



BANDAI NAMCO Holdings Inc.

Consolidated Financial Report for the Second Quarter of the Fiscal Year Ending March 31, 2019

November 7, 2018

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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 7, 2018

Consolidated Financial Report for the Second Quarter of the Fiscal Year Ending March 31, 2019 (Japanese GAAP)

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Scheduled filing date of the quarterly security report: November 9, 2018
Scheduled starting date for dividend payments: December 7, 2018
The Financial Highlights 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, 2019 (April 1, 2018 to September 30, 2018)

(1) Consolidated Operating Results (For the Six Months Ended September 30, 2018)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
Second Quarter of the Fiscal Year Ending March 31, 2019	334,665	8.4	43,935	25.7	45,802	28.3
Second Quarter of the Fiscal Year Ended March 31, 2018	308,846	4.8	34,941	(10.2)	35,690	(6.8)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	¥ million	%	¥	¥
Second Quarter of the Fiscal Year Ending March 31, 2019	34,188	21.3	155.56	–
Second Quarter of the Fiscal Year Ended March 31, 2018	28,196	(6.5)	128.35	128.31

(Note) Comprehensive income: 39,034 million yen [4.5%] (FY2019.3 2Q), 37,343 million yen [77.6%] (FY2018.3 2Q)

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of September 30, 2018	551,452	402,124	72.9
As of March 31, 2018	540,490	387,354	71.5

(Reference) Equity: 401,811 million yen (as of September 30, 2018), 386,556 million yen (as of March 31, 2018)

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, 2018	–	¥12.00	–	¥111.00	¥123.00
Fiscal Year Ending March 31, 2019	–	¥18.00			
Fiscal Year Ending March 31, 2019 (Projections)			–	¥18.00	¥36.00

(Note) Revision to the projections of cash dividends for the Fiscal Year Ending March 31, 2019: No
Concerning the projected amount of the year-end cash dividend for the fiscal year ending March 31, 2019, the base dividend 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, 2019, will be considered by the Company based on the basic policy on the distribution of profits.

3. Consolidated Projections for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Fiscal Year	650,000	(4.2)	60,000	(20.0)	61,000	(19.1)	43,000	(20.5)	195.65

(Note) Revision to the projections: No

* 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 “(3) Notes to Consolidated Financial Statements, (Application of Special Accounting for Preparing the Quarterly Consolidated Financial Statements)” of “2. Consolidated Financial Statements and Significant Notes” on page 8 of the attached material.

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

- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to revisions to other reasons: No
- Changes in accounting estimation: No
- Restatement: No

(4) Number of Issued Shares (Common Stock)

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

As of September 30, 2018	222,000,000 shares
As of March 31, 2018	222,000,000 shares
- Number of shares of treasury stock at the end of the period

As of September 30, 2018	2,209,011 shares
As of March 31, 2018	2,239,901 shares
- 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, 2019	219,773,204 shares
For the Second Quarter of the Fiscal Year Ended March 31, 2018	219,680,633 shares

* Quarterly Consolidated Financial Reports are not required to be subjected to quarterly reviews conducted by certified public accountants or an audit firm.

* 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 3 of the attached material for matters pertaining to the earnings projections.

- To obtain Financial Highlights:

The Financial Highlights will be posted on the Company's website on November 7, 2018.

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, 2019, the economy continued to moderately recover both in Japan and overseas. However, the outlook for the overall economy remained uncertain.

In this environment, the BANDAI NAMCO Group (“the Group”) has started a three-year Mid-term Plan in April 2018, under the Mid-term Vision of “CHANGE for the NEXT: Empower, Gain Momentum, and Accelerate Evolution,” which reflects our aspiration to achieve changes in all aspects to progress to a next stage rather than being bound by previous business models and established ideas. Aiming for medium- and long-term growth, the Group has been promoting a range of measures. As one of these initiatives, we have been taking advantage of the worldview and unique characteristics of IP (Intellectual Property: meaning characters and other intellectual property) to further evolve the “IP Axis Strategy” that aims to maximize IP value through the provision of the best products and services at the best possible times. These measures also include an initiative to strengthen development in regions and businesses with high growth potential and an initiative to realize the total capabilities of the Group in regions around the world under the ALL BANDAI NAMCO concept.

