BANDAI NAMCO Holdings Inc

lssued: August 2016 (Last Issued: August 2015)





# FUN ORTHE FUTURE

## "Fun For the Future!"

The BANDAI NAMCO Group believes 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. 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 aspire to contribute to the creation of a fun tomorrow by promoting CSR activities that lead to the happiness of society and stakeholders.

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**Message from Top Management** 

We will maintain a sense of pride and responsibility for our mission of providing "Dreams, Fun and Inspiration," and will implement activities that create "Fun For the Future!"

Our mission is to provide "Dreams, Fun and Inspiration," and we are implementing CSR activities in accordance with the key phrase "Fun For the Future!"

In our relationships with the natural environment and society, we are broadly advancing this concept by implementing a variety of activities that leverage the BANDAI NAMCO Group's distinctive strengths.

Moreover, in our business activities we are fully drawing out the appeal of IP\* and rolling out products and services in a variety of business fields through the IP axis strategy, which is the Group's greatest strength.

This CSR Activity Report follows the processes up to the completion of products and services while introducing examples of initiatives that leverage the characteristics of each business field.

Moving forward, the BANDAI NAMCO Group will continue to maintain a sense of pride and responsibility for its mission of providing "Dreams, Fun and Inspiration," and we will implement activities that create "Fun For the Future!"



**Special Feature** 

# **Creating the Future through Diverse Products and Services**

Based on the IP axis strategy, the BANDAI NAMCO Group implements wide-ranging initiatives to provide customers with a variety of products and services related to entertainment.

This special feature introduces specific examples of initiatives to create a fun future that are being implemented by the Group's three strategic business units (SBUs) through the various processes by which products and services are delivered to customers.

**Group Organizational System TOYS AND HOBBY SBU NETWORK ENTERTAINMENT SBU** VISUAL AND MUSIC PRODUCTION SBU **AFFILIATED BUSINESS COMPANIES** TOYS AND HOBBY SBU **Initiatives in** Page 7 **Creating Toys** NETWORK ENTERTAINMENT SBU

**Initiatives in** Creating New Places Page 13 of Entertainment

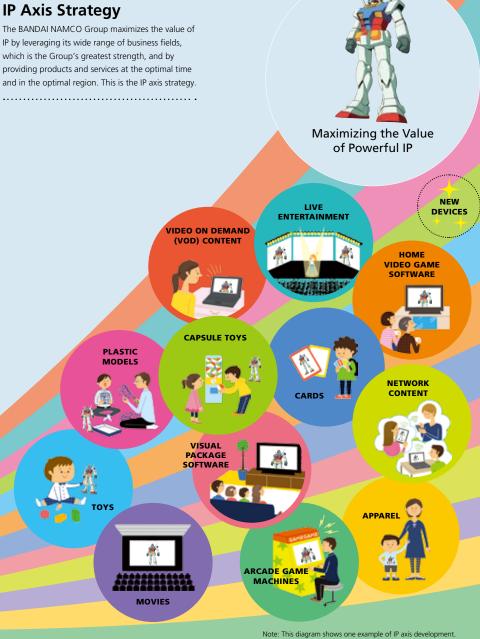
VISUAL AND MUSIC PRODUCTION SBU

**Initiatives in** Creating Visual and Music Content Page 17



## **IP Axis Strategy**

The BANDAI NAMCO Group maximizes the value of IP by leveraging its wide range of business fields, which is the Group's greatest strength, and by providing products and services at the optimal time and in the optimal region. This is the IP axis strategy.



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Creating the Future through Diverse Products and Services



## Initiatives in Creating **Toys**

The Toys and Hobby SBU manufactures and markets a variety of products and services, including toys, confectionery and foods, vending machine capsule toys, cards, plastic models, apparel, sundries, stationery, and other products.

This section introduces CSR initiatives, together with examples, at the various stages from product planning to the delivery of products to customers.



Comments from Employees

## We strive to provide trust and satisfaction in order to bring smiles to the faces of customers.

The Toys and Hobby SBU is working to implement highly sustainable activities for children in ways that reflect the characteristics of the SBU's business.

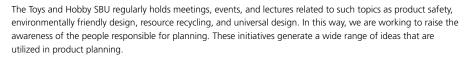
Our policy is to "strive to create safe, secure products and provide customers around the world with products that they trust and find satisfying," which is a major prerequisite to the provision of products and services. We are working to maintain and increase quality. In addition to laws, regulations, and industry and other quality and safety standards, we also set our own, morerigorous standards. On that basis, we conduct strict checks to see that new products meet those standards. In addition, we work to create safe, secure products from the planning stage, taking into account a wide variety of methods of use and needs for each product and service. Moreover, in accordance with the key phrase "Act Now for Future Smiles" from the children who will support the next generation, we are aggressively working

to advance environmental activities and communicate information.

Moving forward, we will enhance the management system in terms of both safety and the environment, and we will work to earn the trust and satisfaction of customers with a strong belief that "we will protect the smiles of customers!"



## Consideration for the Environment and Universal Design from the Product Planning Stage



#### **Examples of environmentally friendly toy planning**

#### Anpanman series block product

We created a product plan under which the outer box is not thrown away. The bucket that holds the blocks is made of sturdy materials, and can be used as a storage box for a long period of time.



#### Super Sentai series candy toy

By eliminating the outer box and minimizing product packaging, paper was reduced by about 23 grams per product.







#### Examples of product planning with universal design

#### KAMEN RIDER series transformation belt

In many cases, belts for which the size is adjusted in the back are difficult for small children to put on by themselves. Accordingly, we planned the product shown below so that once the size has been set the first time, children can then easily put on the belt by themselves.





## Kamisama Minarai: Himitsu no Cocotama Fresh Marshmallow Maker

The planning for the product shown below, which is used to make confectionery, called for a framework that does not use screws or bolts and is easy for anyone to disassemble and wash.







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#### **Innovation that Minimizes Waste**

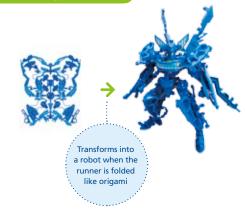
At the design stage for products and their packaging, we consider how to minimize plastic waste and strive to reduce the use of paper resources.

#### Example of innovation to reduce plastic waste

#### Plastic model FRAME ROBO

With typical plastic model parts, the model is assembled after the parts are detached from a plastic frame (runner). Accordingly, after the parts are detached, the runner is discarded as waste.

