

# 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.

### 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.

### 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.

### 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 CO<sub>2</sub>, 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