

BANDAI NAMCO Holdings Inc.

Notice of the Tenth Ordinary General Meeting of Shareholders to be held on June 22, 2015

An English translation of the original notice in Japanese

DISCLAIMER

The following is an English translation of the Japanese original “Notice of the Tenth Ordinary General Meeting of Shareholders of BANDAI NAMCO Holdings Inc.” which meeting is to be held on June 22, 2015. The Company provides this translation for your reference and convenience only and does not guarantee its accuracy or otherwise. In the event of any discrepancies, the Japanese original notice shall prevail.

These documents have been prepared solely in accordance with Japanese law and are offered here for informational purposes only. In particular, please note that the financial statements included in the following translation have been prepared in accordance with Japanese GAAP.

Securities code: 7832

June 1, 2015

4-5-15 Higashi-Shinagawa, Shinagawa-ku, Tokyo
BANDAI NAMCO Holdings Inc.
President and Representative Director
Shukuo Ishikawa

Dear Shareholders,

**NOTICE OF THE TENTH ORDINARY GENERAL MEETING
OF SHAREHOLDERS**

You are cordially invited to attend the Tenth Ordinary General Meeting of Shareholders of BANDAI NAMCO Holdings Inc. (“the Company”) to be held as set forth below.

If you are unable to attend the meeting in person, we ask you to please review the enclosed “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by either of the methods stated on the next page by 5:30 p.m., Saturday, June 20, 2015.

Meeting Details

- 1. Date and Time:** June 22, 2015 (Monday) at 10:00 a.m.
- 2. Place:** “Hiten,” Grand Prince Hotel New Takanawa
3-13-1 Takanawa, Minato-ku, Tokyo
- 3. Purpose of the Meeting:**

Matters to be Reported:

1. Report on the Contents of the Business Reports, the Consolidated Financial Statements and the Results of the Auditing of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the Tenth Fiscal Year (from April 1, 2014 to March 31, 2015)
2. Report on the Contents of the Non-Consolidated Financial Statements for the Tenth Fiscal Year (from April 1, 2014 to March 31, 2015)

Matters to be Resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Partial Amendments to the Articles of Incorporation

Proposal No. 3: Election of Ten Directors

Proposal No. 4: Revision of Remuneration Amount for Directors

Proposal No. 5: Decision on Remuneration Amount and Details for Directors’ Stock Options

4. Information on Exercise of Voting Rights

Please see “Information on Exercise of Voting Rights” on pages 3 to 4 of this document.

[Information on Exercise of Voting Rights]

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders on pages 5 to 24.

You may exercise your voting rights by one of the following three methods.

A: Exercise of Voting Rights via attending the General Meeting of Shareholders:

Please hand in the enclosed Voting Rights Exercise Form at the reception desk at the place of the shareholders' meeting.

In addition, please bring this NOTICE OF THE TENTH ORDINARY GENERAL MEETING OF SHAREHOLDERS.

B: Exercise of Voting Rights via Postal Mail:

Please indicate, on the enclosed Voting Rights Exercise Form, your approval or disapproval of each item on the agenda and return the completed form so that it arrives by **5:30 p.m., Saturday, June 20, 2015.**

C: Exercise of Voting Rights via the Internet etc.:

Please access the website designated by the Company for the exercise of voting rights (<http://www.evote.jp/>), enter and send your approval or disapproval of each item on the agenda by **5:30 p.m., Saturday, June 20, 2015.**

For details, please see the following page.

If you exercise your voting rights more than once via both postal mail and the Internet etc., then only the vote cast via the Internet etc. shall be deemed valid.

In addition, if you cast your vote via the Internet etc. multiple times, then only the last vote cast shall be deemed valid. If you cast your vote via the Internet etc. more than once, using a personal computer, a smartphone and/or a mobile phone, then only the last vote cast shall be deemed valid.

If you attend the meeting in person, you do not need to follow the procedures for the exercise of voting rights via postal mail (sending the Voting Rights Exercise Form) or via the Internet etc.

<p>If revisions to the contents of the "Reference Documents for the General Meeting of Shareholders," the "Business Reports," the "Non-Consolidated Financial Statements" and the "Consolidated Financial Statements" are required, the Company shall publish a notification on the Company website at the following URL: (http://www.bandainamco.co.jp/ir/stock/meeting/index.html).</p>
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[Information on Exercise of Voting Rights via the Internet etc.]

1. The exercise of voting rights via the Internet etc. is available only by gaining access to the Company's designated website for the exercise of voting rights (<http://www.evotep.jp/>) from a PC, a smartphone, or a mobile phone (i-mode, EZweb or Yahoo! Mobile)*. However, please note that you cannot exercise your voting rights via the Internet on the designated website between the hours of 2:00 a.m. and 5:00 a.m.
* "i-mode," "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI Corporation, and Yahoo Inc. in the U.S., respectively.
2. Please note that you may not be able to exercise your voting rights via PC or smartphone on the designated website for the exercise of voting rights, depending on the Internet settings configured on your PC or smartphone, such as firewalls, etc. that are in place to regulate your Internet connections, anti-virus software that has been installed on your PC or smartphone, or the use of a proxy server.
3. When exercising voting rights via mobile phone, you must use one of the following services: i-mode, EZweb or Yahoo! Mobile. For security reasons, you cannot vote using mobile handsets that cannot send encrypted information (SSL communications) or that cannot send information of the mobile phone used.
4. Please note that, in order to prevent unauthorized access to the designated website by individuals other than shareholders (persons impersonating shareholders) and to prevent the alteration of votes, we request that you change your "temporary password" to a permanent password on the designated website for the exercise of voting rights, when you want to exercise your voting rights via the Internet.
5. All costs associated with accessing the website for the exercise of voting rights (cost of dial-up connections, telephone tolls, etc.) are to be borne by the shareholder. Also, when voting via smartphone or mobile phone, all packet communication fees and other costs incurred in the use of a smartphone or a mobile phone are also to be borne by the shareholder.

For further assistance, regarding the system, etc., please contact:
Transfer Agent Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (9:00 to 21:00 (Japan Time); toll free only within Japan)

[For Institutional investors]

Institutional investors may make use of the Tokyo Stock Exchange's Electronic Voting Platform (commonly known as the TSE Platform).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Appropriation of surplus is as follows:

Fiscal Year-end Dividends

The Company places the return of profits to shareholders as one of its highest management priorities. The Company assumes its basic policy is to further strengthen the Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. In concrete terms, the Company's basic policy is to provide a return to shareholders that targets at a payout ratio of 30% in accordance with consolidated operational results and based on stable annual dividend payments of ¥24 per share.

In view of the Company's performance in this fiscal year, it will add a performance-based dividend of ¥28 per share to the stable year-end dividend of ¥12 per share, and will also pay an additional special dividend of ¥10 per share due to achieving targets of the Mid-term Plan (April 2012 - March 2015) and because ten years have passed since the Group's establishment, to pay a year-end dividend of ¥50 per share for this tenth fiscal year.

Since the Company paid an interim dividend of ¥12 per share on December 8, 2014, the total annual dividend for the fiscal year will be ¥62 per share.

(i) Type of dividend assets: Cash
(ii) Allocation of dividend assets to be paid to shareholders and total amount of dividend: Dividend per share of common stock of the Company¥50 Total amount of dividends¥10,989,845,900
(iii) Effective date of distribution of surplus (dividend): June 23, 2015

Proposal No. 2: Partial Amendments to the Articles of Incorporation

The Company would like to amend its Articles of Incorporation in accordance with the proposed amendments mentioned below.

1. Reason for the Amendments

- (1) Due to consolidating the Group's business premises and the head office relocation which is aimed to greater strengthen cooperation within the Group and to improve administrative efficiency, the location of the head office specified in Article 3 of the current Articles of Incorporation (Location of Head Office) will need to change from Shinagawa-ku, Tokyo to Minato-ku, Tokyo.
In addition, since this change will be given effect from the date of the relocation of the head office which will be decided at a Board of Directors Meeting to be held by March 31, 2016, this will need to be made clear by stipulating a supplementary provision.
- (2) Article 14 (Convener) and Article 25 (Convener and Chairperson of Board of Directors Meetings) of the current Articles of Incorporation are required to be changed so that Representative Directors hold the right to convene and chair General Meetings of Shareholders and Board of Directors Meetings in order to make the operation of those Meetings more responsive, as well as to further strengthen and enhance the management structure.

2. Detail of the Amendments

The details of the proposed amendments in content are as follows.

(Amendments shown by underlines.)

Current Articles	Proposed Amendments
(Location of Head Office) Article 3 The head office of the Company shall be located in <u>Shinagawa-ku</u> , Tokyo.	(Location of Head Office) Article 3 The head office of the Company shall be located in <u>Minato-ku</u> , Tokyo.
(Convener) Article 14 <u>The President and Director</u> shall convene and chair General Meetings of Shareholders based on the resolutions of the Board of Directors, except where otherwise specified by applicable laws and regulations.	(<u>Convener and Chairperson</u>) Article 14 <u>Representative Directors</u> shall convene and chair General Meetings of Shareholders based on the resolutions of the Board of Directors, except where otherwise specified by applicable laws and regulations.

Current Articles	Proposed Amendments
<p>2. When <u>the President and Director is unable to do so, another Director, following the rank order predetermined by the Board of Directors, shall convene and chair General Meetings of Shareholders.</u></p> <p>(Convener and Chairperson of Board of Directors Meetings)</p> <p>Article 25</p> <p><u>The President and Director shall convene and chair Board of Directors Meetings, except where otherwise specified by applicable laws and regulations.</u></p> <p>2. When <u>the President and Director is unable to do so, another Director, following the rank order predetermined by the Board of Directors, shall perform this duty.</u></p> <p>(New)</p>	<p>2. <u>Where there are several Representative Directors, the Representative Director with seniority following the rank order predetermined by the Board of Directors shall convene and chair General Meetings of Shareholders. When all Representative Directors are unable to do so, another Director, following the rank order predetermined by the Board of Directors, shall perform that duty.</u></p> <p>(Convener and Chairperson of Board of Directors Meetings)</p> <p>Article 25</p> <p><u>Representative Directors shall convene and chair Board of Directors Meetings, except where otherwise specified by applicable laws and regulations.</u></p> <p>2. <u>Where there are several Representative Directors, the Representative Director with seniority following the rank order predetermined by the Board of Directors shall convene and chair Board of Directors Meetings. When all Representative Directors are unable to do so, another Director, following the rank order predetermined by the Board of Directors, shall perform that duty.</u></p> <p>(Supplementary Provision)</p> <p><u>The amendments to Article 3 (Location of Head Office) shall be effective from the date of the relocation of the head office decided at a Board of Directors Meeting to be held by March 31, 2016. This supplementary provision shall be deleted immediately after the effective date of the relocation of the head office.</u></p>

Proposal No. 3: Election of Ten Directors

Since the terms of office of the nine Directors of the Company will expire as of the close of this General Meeting of Shareholders, the Company requests the election of ten Directors, including an additional Director to further strengthen the management structure.

The candidates for Director of the Company are as follows:

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
1	Shukuo Ishikawa (April 15, 1955) Number of the Company's Shares Owned 44,800 Shares	President and Representative Director	<p>Apr. 1978: Joined NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Aug. 1991: General Manager, EM Development Department of NAMCO LIMITED</p> <p>Jun. 1995: Director in charge of Development Division II, General Manager, EM Development Department and VS Development Department of NAMCO LIMITED</p> <p>Jun. 1999: Managing Director in charge of Research, Development and Production, and Development Division II of NAMCO LIMITED</p> <p>Apr. 2005: Executive Vice President and Representative Director in charge of contents business of NAMCO LIMITED</p> <p>Apr. 2006: President and Representative Director of NAMCO BANDAI Games Inc. (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Jun. 2006: Director of the Company</p> <p>Apr. 2009: President and Representative Director of the Company (current position)</p> <p>Apr. 2010: President and Representative Director of NAMCO BANDAI Games Inc.</p> <p>Apr. 2012: Chairman of the Board of NAMCO BANDAI Games Inc.</p> <p>Apr. 2015: Chairman of the Board of BANDAI NAMCO Business Arc Inc. (current position)</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
2	<p data-bbox="354 544 577 607">New Candidate for Director</p> <p data-bbox="354 640 577 703">Mitsuaki Taguchi (June 16, 1958)</p> <p data-bbox="354 736 577 864">Number of the Company's Shares Owned 55,100 Shares</p>	-	<p data-bbox="813 374 1501 405">Apr. 1982: Joined Bandai Co., Ltd.</p> <p data-bbox="813 405 1501 468">Apr. 1999: General Manager, Vending Machine Business Department of Bandai Co., Ltd.</p> <p data-bbox="813 468 1501 562">Jun. 2003: Director, Leader of Lifestyle Group and Lifestyle Company President of Bandai Co., Ltd.</p> <p data-bbox="813 562 1501 624">Apr. 2006: Managing Director in charge of new business policy of Bandai Co, Ltd.</p> <p data-bbox="813 624 1501 719">Apr. 2009: Senior Managing Director in charge of media policy and new business policy of Bandai Co., Ltd.</p> <p data-bbox="813 719 1501 813">Apr. 2010: Executive Vice President and Director in charge of media policy and new business policy of Bandai Co., Ltd.</p> <p data-bbox="813 813 1501 974">Apr. 2012: Executive Vice President and COO in charge of global media policy and human resources policy and in charge of Real B Voice Business Group, Strategy Projects, Human Resources of Bandai Co., Ltd.</p> <p data-bbox="813 974 1501 1037">Apr. 2015: Adviser of the Company (current position)</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
3	Shuji Ohtsu (August 6, 1959) Number of the Company's Shares Owned 22,900 Shares	Director and Division General Manager of the Group Administrative Headquarters	<p>Mar. 1986: Licensed as a CPA</p> <p>Dec. 1996: Partner in Century Audit Corporation</p> <p>Jan. 2000: Partner in Century Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>Sep. 2003: Partner in KPMG AZSA & Co. (currently KPMG AZSA LLC)</p> <p>May 2004: Board Member of KPMG AZSA & Co.</p> <p>Oct. 2007: Joined the Company as Adviser</p> <p>Jun. 2008: Director in charge of Overseas Operations, Group Administrative Headquarters, Corporate Legal Affairs Office and Internal Auditing Division of the Company</p> <p>Jun. 2011: Director in charge of Overseas Regional Headquarters Companies and Division General Manager of the Group Administrative Headquarters of the Company</p> <p>Apr. 2013: Director and Division General Manager of the Group Administrative Headquarters of the Company (current position)</p> <p>President and Representative Director of NAMCO BANDAI Holdings (USA) Inc. (currently BANDAI NAMCO Holdings USA Inc.) (current position)</p> <p>Apr. 2015: President and Representative Director of BANDAI NAMCO Business Arc Inc. (current position)</p> <p>(Major concurrent positions) President and Representative Director of BANDAI NAMCO Holdings USA Inc. President and Representative Director of BANDAI NAMCO Business Arc Inc.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
4	Yuji Asako (January 18, 1966) Number of the Company's Shares Owned 21,900 Shares	Director and Division General Manager of the Corporate Planning Division	<p>Apr. 1986: Joined Bandai Co., Ltd.</p> <p>Aug. 2005: General Manager, Accounting Division of Bandai Co., Ltd.</p> <p>Sep. 2005: Joined the Company, as General Manager of the Corporate Administration Department</p> <p>Apr. 2006: Director of NAMCO BANDAI Games Inc. (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Apr. 2008: Executive Officer, Division General Manager of Corporate Planning Division of the Company</p> <p>Jun. 2010: Director in charge of Corporate Planning and Division General Manager of the Corporate Planning Division of the Company</p> <p>Jun. 2011: Director and Division General Manager of the Corporate Planning Division of the Company (current position)</p> <p>Apr. 2014: Director of NAMCO LIMITED (*) (current position) * Newly established company through the incorporation-type company split of NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.)</p>
5	Kazunori Ueno (September 16, 1953) Number of the Company's Shares Owned 84,350 Shares	Executive Vice President and Representative Director in charge of Toys and Hobby SBU	<p>Apr. 1977: Joined Bandai Co., Ltd.</p> <p>Apr. 1991: General Manager, Candy Toy / Vending Machine Business Department of Bandai Co., Ltd.</p> <p>Jun. 2001: Director in charge of the Toy Business Projects and General Manager, Character Toy Business Department of Bandai Co., Ltd.</p> <p>Apr. 2003: Managing Director and President, Toys & Hobby Company and Chief Gundam Officer (CGO) of Bandai Co., Ltd.</p> <p>Jun. 2005: President and Representative Director and Chief Gundam Officer (CGO) of Bandai Co., Ltd. (current position)</p> <p>Sep. 2005: Director of the Company</p> <p>Jun. 2007: Director in charge of Toys and Hobby SBU of the Company</p> <p>Apr. 2012: Executive Vice President and Representative Director in charge of Toys and Hobby SBU of the Company (current position)</p> <p>(Major concurrent position) President and Representative Director of Bandai Co., Ltd.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
6	Satoshi Oshita (July 3, 1953) Number of the Company's Shares Owned 38,800 Shares	Director in charge of Network Entertainment SBU	<p>Mar. 1976: Joined Bandai Co., Ltd.</p> <p>Apr. 1992: General Manager, Toy Marketing Department of Bandai Co., Ltd.</p> <p>Jun. 1999: Executive Officer and Deputy Division Head, Consumer Business Division, and General Manager, SWAN Business Department of Bandai Co., Ltd.</p> <p>Mar. 2002: Joined Bandai Networks Co., Ltd., as Executive Manager</p> <p>Jun. 2002: President and Representative Director of Bandai Networks Co., Ltd.</p> <p>Jun. 2007: Director in charge of Network SBU of the Company</p> <p>Apr. 2009: Managing Director in charge of CS business and NE business of BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.)</p> <p>Apr. 2010: President and Representative Director of BANDAI VISUAL CO., LTD.</p> <p>Apr. 2012: Executive Officer in charge of Content SBU of the Company President and Representative Director of BANDAI NAMCO Games Inc. (current position)</p> <p>Jun. 2012: Director in charge of Content SBU of the Company</p> <p>Jan. 2015: President of BANDAI NAMCO (SHANGHAI) CO., LTD. (current position)</p> <p>Apr. 2015: Director in charge of Network Entertainment SBU of the Company (current position)</p> <p>(Major concurrent positions) President and Representative Director of BANDAI NAMCO Entertainment Inc. President of BANDAI NAMCO (SHANGHAI) CO., LTD.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
7	<p data-bbox="371 640 558 701">New Candidate for Director</p> <p data-bbox="384 734 545 875">Kazumi Kawashiro (November 4, 1959)</p> <p data-bbox="376 958 553 1093">Number of the Company's Shares Owned 11,500 Shares</p>	-	<p data-bbox="815 394 1417 454">Apr. 1982: Joined CANYON RECORDS INC. (Currently PONY CANYON INC.)</p> <p data-bbox="815 456 1273 486">Jul. 1989: Joined Bandai Co., Ltd.</p> <p data-bbox="815 488 1442 517">Apr. 1994: Joined BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 519 1449 611">Sep. 1997: General Manager of Production at Production Headquarters of BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 613 1490 739">Mar. 1999: Deputy Division Head of Visual Business Division and General Manager of Visual Planning Department of BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 741 1490 866">May 1999: Director, Deputy Division Head of Visual Business Division and General Manager of Visual Planning Department of BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 869 1481 929">May 2003: President and Representative Director of BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 931 1458 992">Jun. 2007: Director in charge of Visual and Music Content SBU of the Company</p> <p data-bbox="815 994 1481 1055">Apr. 2010: Vice President and Director of BANDAI VISUAL CO., LTD.</p> <p data-bbox="815 1057 1481 1149">Apr. 2012: President and Representative Director of BANDAI VISUAL CO., LTD. (current position)</p> <p data-bbox="815 1151 1490 1243">Apr. 2015: Executive Officer in charge of Visual and Music Production SBU of the Company (current position)</p> <p data-bbox="815 1272 1426 1364">(Major concurrent position) President and Representative Director of BANDAI VISUAL CO., LTD.</p>

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
8	<u>Outside Director</u> Nobuo Sayama (December 3, 1953) Number of the Company's Shares Owned --- Shares	Director	Apr. 1976: Joined TEIJIN LIMITED Jul. 1987: Joined Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) Dec. 1998: Resigned from The Sakura Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Jan. 1999: Representative Director of UNISON CAPITAL, Inc. Apr. 2004: Assistant Professor, Graduate School of International Corporate Strategy (ICS), Hitotsubashi University Representative Director of GCA Co, Ltd. (currently GCA Savvian Corporation) Apr. 2005: Professor, Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (current position) Oct. 2005: Representative Director of Mezzanine Corporation Mar. 2008: Managing Director of GCA Savvian Group Corporation (currently GCA Savvian Corporation) Representative Director of Integral Corporation (current position) Jun. 2011: Outside Director of the Company (current position)
			(Major concurrent positions) Professor, Graduate School of International Corporate Strategy (ICS), Hitotsubashi University Representative Director of Integral Corporation
(Reason for proposing Mr. Nobuo Sayama as a candidate for Outside Director and his competence as Outside Director) Given his extensive experience in corporate management and his profound scholarly knowledge via his teaching activities in the field of corporate strategy, the Company anticipates that he will be able further to strengthen management oversight and check functions, and thus believes that he will be able to perform the duties of an Outside Director appropriately.			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
9	<u>Outside Director</u> Tomohisa Tabuchi (December 9, 1957) Number of the Company's Shares Owned --- Shares	Director	Apr. 1984: Admitted to the bar in Japan Apr. 1991: Joined Mori Sogo Law Office (currently Mori Hamada & Matsumoto) Jun. 2006: Outside Audit & Supervisory Board Member of NAMCO BANDAI Games Inc. (currently BANDAI NAMCO Entertainment Inc.) Apr. 2007: Established STW & Partners Partner of STW & Partners (current position) Jun. 2011: Outside Director of the Company (current position) Jun. 2013: Outside Audit & Supervisory Board Member of Rakuten Bank, Ltd. (current position) Jun. 2014: Outside Director of Accordia Golf Co., Ltd. (current position) (Major concurrent positions) Attorney-at-Law, Partner of STW & Partners Outside Audit & Supervisory Board Member of Rakuten Bank, Ltd. Outside Director of Accordia Golf Co., Ltd.
(Reason for proposing Mr. Tomohisa Tabuchi as a candidate for Outside Director and his competence as Outside Director) Although he has not been involved in corporate management other than through serving as an Outside Director or Outside Audit & Supervisory Board Member, the Company anticipates, given his many years of experience as an attorney-at-law, that he will be able further to strengthen management oversight and check functions, mainly from a legal risk perspective, and thus believes that he will be able to perform the duties of an Outside Director appropriately.			

Candidate No.	Name (Date of Birth)	Positions and Responsibilities in the Company	Career Summary
10	<u>Outside Director</u> Yuzuru Matsuda (June 25, 1948) Number of the Company's Shares Owned --- Shares	Director	Apr. 1977: Joined Kyowa Hakko Kogyo Co., Ltd. (currently Kyowa Hakko Kirin Co., Ltd.) Jun. 2000: Executive Officer and Head of Pharmaceutical Research Institute of Kyowa Hakko Kogyo Co., Ltd. Jun. 2002: Managing Director and General Manager of Comprehensive Planning Office of Kyowa Hakko Kogyo Co., Ltd. Jun. 2003: President and Representative Director of Kyowa Hakko Kogyo Co., Ltd. Oct. 2008: Executive Director of the Board, President and Chief Executive Officer of Kyowa Hakko Kirin Co., Ltd. Mar. 2012: Advisor of Kyowa Hakko Kirin Co., Ltd. Jun. 2012: Head of Kato Memorial Bioscience Foundation (current position) Jun. 2014: Outside Director of KUBOTA Corporation (current position) Outside Director of the Company (current position)
			(Major concurrent positions) Head of Kato Memorial Bioscience Foundation Outside Director of KUBOTA Corporation
			(Reason for proposing Mr. Yuzuru Matsuda as a candidate for Outside Director and his competence as Outside Director) Given his extensive experience in corporate management and his excellent character and acumen, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce a broader managerial perspective, and thus believes that he will be able to perform the duties of an Outside Director appropriately.

- (Notes) 1. Each of Mr. Nobuo Sayama, Mr. Tomohisa Tabuchi and Mr. Yuzuru Matsuda is a candidate for Outside Director of the Company. Each candidate is currently Outside Director of the Company. As of the close of this General Meeting of Shareholders, Mr. Nobuo Sayama and Mr. Tomohisa Tabuchi will have served about four years, and Mr. Yuzuru Matsuda will have served about one year. Liability Limitation Agreements under Article 427, Paragraph 1, of the Companies Act have not been concluded between each of them and the Company.
2. Independence as Outside Director
 The Company believes that Mr. Nobuo Sayama, Mr. Tomohisa Tabuchi and Mr. Yuzuru Matsuda, who are candidates for Outside Director of the Company, all satisfy the Company's Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (please refer to "Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members" on page 17.) and thus have no risk of conflicts of interest with general shareholders and have a high degree of independence. The Company has filed a notification with the Tokyo Stock Exchange that each of the candidates would be Independent Directors/Auditors as defined in the rules of the Tokyo Stock Exchange.
3. There are no special interests between each of the candidates for Director and the Company.

Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members (Reference)

The Company has prescribed the following “Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members” and has nominated Outside Directors and Outside Audit & Supervisory Board Members based on such standards.

Standards for the Independence of Outside Directors and Outside Audit & Supervisory Board Members

In order for the Outside Directors and Outside Audit & Supervisory Board Members of the Company to be judged as being independent, such Outside Directors and Outside Audit & Supervisory Board Members must not fall under any of the following items.

1. Any person who purports to be a major business partner of the Company (including group companies of the Company; the same applies hereinafter)
2. Any Executive Director, Executive Officer, Manager or other employee of a company that purports to be a major business partner of the Company
3. Any person who is a major business partner of the Company
4. Any Executive Director, Executive Officer, Manager or other employee of a company that is a major business partner of the Company
5. Any attorney-at-law, certified public accountant, certified public tax accountant, consultant or other expert who receives monies or other economic benefits above a certain amount from the Company, in addition to his or her remuneration as a Director or Audit & Supervisory Board Member
6. Any person belonging to a company, association or other organization such as a law firm, auditing firm, tax accountant corporation and consultancy which receives monies or other economic benefits above a certain amount from the Company
7. Any person receiving donations or subsidies from the Company above a certain amount
8. Any person who is a Board member or other Executive Officer in a company, association or other organization which receives donations or subsidies from the Company above a certain amount
9. If an Executive Director or full-time Audit & Supervisory Board Member for the Company concurrently holds a position as an Outside Director or Outside Audit & Supervisory Board Member at another company, any person who is an Executive Director, Executive Officer, Manager or other employee of that company
10. Any person who has come under one of the categories listed in items 1 through 9 above in the past 5 years
11. If a person coming under one of the categories listed in items 1 through 9 above is an important person, that person’s spouse or relative within the second degree of kinship
12. The spouse or relative within the second degree of kinship of any person who is a Director, Executive Officer, Manager or other important employee of the Company or its subsidiaries

- (Notes) 1 In items 1 and 2, where it reads “any person who purports to be a major business partner of the Company,” this means “any person (or company) who has received a payment from the Company 2% or more of its annual consolidated net sales for the most recent business year.”
- 2 In items 3 and 4, where it reads “any person who is a major business partner of the Company,” this means “any person (or company) who has paid to the Company an amount 2% or more of the Company’s annual consolidated net sales for the most recent business year, or any person (or company) who has provided the Company with a loan of an amount 2% or greater of the value of the Company’s consolidated total assets as of the end of the most recent business year.”
- 3 In items 5, 7 and 8, where it reads “a certain amount,” this means “¥10 million a year.”
- 4 In item 6, where it reads “a certain amount,” this means “2% or more of the total net sales for that company, association or organization for the most recent business year, or ¥100 million; whichever is greater.”

Proposal No. 4: Revision of Remuneration Amount for Directors

Remuneration for Directors of the Company is up to a limit of 700 million yen per fiscal year (of which 350 million yen is the limit for base remuneration and the remaining 350 million yen is the limit for cash bonuses) as approved at the 1st Ordinary General Meeting of Shareholders held on June 26, 2006; however, in light of sustained improvements in business performance from that time and expanding business size, the Company would like to change this to a limit of 850 million yen per fiscal year (including 60 million yen for Outside Directors at a maximum) in line with its remuneration policy, in order to maintain a remuneration framework which is strongly linked to business performance. This limit of 850 million yen consists of a base remuneration limit of 400 million yen, and a cash bonus limit of the remaining 450 million yen.

Cash bonuses are planned to be paid in principal out of an amount calculated by multiplying the predetermined standard amount by a percentage between 0% and 200% according to the consolidated operating income of the Group for each fiscal year, up to a limit of 1.5% of consolidated net income for the relevant period, and the amount to be used for cash bonuses will be 450 million yen if the predetermined standard amount is multiplied by the maximum 200%.

Cash bonuses are not paid to Outside Directors.

There are currently nine Directors (including three Outside Directors), but if Proposal No. 3 is approved without any changes, then there will be ten Directors (including three Outside Directors).

Proposal No. 5: Decision on Remuneration Amount and Details for Directors' Stock Options

The Company proposes granting its Directors, excluding Outside Directors, stock subscription rights (stock compensation-type stock options) with a limit amount of 160 million yen per fiscal year as part of their annual remuneration and requests that this proposal be approved.

The remuneration system for Directors of the Company, excluding Outside Directors, has as its basic policy the creation of a remuneration framework which provides continuous growth for the Company and improves the Company's corporate value in the medium and long term, by bringing out a healthy sense of entrepreneurship in its Directors while taking into account what level of remuneration will enable the Company to secure and retain top grade personnel, through promoting sharing value with the Company's shareholders and ensuring an adequate level of objectivity and transparency to fulfil its accountability obligations. Specifically, in aspiring towards achieving the numerical targets listed in the three-year "Mid-term Plan of BANDAI NAMCO Group (from April 2015 to March 2018)" beginning in April 2015 (hereinafter referred to as the "Mid-term Plan"), this remuneration system will clearly link performance towards these targets with remuneration, and increase the weight of performance-based remuneration.

As part of this, as with the system in place for the period of the previous Mid-term Plan, the current system continues to employ a structure for assigning stock compensation-type stock options to Directors, on condition that the predefined performance goals are achieved.

Because the performance requirements have been imposed for these stock compensation-type stock options, not as a condition for exercising the options but as a condition for being allotted the options, the stock compensation-type stock options will not be granted to Directors in the first place if those performance requirements are not satisfied. Thus, under this structure, remuneration costs will arise only when the Company performs well.

