

## Connect with Fans

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

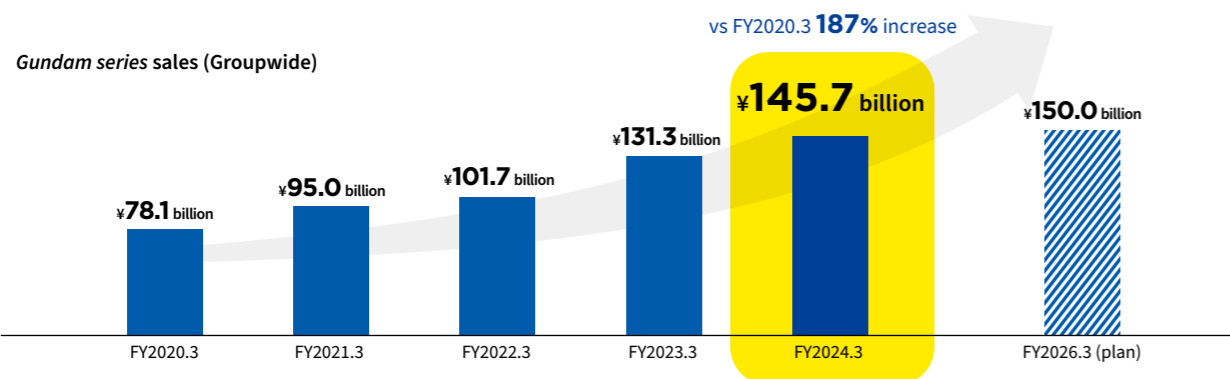


# Celebrating the 45th Anniversary of the Evolving *Gundam Series*

INTERVIEW  
**01**

IP × Fan

## Message from the Chief Gundam Officer (CGO)



### 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.

INTERVIEW **02**

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 **03**

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.

