



FUN FOR THE FUTURE!

BANDAI NAMCO CSR Activity Report 2011





FUN FOR

“Fun for the future!”

At BANDAI NAMCO, CSR activities are “Fun for the future.” Our work is to provide inspiration to customers by realizing individual ideas of “Dreams, Fun and Inspiration.”

In turn, those “Dreams, Fun and Inspiration” provide healing and encouragement as they spread around the world. We believe that “Dreams, Fun and Inspiration” can change the world, and even change the future. As a company that provides “Dreams, Fun and Inspiration,” our relationship with the natural environment and society will be guided by the key phrase “Fun for the future.” We will implement CSR activities that lead to happiness for stakeholders by featuring fun today while also contributing to the creation of fun tomorrow.

We believe that entertainment can contribute to society by fostering mutual communication and inspiration among people around the world and creating a future filled with fun.

THE FUTURE!





Our Mission Statement

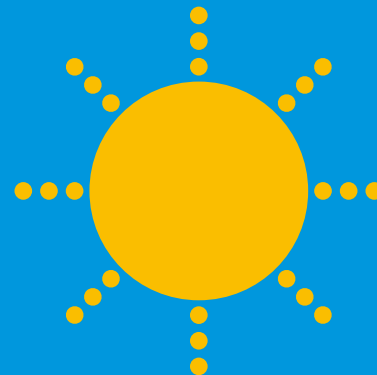
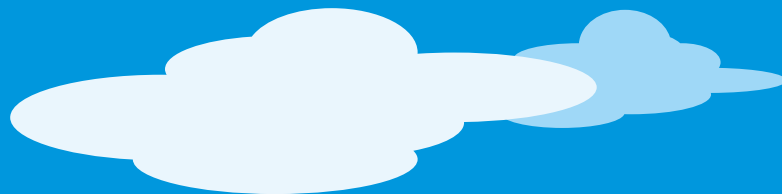
DREAMS, FUN AND INSPIRATION

“Dreams, Fun and Inspiration” are the Engine of Happiness. Through our entertainment products and services, BANDAI NAMCO will continue to provide “Dreams, Fun and Inspiration” to people around the world, based on our boundless creativity and enthusiasm.

Our Vision

THE LEADING INNOVATOR IN GLOBAL ENTERTAINMENT

As an entertainment leader across the ages, BANDAI NAMCO is constantly exploring new areas and heights in entertainment. We aim to be loved by people who have fun and will earn their trust as “the Leading Innovator in Global Entertainment.”



Editorial Policy

"Fun for the future! The BANDAI NAMCO CSR Activity Report 2011" was issued in order to provide stakeholders with easy-to-understand descriptions of the CSR activities of the BANDAI NAMCO Group.

In FY 2011.3, a specific focus was determined for each strategic business unit (SBU) and activities were implemented to promote concrete progress in the implementation of the "BANDAI NAMCO Group's Important CSR Themes."

The 2011 report has been made available in the form of a pamphlet and a website. The pamphlet is centered on representative examples of the activities mentioned above, while the website version is intended to provide more-detailed activity reports and information disclosure.

Period Covered

This report presents activities and results in FY 2011.3 (from April 1, 2010 to March 31, 2011). It also covers some activities started in FY 2012.3.

The Installment of the BANDAI NAMCO CSR Activity Report 2011

Booklet Version

The special feature focuses on key examples of activities, and the Facts & Figures section provides details about progress with activities and a range of related information.

WEB Version

Provides more-detailed information on initiatives in Japanese in addition to the information reported in this booklet.
<http://www.bandainamco.co.jp/social/index.html>

Organizations Covered

This report covers the consolidated domestic companies of the BANDAI NAMCO Group, with the exception of equity-method affiliates.

Publication Information

August 2011 (Previous report: August 2010; Next report: August 2012 (Planned))

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Monozukuri (manufacturing) activities with a focus on environmental conservation, for customers

BANDAI HOBBY CENTER

Bandai Hobby Center

In 2006, the Bandai Hobby Center was established in Shizuoka City, Shizuoka Prefecture, as a production base for Bandai's hobby operations. The plant manufactures all of the plastic models sold by Bandai in Japan. *Mobile Suit Gundam* plastic models, also known as "GUNPLA," account for about 80% of Bandai's domestic sales of plastic models. The Bandai Hobby Center is committed to *monozukuri* (manufacturing) that showcases "Made in Japan" quality. In addition, the plant, which is Bandai's only domestic production facility, has leading-edge environment-friendly facilities. This special feature outlines how the Bandai Hobby Center, which is intended to resemble a "space colony," is a plant that leverages the distinctive strengths of the BANDAI NAMCO Group.

INTERVIEW

Aiming to be a Plant Where the Work is Enjoyable and Filled with Fun

In building the Bandai Hobby Center, our objective was to create a plant that is reminiscent of a “space colony.” These man-made living facilities, which are established in outer space, appear in *Mobile Suit Gundam* stories. As self-sufficient facilities with zero emissions and complete recycling, they represent the ideal framework for a plant. Targeting that ideal, we included a range of leading-edge, environmentally friendly facilities in the Bandai Hobby Center.

Also, to enable visitors to experience the world of *Gundam*, great care was taken to create a variety of opportunities for fun throughout the plant. The exterior evokes the image of the side view of a space colony, and the building has a distinctive arch shape that is unusual for a plant. In addition, the attention to detail has extended to such areas as automatic doors, unmanned conveyance equipment, and uniforms. The Bandai Hobby Center, which is Bandai's only domestic production facility, is not only enjoyable for visitors but is also fun for employees as they work. In that spirit, we make *Gundam* and other plastic models that are enjoyed by people around the world.



BANDAI Co., Ltd.
MANAGER OF THE BANDAI HOBBY CENTER
Katsuhiko Sasaki

The dream of the manager of the Bandai Hobby Center

I became manager of the Bandai Hobby Center in 2006. I was involved in all processes, from the planning stage to the completion of construction, and the plant has been an extremely significant part of my career. With the idea that we want people to enjoy this facility, we have leveraged our commitment to *monozukuri* (manufacturing). I would like the people who work here to focus on further growth and development and to strive to become the next manager of the Bandai Hobby Center. I would also like the center to serve as a “*monozukuri* (manufacturing) school” for the Group. If that dream is fulfilled, we will be able to make an even greater contribution to the entire Group, as well as to society.



Lobby on the first floor



Automatic door on the third floor



Quality checks



Unmanned conveyance equipment

INTERVIEW

BANDAI Co., Ltd.
HOBBY PRODUCTS DEPARTMENT
MANAGEMENT TEAM

Yasunari Ozawa



Aiming to Establish a Plant that Resembles a Space Colony

The Bandai Hobby Center is a leading-edge plant with an abundance of facilities that reflect consideration for the earth, local communities, and society, all the way from the design stage. Specifically, we are implementing the following types of initiatives.

■ Initiatives to save energy and reduce CO₂ emissions

We installed large solar panels on the exterior of the plant. These panels have a solar power generation capacity of more than 56,000 kWh per year, enough to supply about 5% of the electric power used in the plant. In addition, with systems to purify rainwater and groundwater, we reuse 2,000 tons of water a year. The use of reprocessed water in the toilets in the plant also makes a contribution to the conservation of resources. Furthermore, through rooftop greening we have achieved insulating and energy-saving effects. We are also working to reduce CO₂ emissions through the use of hybrid trucks for product shipments. In these ways, we are implementing a variety of initiatives.

■ Initiatives to control noise, vibrations, and odors

The Bandai Hobby Center is located in a residential area, so we took steps to create a plant that does not emit noise, vibrations, or odors. When molding machines are in operation, there is a possibility that noise, vibrations, or odors will be emitted. Accordingly, we installed the machines in the center of the plant to reduce the effect on the outside environment. From the time when the plant started operation in 2006 until today, we have not had a single complaint about noise, vibrations, or odors.

■ Initiatives targeting zero emissions

Another theme of the Bandai Hobby Center is “zero emissions,” with no emissions of waste material or waste heat. The waste recycling measures that are currently underway cover 115 tons of material a year. In addition, a third party conducts thermal recycling of waste plastic that cannot be recycled at the plant. In these ways, we are working to reuse as much as possible. Moving forward, the Bandai Hobby Center will work to effectively utilize its resources as a plant and to make further progress in operations. For energy saving, in particular, it is important that each employee increases their awareness of the issues of reduced electricity consumption and resource conservation. By moving forward in tandem with local communities and society, including these issues, I believe that we can make progress toward our goal of being a plant that resembles a space colony.



Waste plastic sorted by color



Rooftop greening



Solar panels installed on exterior walls

INTERVIEW



Assembled ECOPLA model

©SOTSU・SUNRISE



Finely ground resin (pellets) used as raw material for ECOPLA models



Resources conserved through single-color printing of packages



BANDAI Co., Ltd.
HOBBY PRODUCTS DEPARTMENT
PRODUCT PLANNING TEAM2

Takumi Uchida



BANDAI Co., Ltd.
HOBBY PRODUCTS DEPARTMENT
PRODUCTION TEAM

Haruhisa Kondo

Environmentally Friendly Plastic Models Suitable for Recycling

■ **ECOPLA: The creation of environment-friendly plastic models required overcoming obstacles**

ECOPLA are environmentally friendly plastic models made from recycled materials that have been colored black. A number of challenges had to be overcome in the creation of these ECOPLA plastic models. The Bandai Hobby Center is the only plant in the world that uses machines that can simultaneously make parts in four colors. However, it was difficult to separate and recycle the colored waste materials. When we thought about this problem, we realized that we could recolor the material black, which is the strongest (darkest) color. In addition, we wanted to make ECOPLA versions of Gundam plastic models, which are the core product of the Bandai Hobby Center. However, there were no Gundam characters that were all black, so there was a great deal of discussion about how to create this product. Nonetheless, the Bandai Hobby Center is the “home field” of the Gundam plastic models, and it became clear that this would be an opportunity to communicate the CSR activities of the BANDAI NAMCO Group while customers were enjoying our products. As a result, we were able to obtain the understanding of the people involved. At a hobby show held in May 2008, the first all-black GUMPLA was launched.

