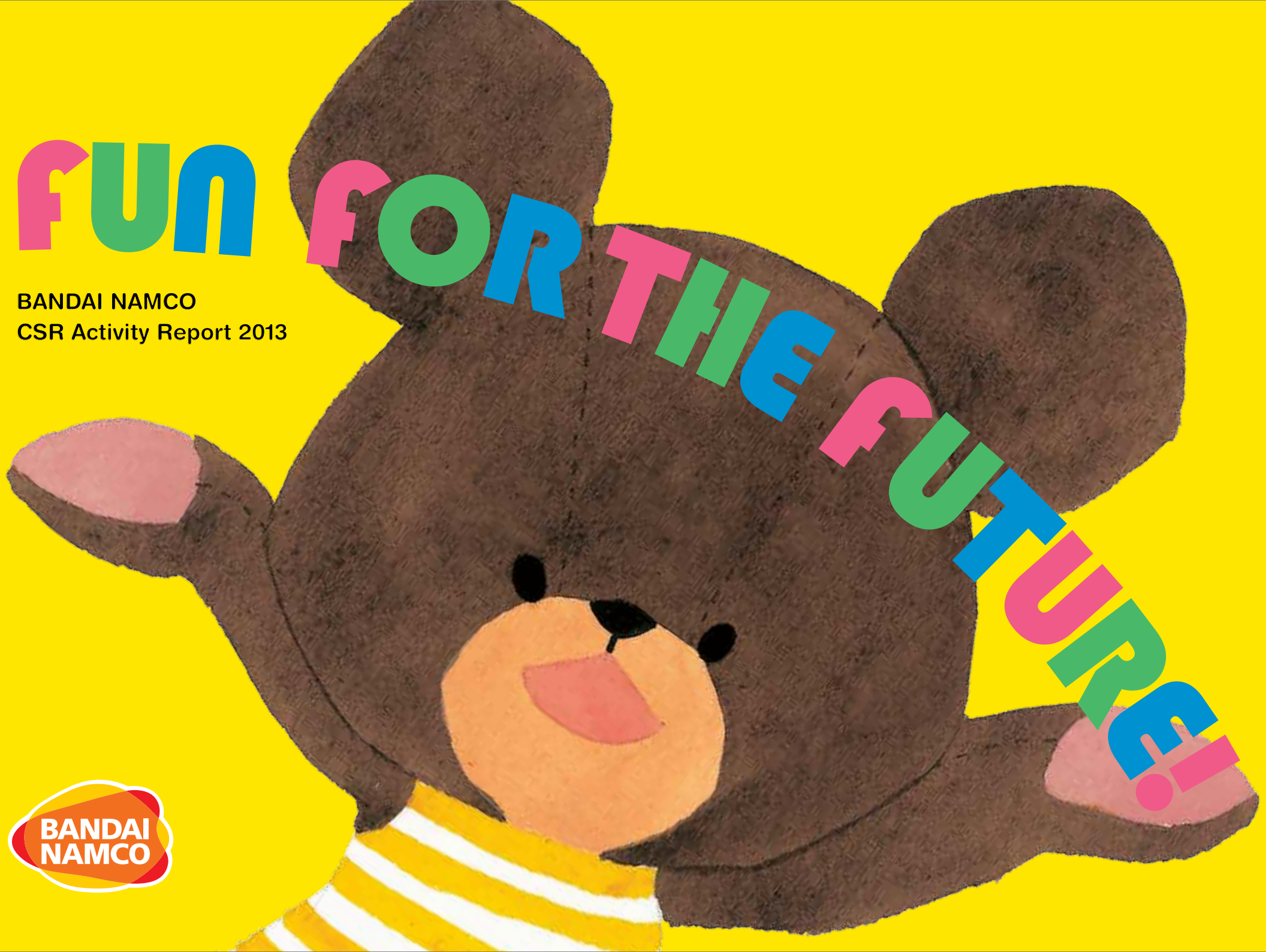


FUN

BANDAI NAMCO
CSR Activity Report 2013

FOR THE FUTURE!



“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.”

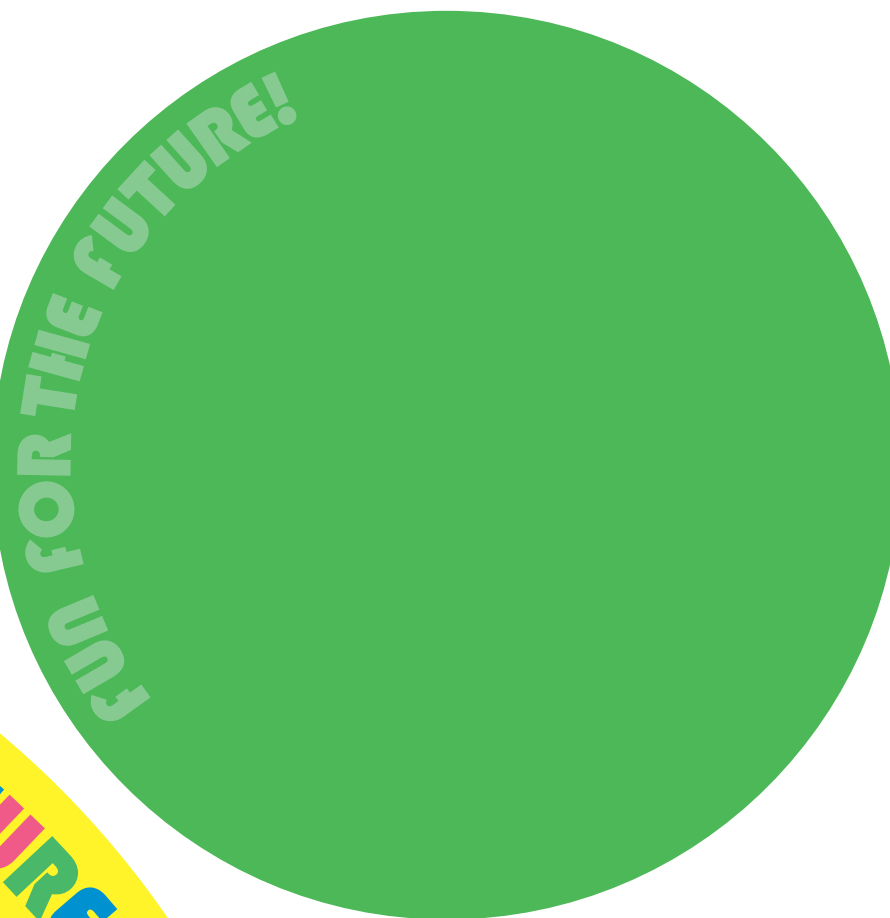
In turn, those “Dreams, Fun and Inspiration” provide healing and encouragement as they spread around the world. We believe that “Dreams, Fun and Inspiration” can change the world, and even change the future.

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 by creating a future filled with fun.



FUN FOR THE FUTURE!



FUN FOR THE FUTURE!

P R E S I D E N T ' S M E S S A G E 

Drawing on BANDAI NAMCO's Strengths to Create "Fun For The Future!"

To provide "Dreams, Fun and Inspiration" to people around the world, the BANDAI NAMCO Group is implementing CSR activities based on the concept of "Fun for the future!"

In FY2013.3, Bandai received the METI Minister's Award, the highest award at the Best Contributors to Product Safety Awards. This award reflected a high evaluation of Bandai's efforts in the area of quality assurance. In addition, NAMCO BANDAI Games commenced a range of initiatives, including the introduction of "eco-amusement" labels, which are used on products that clear in-house standards. These labels make it easier for stakeholders to understand that products are environmentally friendly.

Moving forward, we will strive to make continued progress with activities that draw on the strengths of the BANDAI NAMCO Group as a member of society. In this way, we will contribute to the creation of fun for the future as we maintain our focus on our relationships with stakeholders.

The BANDAI NAMCO Group will continue to pursue the contribution that entertainment can make to society, with a sense of pride and responsibility as a company that delivers "Dreams, Fun and Inspiration."

Shukuo Ishikawa

NAMCO BANDAI Holdings Inc.
President and CEO, Representative Director



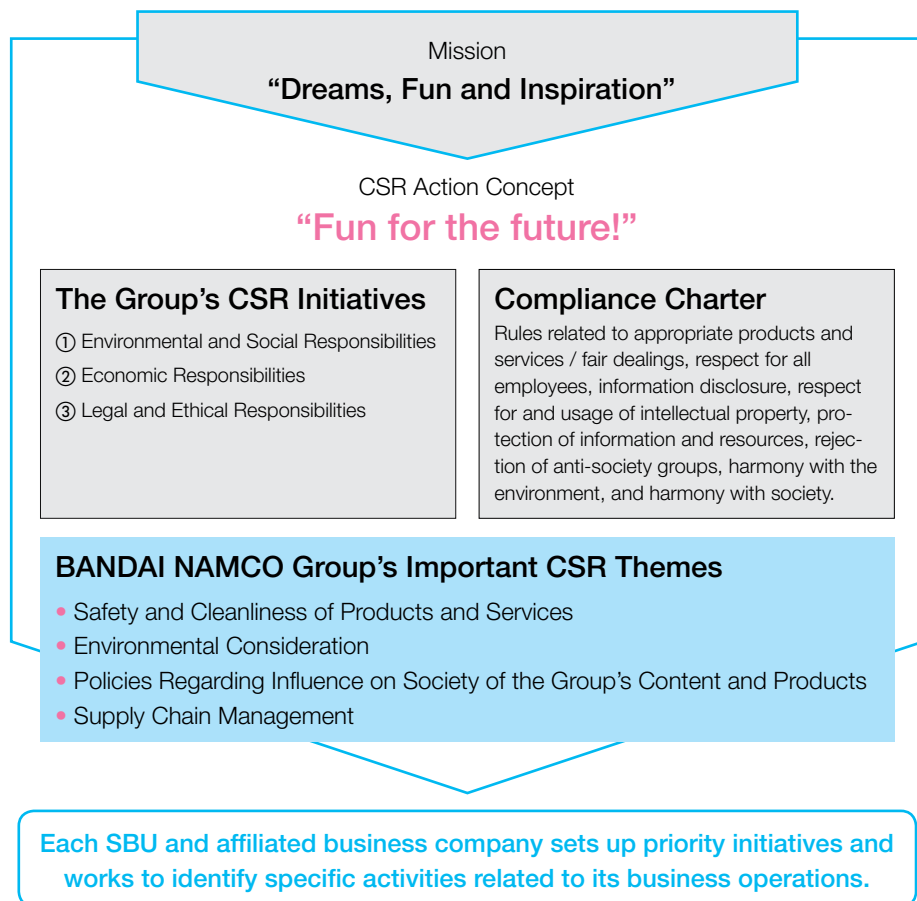
BANDAI NAMCO Group CSR Management

To realize the provision of “Dreams, Fun and Inspiration,” the BANDAI NAMCO Group conducts CSR activities in accordance with the concept of “Fun for the future!” Themes that require special initiatives have been identified as “BANDAI NAMCO Group’s Important CSR Themes.”