During the second quarter (six months), there were impacts from differences in the title lineup in the Network Entertainment Business compared with the same period of the previous fiscal year; however, the Toys and Hobby Business and the Visual and Music Production Business performed favorably. The key IP and products and services in each business segment also performed stably.

Consequently, the Group’s consolidated results for the second quarter (six months) were net sales of 334,665 million yen (year-on-year increase of 8.4%), operating profit of 43,935 million yen (year-on-year increase of 25.7%), recurring profit of 45,802 million yen (year-on-year increase of 28.3%), and profit attributable to owners of parent of 34,188 million yen (year-on-year increase of 21.3%).

Operating results by segment are as follows.

Effective from the first quarter ended June 30, 2018, 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 shown below have been restated into the figures for the classifications after the change.

Toys and Hobby Business

As for the Toys and Hobby Business, products for the mature fan base in Japan and overseas, and card related products for *DRAGON BALL* and other series gained in popularity. In Japan, products for the mature fan base such as plastic models of the *Mobile Suit Gundam* series and collectible figures performed favorably, along with long-established IP products such as the *DRAGON BALL* series, the *KAMEN RIDER* series, and the *PRETTY CURE!* series. Overseas, in the Asian region, products of the *Mobile Suit Gundam* series and *ULTRAMAN* series, and other products gained in popularity, and we took steps to strengthen business development in the Chinese market. In Americas and Europe, we continued with the roll-out of products for the mature fan base, such as card products of *DRAGON BALL* series and collectible figures.

As a result, net sales in the Toys and Hobby Business were 112,321 million yen (year-on-year increase of 14.5%), and segment profit was 12,842 million yen (year-on-year increase of 131.1%).

Network Entertainment Business

As for the Network Entertainment Business, in network content, key titles being distributed worldwide such as *DRAGON BALL Z DOKKAN BATTLE* and *ONE PIECE Treasure Cruise*, and in Japan, key titles such as *The iDOLM@STER* series continued to perform stably due to ongoing measures targeting users, while *DRAGON BALL LEGENDS* made a strong start. We also undertook initiatives to create new services, such as starting up a new platform. In home video games, performance was impacted by a difference in the lineup compared with the same period of the previous fiscal year, when major new titles distributed worldwide were sold. It was possible to absorb this impact on performance thanks to the fact that repeat sales of existing titles and sales of mainly new titles in Japan were favorable.

As a result, net sales in the Network Entertainment Business were 154,612 million yen (year-on-year increase of 2.4%), and segment profit was 23,414 million yen (year-on-year decrease of 3.1%).

Real Entertainment Business

As for the Real Entertainment Business, in regard to arcade games, sales of new series for a popular IP were favorable. In amusement facilities, we opened stores in new business formats providing spaces to enjoy experiences that are unique to the Group. However, performance did not reach the level seen in the same period of the previous fiscal year, when existing stores in Japan performed favorably.

As a result, net sales in the Real Entertainment Business were 46,074 million yen (year-on-year increase of 3.1%), and segment profit was 2,045 million yen (year-on-year decrease of 4.0%).

Visual and Music Production Business

As for the Visual and Music Production Business, products such as visual and music package software of *LoveLive! Sunshine!!* and *The iDOLM@STER* series gained in popularity. Meanwhile, IP live events such as *IDOLiSH 7* and associated product sales performed favorably.

As a result, net sales in the Visual and Music Production Business were 20,551 million yen (year-on-year increase of 25.8%), and segment profit was 4,740 million yen (year-on-year increase of 79.3%).

IP Creation Business

As for the IP Creation Business, the TV program and movie of the *Mobile Suit Gundam* series and the TV program of the *Aikatsu!* series were broadcasted/launched, and they all gained popularity. In addition, we built up public interest in related IP ahead of the new movie release of *LoveLive! Sunshine!!*.

