



BANDAI NAMCO Holdings Inc.

Consolidated Financial Report for the Second Quarter of the Fiscal Year Ending March 31, 2016

November 5, 2015

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- This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectations.

BANDAI NAMCO Holdings Inc.

Stock Listing: Tokyo Stock Exchange

Code Number: 7832

(URL: <http://www.bandainamco.co.jp/>)

November 5, 2015

Consolidated Financial Report for the Second Quarter of the Fiscal Year Ending March 31, 2016 (Japanese GAAP)

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Scheduled filing date of the quarterly security report: November 11, 2015
Scheduled starting date for dividend payments: December 7, 2015
The additional materials of the Financial Results for the Quarter: Yes
The information session of the Financial Results for the Quarter: Yes (for institutional investors and analysts)

* Figures are in millions of yen, rounded down

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to September 30, 2015)

(1) Consolidated Operating Results (For the Six Months Ended September 30, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income	
	¥ million	%	¥ million	%	¥ million	%
Second Quarter of the Fiscal Year Ending March 31, 2016	272,780	5.2	31,160	(2.2)	33,215	(0.5)
Second Quarter of the Fiscal Year Ended March 31, 2015	259,333	13.5	31,875	20.8	33,389	16.9

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
Second Quarter of the Fiscal Year Ending March 31, 2016	22,762	7.0	103.61	103.59
Second Quarter of the Fiscal Year Ended March 31, 2015	21,272	8.5	96.83	96.81

(Note) Comprehensive income: 21,075 million yen [(5.8)%] (FY2016.3 2Q), 22,382 million yen [(9.1)%] (FY2015.3 2Q)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of September 30, 2015	428,059	313,641	73.1
As of March 31, 2015	441,763	303,512	68.6

(Reference) Equity: 313,090 million yen (as of September 30, 2015), 302,893 million yen (as of March 31, 2015)

2. Cash Dividends

	Annual cash dividends				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal Year Ended March 31, 2015	–	¥12.00	–	¥50.00	¥62.00
Fiscal Year Ending March 31, 2016	–	¥12.00			
Fiscal Year Ending March 31, 2016 (Projections)			–	¥12.00	¥24.00

(Note) Revision to the projections of cash dividends for the Fiscal Year Ending March 31, 2016: No
Concerning the projected amount of the year-end cash dividend for the fiscal year ending March 31, 2016, the stable dividend portion is stated based on the Company's basic policy on the distribution of profits. The year-end cash dividend for the fiscal year ending March 31, 2016, is scheduled to be resolved by the Company in light of the consolidated operating results and other factors.

3. Consolidated Projections for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	560,000	(1.0)	50,000	(11.2)	52,000	(12.4)	34,000	(9.5)	154.77

(Note) Revision to the projections: Yes
Consolidated projections for the full fiscal year ending March 31, 2016 (announced on May 8, 2015) are revised in this document. For details of the revisions to the consolidated projections, please refer to "Notice Regarding Differences Between Consolidated Projections and Actual Results for the Second Quarter (Six Months) and Revisions to Consolidated Projections for the Full Fiscal Year" announced today (November 5, 2015).

* Notes

(1) Changes in Significant Subsidiaries during the Period

(Changes in Specified Subsidiaries Resulting in the Change in Scope of Consolidation): No

(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements: Yes

(Note) For more details, please refer to the section of "(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements" of "2. Matters Regarding Summary Information (Notes)" on page 5 of the attached material.

(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement

a) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

b) Changes in accounting policies due to revisions to other reasons: No

c) Changes in accounting estimation: No

d) Restatement: No

(Note) For more details, please refer to the section of "(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement" of "2. Matters Regarding Summary Information (Notes)" on page 5 of the attached material.

(4) Number of Issued Shares (Common Stock)

a) Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2015 222,000,000 shares

As of March 31, 2015 222,000,000 shares

b) Number of shares of treasury stock at the end of the period

As of September 30, 2015 2,321,116 shares

As of March 31, 2015 2,316,797 shares

c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the Second Quarter of the Fiscal Year Ending March 31, 2016 219,679,874 shares

For the Second Quarter of the Fiscal Year Ended March 31, 2015 219,686,883 shares

* Implementation status of quarterly review

This Consolidated Financial Report for the Second Quarter was exempt from quarterly review which was based on Financial Instruments and Exchange Law of Japan. As of the second quarter disclosing, quarterly review for the consolidated financial statements is under way.

* Explanation on appropriate use of the projections of business results, etc.