In addition, each strategic business unit (SBU) formulates its own “CSR Major Initiative Themes” and leverages the special characteristics of its operations to implement activities in accordance with those themes.

→ For further information about Important CSR Themes, please refer to page 11.

BANDAI NAMCO Group’s CSR Policy

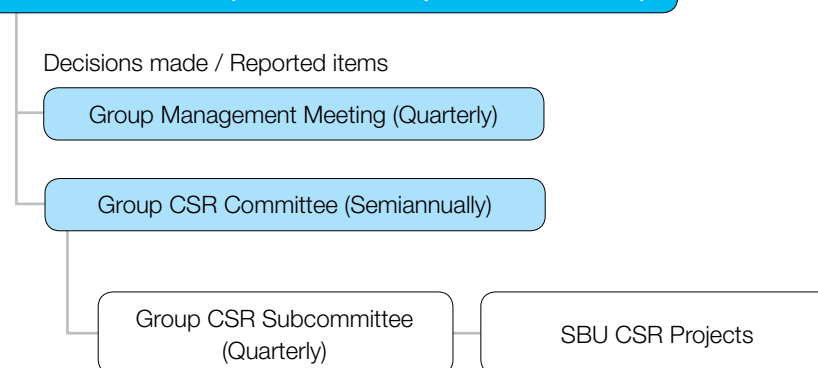


BANDAI NAMCO Group’s CSR Promotion System

From FY2011.3, 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 FY2012.3, 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 SBU’s CSR projects, we are implementing more-specific initiatives that draw on the special strengths of each business.

Deliberating / Reporting on matters related to CSR

Board of Directors (CSR matters reported as needed)



Group Organizational System

The BANDAI NAMCO Group comprises a pure holding company, NAMCO BANDAI Holdings, which oversees three SBUs as well as affiliated business companies that provide support for the SBUs.

The SBUs, which are made up of operating companies, formulate and implement operating strategies in Japan and overseas and provide people around the world with a diverse range of entertainment.

Strategic Business Units (SBUs)

TOYS AND HOBBY

[Core company: Bandai Co., Ltd.]

- Manufacturing and marketing of toys, candy toys, vending machine capsule toys, cards, plastic models, apparel, sundries, and other products

CONTENT

[Core company: NAMCO BANDAI Games Inc.]

- Developing and marketing home video game software, arcade game machines, and prizes for amusement machines; distributing network content; developing and marketing visual content, visual package software and music software; distributing video on demand content; conducting live entertainment operations

AMUSEMENT FACILITY

[Core company: NAMCO LIMITED]

- Planning and operating amusement and other facilities

AFFILIATED BUSINESS COMPANIES

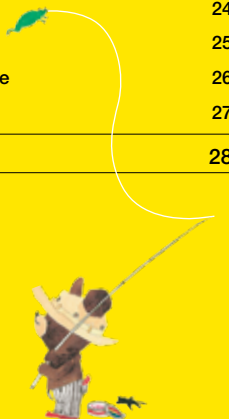
- Supporting the SBUs in such areas as distribution, logistics, and administrative services



NAMCO BANDAI Holdings Inc.

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Special Feature **1** **BABIES**

BabyLabo®

Aiming to be No. 1 in Baby Satisfaction



Special Feature **2** **GIRLS**

Aikatsu!

Leveraging Customer Feedback



Special Feature

“DREAMS, FUN AND INSPIRATION” FOR ALL CUSTOMERS

We want to touch the hearts of every one of our customers.

The BANDAI NAMCO Group aims to provide products and services that touch the hearts of its customers.

We want to provide “Dreams, Fun and Inspiration” for every one of our customers, of every generation.

This special feature introduces Group initiatives that are based on that concept.

Special Feature **3** **YOUTH**

AOU Youth Advisors

Supporting the Sound Upbringing of Youth



Special Feature **4** **FAMILIES**

Tsuri Spirits

Fishing Fun for the Family

BabyLabo®

Aiming to Be No. 1 in Baby Satisfaction

BabyLabo® is a line of toys for babies based on extensive research. "A baby's smile creates a mother's smile. And a mother's smile creates a baby's smile." This is the important role of toys that has inspired BabyLabo®.



Focusing on Toys that Babies Can Truly Enjoy

Bandai's BabyLabo® is a series of toys that help to nurture the minds of babies. With the cooperation of Hitachi, Ltd. and university research institutions, Bandai created the BabyLabo® series after about two years of research. We thoroughly investigated what shapes and patterns babies can recognize at various ages (visual sense) and what sounds they can hear (hearing sense), and we also conducted a wide range of safety-related investigations. The results of these initiatives are reflected in BabyLabo® products.

To properly communicate to parents the results of this research, and to have them experience the growth of their children through these toys, we always include a book or pamphlet explaining how to play with the toy. A survey of customers showed that 100%* were making use of their BabyLabo® toys, which were useful in helping parents to better understand their children and to experience their growth.

* Answers to surveys regarding a BabyLabo® Anpanman Play Mat

What Does It Mean to "Nurture the Minds" of Babies?

BabyLabo® products are designed to draw out curiosity and to encourage babies to "experience" and "think" while playing.

Previously, the production of toys for babies was mostly based on assumptions, but BabyLabo® has incorporated a variety of actual testing based on brain science. This process has clarified a range of issues, such as what babies are aware of at specific stages of their growth. We have reflected the results of these investigations in our products, and in this way we are making products that more effectively encourage play in accordance with age and that foster curiosity in a significant way.



Details of Our Testing Initiatives

With BabyLabo®, with the cooperation of about 300 babies, we have verified more-effective ways of encouraging play that is appropriate for the various stages of a baby's growth. The table below shows the results of tests to categorize encouragement level 1 and encouragement level 2.

| | Encouragement | | Results of visual tests |
|---------------|---------------|---------|----------------------------------------------------------------------------------------------|
| | level 1 | level 2 | |
| 1 to 2 months | ○ | △ | Can distinguish ○ and △ |
| 3 to 4 months | ○ | △ | Can distinguish ○ and △ at an extremely high level |
| | □ | ▢ | Can distinguish whether or not there is information in □ (frame) |
| | ◎ | | Can distinguish between concentric circles and stripes |
| | ■ | ■ | Can distinguish between 2x2 checkerboards and 8x8 checkerboards at an extremely high level |
| 5 to 6 months | □ | ▢ | Can distinguish whether or not there is information in □ (frame) at an extremely high level |
| | ◎ | | Between concentric circles and stripes, prefer concentric circles |
| | ■ | ■ | Can distinguish between 8x8 checkerboards and 24x24 checkerboards at an extremely high level |
| | | | |



Kenichiro Kishi

Bandai Co., Ltd.
PLAY-TOY Department
Preschool Toy Team

The concept of "aiming to be No. 1 in baby satisfaction" began with basic questions, such as "Can the baby really see the toys?" and "What types of things are babies interested in?" This concept incorporates our wish to create toys that entertain babies. In the future, we will work to expand the target age range and to build toys that children and parents truly enjoy.



Aikatsu!—Leveraging Customer Feedback

Aikatsu! was launched in October 2012. Designed for girls age 7 to 9, *Aikatsu!* is a sporting-spirit success story for girls who want to become leading idols. *Aikatsu!*, which uses original characters that resulted from Groupwide development initiatives, is being developed in a variety of forms, including animations, card games, toys, home video game software, and event shops. As we leverage feedback from customers, *Aikatsu!* continues to make progress, and we will implement a range of exciting activities in the future.

I would like to further expand the touchpoints for *Aikatsu!* so that customers can enjoy it in a wide range of locations.

I think it would be great if we could start and promote new fashion trends through *Aikatsu!*

I would like to nurture *Aikatsu!* so that its success continues and it becomes a long-established character. First, we will pass the first milestone at five years, and then we will aim for the next stage.

Yukie Nakamura
Game Software Development

Kayoko Hashimoto
Dress and Card Design and Promotion

Makoto Takahashi
Project Management

Bandai Co., Ltd.
Card Business Department
Data Carddass Team

Aikatsu!—Achieving Continued Progress by Leveraging Customer Feedback

Since *Aikatsu!* was launched, its reception in the market has exceeded our expectations. We believe that a major reason for this success is our thorough approach of listening to customer feedback and utilizing that feedback in our products. We conducted careful research prior to launching *Aikatsu!*, and we were strictly focused on designing *Aikatsu!* so it would be enjoyed by girls in the target age group.