■ **Continued progress with ECOPLA**

Initially, there were four ECOPLA products, but we have since expanded the lineup to 10 products. However, our objective is not simply to expand the lineup. Rather, through these products, we think it is important to foster a greater understanding among a wider range of customers about the environmental activities of the Bandai Hobby Center. Moreover, each year the precision of our waste-sorting activities has increased. The progress has been gradual, but we can now sort by color and by material. This has also led to a reduction in the amount of plastic materials that we have to purchase. We are not yet finished with the ECOPLA products. Rather, we will continue to improve and advance them in the years ahead.

“MADE IN JAPAN”

Creating High-Quality Products with Advanced Manufacturing Technologies

With great pride in our commitment to “Made In Japan,” the Bandai Hobby Center uses leading-edge technology to manufacture plastic models. The plant makes all of the plastic models that are sold in Japan by Bandai, centered on *GUMPLA*. All processes, from development and design to mold creation and manufacturing, are implemented at the plant. We use leading-edge technology, such as automatic conveyors and other factory automation equipment, optical prototyping, and laser processing technologies. In this way, we are focused on both high quality and production efficiency.

01

Design and CAM room

The front lines for the design of plastic models using 3D CAD systems.



03

Optical prototyping

In accordance with the 3D data created in the design process, test versions are created using the “EDEN” optical prototyping equipment. We can confirm a 3D prototype made directly from the design data, and as a result we can rapidly examine test versions with greater precision.



02

Laser processing

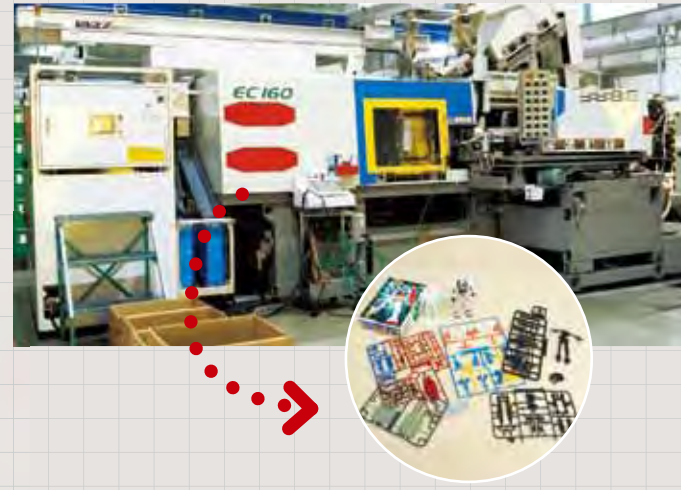
With optical prototyping that uses leading-edge laser processing equipment, we can recreate features as small as 40 microns.



04

Multicolor forming

Plastic materials are poured into molds to form the products. The multicolor forming technology enables us to simultaneously form products using four colors and four different materials.

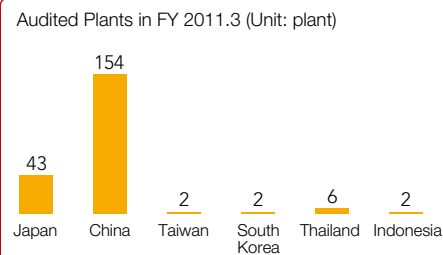
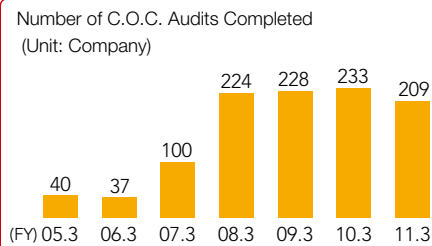


TOPICS!

C.O.C. Audits

Bandai Co., Ltd.

In FY1999.3, Bandai formulated the Bandai C.O.C. with the objective of sustaining and enhancing the management of the workplace environment. In FY 2005.3, we conducted C.O.C. audits at the overseas contract production plants of 40 companies, and since FY 2008.3 we have conducted annual audits at all overseas contract production plants. In FY 2009.3, we began to conduct audits at domestic contract production plants as well. In addition, to enhance operations at all contract production plants, since FY 2009.3 we have allocated points to each audit item and have evaluated the degree of compliance. In FY 2011.3, 65.3% of all plants had a degree of compliance of 95% or more, compared with 53.9% of plants in the previous fiscal year. Moving forward, we will formulate a range of initiatives to ensure that issues for which rectification measures have been implemented are appropriately sustained and managed.



Eco-Product Initiatives

NAMCO BANDAI Games Inc.

In 2005, NAMCO BANDAI Games was the first company in the amusement industry to start managing chemical substances that could have an adverse influence on the human body or the environment. (Currently, a total of 47 chemical substance groups are managed.) In implementing chemical substance management, the cooperation of suppliers in Japan and overseas is indispensable. Aiming to build a supply chain that can be relied upon, we have held explanatory meetings and established a specialized website for each supplier to promote efficient information transmission and sharing. We are also implementing audits of chemical substance management systems at manufacturing plants and other facilities.

Reducing power consumption of the CLENA2 Queen

	Conventional machine (CLENA FLEX)		CLENA2 Queen	
Top / sign section	1 fluorescent light bulb (40W)	40W	4 high-output fluorescent light bulbs (32W)	128W
	10 slim fluorescent light bulbs (24W)	240W		
Floor section	2 slim fluorescent light bulbs (24W)	48W	2 LED bars (7.63W)	15W
Spot section	2 halogen bulbs (40W)	80W		
Other electric power		142W		147W
Total		550W		290W

Reduction of about **47%**



CLENA2 Queen
©NBGI

With Local Community

Hanayashiki Co., Ltd.

Asakusa Hanayashiki is a traditional-style amusement facility that was opened in 1853 (Taito Ward, Tokyo) and taken over by the Company in 2004. Cooperating closely with a variety of Asakusa events throughout the year, *Asakusa Hanayashiki* continues to operate in harmony with the local community. At the Asakusa Sanja Festival, for example, *Asakusa Hanayashiki* is opened for use as a rest area for the local neighborhood association. We also actively participate in activities related to the neighborhood association's portable shrine, and there are special events to enable children who visit the facility to experience carrying a portable shrine.

During the summer vacation period, we have provided the facility for use in a safety education event sponsored by the Asakusa Police Station. The event was attended by 1,800 children. In addition, we open the stages and attractions to foster exchange with the local community. In this way, the Company is working to enhance ties with the local communities.



Sanja Festival "Hanayashiki Children's Mikoshi (Portable Shrine)"



Wai Wai Koryu Iriyakko

Distribution Friendly to People and the Environment

LOGIPAL EXPRESS INC.

LOGIPAL EXPRESS holds contests for its drivers with the objective of realizing distribution that is friendly to people and the environment. In these contests, professional drivers from work sites around the country are selected in accordance with three criteria: (1) safe driving, (2) reliability, and (3) eco-driving. The contest is judged objectively by teachers from driver training sites. In addition, our drivers actively participate in an eco-driving contest sponsored by the Environmental Restoration and Conservation Agency of Japan (ERCA). Our drivers have won prizes in this contest, and as a result they have been selected to give presentations introducing real-world examples at seminars sponsored by ERCA in Hyogo and Shizuoka prefectures.



LOGIPAL driver contest



Working in accordance with our mission of “making customers happy by providing opportunities for play”

NAMCOLAND AEONMALL KYOTO (Kyoto-shi, Kyoto)

Amusement facilities that can be enjoyed by three generations

The BANDAI NAMCO Group has a range of amusement facilities located throughout Japan. This broad portfolio includes large-scale amusement facilities that combine amusement and characters as well as amusement facilities that enable customers to experience the worlds of characters. We are leveraging our distinctive know-how in order to offer amusement facilities that distinguish the Group from its competitors. In this section, we introduce NAMCOLAND AEONMALL KYOTO. This facility is intended to offer places for fun that can be enjoyed by children of all ages, based on the theme of “entertainment for three generations.”



NAMCO LIMITED
 NAMCOLAND AEONMALL KYOTO, STORE MANAGER
Yositaka Suzuki

Creating spaces with an emphasis on “Safety” so that they can be enjoyed by everyone

NAMCOLAND AEONMALL KYOTO, which was opened in June 2010, is a large-scale amusement facility with about 200 machines and floorspace of about 1,372 square meters. The theme of the facility is “entertainment for three generations.” Our objective was to create a facility that can be enjoyed by children and their parents, as well as senior citizens.

So that three generations can enjoy the facility with peace of mind, the most important thing is “safety.”

By focusing on safety, we can offer hospitality to customers as an entertainment spot that is filled with smiles. Accordingly, the facility employs a variety of barrier-free concepts and techniques. There are no differences in grade, which makes it easy for children and senior citizens to walk. In addition, the wide aisles make it easy for parents to maneuver baby carriages.

The “Smiles” and “Thank you’s” of our customers are our greatest joy.

