

China Operations Capturing Local Needs under the ALL BANDAI NAMCO Concept

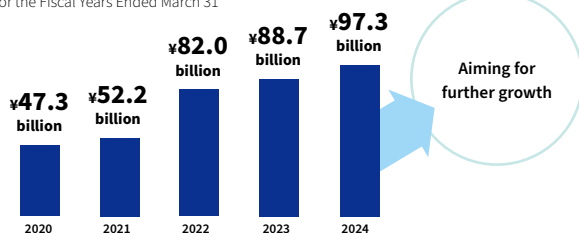
Enhancing local awareness of the Bandai Namco brand and offering new products and services by combining the strengths of the Digital Business and Toys and Hobby Business

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

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

Groupwide Sales in Asia

For the Fiscal Years Ended March 31



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

WANG KAI (left)

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

DAIKI MIYATANI (right)

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

Messages from the personnel in charge

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

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

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.