






## Themes of Each Unit's Major Activities:




### FY2019.3 Activity Report






The BANDAI NAMCO Group's Units and affiliated business companies have formulated mid-term plans for the Group's Important CSR Themes and are implementing initiatives on that basis. Under these mid-term plans, major initiative themes are established, and measures and roadmaps are determined for each theme. The Group CSR Committee and Group CSR Subcommittee confirm and review progress with activities. In these ways, we are working to achieve the plans. The status of the activities of the Units and affiliated business companies in regard to the three-year Mid-term Plan that was launched in April 2018 is as follows.






| BANDAI NAMCO Group's Important CSR Themes: Safety and Cleanliness of Products and Services |                                      |   |  |
|--|--------------------------------------|---|--|
| Units  | Major Initiative Themes              | Status of Progress  | FY2019.3 Activity Report   |
| Toys and Hobby   | Focusing on safety and peace of mind |    | <ul style="list-style-type: none"> <li>+ Holding the Product Safety Forum, with five Group companies cooperating to implement exhibitions in Japan in order to foster consideration for product safety; Two companies cooperating to implement the same type of exhibition in Shenzhen, China</li> <li>+ Holding four study sessions with cooperating manufacturers, including both lectures and workshops<br/>⇒ Average satisfaction level of participants: 92.0% (Target: 80% or more)</li> <li>+ Reevaluating BANDAI quality standards two times and implementing revisions for 39 items; formulating BANDAI SPIRITS quality standards (214 items) for customers age 15 and older</li> </ul>  |
| Network Entertainment  | Advancing safe, secure manufacturing |   | <ul style="list-style-type: none"> <li>+ Revising regulations and guidelines for game production at BANDAI NAMCO Entertainment Inc. and BANDAI NAMCO Online Inc.</li> <li>+ Formulating guidelines for the "enza" platform, which is being rolled out by BXD Inc.</li> </ul>   |
| Real Entertainment   | Creating safe, secure facilities     |  | <ul style="list-style-type: none"> <li>+ Promoting acquisition of AOU Youth Advisor certification<br/>⇒ Certification acquisition rate for managers of facilities at BANDAI NAMCO Amusement Inc. and PLEASURECAST CO., LTD.: 100%</li> <li>+ Promoting acquisition of service skills certification<br/>⇒ % of employees who are certified: 97.3% (Target: 100%)</li> <li>+ Implementing checks related to facility safety<br/>⇒ Implementing facility safety checks (2 times), electrical equipment check evaluations at a total of 50 facilities, and periodic checks at children's spaces and large-scale entertainment facilities</li> <li>+ Implementing independent checks related to food safety (food safety inspections) at restaurants (2 times)</li> </ul> |

| BANDAI NAMCO Group's Important CSR Themes: Safety and Cleanliness of Products and Services |   |   |   |
|--|---|---|---|
| Units  | Major Initiative Themes   | Status of Progress  | FY2019.3 Activity Report  |
| Visual and Music Production  | Product safety standard initiatives   |  | <ul style="list-style-type: none"> <li>+ Revising BANDAI NAMCO Arts Inc. quality control standards</li> <li>+ Implementing observation of manufacturing process for new packaging (11 times)</li> </ul>   |
| IP Creation  | Zero accidents campaign: Working to increase safety and eliminate accidents in regard to the operation of vehicles used for the delivery and collection of products |  | <ul style="list-style-type: none"> <li>+ Implementing driving skills and traffic safety lecture for 32 new employees</li> <li>+ Installing SmartDrive movement monitoring systems on all 21 vehicles used for the delivery and collection of products</li> </ul>  |
| Affiliated Business Companies (BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.)                 | Reducing vehicle accidents through safe driving and delivering cargo without delay  |  | <ul style="list-style-type: none"> <li>+ Implementing safety training for drivers and dispatchers (5 times)</li> <li>+ Implementing safety guidance during roll call</li> <li>+ Maintaining G-Mark certification for excellent standards for safety at 12 sites</li> </ul>  |
| Affiliated Business Companies (ARTPRESTO CO., LTD.)  | Providing safe, secure products with initiatives in manufacturing and materials   |  | <ul style="list-style-type: none"> <li>+ Implementing ongoing management of production processes with flowcharts</li> <li>+ Implementing plant audits (1 time), confirming strict observance of quality control in production processes</li> <li>+ Updating information in a database for existing materials used by type of material and by product title</li> <li>+ Implementing ongoing periodic checks for newly introduced materials, in accordance with material characteristics</li> </ul> |