In the research that was conducted during the initial planning stages, we learned that some of our ideas about the preferences of girls were not correct. For example, we learned that there is a tendency for today's girls to be focused on realistic play. Their reaction to a character's hairstyle depends to a large extent on whether or not they could actually have the same hairstyle themselves. However, just focusing on reality alone is not appealing to girls. It is necessary to balance the focus on reality with aspirational elements

and it is important that these aspirational elements represent a potential extension of the customer's current life.

In this way, we will strive to continue to entertain girls through development based on the concept of simulating a process of growth in which players “enter” an animation and strive together with the characters. These development initiatives will be supported by a process of repeated research.

In addition, we continue to implement this research after a product is launched. We periodically conduct quantitative surveys of several hundred people over the Internet, as well as group interviews, and we reflect the feedback from each survey in such areas as character and clothing design. In this way, we continuously renew the product.

To ensure that *Aikatsu!* continues to evolve in the future, we will maintain a strong focus on feedback from girls and reflect that feedback in our products and services.



The *DATA CARDDASS* version of *Aikatsu!* is an idol audition game in which players use cards and compete as popular idols.

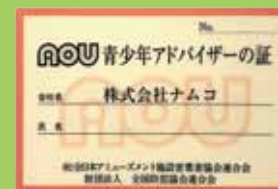
AOU Youth Advisors: Supporting the Sound Upbringing of Youth

With the objective of supporting the sound upbringing of youth, NAMCO is encouraging employees to acquire AOU Youth Advisor certification.

What is AOU Youth Advisor Certification?

Amusement facilities are locations in which employees have many opportunities to interact with youth. To help ensure the sound management of amusement facilities, AOU (All Nippon Amusement Machine Operators' Union), with the cooperation of the Japan Crime Prevention Association, holds annual training that teaches trainees how to interact with youth. People who complete this training are certified as AOU Youth Advisors. Certified advisors are active in communities throughout Japan.

NAMCO is promoting the acquisition of AOU Youth Advisor certification to support friendly ties with local communities and smooth relations with related institutions, as well as to advance sound youth development activities at the community level. As of FY2013.3, a total of 359 employees had been certified, and 89.4% of amusement facility managers had AOU certification.



AOU Youth Advisor certificate



Comments from AOU

Director of AOU **Keiichi Kouno**

Aiming to support the soundness of the amusement industry, AOU was established in 1985, the year after game centers became subject to Japan's Entertainment and Amusement Trades Control Law*. Since our establishment, AOU has placed tremendous importance on initiatives to support the sound upbringing of youth, and we have worked to implement training sessions and to foster active exchange with local communities. The training committee carefully investigates and implements training that will actually be useful at amusement centers. For example, university lecturers teach the basics of human science in regard to youth, lecturers with thorough front-line knowledge provide practical training, and group discussions are conducted, with the themes of the discussions selected in accordance with the current situation. Moreover, to foster interaction with

local communities, we hold informal community gatherings to exchange opinions with groups that are concerned with the sound upbringing of youth, such as government institutions and school-related individuals. These gatherings are held each year on a community basis. In these ways, we are working to foster mutual understanding.

NAMCO is actively implementing initiatives in this field, such as providing notice at amusement centers that have staff members who are certified AOU Youth Advisors. In the future, we will continue working to move forward in harmony with local communities and to advance the sound upbringing of youth.

* Law regarding entertainment industry regulations and measures to ensure appropriate management



Feedback from Certified Youth Advisor



Osamu Matsuoka

Store Manager
PLABO Tsuzuki
NAMCO LIMITED

Certification acquired in October 2008

At the youth advisor training courses, I learned that I can make new discoveries by listening to and trying to understand feedback from customers. As a result, I am now able to take critical feedback from customers as a "sign."

Also, at our facility, I am working to make eye contact with youth and to interact with them in a positive, equal manner. I am working to ensure appropriate communication and to create an amusement facility that all customers can enjoy with peace of mind.



Tsuru Spirits – Fishing Fun for the Family

Tsuru Spirits is a fishing experience medal game that was launched in November 2012. Using a controller shaped like a fishing rod, players obtain medals by catching fish swimming across a large screen. This is an unprecedented medal game that enables players to use their entire body and experience the thrill of actual fishing. Accordingly, it is being enjoyed by large numbers of people at amusement facilities throughout Japan.

Hidehisa Ichikawa

Division 1
Production Group 1
NAMCO BANDAI Games Inc.

Based on this experience, I believe that if we do not limit ourselves to the way things were done in the past and continue to take on challenges, we can make games that people will enjoy playing even more. *Tsuru Spirits* is ready for rapid growth! I would also like to work on global development so that children around the world can enjoy the *Tsuru Spirits* experience.

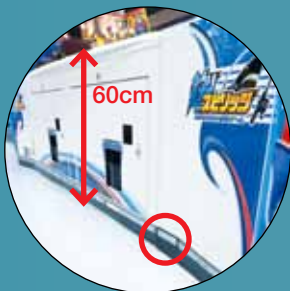
Focus on Child Safety

Tsuru Spirits is intended for children, so it incorporates a strict focus on safety.



The guard on the grip ensures that the player's hand does not hurt even when the fishing action gets intense.

Strong materials are used so that it does not break even if it is thrown.



The height of the cabinet is limited to 60 centimeters, which is suitable for the height of children and enables visual monitoring.

Also, the standard equipment includes a rubber skirt on the bottom so that children are not injured if they insert their hand.



The acrylic surface can withstand a weight of 100 kilograms, so that it will not break even if a child mistakenly climbs on top of the monitor.

Tsuri Spirits: An Action Game for the Whole Family

Tsuri Spirits is based on the concept of enabling players to experience the excitement of real fishing with their whole body. It is intended for elementary school children, but we focused on duplicating the “real experience” of fishing as much as possible. A key difference from previous fishing games is that *Tsuri Spirits* is not based on the reproduction of the user’s actual fishing experience, so it can be enjoyed by children with no experience of actual fishing. To that end, we

focused on offering simple operability while maintaining a focus on a realistic visual display and controller.

The concept was accurately realized at the production stage, and consequently even we were surprised at how much fun it was to play. In addition, parents who see their children excitedly casting the pole get excited themselves, and they end up enjoying the game too. Furthermore, customers who are passing by and observe the game being played often

end up forming a gallery, where they support the game players. Increasingly, *Tsuri Spirits* is playing a central role in helping families and others who are at the amusement facility to come together and share their excitement. As an unprecedented medal game with active exciting play, *Tsuri Spirits* proposes a new form of entertainment.



Hideyuki Kaneko

Amusement Machine
Mechatronics Development
NAMCO BANDAI Studios Inc.

With *Tsuri Spirits*, the experience is like that of actual fishing even though the game is simple to operate. It was a challenge to achieve both of these objectives, but we succeeded as a result of continued research. Moving forward, as the person responsible for mechanical design, I will strive to give shape to new plans and ideas and to continue to take on challenges so that customers continue to enjoy our games.



INTERVIEW

Comments from the Front Lines



Shoichiro Matsumoto

Store Manager
NAMCO AEON MALL Kitatoda
NAMCO LIMITED

Q. What is the reaction of customers who play *Tsuri Spirits*?

A. It is very popular. Everyone is laughing as they play. Families often play *Tsuri Spirits* together, and I think maybe the parents take it more seriously. When they land a big catch, everyone gets very excited, including the people nearby who had been watching. *Tsuri Spirits* is playing a major role in creating a fun atmosphere in our amusement facilities.

Q. What do you focus on when building a facility that will be enjoyed by a wide variety of customers?

A. So that everyone can enjoy pleasant entertainment, we listen to each customer and also observe their actions. Also, we have many repeat customers at the amusement facilities, and we strive to demonstrate friendly customer service. When they remember our faces and call to us in a friendly manner, we have a strong sense of connection with local communities. In the future, we will continue building amusement facilities that are “places” in which all customers can enjoy themselves.

BANDAI NAMCO Group's Important CSR Themes

Identification of Important CSR Themes

To identify the four important CSR themes, we made a list of 68 CSR activity themes for the BANDAI NAMCO Group based on interviews with experts and a range of external research reports. From those, the four important themes were selected in accordance with such factors as GRI guidelines and other standards and the Mid-term Plans of Group companies.

1 Safety and Cleanliness of Products and Services

The Group is giving priority to its efforts to further enhance the safety and cleanliness of its products and services, which is the foundation of the provision of "Dreams, Fun and Inspiration."

2 Environmental Consideration

To ensure ongoing "Dreams, Fun and Inspiration" for the next generation, the Group will work to show consideration for the environment, to reduce energy consumption in its operating activities, and to reduce the use of resources in its products and services.

3 Policies Regarding Influence on Society of the Group's Content and Products

To provide "Dreams, Fun and Inspiration" to people around the world, we value freedom of expression, and are working to appropriately provide customers with a wide range of content and products.

4 Supply Chain Management

To achieve qualitative improvements in the "Dreams, Fun and Inspiration" that we provide, the Group will work to enhance supply chain management in each of its business areas.

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.

To implement more-detailed activities for the Important CSR Themes, each SBU and affiliated business company formulated "Major Initiative Themes."

The following themes were announced for FY2013.3.

→ For further information about specific results reports, please refer to pages 21 and 22.

