

BANDAI NAMCO

Fun for All into the Future

Constantly observing and listening to fans, no matter the era. This has been what I have strived to do throughout my career, and this ambition is encapsulated in the words of our Purpose.

“Fun” comes in all forms. **Through the fun that we create, we will deliver enjoyable experiences to an even greater number of fans.**

Our Purpose enables us to reflect on our Purpose as a corporate group from the perspective of how fans view the IPs of Bandai Namco and provides an opportunity to further pursue new challenges.

Bandai Namco’s Purpose

Fun for All into the Future

Bandai Namco exists to share dreams, fun and inspiration with people around the world. Connecting people and societies in the enjoyment of uniquely entertaining products and services, we’re working to create a brighter future for everyone.

The fans’ dreams are our dreams.
Moving forward, we will create things that make life more enjoyable and fun.

We can communicate powerful messages through IPs.
Characters and the entertainment they provide invigorate and empower people.

What does Bandai Namco’s Purpose mean to you?

Note: The special feature in this report (pages 38 to 61) summarizes the feelings of employees toward our Purpose.

To date, I have strived to deliver IP that not only resonates in the hearts of fans but also brings me joy.

The Purpose represents a common language that defines our reason for existence. We therefore will continue to expand the Purpose on a global scale.

It feels like the efforts of each Bandai Namco employee have blended together to form a common language, **and this has unified the direction toward which we head as a corporate group.**

“All” means everyone, including us. By creating things that both we and the fans enjoy, we fulfill our Purpose.

To bring joy to all of our fans,
we will work to build the future together with them with a sense of accomplishment and fulfillment—all while having fun.

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Connect with Fans

—Forging Connections with Fans Worldwide
through Our Diverse Range of Businesses

BANDAI NAMCO

Striving to Connect with All Our Stakeholders around the World to Create a World of Smiles and Happiness Together

In April 2022, in conjunction with the launch of our Mid-term Plan, we formulated our Purpose — Fun for All into the Future — which is the ultimate definition of who we are as a Group. The Purpose expresses the meaning of the Group's existence for society or, in other words, what we aim to be. Within the Purpose, the key words of “Connecting and working together to create things” are particularly important. Under our Mid-term Plan, we adopted the Mid-term Vision of “Connect with Fans” to realize our Purpose of “Fun for All into the Future,” as this vision is deeply connected to our Purpose. We believe that “Connecting and working together to create things” will lead to “Fun for All into the Future,” and I think that “Fun for All into the Future” means creating a world of smiles and happiness together. We constantly convey the ideals encapsulated by our Purpose in an aim to have every employee consider “Fun for All into the Future” as a personal matter and act accordingly. We have also made steady progress with our business performance

during the current Mid-term Plan. Following the achievement of over ¥100.0 billion in operating profit in FY2023.3, we achieved, for the first time ever, net sales of over ¥1 trillion in FY2024.3, placing us within reach of the long-term targets adopted at the time of the Group's inauguration in 2005. With that said, these accomplishments are only a waypoint, and we will continue to strive for sustainable growth in the global market. Moving forward, we will forge broad, deep, and multifaceted connections with all of our stakeholders and provide them with quality entertainment. By doing so, we will strive to fulfill our Purpose of “Fun for All into the Future.”

Masaru Kawaguchi

President and Representative Director
Group CEO
Bandai Namco Holdings Inc.



About Integrated Report 2024

In editing this report, we made reference to the IFRS Foundation's Integrated Reporting Framework and SASB Standards on Toys & Sporting Goods and Software & IT Services, as well as the TCFD recommendations.

Forward-Looking Statements

The forward-looking statements in this report are based on the information available to management as of August 2024 and include various risks and uncertainties. Accordingly, actual results may differ materially from these projections for a variety of reasons. Major factors that could influence actual results include changes in the Bandai Namco Group's operating environment, market trends, and exchange rate fluctuations.

Notes: 1. Figures in this report have been rounded down.
2. Unless otherwise noted, figures in this report are as of August 2024.
3. This is an English translation of the Japanese original Bandai Namco Group Integrated Report 2024. The Company provides this translation for your reference and convenience only and does not guarantee its accuracy or otherwise. In the event of any discrepancies, the Japanese original Integrated Report shall have precedence.

Our website provides a variety of information about the Bandai Namco Group, such as IR information and sustainability initiatives. Please utilize the website in conjunction with this report.

www.bandainamco.co.jp



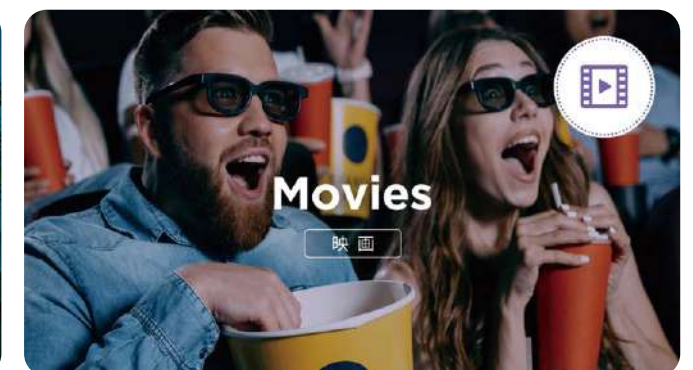
Ultimate
definition

Mid-term Vision

Bandai Namco Group Philosophy

DIVERSE RANGE OF BUSINESS AREAS

The Bandai Namco Group leverages strong IPs in the entertainment sector to create a diverse range of business areas. By harnessing the unique worlds and characteristics of these IPs, we operate under the ALL BANDAI NAMCO concept.



ORGANIZATIONAL STRUCTURE AND IP AXIS STRATEGY

With a system of three Units, the Bandai Namco Group is creating a diverse range of entertainment under the ALL BANDAI NAMCO concept. In addition, the strength of the Bandai Namco Group is the IP axis strategy, under which we work to maximize the value of characters and other intellectual property (IP) in order to provide the optimal products and services in the optimal regions at the optimal times.

ORGANIZATIONAL STRUCTURE

BANDAI NAMCO

Bandai Namco Holdings Inc.

Regional management companies

Bandai Namco Holdings USA Inc.
Bandai Namco Holdings Europe S.A.S.
Bandai Namco Holdings Asia Co., Ltd.
Bandai Namco Holdings China Co., Ltd.
Bandai Namco Holdings UK Ltd.

ENTERTAINMENT UNIT

► Digital Business

Business Management Company:
Bandai Namco Entertainment Inc.

Planning, development, and distribution of network content; planning, development, and sales of home console games

► Toys and Hobby Business

Business Management Company:
BANDAI CO., LTD.

Planning, development, production, and sales of toys, capsule toys, cards, confectionery and foods, apparel, sundries, model kits, prizes, stationery, and other products

IP PRODUCTION UNIT

Business Management Company:
Bandai Namco Filmworks Inc.

Planning, production, and use of visual and music content, such as animations; management and use of copyrights; discovery and development of artists; live entertainment business

AMUSEMENT UNIT

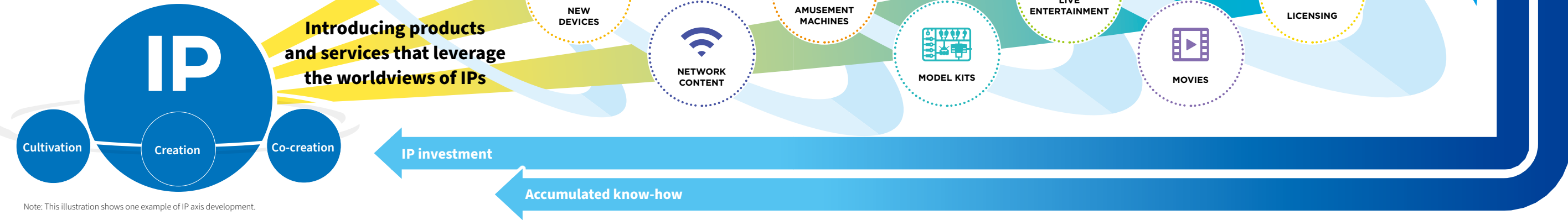
Business Management Company:
Bandai Namco Amusement Inc.

Planning, development, production, sales, and after-service for amusement machines; planning and operation of amusement facilities, including theme parks and indoor playgrounds, etc.

AFFILIATED BUSINESS COMPANIES

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

IP AXIS STRATEGY



Note: This illustration shows one example of IP axis development.

THE BANDAI NAMCO GROUP—
OUR VALUE CREATION PROCESS

The Bandai Namco Group's Operating Environment and Issues Facing the Group

Growing popularity of Japanese IP in global markets

Changes in customer lifestyles and preferences

Intensifying competition in global markets

Shrinking market in Japan due to declining birthrate

Changes in distribution and media environment, diversification of platforms, and technological advancements

Lengthening development periods and rising investment costs for digital content

Dependence on specific IP, businesses, or regions

Securing and defining specialized talent both in Japan and globally

Addressing climate change and environmental change

Threats, such as disasters, epidemics, and terrorism

Bandai Namco's Purpose: **Fun for All into the Future**

INPUT (KEY MANAGEMENT RESOURCES)

Diverse human resources Number of consolidated employees: 11,159 people <small>(As of March 31, 2024)</small>	Corporate culture of taking on challenges Strategic investment to strengthen the IP axis strategy: ¥40.0 billion over three years <small>(FY2023.3 to FY2025.3)</small>	Planning and development capabilities Annual number of IP utilized: More than 400	Open partnerships with external parties
Technical capabilities Investment in game content development, etc.: ¥79.3 billion <small>(FY2024.3)</small>	Sales and marketing capabilities Advertising expenses: ¥64.5 billion <small>(FY2024.3)</small>	Stable financial position Shareholders' equity ratio: 72.0 % <small>(FY2024.3)</small>	
Intellectual property Number of patents held: 2,084 <small>(As of the end of March 2024, Japan only)</small>	Strategic approaches to diverse business areas Products and services that make the most of the appeal of IP: More than 18 business areas	Number of products Annual number of products handled: Over 20,000	

ADVANCING THE MID-TERM PLAN

Connect with Fans

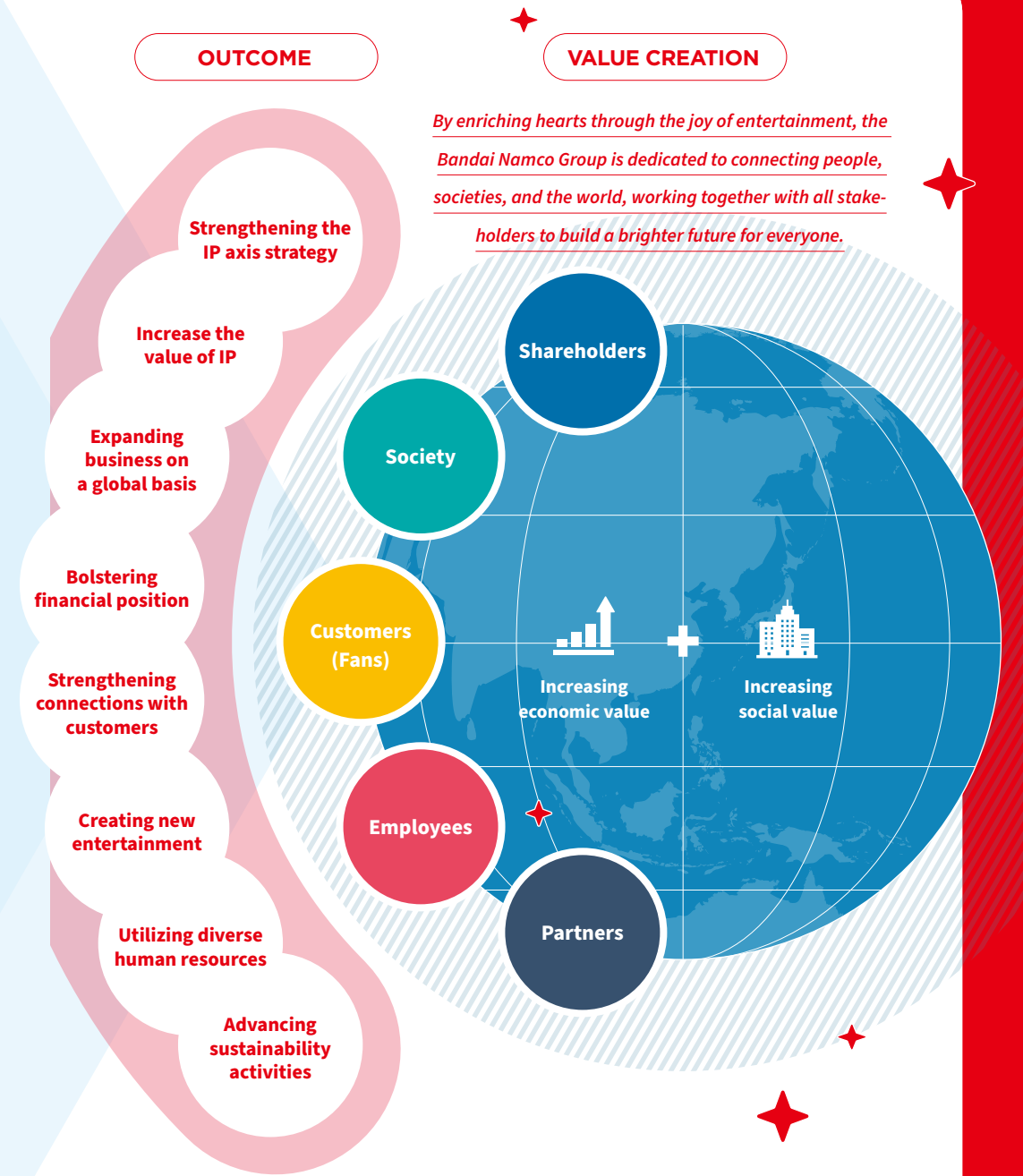
MAIN STRATEGIES

IP Axis Strategy IP×Fan (Connecting with fans through IP) IP×Value (Enhancing IP value) IP×World (Connecting the world through IP)	Personnel Strategy Developing diverse human resources	Sustainability Connecting to smiles into the future Material Issues <ul style="list-style-type: none">Harmonious coexistence with the natural environmentProvision of appropriate products and servicesAppropriate utilization and protection of intellectual propertyEstablishment of work environments that facilitate mutual respectHarmonious coexistence with communities
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Working Together with Fans around the World to Create the Future

In accordance with the Purpose, “Fun for All into the Future,” the Bandai Namco Group is taking steps to address the issues that we face. We are combining distinctive management resources to implement the global rollout of the IP axis strategy, which is the Group’s greatest strength and business model, and to provide products and services that leverage the appeal of IP. Moreover, through those products and services, we are striving to fulfill our responsibility to contribute to a sustainable society and aiming to realize sustained growth over the medium to long term. In these ways, the Bandai Namco Group is working to meet the expectations of its stakeholders. By enriching hearts through the joy of entertainment, the Bandai Namco Group is dedicated to connecting people, societies, and the world, working together with all stakeholders to build a brighter future for everyone.



OUR VALUE CREATION PROCESS

MAJOR IP IN GROUP PRODUCTS AND SERVICES

Annual Number of IP Utilized
More than 400

The Bandai Namco Group utilizes more than 400 IP per year to roll out products and services. This section introduces examples of established IP.

Units Developing IP Products and Services

E Entertainment Unit I IP Production Unit A Amusement Unit

IDOLiSH7

E I A

Since the launch of a game app for smartphones in 2015, *IDOLiSH7* has achieved a high level of popularity, especially among women. The Bandai Namco Group is rolling out a wide range of products and services, including animations, live events, music CDs, and goods.



THE IDOLM@STER Series

E I A

This IP was introduced in 2005. Centered on idol production game content for smartphones and home console games, it has earned popularity among a wide range of fans, without regard to gender. We are rolling out a variety of products and services, such as music CDs, live events, animations, comics, web radio, and merchandise.



Ultraman Series

E I A

Since its launch in 1966, *Ultraman* has earned the support of a wide range of age groups, extending to two or even three generations. The Bandai Namco Group provides *Ultraman* products and services, such as toys and visual products.



KAMEN RIDER Series

E I A

The *KAMEN RIDER* series has been popular for more than 50 years and has earned the support of a wide range of age groups around the world. The Bandai Namco Group provides various *KAMEN RIDER* products and services, centered on toys.



Mobile Suit Gundam Series

E I A

Since the launch of *Mobile Suit Gundam* in 1979, *Mobile Suit Gundam* products have earned support among a wide range of age groups. Centered on visual products, these include model kits, home console games, network content, and amusement machines. In addition to Japan, *Mobile Suit Gundam* initiatives are being rolled out around the world, including Hollywood films.



Super Sentai Series

E I A

The *Super Sentai* series has maintained its popularity with more than 45 products and has also earned support in Asia. The Bandai Namco Group provides a wide range of *Super Sentai* products and services, centered on toys.



Anpanman

E A

Anpanman has been popular among parents and children for more than 30 years. The Bandai Namco Group provides *Anpanman* products and services, centered on toys for infants.



Tamagotchi Series

E A

This in-house IP was created as a portable nurturing toy in 1996 and today is supported by two generations—parents and their children. We are working to broaden the scope of worldwide activities by strengthening out-licensing.



DRAGON BALL Series

E A

Launched in 1984, *DRAGON BALL* comics and animations have earned the support of fans around the world for many years. The Bandai Namco Group provides a wide range of *DRAGON BALL* products and services, such as home console games, network content, card products, and figures.



PAC-MAN

E A

With a theme of “eating,” *PAC-MAN* was created in 1980 as a game that could be enjoyed by all, without regard to age or gender. Since then, in addition to game development, *PAC-MAN* has been used in character merchandising and has appeared in a variety of company commercials. Even today, it is popular around the world. *PAC-MAN* is one of the in-house IPs that is representative of Bandai Namco.



PRETTY CURE! Series

E A

The *PRETTY CURE!* series has been popular for 20 years, centered on children aged three to six. The Bandai Namco Group provides a wide range of *PRETTY CURE!* products and services, centered on toys.



BORUTO / NARUTO

E A

This IP was introduced in 1999, and its comics and animations have been popular around the world for many years. The Bandai Namco Group is providing a wide range of products and services, centered on home console games and network content.



Love Live! Series

I A

This IP, which was created from a project linking magazines, visual products, and music, was introduced in 2010. In addition to magazine pages and visual and music content, live events are highly popular.



ONE PIECE

E A

Launched in 1997, *ONE PIECE* comics and animations have been popular around the world for many years. The Bandai Namco Group provides a wide range of *ONE PIECE* products and services, such as home console games, network content, and figures.



Note: IPs are listed in the order of the Japanese syllabary.

MAJOR IP IN GROUP PRODUCTS AND SERVICES

RISKS AND OPPORTUNITIES

FOR THE BANDAI NAMCO GROUP

Major Groupwide Risks and Opportunities

	Risks and Opportunities		Measures
Items accompanying the advancement of the IP axis strategy	Risks	<ul style="list-style-type: none">• Rapid changes in markets and customers; technological progress• Dependence on specific IP• Increased investment related to IP creation/ acquisition, and protection• Intensifying competition• Problems with quality, etc., in products and services that utilize IP• Damage to IP value, such as IP infringement• Securing and development of the human resources who will advance the IP axis strategy	<p>Implementing the following initiatives, in addition to enhancing brand value through the permeation of the Purpose “Fun for All into the Future” and advancing the main strategies in the Mid-term Plan:</p> <ul style="list-style-type: none">• Demonstrating synergies, such as from collaboration involving initiatives in both the physical and digital business categories• Implementing initiatives for new business models, businesses, and platforms• Implementing reorganization to demonstrate our comprehensive strengths under the ALL BANDAI NAMCO concept, such as with inter-Unit cooperation• Strengthening cooperation with external partners• Establishing balanced IP, business, and regional portfolios• Strengthening quality control/inspection systems, strengthening employee training and supply chain management• Strengthening the development system with focus on quality• Implementing strategic investment• Appropriately utilizing and protecting IP, including the elimination of counterfeit products and services, and conducting awareness activities both internally and externally• Taking steps to achieve workplace environments that foster mutual respect, including the introduction of systems and frameworks that facilitate active careers for diverse human resources• Bolstering a sound financial position
	Opportunities	<ul style="list-style-type: none">• Promotion of collaboration among regions and businesses• Expanding potential for the creation of new markets, businesses, business models, and IP as a result of rapid changes in markets and customers and advances in technology• Expansion of market presence through increased global recognition of Japanese IP• Sustainable development of entertainment through effective utilization and protection of IP	
Items accompanying the active utilization of human resources	Risks	<ul style="list-style-type: none">• Securing and development of the human resources who will advance the IP axis strategy on a global basis• Intensified competition in building relationships with external creators and partner companies	<p>Implementing the following initiatives, in addition to the permeation of the Purpose “Fun for All into the Future” within the Group:</p> <ul style="list-style-type: none">• Taking steps to achieve workplace environments that foster mutual respect, including the introduction of systems and frameworks that facilitate active careers for diverse human resources• Implementing an employee engagement survey• Implementing open collaboration without limiting ourselves to partners within the Group
	Opportunities	<ul style="list-style-type: none">• Improved engagement of Group employees	
Changes in the natural environment, such as climate change	Risks	<ul style="list-style-type: none">• Higher raw materials costs as well as production and procurement costs due to carbon regulations and plastic use regulations• Higher costs due to the introduction of new technologies, investment in R&D, or capital investment• Property damage, supply chain interruption, or resource depletion due to natural disasters• Decline in revenue from live events and store operations due to decreased willingness to go out	<ul style="list-style-type: none">• Advancing decarbonization initiatives• Promoting a circular economy• Advancing environmentally friendly products• Reducing waste <p>Note: Information about the risks and opportunities related to the five material issues of the Bandai Namco Group is available on our website.</p>
	Opportunities	<ul style="list-style-type: none">• Lower electricity costs due to energy saving• Lower costs due to the introduction of efficient production/transportation processes• Creation of new markets due to changes in customer preferences• Enhancing the corporate image through environmental initiatives• Creating business opportunities through environmental commitment• Improved engagement of Group employees	
Items accompanying information security	Risks	<ul style="list-style-type: none">• Information leaks and effects on business systems resulting from cyberattacks, etc.• Technological progress and changes in laws, regulations, etc.• Decline in in-house information literacy	<ul style="list-style-type: none">• Strengthening monitoring; strengthening vulnerability countermeasures• Expanding information security departments• Strengthening information security education• Collecting the latest information, strengthening relationships with external specialists• Establishing a personal information management system compliant with global privacy laws
Items accompanying other external factors	Risks	<ul style="list-style-type: none">• Disasters, such as natural disasters and accidents• Changes in the political situation• Revision of laws, regulations, etc.• Exchange rate fluctuations• Spread of infectious diseases, etc.	<ul style="list-style-type: none">• Promoting activities such as training based on the business continuity plan (BCP) and business continuity management (BCM), along with continuous reevaluation• Strengthening the risk management system• Strengthening the system for the collection and sharing of the latest information about each business and region• Implementing initiatives in accordance with circumstances and the requests of national and local governments in each country/region• Managing hygiene thoroughly• Implementing social support, such as through the contribution of support funds and business-based measures

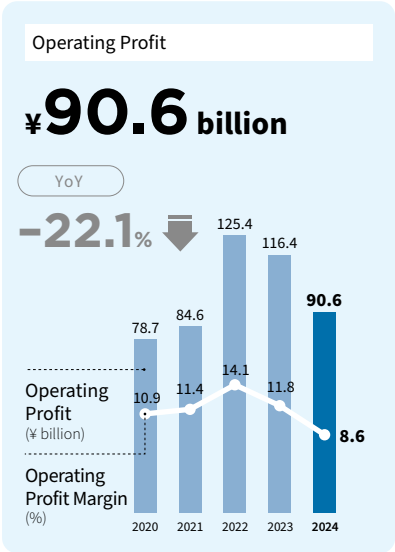
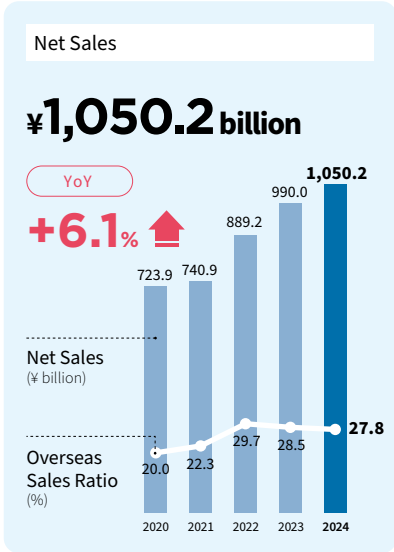
For the Bandai Namco Group to record sustained growth over the medium to long term, we will need to reduce risks and make the most of opportunities by responding rapidly to changes in the environment, identifying risks and opportunities for the Group, and considering and implementing measures to address them. At top management meetings and various committees, we are analyzing and sharing information about risks and opportunities and considering measures. In these ways, we will maintain an appropriate risk management system. In addition, we will strive to leverage new opportunities arising from changes in the business environment and to implement a range of initiatives going forward.

Major Risks and Opportunities in Each Business

	Risks and Opportunities		Measures
All businesses	Opportunities	<ul style="list-style-type: none">• Spreading/expanding network environment• Technological progress• Expansion of customer touchpoints through digitalization	<ul style="list-style-type: none">• Addressing new technologies, new platforms• Strengthening initiatives to enhance IP recognition as well as global rollouts• Strengthening digital initiatives, such as digital marketing for online events and enhancing e-commerce capabilities
Entertainment Unit Digital Business	Risks	<ul style="list-style-type: none">• Platform diversification• Technological progress• Lengthening development periods and increasing investment amounts• Securing and developing talent for title development	<ul style="list-style-type: none">• Aggressively addressing new technologies and new platforms• Strengthening research and information collection, such as for new technologies• Strengthening development system with focus on quality and increasing efficiency• Strengthening development control in accordance with business models• Enhancing production environment, and strengthening talent acquisition and development• Continuing communication with fans after title releases
	Opportunities	<ul style="list-style-type: none">• Growing potential for new markets, businesses, and business models as a result of the advancement of technology	
Entertainment Unit Toys and Hobby Business	Risks	<ul style="list-style-type: none">• Trend toward fewer children in Japan• Oil price increases• Strengthened regulations regarding the trend away from the use of plastic• Rising distribution costs• Concentration of production regions; quality control	<ul style="list-style-type: none">• Expanding target customer groups and regions• Reforming and increasing the efficiency of the value chain in development and production• Promoting initiatives for recycling and initiatives to address the trend away from the use of plastic, such as new material R&D• Dispersing manufacturing bases, strengthening quality control system (continued reevaluation of quality standards, implementation of CoC audits, etc.)
IP Production Unit	Risks	<ul style="list-style-type: none">• Intensification of competition in IP creation• Development and securing of human resources in production	<ul style="list-style-type: none">• Consolidating studio and production functions• Collecting know-how regarding visual products, music products, and live events• Enhancing production environment, securing human resources, strengthening human resources development• Investing to enhance production technologies• Strengthening collaboration with all partners inside and outside the Company
	Opportunities	<ul style="list-style-type: none">• Expansion of viewing environments for visual works	
Amusement Unit	Risks	<ul style="list-style-type: none">• Diversification of entertainment utilizing real venues• Rising fuel prices and labor costs	<ul style="list-style-type: none">• Strengthening collaboration with Group resources, such as IP, products, and services• Increasing efficiency, strengthening stable business foundation• Addressing diverse working styles

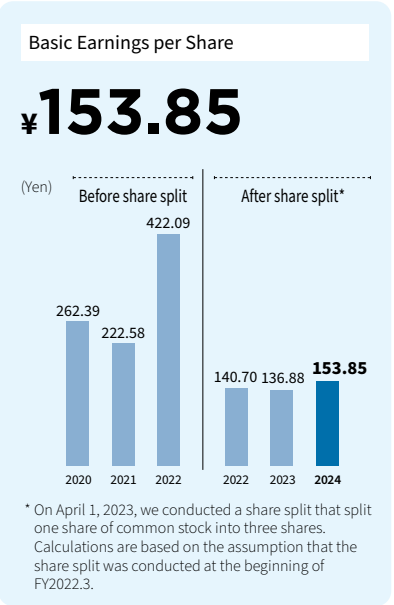
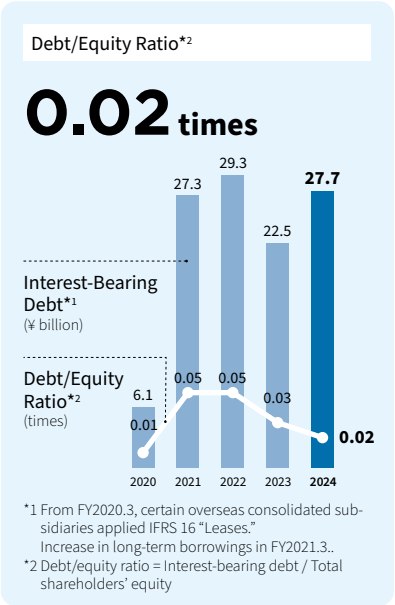
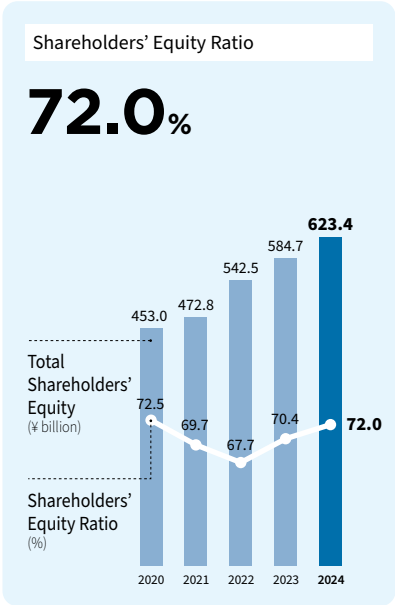
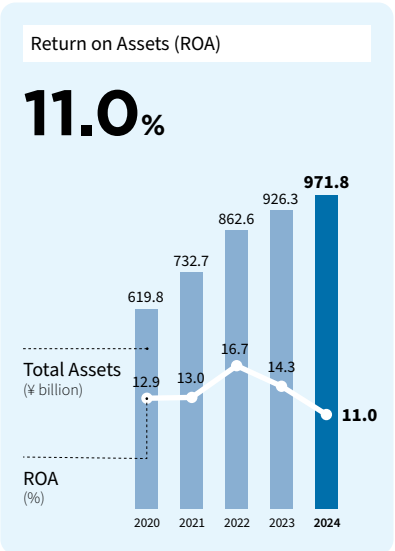
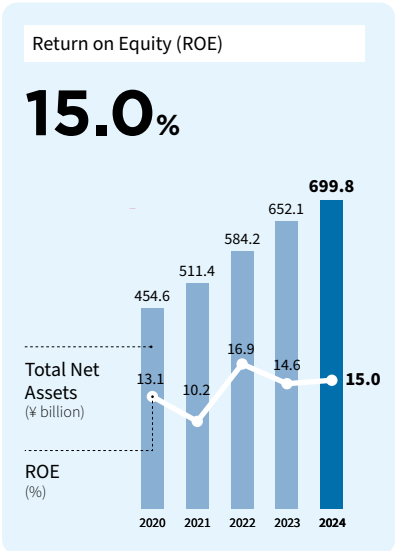
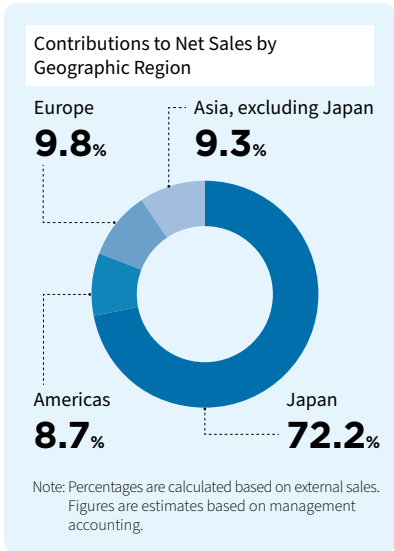
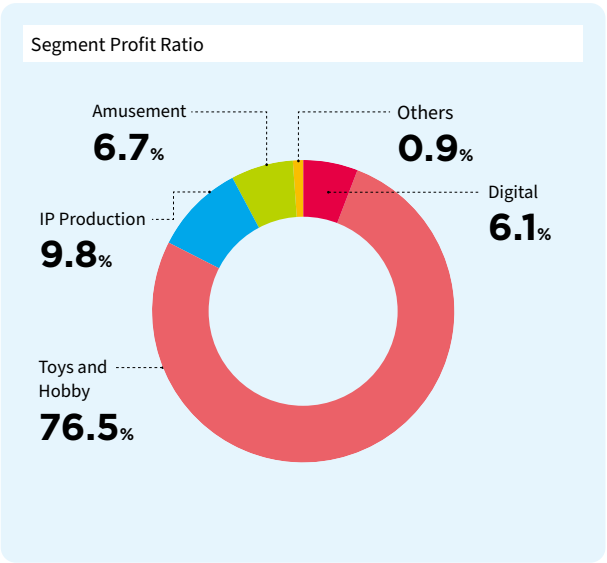
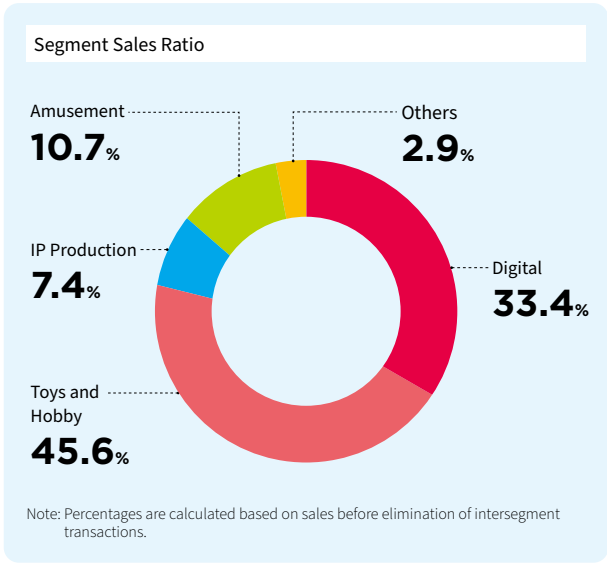
THE BANDAI NAMCO GROUP—
1 YEAR OF RESULTS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
For the Fiscal Years Ended March 31



Overview of Results

- We promoted collaboration across each region and business centered on the IP axis strategy and strengthened Groupwide measures under the ALL BANDAI NAMCO concept.
- In the Digital Business, we recorded valuation losses on new online game and disposal losses that accompanied revisions to our title organization.
- In the Toys and Hobby Business, favorable results were recorded due in part to our efforts to expand the lineup and global rollout of products in high-performing categories and bolster our production structure.
- In the IP Production Business, performance in the visual works business was robust, and we also recorded solid results in terms of the licensing business, online distribution, and live events, among others.
- In the Amusement Business, we had success with opening new facilities featuring Group products and services and achieved solid sales of new products for amusement machines.



ESG (For detailed data, please refer to **FACT BOOK 2024**, a separate publication.)

CO₂ Emissions

Scope1+Scope2 49,441 (t-CO₂)

Scope 3* 1,202,209 (t-CO₂)

Scope 2 (t-CO₂)

Scope 1 (t-CO₂)

Industrial Waste 4,321 tons

Recycling Volume 1,256 tons

Number of Consolidated Employees 11,159 people

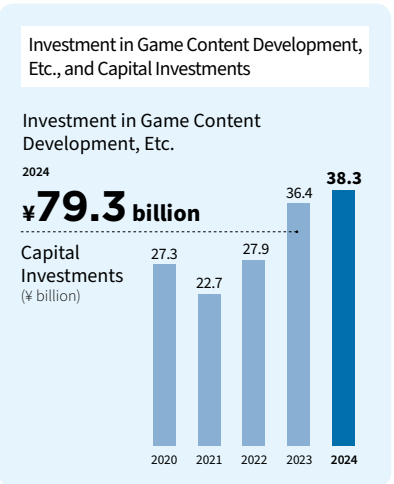
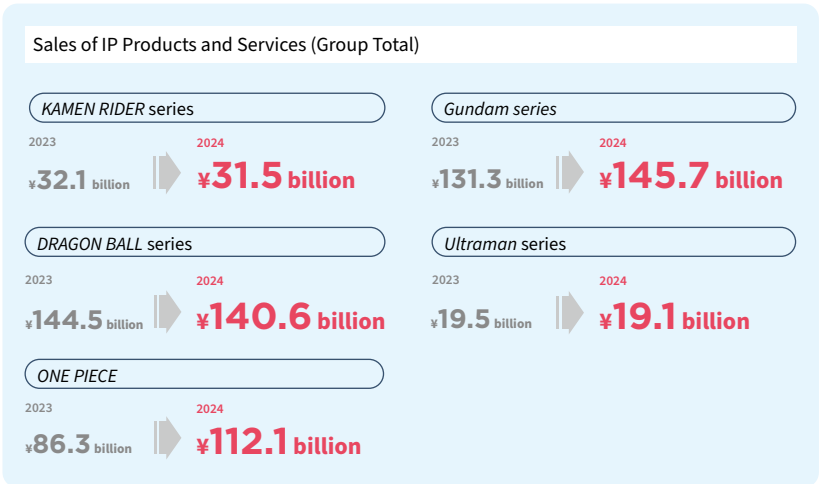
Number of Independent Directors 5/14

Female Managers

Number of Female Managers* (people)

Ratio of Female Managers to Total Managers* (%)

* The data covers Bandai Namco Holdings Inc., Bandai Namco Entertainment Inc., BANDAI CO., LTD., BANDAI SPIRITS CO., LTD., Bandai Namco Filmworks Inc., Bandai Namco Music Live Inc., Bandai Namco Amusement Inc., and Bandai Namco Business Arc Inc.



DIRECTORS, BANDAI NAMCO HOLDINGS

(As of June 24, 2024)



DIRECTORS, BANDAI NAMCO HOLDINGS

Masaru Kawaguchi | President and Representative Director Group CEO

Yuji Asako | Director

Nobuhiko Momoi | Director

Nao Udagawa | Director (Part-time)
President and CEO of Bandai Namco Entertainment Inc.

Makoto Asanuma | Director (Part-time)
President and CEO of Bandai Namco Filmworks Inc.

Hiroshi Kawasaki | Director (Part-time)
President and CEO of Bandai Namco Amusement Inc.

Kazuhiro Takenaka | Director (Part-time)
President and CEO of BANDAI CO., LTD.

Shuji Ohtsu | Director (Part-time)
President and CEO of Bandai Namco Business Arc Inc.

Toshio Shimada | Director (Part-time, Outside)

Koichi Kawana | Director (Part-time, Outside)

Takashi Kaneko | Director Audit & Supervisory Committee Member

Toru Shinoda | Director Audit & Supervisory Committee Member (Outside)

Satoko Kuwabara | Director Audit & Supervisory Committee Member (Part-time, Outside)

Takayuki Komiya | Director Audit & Supervisory Committee Member (Part-time, Outside)

PRESIDENT'S MESSAGE

We will continue to
take on challenges with
our creative thinking and speed
as we aim for the next stage
of growth.

MASARU KAWAGUCHI

President and Representative Director
Group CEO
Bandai Namco Holdings Inc.

Four consecutive years of record-high net sales,
now surpassing the ¥1.0 trillion mark

In FY2024.3, we achieved record-high net sales for the fourth consecutive year, surpassing the ¥1.0 trillion mark to reach ¥1.502 trillion. This performance was attributable to the concerted efforts of all our employees worldwide under the ALL BANDAI NAMCO concept, centered on established IPs such as *Mobile Suit Gundam*, *DRAGON BALL*, and *ONE PIECE*. Looking back at the management integration in 2005, the Group had set long-term targets of net sales of ¥1.0 trillion and operating profit of ¥100.0 billion. I am deeply moved that, over the course of roughly 20 years, we have achieved a net sales target more than twice that of our performance at that time.

Meanwhile, despite operating profit exceeding ¥100.0 billion ahead of schedule, it declined during the fiscal year under review, to ¥90.6 billion. This decline was caused in part by the performance of the Digital Business, which recorded valuation losses on new online game and disposal losses following a review of the composition of the titles, with a view to the next Mid-term Plan. However, profit attributable to owners of parent exceeded ¥100.0 billion for the first time ever due to the recording of extraordinary income following the sale of cross-shareholdings.

By business, the Toys and Hobby Business and the Amusement Business continued to show new record-high results. In the Toys and Hobby Business, in particular, solid performances were recorded by products for the mature fan base as well as cards, confectionery, and capsule toys, among others. In the Amusement Business, we achieved robust results worldwide with our popular series of amusement machines and facilities featuring Group products and services. For the IP Production Business, the numerous visual works released for the *Gundam* series had a positive impact on Group products and services, while live events also performed well. Conversely, profits declined significantly in the Digital Business. This was due primarily to the aforementioned recording of valuation losses. To respond to the situation, we have already commenced swift efforts to further strengthen our title evaluation

system as we aim to put the business back on a growth track over the medium to long term.

Progress with the current Mid-term Plan (April 2022 to March 2025)

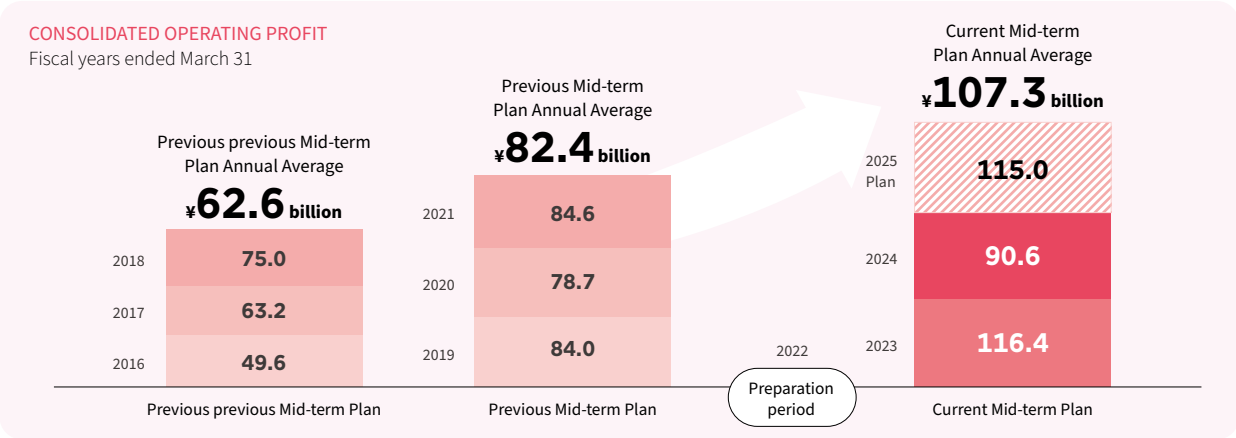
FY2025.3 marks the final year of the current Mid-term Plan. Although our initial performance forecasts at the start of FY2025.3 were slightly below the targets we established at the commencement of the Mid-term Plan, both net sales and operating profit are just one step away from reaching our initial targets.

