

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"> 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: <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	
Items accompanying the active utilization of human resources	Risks	<ul style="list-style-type: none"> Implementing the following initiatives, in addition to the permeation of the Purpose "Fun for All into the Future" within the Group: <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	
Changes in the natural environment, such as climate change	Risks	<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	
Items accompanying information security	Risks	<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
	Opportunities	
Items accompanying other external factors	Risks	<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
	Opportunities	

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"> 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
	Risks	
Entertainment Unit Digital Business	Risks	<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	
Entertainment Unit Toys and Hobby Business	Risks	<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.)
	Opportunities	
IP Production Unit	Risks	<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	
Amusement Unit	Risks	<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
	Opportunities	