To address this issue, this product was designed so that the parts, which are arranged in twodimensions, transform into a robot when the runner is folded like origami. All of the parts, including the runner, are necessary for the assembly of the model, and accordingly with this design there is no unnecessary waste.



#### Example of innovation to conserve paper resources

## Super Sentai series candy toy

The explanations for assembly and use are printed on the inside of the box, thereby reducing the paper used by the product.







#### PICK UP!

◎BANDAI ◎2016 テレビ朝日・東映AG・東映

### Eco Medal certification system

At the Toys and Hobby SBU, products that meet internal standards for environmental friendliness are certified as Eco Medal products. Products must eliminate excess packaging, and evaluations are made in three categories comprising the elements of a product — the product itself, the packaging, and the instruction manual, etc. By the end of March 2016, approximately 60 products had been certified as Eco Medal products. The Eco Medal certified products have labels attached to their packages and display the fact that they are environmentally friendly products in an easy-to-understand manner.





Example of package labeling

#### Maintaining and Increasing Quality

In addition to industry standards, we conduct quality testing based on more-rigorous in-house standards. Moreover, we are working together with suppliers, such as cooperating manufacturers and production plants, to maintain and increase quality.

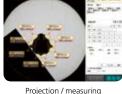
#### **Example of quality testing**

We use leading-edge equipment to measure the shape and size of parts so that in the unlikely event that a child accidentally swallows a small part they will still be able to breathe. The measurement results are reflected in products.



Placing a product in a

measuring instrument





The measurement results are reflected in product shapes so that necessary airflow can be maintained in the unlikely event that a part is accidentally swallowed.



When the projection view is a circular shape, a hole of 3mm or more in diameter is opened.

Production



If there is a protuberance, etc., an air passage is provided in the surrounding portion equivalent to the area of a 3mm-diameter circle (7.065 mm<sup>2</sup>) Note: The diagonal line shows the air passage.

#### Example of initiatives in cooperation with suppliers

We have established the BANDAI Supplier Awards, which recognize suppliers that maintain high levels of performance in regard to evaluation indicators. We are working together with suppliers to improve working environments and quality. Suppliers that receive awards share their know-how by giving lectures to other suppliers about their initiatives on the front lines.

#### Examples of evaluation indicators

- Degree of conformity with BANDAI Factory Audit (BFA) audit items (for information about BFA, please refer to
- Failure rate in regard to quality criteria
- Percentage of serious defects (defects that reduce product performance)
- Rate of complaints from customers in regard to products





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## Product Delivery with Consideration for Safety and Environmental Friendliness

Group companies BANDAI LOGIPAL INC. and LOGIPAL EXPRESS INC. handle distribution for the Toys and Hobby SBU. Aiming for distribution that is friendly to people and the environment, these companies are implementing initiatives that reflect consideration for safety and the environment.

#### **Driver development**

In regard to in-house driver training, instructors provide guidance for eco-driving. We are working to enhance environmentally friendly driving techniques. In addition, we have established screening items for in-house driving contests, such as safe driving and eco-driving, and we are working to advance safe, environmentally friendly initiatives on a Companywide basis.





#### **Traffic safety educational activities**

Offices at which trucks are stationed provide support for local traffic safety associations and continue to make donations to assist with traffic safety activities. In addition, during the fall and spring traffic safety campaigns, we are working to support traffic safety education by working together with local police stations and traffic safety associations in the implementation of street-level activities.

#### Introduction of low-emissions vehicles

With consideration for the operational circumstances and infrastructure needed to use vehicles at each base, we are converting to low-emissions vehicles in stages. We are taking steps to reduce environmental burden. For example, one of the 3-ton trucks that is used for deliveries around the outskirts of the Tokyo metropolitan area uses 100% biodiesel fuel made from waste cooking oil. In addition, at sales offices with diesel tanks installed on the grounds, we introduced B5 diesel (diesel with 5% biodiesel fuel) from FY2014.3.

#### • Results in the Introduction of Low-Emissions Vehicles

	Number of vehicles	Percentage
CNG vehicles	12	9.4%
Hybrid vehicles	1	0.8%
Vehicles compliant with new long-term regulations	33	25.8%
Vehicles compliant with updated new long-term regulations	30	23.4%
Total	76	59.4%

Reference: Total number of vehicles = 128

## Ongoing Initiatives After the Delivery of Toys

After toys are delivered to customers, we continue to implement initiatives to support their safe use.

#### Listening to customers and reflecting their feedback in subsequent manufacturing

We use text mining tools' to analyze feedback from customers received at the customer service center as well as information obtained on the Internet, and strive to use the results of that analysis to discover product problems and to prevent accidents and misuse. Information is provided as feedback to departments in charge of products and is used to improve subsequent product development.

\* Tools for collecting, analyzing, and visualizing data from the Internet. Information is collected in a manner that does not identify individuals.

Feedback received at the Customer Service Center

Collecting and analyzing internetion on the Internet

By the next day, information is provided as feedback to departments in charge of products



#### Creating "Fun For the Future!" together with children

As one facet of initiatives to educate the next generation, employees implement on-site educational activities, centered on elementary schools, on such topics as the environment, universal design, and safety and security. As a theme, these activities utilize toys, which are a familiar presence for children. One of these on-site educational activities is a product safety education activity that supports the safe use of toys. This activity has been identified as a model activity by the Ministry of Economy, Trade and Industry (METI). In addition, we have started to provide free lesson kits for elementary schools.



... \*a .. ... .. #5(5) .. ...





Product safety education Environmental education

Universal design education







## Initiatives in Creating New Places of Entertainment

The Network Entertainment SBU conducts planning, development, and distribution of network content; planning, development, and marketing of home video game software, arcade game machines, and prizes, etc.; and planning and operation of amusement facilities, etc.

This special feature section covers Indoor Seaside Kid's Beach, a new place of entertainment created by the Network Entertainment SBU.



Production ~ Planning / Development

NAMCO LIMITED: Operation

BANDAI NAMCO Entertainment Inc.: Production

BANDAI NAMCO Studios Inc.: Planning / Development









or families that is the site of Indoor Seaside Kid's Beach.

veloping 8 *Indoor Seaside* 



Indoor Seaside Kid's Beach is a seashore amusement park that uses images and 3D audio effect technologies to reproduce a beautiful beach from the tropics in a large sandbox. This section introduces the CSR initiatives for this new place of entertainment in the words of employees on the front lines.