Also, another technique to make it easy to pass time comfortably is the setting of the sound on machines that are not in use by customers in order to make it easy for family members to hold conversations. In this way, we are working to reduce sound throughout the facility. In addition, we increased the size of the text on posters and notices in the facility in order to make them easy to read. We have also placed chairs around the facility so that people can sit down when they get tired.

In customer service, the most important thing is to listen to feedback from customers. We encourage staff to converse with customers and constantly maintain a grasp on customer needs. In this way, we work to improve the facility from the customer’s perspective. We implemented improvements based on this daily feedback from customers, and nothing makes us happier than to see our customers respond to these improvements with smiles and to hear them say, “Thank you.” Moving forward, to fulfill our mission of “making customers happy by providing opportunities for play,” we will work to provide entertainment places that can be enjoyed with peace of mind by our customers.



Giving Shape to Enhanced Peace of Mind

At NAMCOLAND AEONMALL KYOTO, we have taken a variety of steps to ensure that customers can enjoy the facility with peace of mind. We are working to speak to customers and receive their feedback, and thereby to make improvements from the customer’s point of view.

- ① The children’s corner, which is centered on rides, was designed to have wide spaces to make it easy to maneuver with baby carriages, and there are also seats so that customers can sit down at any time.
- ② Wide aisles make it easy for parents with baby carriages. Furthermore, even if children get lost, the line of sight is clear all the way to end of the aisle so that the children can be found easily.
- ③ The legs of chairs have been designed to be conspicuous so that children and senior citizens do not trip.
- ④ NAMCO is promoting the acquisition of “AOU Youth Advisor Certifications” as one means of supporting friendly ties with local communities and smooth relations with related institutions, as well as to advance sound youth development in the local community.



There are many games that can be enjoyed by young children.



My nephew likes the rides and uses them often. It is helpful that the aisles are wide and baby carriages can be taken anywhere.



There are a lot of machines (seal printing machines), and it is bright and pretty, so we come here often.

Creating Entertainment Places that Can Be Enjoyed by Everyone



IN CHARGE OF CRANE CORNER
Rui Odazaki

We work to offer customer service that is easy to understand for senior citizens. We explain how to use crane game machines while the machines are actually being played and we offer advice on methods of play.



IN CHARGE OF MEDAL CORNER
Hitomi Yamaguchi

The medal game corner is full of many customers who are senior citizens. Another popular feature of this facility is the variety of medal machines. In response to questions, we work to answer them clearly and accurately.



TOPICS!

Universal Design Initiatives

Bandai Co., Ltd.

Bandai has introduced the principles of universal design so that more people can enjoy its toys. In FY2011.3, with consideration for the wide range of color perception abilities among our customers, we began full-scale implementation of "Color Universal Design," which ensures that information is accurately communicated to as many people as possible. We conduct our own checks, such as tests that use special glasses, and we are implementing these principles in packages and product instructions. As one facet of these initiatives, we are also working with a proposal for universal-use toys, known as *Kyoyu Gangu*. In FY2011.3, we achieved the overwhelming number one results in the domestic toy industry with the new registration of 39 of our products as *Kyoyu Gangu*.

Key points about *Kyoyu Gangu* (universal-use toys)

- Toys that allow communication to be enjoyed through voice and movement
- Toys that allow touch and shape to be enjoyed
- Toys that give shape to the worlds of animation and picture books



DX OOO Driver
(*Kyoyu Gangu*)



Henshin Brooch KyuaMojyure
(*Kyoyu Gangu*)

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* For *Kyoyu Gangu* (universal-use toy) certification by the Japan Toy Association, a toy must be readily enjoyable by children with visual or hearing disabilities and easily used by their parents.

Protecting the Image of Our Characters

Bandai Co., Ltd.

Bandai is working closely with related companies to protect the image of its characters and to ensure that its customers can enjoy worry-free use of safe products. We are moving forward with measures targeting counterfeit goods in Japan and overseas. In Japan, we constantly monitor the domestic market, including the online market, and ask customs authorities to prohibit the import of counterfeit products. In these ways, we are working to promptly detect counterfeit products, to prevent their appearance on the market, and to secure their prompt removal if found. In overseas markets, we conduct independent surveillance and countermeasures targeting counterfeit products. In addition, in our capacity as a member of the International Intellectual Property Protection Forum (IIPPF), we are cooperating and exchanging opinions with the related administrative agencies and organizations to implement effective measures.

Production of Textbooks for Elementary Schools

NAMCO BANDAI Games Inc.

Together with Gakko Tosho Co., Ltd., NAMCO BANDAI Games has produced 28 textbooks for elementary schools in such fields as Japanese language, arithmetic, and science. This initiative combined BANDAI NAMCO's idea of "producing textbooks that students really want to read, even outside of school" and Gakko Tosho's idea of "producing new kinds of textbooks that transcend traditional materials and offer students a fresh approach to textbooks." This initiative marked the first time that an entertainment company has been involved in the production of textbooks.

We leveraged the abundant know-how that we have cultivated in the production of games and content over many years. For example, the books include game-like elements that support progress in studies and use large numbers of entertaining illustrations for easy-to-understand lessons.



Sharing Information for Safety and Peace of Mind

Banpresto Co., Ltd.

Banpresto has created a database that is used to collect information about product returns handled through the customer consultation center, shops, and stores. The database enables employees to confirm the situation for each product on the Banpresto intranet. As a result, employees can track the products for which they have responsibility, from the quality situation at the design and production stages to the status of any problems that occurred after sale. By sharing information with manufacturers and plants, this system is used to identify and resolve problems and to set objectives.

In the event that there are problems, the cause is investigated and measures to prevent a recurrence are formulated. A history log is created, and this information is periodically shared within the Company. We take steps to ensure the strict observance of our internal standards regarding safety. In addition, we also work to learn from examples of accidents involving the products of other companies and to evaluate the design of those products, including the potential for misuse. If necessary, we revise the warning labels on our own products. In these ways, we are working to prevent accidents.



FOCUS 3

Human resource management with a focus on entertainment and imagination

A conversation with President Shukuo Ishikawa

A

FOCUS ON ENTERTAINMENT AND IMAGINATION

Aiming to be a group centered on human resource management



What is “a group centered on human resource management, with a focus on entertainment and imagination”?

In April 2009, I became president of NAMCO BANDAI Holdings. One of the basic management policies that I announced at that time was to create “a group centered on human resource management, with a focus on entertainment and imagination.” It is our passion for helping people have fun that is the driving force behind our growth as an entertainment company. The focus on “entertainment and imagination” entails an approach based on a continuous cycle in which employees come up with interesting ideas, take on new challenges, and ultimately deliver products to customers around the world, all while truly enjoying their own work. When I thought about our employees’ commitment to providing people with entertainment and our distinctive characteristics as an entertainment company, I thought that we could not succeed in a difficult competitive environment without a focus on “entertainment and imagination.”

Our Group CSR phrase—Fun for the future!—is based on the



Substantial Confidence Gained from the Experience of Motivating and Coordinating a Large Number of People

I joined NAMCO in 1978. For the first two years, I worked in sales of arcade game machines. At that time, I experienced the basics of business—customers buying NAMCO products, using them, and paying for them. This became the foundation for my career.

Subsequently, in my late twenties I moved to another department. There, I experienced memorable work that proved to be a significant growth opportunity for me. At that time, I was planning products that would be used by other companies for the purpose of



President and CEO,
Representative Director
NAMCO BANDAI Holdings Inc.

Shukuo Ishikawa

**Shukuo Ishikawa:
A HISTORY**



President Shukuo Ishikawa as a young man.

Joining NAMCO

I joined NAMCO in 1978. The reason was the consistency between the image I had of game machines being fun, which developed from my play at amusement parks when I was a child, and the image of NAMCO, from the phrase “NAMCO creates dreams.” As a result, I was very interested in the work.



©NBGI

**Shukuo Ishikawa:
A HISTORY**

Development of WaniWani Panic

The idea behind the development of this game was simple: If a crocodile comes at you, it is scary. The plan was initially rejected by my boss, but after we created a hand-made test version out of slippers and cardboard, it was approved and made into a product that became a long-time best-seller.

promoting their sales. I received a request from a leading food company to propose a prize that would be used for the purpose of promoting sales of one of their core products. Although this product was different from and the usual product, I was fortunate and my plan was adopted. Filling this order was a major project, with delivered units in the tens of thousands. This was the first time that the Company had produced this type of prize. I did not have any significant know-how in this area, and working alone, I had to manage the project from planning and production to the delivery to the customer. I threw myself into the work and the experience that I gained has been useful right up to the present day. To succeed in producing that one product, I had to motivate many people and coordinate their efforts, and in the end, I gained significant confidence from our success.

Studying Management Thinking Through *WaniWani Panic*

In 1986, nine years after I entered NAMCO, I realized my desire of moving to the arcade game machine development division. And then, three years later, I moved to a management position. At that time, however, the popularity of amusement facilities had declined, and demand for arcade game machines was down. As a result, the amount of work necessary for the development division had declined, and the motivation of the staff had reached a very low level. In this setting, I felt strongly that we were facing a crisis that we had to do something to break out of that situation. I thought the best way out was to improve results by developing a hit game machine. The result of those efforts was *WaniWani Panic*. *WaniWani Panic* became a long-time hit product, and staff motivation increased immediately. This one hit product activated the department, and in turn led to the next hit product, and we began to

attract further human resources to the department. This experience of leading the department as a manager, I believe, increased my management capabilities.

If You Communicate Your Passion, You will Motivate the People around You

The passion of each individual is extremely important for an entertainment company such as BANDAI NAMCO. That passion is converted into concrete products and services that are delivered to customers. That is why it is important to implement human resource management with a focus on people.