* BLP: BANDAI LOGIPAL INC.; LPX: LOGIPAL EXPRESS INC.

| Important CSR Themes | Toys and Hobby SBU | Content SBU | Amusement Facility SBU | Affiliated Business Company* |
|-------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Safety and Cleanliness of Products and Services | Initiatives related to safety and peace of mind | Advancing green procurement and quality standards | Fostering sound sales areas and initiatives to promote social learning for youth | [BLP/LPX] Reducing vehicle accidents through safe driving and delivering cargo without delays [Artpresto] Providing safe and secure products |
| 2 Environmental Consideration | Act Now for Future Smiles | Environmentally friendly design initiatives / product recycling | Understanding environmental data / Measures for CO ₂ reduction / energy conservation / Measures for the Law Regarding the Rationalization of Energy Use and global warming countermeasure regulations / Enhancing environmental awareness | [BLP/LPX] Reducing CO ₂ emissions through control of CO ₂ from vehicle exhaust and reduced electricity consumption at work sites [Artpresto] Tracking used parts and materials |
| 3 Policies Regarding Influence on Society of the Group's Content and Products | Control of ethical expression in content / products | Control of appropriate expression in all types of content | — | — |
| 4 Supply Chain Management | Labor standards auditing (COC auditing) | Green auditing / COC audits / Providing information to suppliers | — | [BLP/LPX] Developing integrated logistics services [Artpresto] Managing plant registration |

Bandai's Quality-Related Initiatives

Bandai is implementing rigorous measures to pursue safety and to increase quality for its products and services. To confirm product safety as well as strength, durability, and other characteristics, our testing standards include about 370 items, reflecting not only domestic toy industry standards but also overseas standards and information about past accidents. In line with product characteristics and other factors, essential tests are selected from among these testing items. These types of rigorous measures have been highly evaluated, and in FY2013.3, Bandai received the METI Minister's Award, the highest award at the Best Contributors to Product Safety Awards.



My job is to "bring smiles to the faces of children."

If a child plays with a toy incorrectly, or licks a toy without thinking about it.... I work each day in the field of product quality assurance, and our job is to imagine how products could be misused—to ensure that we provide our customers with safe, secure products—and to earn the trust and satisfaction of customers. I will continue working to improve quality, with a strong sense of responsibility about focusing on food safety as well and bringing smiles to the faces of children.

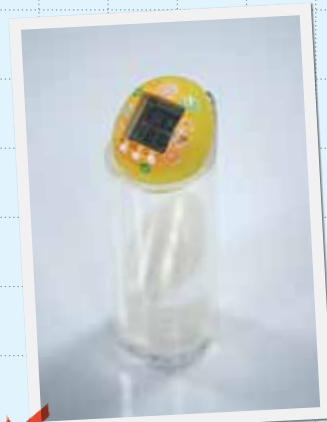
Saori Senda

Product Assurance Department
Bandai Co., Ltd.

PICK UP

Testing *Tamagotchi*

Tamagotchi weighs only 39 grams. But more than 110 types of tests were conducted before it became a product. This section introduces a few of those tests.



Cylindrical testing device that is the size of a child's throat. Tests are conducted to ensure that products are large enough so that they cannot be swallowed by a child.



Gas chromatography-mass spectrometry equipment. Tests are conducted for the presence of regulated chemical substances that harm the human body.



Tests are conducted to see if straps that are hung around the neck are released when the load exceeds a certain level, so that the throat is not compressed even if the strap catches on something.



Push-pull gauge. Tests are conducted to see that a product does not come apart when pulled with a child's strength, and in the event that it does come apart, that it does so safely.



X-ray fluorescence spectrometer. Tests are conducted for the presence of poisonous heavy metals.



Button durability testing equipment. Button durability is confirmed in accordance with the anticipated number of uses.





Targeting Improvement in Overall Quality

In April 2009, NAMCO BANDAI Games formulated the BANDAI NAMCO Standard (BNG-ST). This manufacturing standard is one of the quality assurance activities that targets improvement and reinforcement of overall quality. Overall quality encompasses quality in all business activities, including not only quality in products but also quality in development, production, sales, repairs, and environmental initiatives.

In addition, we are working to foster green procurement (the control of chemical substances contained in products), throughout the supply chain. In advancing green procurement cooperation with suppliers is essential.

Accordingly, through initiatives such as those shown on the right, we are working together with suppliers to increase quality.

Moreover, in 2011 we began to share quality-related information throughout the company without regard to product genres, such as home video game software, arcade game machines, and network content. From design to production, we are working to avoid risk.

Moving forward, we will continue to implement manufacturing that results in product quality that enables all customers to enjoy our products with peace of mind and satisfaction.

NAMCO BANDAI Games Product Assurance Department website:
Providing information to and sharing information with suppliers
by opening a **Website Exclusively for Suppliers**



Meetings to explain BANDAI NAMCO Games Green Procurement for suppliers in Japan and overseas (Japan / Shenzhen, China)



Comments from Employees

Communicating the fun of products by ensuring security and safety.

We conduct a variety of quality assurance activities so that we can deliver safe products and services that can be enjoyed with peace of mind by customers. One example of these activities is green procurement. Through these initiatives, in accordance with laws and regulations, we check to see that the parts that make up our many products do not contain chemical substances that have an adverse influence on the human body or the environment. By ensuring peace of mind and safety for customers, I will continue working to communicate the fun of our products.

Kou Yamamichi
Quality Assurance Promotion Project
Quality Assurance Department
NAMCO BANDAI Games Inc.



Implementing Environmental Audits

to confirm chemical substance control systems at plants overseas



Initiatives to Ensure that Customers Can Play in Safety and Security

NAMCO operates amusement facilities that include sandboxes, enabling children to play indoors in a secure setting. The customers who use the sandboxes are mostly children. Accordingly, we have taken thorough steps to implement quality assurance, from design through to daily maintenance, so that the children can play in safety and with peace of mind.



Sandboxes awaken the imaginations and creativity of children

The design of the sandbox was partially supervised by Professor Hirouki Kasama from the Department of Childhood Studies, Faculty of Contemporary Social Studies, Doshisha Women's College of Liberal Arts. Professor Kasama is the author of a book about sandboxes and children and has studied sandbox play for more than 20 years. The book explains the importance of sandboxes as a place for play that deepens communication among parents and children while awakening the imaginations and creativity of children.

Daily maintenance

To eliminate foreign matter, the sand is filtered so that there will be no injuries caused by items mixed in with the sand.



Using cushion materials

The children are protected with soft materials around the sandbox, and steps have been taken so that children can enjoy vigorous play.

Use of sand that reflects a commitment to cleanliness

Concern for cleanliness is reflected in the use of white sand that has anti-bacterial properties.



1977

Launch of Capsule Toys

Began to sell capsule toys through vending machines.



2004

Capsules Become a Part of the Entertainment Experience.

The capsules themselves became toys, such as pots or baskets.



"Anpanman Mamagoto Tonton"

2007

Development of Earth Capsules

Rather than the previous plastic materials, these capsules were made from biomass chips*.

The Ministry of Agriculture, Forestry and Fisheries Minister's Prize was received at the 4th Eco Products Awards.



* Biomass material, recyclable organic resources derived from plants

"Earth Capsule® Konchu Saishu"

**Capsules for GASHAPON*
—An Eco Transformation**

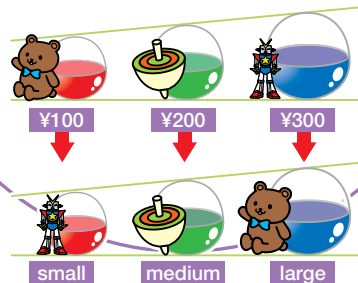
GASHAPON products marked their 35th anniversary in 2012. This long GASHAPON history includes Bandai's efforts to test new environmentally friendly capsule materials and to make capsules lighter. This section introduces the "eco transformation" of capsules.

* Vending machine capsule toys

2008

Introduction of New Capsule Sizes

Previously, the size of the capsules varied in accordance with the price, but we have reduced material waste by adjusting the size of the capsules to match the size of the products.



2013

Launch of New Capsules as the 35th Anniversary Approaches

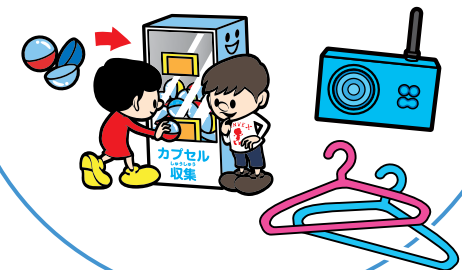
The new capsules are lighter and use less material.



2008

Start of Capsule Collection Testing

Collected capsules are sorted by material and recycled / reused.



Rolling Out Eco-Amusement Initiatives

In January 2012, NAMCO BANDAI Games formulated Environmentally Friendly Design Guidelines for arcade game machines sold in Japan. Products that clear these standards are certified as “Eco-Amusement” products.

In addition, Eco-Labels are used on products with Eco-Amusement certification. These labels enable all stakeholders—including the customers who use them and people at the stores that sell them—to understand at a glance that the products are environmentally friendly.

These initiatives are intended to further advance the environmentally friendly design initiatives that were already under way (use of energy-saving products, such as LED lights and LCDs; conserving resources by reducing packaging as much as possible; etc.).



The first product to receive Eco-Amusement certification: “Where is the Shinkansen?” (On sale in December 2012)

Products can receive Eco-Amusement certification by clearing certain standards in accordance with the following points.

Chemical Substance Control (use of safe materials)

Parts and materials are selected and chemical substances are controlled in accordance with BNG green procurement standards.

Energy Saving

Efforts are made to aggressively utilize energy-saving components, incorporate low-electricity control into specifications, and reduce energy consumption during the use of the product.

Resource Conservation

No use of wrapping or packaging beyond what is needed to protect the product and to maintain quality. Original initiatives are being taken to conserve resources.

Designs that Facilitate Recycling

Materials used to make molded products are listed to facilitate recycling, major products are designed to reflect consideration for recycling by being easy to disassemble or take apart.