## Creating seashore amusement in a room with no water by combining sand and the latest digital technologies

Indoor Seaside Kid's Beach started from the idea of representing the ocean through projection mapping on an indoor sandbox. This facility provides an experience that is close to that of the actual ocean, and as a result as they play the children learn about what types of things can happen with the actual ocean. For example, the fish swim away when a person approaches, and the height of the tide changes in accordance with the time. We also use recordings of sounds of the southern islands. In these ways, we did our utmost to provide an experience that approaches that of the actual ocean.

On the other hand, with consideration for usability, we also incorporated expressive elements

that are different from reality. For example, at Indoor Seaside Kid's Beach the projected images of fish can be captured with a scoop. If it is just the image, however, it does not feel like a fish has been caught. Accordingly, we display the word "Get!" at the instant when a fish is caught, which allows the children to directly experience catching

In addition, in actual seashore amusement activities, the footing is sometimes dangerous depending on the location, and the weather and other factors can have an influence. By creating a safe indoor space, we have made it possible for anyone to readily have an experience that is similar to actual seashore amusement activities.







#### Comments from Employees

#### Takamasa Hamano

BANDAI NAMCO Entertainment Inc.

When Indoor Seaside Kid's Beach opened, the customers cheered when the ocean appeared inside the room. We are dedicated to meeting the needs of customers and providing entertainment, and I am truly happy that we were able to deliver inspiration to our customers. Moving forward, we will strive to incorporate these advanced technologies into everyday entertainment and to create new forms of entertainment filled with dreams.









Design / Check

## Wide range of initiatives to enable parents and their children to enjoy safe and secure entertainment

From the perspective of safety and security, NAMCO is working from the amusement facility design stage to create environments for children in which accidents are prevented.

For Indoor Seaside Kid's Beach, as with previous amusement facilities, we have rounded off the corners of pillars and installed protective materials, such as cushioned mats, on floors and steps. These types of initiatives have been implemented throughout the facility. In addition, so that the children are always in sight, we took a rigorous approach to creating space with consideration for good visibility. We took a thorough approach to details and made a safe, secure entertainment facility. For example, the color of the steps where customers brush sand off their legs was made beige rather than white so that it would not blend in with the color of the lighting.

The special sand has superior anti-microbial properties. It is almost entirely free of organic material, which makes it difficult for bacteria to grow in the sand. In addition, because children enter the sand box with bare feet, from the construction stage we implemented strict management to prevent any foreign matter or impurities, such as nails or screws, in the sand. Since opening, we spend two hours each day filtering the sand after the facility's closing time. In addition, we regularly use AIR KALK and alcohol disinfectant. AIR KALK has not only a disinfection effect but also a deodorization effect. It is made from ingredients used in dental rinses and food additives, facilitating safe and secure disinfection and deodorization.











## Nobutoshi Takahashi

Facility Development NAMCO LIMITED

I was very pleased to see the children playing happily at Indoor Seaside Kid's Beach. The customers who visit the amusement facility can enjoy playing with peace of mind. I think that this is one of the most important elements of creating amusement facilities. Moving forward, we will continue to propose new forms of entertainment and pay careful attention to details in order to create amusement facilities that customers will enjoy to the fullest.



Operation

## Focused on safety and security above all else, working to entertain customers

To maintain the safety and security of facilities and provide customers with pleasant entertainment, we are focusing on the education of operational staff. NAMCO AsoMIX LaLaport Ebina Amusement Facility, where Indoor Seaside Kid's Beach is located, is visited by small children. Accordingly, many of the staff members have obtained Kids Coach certification\*1, and we are working to improve skills in communicating with children. In addition, amusement facilities are locations in which there are many opportunities to interact with youth. To promote friendly ties with local communities and advance sound youth development activities, NAMCO is promoting the acquisition of AOU Youth Advisor\*2 certifications

by staff. In FY2016.3, 213 staff members assigned to amusement facilities obtained certification. The store manager at NAMCO AsoMIX LaLaport Ebina Amusement Facility also obtained certification.

Through the acquisition of this certification, staff members can have confidence in their interaction with customers. This supports safe, secure facility operation while maintaining fun, appropriate interaction with children.

- \*1. Certification of acquisition of such practical skills as communication with children, implemented by the Kidscoach Association.
- \*2. Certification implemented by All Nippon Amusement Machine Operators Union (AOU)







#### Mao Suzuki **Facility Management** NAMCO LIMITED

In dealing with customers, we always want those who come to the facility to have a great time. Accordingly, in addition to safety, we are always aware of the importance of the role of staff members themselves in creating an environment in which children can enjoy fun activities. We will strive to make Indoor Seaside Kid's Beach a place that is even more fun for the many customers who visit the facility.







## Initiatives in Creating Visual and Music Content

The Visual and Music Production SBU plans and produces animations and other visual content; produces and markets visual and music packaged products, such as Blu-ray, DVD, and CD products; implements on-demand distribution; and implements live entertainment business activities.

This section introduces CSR initiatives in the process of creating visual and music content.

#### The Process of Creating Music and Visual Content Distribution ~ provision to Media initiatives customers Theatrical release / TV broadcast Theater / TV Distribution Internet (distribution, online shops, etc.) Packaging Visual and (Blu-ray, DVD, CD, etc.) Real shops music content (CD shops, rental shops, **Publishing** consumer electronics mass retailers, bookstores, etc.) Commercialization Live events **Event halls**

#### **Comments from Employees**

## With confidence in the power of experience and inspiration, we are advancing activities that leverage our distinctive strengths.

The mission of the Visual and Music Production SBU is to "entertain people around the world through IP production initiatives, centered on visual and music products." To realize that vision, we are working to create and nurture high-quality IP as a shared challenge. "High-quality IP" includes a variety of meanings, such as "interesting," "inspiring," and "hit product," and I believe that "promoting CSR" is also one of those meanings.

The Visual and Music Production SBU is strengthening organizational initiatives. These include implementing consideration for appropriate expression, implementing quality management through rigorous observance of industry standards as well as stricter internal standards, and contracting production to plants that are actively working to show consideration for the environment. They also include taking on the challenge of creating content that can be

enjoyed by people with visual or hearing disabilities. In addition, we are also implementing environmentally friendly activities at live events.