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



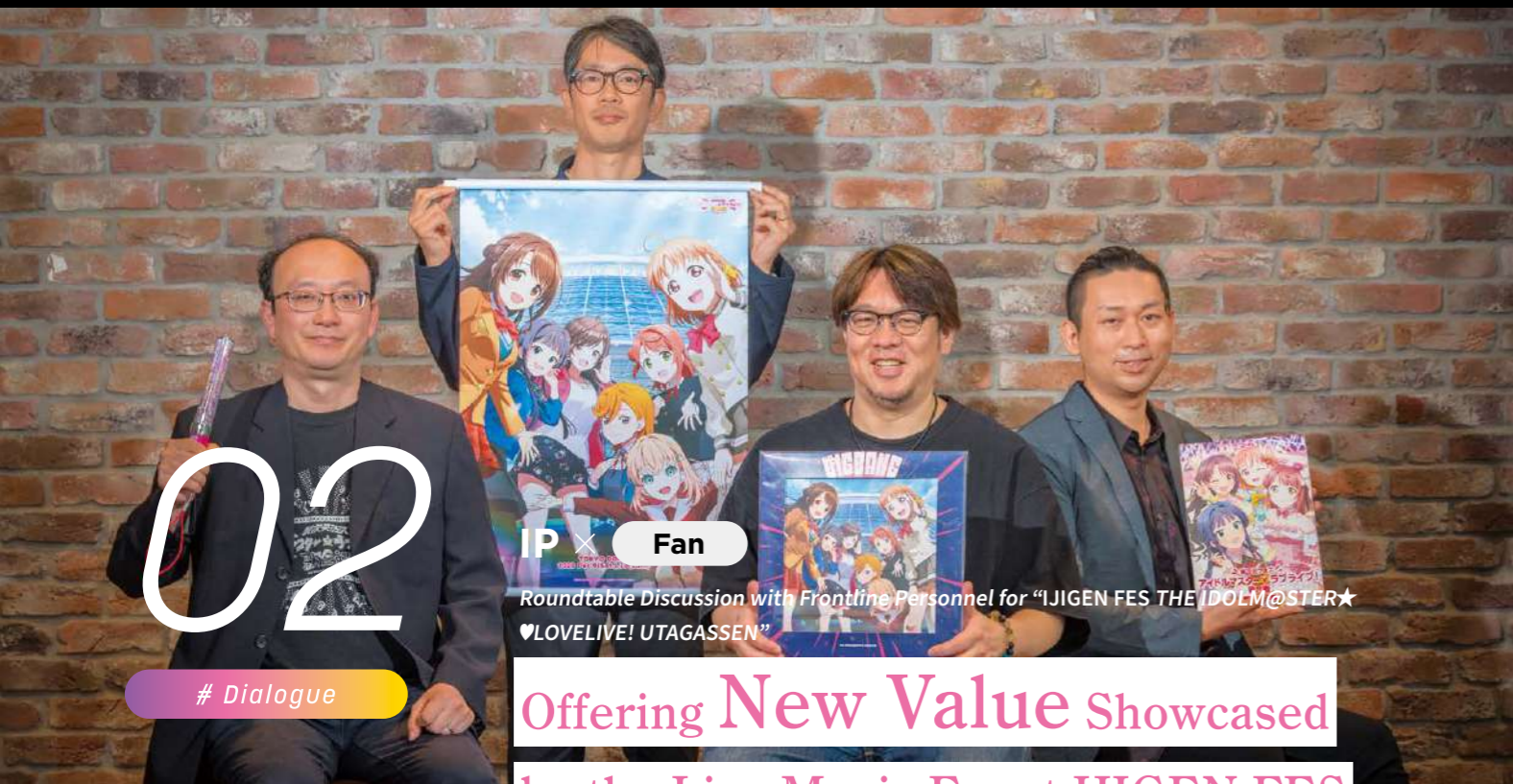
Shin Sasaki

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.



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.



## Connect with Fans

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



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.

TEKKEN™8 & ©Bandai Namco Entertainment Inc.

## Connect with Fans

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



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.



## DAISUKE UCHIYAMA

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

## 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

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



## YUKIO MATSUHASHI

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

## 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.



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

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



## 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.

×

**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.

#### CAPSULE TOY MARKET TREND



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

● **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.



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

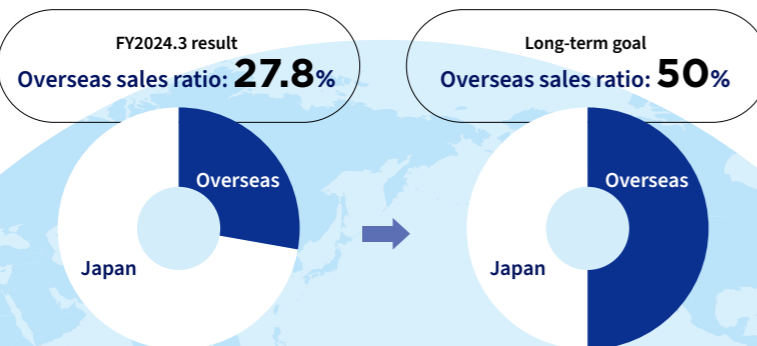
### Mission of the Group Business Strategy Department: Resolving cross-organizational issues

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



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

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

## 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

IP × World

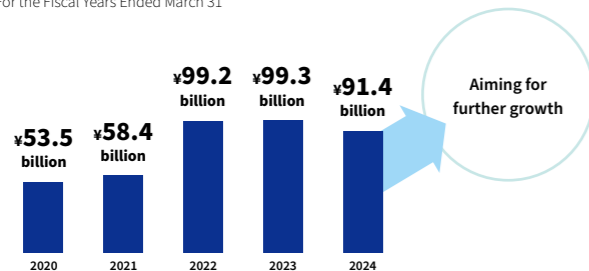
## North American Operations Working to Expand the Digital Business

### 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

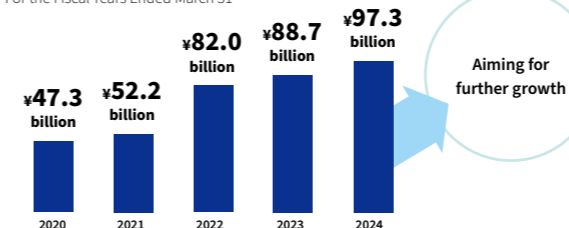
### Enhancing local awareness of the Bandai Namco brand and offering new products and services by combining the strengths of the Digital Business and Toys and Hobby Business

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.

unique to the Chinese market and are working to expand these products through collaboration with local IPs.

