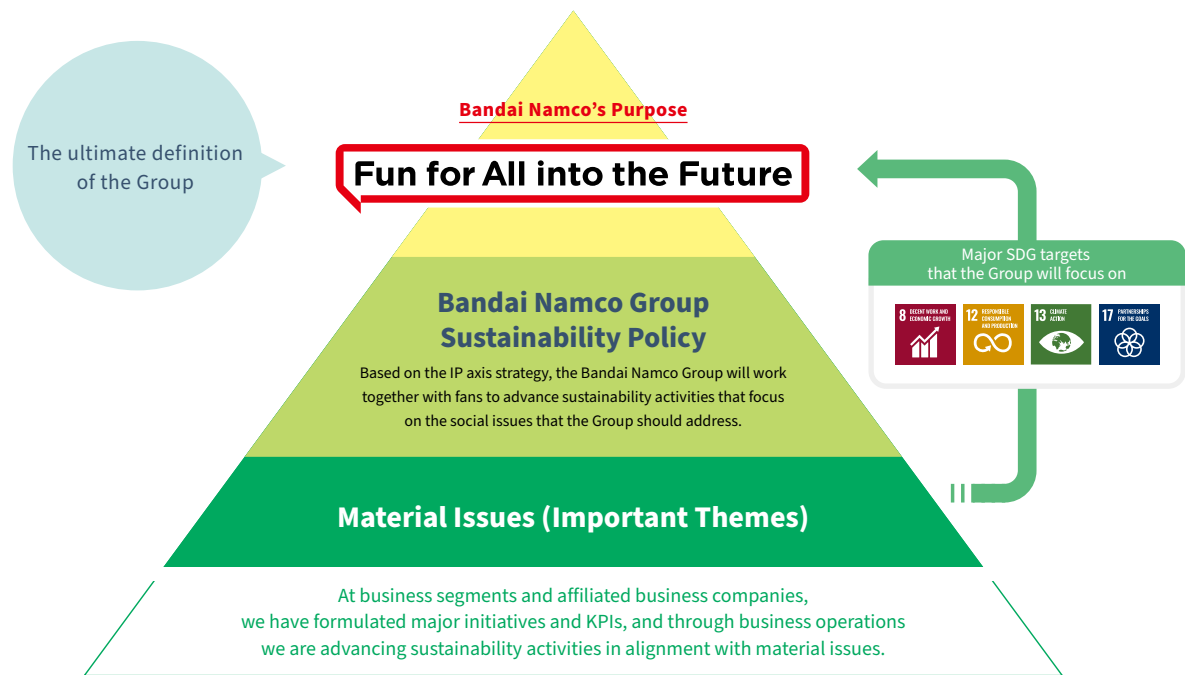


Our Purpose, “Fun for All into the Future,” has been positioned as the ultimate definition of the Group. In accordance with the Purpose, we have formulated the Bandai Namco Group Sustainability Policy for implementing initiatives that use the IP axis strategy and leverage our distinctive strengths. To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



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

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



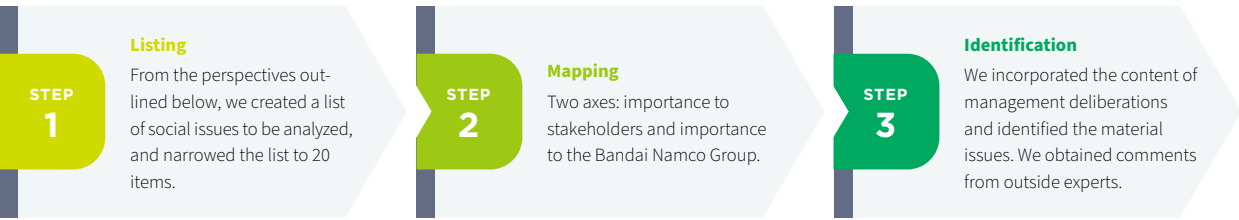
Identification of material issues

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

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

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

Three Steps for Identification of Material Issues



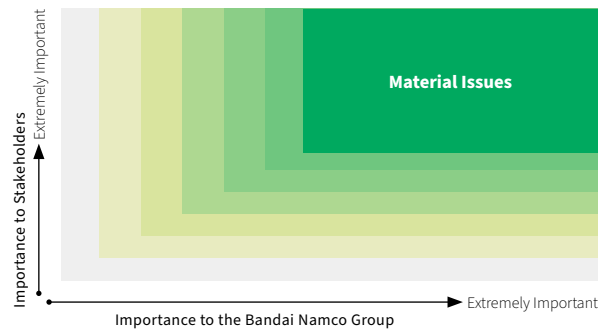
Perspectives that are emphasized during specification/verification

The Bandai Namco Group's Approach and Policies

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

Trends and Demands of Society in Japan and around the World

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



Five material issues