Eco-Label used on Eco-Amusement products





Controlling Appropriate Expression in Content



NAMCO BANDAI Games has positioned the control of appropriate expression in content as one of its priority initiatives. The company's businesses extend over a wide range of fields, such as home video game software, arcade game machines, and network content. Each field has its own standards, and accordingly checks are conducted with reference to various standards and trends.

Moreover, checks were previously conducted by each department, but we have adjusted the system so that the Product Assurance Department, which now plays the central role, works together with staff from each department in the implementation of these checks. In this way, product development will be conducted in a manner that ensures appropriate expression while implementing coordination on a companywide level to develop products that customers can enjoy.

Age-based rating system for home video game software

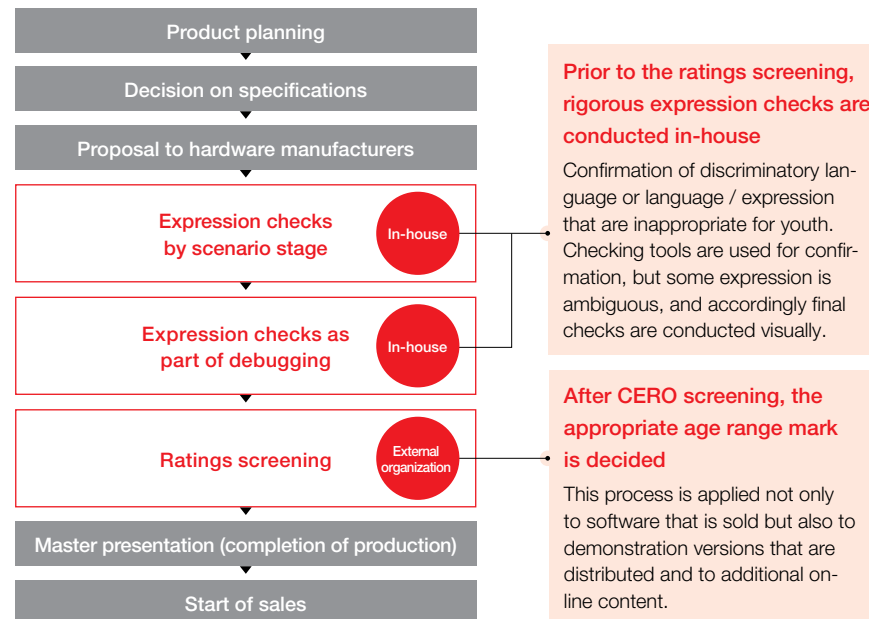
The age-based rating system displays appropriate age ranges based on the content of the expression in the game software. Appropriate age marks are awarded through the following types of screening. There are five appropriate age marks, which are displayed on the lower left of the front of the package. A color band is also added to the package spine.

《 CERO* ratings 》

- CERO A** (全年齡対象) CERO A: for all ages
Expression and content subjected to age-specific limitation are not included in the game, thereby being suitable for all ages.
- CERO B** (12才以上対象) CERO B: for 12-year-olds and above
Expression and content suitable only to 12-year-olds and above are included in the game.
- CERO C** (15才以上対象) CERO C: for 15-year-olds and above
Expression and content suitable only to 15-year-olds and above are included in the game.
- CERO D** (17才以上対象) CERO D: for 17-year-olds and above
Expression and content suitable only to 17-year-olds and above are included in the game.
- CERO Z** (18才以上対象) CERO Z: for 18-year-olds and above
Expression and content suitable only to 18-year-olds and above are included in the game.
(This assumes that the game should not be sold or distributed to those younger than 18 years old.)

* Computer Entertainment Rating Organization, established in June 2002.

《 Flow of expression checks and ratings screening 》



NAMCO BANDAI Games aims to provide content that will be enjoyed by customers.

Our product lineup extends over a wide range, from original video games produced by in-house creators to video games that have been licensed from various rights holders. These games undergo confirmation procedures so that they can be enjoyed by customers and their expression does not adversely affect customer enjoyment. To avoid relying on a single person's opinion, confirmation is made by multiple people. In this way, we are working to provide content that can be enjoyed by customers.

Yoshinori Tasaki

Quality Assurance Department
Quality Assurance Section
NAMCO BANDAI Games Inc.



Code of Conduct Audit Activities

Bandai has contract manufacturing bases in the Asia region. To deliver safe, high-quality products, we believe that it is important to maintain an appropriate work environment for the employees who manufacture the products. In 1998, we formulated the Bandai Code of Conduct (COC). Currently, COC audits are conducted at all overseas contract manufacturing bases. Moreover, leveraging that know-how, we have begun COC audits at each SBU and affiliated business company.



Content of COC Audits

1

Audit Implementation

There are about 80 audit items in 10 categories. Suitability is verified through combinations of three methods—audits of work sites, audits of documents, and employee interviews. In this way, an understanding of the work environment is developed from an objective viewpoint.

Content of COC Audits

2

Results Feedback

Audit reports that describe whether or not each item was satisfactory, and the reasons why, are provided to local plants through the cooperating manufacturers. In addition, reports are made at the supplier conference.

Content of COC Audits

3

Progress of Corrective Measures

Each plant is requested to provide documentation of the results of corrective measures for any unsatisfactory items, and we require the implementation of measures to make all items satisfactory.



Supplier Conference

Audit results are also reported at the supplier conferences, which are held for cooperating manufacturers. In addition to the reporting of audit results, the conferences are also a site for further increasing supplier awareness through a variety of communications, such as presentations by outside specialists, contract-related explanations, and the sharing of information.

Shanghai conference



Tokyo conference



In plant improvement activities, it is important to sustain implementation and make these activities into a regular practice.

My job is to organize front-line environments that ensure respect for human rights. In COC audits, in accordance with standards developed in-house, we conduct a variety of checks as well as plant improvement activities. We believe that continued, regular implementation is important, and moving forward we will continue to do our utmost to build an environment that facilitates the supply of products with no problems.

Keiji Ohira BANDAI (SHENZHEN) CO., LTD.



BANDAI NAMCO Group Social Contribution Activities

To offer ongoing support to disaster-affected regions, the BANDAI NAMCO Group has joined a partnership with Save the Children Japan, a public service corporation. Since 2011, we have implemented a range of support activities for children in areas affected by the Great East Japan Earthquake in Iwate, Miyagi, and Fukushima prefectures.



Plastic Model Class

Building *Mobile Suit Gundam* models and other plastic models



As a summer vacation event, we held a plastic model class for 40 children in Fukushima Prefecture who had to evacuate from Okuma Town to Aizuwakamatsu City. We also held a similar event at Kids Club Ikawa in Ofunato City, Iwate Prefecture.

Contributions to the Kodomo Hagukumi Fund

In addition to the above activities, shareholders are given the option to donate their corporate gifts. The Group matches the amount given by shareholders, and the total is donated. With the 2012 corporate gifts implemented last year, a total of ¥10 million was donated to the Kodomo Hagukumi Fund through Save the Children Japan.

In regions affected by the Great East Japan Earthquake, reconstruction initiatives are still under way, with a focus on building venues, opportunities, environments, organizations, and frameworks that will support the healthy growth of children. The Kodomo Hagukumi Fund, which is a cooperative venture of Save the Children Japan and the Chiki Sozo Kikin Miyagi Foundation, enters partnerships with NPOs that are active in areas affected by the disaster. Support is provided for the survival, growth, shelter, and participation of children in the disaster-affected areas, as well as support for the growth and organizational reinforcement of organizations that support these activities. Moving forward, we will continue working together with children to contribute to the well-being of children today and to the creation of a bright future.



Rikuzentakata City,
Iwate Prefecture

Higashimatsushima City,
Miyagi Prefecture

Aizuwakamatsu City,
Fukushima Prefecture



Jackie's Handicraft Class

Activities include creation of wall hangings, dancing, and picture book readings based on the character Jackie from a picture book —The Bears' School.



Activities at the Yahagi daycare center in Rikuzentakata City included dancing and Jackie's Handicraft Class.



Jackie's Christmas Wreath Making

Activities included Christmas wreath making and dancing based on the character Jackie from a picture book—The Bears' School.



The Jackie's Christmas Wreath Making event was held at daycare centers and children's clubs in Higashimatsushima City.

Locations where events were held: Oshio daycare center / Nobiru elementary school clubs for after-school activities for children / Hottofuru childcare center / Ono Hamaichi elementary school clubs for after-school activities for children

FACTS & FIGURES

BANDAI NAMCO
CSR Activity Report 2013

FY2013.3, Progress Report for Major Initiative Themes for each SBU

Toys and Hobby SBU

| Important CSR | Major Initiative Themes | FY2013.3 Activity Report |
|-----------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety and Cleanliness of Products and Services | Initiatives related to safety and peace of mind | <ul style="list-style-type: none"> Enhancing overall initiatives by sharing information through monthly Group meetings for the exchange of information among SBUs Continuing to hold the Product Safety Forum Holding monthly study meetings with cooperating manufacturers Periodically reevaluating Bandai quality standards and implementing revisions of quality standards twice a year Reevaluating Bandai quality standards following revision of Japan's toy safety standard (ST2012) |
| Environmental Consideration | Act Now for Future Smiles | <ul style="list-style-type: none"> Implementing CSR Project Environment Subcommittee meetings every other month ⇒ Establishing recycling route in China through meetings of Resource Recycling Subcommittee Enhancing environmental PR (events, publications, etc.) Formulating environmentally friendly design guidelines |
| | Reducing CO ₂ emissions | <ul style="list-style-type: none"> Increase in emissions accompanying establishment of new manufacturing plants ⇒ Aiming to reduce overall emissions by implementing a variety of initiatives |
| 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"> Implementing training related to ethics and providing timely guidance to people responsible for development Accumulating examples from inside and outside the Company, revising ethical assessment standards in a timely manner Implementing Group information exchange meetings, reporting examples of ethical assessment |
| Supply Chain Management | Labor standards auditing (COC auditing) | <ul style="list-style-type: none"> Implementing labor standards audits at all final packaging plants that make Bandai products ⇒ Achieved more than 80% of auditing target Tracking the supply chain for manufacturing plants that produce copyrighted products that have character information regulations Implementing supplier conferences (in Japan and overseas) |