With confidence in the experiences and inspiration created by IP and the packaged products and live events that are the outlets for that IP content, we will aggressively advance activities that leverage our distinctive strengths.

Naoki Nishimura In charge of CSR BANDAI VISUAL CO., LTD.

## **Controlling Appropriate Expression in the Production of Visual Content**

In expression checks, we confirm that there is no discriminatory language or inappropriate language or expressions. Expressions change in line with the viewer's environment and the time period. Accordingly, from planning to the sale of packaged products, we implement multiple checks in a variety of processes.

#### Initiatives implemented as prerequisites of our business

Implementing annual internal training related to ethical expression, such as consideration for human rights and copyrights



Expression checks through producers and production committees

Implementing external screening through the Film Classification and Rating Committee (Eirin) for products shown in movie theaters.

(Eirin) Four rankings by age in accordance with a product's theme and material



suitable for all ages



R18+

Parental guidance requested for vouna people aged 12 and under

For persons aged 15 and above only

For persons aged 18 and above only











#### Expression checks at the packaging stage

We check to ensure that there are not expression-related problems with special features, etc., that are specific to the packaged product and were not present in the original version, such as voice commentary by cast members or special images.

#### Addressing universal design

We are implementing initiatives such as recording voice guides (voice commentary) and subtitles that explain who is speaking and explain environmental sounds, so that the products can be enjoyed by people with visual disabilities or hearing disabilities.

#### FY2016.3 Results .....

Recording of Japaneselanguage voice guides for people with visual disabilities: 1 title

Recording of Japaneselanguage subtitles for people with hearing disabilities 6 titles

Example of packaged product for people with visual disabilities / hearing disabilities: Miss Hokusai





Expression checks at the stage when packaging is completed

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### **Initiatives in Creating Visual and Music Content**



## **Consideration for the Environment at Live Events**

 In planning and producing live events, we are aggressively utilizing LED lighting and taking other steps to save energy. In addition, by reusing stage scenery, we are working to reduce the use of natural materials such as wood.

#### Kiramune Music Festival 2015

(Held on May 9 and 10, 2015)
Holding live events with consideration for the





## **Social Contribution Activities Through Live Events**

We are implementing a range of social contribution activities. These activities, which draw on our distinctive strengths as a company that works in businesses related to visual and music content production and live events, include animation events intended to activate local communities and sponsorship of charity concerts.



## Girls und Panzer cast talk show at the 19th Oarai Anglerfish Festival

(Held on November 15, 2015)

At a regional event in Oarai Town, Higashiibaraki District, Ibaraki Prefecture, which is the setting for the *Girls und Panzer* animation produced by BANDAI VISUAL CO., LTD., a contribution was made to attracting customers through a talk show with the cast and the sale of related goods.

#### Charity Concert "Dream" 2015

(Held on December 12, 2015)

This was the ninth event in a series of charity concerts, which are intended to facilitate participation by people with disabilities. Artists affiliated with Highway Star Inc. participated in this event.







## BANDAI NAMCO Group Support Activities for Disaster-Stricken Areas



The BANDAI NAMCO Group is conducting ongoing support activities for children in areas affected by the Great East Japan Earthquake.

### + Activities in Collaboration with Save the Children Japan (SCJ)

In partnership with SCJ, the BANDAI NAMCO Group is working to help children in disaster-strichen areas. In FY2016.3, a total of ¥10 million was donated to SCJ by the BANDAI NAMCO Group and by shareholders who chose to donate their shareholder benefits. These donations, which are used as funds for activities in regions affected by the Great East Japan Earthquake, will help to support children today and to build a brighter future.

In addition, we continue to conduct workshop activities. In FY2016.3, we held handicraft classes and dance events for about 200 children in Natori City in Miyagi Prefecture, Koriyama City and Aizuwakamatsu City in Fukushima Prefecture, and the town of Yamada-machi in Iwate Prefecture.









## Environmental Activities in Collaboration with "Children's Eco Club"



activities

From FY2016.3, the BANDAI NAMCO Group has become a partner of "Children's Eco Club\*," through which children engage in independent environmental activities and environmental learning. In addition, Group employees and their families participate in activities as a part of environmental learning initiatives.

\* Children's Eco Club is ...

The Japan Environment Association, with the support of the Ministry of the Environment and the Ministry of Education, Culture, Sports, Science and Technology, is cooperating with local governments, companies, and groups to support children's environmental activities. The association has about 2.000 clubs nationwide with about 120.000 members (as of March 2016).



In FY2016.3, Group employees and their families participated in rice-planting experience activities in Chuo City, Yamanashi Prefecture and "Salmon Ranger" activities to protect salmon eggs in Mito City, Ibaraki Prefecture.



Held by Ikimono Mikke Farm, a club registered with Children's Eco Club



Held by Sakasagawa Children's Eco Club, a club registered with Children's Eco Club

@RANDAI

## BANDAI NAMCO Group CSR Management

Themes that require special initiatives have been identified as the "BANDAI NAMCO Group's Important CSR Themes." In addition, each 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 the major initiative themes of each SBU, please refer to the section starting on page 23.

## **BANDAI NAMCO Group's CSR Policy**

Mission
"Dreams, Fun and Inspiration"

**CSR Action Concept** 

## "Fun For the Future!"

## The Group's CSR Initiatives

- (1) Environmental and Social Responsibilities
- (2) Economic Responsibilities
- (3) Legal and Ethical Responsibilities

## **Compliance Charter**

Rules related to appropriate products and services / fair dealings, respect for all employees, information disclosure, respect for and usage of intellectual property, protection of information and resources, rejection of antisociety groups, harmony with the environment, and harmony with society

## **BANDAI NAMCO Group's Important CSR Themes**

- ① Safety and Cleanliness of Products and Services
- 2 Environmental Consideration
- ③ Policies Regarding Influence on Society of the Group's Content and Products
- Supply Chain Management

Each SBU and affiliated business company sets up priority initiatives and works to identify specific activities related to its business operations.

## BANDAI NAMCO Group's CSR Promotion System

The Group CSR Committee comprises the presidents and people in charge of CSR at BANDAI NAMCO Holdings as well as the SBU core companies. In this way, the Group is advancing its CSR promotion system, which makes decisions rapidly and is integrated with operations.