My favorite saying is “tacit understanding.” Through my various experiences to date, I have learned that it is necessary to motivate many people to succeed in work and that the most important thing in motivating people is delivering passion and ideas. The first step is to keep communicating ideas and to increase the supporting people. In harnessing creativity, nothing is accomplished unless each person cultivates their own ideas, has passion, and works on that basis. If you gather people who support that idea, then progress can be made. I want our employees to communicate their passion. Not just once, but in different places, at different times, and in different ways.

Creating Environments that Enable People to Work to Their Full Potential

The employees of the BANDAI NAMCO Group are passionate about entertaining people. My role as president is to determine how we should channel that passion. For example, in line with the key word “autonomy,” we are working to further delegate authority and clarify responsibility. I want small groups to have authority and responsibility,

and to conduct their work with open thinking that transcends existing boundaries. I consider a group to be a framework for focusing teamwork using ideas that spring from a diversity of individual characteristics, in other words, a collection of people with a focus on individual capabilities. In this way, I want to create environments that encourage employees to take on new challenges again and again.

The presence of the BANDAI NAMCO Group rests on the continued provision of “Dreams, Fun and Inspiration” to people around the world. My mission is to make full use of the unique human resources of the BANDAI NAMCO Group to provide products and services that put smiles on the faces of people around the world. To that end, I will work to create “a group centered on human resource management, particularly on entertainment and imagination.”



The Management Integration of Bandai and NAMCO

Immediately after the management integration, we worked to become the “BANDAI NAMCO Group,” with a single organization and a unified approach to work. However, I think it is better for the BANDAI NAMCO Group to be a collection of different parts, with small, autonomous groups. After period of trials, we can build relationships in which we naturally support one another. I think that we are making a transition to individual groups that can create new things.



Becoming President of NAMCO BANDAI Holdings

I am working hard to visit front-line worksites and to talk to many employees. Being able to talk directly to the president seems to be memorable for employees, and they remember the details of our discussions. I have noticed that this enhances motivation. Also, I can use my position as president to consider teams of people that transcend organizational boundaries, resulting in the creation of new products and services.



Five years after the management integration, President Shukuo Ishikawa shares a meal and discussion with young employees who joined the Company five years previously.



FOCUS 3

Human resource management with a focus on entertainment and imagination

Providing economically priced products that inspire children around the world

BANDAI Co., Ltd.
BOYS TOY DEPARTMENT

Takamichi Murayama

I was born and raised in Brazil. When I was a child, I took an inexpensive figure from Japan back to Brazil with me, and my friends were very inspired by that figure. With that memory, I entered Bandai with the thought that “I want to provide reasonably priced products that inspire children around the world.”

After I joined the company, I worked in marketing and development of character toys for elementary school children. However, to build toys that “inspired at economical prices,” I realized that I needed knowledge about manufacturing, and I transferred to a production base in China. For three years, I worked as a coordinator with cooperating factories. In addition, I also worked in Hong Kong in cost management for products bound for such markets as Japan, the Americas, and Europe. Subsequently, I transferred to the U.S. Drawing on my

experience in product management in Hong Kong, I worked for two years in localization planning and development, principally for the *POWER RANGERS* series from Japan.

Through the localization of these products, I felt strongly that I needed a deeper understanding of the origins of character merchandising, and I wanted to return to Japan. Back in Japan, I had primary responsibility for planning and development of *Kaizoku Sentai Gokaiger* from the launch stage (TV broadcast from February 2011). *Kaizoku Sentai Gokaiger* is a commemorative product—the 35th title in the *Super Sentai* series—and the international experience that I acquired in the U.S., which is difficult to acquire in Japan, proved very useful in this endeavor. Because I started with the idea that “I want to provide economically priced products that inspire children around the world,” and I would like to make use of what I have learned.



Working with the *POWER RANGERS* series in the U.S.

Career Changes Drive Innovative Approaches

In the BANDAI NAMCO Group, career changes are common, including human resource exchanges and transfers. Accordingly, employees can exercise their skills in a variety of settings. They can work in-house or in other Group companies, in Japan or overseas.

NAMCO BANDAI Games Inc.
OPERATIONS GROUP1
PRODUCT MANAGEMENT DEPARTMENT

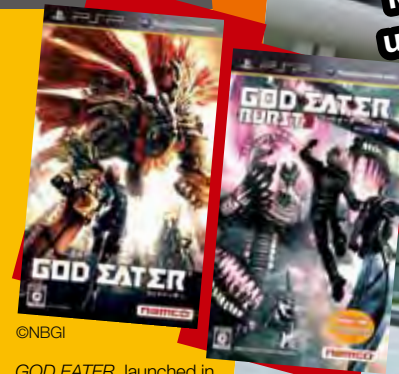
Yusuke Tomizawa

I joined Bandai in 2002, and I have worked in the planning and development of capsule toys. Each day, I have thought about how to maintain the loyalty of our customers. One success that made a strong impression on me was the late-night animation that followed the successful commercialization of *Suzumiya Haruhi no Yuutsu (The Melancholy of Haruhi Suzumiya)*.

Subsequently, I transferred within the Group to NAMCO BANDAI Games. I had always been interested in visual images, and I had hoped to transfer at some point to a unit that handled content, but I was surprised when it happened all of a sudden. My first assignment after the transfer was the development of a game for “*The Melancholy of Haruhi Suzumiya*,” and I was

able to learn about game development. Also, we added value to the game with limited-availability figures and goods, and I was able to utilize the focus on speed and the manufacturing know-how that I learned in developing capsule toys—“quickly grasp needs and link them to products.”

Currently, I am working on the *GOD EATER* series. The director and all of the other members of the development team are doing their utmost to understand customer preferences. I think that I was able to join a really good team. We received a lot of customer feedback from downloads of a trial version that was made available before the launch, and the products incorporate a lot of improvements. In the future, no matter where I am working, I will strive to use the strengths that I have developed through a range of experience and to build products that entertain customers.



©NBGI

GOD EATER, launched in February 2010, and *GOD EATER BURST*, launched in October 2010, have become smash hits, and a total of 1.1 million units have been shipped.

Making the most of an unexpected opportunity





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game are the property of their
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I think that they
are doing a great
job of carrying
on the important
fundamentals.

I want to maintain
the best practices that
we have followed since
the project began.

The Approach to **Development** that is Passed on to **New Generations**

The *Wangan Midnight* series of battle race games is based on the highly popular *Wangan Midnight* comic series that is published in *Shukan Young Magazine* (Kodansha).

We asked the two people in charge of development what has been passed on to new generations, including from the time of the launch of the series.

NAMCO BANDAI Games Inc.
DEVELOPMENT STUDIO,
CONTENT DESIGN DIVISION

Kei Kobayashi

When the *Wangan Midnight* series first got started, it was basically a race game for core fans. However, there was a gap in sales between *Wangan Midnight* and the games from our competitors, and we implemented renewal mid-course, aiming for a race game that can be easily enjoyed by anyone. Mr. Maeda joined the development project at the time of the renewal. Subsequently, for a period of time I was working as both producer and director, but three years after he joined the team, Mr. Maeda became chief director, and I focused on production.

Mr. Maeda worked to accurately track customer needs, and one of his strengths was to come up with a lot of ideas. I felt that he was pulling the project in a good direction. Actually, after I left the project, there are a lot of things that are being done differently, and I think that's good, but I also think that they are doing a great job of carrying on the important fundamentals, like firmly grasping customer needs and creating a product while holding discussions among all team members.



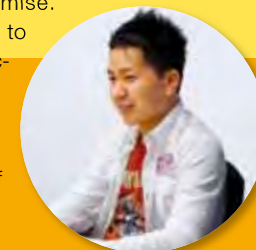
NAMCO BANDAI Games Inc.
DEVELOPMENT STUDIO,
CONTENT DESIGN DIVISION

Kazuhiro Maeda

The *Wangan Midnight* project team has grown, and currently there are about five times as many staff members as there were when the project started. The number of people has increased, but to build something that is really good, we have transcended the framework of the supervisor-employee relationship and we exchange opinions as much as we can. This has been a strong part of the company culture since the time when Mr. Kobayashi was working as a producer. In addition, the role of a leader who receives a wide variety of opinions from staff members is always important. That is something that I learned from watching Mr.

Kobayashi. The organization has expanded as the series has grown in popularity, but moving forward I would like to maintain this company culture.

Also, *Wangan Midnight* is a product that is eagerly awaited by many customers in Japan and overseas. To meet those expectations, we visit the game centers, observe customers playing the game, and strive to provide what they want without compromise. Moving forward, I want to maintain the best practices that we have followed since the project began, such as this approach to the process of creating products.



FOCUS 3

Human resource management with a focus on entertainment and imagination

I love this job, so I always make sure that I get the basics right.



LOGIPAL EXPRESS INC.
TRANSPORTATION DIVISION, IBARAGI OFFICE

Yukimi Sugaya

I am responsible for a delivery course on which I collect and deliver cargo, install arcade game machines, and perform other tasks. I've always loved driving cars, a trait I inherited from my parents, which is what encouraged me to start this job. I love this job, so I always make sure that I get the basics right. Delivering arcade game machines was new to me when joining the company and getting to learn this new skill is another factor that makes my job fun and worthwhile.

In the future, my dream is to become the lead driver, and I am working hard toward accomplishing this goal.

