

Fun For the Future!



BANDAI NAMCO Group CSR Activities 2018



Fun For the 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



As a company that provides
“Dreams, Fun
and Inspiration,”
we will implement
CSR activities that create
“Fun For the Future!”



Mitsuaki Taguchi

President and Representative Director
BANDAI NAMCO Holdings Inc.



The BANDAI NAMCO Group aims to provide “Dreams, Fun and Inspiration,” and our vision is to become “the Leading Innovator in Global Entertainment.” Under the Mid-term Plan that was launched in April 2018, our Mid-term Vision is “CHANGE for the NEXT: Empower, Gain Momentum, and Accelerate Evolution.” To advance to the next stage, we are working to achieve CHANGE in all areas as we accelerate evolution in the IP axis strategy* without being bound by previous business models and established ideas.

In our CSR activities, in accordance with the concept “Fun For the Future!” we are implementing activities to create a fun future through our business operations. This CSR Activities Report introduces some of those activities in line with the BANDAI NAMCO Group’s important CSR themes.

Moving forward, the BANDAI NAMCO Group will maintain a sense of pride and responsibility for our mission of providing “Dreams, Fun and Inspiration” through our products and services, and we will implement activities that create “Fun For the Future!”

* What is the IP axis strategy?

The IP axis strategy is the greatest strength of the BANDAI NAMCO Group. Under this strategy, we work to maximize the value of IP (intellectual property: characters and other intellectual property) by leveraging the worldviews of IP and providing the optimal products and services in the optimal regions at the optimal times.



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 anti-society groups, harmony with the environment, and harmony with society

BANDAI NAMCO Group's Important CSR Themes

Safety and Cleanliness of Products and Services

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.

Supply Chain Management

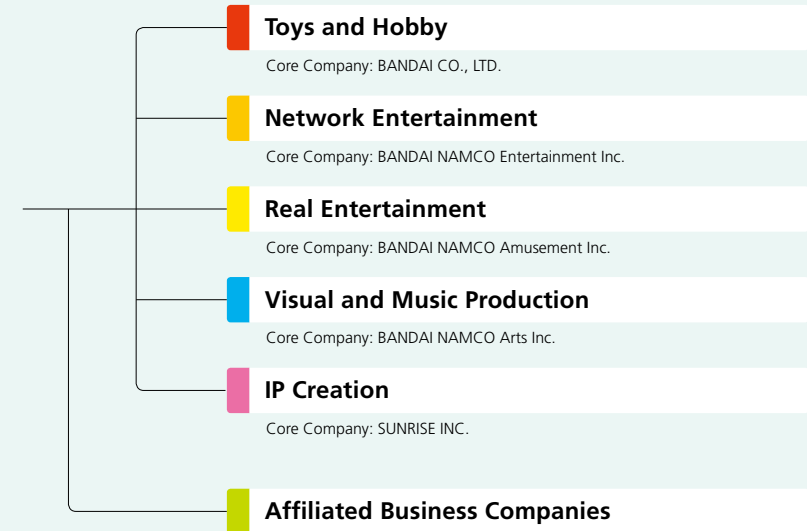
To achieve qualitative improvements in the “Dreams, Fun and Inspiration” that we provide, the Group will work to enhance supply chain management in each of its business areas.

Each Unit and affiliated business company sets up priority initiatives and works through its businesses to implement activities in line with the Group's Important CSR Themes.

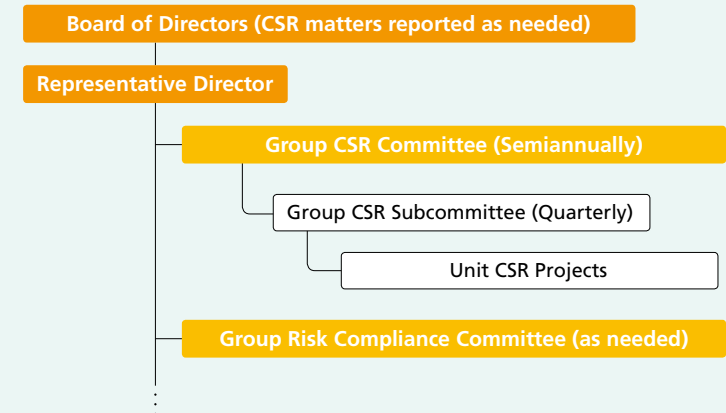
Group Organization



BANDAI NAMCO Holdings Inc.