In order to encourage Directors to meet the continuing challenge of achieving the Mid-term Plan's objectives, performance requirements shall apply if consolidated operating income for the Group for a fiscal year during the period of the Mid-term Plan is 50,000 million yen or greater, as stated under "(iii) Requirements for allotment of stock subscription rights"; and according to increases in consolidated operating income, the issuance baseline will increase by up to the limit amount of 160 million yen. Whether issues are made, and what baseline is set, shall be determined for each fiscal year while the Mid-term Plan is in effect.

In addition, as stated in "(vii) Conditions on exercise of stock subscription rights" below, by limiting the timing of exercise of rights relating to the stock compensation-type stock options allotted to the time when the recipient steps down as a Director or an Audit & Supervisory Board Member, the Company thinks that it will be possible to ensure the sharing of common values with all shareholders on an ongoing basis.

If Proposal No. 3 is approved without any changes, then there will be seven Directors to whom this proposal will apply, excluding the three members who are expected to become Outside Directors.

The details of the stock subscription rights are as stated below.

- (i) Class and number of shares to be delivered upon exercise of stock subscription rights
The maximum number of shares of common stock of the Company to be delivered upon exercise of stock subscription rights per year is 80,000 (0.04% of the total number of shares issued).

In the event that the Company carries out a share split or share consolidation, the number of shares to be delivered upon exercise of stock subscription rights will be adjusted in accordance with the following formula; provided, however, that such adjustment will only be carried out with respect to the number of shares to be delivered upon exercise of stock subscription rights that have not been exercised at the time of the share split or share consolidation, and any fraction less than one share resulting from such adjustment will be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of share split or share consolidation}$$

Furthermore, if the number of shares to be delivered upon exercise of stock subscription rights needs to be adjusted because the Company carries out an absorption-type merger or a consolidation-type merger with another company with succession to the stock subscription rights provided for in this proposal or because the Company carries out an incorporation-type company split or an absorption-type company split, the Company will make the necessary adjustment in the number of the shares as well.

- (ii) Total number of stock subscription rights

The maximum number of stock subscription rights to be allotted per year is 800.

The number of shares to be delivered upon exercise of one stock subscription right is 100 shares.

(If, however, the number of shares is adjusted as provided for in the Paragraph (i) above, then the number of shares to be delivered upon exercise of one stock subscription right will be adjusted in the same manner.)

- (iii) Requirements for allotment of stock subscription rights

If the Company's consolidated operating income is 50,000 million yen or greater in any of the fiscal years from the fiscal year ending March 2016 through the fiscal year ending March 2018, stock subscription rights shall be allotted within a range from 80 million yen to 160 million yen per year according to the level of achievement of business performance targets in that fiscal year.

- (iv) Price for issuance of stock subscription rights

The price for issuance of each stock subscription right will be calculated based on the Black-Scholes model, an impartial method of valuing stock subscription rights.

The person who receives an allotment of the stock subscription rights will, instead of paying the price for issuance of the stock subscription rights in cash, offset his or her obligation to pay for issuance of the stock subscription rights against the recipient's right to his or her remuneration from the Company.

- (v) Amount to be paid upon exercising stock subscription rights

The amount to be paid upon exercising each stock subscription right will be one yen per share to be issued or transferred by the exercise of each stock subscription right, multiplied by the number of shares to be granted.

- (vi) Exercise period for stock subscription rights

The exercise period for stock subscription rights will be decided by the Company's Board of Directors, which must not exceed 20 years from the allotment date of the stock subscription rights.

(vii) Conditions on exercise of stock subscription rights

A person who has received an allotment of the stock subscription rights may, within the period specified in “(vi) Exercise period for stock subscription rights,” exercise those stock subscription rights between one and ten days after the date on which that person loses his or her position as a Director, Audit & Supervisory Board Member, or an employee of the Company or of a subsidiary of the Company.

(viii) Restrictions on assignment of stock subscription rights

Any assignment of stock subscription rights requires the approval of the Board of Directors of the Company.

(ix) Other details concerning stock subscription rights

Other details concerning stock subscription rights will be determined at the Board of Directors Meeting of the Company at which matters concerning the offering of such stock subscription rights will be resolved.

(Reference)

The Company is scheduled, upon a resolution of the Board of Directors of the Company, to grant stock subscription rights to the directors of the three major companies of the Group’s SBUs, Bandai Co., Ltd., BANDAI NAMCO Entertainment Inc., and BANDAI VISUAL CO., LTD., on the same terms as those stated in Proposal No. 5, as part of their remuneration.

The number of stock subscription rights and the conditions for their allotment are as follows:

1. Class and number of shares to be delivered upon exercise of stock subscription rights
The maximum number of shares of common stock of the Company to be delivered upon exercise of stock subscription rights per year is 100,000 (0.05% of the total number of shares issued).
2. Total number of stock subscription rights
The maximum number of stock subscription rights to be allotted per year is 1,000. (The number of shares to be delivered upon exercise of one stock subscription right is 100 shares.)
3. Requirements for allotment of stock subscription rights
If the Company’s consolidated operating income is 50,000 million yen or greater in any of the fiscal years from the fiscal year ending March 2016 through the fiscal year ending March 2018, stock subscription rights shall be allotted within a range from 100 million yen to 200 million yen per year according to the level of achievement of business performance targets in that fiscal year.

(Reference)

If Proposal No. 4 and Proposal No. 5 are approved without any changes, the “Policy and Procedures for Decisions on Remuneration” of the Company will be as follows.

1. Remuneration policy

The remuneration system for Directors of the Company, excluding Outside Directors, has as its basic policy the creation of a remuneration framework which provides continuous growth for the Company and improves the Company’s corporate value in the medium and long term, by bringing out a healthy sense of entrepreneurship in its Directors while taking into account what level of remuneration will enable the Company to secure and retain top grade personnel, through promoting sharing value with the Company’s shareholders and ensuring an adequate level of objectivity and transparency to fulfil its accountability obligations.

Specifically, in aspiring towards achieving the numerical targets listed in the three-year

“Mid-term Plan of BANDAI NAMCO Group (from April 2015 to March 2018)” beginning in April 2015 (hereinafter referred to as the “Mid-term Plan”), this remuneration system will clearly link performance towards these targets with remuneration, and increase the weight of performance-based remuneration.

The same basic policy applies to the directors of the three major companies of the Group’s SBUs, Bandai Co., Ltd., BANDAI NAMCO Entertainment Inc., and BANDAI VISUAL CO., LTD.

2. Remuneration framework

The remuneration framework for Directors of the Company, excluding Outside Directors, shall comprise fixed remuneration consisting of the base remuneration, performance-based bonuses as variable remuneration, and stock compensation-type stock options that are provided to promote sharing of common values with all shareholders, to steadily improve actual business performance for each fiscal year, and to support an appropriate level of risk-taking so as to improve the Company’s corporate value in the medium and long term.

A fixed proportion of the base remuneration is contributed to the shareholding association for directors and officers to buy back the Company’s shares and hold such shares for the duration of the tenures of the relevant Director.

Remuneration standards are determined utilising a management remuneration database with which data on remunerations are aggregated and analysed by an external specialist organisation, setting objective benchmarks in light of the scales of the Company’s business operations and so on, and comprehensively taking into consideration the proportion of risk remuneration within annual total remuneration and the level of difficulty of achieving business performance targets.

Where the standard performance for the period of the Mid-term Plan has been achieved, the ratio of fixed remuneration to variable remuneration within annual total remuneration shall be about 50:50, and the ratio of share-type remuneration within variable remuneration shall be around 30%.

3. Structure for performance-based remuneration

Performance-based bonuses shall be paid in principle according to the consolidated operating income of the Group for each fiscal year, in an amount determined within a limit of 1.5% of the consolidated net income for the period, within a range of 0% to 200% of the predetermined standard amount.

Stock compensation-type stock options shall be granted only in cases where the consolidated operating income of the Group exceeds 50,000 million yen; and the issuance baseline may increase by up to double the amount issued when 50,000 million yen is achieved according to any increase in consolidated operating income.

Whether issues are made, and what baseline is set, shall be assessed for each fiscal year during the period of the Mid-term Plan.

4. Procedure for decisions on remuneration

The policy for remuneration, the remuneration framework, and the structure for performance-based remuneration for Directors of the Company, excluding Outside Directors, shall be decided at Board of Directors Meetings after receiving recommendations from the Personnel Committee of which a majority of the members are Outside Directors, in order to elicit Outside Directors’ adequate participation and appropriate advice.

When the Committee is deliberating, sufficient information is provided to the Outside Directors to perform their analysis, including for instance by asking for advice from external specialist organizations where necessary.

5. Policy and procedures for remuneration of Outside Directors and Audit & Supervisory Board Members

Remuneration for Outside Directors of the Company comprises base remuneration only, to ensure their independence, and the amount of remuneration for each Outside Director is determined by the Board of Directors.

Remuneration for Audit & Supervisory Board Members comprises base remuneration only,

with the amount set in accordance with their job positions, considering that they bear the duty to audit the execution of all duties across the Group. The amount of remuneration for each Audit & Supervisory Board Member is determined by the Audit & Supervisory Board.

END

BUSINESS REPORTS*(From April 1, 2014 to March 31, 2015)***1. Current Status of the Group****(1) Business Status for This Fiscal Year****(i) Business Progress and Results**

During the fiscal year ended March 31, 2015, although the Japanese economy showed a moderate tone of recovery, it was also affected by a pullback from the last minute demand due to the consumption tax increase, and the continued depreciation of the yen and fall in the crude oil price. These factors contributed to uncertainty in the outlook for the overall economy, which had an impact encompassing personal consumption. Overseas, in Asia there was continued market expansion in the ASEAN region in line with growth in incomes, while, on the other hand, other regions experienced slowdowns in economic growth. Although in North America economic conditions and internal demand followed moderate recovery trends, some areas in Europe showed slow growth in internal demand.

In this environment, the BANDAI NAMCO Group (“the Group”) implemented various initiatives aimed at medium- to long-term growth, focusing on its IP (Intellectual Property: intellectual property of characters) axis strategy, under the concept of “Empower, Gain Momentum, Accelerate Evolution,” which is the vision of the Group’s three-year Mid-term Plan, started in April 2012. On the business front, the Toys and Hobby Business in Japan had favorable sales of new IP products and long-established IP products. In addition, sales were favorable in the Content Business in game software in North America and Europe as well as network content and visual and music content.

Consequently, the Group’s consolidated results at fiscal year-end were net sales of 565,486 million yen (year-on-year increase of 11.4%), operating income of 56,320 million yen (year-on-year increase of 26.1%), recurring income of 59,383 million yen (year-on-year increase of 25.1%), and net income of 37,588 million yen (year-on-year increase of 50.0%).

(ii) Outline of Business by Business Segment

(Millions of yen)

Business Segment	Net Sales			Operating Income (Loss)		
	Year Ended March 31, 2014	Year Ended March 31, 2015	Change	Year Ended March 31, 2014	Year Ended March 31, 2015	Change
Toys and Hobby	186,390	230,918	Increase of 44,527	10,510	17,040	Increase of 6,530
Content	278,408	288,009	Increase of 9,601	37,248	40,927	Increase of 3,679
Amusement Facility	58,199	55,538	Decrease of 2,661	(897)	(2,287)	Decrease of 1,390
Other	27,350	27,006	Decrease of 343	1,646	1,462	Decrease of 183
Eliminations and Corporate	(42,670)	(35,987)	Increase of 6,682	(3,834)	(822)	Increase of 3,012
Consolidated	507,679	565,486	Increase of 57,806	44,672	56,320	Increase of 11,647

Toys and Hobby Business

In the Toys and Hobby Business, in Japan, sales performed favorably thanks to products of the new IP *Yokai Watch* and long-established IP such as *Mobile Suit Gundam*. In addition, sales of products including the long-established IP *KAMEN RIDER* series and *Super Sentai* series (*Power Rangers* series), and the IP *Aikatsu!* for girls, performed favorably due to cross-functional efforts undertaken across all businesses. Aside from that, the Group strived to broaden the variety of its target customers by such means as stepping up development of products for adults, and also for babies and pre-school children, to steadily move toward achieving our objective of becoming No. 1 in each target and market in Japan by an overwhelming margin.

Overseas, in North America and Europe, products of the *Power Rangers* series sold steadily, while products of the newly launched movie IP *BIG HERO 6* sold favorably. Nevertheless, performances in North America and Europe were weak overall. In the Asian region, toys, plastic models, collectable toys for adults became popular thanks to developments in conjunction with Japan.

As a result, net sales in the Toys and Hobby Business were 230,918 million yen (year-on-year increase of 23.9%), and operating income was 17,040 million yen (year-on-year increase of 62.1%).

Description of Business

Manufacturing and sales of toys, sweets and food products, production for vending machines, cards, plastic models, apparel, sundries, stationery, etc.
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Content Business

Looking at the Content Business, in Japan, key titles in social games and application games for smartphones sold stably. In addition, new titles, such as *ONE PIECE Treasure Cruise* and *DRAGON BALL Z Dokkan Battle*, sold favorably. In home video game software, there was a decline in sales in comparison with the previous fiscal year, when there were launches of several big titles. Also, in the area of visual and music content, visual and music content such as *LoveLive! School idol project*, which is IP for which visual content was developed in conjunction with music content, and *Mobile Suit Gundam UC (Unicorn) episode 7: Over the Rainbow*, etc. sold favorably and contributed to performance. In addition, the Group proactively held live events such as concerts as a new outlet for its IP axis strategy. However, while popular series titles for arcade game machines have sold steadily, the business struggled due to the effects of fluctuations in the market and so on.

Overseas, sales of game software launched in North America and Europe, *DRAGONBALL XENOVERSE*, and repeat sales of *DARK SOULS II* released in the previous business year moved to an excellent position.

As a result, net sales in the Content Business were 288,009 million yen (year-on-year increase of 3.4%), and operating income was 40,927 million yen (year-on-year increase of 9.9%).

Description of Business

Planning, development and distribution services for network content, planning, development and sales of home video game software, arcade game machines, and prizes for amusement machines, planning, production and sales of films, visual and music content software, distribution services for on-demand visual content, live entertainment operations, etc.
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Amusement Facility Business

In the Amusement Facility Business, the Group pushed ahead with a range of measures aimed at rebuilding the business, such as strengthening the allocation of store personnel and measures to attract customers. In addition, the Group pushed ahead with initiatives such as developing differentiated facilities that offer the experience of its distinctive worldview of specific IPs and concentrating resources on large stores. However, sales of existing facilities in Japan declined to 91.2% of the previous fiscal year. Overseas, sales were steady thanks to efficient operations.

As a result, net sales in the Amusement Facility Business were 55,538 million yen (year-on-year decrease of 4.6%), and operating loss was 2,287 million yen (compared with segment loss of 897 million yen for the previous fiscal year).

Description of Business
Planning and operation of amusement facilities, etc.

Number of Facilities as of March 31, 2015

Directly Managed Facilities	Revenue-Sharing Facilities	Others	Total
237	1,046	10	1,293

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, Content SBU, and Amusement Facility 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 27,006 million yen (year-on-year decrease of 1.3%), and operating income was 1,462 million yen (year-on-year decrease of 11.2%).

Description of Business
Transportation and storage of products, management of real estate, printing, etc.

(iii) Capital Expenditures

In this fiscal year, the Group carried out 22,298 million yen in capital expenditures; the funds were primarily used for investments in the manufacturing of molds associated with the development of new products and in amusement facilities and machines.

(iv) Fundraising

Not applicable.

(v) Transfers of Business, Absorption-Type Company Splits, or Incorporation-Type Company Splits

Not applicable.

