

The Bandai Namco Group believes that measures to address climate change are necessary for the realization of a sustainable society and for business continuity. Accordingly, in April 2021 we formulated the Bandai Namco Group Sustainability Policy and established medium- to long-term targets for the transition to a decarbonized society. In addition, we have commenced the disclosure of information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced our endorsement of these recommendations in September 2023. We also participate in the TCFD Consortium as part of our efforts to collect the latest information on climate change.

Moving forward, we will continue to conduct analyses of the impact of climate change on our business operations as well as of relevant risks and opportunities based on various scenarios. We will also advance measures to strengthen our response to such risks and opportunities and achieve decarbonization.

Governance

Recognizing the importance of social sustainability for its business activities, the Group has established the Group Sustainability Committee, chaired by the president and representative director, to more promptly determine and implement sustainability-related activities. The committee meets biannually to discuss measures to respond to climate change as one of the Group's most important agenda items. After considering each measure, the committee helps implement these measures at each Group

company. The results of the committee's activities are regularly reported to the Board of Directors, which deliberates the results and provides supervision accordingly. In addition, the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee, is working to promote activities in line with the Bandai Namco Group Sustainability Policy and the Group's material issues.

Strategy

The Group conducted a scenario analysis to assess the impact of climate change-related risks and opportunities.

● **Scenario Analysis Method**

To clarify the impact of climate change on the Group's business operations, we conducted a scenario analysis for 2030 based on the scenarios on the right:

	1.5°C scenario	4°C scenario
Transition risk	IEA Net Zero Emission by 2050 (NZE), IEA Announced Pledges Scenario (APS), IEA Sustainable Development Scenario (SDS)	IEA Stated Policies Scenario (STEPS)
Physical risk	IPCC RCP 2.6	IPCC RCP 8.5

* In the absence of information on the 1.5°C scenario, a reference scenario classified under the 2°C scenario is used.

Transition Risks and Opportunities

Risks and opportunities	Items		Anticipated scenario	Evaluation of impact
	Category	Subcategory		
Risks	Government/ regulations	Introduction of carbon pricing	•Introduction of tax on GHG emissions and obligation to purchase credits due to the introduction of carbon pricing (carbon taxes and emission trading schemes), resulting in higher operational costs	Large
		Regulations on the use of fossil fuels	•Incurrence of costs associated with efforts to reduce the use of fossil fuels for Company-owned vehicles and transportation vehicles of logistics companies due to the tightening of regulations on the use of fossil fuels	Small
		Regulations on plastics and resource recycling	•Necessity to use eco-friendly bioplastics and recycled plastics due to the tightening of regulations on plastics, leading to higher manufacturing costs of toys •Incurrence of costs associated with manufacturing and disposal measures as plastics and metals used in toys and arcade machines become subject to recycling regulations due to the tightening of such regulations	Large
		Renewable energy and energy conservation policies	•Increase in demand for renewable energy and soaring electricity costs due to the expansion of renewable energy policies •Growing necessity for technological investment to adhere to energy conservation regulations	Large
		Obligation of information disclosure	•Incurrence of costs associated with measures to disclose information due to requirements for information disclosure on carbon footprint and other matters	Medium
	Markets	Fluctuations in raw material costs	•Increase in manufacturing costs due to the soaring price of plastics and metals used in toys and arcade machines, etc.	Large

Opportunities	Markets	Changes in customer behavior	•Acquisition of new customers through digital content and toys (environmental education) created based on the theme of the environment, resulting from the growing importance of environmental awareness among customers	Large
	Evaluation	Changes in investor evaluation	•Improvement in the Company's evaluation as a result of being perceived by investors to be sufficiently aware of the environment, leading to increased share prices and new opportunities for fundraising	Large

