



BANDAI NAMCO GROUP

Information Meeting

(Fiscal Year ended March 2012)

May 9, 2011

**President and Representative Director
Shukuo Ishikawa**

Table of Contents

1. FY2012.3 Results

2. FY2013.3 Plan

3. Business Strategy

FY2012.3 Results

Transition of Results



billion yen

	FY2009.3	FY2010.3	FY2011.3	FY2012.3
Net Sales	426.3	378.5	394.1	454.2
Operating Income	22.3	1.8	16.3	34.6
Recurring Income	24.5	1.9	16.3	34.9
Net Income	11.8	-29.9	1.8	19.3
Capital Expenditures	14.6	11.5	10.7	12.8
Depreciation	22.5	18.9	18.0	18.1
R&D Investments	33.8	38.5	40.1	41.1
Advertising Expenses	28.4	29.5	28.7	33.3
Personnel Expenses	35.0	39.2	40.3	43.5

Progress and results by segment

Key Points

Toys & Hobby

Japan performing well
 Mainly established character toys and cards
 Overseas on the way to recovery
 POWER RANGERS: Good start !



Content

Japan performing well
 Mainly arcade game machine, prize, video game software, visual package software, and network content
 Overseas on the way to recovery
 Restructuring to prepare for the new Mid-term Plan



Amusement Facility

Differentiated stores performing well
 Existing store sales YOY (Japan): 100.1%



	billion yen	
	FY2012.3 Initial Plan	FY2012.3 Results
Net Sales	400.0	454.2
Operating Income	16.5	34.6
Recurring Income	16.5	34.9
Net Income	8.0	19.3

Results by Segment



billion yen

		FY2011.3	FY2012.3	YOY
Toys and Hobby	Net Sales	158.3	177.9	+19.6
	OP	13.8	16.1	+2.3
Content	Net Sales	179.9	225.5	+45.6
	OP	3.0	17.0	+14.0
Amusement Facility	Net Sales	62.3	61.0	-1.3
	OP	1.7	2.3	+0.6
Others	Net Sales	18.5	27.4	+8.9
	OP	0.8	2.0	+1.2
Corporate and Elimination	Net Sales	-24.9	-37.8	-12.9
	OP	-3.1	-2.9	+0.2
Consolidated	Net Sales	394.1	454.2	+60.1
	OP	16.3	34.6	+18.3

Results by Region



billion yen

		FY2011.3	FY2012.3	YOY
Japan	External Sales	312.3	378.3	+66.0
	OP	23.5	38.3	+14.8
Americas	External Sales	28.0	24.3	-3.7
	OP	-5.6	-2.8	+2.8
Europe	External Sales	37.0	33.3	-3.7
	OP	-1.2	-1.7	-0.5
Asia	External Sales	16.7	18.1	+1.4
	OP	2.4	3.2	+0.8
Corporate and Elimination	External Sales	—	—	—
	OP	-2.7	-2.4	+0.3
Consolidated	External Sales	394.1	454.2	+60.1
	OP	16.3	34.6	+18.3

* Figures are estimates based on management accounting.

FY2013.3 Plan

FY2013.3 Plan



billion yen

	FY2012.3 1 st Half	FY2012.3 Full Year	FY2013.3 1 st Half Plan	FY2013.3 Full Year Plan	YOY (Full Year)
Net Sales	194.2	454.2	200.0	440.0	-14.2
Operating Income	15.7	34.6	13.5	30.0	-4.6
Recurring Income	15.9	34.9	13.5	30.0	-4.9
Net Income	8.0	19.3	7.5	17.5	-1.8
Capital Expenditures	5.3	12.8	5.5	11.0	-1.8
Depreciation	8.3	18.1	8.5	18.5	+0.4
R&D Investments	19.0	41.1	19.0	38.0	-3.1
Advertising Expenses	13.2	33.3	13.0	32.5	-0.8
Personnel Expenses	20.8	43.5	21.0	42.0	-1.5

FY2013.3 Plan by Segment



billion yen

		FY2012.3 1 st Half	FY2012.3 Full Year	FY2013.3 1 st Half Plan	FY2013.3 Full Year Plan	YOY (Full Year)
Toys and Hobby	Net Sales	81.6	177.9	78.0	170.0	-7.9
	OP	8.9	16.1	6.5	15.0	-1.1
Content	Net Sales	86.7	225.5	95.0	220.0	-5.5
	OP	5.3	17.0	7.0	16.0	-1.0
Amusement Facility	Net Sales	31.3	61.0	30.5	60.0	-1.0
	OP	1.8	2.3	1.5	1.5	-0.8
Others	Net Sales	11.5	27.4	11.0	25.0	-2.4
	OP	1.0	2.0	0.5	1.0	-1.0
Corporate and Elimination	Net Sales	-16.9	-37.8	-14.5	-35.0	+2.8
	OP	-1.5	-2.9	-2.0	-3.5	-0.6
Consolidated	Net Sales	194.2	454.2	200.0	440.0	-14.2
	OP	15.7	34.6	13.5	30.0	-4.6