As a result, net sales in the IP Creation Business were 9,364 million yen (year-on-year increase of 36.5%), and segment profit was 2,514 million yen (year-on-year increase of 4.3%).

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 companies. We are making efforts to manage such operations related to group support in an efficient manner.

Net sales in the Other Business were 14,225 million yen (year-on-year increase of 10.3%), and segment profit was 559 million yen (year-on-year increase of 156.1%).

(2) Explanation Regarding Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2019, total assets stood at 551,452 million yen, an increase of 10,962 million yen from the end of the previous fiscal year. The main factors were increases of 4,547 million yen in finished goods and merchandise, 9,578 million yen in work in process, and 7,152 million yen in investment securities, despite a decrease of 16,116 million yen in cash and time deposits mainly due to cash dividends paid and the purchases of investment securities.

Total liabilities amounted to 149,328 million yen, a decrease of 3,807 million yen from the end of the previous fiscal year. The main factor was a decrease of 6,084 million yen in other current liabilities mainly due to a decrease in accounts payable-other.

Total net assets stood at 402,124 million yen, an increase of 14,769 million yen from the end of the previous fiscal year. The main factors were increases of 9,780 million yen in retained earnings due to the recording of 34,188 million yen in profit attributable to owners of parent despite cash dividends paid of 24,407 million yen, 2,108 million yen in valuation difference on available-for-sale securities, net of tax, and 2,427 million yen in foreign currency translation adjustments.

As a result, the equity ratio became 72.9% compared with 71.5% at the end of the previous fiscal year.

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

Looking ahead, in the first year of our three-year Mid-term Plan, which started in April 2018, we will move ahead with measures under our main strategies—the IP axis strategy, business strategy, region strategy, and personnel strategy. By implementing these main strategies, we aim to further strengthen the Group's business foundation and achieve growth in global markets.

The Company has not revised its consolidated projections for the fiscal year ending March 31, 2019, after giving consideration to the planned launch of multiple new home video game titles, which will receive world-wide releases from the third quarter onward, the coming Christmas and New Year selling season, the largest selling season of the year for the Toys and Hobby Business, and the continuation of wildly fluctuating market conditions. Going forward, the Company plans to closely scrutinize the situation, giving special attention to what impact these trends will have on business results.

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2018)	Current 2nd quarter (As of September 30, 2018)
Assets		
Current assets		
Cash and time deposits	185,517	169,400
Trade receivables	88,061	84,611
Finished goods and merchandise	14,780	19,327
Work in process	37,684	47,263
Raw materials and supplies	3,216	3,951
Other current assets	22,529	26,873
Allowance for doubtful receivables	(1,172)	(836)
Total current assets	350,618	350,591
Fixed assets		
Property, plant and equipment	86,104	89,179
Intangible assets	9,475	9,953
Investments and other assets		
Investment securities	56,495	63,648
Other investments and assets	39,191	39,922
Allowance for doubtful receivables	(1,394)	(1,843)
Total investments and other assets	94,292	101,727
Total fixed assets	189,872	200,860
Total assets	540,490	551,452

(¥ million)

	Prior Fiscal Year (As of March 31, 2018)	Current 2nd quarter (As of September 30, 2018)
Liabilities		
Current liabilities		
Trade payables	69,555	68,315
Accrued income taxes	8,597	8,116
Provision	4,085	7,182
Other current liabilities	53,964	47,880
Total current liabilities	136,202	131,494
Long-term liabilities		
Net defined benefit liability	8,485	8,355
Other long-term liabilities	8,447	9,478
Total long-term liabilities	16,933	17,833
Total liabilities	153,135	149,328
Net assets		
Stockholders' equity		
Common stock	10,000	10,000
Additional paid-in capital	52,196	52,308
Retained earnings	334,264	344,044
Treasury stock	(2,326)	(2,296)
Total stockholders' equity	394,133	404,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	11,696	13,805
Deferred gains or losses on hedges, net of tax	(300)	227
Revaluation reserve for land, net of tax	(5,887)	(5,887)
Foreign currency translation adjustments	(8,330)	(5,902)
Remeasurements of defined benefit plans, net of tax	(4,756)	(4,488)
Total accumulated other comprehensive income	(7,577)	(2,245)
Non-controlling interests	797	312
Total net assets	387,354	402,124
Total liabilities and net assets	540,490	551,452