Supervisor's Comment

CHIEF, IBARAGI OFFICE: SHINGO SONE (LEFT)
TRANSPORTATION DIVISION, IBARAGI OFFICE,
MANAGER: MASAOKI ISHIYAMA (RIGHT)

Ms. Sugaya is a superior employee in all respects, including techniques and manners. Because of this, she was one of the few contract employees nationwide to be hired fulltime. When a person gets used to a job, there is a tendency for them to get a little bit sloppy. Ms. Sugaya, on the other hand, always confirms all aspects of the task underway, making her one of our most trusted drivers. Also, she carries around a notebook at all times in which she writes down the answers to any questions she had. For this reason, I felt that there are a lot of things other employees could learn from her. Also, her energetic presence is an inspiration to all the other members of the office.



NAMCO LIMITED
NAMCOLAND, HIKARINOMORI

Masaharu Matsumoto

I have always enjoyed being in contact with customers since when I was a student, when I had a part-time job conducting sales demonstrations. I still remember the joy of seeing a customer's reaction first-hand and how I loved every day of that job. After joining NAMCO, I was able to put this experience to good use. I believe that the fundamentals of customer service—greeting customers with enthusiasm and offering easy-to-understand product explanations—are extremely important. Practicing this belief, I have continued to advance my customer service skills and was able to win NAMCO's in-house customer service competition, the N-1 Grand Prix, as a result. On a regular basis, I am able to draw customers into my store. I feel that exercising talent on the final stage of the N-1 Grand Prix was what led to my victory. However, this victory does not mean that the customer service I offer is perfect. As times change so do customers, and I too must change in response to this. In this way, customer service has no clear goal, but is rather about endless self-improvement. Therefore, I intend to continue to refine my customer service skills in order to bring joy to the customers visiting my store while enjoying my job at the same time.

I want to bring joy to my customers while enjoying my job at the same time.



N-1 Grand Prix

The N-1 Grand Prix is an in-house customer service competition held by NAMCO with the goal of improving customer service and subsequently customer satisfaction. The victor of this annual competition is chosen from approximately 4,000 staff members from throughout Japan.

Fully Leveraging Strengths

We work to satisfy our customers by bringing them joy while having fun ourselves.
We exercise great confidence in our work, and are fully leveraging our strengths to create fun for the future.



FOCUS 3

Human resource management with a focus on entertainment and imagination

A Diverse Team with a Single Goal

The BANDAI NAMCO Group is a place at which a wide variety of people can exercise their talents. This has given birth to BANDAI NAMCO's own unique brand of diversity, which we will continue promoting amidst the strong support of our diverse team of employees.



I want children around the world to play with my toys.

BANDAI Co., Ltd.
PLAY TOY DEPARTMENT, responsible for planning and developing variety of products

Hannah Lemmer

During my period as an exchange student in Japan, I had the opportunity to see the life-sized *Gundam* statue that was placed in Tokyo's Shiohaze Park. The park was filled with visitors from around the world and I quickly realized that this character belonging to the BANDAI NAMCO Group had come to be more than simply an element of pop culture. After that, I was lucky enough to get an internship with Bandai. Through this internship, I met a lot of people that I wanted to work with in the future, which became my motivation for later joining the company officially.

I feel that there are a lot of possibilities for me at Bandai, and the company provides me with ample opportunities to use my talents. I also intend to create such opportunities on my own. My dream is to create a company called "BANDAIWORLD" so that children around the world can play with toys I developed. Living and working in Japan, I often find myself in situations where I don't know what to do. However, even in these situations, I will pull through with a smile on my face.

NAMCO BANDAI Games Inc.
DEVELOPMENT STUDIO, VISUAL ART DIVISION, MOBILE GAME DESIGN

Mr. Dot Man (Hiroshi Ono)

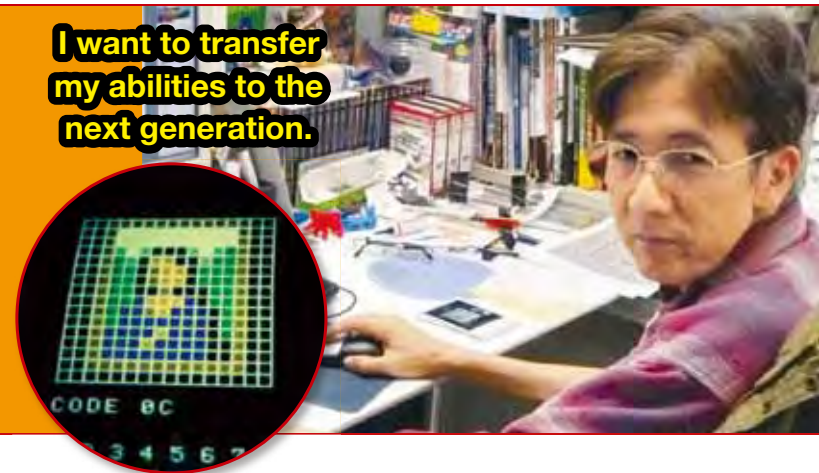
My job is to make graphics for mobile games to be played on standard cellular phones, smartphones, or other such devices. The mobile game field has been gaining a lot of attention lately, and the simple games provided in this field have become very popular. Therefore, I feel that this is a field in which I can fully utilize my old-school game development abilities.

I joined this company in 1979. At the time, video game graphics were primarily bit-mapped, and were created through a process much like filling in squares on graph paper. There were no documents or manuals describing the development process back in the day, so

we had to think of everything ourselves. The job was a bit difficult at times, but it was always worthwhile.

Video game development processes have evolved quite a bit since then, and graphics have become very life-like. However, even in this environment, the ability to make games that are inherently fun and tweak existing techniques to accomplish this is still incredibly important, as is the ability to create something that is not described in manuals or other documents. These are abilities I want to transfer to the next generation of mobile game designers.

I want to transfer my abilities to the next generation.



NAMCO BANDAI Holdings Inc.
HUMAN RESOURCES DEPARTMENT, responsible for all areas of human resource management, including those for people entering and leaving the Company, as well child support and employee evaluation systems

Miyuki Ando

I do my job while balancing my work and child-rearing. I realize that this would be impossible to do on my own, and am ever grateful to my co-workers, supervisors, family, and of course my child for their understanding and support. The Company has a number of support systems for working mothers, including flextime and shortened work hours systems that can be used for child care purposes, which have been a great help. These systems are becoming more complete every year. However, I need to be careful not to become overly dependent on these systems so that I can continue to perform to the level that is expected of me. I have limited time to work at the office. To make sure I can get as much done as possible in

this time, I exercise the following four points:

1. Eliminate time-wasting practices
2. Set long-term schedules with a little leeway
3. Deal with issues before they arise
4. Establish systems to allow others to take over if I have to take unplanned leave

The BANDAI NAMCO Group's mission statement is "Dreams, Fun and Inspiration." As a member of this group, I am always aware of this mission and work to contribute to its realization to the best of my abilities. Through my efforts, I want to give children hope for the future.



I want to give children hope for the future.

BANDAI NAMCO Forest Activity Report

As a group of entertainment companies that provides “Dream, Fun and Inspiration” as the engine for happiness of society, we are actively implementing measures to promote harmony with the environment based on the recognition that we should contribute to society as a good corporate citizen.

What is “BANDAI NAMCO Forest?”

The BANDAI NAMCO Group is participating in the Forest Adoption Promotion Project conducted under the auspices of Nagano Prefecture. The Group has signed a “Forest Adoption Agreement” with a forest support foundation, the Shimotakai-gun Yamanouchi-machi Wago-kai. Under the terms of the agreement, the BANDAI NAMCO Group will provide support for forest management activities at the 47-hectare “BANDAI NAMCO Forest” at Shiga Kogen and work to help foster a deeper understanding of forest conservation issues.

The Group has maintained 11 birdhouses and 45 environmental message boards that have been installed in the BANDAI NAMCO Forest.

Group employees have conducted forest conservation activities, such as thinning. Through these activities, the participating employees experienced the abundance of nature and deepened their understanding of environmental conservation.



Commemorative photos taken during the event were made into holiday cards that were distributed to all participants.

We subsequently received letters of thanks and home-made holiday cards.

We worked to promote exchange with members of the local community. For example, we held an Eco Quiz competition where participating children could have fun learning about the environment together with Gosei Red from *Tenso Sentai Goseiger*, and we made holiday wreaths using materials from BANDAI NAMCO Forest, such as nuts.

Going forward, we will continue to implement Group CSR activities that utilize BANDAI NAMCO Forest and community activities.