Moreover, in a market that is undergoing rapid changes, we are steadily reinforcing our foundation to secure stable profits while implementing future-oriented investments. Comparing the annual average operating profit under the Mid-term Plans of the past, in the Previous previous Mid-term Plan, annual average operating income came to ¥62.6 billion, while it was ¥82.4 billion in the previous plan. For the current Mid-term Plan, we forecast annual average operating profit of ¥107.3 billion. In this way, operating profit has been steadily increasing from plan to plan. This ongoing increase is thanks to the strengths of our extensive business portfolio as part of the IP axis strategy, under which major drivers of performance are rotated in and out to respond to market conditions so that they may best complement each other. In addition to further reinforcing a foundation for stable profit generation, we will continue to pursue new challenges.

Below, I will summarize the progress we are making under the current Mid-term Plan from the perspective of the IP axis strategy.

IP×Fan (Connecting fans through IP) /
IP×Value (Enhancing IP value)

Under the current Mid-term Plan, we are implementing a cumulative total of ¥40.0 billion in strategic investments geared toward maximizing IP value, including the development of the Data Universe concept and creation of new IPs.



PRESIDENT’S MESSAGE

The Data Universe involves the integrated management of customer (fan) data, which had previously been dispersed across each business domain, under a Group shared ID. It serves as a database unique to the Group in terms of both quality and quantity of data, making it a significant strength that can be leveraged moving forward. Under the next Mid-term Plan, we will promote specific measures that utilize this Data Universe.

One of the successes we have had with efforts to maximize IP value is our Groupwide IP projects. These projects are carried out on a Groupwide basis and focus on IPs. In addition, the project teams have been given decision-making authority. Our approach of placing the utmost priority on maximizing IP value from a medium- to long-term perspective has contributed greatly to improvements in our recent business performance. For example, net sales from the *Gundam series* grew from ¥101.7 billion in FY2022.3, to ¥145.7 billion in the fiscal year under review, as a result of our efforts to promote business collaboration and strengthen global rollouts under these IP projects. Furthermore, we will continue to pursue the creation of diverse new IPs, including through visual works, products, and services; Groupwide projects; and collaboration with external partners. We will also work to bolster our IP portfolio through a combination of the Group’s IPs and the IPs of other companies as well as established new IPs.

IP×World (Connecting the world through IP)

With online distribution becoming commonplace, Japanese IPs are gaining greater popularity around the world, and this has created an environment in which we can promote IP-related businesses globally without a time lag. In the Digital Business, we are already engaging in planning, development, and marketing activities with a global focus. In the Toys and Hobby Business, we are working to strengthen our production structure and establish a logistics network, including e-commerce, so that we can respond to global demand. By region, a crucial strategy for us is to expand overseas rollouts. We believe there is plenty of room for improvement in this regard, given that we are a corporate group that has swiftly shifted our focus in Japan—where the population is rapidly aging and the birth rate is declining—to expanding our target customer base and product categories. We will expand our IP, product, and service lineups in Japan and seek to deepen business collaboration in each region overseas. At the same time, we will strive to establish a business model that enables us to pursue such efforts as quickly as possible.

Although overseas businesses have been performing well during the current Mid-term Plan, our overseas sales ratio on a local subsidiary basis during the fiscal year under review came only to 27.8%. This was due in part to the significant growth we achieved in our national operations as well as the stagnant conditions faced in the Digital Business, where the percentage of business from overseas has conventionally been high. On the other hand, our overseas sales ratio on a destination basis came to 40.5%, and we intend to raise this to 50% as soon as possible going forward.

Organization and personnel strategy: Promoting work environments where employees can work with enthusiasm

...

To create a diverse range of entertainment, we strive to be a corporate group that centers on the concept of “same spirit, diverse talents.” This means we aim to be an organization comprising various independent companies in which personnel with diverse talents, personalities, and values can work with enthusiasm. To that end, we are focusing our efforts on creating environments where our human resources—our greatest asset—can demonstrate their individuality and work in good physical and mental health. For example, we are working to reform organizational structures, integrate operations at each overseas office, invigorate personnel exchanges across regions and businesses, and establish systems and foster cultures for taking on new challenges. Through such efforts, new projects and challenges naturally emerge in our work environments.

The high level of employee motivation is another major strength of the Group. In the most recent engagement survey, we received very high scores for questions related to engagement and diversity, such as “My job is worthwhile and meaningful” and “Different values are respected within the Bandai Namco Group.” I believe these high scores resulted from the strong connections employees feel with the IPs and Group’s businesses as well as their robust support for the purpose of the Group’s existence in society. We are a company brimming with opportunities for our employees. As president, I will continue to push forward with our personnel strategy to the greatest extent possible to ensure that our employees can spread their wings on a global stage and that its efforts can lead to the fulfillment of our Purpose—“Fun for All into the Future”—the ultimate definition of who we are as a Group.

Strengthening our non-financial management foundation

...

In April 2022, we established the Sustainability Management Department, which serves as the command center for our sustainability initiatives. In the same year, we also introduced sustainability as an evaluation indicator for director remuneration. By taking these steps, we have been steadily reforming our awareness of sustainability at a Groupwide level.

The Group’s sustainability activities are based on the IP axis strategy and are created together with our fans. Some excellent examples of these activities are the collection of runners (part of the *Gundam* model kit framework) and the collection of capsules for capsule toys. These efforts have led to our employees and fans deepening their awareness regarding sustainability, and we expect this to have a positive impact on various work processes.

I can say with confidence that the dreams, fun, and inspiration we deliver through our products and services play an indispensable role in enriching people’s lives.

In terms of governance, we transitioned to a company with an Audit & Supervisory Committee structure in June 2022. Under this structure, each executive officer has voting rights on the Board of Directors, and this has helped foster a greater sense of unity in tackling specific issues. Also, by delegating the authority over certain aspects of business execution to the Full-Time Officers Committee, we have created more opportunities to discuss medium- to long-term management themes at the Board of Directors’ Meeting. Discussions at the Board of Directors’ Meeting are now extremely lively, and we receive a large number of opinions and questions from outside directors. Furthermore, for themes that require long-term discussion, we have established Vision Meetings based on recommendations from the Independent Directors’ Committee. Through these meetings and other formats, I believe we are engaging in more substantial discussions.

Aiming to become a truly global IP company

...

Just over three years have passed since I was appointed president and Group CEO. During this time, the Group has realized further growth, with net sales and market capitalization reaching ¥1.0 trillion and ¥2.0 trillion, respectively. We need to fully recognize the significance of this matter. With net sales now totaling ¥1.0 trillion, the Group has an even greater social responsibility. In addition, the attention from and expectations of stakeholders are now becoming greater. To that end, we will adopt a two-pronged approach to meet these expectations.

The first prong is to deliver higher-quality entertainment. Although entertainment is not a daily necessity, it is still an essential part of people’s lives. Entertainment is culture, and it can therefore both invigorate and relax people and give them hope for the future. As such, the power of entertainment is actually much greater than what we commonly think. As encapsulated by our Purpose “Fun for All into the Future,” I can say with confidence that the dreams, fun, and inspiration we deliver through our products and services play an indispensable role in enriching people’s lives.

The second prong is to achieve further growth. To be frank, I am not satisfied with our current level of performance. With strengths in both the physical and digital domains, the Group possesses tremendous potential. As president, I must ensure that the Group draws fully on this potential so that it may enter into the next stage of growth. Guided by this conviction, I tirelessly carry out my day-to-day duties as president.

In both Japan and overseas, there are many regions and business domains in which we are not fully demonstrating our potential. In such regions and domains, we will set our sights on reaching the next level of growth by pursuing new challenges in accordance with the IP axis strategy. Working together under the ALL BANDAI NAMCO concept, we will bolster our foundation for further growth and strive to generate synergies between Japanese IPs and overseas IPs. By doing so, we will evolve into a truly global IP company.

As we enter into this next stage, we will further advance the IP axis strategy. The competitive environment for IPs will intensify moving forward. As this happens, it will be imperative that we demonstrate the strengths of our business as an entity. The Group boasts unique creative thinking and speed. Creative thinking is an essential element in the Group’s proprietary IP axis strategy, and speed will become even more important as we promote this strategy moving forward. By honing both of these strengths, we aim to become an agile and flexible organization that can respond effectively to changes in the operating environment. Looking ahead, we will strive to create a world of smiles and happiness together through the provision of quality entertainment, together with our employees, global fans, and all other business partners and stakeholders. I would like to ask for your continued support regarding these endeavors as we aim for further growth on a global basis.

September 2024

Masaru Kawachi

PRESIDENT’S MESSAGE

CFO/CISO'S MESSAGE



Supporting proactive business development by reinforcing our financial foundation and infrastructure, thereby contributing to the further development of the Bandai Namco Group

YUJI ASAKO

Director
CFO (Chief Financial Officer)
CISO (Chief Information Security Officer)
Bandai Namco Holdings Inc.

Leveraging our strengths by managing a diverse business portfolio

In FY2024.3, the Digital Business saw a significant decline in profits due in part to the recording of valuation losses on struggling titles and disposal losses following a review of the composition of the titles. Meanwhile, net sales on a Groupwide basis exceeded ¥1 trillion owing mainly to the contributions of the Toys and Hobby Business and the Amusement Business, among others, which both achieved record-high performances. In the Digital Business, given the changes occurring in the market environment, we are continuing to advance efforts to strengthen our evaluation system at the title development stage, which we started in the previous fiscal year. Specifically, we have introduced various measures, including the establishment of a new committee for evaluating titles right away from the initial development stage based on a business perspective. As development periods become more prolonged, however, we do not expect to see tangible benefits from the

strengthening of the development review system until the period of the next Mid-term Plan and beyond.

Executing strategic investments that underpin our pursuits

Separate from the ordinary investment activities of the operating companies, Groupwide strategic investments have been set at ¥40.0 billion under the current Mid-term Plan. This amount is composed of (1) ¥25.0 billion to maximize IP value and (2) ¥15.0 billion for IP metaverse-related initiatives. Both types of investments are being implemented according to plan. With regard to (1), we are pursuing investments to create new IPs and form synergies between IP projects across the Group and are also making investments through start-up investment funds. (2) Considering our efforts to develop the Data Universe, which will be the foundation of the metaverse, are nearing completion, we will soon be entering into the utilization phase.

Striking a balance between strengthening our financial foundation and enhancing capital efficiency

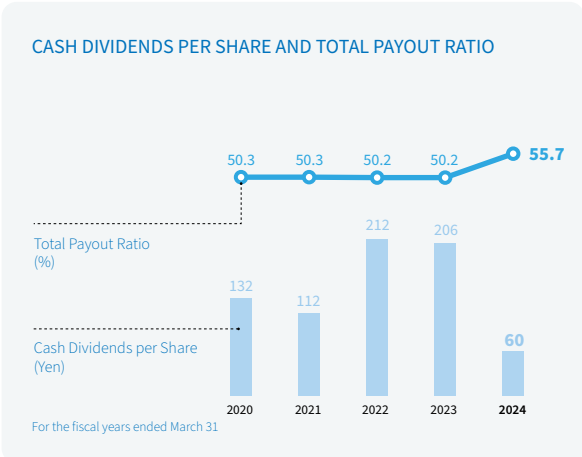
In a highly volatile industry, we have sought to build a stable financial foundation that is less susceptible to whether we have released hit products and other such factors. Since the plan prior to the previous Mid-term Plan, operating profit has increased by an

average of ¥20.0 billion during the three-year period of each plan, demonstrating the effectiveness of our initiatives. Moving forward, we will strive to further enhance our robust financial foundation.

Regarding profitability, the current Mid-term Plan aims for a stable operating profit margin of over 10% and an ROE of over 12%, with target values being achieved in all years of the plan. Our industry is undergoing rapid change, thus we recognize the need to maintain a certain level of financial capacity. We aim to have at all times a certain amount of funds for various objectives. These include a year's worth of personnel expenses in order to maintain employment of human resources; a necessary level of working capital to secure stable operational administration, including business partners; and Investment in game content development etc. At the moment, we are constructing production facilities for the Toys and Hobby Business and venues for live events with a view toward future growth. We aim to ensure that we can swiftly execute investments in these kinds of growth-oriented projects at all times.

For our balance sheet management strategy, we will ensure an adequate level of shareholders' equity while also striving to enhance capital efficiency. We annually examine the appropriateness of maintaining cross-shareholdings at Board of Directors' meetings based on various indicators focused not only on effectiveness in the execution of business strategies but also on capital costs. While we are working to steadily reduce the number of cross-shareholdings, we will maintain them at the level needed to promote our IP axis strategy. We sold a portion of shares of common stock of Toei Animation Co., Ltd., by taking part in the company's secondary offering.

With regard to shareholder returns, our basic policy calls for a focus on the maintenance of stable dividends over the long term and on the cost of capital, targeting a total return ratio of 50% or more based on stable dividend payments of 2% of DOE (dividends on equity). Based on this policy, we set the annual dividend for FY2024.3 at ¥60 per share (base dividend of ¥20; performance-based dividend of ¥40), for a DOE of 5.8%. In addition, our total return ratio came to 55.7% as a result of our acquisition of treasury share totaling ¥17.2 billion. With comprehensive consideration for



Note: The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023.



our share price and cash on hand, etc., we will continue to carry out an appropriate level of shareholder returns.

Promoting security measures from the perspectives of systems and personnel

For information security, we are advancing Groupwide initiatives under a two-pronged approach of (1) system-based security measures and (2) measures to prevent human error, based on the lessons learned from the unauthorized access incident that occurred in 2022. With regard to (1), we are working to standardize security levels at each Group company. At the same time, we are auditing and organizing the information we possess so that we can immediately assess the severity of damages when an incident occurs. Concerning (2), we are organizing our initial response procedures to make them easy to understand and engaging in awareness-raising activities. In addition, we are creating opportunities for the CISOs of each Group company to exchange information in order to ensure a consistent level of awareness.

Crossing the bridge toward the next Mid-term Plan

For FY2025.3, we forecast increases in sales and profits, projecting net sales of ¥1.08 trillion and operating profit of ¥115.0 billion (based on figures announced in May 2024). Although these forecasts are slightly lower than what we anticipated at the time of the current Mid-term Plan's formulation, we remain committed to achieving the targets of the plan until its conclusion. Furthermore, FY2025.3 represents the year in which we will cross the bridge toward the next Mid-term Plan. Specifically, we will solidify the foundation for the future growth of the Group by drafting effective financial initiatives and establishing the necessary systems for implementing them. We are committed to meeting the expectations of all our shareholders.

ENTERTAINMENT UNIT

Unit Mid-term Vision

Connect with Fans

Unit Main Strategies

- Large-scale, long-term investment × short-cycle, rapid investment
- Acquiring a focus on maximizing IP value



NAO UDAGAWA

Director (Part-time)
In charge of Digital Business,
Entertainment Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Entertainment Inc.

We will forge stronger connections with fans from both digital and physical perspectives, with IP as the axis.

As with the Group as a whole, the Mid-term Vision of the Entertainment Unit is “Connect with Fans.” We are aiming to forge stronger connections with fans from both digital and physical perspectives, with IP as the axis.

We are advancing “large-scale, long-term investment × short-cycle, rapid investment,” which is one of our main strategies. Going forward, we will pursue growth under an investment cycle that leverages the distinctive characteristics of the business models of the Digital Business and the Toys and Hobby Business. At the same time, we will strive to further deepen collaboration among businesses.

In addition, maximizing the value of IP itself will link directly to business growth and expansion. “Acquiring a focus on maximizing IP value” is also one of our main strategies. In accordance with this strategy, we will collaborate with external partners, especially for IP that is rolled out around the world on a Groupwide basis. This will lead to the maximization of IP value.

Digital Business:

We will deliver high-quality content that fans can enjoy over long periods of time by rebuilding and reinforcing our development structure.

In our Digital Business, we focus on two fundamental principles: “high-quality content that offers deep, long-lasting engagement” and “a diverse range of entertainment.” We are committed to delivering high-quality games and a variety of entertainment that exceed our fans’ expectations and resonate worldwide.

In FY2024.3, games geared toward global audiences, such as *TEKKEN 8*, achieved notable success. However, the overall performance of home console games was impacted due to differences in the product mix compared with the previous fiscal year, in which repeat sales of *ELDEN RING* contributed greatly. Profits also significantly declined due to such factors as the recording of valuation losses on new online game and disposal losses that accompanied the cancellation of certain titles in development, which resulted from a review of the composition of the titles. In light of these circumstances, we position FY2025.3, the final year of the current Mid-term Plan, as a year in which we will rebuild our structure so that we may achieve growth over the medium to long term. (Please see the Special Feature on page 50.)

Although we believe that the global game market will continue to grow moving forward, games are becoming increasingly larger in scale, which has led to longer development periods. We therefore need to bolster our development structure so that we can respond to these kinds of changes in the operating environment. To that end, we will prioritize the determination of our title portfolio and clarification of the kinds of content that we should create throughout the Digital Business as a whole. Upon doing so, we will focus efforts on enhancing our ability to steadily see titles through to completion, including those currently under development, and grow sales of our titles over longer periods of time. Although we will not reap the benefits of this newly enhanced development structure in the short term, we will pursue efforts to accelerate the completion of titles currently under development. Furthermore, we aim to boost our marketing and sales capabilities to ensure that fans can enjoy the titles we release over longer

periods of time. To that end, we will oversee global marketing efforts through enhanced collaboration between Japan and North America. We will also examine the implementation of strategic initiatives and investments in a manner that caters to the needs of each region.

In the Digital Business, maximizing the value of IPs themselves contributes directly to our business growth and expansion. By combining the strengths of each Group company from both digital and physical perspectives, we will work together with our fans to create a new world of entertainment, unprecedented in nature, that brings together fans from across the world, in a manner distinctive to Bandai Namco.

Toys and Hobby Business:

We will steadily execute the IP axis strategy in accordance with each region and target customer base as we aim to deliver an even greater number of products to fans.

The Toys and Hobby Business offers a wide range of product categories on an IP axis. Being successful in strengthening core IPs and rolling out products in a swift and timely manner, we realized a record-high business performance in FY2024.3.

Under the core strategy of “global IP merchandising rollouts,” we will continue to accelerate product rollouts of core IP, including *Gundam*, supported by the tremendous potential of Japanese IPs, which are gaining popularity across the globe. By doing so, we will increase our fan base.

In the Toys and Hobby Business, we aim to reach an overseas sales ratio of 50% in the future and are currently strengthening our operations in North America and China with a view toward reaching this goal, alongside the promotion of Groupwide strategies. To date, we have expanded overseas rollouts by leveraging the strengths of each product category in a manner that caters to the characteristics of each region. Bandai Namco is unique in that it offers a broad range of product categories on an IP axis. By clearly showcasing the competitive edge this provides, we believe we can leverage unparalleled strengths.

Additionally, we are promoting a global strategy for digital marketing and direct marketing. In 2023, the number of members of PREMIUM BANDAI, the Group’s official e-commerce website, reached over 5.55 million in Japan, and the number of members overseas also continues to grow. Looking ahead, we will seek to deliver products to an even greater number of fans through targeted marketing activities that cater to the needs of each region.

Also, we will step up strategic investments to promote collaboration within the Entertainment Unit. Through the promotion of different investment cycles that draw on the advantages of each business—for example, large-scale, long-term investments in the Digital Business and swift, near-term investments in the Toys and Hobby Business—we will make unified efforts in the Entertainment Unit to maximize the value of IPs.

In addition, as part of our large-scale, growth-oriented investments under the next Mid-term Plan, we are currently constructing an additional plant at the Bandai Hobby Center with the aim of establishing a more stable production structure for model kits. (Please see the Special Feature on page 51.)

During the last year of the current Mid-term Plan, we will steadily execute the IP axis strategy in accordance with each region and target customer base as we aim to deliver an even greater number of products to fans.

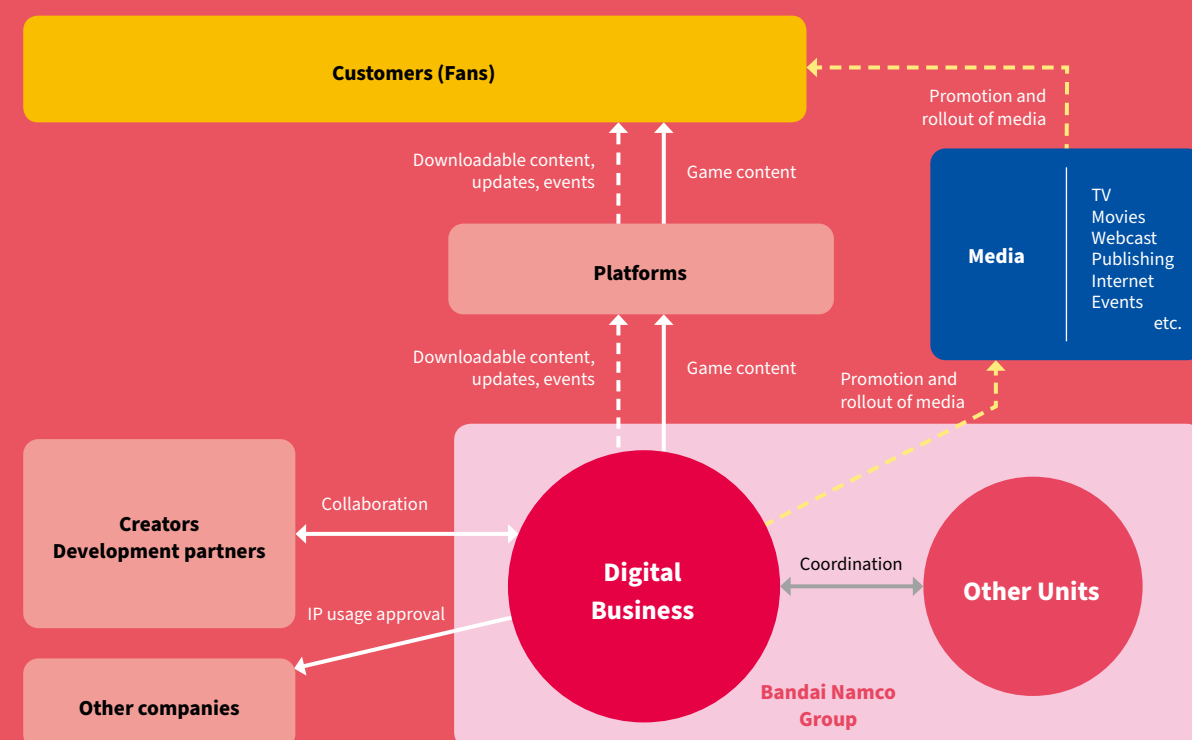


KAZUHIRO TAKENAKA

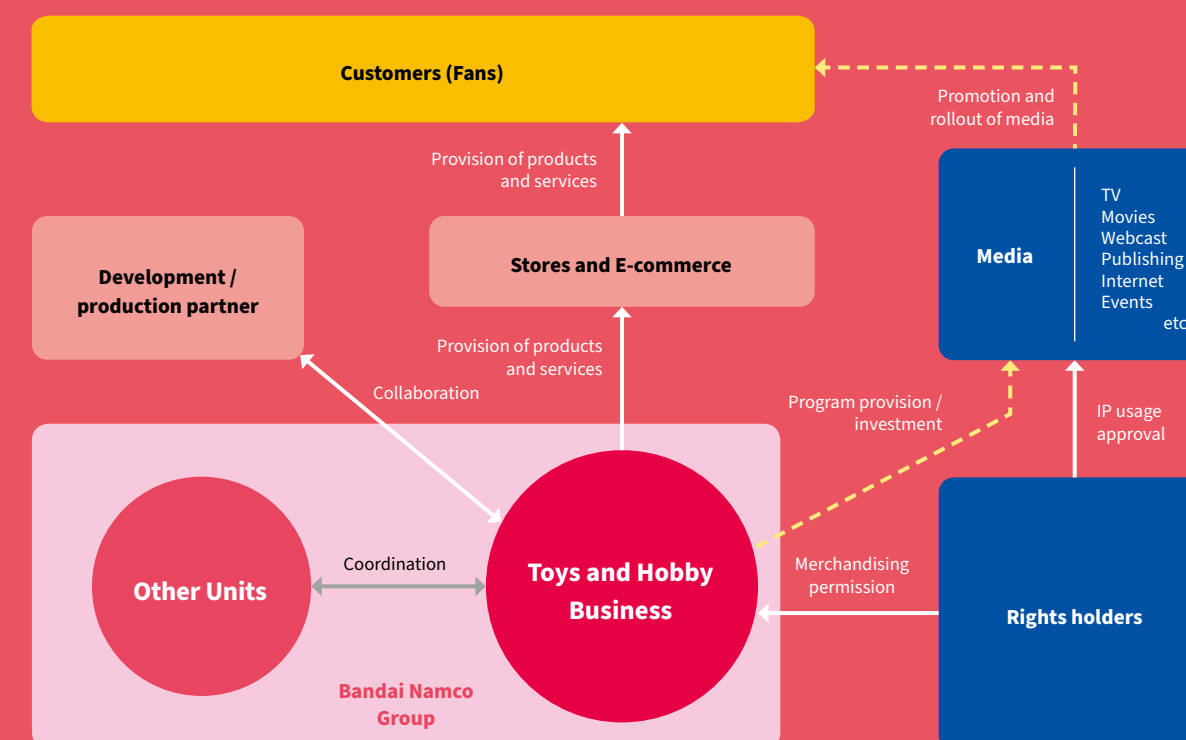
Director (Part-time)
In charge of Toys and Hobby Business,
Entertainment Unit
Bandai Namco Holdings Inc.
President and CEO
BANDAI CO., LTD.

ENTERTAINMENT UNIT

Example of Business Model in the Digital Business (When In-House IP Is Used)



Example of Business Model in the Toys and Hobby Business (When Another Company's IP Is Used)



MAIN STRATEGIES

- Worldwide title organization, large-scale development
- Strengthening content originating overseas
- Realizing the metaverse concept

FY2025.3 NUMERICAL TARGETS

Segment sales **¥370.0 billion**

Segment profit **¥30.0 billion**

Results forecasts are as of May 2024.

FY2024.3 RESULTS AND RELATED DATA

Sales by Major Category

NETWORK CONTENT
¥187.9 billion

HOME CONSOLE GAMES
¥151.5 billion

Network Content

OVERSEAS SALES RATIO*
44%

* Percentage of network content sales contributed by transactions arising overseas

Home Console Games

UNIT SALES OF HOME CONSOLE GAMES
39,682 thousand units

FULL PACKAGE DOWNLOAD SALES RATIO
56%

MAIN STRATEGIES

- Global IP merchandising rollouts
- Strengthening business in North America and China
- Global strategy for digital marketing and direct marketing

FY2025.3 NUMERICAL TARGETS

Segment sales **¥530.0 billion**

Segment profit **¥80.0 billion**

Results forecasts are as of May 2024.

FY2024.3 RESULTS AND RELATED DATA

Sales of IP Products and Services (Toys and Hobby Business in Japan)

Anpanman	Gundam series	PRETTY CURE! series
¥9.4 billion	¥68.7 billion	¥6.4 billion

Ultraman series	Super Sentai series	Pokémon
¥8.3 billion	¥5.4 billion	¥11.9 billion

KAMEN RIDER series	DRAGON BALL series	ONE PIECE
¥23.4 billion	¥23.0 billion	¥60.3 billion

IP PRODUCTION UNIT

Unit Mid-term Vision

Evolving into the leading IP production group that continues to provide a wide variety of stories that bring the world together



MAKOTO ASANUMA

Director (Part-time)
In charge of IP Production Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Filmworks Inc.

We remain committed to creating excellent products without compromise.

Operating the visual works, music, and live event businesses, the IP Production Unit makes ongoing efforts to strengthen its development and production capabilities in order to create excellent visual works and music. In FY2025.3, the final year of the Mid-term Plan, the visual works business finds itself in a period of dramatic transformation. In such a period, we are steadily managing our visual work portfolio in an effort to maximize profits.

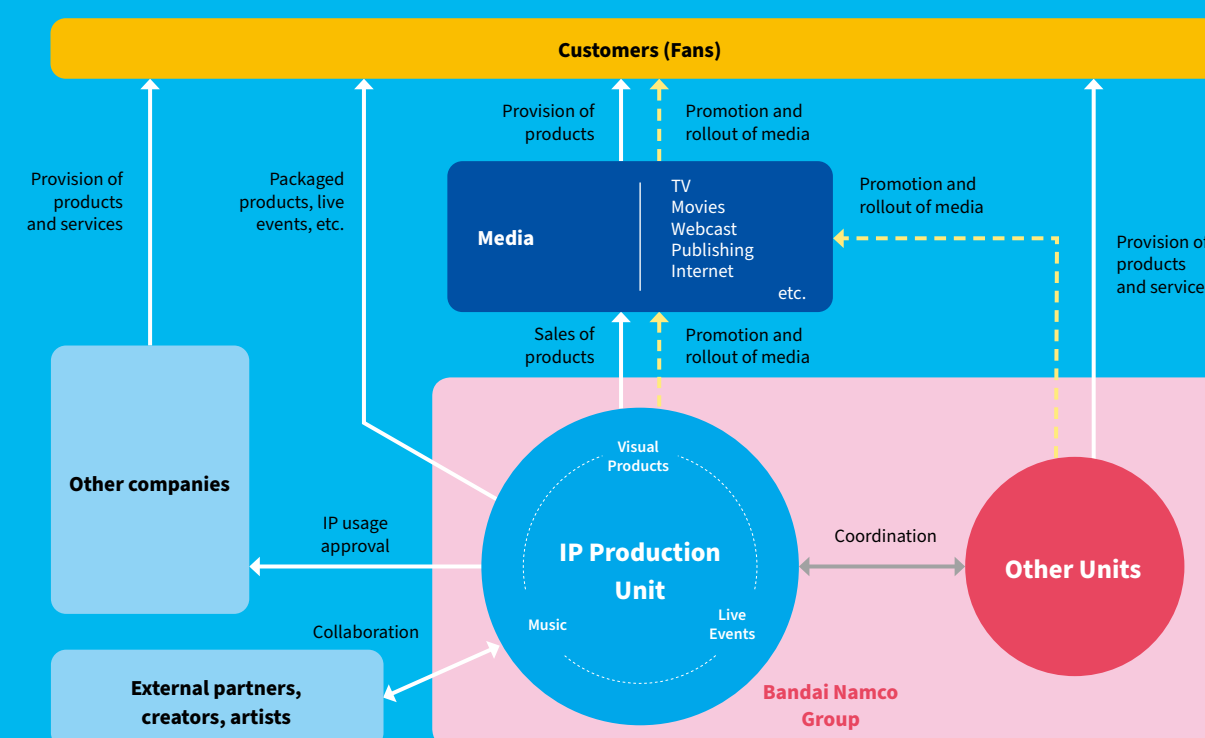
The market for the animation production and sales business is undergoing significant changes. Although the number of works being produced is rising, there is a shortage of animators, and this has led to difficulties in adjusting production schedules and increases in production costs. To adapt to these conditions, we will not only enhance our production capabilities within the Company but also bolster our creation and production capabilities with external partners. To that extent, we will fully leverage the strengths of our in-house production studios, accumulate know-how, and refine our technological capabilities over the long term. We will also focus on cultivating creators within the Unit. At the same time, we are steadily bolstering our production capabilities through business alliances with numerous animation production companies, including welcoming Eight Bit Co., Ltd., into the Group in April 2024. Moving forward, we will actively pursue greater collaboration and partnerships with external studios.

As part of our exit strategy, we will explore all possible avenues in the visual business, including TV, film, and streaming content, program sales, packaged sales, and use in live events. We aim to expand value in various forms based on the direction of each work. Furthermore, in the licensing business, where we possess major strengths, we will integrate the offices of each Unit company possessing licensing functions in a bid to bolster collaboration. By doing so, we will further enhance our function as a licensor.

For the music and live event businesses, we are currently building a concert hall with a 2,000-person capacity in Shibuya, Tokyo, slated to be completed in 2026, so that we can capture the growing demand in these businesses. Through a wide variety of music and live events, we will leverage this concert hall as a place for cultivating IPs and artists.

By continuing to create IPs in the IP Production Unit, we will not only realize growth for the Group but also contribute to the advancement of the visual works and music industries as a whole. Moving forward, we aim to become the leading IP production group by continuing to create excellent products without compromise and delivering them to fans across the world.

Example of Business Model in the IP Production Unit



MAIN STRATEGIES

- Accelerating the creation of hits by strengthening multifaceted production capabilities
- Maximizing product value by strengthening multifaceted management capabilities
- Establishing a strong Unit structure for the implementation and continued development of strategies

FY2025.3 NUMERICAL TARGETS

Segment sales **¥83.0 billion**
Segment profit **¥12.0 billion**

Results forecasts are as of May 2024.

FY2024.3 RESULTS AND RELATED DATA

IP Production Business Number of Copyrighted Products (As of March 2024)

NUMBER OF COPYRIGHTED PRODUCTS / TOTAL NUMBER OF HOURS
Bandai Namco Filmworks Inc. /
Bandai Namco Pictures Inc. /
SUNRISE BEYOND INC.

**1,137 products /
5,902 hours**

NUMBER OF MUSICAL WORKS

Bandai Namco Music Live Inc.

Number of works with
master license recordings

Approx. 72,700

Number of works published

Approx. 40,400

Number of Live Events Held

**NUMBER OF
PERFORMANCES***
799

* Number of performances held by Bandai Namco Music Live Inc.

AMUSEMENT UNIT

Unit Mid-term Vision

Responsive to change—becoming a Unit that can address change as we move into the future

We are implementing “Fun for All into the Future” by leveraging our organizational capabilities to forge direct connections with fans.

During the COVID-19 pandemic, people around the world experienced a stay-at-home lifestyle. Because of this, I believe that real entertainment has become more important to our customers. However, in this industry, where it is difficult to ensure business continuity without constantly pursuing uniqueness and evolving products, it is imperative that we pursue new and unique creations that leverage a broad range of ideas and Group strengths as we continue to develop and operate amusement facilities and develop amusement machines.

In the final year of the Mid-term Plan, the Amusement Unit will continue to advance three key strategies: TRANSFORM, UNITE, and CONTROL.

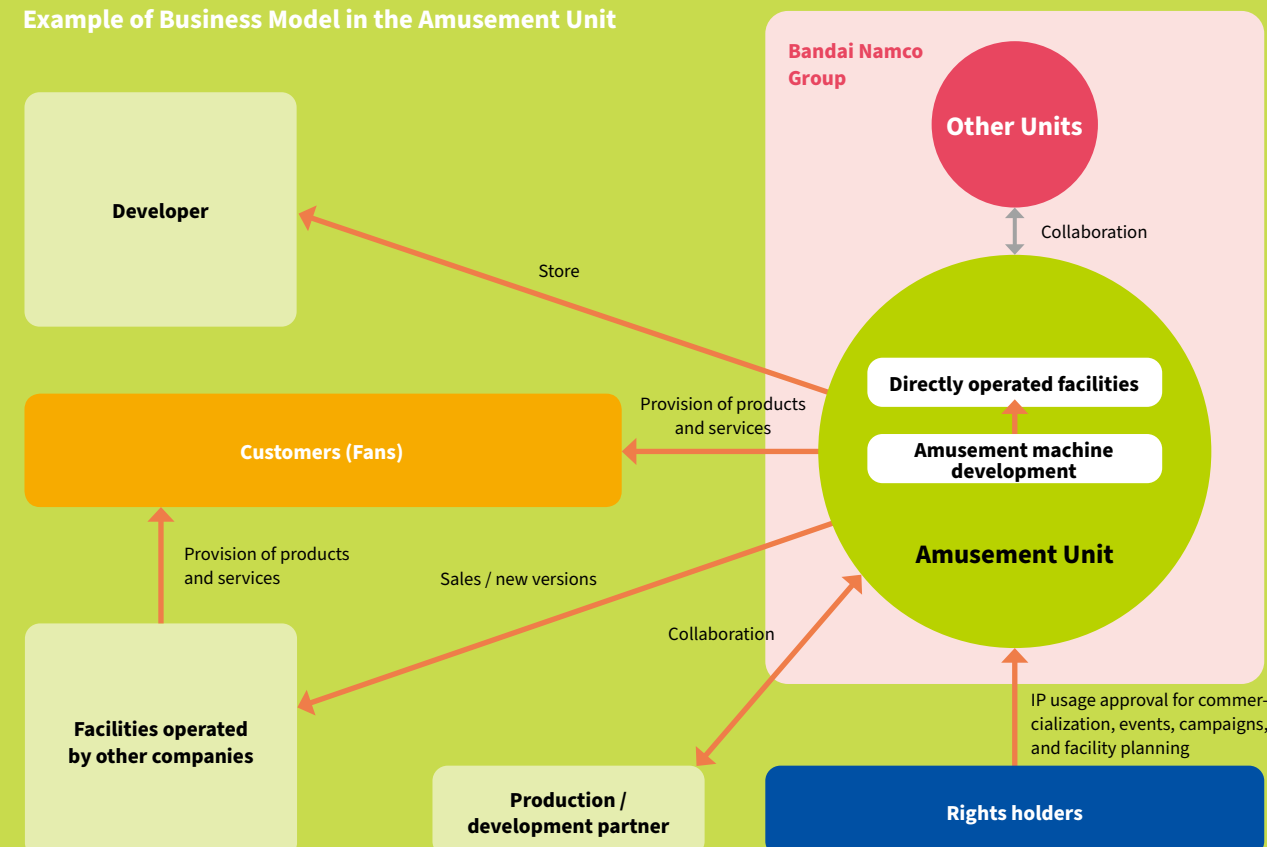
Under TRANSFORM, we have recorded solid results by reforming our internal organizational structure and transforming our business approaches. Nonetheless, we will remain steadfast in our promotion of the TRANSFORM strategy, as we still face issues such as labor shortages and the decline in opportunities to open new brick-and-mortar stores in Japan.

With UNITE, we are deepening collaboration not just within the Amusement Unit but also with various Group companies. While doing so, it has become clear that the brick-and-mortar stores of the Amusement Unit play an increasingly important role as physical contact points with customers. As we work to leverage Japanese IPs overseas and accelerate the global rollout of Group products and services, we will expand the development of official Bandai Namco Group stores around the world. Furthermore, we are stepping up internal collaboration for the development of amusement machines and are strengthening the sales structure therefor on a global basis.

Under CONTROL, we are bolstering our management awareness of cash flows while striving to enhance our governance structure within the Unit. We will continue to advance these initiatives in the future.

In terms of the IP axis strategy, the Amusement Unit is able to ascertain and experience the passion of fans through the physical locations that we offer. Going forward, we will implement our Purpose of “Fun for All into the Future” by leveraging our ability to offer fun experiences, develop physical locations, and promote people-oriented operations.

Example of Business Model in the Amusement Unit



MAIN STRATEGIES

- **Transform:** Change method of implementing businesses
- **Unite:** Continually work together as a Unit to foster optimization
- **Control:** Address circumstances rapidly and flexibly

FY2025.3 NUMERICAL TARGETS

Segment sales **¥125.0 billion**

Segment profit **¥7.0 billion**

Results forecasts are as of May 2024.

FY2024.3 RESULTS AND RELATED DATA

Sales by Major Category

AMUSEMENT MACHINES
¥34.0 billion

AMUSEMENT FACILITIES
¥85.4 billion

Number of Amusement Facilities (Global Total)

DIRECTLY MANAGED FACILITIES
240 facilities

REVENUE-SHARING FACILITIES*
803 facilities

OTHER
78 facilities

TOTAL
1,121 facilities

* Contracted stores under the revenue-sharing facilities: Revenues from the operation of amusement machines are shared.

HIROSHI KAWASAKI

Director (Part-time)
In charge of Amusement Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Amusement Inc.

Mid-term Vision

Connect with Fans

.....

The Bandai Namco Group has been advancing a three-year Mid-term Plan since April 2022. In accordance with the Purpose, “Fun for All into the Future,” as we work toward what we aim to be, we will strive to always meet the needs of IP fans, a wide range of business partners, Group employees, and regions/communities around the world and to foster broad, deep, and multifaceted connections.

Starting on page 38, the Special Feature section provides messages from people in charge of advancing projects in frontline settings in our diverse range of businesses. In addition, this section introduces initiatives targeted at further business growth on a global basis.

Main Strategies

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IP Axis Strategy

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IP×Fan

Connecting with fans through IP

New framework for connecting with fans

IP×Value

Enhancing IP value

Accelerating evolution of the IP axis strategy

IP×World

Connecting the world through IP

Building businesses under the ALL BANDAI NAMCO concept

Personnel Strategy

P.72-73

Sustainability

P.70-101

Numerical Targets for the Fiscal Year Ending March 31, 2025 (As of the Mid-Term Plan Announced in February 2022)

Consolidated Net Sales: ¥1,100 billion

Consolidated Operating Profit: ¥125 billion

ROE: 12.0% or more

Promotion System

Strengthening governance systems ▶ Transition to a company with an Audit & Supervisory Committee

Certain changes to the Unit system ▶ Reorganization within the IP Production Unit

ESG SECTION: ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS, P.64

SPECIAL
FEATURE

Connect with Fans –Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

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HISTORY OF OUR MID-TERM PLANS

The Bandai Namco Group was created in September 2005 through the management integration of Bandai Co., Ltd., and Namco Limited. After the integration, the Group moved quickly to leverage synergy effects by implementing a range of internal measures. However, we were not able to respond adequately to changes in our markets and customers. Our operational speed declined, and we did not effectively utilize the strengths of each Group company. As a result, our performance was sluggish. In April 2010, we launched the Restart Plan with the objective of transforming ourselves into a speedy group under the IP axis strategy. The Group worked together to maximize the shared value of IP, and in this way we achieved a recovery in our results.

In response to COVID-19, we positioned FY2022.3 as a period for enhancing our business foundation and organizational structure. We started the current Mid-term Plan from FY2023.3.

2010.3–2012.3 Mid-term Plan

Theme: Developing a Global Base for Growth

- Investments in growing business areas
- Improving profitability of each business

2013.3–2015.3 Mid-term Plan

Mid-term Vision: EMPOWER, GAIN MOMENTUM, ACCELERATE EVOLUTION

We advanced three business area strategies, which were applied to businesses, and two functional strategies, which were applied on a Groupwide basis.

RESTART!