FY2013.3 Plan by Region



billion yen

		FY2012.3 1 st Half	FY2012.3 Full Year	FY2013.3 1 st Half Plan	FY2013.3 Full Year Plan	YOY (Full Year)
Japan	External Sales	165.2	378.3	166.5	357.0	-21.3
	OP	19.2	38.3	13.9	29.8	-8.5
Americas	External Sales	8.7	24.3	13.5	36.0	+11.7
	OP	-2.3	-2.8	0.3	1.5	+4.3
Europe	External Sales	11.8	33.3	12.5	32.0	-1.3
	OP	-1.5	-1.7	0.3	0.5	+2.2
Asia	External Sales	8.3	18.1	7.5	15.0	-3.1
	OP	1.7	3.2	0.5	1.2	-2.0
Corporate and Elimination	External Sales	—	—	—	—	—
	OP	-1.2	-2.4	-1.5	-3.0	-0.6
Consolidated	External Sales	194.2	454.2	200.0	440.0	-14.2
	OP	15.7	34.6	13.5	30.0	-4.6

* Figures are estimates based on management accounting.

Direction of Mid-term Plan

Mid-term Vision



Empower



Gain Momentum



**Accelerate
Evolution**

Achieve record profits.

**Operating Income
¥42.5 billion**

Achieve record profits.

**Implement a
growth strategy.**

**Net Sales
¥480 billion**

**Growth to generate
record sales.**

**Enhance our IP value
business model.**

**Acquire 30 million
BANDAI NAMCO
ID members.
Enhancement of
our IP model.**

Numerical Targets

Billion yen

FY 2015.3 Targets

Net Sales 480 billion yen

Operating Income 42.5 billion yen

ROE 10%

Upper Cell : Net Sales Lower Cell : Operating Income	FY2012.3 Results	FY2015.3 Targets
Toys and Hobby	177.9	220.0
	16.1	22.0
Content	225.5	220.0
	17.0	20.0
Amusement Facility	61.0	70.0
	2.3	3.5
Others	27.4	25.0
	2.0	1.0
Corporate and Elimination	-37.8	-55.0
	-2.9	-4.0
Consolidated	454.2	4,80.0
	34.6	42.5

Mid-term Plan: Focus Strategies

(1) Business Area Strategies

	Toys and Hobby	Content	Amusement Facility
 Basic Business Area Achieve profitable expansion in basic business area. Japan	Toys & Hobby (Japan)	Content (Japan) Arcade game, SNS, Visual & Music	Amusement Facility (Japan)
 Profit Recovering Area Recover low-profit and loss-making businesses. U.S., EU	Toys & Hobby (U.S. & EU)	Video Game Software (Worldwide)	
 New Growth Area Create and develop new growth area. Asia	Toys & Hobby (Asia)	Arcade Game (Asia)	Amusement Facility (Asia)

(2) Functional Strategies



Group-wide Network Strategy



Human Resources Strategy

Business Strategy

billion yen

	FY2011.3		FY2012.3		FY2013.3 (Plan)	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	72.2	158.3	81.6	177.9	78.0	170.0
Operating Income	7.0	13.8	8.9	16.1	6.5	15.0
OP Margin (%)	9.8%	8.7%	11.0%	9.1%	8.3%	8.8%

True globalization:

Become “the premier company”
in the character business
by spreading our
strength globally.

Focus Strategies

Carry out integrated brand management of
the U.S. and Europe.

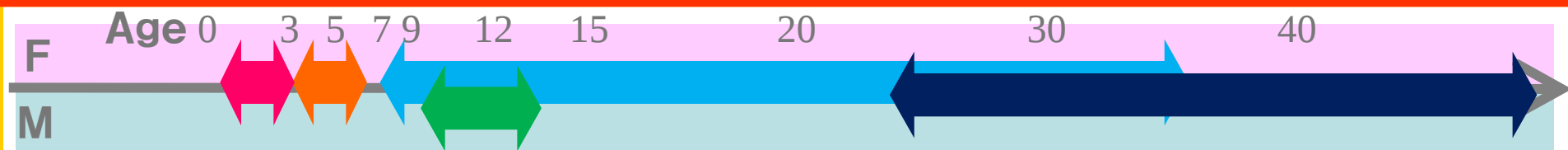
Conduct Japan-originated business activities
simultaneously in Asia.