FACTS & FIGURES

BANDAI NAMCO Group CSR Management

BANDAI NAMCO Group's CSR Policy

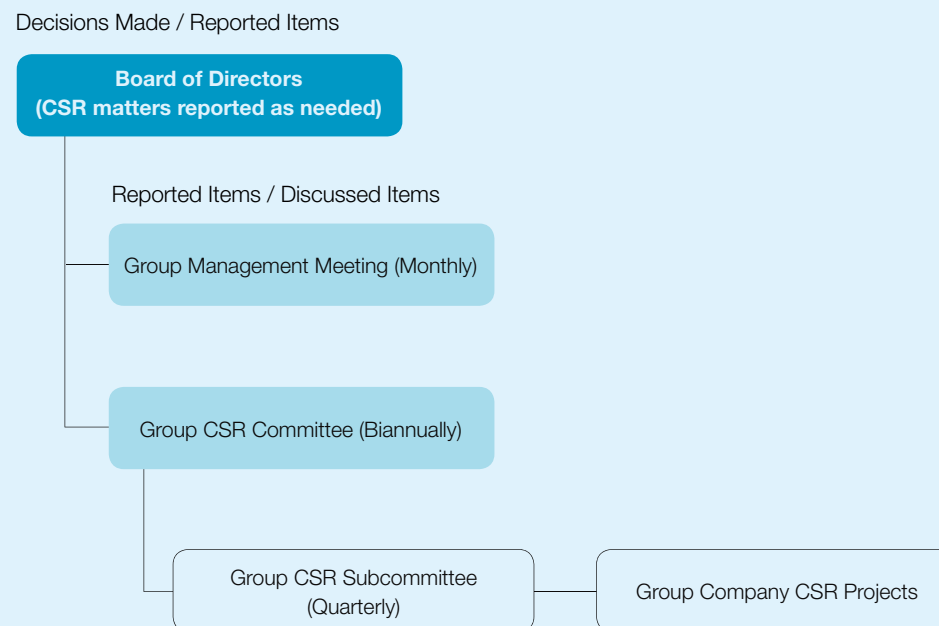


BANDAI NAMCO Group CSR Management

The BANDAI NAMCO Group aims to provide “Dreams, Fun and Inspiration.” For this reason, it is promoting CSR management based on the basic policies contained in the Groupwide CSR initiatives, which incorporate three types of social responsibilities and form the foundation of CSR initiatives throughout the Group.

With the goal of improving the effectiveness of the Group's CSR activities, from FY 2011.3, the Group has formulated the “BANDAI NAMCO Group's Important CSR Themes.” We have begun to implement activities for CSR themes that are especially important, and in those endeavors we draw on the special strengths of each SBU.

BANDAI NAMCO Group's CSR Promotion System

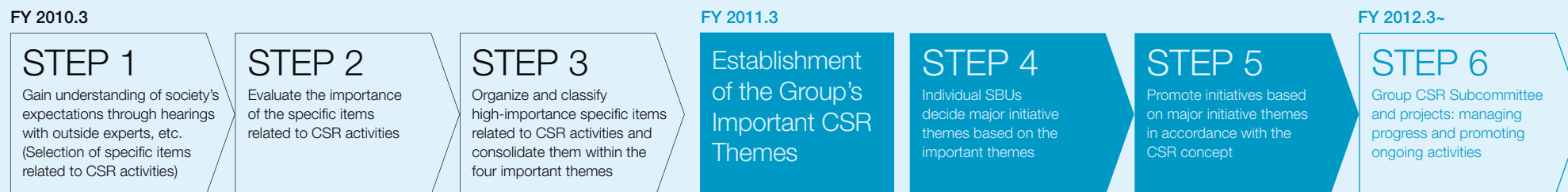


BANDAI NAMCO Group's CSR Promotion System

From FY 2011.3, the Group has implemented a system under which the presidents of the SBU core companies serve as members of the Group CSR Committee. In this way, the Group has strengthened the CSR system, which makes decisions rapidly and is integrated with operations. In addition, from FY 2012.3, the Group Environment Subcommittee and the Group Social Contribution Subcommittee, which were subcommittees of the Group CSR Committee, were merged to establish the Group CSR Subcommittee. In addition to environmental and social contribution activities, this subcommittee manages progress and shares information regarding initiatives implemented in line with the important CSR themes. Also, for each company's CSR projects, we are implementing more-specific SBU initiatives that draw on the special strengths of each company.

Progress with the BANDAI NAMCO Group's Important CSR Themes

BANDAI NAMCO Group: The Process for Advancing Important CSR Themes



BANDAI NAMCO Group: Advancing Important CSR Themes

To determine which CSR themes are the most important from the perspective of the BANDAI NAMCO Group and its stakeholders, we drew on the results of individual hearings with outside experts and of investigation reports from external organizations. On that basis, we established "the BANDAI NAMCO Group's Important CSR Themes."

In FY 2011.3, in accordance with those important themes, each SBU and affiliated business company set up priority initiatives and worked to identify and implement specific activities through their business operations.

Overview of Major Initiative Themes for each SBU and Affiliated Business Company

Note: When there is no operational area corresponding to an important CSR theme, the row is blank.

Important CSR Themes	Toys and Hobby SBU	Content SBU	Amusement Facility SBU	Affiliated Business Company*
Safety and Cleanliness of Products and Services	Focusing on safety and peace of mind	Focusing on safety and peace of mind	Initiatives to foster sound sales areas and to promote social learning for youth	Strengthened system for handling personal information, chemical substance management
Environmental Consideration	Act Now for Future Smiles	Environmental consideration and energy saving	Determination of environmental burden data / implementation of specific energy reduction methods	Reduced energy consumption at work sites
Policies Regarding Influence on Society of the Group's Content and Products	Control of ethical expression in content /products	Formulation of appropriate language expression for content	—	—
Supply Chain Management	Monitoring of labor standards auditing related to production at Bandai (C.O.C. Audits)	Relationship with suppliers	—	Monitoring of labor standards auditing at Artpresto (C.O.C. Audits)

* BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC., Artpresto Co., Ltd.

FY 2011.3, Progress Report for Major Initiative Themes for each SBU

Toys and Hobby SBU

Important CSR Themes	Toys and Hobby SBU	FY 2011.3 Activity Report
Safety and Cleanliness of Products and Services	Focusing on safety and peace of mind	<ul style="list-style-type: none"> ▶ Made self-declaration of compliance with ISO10002 ▶ Held product safety exhibition ▶ Held study and training for responding to product accidents ▶ Formulated guidelines for buy-sell products ▶ Implemented monthly meetings to exchange information among SBUs
Environmental Consideration	Act Now for Future Smiles	<ul style="list-style-type: none"> ▶ Act Now for Future Smiles (Publication of examples of environmental activities) ▶ Made presentations about Bandai activities at outside seminars ▶ Held Toys and Hobby SBU environmental project activities on a bimonthly basis ▶ Implemented revised Law Regarding the Rationalization of Energy Use and designated enterprise response
Policies Regarding Influence on Society of the Group's Content and Products	Control of ethical expression in content / products	<ul style="list-style-type: none"> ▶ Monitoring of ethical express in design review ▶ Continuation of independent control of ethical expression in Bandai characters / content
Supply Chain Management	Monitoring of labor standards auditing related to production at Bandai (C.O.C. Audits)	<ul style="list-style-type: none"> ▶ Implementation of labor standards audits at all final packaging plants overseas by Bandai ▶ Presentations regarding Bandai C.O.C. at supplier conferences of other companies ▶ Presentations regarding Bandai C.O.C. at the Nippon Foundation / CANPAN

Content SBU



Important CSR Themes	Content SBU	FY 2011.3 Activity Report
Safety and Cleanliness of Products and Services	Focusing on safety and peace of mind	<ul style="list-style-type: none"> ▶ Enhanced NAMCO BANDAI Games green procurement criteria and held seminars for employees ▶ <i>Monozukuri</i> (manufacturing) criteria deepened and expanded, extended to SBUs, improved in coordination with changes in green procurement criteria
Environmental Consideration	Environmental consideration and energy saving	<ul style="list-style-type: none"> ▶ Formulation of environmentally friendly guidelines and formulation of implementation guidelines for environmental labels ▶ Formulation of environmentally friendly guideline is currently underway. ▶ Reduced use of raw materials through reductions in excess packaging, etc. Delivery of products that do not use packaging, such as rental products, in simple packaging to each company's specifications ▶ For CO₂ reduction in all activities and in all buildings, WarmBiz and other energy reduction initiatives currently underway
Policies Regarding Influence on Society of the Group's Content and Products	Formulation of appropriate language expression for content	<ul style="list-style-type: none"> ▶ Formulation of unified standards for appropriate language expression for all content ▶ Start of preparations for January kickoff at NAMCO BANDAI Games
Supply Chain Management	Relationship with suppliers	<ul style="list-style-type: none"> ▶ Establishment of trusted supply chain (green procurement criteria, C.O.C. audits) ▶ Green procurement seminars for suppliers and renewal of dedicated web sites for suppliers ▶ Creation of original carbon calculator for visual products industry and collaboration with suppliers ▶ Completed industry-standard carbon calculator (manufacturing process only / not including transportation)

Amusement Facility SBU

Important CSR Themes

Amusement Facility SBU

FY 2011.3 Activity Report




<p>Safety and Cleanliness of Products and Services</p>	<p>Initiatives to foster sound sales areas and to promote social learning for youth</p>	 <ul style="list-style-type: none"> ▶ “AOU Youth Advisor” Progress in acquisition of certifications Number of people who have passed certification examination: increase of 60 Achievement of goal (total of 360 people) Registered centers: 171 (increase of 36 centers) Panel used in centers with certified employees ▶ Company visits, workplace experience learning Number of elementary schools and students who have participated <ul style="list-style-type: none"> •NAMCO head office visits: 9 schools, 57 students •Hanayashiki workplace experience: 7 schools, 33 students, performance activities •PleasureCast workplace experience: 1 time, visited by 4 kindergartens
<p>Environmental Consideration</p>	<p>Determination of environmental burden data / implementation of specific energy reduction methods</p>	 <ul style="list-style-type: none"> ▶ Accurate collection of environmental burden data within the SBU Through negotiations with owners, data was acquired, and NAMCO achieved goal of determining data for 90% of facilities ▶ Implementation of energy reduction initiatives Implementation of reduced lighting through the use of LEDs on crane game <ul style="list-style-type: none"> •NAMCO, PleasureCast total: 4,484 units •CO₂ reduction: 1,343 tons of CO₂, ¥63 million/year ▶ Implementation of response to Law Regarding the Rationalization of Energy Use, global warming countermeasure regulations <ul style="list-style-type: none"> •At NAMCO, PleasureCast, NamjaTown