BANDAI NAMCO Group's CSR Promotion System



Examples of Initiatives Addressing Four Important CSR Themes

Among the CSR activities implemented on a Groupwide basis, those themes that require special initiatives have been identified as "BANDAI NAMCO Group's Important CSR Themes." In addition, each Unit formulates its own "CSR Major Initiative Themes" and leverages the special characteristics of its operations in order to implement activities in accordance with those themes. This section introduces diverse product and service initiatives of the BANDAI NAMCO Group in line with each of the four important CSR themes.



Safety and Cleanliness of Products and Services

Variety Sports Facility

Safety and Security in VS PARK

BANDAI NAMCO Amusement Inc. opened VS PARK, a variety sports facility in Osaka, Japan, in April 2018, where it is advancing a range of initiatives so that customers can enjoy activities with safety and security.

What is VS PARK?

VS PARK is a variety sports facility with a large number of entertainment elements, enabling customers to readily enjoy sports without regard to their gender or athletic ability.

Escape

This is an ultra-short-distance race in which customers escape from the image of a ferocious animal projected on a wall. This enables everyone to use all of their strength to experience competition with animals in a secure environment.



Point

A large cushion has been positioned beyond the goal line so that customers can run past the goal line safely even if they run at full speed for 10 meters.



Run&Run

This activity enables customers to compete in two-person teams and see how far they can run when attached to a strong rubber tube.



Point

By reducing the difference in grade between the unit and the ground, we are working to prevent falls before and after the activity experience.



Point

The tubes attached to customers' waists are high-quality double rubber tubes made in Japan, enabling us to offer an activity experience that is more intense and safer.



Slackline

In this sport, which is a topic of conversation, customers enjoy skillfully balancing themselves on a thin line that is five centimeters wide.



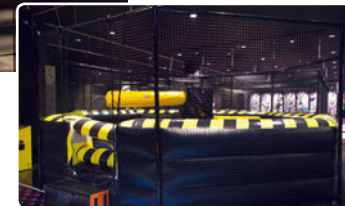
Point

We use more mats than usual so that even beginners can enjoy this activity safely. Also, we have set detailed rules to restrict proximity to locations that lead to injuries as well as dangerous movements.



Point

To help prevent the occurrence of falls, the walls in the main activity area are completely covered with nets.



JumpxJump

This activity offers the thrill of evading rotating obstacles by jumping up or squatting down.



VOICE Comments from Employees

Eiichiro Tsunoda

VS PARK Facility Manager
BANDAI NAMCO Amusement Inc.



In accordance with the concept of "enjoying together with customers," we are working to implement facility administration with a focus on safety and security. At VS PARK, there are many activities for customers to move their bodies, and accordingly we are working to understand areas that require special attention to safety by having staff members experience all of the activities themselves in advance training. We are working together to enliven the entire facility while continually keeping watch so that everyone can enjoy themselves with peace of mind.

Safety and Cleanliness of Products and Services

Creating Safe, Secure Products – Toys –

The policy of BANDAI CO., LTD., is to “create safe, secure products and provide customers around the world with products that they trust and find satisfying.” On that basis, we are taking steps to maintain and increase quality, such as initiatives in toy inspections, labeling, etc.



Toy Testing

We conduct tests to confirm safety, durability, and other characteristics, selecting from among approximately 370 test items in line with the characteristics of each toy. In addition, with consideration for laws and industry quality and safety standards, we set our own, more rigorous standards. On that basis, we conduct a variety of tests.



Check!

Button durability testing

Inspections are implemented to prevent breaking and changes in function or quality even if there is sustained movement for an extended period of time.

Check!

Elution testing

Testing toy components for the presence of mercury or other metals so that there is no harm to the human body even if the toy is licked



Check!

Impact testing involving dropping toys

Testing strength versus impact to determine whether or not a toy will break if dropped



Check!

Testing that current is not flowing by mistake

Testing that current is not flowing when the batteries are put in backwards so that it does not get hot and cause burns



Toy Labeling

Packages include cautions, warnings, and other information about things that customers need to observe so that they can play with safety and security.

Package Labeling Example



Point

Pictograms

Pictures, symbols, and marks are utilized so that children can understand risks at a glance.

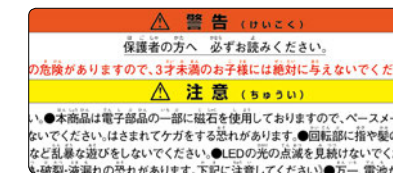


Examples of pictograms

Point

Cautions / Warnings

Items that require special attention to prevent injury, etc., are prominently displayed.



