













# Themes of Each SBU's Major Activities: FY2017.3 Progress Report





The BANDAI NAMCO Group's SBUs and Affiliated Business Companies have formulated mid-term plans for the Group's Important CSR Themes and are implementing initiatives on that basis. Under these mid-term plans, major initiative themes are established, and measures and road-maps are determined for each theme. The Group CSR Committee and CSR Subcommittee confirm and review progress with activities. Under the three-year Mid-term Plan that started in April 2015, the status of the activities of the SBUs and Affiliated Business Companies is as follows.

BANDAI NAMCO Group's Important CSR Themes: ① Safety and Cleanliness of Products and Services			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Toys and Hobby SBU	Focusing on safety and peace of mind		<ul style="list-style-type: none"> <li>Continuing to hold the Product Safety Forum once a year for employees, with exhibitions regarding product safety and product accident response training</li> <li>Holding five study sessions with cooperating manufacturers, including both lectures and workshops ⇒ Average satisfaction level of participants: 93.2% (Target: 80% or more)</li> <li>Periodically reevaluating BANDAI quality standards and implementing revisions for 35 items</li> </ul>
Network Entertainment SBU (Content)	Advancing safe, secure manufacturing		<ul style="list-style-type: none"> <li>Holding "Exhibitions to Improve Product Quality and Safety," "Exhibitions of Product Problems," etc., for employees, with the objective of sharing information about examples of defects, new laws and regulations, etc. Employee attendance more than 150% versus FY2016.3</li> <li>Reviewing quality standard manual for product safety and durability, etc., and revising it twice per year</li> <li>Newly formulating guidelines related to virtual reality (VR)</li> <li>Implementing on-site lessons in "Product Safety Education" for 68 fifth grade students at elementary schools in Tokyo</li> </ul>

BANDAI NAMCO Group's Important CSR Themes: ① Safety and Cleanliness of Products and Services			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Network Entertainment SBU (Amusement Facilities)	Creating safe, secure facilities		<ul style="list-style-type: none"> <li>Promoting acquisition of AOU Youth Advisor certification ⇒ Of 248 employees working at amusement facilities, 187 have certification Acquisition rate: 75.4% (Target: 85%)</li> <li>Promoting acquisition of service skills certification ⇒ % of employees who are certified: 82.7% (Target: 100%)</li> <li>Implementing checks related to facility safety ⇒ Implementing facility safety checks twice per year, electrical equipment check evaluations at a total of 14 facilities, and periodic checks at kids-spaces and large-scale entertainment areas.</li> <li>Implementing independent checks related to food safety ⇒ Implementing food safety inspections twice per year</li> </ul>
Visual and Music Production SBU	Product safety standard initiatives		<ul style="list-style-type: none"> <li>Revising product labeling manual</li> <li>Implementing monthly observation of manufacturing process for new packaging</li> </ul>
Affiliated Business Companies (BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.)	Reducing vehicle accidents through safe driving and delivering cargo without delays	 	<ul style="list-style-type: none"> <li>Implementing driver training five times a year</li> <li>Implementing safety guidance during roll call</li> <li>Obtaining G-Mark certification for excellent standards for safety at 10 sites</li> </ul>
Affiliated Business Companies (Artpresto Co., Ltd.)	Providing safe, secure products with initiatives in manufacturing and materials		<ul style="list-style-type: none"> <li>Managing production processes with flowcharts</li> <li>Implementing plant audits, confirming strict observance of quality control in production processes</li> <li>Implementing a database for existing materials used by type of material and by product title</li> <li>Implementing ongoing periodic checks for newly introduced materials, in accordance with material characteristics</li> </ul>

BANDAI NAMCO Group's Important CSR Themes: ② Environmental Consideration			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Toys and Hobby SBU	"Act Now For Future Smiles"		<ul style="list-style-type: none"> <li>+ In the Toys and Hobby SBU, we held of total of 15 meetings of the CSR Subcommittee (4 meetings per year) and the subcommittees related to environmentally friendly design, resource recycling, and universal design. We also implemented workshops and experience-based initiatives.</li> <li>+ Enhancing environmental communications and other CSR communications                             <ul style="list-style-type: none"> <li>⇒ Exhibiting at events: 10 exhibits, approximately 4,300 visitors</li> <li>⇒ On-site lessons: 44 schools, approximately 2,500 people</li> </ul> </li> <li>+ Certifying 68 items under the Eco Medal certification system, which certifies products that meet internal standards for environmental friendliness</li> <li>+ Holding internal seminars regarding CSR five times per year and advancing environmental education for employees</li> </ul>
Network Entertainment SBU (Content)	Advancing environmentally friendly design and environmental education activities		<ul style="list-style-type: none"> <li>+ Aggressively advancing "Eco-Amusement" environmentally friendly design                             <ul style="list-style-type: none"> <li>⇒ Cumulative total number of certified products increased to 35 (as of March 2017)</li> </ul> </li> <li>+ Advancing environmental education for employees through mail magazines, internal notices, etc.</li> <li>+ Enhancing environmental communications (exhibiting at events, placing articles on websites and in magazines, etc.)</li> </ul>
Network Entertainment SBU (Amusement Facilities)	Energy-saving initiatives		<ul style="list-style-type: none"> <li>+ Aggressively utilizing LEDs in newly installed lighting equipment in amusement facilities</li> <li>+ Enhancing employees' environmental awareness through visualization of electricity usage and implementation of COOL BIZ, WARM BIZ, and no-overtime days</li> </ul>

