

# **Bandai Namco Group Information Meeting Fiscal Year Ending March 2024 Third Quarter Results Presentation**

---

February 14, 2024



# Results in the First Nine Months of FY2024.3 – Key Points

|  |                             |                             | billions yen                   |
|--|-----------------------------|-----------------------------|--------------------------------|
|  | FY2023.3<br>1st Nine Months | FY2024.3<br>1st Nine Months | Vs. Previous Year's<br>Results |
| <b>Net Sales</b>                                   | 743.1                       | <b>772.0</b>                | +28.9                          |
| <b>Operating Profit</b>                            | 106.2                       | <b>78.2</b>                 | -28.0                          |
| <b>Recurring Profit</b>                            | 116.9                       | <b>89.6</b>                 | -27.3                          |
| <b>Profit Attributable to<br/>Owners of Parent</b> | 84.4                        | <b>60.3</b>                 | -24.1                          |

## ▪ Net Sales

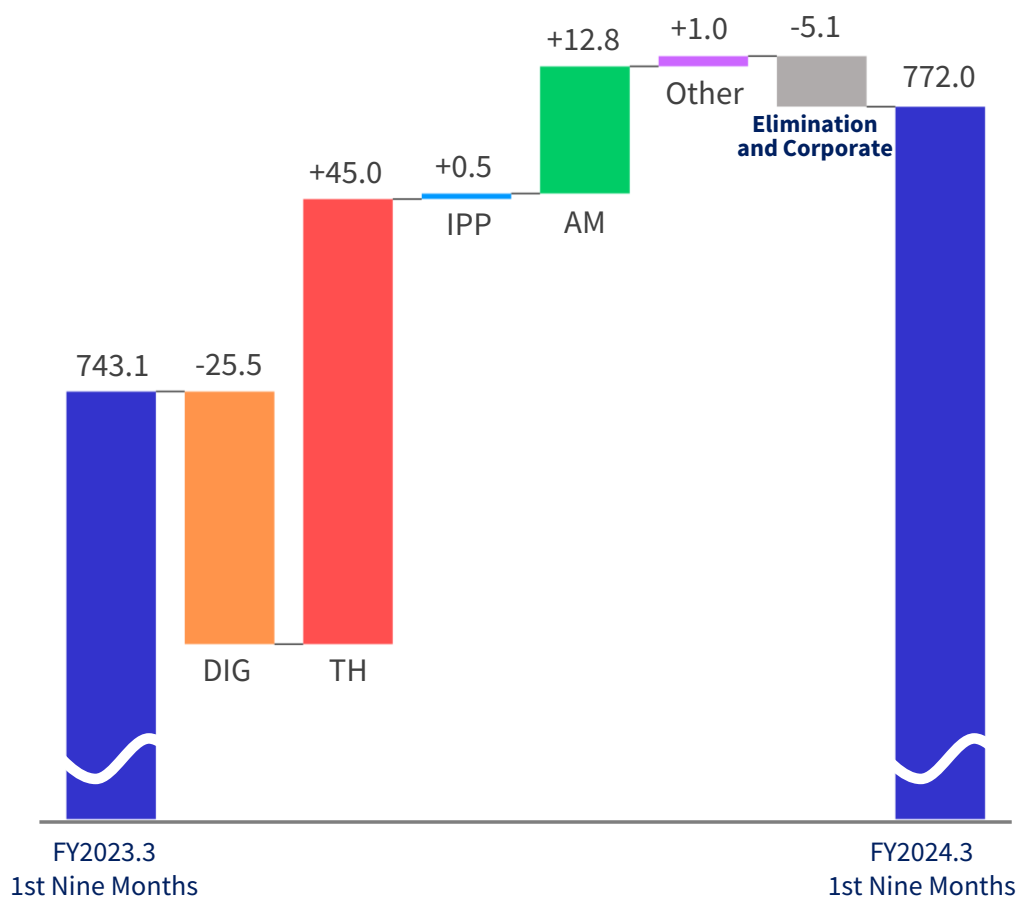
- We achieved a record-high level of net sales.
- We demonstrated our market presence with established IP products and services, such as *Gundam*, *DRAGON BALL*, and *ONE PIECE*, etc.