Introduction of the Restart Plan

- Transformation into a speedy group
- Adoption of IP axis strategy by the Group

2007.3–2009.3 Mid-term Plan

Theme: Strengthening, Enriching, and Expanding Portfolio Management

- Strengthening corporate governance
- Effectively utilizing human resources
- Building an optimal management system
- Entertainment Hub Concept
- Strengthening overseas businesses

Management Integration



Reduction in speed
Unable to address
changes in society

Net Sales
(¥ billion)

Operating Profit
(¥ billion)

For the Fiscal Years Ended
March 31

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

2016.3–2018.3 Mid-term Plan

Mid-term Vision:
NEXT STAGE: EMPOWER, GAIN
MOMENTUM, ACCELERATE
EVOLUTION

- Accelerate evolution in the IP axis strategy
- Through the IP axis strategy, gain momentum in global markets
- Empower and innovate business model through Bandai Namco market advantages

2019.3–2021.3 Mid-term Plan

Mid-term Vision:
CHANGE for the NEXT: EMPOWER,
GAIN MOMENTUM, ACCELERATE EVOLUTION

- Accelerate evolution in the IP axis strategy
- Empower push into new entertainment
- Gain momentum with the ALL BANDAI NAMCO concept
- Make personnel the core of the Group

😊 IP axis strategy: From adoption to acceleration

2021.4–2022.3

Enhancing
Business
Foundations
and Systems
for the Next
Mid-term Plan

2023.3–2025.3 Mid-term Plan

1,050.2

990.0

889.2

740.9

125.4

116.4

90.6

732.3

723.9

678.3

620.0

575.5

565.4

507.6

487.2

454.2

394.1

378.5

426.3

460.4

459.1

450.8

48.6

44.6

56.3

49.6

63.2

75.0

78.7

84.6

84.0

34.6

16.3

22.3

1.8

MAIN STRATEGIES IN THE MID-TERM PLAN: OUTLINE AND PROGRESS

IP Axis Strategy

IP×Fan

Connecting with fans through IP

In addition to pursuing open collaboration with various business partners from a medium- to long-term perspective, we are advancing efforts to expand our businesses and enhance the potential of IPs. Through cross-organizational projects, we aim to maximize the value of the IPs that we roll out across various regions and businesses.

IP×Value

Enhancing IP value

We will further strengthen our IP creation and production capabilities through reorganization and strategic investment, etc. In addition, through collaboration with external partners and cooperation with regions and businesses, we will aim to maximize IP value from a longer-term perspective.

Examples of initiatives in FY2024.3

Groupwide initiatives

- Rolled out Groupwide initiatives for products, services, and marketing in coordination with the opening of animations and theatrical films in the *Gundam series*
- Products, services, and marketing for *DRAGON BALL* and *ONE PIECE* were developed under a cross-Group project.
- Advanced the Data Universe concept

Digital Business

- Promoted the establishment of a balanced and optimized title portfolio and the strengthening of the development structure

Toys and Hobby Business

- In order to expand global rollouts, strengthened initiatives for expanding product categories, bolstered e-commerce, and reinforced production systems
- Expanded touchpoints through real-world events and stores, and strengthened development by utilizing online platforms

IP Production Business

- Made an animation production company and a digital content production company into wholly owned subsidiaries
- Strengthened global rollouts of in-house visual works and visual works based on collaboration with other companies

Amusement Business

- Strengthened facility initiatives coordinated with Group IP, products, and services
- Strengthened the global expansion of facility development in collaboration with the Group

TOPICS

Aiming to Maximize IP Value on an IP Axis with IP Projects

For IP rolled out across regions and multiple businesses, we aim to maximize IP value from a long-term, overall optimal perspective through Groupwide projects (IP projects). We will leverage outlets for a wide range of products and services as well as our strengths in facilitating collaboration among digital and physical elements. We will move forward under the ALL BANDAI NAMCO concept, with the producers of IP acting as the control tower for rollouts of IP products and services, online distribution, PR, and events.

Executing Investment Underpinning Medium- to Long-Term Business Growth

We are advancing various efforts in each business to strengthen the foundation that underpins our growth over the medium to long term. In the Toys and Hobby Business, we are bolstering our production capacity so that we can respond to demand in the global market. For model kits, in addition to the production base in Japan, the Bandai Hobby Center (BHC), we are making use of the production bases of Group companies in Japan and pursuing collaborative production activities with partner companies. In these ways, we are seeking to enhance our production structure. Furthermore, we are building a new plant nearby the BHC with the aim of further increasing production capacity. In the IP Production Business, we are constructing a Group-owned concert hall to respond to growing demand for live events. Upon completion of construction, this new concert hall will be used not only as a venue for live events but also for cultivating IPs and artists.

IP×World

Connecting the world through IP

To work together and advance our strategies under the ALL BANDAI NAMCO concept in global markets, we implemented such initiatives as regional organizational restructuring and business base consolidation around the world. With this system, we expanded global initiatives and strengthened marketing collaboration across businesses. For the fiscal year ending March 2024, the overseas sales ratio was 27.8%. Although this represents a decrease of 0.7 percentage points compared with the previous year, this decline is due to the expansion of domestic sales. In fact, overseas sales themselves have grown. We will aim for an overseas sales ratio of 35% in the fiscal year ending March 2025, which is the final fiscal year of the Mid-term Plan, and to 50% as soon as possible.

FY2021.3 result

Overseas sales ratio: 22.3%

FY2024.3 result

Overseas sales ratio: 27.8%

FY2025.3 Mid-term plan target

Overseas sales ratio: 35%

Long-term goal

Overseas sales ratio: 50%

Note: In the sales revenue by location of Group companies, exports from Japan are included in Japan's sales revenue.

SPECIAL FEATURE: IP×World, P.54-61

Investment plan for accelerating evolution in the IP axis strategy

Three-year period covered by the current Mid-term Plan

Total: ¥40.0 billion

Strategic investment to maximize IP value:

¥25.0 billion

Examples of initiatives in FY2024.3:

- Strengthening of established IP products and services
- Creation of new IP

Investment to develop the IP metaverse:

¥15.0 billion

Examples of initiatives in FY2024.3:

- Establishing Group data platform for the Data Universe project

Personnel Strategy

Developing diverse human resources

We aim to be a corporate group where human resources with diverse talents, individual characteristics, and values can work actively and with vitality. We will strive to employ and develop diverse human resources, including marketing personnel, creators and engineers, and personnel in administrative departments. In addition, we will advance the establishment of environments that facilitate varied working styles, including providing support for employees taking on challenges and developing human resources who will be active in global settings.

Sustainability

Connecting to smiles into the future

In accordance with the Purpose, we will work together with fans to promote sustainability activities for the realization of a sustainable society. In addition, we have announced targets for the reduction of energy-related emissions of CO₂, and we will implement initiatives to work toward the realization of decarbonization.

- The Bandai Namco Group Sustainability Policy
 - Identification of material issues
- Five material issues**
- Harmonious coexistence with the natural environment
 - Provision of appropriate products and services
 - Appropriate utilization and protection of intellectual property
 - Establishment of work environments that facilitate mutual respect
 - Harmonious coexistence with communities
- Medium- to long-term targets for decarbonization

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

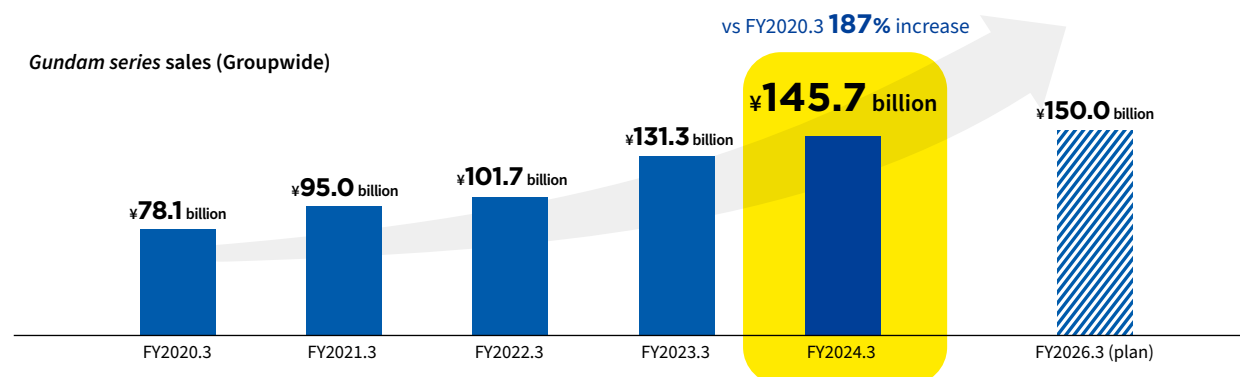
INTERVIEW
01

Celebrating the 45th Anniversary of the Evolving *Gundam* Series

IP × Fan

Message from the Chief Gundam Officer (CGO)

Gundam series sales (Groupwide)



Gundam Series—Continuing to evolve as it welcomes its 45th Anniversary

In April 2024, I was appointed as the fourth Chief Gundam Officer. I was appointed as CGO in the same year as the 45th anniversary of the *Gundam* series. In my new role, I will strive to enhance the global recognition of *Gundam* and maximize the value of the *Gundam* IP from a long-term perspective, as we move toward the next milestone for the series.

On a Groupwide basis, net sales from the *Gundam* series have grown from ¥78.1 billion in FY2020.3, to ¥145.7 billion in FY2024.3, making for an increase of 187% over a five-year period. Over the course of the past five years, performance of the series in the Japanese market continued to be solid. In addition, we promoted global efforts such as providing visual works and holding events,

thereby enhancing *Gundam*'s level of recognition worldwide. As a result, sales of *Gundam* products and services increased significantly, centered on *Gundam* model kits. This means we are now within sight of reaching our target for net sales in FY2026.3 of ¥150.0 billion, which we adopted at the 2nd GUNDAM Conference, which was held in 2021.

In FY2024.3, we acquired a large number of new fans through the releases of visual works such as the animated TV series *Mobile Suit Gundam THE WITCH FROM MERCURY* and the theatrical film *Mobile Suit Gundam SEED FREEDOM*. Recently, in particular, the widespread popularity of streaming platforms in Japan and overseas and the increase in multilingual viewing options have led to an expansion in the online distribution of Japanese anime. This in turn has boosted *Gundam*'s worldwide level of recognition. Furthermore, one of the most iconic initiatives we implemented that draws on the world view of *Gundam* was the establishment of life-sized *Gundam* statues.

In 2009, we set up our first life-sized *Gundam* statue in Shiokaze Park, in Tokyo. The statue received a tremendous response, attracting nearly 4.15 million people over a period of 52 days. After the establishment of the first statue, we set up statues in other locations, not just in Japan but also in cities like Shanghai, China. As an initiative for communicating the world view and appeal of *Gundam*, these statues contributed greatly to the performance of the series. These kinds of innovative initiatives, centered on visual works, also helped raise the level of recognition for the *Gundam* IP.

Accelerating growth of global businesses

As with the Group's Mid-term Plan, North America and China have been positioned as key markets in the global rollout of *Gundam*. While the level of recognition of *Gundam* in Asian markets has been comparatively high for some time now, the size of our business in China has been gradually expanding, and thus we can expect further development moving forward. We will further expand our level of recognition in North America. Considering the depth of the market and trends among consumers, there is great potential in this region. Looking ahead, we will seek to deepen connections with fans through such efforts as the promotion of *Gundam* model kits, which continue to perform well, the release of visual works, the opening of stores, and the rollout of sales promotions utilizing social media. In addition to the upcoming *Mobile Suit Gundam Requiem for Vengeance*, which will be released worldwide this fall, progress is being made with the live action *Gundam* Hollywood production, and these visual works will serve as an excellent opportunity to enhance recognition in North America.

Although we expect to continue to see steady growth in Japan, expanding the global rollout of *Gundam* will be indispensable in ensuring the sustainable growth of the series. We will therefore draw on the collective strengths of the Group to do so by promoting collaboration under the ALL BANDAI NAMCO concept. Furthermore, we will need to promote multilingual fan communication in the future in a manner that is even easier to understand. To that end, we will engage in comprehensive marketing activities that give consideration to local cultures and preferences so that we can better assess the types of visual works, products, and services desired in each region and strategically roll them out accordingly. By doing so, we will push ahead with efforts to expand our fan base across the globe.

Creating the future of *Gundam* together with fans

To celebrate the 45th anniversary of the *Gundam* series, we are holding the GUNDAM NEXT FUTURE—ROAD TO 2025 event across Japan. Held in preparation for the upcoming Expo 2025 Osaka, Kansai, this event demonstrates our desire to create the future of *Gundam* together with fans. As part of our efforts to do so, we will utilize certain messages for *Gundam* submitted by fans in initiatives related to GUNDAM NEXT FUTURE PAVILION, an exhibit we will hold at Expo 2025.

We want GUNDAM NEXT FUTURE PAVILION to serve as a place for forging connections with fans through *Gundam* and considering the future together with them, in accordance with the Group's Purpose—"Fun for All into the Future." Additionally, the pavilion will feature a life-sized *Gundam* statue created from materials reused from the life-sized moving *Gundam* exhibited at GUNDAM FACTORY YOKOHAMA. The approximately 17-meter-tall stationary statue will be made to strike a pose kneeling down on one knee and extending one arm upward, thereby conveying the idea of reaching toward both space and the future. We ask that you look forward in anticipation to GUNDAM NEXT FUTURE PAVILION, a collaborative initiative with *Gundam* fans.



Striving to further evolve the *Gundam* IP

The *Gundam* series has a history spanning over 45 years, and each fan has their own visual work that they call their favorite. Also, with its long history and diverse lineup of visual works, the first *Gundam* work that fans experience differs by factors such as country, region, and age. Taking this into account, we have continuously produced visual works with diverse world views, thereby giving depth and richness to *Gundam* as an IP. I believe this is why fans continue to love the IP even to this day.

We will continue to pursue a broad range of efforts with a view to the future of *Gundam*, including further enhancing branding activities, promoting business rollouts in an even wider range of categories, and deepening collaboration with external partners. Working toward the upcoming 50th anniversary, my mission is to convey the appeal of *Gundam* and further advance the IP on a global scale.

HIROSHI SAKAKIBARA

President and CEO
Chief Gundam Officer (CGO)
BANDAI SPIRITS CO., LTD.



Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses



KAORI SHIDA

Manager
Planning & Production Division, GUNDAM Department
IP Strategic Business Group
Bandai Namco Filmworks Inc.



IP × Fan

Mobile Suit Gundam SEED FREEDOM Contributing to IP Value Expansion

Expanding new fan base and achieving record box office revenue

I was involved as a planning producer in helping create the main video content for *Mobile Suit Gundam SEED FREEDOM* (hereinafter, *SEED FREEDOM*)—a theatrical film—alongside the film's producers, working together toward the film's completion. After completion, I was in charge of rolling out Groupwide products and services and implementing promotional activities.

SEED FREEDOM is the first new work in the *Gundam SEED* universe since the animated TV series *Mobile Suit Gundam SEED DESTINY*. Despite taking a considerable amount of time reaching theaters due to various difficulties, fans in droves went to see the film, setting a record in Japan for box office revenue among theatrical *Gundam* films in Japan, totaling nearly ¥4.9 billion (as of July 22, 2024). In addition to longtime fans of 20 years, a new generation of fans in their teens and 20s enjoyed the film, thereby helping expand the base of new *Gundam* fans.

Rollout under ALL BANDAI NAMCO concept helping ensure ongoing success

One factor behind the success of *SEED FREEDOM* has been the rollout of products and services for the *SEED* series by Group companies over a 20-year period, ensuring that the series, including its latest entry *SEED FREEDOM*, continues to remain exciting and memorable in the eyes of fans. Furthermore, due to the popularization of online video streaming services in recent years, many past works in the *SEED* series are being broadcast via the Internet, making them easily viewable for audiences in a wide range of age groups. Another reason for the success of *SEED FREEDOM* has been the significant advancements in production

technologies over the past 20 years. By utilizing CG technology, for example, we were able to realize stunning visuals throughout the entire film.

The *Gundam* Project played a central role in the rollout of products and services, in the manner it did with the animated TV series *Mobile Suit Gundam THE WITCH FROM MERCURY*. Through the project, we implemented Groupwide promotions for *SEED FREEDOM* before its release and launched numerous products and services at the time of release. Timed perfectly with the film's release, the promotion of *Gundam* model kits resulted in not only strong sales for new *SEED FREEDOM* products but also repeat sales of past products for the *SEED* series. In this way, major synergies were created in conjunction with the increase in fans of the *SEED* series.

I have been involved in the *SEED* series since 2004. I believe the completion of *SEED FREEDOM*, a work representing the culmination of 20 years of effort and filled with passion, is the direct result of our collaborative efforts on a Groupwide basis. I also feel that the film helped forge deeper connections with the *Gundam* fan base, which supported it in large numbers even after waiting for many years. In the future, I look forward to seeing how *Gundam* evolves and reveals new facets over time, as we pass the baton to the younger generation working on *Gundam*-related projects.



The *Mobile Suit Gundam SEED FREEDOM* screening event



INTERVIEW

IP × Fan

Overseas Expansion of *Gundam* Visual Works

Mobile Suit Gundam SEED FREEDOM garnering significant acclaim worldwide

The Global Licensing Department serves as the gateway for the overseas expansion of visual works, including the *Gundam* series, and is responsible for the management and sale of licenses. For *Mobile Suit Gundam SEED FREEDOM* (hereinafter, *SEED FREEDOM*), we have undertaken the distribution of the theatrical work overseas, promoting theatrical releases and promotional activities worldwide.

As of July 2020, *SEED FREEDOM* has been screened in 22 countries and regions worldwide and has been expanded to a total of over 82 countries and regions when including distribution and streaming. In terms of distribution, it is essential to consider the various circumstances and cultural differences of each country and region. The key is to coordinate with Group companies around the world to ensure the optimal timing for local releases. Additionally, in promotional activities, we have endeavored to cater to each country by organizing screenings and events. As a result, we received a great response both in Japan and in countries around the world, attracting many fans and generating significant excitement. We believe we have successfully expanded our new fan base overseas, in addition to the existing fans of past works.

The success of *SEED FREEDOM* is underpinned by the 2023 TV series *Mobile Suit Gundam THE WITCH FROM MERCURY*. Although the overseas expansion of TV anime was primarily focused on distribution, the widespread adoption of Internet streaming has resulted in an unprecedented response and expansion of the fan base, making it a turning point compared with previous *Gundam* visual works. This foundation of interest and enthusiasm for *SEED FREEDOM*, combined with various promotional efforts, has led to its success. Additionally, the collaboration across the Bandai Namco Group under the ALL BANDAI NAMCO concept allowed us to launch products and services in conjunction with the theatrical release. Early information sharing and coordination with overseas Group companies and local distributors enabled effective cross-promotion as a Group.

Recently, the growing popularity of Japanese animation has led to an expanding market. However, recognition and popularity of *Gundam* still vary across different countries and regions. I consider the challenge of exploring new regions as a mission to undertake. Moving forward, we aim to contribute to raising *Gundam*'s recognition by implementing measures tailored to local circumstances for the further global expansion of visual works.



AI TAKAI

Executive Officer
General Manager
Global Licensing Department
Management Business Group
Bandai Namco Filmworks Inc.

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

IP × Fan

Deepening Connections with Fans through

IJIGEN FES,

a Brand-New Style of Live Music Event

SHIN SASAKI (LEFT)

Managing Director
IP Strategic Business Group Division Director
Bandai Namco Filmworks Inc.

TAKAAKI SUZUKI (RIGHT)

Live Business Group Division Director
Executive Director
Bandai Namco Music Live Inc.
President and CEO
Bandai Namco Base Inc.

01

Interview

Launching IJIGEN FES, a brand-new style of live music event designed to capture fan interest

In December 2023, we held “IJIGEN FES *THE IDOLM@STER*★♥*LOVELIVE!* UTAGASSEN,” a collaborative live music event featuring the *THE IDOLM@STER* series and the *Love Live!* series, at Tokyo Dome (Bunkyo Ward, Tokyo).

IJIGEN FES was conceived based on the desire to create a brand-new style of live music event by pairing two different kinds of genres together to capture the interest of fans. As we named the event “IJIGEN,” which translates to “another dimension,” we gave much consideration as to the type of collaboration we would like the event to feature. We decided on transcending the boundaries of Group IPs to bring together the *THE IDOLM@STER*

series and the *Love Live!* series, both of which have grown in their respective worlds by combining a 2D world and music and by going beyond the conventions of anime songs.

Creating a collaboration between two very different IPs was an extremely challenging task, and there were many issues we needed to address. However, through the close cooperation among three Group companies—Bandai Namco Entertainment Inc., Bandai Namco Filmworks Inc., and Bandai Namco Music Live Inc.—we were able to realize this collaboration. As a result, I believe that IJIGEN FES served as an unprecedented initiative that captured the interest of fans and offered them a new and exciting experience. In addition, this live music event was streamed online not only in Japan but also overseas, thereby garnering significant worldwide attention.

Creating an event that resonates with each IP’s fans and that the cast members themselves can enjoy

In combining the *THE IDOLM@STER* series and the *Love Live!* series, we anticipated that there would be a high level of affinity between these two franchises, as they both feature idols who sing and dance and they both have experience and know-how performing at Tokyo Dome. Furthermore, in 2025 *THE IDOLM@STER* series and the *Love Live!* series will celebrate their 20th and 15th anniversaries, respectively. To commemorate these milestones, we wanted to implement an initiative that would serve as a catalyst for maximizing the value of these IPs.

With that said, we had to place the most emphasis on ensuring that this event would resonate with the fans of both IPs and that it could be enjoyed by the over 100 cast members who would actually be performing on stage. To that end, leading up to the event, we sought to foster a collaborative atmosphere between the two IPs, including broadcasting collaborative online streams. As a result, we were able to gain the support of a large number of fans by building up the concept of “IJIGEN FES” in a detailed manner, and the event itself was widely enjoyed by fans, with many asking when another such event will take place.

In addition to making a lasting impact on fans, the event enabled the three Group companies responsible for facilitating the collaboration to share methods, frameworks, and know-how. This in turn fostered positive synergy between the IPs. The IJIGEN FES initiative provided us with new perspectives and experience, as it brought together many Group strengths under the ALL BANDAI NAMCO concept, while maintaining the proper level of respect for each IP.

Contributing to the maximization of IP value through IJIGEN FES

Holding the second IJIGEN FES, for which fans have high hopes, is a major theme of discussion for us moving forward. The objective of IJIGEN FES was to create a brand-new style of live music event to capture the interest of fans. There is the concern that we can no longer replicate that “first-time experience” with IJIGEN FES upon holding the event a second time. However, we are looking forward to taking on new challenges in holding the second IJIGEN FES, exploring the possibilities of various combinations, including determining how we can combine IPs to create new collaborations and what kinds of IPs we can combine that would be unexpected but also desired by fans.

In addition, the global rollout of events such as IJIGEN FES is another major effort we ought to pursue. For example, we face many issues in holding IJIGEN FES overseas, as was the case when we did it in Japan, including sending a cast of over 100 members on an overseas tour and determining appropriate sales methods of merchandise. We do not have an extensive track record of holding live events overseas, so each Group company first needs to build up experience by holding an adequate number of different live events overseas.

Additionally, we are currently building a concert hall with a 2,000-person capacity in Shibuya Ward, Tokyo, slated to be completed in 2026. The ward of Shibuya has continued to grow as an area that sets both national and global trends, and we hope that our concert hall in this area will serve as a place where we can deepen our connections with people, society, and the world through a wide range of music and other live events. Also, as this will be a Group-owned concert hall, we aim to utilize it as a place for taking on new and experimental challenges so that we can create new Group IPs and cultivate new artists.

Not only did the first IJIGEN FES deliver to fans a brand-new style of live music event, its success also contributed significantly to the maximization of IP value. Moving forward, we will continue to pursue new challenges by exploring the possibilities of various combinations for promoting initiatives that unlock new potential under the IP axis strategy.

THE IDOLM@STER series

THE IDOLM@STER is game content that allows players to become “idol producers” seeking to cultivate new idols. Started in July 2005 as a game for amusement facilities, *THE IDOLM@STER* has since grown to include game apps for smartphones, home console games, live events, music CDs, animations, theatrical films, radio broadcasts, and merchandise. In 2025, the series will mark its 20th anniversary since its inception.



Love Live! series

Love Live! is an IP project revolving around high school girls who seek to make their dreams come true by becoming “school idols.” Based on the theme of “May Our Dreams Come True!,” *Love Live!* encompasses various forms of media. Starting with the first *Love Live!* in 2010, we have released new works for this IP one after the other. These works include a wide range of media, including TV animation broadcasts telling the stories of each character, and live music events with cast members who play the roles of the characters.



Messages from the personnel in charge



Shin Sasaki

For the next IJIGEN FES, we will thoroughly consider how to combine IPs so that we can once again create a brand-new live music event experience.



Takaaki Suzuki

By having new staff members participate in future IJIGEN FES events, we can expect to see new ideas and perspectives that will help us tackle a variety of challenges.

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02

IP × Fan

Roundtable Discussion with Frontline Personnel for “IJIGEN FES THE IDOLM@STER★
♥LOVELIVE! UTAGASSEN”

Dialogue

Offering New Value Showcased by the Live Music Event IJIGEN FES



KEI UMEKI

Senior Specialist
Event Production Team 1
Platform Production Department
AE Business Division
Bandai Namco Entertainment Inc.

YUKI MAKIMOTO

General Manager
Love Live! Production Department
Music Business Group
Bandai Namco Music Live Inc.

HIROKI ARIYOSHI

Executive Expert
Live Event Production Department
Live Business Group
Bandai Namco Music Live Inc.

YUKI WAKABAYASHI

Deputy General Manager
Department2
IP Strategic Business Group
Bandai Namco Filmworks Inc.

Our respective roles

Makimoto I was primarily responsible for managing the in-house music team for the *Love Live!* series and working as the contact person for liaising with various affiliated divisions, including the live event team. I also served as the representative of the production committee that was organized for this event.

Ariyoshi I was in charge of the live event production. Working with Mr. Makimoto, I handled staff allocation and made various adjustments between cast and staff members.

Umeki I was responsible for all matters pertaining to appearances of *THE IDOLM@STER* series. I also helped lead discussions at the production committee meetings and facilitate communication between the event staff and committee members.

Wakabayashi As the head coordinator for the *Love Live!* series, I was involved in all aspects of the *Love Live!* series. On the production committee, I was primarily involved in planning and production.

Creation of the collaboration live event “IJIGEN FES UTAGASSEN”

Wakabayashi IJIGEN FES was created based on our desire to hold a brand-new style of live music event that captures the interest of fans. In holding IJIGEN FES for the first time, we pursued a format that was uniquely Bandai Namco and unlike the conventional music festivals that fans are already familiar with. Accordingly, our efforts started with planning a live music event that focused on collaboration between IPs, based on the recognition of IPs as our core.

Umeki Through past events and other collaborations between *THE IDOLM@STER* series and the *Love Live!* series, there had been regular communication between the personnel responsible for each series. We had been wanting to organize a collaborative live event together for many years.

Wakabayashi There were concerns that a collaboration between two different IPs might cause conflicts between fans. However, we referenced a broad range of data and concluded that there was significant overlap between fans of these two IPs. We therefore believed that these two IPs did not conflict with each other and instead had a high level of affinity. Based on this conclusion, we thought about how these IPs could mutually please both fan bases.

Umeki We planned the event based on trust in both fan bases and respect for both IPs. Given that IJIGEN FES was an unprecedented initiative, we all agreed we had to think outside the box if we were to realize an event that captured the interest of fans and offered them a new and exciting experience.

Impact of IJIGEN FES and fan reaction

Makimoto When managing the music and the cast for the event, one concern I had with the significant challenges presented by IJIGEN FES was how much pressure there would be on the cast, which comprised over 100 members. However, the cast members were excited to be involved in such an unprecedented initiative and were extremely positive in their preparations for the event. I believe that the hard work and positive attitude of the cast is what made IJIGEN FES an event that exceeded fans' imaginations. I was also relieved to hear many of the cast members say that they enjoyed the event.

Ariyoshi Having been involved in the production of various live events, I had some concerns about the fans of each IP seeing each other as rivals. In reality, however, these fan bases created tremendous synergies with each other that made the event far more exciting. I even felt that the fans cheered far more loudly than they would have at an event featuring just one of these IPs. Out of all the live events I have been involved with, IJIGEN FES was the first time I saw fans so excited.

Makimoto To tackle the challenge of holding IJIGEN FES at the massive venue that is Tokyo Dome, everyone involved had to mobilize in ways that went beyond their positions and scope of responsibilities. As a result of this effort, we were able to make the event a tremendous success. The pursuit of an event that truly embodies the ALL BANDAI NAMCO concept led to deeper, more natural communication between all frontline personnel, and this was another positive aspect of the project.

Ariyoshi Management-level personnel from both IPs, including the head coordinators, were fully active on the frontline, and this helped us swiftly and boldly turn ideas into action. In addition, I felt that we were able to make decisions smoothly thanks to the high level of mutual respect we have for each IP.

Wakabayashi An issue for us to address for the next IJIGEN FES is how to further expand the fan base. Through the success of the first IJIGEN FES, I think that we have fostered a lot of anticipation about the possibilities of various collaborations, including between IPs for which collaboration would not be expected, IPs from completely different genres, and IPs for which many think collaboration would not be

possible. I also believe that when more fans interact with each other and fan bases widen, this leads to greater potential for collaborations.

Umeki By fully leveraging Group know-how and resources in everything from the production of the live event to video streaming and the planning and sale of merchandise, we were able to generate extremely positive synergies. I am truly glad we were able to make IJIGEN FES happen. Not only did the event let us see the delighted faces of fans and receive messages of gratitude from them but it was also a tremendous success from a business standpoint.

Pursuits for the future

Wakabayashi In 2025, the *Love Live!* series celebrates its 15-year anniversary. In addition to existing works, we will continue to strive as a team to realize new developments for the series, together with the fans.

Umeki In 2025, *THE IDOLM@STER* series celebrates its 20-year anniversary. We will continue to place emphasis on deepening our connections with fans by creating content and organizing events with fans and other relevant parties. At the same time, we will tackle new pursuits that both we and the fans can enjoy. To ensure that *THE IDOLM@STER* series is loved by fans for many years to come, I would like to see our young personnel continue to gain a wide range of experience. Moving ahead, we will strive to deliver fans with exciting new experiences that exceed their imaginations.

Ariyoshi With the aim of creating a never-before-seen stage design, we incorporated features such as a massive LED curved display screen into the stage. For future live events, we will continue to introduce new technologies and ideas, thereby creating stages that can hold totally new kinds of performances that fans will deeply enjoy.

Makimoto The effort that went into IJIGEN FES served as a valuable experience for all team members and staff involved in the project. Drawing on this experience and know-how in upcoming initiatives, it is my hope that our team and staff continue to create new works that appeal to all generations. Personally, I still very much have the desire to be involved in new IPs, and as such I will continue to tackle new pursuits with an adventurous spirit.



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IP × Value

TEKKEN Series—

Creating Fun, Captivating, and Long-Lasting Experiences for Fans

KATSUHIRO HARADA (LEFT)

Group Leader
Studio 1 Group 1
Bandai Namco Studios Inc.

NAOYA YASUDA (RIGHT)

Senior Specialist
Team 1
Production Department 3
CE Business Division
Bandai Namco Entertainment Inc.



The *TEKKEN* series of 3D fighting videogames

Originally released for arcades in 1994, the *TEKKEN* series celebrated its 30-year anniversary in December 2024. In 2017, the Guinness World Records identified the series as being the “Longest-running 3D fighting videogame franchise” and having the “Longest-running videogame storyline.” As a result of our ongoing efforts to create new releases for the series, *TEKKEN* has grown to become an iconic title among the many 3D fighting games that have been released over the years. The success of the series is due mainly to its ongoing evolution over its 30-year history, driven by technology, and that it has flexibly adapted to the constantly changing business models in the gaming industry. Additionally, its success can be attributed to its thorough adoption of a fan and community-centric marketing approach. Drawing on the know-how we have continuously accumulated over the years, we have been able to successfully develop *TEKKEN* into a historically significant Bandai Namco IP that boasts a major presence in the gaming industry.



Reception of the newly released *TEKKEN 8*

The all-new *TEKKEN 8* was released in January 2024, roughly nine years since the previous title *TEKKEN 7* was released in arcades, and six-and-a-half years since it was released for home consoles. On the day that it was released, *TEKKEN 8* shipped 1 million copies worldwide, and this number exceeded 2 million throughout the ensuing month. This greatly outpaced the number of copies sold and sales revenue of *TEKKEN 7* over the same time period at the start. This sales performance reflects how highly customers thought of the product, which was developed by Bandai Namco Studios Inc. In addition, through analysis, we have recognized that the sales of *TEKKEN 8* were due to the fact that, for the first time ever with a numbered title in the franchise, we released the game for home consoles simultaneously across the globe without first launching it in arcades. Moving forward, we will continue to roll out a wide range of initiatives aimed at acquiring both new fans and fans who have purchased previous *TEKKEN* titles, thereby further accelerating the pace of sales. Sales of the previous *TEKKEN 7* greatly exceeded our initial forecast at the time the game was released due to various factors. These included the widespread adoption of the games-as-a-service (GaaS) model, whereby free updates and downloadable content are offered on an ongoing basis, as well as the popularization of online game streaming and esports, which has led to increased participation from parties other than players, such as online viewers and spectators. Another factor was the increase in demand for home console games following the spread of COVID-19. Taking into account the factors behind the success of *TEKKEN 7*, we commenced the product design process for *TEKKEN 8* based on the premise of having fans play the game intensely and for long periods of time. We also established a structure emphasizing management from a long-term perspective that extends long past the game's release. Additionally, we are working to further advance our esports initiatives, which we began in earnest starting from *TEKKEN 7*, in an effort to retain core fans and acquire new viewers. At the same time, we are stepping up efforts to expand the economic ecosystem of the IP in terms of both online and offline, through developments that go beyond the game business to include other businesses such as music and licensing.



Establishment of *TEKKEN* as a captivating and long-lasting IP (turning point for branding and fan marketing)

We have continued to create new releases throughout the 30-year history of the *TEKKEN* series. What has supported the series over that time is not only the high level of completion for each game but also the original branding and marketing activities we have implemented on a continuous basis. A major turning point in our branding approach came in the 1990s, when the market began to shift from businesses focused on amusement facilities to ones focused on households. At that time in Japan, it was commonplace to make a home console

version of a game that was popular in the arcades. The development team of *TEKKEN*, however, began to observe trends in overseas markets and noticed how, year after year, the culture of going to the arcades was slowly diminishing, primarily in Europe and the Americas, and that business models in those markets were changing as a result. In anticipation of a shift to an era in which *TEKKEN* would be played not only at amusement facilities but also at home on a repeated basis, we began experimenting with efforts to offer new experiential-based value that could only be realized via a home console game title. The results of this effort have led to the current style of *TEKKEN* that you see today. For example, we created narratives for each character that appears in the game, allowing fans to enjoy a character for both their gameplay and their story. Also, in addition to the conventional versus mode where players can fight using each character, we added a story mode and minigames. Both of these ideas came to us when we transitioned to home console games and enabled us to further expand our fan base. The nature of gaming has evolved alongside the transformation of business models and platforms and the changing era. Accordingly, we have consistently reviewed *TEKKEN*'s game design from the perspective of users. Even while doing so, however, the fundamental appeal of *TEKKEN* of bringing together players and spectators, which has been woven into the game's DNA, has remained unchanged, and I believe this is why the IP has enjoyed the support of fans for many years.



Starting in December 1994 as an arcade game, *TEKKEN* is a 3D fighting game series that is now developed primarily for home console games. In 2017, the Guinness World Records identified the *TEKKEN* series as being the “Longest-running 3D fighting videogame franchise” and having the “Longest-running videogame storyline.” In 2024, the series celebrated its 30th anniversary.

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In our marketing activities for the *TEKKEN* series, we have placed the utmost importance on always listening to the opinions of fans and gathering comprehensive information. We visited regions around the world where *TEKKEN* is being played to gather raw information on how the game is being enjoyed, the age range of fans, their actual reaction to the game and level of excitement, and changes in their needs. This information was then incorporated into our development and marketing strategies. Furthermore, even before the words “social media” existed, we communicated directly with fans via online message boards, earnestly taking in both praise and criticism. By doing so, we were able to incorporate such feedback into the development process with a strong sense of objective. By honestly pursuing these marketing activities over the course of 30 years, we have fostered a deep connection with our fans that has helped us establish the *TEKKEN* series as an IP loved and supported by them for many years.

Reasons for the popularity of *TEKKEN*—an IP with an overseas sales ratio of over 95%

Overseas sales accounted for over 95% of total sales for the previous title *TEKKEN 7*, and the series itself has been tremendously popular overseas from a very early stage in its history. From as early as around 1995, when *TEKKEN* and *TEKKEN 2* were released, overseas sales had already made up over half of total sales of the home console versions of these titles. For this reason, we made a considerable investment in conducting a marketing survey in each region around the world in order to gain a detailed

understanding of local needs and reflect that in our development and branding activities. Also, in anticipation of the change in demand for arcade games, which was mentioned earlier, we promptly secured overseas human resources to move forward with our transition to development focused on home console games, including localization for various countries and regions around the world. The same division was in charge of overseeing both arcade and home console games development, and this made it easier to draw up a consistent strategy for the IP, which in turn contributed to *TEKKEN*'s growth as a global brand.

Looking ahead, in order to have even more people engage with the *TEKKEN* series, we must accurately communicate our overall strategy to local staff in each region and establish a system that enables local staff to incorporate that strategy into initiatives catered to regional needs based on their best judgment.

High affinity between the *TEKKEN* series and esports

The major turning point for the expansion of the *TEKKEN* series into esports came in 2019. Until then, the competitive scene for the *TEKKEN* series, including the *TEKKEN* World Tournament held by Bandai Namco Entertainment, was dominated by skilled players from Japan and South Korea. From 2019, however, skilled players began to enter the scene from not only Europe and the Americas but also countries that had previously been off the radar, such as Pakistan, Peru, and Côte d'Ivoire. The addition of such players led to a genuine and unique worldwide expansion of the *TEKKEN* series that was unlike that of any other game title. With the outbreak of COVID-19 in the following year, online game streaming quickly became more widespread, and this led to an increase in fans who were *TEKKEN* spectators. In addition, after long-standing stay-at-home policies were lifted, people began to appreciate the value of offline events even more. As a result, the *TEKKEN* series has enjoyed an even greater presence in the current global esports market.

Although “esports” is a term that has been garnering significant attention in recent times, the experience of having players battle against each other, face-to-face, with spectators watching around them is something we have been offering fans for many years through arcade versions of *TEKKEN*. Furthermore, we developed arcade versions of *TEKKEN* with a consistent awareness of how we could leave a lasting impact on players who are playing on an arcade machine for the first time. This development approach has helped give *TEKKEN* a high level of affinity with esports. To date, the value of the *TEKKEN* series has constantly been enhanced by the intense moments that have occurred in fights between players in real-life settings, and now, these moments happen during esports competitions. No matter where the location, these moments have helped bolster the value of *TEKKEN* as an IP.

Furthermore, esports has been impacting the economic ecosystem of *TEKKEN*, which traditionally only involved the two parties of publisher and user. Due to the development of the

esports market, a new economic ecosystem is being built that includes third parties who enjoy the series without actually purchasing the game. Such parties comprise not only online viewers and spectators but also event organizers and event and player sponsors. In August 2024, the Esports World Cup was held in Saudi Arabia, with total prize pool of US\$1 million, meaning that esports tournaments have reached the point where they are being held on a national scale. Moving forward, we will continue to focus on the expansion of esports as a key piece of infrastructure for the *TEKKEN* IP as we aim, through esports, to build ecosystems in which the economic growth of *TEKKEN* ultimately leads to benefits for the fans.

Enhancement of IP value from real-world and online perspectives

We believe that the experiential-based value that fans have consistently expected from the *TEKKEN* series over its 30-year history lies in the interactions between fans built on a foundation of a competitive culture. For the new title *TEKKEN 8*, we prepared the *TEKKEN* Fight Lounge, a massive in-game online metaverse. In the *TEKKEN* Fight Lounge, players can communicate with each other via customizable avatars, enabling them to enjoy the same kind of community-based culture online as they would in a real-life arcade setting—where players and spectators enjoy the game together. Since COVID-19, there has been greater value found in the experience of people gathering together. In light of this, we believe that creating settings for building communities both online and offline and establishing a structure to manage those communities will help us ensure that fans continue to enjoy the *TEKKEN* series for many years to come. Without confining ourselves to the framework of video games, we will continue to maximize the value of the *TEKKEN* IP, including through expansion into business domains other than games.



SPECIAL FEATURE: Connect with Fans—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

Messages from the personnel in charge



Katsuhiro Harada

One issue we must focus on is how to pass on the *TEKKEN* brand, which we have built up over the years, to the next generation. To that end, we will strive to create *TEKKEN* games into the next 10 to 15 years so that fans can enjoy the series across generations.



Naoya Yasuda

We play an important role in providing environments where fans around the world can continue to enjoy *TEKKEN* in a manner that lives up to their expectations. To fulfill this role, we will continue to expand and grow the series not only in the game business but also in other entertainment domains as well, including esports and licensing, thereby enhancing the value of the IP.

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

DAISUKE UCHIYAMA

Director
Bandai Namco Entertainment Inc.
President and CEO
Bandai Namco Studios Inc.

young game creators accumulate development experience. Since 2019, Bandai Namco Studios Inc. (BNS) has been implementing the GEMini Project, a training course enabling new employees to experience the flow of the game development process over a period of three to four months. In 2021, we launched the game label GYAAR Studio as a venue for young creators to utilize more open concepts in development. This label has in place a cycle that helps creators with around one year of development experience release a game title and gain a feel for listening to fan feedback.

Additionally, I believe that one of my most important missions is to share the know-how cultivated at Group game studios, centered on BNS, both inside and outside the Group. By sharing this know-how with other Group companies and business partners such as external development companies, we will be able to gain various insight from both internal and external sources. This in turn will be used to further evolve our development studios. These kinds of efforts aimed at resolving issues on a Groupwide basis not only enhance game quality, but they also lead to greater development speed through increased efficiency.

Lastly, what is most important is to remain committed to creating games only Bandai Namco can develop. By fully leveraging our strengths in creating games that draw on the appeal of our IPs, we will continue to pursue the development of games our fans desire moving forward.

DORONKO WANKO



"DORONKO WANKO," one of the titles developed through the GEMini Project

COLUMN 01

Initiatives to Strengthen Structure for Game Development

Working to strengthen game development structure with the aim of medium- to long-term growth

In recent years, game development has become considerably more difficult, especially for major titles, due to factors such as adopting technologies to respond to the increasing sophistication of game development itself, transitioning to multi-platform development, providing language and other forms of worldwide support, and addressing diversifying user needs. These factors have led to longer development periods and higher development costs, and there is now a growing need to address these issues with a greater sense of speed.