- Forward-Looking Statements:

This document contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of publication and those forward-looking statements do not purport to be a promise by the Company to achieve such results. A number of factors could cause actual results to differ materially from expectations. Please refer to the section of "(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements" of "1. Qualitative Information Regarding Consolidated Results for the Second Quarter" on page 4 of the attached material for matters pertaining to the earnings projections.

- To obtain the additional materials:

The additional materials of the Financial Results for the Quarter will be posted on the Company's website on November 5, 2015.

Attached Material

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1. Qualitative Information Regarding Consolidated Results for the Second Quarter

(1) Explanation Regarding Operating Results

During the second quarter (six months) of the fiscal year ending March 31, 2016, the Japanese economy continued to recover overall, supported by a recovery in personal consumption, improved corporate profitability, and growth in purchasing demand from overseas visitors. However, the outlook for the overall economy remained uncertain. Overseas, the global economy recovered at a moderate pace overall, despite signs of more subdued growth in some regions.

In this environment, the BANDAI NAMCO Group (“the Group”) implemented various measures aimed at medium- to long-term growth, focusing on strengthening its “IP (Intellectual Property: intellectual property of characters) Axis Strategy” to expand the value of its IPs by providing the best products and services at the best possible times, under the concept of “NEXT STAGE: Empower, Gain Momentum, and Accelerate Evolution,” which is the vision of the Group’s three-year Mid-term Plan, started in April 2015. The Group also strengthened business development in the Asian region with high growth potential. On the business front, there were favorable sales in the Toys and Hobby Business in Japan and the Asian region, network content and overseas home video game software in the Network Entertainment Business, and the Visual and Music Production Business.

Consequently, the Group’s consolidated results for the second quarter (six months) were net sales of 272,780 million yen (year-on-year increase of 5.2%), operating income of 31,160 million yen (year-on-year decrease of 2.2%), recurring income of 33,215 million yen (year-on-year decrease of 0.5%), and profit attributable to owners of parent of 22,762 million yen (year-on-year increase of 7.0%).

Operating Results by Segment

Operating results by segment are as follows.

Effective from the first quarter of the fiscal year ending March 31, 2016, the Group changed the classification of its reportable segments. Consequently, in year-on-year comparisons the figures for the same period of the previous fiscal year have been restated into the figures for the classifications after the change.

Toys and Hobby Business

In the Toys and Hobby Business, in Japan, there were strong sales of long-established IP products such as *Mobile Suit Gundam* and *Dragon Ball*, as well as products of *Yo-kai Watch*. Collectable toys for adults expected to contribute to broadening its base of target customers also became popular.

Overseas, in the Asian region, products of *Mobile Suit Gundam* and *Yo-kai Watch*, collectable toys for adults, and others, became popular. In North America and Europe, products of the *Power Rangers* series sold steadily. In addition, certain results were realized by changing to a system that controls functions such as planning and development in Japan, and creates dedicated sales and marketing in North America and Europe.

As a result, net sales in the Toys and Hobby Business were 103,985 million yen (year-on-year decrease of 2.2%), and segment income was 11,571 million yen (year-on-year increase of 19.0%).

Network Entertainment Business

In the Network Entertainment Business, in North America and Europe, repeat sales of products including the home video game software *DRAGONBALL XENOVERSE*, which was launched in the previous fiscal year, and sales of new titles of the BANDAI NAMCO Group and local third-party titles were strong. Moreover, in network content such as social games, game applications for smartphones and PC online games, key titles already existing in Japan retained stable popularity, and the new title *The iDOLM@STER Cinderella Girls: Starlight Stage* started favorably and contributed to performance. The Group also started provision of services overseas, including the Asian region. In addition, in amusement facilities, the Group started implementing a range of measures, including developing and strengthening value chains in amusement equipment and facilities and targeting resources on key facilities, resulting in efforts such as boosting efficiency.

As a result, net sales in the Network Entertainment Business were 147,208 million yen (year-on-year increase of 9.9%), and segment income was 14,774 million yen (year-on-year increase of 2.8%).

Visual and Music Production Business

In the Visual and Music Production Business, *LoveLive! School idol project*, which is IP for which visual content was developed in conjunction with music content and live events, became popular due to synergies with a movie release and products and services. In addition, visual package software of *Mobile Suit Gundam THE ORIGIN I Blue-Eyed Casval* sold favorably, contributing to performance. However, profits declined from the same period a year earlier, when high-margin businesses performed strongly.

As a result, net sales in the Visual and Music Production Business were 23,582 million yen (year-on-year increase of 5.4%), and segment income was 5,910 million yen (year-on-year decrease of 26.1%).