Physical Risks and Opportunities

Risks and opportunities	Items		Anticipated scenario	Evaluation of impact
	Category	Subcategory		
Risks	Acute	Intensification of abnormal weather (typhoons, heavy rains, landslides, storm surges, etc.)	We anticipate the following issues to occur due to an increase in wind and flood damage resulting from the intensification of abnormal weather: •Increase in disaster prevention/repair costs at Group business sites •Difficulties in procuring raw materials and selling products, resulting in suspended operations •Sales decline in the live events and store operations businesses due to a lower desire to go outside among people •Occurrence of physical injuries to employees •Increase in insurance costs	Large
		Droughts	•Delays in the manufacture of toys and amusement machines stemming from a decline in semiconductor manufacturing volumes •Delays in the delivery of Company vehicles	Medium
	Chronic	Rise in the average temperature	We anticipate the following issues to occur due to summer heatwaves caused by a rise in the average temperature: •Sales decline in the live events and store operations businesses due to a lower desire to go outside among people •Increase in air-conditioning costs and other operational costs •Occurrence of health issues among employees	Medium
		Changes in rainfall and weather patterns	•Decline in sales of outdoor services in the event of an increase in rainy days brought about by changing weather patterns, such as the timing of rainy seasons	Medium
		Impact on raw material cultivation due to a rise in the average temperature	•Higher procurement costs due to an anticipated surge in prices in the event that there are shortages in wheat flour and other raw materials used in candy toys	Medium
		Rising sea levels	•Flooding of business sites, such as amusement facilities and logistics bases, in coastal areas due to the impact of rising sea levels, resulting in the incurrence of repair costs	Small
Opportunities	Chronic	Increase in infectious diseases	•Decrease in visitors to live events and amusement facilities due to a decline in opportunities to go outside among people stemming from an increase in infectious diseases	Medium
		Rise in the average temperature	•Increase in demand for digital content that can be viewed at home due to a decrease in opportunities to go outside among people following a rise in the average temperature	Medium
		Changes in rainfall and weather patterns	•Increase in sales of indoor services in the event of an increase in rainy days brought about by changing weather patterns, such as the timing of rainy seasons	Medium

Risk management

The Group discusses risks and opportunities related to sustainability at meetings of the Group Sustainability Committee. This committee identifies material issues that the Group should strive to address and promotes sustainability activities on a Groupwide basis. In promoting these activities, the Group Sustainability Committee collaborates with the Group Risk Compliance Committee, which oversees the Group’s crisis management structure. Each Group company pursues efforts to address the material

issues in accordance with the characteristics of its businesses. The results of these efforts are analyzed on a Groupwide basis and by each business segment every fiscal year, which helps lead to improvements in such efforts for the following fiscal year and beyond. The analysis of these efforts is discussed at meetings of the Group Sustainability Committee and are then reported to the Board of Directors. When necessary, the Board holds discussions on these results and provides supervision accordingly.

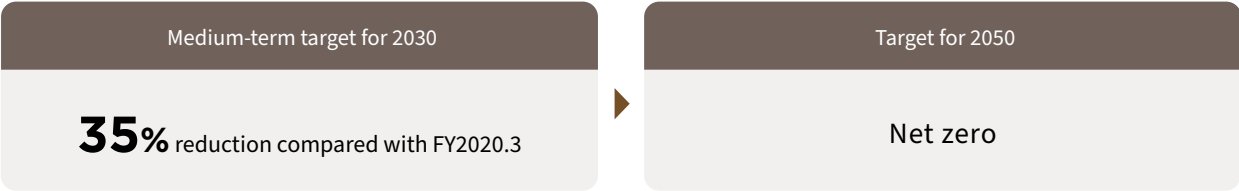
Indicators and targets

The Group has established indicators for greenhouse gas (GHG) emissions so that it can evaluate and manage the progress of its ESG management and the impact of policy risks and other risks pertaining to climate change. As a medium-term target, the Group has adopted a 35% reduction in energy use-derived CO₂ emissions at Group business sites by 2030 compared with FY2020.3. Furthermore, we have set forth the target of achieving net-zero

emissions at our business sites (offices, own plants, directly operated amusement facilities, etc.) by 2050. Going forward, we will strive to further promote energy conservation initiatives and introduce renewable energy with a view toward achieving these targets. Additionally, starting from FY2022, we began calculating CO₂ emissions from our supply chain (Scope 3) and have initiated efforts towards decarbonizing the entire supply chain.

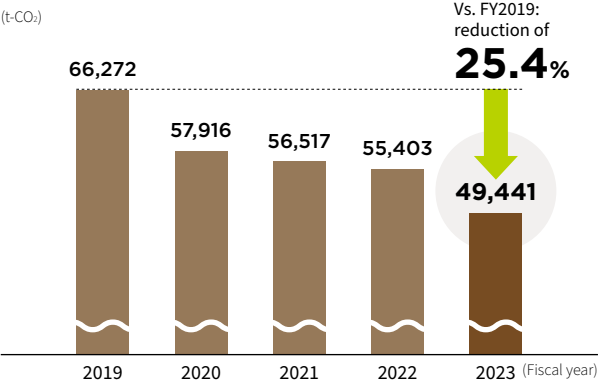
Medium- to Long-Term Targets for Decarbonization

Amount of energy use-derived CO₂ emissions at Group business sites*



* Offices, own plants, directly operated amusement facilities, etc.