Under these circumstances, we believe it is imperative to build a structure that can keep development in line with plans through the appropriate allocation of resources and stringent schedule management and that can extend the lifecycle of existing titles through such means as repeat sales and downloadable content. In FY2024.3, Bandai Namco

Entertainment Inc. (BNE) proceeded with structural preparations for building a title portfolio that strikes a proper balance between investment costs and development progression. As part of these efforts, we have been strengthening our evaluation system for titles under development. In addition, we have set up the Portfolio Committee as an organization for assessing new development titles at an early stage by leveraging strengths that are uniquely Bandai Namco. The president & CEO of BNE serves as chair of this committee and makes determinations on the strategic reshuffling of our title portfolio from broad perspectives that encompasses our entire business.

However, a certain amount of time is required before we can reap the benefits of this new production structure. As recent game development requires around three to five years, we will steadily push forward with efforts under this new structure aimed at achieving results over the medium to long term.

Moreover, amid longer game development periods, there is a need to have our

COLUMN 02

Initiatives to Bolster Production Structure of Model Kits

Working to bolster production structure to meet growing global demand

Currently, demand for model kits, centered on *Gundam* model kits, continues to grow around the world. On the back of rising worldwide popularity, the overseas sales ratio of *Gundam* model kits has reached nearly 50%. We have also recently seen a boom in the popularity of original brands, such as the 30 MINUTES MISSIONS Series.

To meet this demand, we have been making ongoing efforts to bolster our production structure. In addition to enhancing production efficiency at the core Bandai Hobby Center (BHC) in Shizuoka Prefecture, we have been expanding production capacity through collaboration with Bandai Logipal Inc. and Bandai Namco Craft Inc. (Tochigi Prefecture). By stepping up collaboration with partner companies moving forward, we will strive to enhance production capacity in each area of operation.

Constructing a new plant with a focus on medium- to long-term growth

We are proceeding with the construction of a new plant at the BHC, which is slated to commence full-scale operations during the period of the next Mid-term Plan. Although one major aim of the new plant is to expand production capacity, we are also examining ways of using the new plant to draw attention to the skilled personnel working on the front lines of manufacturing, as part of our branding initiatives. To that end, we have devised a vision for the new plant as a place for further advancing "BHC Quality," to which we have remained committed. By shining a spotlight on the personnel working at the plant, we will communicate the attractiveness of our manufacturing activities. In these ways, we will endeavor to secure human resources over the medium to long term by presenting the option of working in manufacturing to the children who will lead the future.

YUKIO MATSUHASHI

Deputy General Manager
Hobby Products Division, Global Business Department /
Creation Department
BANDAI SPIRITS CO., LTD.



Simply put, we want the new plant to serve as a place for creating new fans.

Demand for model kits is expected to continue to grow on a global basis moving forward. We must work to make our production structure more stable not only during the period of the upcoming Mid-term Plan but also over the longer term. To that end, we need to bolster production capacity by increasing the number of molding machines and expanding floor space. At the same time, it is crucial that we enhance production efficiency through such means as introducing cutting-edge technologies and promoting digitalization. Additionally, we have been faced with the pressing issue of passing on our core molding techniques to the next generation. We will thus make swift efforts to secure and cultivate skilled personnel. Our model kits are supported by fans because we have a strong desire to deliver products that exceed their expectations by constantly listening to their opinions and because we have pursued technological advancements for over 40 years. Moving forward, we will make every effort to bolster our production structure so that we can deliver model kits that satisfy our fans around the world.

Cultivating Animators and Strengthening the Production Structure

Strengthening the production structure through the independent cultivation of animators and the promotion of external collaboration

For many years, Bandai Namco Filmworks Inc. (BNF) has been strengthening its efforts to cultivate personnel, taking into account not only the animator shortages that have emerged due to the expansion of the animation industry but also the need to pass on frontline operational experience and know-how related production to the next generation as Japan's population continues to age. Currently, we operate the four academies listed on the following page and are working to cultivate personnel in the respective domains of each academy. At the same time, from the perspective of practical human resource development, we are working to create opportunities for animators to take on new challenges and gain a wide variety of experience.

Through such efforts, we have cultivated many graduates who now work on the front lines of production, including as directors and

lead animators, both internally and at external organizations. For example, a student who graduated from the Scenario School is now involved in pre-production development as a screenwriter, working together with producers. In the industry, there are often producers who are extremely busy dealing with multiple titles. There are also producers who are not experienced in scenario development and those who are taking on the producer role for the first time. In such cases, having personnel who have studied scenario development professionally take on the role of screenwriter helps improve filmwork quality and labor management, thereby leading to a more robust production team structure.

At the same time, we are stepping up collaboration with external studios as a means to strengthen our production structure. In April 2024, we welcomed the animation studio Eight Bit Co., Ltd., into the Bandai Namco Group with the aim of further expanding mainstay IPs and creating new IPs on a continuous basis through an expanded production line. Since its foundation in 2008,

Eight Bit has produced many works for the Group, and our relationship with the company deepened greatly after commencing a business alliance with them in June 2020. By melding our strengths with those of Eight Bit and sharing capabilities with each other, we believe we will be able to create new value.

At BNF, we aim to strengthen our production structure through a two-pronged approach involving the enhancement of independent human resource development and the strengthening of collaboration with external studios. While doing so, we will remain committed to our strengths in originality and quality. Creating new IPs is our mission at the IP Production Unit, and the continuous cultivation of outstanding personnel is essential in the creation of original works. Moving forward, we will continue to advance unique human resource development activities to ensure that we can make an impact on the industry. We will also aim to establish a sustainable production structure while passing the baton to the next generation. Moreover, I will take on the challenge of establishing a production studio overseas and becoming involved with the cultivation of talent there. Bringing the experience I gain overseas back to Japan and using it to help inspire national personnel, I will aim to further advance our human resource development and production structure at BNF.

OSAMU TANIGUCHI

General Manager
Production Department and Production Administration Department
Vice Division Director
IP Production Group
Bandai Namco Filmworks Inc.

Acquiring personnel aspiring to be creators



Bandai Namco Filmworks Inc.

Recruiting and developing personnel aspiring to be creators

Drawing Academy / Art Academy

We run a program based on application guidelines that involves external recruitment and offers practical training in animation and art. Active animators, art directors, and other art professionals serve as instructors. During the six-month to one-year training period, students receive financial support through scholarships and aim to acquire skills and knowledge applicable to real-world work environments.

Creating opportunities to take on challenges and implementing practical human resource development

WB STUDIO Original IP Proposal Solicitation Project

Discovering and developing internal talent

Scenario School / Technical Directing School

The Scenario School and Technical Directing School are initiatives targeting employees aspiring to be scriptwriters or production staff, in which experienced directors and prominent screenwriters are invited to provide training. These schools also provide support for employees looking to change their career. In this way, the schools serve as a human resource development program aimed at not only cultivating internal talent but also enhancing the level of skill across the entire industry.



Cultivating creators who play an active role in Japan and overseas

Messages from Former Students

- Q1 What impressed you about the course content?
Q2 What do you focus on and value with your work in animation production?
Q3 What are Bandai Namco's strengths when it comes to animation production?



Lee Soobin

Creative Production Section,
Production Department
Alumni of SUNRISE Drawing Academy

- A1 One thing that impressed me, who often becomes nervous, was the advice I received from my instructor, who told me about the sense of achievement I could gain by setting small goals for myself each day and accomplishing them one by one.
A2 What I believe is important in animation production is the ability to communicate a message. To that end, I am constantly aware of what I want to show the audience watching the animation and what I want to communicate while doing so.
A3 I feel that Bandai Namco's strength in animation production derives from its creation of original works from scratch.



Kazunari Nagai

SUNRISE Studio 1, Production Department
Alumni of SUNRISE Drawing Academy

- A1 There was an assignment where, referencing pictures taken from various angles, we had to create a layout by imagining views and angles that were not present in these pictures. What stood out to me in this assignment was how the teacher was able to bring out aspects of the picture I had not noticed, simply by drawing a few lines.
A2 Animation production involves multiple people, so I place emphasis on making sure my drawings can be checked and revised smoothly during the later stages of the production process.
A3 Working as an animation producer at Bandai Namco, I have many opportunities to see the work of legendary animators up close, which have provided me with valuable learning experiences. Also, I feel that the distinctive nature of each production studio is another major strength of Bandai Namco.



Yui Sudo

Production Promotion Section,
Production Management Department
Alumni of SUNRISE Art Academy

- A1 I was impressed with the course on creating background settings by combining shapes. This helped me become more aware of considering not only the shapes of buildings and other structures but also roads and natural objects. This in turn has changed my perspective when I walk through cities and towns.
A2 Background art plays the important role of setting the stage on which the character performs. I therefore make concerted efforts to draw backgrounds that allow viewers to focus on the performance, being sure that the characters stand out to the audience without any distractions.
A3 Having training institutions such as the SUNRISE Art Academy is a tremendous strength of Bandai Namco's animation production, and being able to gain various experience through the academy in my first year was a great benefit to me and other new employees. Moving forward, I aim to continue to grow as an animator so that I can help contribute to the success of our IPs.

Connect with Fans

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01.

DIALOGUE

IP × World

GASHAPON—“Turning” Entertainment into a Market Driver

YUSUKE TAKIGUCHI

Executive Officer
General Manager
Capsule & Small Toy Business Department
BANDAI CO., LTD.

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KAZUYA MAEDA

Division Manager
Solution Business Division
Executive Officer
Bandai Namco Amusement Inc.

Boasting the top national market share in the GASHAPON capsule toy business

Takiguchi GASHAPON is an original capsule toy brand that has been loved by children for many years. Recently, we have been promoting product development for the mature fan base, and this has helped garner support for the brand from a wide range of age groups, from children to adults.

Maeda GASHAPON is also widely known by tourists visiting Japan. To that end, the capsule toy machines installed in the passenger terminal at Narita Airport are reported to have the highest sales in Japan, serving as a popular spot for souvenirs before returning home. The size of the market for capsule toys in Japan is also rapidly increasing, growing from ¥65 billion in FY2023.3 (up 44% YoY), to ¥80 billion in FY2024.3 (up 23% YoY),* closing in on the ¥100 billion level.

* According to Toy Market Data of the Japan Toy Association

Takiguchi Bandai Co., Ltd., has been active in the capsule toy market for nearly half a century, making an entrance in 1977. We gave the name GASHAPON to our brand of capsule toys based off Japanese onomatopoeia, with “gasha” being the sound made when turning the crank on the machine, and “pon” being the sound made when the capsule comes out of the machine. We have created numerous hit products through a lineup that capitalizes on trends in this era of diverse IPs, and have steadily enhanced the performance capabilities of GASHAPON vending machines year by year. A major turning point in this business was when we made the bold decision to target higher price ranges, seeking to compete by offering value suitable for higher prices. Through these efforts, we have been able to acquire the leading share of nearly 60% in the national toy market.

GASHAPON station

Creating new markets with GASHAPON specialty stores

Maeda Although the capsule toy market is currently thriving, the market size in the past remained around ¥30 billion. Even by the second half of the 2010s, the market was around ¥35 billion. What significantly changed the landscape of the capsule toy market was the successive creation of GASHAPON specialty stores.

Takiguchi Selling capsule toys conventionally centered on setting up capsule toy machines in available spaces at stores and other locations. This method of establishing machines in the corners of stores or in shared corridors between facilities inevitably placed limitations on the number of machines that could be set up. Even if a diehard capsule toy fan heard news of a new product being released, they would not be able to know where, when, and how many of the toys would be in stock. By establishing GASHAPON specialty stores, which offer a wide variety of capsule toy machines and bring together various products and relevant information, we have met the needs of these types of fans, as they know that they will find what they are looking for if they visit one of these stores. Accordingly, BANDAI and Bandai Namco Amusement have decided to team up to expand the number of these specialty stores not only to ensure we do not miss out on solid business opportunities but also to help uncover latent demand in the market.

Maeda We have been opening GASHAPON Department Stores across Japan, starting with the opening of locations in Hakata and Yokohama in August 2020. We stock the latest popular items in the GASHAPON corners of these stores and have introduced a system where customers can confirm store inventories before visiting. Through these stores, we are advancing a broad range of initiatives to support fan interest in GASHAPON. These include establishing a space where customers can take pictures of their GASHAPON products as they wish and offering points to customers via an app every time they visit stores.

Takiguchi In September 2019, we opened the first Gashapon Bandai Official Shop (GBO) in Tokyo, thus commencing our efforts to open specialty stores. The GBO is a genuine specialty store offering only Bandai products. In addition to having all of the features of the GASHAPON Department Stores, the GBO Shop has introduced new initiatives, such as linking with GASHAPON Online—a website offering in-store pickup and various other features that was launched at the same time as the GBO—and hosting events in which fans can participate.

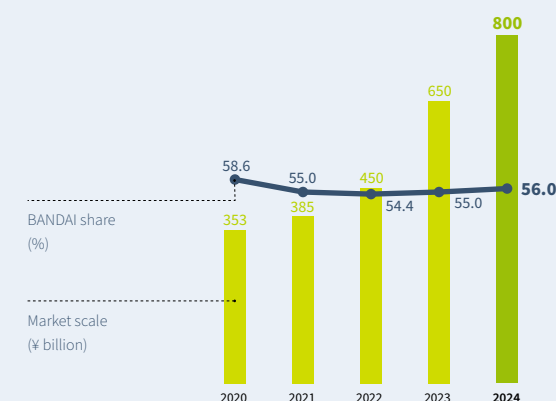
Maeda The turning point for the capsule toy business came in 2020, right when the COVID-19 pandemic was having a major impact on the Japanese economy. At the time, many tenants were withdrawing from prime locations, such as urban centers and busy shopping areas, and this created favorable conditions for opening new stores. As of March 31, 2024, there were 101 GASHAPON Department Stores and 211 GBO Shops nationwide. This means we have opened a total of 312 stores in just under four years. This rapid pace of store openings has helped open up a new market in Japan and has invigorated the capsule toy industry as a whole.

Note: As of March 2024. Locations that combine both GBO Shops and GASHAPON Department Stores are counted as GBO Shops.

Promoting a global growth strategy focused on Japan, Asia, and North America

Maeda As for our current situation, the phase of expansion through the opening of stores in promising locations in Japan is nearing completion, and going forward a more strategic approach is required. As growth in the number of store openings eventually slows down, we will find ourselves in an era of intensifying competition. Taking these kind of changes into account, the Bandai Namco Group is promoting a global growth strategy focused on the three regions of Japan, Asia, and North America.

CAPSULE TOY MARKET TREND



Source: Research by BANDAI (amounts are on a suggested retail price basis)
Fiscal years ended March 31



GASHAPON Bandai Official Shop



GASHAPON Department Store

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

Japan: Pursuing differentiation through Group collaboration

Takiguchi In Japan, we will pursue differentiation centered on GBO, drawing on the strength of our dominant market share. The key to doing so will be Group collaboration. At the moment, we have commenced proactive cross-brand sales initiatives, such as adding products that were not originally developed as capsule toy items into our GASHAPON lineup. These include bath salts and cosmetics from the lifestyle business.

Maeda One example of these initiatives has been the establishment of GASHAPON specialty stores at our Bandai Namco Cross Stores, which are experience-based retail stores that offer Group products and hold events.

Asia: Promote a lateral expansion of know-how from the Japanese market

Takiguchi Japanese anime has long been very popular in Asia, and the joy that anime fans and other customers feel when they are able to easily acquire the IP products they desire has helped support our capsule toy business in the region. Asia is also both geographically and culturally close to Japan, so promoting an approach that involves the lateral expansion of our know-how from the Japanese market is quite effective. We currently have opened 23 GBO in regions such as inland China, Malaysia, and the Philippines. Moving forward, we will bolster the manufacturing of capsule toy machines in inland China, the Philippines, and Thailand with a view to establishing a more global supply structure.

North America: Approaching the massive local market through promotions aimed at people not familiar with capsule toys

Takiguchi At the moment, we have a total of 16 GBO in North America, which is a key region for our business. With sales per store in the region exceeding that of Japan, the market in North America presents tremendous business potential for us. Due to how expansive the region is, we will first focus on selecting locations with strong potential for attracting customers and aim to expand our network of stores to include 50 locations. Meanwhile, GASHAPON's level of recognition among the average consumer is still relatively low. We therefore will roll out innovative promotions involving the production of videos introducing ways to enjoy GASHAPON, including how to operate the handle of machines, and marketing activities that utilize social media and influencers. Furthermore, we intend to make use of the insight we gain in North America to promote an entry into European regions.

Maeda In Europe, we have opened eight stores centered on London, United Kingdom, and we plan to expand this number moving forward.



Cosmetic items from the lifestyle business

Making "GASHAPON" a word known around the world

Takiguchi While similar toys exist overseas, the performance capabilities of capsule toy machines is still relatively low, and the culture of capsule toys has yet to firmly take root. As such, many fun ways to enjoy capsule toys are not widely known. Such circumstances actually provide us with a great opportunity to commence a global rollout and branding activities ahead of other companies. We therefore aim to make "GASHAPON" a word known around the world so that people in each country view all toys contained in capsules as GASHAPON. The types of capsule toys are evolving alongside the changing times. But, no matter the era, the joy of turning the handle of a machine and receiving a high-quality product after doing so remains universal. We will accelerate Groupwide efforts to promote the widespread adoption of GASHAPON as a Japanese form of entertainment that offers such joy.



Bandai Namco Cross Store's GBO in London, United Kingdom

Messages from the personnel in charge



Yusuke Takiguchi

We will accelerate Groupwide efforts to promote the widespread adoption of GASHAPON, making the word known around the world as a Japanese form of entertainment.



Kazuya Maeda

By offering physical stores as a location to experience the fun of GASHAPON, we will steadily increase the number of Bandai Namco fans worldwide.



RAN MATSUMOTO

Assistant Manager
Planning & Development Team 1,
Capsule & Small Toy Business Department
BANDAI CO., LTD.

02.

INTERVIEW

IP × World

Developing the Capsule Toy GASHAPON That Offers Excitement When Opened

Swiftly developing products that fans want while expanding market scale

The number of capsule toy products (GASHAPON) we offer is growing alongside the rapid increase in the opening of stores specializing in such toys. We introduce over 1,200 GASHAPON a year, with products cycling out as quickly as one to two months after release. Although some popular products are re-released around six months after being cycled out, we generally replace cycled-out items with new ones. Due to such a product cycle, our development of GASHAPON products focuses heavily on how quickly we can introduce new products that fans want. Sales data collected from the point of sales, which are GASHAPON vending machines, is utilized in the development process. With the need to swiftly bring products to market, we must constantly come up with new ideas if we are to keep pace with customer demand.

Furthermore, the target customer base has grown in recent years, expanding from mostly children to people of all ages, primarily adult women. Accordingly, it is now crucial that we develop not only products using popular IPs but also non-IP products that adults can enjoy.

Overseas, trends in popular products differ by region. For this reason, we focus on introducing products that use IPs well-known by overseas audiences and products using animals or other items commonly liked across the globe, while analyzing data from capsule toy stores in the same manner as we do in Japan. Although the popularity of capsule toys has not quite taken off overseas to the extent it has in Japan, we still believe there is a great deal of potential in overseas markets. Based on such circumstances, in addition to rolling out products overseas that sold well in Japan, we are pursuing product development with a focus on simultaneous global launches.

Developing products that offer fun and excitement

Creating brand-new concepts is an important theme in the development of GASHAPON. We therefore remain committed to offering not only products from established series that can expect steady sales but also products that utilize new specifications, new materials, and new IPs. Furthermore, alongside novelty appeal, it is crucial that we consider whether or not a product is exciting, fun, and eye-catching. In a market where items are introduced in large volumes each month, products that are redundant will quickly be overshadowed. Thus, the goal uniting the Planning & Development Team is to ensure that we create capsule toy products that will appeal to fans and that offer fun and excitement when opened.

Going forward, we will focus our efforts on products such as CAPCHARA, which come out of the capsule toy machine not contained in an actual capsule. These capsule-less products are often not shaped in a perfect sphere and therefore require thorough testing to ensure that they can be properly dispensed from capsule vending machines. However, being a company that also engages in the development of vending machines, we are fully able to successfully develop such products. Capsule-less products are a unique effort by Bandai Namco that helps realize sustainability. In the future, we aim to develop products that can increase the number of GASHAPON fans and can capture their hearts as a lasting form of entertainment, rather than being just a temporary trend.

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

NOBUHIKO MOMOI

Director
General Manager
Group Business Strategy Department
Bandai Namco Holdings Inc.

01
INTERVIEW

IP × World

Global Business Expansion under the ALL BANDAI NAMCO Concept

Mission of the Group Business Strategy Department: Resolving cross-organizational issues

In accordance with the spirit of autonomy and independence, the Bandai Namco Group's Units, businesses, and companies implement initiatives that demonstrate their individual characteristics. Our mission as the Group Business Strategy Department is to address issues related to deepening collaboration between Units, businesses, and regions, as well as other cross-organizational issues that occur, from a Groupwide perspective and lead the way with improvements to such issues. In the two years since the department's establishment, we have tackled a broad range of issues within the Group. To accelerate our global expansion moving forward, it is imperative that we build an environment in which all business companies can play an active role. This in turn will support growth on a Groupwide basis. To realize our long-term target of an overseas sales ratio of 50%, we will systematically address issues

occurring across the Group so that we can demonstrate our comprehensive strengths under the ALL BANDAI NAMCO concept, thereby promoting the Group's global business expansion.

Initiatives to develop human resources

One of the most important foundational initiatives we undertake is developing producers who make creations from scratch. We utilize the Bandai Namco Content Fund (BNCF) to develop producers. The BNCF was established in 2018 to facilitate the Group's active investment and production of visual works and other content that yield IPs, over the long term and from the perspective of optimization. Although the BNCF has thus far focused primarily on visual works, I have taken steps to change the direction of the fund to include products such as toys and games as IP, expanding beyond visual content. Additionally, until now the BNCF has operated by soliciting

works through an open application process. However, we are now using the fund to identify talent with creative and innovative ideas from within the Group, supporting their creations through investment and thereby nurturing their development. When personnel supported by the BNCF return to their respective departments and positively influence those around them, this helps inspire new candidates to receive support from the BNCF. We believe that setting into motion this type of virtuous cycle enhances the level of our personnel Groupwide.

It is also important that we nurture global managerial personnel who are directly involved in our global business expansion. Currently, we are conducting business operations in cooperation with management personnel dispatched from Japan and local managerial personnel. Through this process, our local talent has grown steadily, including their understanding of the theme of exporting Japanese culture. Looking ahead, we aim to achieve further growth by having developed local talent play a more central role in management, training young employees seconded from Japan, and establishing a cycle that allows us to advance business operations on an entirely local basis. By generating professional development synergies in this way, we will enhance employee skill levels across our organization and achieve sustainable growth.

Progress with the Data Universe concept

After several years of work, we have nearly completed the foundational system for the Data Universe concept, which involves a platform for Groupwide data integration. Going forward, it will be important to consider how we use this system to have a positive impact on our performance.

First, as a licensee that rolls out products and services after receiving permission from the rights holders, we will use the Data Universe during various negotiations and discussions to present data such as the age of fans, the types of products fans buy, and how fans use the products they purchase. This will allow us to demonstrate our strong understanding of IPs and their fans, thereby building robust, trust-based relationships with the rights holders. In addition, we have adopted outlet strategies that utilize various business domains. The ability to aggregate data on fan behavior and preferences in each outlet and combine such data to conduct analyses provides us with a major strength in promoting our IP axis strategy. Meanwhile, we can also use the Data Universe to analyze data on our own IPs from various perspectives. We will use this data as marketing information for development, sales, and regional expansion when out-licensing. Using data in this way should also help us enhance the Group's product planning and marketing, and we will verify the effectiveness of this approach in preparation for the next Mid-term Plan.

From a medium- to long-term perspective, the Data Universe will allow us to consolidate and analyze various data scattered across the Group to enhance the accuracy of our forecasts. Under the next Mid-term Plan, we will aim to use such data more effectively.

However, as data collection categories differ between businesses, it is crucial that we establish master data that is standardized on a Groupwide basis. Medium- to long-term efforts will be required to establish standardized master data, but we aim to realize such master data while considering the interests and concerns of each business and Unit from the perspective of Groupwide optimization.

Contribution to Group growth through borderless, cross-organizational activities

For me, there are no borders between efforts to resolve issues in Japan and efforts to resolve issues overseas. Cross-organizational initiatives are directly connected to and have a major impact on global business expansion. I frequently travel overseas to maintain close interaction with the management of overseas Group companies and deepen the connections between Japan and our overseas locations and between overseas locations themselves. Our current Mid-term Plan positions North America and China as key areas. I personally believe there is massive potential for future growth in Central and South America, starting with Mexico. To expand our business in these regions, we believe that sustainable growth is achievable by cultivating local managerial talent to take a leading role in business development, building a structure that supports their growth, and effectively implementing strategies based on a thorough understanding of our positioning within the local economic sphere.

Lastly, one major activity for the Group Business Strategy Department in FY2025.3 will be the pavilion exhibit at Expo 2025 in Osaka. Entitled GUNDAM NEXT FUTURE PAVILION, this exhibit will focus on the theme of creating the future for *Gundam* and humankind. Through this pavilion and the *Gundam* IP itself, our greatest aim is to get children interested in outer space and science. While there are many difficulties to overcome in operating this pavilion, we will strive to ensure its success.

In these ways, we view the resolution of various issues across the Group under the ALL BANDAI NAMCO concept as our mission, and we will make every effort possible to achieve this mission.



Diorama of GUNDAM NEXT FUTURE PAVILION

FY2024.3 result
Overseas sales ratio: **27.8%**



Long-term goal
Overseas sales ratio: **50%**



Note: In the sales revenue by location of Group companies, exports from Japan are included in Japan's sales revenue.

Connect with Fans

—Forging Connections with Fans Worldwide through Our Diverse Range of Businesses

KOJI FUJIWARA

President and CEO
Bandai Namco Entertainment America Inc.02
INTERVIEW

IP × World

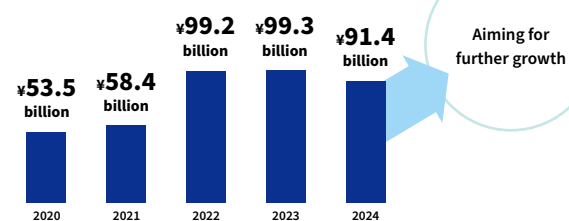
North American Operations Working to Expand the Digital Business

Transitioning to a system for promoting marketing activities in the North American region

Our business model for the Digital Business in North America to date has focused on implementing local marketing activities for games developed in Japan, in accordance with marketing plans created in Japan. However, overseas markets have become a major position for game sales, and gaming culture and effective ways to market games differ by country and region. For this reason, starting in FY2025.3, we have shifted to a structure that focuses on expanding sales worldwide through marketing activities based in North America, while coordinating with Japan. Under this structure, we will strategically examine both initiatives that cater closely to local needs and resource allocation as we work to expand sales over the long term. With that said, against the backdrop of longer development periods for games, it will take a certain amount of time before we can achieve results with game titles originating overseas. To that end, we will make concerted

Groupwide Sales in the North America

For the Fiscal Years Ended March 31



Note: In the sales revenue by location of Group companies, exports from Japan are included in Japan's sales revenue.

efforts to fully realize the results of our structural transition during the period of the next Mid-term Plan.

In selecting game titles, the increasing global popularity of Japanese IPs, driven by the rise of online streaming services, is a favorable trend for Bandai Namco. Leveraging popular IPs for title development is a core strength of Bandai Namco, and moving forward, enhancing our presence will depend on how effectively we can diversify IP offerings.

For FY2025.3, the final year of the Mid-term Plan, our major home console game titles include the DLC *ELDEN RING SHADOW OF THE ERDTREE*, released in June 2024, and *DRAGON BALL Sparking! ZERO*, due for release in October 2024. Both of these titles, which leverage IPs and have recorded particularly robust repeat sales, will have medium- to long-term sales plans formulated and promoted, including marketing and promotional activities, to ensure they continue to perform well during the next Mid-term Plan.

Also, following the merging of the offices of the Digital Business and the Toys and Hobby Business in April 2022, there has been greater communication between them. Through the frequent holding of collaborative events and exhibitions, we have been able to implement a broad range of promotions. These kinds of activities lead to more expansive contact points and selection options for IPs and steadily create added value for fans. By openly sharing know-how between the Digital Business and the Toys and Hobby Business to generate positive synergies, we will further strengthen our overall North American operations under the ALL BANDAI NAMCO concept.

03
INTERVIEW

IP × World

China Operations Capturing Local Needs under the ALL BANDAI NAMCO Concept

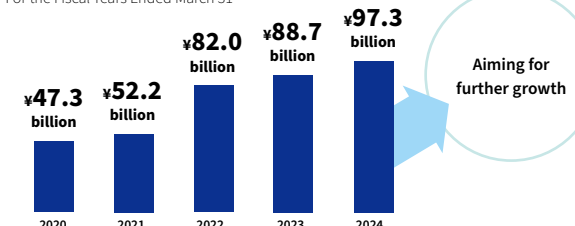
Enhancing local awareness of the Bandai Namco brand and offering new products and services by combining the strengths of the Digital Business and Toys and Hobby Business

Looking at the China operations in FY2024.3, the Digital Business, which centers on network content, saw a year-on-year improvement in performance. The Toys and Hobby Business, which offers a wide range of products, also achieved year-on-year growth, despite being impacted by changes in the market environment.

Looking ahead in the Digital Business, we will update network content for *NARUTO*, which achieved record-high net sales in 2023, while working to cultivate the title as long-running content. Furthermore, we plan to introduce network content for *ONE PIECE*, a title for which anticipation levels in the region are high. For the Toys and Hobby Business, we have been recording solid results with products such as toys, model kits, figurines, and capsule toys. Among these products, confectionery products have been performing particularly well, due in part to our efforts to step up their rollout. Accordingly, we will focus on the further expansion of these products moving forward. Also, with a focus on local production for local consumption, we are stepping up the rollout of original products

Groupwide Sales in Asia

For the Fiscal Years Ended March 31



Note: In the sales revenue by location of Group companies, exports from Japan are included in Japan's sales revenue.

WANG KAI (left)

General Manager
Administration Department
Bandai Namco Holdings China Co., Ltd.

DAIKI MIYATANI (right)

CEO & COO
Bandai Namco Entertainment (Shanghai) Co., Ltd.

Messages from the personnel in charge

Wang Kai I will continue to inform the Group regarding the conditions of the Chinese market while maintaining an approach that balances protective measures as a regional management company with aggressive measures in pursuit of business growth.

Daiki Miyatani I believe my responsibility is to expand businesses focused on local production for local consumption in the Chinese market, as well as the *Gundam* IP, with an awareness of speed and adaptability.

INDEPENDENT OUTSIDE DIRECTOR'S MESSAGE



“Connecting people and societies”
and “working together to create
a brighter future for everyone”

Based on the spirit of our Purpose, we will pursue
collaborative co-creation management through dialogue.

TOSHIO SHIMADA

Outside Director
Bandai Namco Holdings Inc.

Revision of survey on the effectiveness of the Board of Directors

Recently, topics such as capital efficiency, human capital, and sustainability are garnering attention as essential elements of corporate management. Meanwhile, the trends in revisions to Japan's Corporate Governance Code have placed greater demands on evaluations of the effectiveness of individual board members. Under such circumstances, the Company's Board of Directors is investigating ways to further improve governance.

As part of this assessment, we revised the questionnaire for evaluating the effectiveness of the Board of Directors. The revisions consist of questions covering a wide range of topics, including self-evaluations and evaluations of peers, based on the concepts of the functions of the Board of Directors, the foundation supporting these functions, and the overall effectiveness of the Board. We conducted a survey of all directors using the updated questions.

The Independent Directors Committee made various proposals to hold discussions about capital efficiency and human capital to address the issues highlighted in the survey. These proposals included (1) holding discussions at Board of Directors' meetings and the Vision Meetings during FY2025.3 and (2) holding discussions for selecting an annual agenda for the upcoming fiscal year and beyond. Taking into account feedback from the executive side, we will seek to deepen these discussions going forward.

The evaluation of the effectiveness of the Board of Directors does not solely involve high or low scores. Rather, the evaluation involves recognizing the actual situation (score for each item) and using this recognition as a starting point for creating a shared awareness of issues with the executive side and working toward pursuing changes with a view toward enhancing corporate value.

Reviewing the skills matrix for the future

While many Japanese companies, including Bandai Namco Holdings, have disclosed a skills matrix, the style of these matrices differs from company to company. Differences themselves are not a problem, but it is essential that evaluation criteria be based on an objective framework that eliminates any subjectivity. Just as with the survey on the Board's effectiveness, we understand that we must utilize and improve our skills matrix.

At the Bandai Namco Group, many of the inside directors of Bandai Namco Holdings are representative directors of business management companies. Although it is still a matter of debate, whether or not to introduce skill matrices at these companies is a topic we should consider moving forward. To that end, I would like to hold discussions on how the potential introduction of skill matrices at these companies could help enhance the Group's governance and attract new talent to the Group. I would also like to explore how linking a skills matrix with the appointment of executive personnel might lead to the creation of an organic organizational pyramid and how that could align with the dynamic value that the Company offers.

Improving the skills matrix and cultivating new successors

The cultivation of successors for the role of president and other executive positions (succession planning) hinges on how we develop personnel as stipulated by the skills matrix. “Skill” in this context has a wide definition that includes the ability to activate human resources and enhance business performance. Generally speaking, corporate promotions fall into two categories: “graduation type,” which emphasizes the performance of personnel in their current role, and “entry type,” which emphasizes the acquisition of necessary skills for a high-ranking position. Like many other Japanese companies, we have traditionally focused on “graduation type” promotions. However, as we make improvements to our skills matrix, we might see the need to transition to “entry type” promotions.

We are working to cultivate managerial personnel to oversee the next generation of the Group by advancing efforts to establish Groupwide programs and promote monitoring activities, centered on the Personnel Committee. Conventionally, our efforts have focused on cultivating personnel for the next generation. However, we have expanded the scope of these efforts to include the generation after that. From a risk management perspective, these efforts seek to secure an even larger pool of talent to prepare for a potential crisis caused by a sudden deterioration in the business environment.

Acting with a sense of urgency and speed even amid a strong performance

At meetings of the Board of Directors, President Kawaguchi, who serves as chair, takes on the role of facilitator, helping to create an environment where all members can speak openly. However, the inside directors do not voice their opinion as often as the outside directors. The inside directors are representatives of their respective business Units, and it

may be difficult for them to speak on matters outside of their domains. They may also be participating more actively in meetings of other internal bodies. In light of this, the Company has established the Vision Meeting as a venue for discussing medium- to long-term issues and for the mutual exchange of opinions.

To instill new perspectives and insights in the inside directors, we as outside directors must continue to improve ourselves. About six to seven times a year, I give guest lectures where I have the opportunity to meet with junior high school and high school students. I have been strongly moved by how these students value “time performance,” meaning how effectively they spend their time. I intend to draw on what I have learned from this experience in discussions on the next Mid-term Plan.

In recent years, the Bandai Namco Group has grown at a tremendously fast pace, and that is why the period moving forward is so crucial. Fixating strongly on past successes can sometimes become the underlying cause of a future downfall. The Company took appropriate action on learning of each of the incidents disclosed in 2023. However, the Company needs to respond to issues with a greater sense of urgency and with greater speed moving forward, especially given that it has enjoyed a solid business performance in recent years.

Transitioning to collaborative co-creation management

The ultimate driving force that underpins the strength of Bandai Namco is the spirit of the Purpose, which involves connecting with fans and working together to create a brighter future. Among the Company's shareholders, there are many fans of Bandai Namco's products and services, and you can feel the tremendous level of excitement that is generated when these fans gather at events such as the General Meeting of Shareholders. One of the roles of the outside directors is to ensure that the Company is carrying out the appropriate initiatives to connect that excitement to the enhancement of corporate value and to make sure that the Company is not becoming overly concerned with short-term performance and, as a result, losing sight of what is truly important—the excitement it brings its fans. Our role also entails assessing how the Company views the diversification of needs and changes in the operating environment from a long-term perspective. Of course, we welcome constructive feedback from all stakeholders on how we as outside directors are fulfilling our role.

I agree with the notion that deepening the mutual understanding between institutional and other investors and the independent outside directors through constructive dialogue leads to improvements in corporate value. We therefore wish to learn from and discuss with all stakeholders the aspects of Bandai Namco that are well known to some but may be relatively unknown to others. By doing so, we hope to build a positive relationship for collaboration and co-creation, which in turn will help us enhance the Company's management approach to meet the expectations of a wide range of stakeholders.

ROUNDTABLE DISCUSSION AMONG OUTSIDE DIRECTORS



We will promote sustainable growth in corporate value by promoting governance reforms and acting as a bridge between management and stakeholders.

In FY2024.3, Bandai Namco achieved its target of ¥1 trillion in net sales, a long-standing target ever since the management integration in 2005, but some challenges remained, such as the recording of valuation losses in the Digital Business. We held a roundtable discussion with the five outside directors of Bandai Namco Holdings to talk about the state of the Group from both financial and non-financial perspectives.

Reflecting on Two Years of Organizational Change

Shimada Two years have passed since Bandai Namco made the transition to a company with an audit and supervisory committee in 2022. Reflecting on the governance reforms during this period, steady progress was made toward becoming a monitoring board, such as by narrowing down the proposals submitted to the Board of Directors and distinguishing between deliberation and reporting agendas. On the other hand, to further

enhance the effectiveness of monitoring, it is necessary to move beyond discussions on individual themes and achieve “constant monitoring.” Going forward, I would like to have deeper discussions on sharing medium- to long-term perspectives that link our Purpose with individual themes, and on appropriate agenda setting.

Kuwabara In the first year of the transition, the traditional management board mindset remained, but now we have entered a new stage where the focus

is on the role of the Board of Directors, the nature of monitoring, and the challenge of agenda setting—what to discuss, when, and where. As globalization progresses, we also need to have deeper discussions on Group governance.

Kawana The atmosphere of the Board of Directors has changed, mainly due to the participation of Audit & Supervisory Committee members who have voting rights, unlike traditional auditors. Additionally, the smooth sharing of the content of discussions by the Audit & Supervisory Committee and the clearer division of roles between the Full-Time Officers Committee and the Board of Directors are important changes.

Shinoda Generally, auditing the entire Group cannot be done solely by the officers of the holding company. It is necessary to have a broad cooperation and collaboration framework that involves the Audit & Supervisory

Toshio Shimada Outside Director
Koichi Kawana Outside Director
Toru Shinoda Outside Director
Audit & Supervisory Committee Member
Satoko Kuwabara Outside Director
Audit & Supervisory Committee Member
Takayuki Komiya Outside Director
Audit & Supervisory Committee Member

Committee members of the holding company, auditors of each business management company, auditors of the business companies under their umbrella, and the internal audit departments of each company. Two years ago, the information-sharing arrangement through the business management companies was strengthened, and this has significantly contributed to the evolution of governance.

Komiya Compared with when I was an auditor of a business management company, the sense of tension at Board of Directors’ meetings differs depending on whether one has voting rights or not. Also, I feel that the increased number of speakers has led to discussions from diverse perspectives.

Key Proposals and Activities of the Board of Directors

Komiya In FY2024.3, the Digital Business incurred substantial valuation losses and disposal losses. While this had been an ongoing issue, earnings expansion was able to absorb these losses. With that said, we will continue to monitor initiatives to minimize risks.

Shinoda Some overseas business companies have had some minor observable vulnerabilities in their administrative departments. These companies are relatively small and have limited resources, making it essential for regional management companies and the Group Administrative Headquarters within Japan to collaborate on providing leadership and support. I always emphasize that as global operations expand, management will also become a crucial factor.

Kawana As the scale of game development increases, I find it useful to refer to engineering methods, such as optimizing resources and visualizing processes, to achieve more efficient project management. Additionally, in relation to globalization, I offer advice from multiple angles while focusing on the coherence of delegation and responsibility, and the development of both local and international talent.

Kuwabara Unfortunately, there was a significant compliance issue in FY2024.3 that resulted in recommendations from the Audit & Supervisory Committee. Regarding the losses in the Digital Business, despite continued strong earnings for the overall Group, I noticed issues that are not readily apparent from the standpoint of the Board of Directors at the holding company. Reflecting on this, we will scrutinize and support future actions at the business management companies.

Shimada

As an initiative to further evolve the Board of Directors, we reviewed the effectiveness evaluation questionnaire to ensure it covers various questions, including return on capital. In light of revisions to the Corporate Governance Code, I believe this review was an opportunity to raise awareness among all members. Additionally, as mentioned earlier regarding the issue of constant monitoring, themes such as information security and internal controls, which require continuous daily efforts, are difficult to bring up as agenda items for Board of Directors' meetings. I will make an effort to raise awareness among the executives on these matters, under the pretext of other agenda items, whenever possible.

Ensuring Thorough Compliance

Kuwabara

Regarding the recent compliance issue, the Audit & Supervisory Committee confirmed the developments and the status of the investigation and measures to prevent recurrence as needed, after receiving the report of the issue's discovery. While we find the executive side's post-incident response generally appropriate, we called for a thorough investigation and measures to prevent a recurrence, as well as a message from top management to raise

awareness across the Group. We will continue to regularly check on the status of these initiatives.

Shimada

It is challenging to govern all of the daily actions of thousands of people. Instead, it is crucial to create systems that prevent or make it difficult for misconduct to occur. For example, limiting the handling of cash and using IT to require approvals from multiple decision-makers could be effective in this context. The extent to which these measures should be enforced depends on balancing them with productivity, and ultimately comes down to the corporate culture of the business companies.

Kawana

It is important to approach this issue from the three axes of systems, culture, and leadership. First, in terms of systems, it is essential to ensure there are no "dark corners" within the organization. Regarding culture, we must encourage each individual to recognize their role in delivering smiles and happiness to the world. Lastly, managers across various organizations must demonstrate leadership in instilling and ensuring compliance.

Evaluation of Performance in the Fiscal Year Ended March 31, 2024

Kawana

In FY2024.3, while the Digital Business, which had driven earnings growth until now, stagnated, the Toys and Hobby Business and the Amusement Business recorded their highest earnings ever. The "mutual complement" among these diverse businesses has led to steady improvement in Group earnings. Additionally, new initiatives have commenced to proactively create "mutual complements" between businesses. We expect the challenge of exceeding fans' expectations to ripple across various fields.

Shinoda

In FY2024.3, net sales exceeded ¥1 trillion for the first time, and despite a decline in operating profit, this is a most satisfactory result. On the other hand, the Digital Business recorded significant losses. This was due to several factors, such as the diversification of user needs, longer development periods, and rising costs. Rival companies are facing similar conditions. I believe it will take some time for the sweeping overhaul of the development system to have an impact.

Shimada

I realized there is a need to scrutinize not just the output numbers, but also the breakdown of earnings at each business. In particular, I take the downward revision of earnings forecasts seriously. The lack of foresight on the part of Bandai Namco has ultimately disappointed investors. While we cannot always meet such expectations, Bandai Namco has a responsibility to make every effort possible.