Cautions / Warnings label

Point

Age Range

Shows toy age range so that customers can play with safety and peace of mind.



(Age range: 3 years or older)

Point

ST Mark

The ST Mark is displayed on the packages of toys that meet the toy safety standards of the Japan Toy Association.



ST Mark

Safety and Cleanliness of Products and Services

Creating Safe, Secure Products – Amusement Machines –

At BANDAI NAMCO Amusement Inc., to maintain safety for customers and all of the other people involved with our products, safety reviews are conducted by a variety of departments, such as development, production, quality assurance, and service.

Mobile Suit Gundam: EXTREME VS. 2



Point

For customers using headphones, the design reflects consideration for safety so that high-volume sounds are not unintentionally, suddenly leaked from the headphones.

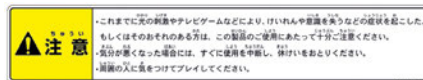
Point

Up to the point where the machines are in operation in facilities, advance testing is conducted to see that there are no hazards in machine transportation or set-up operations.



Point

As countermeasures to photosensitive epilepsy, we are taking such steps as formulating internal guidelines, developing safe products, and providing notices to remind customers to be careful.



↑ Sticker that reminds customers to be careful about photosensitive epilepsy

Point

To protect the safety of customers and staff concerned with facilities, we provide information related to safe product use, such as instruction manuals, etc.



VOICE Comments from Employees

For customer smiles, we are taking steps to see that products can be enjoyed with safety and security. In addition to existing categories, to address challenges in new business fields we will work each day to gather information related to safety and security and to utilize that information in product development in a timely manner.



↑ Safety inspection

Yuji Hamada

Quality Assurance
BANDAI NAMCO Amusement Inc.



Live Event Security Checks

At certain live events and other events that are attended by many customers, we have introduced security measures so that customers can enjoy the events with safety and security. For example, checks of handbags, etc., are conducted and personal identification is checked.



Consideration for the Environment at the BANDAI Hobby Center

The BANDAI Hobby Center, located in Shizuoka City, Shizuoka Prefecture, Japan, is the domestic plastic model production base of BANDAI SPIRITS CO., LTD. The center, which makes all of our plastic models sold in Japan, is implementing a variety of environmentally friendly initiatives.



Reducing Use of Natural Resources

The BANDAI Hobby Center aims to be an environmentally friendly green factory.

Solar Power Generation

We installed large solar panels on the exterior of the plant. These panels are generating more than 56,000 kWh per year through solar power generation, enough to supply approximately 5% of the electric power used in the plant.



Reuse of Water

The basement of the plant has rainwater storage facilities with a two-ton water tank. Stored water and well water are filtered in purification equipment and reused in the toilets within the plant. In this way, roughly 2,000 tons of water are reused annually.



Material Recycling (KPS)

For materials for plastic models, we primarily use KPS. We worked together with polystyrene manufacturers to develop KPS, which is a stronger form of polystyrene. KPS can be recycled together with other polystyrene, and it also has the strength and flexibility that are indispensable in plastic models.



↑ KPS pellets

Recyclable

In comparison with previous materials, for which remnants were processed as industrial waste, KPS can be recycled in the plant.

Both Strong and Flexible

In addition to strength equal to that of previous materials that are not recyclable, KPS also has flexibility that enables it to be bent 180 degrees without breaking.



← Example of product made with KPS



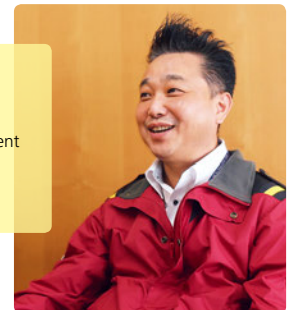
VOICE Comments from Employees

The BANDAI Hobby Center, which has been in operation since March 2006, is an environmentally friendly production plant that utilizes solar energy and reuses water. Its operations extend from planning to design, molds, molding, production, and quality control, and it has the functionality to create products from zero while showing consideration for the environment. For the employee uniforms and the molding machines, we use designs that are playful like the characters.

Products created at the BANDAI Hobby Center are sold around the world. Moving forward, we will continue working to create products that delight customers and meet their needs, which differ by age and area.

Yoshitake Tsutsui

Hobby Products Department
BANDAI SPIRITS CO., LTD.



