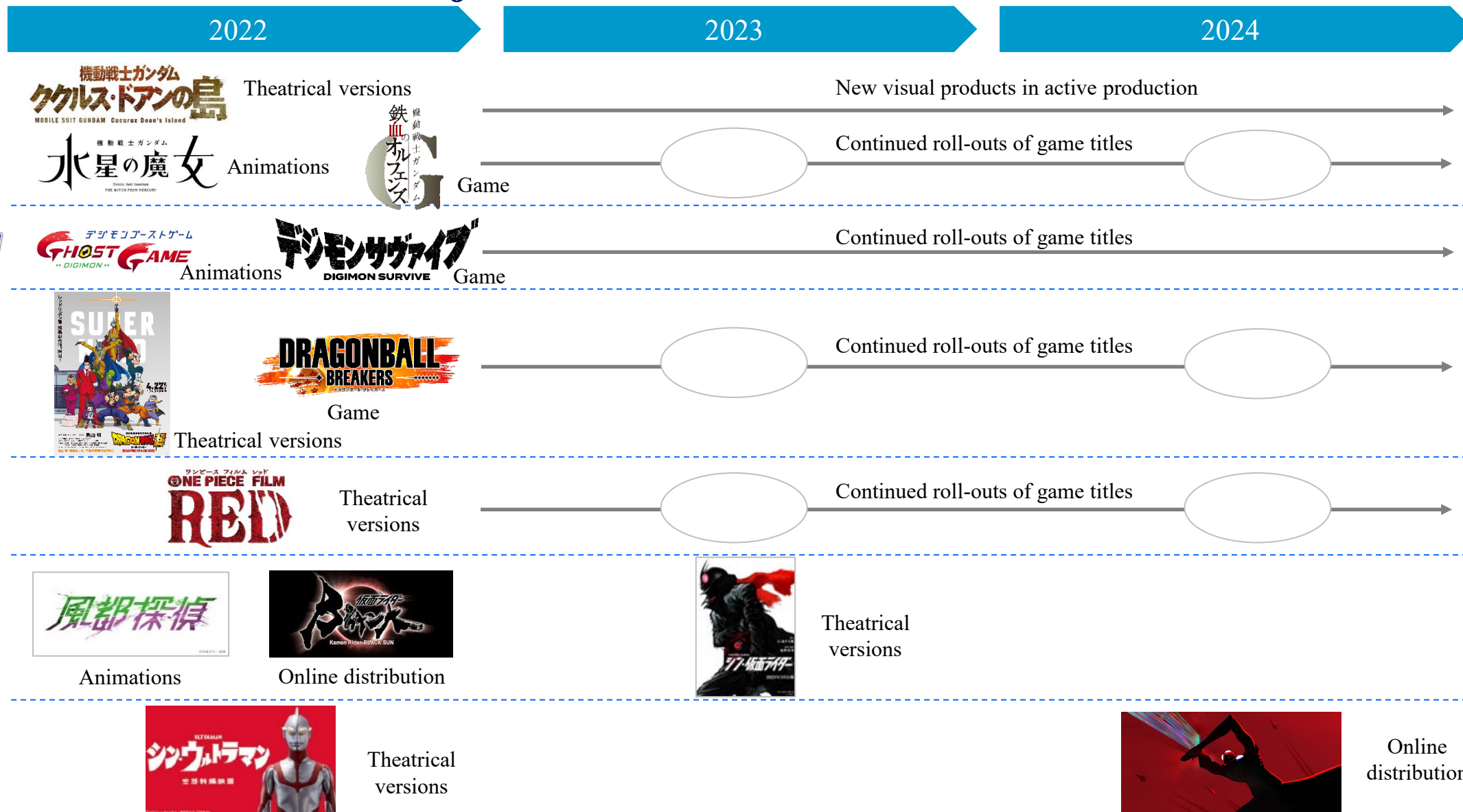
Establishing data platform for the collection and analysis in a single location of the Group's digital and physical fan data