Toward the Next Mid-term Plan and Long-Term Vision

Shimada

Currently, the Bandai Namco Group has not unveiled a long-term vision. When formulating the Mid-term Plan, it may be easier for investors to understand it if Bandai Namco worked backward from its ideal state from a long-term perspective, rather than simply adding new elements to the previous Mid-term Plan. While it is necessary to consider the rapid changes unique to this industry, I believe it is worth exploring this approach.

Kuwabara

Since I became an outside director in FY2017.3, Bandai Namco started having executive retreats, with the first theme being "Our Ideal State in 10 Years," which included setting internal numerical targets. If we were to create something similar now, it would likely involve a vision that delves more deeply into sustainability issues. Discussions about the next Mid-term Plan will likely be influenced by such a vision for the future.

Shinoda

As was mentioned in the Vision Meeting, if growth opportunities are sought abroad, the Company needs a new global human resource strategy to support this endeavor. In addition to corporate personnel who support the business foundation, the Company's policy for securing and developing talent responsible for acquiring and creating IP should be addressed within the Mid-term Plan or the long-term vision.

Komiya

Aggregating the numerical targets set by each business company is a rational approach in its own right, in my opinion. However, for certain types of growth investments, a Group-led approach is more effective, and I believe we are currently in a position to facilitate this.

Kawana

In a business like Bandai Namco's, which presents a worldview to fans, the "what" (what to do) is primarily determined by the people interacting with the fans on the ground.

However, once the "what" is established, the "how" (how to achieve it) becomes the focus. We want to provide various advice and raise questions, and participate in the creation process.

Risks to Address for Growth

Komiya

In the Digital Business, due to its large scale, both opportunities and risks exist. One risk is the long development periods, which expose the business to changes in the external environment and increase investment costs. Achieving the right balance between minimizing risks and maximizing returns will be crucial.

Shinoda

As global expansion accelerates, establishing governance for overseas operations is an urgent task. Business expansion and the establishment of management systems are like two wheels of a cart, with the latter including securing, developing, and deploying corporate personnel. Delays in these efforts could be seen as the greatest risk.

Shimada

The biggest risk I see is a game-changing event brought about by technological innovation or changes in lifestyle. A prime example of technological innovation is the advancement of AI, while in lifestyle changes, the spending behavior of the younger generation, which considers the value of something compared with the time it requires to a great extent, is noteworthy. At this stage, it is unclear how significant these changes will be or if a game-changing event is imminent. However, we should always keep these theoretical possibilities in mind.

Kuwabara

In the short term, I see two main challenges and risks: global Group governance and the overhaul of the game development system. In the long term, with the ongoing decline in birth rates and changes in media viewing patterns, fostering the next generation of fans will probably be a major challenge.



“

In the overseas business, there may also be clashes with local ethics and religious views. Properly managing these elements will be essential for the Company to remain prosperous.

”

Kawana

As Bandai Namco expands its business domains and its business models become more complex, conflicts are likely to increase. For instance, the introduction of AI will bring about a conflict between labor-saving/productivity improvements and human creativity. Additionally, there may be some conflicts of interest between the Bandai Namco Group and various partners. In the overseas business, there may also be clashes with local ethics and religious views. Properly managing these elements will be essential for the Company to remain prosperous.

“

I would like to have deeper discussions on sharing medium- to long-term perspectives that link our Purpose with individual themes, and on appropriate agenda setting.

”



“

Beyond gender diversity, to achieve true globalization, I look forward to Bandai Namco increasing the promotion of local personnel to management positions in Group companies across various regions, eventually leading to the appointment of foreign directors.

”

Promoting Diversity from Various Angles

Kuwabara In 2023, Director Udagawa became the first female internal director at the holding company, and more women have been promoted across various companies. However, the percentage of female managers at major Group companies in Japan is still less than 30%, so continued efforts are necessary. Beyond gender diversity, to achieve true globalization, I look forward to Bandai Namco increasing the promotion of local personnel to management positions in Group companies across various regions, eventually leading to the appointment of foreign directors.

Kawana Women's advancement is a frequent topic of conversation at the Personnel Committee. With Director Udagawa as a role model and the many talented individuals in the younger generation, I believe it is only a matter of time before we see an increase in the ratio of women in management positions. Moving forward, the focus will gradually shift to "cognitive diversity," meaning diversity in experience, knowledge, and thinking. It is important to identify, develop, and empower talented individuals, regardless of gender or

nationality, giving them the authority, responsibility, and opportunities to succeed.

Shimada To add to the discussion, there is the issue of employing people with disabilities. Given that 9.2%*¹ of Japan's population is people with disabilities, companies should exceed the statutory employment rate*² for people with disabilities. The top 100 companies in terms of market capitalization in Japan have a social responsibility that corresponds to their size. We believe that a multifaceted approach is necessary not only for people with disabilities but also for the advancement of Diversity, Equity, and Inclusion (DE&I).

*¹ Based on the Fiscal 2023 White Paper on Persons with Disabilities
*² The statutory employment rate will increase from 2.3% to 2.5% in FY2025.3 and to 2.7% in FY2027.3.

Shinoda To fundamentally raise the employment rate of people with disabilities, it is necessary for all companies, not just special subsidiaries, to provide employment opportunities. Currently, some amusement facilities have begun employing people with disabilities. I hope to see these efforts expanded to other regions and business companies.

Komiya At amusement facilities, there is also the issue of labor shortages in recent years. In any case, this should be viewed as an opportunity to

increase the utilization of diverse human resources, including people with disabilities.

Initiatives of Personnel Committee

Shimada In 2022, we revised the executive remuneration system to include sustainability evaluations. We established KPIs related to decarbonization and employee engagement, and the degree of achievement of these KPIs is reflected in the compensation of directors (excluding Audit & Supervisory Committee members and outside directors). In the first year (FY2023.3), we just introduced the system, but in the second year (FY2024.3), the assessment score increased one rank above neutral, toward a more substantial implementation. We will continue to review and expand the KPIs.

Kawana Among the indicators set for evaluating sustainability, the KPI for decarbonization has been achieved, and notable initiatives, such as the Gunpla Recycling Project, are being implemented. The Personnel Committee has made it clear that KPIs that should be evaluated will be properly assessed.

Kuwabara The introduction of the sustainability evaluation itself must have had a significant impact. However, there are a number of operational challenges. First, if KPIs are achieved but not properly recognized, it will not provide

sufficient motivation. Additionally, if the KPIs are too difficult to achieve, evaluation scores will not be able to flexibly move. We aim to create better indicators by reviewing and referring to trends at other companies.

Shimada The Personnel Committee is also advancing discussions on developing management talent. We are identifying the various experiences and qualities required of leaders, and these findings are being applied to actual executive appointments. Traditionally, we have considered people in the immediate next generation as successor candidates. However, this time we have also included the next generation. The goal is to ensure agile and bold talent appointments by widening the scope of candidates to include multiple generations.

Toward Further Growth of the Group

Shimada The significance of outside directors will be increasingly scrutinized in the future. We must bridge the gap between business operations and trends in the world, remaining attentive to dialogue with investors and continuously enhancing management objectivity from an external perspective.



“

Given the issue of labor shortages in recent years, we should take this opportunity to increase the utilization of diverse human resources, including people with disabilities.

”

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The Company's policy for securing and developing global corporate personnel and talent responsible for acquiring and creating IP should be addressed within the Mid-term Plan or the long-term vision.

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Kuwabara FY2025.3 is both the final fiscal year of the current Mid-term Plan and a year of preparation for the next Mid-term Plan. Discussions on revamping the executive remuneration system will also begin. As the external environment undergoes significant changes, we aim to enhance the Board's collective knowledge and support the Group's further growth.

Shinoda As an outside director and a full-time member of the Audit & Supervisory Committee, I will deepen cooperation between auditors and the

internal audit departments of Group companies, as well as with other Board members, to contribute to the enhancement of governance across Bandai Namco.

Komiya I will work to update my accounting and financial knowledge, deepen my understanding of the business, and contribute to the Group through more precise audits.

Kawana Bandai Namco's greatest strength is its IP-centered business development. In addition to its excellent proprietary IP, the Company has the ability to co-develop IP and has diverse IP exit strategies. Through supervision and advice, I will support the Group in fully leveraging these strengths and soaring as a truly global company.

DIALOGUE

We will contribute to the realization of a sustainable society by integrating sustainability initiatives into our business activities, placing importance on the uniqueness of Bandai Namco.

In April 2022, we established the Sustainability Management Department, thereby further advancing Bandai Namco's sustainability activities. In this section, we ask the Chief Sustainability Officer (CSO) and two members of the Sustainability Management Department, who have been leading a series of sustainability initiatives together with the CSO, their thoughts on the Company's sustainability activities over the past two years and their vision for the future.

Establishing environments for improving sustainability awareness

Asako In the first two years since the Sustainability Management Department's establishment, we have sought to establish an environment for sustainability activities through various employee-oriented measures, including producing online publications and holding employee events such as Sustainability Week. As a result, the concept of sustainability activities through our business has become ingrained, rather than being seen as just an additional aspect of our business operations. We also continued to improve external information disclosure, and while we still have room for improvement in this regard, these efforts have received a certain level of praise from the media and third-party institutions. Moreover, discussions at the Group Sustainability Committee have become more specific and based on an awareness of the order of priority for issues to address.

Kobayashi (S) While I was just appointed to my current position this spring, I believe that FY2024.3 marked a year where our sustainability activities became more full scale, thanks to the results of our initiatives to build a sustainability-conscious environment. I was involved in sustainability activities in my former position, and I believe that Companywide and cross-departmental interactions with employees helped share and instill an awareness of sustainability-related issues.

Kobayashi (R) I have been a member of the Sustainability Management Department since it was established, overseeing various projects centered on the production of internal newsletters. The recent engagement survey has shown that awareness of sustainability within the Group changed and that many employees now view sustainability as a personal matter. I have witnessed these developments in my day-to-day work as well. The fact that information on the sustainability activities of Group Companies around the world is now being shared organically is another example of how sustainability awareness has changed.

Holding the Global Sustainability Summit

Asako As the times change, social demands on corporations are becoming greater, and the way companies are expected to act is also changing. Taking such circumstances into account, we held the first Global Sustainability Summit in October 2023, in an effort to align the Group's approach to sustainability and facilitate cross-organizational information sharing and collaboration. At the summit, sustainability representative from overseas regional management companies and business management companies within Japan gathered together for two days to discuss a broad range of topics.

Kobayashi (S) Through this summit, we explained the details of sustainability activities inside and outside of Japan and sought to align

our approach to these activities. We intend to hold the next summit in 2025. There, we will share ideas for creating a Groupwide sustainability road map and formulating sustainability strategies particularly for each value chain.

Kobayashi (R) After meeting directly with the sustainability representative from these companies at the summit, communication with them has become much smoother. In this way and others, the summit had a major impact as a first-time initiative.

Strengthening our response to environmental issues

Asako We are advancing initiatives aimed at achieving net-zero CO₂ emissions by 2050. This goal for 2050 is directed specifically toward Scope 1 and Scope 2 emissions, and we are currently evaluating the situation in terms of our Scope 3 emissions. As far as methods for achieving this goal, we are examining the use of carbon credits and other efforts to pursue in addition to reducing emissions. In September 2023, we officially announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). At that same juncture, we carried out a simple scenario analysis. With regard to reducing plastic waste, we are proceeding with examinations so that we can begin the implementation of specific initiatives at the earliest stage possible.

Kobayashi (S) We position our sustainability activities as something that we pursue with our fans and all our stakeholders, based on the IP axis strategy. Take the example of the Gunpla Recycling Project, this is a sustainability activity unique to Bandai Namco that we promote together with the fans while leveraging various IPs.

Assessing human rights as a material issue

Asako We have been engaged with human rights issues for a long period of time now. In November 2023, we formulated the Bandai Namco Group Human Rights Policy, which unifies and integrates the various existing regulations and approaches within the

RIKA KOBAYASHI

Sustainability Management Team
Sustainability Management Department
Corporate Planning Division
Bandai Namco Holdings Inc.

SATOSHI KOBAYASHI

General Manager
Sustainability Management Department
Corporate Planning Division
Bandai Namco Holdings Inc.

YUJI ASAKO

Director
CSO (Chief Sustainability Officer)
Bandai Namco Holdings Inc.

Group. In addition, our Human Rights Due Diligence process (for more details, please refer to page 88), which will help us create more concrete frameworks moving forward, is something that evolved from the Code of Conduct audits that were conventionally carried out in the Toys and Hobby Business. At the moment, we have been implementing comprehensive monitoring activities at major business companies. In the future, we intend to work broadly on human rights measures, including those that respond to laws and regulations in each country.

Kobayashi (R) People generally associate "sustainability" with being environmentally friendly. I also feel that we have yet to entrench an in-house awareness of the fact that human rights is a key part of our material issues "Establishment of work environments that facilitate mutual respect." To that extent, I believe it is our job in the Sustainability Management Department to communicate the Group's approach to human rights in an easy-to-understand manner.

Kobayashi (S) Based on the wording of our material issues, there are sustainability activities that are easy to envision and those that are not. As the easy-to-envision activities become more commonplace, it becomes more difficult to keep in mind the activities that are not immediately associated with the

material issues. We therefore will consider revisions to the phrasing of our material issues, as necessary, by identifying issues based on the actual conditions on the front lines.

Thoroughly promoting compliance

Asako We would like to apologize for the distress caused to our stakeholders regarding the multiple compliance incidents that were disclosed in 2023. We believe that these issues were caused by the fact that certain operations have become highly dependent on specific employees and that it has been difficult to maintain checks and balances as a result of the widespread adoption of remote working, among other factors. Ultimately, these incidents boil down to issues with our systems and awareness during normal times. To that end, in addition to preventing recurrences through a rigorous review of business operations, we will seek to enhance compliance awareness to a greater level than ever before.

Kobayashi (S) As the Group grows in size and its businesses and employee demographic become more diverse, we are aware that we constantly face potential risks. Through various settings such as e-learning and training seminars, we will repeatedly explain to our employees Bandai Namco's approach to compliance.

Pursuing sustainability activities that are uniquely Bandai Namco

Asako No matter what types of policies or measures we formulate, it is our employees who put them into practice. A policy or measure will lack effectiveness if they are not fully understood and accepted by our employees. We therefore will maintain an awareness of how we can further evolve the uniqueness of Bandai Namco as we seek to tackle a broad range of issues.

Kobayashi (S) We have devised many cutting-edge sustainability activities that are closely related to our businesses, including the implementation of the Gunpla Recycling Project and the creation of the energy-efficient crane game machine CLENA3. Moving forward, we will continue to pursue sustainability activities that fully leverage the strengths of our IPs and technologies, together with our employees and fans.

Kobayashi (R) We are an entertainment company, and as such we will create events and initiatives that make sustainability relatable and fun and in which people can participate with a high level of enthusiasm. With that goal in mind, I will continue to enthusiastically engage in my day-to-day work.

MESSAGE

Providing an Environment Where All Employees Can Maximize Their Abilities, Supporting Growth and Sustainable Development

Vertical and Horizontal Approaches to Group Human Resource Strategies

Closely aligned with our Purpose “Fun for All into the Future,” the Bandai Namco Group’s personnel strategy focuses on creating an environment where every employee can seek smiles and happiness in line with the key phrase “connecting and working together to create things.”

Our approach follows two main axes: personnel strategies tailored to the business characteristics of each Group company, and a common personnel strategy for the entire Group that supports the foundation of its business. Each business company is responsible for the training and retention of specialized personnel in alignment with their respective business strategies. Meanwhile, as a horizontal axis aligned with the Group’s business strategy, the Group Administrative Headquarters formulates and implements a shared human resource policy across the Group, facilitates personnel exchanges among business companies, and trains talent by grade. At the Group Administrative Headquarters, we always keep both vertical and horizontal approaches in mind.

Positive Engagement with Employees

We have been conducting the Engagement Survey for all employees around the world since FY2023.3, and maintained a high overall score in FY2024.3. Key indicators, such as “willingness to try my best to contribute to the Company,” “opportunities to play an active role regardless of gender,” “my job is worthwhile and meaningful,” and “respect for different values” significantly exceeded benchmarks, highlighting the positive relationship between the Company and employees, a motivational work environment, and a strong attachment to the

organization and work (IP, products, and services). The results of this survey cast a spotlight on the benefits of working for the Group.

The survey results are also a reflection of some of Bandai Namco’s strengths. However, there are areas we can work on improving, such as the environment for male employees utilizing childcare leave in Japan. The survey results also varied by individual company. We will strive to improve overall conditions based on a detailed comparison and analysis that takes into account of characteristics of each company. We view this survey as a valuable opportunity to understand Group employee engagement and will continue to conduct it on a regular basis.

Promoting D&I and Talent Development

Based on its Purpose “Fun for All into the Future,” Bandai Namco Group aims to be a corporate group where diverse personnel with different talents, personalities, and

values can thrive. We promote diversity & inclusion (D&I) with a focus on hiring and promoting personnel regardless of new graduate or mid-career status, gender, age, nationality, race, religion, or sexual orientation. We are also focused on updating various systems and work environments so that diverse personnel can succeed at work while maintaining their mental and physical health.

We have also launched new initiatives for developing management talent. Through the Bandai Namco EDGE Program, we implement a development program aimed at cultivating management awareness among selected members, primarily from business management companies. Our policy aim is to strengthen the Group’s overall management capabilities by getting an early start on grooming future management talent from a long-term perspective.

Furthermore, securing and training management personnel is an urgent issue across the entire Group. From the standpoint of future business growth, it is essential to secure core management personnel to support multiple businesses. In addition to increasing personnel, it is imperative that we establish systematic frameworks for the ongoing development of personnel. We are moving ahead with both internal training and new recruitment to cultivate personnel

Selection of Questions and Scores on Engagement Survey (Conducted in FY2024.3)

Category	Question	Positive answers
		Answer (%)
Engagement	I am happy to work at my company.	75
	My job is worthwhile and meaningful.	78
	I have my discretion (authority and responsibility) which is necessary for making decisions to fulfill my role at my company.	75
	I am willing to try my best to contribute to organizational growth.	85
D&I	My current company provides employees with opportunities to play an active role regardless of gender.	81
	Different values are respected among Bandai Namco Group.	75



KOJI TSUYUKI

Executive Officer
Division General Manager
Group Administrative Headquarters
Bandai Namco Holdings Inc.

SACHIKO SUMIKAWA

Manager
Health Promotion Office
Human Resources Department
Bandai Namco Business Arc Inc.

KOJI HAMANO

General Manager
Human Resources
Administrative Headquarters
Bandai Namco Holdings Inc.

with core expertise and a comprehensive understanding of the business value chain across the Group.

Promoting Health Management

We have been promoting health management as part of our efforts to upgrade work environments. These efforts have resulted in several Group companies receiving the Certified Health and Productivity Management Organization certification for the first time in 2024. This certification has gained attention across the Group and heightened employee interest in health, which is a positive outcome. In promoting health management, it is crucial that efforts are jointly made with each business company, not just a one-way approach from the Health Promotion Office. We therefore implement measures and training tailored to the challenges and characteristics of each

business company, while striving to unify health awareness throughout the Group. Ultimately, Bandai Namco aims for Groupwide certification as a Certified Health and Productivity Management Organization. Moving forward, we will place even greater emphasis on prevention and health promotion, while working to better understand the health conditions of employees and implementing measures based on the scale and structure of each business company. We also believe it is especially important to deepen collaboration with each business company and create an environment where consultations with the Health Promotion Office are easy.

Toward Further Growth of the Group

The launch of our Global Human Resources Database has enabled a comprehensive view of personnel surpluses

and shortages, as well as distribution biases across the Group. Currently, the main role of this database is to collect information, and once the database is filled with information, we will start refining and effectively utilizing this data. We aim to provide information to Group companies and efficiently disclose information about human capital. In light of rapid changes in the entertainment industry, the Group Administrative Headquarters will continue to hire and develop talent that can drive growth for the Group while closely coordinating on management strategies and swiftly responding to change. We will also maintain and improve engagement at the same time, and by providing work environments where all employees can maximize their abilities, we will support the Group’s overall growth and sustainable development.

Messages from the personnel in charge



Koji Tsuyuki

The ultimate goal of our personnel strategy is to nurture talent that supports the sustainable growth of the Company. Toward this goal, we will strive to create an environment where employees can seek smiles and happiness.



Sachiko Sumikawa

We will strengthen support systems for employees sent abroad to work around the world, and promote health management so that employees can work with vigor and health, regardless of whether they are in Japan or overseas.



Koji Hamano

I aim to contribute to creating an environment that fosters natural empathy for each other and a sense of personal ownership to our Purpose, ensuring its permeation and practice among all employees.

Our Purpose, “Fun for All into the Future,” has been positioned as the ultimate definition of the Group. In accordance with the Purpose, we have formulated the Bandai Namco Group Sustainability Policy for implementing initiatives that use the IP axis strategy and leverage our distinctive strengths. To implement this policy, five themes that will need to be addressed by focused initiatives have been identified as material issues (important themes), and on that basis we are advancing sustainability activities.



For the promotion of sustainability activities, we have established the Group Sustainability Committee. The members of the committee include full-time directors of the Company and presidents and representative directors of the Group's business management companies (Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.). The committee is led by the president and representative director of the Company. In this way, we are implementing activities in cooperation with businesses. We recognize that the promotion of sustainability activities is an important initiative from the

perspective of management strategy. Accordingly, the Group Sustainability Committee, which is directly under the Company's Board of Directors, holds discussions related to sustainability strategies, considers various initiatives, and periodically reports to the Board of Directors, which discusses and supervises those matters. In addition, we have established the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee. The subcommittee works to promote activities aligned with the Bandai Namco Group Sustainability Policy and our material issues.



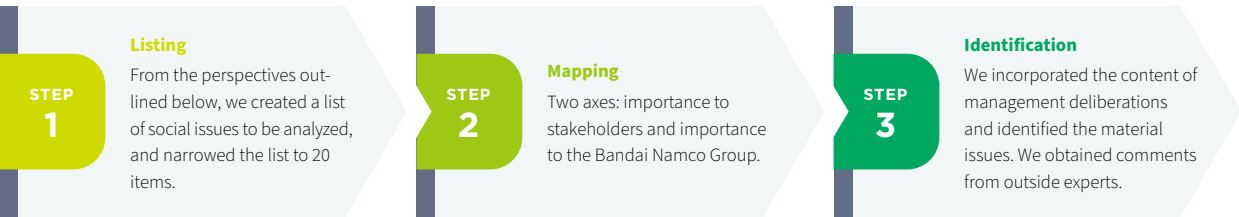
Identification of material issues

In regard to risks and opportunities related to sustainability, following discussions by the Group Sustainability Committee, we identified the material issues that the Group needs to address, and we are now advancing Groupwide sustainability activities.

Also, Group companies are implementing initiatives aligned with the material issues and the characteristics of their

businesses. Each fiscal year, the results are analyzed for the Group as a whole and by business segment. This is linked to improvements in initiatives for the next fiscal year and thereafter. The details of this analysis are reported to the Board of Directors following discussions at the Group Sustainability Committee. The Board conducts discussion and supervision.

Three Steps for Identification of Material Issues



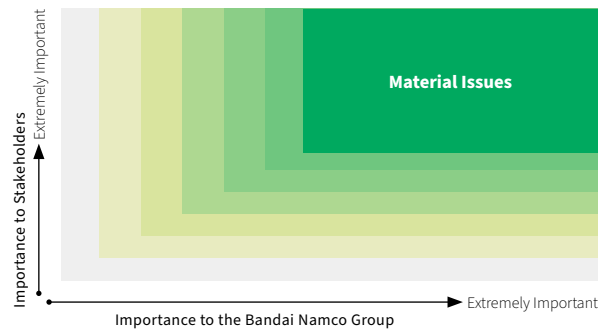
Perspectives that are emphasized during specification/verification

The Bandai Namco Group's Approach and Policies

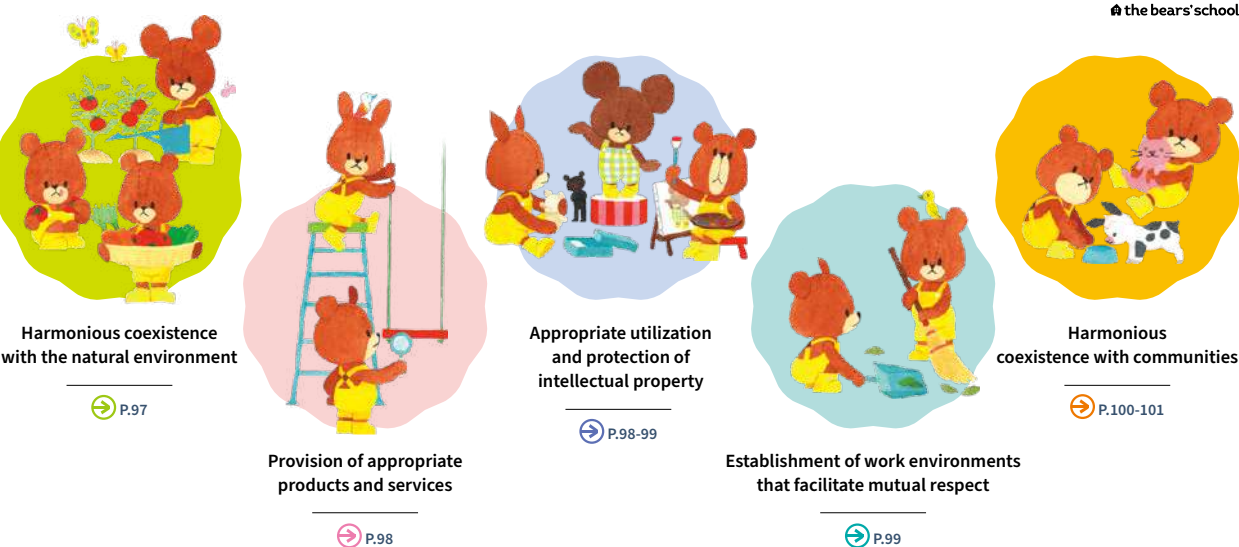
- The Bandai Namco Group's Purpose
- The Bandai Namco Group Sustainability Policy
- The Bandai Namco Group Compliance Charter
- The Bandai Namco Group Mid-term Plan
- Related Group policies/guidelines

Trends and Demands of Society in Japan and around the World

- Various policies and guidelines from international institutions, research institutions, and governments
Example: Sustainable Development Goals (SDGs), Ministry of the Environment's Environmental Reporting Guidelines, GRI Guidelines, TCFD recommendations, SASB Standards, ESG evaluation institution guidelines and reports (CDP, MSCI, Sustainalytics, FTSE), etc.
- Interviews with outside experts
- Consumer surveys (implemented at irregular intervals)
- Initiatives of companies that are advanced in regard to sustainability



Five material issues



GUNDAM

With the *Gundam* series, we will take action for the future of children, together with fans and external partners.

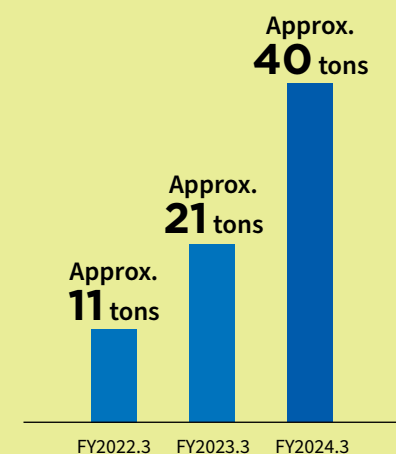
Gunpla Recycling Project

Under the Gunpla Recycling Project, which started in April 2021, we collect runners (part of the model kits framework) from model kits in the *Gundam* series and reuse them in new model kits through the use of a cutting-edge chemical recycling process. By doing so, we aim to create a recycling-oriented society together with *Gundam* fans. The runners collected through the project are transported to the Bandai Hobby Center, a model kits manufacturing plant of Bandai Spirits Co., Ltd.

A portion of these runners is used as a material for verification testing targeting the realization of chemical recycling, and the rest is reused through material recycling or thermal recycling, together with plastics created through the manufacturing process at the Bandai Hobby Center. In FY2024.3, we collected approximately 40 tons of runners.



Collected runners results



Operation Gundam R

In FY2024.3, we held Operation Gundam R (recycle) across all 47 prefectures of Japan. At locations such as shopping centers and music festivals in each prefecture, we distributed Gunpla trial kits using eco-plastics, which were made from recycled runners, as well as special booklets and limited edition stickers. At such locations, visitors could assemble these eco-plastic Gunpla trial kits themselves and thereafter deposit the runners in a collection box, thereby gaining a firsthand experience with recycling plastic.

Gundam Educational Program

From FY2022.3, we started the Gundam Educational Program, which provides opportunities to think about the fun of manufacturing and about environmental issues. For the subject matter, this initiative draws on *Gundam* model kits and the life-sized moving *Gundam* at GUNDAM FACTORY YOKOHAMA.

Educational Support

Since November 2021, we have been holding an educational support program for elementary and junior high school students at the GUNDAM FACTORY YOKOHAMA to learn about and experience the workings of the life-sized moving *Gundam*. This program aims to spur interest in manufacturing. By the end of the life-sized moving *Gundam*'s exhibition on March 31, 2024, a total of 7,554 students from 102 schools had participated in the program.

Gunpla Academia

We have been holding classes on model kits assembly, called Gunpla Academia, at elementary schools across Japan since October 2021. As of July 2024, more than 600,000 elementary school students from over 8,000 elementary schools had participated in these classes. By showing students videos and having them experience model kits assembly, we communicate to students the fun of manufacturing and introduce them to our initiatives to protect the global environment, such as the Gunpla Recycling Project.



Gundam Manhole Project

In August 2021, we launched the Gundam Manhole Project in cooperation with local governments across Japan. In this initiative, we are installing *Gundam* Manholes, which are manhole covers featuring designs of characters and Mobile Suits that appear in *Mobile Suit Gundam*, in various locations nationwide. We aim to make these manholes a testament to the bond between *Gundam* fans and *Gundam* that transcends generations, thereby revitalizing Japan in cooperation with local governments.



THE IDOLM@STER

Connecting with fans,
implementing sustainability
activities together with them

With *THE IDOLM@STER* series, we are implementing sustainability activities aligned with the concept of “connecting and working together to create things.” Fans can readily participate in these activities, which leverage IPs. They are centered on three material issues of the Bandai Namco Group—harmonious coexistence with the natural environment, appropriate utilization and protection of intellectual property, and harmonious coexistence with communities.

Initiatives to promote recycling

Collection and upcycling of used clothes at live event venues

At the venue for *THE IDOLM@STER SHINY COLORS 5th LIVE If I wings.*, which was held in March 2023, we implemented an initiative to collect used clothing from attendees. We called on fans to deposit used clothes into boxes that were set up at the venue to collect such clothing. Used clothes that were collected at the event were recycled into new reusable materials. We reused these materials in panels at *THE IDOLM@STER SHINY COLORS 5.5th Anniversary LIVE* event.



Panels made from collected and recycled used clothing



Used clothing collection boxes at the live event

Promoting plastic recycling in collaboration with the Ministry of the Environment

From April 2023 for approximately one year, as a collaborative initiative between *THE IDOLM@STER SHINY COLORS* and Japan’s Ministry of the Environment, *Houkago Climax Girls*, which is affiliated with 283 Productions, was the focus of PR initiatives related to plastic recycling. Agenda 283, an in-game event scenario, features regional clean-up activities. Participants implement initiatives to support nature and plastic recycling while studying and discussing the issue of plastic waste in the oceans. There is an educational video that promotes plastic reduction and recycling, with idol Rinze Morino, who was elected from among the *Houkago Climax Girls* members, serving as navigator.

PR for promotion of plastic reduction and recycling



Initiatives for regional co-creation

Invigorating Choshi City through *THE IDOLM@STER SideM*

In October 2021, we commenced a collaboration between Jupiter, an idol unit affiliated with 315 Productions that appears in Bandai Namco Entertainment’s *THE IDOLM@STER SideM*, and Choshi Electric Railway Co., Ltd. In July 2022 we began to collaborate with Choshi City, Chiba Prefecture, to roll out the Choshi PR Campaign. Since then, idols belonging to 315 Productions have engaged in PR activities highlighting popular tourist spots in Choshi City. At these locations, we displayed posters and life-sized panels of these idols and also sold original merchandise, thereby attracting many visitors.



Furthermore, in November 2023, the idols from the idol unit *DRAMATIC STARS* were chosen as the PR mascots for the Chiba Branch of East Japan Railway Company. In December 2023, we commenced the “315 ni ii Choshi” Choshi Tourism Campaign, which commemorated the 100th anniversary of Choshi Electric Railway and the commencement of the EeeE Choshi Service, a service for planning trips to Choshi City and its surrounding areas.

Minato Mirai x *THE IDOLM@STER MILLION LIVE!*—Livening up the City with Idols

We held an exciting collaboration event between Bandai Namco Entertainment’s *THE IDOLM@STER MILLION LIVE!* and the Minato Mirai area of Yokohama. In the Minato Mirai 21 district, we are involved in the Music Port YOKOHAMA initiative, which aims to brand Yokohama as a city of music by invigorating the city and enhancing its attractiveness. As part of this initiative, we held the “Million Walking Tour in Minato Mirai,” a walking event that utilized Sony Corporation’s Sound AR™ service Locatone™ to enable participants to walk around the Minato Mirai area together with idols. This event was held in conjunction with



THE IDOLM@STER MILLION LIVE! 10th LIVE TOUR Act-4 MILLION THE@TER!!!!, which took place in February 2024 at K-Arena Yokohama.

Note: Sound AR and Locatone are registered trademarks of Sony Corporation and its affiliated companies.

Promoting collaborative efforts with local governments using *THE IDOLM@STER MILLION LIVE!* to bolster regional disaster prevention capabilities

We promoted a collaboration between Bandai Namco Entertainment’s *THE IDOLM@STER MILLION LIVE!* and the Toyosu Disaster Prevention Festival 2024, hosted by the Koto Ward Association for Better Regional Disaster Prevention Capabilities.

This collaboration featured many unique IP-based initiatives, including AED training sessions and the sale of original disaster prevention-related merchandise. It also featured a stage set up to allow participants to enjoy *THE IDOLM@STER MILLION LIVE!* universe. These unique initiatives helped attract not only local community members but also many young people who have few opportunities to get involved with disaster prevention, including “producers” (the nickname for fans of *THE IDOLM@STER* series). This made for a total of roughly 33,000 attendees throughout the period that the event was held.



Banners held at the event



Original canned soft bread for emergency use

PAC-MAN

PAC-MAN is one of the world's most well-known computer games and has been loved by fans around the world for the over 40 years since its creation. Drawing on the power of this IP, the Bandai Namco Group has been promoting a wide range of sustainability activities on a global basis.



Participating in the Playing For The Planet Alliance

Bandai Namco Entertainment is a member of the Playing For The Planet Alliance established at the UN Climate Action Summit 2019. The company also participates in Green Game Jam organized by the United Nations Environment Programme (UNEP) through the *PAC-MAN* smartphone game app. In 2023, Bandai Namco Entertainment held the Play for the Himalayas in-game event, which communicates the importance of protecting endangered species. In addition, Bandai Namco Entertainment America Inc. received the Jam Spirit Award* for fiscal 2023 in recognition of its participation in Green Game Jam for the third consecutive year and its various contributions to the environment.

* This award is presented to companies participating in the Green Game Jam that consistently incorporate reforestation efforts into their games and seek to enhance the level of these efforts.



Concluding sponsorships with pro sports teams in North America

We have concluded sponsorship agreements with pro sports teams in California, where we have our U.S. headquarters, thereby promoting interactions with fans as a company deeply rooted in the local community.

At BMO Stadium, the home of the local Los Angeles FC soccer team, we opened the new amusement arcade Level Up by Bandai Namco. This arcade serves as a place where people of all ages and groups, including families and young people, can enjoy games with food and beverages. Additionally, at Angel Stadium of Anaheim, the home field of the Los Angeles Angels, we are energizing the ballpark by holding *PAC-MAN* races between innings.



Level Up by Bandai Namco, bustling with families



Scene from the *PAC-MAN* race

Supporting the passing on of intangible cultural heritage in China

Since 2018, Bandai Namco Holdings China Co., Ltd., has been conducting activities to protect the restoration of old books, which is part of China's intangible cultural heritage. As part of these efforts, the company has been holding hands-on events involving old book restoration with added elements of environmental protection and designs using our IP (*PAC-MAN*), aimed at teaching traditional techniques while providing a fun experience for children who will lead the future.

CLENA series

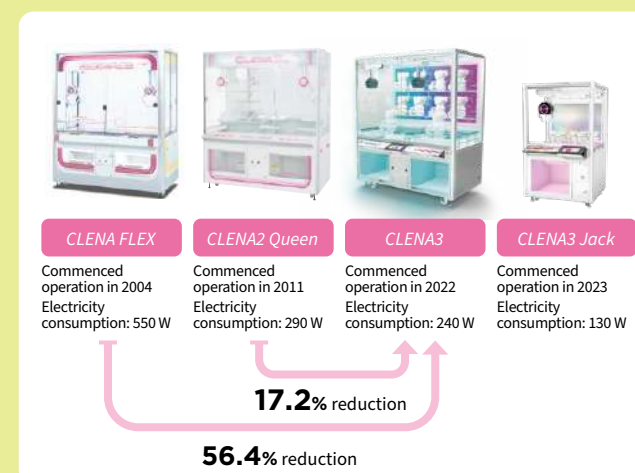
Started in 2004, the *CLENA* series of crane game machines have led to a total transformation in prize game machine operations. Since its introduction, we have consistently updated the *CLENA* series in accordance with the era in order to meet the needs of customers. In November 2022, we launched *CLENA3*, which has since sold a total of 7,000 units. *CLENA3* consumes half of the electricity of the initial *CLENA FLEX* machine, and the latest model, *CLENA3 Jack*, offers even greater levels of energy efficiency. *CLENA3 Jack* also makes use of a universal design, making it more accessible for shorter people and children to enjoy.



Realizing brighter lighting using less electricity

Multiple crane game machines are typically installed in amusement facilities, so reducing the energy consumption of these machines means energy savings for the facility as a whole. To that end, we incorporated an eco-mode feature in *CLENA3*, which reduces energy consumption when the machine is on standby. While curtailing electricity costs and achieving an eco-friendly performance, *CLENA3* realizes the level of lighting and brilliance required of a crane game machine. Furthermore, *CLENA3 Jack* offers three settings for eco-mode, as opposed to just one in the original *CLENA3*, realizing up to a 61% reduction in electricity consumption compared with when eco-mode is off.

Also, by replacing old machines with *CLENA3* models, we have not only cut annual electricity costs at amusement facilities operated by Bandai Namco Amusement Inc. but also realized an annual reduction of nearly 500 tons in CO₂ emissions.



Bandai Namco Awards

Every year, the Bandai Namco Group hosts the Bandai Namco Awards to recognize the best-performing teams from each year. During the judging, the success of the content, creativity, relevance, and consideration for sustainability are deemed important points. Moreover, in recognition of its performance, the *CLENA* series was nominated for the Bandai Namco Award 2023, taking home the Best Sustainability Grand Prize.



The Bandai Namco Group believes that measures to address climate change are necessary for the realization of a sustainable society and for business continuity. Accordingly, in April 2021 we formulated the Bandai Namco Group Sustainability Policy and established medium- to long-term targets for the transition to a decarbonized society. In addition, we have commenced the disclosure of information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced our endorsement of these recommendations in September 2023. We also participate in the TCFD Consortium as part of our efforts to collect the latest information on climate change.

Moving forward, we will continue to conduct analyses of the impact of climate change on our business operations as well as of relevant risks and opportunities based on various scenarios. We will also advance measures to strengthen our response to such risks and opportunities and achieve decarbonization.

Governance

Recognizing the importance of social sustainability for its business activities, the Group has established the Group Sustainability Committee, chaired by the president and representative director, to more promptly determine and implement sustainability-related activities. The committee meets biannually to discuss measures to respond to climate change as one of the Group's most important agenda items. After considering each measure, the committee helps implement these measures at each Group

company. The results of the committee's activities are regularly reported to the Board of Directors, which deliberates the results and provides supervision accordingly. In addition, the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee, is working to promote activities in line with the Bandai Namco Group Sustainability Policy and the Group's material issues.

Strategy

The Group conducted a scenario analysis to assess the impact of climate change-related risks and opportunities.

● **Scenario Analysis Method**

To clarify the impact of climate change on the Group's business operations, we conducted a scenario analysis for 2030 based on the scenarios on the right:

	1.5°C scenario	4°C scenario
Transition risk	IEA Net Zero Emission by 2050 (NZE), IEA Announced Pledges Scenario (APS), IEA Sustainable Development Scenario (SDS)	IEA Stated Policies Scenario (STEPS)
Physical risk	IPCC RCP 2.6	IPCC RCP 8.5

* In the absence of information on the 1.5°C scenario, a reference scenario classified under the 2°C scenario is used.