Deliberating / Reporting on matters related to CSR

### Board of Directors (CSR matters reported as needed)

Decisions made / Reported items

Group CSR Committee
(Semiannually)

Group CSR Subcommittee
(Quarterly)

SBU CSR Projects

Group Risk Compliance Committee (as needed)

## **BANDAI NAMCO Group's Important CSR Themes**

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."

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.

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.

# Themes of Each SBU's Major Activities: FY2016.3 Progress Report

Important CSR Themes: 1 Safety and Cleanliness of Products and Services							
SBU	Major Initiative Themes	Status of Progress	FY2016.3 Activity Report				
Toys and Hobby SBU	Focusing on safety and peace of mind	- <u>;</u> ¢;-	<ul> <li>Enhancing overall initiatives by sharing information through monthly Group meetings for the exchange of information among SBUS</li> <li>Continuing to hold the Product Safety Forum, with exhibitions regarding product safety and product safety training</li> <li>Holding six study sessions with cooperating manufacturers, including both on-demand distribution and workshops</li> <li>Periodically reevaluating BANDAI quality standards and implementing revisions twice a year</li> <li>Holding 11 quality standard study sessions, including revisions to Japan's toy safety standard (ST2012)</li> </ul>				
Network Entertainment SBU (Content)	Advancing safe, secure manufacturing	- <u>`</u> Ó	<ul> <li>Sponsoring "Exhibitions to Improve Product Quality and Safety" with the objective of sharing information about examples of defects, new laws and regulations, etc. In addition, implementing quality-related seminars with internal and external lecturers</li> <li>Reevaluating and revising BANDAI NAMCO Entertainment's green procurement standards on an annual basis accompanying stricter laws and regulations related to chemical substances in Japan and overseas, such as in Europe</li> <li>Implementing quality standards for product safety and durability, etc., in a timely manner and revising them twice per year</li> <li>Implementing product verification through test equipment safety reviews and advance testing installation, etc., with the objective of securing the safety of arcade game machines</li> </ul>				

Important CSR Themes: 1 Safety and Cleanliness of Products and Services							
SBU	Major Initiative Themes	Status of Progress	FY2016.3 Activity Report				
Network Entertainment SBU (Amusement Facilities)	Creating safe, secure facilities	Ä	<ul> <li>Promoting acquisition of AOU Youth Advisor certification</li> <li>⇒ 0f 272 employees working at amusement facilities, 213 have certification</li> <li>Acquisition rate: 78% (Acquisition rate target: 80%)</li> <li>Promoting acquisition of service skills certification</li> <li>⇒ % of employees who are certified: 87% (Target: 95%)</li> <li>Implementing checks related to facility safety</li> <li>⇒ Implementing facility safety checks twice per year</li> <li>⇒ Implementing electrical equipment check evaluations at a total of 12 facilities</li> <li>Reevaluating food sanitation-related manuals, etc.</li> <li>⇒ Revising manual once per year for foods we sell</li> <li>⇒ Revising sanitation handbook once per year</li> </ul>				
Visual and Music Production SBU	Product safety standard initiatives	- <u>`</u> ó	Revising product labeling manual     Formulating event crisis management manual     Implementing monthly observation of manufacturing process for new packaging				
Affiliated Business Companies (BANDAI LOGIPAL INC./ LOGIPAL EXPRESS INC.)	Reducing vehicle accidents through safe driving and delivering cargo without delays	- <u>;</u> \ \ -	<ul> <li>Implementing driver training five times a year</li> <li>Providing safety guidance during roll call</li> <li>Installing safety recorders on all vehicles</li> <li>Maintaining superior safety at work sites (G-Mark)</li> </ul>				
Affiliated Business Companies (Artpresto Co., Ltd.)	Supporting the provision of safe, secure products with initiatives in manufacturing and materials	Ä.	<ul> <li>Managing production processes with flowcharts</li> <li>Carefully examining quality inspection methods, giving guidance to production plants regarding parts shortages</li> <li>Concluding creation of a database for existing materials used and production equipment</li> <li>Rigorously confirming safety by conducting double checks at the product planning and trial manufacturing sampling stages for new materials</li> </ul>				

## $\mathbb{T} \mathbb{O} \mathbb{P} \mathbb{I} \mathbb{C} \mathbb{S}$ ① Safety and Cleanliness of Products and Services

### Holding Exhibitions Related to Product and Service Safety and Security

To provide customers with products offering enhanced safety and security, the Toys and Hobby SBU and the Network Entertainment SBU hold internal exhibitions and training related to examples of past product problems and customer feedback to share a variety of information with employees of Group companies.





## BANDAI Certified as Gold Company in Awards for Best Contributors to Product Safety, Large Manufacturer and Importer Category

In the Large Manufacturer and Importer Category of the Awards for Best Contributors to Product Safety, which are sponsored by METI, BANDAI won the gold prize in FY2009.3 and the METI Minister's Award in FY2013.3 and FY2016.3. As a result, BANDAI was certified as a Product Safety Contributor Gold Company, the first in the Large Manufacturer and Importer Category. In FY2015.3, BANDAI NAMCO Entertainment won the Excellent Award, and was the first recipient in the amusement industry.







## namco Umeda Facility Game Center Wins Award for Sound Youth Development Activities from Osaka Prefecture

To promote the formation of positive social environments for youth, Osaka Prefecture implements an awards program that recognizes facilities that implement superior daily activities that serve as a model for others. The namco Umeda Facility, which is operated by NAMCO, was recognized under this program in FY2007.3 and for the second time in FY2016.3.