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

	(¥ million)	
	Prior 2nd quarter (From April 1, 2017 to September 30, 2017)	Current 2nd quarter (From April 1, 2018 to September 30, 2018)
Net sales	308,846	334,665
Cost of sales	198,430	210,049
Gross profit	110,415	124,615
Selling, general and administrative expenses	75,474	80,680
Operating profit	34,941	43,935
Non-operating income		
Gain on valuation of derivatives	–	741
Other non-operating income	1,510	1,625
Total non-operating income	1,510	2,367
Non-operating expenses		
Provision of allowance for doubtful accounts	537	448
Other non-operating expenses	223	52
Total non-operating expenses	761	500
Recurring profit	35,690	45,802
Extraordinary income		
Gain on sales of investment securities	–	231
Other extraordinary income	45	20
Total extraordinary income	45	252
Extraordinary loss		
Loss on impairment of fixed assets	458	145
Loss on disposal of fixed assets	109	139
Other extraordinary loss	6	165
Total extraordinary loss	574	451
Profit before income taxes	35,162	45,602
Income taxes	7,012	11,899
Profit	28,149	33,702
Loss attributable to non-controlling interests	(47)	(485)
Profit attributable to owners of parent	28,196	34,188

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior 2nd quarter (From April 1, 2017 to September 30, 2017)	Current 2nd quarter (From April 1, 2018 to September 30, 2018)
Profit	28,149	33,702
Other comprehensive income		
Valuation difference on available-for-sale securities, net of tax	5,997	2,180
Deferred gains or losses on hedges, net of tax	42	526
Foreign currency translation adjustments	2,702	2,427
Remeasurements of defined benefit plans, net of tax	270	268
Share of other comprehensive income of associates accounted for using equity method	180	(70)
Total other comprehensive income	9,194	5,331
Comprehensive income	37,343	39,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	37,390	39,520
Comprehensive income attributable to non-controlling interests	(47)	(485)

(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.

(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 profit before income taxes for the fiscal year including the current second quarter, and next by multiplying the profit before income taxes by such estimated effective tax rate.

(Segment Information)

I. Prior 2nd quarter (From April 1, 2017 to September 30, 2017)

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

(¥ million)

	Reportable segments						Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Toys and Hobby Business	Network Entertain- ment Business	Real Entertain- ment Business	Visual and Music Production Business	IP Creation Business	Subtotal				
Net sales										
To external customers	93,969	148,219	44,145	14,217	3,715	304,267	4,578	308,846	–	308,846
Inter-segment sales and transfers	4,166	2,759	553	2,113	3,145	12,739	8,316	21,055	(21,055)	–
Total	98,135	150,979	44,699	16,331	6,860	317,006	12,894	329,901	(21,055)	308,846
Segment profit	5,557	24,175	2,131	2,644	2,411	36,919	218	37,138	(2,196)	34,941

- 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 companies are classified.
2. Included in the 2,196 million yen deducted from segment profit as adjustment are an addition of 240 million yen in inter-segment eliminations, and a deduction of 2,436 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 profit is adjusted with operating profit 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, 2018 to September 30, 2018)

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

(¥ million)

	Reportable segments						Other (Note 1)	Total	Adjust- ments (Note 2)	Consoli- dated Total (Note 3)
	Toys and Hobby Business	Network Entertain- ment Business	Real Entertain- ment Business	Visual and Music Production Business	IP Creation Business	Subtotal				
Net sales										
To external customers	108,473	151,171	45,891	17,563	6,933	330,034	4,630	334,665	–	334,665
Inter-segment sales and transfers	3,848	3,440	183	2,987	2,431	12,891	9,594	22,485	(22,485)	–
Total	112,321	154,612	46,074	20,551	9,364	342,925	14,225	357,150	(22,485)	334,665
Segment profit	12,842	23,414	2,045	4,740	2,514	45,558	559	46,117	(2,182)	43,935

- 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 companies are classified.
2. Included in the 2,182 million yen deducted from segment profit as adjustment are an addition of 595 million yen in inter-segment eliminations, and a deduction of 2,778 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 profit is adjusted with operating profit in the consolidated statements of operations.