(vi) Acquisitions of Other Companies' Businesses

Not applicable.

(vii) Successions of Rights or Duties Related to the Businesses of Other Legal Entities, etc.
due to Absorption-Type Mergers or Absorption-Type Company Splits

Not applicable.

(viii) Acquisitions and Disposals of Shares, Other Equities, and Stock Subscription Rights in
Other Companies

Not applicable.

(2) Status of Assets and Profits & Losses for the Previous Three Fiscal Years

Fiscal Year Classification	7th Fiscal Year (Year Ended March 31, 2012)	8th Fiscal Year (Year Ended March 31, 2013)	9th Fiscal Year (Year Ended March 31, 2014)	10th Fiscal Year (Year Ended March 31, 2015) (This Fiscal Year)
Net sales (Millions of yen)	454,210	487,241	507,679	565,486
Operating income (Millions of yen)	34,606	48,642	44,672	56,320
Recurring income (Millions of yen)	34,960	49,972	47,456	59,383
Net income (Millions of yen)	19,303	32,383	25,054	37,588
Net income per share	¥85.62	¥147.40	¥114.05	¥171.10
Total assets (Millions of yen)	342,171	374,203	405,092	441,763
Net assets (Millions of yen)	213,125	248,769	267,951	303,512
Net assets per share	¥962.45	¥1,124.45	¥1,217.74	¥1,378.77

(3) Important Parent Company and Subsidiaries

(i) Status of the Parent Company

Not applicable.

(ii) Important Subsidiaries

Name of Company	Capital	Ownership Ratio	Description of Principal Business
Bandai Co., Ltd.	¥ 10,000 million	100.0%	Manufacturing and sales of toys and apparel, etc.
BANDAI NAMCO Games Inc.	¥ 10,000 million	100.0%	Planning, development and sales of home video game software and arcade game machines, etc., and distribution services for network content, etc.
NAMCO LIMITED	¥ 10,000 million	100.0%	Operation of amusement facilities, etc.
BANDAI NAMCO Holdings USA Inc.	US\$ 10	100.0%	Pure holding company as regional headquarters in the U.S.
BANDAI S.A.	€21,690,000	100.0%	Regional headquarters company in Europe. Import and sales of toys, etc.
BANDAI NAMCO Holdings UK LTD.	£ 43,500,000	100.0%	Pure holding company as regional headquarters in the U.K.
BANDAI NAMCO ASIA CO., LTD.	HK\$ 103,000,000	100.0%	Regional headquarters company in Asia. Import, manufacturing and sales of toys, etc.

- (Notes) 1. On April 1, 2014, NAMCO BANDAI Holdings (USA) Inc. changed its trade name to BANDAI NAMCO Holdings USA Inc., and on January 30, 2015, BANDAI (H.K.) CO., LTD. changed its trade name to BANDAI NAMCO ASIA CO., LTD. In addition, on April 1, 2015, BANDAI NAMCO Games Inc. changed its trade name to BANDAI NAMCO Entertainment Inc.
2. BANDAI NAMCO Holdings UK LTD. carried out a capital increase of £14,000,000 on December 22, 2014. As the said company carried out a capital increase of £7,000,000 on April 17, 2015, its stated capital is now £50,500,000.

(4) Issues to be Addressed

The Group and this industry must address many important, long-term issues, including (i) the diversification of customer needs, (ii) reacting to changes in the market and the environment, and (iii) increasingly intense competition on a global scale. The Group is applying the focus strategies defined in its Mid-term Plan to address these issues swiftly.

(i) Common Issues Faced by All Strategic Business Units (“SBUs”)

Efforts Toward Maximizing the Value of IP

The Group is strengthening its IP creation and development, acquisition, and utilization functions in order to respond to changes in the environment such as development of oligopolies in the distribution and media fields, the widespread penetration of networks, and technological improvements. Specifically, the Group will seek to maximize the value of its IP through promotion of collaboration among its businesses and cross-functional projects in the Group while creating IP by its products and services and operating the IP posting system by Group employees. Furthermore, to strengthen ties with IPs owned by other companies, we will undertake strategic investments related to IP.

Efforts Toward CSR (Corporate Social Responsibility)

The Group's corporate philosophy is to continue to provide "Dreams, Fun and Inspiration" to people around the world, through entertainment based on creativity and boundless enthusiasm. To ensure that we can continue to provide "Dreams, Fun and Inspiration," we have formulated the CSR initiatives, which crosscut the entire Group and include three types of responsibilities: environmental and social contribution responsibilities, economic responsibilities, and legal and ethical responsibilities (compliance). In accordance with these fundamental principles, the "Group CSR Committee" and its sub-committee, the "Group CSR Subcommittee," as well as the "Group Risk Compliance Committee," the "Group Information Security Committee," and the "Internal Control Committee" hold meetings and have been striving to implement a range of measures.

(ii) Issues Specific to Each SBU

* In April 2015, the SBUs were changed from "Toys and Hobby," "Content" and "Amusement Facility" to "Toys and Hobby," "Network Entertainment" and "Visual and Music Production."

Toys and Hobby SBU

This unit's industry is facing issues, such as a "shrinking domestic market due to the falling birthrate" and "increasingly diverse customer needs." This unit is addressing these issues by aiming for the position as the overwhelming No. 1 in Japan, working at expanding its target population segment and creating new businesses. In addition, it will expand its IP lineup and regions in which it is operating, with the aim of expanding its operations across Asia, which is predicted to continue to grow. In the North American and European markets, it is aiming for medium-term growth through establishing foundations and strengthening major IP expansion for improving profitability. In addition, on the development and production side, improvements in the value chain will enable more speedy and price-competitive product development.

Network Entertainment SBU

This unit's industry is facing issues that include "increasingly diverse platforms," "evolution of networks" and "increasingly diverse customer needs." To address these issues, it will endeavor to create new entertainment utilizing networks, over and above the boundaries of existing operations and products/services. As for network content such as application game titles, it will respond to new platforms and expand overseas operations. For its amusement facility operations, it will endeavor to improve its development of facilities to differentiate the Group by utilizing our IPs, and plan new amusement facilities by integrating the real and digital worlds. On the development front, the unit will put in place and improve the development environment, such as by implementing measures to respond swiftly to technological progress and changes in the environment.

Visual and Music Production SBU

This unit's industry is facing issues, such as "increasingly diverse customer needs" and "intensification of competition in IP creation." To address these issues, it will focus on production-related businesses such as in live events and fan clubs, in addition to sales of visual and music packaged products. In addition, in the area of IP creation, it will continue to pursue improved quality in its creations and stronger collaboration with products/services within the Group, by dividing its organizations dealing with the planning/development and creation of animation products and so on into those aimed towards products for older customers and those aimed towards ones for children and families.

We ask for our shareholders' further assistance and guidance.

(5) Principal Business Offices of the Group (As of March 31, 2015)

(i) The Company

Head Office	4-5-15 Higashi-Shinagawa, Shinagawa-ku, Tokyo
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(ii) Principal Subsidiaries

Bandai Co., Ltd.	Taito-ku, Tokyo
BANDAI NAMCO Games Inc.	Shinagawa-ku, Tokyo
NAMCO LIMITED	Minato-ku, Tokyo
BANDAI NAMCO Holdings USA Inc.	California, U.S.A.
BANDAI S.A.	Cergy-Pontoise, France
BANDAI NAMCO Holdings UK LTD.	London, U.K.
BANDAI NAMCO ASIA CO., LTD.	Hong Kong, China

- (Notes) 1. On April 1, 2014, NAMCO BANDAI Holdings (USA) Inc. changed its trade name to BANDAI NAMCO Holdings USA Inc., and on January 30, 2015, BANDAI (H.K.) CO., LTD. changed its trade name to BANDAI NAMCO ASIA CO., LTD. In addition, on April 1, 2015, BANDAI NAMCO Games Inc. changed its trade name to BANDAI NAMCO Entertainment Inc.
2. On October 1, 2014, NAMCO LIMITED changed the location of its head office from Ota-ku, Tokyo, to Minato-ku, Tokyo.

(6) Outline of Employees (As of March 31, 2015)

(i) Employees of the Group

Business Segment	Number of Employees		Change from the End of Previous Fiscal Year	
Toys and Hobby Business	2,356	(2,344)	Increase of 60	(Increase of 439)
Content Business	3,093	(641)	Increase of 23	(Increase of 74)
Amusement Facility Business	1,066	(3,787)	Decrease of 1	(Increase of 38)
Other Businesses	581	(541)	Decrease of 10	(Increase of 82)
Corporate (Common)	125	(15)	Decrease of 2	(-)
Total	7,221	(7,328)	Increase of 70	(Increase of 633)

- (Notes) 1. The number of employees refers to the employees actually at work.
2. The average numbers of temporary personnel employed for this fiscal year are presented separately in parentheses.
3. The number of employees listed for "Corporate (Common)" is the number of employees in the administration sector, etc. of the Company, BANDAI NAMCO Holdings USA Inc., and BANDAI NAMCO Holdings UK LTD.

(ii) Employees of the Company

Number of Employees	Change from the End of Previous Fiscal Year	Average Age	Average Years of Service
116 (15)	Decrease of 2 (-)	40.5	13.8

- (Notes) 1. The number of employees refers to the employees actually at work.
2. The average number of temporary personnel employed for this fiscal year is presented separately in parentheses.
3. In calculating the average years of service, with respect to the employees who have transferred from other Group companies, including Bandai Co., Ltd. and BANDAI NAMCO Games Inc. (currently BANDAI NAMCO Entertainment Inc.), to the

Company, the aggregate number of each employee's years of service at each company is used for calculation.

(7) Principal Lenders (As of March 31, 2015)

Lenders	Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥1,916 million
Sumitomo Mitsui Banking Corporation	¥1,210 million
Mizuho Bank, Ltd.	¥771 million
Mitsubishi UFJ Trust and Banking Corporation	¥240 million

(8) Other Important Matters of the Group

Not applicable.

2. Current Status of the Company

(1) Status of Shares (As of March 31, 2015)

- (i) Total Number of Shares Issuable: 1,000,000,000 shares
- (ii) Total Number of Issued Shares: 222,000,000 shares
- (iii) Number of Shareholders: 60,942 (increase of 25,603 from the end of the previous fiscal year)

(iv) Major Shareholders (Top 10 Shareholders)

Name of Shareholders	Number of Shares Held	Shareholding Ratio
Japan Trustee Services Bank, Ltd. (Trust account)	11,297,700	5.14
The Master Trust Bank of Japan, Ltd. (Trust account)	10,685,900	4.86
XIL, LTD.	6,000,000	2.73
Masaya Nakamura	5,960,000	2.71
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account)	4,586,100	2.09
MAL Ltd.	4,400,100	2.00
State Street Bank and Trust Company 505225	4,035,158	1.84
Nintendo Co., Ltd.	3,845,700	1.75
Goldman, Sachs & Co. Reg	3,844,605	1.75
MSCO Customer Securities	3,241,381	1.47

(Notes) 1. The shareholding ratio is calculated after reduction of the number of treasury stocks (2,203,082 shares).

2. Out of the above number of shares held, the numbers of shares relating to the trust business are as follows:

Japan Trustee Services Bank, Ltd. (Trust account)	10,836,800 shares
The Master Trust Bank of Japan, Ltd. (Trust account)	8,413,600 shares
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account)	4,586,100 shares

3. The 4,586,100 shares owned by The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust. The Bank of Tokyo-Mitsubishi UFJ account) were the shares of Bandai Co., Ltd. that were owned by UFJ Bank (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.), entrusted for retirement and severance benefits. Those shares were exchanged with the Company's shares through the share transfer on September 29, 2005, and The Bank of Tokyo-Mitsubishi UFJ directs the exercise of the voting rights pertaining to those shares.

(2) Stock Subscription Rights, etc.

(i) Stock Subscription Rights Held by Company Directors and Audit & Supervisory Board Members of the Company That Were Delivered as Consideration for the Execution of Their Duties at the End of This Fiscal Year

Stock Subscription Rights as per Resolution Made at the Board of Directors Meeting Held on May 21, 2013

- a. Number of Stock Subscription Rights
211
- b. Type and Number of Shares Underlying Stock Subscription Rights
21,100 shares of common stock (100 shares per stock subscription right)
- c. Amount Paid for the Issuance of Stock Subscription Rights
No requirement to make payment
- d. Value of the Property to Be Contributed at the Time of Exercising Stock Subscription Rights
100 yen per stock subscription right (1 yen per share)
- e. Period During Which Stock Subscription Rights Can Be Exercised
From June 5, 2013 to June 4, 2033
- f. Conditions for Exercising Stock Subscription Rights
 - i) The stock subscription rights holders may exercise stock subscription rights during the “Period During Which Stock Subscription Rights Can Be Exercised,” limited to 10 days after the day following that on which the position of the holder as either Director, Audit & Supervisory Board Member or employee at the Company or a Group company was lost.
 - ii) If a stock subscription rights holder dies, his or her heir (limited to one individual) shall exercise those rights.
 - iii) The transfer of stock subscription rights requires the approval of the Board of Directors of the Company.
- g. Stock Subscription Rights Held by Company Directors and Audit & Supervisory Board Members of the Company

Holder	Number of Stock Subscription Rights	Number of Shares Underlying Stock Subscription Rights	Number of Holders
Directors (excluding Outside Directors)	211	21,100	5
Outside Directors	–	–	–
Audit & Supervisory Board Members	–	–	–

- (ii) Stock Subscription Rights Delivered to Directors of the Subsidiaries of the Company, as Considerations for the Execution of Their Duties in This Fiscal Year

Not applicable.

(Reference)

Stock Subscription Rights Delivered to Directors of the Subsidiaries of the Company Prior to This Fiscal Year

	Seventh Issuance of Stock Subscription Rights
Date of resolution by the Board of Directors	May 21, 2013
Persons receiving rights; number of persons	6 Directors of subsidiaries of the Company
Type of stock; number of stock subscription rights (*)	Common stock; 15,000 shares (100 shares per stock subscription right)
Date of delivery of stock subscription rights	June 5, 2013
Amount paid	No requirement to make payment
Value of the property to be contributed upon exercising stock subscription rights	100 yen per stock subscription right (1 yen per share)
Period during which stock subscription rights can be exercised	From June 5, 2013 to June 4, 2033

(*) In the above, the number of stock subscription rights is stated by converting the number into the number of shares underlying the stock subscription rights.