Other Businesses

Other Businesses consist of companies that conduct businesses such as logistics support, printing, and other kinds of administration and operational support for each of the Group's strategic business units: Toys and Hobby SBU, Network Entertainment SBU, and Visual and Music Production SBU. We are making efforts to manage such operations related to group support in an efficient manner.

As a result, net sales in the Other Businesses were 13,488 million yen (year-on-year increase of 0.0%), and segment income was 528 million yen (year-on-year decrease of 43.0%).

(2) Explanation Regarding Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2016, total assets stood at 428,059 million yen, a decrease of 13,704 million yen from the end of the previous fiscal year. The main factors were decreases of 6,050 million yen in cash and time deposits and 16,286 million yen in trade receivables, while there were increases of 1,942 million yen in finished goods and merchandise, and 7,152 million yen in work in process.

Total liabilities amounted to 114,417 million yen, a decrease of 23,833 million yen from the end of the previous fiscal year. The main factors were decreases of 2,399 million yen in trade payables, 9,441 million yen in accounts payable-other included in other current liabilities, 4,101 million yen in accrued employee bonuses included in other current liabilities due to employee bonuses paid, and 1,121 million yen in long-term borrowings included in other long-term liabilities due to repayment.

Total net assets stood at 313,641 million yen, an increase of 10,129 million yen from the end of the previous fiscal year. The main factors were an increase of 11,772 million yen in retained earnings thanks to the recording of 22,762 million yen in profit attributable to owners of parent, despite a decrease in deferred gains or losses on hedges of 1,053 million yen, and cash dividends paid of 10,989 million yen.

As a result, the equity ratio became 73.1% compared with 68.6% at the end of the previous fiscal year.

(3) Explanation Regarding Consolidated Projections and Other Forward-Looking Statements

Looking ahead, although there are bright signs in Japanese and overseas economic trends, the business environment is expected to remain beset by uncertainties, including the impact on personal consumption from uncertainty in the overall economy as well as economic trends in Europe. Such factors are also expected to have an impact on the entertainment industry, in which the Group is extensively involved, resulting in ongoing uncertainty in this business environment.

Facing these circumstances, the Group started a new Mid-term Plan with the vision “NEXT STAGE: Empower, Gain Momentum, and Accelerate Evolution” in April 2015. In the Mid-term Plan, the Group will further strengthen the “IP Axis Strategy” to expand the value of its IPs through taking advantage of the worldview and unique characteristics of its IPs and providing the best products and services at the best possible times. In addition, aiming towards growing in the global market, the Group will further strengthen business development in the area of high growth potential, which is the Asian region.

For its main strategies in the Mid-term Plan, the Group will implement Business Strategies to “Accelerate Evolution in IP Axis Strategy,” Region Strategies to “Gain Momentum in Global Markets” and Functional Strategies to “Empower and Innovate Business Model.” In its Business Strategies to “Accelerate Evolution in IP Axis Strategy,” the Group will not only cultivate Group IP by such means as creating and obtaining IP, but also expand new IP business such as live events, expand its target markets, and strengthen collaboration among its businesses. In its Region Strategies to “Gain Momentum in Global Markets,” the Group will not only maintain its pursuit of becoming No. 1 in each of its markets in Japan, but also proactively expand its business in Asia, where there is a promising outlook for future growth. In Americas and Europe, the Group will implement initiatives aimed at maintaining its business foundations and expanding its businesses. Furthermore, in its Functional Strategies to “Empower and Innovate Business Model,” the Group will create and cultivate new IP business for the next generation and push ahead with creating foundations for the implementation of its IP axis strategy in global markets.

In order to carry out these initiatives, in April 2015, the Group changed its organizational structure into one centered on three SBUs (Strategic Business Units): the Toys and Hobby SBU, the Network Entertainment SBU, and the Visual and Music Production SBU. The Group will push ahead with its strategies with a focus on these three SBUs. The Toys and Hobby SBU will aim to strengthen the IP axis strategy and gain momentum in global markets, the Network Entertainment SBU will aim to deploy a new business that goes beyond the framework of the existing game business and fuses networks and entertainment, and the Visual and Music Production SBU will create IP and strengthen the Group’s business deployment as it looks toward new outlets.

Going forward, the Group will continue to implement a range of measures to respond rapidly and flexibly to the fast-changing entertainment market based on constant monitoring of conditions in the Group and the operating environment.

The Group will push ahead with the various strategies in the Mid-term Plan, and aims to achieve the following numerical targets for the fiscal year ending March 31, 2018: net sales of 600,000 million yen, operating income of 60,000 million yen, and ROE of at least 10%.