Important CSR Themes: 2 Environmental Consideration						
SBU	Major Initiative Themes	Status of Progress	FY2016.3 Activity Report			
Toys and Hobby SBU	"Act Now For Future Smiles"	- <u>`</u>	Implementing subcommittee meetings every two months related to environmentally friendly design, resource recycling, and universal design; Implementing workshops and experience-based initiatives     Enhancing environmental publicity (exhibiting at events, on-site lessons at elementary schools, communicating information through Facebook, etc.)     Having a subcommittee collect examples of environmentally friendly design, reforming guidelines, establishing "Eco Medal"			
Network Entertainment SBU (Content)	Advancing environmentally friendly design and environmental education activities	- <u>`</u> O.	+ Aggressively advancing "Eco-Amusement" environmentally friendly design  ⇒ Cumulative total number of certified products increased to 32  + Implementing material recycling of disposed products  + Advancing environmental education for employees through mail magazines, internal notices, etc.  + Enhancing environmental communications (exhibiting at events, enhancing websites, etc.)			
Network Entertainment SBU (Amusement Facilities)	Energy-saving initiatives	<u>ظ</u> -	Aggressively utilizing LEDs in newly installed lighting equipment     Enhancing employees' environmental awareness through visualization of electricity usage and implementation of COOL BIZ, WARM BIZ, and no-overtime days			
Visual and Music Production SBU	Implementing environmental consideration	-;0;-	♣ Recycling excess work-in-progress and product inventories			
Affiliated Business Companies (BANDAI LOGIPAL INC./ LOGIPAL EXPRESS INC.)	Reducing CO <sub>2</sub> emissions through control of CO <sub>2</sub> from vehicle exhaust and reduced electricity consumption at work sites	Ä	◆ Introducing low-emissions vehicles when vehicles are replaced     ★ Maintaining average fuel consumption through continued eco-driving activities     ⇒ Maintained 5.5 km/L     ◆ Continuing to save electricity by turning off unnecessary lights in offices and warehouses			

## TOPICS ② Environmental Consideration

## Participation in Eco-Products 2015

We sponsored a BANDAI NAMCO booth at Eco-Products 2015, one of Japan's largest environmental exhibitions. We introduced the BANDAI NAMCO Group's CSR activities through panels, product displays, and stage events, centered on three IP — Bears' School, Mobile Suit Gundam plastic models, and TAIKO: DRUM MASTER.







## Eco-Amusement — Environmentally Friendly Design

BANDAI NAMCO Entertainment has formulated "environmentally friendly design guidelines" for arcade game machines sold in Japan. Products that meet specific standards established under the guidelines are certified as "Eco-Amusement" products. In FY2016.3, 10 game machines were newly certified, including *Synchronica*, for a cumulative total of 32 machines.

Certified product Synchronica



## Receipt of Merit Award at "Eco-Driving Activity Contest"

BANDAI LOGIPAL and LOGIPAL EXPRESS participated in the "Eco-Driving Activity Contest" sponsored by the Foundation for Promoting Personal Mobility and Ecological Transportation. A total of 11 sales offices that participated won awards, including the Funabashi sales office, which received a merit award.

BANDAI LOGIPAL and LOGIPAL EXPRESS have won consecutive awards since they began to participate in the contest. Based on these results, they are taking steps to support the adoption of eco-driving activities, such as giving lectures in each region introducing examples of their activities.



Awards ceremony

#### 3 Policies Regarding Influence on Society of the Group's Content and Products Status of SBU **Major Initiative Themes** FY2016.3 Activity Report **Progress** + Implementing training related to ethics ⇒ In addition to training for new hires, BANDAI implemented training for employees in five departments and at cooperating manufacturers Control of ethical + Accumulating examples of ethical expression in Toys and expression in content and products from other companies and from inside **Hobby SBU** products the Company, revising ethical assessment standards + Implementing Group ethics discussion meetings twice per year, sharing examples of ethical + Announcing that "controlling ethical expression in content" is an important CSR theme shared by all companies in the Network Entertainment SBU, and implementing initiatives ⇒ Implementing subcommittee meetings with the objective of sharing information regarding ethical Network Initiatives related to expression within the SBU, sharing the latest **Entertainment SBU** information regarding ethical expression appropriate expression (Content) ⇒ Implementing educational activities for employees related to ethical expression, such as holding explanation meetings for employees, distributing mail magazines, etc. ⇒ Establishing dedicated consultation center for matters related to ethical expression + Implementing multiple checks of ethical expression by two departments Ethical checks of Visual and Music + Implementing internal training, and participating in expressions and external training, related to ethics and expression **Production SBU** terminology (discriminatory language, words that are prohibited on broadcasts, historical problems, geographical problems, etc.)

## $\top \bigcirc P \parallel \bigcirc S$ 3 Policies Regarding Influence on Society of the Group's Content and Products

Implementing Timely Training and Collecting and Sharing Information Regarding Ethical Expression Each SBU implemented a variety of training related to ethical expression and collected and shared within the Group a variety of examples and the latest information so that the Group can provide products and services that utilize appropriate expression.



Important CSR Themes: 4 Supply Chain Management							
SBU	Major Initiative Themes	Status of Progress	FY2016.3 Activity Report				
Toys and Hobby SBU	Labor standards auditing (BFA auditing)	÷Ó:	+ Implementing audits of all overseas final packaging plants that make BANDAI products  ⇒ Cumulative total of 169 companies  + Strengthening supply chain management at manufacturing plants that make copyrighted products that have character information regulations  + Implementing supplier conferences at three locations—Tokyo, Shenzhen, and Shanghai				
Network Entertainment SBU (Content)	Appropriate supply chain management in Japan and overseas	- <u>`</u> Ó	<ul> <li>Holding explanation meetings for suppliers in Japan and overseas</li> <li>Implementing plant audits related to management systems for chemical substances in products, quality management systems, working environment, etc., for final assembly plants in Japan and overseas</li> <li>Establishing websites exclusively for suppliers and implementing appropriate communication of the latest information with the objective of efficiently sharing information with suppliers</li> </ul>				
Visual and Music Production SBU	Implementing supply chain management	<u>ظ</u> ٰ-	+ Formulating plant audit checklists to strengthen plant audits				
Affiliated Business Companies (BANDAI LOGIPAL INC./ LOGIPAL EXPRESS INC.)	Rolling out integrated distribution services	-;•;-	Maintaining AEO (Authorized Economic Operator) customs broker certification     Maintaining Privacy Mark     Rolling out 9 new services overseas				
Affiliated Business Companies (Artpresto Co., Ltd.)	Safety and security in production plants	-;•;-	+ Continuing to enhance the environment in plants  ⇒ Implementing plant audits four times per year  + Preventing the occurrence of defects by strengthening internal design review for new products				

## $\mathbb{TOPICS}$ 4 Supply Chain Management

## Implementing Plants Audits / Various Types of Audits

At suppliers' plants in Japan and overseas, BANDAI NAMCO Entertainment (BNE) implemented BNE Supplier Audits, which involve auditing items to be confirmed, such as "management systems for chemical substances in products and the operational effectiveness of those systems," "quality management systems," "production control systems for production lines," and "working environment." In addition, BANDAI implemented BANDAI Factory Audits, which combine new plant audits and Code of Conduct (COC) audits, at all overseas final packaging plants that make BANDAI products.