(3) Directors and Audit & Supervisory Board Members of the Company

(i) Directors and Audit & Supervisory Board Members (As of March 31, 2015)

Title	Name	Responsibilities in the Company and Major Concurrent Positions
President and Representative Director	Shukuo Ishikawa	
Executive Vice President and Representative Director	Kazunori Ueno	Responsible for the Toys and Hobby SBU President and Representative Director of Bandai Co., Ltd.
Director	Shuji Ohtsu	Division General Manager of the Group Administrative Headquarters President and Representative Director of BANDAI NAMCO Holdings USA Inc.
Director	Yuji Asako	Division General Manager of the Corporate Planning Division
Director	Satoshi Oshita	Responsible for the Content SBU President and Representative Director of BANDAI NAMCO Games Inc. President of BANDAI NAMCO (SHANGHAI) CO., LTD.
Director	Hitoshi Hagiwara	Responsible for the Amusement Facility SBU President and Representative Director of NAMCO LIMITED
Director	Nobuo Sayama	Professor, Graduate School of International Corporate Strategy (ICS), Hitotsubashi University Representative Director of Integral Corporation
Director	Tomohisa Tabuchi	Attorney-at-Law Partner in STW & Partners Outside Audit & Supervisory Board Member of Rakuten Bank, Ltd. Outside Director of Accordia Golf Co., Ltd.
Director	Yuzuru Matsuda	Outside Director of KUBOTA Corporation Head of Kato Memorial Bioscience Foundation
Full Time Audit & Supervisory Board Member	Kazuo Asami	
Full Time Audit & Supervisory Board Member	Katsuhiko Kohtari	Certified Public Accountant
Audit & Supervisory Board Member	Osamu Sudoh	Attorney-at-Law Partner in Sudoh & Takai Law Offices Outside Director of Rakuten Bank, Ltd. Outside Director of Accordia Golf Co., Ltd. Outside Audit & Supervisory Board Member of MITSUI-SOKO HOLDINGS Co., Ltd.
Audit & Supervisory Board Member	Katsuhiko Kamijo	Professor at Faculty of Law of Teikyo University Outside Audit & Supervisory Board Member of HASEKO Corporation

- (Notes) 1. Directors Nobuo Sayama, Tomohisa Tabuchi and Yuzuru Matsuda are Outside Directors.
2. Full Time Audit & Supervisory Board Member Katsuhiko Kohtari and Audit & Supervisory Board Members Osamu Sudoh and Katsuhiko Kamijo are Outside Audit & Supervisory Board Members.
3. Full Time Audit & Supervisory Board Member Katsuhiko Kohtari is a certified public accountant and has considerable knowledge of finance and accounting.
4. Audit & Supervisory Board Member Osamu Sudoh has considerable experience with bankruptcy issues as an attorney-at-law and has the deep knowledge of finance and accounting necessary to engage in such bankruptcy issues.
5. Audit & Supervisory Board Member Katsuhiko Kamijo has many years of familiarity with tax affairs, is certified tax accountant, and has considerable knowledge of tax issues.
6. The Company has appointed Outside Directors Nobuo Sayama, Tomohisa Tabuchi and Yuzuru Matsuda and Outside Audit & Supervisory Board Members Katsuhiko Kohtari, Osamu Sudoh, and Katsuhiko Kamijo as Independent Directors/Auditors as defined in the rules of the Tokyo Stock Exchange and has filed therewith the notification regarding their appointments.
7. On April 1, 2015, BANDAI NAMCO Games Inc. changed its trade name to BANDAI NAMCO Entertainment Inc.

- (ii) Directors and Audit & Supervisory Board Members Who Retired or Were Dismissed during This Fiscal Year

Not applicable.

- (iii) Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members

Total Amount of Remuneration, etc., Paid During This Fiscal Year

	Number of People	Amount of Remuneration, etc.
Directors	9	¥436 million
Audit & Supervisory Board Members	6	¥67 million
Total	15	¥504 million
(Outside Directors and Outside Audit & Supervisory Board Members)	(8)	(¥88 million)

- (Notes) 1. There are no employees serving as Directors.
2. At the 1st Ordinary General Meeting of Shareholders held on June 26, 2006, it was resolved that the remuneration limit for Directors must be 700 million yen per fiscal year, of which 350 million yen is the limit for base remuneration and the remaining 350 million yen is the limit for cash bonus. In addition, at the Seventh Ordinary General Meeting of Shareholders held on June 18, 2012, it was resolved that the upper limit on their stock option remuneration is 120 million yen per year.
3. At the Ordinary General Meetings of Shareholders for Bandai Co., Ltd. and NAMCO LIMITED (currently BANDAI NAMCO Entertainment Inc.) held on June 23, 2005 and on June 25, 2005 respectively, it was resolved that the remuneration limit for Audit & Supervisory Board Members must be 8 million yen per month.

(iv) Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

a. Status of Major Concurrent Positions of Other Companies, etc. and Relationships Between Those Companies, etc. and the Company

Major concurrent positions of Outside Directors and Outside Audit & Supervisory Board Members are as stated in “(i) Directors and Audit & Supervisory Board Members” on page 36.

Moreover, there are no special relationships between the Company and the entities with which Outside Directors and Outside Audit & Supervisory Board Members have concurrent positions.

b. Main Activities in This Fiscal Year

(Directors)

	Board of Directors Meetings (Held 18 times)		Statements Made at Board of Directors Meetings
	Number of Meetings Attended	Attendance Rate	
Nobuo Sayama	18	100.0%	Provided advice and proposals by giving opinions, etc. based on his wealth of experience and position as a corporate officer and from his profound scholarly knowledge via his teaching activities in the field of corporate strategy to ensure the appropriateness and validity of decisions of the Board of Directors.
Tomohisa Tabuchi	18	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as an attorney-at-law to ensure the appropriateness and validity of decisions of the Board of Directors.
Yuzuru Matsuda	14	100.0%	Provided advice and proposals by giving opinions, etc. reflecting his broad view on overall management based on his wealth of experience and position as a corporate officer to ensure the appropriateness and validity of decisions of the Board of Directors.

(Note) Since Yuzuru Matsuda was elected at the Ninth Ordinary General Meeting of Shareholders held on June 23, 2014, and thus, the number of Board of Directors Meetings on which his attendance rate is based differs from that of other Outside Directors. There have been 14 Board of Directors Meetings since he assumed the office of Director.

(Audit & Supervisory Board Members)

	Board of Directors Meetings (Held 18 times)		Audit & Supervisory Board Meetings (Held 14 times)		Statements Made at Board of Directors Meetings and Audit & Supervisory Board Meetings
	Number of Meetings Attended	Attendance Rate	Number of Meetings Attended	Attendance Rate	
Katsuhiko Kohtari	18	100.0%	14	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as a certified public accountant to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Osamu Sudoh	18	100.0%	14	100.0%	Provided advice and proposals by giving opinions, etc. primarily from his position as an attorney-at-law to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.
Katsuhiko Kamijo	14	100.0%	11	100.0%	Provided advice and proposals by giving opinions, etc. based on his wealth of experience dealing with tax affairs and from his profound scholarly knowledge via his teaching activities in tax affairs to ensure the appropriateness and validity of decisions of the Board of Directors and the Audit & Supervisory Board.

(Note) Since Katsuhiko Kamijo was elected at the Ninth Ordinary General Meeting of Shareholders held on June 23, 2014, and thus, the numbers of Board of Directors Meetings and Audit & Supervisory Board Meetings on which his attendance rates are based differ from that of other Outside Audit & Supervisory Board Members. There have been 14 Board of Directors Meetings and 11 Audit & Supervisory Board Meetings since he assumed the office of Audit & Supervisory Board Member.

c. Summary of Contracts Concerning Limited Liability

Not applicable.

d. Total Amount of Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members by the Parent Company and Subsidiaries, etc.

Not applicable.

(4) Accounting Auditors

- (i) Name: KPMG AZSA LLC
- (ii) Amount of Remuneration, etc.

	Amount of Remuneration, etc.
Amount of Remuneration, etc. for Accounting Auditors for This Fiscal Year	¥76 million
Total in Money and Other Financial Benefits to Be Paid by the Company and Its Subsidiaries to Accounting Auditors	¥235 million

- (Notes) 1. BANDAI NAMCO Holdings USA Inc., BANDAI S.A., BANDAI NAMCO Holdings UK LTD., and BANDAI NAMCO ASIA CO., LTD., among major subsidiaries of the Company, are audited (within the meaning of being audited as required by the Companies Act and Financial Instruments and Exchange Act or the equivalent laws and regulations in other countries) by audit firms (including entities overseas with qualifications equivalent to those of a Japanese audit firm) other than the Company's Accounting Auditor.
2. Under the audit agreement between the Company and its Accounting Auditor, there is no clear distinction between the amount of remuneration, etc., for audits under the Companies Act and that under the Financial Instruments and Exchange Act; furthermore, it is practically impossible to make such distinction. Therefore, the amount of remuneration, etc., for Accounting Auditors for this fiscal year described above is the total amount of remuneration, etc., for these audits.

(iii) Non-Auditing Operations

The Company commissioned the Accounting Auditor to provide support for introducing CAAT (Computer Assisted Audit Techniques), which is outside the scope of operations provided for in Article 2, Paragraph 1 of the Certified Public Accountants Act, and paid remuneration for this service.

(iv) Policy on Removal or Non-Renewal of an Accounting Auditor

If the Audit & Supervisory Board judges that action is necessary, such as in cases where the Accounting Auditor's execution of its duties is impeded, the Audit & Supervisory Board will determine the contents of a proposal to be submitted to the General Meeting of Shareholders regarding the removal or non-renewal of the Accounting Auditor.

In addition, if the items stipulated in the matters set forth in Article 340, Paragraph 1 of the Companies Act are deemed applicable to the Accounting Auditor, the Accounting Auditor will be removed based on the agreement of all Audit & Supervisory Board members. If this occurs, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report the fact of the Accounting Auditor's removal and the reason for the removal at the first General Meeting of Shareholders held after the removal.

(v) Summary of Contracts Concerning Limited Liability

Not applicable.

(5) Systems for Ensuring the Properness of Operations

The following outlines decisions regarding the basic policy for the structure of internal control systems.

In response to the enforcement of the Act on Partial Revision of the Companies Act (Act No. 90 of 2014) on May 1, 2015, the Company has revised the basic policy for the structure of internal control systems.

- (i) Systems to Ensure that the Execution of the Duties by Directors, etc. and Employees of the Company and Its Subsidiaries Is in Compliance with the Laws and Regulations and the Articles of Incorporation
 - a. The Company shall set in place the Group's Corporate Philosophy and Group Compliance Charter, ensure that Directors and employees of the Company and its subsidiaries are familiar with them, and always pay due attention to ensure they carry out their duties lawfully and fairly.
 - b. Directors of the Company shall report periodically to the Board of Directors on the structure and operating status of internal control systems.
 - c. The Company shall install a Director in charge of compliance who is responsible for supervision of compliance overall based on its compliance regulations, and establish a structure ensuring that the Company and the entire Group abides by the law, behaves ethically, and complies with internal regulations.
 - d. Should violations of compliance or suspicions thereof occur within the Group, the Company shall immediately convene the Group Risk Compliance Committee with the Company's President and Representative Director as its chair to discuss and decide how the issue should be handled.
 - e. Overseas, an overseas regional headquarters shall be determined for each region to manage risk and support compliance.
 - f. Internal reporting systems including an internal consultation point, an external consultation point comprising external legal advisors, and the Audit & Supervisory Board Members hotline, which enables reporting directly delivered to the Audit & Supervisory Board Members, shall be put in place in the Company and its major subsidiaries.
 - g. The Internal Auditing Division shall be established independently of the executive sections in the Company and its major subsidiaries to work towards maintaining the properness of execution of operations through internal audits.
- (ii) Systems for Preserving and Managing Information Related to Directors' Execution of Their Duties
 - a. The Company shall establish regulations concerning document management and ensure (i) the centralized collection and management of minutes of several kinds of meetings, contracts and other documents, and (ii) appropriate safekeeping and management of important documents including documents circulated for approval in each department. The Company shall have a system to ensure that Directors and Audit & Supervisory Board Members may peruse those documents at any time.
 - b. The Company shall establish regulations concerning information security as a part of Group management. These regulations will provide for a system to ensure appropriate safekeeping and preservation of information.

(iii) Regulations Concerning Management for Risk of Loss of the Company and Its Subsidiaries and Other Systems

- a. The Company shall establish regulations concerning risk management and compliance as a part of Group management. Throughout the Group, we will work to prevent risk and to discover risk factors as rapidly as possible.
- b. When risk arises, the Company shall convene the Group Risk Compliance Committee without delay to minimize the impact of risk on our business by responding to risk quickly and in an appropriate manner.
- c. Anticipating the occurrence of situations that could cause drastic damage to the management of the Group through a major disaster or the like, the Group shall define the basic policy for a Business Continuity Plan (BCP) for the Group, and formulate a BCP for the Group and organize a Business Continuity Management (BCM) system to achieve rapid recovery and restart of operations. Directors and employees of the Company and its subsidiaries shall be made aware of this.

(iv) Systems to Ensure that Directors, etc. of the Company and its Subsidiaries Execute their Duties Efficiently

- a. The Company shall assign each subsidiary into strategic business units (SBUs) categorized by business segment, and appoint a Director and lead company in charge of each SBU in order to improve efficiency of business operations based on the division of duties, chain of command structure, authorities and competencies, decision making frameworks and other regulations regarding structure within the Group.
- b. The Company shall formulate a Mid-term Plan with a period of three business years for the entire Group and each SBU, and determine the budget for each business year based on those Mid-term Plans.

(v) Systems Concerning Reporting Matters Regarding Execution of Duties of Directors, etc. of Subsidiaries to the Company

- a. The Company shall establish meetings such as SBU Quarterly Report Meetings and Group Management Meetings, and put in place a system for reporting inside the Group and decision making.

(vi) Other Systems to Ensure Proper Business Behavior by the Company and its Subsidiaries

- a. The Company shall revise the Group Compliance Charter as appropriate in response to revisions to laws and regulations and changes in the social context surrounding the Group, and shall ensure that the contents of the Charter are made thoroughly known to Directors, etc. and employees of the Company and its subsidiaries through distributing the Compliance Book and through training.
- b. The Company and its subsidiaries shall endeavour to improve and standardise business processes considering the importance of effectiveness and efficiency in business operations, and shall evaluate and operate internal controls on financial reporting based on related laws and regulations, etc.

- (vii) Matters Regarding Employees Required by Audit & Supervisory Board Members to Assist Their Duties, and Matters Regarding the Independence of such Employees from the Board of Directors
 - a. The Company shall provide a speedy response when Audit & Supervisory Board Members ask the President and Representative Director to provide employees to assist their duties. Where that employee simultaneously works for any other section, his or her business duties pertaining to the Audit & Supervisory Board Members shall take priority.
 - b. The Company shall provide an opportunity for Directors and Audit & Supervisory Board Members to consult in advance regarding personnel matters relating to such employees, so as to ensure independence from the Board of Directors.

- (viii) Matters Concerning Ensuring the Effectiveness of Instructions to Employees who Assist the Audit & Supervisory Board Members
 - a. The Company shall keep Directors and employees thoroughly informed that employees who assist the Audit & Supervisory Board Members in their duties are under the command of the Audit & Supervisory Board Members.

- (ix) System for Directors, etc. and Employees of the Company and its Subsidiaries to Report to the Company's Audit & Supervisory Board Members
 - a. Directors, etc. and employees of the Company and its subsidiaries shall report to the Audit & Supervisory Board promptly with regard to matters prescribed by laws and regulations, other matters likely to have a major impact on the Company and the Group, and matters related to the current status of internal audits and compliance.
 - b. Directors, etc. and employees of the Company and its subsidiaries shall report promptly and appropriately when requested to do so by an Audit & Supervisory Board Member of the Company regarding the performance of their duties.
 - c. The Company shall put in place an Audit & Supervisory Board Members Hotline to allow reports to be made directly to the Company's Audit & Supervisory Board Members as an internal reporting system.

- (x) System for Ensuring that Persons Making Reports to Audit & Supervisory Board Members shall not be Treated Disadvantageously
 - a. The Company shall prohibit the disadvantageous treatment of persons who have reported or consulted with Audit & Supervisory Board Members, and shall state that clearly in the Group Risk Compliance Regulations and make it thoroughly known to Directors, etc. and employees of the Company and its subsidiaries.