Transition Risks and Opportunities

Items			Anticipated scenario	Evaluation of impact
Risks and opportunities	Category	Subcategory		
Risks	Government/regulations	Introduction of carbon pricing	•Introduction of tax on GHG emissions and obligation to purchase credits due to the introduction of carbon pricing (carbon taxes and emission trading schemes), resulting in higher operational costs	Large
		Regulations on the use of fossil fuels	•Incurrence of costs associated with efforts to reduce the use of fossil fuels for Company-owned vehicles and transportation vehicles of logistics companies due to the tightening of regulations on the use of fossil fuels	Small
		Regulations on plastics and resource recycling	•Necessity to use eco-friendly bioplastics and recycled plastics due to the tightening of regulations on plastics, leading to higher manufacturing costs of toys •Incurrence of costs associated with manufacturing and disposal measures as plastics and metals used in toys and arcade machines become subject to recycling regulations due to the tightening of such regulations	Large
		Renewable energy and energy conservation policies	•Increase in demand for renewable energy and soaring electricity costs due to the expansion of renewable energy policies •Growing necessity for technological investment to adhere to energy conservation regulations	Large
		Obligation of information disclosure	•Incurrence of costs associated with measures to disclose information due to requirements for information disclosure on carbon footprint and other matters	Medium
	Markets	Fluctuations in raw material costs	•Increase in manufacturing costs due to the soaring price of plastics and metals used in toys and arcade machines, etc.	Large

Opportunities	Markets	Changes in customer behavior	•Acquisition of new customers through digital content and toys (environmental education) created based on the theme of the environment, resulting from the growing importance of environmental awareness among customers	Large
	Evaluation	Changes in investor evaluation	•Improvement in the Company's evaluation as a result of being perceived by investors to be sufficiently aware of the environment, leading to increased share prices and new opportunities for fundraising	Large

Physical Risks and Opportunities

Items			Anticipated scenario	Evaluation of impact
Risks and opportunities	Category	Subcategory		
Risks	Acute	Intensification of abnormal weather (typhoons, heavy rains, landslides, storm surges, etc.)	We anticipate the following issues to occur due to an increase in wind and flood damage resulting from the intensification of abnormal weather: •Increase in disaster prevention/repair costs at Group business sites •Difficulties in procuring raw materials and selling products, resulting in suspended operations •Sales decline in the live events and store operations businesses due to a lower desire to go outside among people •Occurrence of physical injuries to employees •Increase in insurance costs	Large
		Droughts	•Delays in the manufacture of toys and amusement machines stemming from a decline in semiconductor manufacturing volumes •Delays in the delivery of Company vehicles	Medium
	Chronic	Rise in the average temperature	We anticipate the following issues to occur due to summer heatwaves caused by a rise in the average temperature: •Sales decline in the live events and store operations businesses due to a lower desire to go outside among people •Increase in air-conditioning costs and other operational costs •Occurrence of health issues among employees	Medium
		Changes in rainfall and weather patterns	•Decline in sales of outdoor services in the event of an increase in rainy days brought about by changing weather patterns, such as the timing of rainy seasons	Medium
		Impact on raw material cultivation due to a rise in the average temperature	•Higher procurement costs due to an anticipated surge in prices in the event that there are shortages in wheat flour and other raw materials used in candy toys	Medium
		Rising sea levels	•Flooding of business sites, such as amusement facilities and logistics bases, in coastal areas due to the impact of rising sea levels, resulting in the incurrence of repair costs	Small
Opportunities	Chronic	Increase in infectious diseases	•Decrease in visitors to live events and amusement facilities due to a decline in opportunities to go outside among people stemming from an increase in infectious diseases	Medium
		Rise in the average temperature	•Increase in demand for digital content that can be viewed at home due to a decrease in opportunities to go outside among people following a rise in the average temperature	Medium
		Changes in rainfall and weather patterns	•Increase in sales of indoor services in the event of an increase in rainy days brought about by changing weather patterns, such as the timing of rainy seasons	Medium

Risk management

The Group discusses risks and opportunities related to sustainability at meetings of the Group Sustainability Committee. This committee identifies material issues that the Group should strive to address and promotes sustainability activities on a Groupwide basis. In promoting these activities, the Group Sustainability Committee collaborates with the Group Risk Compliance Committee, which oversees the Group’s crisis management structure. Each Group company pursues efforts to address the material

issues in accordance with the characteristics of its businesses. The results of these efforts are analyzed on a Groupwide basis and by each business segment every fiscal year, which helps lead to improvements in such efforts for the following fiscal year and beyond. The analysis of these efforts is discussed at meetings of the Group Sustainability Committee and are then reported to the Board of Directors. When necessary, the Board holds discussions on these results and provides supervision accordingly.

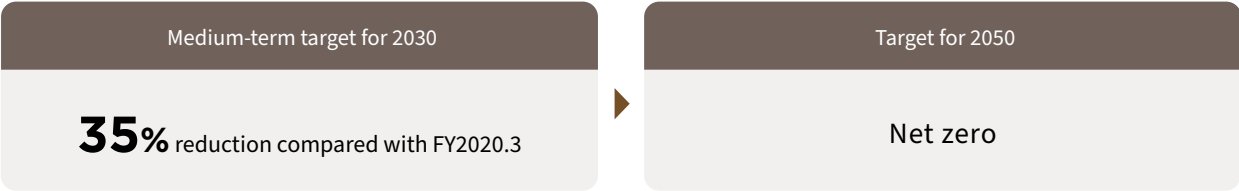
Indicators and targets

The Group has established indicators for greenhouse gas (GHG) emissions so that it can evaluate and manage the progress of its ESG management and the impact of policy risks and other risks pertaining to climate change. As a medium-term target, the Group has adopted a 35% reduction in energy use-derived CO₂ emissions at Group business sites by 2030 compared with FY2020.3. Furthermore, we have set forth the target of achieving net-zero

emissions at our business sites (offices, own plants, directly operated amusement facilities, etc.) by 2050. Going forward, we will strive to further promote energy conservation initiatives and introduce renewable energy with a view toward achieving these targets. Additionally, starting from FY2022, we began calculating CO₂ emissions from our supply chain (Scope 3) and have initiated efforts towards decarbonizing the entire supply chain.

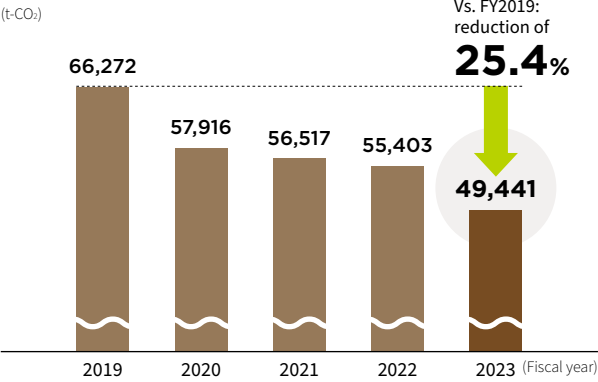
Medium- to Long-Term Targets for Decarbonization

Amount of energy use-derived CO₂ emissions at Group business sites*



* Offices, own plants, directly operated amusement facilities, etc.

Bandai Namco Group CO₂ emissions (Scope1+Scope2)



Notes:
1. The amount of renewable energy used (purchased) for FY2021 is included in the total for non-renewable energy.
2. For figures excluding Scope3 emissions, limited assurance or review by a third party has been conducted.
3. The Scope3 targets include Bandai Namco Entertainment Inc., BANDAI CO., LTD., BANDAI SPIRITS CO., LTD., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.
4. Past figures may be retroactively revised based on a thorough examination of tabulation results.
5. Scope3 emission amounts by category and their calculation methods can be found on our corporate website.

Supply chain emissions (Scope3)

		FY2022	FY2023
Scope3		1,091,255	1,202,209
Category 1	Purchased goods and services	576,512	636,698
Category 2	Capital goods	95,884	110,312
Category 3	Fuel- and energy-related activities not included in Scope1 and 2	5,758	5,490
Category 4	Upstream transportation and distribution	10,399	9,174
Category 5	Waste generated in business operations	2,669	2,931
Category 6	Business travel	5,158	8,817
Category 7	Employee commuting	710	837
Category 8	Upstream leased assets	Not applicable	Not applicable
Category 9	Downstream transportation and distribution	3	2
Category 10	Processing of sold products	Not applicable	Not applicable
Category 11	Use of sold products	21,792	12,284
Category 12	End-of-life treatment of sold products	372,368	415,664
Category 13	Downstream leased assets	Not applicable	Not applicable
Category 14	Franchises	Not applicable	Not applicable
Category 15	Investment	Not applicable	Not applicable

Examples of Initiatives toward Decarbonization

Proactively introducing renewable energy at Group company bases

Targeting decarbonization, we are advancing the conversion to electricity derived from renewable energy sources at major bases of Group companies.

We have converted to electricity derived from renewable energy sources for all of the electricity used at certain major Group company bases, including the Bandai Namco Mirai Kenkyusho, Bandai head office building, Bandai Namco Amusement head office building, Bandai Namco Studio head office building, Bandai Hobby Center—a model kits production facility of Bandai Spirits Co., Ltd.—as well as the nationwide logistics centers of Bandai Logipal Inc. and Logipal Express Inc. As a result, we have achieved net-zero CO₂ emissions from office operations, reducing annual CO₂ emissions by more than 8,000 t-CO₂ in FY2023 at these bases.



Bandai Namco Mirai Kenkyusho

Introducing solar power generation

Bandai Spirits Co., Ltd., has introduced solar power generation facilities with 400 solar panels in an area of approximately 1,202 square meters on the roof of the Bandai Hobby Center, with the aim of having the center become self-sufficient in electricity through solar power generation. In addition, Bandai Namco Craft's Inc., Kanto-Base and Heart Corporation headquarters factory have also introduced solar power generation facilities.

We are working toward achieving electricity self-sufficiency through solar power at these locations as well. The total electricity generated at these three sites is approximately 730,000 kWh,* and the expected annual reduction in CO₂ emissions is around 350 tons-CO₂.

* Calculated by the solar cell power generation quantity calculation method based on JIS 8907



Bandai Hobby Center



Heart's headquarters factory

Joining the Ministry of Economy, Trade and Industry's GX League

In April 2024, Bandai Namco Holdings officially joined the GX League* established by the Ministry of Economy, Trade and Industry. By joining this league, we will accumulate insight and technologies for realizing carbon neutrality on a Groupwide basis. At the same time, we will advance such efforts as the further promotion of energy conservation measures and the introduction of renewable energy.

* The GX League was established by the Ministry of Economy, Trade and Industry as a forum for cooperation between corporations, the national government, and academic institutions that are working to realize a sustainable society now and for the future. To that end, the GX League pursues efforts for a green transformation (GX) with a view to achieving carbon neutrality across society by 2050.

Together with all people throughout the world, the Bandai Namco Group aims to create a future where people and other people, people and society, and people and the world are connected through the rich emotions created by entertainment, as represented by Bandai Namco’s Purpose of “Fun for All into the Future.” To fulfill our responsibility to respect the human rights of all stakeholders involved in the Bandai Namco Group’s business activities, we established the Bandai Namco Group Human Rights Policy in November 2023. Recognizing the impact that business activities can have on human rights, we consider it our corporate responsibility to respect the human rights of all stakeholders involved in the Group’s business activities. To that end, we are promoting initiatives in accordance with international frameworks such as the UN Guiding Principles on Business and Human Rights.

Bandai Namco Group Human Rights Policy

Together with all people throughout the world, the Bandai Namco Group aims to create a future where people and other people, people and society, and people and the world are connected through the rich emotions created by entertainment, as represented by Bandai Namco’s Purpose of “Fun for All into the Future.” In order to fulfill our responsibility to respect the human rights of all stakeholders involved in the business activities of the Bandai Namco Group, we hereby establish the Bandai Namco Group Human Rights Policy.

Scope of Applicability

This policy applies to directors, auditors, officers and employees of the Bandai Namco Group (meaning Bandai Namco Holdings Inc. and its subsidiaries; the same shall apply hereinafter). We also ask all of our business partners and suppliers to understand, support, and comply with this policy.

Commitment to Respecting Human Rights

The Bandai Namco Group understands that our business activities may impact human rights, and will fulfill our responsibility to respect the human rights of all stakeholders involved in our business activities.

Compliance with Laws and Regulations Related to Respecting Human Rights

The Bandai Namco Group will promote initiatives to respect human rights based on the United Nations Guiding Principles on Business and Human Rights and the Children’s Rights and Business Principles.

Furthermore, in each country and region where we conduct business, the Bandai Namco Group complies with the domestic laws and other regulations of the relevant countries, and respects internationally recognized human rights. When faced with conflicting requests, we will do our utmost to honor the principles of internationally recognized human rights.

Governance

We will place the President and Representative Director in charge of this policy, and the Chief Sustainability Officer (SCO) in charge of promoting this policy, and will promote initiatives to respect human rights in accordance with this policy.

Human Rights Due Diligence

The Bandai Namco Group will construct and continuously operate a human rights due diligence system to identify, prevent, and mitigate adverse human rights impacts related to the Bandai Namco Group’s business activities.

Remedy and Correction

If we identify that the Bandai Namco Group has caused or contributed to negative human rights impacts, we will take legitimate processes to remedy the situation and prevent a recurrence.

Education

The Bandai Namco Group will ensure that related policies, guidelines, and other necessary procedures reflect this policy, in order to embed this policy in all business activities. We also will provide appropriate education so that all directors, auditors, officers and employees understand this policy and implement it in their respective corporate activities.

Dialogue and Consultation with Stakeholders

For initiatives taken under this policy, the Bandai Namco Group will consult with independent external experts on human rights and engage in dialogue and consultation with relevant stakeholders.

Verification of Progress and Information Disclosure

The Bandai Namco Group will monitor and improve the status of compliance with this human rights policy continuously. We will disclose the progress of human rights initiatives based on this policy through media such as the official website and integrated reports of Bandai Namco Holdings Inc.

Date of Establishment: November 1, 2023

Masaru Kawaguchi

Group CEO

President and Representative Director

Bandai Namco Holdings Inc.

Governance

Recognizing the importance of social sustainability for its business activities, the Group has established the Group Sustainability Committee, chaired by the president and representative director, to more promptly formulate and implement sustainability-related activities.

The committee meets semiannually to discuss measures to respond to human rights countermeasures, which represent one of the Group’s important agenda items. After considering each

measure, the results are regularly reported to the Board of Directors, which deliberates the results and provides supervision accordingly. In addition, the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee, is working to promote activities in line with the Bandai Namco Group Sustainability Policy and the Group’s material issues.

Strategy

To further clarify the Bandai Namco Group’s stance and initiatives regarding human rights, we formulated the Bandai Namco Group Human Rights Policy in November 2023. We understand that corporate business activities have an impact on human rights,

and thus we consider it our responsibility as a company to respect the human rights of all stakeholders involved in the Bandai Namco Group’s business activities.

Risks and Opportunities in the Group’s Response to Human Rights-Related Issues

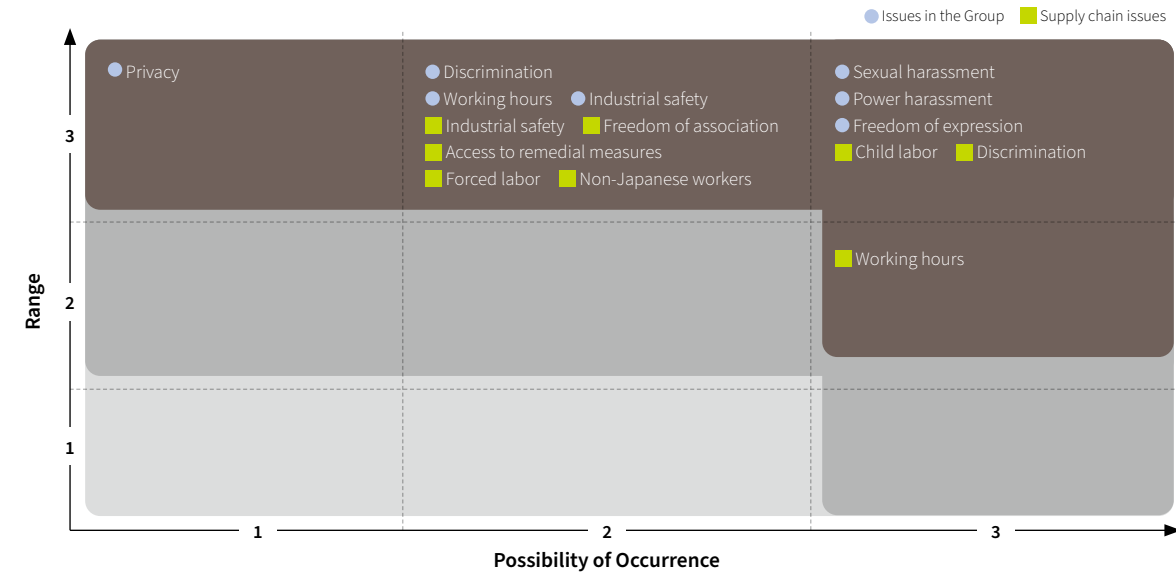
Risks	Opportunities
<ul style="list-style-type: none">Increased business risks due to a delayed response to ever-tightening laws and regulations across the globeDeclining productivity following the occurrence of human rights infringements in the supply chain	<ul style="list-style-type: none">Building of good relationships with business partners and increased productivityEnhanced engagement among Group employees

Risk Management

● Mapping of Human Rights Risks

The Group analyzes the negative impact that its business activities have on human rights. With regard to anticipated human rights-related risks, the Group identifies risks that are particularly important from the perspectives of level of severity and likelihood of occurrence. In FY2024.3, we mapped out human rights issues that present risks in terms of the negative impacts of our business activities. We believe that the following items are human rights-related risks toward which we must prioritize our response.

We have therefore identified and evaluated these risks in terms of both actual and potential impacts on human rights, in accordance with our human rights due diligence process. We will carry out appropriate measures to reduce potential risks, and for actual impacts that we are having on human rights, we will strive to resolve issues so that we can eliminate these impacts. At the same time, we will implement appropriate remedial measures for all parties impacted, as necessary. Moving forward, we intend to revise this map on a continuous basis.



● Implement Human Rights Due Diligence

The Bandai Namco Group recognizes that its business activities could potentially affect human rights. We recognize our responsibility to respect the human rights of all our stakeholders, including employees, their families, and business partners. Toward this end, we promote an understanding of human rights across the entire supply chain.

Previously, we implemented risk management for each business segment. However, in order to identify, prevent, and mitigate negative impacts on human rights related to the Group's business activities, we will build a human rights due diligence mechanism

and continuously manage risks using a risk-based approach. In October 2022, we engaged a third party to conduct human rights due diligence covering our main businesses. This third party identified high-potential human rights risks in the manufacturing sector in East Asia and Southeast Asia among the Group's businesses. In FY2024.3, we implemented a risk analysis of all our businesses both in Japan and overseas. Moving forward, we will strive to prevent the occurrence of potential human rights issues and address any issues we have already identified.



● Status of Main Initiatives at Group Companies

Bandai Co., Ltd. and Bandai Spirits Co., Ltd. conduct Bandai Factory Audits (BFAs), which integrate quality audits and Code of Conduct (CoC) audits, at nearly all overseas final packaging plants that manufacture products for the Japanese market (approximately 300 companies in fiscal 2023). Additionally, we verify CoC items through reports from third-party CoC standards such as the Sedex Members Ethical Trade Audit (SMETA) and the International Council of Toy Industries (ICTI). The basic policy for BFAs is the Bandai CoC Declaration, which calls for strict observance of standards concerning forced labor, child labor, working hours, wages and allowances, punitive action, and discrimination. Audits are conducted in accordance with our original BFA manual. Additionally, we hold supplier conferences to share information with our business partners, working together to improve legal compliance and working conditions, including the prevention of forced labor and modern slavery. Bandai Spirits conducts audits of factories that have not been certified based on BFAs or third-party standards in accordance with its own Bandai Spirits Minimum Requirements Audit Report to confirm human rights requirements.

Additionally, Bandai Shenzhen Co., Ltd., which provides production and quality management for major products destined for Europe and North America, conducts transactions with factories certified by third-party organizations such as the ICTI Ethical Toy Program and SMETA. These certifications include prohibitions on forced labor, human trafficking, and child labor. All primary factories for products for Europe and North America that Bandai Shenzhen transacted with in fiscal 2023 were certified.

Bandai Namco Amusement Inc. carries out transactions only with suppliers for which it has confirmed the absence of illegal acts in the areas of forced labor, child labor, working hours, wages and allowances, punitive action, discrimination, and environmental protection. Also, regarding plants that assemble arcade game products with which we initiate a new business relationship, we conduct interviews on confirmation items including the working environment. We also conduct audits of new and existing factories that we do business with, as necessary.



Bandai Factory Audits

● Activities to Raise Awareness of Human Rights

To inform and disseminate the Group's philosophy and approach to human rights among employees, including Group officers, we conduct awareness-raising activities as appropriate.

To ensure compliance with laws, ethical behavior, and internal regulations, the Bandai Namco Group has established the Bandai Namco Group Compliance Charter, which serves as a code of conduct for directors and employees of the Company and its subsidiaries. We have distributed in-house posters across the entire Group, including overseas locations, clearly stating the Compliance Charter. At the same time, we distribute the Bandai Namco Group Compliance Book, a practical guide, to all directors and employees.



Executive workshop

Additionally, the Group conducts compliance awareness surveys for directors and employees and works to disseminate the philosophy outlined in the charter through various in-house training programs, including e-learning and new employee training.

Furthermore, believing that promoting executive management's understanding is vital to strengthening human rights measures in the Group, we hold study sessions on human rights for directors of Bandai Namco Holdings. We also hold seminars and e-learning for employees on topics such as sustainability, work-life balance, the LGBTQ community, and disabilities to raise awareness of human rights and foster a culture of sustainability within the Group.



e-learning for employees (available in multiple languages)

● Consultation Hotline for Human Rights Issues

The Bandai Namco Group accepts whistleblowing and consultations on human rights issues through various hotlines and

accepts complaints and reports related to human rights issues from a wide range of stakeholders through external platforms.

Whistleblowing Hotline for Employees

We have established a whistleblowing system at Group companies in Japan and overseas that allows employees to consult at any time about human rights issues that arise within the Group by e-mail, telephone, in person, or via other means.

Consultations are also accepted anonymously, and we respond promptly after thoroughly protecting the consuler so that they will not be treated unfairly as a result of their consultation.

Whistleblowing Hotline for External Stakeholders

Inquiries from stakeholders regarding human rights issues can be made via the Banda Namco Holdings corporate website.

INITIATIVES FOR PLASTIC ENVIRONMENTAL CONSIDERATION

Although plastic is an extremely useful material in modern-day society, its overuse and improper disposal can lead to increases in CO₂ emissions throughout its lifecycle. Furthermore, it can have other adverse impacts on ecosystems and the environment, including the issues caused by microplastics. While being aware of the usefulness of plastics, we recognize plastic waste as an important social issue due to its tremendous impact on ecosystems and the environment. To that end, we strive to engage in responsible behavior as a corporation, including making efforts to reduce the use of petroleum-based plastics and help establish a recycling-oriented society.

Advancing Initiatives to Reduce Petroleum-Based Plastics

Utilizing Alternative Materials

To reduce the use of petroleum-based plastics and lower CO₂ emissions, we are advancing initiatives to use recycled materials or alternatives to plastics for part or all of certain products. For example, we have commercialized *Gundam* craft puzzles that are created from bamboo materials harvested from ethically managed forests. In addition, for *Gundam* model kits, we are using various alternatives to petroleum-based plastics, including eggshells discharged as industrial waste and used tea leaves created through the process of brewing green tea.



A Gundam made out of green tea, wood fragments, eggshells, and bamboo

Promoting the Active Use of Recycled Materials

MegaHouse Corporation is selling Rubik's Cube Eco, a Rubik's Cube made from recycled materials. Materials used to make the main unit and the paper used for the packaging are recycled materials as well. Sun-Star Stationery Co., Ltd., is working to develop stationery made from recycled plastic. The company has eliminated the problem of surface blemishes in the form of black spots caused by the mixing of recycled plastics by making adjustments in the printing technology.



Reducing the Usage of Prize Bags

Bandai Namco Amusement Inc. has installed roughly 300 "Fukulocker" (prize bag vending machine) units, provided by Group company Bandai Namco Technica Inc., at amusement facilities Namco locations nationwide to standardize customer service and reduce the usage of prize bags. By charging money for these prize bags, we have been successfully curtailing their provision beyond necessity, reducing the volume of prize bags used in FY2024.3 by nearly 67 tons (about 4.64 million bags) compared with FY2020.3.



Promoting Measures to Establish a Recycling-Oriented Society

Participating in Partnerships for Further Advancing Initiatives for a Circular Economy

The Bandai Namco Group participates in the Japan Partnership for Circular Economy (J4CE), a public-private framework that promotes initiatives for a circular economy. This partnership was launched to strengthen public-private partnerships with the objective of fostering greater understanding of the circular economy and promoting initiatives among a wider range of stakeholders in Japan, including companies, as the global trend toward a circular economy accelerates. Through its activities as a J4CE

member, the Bandai Namco Group aims to form an information-sharing network for the circular economy and speed up its efforts to realize a recycling-oriented society.



Promoting the Recycling of GASHAPON Capsules

The Bandai Namco Group has collected and recycled GASHAPON capsules since 2006. In 2021, Bandai Co., Ltd., Bandai Namco Amusement Inc., and Bandai Logipal Inc. jointly started Gashapon Capsule Recycling, an initiative to further expand these recycling efforts. (Amount collected in FY2024.3: approx. 42 tons) The collected empty capsules are turned into pellets (recycled pellets), which are the raw materials for capsules, and then they are mixed with ordinary pellets (virgin pellets) to form the capsules. At present, recycled pellets account for about 20% of new capsules.

In addition, we have set up Gasha Point Stations, empty capsule collection boxes, at GASHAPON Department Stores and GASHAPON Bandai Official Shops. This makes empty capsule collection an enjoyable experience for customers.

Moreover, we have made improvements such as changing the constituent material of the capsules, which previously had two types, to one type of polypropylene in order to make it easier to recycle.



In accordance with Bandai Namco’s Purpose, “Fun for All into the Future,” we seek to be a group in which employees can act with motivation and energy to leverage their varied talents, individual characteristics, and values. The personnel strategy is a main strategy in the Mid-term Plan, and we are working to develop diverse human resources in a variety of fields. We will secure and promote human resources irrespective of whether they are new graduates or mid-career hires, and regardless of gender, age, nationality, race, religion, and sexual orientation, etc. In addition, we will further focus resources on the establishment of varied systems and environments that enable diverse human resources to actively participate and to work in a manner that is healthy in body and mind. Specifically, we will advance a variety of initiatives, such as supporting employees as they take on challenges and developing human resources to advance the IP axis strategy on a global basis. In addition, we will strive to realize workplace environments that are easy to work in and enable diverse human resources to demonstrate their true strengths.

Realizing Employee-Friendly Workplace Environments

The Bandai Namco Group is working to establish environments so that diverse human resources can work while remaining healthy in body and mind. To create a supportive work environment for all employees, Group companies have established various systems aligned with their business formats. These include regulations for ensuring a work-friendly environment for every employee, as well as flexible working arrangements such as flextime systems, discretionary work systems, shorter working hours, and staggered shifts. In addition to regular physical check-ups and stress checks, within the Group Administrative Headquarters of Bandai Namco Holdings we have assigned a person in charge of measures to address long working hours. By establishing environments in which employees can work with peace of mind, we are striving to enhance employee satisfaction.

In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Namco Amusement Inc., and MegaHouse Corporation have received certification from the Minister of Health, Labour and Welfare (Kurumin certification) in recognition of their support of childrearing. In addition, in accordance with the Act on Promotion of Women’s Participation and Advancement in the Workplace, Bandai Namco Entertainment Inc.,

Bandai, and Bandai Namco Business Arc Inc. received the Eruboshi certification a company with excellent initiatives in promoting the participation and advancement of female employees in the workplace. Furthermore, in the “2024 KENKO Investment for Health (Large Enterprise Category),” Bandai Namco Entertainment Inc. and Bandai Namco Studios Inc. have been certified. Moving forward, we will continue to work in unity with the management and human resources departments of our Group companies to enhance workplace environments that are easy for employees to work in and to strengthen initiatives aimed at promoting employee health.



KENKO Investment for Health	Bandai Namco Entertainment Inc. Bandai Namco Studios Inc.
Kurumin certification	Bandai Namco Entertainment Inc. (certified in 2021) Bandai Co., Ltd. (certified in 2020) Bandai Namco Amusement Inc. (certified in 2021) MegaHouse Corporation (certified in 2023)
Eruboshi certification	Bandai Namco Entertainment Inc. (Certification Level 2) Bandai Co., Ltd. (Certification Level 3) Bandai Namco Business Arc Inc. (Certification Level 2)

Examples of Systems to Promote Achievement of Work–Life Balance (Programs That Surpass Legal Requirements)

System	Overview
Childcare leave	Can be taken until the day the child turns two years old.
Childcare support	Available until March 31 of the year in which the child completes sixth grade. In addition to shorter working hours, includes exemption from overtime and late-night work.
Childbirth leave for spouses	Employees can take up to five days of paid leave when their spouse gives birth.
Child-rearing flextime system	Available until March 31 of the year in which the child completes sixth grade core time can be adjusted in line with childrearing circumstances.
Provision of support funds for childbirth and childcare	Provision of ¥200,000 at the birth of each of the first and second children. Provision of ¥3,000,000 at the birth of each of the third and subsequent children.* * Acquisition of childcare leave for one continuous week or more and submission of a childrearing report are requirements for the receipt of this support.
Lifestyle-support system	Introduction of a lifestyle-support system with the objective of establishing supportive environments for employees in a variety of household circumstances; offering 30 days of leave as well as shorter working hours/flextime, in accordance with the reason. Examples of reasons: (1) truant children, (2) infertility treatment, (3) family nursing or caregiving for spouses and first- and second-degree relatives of employees, and (4) receiving of outpatient care at medical facilities due to disease.
Partnership system	In regard to partnerships, leave time determined by company rules and matters recognized by employee benefits, etc., are handled in the same manner as for couples who are married under the legal system.

Note: Some Group companies use different systems.

Supporting Employees Who Take on Challenges

Principal companies in the Bandai Namco Group have introduced performance-linked remuneration frameworks that correlate a company’s operating profit with employee profit sharing. In this way, we are encouraging employees to take on challenges. In addition, we have established systems for the proposal of ideas regarding IP, products and services for Units and companies, and other systems. In these ways, we have established frameworks that transcend boundaries between companies and departments and enable employees to make their own proposals.

Furthermore, by introducing systems that give recognition to teams and employees for taking on challenges, we are working to establish foundations and a corporate culture that make it easier to address challenges with a positive attitude.

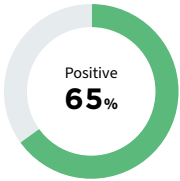
Facilitating Active Careers for Diverse Human Resources

The Bandai Namco Group emphasizes the individual talents and characteristics of each employee, and is working to foster diversity in line with business characteristics. In promoting active careers for women, we are implementing fair evaluations based on true capabilities and experience, and the number of female managers continues to increase in line with growth in the number of female employees. Also, accompanying business globalization, the number of locally hired employees is increasing each year.

Moreover, we are implementing a variety of initiatives to promote the employment of people with disabilities.

Reference: Results for the FY2024.3 engagement survey

Percentage of positive responses to the question
“My company allows me to take on new challenges
without the fear of failure.”

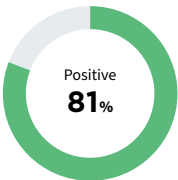


Conducting Engagement Surveys for the Group's Employees

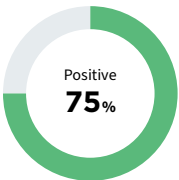
Group companies in Japan and around the world have implemented engagement surveys for the Group's employees once a year since FY2023.3. These surveys cover such topics as "job motivation and desire to contribute to the company," "level of understanding and adoption of the Purpose," and "diversity and inclusion." Based on observations made each year, we implement initiatives to increase the engagement of employees on a Groupwide basis, and advance the establishment of environments that enable diverse, highly individual human resources to work energetically and have active careers.

Reference: Results for the FY2024.3 conducting engagement surveys for the Group's employees.

My current company provides employees with opportunities to play an active role regardless of gender.



Different values are respected among Bandai Namco Group.



Developing Human Resources

In accordance with the Purpose 'Fun for All into the Future', we are working under the ALL BANDAI NAMCO concept to transcend the barriers between regions and Units and work together as a unified group. In this way, we place importance on cultivating a sense of unity and developing human resources who will be active in global settings.

At junctures depending on position and number of years with the Company, we implement Groupwide training that transcends Units and regions. We are providing opportunities to forge connections within the Group and to become aware of new things. This is in parallel with initiatives in specialized fields aligned with

business characteristics, where efforts are made to develop human resources at the level of Units and individual companies. In addition, we are actively implementing personnel transfers among Units, businesses, and regions. We are working to develop human resources, who are the core of the Group, including taking steps to foster understanding of the Group's businesses. In these ways, we aim to support sustained development for society and companies by establishing workplace environments that facilitate mutual respect and enable everyone to work energetically, including not only employees but also everyone else associated with the Bandai Namco Group.

Groupwide Training Results

Group combined training	Training overview
First-year training	Through involvement with others with the same number of years at the Group, teams demonstrate their results and participants think about the significance of the Group.
Fifth-year training	In accordance with the Purpose, participants think about the significance of their own work and about their careers.
Training for newly appointed managers	Skills for leading the organization as managers are strengthened and visions are established for participants' teams.
Global next-generation managers training	Participants, who are expected to lead the Group in the future, enhance their awareness and build personal connections.
Officer training	Participants acquire management knowledge necessary for managing the Group.

Note: In addition to those above, human resource development programs are implemented at individual companies.



Data about the Bandai Namco Group's Workplace Environment (FY2024.3)

Scope FY2023: Bandai Namco Holdings Inc., Bandai Namco Entertainment Inc., BANDAI CO., LTD., BANDAI SPIRITS CO., LTD., Bandai Namco Filmworks Inc., Bandai Namco Music Live Inc., Bandai Namco Amusement Inc., and Bandai Namco Business Arc Inc.

Realizing Employee-Friendly Workplace Environments

Childcare leave utilization rate for male and female employees*

Male:

78.5%

Female:

100.0%

* There were cases in which childcare leave was utilized in FY2024.3.

Rate of returning to work after childcare leave

96.7%

Paid leave utilization rate

74.1%

Medical checkup utilization rate

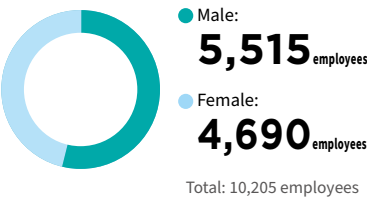
99.9%

Stress check utilization rate

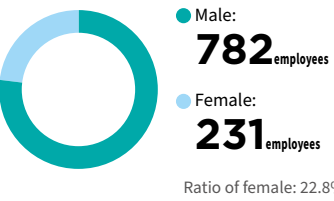
98.9%

Facilitating Active Careers for Diverse Human Resources

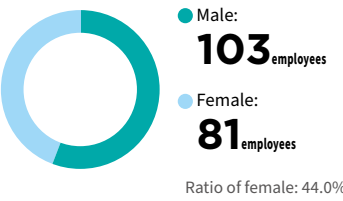
Number of employees



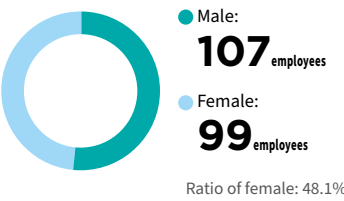
Gender ratio for managers



Gender ratio for new hires*1



Gender ratio for mid-career hires



Employment rate for people with disabilities*2

2.21%

Number of hires in FY2023.3: 189 people
Number of hires in FY2024.3: 193 people

*1 Entered the Company in April 2023
*2 For consolidated subsidiaries that entrust work to special subsidiary Bandai Namco Will Inc.

TARGETS FOR EACH MATERIAL ISSUES AND
FY2024.3 RESULTS

Indicators and Targets for the Five Material Issues of the Bandai Namco Group

Material Issues	Important themes	Objective
 Harmonious Coexistence with the Natural Environment	<ul style="list-style-type: none">Enhanced response to climate changeSupply chain management (environment)	<ul style="list-style-type: none">Initiatives for decarbonization<ul style="list-style-type: none">Reduction of CO₂ emissions in Scope 1 and Scope 2<ul style="list-style-type: none">By 2030: 35% reduction compared with FY2020.3By 2050: Net zeroPromotion of response in Scope 3
	<ul style="list-style-type: none">Sustainable use of resources and raw materials	<ul style="list-style-type: none">Promotion of the circular economy<ul style="list-style-type: none">Establishment of plastic recycling systemsPromotion of product recyclingPromotion of environmentally friendly products<ul style="list-style-type: none">Reduction in petroleum-based plastic useCreation of eco-friendly productsWaste reduction<ul style="list-style-type: none">Recycling of waste at each business site
 Provision of Appropriate Products and Services	<ul style="list-style-type: none">Provision of products and services based on appropriate ethical representation	<ul style="list-style-type: none">Establishment and operation of system for Group-wide sharing of informationImplementation of employee training
	<ul style="list-style-type: none">Safety and security of products and services	<ul style="list-style-type: none">Initiatives toward safe and secure manufacturing<ul style="list-style-type: none">Improvement in product quality in Japan and overseasImplementation of employee training
	<ul style="list-style-type: none">Enhanced customer satisfaction	<ul style="list-style-type: none">Initiatives toward preventing defectsPromotion of swift and detailed customer support
 Appropriate Utilization and Protection of Intellectual Property	<ul style="list-style-type: none">Appropriate use of IP and mutual use of patents	<ul style="list-style-type: none">Promotion of efforts to resolve social issues through the utilization of IPs and technologies
	<ul style="list-style-type: none">Protection of IP	<ul style="list-style-type: none">Enhanced intellectual property protection
 Establishment of Work Environments That Facilitate Mutual Respect	<ul style="list-style-type: none">Realizing employee-friendly workplace environmentsPromotion of work-life	<ul style="list-style-type: none">Promotion of childcare leave acquisitionReview of paid leave structure
	<ul style="list-style-type: none">Human resources development	<ul style="list-style-type: none">Cultivation of diverse human resources who can promote the IP axis strategyCultivation of diverse human resources who can realize our Purpose
	<ul style="list-style-type: none">Promotion of diversity and inclusion	<ul style="list-style-type: none">Promotion of employment for people with disabilitiesFostering of a corporate culture where employees with diverse backgrounds play an active role
	<ul style="list-style-type: none">Supply chain management (labor)	<ul style="list-style-type: none">Initiatives toward building an optimized supply chain<ul style="list-style-type: none">Establishment of a supply chain that respects human rightsImplementation of Employee Training
 Harmonious Coexistence with Communities	<ul style="list-style-type: none">Collaboration with local communitiesInvigoration of fan communities	<ul style="list-style-type: none">Implementation of social contribution activities deeply rooted in local communities
	<ul style="list-style-type: none">Educational assistance for the next generation	<ul style="list-style-type: none">Educational support for children

Examples of Sustainability Activities Linked to Our Material Issues

Initiatives to Manage Chemical Substances

In 2005, Bandai Namco Amusement Inc. became the first company in the amusement industry to commence green procurement initiatives. Since then, Bandai Namco Amusement has been pursuing procurement from suppliers who make rigorous efforts to appropriately manage chemical substances that could be harmful to people and the environment. As part of these initiatives, the company proactively utilizes eco-friendly components, materials, semiconductors, products, promotional items, and packaging that meets regulations both in Japan and overseas, thereby working to reduce its environmental burden.



A green-compliant amusement machine cabinet

Harmonious Coexistence with the Natural Environment



Initiatives to Reduce Food Waste

All Bandai Namco Group companies are making efforts to address the social issues of leftover food and food loss. As part of these efforts, Bandai Co., Ltd., has conducted repeated verification testing on its mainstay confectionery products—*Tsuri Gummies* series, *Charapaki* series, ramune, and deserts. Five years of this research has helped extend the best-before dates of these products. In addition, we are working in such areas as reducing product and raw material loss in the production process and extending sales periods. As a result, we reduced food loss by 10.5 tons. Moreover, Heart Corporation, which handles confectionery products, and Artpresto Co., Ltd., have commenced efforts to utilize discarded products as feed. In these ways, we are working on a Groupwide basis to reduce waste.



Tsuri Gummies series



Charapaki series

Harmonious Coexistence with the Natural Environment

Examples of Sustainability Activities Linked to Our Material Issues

Implementing Quality Assurance Based on Original

As a company that handles toys, we design and select materials for Bandai products according to various quality standards in consideration of a product’s features and a broad range of customer needs. These quality standards comprise around 260 proprietary standards categorized as “safety,” “performance,” and “labeling,” in addition to the toy safety standards established by the Japan Toy Association (ST Standards).* Products are commercialized only after the items corresponding to these standards are identified according to product specifications and after they pass an inspection.

Similarly, Bandai Spirits Co., Ltd., which sells products targeting the mature fan base, has established its own quality standards and complies with the regulations of each relevant country and

Provision of Appropriate Products and Services

region when shipping overseas, in cooperation with overseas Group companies and external organizations.

Note: In the toy industry, the ST mark is displayed on toys that have passed the ST standard compliance test conducted by third-party inspection agencies. This standard includes mechanical safety, flammability safety, and chemical safety.



Drop testing a toy



Test using small parts cylinder to prevent accidental ingestion

Offering Products and Services That Anyone Can Enjoy

The Bandai Namco Group is actively working to offer products and services that anyone can enjoy. For example, MegaHouse Corporation’s Ittai Othello, an all-in-one product, features black pieces with a raised surface and white pieces with a concaved surface, so players can distinguish them by touch. Furthermore, the pieces are built into the game board, meaning they will never get lost. MegaHouse’s Rubik’s Cube Universal Design features a different uneven shape for each color of the six sides, so it can be aligned by touch.

In the visual works field, Bandai Namco Filmworks Inc. takes initiatives such as providing barrier-free voice guides that explain the background to the story and describe the movements and facial expressions of the characters and displaying subtitles so that people with visual or hearing impairments can also enjoy visual content. In these ways, we are working to offer products that can be enjoyed by an even greater number of people.

Provision of Appropriate Products and Services



Ittai Othello



Rubik’s Cube Universal Design



New Dimension! Crayon Shinchan the Movie: Battle of Supernatural Powers ~Flying Sushi~ with barrier-free voice guides

Promoting Intellectual Property Rights Infringement Countermeasures and Educational Activities

The Bandai Namco Group is working with rights holder organizations and authorities in various countries to further promote the protection of IPs, including taking action against counterfeit products, thereby strengthening infringement countermeasures and raising awareness of IPs. In this way, the Group is striving to protect the world view of its IPs and ensure the safety and security of its products and services delivered to customers.

As one facet of measures to address counterfeit products, Bandai Spirits Co., Ltd., uses stickers* with special specifications featuring forgery prevention processing. These stickers, which are in principle applied to all TAMASHII NATIONS brand products for mature fan collectors, are used to verify that a product is genuine.

Appropriate Utilization and Protection of Intellectual Property



Special specification sticker applied to TAMASHII NATIONS products

Moreover, Bandai Namco Filmworks Inc., in cooperation with the Manga-Anime Anti-Piracy Committee whose secretariat is the Content Overseas Distribution Association (CODA), participates in the Manga-Anime Guardians Project (MAGP), a project to protect Japan’s highly regarded manga and anime throughout the world and to create even more high-quality works. In these ways, we are working across the industry to eradicate piracy.

In June 2023, the International Intellectual Property Protection Forum (IIPPF) hosted an event for Generation Z to raise awareness of IPs. The event was co-sponsored by the World Customs Organization (WCO). The theme of the event, which aimed to educate participants about the reality of counterfeit goods, was “Forefront of the World’s Battle against Counterfeits—A Better Society Made Possible with Intellectual Property.” At the event, presentations and panel discussions were held to introduce the current situation regarding the growing number of counterfeit goods in online transactions across the globe, efforts by companies combating counterfeit goods, and the dangers of counterfeit goods. IP representatives of Bandai, an IIPPF member, also took to the stage to make a presentation.



Event to raise awareness of IPs among Generation Z

Advancing Initiatives to Cultivate Creators

In the gaming industry, as development projects grow larger in scale and longer in duration, there are fewer opportunities for creators to realize professional growth through game development. To address this issue, Bandai Namco Studios Inc. launched the GYAAR Studio Indie Game Contest, leveraging the internal training systems for young employees that had been previously implemented. This contest offers winners support, such as the

Establishment of Work Environments That Facilitate Mutual Respect

opportunity to borrow development tools and communicate with other professional creators.

In the second round of the contest, there was an increase in the number of titles submitted from not only Japan but also overseas, primarily South Korea and Taiwan. Moving forward, we will continue our efforts to cultivate creators for the next generation with the aim of further revitalizing the future gaming industry.