At Bandai Namco Entertainment (Shanghai) Co., Ltd., which is the only Group company that has integrated the Digital Business and the Toys and Hobby Business, we are expanding integrations of specific products and services, including linking network content for *Mobile Suit Gundam series* with the products from the Toys and Hobby Business. In addition, each year we are increasing the number of opportunities for collaborative events and other important initiatives aimed at enhancing the level of recognition for *Mobile Suit Gundam series*. *ONE PIECE* is a title with a high level of recognition in the Chinese market, and we therefore intend to strengthen rollouts related to the title that fully leverage the synergies between the Digital Business and Toys and Hobby Business.

One issue we face in the Chinese market is boosting the level of recognition of Bandai Namco itself. We believe that raising brand recognition translates directly to business growth and thus are pursuing a broad range of efforts to do so, including online branding activities via social media and various other initiatives. Moreover, as a regional management company, we will seek to further reinforce our governance structure in China based on a shared awareness of issues. To strengthen our foundation for business growth, we will work to improve efficiency through the establishment of IT infrastructure while also bolstering our information security. Additionally, with regard to compliance, we have established compliance processes that include decision-making and third-party verification. All employees stringently adhere to these processes with a high sense of responsibility. In these ways, we recognize that our overall governance is functioning properly.

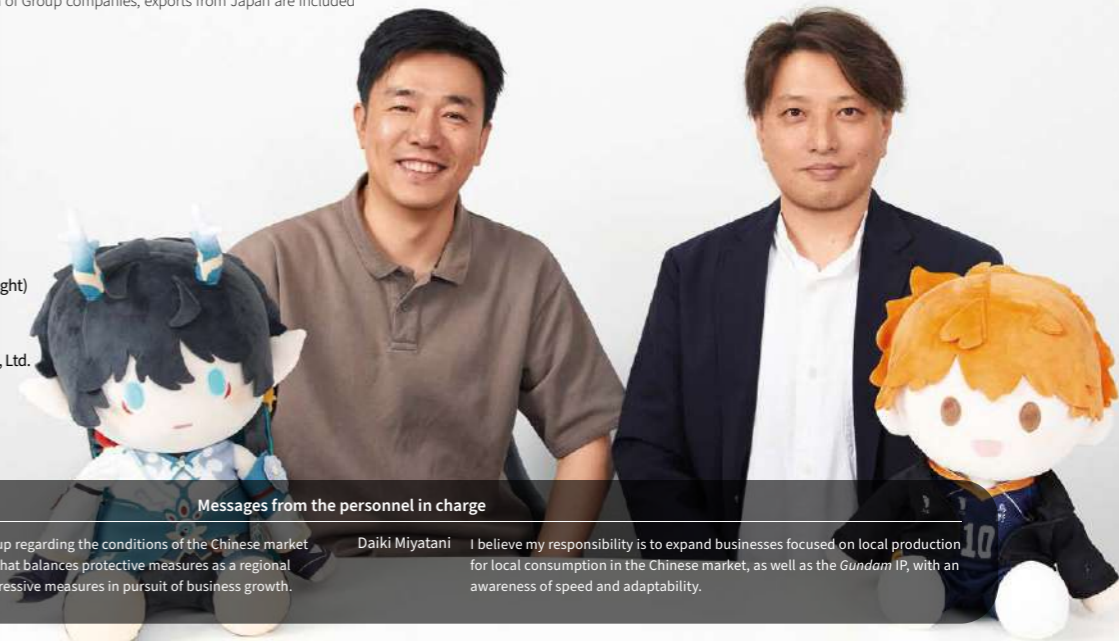
As changes occur rapidly in the Chinese market, it is extremely important to be swift with our implementation of initiatives. To that end, amid the changes occurring in consumer lifestyles, we will accelerate the provision of new products and services while combining the respective strengths of the Digital Business and Toys and Hobby Business.

### 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.