- (xi) Matters Regarding Policies Pertaining to Procedures for Advance Payments or Reimbursement of Expenses Arising in the Performance of Duties by Audit & Supervisory Board Members and Other Payment of Expenses and Liabilities Arising in the Performance of Said Duties
 - a. The Company shall immediately pay expenses or liabilities where an Audit & Supervisory Board Member has requested advance payments or reimbursement of expenses arising in the performance of his or her duties, excluding cases where they were not considered necessary for the performance of said duties.

(xii) Other Systems to Ensure the Effectiveness of Audits Conducted by the Audit & Supervisory Board Members

- a. Directors of the Company shall formulate a system whereby Audit & Supervisory Board Members can attend important meetings, and ensure that a system exists whereby they can meet periodically or on an ad hoc basis with Directors and employees, and cooperate with Internal Audit Division and Accounting Auditors.
- b. Subsidiaries of the Company shall install an appropriate number of Audit & Supervisory Board Members according to their scale, business category, etc., and ensure that there are systems in place wherein Audit & Supervisory Board Members of subsidiaries report periodically to the Audit & Supervisory Board Members of the Company.

(Note) The basic policy for the internal control system to express suitability in the Audit Report is the unrevised the basic policy that existed during this fiscal year.

(6) Basic Policy Concerning Control of the Company

(i) Content of Basic Policy

The Corporate Value of the Group

Guided by our vision of becoming “The Leading Innovator in Global Entertainment,” the Group mission is to continue to offer “Dreams, Fun and Inspiration,” through entertainment, to people throughout the world.

Emerging victoriously in the global competition of the fast-changing world of entertainment requires not only construction of a solid management foundation but also the creation of entertainment constantly predicting the changes of times and environments. Such creation is closely linked to raising the corporate value of the Company.

Therefore, in determining what and how a person or entity controlling decisions on the financial and business policies should be, the Company should take the enhancement of the corporate value into account.

What and How a Person or Entity Controlling Decisions on the Financial and Business Policies Should Be

We believe that a person or entity controlling decisions on financial and business policies should be the one who sufficiently understands the importance of the above kind of managerial vision and mission of the Group, the managing resources, such as content, that support the accomplishment of that vision and mission, and the importance of various stakeholders related to the Company, and who maximizes the corporate value of the Company and its shareholders’ common interests over the mid- to long-term.

Therefore, we believe that, in the event that any person or entity that attempts to acquire large quantities of the Company’s shares falls under any of the following and would harm the Company’s corporate value for such reason, such person or entity is inappropriate to control the decisions of the Company’s financial and business policies:

- Any person or entity who could clearly harm the Company’s corporate value,
- Any person or entity who forces shareholders to sell their shares in a hurry by creating a disadvantageous situation if they do not accept a takeover proposal, or
- Any person or entity that does not provide the Company with the information or the time required for making decisions.

(ii) Details of Engagement

The Board of Directors of the Company, to whom the shareholders have entrusted the management of the Company, is engaged in the following efforts to implement the Group’s basic policy.

Steps to Increase the Corporate Value of the Group

• Promoting the Mid-term Plan

Under the Mid-term Plan implemented from April 2012 to March 2015, the Group pursued various strategies around the “IP Axis Strategy.” On the business front, specific measures aimed at the regional characteristics of each market were pursued. Japan, where the Group has secured a certain level of market share, was set as the “Basic Business Area,” and we aimed to further expand our existing share and revenue utilising the strengths of each business operation. North America and Europe, set as the “Profit Recovering Area,” had revenue recovery as its first priority, and also aimed towards stabilising revenue. In Asia, set as the “New Growth Area,” we focused on strengthening expansion of each business operation, and aimed to grow around the pillars of new business operations and

regions. Under the three-year Mid-term Plan that started in April 2015 we will further strengthen the “IP Axis Strategy” to expand the value of our IPs based on the Mid-term Vision of “NEXT STAGE: Empower, Gain Momentum and Accelerate Evolution” taking light of the effects and issues arising in the previous Mid-term Plan, through taking advantage of the worldview and unique characteristics of our IPs and providing the best products and services at the best possible times. In addition, aiming towards growing in the global market, we will further strengthen business development in the area of high growth potential, which is Asia. Advancing these policies based on our Mid-term Plan, we aim to move to the next stage as an entertainment corporate group.

- **Strengthening Corporate Governance**

The president and representative director of each major company responsible for each SBU also serves on the Company’s Board of Directors, to strengthen the collaborative efforts between the holding company and the operating companies and between the operating companies and to facilitate speedier decision-making as a Group. In addition, the Company is working to strengthen management oversight functions by having three Outside Directors.

- **Promoting Efficient Management**

The Group has put in place standards for business reconstruction; it has reinforced systems for continuous monitoring in order to discern business trends more swiftly, and is making swift decisions on restructuring businesses or withdrawing from them, based on in-house indicators. In addition, the Group is working towards cost reductions by standardizing processes across the Group as a whole and is promoting managerial efficiency.

- **Reinforcing Personnel Strategies**

Aiming for business growth in overseas markets, the Group is strengthening its global systems for acquiring and training personnel. In addition, the Group is driving forward a proactive system for personnel exchanges within the Group to invigorate its human resources.

- **Reinforcing CSR (Corporate Social Responsibilities) Activities**

The Group, as an enterprise delivering “Dreams, Fun, and Inspiration,” has defined “Group-wide CSR Initiatives” that include three types of responsibilities; “Environmental and Social Contribution Responsibilities,” “Economic Responsibilities,” and “Legal and Ethical Responsibilities (compliance),” and is promoting a variety of CSR activities.

- **Proactive IR Activities**

The Group discloses information in a timely and appropriate manner in accordance with the Financial Instruments and Exchange Act and rules prescribed by the Tokyo Stock Exchange. We aim to be a highly transparent corporation that clearly provides shareholders with information concerning management strategies and business directions. The Group thus works to provide ample opportunities, for instance, company information meetings and financial information meetings for the president and representative director and other executives of the Company to explain directly to both foreign and Japanese individual investors, institutional investors, stock analysts, etc.

- **Proactive Policy for the Return of Profits to Shareholders**

The Company places the return of profits to shareholders as one of its highest priorities in its management. The Company assumes that its basic policy is to further strengthen the

Group's competitiveness and, while maintaining a sound financial status, to achieve regular distributions of dividends and improvement in the Company's corporate value. In concrete terms, the Company will provide a return to shareholders that targets a consolidated payout ratio of 30%, based on stable annual dividend payments of 24 yen per share.

In addition, its fundamental policy is that part of any profit, after deduction of dividends, may be used to acquire treasury stock, upon comprehensive consideration of the amount of funds on hand, performance trends, recent share price trends, the existence or nonexistence of major investment proposals, and other factors.

Takeover Defenses

At present, the Company has taken no specific measures as takeover defenses. The Group regards implementing our management and business strategies in accordance with the measures to increase the corporate value of the Group and aiming to increase the corporate value of the Group as a whole as a substantial defense against inappropriate takeovers.

That said, since the Group is entrusted by shareholders as the management of the Group, we will study and develop a system of takeover defenses in anticipation of situations in which an inappropriate entity or person might emerge to have decision-making power over the Company's financial and business policies.

In concrete terms, in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will construct a system that enables the Company to judge from the perspective of improving corporate value first. The Company will continue to study takeover defenses by utilizing stock subscription rights, etc. with a close eye on legal and social trends.

(Note) In this Business Report, fractional amounts less than the indicated unit amount are rounded down for sums of money and numbers of shares, while percentages and other values are rounded off to the nearest figure.

Consolidated Balance Sheet
(As of March 31, 2015)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	153,541
Trade receivables	87,875
Finished goods and merchandise	14,563
Work in process	23,183
Raw materials and supplies	5,164
Deferred tax assets	8,953
Other current assets	24,689
Allowance for doubtful receivables	(455)
Total current assets	317,516
Fixed assets	
Property, plant and equipment	
Buildings and structures	13,111
Amusement facilities and machines	13,704
Land	11,956
Other property, plant and equipment	14,487
Total property, plant and equipment	53,260
Intangible assets	10,275
Investments and other assets	
Investment securities	32,855
Net defined benefit asset	143
Deferred tax assets	11,651
Other investments and assets	17,082
Allowance for doubtful receivables	(1,022)
Total investments and other assets	60,710
Total fixed assets	124,247
TOTAL ASSETS	441,763

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Trade payables	57,257
Accounts payable-other	24,760
Accrued income taxes	7,063
Provision for directors' bonuses	1,260
Provision for losses from business restructuring	94
Provision for sales returns	984
Other current liabilities	31,714
Total current liabilities	123,136
Long-term liabilities	
Net defined benefit liability	7,999
Deferred tax liabilities for land revaluation	468
Other long-term liabilities	6,647
Total long-term liabilities	15,114
TOTAL LIABILITIES	138,250
NET ASSETS	
Stockholders' equity	
Common stock	10,000
Additional paid-in capital	52,246
Retained earnings	244,274
Treasury stock	(2,403)
Total stockholders' equity	304,118
Accumulated other comprehensive income	
Unrealized gains or losses on other securities, net of tax	6,757
Deferred gains or losses on hedges, net of tax	1,300
Land revaluation, net of tax	(5,695)
Foreign currency translation adjustments	(1,542)
Remeasurements of defined benefit plans	(2,045)
Subscription rights to shares	44
Minority interests	575
TOTAL NET ASSETS	303,512
TOTAL LIABILITIES AND NET ASSETS	441,763

Consolidated Statements of Operations
(From April 1, 2014 to March 31, 2015)

		(Millions of yen)
		Amount
Net sales		565,486
Cost of sales		352,373
Gross profit		213,112
Selling, general and administrative expenses		156,791
Operating income		56,320
Non-operating income		3,484
Interest income	180	
Dividend income	460	
Equity in gain of affiliated companies	1,025	
Foreign exchange gain	530	
Interest on refund	505	
Other non-operating income	782	
Non-operating expenses		421
Interest expense	73	
Sales discounts	59	
Provision of allowance for doubtful accounts	90	
Loss on investments in partnerships	139	
Other non-operating expenses	57	
Recurring income		59,383
Extraordinary income		798
Gain on sales of investment securities	510	
State subsidy	122	
Other extraordinary income	165	
Extraordinary loss		3,697
Loss on impairment of fixed assets	2,867	
Other extraordinary loss	830	
Income before income taxes and minority interests		56,484
Corporate income, inhabitant and enterprise taxes	18,813	
Adjustment for income taxes	(157)	18,655
Income before minority interests		37,828
Minority interests in income		239
Net income		37,588

Consolidated Statement of Changes in Net Assets (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Stockholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total stockholders' equity
Balance as of April 1, 2014	10,000	52,245	214,416	(2,390)	274,271
Cumulative effects of changes in accounting policies			(37)		(37)
Restated balance	10,000	52,245	214,379	(2,390)	274,233
Changes during the period					
Cash dividends			(7,693)		(7,693)
Net income			37,588		37,588
Purchase of treasury stock				(13)	(13)
Disposal of treasury stock		0		0	1
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied				0	0
Net changes in the period other than changes in stockholders' equity					
Total changes during the period	-	0	29,895	(12)	29,884
Balance as of March 31, 2015	10,000	52,246	244,274	(2,403)	304,118

	Accumulated other comprehensive income						Subscription rights to shares	Minority interests	Total net assets
	Unrealized gains or losses on other securities, net of tax	Deferred gains or losses on hedges, net of tax	Land revaluation, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2014	6,226	194	(5,743)	(5,145)	(2,282)	(6,749)	44	385	267,951
Cumulative effects of changes in accounting policies									(37)
Restated balance	6,226	194	(5,743)	(5,145)	(2,282)	(6,749)	44	385	267,914
Changes during the period									
Cash dividends									(7,693)
Net income									37,588
Purchase of treasury stock									(13)
Disposal of treasury stock									1
Changes in treasury stock accompanying changes to holdings in companies to which the equity method is applied									0
Net changes in the period other than changes in stockholders' equity	531	1,105	47	3,603	237	5,524	-	189	5,714
Total changes during the period	531	1,105	47	3,603	237	5,524	-	189	35,598
Balance as of March 31, 2015	6,757	1,300	(5,695)	(1,542)	(2,045)	(1,224)	44	575	303,512

Notes to Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down.

I. Notes to Important Information Constituting the Basis for Preparation of Consolidated Financial Statements

1. Information Concerning the Scope of Consolidation

(1) Status of Consolidated Subsidiaries:

(i) Total Number of Consolidated Subsidiaries:

65 companies

(ii) Names of Principal Consolidated Subsidiaries:

Bandai Co., Ltd., BANDAI NAMCO Games Inc., NAMCO LIMITED, BANDAI NAMCO Holdings USA Inc., BANDAI S.A., BANDAI NAMCO Holdings UK LTD. and BANDAI NAMCO ASIA CO., LTD.

NAMCO BANDAI Holdings (USA) Inc. changed its trade name to BANDAI NAMCO Holdings USA Inc. and BANDAI (H.K.) CO., LTD. changed its trade name to BANDAI NAMCO ASIA CO., LTD.

(iii) Changes in the Scope of Consolidation

Since BANDAI NAMCO Entertainment Malaysia Sdn. Bhd. and BANDAI NAMCO (SHANGHAI) CO., LTD. were newly established in this consolidated fiscal year, they are included within the scope of consolidation.

Since BNDeNA Inc. and BANDAI (GUANGZHOU) CO., LTD., which were consolidated subsidiaries in the fiscal year ended March 31, 2014, were liquidated, and since the Company disposed of shares of Vicious Cycle Software, Inc., these companies have been excluded from the scope of consolidation.

(2) Status of Non-Consolidated Subsidiaries:

(i) Names of the Principal Non-Consolidated Subsidiaries:

SHANGHAI NAMCO LTD. and BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason for Exclusion from the Scope of Consolidation:

Non-consolidated subsidiaries have been excluded from the scope of consolidation. As the scale of the business conducted by each of those companies is small and the total assets, net sales, net income or loss and retained earnings, etc. corresponding to the ownership held by the Company of each non-consolidated subsidiary have no material impact on the consolidated financial statements.

2. Information Concerning Application of the Equity Method

(1) Status of Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied:

(i) Number of Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied:

7 companies

(ii) Names of the Principal Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Applied:

Non-consolidated subsidiary: SHANGHAI NAMCO LTD.

Affiliated companies: Happinet Corporation, Sotsu Co., Ltd. and People Co., Ltd.

(iii) Changes in Affiliated Companies to Which the Equity Method Was Applied

Since the Company newly invested in Anime Consortium Japan Inc. during this consolidated fiscal year, this company is included within the scope of application of the equity method.

(2) Status of Non-Consolidated Subsidiaries and Affiliated Companies to Which the Equity Method Was Not Applied:

(i) Name of the Principal Companies, etc.:

BANDAI LOGIPAL (H.K.) LTD.

(ii) Reason the Equity Method Was Not Applied to the Company:

The equity method was not applied to this company, because it was deemed that the exclusion of the company from the application of the equity method would have little, and no material impact on the consolidated financial statements of the Company and it seemed unimportant as a whole in consideration of the company's net income or loss and retained earnings, etc. corresponding to the Company's equity share in it.

(iii) Special Notes Regarding Procedures for Applying the Equity Method

If any of the companies to which the equity method is applied has a fiscal year that differs from the consolidated fiscal year, then the financial statements for the fiscal year of that company are used.

3. Information Concerning the Fiscal Year, etc. for Consolidated Subsidiaries

The fiscal year closing dates for BANDAI (SHENZHEN) CO., LTD. and BANDAI NAMCO (SHANGHAI) CO., LTD. are December 31, and their financial data as of their respective closing dates are used. The fiscal year closing date for Sun-Star Stationery Co., Ltd is June 30 and its financial data is based on a provisional closing as of December 31 pursuant to procedures for the fiscal year-end closing.