Content SBU

| Important CSR | Major Initiative Themes | FY2013.3 Activity Report |
|-----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety and Cleanliness of Products and Services | Advancing green procurement | <ul style="list-style-type: none"> Advancing green procurement for electric and electronic products, such as arcade game products and peripheral equipment for home game machines Strengthening management system links among overseas Group companies |
| | Advancing quality standards | <ul style="list-style-type: none"> Discussions regarding inspection methods, such as reevaluation of standards, in order to increase quality of arcade game machines ⇒ Formulating new FY2014.3 guidelines Formulating guidelines to increase quality of overseas products ⇒ Toward formulation in FY2014.3 Reevaluating and revising quality standards used with home game machines, prizes, and promotional products Reevaluating quality assurance systems |
| Environmental Consideration | Environmentally friendly design initiatives | <ul style="list-style-type: none"> Commencing implementation of environmentally friendly design guidelines Commencing utilization of Eco-Labels |
| | Product recycling | <ul style="list-style-type: none"> Implementing recycling of faulty products and other products in the Tokyo metropolitan area ⇒ 2.84 tons recycled in FY2013.3 |
| Policies Regarding Influence on Society of the Group's Content and Products | Control of appropriate expression in all types of content | <ul style="list-style-type: none"> Establishing internal reporting lines, increasing precision of ethical expression for each type of content in line with trends |
| Supply Chain Management | Green auditing | <ul style="list-style-type: none"> Implementing green audits of suppliers in Japan and overseas ⇒ Achievement of 43% of suppliers audited, versus target of 50% Implementing overall reevaluation of green auditing system ⇒ With consideration for various conditions, changing to system with focused checks of high-risk suppliers and processes where problems are likely to occur ⇒ Implementing overall reevaluation of green auditing system and training of new auditors, leading to the decision that it was not necessary to outsource auditing operations |
| | COC audits | <ul style="list-style-type: none"> Implementing COC audit explanation meetings for suppliers in China ⇒ Planning to implement audits from FY2014.3 |
| | Providing information to suppliers | <ul style="list-style-type: none"> Periodically implementing supplier conferences ⇒ Implementing conferences in Japan, the U.S., and China Expanding NAMCO BANDAI Games' Product Assurance Department website (for the exclusive use of suppliers) ⇒ Implementing system improvements with the objective of efficient information provision |

Amusement Facility SBU

| Important CSR | Major Initiative Themes | FY2013.3 Activity Report |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety and Cleanliness of Products and Services | Fostering sound sales areas | <ul style="list-style-type: none"> Attending AOU Youth Advisor lectures Cumulative total number of people who have acquired certification: 359 % of facility managers who are certified: 89.4% Number of people with service skills certification Level 1: 33 Pre level 1: 574 Level 2: 723 |
| | Initiatives to promote social learning for youth | <ul style="list-style-type: none"> Accepting company visits, workplace experience learning NAMCO: 17 schools, 91 students <i>Hanayashiki</i>: 21 schools, 97 students |
| Environmental Consideration | Understanding environmental data / Measures for CO ₂ reduction / energy conservation / Measures for the Law Regarding the Rationalization of Energy Use and global warming countermeasure regulations / Enhancing environmental awareness | <ul style="list-style-type: none"> Researching electricity consumption by type of facility Changing from halogen lamps to LED lighting on about 1,600 large medal games at 184 facilities ⇒ Reduced electricity consumption 1,288 thousand kWh/year Responding to METI's Law Regarding the Rationalization of Energy Use ⇒ Crude oil equivalent: -10.8%, versus planned target of -6% Responding to global warming countermeasure regulations of local governments Progress in taking/passing the "Eco Test" ⇒ FY2013.3: Cumulative total number of people with certification: 202 Implementing project to prevent heatstroke at NAMCO's Isezakicho facility |

Affiliated Business Companies

| Important CSR | Major Initiative Themes | FY2013.3 Activity Report |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Safety and Cleanliness of Products and Services | [BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.] Reducing vehicle accidents through safe driving and delivering cargo without delays | <ul style="list-style-type: none"> Implementing driver training Providing safety guidance during roll call Installing safety recorders Maintaining superior safety work sites (G-Mark) |
| | [Arpresto Co., Ltd.] Providing safe and secure products | <ul style="list-style-type: none"> Creating product lists to track production for all products Rigorously implementing checks for mass produced products prior to shipping P-Mark extension procedures |
| Environmental Consideration | [BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.] Reducing CO ₂ emissions through control of CO ₂ from vehicle exhaust and reduced electricity consumption at work sites | <ul style="list-style-type: none"> Introducing low-emissions vehicles when vehicles are replaced Maintaining average fuel consumption through continued eco-driving activities Continuing to save electricity by turning off unnecessary lights in offices and warehouses |
| Supply Chain Management | [Arpresto Co., Ltd.] Tracking used parts and materials | <ul style="list-style-type: none"> Making lists of parts and equipment by raw material Consolidating servers to save electricity in offices |
| | [BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.] Developing integrated logistics services | <ul style="list-style-type: none"> Establishing logistics in the U.S. Building logistics system for overseas direct-channel sales business |
| | [Arpresto Co., Ltd.] Managing plant registration | <ul style="list-style-type: none"> Completing development of list of primary manufacturers for implementation of manufacturing plant audits |

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)

| | | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|---------------------|--------|----------|----------|----------|----------|----------|
| Full-time employees | Male | 2,829 | 2,999 | 2,892 | 2,866 | 1,972 |
| | Female | 695 | 761 | 741 | 751 | 614 |
| Junior employees | Male | 1,364 | 1,331 | 1,208 | 1,156 | 1,039 |
| | Female | 986 | 857 | 770 | 754 | 669 |
| Contract employees | Male | 168 | 137 | 40 | 50 | 53 |
| | Female | 53 | 52 | 39 | 46 | 41 |
| Temporary employees | Male | 837 | 663 | 569 | 544 | 453 |
| | Female | 798 | 664 | 619 | 703 | 464 |
| Total | Male | 5,198 | 5,130 | 4,267 | 4,616 | 3,517 |
| | Female | 2,532 | 2,334 | 2,611 | 2,254 | 1,788 |
| | Total | 7,730 | 7,464 | 6,878 | 6,870 | 5,305 |

Note: Due to the separation of NAMCO BANDAI Games Inc., the number of employees declined significantly in FY2013.3.

Number of Female Managers

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|--------------------------|----------|----------|----------|----------|----------|
| Female managers (people) | 50 | 71 | 74 | 88 | 86 |
| Ratio to total employees | 0.6% | 1.0% | 1.1% | 1.3% | 1.6% |

Number of Employees Hired after Graduation

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|-----------------------------------------------------|----------|----------|----------|----------|----------|
| Number of employees hired after graduation (people) | 105 | 105 | 88 | 72 | 52 |
| Number of female employees included (people) | 38 | 38 | 30 | 30 | 26 |
| Percentage of female employees included | 36.2% | 36.2% | 34.1% | 41.7% | 50.0% |

Employment Rate for People with Disabilities (Group total)

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|----------------------------------------------|----------|----------|----------|----------|----------|
| Employment rate for people with disabilities | 1.74% | 1.79% | 1.88% | 1.81% | 1.83% |

Averages

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|---------------------------------------------|----------|----------|----------|----------|----------|
| Average years of continuous service (years) | 7.5 | 8.3 | 8.2 | 8.9 | 9.5 |
| Average age (years) | 37.2 | 38.0 | 38.0 | 38.6 | 39.4 |

Number of Employees that Took Leave for Childcare or Nursing

(People)

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|---------------------------------------------------|----------|----------|----------|----------|----------|
| Number of employees that took leave for childcare | 81 | 105 | 94 | 101 | 107 |
| Number of male employees included | 5 | 1 | 4 | 2 | 8 |
| Number of employees that took leave to home nurse | 3 | 2 | 1 | 0 | 1 |
| Number of male employees included | 1 | 0 | 0 | 0 | 0 |

Annual Paid Leave Utilization Rate

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|------------------------------------|----------|----------|----------|----------|----------|
| Annual paid leave utilization rate | 63.7% | 59.5% | 60.4% | 60.5% | 53.3% |

Industrial Accidents

| | FY2009.3 | FY2010.3 | FY2011.3 | FY2012.3 | FY2013.3 |
|----------------------------------|----------|----------|----------|----------|----------|
| Industrial accidents (incidents) | 94 | 64 | 63 | 46 | 47 |

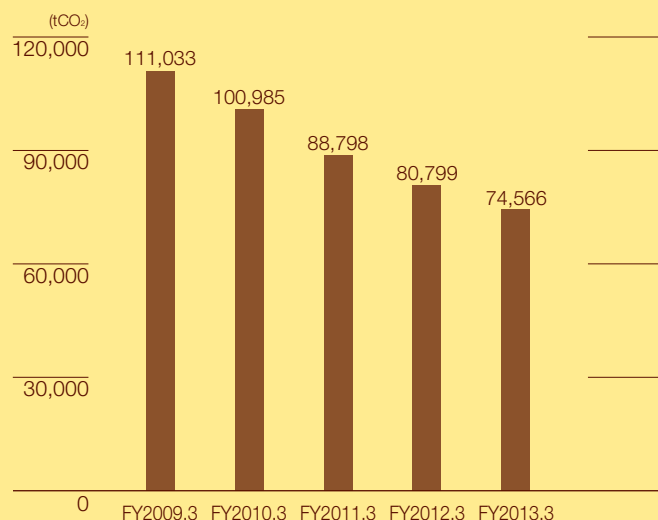
Overview of Systems to Promote Achievement of Work-Life Balance (especially programs that surpass legal requirements)

| System | Overview |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Childcare leave | Can be taken until the end of the fiscal year in which the child turns 18 months old or until the day the child turns two years old. |
| Childcare support | Available until the child completes third grade. In addition to shorter working hours, includes exemption from overtime and late night work. |
| Childbirth leave for male employees | Male employees can take up to five days of paid leave when their wife gives birth. |
| Flex time system | Normal working hours are determined not on a daily basis but on a monthly basis. |
| Child-rearing flex time system | For employees who are raising children who have not yet started junior high school, 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 and spouses, employee's wedding anniversaries, etc.) |
| Installation of Kids Rooms | Establishing rooms in Company buildings in which elementary school children can wait if there is no place for them to be during long vacations, such as summer vacation. |
| Provision of support funds for childbirth and childcare | Provision of ¥200,000 at the birth of each of the first and second children. Provision of ¥2,000,000 at the birth of each of the third and subsequent children. (Acquisition of childcare leave for one continuous week or more is a requirement for the receipt of this support.) |

Note: Systems used by Group companies are different.