Affiliated Business Company

Important CSR Themes

Affiliated Business Company

FY 2011.3 Activity Report

<p>Safety and Cleanliness of Products and Services</p>	<p>[BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC.] Safe driving [Artpresto Co., Ltd.] Strengthened system for handling personal information, chemical substance management</p>	 <p>[BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC.]</p> <ul style="list-style-type: none"> ▶ Number of accidents involving commercial vehicles in which company driver was at fault: 9 accidents ▶ There were no incidents of major accidents <p>[Artpresto Co., Ltd.]</p> <ul style="list-style-type: none"> ▶ Implemented procedures to renew P Mark ▶ Implemented personal information training for all employees ▶ Rigorous chemical substance testing of products and materials <ul style="list-style-type: none"> * Testing of heavy metals, pigments, phthalates, others ▶ Green procurement testing, establishment of designated companies
<p>Environmental Consideration</p>	<p>[BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC.] Eco-driving [BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC.] [Artpresto Co., Ltd.] Reduced energy consumption at work sites</p>	 <p>[BANDAI LOGIPAL INC., LOGIPAL EXPRESS INC.]</p> <ul style="list-style-type: none"> ▶ Fuel consumption about the same level as in the previous year ▶ Participating in eco-driving contest All work sites received awards ▶ Electricity consumption increased slightly year on year <p>[Artpresto Co., Ltd.]</p> <ul style="list-style-type: none"> ▶ Installation of LED lighting at Komagata work site ▶ At Komagata work site, conversion to low-power-consumption air conditioning equipment
<p>Supply Chain Management</p>	<p>[Artpresto Co., Ltd.] Monitoring of labor standards auditing (C.O.C. Audits)</p>	 <p>[Artpresto Co., Ltd.]</p> <ul style="list-style-type: none"> ▶ C.O.C. audits: implemented at 3 companies <ul style="list-style-type: none"> * Rectification measures have been proposed ▶ Implementation of lectures prior to audits ▶ In-person confirmation of audit items

Human Resources Related Information

FIGURES FOR THE CORE COMPANY IN EACH SBU (Bandai / NAMCO BANDAI Games / NAMCO)

Number of employees by type of employment

(people)

		FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Full-time employees	Male	2,761	2,829	2,999	2,450
	Female	663	695	761	1,183
Junior employees	Male	1,516	1,364	1,331	1,208
	Female	1,097	986	857	770
Contract employees	Male	232	168	137	40
	Female	59	53	52	39
Temporary employees	Male	1,061	837	663	569
	Female	1,005	798	664	619
Total	Male	5,570	5,198	5,130	4,267
	Female	2,824	2,532	2,334	2,611
	Total	8,394	7,730	7,464	6,878

Number of female managers

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Female managers (people)	55	50	71	74
Ratio to total employees	0.7%	0.6%	1.0%	1.1%

Number of employees hired after graduation

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Number of employees hired after graduation (people)	90	105	105	88
Number of female employees included (people)	33	38	38	30
Percent of female included	36.7%	36.2%	36.2%	34.1%

Averages

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Average years of continuous service (years)	7.1	7.5	8.3	8.2
Average age (years)	36.8	37.2	38.0	38.0
Average annual income (thousand yen)	6,994	6,630	6,127	5,882

Number of employees that took leave for childcare or nursing

(people)

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Number of employees that took leave for childcare	62	81	105	94
Number of male employees included	1	5	1	4
Number of employees that took leave to home nurse	4	3	2	1
Number of male employees included	1	1	0	0

Annual paid leave utilization rate

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Annual paid leave utilization rate	43.0%	63.7%	59.5%	60.4%

Industrial accidents

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Industrial accidents (incidents)	84	94	64	63

Employment rate for people with disabilities (Group total)

	FY 2008.3	FY 2009.3	FY 2010.3	FY 2011.3
Employment rate for people with disabilities	1.83%	1.74%	1.79%	1.88%

Overview of systems to promote achievement of work-life balance (especially programs that surpass legal requirements)

System	Overview
Childcare leave	Can be taken until the end of the fiscal year in which the child turns 18 months old. Can be taken until the day the child reaches age two.
Childcare support	Available until the child completes third grade. Includes shorter working hours and exemption from overtime and late night work.
Childbirth congratulatory money from the Group (from October 2011: childbirth/child-rearing support money from the Group)	Starting with the third child, payment of ¥1 million for each subsequent child. (When childcare leave of one week or longer is taken, payment of ¥2 million for each child, starting with the third child.)
Childbirth leave for male employees	Male employees can take up to five days of paid leave when their wives give birth.
Flex time system	Normal working hours are determined not on a daily basis but on a monthly basis.
Family support leave	Up to two days per year. (Children's school entrance ceremonies, kindergarten graduation ceremonies, birthdays of first-degree relatives, etc.)

The specific details of these systems vary for each company.

Environment-Related Information

CO2 emission volume and reduction ratio by SBU

(t-CO2)

	Emission volume			Reduction % change in FY 2011.3 compared with	
	FY 2009.3	FY 2010.3	FY 2011.3	FY 2010.3	FY 2009.3
Toys and Hobby SBU	10,723	10,449	10,156	- 3%	- 5%
Content SBU	9,420	8,457	7,911	- 6%	- 16%
Amusement Facility SBU	88,947	80,137	68,944	- 14%	- 22%
Affiliated Business Companies	1,778	1,694	1,560	- 8%	- 12%
NAMCO BANDAI Holdings Inc.	165	248	227	- 8%	+ 38%
Total	111,033	100,985	88,798	- 12%	- 20%

NAMCO BANDAI Holdings Inc. changed its location, leading to changes in results.

Environmental management scope:

- ▶ All Group companies

Scope of collection of environmental performance data:

- ▶ All consolidated Group companies
(excluding affiliates accounted for by the equity method)

Management standard:

- ▶ Emissions volume

Overview of environmental performance data for FY 2011.3

Measured items			Unit	FY	NAMCO BANDAI Holdings Inc.	Toys and Hobby SBU	Content SBU	Amusement Facility SBU	Affiliated Business Companies	Total	
Fuel	Gasoline	From use of company vehicles	kl	2010.3	0	76	80	113	11	280	
				2011.3	0	56	64	103	36	259	
		Other*	kl	2010.3	0	10	12	37	0	59	
					2011.3	0	49	11	0	63	
	Kerosene*			kl	2010.3	0	0	1	16	10	27
					2011.3	0	0	1	5	12	18
	Diesel fuel	From use of company vehicles (diesel vehicles)	kl	2010.3	0	43	0	0	0	858	901
					2011.3	0	61	0	0	919	980
		Other*	kl	2010.3	0	40	0	0	0	0	40
					2011.3	0	43	0	0	2	45
	Heavy oil A*			kl	2010.3	0	32	0	0	0	32
					2011.3	0	4	0	0	0	4
Petroleum gas*	Liquefied petroleum gas (LPG)	Other than from use of company vehicles*	t	2010.3	0	4	0	25	0	29	
					2011.3	0	5	0	12	0	17
Combustible natural gas	Other combustible natural gas	From use of company vehicles	m ³	2010.3	0	0	0	0	73,690	73,690	
				2011.3	0	0	0	0	69,179	69,179	
		Other*	m ³	2010.3	0	0	15,924	0	0	15,924	
				2011.3	0	0	15,924	0	0	15,924	
Water	Tap water used		m ³	2010.3	924	69,798	46,826	260,805	8,062	386,415	
				2011.3	1,053	56,596	49,096	171,512	7,784	286,041	
	Hot spring water used		m ³	2010.3	0	266	0	257,911	0	258,177	
				2011.3	0	604	0	80,467	0	81,071	
	Waste water		m ³	2010.3	693	70,348	37,518	516,209	8,062	632,830	
				2011.3	743	57,623	36,092	252,050	7,784	354,292	
Electricity*			kWh	2010.3	481,024	20,442,431	15,124,195	163,183,306	3,928,705	203,159,661	
				2011.3	467,031	20,776,157	15,073,603	150,677,515	3,955,120	190,949,426	
Other fuels	City gas*		m ³	2010.3	13,141	53,294	536,260	2,080,616	202	2,683,513	
				2011.3	10,615	48,801	447,070	1,567,805	193	2,074,481	
	Steam (industrial use)*		MJ	2010.3	0	0	0	6,425,464	0	6,425,464	
				2011.3	0	0	0	0	0	0	
	Steam (excluding industrial use)*		MJ	2010.3	0	0	0	1,909,561	0	1,909,561	
				2011.3	0	0	0	1,909,561	0	1,909,561	
	Hot water*		J	2010.3	0	0	323,603	4	0	323,607	
				2011.3	0	0	294,066	14	0	294,080	
	Cold water*		MJ	2010.3	221,419	0	2,173,143	8,289,554	0	10,684,116	
				2011.3	220,409	0	2,349,959	8,288,683	0	10,859,051	
waste	Non-industrial waste		kg	2010.3	2,246	391,536	154,614	1,432,536	167,786	2,148,718	
				2011.3	1,197	417,210	99,651	1,286,080	191,050	1,995,188	
	Industrial waste		kg	2010.3	861	585,646	185,708	675,836	33,034	1,481,085	
				2011.3	1,109	829,742	171,167	684,292	47,712	1,734,022	
	Recycling volume		kg	2010.3	971	190,788	87,683	49,440	6,374	335,256	
				2011.3	1,936	714,484	99,685	74,817	4,198	895,120	
Photocopy paper			kg	2010.3	8,221	56,229	78,504	27,215	18,000	188,169	
				2011.3	8,668	71,260	48,130	22,992	19,957	171,007	

In accordance with the Law Regarding the Rationalization of Energy Use, the BANDAI NAMCO Group calculates CO2 emissions from the items marked "*" in the table above.