| BANDAI NAMCO Group's Important CSR Themes: Environmental Consideration |  |  |   |
|--|--|--|---|
| Units  | Major Initiative Themes  | Status of Progress   | FY2019.3 Activity Report  |
| Toys and Hobby   | "Act Now For Future Smiles"  |   | <ul style="list-style-type: none"> <li>+ Within the Unit, we held meetings of the CSR Subcommittee (4 meetings), the Eco Medals committee (4 meetings), and the universal design study meeting (5 meetings)</li> <li>+ Enhancing environmental communications and other CSR communications                             <ul style="list-style-type: none"> <li>⇒ Exhibiting at events: 12 exhibits, approximately 4,700 visitors</li> <li>⇒ Implementing on-site lessons: 115 schools, approximately 7,500 children</li> </ul> </li> <li>+ Certifying 132 items in FY2019.3 under the Eco Medal certification system, which certifies products that meet internal standards for environmental friendliness</li> </ul>  |
| Network Entertainment  | Advancing environmentally friendly design and environmental education activities |   | <ul style="list-style-type: none"> <li>+ Advancing environmental education for employees through internal notices, etc.</li> </ul>  |
| Real Entertainment   | Energy-saving initiatives  |  | <ul style="list-style-type: none"> <li>+ For environmentally friendly design, promoting "Eco-Amusement," which certifies products that meet designated internal standards</li> <li>+ Achieving 45.7% reduction in electricity use in comparison with fluorescent lights by converting lighting for approximately 2,000 amusement machines to LEDs</li> <li>+ Aggressively utilizing LEDs in newly installed lighting equipment in amusement facilities</li> <li>+ In the Lights Down Campaign sponsored by the Ministry of the Environment, with the understanding of the commercial facilities that house our amusement facilities, we turned down the lighting to the extent possible without adversely affecting customer safety and crime prevention, and we operated with the lighting from the game machines, etc.</li> </ul> |

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|--|--|---|--|
| Units  | Major Initiative Themes  | Status of Progress  | FY2019.3 Activity Report   |
| Visual and Music Production  | Implementing environmental consideration   |  | <ul style="list-style-type: none"> <li>+ Recycling excess work-in-progress and product inventories</li> <li>+ Aggressively using LEDs for lighting at live events</li> <li>+ Taking steps to reduce the use of wood and other natural materials, such as reusing stage props</li> </ul>  |
| IP Creation  | Promoting environmental consideration and the environmental understanding of employees   |  | <ul style="list-style-type: none"> <li>+ Advancing paperless operations by expanding the scope of electronic approval systems</li> <li>+ Reducing the use of paper resources through the digitalization of animation production processes                             <ul style="list-style-type: none"> <li>⇒ Establishing studio in Osaka specializing in digitalization at BANDAI NAMCO Pictures INC.</li> </ul> </li> <li>+ Advancing educational activities for employees through internal notices, mail magazines, etc.</li> </ul> |
| 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 |  | <ul style="list-style-type: none"> <li>+ For newly purchased vehicles, introducing types of vehicles compliant with 2010 (post new long term) emission regulations</li> <li>+ Achieving average fuel consumption of 5.53 km/L through continued eco-driving activities</li> <li>+ Continuing to save power by turning off unnecessary lighting at offices and warehouses</li> </ul>  |