In light of results in the second quarter (six months) and recent business trends in each business, the Group has revised its consolidated projections for the fiscal year ending March 31, 2016, which were announced on May 8, 2015, as shown in the table below.

Revisions to the consolidated projections for the fiscal year ending March 31, 2016

(April 1, 2015 to March 31, 2016)

	Net Sales	Operating Income	Recurring Income	Profit Attributable to Owners of Parent	Basic Earnings per Share
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	¥
Previous projections (A)	530,000	45,000	46,000	30,000	136.56
Revised projections (B)	560,000	50,000	52,000	34,000	154.77
Change in amount (B-A)	30,000	5,000	6,000	4,000	–
Change (%)	5.7	11.1	13.0	13.3	–
Reference: Results for the previous fiscal year (April 1, 2014 to March 31, 2015)	565,486	56,320	59,383	37,588	171.10

2. Matters Regarding Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements

Calculation of taxes

Taxes are calculated first by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes and minority interests for the fiscal year including the current second quarter, and next by multiplying the income before income taxes and minority interests by such estimated effective tax rate.

(3) Changes in Accounting Policies, Changes in Accounting Estimation and Restatement

Changes in Accounting Policies

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013), etc. Accordingly, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as additional paid-in capital, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the first quarter of the fiscal year ending March 31, 2016, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period to which the date of business combination belongs. In addition, the presentation method for "net income" and other related items was changed, and the presentation of "minority interests" was changed to "non-controlling interests." To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the previous second quarter (six months) and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the first quarter of the fiscal year ending March 31, 2016.

The effect of this change on the quarterly consolidated financial statements for the second quarter (six months) is immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2015)	Current 2nd quarter (As of September 30, 2015)
Assets		
Current assets		
Cash and time deposits	153,541	147,491
Trade receivables	87,875	71,589
Finished goods and merchandise	14,563	16,505
Work in process	23,183	30,335
Raw materials and supplies	5,164	4,795
Other current assets	33,643	32,883
Allowance for doubtful receivables	(455)	(495)
Total current assets	317,516	303,105
Fixed assets		
Property, plant and equipment	53,260	53,589
Intangible assets	10,275	10,219
Investments and other assets		
Other investments and assets	61,733	62,064
Allowance for doubtful receivables	(1,022)	(920)
Total investments and other assets	60,710	61,143
Total fixed assets	124,247	124,953
Total assets	441,763	428,059

(¥ million)

	Prior Fiscal Year (As of March 31, 2015)	Current 2nd quarter (As of September 30, 2015)
Liabilities		
Current liabilities		
Trade payables	57,257	54,858
Accrued income taxes	7,063	5,497
Provision	2,768	2,357
Other current liabilities	56,046	37,513
Total current liabilities	123,136	100,226
Long-term liabilities		
Provision	136	112
Net defined benefit liability	7,999	8,060
Other long-term liabilities	6,978	6,017
Total long-term liabilities	15,114	14,191
Total liabilities	138,250	114,417
Net assets		
Stockholders' equity		
Common stock	10,000	10,000
Additional paid-in capital	52,246	52,246
Retained earnings	244,274	256,047
Treasury stock	(2,403)	(2,409)
Total stockholders' equity	304,118	315,884
Accumulated other comprehensive income		
Unrealized gains or losses on other securities	6,757	6,400
Deferred gains or losses on hedges	1,300	246
Revaluation reserve for land	(5,695)	(5,695)
Foreign currency translation adjustment	(1,542)	(1,848)
Remeasurements of defined benefit plans	(2,045)	(1,898)
Total accumulated other comprehensive income	(1,224)	(2,793)
Subscription rights to shares	44	99
Non-controlling interests	575	451
Total net assets	303,512	313,641
Total liabilities and net assets	441,763	428,059

(2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income**(Consolidated Statements of Operations)**

	(¥ million)	
	Prior 2nd quarter (From April 1, 2014 to September 30, 2014)	Current 2nd quarter (From April 1, 2015 to September 30, 2015)
Net sales	259,333	272,780
Cost of sales	155,674	169,324
Gross profit	103,659	103,456
Selling, general and administrative expenses	71,783	72,296
Operating income	31,875	31,160
Non-operating income		
Equity in gain of affiliated companies	527	1,432
Other non-operating income	1,124	841
Total non-operating income	1,652	2,273
Non-operating expenses		
Loss on valuation of derivatives	–	85
Loss on investments in partnerships	45	51
Other non-operating expenses	93	81
Total non-operating expenses	138	217
Recurring income	33,389	33,215
Extraordinary income		
Gain on sales of fixed assets	15	50
Other extraordinary income	416	5
Total extraordinary income	432	56
Extraordinary loss		
Loss on impairment of fixed assets	1,357	361
Other extraordinary loss	171	94
Total extraordinary loss	1,528	455
Income before income taxes and minority interests	32,293	32,816
Income taxes	11,017	10,171
Profit	21,275	22,645
Profit (loss) attributable to non-controlling interests	3	(117)
Profit attributable to owners of parent	21,272	22,762