2. Information regarding changes to reportable segments, etc.

Effective from the first quarter ended June 30, 2018, the Group has changed its organizational structure to promote the advancement of each of the strategies of the Mid-term Plan. The name of the units of aggregated business companies that are to execute the respective business strategies has been changed from “SBUs” (Strategic Business Units) to “Units.” In addition, to enable swifter advancement of the main strategies for each mission stated in the Mid-term Plan, the Group has shifted from its previous three-SBU structure to a five-Unit structure.

In conjunction with this organizational restructure, effective from the first quarter ended June 30, 2018, the reportable segments have been changed from the Toys and Hobby Business, Network Entertainment Business, and the Visual and Music Production Business to the Toys and Hobby Business, Network Entertainment Business, Real Entertainment Business, Visual and Music Production Business, and IP Creation Business.

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

(Significant Subsequent Events)

(Establishment of significant subsidiaries)

Based on resolutions made at the Board of Directors meeting held on September 19, 2018, the Company established subsidiaries as follows.

1. Establishment of subsidiary for purpose of enhancing development of business geared to the mature fan base of the Toys and Hobby Business in North America

(1) Purpose of establishment

In the Group's 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 the North American market where many fans support the IP for which the Group develops products, the Group is aiming to further enhance its operations and achieve swifter progress by establishing a company, with its North American business partner NIPPON IMPORTS, LLC, that specializes in selling products geared to the Group's mature fan base.

(2) Overview of the established subsidiary

(i) Name	BANDAI NAMCO Collectibles LLC	
(ii) Location	USA	
(iii) Description of business	Sales of products for the mature fan base such as plastic models and collectible figures, etc.	
(iv) Capital	27 million US dollars (planned)	
(v) Date of establishment	October 19, 2018	
(vi) Ownership ratio	BANDAI NAMCO Holdings USA Inc. (wholly-owned subsidiary of the Company)	80%
	Steve Fujimura (currently Founder & CEO, NIPPON IMPORTS, LLC)	20%

At the time of the subsidiary's establishment, capital was 300,000 US dollars and BANDAI NAMCO Holdings USA Inc.'s ownership ratio was 100%. Capital and ownership ratio are planned to reach the values listed above following mainly future capital increases.

2. Establishment of BANDAI NAMCO Content Fund LLP

(1) Purpose of establishment

Based on one of the main strategies in the Group's Mid-term Plan, "accelerate evolution in IP axis strategy," the purpose of the establishment of this subsidiary is to ensure that the "IP Axis Strategy" remains strong throughout even the medium- and long-term future, with the aim of facilitating the Group's active investment and production over the long term and from the perspective of overall optimization with respect to visual products and other content that yield IP.

(2) Overview of the established subsidiary

(i) Name	BANDAI NAMCO Content Fund LLP	
(ii) Location	Minato-ku, Tokyo	
(iii) Description of business	Investment in content, production of content, and management of intellectual property rights	
(iv) Investment	5,000 million yen (planned)	
(v) Date of establishment	November 1, 2018	
(vi) Percentage of total investment	BANDAI NAMCO Holdings Inc. (the Company)	90%
	BANDAI CO., LTD. (wholly-owned subsidiary of the Company)	2%
	BANDAI NAMCO Entertainment Inc. (wholly-owned subsidiary of the Company)	2%

BANDAI NAMCO Amusement Inc.	
(wholly-owned subsidiary of the Company)	2%
BANDAI NAMCO Arts Inc. (wholly-owned subsidiary of the Company)	2%
SUNRISE INC. (wholly-owned subsidiary of the Company)	2%

At the time of the subsidiary's establishment, investment was 1,000 million yen, and the Company's percentage of total investment was 50% while the percentage of total investment of each of the above-listed companies, other than the Company, was 10%. Investment and percentage of total investment are planned to reach the values listed above following further investment going forward.