2nd Contest Grand Prize Winner: BANDIT KNIGHT

Promoting Measures for Disseminating Culture and Information

Harmonious Coexistence
with Communities

By utilizing its IPs, the Bandai Namco Group delivers a vast array of information to fans around the world. To continue to be a corporate group that is appreciated by communities and fans as well as essential to society, the Bandai Namco Group will continue to draw on its IPs to promote various activities moving forward.

Since 2007, Bandai Co., Ltd., has been operating the Omocha no Machi Bandai Museum in Mibu Town, Tochigi Prefecture. The museum, which can be enjoyed by children and adults, features four wings covering the unique themes of Japan, the world, Thomas Edison, and hobbies (*Gundam*). In addition, as part of the effort to provide educational and experiential-based value to children who will lead the future, the Thomas Edison Special Exhibition was opened at the Bandai headquarters in March 2023. Phonographs, incandescent light bulbs, toasters, and other inventions that still work today from the collection of the Edison Museum, which is operated by the Bandai Collection Foundation in Mibu Town, are being exhibited in a booth inspired by a part of Edison's birthplace in the state of Ohio, in the United States, along with information about Edison's life and his quotes.

Choiel, an anime song choir project carried out by Bandai Namco Music Live Inc., was launched in June 2022, with the aim of bringing together the beloved tradition of choir and the world of anime songs, a proud IP of Japanese culture. The project seeks to deliver to the world the experience of beautifully produced anime songs, together with fans of all ages, from children to adults. Taking place in two parts, a total of 65 choir groups comprising nearly 380 people participated in the contest. Among the participants were many fans from elementary school choirs and adult choirs, among other groups.



Official website of Choiel:
<https://project-choiel.jp/>



Omocha no Machi Bandai Museum



Thomas Edison Special Exhibition



Chorus recording session

Supporting Areas Affected by Disaster

Harmonious Coexistence
with Communities

Bandai Namco Holdings has worked with Save the Children Japan (SCJ), an expert organization in children's support, since 2011 to provide workshops for children from disaster-affected areas in Japan. With the cooperation of SCJ, we also hold seminars for employees to introduce efforts aimed at providing humanitarian assistance, such as food, medical supplies, and shelter, to people affected by the crisis in Ukraine and those who have fled to surrounding countries, as well as to share the latest trends in sustainability. In addition, each year Bandai Namco and shareholders give a total of ¥10 million to SCJ through the use of complimentary shareholder benefits. The donated funds are used for activities implemented by SCJ that support children in Japan as well as for aid to areas affected by disaster.

Furthermore, Bandai Co., Ltd., worked with SCJ to plan and manufacture a Bandai support toy for use in times of disaster. The toy supports children's mental well-being by easing stress and worry during a disaster. This toy was designed so that it provides children with someone to talk to or a friend that gives them comfort during their time in temporary housing. Accordingly, the toy is provided to areas impacted by a disaster together with the Emergency Children's Kit that is distributed as part of disaster relief supplies by SCJ. In FY2024.3, in addition to areas impacted by the Noto Peninsula Earthquake, which occurred in January 2024, donations were made to five other locations, such as Taito Ward, Tokyo, where the Bandai Headquarters is located.



Aid provided in Ukraine



Bandai disaster support toy

In order to realize Bandai Namco’s Purpose “Fun for All into the Future,” the Company and the Group sufficiently understand the importance of various stakeholders related to the Company and have a basic management policy of maximizing the corporate value of the Company and its shareholders’ common interests over the medium to long term. In addition, the Company believes that construction of a solid management foundation (corporate governance) is absolutely essential in order to emerge victoriously in the global competition of the fast-changing world of entertainment. In accordance with this philosophy, the Company has established the Basic Philosophy on Corporate Governance. Furthermore, we truly embrace the intent and spirit of Japan’s Corporate Governance Code, and our initiatives on each principle of the Code are disclosed in Initiatives Related to Japan’s Corporate Governance Code.*



* For more information, please visit the Company’s website.
https://www.bandainamco.co.jp/en/sustainability/governance/corporate_governance/index.html

Corporate Governance System

Strengthening of Management Oversight Functions



Number of Audit & Supervisory Committee Members

4 / 14

Number of Independent Outside Directors

5 / 14

All outside directors meet the Standards for the Independence of Outside Directors established by the Company.

Terms of Office of Directors

Directors who are not Audit & Supervisory Committee members

1 Year or Less

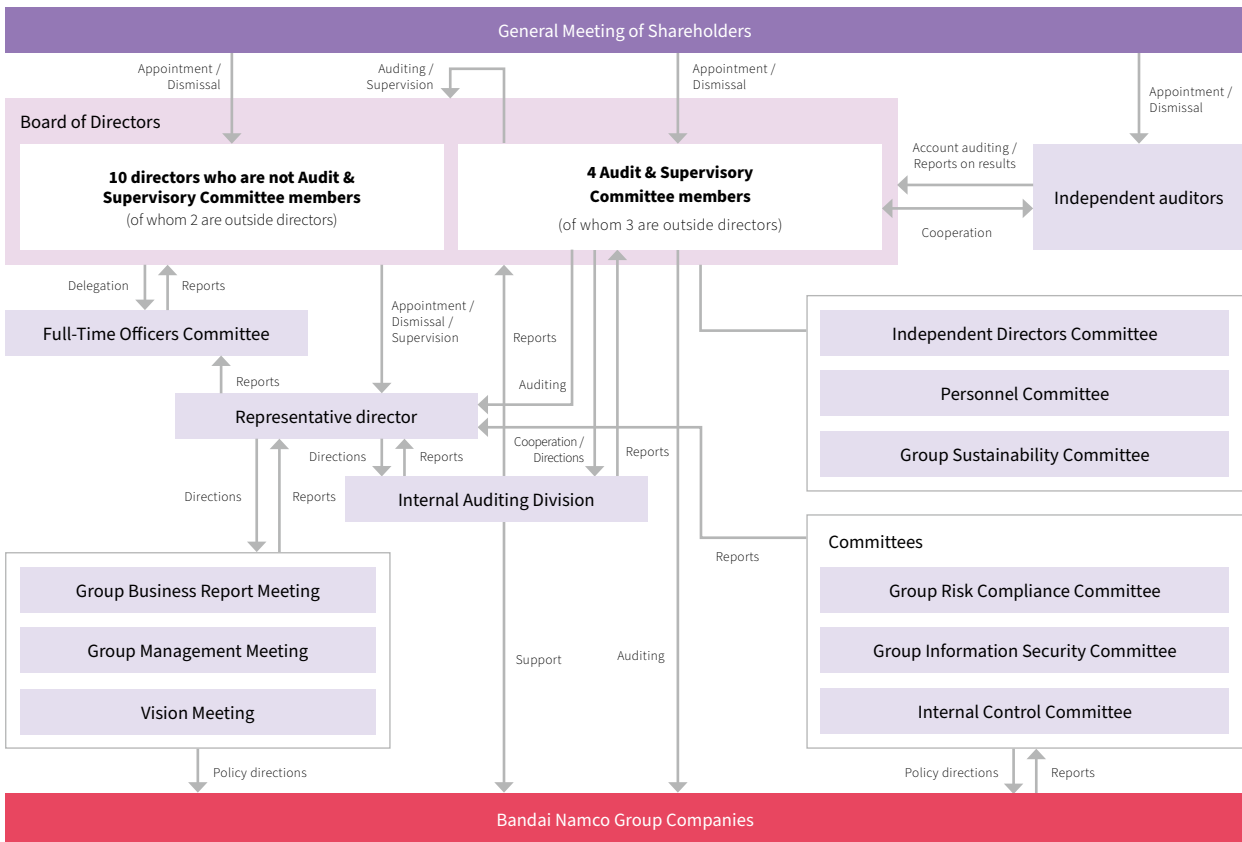
Directors who are Audit & Supervisory Committee members

2 Years or Less

Organization

Company with an Audit & Supervisory Committee

Reason for adoption: Directors who are Audit & Supervisory Committee members will have the right to vote at meetings of the Board of Directors. Accordingly, the Company concluded that it would be possible to strengthen the Board auditing and supervisory functions.



As of June 24, 2024

MESSAGE FROM THE DIVISION GENERAL MANAGER OF THE CORPORATE PLANNING DIVISION



TAKASHI TSUJI

Executive Officer
Division General Manager
Corporate Planning Division
Bandai Namco Holdings Inc.

MESSAGE

Working to secure objective, transparent governance and sustained increases in corporate value

In the Corporate Planning Division, we are advancing a range of activities in three key fields: the formulation and advancement of the Mid-term Plan and establishment of governance systems (the Corporate Planning Department), communication with stakeholders (the Corporate Communication Department), and sustainability (the Sustainability Management Department). Each of these fields are closely interconnected, and our mission as a division is thus to improve corporate value through our activities in these fields.

Since transitioning to a company with an Audit & Supervisory Committee structure in 2022, we have been working to strengthen our auditing functions and the supervisory functions of the Board of Directors. The Board of Directors comprises 14 members; including five independent outside directors, which accounts for over one-third of the board. In this way, the Company has in place a governance structure that emphasizes objectivity. Furthermore, a certain amount of the Board’s authority has been delegated to the Full-Time Officers Committee, which is made up of full-time directors, enabling the Board to narrow down its agenda items, hold deeper discussions from medium- to long-term perspectives, and accelerate the pace of business execution. We also hold senior management meetings, such as off-site meetings and the Vision Meeting, as venues for open and free discussions between inside and outside directors on such themes as corporate value enhancement over the medium to long term. Through such meetings, we aim to involve the independent

outside directors in management and reflect their advice to the greatest extent possible. The Vision Meeting is held, in principle, twice a year. At this meeting, independent outside directors serve as facilitators, helping promote discussions in which all members can participate equally. This meeting has helped enhance discussions and allowed the Board to make important realizations by incorporating the open perspectives of the independent outside directors. Although outside directors may possess less knowledge regarding the Company’s innerworkings than inside directors, the Corporate Planning Division provides as much support as possible to bridge this knowledge gap to ensure more constructive discussions.

With regard to the effectiveness of the Board of Directors, we have revised the questions in our evaluation to better reflect the nature of the Company’s business operations while also reflecting external developments, such as those found in Japan’s Corporate Governance Code. In these ways, we will continue to pursue a vision for the Board of Directors that allows us to more effectively cater to social needs.

Business strategies and efforts to strengthen governance are the two pillars that support our corporate value enhancement. For this reason, we must focus on both of these pillars in a well-balanced manner. In addition, we believe it is imperative to swiftly respond to a broad range of issues. Swiftness is part of our DNA, which we will leverage to make improvements in both our business promotion and our governance structure moving forward.

Transition to a Company with an Audit & Supervisory Committee

Since June 2022, the Company transitioned from a company with an audit and supervisory board to a company with an Audit & Supervisory Committee. As a result, while working to strengthen the corporate governance system, the Company is working to further enhance its corporate value by carrying out swifter decision-making and business execution through the delegation of partial authority related to business execution to the Full-Time Officers Committee. In addition, to complement the management oversight function, the Company has a basic policy that one-third or more of directors

shall be outside directors, and that all of the outside directors shall be independent outside directors.

Directors who are Audit & Supervisory Committee members audit and supervise the Board of Directors. In addition, independent outside directors, based on their high levels of independence and specialized knowledge, fulfill their own roles from an objective, neutral position. In this way, the Company has established a system that enables them to contribute to the bolstering of its corporate governance systems.

Board of Directors

The president and representative director of each business management company, etc., holds concurrent positions within the Group, such as serving as a director of the Company. This contributes to strengthening the collaborative efforts between the holding company and the operating companies and between the operating companies and to facilitating speedier decision-making as a Group. Of the 14 directors on the Board of Directors, five meet the conditions for independent, outside directors. They are working to strengthen the management supervisory function. Specifically, through such means as attendance at meetings of the Board of Directors, they provide opinions from viewpoints that are independent of business execution, and from specialist viewpoints. These opinions are based on their extensive experience and wide-ranging

knowledge. In these and other ways, they play an important role in the decision-making process.

Of the four directors who are Audit & Supervisory Committee members (including two who are full time), three meet the conditions for independent outside directors. They work together and monitor the Company's internal control situation on a daily basis. Specifically, through such means as attendance at meetings of the Audit & Supervisory Committee and the Board of Directors, they provide opinions from viewpoints that are independent of business execution, and from specialist viewpoints. In these ways, they play an important role in the decision-making process. Their activities as outside directors play an important role in the Company's management decision-making, and the Company believes that their appointment is appropriate.

Main Top Management Meetings

As shown in the table below, the Company holds a variety of top management meetings and has established a system that facilitates rapidly tracking and responding to Group management information.

Meeting Name	Chair	Schedule	Agenda/Purpose	Participants
Board of Directors	President and Representative Director Masaru Kawaguchi	Monthly and otherwise as needed	Decisions/reports on matters stipulated by law, matters to be resolved in accordance with authority standards, reports on the status of business execution, reports regarding sustainability, crisis management, and compliance	Directors, other designated individuals
Independent Directors Committee	Director (Outside) Toshio Shimada	Annually	From a position independent of the Board of Directors, provision of evaluations, opinions, proposals, etc., regarding the effectiveness of the supervisory function over the Board of Directors, reflecting the perspectives of enhancing corporate governance and corporate value	Outside directors, secretariat (external, third-party specialist organization)
Personnel Committee	Director (Outside) Toshio Shimada	As appropriate	Personnel matters for Group officers, officer compensation, reporting of evaluations and opinions regarding human resource synergies	Outside directors (excluding Audit & Supervisory Committee members), representatives from the Audit & Supervisory Committee, representative director
Group Sustainability Committee	President and Representative Director Masaru Kawaguchi	Semiannually	Discussions and sharing of information related to the Group's important sustainability strategies; consideration of matters to be resolved and matters to be reported at meetings of the Board of Directors as well as other deliberations; overall supervision of the Group Sustainability Subcommittee; overall supervision of progress with material issues for each Unit and affiliated business company	Full-time directors; presidents and representative directors of business management companies, etc.; other designated individuals
Full-Time Officers Committee	President and Representative Director Masaru Kawaguchi	Twice per month	Decisions/reports on matters for which authority has been delegated from the Board of Directors; decisions/reports in accordance with authority standards; reports on the status of business execution	Full-time directors; presidents and representative directors of business management companies, etc.; other designated individuals
Waigaya Meeting	President and Representative Director Masaru Kawaguchi	Weekly	Weekly reports regarding the departments for which directors are responsible, etc.	Directors (excluding Audit & Supervisory Committee members and outside directors), other designated individuals
Group Business Report Meeting	Director Yuji Asako	4 times per year	Group numerical reports, Unit reports and regional management companies reports, risk information, other matters to be reported	Directors, representatives of regional management companies, other designated individuals
Group Management Meeting	President and Representative Director Masaru Kawaguchi	9 times per year	Discussions about Group management issues and medium-term plans; deliberations regarding issues extending across Units; deliberations regarding other Group management issues and strategies; deliberations regarding Groupwide policies, medium- to long-term prospects, etc.	Full-time directors (excluding Audit & Supervisory Committee members), presidents and representative directors of business management companies, etc.; other designated individuals
Vision Meeting	President and Representative Director Masaru Kawaguchi	Twice per year	Deliberations about what the Group aims to be and medium- to long-term targets; deliberations about addressing ongoing issues	Directors, other designated individuals

Note: Planned to be held in FY2025.3

Policies and Processes for Appointing Directors

Basic Policies for Appointing Candidates for Directors	Appointing Candidates for Independent Outside Directors
The appointment of directors is based on candidates possessing broad knowledge and experience required for decision-making on company management, as well as possessing the track record and insight in the fields and businesses they have experience in that are required in order to provide management oversight. In addition, one-third or more of directors will be outside directors, and all of the outside directors will be independent outside directors.	Decisions are made with consideration for a composition that has an appropriate balance of, for example, individuals who possess a wealth of experience as corporate managers, attorneys-at-law who have thorough knowledge regarding compliance and other aspects of internal control, and certified public accountants and certified public tax accountants who are experts in accounting and tax affairs.
Process for Appointing Candidates for Directors (Excluding Audit & Supervisory Committee Members)	Policies and Processes for Appointing Candidates for Directors Who Are Audit & Supervisory Committee Members
The Personnel Committee, of which the chair and a majority of the members are independent outside directors, is convened on a discretionary basis to act as a forum for debate and receive recommendations based on the respective candidates' achievements and knowledge, and the independent outside directors conduct interviews with new candidates for director (excluding Audit & Supervisory Committee members) before a decision is made at a Board of Directors' meeting.	The necessary abilities, experience, and personality, etc., are considered, and decisions are made by the Board of Directors after receiving consent from the Audit & Supervisory Committee.

Independent Directors Committee

To evaluate from an objective standpoint whether the Board of Directors is functioning appropriately, the Company has formed the Independent Directors Committee. This committee comprises just five independent outside directors, and its secretariat function has

been established within a third-party specialist organization. This arrangement facilitates the maintenance of a more effective oversight function in the Board of Directors.

Outside Directors

Of the Company's 14 directors, five are outside directors, and all of the outside directors are independent outside directors. In this way, the Company is working to strengthen the management oversight function.

The Company has established Standards for the Independence of Outside Directors, and outside directors are appointed in accordance with those standards. In the Company's judgment, the outside directors meet those standards, there is no concern that they will have a conflict of interest with general shareholders, and they possess high levels of independence. Accordingly, the Company has notified the Tokyo Stock Exchange (TSE) that they are all independent directors in accordance with TSE regulations.

The status of audits by internal auditors, audits by the Audit & Supervisory Committee, and account audits are reported to the Board of Directors. By attending meetings of the Board of Directors, the outside directors (excluding Audit & Supervisory Committee members) track the status of these audits and work to maintain close ties.

In addition to tracking the status of internal audits reported at meetings of the Board of Directors, outside directors (Audit &

Supervisory Committee members) track the status of audits by the Audit & Supervisory Committee at meetings of the Audit & Supervisory Committee and work to maintain cooperative relationships with the internal audits and the Audit & Supervisory Committee audits. In addition, all directors who are Audit & Supervisory Committee members receive explanations from the independent auditors of the status of account audits on a quarterly basis. In this way, they track the status of these audits and maintain cooperative relationships with the account audits.

Furthermore, through matters brought to the Board of Directors, outside directors track the status of internal control departments and provide advice. In addition, they attend the Group Business Report Meeting, where reports on the status of the Group's operations are made; work to strengthen the supervisory function; and provide advice as needed.

Moreover, as an outside director support system, the Corporate Planning Division provides support. In regard to the communication of information from the Corporate Planning Division, principally, materials are sent prior to meetings of the Board of Directors and explanations are provided as needed.

Evaluations of Effectiveness of the Board of Directors

With the objectives of heightening the effectiveness of the Board of Directors and increasing corporate value, evaluations of the effectiveness of the Board of Directors are conducted periodically. Specifically, questionnaires regarding evaluation items that have been determined in advance are implemented, and responses are obtained from all directors. Then, the Independent Directors Committee conducts analysis and verification based on the results and provides their opinions to the Board of Directors. Based on these opinions, the Board shares the results of the evaluation of present circumstances as well as issues, and holds constructive discussions regarding future action plans.

Overview of evaluation results of effectiveness of the Company's Board of Directors for the fiscal year ending March 31, 2024

For the Company's Board of Directors for the fiscal year ending March 31, 2024, while recognizing that the foundation supporting the functions of the Board of Directors and the effectiveness of the directors were generally sufficient, it was agreed that the Board of Directors' functions should be further strengthened in terms of oversight of long-term management policies and risk management with respect to matters of high interest to stakeholders.

Suggestions
(1) Discuss on themes recognized as issues raised in the evaluation of the effectiveness of the Board of Directors

In order to further improve the effectiveness of the Board of Directors as a monitoring model, it is necessary for the Board of Directors to hold discussions that contribute to the oversight of business execution from a medium- to long-term perspective. Specifically, the Board of Directors should discuss several important themes among the issues raised in the evaluation of the effectiveness of the Board of Directors, search for and delve into themes that are appropriate for discussion to enhance corporate value, and link them to the consideration of future agenda planning.

(2) How the Board of Directors should deliberate on details of the matters considered by the Personnel Committee

The Personnel Committee is an advisory body and the Board of Directors is a decision-making body. As a decision-making body, it is necessary to examine how the Board of Directors should deliberate and deepen the discussion on how to improve the quality of human capital and achieve growth strategies, including how to expand and augment the skills matrix.

Responses to suggestions

(1) The Board of Directors will discuss themes recognized as issues raised in the evaluation of the effectiveness of the Board of Directors

- (i) Consider the desired state of the Board of Directors
In order for the members of the Board of Directors to have a common understanding of the desired state of the Board of Directors, a discussion forum will be established where all members can participate, and the governance model for which the Board of Directors' aims and the roles of the directors will be discussed further.

- (ii) Examine issues raised in the evaluation of the effectiveness of the Board of Directors
- Organize the status of initiatives on the issues raised in the evaluation (resource allocation with an awareness of return on capital, sustainability, risk assessment and countermeasures, and how to deepen human capital management, etc.), and after sharing them among the members of the Board of Directors, review current initiatives, and clarify issues to be discussed in the future.
- Establish an annual agenda of themes to be discussed, and proceed with discussions in accordance with the agenda. Ensure sufficient time for such discussions at meetings other than the Board of Directors Meetings.

(2) How the Board of Directors should deliberate on details of the matters considered by the Personnel Committee

- (i) Review and organize the composition of the Board of Directors and human resource requirements
- Review and organize the composition of the Board of Directors and human resource requirements for Group companies at the Personnel Committee and have a common understanding of the same.
- (ii) Visualize the skills of the members of the Board of Directors and deepen discussions at the Board of Directors Meetings when electing officers
- Prepare a skills matrix of the members of a Group company's Board of Directors at the Personnel Committee, and when electing new officers, prepare documents for details on their skills.
- In deliberations by the Personnel Committee and resolutions by the Board of Directors, make judgments from the perspective of whether the balance of skills on the Board of Directors of said Group company is appropriate.

Roles and Duties of the Personnel Committee Related to Officer Remuneration, Etc.

Independent outside directors make up a majority of the Personnel Committee, which is an optional committee that is chaired by an independent outside director. The Personnel Committee holds appropriate deliberations about the validity of systems for officer remuneration, including the basic policy for the Group's officer remuneration system, the remuneration framework, and the variable remuneration framework, etc. These deliberations are based on objective information related to officer remuneration (most recent system status, trends at other companies, etc.). The committee then submits a report to the Board of Directors. The Company's Board of Directors accepts the report and makes the final decision on the

details of the officer remuneration system. In addition, in the same way, the board of directors for each of the business management companies, etc., accepts the decision of the Company's Board of Directors and makes the final decision on the details of the officer remuneration system for the business management company, etc. In some cases, as necessary in the conduct of deliberations, external remuneration consultants, etc., attend meetings of the Personnel Committee or provide information to the committee. This is intended to provide support for effective deliberations and consensus formation. Opinions, etc., as to appropriateness regarding the details of the report to the Board of Directors are not received.

Activities of the Personnel Committee

Composition of the Personnel Committee/Committee Chair

The Company's Personnel Committee has a maximum of seven members, with independent outside directors making up a majority of the members. The chair of the committee is an outside director elected by the outside directors.

Status of Activities of the Personnel Committee

Since the Ordinary General Meeting of Shareholders held in June 2024, the composition of the Personnel Committee is as follows.

People	4 people (3 outside directors and 1 executive director)
Committee chair	Director (outside) Toshio Shimada
Members	Director (outside) Koichi Kawana, Director (Audit & Supervisory Committee member, outside) Satoko Kuwabara, President and Representative Director Masaru Kawaguchi

In the decision-making process for the amounts of compensation for FY2024.3, deliberations by the Personnel Committee were held a total of four times. The chair and the members all attended on each of these occasions, and the attendance rate was 100%. The major agenda items were as follows.

Meeting dates	Major agenda items
April 20, 2023	Sustainability evaluations of the Company's FY2023.3 performance-based bonuses
May 29, 2023	Calculation method for FY2024.3 performance-based stock compensation Payment amounts for FY2023.3 performance-based bonuses and performance-based stock compensation for the Company, business management companies, etc.
October 12, 2023	Compensation decrease for certain directors based on decisions made by the Group Risk Compliance Committee
January 31, 2024	FY2025.3 officer remuneration for the Company, business management companies, etc.

Matters Related to the Policy Regarding Decisions about the Amount and Calculation Method for Remuneration, Etc., for Directors

Basic policy

The basic policy of the remuneration system for the Company's directors (excluding Audit & Supervisory Committee members and outside directors) is to create a remuneration framework that promotes the Company's continuous growth and improves the Company's corporate value over the medium to long term by promoting the sharing of values with shareholders, ensuring objectivity and transparency so that the Company can adequately fulfill its accountability obligations, and fostering a healthy sense of entrepreneurship in the directors while taking into account the level of remuneration that will enable the Company to secure and retain top-grade personnel.

Specifically, the remuneration framework comprises the base remuneration as fixed remuneration and performance-based

bonuses and performance-based stock compensation as variable remuneration. In addition, for the directors of the Group's four business management companies (Bandai Namco Entertainment Inc., Bandai Co., Ltd., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.) and the directors of Bandai Spirits Co., Ltd., Bandai Namco Music Live Inc., and Bandai Namco Business Arc Inc., the basic policy is the same as that of the Company.

Remuneration for the Company's directors who are Audit & Supervisory Committee members and the Company's outside directors comprises base remuneration only in light of their duties. The amount of remuneration for each director who is an Audit & Supervisory Committee member is determined through discussions among directors who are Audit & Supervisory Committee members, and the amount of remuneration for each outside director who is

not an Audit & Supervisory Committee member is determined by the Board of Directors.

Fixed remuneration (base remuneration)

The base remuneration for directors of the Company (excluding Audit & Supervisory Committee members) is monthly fixed remuneration paid in cash and paid within a specific time period every month. The limit is ¥450 million per year (including a maximum of ¥100 million for outside directors). In addition, Company directors (excluding Audit & Supervisory Committee members and outside directors) contribute a fixed proportion of the base remuneration to the shareholding association for directors and officers to purchase the Company's shares. During his or her term of office, each director continues to hold such shares, as well as shares acquired through performance-based stock compensation. The base remuneration for directors who are Audit & Supervisory Committee members is monthly fixed remuneration paid in cash and paid within a specific time period every month, with the limit of ¥200 million per year.

Variable remuneration (performance-based bonuses and performance-based stock compensation)

As for variable remuneration for directors of the Company (excluding Audit & Supervisory Committee members and outside directors), both performance-based bonuses and performance-based stock compensation use consolidated operating profit of the Group as an indicator with the aim of directly reflecting the evaluation on management efforts by the management team of the Group in the amount of remuneration to be paid.

Performance-based bonuses

Performance-based bonuses are calculated within a range of 0% to 200% of the predetermined base amount based on the rates of achievement of the Mid-term Plan targets, fiscal year targets, and year-on-year results for the Group's actual consolidated operating profit, for each fiscal year, with the payment ratio changing within that range depending on the results of sustainability evaluations.

If any of the rates of achievement is 50% or lower, performance-based bonuses will not be paid. Performance-based bonuses will be determined within a limit of the smaller of (i) ¥550 million per year as the limit for cash bonuses or (ii) 1.5% of the "profit attributable to owners of parent for the period." The remuneration is paid within a specific time period every year after the end of the relevant fiscal year.

Sustainability evaluations are conducted for the purpose of motivating the eligible directors to address sustainability, and the evaluations are determined by the Board of Directors by examining factors such as the results of activities for the Group's initiatives in line with its material issues (including initiatives for decarbonization) and indicators relating to employee engagement after deliberation by the Personnel Committee, which is an optional committee chaired by an independent outside director and of which a majority of the members are independent outside directors.

Performance-based stock compensation

Performance-based stock compensation is provided only when the Group's consolidated operating profit is ¥75 billion or higher, and the payment ratio will be 100% if the consolidated operating profit reaches ¥125 billion (the target for the last fiscal year under the Mid-term Plan /amount determined as of February 2022). In accordance with a resolution of the 17th Ordinary General Meeting of Shareholders held on June 20, 2022, the upper limit is the amount obtained by multiplying 135,000 shares*¹ by the delivery share price*² per year. Whether or not performance-based stock compensation will be paid and the level of payment are decided each fiscal year. Under the framework, the number of reference share units is predetermined for each officer rank, and shares of common stock of the Company and cash corresponding to the number of payment share units, which are finalized based on the degree of attainment of the consolidated operating profit target, will be delivered or paid. Furthermore, the performance-based stock compensation will be paid within two months from the day following the day on which the figure of the performance-based indicator (consolidated operating profit of the Group) is finalized.

*1 The Company conducted a share split with a ratio of three shares for every one share of common stock on April 1, 2023. Accordingly, applying this share split, the upper limit for the performance-based stock compensation has been changed to the amount obtained by multiplying 135,000 shares by the delivery share price per fiscal year.
*2 Delivery share price is the closing price of common stock of the Company on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of the resolution at the Board of Directors' meeting to deliver the Company's common stock related to the performance-based stock compensation system held within two months from the date of the Ordinary General Meeting of Shareholders pertaining to each fiscal year under evaluation (if the Company's shares were not traded on that day, the closing price on the last day the shares were traded prior to that).

Remuneration structure

The Company determines the remuneration structure for directors of the Company (excluding Audit & Supervisory Committee members and outside directors) by verifying the level of remuneration based on its performance results and objective benchmarks for the management's remuneration obtained from external specialist organizations and comprehensively taking into consideration the ratio of fixed remuneration to variable remuneration in the annual total remuneration and the ratio of medium- to long-term remuneration in variable remuneration. If the target for the previous fiscal year under the Mid-term Plan has been achieved, the ratio of fixed remuneration to variable remuneration in annual total remuneration will be about 40:60. Also, the proportion in annual total remuneration of stock-based remuneration, that is, the sum of the contribution of a fixed proportion of the base remuneration to the shareholding association for directors and officers and performance-based stock compensation will be approximately 40%.

Procedure for determining compensation

The policy, framework, and performance-based mechanism for directors (excluding Audit & Supervisory Committee members and outside directors) will be determined by the Board of Directors after deliberation by the Personnel Committee, in order to seek the appropriate involvement and advice of the outside directors. In the course of deliberations by the Personnel Committee, sufficient

information is provided to the outside directors so that they are able to perform their analysis, including, for instance, by asking for advice from external specialist organizations where necessary.

In regard to the method of calculating performance-based stock compensation, the matter is submitted to the Personnel Committee. A precondition is that among committee members, executive directors do not participate in deliberations regarding decisions on performance-based stock compensation.

When all outside directors have agreed and made a decision on performance-based stock compensation, the decision is finalized through a resolution of the Board of Directors. In addition, at the business management companies, etc., in accordance with decisions based on the resolution of the Company's Board of Directors, decisions are made through resolution of the board of directors of each of the business management companies, etc.



Shareholdings

Standards for and approach to the classification of investment shares

The Company holds as investment shares only cross-shareholdings that can be recognized as contributing to increasing corporate value. The Company does not hold investment shares for pure

investment purposes (investment shares held exclusively with the objective of obtaining profits through stock price fluctuations or stock-related dividends).

Investment shares held for purposes other than pure investment

Each year, the Company shall implement a sufficient review, including whether or not to continue to hold cross-shareholdings, by the Board of Directors, of all cross-shareholdings from a medium- to long-term perspective, taking into consideration the importance of the cross-shareholdings and economic rationale. The Company shall also reflect the results of these reviews in explanations regarding the objectives of the cross-shareholdings, etc. Specifically, reviews are conducted in light of the following perspectives.

I. The necessity for the enhancement of the Company's corporate value going forward, such as the further strengthening of the IP axis strategy through the creation of IP or the expansion of businesses fields.

II. The level of contribution to the enhancement of the Company's corporate value, such as the current status of transactions or business alliances with the company in question.

III. The relationship between the benefit of ownership and the Company's cost of capital with respect to the acquisition price of each cross-shareholding.

The Company does not unconditionally agree with the proposals of the companies whose shares it owns. Rather, voting rights are exercised based on whether or not the proposals will contribute to increasing the Company's corporate value through the maintenance and/or bolstering of the business partnership and business relationship with such companies.

Number of issues and carrying amount on balance sheet

	Number of issues	Total carrying amount on balance sheet (¥ million)
Unlisted shares	7	1,452
Shares other than unlisted shares	32	89,405

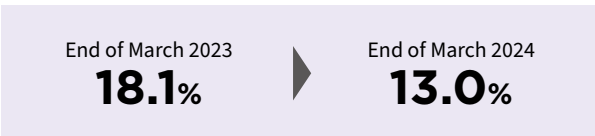
Issues for which the number of shares increased in FY2024.3

	Number of issues	Total carrying amount on balance sheet (¥ million)
Unlisted shares	—	—
Shares other than unlisted shares	—	—

Issues for which the number of shares decreased in FY2024.3

	Number of issues	Total carrying amount on balance sheet (¥ million)
Unlisted shares	—	—
Shares other than unlisted shares	3	52,800

Percentage of consolidated net assets

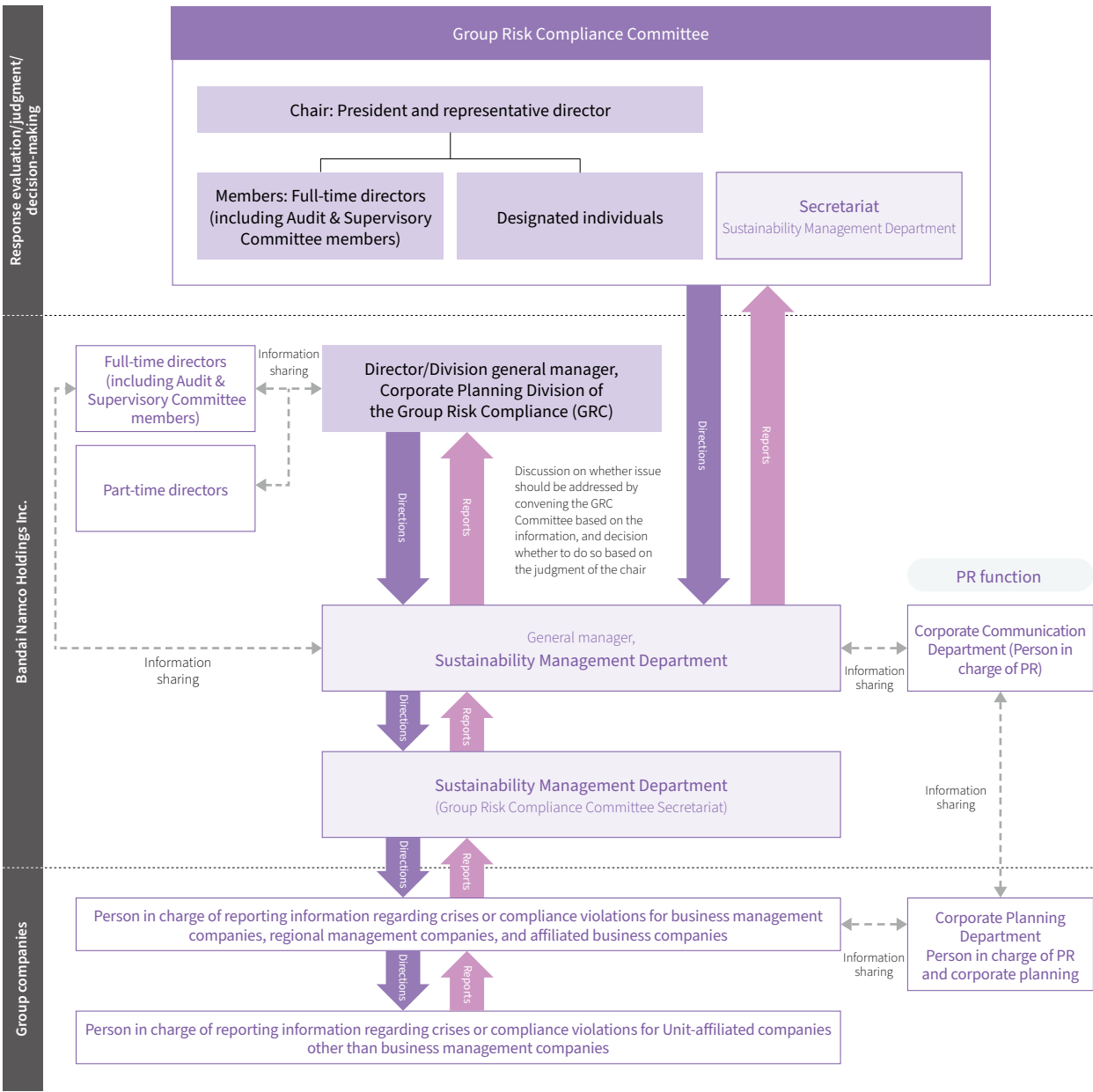


Risk Management

The Bandai Namco Group has established the Group Risk Compliance Committee, chaired by the president and representative director of Bandai Namco Holdings Inc. The committee's members include full-time directors and it has a secretariat. With this organization in charge, we have strengthened Groupwide risk management and put into place a system to respond to crises. Within this framework, we are working to strengthen compliance, prevent compliance violations, and enhance information security. Each Bandai Namco Group company also establishes a risk and crisis

management organization pursuant to the Group Risk Compliance Rules. These risk and crisis management organizations, with the assistance of business management companies or overseas regional management companies, strengthen their risk management during normal times and are responsible for addressing a risk or crisis that emerges. Additionally, information on risks and crises, as well as compliance-related matters within the Company and its subsidiaries, is reported monthly to the Board of Directors by the Group Risk Compliance Committee Secretariat.

Flow of the Group's Risk Compliance System



Formulation of BCP and Implementation

Each Group company prepares a business continuity plan (BCP) according to the prescribed format in the Bandai Namco Group Basic Policy on Business Continuity Planning. If an important resource incurs damages due to a disaster or other contingency, each Group company will respond based on their own BCP. The details of these BCPs are reviewed and updated annually, while each Group company also conducts BCP training on possible contingencies.

Furthermore, if an earthquake above a certain level strikes somewhere in Japan, or if a contingency is judged to occur requiring confirmation of employee safety, each Group company checks the safety of its employees and their families residing or working in the affected region using the safety confirmation system.

Approach to Information Security

The Bandai Namco Group recognizes that its initiatives for information security represent an important element of the Group's business execution. We are working to safeguard the Group's information assets while also taking into account changes in the legal and social situations.

The Group has also established the Group Information Security Committee as an expert body for maintaining and strengthening the Groupwide information security structure. At each Group company, the president and representative director appoints a chief Information security officer (CISO) as the ultimate person responsible for information security.

We are working to prevent incidents by implementing appropriate information security countermeasures based on the value of our information assets pursuant to the Group Information Security Management Rules compliant with laws, regulations, and other rules. Maintaining and strengthening our information security system is considered a Companywide action as part of our daily management and operating activities rather than the responsibility of individual organizations in charge. With this in mind, we strive for continuous improvement.

Anti-Corruption Initiatives

In accordance with the Bandai Namco Group Compliance Charter, we formulated the Group Anti-bribery Regulations to better eliminate and prevent corruption risks, especially in relation to public officials. Through the formulation of regulations preventing insider

trading and implementation of employee training on corruption prevention, we have put in place a Group framework for the prevention of bribery to ensure sound management.

Internal Whistleblower Systems

Bandai Namco Group companies maintain a whistleblower system under their own internal rules. The rules require employees to consult with their supervisor or notify the president, an external consultation desk, or an Audit & Supervisory Board member via the whistleblower system (hotline) when they discover any regulatory

violation or have other concerns. Additionally, in accordance with the Whistleblower Protection Act and other relevant regulations, the whistleblower system ensures that whistleblowers will not be treated disadvantageously due to reporting misconduct.

Compliance Training

In order to ensure abidance of laws, respect of ethical behavior, and compliance with internal regulations, the Company has set in place the Bandai Namco Group Compliance Charter to define behavioral guidelines for directors, etc., and employees of the Company and its subsidiaries.

We created and displayed compliance posters internally to inform directors and employees across the entire Group about the

Bandai Namco Group Compliance Charter. At the same time, we distribute the Bandai Namco Group Compliance Book, which serves as a practical handbook for daily actions, to all directors and employees. In addition, the Group conducts five e-training sessions for Group officers and all Group employees and a compliance awareness survey annually. In this way, the Group is working to raise awareness of compliance and further strengthen its compliance system.

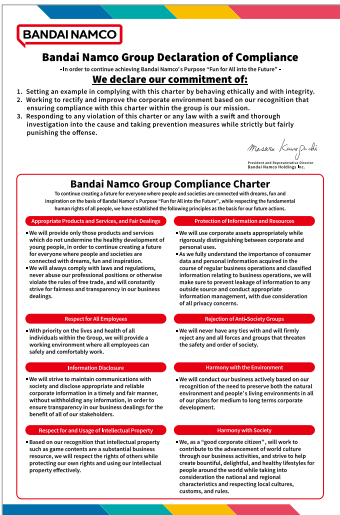
Bandai Namco Group Compliance Charter

To continue creating a future for everyone where people and societies are connected by dreams, fun and inspiration in accordance with Bandai Namco's Purpose, "Fun for All into the Future," while respecting the fundamental human rights of all people, we have established the following principles as a basis for our future actions.

- Appropriate Products and Services
 - 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
 - Harmony with Society

e-Learning Topics for the Fiscal Year Ending March 2024

- Bandai Namco Group Compliance Charter Adherence
- Information Security, Personal Information Protection, and PC, Mobile, and SNS Incident Response
- Invoice System and Insider Trading Prevention
- Diversity & Inclusion and Anti-Bribery Measures
- Crisis Preparedness and Response, and Business Continuity Planning (BCP)



Bandai Namco Group Compliance Charter Poster

Takeover Defenses

At present, the Company has taken no specific measures as takeover defenses to respond to a takeover (takeover defense measures). The Group regards implementing its management and business strategies in accordance with the measures to increase the corporate value of the Group and aiming to increase the corporate value of the Group as a whole as a substantial defense against inappropriate takeovers that would not contribute to the Company's corporate value or the common interests of shareholders.

That said, as those entrusted with the management of the Group by our shareholders, we will strive to establish a system that can appropriately respond to takeover proposals, while closely monitoring legal and social developments.

In concrete terms, with regard to proposals for takeovers in the event an inappropriate bidder emerges, the management team will not take steps to guard its own interests against the takeover offer by the bidder, but will sufficiently deliberate the matter at the Board of Directors' meetings after referring the matter, as necessary, to the Independent Directors Committee, which is composed only of independent outside directors, for their review from objective viewpoints, to enable the Company to make a judgment from the perspective of improving corporate value first. The Company will also work to collect sufficient information and secure necessary time, so as to be conducive to appropriate judgment by the shareholders.