Leading to increased fan satisfaction, community formation, and metaverse establishment



Existence of abundant major IP



Investment in IP creation (visual product investment)

Investment in visual products for IP creation (IP Production Unit)

	Amount of investment in production of visual products	Number of titles	Titles					
FY2023.3	12 billion	40	New IP	10 titles				
			Existing IP	30 titles	Gundam	4		
FY2024.3	16 billion	40	New IP	10 titles	Gundam	5	Other series	25
FY2025.3	17 billion	40	Existing IP	30 titles				
			New IP	12 titles	Gundam	3	Other series	25
			Existing IP	28 titles				

Worldwide title lineup

	FY2023.3	FY2024.3	FY2025.3
Home video game PC	<ul style="list-style-type: none">• <i>DRAGON BALL THE BREAKERS</i>• <i>Gundam</i> major titles: New titles• <i>Unknown9</i> (title originating overseas)• Others: 2 titles <p>5 titles</p>	<ul style="list-style-type: none">• Popular IP titles: New titles• Others: 6 titles <p>7 titles</p>	<ul style="list-style-type: none">• Popular IP titles: New titles• Others: 7 titles <p>8 titles</p>
Network content	<ul style="list-style-type: none">• <i>Mobile Suit Gundam: Iron-Blooded Orphans G</i>• Others: 3 titles <p>3 titles</p>	<ul style="list-style-type: none">• Popular IP titles: New titles• Others: 1 titles <p>2 titles</p>	<ul style="list-style-type: none">• Popular IP titles: New titles• Others: 2 titles <p>3 titles</p>
	Major titles 8	Major titles 9	Major titles 11

Sustainability

Connecting to a future of smiles

□ The 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

The medium to long term targets for decarbonization

Target	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
Mid-term target	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
Main initiatives	Further promotion of energy-saving measures and introduction of renewable energy, etc.