## ▪ Operating Profit

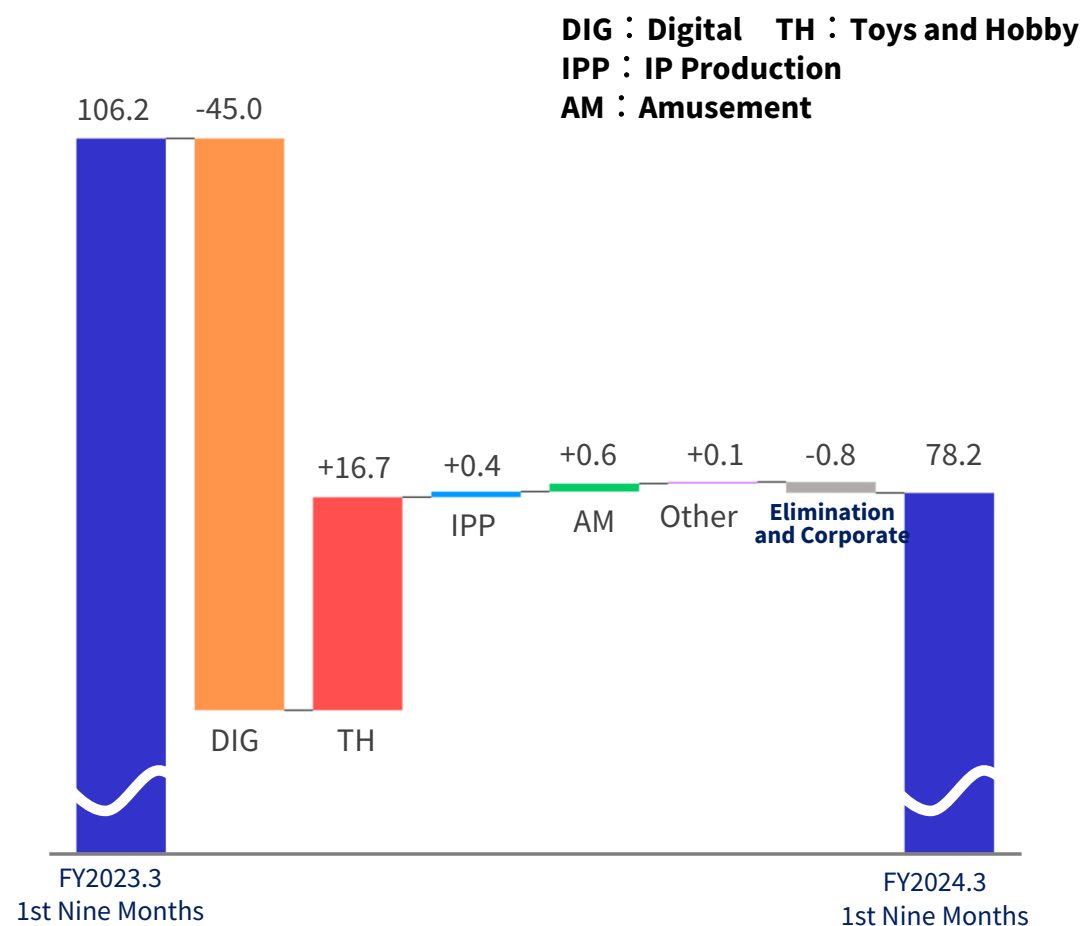
- In the Digital business, we recorded a valuation loss, as well as a disposal loss that resulted from reevaluation of the title lineup with a focus on the next Mid-term Plan.