Initiatives Leveraging Eco Medals

Eco Medals are an environmental labeling initiative implemented by BANDAI CO., LTD., and other companies in the Toys and Hobby Unit. These medals are granted to environmentally friendly products and services that clear our original standards. Package labels explain in an easy-to-understand manner where and how these environmentally friendly measures are incorporated.

Mini-Pla Kyutama Gattai Series 03 – Ryuteioh

The runners that connect parts were narrowed, and the volume of plastic discarded after assembly was reduced by 20% (compared with the Company's previous products). In addition, the instruction manual is printed on the inside of the box, thereby reducing the use of paper resources.



Label showing that the runners, which are discarded after assembly, have been reduced by approximately 20%



Label showing that the instruction manual is printed on the inside of the packaging



CAPCHARA — The Bears' School

With this design, the figure is created when the capsule, which is shaped like the face of the character, is assembled with the parts for the figure's body, etc., which are inside the capsule. In this way, the capsule, which had previously been discarded, has been made into a part of the toy that customers can play with.



Label showing that these are capsule-less products for which the packaging is part of the toy

Distribution that Is Friendly to People and the Environment

BANDAI LOGIPAL INC. and LOGIPAL EXPRESS INC., which handle distribution for the BANDAI NAMCO Group, are implementing initiatives that reflect consideration for safety and the environment. These include holding lectures about eco driving to enhance environmentally friendly driving techniques and participating in the Eco Driving Activity Contest sponsored by the Foundation for Promoting Personal Mobility and Ecological Transportation.



Eco Driving Lecture

VOICE Comments from Employees

In current truck distribution operations, in addition to safe driving we are also being called on to drive in a manner that is environmentally friendly. We began eco driving activities in 2003. We are conducting driver training every year and implementing eco driving in our daily operations. Moving forward, we will work to implement eco driving so that we can reduce CO₂ emissions as much as possible through the cumulative effect of our daily efforts.



Makoto Akaishizawa

Transport Business
LOGIPAL EXPRESS INC.

Consideration for the Environment at Live Events

BANDAI NAMCO Live Creative Inc. is aggressively utilizing LED lighting at live events and taking other steps to save energy. In addition, at event sites we are working to sell reusable live event goods, such as original eco-bags and penlights powered by batteries that can be used repeatedly.



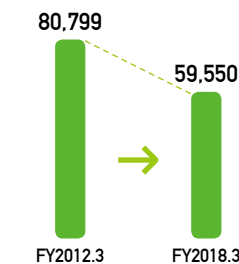
LED lighting was used at Kiramune Music Festival 2018 (Yokohama Arena)

Initiatives to Reduce CO₂ Emissions

The BANDAI NAMCO Group has set annual reduction targets for CO₂ emissions in each business field. We are working to achieve reductions through eco-related initiatives. Groupwide emissions in FY2018.3 were 59,550 t-CO₂, a reduction of 26.2% from FY2012.3. From FY2019.3, in addition to total emissions management, we are also working to control CO₂ emissions through the introduction of management based on emissions intensity for each Unit.

BANDAI NAMCO Group CO₂ Emissions

(t-CO₂)



Initiatives for the Provision of Appropriate Products and Services

We are working to facilitate the provision of products and services in accordance with appropriate expression, while at the same time respecting free expression. To that end, we will advance a variety of training initiatives and the sharing of information among Group companies. In addition, we will implement educational activities directed outside the Group as well.



Initiatives Related to Ethical Expression

At the BANDAI NAMCO Group, each Unit is implementing a variety of employee training measures related to ethical expression. We are also taking steps to advance the sharing of information related to ethical expression, such as holding study sessions based on the latest information, past examples, and trends and distributing mail magazines to employees.



↑ Study session related to ethical expression



IP Protection Lectures In China

● IP Protection Initiatives*

BANDAI NAMCO (SHANGHAI) CO., LTD., which is based in Shanghai, China, is holding lectures at universities in the city of Shanghai with the objective of fostering education related to IP protection. We are also conducting activities to help eradicate pirated versions. In FY2018.3, lectures were held for approximately 600 students to teach about the importance of IP protection.

* From FY2019.3, this initiative has been transferred to BANDAI NAMCO Holdings CHINA CO., LTD.



Creating Products in Cooperation with Suppliers

We are implementing independent audits and inspections of suppliers' plants. In addition, we are providing and sharing information through supplier conferences and websites exclusively for suppliers. In these ways, we are working together with suppliers to strictly observe laws and regulations and to maintain and improve quality.