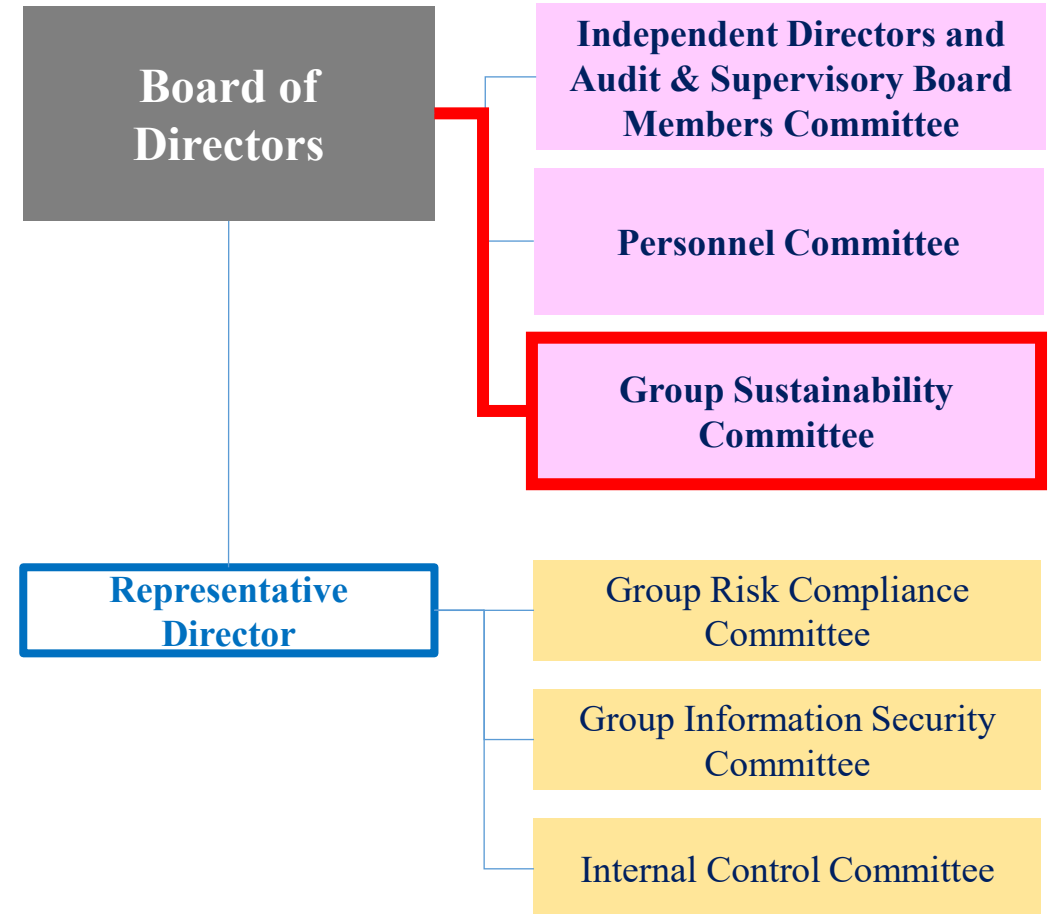
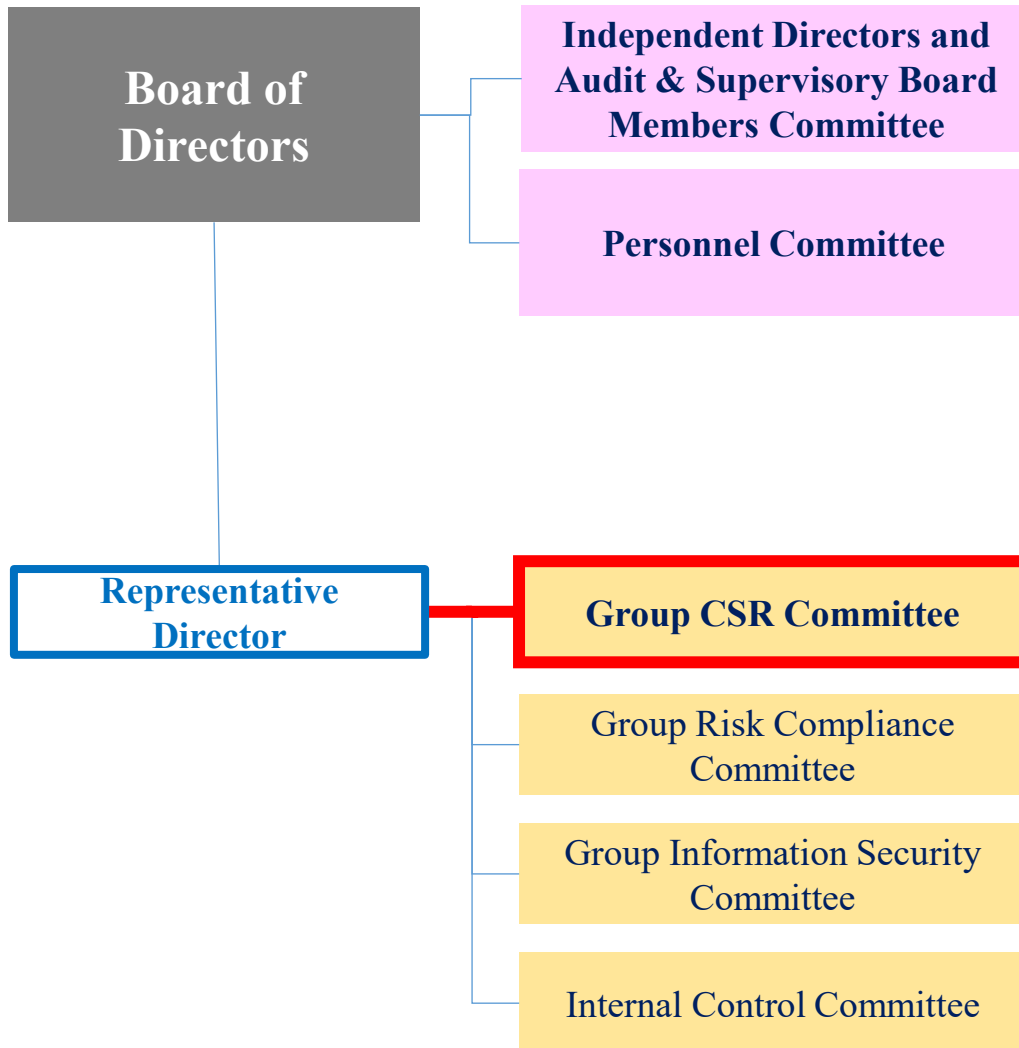
□ **Material issues (important themes)**