IR Activities

Aiming to enhance corporate value, Bandai Namco Holdings is implementing a variety of investor relations (IR) activities in accordance with information disclosure standards and the IR policy related to IR opportunity enhancement, etc. In addition, the status of IR activities and the reactions of investors and analysts are shared with directors and continually communicated as feedback to the business management companies and throughout the Group.

Also, Bandai Namco aims to be a highly transparent company that clearly communicates management strategies and business policies to shareholders and investors. Accordingly, the Company works to enhance opportunities for executives to speak directly to investors and securities analysts, such as results presentations.



Results presentations held online

Results of Major IR Activities in FY2024.3

Results presentations for investors and analysts (held online)	4 times (910 online)
Attendees at separate meetings for investors and analysts	818 people
IR events for investors and analysts	2 times

Internal Control System

The Bandai Namco Group’s basic policy regarding its internal control system is as below:

- (1) Systems to ensure that the execution of the duties by directors, etc., and employees of the Company and its subsidiaries is in compliance with the laws and regulations and the articles of incorporation
- The Company shall set in place Bandai Namco’s Purpose and the Bandai Namco Group Compliance Charter to ensure that directors and employees of the Company and its subsidiaries are familiar with them, and always pay due attention to ensure they carry out their duties lawfully and fairly.
 - Directors of the Company shall report periodically to the Board of Directors on the structure and operating status of internal control systems.
 - The Company shall install a director in charge of compliance who is responsible for supervision of compliance overall based on its compliance regulations, and establish a structure ensuring that the Company and the entire Group abides by the law, behaves ethically, and complies with internal regulations.
 - Should violations of compliance or suspicions thereof occur within the Group, the Company shall immediately convene the Group Risk Compliance Committee with the Company’s president and representative director as its chair to discuss and decide how the issue should be handled.
 - Overseas, an overseas regional management company shall be determined for each region to manage risk and support compliance.
 - Internal reporting systems including an internal consultation point, an external consultation point comprising external legal advisors, and a hotline (e-mail, etc.), which enables reporting directly delivered to directors who are Audit & Supervisory Committee members or Audit & Supervisory Board members of subsidiaries, shall be put in place in the Company and its major subsidiaries.
 - The Internal Auditing Division shall be established independently of the executive sections in the Company and its major subsidiaries to work toward maintaining the properness of execution of operations through internal audits.
- (2) Systems for preserving and managing information related to directors’ execution of their duties
- The Company shall establish regulations concerning document management and ensure (i) the centralized management of documents circulated for approval, minutes of various meetings, contracts, and other documents, and (ii) appropriate safekeeping and management of important documents in each department. The Company shall also have a system to ensure that directors may peruse those documents at any time.
 - The Company shall establish regulations concerning information security as a part of Group management. These regulations will provide for a system to ensure appropriate safekeeping and preservation of information.

- (3) Regulations concerning management for risk of loss of the Company and its subsidiaries and other systems
- The Company shall establish regulations concerning risk management and compliance as a part of Group management. Throughout the Group, we will work to prevent risk and to discover risk factors as rapidly as possible.
 - When risk arises, the Company shall convene the Group Risk Compliance Committee without delay to minimize the impact of risk on our business by responding to risk quickly and in an appropriate manner.
 - Anticipating the occurrence of situations that could cause drastic damage to the management of the Group through a major disaster or the like, the Group shall define the basic policy for a business continuity plan (BCP) for the Group, and formulate a BCP for the Group and organize a business continuity management (BCM) system to achieve rapid recovery and restart of operations. Directors and employees of the Company and its subsidiaries shall be made aware of this.
- (4) Systems to ensure that directors, etc., of the Company and its subsidiaries execute their duties efficiently
- The Company shall classify its subsidiaries into Units based on business segments, and appoint a director and a business management company in charge of each Unit to promote efficient business based on the division of duties, chain of command, authorities and decision-making, and other organizational regulations within the Group.
 - The Company shall formulate a Mid-term Plan with a period of three business years for the entire Group and each Unit, and determine the budget for each business year based on those Mid-term Plans.
 - The Company shall establish the Full-Time Officers Committee consisting of full-time directors and delegate authority from the Board of Directors to such committee to make certain decisions on the execution of duties in order to expedite decision-making.
- (5) Systems concerning reporting matters regarding execution of duties of directors, etc., of subsidiaries to the Company
- The Company shall establish meetings such as the Group Business Report Meeting and the Group Management Meeting, and put in place a system for reporting inside the Group and decision-making.
- (6) Other systems to ensure proper business behavior by the Company and its subsidiaries
- The Company shall revise the Bandai Namco Group Compliance Charter as appropriate in response to revisions to laws and regulations and changes in the social context surrounding the Group, and shall ensure that the contents of the Charter are made thoroughly known to directors, etc., and employees of the Company and its subsidiaries by distributing the Bandai Namco Group Compliance Handbook and through training. It shall also

regularly conduct compliance awareness surveys of directors, etc., and employees of the Company and its subsidiaries to ascertain their level of familiarity, etc., with the said Charter and utilize the results for subsequent compliance promotion activities of the Group.

- The Company and its subsidiaries shall endeavor to improve and standardize business processes considering the importance of effectiveness and efficiency in business operations, and shall evaluate and operate internal controls on financial reporting based on related laws and regulations, etc.

- (7) Matters regarding employees required by the Audit & Supervisory Committee to assist in its duties, and matters regarding the independence of such employees from directors (excluding directors who are Audit & Supervisory Committee members)
- The Company shall provide a speedy response when the Audit & Supervisory Committee asks the president and representative director to provide employees to assist in their duties. Where that employee simultaneously works for any other section, his or her business duties pertaining to the Audit & Supervisory Committee shall take priority.
 - The Company shall carry out personnel matters relating to such employees based on the consent of the Audit & Supervisory Committee, so as to ensure independence from the Board of Directors.

- (8) Matters concerning ensuring the effectiveness of instructions to employees who are to assist the Audit & Supervisory Committee
- The Company shall keep directors and employees thoroughly informed that employees who are to assist in the duties of the Audit & Supervisory Committee will be under the direction of the Audit & Supervisory Committee.

- (9) System for directors (excluding directors who are Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries to report to the Company’s Audit & Supervisory Committee
- Directors (excluding Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries shall report promptly to the Audit & Supervisory Committee with regard to matters prescribed by laws and regulations, other matters that have a major impact on the Company and the Group, implementation status of internal audits, and matters related to compliance.
 - Directors (excluding Audit & Supervisory Committee members), etc., and employees of the Company and its subsidiaries shall report promptly and appropriately when requested to do so by the Audit & Supervisory Committee regarding the performance of their duties.
 - The Company shall put in place a hotline (e-mail, etc.) as an internal reporting system to allow reports to be made directly to the Company’s directors who are Audit & Supervisory Committee members.









- (10) System for ensuring that persons making reports to the Audit & Supervisory Committee shall not be treated disadvantageously as a result of making such report
- The Company shall prohibit the disadvantageous treatment of persons who have reported to or consulted with the Audit & Supervisory Committee, and shall state that clearly in the Group Risk Compliance Regulations and make it thoroughly known to directors, etc., and employees of the Company and its subsidiaries.
- (11) Matters regarding policies pertaining to procedures for advance payments or reimbursement of expenses arising in the performance of duties of Audit & Supervisory Committee members and other payment of expenses or liabilities arising in the performance of said duties
- The Company shall immediately pay expenses or liabilities where a director who is an Audit & Supervisory Committee member has requested advance payments or reimbursement of expenses arising in the performance of his or her duties, excluding cases where they were not considered necessary for the performance of the said duties of the director who is an Audit & Supervisory Committee member.
- (12) Other systems to ensure the effectiveness of audits conducted by the Audit & Supervisory Committee
- Directors (excluding Audit & Supervisory Committee members) of the Company shall formulate a system whereby directors who are Audit & Supervisory Committee members can attend important meetings, and ensure that a system exists whereby they can meet periodically or on an ad hoc basis with directors and employees, and cooperate with the Internal Auditing Division and accounting auditors.
 - Subsidiaries of the Company shall install an appropriate number of Audit & Supervisory Board members according to their scale, business category, etc., and ensure that there are systems in place wherein Audit & Supervisory Board members of subsidiaries report periodically to the Audit & Supervisory Committee of the Company.

DIRECTOR SYSTEM

As of June 24, 2024


The Company works to see that the Board of Directors has a good overall balance between executive directors, who execute agile business operations and have thorough knowledge of the Company's businesses or company operations, etc., and outside directors, who possess advanced expertise and are capable of providing management advice and oversight with a wide range of viewpoints. In addition, the Company strives to see that the directors have the knowledge, experience, and capabilities to fulfill their duties and that the composition of the Board achieves both diversity and an appropriate scale.

Executive Directors





	Position, name, and areas of responsibility	Number of Company shares owned (as of the end of March 2024)	Reasons for appointment		Major experience and expertise										Attendance at meetings of the Board of Directors (FY2024.3)	
					Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security	Number of meetings attended/ Number of meetings held
						Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines						
 <div>Member of the Personnel Committee President and Representative Director Group CEO Masaru Kawaguchi</div>		203,100	Mr. Masaru Kawaguchi has been supervising the management of the Company appropriately since being appointed as executive vice president and director of the Company in 2020 and as president and representative director of the Company in 2021—by, for example, achieving the previous Mid-term Plan and record-high performance—and possesses extensive experience, achievements, and knowledge. He has been appointed as the Company considers him capable of ensuring that the Group continues to grow.													18/18
 <div>Director Yuji Asako Corporate Planning Division and Group Administrative Headquarters</div>		158,300	Mr. Yuji Asako possesses extensive experience, achievements, and knowledge relating to management and administration, including business planning and accounting, and also has experience in roles where he was responsible for internal and external communications, such as IR, PR, and SR, as well as information security and sustainability activities. He has been appointed as the Company considers him capable of implementing the Group's management strategies and seeking a sustained increase in corporate value.													18/18
 <div>Director Nobuhiko Momoi General manager of the Group Business Strategy Department</div>		29,600	Mr. Nobuhiko Momoi possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business in Japan and overseas and has also been engaged in building ties among the various businesses of the Group as executive officer and general manager of the Group Business Strategy Department of the Company since 2022. He has been appointed as the Company considers him capable of enhancing collaboration in Group management.													18/18
 <div>Director (Part-time) Nao Udagawa Director in charge of the Digital Business of the Entertainment Unit</div>		67,500	Ms. Nao Udagawa possesses extensive experience, achievements, and knowledge from her wide-ranging involvement in multiple businesses in the Group. Since 2023, she has driven the business forward as the president and CEO of Bandai Namco Entertainment Inc., which is the business management company of the Digital Business of the Entertainment Unit in the Group. She has been appointed as the Company considers her capable of building closer ties between the Digital Business and Group management.													14/14
 <div>Director (Part-time) Kazuhiro Takenaka Director in charge of the Toys and Hobby Business of the Entertainment Unit</div>		80,700	Mr. Kazuhiro Takenaka possesses extensive experience, achievements, and knowledge in the Toys and Hobby Business and, since 2021, has driven the business forward as president and CEO of Bandai Co., Ltd., which is the business management company of the Toys and Hobby Business of the Entertainment Unit in the Group. In addition to these factors, he has been appointed as the Company considers him capable of building closer ties between the Toys and Hobby Business and Group management.													18/18
 <div>Director (Part-time) Makoto Asanuma Director in charge of the IP Production Unit</div>		76,300	Mr. Makoto Asanuma possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. Since 2019, he has driven the business forward as the president and CEO of Sunrise Inc. (currently Bandai Namco Filmworks Inc.), which is the current business management company of the IP Production Unit in the Group. He has been appointed as the Company considers him capable of building closer ties between the IP Production Business and Group management.													18/18
 <div>Director (Part-time) Hiroshi Kawasaki Director in charge of the Amusement Unit</div>		88,350	Mr. Hiroshi Kawasaki possesses extensive experience, achievements, and knowledge from his wide-ranging involvement in multiple businesses in the Group. Since 2021, he has driven the business forward as the president and CEO of Bandai Namco Amusement Inc., which is the business management company of the Amusement Unit in the Group. He has been appointed as the Company considers him capable of building closer ties between the Amusement Business and Group management.													18/18
 <div>Director (Part-time) Shuji Ohtsu Director in charge of Bandai Namco Business Arc Inc.</div>		145,600	Mr. Shuji Ohtsu possesses specialist expertise as a certified public accountant, as well as extensive experience and achievements. He has been appointed as the Company considers him capable of strengthening Group management structures and ensuring highly transparent management.													18/18

Note: Ms. Nao Udagawa was elected at the 18th Ordinary General Meeting of Shareholders held on June 19, 2023, and accordingly the number of Board of Directors' meetings on which the attendance rate is based differs from that of other directors.

Outside Directors (excluding Audit & Supervisory Committee members)

	Position and name	Major concurrent positions	Number of Company shares owned (as of the end of March 2024)	Reasons for appointment		Major experience and expertise											Independence	Attendance at meetings of the Board of Directors (FY2024.3)
						Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Number of meetings attended/ Number of meetings held
							Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines							
 <div><div>Member of the Personnel Committee</div><div>Member of the Independent Directors Committee</div><div>Director (Part-time, Outside)</div><div>Toshio Shimada</div></div>		Special advisor of CAC Holdings Corporation Outside director of AEON DELIGHT CO., LTD.	—	Given Mr. Toshio Shimada's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce his extensive knowledge concerning fusion of corporate management and digital technology into the Company's managerial perspective, and thus he has been appointed.														18/18
 <div><div>Member of the Personnel Committee</div><div>Member of the Independent Directors Committee</div><div>Director (Part-time, Outside)</div><div>Koichi Kawana</div></div>		External director of ispace, inc. Outside director of Kubota Corporation Chairman of RENOVA, Inc.	—	Given Mr. Koichi Kawana's extensive knowledge and experience in corporate management, the Company anticipates that he will be able to further strengthen management oversight and checking functions, and introduce a global managerial perspective based on his extensive experience working overseas, and thus he has been appointed.														18/18

Directors (Audit & Supervisory Committee members)

	Position and name	Major concurrent positions	Number of Company shares owned (as of the end of March 2024)	Reasons for appointment		Major experience and expertise											Independence	Attendance at meetings of the Board of Directors (FY2024.3)
						Corporate management	Operational experience					Finance, tax affairs, and accounting	Sustainability	Internationality	Legal affairs	Digital technology and information security		Number of meetings attended/ Number of meetings held
							Digital	Toys and hobby	Visual/music	IP creation/development	Facilities/machines							
	Director Takashi Kaneko		10,400	Mr. Takashi Kaneko has been appointed thanks to his many years of experience working in the administration divisions of the Group and mastering financial, accounting, and tax-related affairs. Furthermore, based on the above, the Company expects him to utilize his knowledge and experience for the betterment of the audit and supervisory system of the Company.													—	
	<div>Member of the Independent Directors Committee</div> Director (Outside) Toru Shinoda	Certified public accountant	1,400	Given his many years engaged in audit practices, and given he is a certified public accountant, the Company expects Mr. Toru Shinoda to utilize his advanced knowledge and experience in accounting and auditing for the audit and supervisory system of the Company, and thus he has been appointed.													18/18	
	<div>Member of the Personnel Committee</div> <div>Member of the Independent Directors Committee</div> Director (Part-time, Outside) Satoko Kuwabara	Attorney-at-law partner of GAIEN PARTNERS Outside auditor of Unicafe Inc. Outside director of Mitsubishi UFJ Financial Group, Inc. Outside director (Audit & Supervisory Committee member) of Nippon Yusen Kabushiki Kaisha	—	Given her many years of experience as an attorney-at-law, the Company expects Ms. Satoko Kuwabara to utilize her advanced knowledge and experience from a legal risk perspective, and thus she has been appointed.													18/18	
	<div>Member of the Independent Directors Committee</div> Director (Part-time, Outside) Takayuki Komiya	Certified public accountant Certified public tax accountant	400	Given his many years mastering accounting and tax practices, and given he is a certified public accountant and a certified public tax accountant, the Company expects Mr. Takayuki Komiya to utilize his advanced knowledge and experience in accounting, tax affairs, and auditing in order to strengthen the audit and supervisory system of the Company, and thus he has been appointed.													18/18	

Note: Mr. Takashi Kaneko was elected at the 19th Ordinary General Meeting of Shareholders held on June 24, 2024, and accordingly, he did not attend any Board of Directors' meetings in the fiscal year ending March 2024.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Note: The consolidated financial statements are expressed in yen. However, solely for the convenience of the reader, the consolidated financial statements as of and for the fiscal year ended March 31, 2024, have been translated into U.S. dollars at the rate of ¥151.41=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market on March 31, 2024. This translation should not be construed as an indication that the amounts shown could be converted into U.S. dollars at such rate.

CONSOLIDATED SIX-YEAR FINANCIAL SUMMARY

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
For the Fiscal Years Ended March 31

Millions of yen, except per-share data and main financial indicators						
	2019	2020	2021	2022	2023	2024
For the Year:						
Net sales	¥732,347	¥723,989	¥740,903	¥889,270	¥990,089	¥1,050,210
Gross profit	262,555	260,948	282,006	356,265	368,656	370,959
Selling, general and administrative expenses	178,510	182,172	197,352	230,769	252,183	280,277
Operating profit	84,045	78,775	84,654	125,496	116,472	90,682
Recurring profit* ¹	86,863	79,797	87,612	133,608	128,006	104,164
Profit attributable to owners of parent	63,383	57,665	48,894	92,752	90,345	101,493
Comprehensive income	69,952	53,312	90,527	96,299	116,064	110,456
Capital expenditures	29,016	33,406	31,507	36,554	45,737	49,116
Depreciation and amortization	21,370	23,239	24,684	25,726	28,671	38,364
Cash flows from operating activities	79,811	43,131	60,483	121,212	95,625	88,906
At Year-End:						
Total assets	¥612,955	¥619,819	¥732,782	¥862,650	¥926,358	¥ 971,838
Total current assets	397,951	383,662	455,210	577,206	592,637	642,622
Total current liabilities	163,893	142,506	175,920	243,362	247,323	244,119
Total net assets	429,644	454,684	511,433	584,233	652,133	699,823
Per-Share Data (Yen):						
Basic earnings per share* ²	¥ 96.13	¥ 87.46	¥ 74.19	¥ 140.70	¥ 136.88	¥ 153.85
Cash dividend	145.00	132.00	112.00	212.00	206.00	60.00
Main Financial Indicators:						
Return on equity (ROE)* ³ (%)	15.5	13.1	10.2	16.9	14.6	15.0
Return on assets (ROA)* ⁴ (%)	15.1	12.9	13.0	16.7	14.3	11.0
Selling, general and administrative expenses to net sales (%)	24.4	25.2	26.6	26.0	25.5	26.7
Operating profit margin (%)	11.5	10.9	11.4	14.1	11.8	8.6
Profit attributable to owners of parent margin (%)	8.7	8.0	6.6	10.4	9.1	9.7
Shareholders' equity ratio (%)	70.0	72.5	69.7	67.7	70.4	72.0
Debt/equity ratio (Times)	0.00	0.01	0.05	0.05	0.03	0.02

*¹ Recurring profit is a Japanese accounting term denoting income before extraordinary items.
*² The Company conducted a share split with a ratio of three shares for every one share of common shares on April 1, 2023.
Basic earnings per share was calculated assuming that the share split was conducted at the beginning of the fiscal year ended March 31, 2019.
*³ ROE = Profit attributable to owners of parent / Average total shareholders' equity (= Total net assets - Share acquisition rights - Non-controlling interests)
*⁴ ROA = Recurring profit / Average total assets

CONSOLIDATED BALANCE SHEETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
As of March 31, 2023 and 2024

	Millions of yen		Thousands of U.S. dollars (note)
	2023	2024	2024
Assets			
Current assets:			
Cash and deposits	¥ 280,226	¥ 321,868	\$ 2,125,805
Trade receivables and contract assets	99,007	118,190	780,596
Allowance for doubtful accounts	(1,086)	(1,075)	(7,104)
Inventories	152,223	140,597	928,588
Other	62,266	63,042	416,367
Total current assets	592,637	642,622	4,244,254
Property, plant and equipment:			
Buildings and structures	44,724	47,640	314,642
Amusement facilities and machines	59,443	65,103	429,979
Land	46,476	46,702	308,451
Right-of-use assets	13,967	18,165	119,976
Other	158,272	175,148	1,156,781
Total	322,885	352,759	2,329,832
Less accumulated depreciation	(215,426)	(234,123)	(1,546,290)
Net property, plant and equipment	107,458	118,636	783,541
Intangible assets:			
Goodwill	14,561	11,608	76,668
Other	21,622	20,568	135,843
Total intangible assets	36,183	32,176	212,511
Investments and other assets:			
Investment securities	140,706	116,127	766,976
Deferred tax assets	27,572	33,976	224,400
Retirement benefit asset	596	6,123	40,440
Other	21,860	22,920	151,378
Allowance for doubtful accounts	(656)	(744)	(4,915)
Total investments and other assets	190,078	178,403	1,178,280
Total assets	¥ 926,358	¥ 971,838	\$ 6,418,587

	Millions of yen		Thousands of U.S. dollars (note)
	2023	2024	2024
Liabilities and net assets			
Current liabilities:			
Trade payables	¥ 99,244	¥ 99,254	\$ 655,534
Income taxes payable	26,022	23,192	153,176
Contract liabilities	22,567	27,728	183,135
Provisions	4,078	3,095	20,444
Other	95,409	90,848	600,017
Total current liabilities	247,323	244,119	1,612,309
Non-current liabilities:			
Provisions	118	—	—
Retirement benefit liability	3,710	4,925	32,530
Deferred tax liabilities	5,457	4,291	28,341
Other	17,614	18,678	123,362
Total non-current liabilities	26,901	27,895	184,234
Total liabilities	274,224	272,014	1,796,544
Net assets:			
Shareholders' equity:			
Share capital	10,000	10,000	66,045
Authorized: 2,500,000,000 shares* ¹			
Issued: 666,000,000 shares* ¹			
Capital surplus	52,897	53,321	352,168
Retained earnings	523,923	579,417	3,826,811
Treasury shares, at cost: 5,949,648 shares in 2023, and 11,813,756 shares in 2024* ¹	(2,102)	(19,293)	(127,428)
Total shareholders' equity	584,718	623,445	4,117,597
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	62,671	49,262	325,359
Deferred gains or losses on hedges	(656)	1,022	6,752
Revaluation reserve for land	(4,016)	(4,016)	(26,529)
Foreign currency translation adjustment	11,049	29,637	195,743
Remeasurements of defined benefit plans	(1,915)	166	1,096
Total accumulated other comprehensive income	67,132	76,071	502,423
Non-controlling interests	282	306	2,022
Total net assets	652,133	699,823	4,622,043
Total liabilities and net assets	¥926,358	¥971,838	\$6,418,587

*1 The Company made partial amendments to the Articles of Incorporation in conjunction with a share split on April 1, 2023. As a result, the total number of authorized shares increased by 1,500,000,000 shares to 2,500,000,000 shares. Total number of issued shares at the end of the period and number of shares of treasury shares at the end of the period have been presented assuming that the share split was conducted at the beginning of the previous fiscal year.

CONSOLIDATED STATEMENTS OF INCOME AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2023 and 2024

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (note)
	2023	2024	2024
Net sales	¥990,089	¥1,050,210	\$6,936,205
Cost of sales	621,433	679,251	4,486,170
Gross profit	368,656	370,959	2,450,034
Selling, general and administrative expenses	252,183	280,277	1,851,116
Operating profit	116,472	90,682	598,917
Other income (loss):			
Interest and dividend income	2,639	4,320	28,536
Interest expense	(332)	(310)	(2,047)
Foreign exchange gains (losses)	5,010	6,417	42,386
Gain (loss) on valuation of derivatives	309	(184)	(1,215)
Share of profit (loss) of entities accounted for using equity method	2,323	2,121	14,010
Loss on investments in deferred compensation plan	(144)	(282)	(1,863)
Non-deductible consumption taxes	(2)	(114)	(755)
Gain on sales of investment securities, net	0	45,517	300,626
Loss on valuation of investment securities	(553)	(751)	(4,963)
Gain (loss) on sale and retirement of non-current assets, net	(491)	(394)	(2,606)
Impairment losses	(1,251)	(1,674)	(11,061)
Subsidies for employment adjustment and other related to COVID-19	132	—	—
Provision for loss on land remediation	—	550	3,632
Other	2,103	742	4,903
	9,742	55,958	369,580
Profit before income taxes	126,215	146,640	968,498
Income taxes	35,870	45,125	298,033
Profit	90,345	101,515	670,464
Profit (loss) attributable to non-controlling interests	0	21	144
Profit attributable to owners of parent	¥ 90,345	¥ 101,493	\$ 670,320
	Yen		U.S. dollars (note)
	2023	2024	2024
Per-share data:*1			
Net assets at March 31	¥ 987.58	¥ 1,069.29	\$ 7.06
Earnings per share:			
Basic	136.88	153.85	1.02
Diluted	—	—	—
Cash dividends applicable to period	206.00	60.00	0.40

*1 The Company conducted a share split with a ratio of three shares for every one share of common share on April 1, 2023. Net assets per share and basic earnings per share were calculated assuming that the share split was conducted at the beginning of the previous fiscal year. Cash dividends applicable to period is based on the amount before the aforementioned share split.

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (note)
	2023	2024	2024
Profit	¥ 90,345	¥101,515	\$670,464
Other comprehensive income:			
Valuation difference on available-for-sale securities	17,688	(13,606)	(89,865)
Deferred gains or losses on hedges	(1,554)	1,676	11,074
Foreign currency translation adjustment	9,164	18,590	122,779
Remeasurements of defined benefit plans, net of tax	478	2,081	13,750
Share of other comprehensive income of entities accounted for using equity method	(57)	199	1,316
Total other comprehensive income	25,719	8,941	59,054
Comprehensive income	¥116,064	¥110,456	\$729,519
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	¥116,063	¥110,432	\$729,360
Comprehensive income attributable to non-controlling interests	0	23	158

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2023 and 2024

Year ended March 31, 2023

	Millions of yen									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	¥10,000	¥52,574	¥482,147	¥(2,140)	¥542,581	¥45,037	¥ 901	¥(4,016)	¥ 1,886	¥(2,394)
Dividends of surplus			(47,310)		(47,310)					
Profit attributable to owners of parent			90,345		90,345					
Change in scope of consolidation			(1,258)		(1,258)					
Change in scope of consolidation-foreign currency translation adjustment					—				223	223
Purchase of treasury shares				(4)	(4)					
Disposal of treasury shares		323		42	365					
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0					
Net changes in items other than shareholders' equity						17,634	(1,557)	—	8,940	478
Balance at end of period	¥10,000	¥52,897	¥523,923	¥(2,102)	¥584,718	¥62,671	¥ (656)	¥(4,016)	¥11,049	¥(1,915)

Year ended March 31, 2024

	Millions of yen									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	¥10,000	¥52,897	¥523,923	¥ (2,102)	¥584,718	¥ 62,671	¥ (656)	¥(4,016)	¥11,049	¥(1,915)
Dividends of surplus			(45,998)		(45,998)					
Profit attributable to owners of parent			101,493		101,493					
Purchase of treasury shares				(17,240)	(17,240)					
Disposal of treasury shares		423		48	472					
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0					
Net changes in items other than shareholders' equity						(13,409)	1,678	—	18,587	2,081
Balance at end of period	¥10,000	¥53,321	¥579,417	¥(19,293)	¥623,445	¥ 49,262	¥1,022	¥(4,016)	¥29,637	¥ 166

Year ended March 31, 2024

	Thousands of U.S. dollars (note)									
	Shareholders' equity					Accumulated other comprehensive income				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	\$66,045	\$349,368	\$3,460,293	\$ (13,883)	\$3,861,824	\$413,921	\$ (4,333)	\$(26,529)	\$ 72,978	\$(12,653)
Dividends of surplus			(303,802)		(303,802)					
Profit attributable to owners of parent			670,320		670,320					
Purchase of treasury shares				(113,865)	(113,865)					
Disposal of treasury shares		2,799		320	3,119					
Change in treasury shares arising from change in equity in entities accounted for using equity method				1	1					
Net changes in items other than shareholders' equity						(88,561)	11,085	—	122,765	13,750
Balance at end of period	\$66,045	\$352,168	\$3,826,811	\$(127,428)	\$4,117,597	\$325,359	\$ 6,752	\$(26,529)	\$195,743	\$ 1,096

CONSOLIDATED STATEMENTS OF CASH FLOWS

Bandai Namco Holdings Inc. and Consolidated Subsidiaries
Years Ended March 31, 2023 and 2024

		Millions of yen	Thousands of U.S. dollars (note)
	2023	2024	2024
Cash flows from operating activities:			
Profit before income taxes	¥126,215	¥146,640	\$ 968,498
Depreciation	28,671	38,364	253,382
Impairment losses	1,251	1,674	11,061
Amortization of goodwill	2,431	2,676	17,674
Increase (decrease) in allowance for doubtful accounts	(1,169)	(86)	(570)
Increase (decrease) in other provisions	191	(1,131)	(7,472)
Increase (decrease) in retirement benefit liability	138	230	1,524
Interest and dividend income	(2,639)	(4,320)	(28,536)
Interest expenses	332	310	2,047
Foreign exchange losses (gains)	(21)	637	4,207
Share of loss (profit) of entities accounted for using equity method	(2,323)	(2,121)	(14,010)
Loss (gain) on valuation of derivatives	(309)	184	1,215
Loss (gain) on sale and retirement of non-current assets, net	491	394	2,606
Loss on retirement of amusement facilities and machines	228	106	701
Loss (gain) on sales of investment securities, net	(0)	(45,517)	(300,626)
Loss on valuation of investment securities	553	751	4,963
Loss on investments in deferred compensation plan	144	282	1,863
Decrease (increase) in trade receivables	28,484	(15,360)	(101,446)
Decrease (increase) in inventories	(26,107)	15,369	101,510
Acquisition of amusement facilities and machines	(5,180)	(8,537)	(56,386)
Increase (decrease) in trade payables	(1,595)	(1,880)	(12,420)
Increase (decrease) in contract liabilities	(894)	4,361	28,808
Decrease (increase) in other current assets	(1,769)	(1,911)	(12,627)
Increase (decrease) in other current liabilities	(2,013)	1,320	8,718
Other	(2,258)	(3,873)	(25,585)
Subtotal	142,852	128,562	849,104
Interest and dividends received	2,579	4,290	28,334
Interest paid	(341)	(321)	(2,122)
Income taxes refund (paid)	(49,464)	(44,132)	(291,479)
Proceeds from compensation	—	508	3,356
Net cash provided by (used in) operating activities	95,625	88,906	587,193
Cash flows from investing activities:			
Net decrease (increase) in time deposits	(2,386)	(5,975)	(39,465)
Purchases of property, plant and equipment	(25,376)	(24,699)	(163,128)
Proceeds from sales of property, plant and equipment	99	86	571
Purchases of intangible assets	(8,431)	(10,210)	(67,437)
Purchases of investment securities	(513)	(716)	(4,732)
Proceeds from sales of investment securities	2	53,641	354,278
Purchase of shares of subsidiaries and associates	(551)	(1,797)	(11,871)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,019)	—	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(114)	—	—
Other	(1,587)	(191)	(1,267)
Net cash provided by (used in) investing activities	(40,878)	10,136	66,946
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(179)	157	1,038
Proceeds from long-term borrowings	180	—	—
Repayments of long-term borrowings	(10,382)	(10,206)	(67,409)
Purchase of treasury shares	(4)	(17,240)	(113,865)
Proceeds from disposal of treasury shares	0	0	1
Proceeds from share issuance to non-controlling shareholders	9	—	—
Dividends paid	(47,310)	(45,998)	(303,802)
Other	(1,837)	(1,949)	(12,876)
Net cash provided by (used in) financing activities	(59,524)	(75,237)	(496,914)
Effect of exchange rate changes on cash and cash equivalents	3,174	11,170	73,774
Net increase (decrease) in cash and cash equivalents	(1,602)	34,975	230,999
Cash and cash equivalents at beginning of period	277,891	276,288	1,824,772
Cash and cash equivalents at end of period	¥276,288	¥311,264	\$2,055,771

CORPORATE DATA

As of March 31, 2024

Corporate Name:	Bandai Namco Holdings Inc.
Head Office:	Bandai Namco Mirai Kenkyusho, 5-37-8, Shiba, Minato-ku, Tokyo 108-0014, Japan URL: www.bandainamco.co.jp/
Capital:	¥10 billion
Stock Exchange Listing:	Tokyo Stock Exchange, Prime Market (Code number: 7832)
Main Business:	Planning and execution of medium- to long-term management strategies for the Bandai Namco Group; provision of support for business strategy implementation by Group companies; and management of business activities
Stock Information:	Number of shares authorized: 2,500,000,000 shares Number of shares issued: 666,000,000 shares Number of shareholders of share units: 57,716 Number of shares per trading unit: 100 shares Note: The above stock information reflects the number of shares before the cancellation of 6,000,000 treasury shares on May 21, 2024.

Shareholders:	Number of shares (Thousands)	% of total
Name		
The Master Trust Bank of Japan, Ltd. (Trust account)	130,153	19.89
Custody Bank of Japan, Ltd. (Trust account)	61,572	9.41
JP MORGAN CHASE BANK 380815 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	32,837	5.02
XIL, LTD.	18,000	2.75
Kyoko Nakamura	16,353	2.50
The Nomura Trust and Banking Co., Ltd. (Retirement and severance benefits trust; MUFG Bank, Ltd., account)	13,758	2.10
MAL Ltd	13,200	2.02
GIC PRIVATE LIMITED -C (Standing proxy: MUFG Bank, Ltd.)	11,822	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	11,647	1.78
Nintendo Co., Ltd	11,537	1.76
Note: The shareholding ratio is calculated after reduction of the number of treasury stocks.		

Ownership Breakdown:	Number of shares (Trading units)	% of total
Public entities	—	—
Financial institutions	2,441,581	36.68
Brokerages	219,374	3.30
Other corporate entities	758,702	11.40
Foreign corporate entities and others	2,396,267	35.99
Individuals, etc.	840,538	12.63

Status of Inclusion in Indexes:	• Nikkei Stock Average (Nikkei 225) • TOPIX 100 • JPX-Nikkei Index 400 • MSCI Japan Empowering Women Index (WIN) • FTSE Blossom Japan Sector Relative Index • iSTOXX MUTB Japan Platinum Career 150 Index
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OVERVIEW OF MAIN GROUP COMPANIES

As of October 31, 2024

Bandai Namco Holdings Inc.	Planning and execution of the Bandai Namco Group's medium- to long-term management strategies; provision of support for business strategy implementation by Group companies; management of business activities (Tokyo Stock Exchange, Prime Market)
Bandai Namco Holdings USA Inc.	Regional management company in the Americas, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Holdings Europe S.A.S.	Regional management company in Europe, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Holdings Asia Co., Ltd.	Regional management company in Asia, providing support for the implementation of strategies by operating companies in Asia (excluding China)
Bandai Namco Holdings China Co., Ltd.	Regional management company in China, providing support for the implementation of strategies by operating companies, etc.
Bandai Namco Holdings UK Ltd.	Regional holding company in the U.K., providing support for the implementation of strategies by operating companies in U.K.

Entertainment Unit

Digital Business

Bandai Namco Entertainment Inc.	Planning, distribution, and sales of entertainment content, such as network content and home console games
Bandai Namco Studios Inc.	Planning, development, and operation of home console games, network content, PC content, etc.
Bandai Namco Online Inc.	Planning, development, and operation of Internet-based online games, other software, and services
D3PUBLISHER INC.	Planning, development, and sales of home console games; planning, development, and distribution of network content
B.B.STUDIO CO., LTD.	Planning and development of home console games, network content, and amusement machines
Bandai Namco Network Services Inc.	Operation, distribution, digital marketing, and localization of content in network services, as well as technical support and other services
Bandai Namco Sevens Inc.	Development and sales of entertainment equipment; development, manufacturing, and sales of visual substrates; planning and operation of other new businesses
Bandai Namco Research Inc.	Development of technologies, demonstration, and verification in new business fields for use in Groupwide services for the Bandai Namco Group
Bandai Namco Nexus Inc.	Development, operation, and analysis of online games, online distribution platforms, and services for IP fans, etc.
Bandai Namco Aces Inc.	Planning, development, and operation of home console games, network content, PC content, etc.
Bandai Namco Shimane Susanoo Magic Inc.	Planning and operation of professional basketball team Shimane Susanoo Magic
Bandai Namco Entertainment Europe S.A.S.	Planning, development, and sales of home console games; planning, development, and distribution of network content.
Bandai Namco Entertainment America Inc.	Planning, development, and sales of home console games; planning, development, and distribution of network content
Reflector Entertainment Ltd.	Planning and production of entertainment content, such as network content, home console games, etc.
Bandai Namco Mobile S.L.	Development and marketing of network content
Bandai Namco Studios Singapore Pte. Ltd.	Planning and development of home console games, amusement machines, etc.
Bandai Namco Entertainment (Shanghai) Co., Ltd.	Planning, operation, and production of network content; planning, development, production, and sales of toys, capsule toys, cards, candy toys, model kits, prizes, etc.; production and sales of toys, etc., for China
Limbic Entertainment GmbH	Planning and production of entertainment content, such as network content, home console games, etc.

Toys and Hobby Business

BANDAI CO., LTD.	Planning, development, manufacturing, and marketing of toys, capsule toys, cards, candy toys, confectionery and foods, apparel, sundries, and other products
BANDAI SPIRITS CO., LTD.	Planning, development, manufacturing, and sales of model kits, toys for the mature fan base, character lottery products, special amusement prizes, etc.
MegaHouse Corporation	Planning, development, production, and sales of toys, figures, and other products, as well as contract manufacturing.
SUN-STAR STATIONERY CO., LTD.	Planning, development, production, processing, and sales of character-themed stationery, idea stationery, and other miscellaneous goods
HEART CORPORATION	Planning, development, production, processing, and wholesale of seasonal special event candy and candy toys
PLEX CO., LTD.	Character design, planning, and design of BANDAI products; planning and sales of in-house products
Bandai Namco Craft Inc.	Planning, development, and manufacturing of toys, model kits, electronic-related equipment, etc.; contract operations for various types of inspecting and testing (ISO 17025-accredited testing organization)
Bandai Namco Prize Marketing Inc.	Sales of special amusement prizes, etc.
Bandai Namco Nui Inc.	Planning, development, production, and sales of stuffed toys, textile products, fabric toys, sundries, and other products
ARTPRESTO CO., LTD.	Planning, design, and printing (packages, catalogs, posters, cards); website production, event planning, and administration
Bandai Namco Toys & Collectibles America Inc.	Sales, promotions, event sales, e-commerce, etc., in the Americas for toys, collectible figures, and other products for the mature fan base
BANDAI S.A.S.	Sales of toy-related products in France
BANDAI UK LTD.	Sales of toy-related products in the U.K.
BANDAI ESPAÑA S.A.	Sales of toy-related products in Spain
Bandai Namco Entertainment (Shanghai) Co., Ltd.	Planning, operation, and production of network content; planning, development, production, and sales of toys, capsule toys, cards, candy toys, model kits, prizes, etc.; production and sales of toys, etc., for China
Bandai Namco Asia Co., Ltd.	Procurement, sales, importing, and exporting of toys, etc., in Asia (excluding Japan)
BANDAI (SHENZHEN) CO., LTD.	Production guidance and development support for cooperating plants; provision of services related to quality control, etc.; provision of quality testing, plant auditing, and other services
Bandai Namco Korea Co., Ltd.	Planning and sales of toy-related products in South Korea
Bandai Namco (Thailand) Co., Ltd.	Production of <i>Super Sentai</i> series robot toys as well as molds
Bandai Namco Philippines Inc.	Manufacturing of toys (principally capsule toys, figures, and lower-priced toys); manufacturing of capsule toy vending machines
Bandai Namco Trading (HK) Ltd.	Procurement management for special amusement prizes, character lottery products for convenience stores, etc., and products sold overseas
BANDAI CORPORACION MEXICO, S.A. de C.V.	Sales of toy-related products in Mexico

IP Production Unit

Bandai Namco Filmworks Inc.	Planning, production, and sales of animations and other visual content and of services related to visual products; management and administration of copyrights and other rights
Bandai Namco Music Live Inc.	Planning, production, management, and administration of visual and music content; artist discovery and development; production of live events
SOTSU CO., LTD.	Planning and production of TV animation programs; rights business; production and agency operations in sports entertainment
Bandai Namco Pictures Inc.	Planning and production of animations and other visual content; management and administration of copyrights and other rights
Actas Inc.	Planning and production of animation products
Eightbit co., Ltd.	Planning, production, and product development of animation products
Bandai Namco Base Inc.	Management and operation of concert hall facilities
SUNRISE (SHANGHAI) CO., LTD.	Planning and production of visual content; management and administration of copyrights and other rights, etc.

Amusement Unit

Bandai Namco Amusement Inc.	Planning, development, operation, and sales of facilities, machines, and services related to real entertainment
PLEASURECAST CO., LTD.	Planning and operation of entertainment facilities
HANAYASHIKI CO., LTD.	Planning, operation, etc., of ASAKUSA HANAYASHIKI amusement park and ASAKUSA KAGEKIJO multipurpose hall
Bandai Namco Technica Inc.	After-sales service operations related to amusement machines; stocking and sales of pre-owned amusement machines and products from other companies; development of original products
Bandai Namco Amusement Lab Inc.	Operations related to the research, planning, and development of content for real entertainment facilities and areas related to amusement machines
Bandai Namco Amusement America Inc.	Planning and production of amusement machines; planning, production, and sales of indoor-use recreation products; exports to Europe and Japan of amusement machines manufactured by other companies; repair of amusement machines
Bandai Namco Amusement Europe Ltd.	Planning and operation of entertainment facilities; sales of amusement machines
NAMCO ENTERPRISES ASIA LTD.	Planning and operation of entertainment facilities
Bandai Namco Amusement (Shanghai) Co., Ltd.	Planning and operation of entertainment facilities

Affiliated Business Companies

BANDAI LOGIPAL INC.	International distribution, customs brokerage, amusement-related business, product inspection, product manufacturing support, etc.
LOGIPAL EXPRESS INC.	Truck freight, industrial waste collection and transportation, logistics management, warehouse operations, vehicle maintenance, etc.
Bandai Namco Business Arc Inc.	Work related to the Bandai Namco Group's general affairs, personnel, finance and accounting, and information systems
J-Broad Co., LTD.	Consulting related to new graduate and mid-career hiring plans; planning, production, and publication of employment public relations media; acquisition, analysis, and provision of employment-related information; sales of employment aptitude tests for companies; planning related to public relations and education for colleges, junior colleges, etc.; implementation of practice employment tests for students; employment personnel referral business (permit No.: 13-㉔-010991)
Bandai Namco Will Inc.	Special subsidiary for the promotion of employment of people with disabilities