Environment-Related Information

BANDAI NAMCO Group CO₂ Emissions



The BANDAI NAMCO Group is working to reduce CO₂ emissions by setting reduction targets for each SBU for each fiscal year.

Consequently, the Group was able to achieve a reduction in FY2013.3 in comparison with the previous fiscal year.

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 FY2013.3

| 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 | 2011 | 0 | 64 | 69 | 179 | 39 | 351 | |
| | | | | 2012 | 0 | 69 | 64 | 54 | 74 | 261 | |
| | | Other* | kl | 2011 | 0 | 56 | 10 | 0 | 3 | 69 | |
| | | | | | 2012 | 0 | 0 | 10 | 0 | 3 | 13 |
| | Kerosene* | | kl | 2011 | 0 | 0 | 0 | 98 | 12 | 110 | |
| | | | | | 2012 | 0 | 0 | 0 | 104 | 14 | 118 |
| | Diesel fuel | From use of company vehicles (diesel vehicles) | kl | 2011 | 0 | 52 | 0 | 0 | 928 | 980 | |
| | | | | | 2012 | 0 | 52 | 0 | 0 | 941 | 993 |
| | | Other* | kl | 2011 | 0 | 0 | 0 | 0 | 1 | 1 | |
| | | | | | 2012 | 0 | 0 | 0 | 0 | 1 | 1 |
| | Heavy oil A* | | kl | 2011 | 0 | 6 | 0 | 0 | 0 | 6 | |
| | | | | | 2012 | 0 | 5 | 0 | 0 | 0 | 5 |
| Petroleum gas* | Liquefied petroleum gas (LPG) | t | 2011 | 0 | 4 | 0 | 11 | 7 | 22 | | |
| | Other than from use of company vehicles* | | | 2012 | 0 | 4 | 0 | 5 | 9 | 18 | |
| Combustible natural gas | Other combustible natural gas | From use of company vehicles | m ³ | 2011 | 0 | 0 | 0 | 70,266 | 70,266 | | |
| | | | | 2012 | 0 | 0 | 0 | 60,517 | 60,517 | | |
| | Other* | | m ³ | 2011 | 0 | 0 | 15,924 | 0 | 15,924 | | |
| | | | | | 2012 | 0 | 0 | 9,814 | 0 | 9,814 | |
| Water | Tap water used | | m ³ | 2011 | 990 | 55,533 | 47,451 | 142,309 | 6,884 | 253,167 | |
| | | | | 2012 | 992 | 69,668 | 44,208 | 85,608 | 6,528 | 207,004 | |
| | Hot spring water used | | m ³ | 2011 | 0 | 560 | 0 | 39,030 | 0 | 39,590 | |
| | | | | | 2012 | 0 | 0 | 0 | 0 | 0 | |
| | Waste water | | m ³ | 2011 | 745 | 56,347 | 37,286 | 181,330 | 6,884 | 282,592 | |
| | | | | | 2012 | 702 | 70,760 | 32,456 | 85,604 | 6,502 | 196,024 |
| Electricity* | | kWh | 2011 | 396,758 | 18,524,701 | 13,321,660 | 138,086,429 | 3,609,679 | 173,939,227 | | |
| | | | | 2012 | 465,553 | 10,977,116 | 12,709,083 | 115,654,725 | 3,548,038 | 143,354,514 | |
| Other fuels | City gas* | | m ³ | 2011 | 11,778 | 46,659 | 484,402 | 1,342,622 | 100 | 1,885,561 | |
| | | | | 2012 | 12,439 | 25,488 | 468,002 | 892,076 | 88 | 1,398,093 | |
| | Steam (industrial use)* | | MJ | 2011 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | 2012 | 0 | 0 | 0 | 0 | 0 | |
| | Steam (excluding industrial use)* | | MJ | 2011 | 0 | 0 | 0 | 1,685,850 | 0 | 1,685,850 | |
| | | | | | 2012 | 0 | 0 | 0 | 1,646,295 | 0 | 1,646,295 |
| | Hot water* | | MJ | 2011 | 0 | 0 | 271,154 | 35 | 0 | 271,189 | |
| | | | | | 2012 | 0 | 0 | 301,244 | 1,313 | 0 | 302,557 |
| | Cold water* | | MJ | 2011 | 199,629 | 0 | 1,897,968 | 6,453,382 | 0 | 8,550,979 | |
| | | | | | 2012 | 99,234 | 0 | 1,607,687 | 6,407,415 | 0 | 8,114,336 |
| | Waste | Non-industrial waste | | kg | 2011 | 1,205 | 397,635 | 96,103 | 1,279,203 | 78,139 | 1,852,285 |
| | | | | | 2012 | 793 | 382,325 | 174,685 | 1,169,615 | 112,016 | 1,839,434 |
| Industrial waste | | | kg | 2011 | 1,366 | 952,331 | 249,616 | 1,857,828 | 13,585 | 3,074,726 | |
| | | | | | 2012 | 1,671 | 927,324 | 268,047 | 1,131,503 | 12,573 | 2,341,118 |
| Recycling volumes | | | kg | 2011 | 2,115 | 412,267 | 113,510 | 91,265 | 22,282 | 641,439 | |
| | | | | | 2012 | 3,037 | 652,973 | 143,564 | 88,208 | 3,491 | 891,273 |
| Photocopy paper | | kg | 2011 | 8,830 | 55,460 | 61,789 | 26,197 | 16,345 | 168,621 | | |
| | | | | 2012 | 7,379 | 54,744 | 56,971 | 22,508 | 21,954 | 163,556 | |

Note: 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

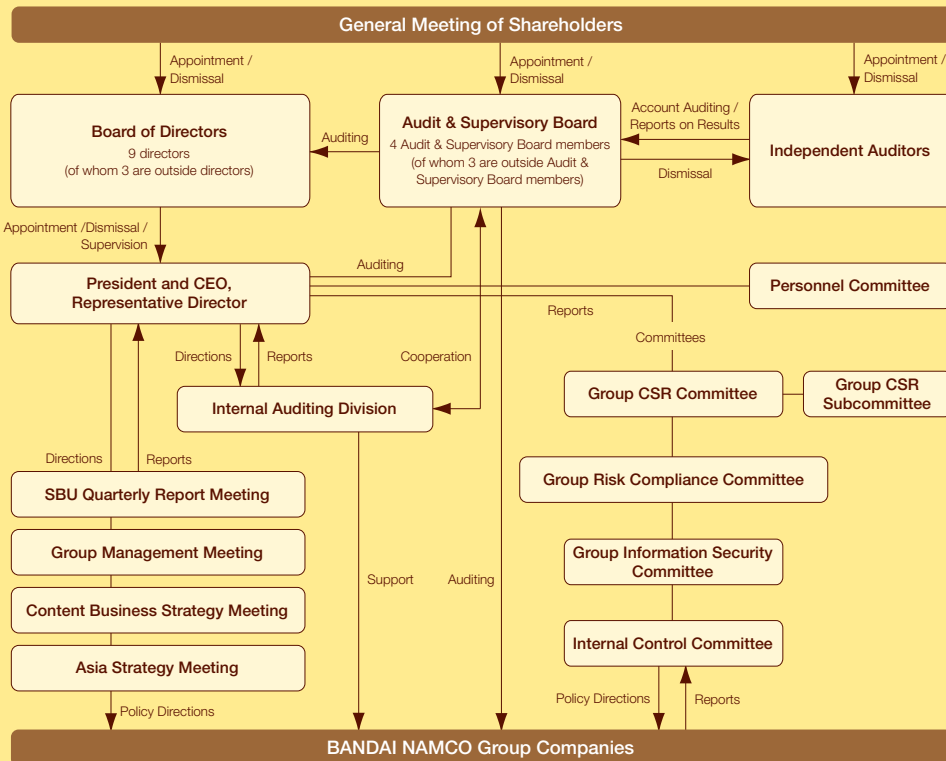
Corporate Governance

• Policies / Basic Approach

Our highest priority is the provision of benefits to all of our stakeholders, who support our business activities. We believe that in continually maximizing enterprise value over the long term, bolstering 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 appropriate information disclosure.

• Corporate Governance System

NAMCO BANDAI Holdings' Board of Directors has nine members, including three outside directors, and the Company is working to bolster the management oversight function. Also, to respond rapidly to changes in the management environment and to clarify further the responsibilities of directors, the term of office of directors has been set at one year.