Bandai Namco Group CO₂ emissions (Scope1+Scope2)



Notes:
1. The amount of renewable energy used (purchased) for FY2021 is included in the total for non-renewable energy.
2. For figures excluding Scope3 emissions, limited assurance or review by a third party has been conducted.
3. The Scope3 targets include Bandai Namco Entertainment Inc., BANDAI CO., LTD., BANDAI SPIRITS CO., LTD., Bandai Namco Filmworks Inc., and Bandai Namco Amusement Inc.
4. Past figures may be retroactively revised based on a thorough examination of tabulation results.
5. Scope3 emission amounts by category and their calculation methods can be found on our corporate website.

Supply chain emissions (Scope3)

		FY2022	FY2023
Scope3		1,091,255	1,202,209
Category 1	Purchased goods and services	576,512	636,698
Category 2	Capital goods	95,884	110,312
Category 3	Fuel- and energy-related activities not included in Scope1 and 2	5,758	5,490
Category 4	Upstream transportation and distribution	10,399	9,174
Category 5	Waste generated in business operations	2,669	2,931
Category 6	Business travel	5,158	8,817
Category 7	Employee commuting	710	837
Category 8	Upstream leased assets	Not applicable	Not applicable
Category 9	Downstream transportation and distribution	3	2
Category 10	Processing of sold products	Not applicable	Not applicable
Category 11	Use of sold products	21,792	12,284
Category 12	End-of-life treatment of sold products	372,368	415,664
Category 13	Downstream leased assets	Not applicable	Not applicable
Category 14	Franchises	Not applicable	Not applicable
Category 15	Investment	Not applicable	Not applicable

Examples of Initiatives toward Decarbonization

Proactively introducing renewable energy at Group company bases

Targeting decarbonization, we are advancing the conversion to electricity derived from renewable energy sources at major bases of Group companies.

We have converted to electricity derived from renewable energy sources for all of the electricity used at certain major Group company bases, including the Bandai Namco Mirai Kenkyusho, Bandai head office building, Bandai Namco Amusement head office building, Bandai Namco Studio head office building, Bandai Hobby Center—a model kits production facility of Bandai Spirits Co., Ltd.—as well as the nationwide logistics centers of Bandai Logipal Inc. and Logipal Express Inc. As a result, we have achieved net-zero CO₂ emissions from office operations, reducing annual CO₂ emissions by more than 8,000 t-CO₂ in FY2023 at these bases.



Bandai Namco Mirai Kenkyusho

Introducing solar power generation

Bandai Spirits Co., Ltd., has introduced solar power generation facilities with 400 solar panels in an area of approximately 1,202 square meters on the roof of the Bandai Hobby Center, with the aim of having the center become self-sufficient in electricity through solar power generation. In addition, Bandai Namco Craft's Inc., Kanto-Base and Heart Corporation headquarters factory have also introduced solar power generation facilities.

We are working toward achieving electricity self-sufficiency through solar power at these locations as well. The total electricity generated at these three sites is approximately 730,000 kWh,* and the expected annual reduction in CO₂ emissions is around 350 tons-CO₂.

* Calculated by the solar cell power generation quantity calculation method based on JIS 8907



Bandai Hobby Center



Heart's headquarters factory

Joining the Ministry of Economy, Trade and Industry's GX League

In April 2024, Bandai Namco Holdings officially joined the GX League* established by the Ministry of Economy, Trade and Industry. By joining this league, we will accumulate insight and technologies for realizing carbon neutrality on a Groupwide basis. At the same time, we will advance such efforts as the further promotion of energy conservation measures and the introduction of renewable energy.

* The GX League was established by the Ministry of Economy, Trade and Industry as a forum for cooperation between corporations, the national government, and academic institutions that are working to realize a sustainable society now and for the future. To that end, the GX League purses efforts for a green transformation (GX) with a view to achieving carbon neutrality across society by 2050.