## **Strengthening Initiatives with Suppliers**

BANDAI, BANDAI NAMCO Entertainment, and Banpresto hold conferences with their suppliers. In addition, they establish websites exclusively for suppliers, and provide the latest information, such as revisions of standards. In these ways, they are working together with suppliers to strictly observe laws and regulations and to act with consideration for the environment.

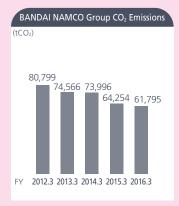


Supplier conference (BANDAI)



Website exclusively for suppliers (BANDAI NAMCO Entertainment)

## **Environment-Related Information**



The BANDAI NAMCO Group is working to reduce  $CO_2$  emissions by setting reduction targets for each SBU for each fiscal year. Consequently, the Group was able to achieve a reduction in FY2016.3 in comparison with the previous fiscal year.

- **+** Environmental Management Scope: All Group companies
- + Scope of Collection of Environmental Performance Data:

Consolidated companies, excluding equity-method affiliates

+ Management Standard: Emissions volume

Note: In accordance with the Law Regarding the Rationalization of Energy Use, the BANDAI NAMCO Group calculates  $CO_2$  emissions from the items marked "\*" in the table on the right.

Overvie	w of Environm	nental Performar	nce Data for FY2	2016.3							(Reference)
Measure	d Items			Unit	BANDAI NAMCO Holdings Inc.	Toys and Hobby SBU	Network Entertainment SBU	Visual and Music Procduction SBU	Affiliated Business Companies	Total	FY2015.3 Total
	Gasoline	From use of company vehicles		٤	0	88,408	29,302	27,610	79,271	224,591	234,025
	Gasoniie	Other*		Ł	0	0	10	0	1,731	1,741	1,770
	Kerosene*			Ł	0	0	137,100	0	4,870	141,970	9,395
	Diesel fuel	From use of com (diesel vehicles)	pany vehicles	٤	0	54,352	0	0	716,455	770,807	831,573
		Other*		٤	0	0	0	0	20	20	50
Fuel	Heavy oil A*			٤	0	4,460	0	0	0	4,460	2,850
	Petroleum gas Liquefied petroleum gas (LPG) Other than from use of company vehicles*	from use of company	t	0	156	10	0	9	175	131	
	Combustible natural gas	Other combustible natural gas	From use of company vehicles	m³	0	0	0	0	29,051	29,051	29,082
		Haturai yas	Other*	m³	0	0	0	0	0	0	9,453
	Tap water use	ed		m³	8,050	286,176	91,120	4,198	6,093	395,638	206,242
Water	Hot spring w	ater used		m³	0	0	0	0	0	0	0
	Wastewater			m³	5,230	286,393	85,520	3,648	6,057	386,848	194,571
Electricit	y*			kWh	1,590,446	20,909,694	98,562,031	1,356,220	4,869,035	127,287,426	132,242,721
	City gas*			m³	131,873	18,969	873,401	0	471	1,024,714	1,146,569
	Steam (indus	trial use)*		GJ	0	0	0	0	0	0	0
Other fuels	Steam (exclud	ding industrial use)	*	GJ	0	0	0	0	0	0	0
	Hot water*			GJ	0	56	218	0	0	274	3,421
	Cold water*			GJ	0	254	2,762	0	0	3,015	2,874
	Non-industria	l waste		kg	1,781	421,723	923,595	128,575	99,727	1,575,401	1,676,831
Waste	Industrial was	ste		kg	1,844	611,867	255,203	131,220	143,790	1,143,923	2,526,123
	Recycling vol	umes		kg	4,249	856,112	178,986	15,649	2,977	1,057,974	1,290,827
Photocop	Photocopy paper kg 658 58,165 51,964 25,137 39,988 175,912						175,912	163,116			

## Human Resources-Related Information

## Figures for the core company in each SBU

Note: Accompanying a change in segment classification, there have been changes to the SBU core companies from FY2016.3.

FY2013.3 ~ FY2015.3: BANDAI, BANDAI NAMCO Games, NAMCO

FY2016.3: BANDAI, BANDAI NAMCO Entertainment\*, BANDAI VISUAL

<sup>\*</sup> The name of BANDAI NAMCO Games was changed to BANDAI NAMCO Entertainment in April 2015.

Number of Emplo	oyees by Type of Er	mployment			(People)
		FY2013.3	FY2014.3	FY2015.3	FY2016.3
Full-time employees	Male	1,972	1,861	1,821	1,445
run-time employees	Female	614	580	583	598
Junior employees	Male	1,039	1,043	859	35
Julior employees	Female	669	768	719	114
Contract employees	Male	53	37	33	33
Contract employees	Female	41	45	41	34
Temporary employees	Male	453	660	615	38
remporary employees	Female	464	938	1,027	93
	Male	3,517	3,601	3,328	1,551
Total	Female	1,788	2,331	2,370	839
	Total	5,305	5,932	5,698	2,390
Number	of Female Manage	ers			
		FY2013.3	FY2014.3	FY2015.3	FY2016.3
Female managers (people)		60	61	65	81
Ratio to total manager	9.2%	9.3%	9.8%	13.4%	
Number of Empl	oyees Hired after G	Graduation			
		FY2013.3	FY2014.3	FY2015.3	FY2016.3
Number of employees (people)	hired after graduat	ion 52	58	83	82
Number of female emp (people)	oloyees included	26	25	38	35
Percentage of female e	mployees included	50.0%	43.1%	45.8%	42.7%
Employment Ratio for	People with Disabilit	ies (Group Total)			
		FY2013.3	FY2014.3	FY2015.3	FY2016.3
Employment ratio for p	people with disabili	ties 1.83%	1.96%	2.00%	2.00%
	Averages				(Years)
		FY2013.3	FY2014.3	FY2015.3	FY2016.3
Average years of contin	nuous service	9.5	10.6	10.3	12.3
Average age		39.4	39.6	39.5	38.8