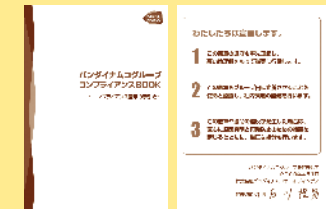
Compliance

• 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 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 FY2012.3, we offered three 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 15,000 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 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.

Risk Management and Information Disclosure

The BANDAI NAMCO Group's Business Continuity Plan (BCP)

In preparation for a major disaster or accident, the BANDAI NAMCO Group has formulated fundamental Group policies for BCP and is preparing the more detailed BCP based on the fundamental policy. In addition, we have also begun to implement employee education through e-learning, and are implementing measures to support the assurance of customer safety and to rapidly restart business activities.

The BANDAI NAMCO Group's Fundamental Policies for BCP —For the continued provision of “Dreams, Fun and Inspiration”—

The mission of the BANDAI NAMCO Group 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.

In the event of a major disaster or accident, the BANDAI NAMCO Group will not only place the highest priority on human life but will also work to rapidly restart and maintain operations and to continue to provide “Dreams, Fun and Inspiration” to as many customers as possible.

- Giving the highest priority to confirming and maintaining the safety of Group employees and their families as well as customers
- Taking responsibility for the rapid restoration of operations and the provision of products and services
- Working together with local communities to support restoration and reconstruction

Information Disclosure

To increase management transparency, the BANDAI NAMCO Group releases management information in a variety of formats.

• Results Presentations

After announcing our results, we hold results presentations for institutional investors and securities analysts. At these presentations, we also provide explanations of other matters, such as our Mid-term Plans. Moreover, on NAMCO BANDAI Holdings's website, we provide video streaming of the presentations and downloads of the materials distributed at the presentations as well as Q&A materials.



For IR and investor information:

➔ <http://www.bandainamco.co.jp/en/ir/index.html>

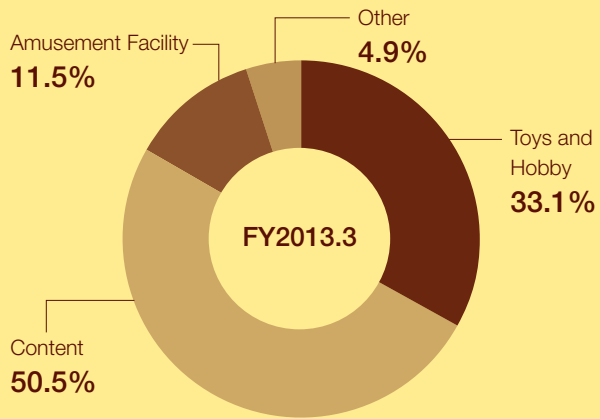
• General Meeting of Shareholders

NAMCO BANDAI Holdings strives to utilize the General Meeting of Shareholders not only as a venue for resolutions but also as an opportunity for dialogue with shareholders, and accordingly we work actively to facilitate better communications. After the conclusion of the General Meeting of Shareholders, we have provided opportunities to engage in dialogue with corporate officers and provided displays of products and services.



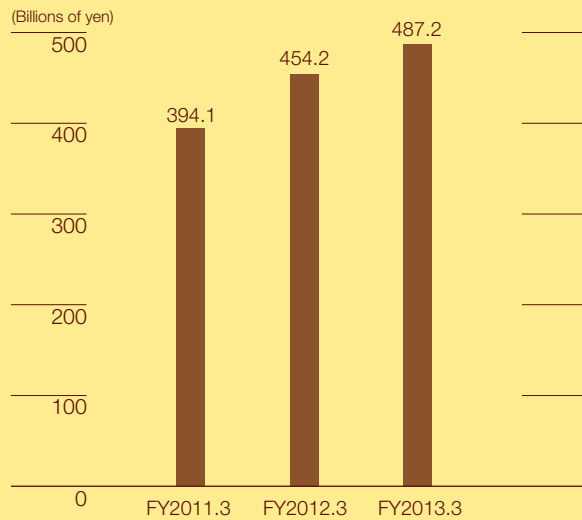
Financial Results Highlights

Composition of Sales by SBU

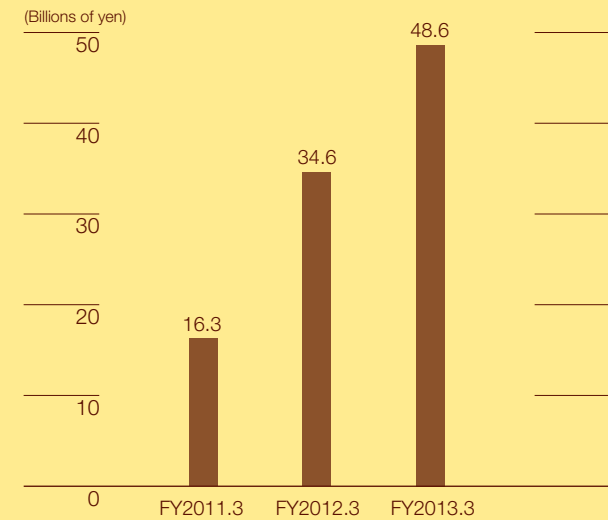


Note: Percentage figures are calculated based on sales before elimination of internal transactions.

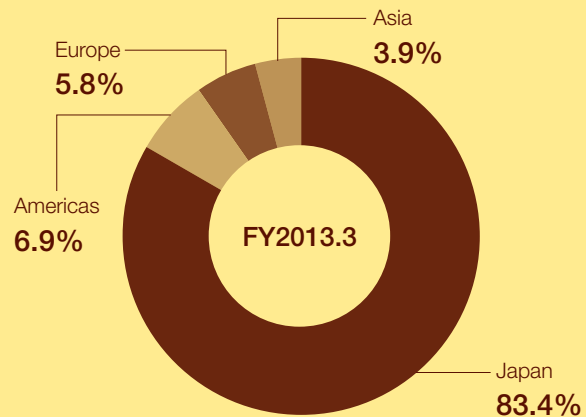
Net Sales



Operating Income

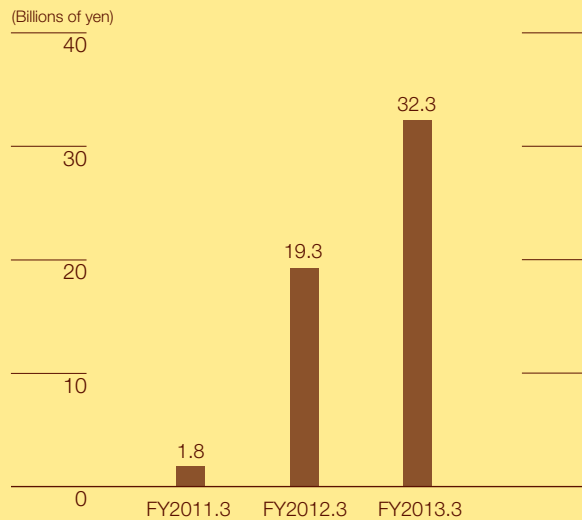


Reference: Composition of Sales by Geographic Areas

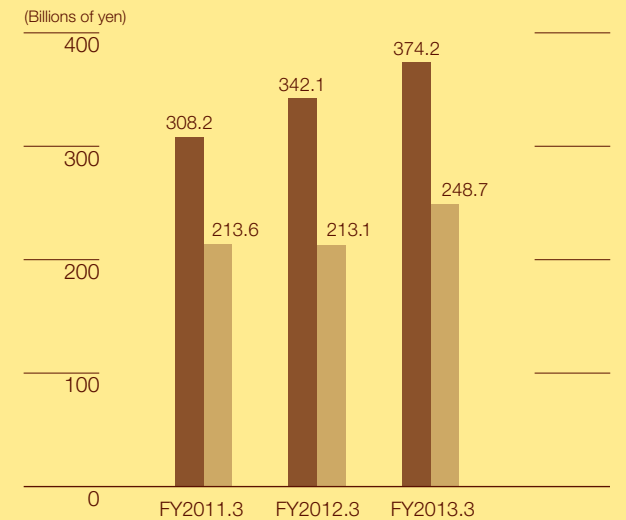


Notes: 1 Estimates based on Company data.
2 Percentage figures are calculated based on sales to external customers.

Net Income



Total Assets / Total Net Assets



Corporate and Other Information

Corporate Data (As of June 24, 2013)

• 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

6,983

• Number of Consolidated Subsidiaries

70 subsidiaries
7 equity-method affiliates

Editorial Policy

“Fun for the future! BANDAI NAMCO CSR Activity Report 2013” was issued in order to provide stakeholders with easy-to-understand descriptions of the CSR activities of the BANDAI NAMCO Group. In FY2013.3, a specific focus was determined for each SBU and activities were implemented to promote concrete progress in the implementation of the “BANDAI NAMCO Group’s Important CSR Themes.” This 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 (in Japanese) is intended to provide more detailed activity reports and information disclosure.

Period Covered This report presents activities and results in FY2013.3 (from April 1, 2012 to March 31, 2013). It also covers some activities started in FY2014.3.

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

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!”



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Guidelines referred to:
GRI (Global Reporting Initiative)

CSR Activity Report 2013 Website Version

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

Website Version (Japanese)

Detailed activity report

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



WEB CONTENTS

• Group CSR Activities

BANDAI NAMCO Group CSR
Important Themes—Progress Report
Corporate Governance
Compliance
Together with the Environment
Together with Employees

• SBU Initiatives

Toys and Hobby SBU CSR Activities
Content SBU CSR Activities
Amusement Facility SBU CSR Activities
Affiliated Business Companies CSR Activities
Together with Customers
Together with Local Communities
Together with the Environment
Together with Employees

Pamphlet Version

The special feature focuses on key examples of activities.





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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