Necessary adjustments on a consolidated basis are made when transactions of material importance occur between the reported closing date and the consolidated closing date.

4. Information Concerning the Basis for Accounting Treatment

(1) Valuation Basis and Methods for Significant Assets:

(i) Valuation Basis and Methods for Securities:

Other securities:

Securities with market values:

Stated using the market price method based on amounts using market prices, etc. on the closing date. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market values:

Stated using the cost method based on the moving average method. With respect, however, to contributions to limited partnerships for investment and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), these are stated by the net amount corresponding to the Company's equity share, based on the most recent available financial reports according to the date for settlement of accounts provided for in the partnership agreement.

(ii) Derivative Transactions: Stated using the market price method.

(iii) Valuation Basis and Methods for Inventories:

Work in process, such as game software, etc.:

Stated using the cost method based on the specific-cost method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Others:

Domestic consolidated subsidiaries:

Generally, stated using the cost method based on the average method. (The value stated on the balance sheet was calculated by writing down the book value based on declining profitability.)

Overseas consolidated subsidiaries:

Generally, stated using the lower of cost or market method based on the average method.

(2) Depreciation Methods for Significant Depreciable Assets:

(i) Property, Plant and Equipment (Exclusive of leased assets):

The Company and domestic consolidated subsidiaries:

Generally stated using the declining-balance method.

However, for buildings (excluding equipment attached thereto) acquired on or after April 1, 1998 and for part of the amusement facilities and machines, etc., the straight-line method was used. The general useful life of property, plant and equipment is as follows:

Buildings and structures:	3 to 50 years
Amusement facilities and machines:	3 to 15 years

Overseas consolidated subsidiaries:

Stated using the straight-line method.

The general useful life of property, plant and equipment is as follows:

Buildings and structures: 5 to 50 years

Amusement facilities and machines: 3 to 7 years

(ii) Intangible Assets (Exclusive of leased assets):

Stated using the straight-line method.

The general useful life of software is as follows:

Software (used internally): 1 to 5 years

(iii) Leased Assets:

Stated using the straight-line method, with the useful life set to the lease period, for a residual value of zero.

(3) Basis of Recognition for Significant Provision:

(i) Allowance for Doubtful Receivables:

The allowance for doubtful receivables is provided for possible losses on unrecoverable receivables. For ordinary receivables, the amount of the allowance is based on the historical rate of loss. For receivables from debtors at risk of bankruptcy and receivables from debtors in bankruptcy or under reorganization, etc., the amount of the allowance is based on individually estimated unrecoverable amounts.

(ii) Provision for Directors' Bonuses:

Accrued bonuses for directors are provided based on the estimated amounts to be paid in respect of this consolidated fiscal year.

(iii) Provision for Losses from Business Restructuring:

Accrued losses on restructuring of operations are provided for estimated losses on restructuring of operations.

(iv) Provision for Sales Returns:

Accrued losses on returned goods after the end of this consolidated fiscal year are provided based on historic experience.

(4) Accounting Standards for Significant Income and Expense:

(i) Video Game Software Revenue Recognition:

Consolidated subsidiaries operating in the United States recognized revenue in accordance with "Software Revenue Recognition" of FASB Accounting Standards Codification No. 985-605, treating video game software with online functions as software products with multiple-element arrangements. Unless the vendor can objectively and reasonably prove the fair value of undelivered elements specified by the vendor, recording of any revenue attributable to video game software is deferred until all the elements are delivered.

(ii) Video Game Software Production Costs:

A distinctive characteristic of video game software is the process through which the software is highly combined with the content that cannot be separated into identifiable components.

The content is considered to be an important component of each video game title, which includes the game content and visual / music data. Once management makes a decision to go forward in distributing a title, the Company records the software and content development costs as work in process.

The capitalized production costs are amortized to cost of sales based on projected sales volumes.

(5) Significant Accounting Policies for Hedging:

(i) Accounting for Hedging:

The Company used deferred hedge accounting.

In cases where forward foreign exchange contracts meet certain hedging criteria, they are accounted for under the allocation method.

(ii) Hedging Instruments and Hedged Items:

Hedging instruments:	Forward exchange contracts and currency option contracts
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Hedged items:	Foreign-currency-denominated assets and liabilities and scheduled transactions
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(iii) Hedging Policies:

Hedging is implemented for the purpose of reducing risks arising from fluctuations in exchange rates involved in operational and financing activities.

(iv) Method of Assessing the Effectiveness of Hedging:

The Company assesses the effectiveness of hedging transactions, in principle, from the start of the transaction to the point at which effectiveness is assessed by comparing the cumulative changes in the fair value or the cumulative changes in the cash flows of the hedged item with the cumulative changes in the fair value or the cumulative changes in the cash flows of the hedging instrument. In the event that critical terms are the same for the hedging instrument and the hedged assets, liabilities, or scheduled transaction, it is assumed that the hedge is 100% effective, so the assessment of effectiveness is not performed.

(6) Amortization of Goodwill

Goodwill is amortized over a five-year period using the straight-line method.

(7) Other Important Information Constituting the Basis of Preparation of Consolidated Financial Statements

(i) Method of accounting for retirement benefits

a. Method of attributing expected retirement benefits to periods

In calculating the retirement benefit obligations, some of the consolidated subsidiaries use the benefit formula basis in determining the amount of the expected retirement benefit obligations attributed to the period up to the end of this consolidated fiscal year.

b. Method of recognizing actuarial gains and losses and past service costs

The entire amount of past service costs is recognized in gain or loss in the fiscal year during which it arises, and is amortized on a straight-line basis over a period (10 years), which is within the average remaining years of service of the eligible employees.

Actuarial gains and losses are recognized in gain or loss in the year following the year

in which a respective gain or loss arises, and are amortized proportionally on a straight-line basis over a certain period (9 to 19 years) that is within the average remaining period of service of the eligible employees.

- c. The Company and certain consolidated subsidiaries use a simplified method in calculating net defined benefit asset, net defined benefit liability, and periodic pension cost under which retirement benefit obligations are principally based on accrued benefits at the end of the year.

- (ii) Accounting treatment of consumption tax:

Consumption tax is accounted for separately and is not figured into each listed item.

- (iii) Application of consolidated taxation system:

The Company has applied the consolidated taxation system.

II. Notes to Changes in Accounting Policy

(Application of Accounting Standard for Retirement Benefits, etc.)

For the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on Accounting Standards for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015), the Company and its consolidated domestic subsidiaries have additionally applied the provisions set forth in the main clauses of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits effective from this consolidated fiscal year. Accordingly, the Company and its consolidated domestic subsidiaries reviewed the calculation of retirement benefit obligations and current service cost and changed the method of attributing expected benefits to periods from the straight-line basis to the benefit formula basis as well as amended the determination of discount rate from that determined based on bonds with a maturity period approximate to the expected average remaining working lives of employees to one that uses a single weighted average discount rate reflecting the estimated timing of retirement benefit payment and the estimated amount of each retirement benefit payment.

The application of the Accounting Standard for Retirement Benefits and its Guidance is in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard for Retirement Benefits. Accordingly, the effect of the change in the calculation of retirement benefit obligations and current service cost has been added to or deducted from retained earnings as of the beginning of this consolidated fiscal year.

As a result of this application, as of the beginning of this consolidated fiscal year, net defined benefit liability increased by 47 million yen, and retained earnings decreased by 37 million yen. The effect of this application on operating income, recurring income and income before income taxes and minority interests during this consolidated fiscal year is immaterial.

There has also been an immaterial effect on net assets per share, net income per share, and net income per share (diluted).

III. Notes to Changes in Method of Presentation

(Consolidated Balance Sheet)

- (1) “Short-term investments” (the balance of which at the end of this consolidated fiscal year is 2,164 million yen), which had been stated separately until the previous consolidated fiscal year, is included in “Other current assets” under “Current assets” since it is at or below 1 percent of the total assets.
- (2) “Short-term borrowings” (the balance of which at the end of this consolidated fiscal year is 3,007 million yen), which had been stated separately until the previous consolidated

fiscal year, is included in “Other current liabilities” under “Current liabilities” since it is at or below 1 percent of the total liabilities and net assets.

(Consolidated Statements of Operations)

- (1) “Reversal of allowance for doubtful accounts” (the balance of which at the end of this consolidated fiscal year is 8 million yen), which had been stated separately until the previous consolidated fiscal year, is included in “Other non-operating income” under “Non-operating income” since it is at or below 10 percent of the total non-operating income.
- (2) “Interest on refund,” which had been included in “Other non-operating income” under “Non-operating income” until the previous consolidated fiscal year, is stated separately since it is above 10 percent of the total non-operating income for this consolidated fiscal year. The total of “Interest on refund” for the previous consolidated fiscal year was 2 million yen.
- (3) “Sales discounts,” which had been included in “Other non-operating expenses” under “Non-operating expenses” until the previous consolidated fiscal year, is stated separately since it is above 10 percent of the total non-operating expenses for this consolidated fiscal year. The total of “Sales discounts” for the previous consolidated fiscal year was 16 million yen.
- (4) “Gain on sales of investment securities,” which had been included in “Other extraordinary income” under “Extraordinary income” until the previous consolidated fiscal year, is stated separately since it is above 10 percent of the total extraordinary income for this consolidated fiscal year. The total of “Gain on sales of investment securities” for the previous consolidated fiscal year was 11 million yen.
- (5) “Loss on liquidation of business” (the balance of which at the end of this consolidated fiscal year is 108 million yen) and “Provision for losses from business restructuring” (the balance of which at the end of this consolidated fiscal year is 10 million yen), which had been stated separately until the previous consolidated fiscal year, are included in “Other extraordinary loss” under “Extraordinary loss” since they are at or below 10 percent of the total extraordinary loss.

IV. Notes to Consolidated Balance Sheet

1. Assets pledged as collateral

Cash and time deposits ¥102 million

There are no liabilities associated with this collateral.

2. Amount of Accumulated Depreciation of Property, Plant and Equipment: ¥155,957 million

3. Guarantee Obligation:

- (1) The Company has guarantee obligations concerning borrowings from financial institutions by companies other than consolidated companies.

ISHIMORI PRODUCTION INC. ¥149 million

Theater Company HIKOSEN ¥64 million

Total ¥213 million

- (2) The Company has guarantee obligations concerning obligations in leasing contracts of companies other than consolidated companies.

BANDAI NAMCO WILL INC. ¥78 million

4. Land revaluation

A revaluation of land for business-use was implemented pursuant to the “Law Concerning Land revaluation” (Law No. 34, March 31, 1998) and the revalued difference was recorded under net assets.

Revaluation Method:

The fair value of land is determined based on official notice prices that are calculated by the method assessed and published by the Commissioner of the National Tax Agency. The Commissioner assesses and publishes the method to calculate land value that forms the foundation for calculating taxable value for land value tax prescribed in “Article 16 of Land Value Tax Law (Law No. 69, May 2, 1991),” as stipulated in “Article 2-4 of the Ordinance Implementing the Law Concerning Land revaluation (Cabinet Order No. 119, March 31, 1998).” Reasonable adjustments are made to the official notice prices.

Revaluation Date: March 31, 2002

Difference between the market value of the revalued land at the end of this consolidated fiscal year and the revaluated book value after the revaluation: negative 959 million yen.

V. Notes to Consolidated Statement of Changes in Net Assets

1. Type and Total Number of Shares Issued

Common stock 222,000,000 shares

2. Matters Concerning Distribution of Surplus

(1) Paid Dividend Amounts, etc.

Date of Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Date of record	Effective date
June 23, 2014, Ordinary General Meeting of Shareholders	Common stock	5,055	23	March 31, 2014	June 24, 2014
November 6, 2014, Board of Directors Meeting	Common stock	2,637	12	September 30, 2014	December 8, 2014

(2) Dividends with a Date of Record in This Consolidated Fiscal Year but an Effective Date in the Following Consolidated Fiscal Year

Date of Scheduled Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Date of record	Effective date
June 22, 2015, Ordinary General Meeting of Shareholders	Common stock	10,989	Retained earnings	50	March 31, 2015	June 23, 2015

3. Type and Number of Shares to be Issued upon the Exercise of Subscription Rights to Shares (excluding those whose exercise period has not yet commenced) as of March 31, 2015

Common stock 36,100 shares

VI. Notes Concerning Financial Instruments

1. Financial Instruments

The Group manages funds by means of highly secure financial instruments only and procures funds through borrowing from banks and other financial institutions.

With regard to credit risk posed by customers with respect to trade receivables, which are operating receivables, credit information on major customers is updated at least once a year, to minimize such credit risk. Hedging is implemented as necessary through the use of forward exchange contracts for the purpose of reducing risks arising from fluctuations in exchange rates for foreign-currency-denominated operating receivables.

Shares, which are investment securities, are exposed to the risk of market price fluctuations; their market values are checked once a quarter.

Part of trade payables, which are operating liabilities, is denominated in foreign currencies and currency option contracts. Hedging is implemented as necessary through the use of forward exchange contracts for the purpose of reducing risks arising from fluctuations in exchange rates for foreign-currency-denominated operating liabilities.

Derivative transactions are executed and managed according to internal rules that determine trading authority and limits on amounts traded; derivatives are used in ways that minimize credit risk, and thus transactions are carried out only with highly creditworthy financial institutions.

2. Market Values of Financial Instruments

The book values of financial instruments as stated in the consolidated balance sheet, their market value as of March 31, 2015, and the difference between book value and market value are as stated below. This table does not include assets for which it was judged extremely difficult to assess the market value.

	Book value stated in the consolidated balance sheet (Millions of yen)	Market value (Millions of yen)	Difference (Millions of yen)
(1) Cash and time deposits	153,541	153,541	—
(2) Trade receivables	87,875	87,875	—
(3) Short-term investments and investment securities			
1. Other securities	18,745	18,745	—
2. Stock of affiliated companies	9,196	16,329	7,133
Total assets	269,358	276,492	7,133
(1) Trade payables	57,257	57,257	—
(2) Accounts payable-other	24,760	24,760	—
(3) Accrued income taxes	7,063	7,063	—
Total liabilities	89,082	89,082	—
Derivative transactions (*)	2,074	2,074	—

(*) Debts and credits derived from derivative transactions are stated on a net basis. Items to be recorded as net debts in the total are enclosed in brackets.

(Notes) 1. Relevant matters of method of calculating the market value of financial instruments and securities and derivative transactions

Assets

(1) Cash and time deposits, (2) Trade receivables

Since these are readily convertible into cash, their market value is almost identical with the book value, and thus these are stated at the book value.

(3) Short-term investments and investment securities

Since MMF is readily convertible into cash, their market value is almost identical with the book value; and these are stated at the book value. Stocks and others are stated at the price on the stock exchange or the price as presented by counterparty financial institutions and others.

Liabilities

(1) Trade payables, (2) Accounts payable-other, (3) Accrued income taxes

Since these are readily convertible into cash, their market value is almost identical with the book value; and thus these are stated at the book value.

Derivative transactions

The market value of derivative transactions is stated at the price as presented by counterparty financial institutions and others.

2. Unlisted stocks (stated as 2,420 million yen in the consolidated balance sheet), stocks of affiliated companies (unlisted stocks) (stated as 4,246 million yen in the consolidated balance sheet), and contributions to investment partnerships (stated as 411 million yen in the consolidated balance sheet) have no market price and it is extremely difficult to assess their market value, so they are not included in “(3) Short-term investments and investment securities.”