Corporate Governance and Compliance

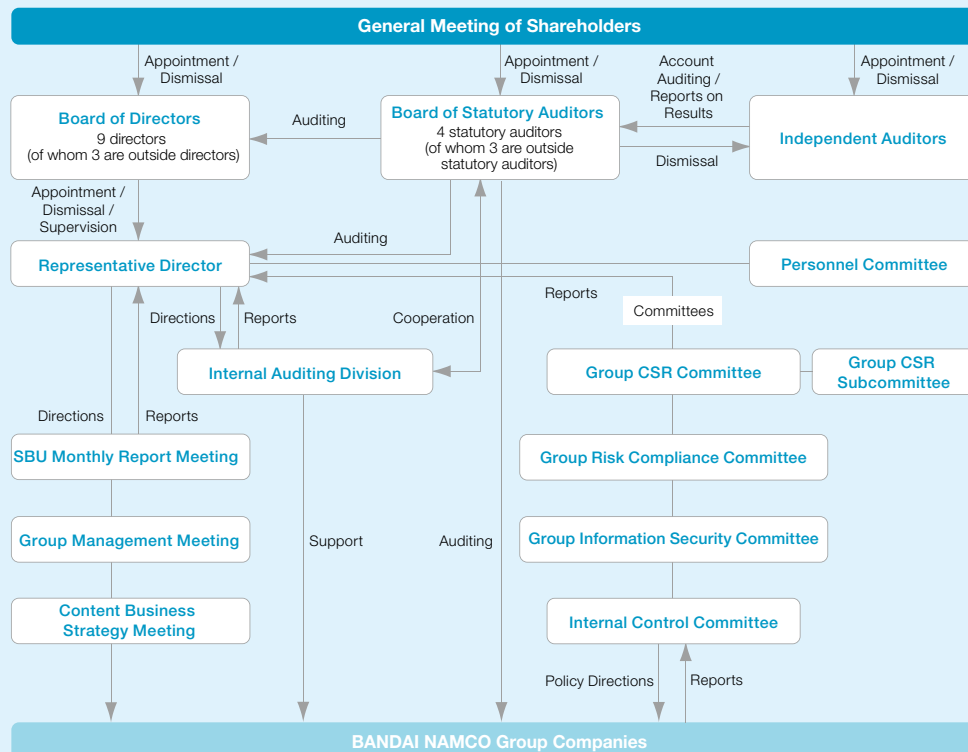
Corporate Governance

Policies / Basic Approach

Our highest management priority is the provision of benefits to all of our stakeholders, who support our business activities. We believe that to achieve ongoing growth in enterprise value over the long term, the continuous enhancement of corporate governance is an important management issue. The Group aims to be a corporate group that is trusted by society and that makes an ongoing contribution to society. While striving to raise management soundness, transparency, and efficiency, we will build a corporate governance system that facilitates rapid information disclosure.

Corporate Governance System

NAMCO BANDAI Holdings is working to enhance management oversight. As of June 20, 2011, the Company had nine directors, including three outside directors. Moreover, to respond rapidly to changes in the management environment and to further clarify the responsibilities of directors, the term of directors has been set at one year or less.



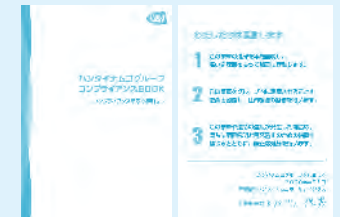
Compliance

Policies / Basic Approach

As "The Leading Innovator in Global Entertainment," the BANDAI NAMCO Group has clarified its thinking on compliance and takes steps to make its Group companies fully aware of these thoughts. Based on the recognition that the important components of a company's mission include strict compliance with the laws in every country and region where it does business and the pursuit of profit through fair competition, in April 2007, we formulated the BANDAI NAMCO Group Compliance Charter, and we announced the BANDAI NAMCO Group Declaration of Compliance in line with that Charter.

Developing Compliance Awareness

The BANDAI NAMCO Group has formulated the BANDAI NAMCO Group Compliance Charter, which outlines eight categories of pledges that must be followed by all Group officers and employees in conducting business activities. To facilitate the daily implementation of the Charter at all Group companies, we published the BANDAI NAMCO Group Compliance Handbook and distributed it to all Group officers and employees. In FY 2011.3, we offered two e-learning sessions based on the BANDAI NAMCO Group Compliance Handbook. These sessions, which were targeted at all Group officers and employees, were completed by a total of 12,000 people. Moreover, each Group company implemented its own company-specific compliance training. Moving forward, we will conduct periodic training to continue to develop compliance awareness and further enhance our compliance system.



Risk Management

Recognizing the importance of risk management for the continuity of sound business operations, the BANDAI NAMCO Group has formulated the Group Risk Compliance Regulations as guidelines for the actions to be taken by each Group officer or employee in the event of a crisis. Moreover, we have established the Group Risk Compliance Committee, which is chaired by the President of NAMCO BANDAI Holdings. This committee is working to enhance our system for identifying risks, preventing the risks from materializing, and responding promptly in the event of a crisis. When noncompliance is identified in a Group company, the compliance committee of that company reports the incident to the Group Risk Compliance Committee based on the Group Risk Compliance Regulations. Moving forward, we will continue striving to correctly identify the social trends of the times and to strengthen our risk management system to ensure prompt and appropriate responses to a range of management risks.

Establishing and Operating a Whistleblowing System

All BANDAI NAMCO Group companies have formulated internal regulations and have established and operate whistleblowing systems. In the event that an employee detects noncompliance, they should discuss the matter with their manager or, through the whistleblowing system, report it to a representative director, external corporate lawyer, in-house consulting department, or the auditors. In accordance with the Whistleblower Protection Act, measures are taken to ensure that whistleblowers do not receive disadvantageous treatment as a result of their actions. If an incident of noncompliance is revealed under the whistleblowing system, appropriate measures are implemented in accordance with the compliance regulations of the respective company.

Corporate Information / Notice

Corporate Data (as of March 31, 2011)

Corporate Name

NAMCO BANDAI Holdings Inc.

Head Office

NAMCO BANDAI Mirai Kenkyusho, 4-5-15,
Higashi-Shinagawa, Shinagawa-ku,
Tokyo 140-8590, Japan

Capital

¥10 billion

Main Business

Planning and execution of medium- and long-term management strategies for the BANDAI NAMCO Group; provision of support for business strategy implementation by Group companies and management of business activities.

Number of Group Employees

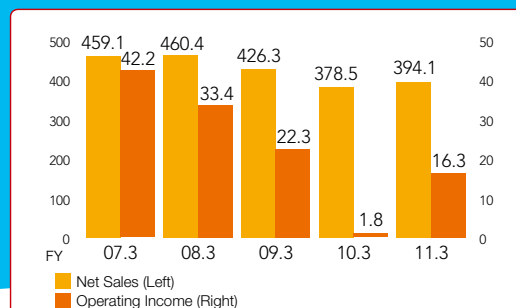
7,075

Number of Consolidated Subsidiaries

77 subsidiaries

7 equity-method affiliates

Net Sales / Operating Income (¥ billion)



CSR Report 2011 Web Version

Provides details of specific social and environmental issues in addition to the information reported in this booklet.

WEB Version (Japanese)

Detailed activity report

<http://www.bandainamco.co.jp/social/index.html>

Booklet Version

The special feature focuses on key examples of activities



Notice

On behalf of everyone at BANDAI NAMCO, I extend our heartfelt sympathy to all those who have suffered from the Great East Japan Earthquake, as well as offer our prayers for the earliest recovery.

The Group is implementing a variety of support activities, such as sending donations and supplies to the disaster-stricken areas. Moving forward, the Group will do everything in its power to support reconstruction measures.

<Major Support Activities (as of the end of July 2011)>

- Donated ¥100 million through the Japanese Red Cross Society.
- Donated about 21,300 units of Bandai toys and children's clothing through the Japan Toy Association.
- Through the Bandai Foundation, BANDAI AMERICA INC. donated US\$134,400 to the American Red Cross.
- Through the following activities, donated a total of ¥45,378,042 through the Japanese Red Cross Society (Donations from officers and employees of Group companies / Revenues from the use of Taiko Drum Master game machines at NAMCO amusement facilities and collection of donations at facilities / a portion of entrance fees at Asakusa Hanayashiki, which is operated by Hanayashiki Co., Ltd. / Collection of donations by Lantis Co., Ltd.)

In addition, a variety of other activities are being conducted. These include sponsoring the reading of a picture book—The bears' school—by Group company Charaken Co., Ltd., and the donation of video products by Bandai Visual Co., Ltd.

The popular bears' school series of picture books from Charaken tells the story of the daily lives of Jackie, a young girl bear cub, and her 11 brothers. The idea of "valuing a casual day of fun" is in accord with our CSR activities, and with Jackie as the central character, we are broadly leveraging our CSR concept of "Fun for the future!"



Guidelines Referred to:

GRI (Global Reporting Initiative)



NAMCO BANDAI Holdings Inc.

NAMCO BANDAI Mirai Kenkyusho, 4-5-15, Higashi-Shinagawa,
Shinagawa-ku, Tokyo 140-8590, Japan

URL: www.bandainamco.co.jp/

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