# YoY Change in Net Sales and Operating Profit for the Nine-Month Period

## Net Sales



## Operating Profit



# Forecast for Full-Year of FY2024.3

billion yen

|  | FY2023.3<br>Full-Year Results | FY2024.3<br>Full-Year Forecast | Vs. Previous Year's Results |
|--|-------------------------------|--------------------------------|-----------------------------|
| <b>Net Sales</b>                                   | 990.0                         | <b>1,000.0</b>                 | +10.0                       |
| <b>Operating Profit</b>                            | 116.4                         | <b>82.0</b>                    | -34.4                       |
| <b>Recurring Profit</b>                            | 128.0                         | <b>93.0</b>                    | -35.0                       |
| <b>Profit Attributable to<br/>Owners of Parent</b> | 90.3                          | -                              | -                           |

- **Net Sales**

We are forecasting higher sales YoY.

- **Operating Profit**

We are forecasting lower profits due to a valuation loss and a disposal loss in the Digital business.

# Forecast for Full-Year of FY2024.3

|                                      |                  | billion yen         |  |  |                                   |                          |
|--------------------------------------|------------------|---------------------|--|--|-----------------------------------|--------------------------|
|                                      |                  | FY2023.3<br>Results | FY2024.3<br>Previous Full-Year<br>Forecast | FY2024.3<br>Latest Full-Year<br>Forecast | Vs. Previous<br>year's<br>Results | Vs. Previous<br>Forecast |
| <b>Digital</b>                       | Segment sales    | 385.6               | 360.0                                      | 360.0                                    | -25.6                             | ±0                       |
|                                      | Segment profit   | 49.3                | 41.0                                       | 1.0                                      | -48.3                             | -40.0                    |
| <b>Toys and Hobby</b>                | Segment sales    | 447.4               | 480.0                                      | 490.0                                    | +42.6                             | +10.0                    |
|                                      | Segment profit   | 59.5                | 75.0                                       | 76.0                                     | +16.5                             | +1.0                     |
| <b>IP Production</b>                 | Segment sales    | 81.7                | 83.0                                       | 80.0                                     | -1.7                              | -3.0                     |
|                                      | Segment profit   | 10.6                | 11.0                                       | 9.0                                      | -1.6                              | -2.0                     |
| <b>Amusement</b>                     | Segment sales    | 104.6               | 110.0                                      | 110.0                                    | +5.4                              | ±0                       |
|                                      | Segment profit   | 6.0                 | 8.0  | 8.0                                      | +2.0                              | ±0                       |
| <b>Other</b>                         | Segment sales    | 31.3                | 31.0                                       | 31.0                                     | -0.3                              | ±0                       |
|                                      | Segment profit   | 1.1                 | 1.0  | 1.0                                      | -0.1                              | ±0                       |
| <b>Elimination and<br/>Corporate</b> | Segment sales    | -60.7               | -64.0                                      | -71.0                                    | -10.3                             | -7.0                     |
|                                      | Segment profit   | -10.2               | -11.0                                      | -13.0                                    | -2.8                              | -2.0                     |
| <b>Consolidated</b>                  | Net sales        | 990.0               | 1,000.0                                    | 1,000.0                                  | +10.0                             | ±0                       |
|                                      | Operating profit | 116.4               | 125.0                                      | 82.0                                     | -34.4                             | -43.0                    |

# Partial Sale of Investment Securities

■ Shares to be sold

**Common stock of Toei Animation Co., Ltd.: 3,113,300 shares**

(as one of the selling shareholders taking part in a secondary offering of common stock to be conducted by Toei Animation)

\* Accompanying the secondary offering, in light of domestic demand and other conditions, a Japanese lead manager of the secondary offering may sell in Japan an over-allotment of a maximum 583,900 shares of common stock of Toei Animation it will borrow from Bandai Namco Holdings.