BANDAI NAMCO Group's Important CSR Themes: ② Environmental Consideration			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Visual and Music Production SBU	Implementing environmental consideration		<ul style="list-style-type: none"> <li>+ Recycling excess work-in-progress and product inventories</li> </ul>
Affiliated Business Companies (BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.)	Reducing CO <sub>2</sub> emissions through control of CO <sub>2</sub> from vehicle exhaust and reduced electricity consumption at work sites		<ul style="list-style-type: none"> <li>+ For newly purchased vehicles, introducing types of vehicles compliant with 2010 (post new long term) emission regulations</li> <li>+ Achieving average fuel consumption of 5.30 km/L through continued eco-driving activities (target: 5.45 km/L)</li> <li>+ Continuing to save power by turning off unnecessary lighting at offices and warehouses. Achieving 350.0 kWh / million yen on an annual basis. (Target: 355.0 kWh / million yen)</li> </ul>

BANDAI NAMCO Group's Important CSR Themes: ③ Policies Regarding Influence on Society of the Group's Content and Products			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Toys and Hobby SBU	Control of ethical expression in content and products		<ul style="list-style-type: none"> <li>+ Implementing training related to ethics ⇒ Implementing training for new employees / departmental employees</li> <li>+ Accumulating examples of ethical expression in products from other companies and from inside the Company, revising ethical assessment standards as needed</li> <li>+ Strengthening the internal sharing of information through ethics liaison committee meetings attended by people in charge of ethics at each department (held 4 times per year) and mail magazines (distributed 5 times per year)</li> </ul>
Network Entertainment SBU	Initiatives related to appropriate expression		<ul style="list-style-type: none"> <li>+ Announcing that "controlling ethical expression in content" is an important CSR theme shared by all companies in the Network Entertainment SBU, and implementing initiatives ⇒ Continuing to implement seminars for employees related to ethical expression</li> <li>⇒ Implementing educational activities for employees related to ethical expression, such as distributing mail magazines related to ethical expression to employees in Japan and overseas</li> <li>⇒ Establishing dedicated consultation center for matters related to ethical expression</li> <li>⇒ Preparing multilingual dictionary for employees related to issues regarding ethical expression that need to be considered</li> <li>+ Holding Group ethics round-table discussions attended by people in charge of ethics at each Group company (2 times per year), sharing examples of ethics-related judgments</li> </ul>
Visual and Music Production SBU	Ethical checks of expressions and terminology		<ul style="list-style-type: none"> <li>+ Implementing multiple checks of ethical expression by two departments</li> <li>+ Implementing internal training related to ethics and expression (discriminatory language, words that are prohibited on broadcasts, historical problems, geographical problems, etc.) ⇒ 34 people participated</li> </ul>
Affiliated Business Companies (Artpresto Co., Ltd.)	Enhancing internal awareness		<ul style="list-style-type: none"> <li>+ Implementing information security (P Mark) training for all employees</li> </ul>

BANDAI NAMCO Group's Important CSR Themes: ④ Supply Chain Management			
SBU	Major Initiative Themes	Status of Progress	FY2017.3 Activity report
Toys and Hobby SBU	Labor standards auditing (BFA auditing)		<ul style="list-style-type: none"> <li>+ Implementing audits of all overseas final packaging plants that make BANDAI products ⇒ Cumulative total of 154 companies</li> <li>+ Strengthening supply chain management at manufacturing plants that make copyrighted products that have character information regulations</li> <li>+ Implementing supplier conferences at three locations—Tokyo, Shanghai, and Shenzhen—to share information with suppliers</li> </ul>
Network Entertainment SBU	Appropriate supply chain management in Japan and overseas		<ul style="list-style-type: none"> <li>+ Holding internal and external explanation meetings related to quality standards and green procurement standards</li> <li>+ Implementing plant audits related to management systems for chemical substances in products, quality management systems, working environment, etc., for final assembly plants in Japan and overseas (6 companies in Japan and overseas)</li> <li>+ Establishing websites exclusively for suppliers and implementing appropriate communication of the latest information with the objective of efficiently sharing information with suppliers. Implementing improvement work, as needed, to increase convenience</li> </ul>
Visual and Music Production SBU	Implementing supply chain management		<ul style="list-style-type: none"> <li>+ Formulating and commencing use of plant audit checklists to strengthen plant audits</li> </ul>
Affiliated Business Companies (BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.)	Rolling out integrated distribution services		<ul style="list-style-type: none"> <li>+ Maintaining AEO (Authorized Economic Operator) customs broker certification</li> <li>+ Maintaining Privacy Mark</li> <li>+ Establishing local company in Thailand, rolling out integrated distribution services</li> </ul>
Affiliated Business Companies (Artpresto Co., Ltd.)	Safety and security in production plants		<ul style="list-style-type: none"> <li>+ Continuing to implement supplier plant audits</li> <li>+ Preventing the occurrence of defects by strengthening internal design review for new products</li> </ul>