<ul> <li>Number of Employees th</li> </ul>	at Took Leave for Childca	are or Nursing			(People		
		FY2013.3	FY2014.3	FY2015.3	FY2016.3		
Number of employees t childcare	hat took leave for	107	93	88	70		
Number of male employ	yees included	8	7	8	5		
Number of employees t home nurse	hat took leave to	1	0	0	(		
Number of male employ	rees included	0	0	0	(		
Annual Paid	Leave Utilization Rate	e					
		FY2013.3	FY2014.3	FY2015.3	FY2016.1		
Annual paid leave utiliza	tion rate	53.3%	52.6%	49.2%	65.4%		
le de	strial Accidents				An eldon		
indi	istrial Accidents	FY2013.3	FY2014.3	FY2015.3	(Incident		
Industrial accidents		47	50	38	172010.3		
Overview of Systems to Br	amata Achiayamant of War	( Life Palance (6	Dun mun man the steer surrous				
Overview of Systems to Pr System	Overview	k-Life Balance (F	Programs that surpa	ass legal requireme	ents)		
Childcare leave	Can be taken until th	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 day	ys of paid leave v	when their wife	gives birth.		
Flex time system	Normal working hou	rs are determined	not on a daily ba	asis but on a mo	nthly basis.		
Child-rearing flex time system		For employees who are raising children who have not yet completed the sixth year of elementary 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 when there is no place						
Provision of support funds for childbirth and childcare	Provision of ¥200,00 Provision of ¥2,000, (Acquisition of childo the receipt of this su	000 at the birth of care leave for one o	each of the third	d and subsequer	nt children.		

Number of Employees that Took Leave for Childcare or Nursing

Note: Systems used by Group companies are different.

## Corporate Governance and Compliance

## Corporate Governance

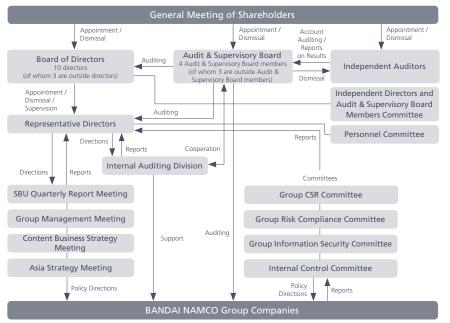
#### + Policies / Basic Approach

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

BANDAI NAMCO Holdings' Board of Directors has 10 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.

→ For details about corporate governance initiatives, please refer to the BANDAI NAMCO Holdings' website. (http://www.bandainamco.co.jp/en/ir/governance.html)



#### As of June 20, 2016

## 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 FY2016.3, we offered four e-learning sessions on compliance and one compliance awareness survey. These programs, which were targeted at Group officers and employees, were completed by a total of approximately 20,000 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 BANDAI NAMCO 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.

## Risk Management and Information Disclosure

## Compliance

### + 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.

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

In preparation for a serious disaster or accident, the BANDAI NAMCO Group has formulated basic policies for Group business continuity planning and is working to establish a system for business continuity management. 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.

#### 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 the BANDAI NAMCO Holdings' website, we provide video streaming of the presentations and downloads of the materials distributed at the presentations as well as Q&A materials.



#### IR and Investor Information

→ http://www.bandainamco.co.jp/en/ir/index.html

### + General Meeting of Shareholders

BANDAI NAMCO Holdings considers the General Meeting of Shareholders to be not just a place for resolutions but also a place for dialogue with shareholders, and the Company is working to foster active communications. After the conclusion of the General Meeting of Shareholders, we establish time for dialogue with shareholders and hold exhibitions of products and services.



## **Group Organizational System**

## **Financial Results Highlights**

The BANDAI NAMCO Group comprises a pure holding company, BANDAI NAMCO Holdings Inc., 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)

**BANDAI NAMCO** 

Holdings Inc.

#### **TOYS AND HOBBY**

 Manufacturing and marketing toys, confectionery, foods, vending machine capsule toys, cards, plastic models, apparel, sundries, stationery, and other products

Core Company: BANDAI CO., LTD.

#### **NETWORK ENTERTAINMENT**

 Developing, marketing, and distributing network content; developing and marketing home video game software, arcade game machines, and prizes for amusement machines; planning and operating amusement and other facilities

Core Company: BANDAI NAMCO Entertainment Inc.

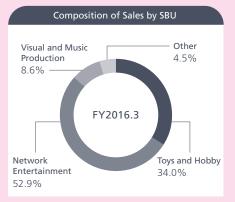
#### VISUAL AND MUSIC PRODUCTION

+ Planning, manufacturing, and production of animation; planning, manufacturing, and sales of visual and music software; distributing video on demand content; conducting live entertainment operations

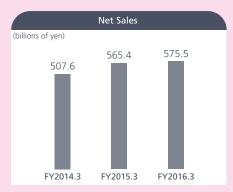
Core Company: BANDAI VISUAL CO., LTD.

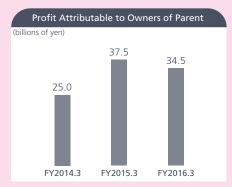
## AFFILIATED BUSINESS COMPANIES

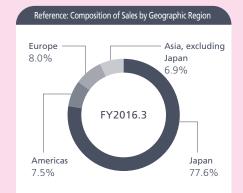
+ Supporting the SBUs in such areas as distribution, logistics, and administrative services



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

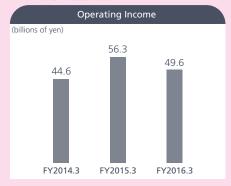


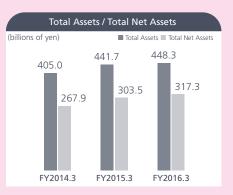




Notes: 1. Estimates based on Company data.

Percentage figures are calculated based on sales to external customers.





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## Corporate and Other Information

### Corporate Data (As of March 31, 2016)

- + Corporate Name
  BANDAI NAMCO Holdings Inc.
- + Head Office
  BANDAI NAMCO Mirai Kenkyusho
  5-37-8, Shiba, Minato-ku, Tokyo 108-0014,
  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 7,391
- Number of Consolidated Subsidiaries
   subsidiaries
   equity-method affiliates

## **Editorial Policy**

"Fun For the Future! BANDAI NAMCO CSR Activity Report 2016" was issued in order to provide stakeholders with easy-to-understand descriptions of the CSR activities of the BANDAI NAMCO Group. 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.

Guidelines referred to: GRI (Global Reporting Initiative)

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 FY2016.3 (from April 1, 2015 to March 31, 2016).

#### Organizations Covered

This report covers the consolidated companies, excluding equity-method affiliates.

## CSR Activity Report 2016 Website Version

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





## + Pamphlet Version

The special feature focuses on key examples of CSR activities.