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior 2nd quarter (From April 1, 2014 to September 30, 2014)	Current 2nd quarter (From April 1, 2015 to September 30, 2015)
Profit	21,275	22,645
Other comprehensive income		
Unrealized gains or losses on other securities	(1,232)	(358)
Deferred gains or losses on hedges	394	(1,046)
Foreign currency translation adjustment	1,794	(281)
Remeasurements of defined benefit plans, net of tax	129	146
Share of other comprehensive income of associates accounted for using equity method	19	(30)
Total other comprehensive income	1,106	(1,569)
Comprehensive income	22,382	21,075
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	22,375	21,192
Comprehensive income attributable to non-controlling interests	7	(117)

(3) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Notes on Significant Changes in the Amount of Stockholders' Equity)

Not applicable.

(Segment Information)

Segment Information

I. Prior 2nd quarter (From April 1, 2014 to September 30, 2014)

1. Information regarding the amounts of net sales and income/loss by reportable segment

(¥ million)

	Reportable Segments				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Total (Note 3)
	Toys and Hobby Business	Network Entertainment Business	Visual and Music Production Business	Subtotal				
Net sales								
To external customers	101,491	131,776	21,125	254,393	4,940	259,333	–	259,333
Inter-segment sales and transfers	4,874	2,227	1,239	8,341	8,547	16,889	(16,889)	–
Total	106,366	134,004	22,364	262,735	13,487	276,222	(16,889)	259,333
Segment income	9,721	14,375	7,992	32,088	928	33,016	(1,141)	31,875

- Notes:
1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and printing for each of the Group’s strategic business units are classified.
 2. Included in the 1,141 million yen deducted from segment income as adjustment are an addition of 128 million yen in inter-segment eliminations, and a deduction of 1,269 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
 3. Segment income is adjusted with operating income in the consolidated statements of operations.

2. Information regarding loss on impairment of fixed assets and goodwill by reportable segment

(Material loss on impairment of fixed assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.

II. Current 2nd quarter (From April 1, 2015 to September 30, 2015)

1. Information regarding the amounts of net sales and income/loss by reportable segment

(¥ million)

	Reportable Segments				Other (Note 1)	Total	Adjustments (Note 2)	Consolidated Total (Note 3)
	Toys and Hobby Business	Network Entertainment Business	Visual and Music Production Business	Subtotal				
Net sales								
To external customers	100,372	145,755	21,960	268,089	4,691	272,780	–	272,780
Inter-segment sales and transfers	3,612	1,452	1,621	6,686	8,796	15,483	(15,483)	–
Total	103,985	147,208	23,582	274,775	13,488	288,264	(15,483)	272,780
Segment income	11,571	14,774	5,910	32,256	528	32,785	(1,625)	31,160

- Notes:
1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services and printing for each of the Group’s strategic business units are classified.
 2. Included in the 1,625 million yen deducted from segment income as adjustment are an addition of 106 million yen in inter-segment eliminations, and a deduction of 1,731 million yen in corporate expenses that cannot be allocated to any reportable segment. The corporate expenses are mainly costs related to the administration division that has not been attributed to a reportable segment.
 3. Segment income is adjusted with operating income in the consolidated statements of operations.

2. Information regarding change to reportable segments, etc.

The Group reviewed its organizational structure with the aim of implementing a range of initiatives defined as main strategies in its Mid-term Plan, which was started in April 2015. In line with this review, effective from the first quarter of the fiscal year ending March 31, 2016, the Group changed the classification of its reportable segments from the previous classifications of the “Toys and Hobby Business,” the “Content Business,” and the “Amusement Facility Business” to the “Toys and Hobby Business,” the “Network Entertainment Business,” and the “Visual and Music Production Business.”

Segment information of the previous second quarter (six months) is prepared and disclosed based on the reportable segment classifications after the organizational change.

3. Information regarding loss on impairment of fixed assets and goodwill by reportable segment

(Material loss on impairment of fixed assets)

Not applicable.

(Material changes in the amount of goodwill)

Not applicable.

(Material gains on negative goodwill)

Not applicable.