

September 19, 2018

Name of listed company: BANDAI NAMCO Holdings Inc. Name of representative: Mitsuaki Taguchi, President and Representative Director (Code Number: 7832 TSE 1st section) Contact: Yuji Asako, Director, Division General Manager of the Corporate Planning Division

<u>Notice Regarding Establishment of Subsidiary for Purpose of Enhancing</u> <u>Development of Business Geared to the Mature Fan Base of</u> <u>the Toys and Hobby Business in North America</u>

BANDAI NAMCO Holdings Inc. ("the Company") announces that its Board of Directors, in its meeting held on September 19, 2018, has approved the establishment of a new subsidiary, BANDAI NAMCO Collectibles LLC, for the purpose of enhancing development of business geared to the mature fan base of the Toys and Hobby Business in the North American market.

1. Purpose of establishment

BANDAI NAMCO Group ("the Group"), working under its three-year Mid-term Plan that started in April 2018, aims to progress to the next stage as an entertainment group by continuing to empower, gain momentum, and accelerate evolution without being bound by previous business models and traditional ideas.

In the Mid-term Plan, the main strategies of the Toys and Hobby Business call for us to further enhance the Group's marketing and promotion efforts, both in Japan and overseas, and to develop products for the mature fan base. In Japan, our efforts to rapidly develop this business have involved establishing a new company called BANDAI SPIRITS CO., LTD. which consolidates operations serving our mature fan base. We have made the decision to establish the new company with our North American business partner NIPPON IMPORTS, LLC (trade name: Bluefin Distribution; hereinafter referred to as "Bluefin"), in order to further enhance our operations and achieve swifter progress in the North American market where many fans support the Group's product development and IP (Intellectual Property: meaning characters and other intellectual property).

Bluefin has an extensive hobby distribution network in North America and possesses marketing expertise in areas that include product promotion and hosting local fan-orientated events. Operations of Bluefin will be transferred to the new company with the intention of increasing product sales geared to the mature fan base of the Group.

2. Overview of new company

The following represents the planned company structure when the new company commences operations in January 2019.

(1)	Name	BANDAI NAMCO Collectibles LLC
		Trade name: Bluefin Distribution
(2)	Location	3321 East La Palma Ave., Anaheim. CA 92806, USA
(3)	Representative	Steve Fujimura, President & CEO
		Koji Iwata, COO (Senior Vice President, BANDAI AMERICA INC.)
(4)	Description of business	Sales and promotion of products for the mature fan base such as plastic
		models and collectible figures sold on wholesale and direct-to-consumer
		basis through channels including local fan events, e-commerce business, etc.
(5)	Capital	US\$ 27 million
(6)	Establishment	October 2018
(7)	Major shareholders and shareholding ratio	BANDAI NAMCO Holdings USA Inc. (wholly-owned subsidiary of the
		Company) 80%
		Steve Fujimura (currently Founder & CEO, NIPPON IMPORTS, LLC) 20%
(8)	Number of employees	Approximately 70

(Reference)

NIPPON IMPORTS, LLC

(1)	Name	NIPPON IMPORTS, LLC
		Trade name: Bluefin
(2)	Location	3321 East La Palma Ave., Anaheim. CA92806, USA
(3)	Representative	Steve Fujimura, Founder & CEO
(4)	Description of business	Sales and promotion of products for the mature fan base such as plastic
		models and collectible figures sold on wholesale and direct-to-consumer
		basis through channels including local fan events, e-commerce business, etc.
(5)	Capital	US\$ 11,981,593 (As of December 31, 2017)
(6)	Number of employees	Approximately 70

3. Future outlook

The effect of this establishment on the operating results for the fiscal year ending March 31, 2019 is immaterial.

(Note) This document states plans current as of September 19, 2018, specifics of which are subject to change.

End of notice