■ Sale price

**Undetermined**

(Scheduled to be determined on a date between February 27, 2024, and March 4, 2024)

In the fourth quarter of FY2024.3, we plan to record extraordinary income (gain on sale of investment securities) accompanying the secondary offering.

# Trends in the Digital Business

## Entertainment Unit

### Overview of the 1st nine months of FY2024.3

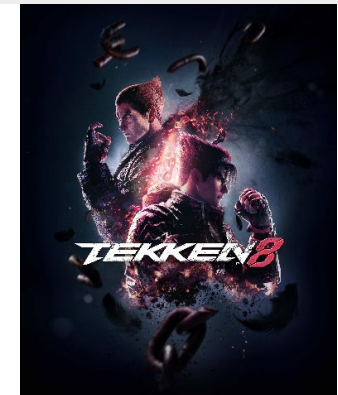
- Major app titles recorded favorable results.
- Results of new online game fell short of planned levels by a substantial margin.
- *ARMORED CORE VI FIRES OF RUBICON*, a new home console game, recorded favorable results.
- Lower sales of home console game repeat titles and YoY differences in the product mix had an effect.
- We recorded a valuation loss for new online game, etc., as well as a disposal loss that resulted from reevaluation of the title lineup.

### Strengthening title development system

- Reevaluating lineup of titles in development, with a focus on the next Mid-term Plan
- Implementing stricter title screening
- Implementing strategic development based on an optimal portfolio that reflects multi-faceted viewpoints
- Strengthening management of entire development process through collaboration with Bandai Namco Studio Inc.



Popular worldwide



Gain high acclaim from fans



Developing



# Trends in the Toys and Hobby Business

## Entertainment Unit

### Overview of the 1st nine months of FY2024.3

- Categories with favorable results continued to make a contribution worldwide (including products for the mature fan base, capsule toys, card games, and confectionery/food).
  - In each category, we strengthened product lineups, global development initiatives, and production systems.
- We strengthened touchpoints with fans, such as shops, around the world.
- We are aiming for record-high results for the full fiscal year.

## Implementing global development, strengthening IP portfolio

Expanding fan touchpoints and strengthening production systems



### ONE PIECE CARD GAME ワンピースカードゲーム



### DRAGON BALL CARD GAME Fusion World



Launching new products in **BANDAI/**  
**CARD GAMES**(trading card games)



Established IP + New IP



# Trends in the IP Production Business

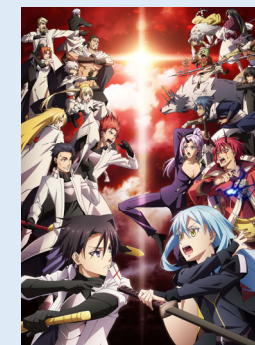
## IP Production Unit

### Overview of the 1st nine months of FY2024.3

- Despite higher costs for visual products, contributions to sales of Group products and services were made by *Mobile Suit Gundam THE WITCH FROM MERCURY* and others.
- GUNDAM FACTORY YOKOHAMA had favorable results to address inbound demand.
- Sales of packaged products were influenced by lineup differences.



Favorable results with initiatives to address inbound demand (ending March 31)



Visual works scheduled for release in FY2025.3

Now Showing as a major hit! --> Future plans call for release in stages in a variety of countries and regions.

# Trends in the Amusement Business

## Amusement Unit

### Overview of the 1st nine months of FY2024.3

- Sales were up 2.4% YoY at existing amusement facilities in Japan.
- Facilities leveraging collaboration with the Group's IP, products, and services, such as Bandai Namco Cross Store, had favorable results worldwide.
- Sales of amusement machines were favorable (including Mobile Suit Gundam: Extreme Vs. 2 Over Boost).



**Opening Bandai Namco Cross Store facilities worldwide**



**Launching new works in popular series**



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.



## **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.

# **Bandai Namco Group Information Meeting Fiscal Year Ending March 2024 Third Quarter Results Presentation**

---

February 14, 2024

