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
Capital Investments	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 Entertainment	Segment sales	154.6	150.0	153.0	-1.6	+3.0
	Segment profit	23.4	21.0	24.9	+1.5	+3.9
Real Entertainment	Segment sales	46.0	50.0	46.8	+0.8	-3.2
	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

Results and Current Trends in Each 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

BLUEfin

Gundam plastic models

- Collaborating with *Mobile Suit Gundam* 40th anniversary animations
- Creating buzz with events in Japan and overseas

GBWC 2019
GUNPLA BUILDERS WORLD CUP
World Championship

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.

Results and Current Trends in Each Business

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

ZENONZARD

Results and Current Trends in Each Business

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.
  New titles: Favorable results with *GUNDAM BREAKER MOBILE*
- CE: Release of *CODE VEIN* at end of 2nd quarter
  Favorable repeat sales

Network Content

- Titles planned for future introduction

ソードアート・オンライン
SWORD ART ONLINE
アリシゼーション・ブレイディング

New *Sword Art Online* game

- Business alliance with Crunchyroll
  NARUTO X BORUTO NINJA TRIBES
- Joining Apple Arcade
  PAC-MAN PARTY ROYALE

Results and Current Trends in Each Business

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

DRAGON BALL Z
KAKAROT
カカロット

New entertainment fields

・Holding BANDAI NAMCO Entertainment festival

・Sports entertainment
Professional basketball team management

バンダイナムコ
エンターテインメント
フェスティバル

Results and Current Trends in Each Business

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

アニメとゲームに入る場所
MAZARIA

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

ジョジョの奇妙な冒険 The Animation

Results and Current Trends in Each Business

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

Rifle is Beautiful

Official idol unit *Rifling4* currently active

New initiatives in IP creation

FUTSAL BOYS!!!!!

Collaboration among anime, game app, and futsal events

Start of new projects

Results and Current Trends in Each Business

I P 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

GUNDAM Channel

Number of channel subscribers surpassed 260,000

Stepping up IP roll-outs

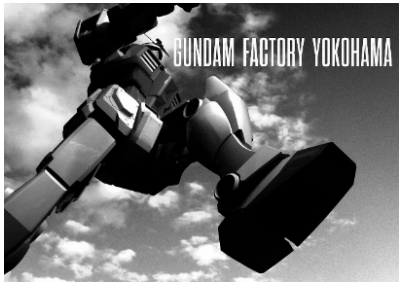
echoes

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

IP AXIS 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

CHANGE for the NEXT

挑戦 成長 進化

EMPOWER GAIN MOMENTUM ACCELERATE EVOLUTION

BANDAI NAMCO

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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