Become overwhelming No. 1 in Japan.

Enhance competitiveness through value chain reform.

Toys and Hobby

Become overwhelming No. 1 in Japan.



Strengthen toys for pre-school boys and girls.

Strengthen card products.

Kamen Rider maintaining popularity.
Power Rangers starting well.
Pretty Cure toys selling through 200% YOY.



Keeping high market share and introducing new IPs.



Expand share for infants.

Gain No.1 share for elementary school boys.

Expand market for adults.



Starting special show for adults

BANDAI NAMCO Group

EU

Utilizing resources and
developing and selling new toys
with global market in mind.

U.S.

Concentrate development and
marketing resources in the U.S.



POWER RANGERS
SUPER SAMURAI :
Good Start !

Toys and Hobby

Conduct Japan-originated business activities simultaneously in Asia.



Information delivery

Delivering information directly by internet and events.

GUNDAM INFO.(Multi-languages)

Base for information delivery:
“Gundam Front Tokyo”



Product sales

Internet sales

Started in HK and China from April.



DATA CARDDASS

Started in 3 Asian countries.



BANDAI NAMCO Group

billion yen

	FY2011.3		FY2012.3		FY2013.3 (Plan)	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	71.4	179.9	86.7	225.5	95.0	220.0
Operating Income	-2.6	3.0	5.3	17.0	7.0	16.0
OP Margin (%)	—	1.7%	6.2%	7.5%	7.4%	7.3%

Become the No. 1 Content Company in Japan & borderless development:

Offer our customers any genre of content such as games, visual and music content, and also deliver them overseas.

Focus Strategies

Reconstruct existing business:
Strategy of achieving No. 1 share.

Maximize business integration
using IP as an axis.

Form a network strategy scheme.

Content

Reconstruct existing business:
Strategy of achieving No. 1 share.



Arcade game machines

Established + New series



Prize

Expanding new distributions.
Accelerate expansion into Asia.



Visual package software

Established + New IPs



Network content

Tie-up with
other categories.



BNDeNA's
1st content.



Expanding
online games.



Registered members for SNS: over 20 million.

BANDAI NAMCO Group



BANDAI NAMCO Studios

Established NAMCO BANDAI Studios

Clarification of responsibility
and authority.

Improving
development skills.
Speeding-up.

Motivating creators.

Creating strong
original IPs.



Strengthening IP-axis strategy.

Concentrate development function in Japan

Selection and concentration of game titles

Rate of unprofitable titles

FY2010.3: 50% → FY2012.3: 27%

Restructuring of US&EU organization

FY2012.3: First step completed.

→ Improve profitability by continuous restructuring and streamlining.

Franchise titles in FY2013.3

Title Name	Sales Plan
TEKKEN TAG TOURNAMENT 2	More than 2 million units
Soul Calibur V(US)	650K units
BEN10	400K units
NARUTO(US)	300K units

* Sales in Japan & EU of Soul Calibur V and NARUTO were recorded in FY2012.3.



Coping with the diversification of user needs.

Hybrid-package

Free content with item charge



High value-added products



Amusement Facility



billion yen

	FY2011.3		FY2012.3		FY2013.3 (Plan)	
	1 st Half	Full Year	1 st Half	Full Year	1 st Half	Full Year
Net Sales	31.6	62.3	31.3	61.0	30.5	60.0
Operating Income	1.5	1.7	1.8	2.3	1.5	1.5
OP Margin (%)	4.8%	2.9%	6.0%	3.9%	4.9%	2.5%

Focus Strategies

Advance marketing by customer segment.

Establish chain store management.

Develop models to utilize IP at facilities.

Explore overseas markets.

“Become an overwhelming leader in the market:

Strive to obtain 300% customer satisfaction and 30% market share”

Amusement Facility



Differentiated facilities unique to BANDAI NAMCO



Introducing New Power Rangers series for character-package corner.



Popular character events at NAMCO NAMJA TOWN.



Existing store sales YOY (Japan)

	1 st half	2 nd half	Full Year
FY2013.3 Plan	100%	100%	100%
FY2012.3 Results	103%	97%	100%

Expansion into Asia

Planning to open several facilities in the mid-term.



BANDAI NAMCO Group

Mid-term Vision



ACCELERATE EVOLUTION



GAIN MOMENTUM



EMPOWER

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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