BANDAI Factory Audits

BANDAI CO., LTD., implemented BANDAI Factory Audits (BFAs), which combine new plant audits and Code of Conduct (COC) audits, at overseas final packaging plants (174 plants in FY2018.3) that make BANDAI products.



↑ Implementing a BFA at supplier's plant in China



↑ BANDAI Suppliers Awards (Shanghai venue)

Supplier Conference / Awards

BANDAI CO., LTD., holds supplier conferences every year. At these conferences, information is shared about such matters as safety standards accompanying revisions of toy-related laws in Japan and overseas, as well as BANDAI's original quality standards. (Held at three venues in FY2018.3—Tokyo, Shanghai, and Shenzhen.)

Furthermore, BANDAI has 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.



Social Contribution Activities

BANDAI NAMCO Group Support Activities for Disaster-Stricken Areas

Great East Japan Earthquake Support

Since 2011, in Iwate, Miyagi, and Fukushima Prefectures, in Japan, the BANDAI NAMCO Group has continued to implement activities for children in areas affected by the Great East Japan Earthquake.

We are implementing activities that draw on the distinctive strengths of the BANDAI NAMCO Group, such as holding handicraft classes with a theme based on *The Bears' School* picture book series and plastic model classes. In addition, together with shareholders, each year we donate a total of ¥10 million to Save the Children Japan. These donations are used as funds for support activities for children in regions affected by the Great East Japan Earthquake.

Yamada Town, Shimohei District,
Iwate Prefecture



The Bears' School
Handicraft Class

Ishinomaki City, Miyagi Prefecture

Plastic Model
Class



Soma City, Fukushima Prefecture

Plastic Model
Class



Initiatives to Support the Development of the People Who Will Support the Next Generation

On-Site Classes

BANDAI's On-Site Classes

BANDAI CO., LTD., implemented on-site classes covering initiatives on the environment / eco-activities, universal design, and safety and security. As a theme, these activities utilize the toys that children know and love. The classes were principally provided at elementary schools.



BANDAI NAMCO Entertainment's On-Site Classes

BANDAI NAMCO Entertainment Inc. implemented on-site classes with the themes of electricity and energy-saving. The classes, which were implemented with the participation of all students, included an eco-quiz and an electricity generation experiment using a bicycle.



Support for Children's Environmental Learning and Activities

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 1,800 clubs nationwide with about 100,000 members (as of March 2018).



📍 Rice-planting experience activities
(Held by Ikimono Mikke Farm, a club registered with Children's Eco Club)

Supporting Out-of-School Activities for Elementary and Junior High Schools

SUNRISE INC. is cooperating on out-of-school activities for elementary and junior high schools, offering company tours and implementing lectures that provide basic information about animation production.



Social Contribution Activities

Initiatives in Regions that are The Settings for Animations

GIRLS und PANZER

BANDAI NAMCO Arts Inc., is supporting the activation of regions connected with the *GIRLS und PANZER* animation, which is produced in-house.

Oarai Anko Matsuri

At the Oarai Anko Matsuri (November 2017), a regional event in Oarai Town, Higashiibaraki District, Ibaraki Prefecture, Japan, there was a talk show with the cast and sales of related goods.



← Sakamoto Ryōma Correspondence Lending Ceremony and Talk Show in Kochi

The Museum of Bakumatsu-Meiji History in Oarai Town, which is the setting for the product, lent the correspondence of Sakamoto Ryōma to the Kochi Prefecture Sakamoto Ryōma Memorial Museum. On that occasion, four of the cast members appearing in the product were selected as special representatives.

Love Live! Sunshine!!

With *Love Live! Sunshine!!*, which is produced by SUNRISE INC., we are supporting regional activation in Numazu City, Shizuoka Prefecture, Japan, which is the setting of the product. Together with people from the local community, we are taking steps to activate Numazu City, which is the setting of *Love Live! Sunshine!!*. These include participating in local festivals, stamp rallies implemented with the participation of various stores in the city, mystery-solving events, and the wrapping of buses, taxis, trains, and ships.

Numazu Koinobori Festival →

For the Koinobori Festival, which is one of Numazu's festivals, we created and put up carp streamers based on the product. Local nursery schools and local companies cooperated to make the carp streamers, and the designs were based on the hand prints of the nursery school students.



← Wrapping of a bus on a regular route

Overseas Initiatives

Initiatives in the Americas

BANDAI AMERICA INC., which is headquartered in the U.S. state of California, established the Bandai Foundation in 1995 with the objective of contributing to U.S. society. Through donations, volunteer activities conducted by employees, etc., we are supporting charitable activities to improve the lifestyle and play environments for children and their families in the United States.