| BANDAI NAMCO Group's Important CSR Themes: Policies Regarding Influence on Society of the Group's Content and Products |  |   |   |
|--|--|---|---|
| Units  | Major Initiative Themes  | Status of Progress  | FY2019.3 Activity Report  |
| Toys and Hobby   | Control of ethical expression in content and products            |    | <ul style="list-style-type: none"> <li>+ Implementing training related to ethics                             <ul style="list-style-type: none"> <li>⇒ Implementing training for new employees (1 time) and training for companies in the Toys and Hobby Unit (4 times)</li> </ul> </li> <li>+ Accumulating examples of ethical expression in products from other companies and from inside the Company, revising ethical assessment standards in line with target customers</li> <li>+ Holding Group ethics liaison committee meetings (held 2 times) attended by people in charge of ethics at each Group company</li> </ul>   |
| Network Entertainment  | Initiatives related to appropriate expression                    |    | <ul style="list-style-type: none"> <li>+ Announcing that "appropriately controlling ethical expression in content" is an important initiative theme shared by all companies in the Network Entertainment Unit, and implementing initiatives                             <ul style="list-style-type: none"> <li>⇒ Continuing to implement seminars for employees related to ethical expression</li> <li>⇒ Providing information to employees through the distribution of mail magazines related to ethical expression and through exclusive in-house websites</li> <li>⇒ Participating in Group ethics liaison committee meetings (held 2 times) attended by people in charge of ethics at each Group company</li> </ul> </li> </ul> |
| Real Entertainment   | Showing consideration for ethics in content and products         |   | <ul style="list-style-type: none"> <li>+ Revising detailed standards for ethical expression in products and services                             <ul style="list-style-type: none"> <li>⇒ Newly establishing executive office in charge of ethics</li> </ul> </li> <li>+ With consideration for internal and external examples, implementing ethics lectures for business divisions to facilitate ethical expression (3 times)                             <ul style="list-style-type: none"> <li>⇒ Participating in Group ethics liaison committee meetings (held 2 times) attended by people in charge of ethics at each Group company</li> </ul> </li> </ul>   |
| Visual and Music Production  | Initiatives in the areas of ethical expression and IP protection |  | <ul style="list-style-type: none"> <li>+ Implementing multiple checks of ethical expression by two departments</li> <li>+ Implementing internal lectures related to copyrights</li> <li>+ Participating in Group ethics liaison committee meetings (held 2 times) attended by people in charge of ethics at each Group company</li> </ul>   |
| IP Creation  | Implementing initiatives for appropriate ethical expression      |  | <ul style="list-style-type: none"> <li>+ Participating in Group ethics liaison committee meetings (held 2 times) attended by people in charge of ethics at each Group company</li> </ul>  |
| Affiliated Business Companies (ARTPRESTO CO., LTD.)  | Enhancing internal awareness                                     |  | <ul style="list-style-type: none"> <li>+ Implementing information security (PrivacyMark) training for all employees (1 time)</li> </ul>   |

| BANDAI NAMCO Group's Important CSR Themes: Supply Chain Management         |   |   |  |
|--|---|---|--|
| Units  | Major Initiative Themes                                   | Status of Progress  | FY2019.3 Activity Report   |
| Toys and Hobby   | BANDAI Factory Audits (BFAs)                              |    | <ul style="list-style-type: none"> <li>+ Implementing audits of all overseas final packaging plants that make BANDAI products for the Japanese market (168 plants)</li> <li>+ Implementing Unit-wide integrated management at manufacturing plants that make copyrighted products that have character information regulations</li> <li>+ Implementing supplier conferences at three locations—Tokyo, Shanghai, and Shenzhen—to share information with suppliers</li> </ul> |
| Real Entertainment   | Appropriate supply chain management in Japan and overseas |    | <ul style="list-style-type: none"> <li>+ When starting business relationships with suppliers, implementing CSR Procurement Questionnaire, which covers seven major items, including prohibition of human rights violations, such as forced labor</li> <li>+ Implementing audits of confirmation items, including the working environment, for amusement machine product assembly plants with which we are starting a new business relationship</li> </ul>                  |
| Visual and Music Production  | Implementing supply chain management                      |    | <ul style="list-style-type: none"> <li>+ Implementing audits at customer centers that handle personal information</li> <li>+ Continuing to implement interview research based on plant audit checklists for major production plants in Japan and overseas</li> </ul>   |
| Affiliated Business Companies (BANDAI LOGIPAL INC. / LOGIPAL EXPRESS INC.) | Rolling out integrated distribution services              |    | <ul style="list-style-type: none"> <li>+ Maintaining AEO (Authorized Economic Operator) customs broker certification</li> <li>+ Maintaining PrivacyMark</li> </ul>   |
| Affiliated Business Companies (ARTPRESTO CO., LTD.)                        | Safety and security in production plants                  |  | <ul style="list-style-type: none"> <li>+ Continuing to implement supplier plant audits (10 companies out of a total of 17 in Japan and overseas)</li> </ul>  |