VII. Notes Concerning Per-Share Data

1. Net assets per share:	¥1,378.77
2. Net income per share for this consolidated fiscal year:	¥171.10

Non-Consolidated Balance Sheet
(As of March 31, 2015)

	(Millions of yen)
	Amount
ASSETS	
Current assets	
Cash and time deposits	72,703
Trade receivables	79
Prepaid expenses	257
Deferred tax assets	55
Accounts receivable-other	12,030
Other current assets	96
Total current assets	85,221
Fixed assets	
Property, plant and equipment	
Buildings	0
Structures	92
Tools, furniture and fixtures	480
Construction in progress	29
Total property, plant and equipment	602
Intangible assets	
Software	2,127
Other intangible assets	53
Total intangible assets	2,180
Investments and other assets	
Investment securities	18,301
Investments in affiliated companies	226,632
Other investments and assets	1,593
Total investments and other assets	246,527
Total fixed assets	249,310
TOTAL ASSETS	334,531

	(Millions of yen)
	Amount
LIABILITIES	
Current liabilities	
Short-term borrowings from affiliated companies	85,825
Short-term borrowings	2,000
Accounts payable-other	977
Accrued expenses	333
Accrued income taxes	2,115
Accrued consumption taxes	187
Provision for directors' bonuses	181
Unearned revenue	135
Provision for stock-based compensation	69
Other current liabilities	80
Total current liabilities	91,907
Long-term liabilities	
Long-term borrowings	1,000
Deferred tax liabilities	2,145
Accrued retirement and severance benefits	21
Long-term accounts payable - other	2,445
Other long-term liabilities	153
Total long-term liabilities	5,766
TOTAL LIABILITIES	97,674
NET ASSETS	
Stockholders' equity	
Common stock	10,000
Additional paid-in capital	174,283
Capital reserve	2,500
Other capital surplus	171,783
Retained earnings	48,082
Legal reserve	1,645
Other retained earnings	46,436
General reserve	26,104
Retained earnings carried forward	20,331
Treasury stock	(2,318)
Total stockholders' equity	230,047
Valuation difference and foreign currency translation adjustments	
Unrealized gains or losses on other securities, net of tax	6,765
Total valuation difference and foreign currency translation adjustments	6,765
Subscription rights to shares	44
TOTAL NET ASSETS	236,857
TOTAL LIABILITIES AND NET ASSETS	334,531

Non-Consolidated Statements of Operations
(From April 1, 2014 to March 31, 2015)

		(Millions of yen)
		Amount
Operating revenue		24,149
Dividend income from affiliated companies	21,946	
Business management income from affiliated companies	2,203	
Operating expenses		1,863
General and administrative expenses	1,863	
Operating income		22,286
Non-operating income		1,753
Interest income	79	
Dividend income	238	
Rent income	1,372	
Other non-operating income	62	
Non-operating expenses		1,448
Interest expense	76	
Expenses related to rental assets	1,357	
Other non-operating expenses	13	
Recurring income		22,591
Extraordinary income		271
Gain on sales of investment securities	178	
Exchange gain on property dividends	28	
Compensation income at affiliated companies	64	
Extraordinary loss		26,243
Loss on impairment of fixed assets	228	
Loss on valuation of stocks of affiliated companies	25,945	
Loss on disposal of fixed assets	14	
Other extraordinary loss	55	
Loss before income taxes		3,381
Corporate income, inhabitant and enterprise taxes	367	
Adjustment for income taxes	(63)	303
Net loss		3,685

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Stockholders' equity									
	Common stock	Additional paid-in capital			Retained earnings				Treasury stock	Total stockholders' equity
		Capital reserve	Other capital surplus	Total additional paid-in capital	Legal reserve	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings carried forward			
Balance as of April 1, 2014	10,000	2,500	171,783	174,283	1,645	26,104	31,709	59,460	(2,305)	241,437
Changes during the period										
Cash dividends							(7,693)	(7,693)		(7,693)
Net loss							(3,685)	(3,685)		(3,685)
Purchase of treasury stock									(13)	(13)
Disposal of treasury stock			0	0					0	1
Net changes in the period other than changes in stockholders' equity										
Total changes during the period	-	-	0	0	-	-	(11,378)	(11,378)	(12)	(11,389)
Balance as of March 31, 2015	10,000	2,500	171,783	174,283	1,645	26,104	20,331	48,082	(2,318)	230,047

	Valuation difference and foreign currency translation adjustments		Subscription rights to shares	Total net assets
	Unrealized gains or losses on other securities, net of tax	Total valuation difference and foreign currency translation adjustments		
Balance as of April 1, 2014	5,578	5,578	44	247,059
Changes during the period				
Cash dividends				(7,693)
Net loss				(3,685)
Purchase of treasury stock				(13)
Disposal of treasury stock				1
Net changes in the period other than changes in stockholders' equity	1,187	1,187	-	1,187
Total changes during the period	1,187	1,187	-	(10,202)
Balance as of March 31, 2015	6,765	6,765	44	236,857

Notes to Non-Consolidated Financial Statements

All sums are shown in millions of yen and have been rounded down.

1. Notes Concerning Significant Accounting Policies

(1) Valuation Basis and Methods for Assets:

Valuation basis and methods for securities:

(i) Shares of Subsidiaries and Affiliated Companies:

Stated using cost method based on the moving average method.

(ii) Other Securities:

Securities with market values:

Stated using the market price method based on amounts using market prices, etc. on the closing date. (Valuation differences are reflected directly in net assets and cost of sales is calculated using the moving average method.)

Securities without market values:

Stated using cost method based on the moving average method.

With respect, however, to contributions to limited partnerships for investment and similar partnerships (deemed to be securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), these are stated by the net amount corresponding to the Company's equity share, based on the most recent available financial reports according to the date for settlement of accounts provided for in the partnership agreement.

(2) Depreciation Methods for Fixed Assets:

(i) Property, Plant and Equipment:

Stated using the declining-balance method.

The general useful life of property, plant and equipment is as follows:

Buildings	3 to 18 years
Structures	10 years
Tools, furniture and fixtures	2 to 15 years

(ii) Intangible Assets:

Stated using the straight-line method.

The general useful life of intangible assets are as follows:

Software (used internally)	5 years
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(3) Basis of Recognition for Provision:

(i) Provision for Directors' Bonuses:

The Company provides for directors' bonuses based on estimated bonus payments in this fiscal year.

(ii) Provision for stock-based compensation:

To prepare for expenses arising in the allotment of stock compensation-type stock options, the amount predicted to arise in this business year is used as the basis for the record.

(iii) Accrued Retirement and Severance Benefits:

The Company provides for retirement and severance benefits for employees based on estimated retirement benefit obligations as of the end of this fiscal year.

(4) Other Important Information Constituting the Basis of Preparation of Non-Consolidated Financial Statements:

(i) Accounting Treatment of Consumption Tax:

Consumption tax is accounted for separately and is not figured into each listed item.

(ii) Application of consolidated taxation system

The Company has applied the consolidated taxation system.

2. Notes to Non-Consolidated Balance Sheet

(1) Amount of accumulated depreciation of property, plant and equipment: ¥1,473 million

(2) Monetary claims and obligations with respect to affiliated companies
(excluding amounts given in specific categories)

Short-term monetary claims on affiliated companies:	¥11,955 million
Short-term monetary obligations to affiliated companies:	¥568 million
Long-term monetary obligations to affiliated companies:	¥2,445 million

3. Notes to Non-Consolidated Statements of Operations

Transactions with affiliated companies (excluding amounts given in specific categories)

Non-operating Transactions:

Non-operating income	¥1,418 million
Non-operating expenses	¥81 million

4. Notes to Non-Consolidated Statement of Changes in Net Assets

The total number and type of treasury stock as of the end of this fiscal year

Common stock	2,203,082 shares
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5. Notes Concerning Tax Effect Accounting

The main factors in the occurrence of deferred tax assets are denial of loss on valuation of stocks of affiliated companies and loss on valuation of investment securities, and they were recorded net of valuation allowance. The main factor in the occurrence of deferred tax liabilities is unrealized gains or losses on other securities, net of tax.

6. Notes Concerning Transactions with Related Parties

Subsidiaries and Affiliated Companies, etc.

(Millions of yen)

Type	Company	Ratio of voting rights ownership	Relationship with related parties	Content	Amount	Account items	Balance as of March 31, 2015
Subsidiary	Bandai Co., Ltd.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	23,546	Short-term borrowings from affiliated companies	39,849
				Payment of interest	13	–	–
				Amount collected due to application of consolidated taxation system	5,126	Accounts receivable-other	5,120
Subsidiary	BANDAI NAMCO Games Inc.	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	4,352	Short-term borrowings from affiliated companies	3,514
				Payment of interest	2	–	–
				Loans (Note 2)	10,000	–	–
				Receipt of interest	46	–	–
Subsidiary	NAMCO LIMITED	Holding directly 100.0%	Interlocking directorate	Borrowings (Note 1)	4,031	Short-term borrowings from affiliated companies	3,101
				Payment of interest	2	–	–
Subsidiary	BANDAI VISUAL CO., LTD.	Holding directly 100.0%	–	Borrowings (Note 1)	6,518	Short-term borrowings from affiliated companies	6,843
				Payment of interest	3	–	–
Subsidiary	Banpresto Co., Ltd.	Holding indirectly 100.0%	–	Borrowings (Note 1)	6,378	Short-term borrowings from affiliated companies	8,483
				Payment of interest	3	–	–
Subsidiary	Sunrise Inc.	Holding directly 100.0%	–	Borrowings (Note 1)	12,294	Short-term borrowings from affiliated companies	12,294
				Payment of interest	7	–	–
Subsidiary	BANDAI NAMCO Studios Inc.	Holding indirectly 100.0%	–	Borrowings (Note 1)	8,646	Short-term borrowings from affiliated companies	7,408
				Payment of interest	4	–	–
Subsidiary	BANDAI NAMCO Online Inc.	Holding indirectly 100.0%	–	Borrowings (Note 1)	3,705	Short-term borrowings from affiliated companies	4,329
				Payment of interest	2	–	–

Conditions of transactions and policies for determining the conditions of transactions

- (Notes) 1. The borrowings are transactions made by the cash management system (CMS); the amount stated is the average balance during this fiscal year. The interest rate on these borrowings is, based on intra-Group regulations, determined reasonably, taking into account market interest rates.
2. The interest rate on these loans is, based on intra-Group regulations, determined reasonably, taking into account market interest rates.

7. Notes Concerning Per-Share Data

Net assets per share: ¥1,077.42
 Net loss per share: ¥16.77

Independent Auditor's Report

May 19, 2015

The Board of Directors
BANDAI NAMCO Holdings Inc.

KPMG AZSA LLC

Toshihiro Otsuka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Terukazu Nagamine (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statements of operations, the consolidated statement of changes in net assets and the related notes of BANDAI NAMCO Holdings Inc. as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 444-4 of the Companies Act.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of BANDAI NAMCO Holdings Inc. and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Independent Auditor's Report

May 19, 2015

The Board of Directors
BANDAI NAMCO Holdings Inc.

KPMG AZSA LLC

Toshihiro Otsuka (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Hiroo Iwaide (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Terukazu Nagamine (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statements of operations, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of BANDAI NAMCO Holdings Inc. as at March 31, 2015 and for the year from April 1, 2014 to March 31, 2015 in accordance with Article 436-2-1 of the Companies Act.

Management's Responsibility for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of BANDAI NAMCO Holdings Inc. for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit & Supervisory Board's Report

Audit Report

We, the Audit & Supervisory Board, prepared this audit report, as a unanimous opinion of all members of the Audit & Supervisory Board, on the execution of duties by Directors during the 10th fiscal year from April 1, 2014 to March 31, 2015, based on audit reports prepared by each Audit & Supervisory Board Member.

1. Method and Content of Audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

We devised the 10th auditing plan (auditing policies, duties assigned to each Audit & Supervisory Board Member and auditing methods), received reports on the progress on, and results of, audits from each Audit & Supervisory Board Member, as well as reports on the execution of their duties from Directors, etc. and the Accounting Auditor, and requested explanations as necessary.

Each Audit & Supervisory Board Member communicated with the Directors, the internal auditing division, and other employees, etc., in accordance with the internal regulations established by the Audit & Supervisory Board, such as Audit & Supervisory Board's regulations, Audit & Supervisory Board Members' regulations, auditing standards for internal control system, and the above-mentioned auditing plan, to collect information and improve the auditing environment. We attended the meetings of the Board of Directors and other significant meetings, received reports on the execution of duties from Directors and employees, etc., obtained explanations thereof as necessary, viewed documents concerning important decisions, and investigated the conditions of operations and assets of the Company. We also periodically received reports from Directors and employees, etc., requested explanations as necessary, and expressed opinion, regarding the development and operation of internal control systems that were organized based on decisions by the Board of Directors in relation to the development of a system to ensure that the execution of duties by Directors and other operations of the Company as described in the business reports were in conformity with applicable laws and regulations and the Company's Articles of Incorporation, and a system stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Ordinance of the Companies Act. We further examined the content of basic policies (Article 118, Item 3-(a) of the Enforcement Ordinance of the Companies Act) and actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in business reports based on the meetings of the Board of Directors and other discussions. Regarding the Company's subsidiaries, we communicated and shared information with the Directors and the Audit & Supervisory Board Members, etc. of the subsidiaries, and received reports on their business as necessary from them. Using the aforementioned method, we examined the business reports and supplementary statements for this fiscal year under review.

Furthermore, we monitored and verified that the Accounting Auditor remained independent and performed audits appropriately, received reports on the execution of its duties from the Accounting Auditor and requested explanations as necessary. We were also notified that a "system for ensuring the proper execution of duties" (as per Article 131 of the Corporate Accounting Rules) was organized in accordance with "Quality Control Standards for Auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary. Using the aforementioned method, we examined non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statements of operations, non-consolidated statement of changes in net assets, and notes thereto), their supplementary statements and consolidated financial statements (consolidated balance sheet, consolidated statements of operations, consolidated statement of changes in net assets, and notes thereto) for this fiscal year under review.

2. Results of the Audit

(1) Audit Results of business reports, etc.

- (i) We confirm that the business reports and its supplementary statements fairly represent the condition of the Company and are in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We confirm that, with respect to the execution of duties by Directors, there are no fraudulent acts, or material facts that violate applicable laws and regulations or the Articles of Incorporation.
- (iii) We confirm that the decisions made by the Board of Directors with regard to internal control systems are proper. We recognize that there is nothing to be cited with respect to the description of those internal control systems in the business reports and the execution of duties by Directors.
- (iv) We confirm that there is nothing to be cited in respect of the basic policy described in the business reports concerning what and how a person or entity controlling decisions on the financial and business policies of the Company should be. We confirm that actions (Article 118, Item 3-(b) of the Enforcement Ordinance of the Companies Act) described in the business reports are in accordance with this basic policy and that these actions do not damage our Group's value and shareholders' common interest, nor serve to maintain the position of the directors of the Company.

(2) Audit Result of non-consolidated financial statements and their supplementary statements.

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.

(3) Audit Result of consolidated financial statements

We confirm that the methods and the results of the audit by KPMG AZSA LLC, the Accounting Auditor of the Company, are appropriate.

May 20, 2015

Audit & Supervisory Board BANDAI NAMCO Holdings Inc. Standing Audit & Supervisory Board Member	Kazuo Asami	(Seal)
Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Katsuhiko Kohtari	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Osamu Sudoh	(Seal)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Katsuhiko Kamijo	(Seal)

END