Example of Initiatives

In January, 2017, we established a music recording studio in a children's hospital in California. In this way, we contributed to the enhancement of an environment that facilitates the provision of care through music.



Initiatives in China

The BANDAI NAMCO Group is advancing business operations in China and implementing a variety of social contribution activities to support the realization of a fun society.

Example of Initiatives

BANDAI NAMCO SHANGHAI BASE

In Shanghai, there is an event hall that uses the BANDAI NAMCO name—BANDAI NAMCO SHANGHAI BASE. This was established with the objective of contributing to China's culture and industry. Accordingly, in China's entertainment market, which continues to change, we will aim to use this event hall as a venue for communicating content in line with the needs of the age.



Corporate and Other Information

Corporate Data (As of March 31, 2018)

◆ 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

7,871

◆ Number of Consolidated Subsidiaries

76 subsidiaries
5 equity-method affiliates

Editing Policy

Fun For the Future! BANDAI NAMCO Group CSR Activities 2018 (this publication) has been published with the aim of reporting to stakeholders in an easy-to-understand manner examples of specific initiatives related to CSR on a Groupwide basis. The Company's public website describes the initiatives that each unit has formulated in accordance with the BANDAI NAMCO Group's Important CSR Themes, activity reports for those initiatives, and more detailed information.

Period Covered

This report presents activities and results in FY2018.3 (April 1, 2017, to March 31, 2018)

* In certain cases, the latest information is also included.

Organizations Covered

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

The Bears' School

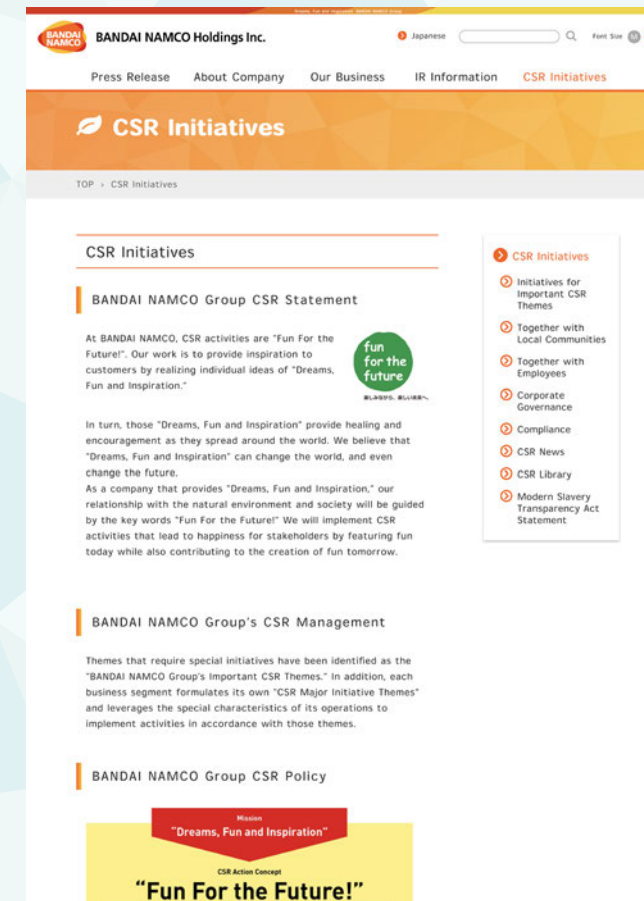
The popular *The Bears' School* series of picture books from the Character Research Institute tells the story of the daily lives of Jackie, a young girl bear cub, and her 11 brothers. The idea of "valuing a casual day of fun" is in accord with our CSR activities, and with Jackie as the central character, we are broadly leveraging our CSR action concept of "Fun For the Future!"



BANDAI NAMCO Group CSR Activities 2018: Guide to the Online Version

In addition to the information in this publication, the BANDAI NAMCO Group provides information on its website regarding specific initiatives related to society and the environment.

Online Version <https://www.bandainamco.co.jp/en/social/index.html>



WEB CONTENT

➤ CSR Initiatives

- Initiatives for Important CSR Themes
- Together with Local Communities
- Together with Employees
- Corporate Governance
- Compliance
- CSR News
- CSR Library
- Modern Slavery Transparency Act Statement

CSR Library

This section provides a summary of the CSR initiatives pamphlet as well as environmental/ human resources-related information.