- **Harmonious coexistence with the natural environment**
- **Provision of appropriate products and services**
- **Appropriate utilization and protection of intellectual property**
- **Establishment of work environments that facilitate mutual respect**
- **Harmonious coexistence with communities**

Group Sustainability Committee

The Group CSR Committee will be **renamed the Group Sustainability Committee** and upgraded to a committee that is directly under the Board of Directors.

From April 2022



New system



□ To strengthen governance, BANDAI NAMCO Holdings will transition to a new system

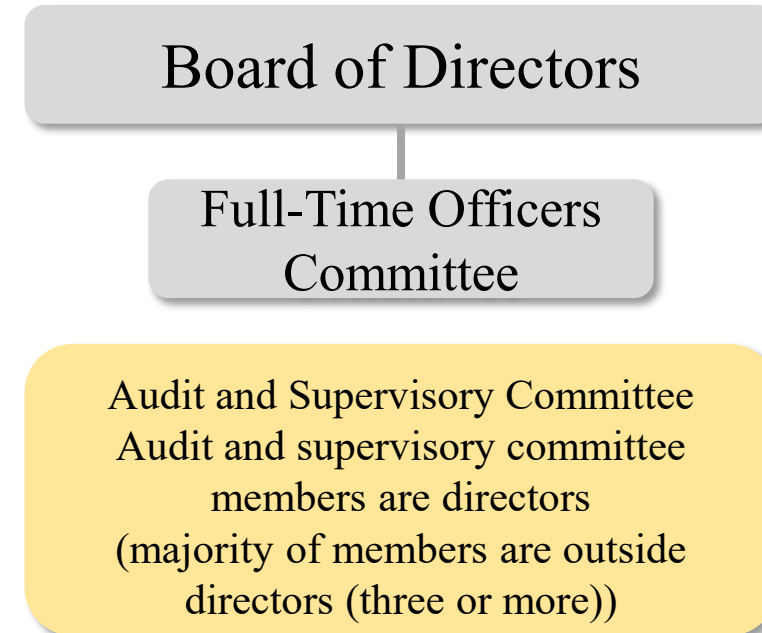
From April 2022

Company with audit and supervisory Board



From June 2022 shareholders' meeting

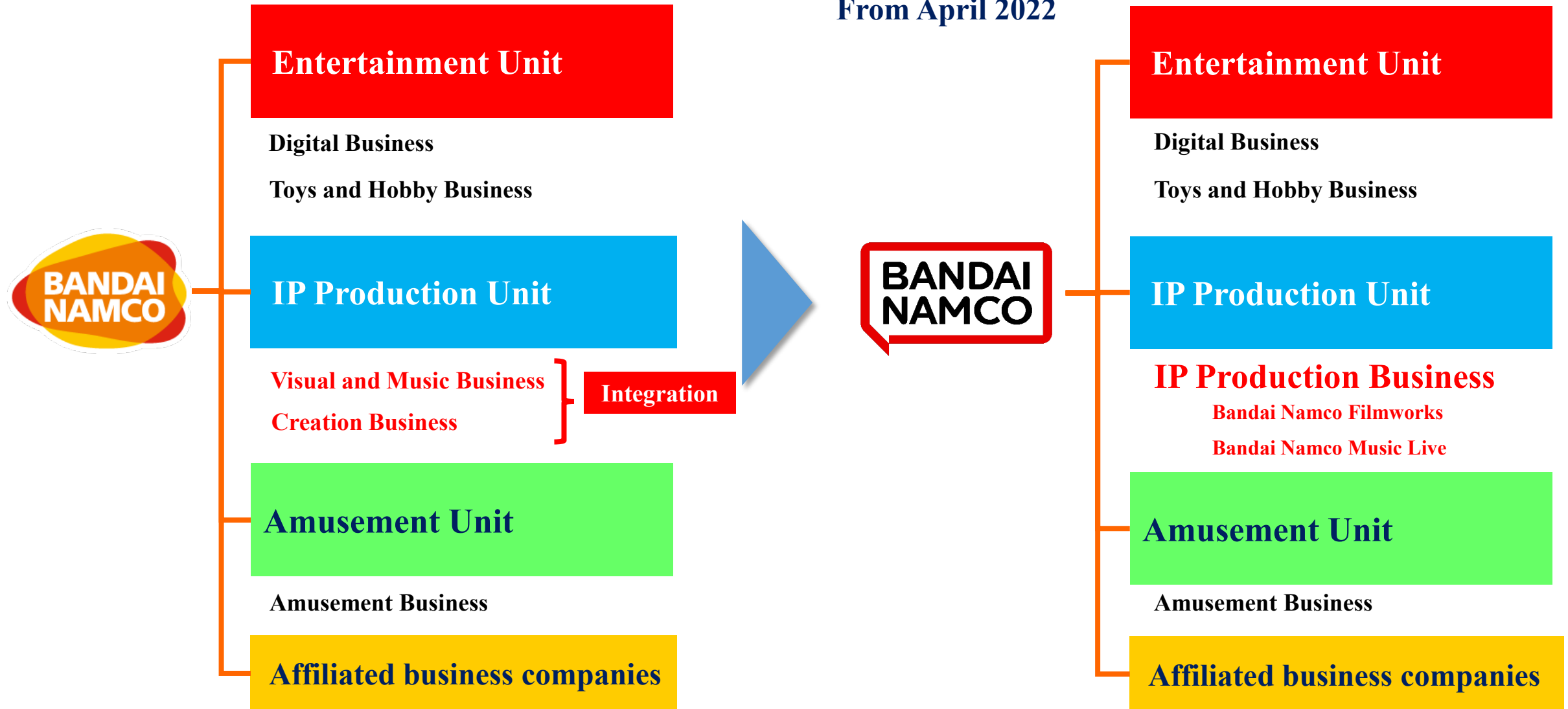
Company with audit and supervisory committee



- **Supervisory function will be strengthened (stronger authority of audit and supervisory committee members)**
 - Have the right to vote at meetings of the Board of Directors
 - Have the right to state their opinions regarding the selection, dismissal, and compensation of directors
 - The authority to direct the internal auditing division, etc., can be given to the audit and supervisory committee

□ Reorganization of the IP Production Unit

From April 2022



FY2025.3 numerical targets



Consolidated net sales

¥ 1,100 billion

Consolidated operating profit

¥ 125 billion

ROE

12% or more

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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.

Reference materials: FY2025.3 numerical targets

FY2025.3 numerical targets			billion yen
Entertainment Unit	Digital Business	Segment sales	480.0
		Segment profit	58.0
	Toys and Hobby Business	Segment sales	450.0
		Segment profit	59.0
IP Production Unit	Visual and Music Business	Segment sales	100.0
		Segment profit	17.0
Amusement Unit	Amusement Business	Segment sales	100.0
		Segment profit	6.0
Other		Segment sales	40.0
		Segment profit	1.0
Elimination and Corporate		Segment sales	-70.0
		Segment profit	-16.0
Consolidated		Net sales	1,100.0
		Operating profit	125.0

Mid-term Plan of the Bandai Namco Group

FY2023.3 – FY2025.3

February 8, 2022