

TARGETS FOR EACH MATERIAL ISSUES AND FY2024.3 RESULTS

Indicators and Targets for the Five Material Issues of the Bandai Namco Group

Material Issues	Important themes	Objective
 Harmonious Coexistence with the Natural Environment	<ul style="list-style-type: none">Enhanced response to climate changeSupply chain management (environment)	<ul style="list-style-type: none">Initiatives for decarbonization<ul style="list-style-type: none">Reduction of CO₂ emissions in Scope 1 and Scope 2<ul style="list-style-type: none">By 2030: 35% reduction compared with FY2020.3By 2050: Net zeroPromotion of response in Scope 3
	<ul style="list-style-type: none">Sustainable use of resources and raw materials	<ul style="list-style-type: none">Promotion of the circular economy<ul style="list-style-type: none">Establishment of plastic recycling systemsPromotion of product recyclingPromotion of environmentally friendly products<ul style="list-style-type: none">Reduction in petroleum-based plastic useCreation of eco-friendly productsWaste reduction<ul style="list-style-type: none">Recycling of waste at each business site
 Provision of Appropriate Products and Services	<ul style="list-style-type: none">Provision of products and services based on appropriate ethical representation	<ul style="list-style-type: none">Establishment and operation of system for Group-wide sharing of informationImplementation of employee training
	<ul style="list-style-type: none">Safety and security of products and services	<ul style="list-style-type: none">Initiatives toward safe and secure manufacturing<ul style="list-style-type: none">Improvement in product quality in Japan and overseasImplementation of employee training
	<ul style="list-style-type: none">Enhanced customer satisfaction	<ul style="list-style-type: none">Initiatives toward preventing defectsPromotion of swift and detailed customer support
 Appropriate Utilization and Protection of Intellectual Property	<ul style="list-style-type: none">Appropriate use of IP and mutual use of patents	<ul style="list-style-type: none">Promotion of efforts to resolve social issues through the utilization of IPs and technologies
	<ul style="list-style-type: none">Protection of IP	<ul style="list-style-type: none">Enhanced intellectual property protection
 Establishment of Work Environments That Facilitate Mutual Respect	<ul style="list-style-type: none">Realizing employee-friendly workplace environmentsPromotion of work-life	<ul style="list-style-type: none">Promotion of childcare leave acquisitionReview of paid leave structure
	<ul style="list-style-type: none">Human resources development	<ul style="list-style-type: none">Cultivation of diverse human resources who can promote the IP axis strategyCultivation of diverse human resources who can realize our Purpose
	<ul style="list-style-type: none">Promotion of diversity and inclusion	<ul style="list-style-type: none">Promotion of employment for people with disabilitiesFostering of a corporate culture where employees with diverse backgrounds play an active role
	<ul style="list-style-type: none">Supply chain management (labor)	<ul style="list-style-type: none">Initiatives toward building an optimized supply chain<ul style="list-style-type: none">Establishment of a supply chain that respects human rightsImplementation of Employee Training
 Harmonious Coexistence with Communities	<ul style="list-style-type: none">Collaboration with local communitiesInvigoration of fan communities	<ul style="list-style-type: none">Implementation of social contribution activities deeply rooted in local communities
	<ul style="list-style-type: none">Educational assistance for the next generation	<ul style="list-style-type: none">Educational support for children

Examples of Sustainability Activities Linked to Our Material Issues

Initiatives to Manage Chemical Substances

In 2005, Bandai Namco Amusement Inc. became the first company in the amusement industry to commence green procurement initiatives. Since then, Bandai Namco Amusement has been pursuing procurement from suppliers who make rigorous efforts to appropriately manage chemical substances that could be harmful to people and the environment. As part of these initiatives, the company proactively utilizes eco-friendly components, materials, semiconductors, products, promotional items, and packaging that meets regulations both in Japan and overseas, thereby working to reduce its environmental burden.



A green-compliant amusement machine cabinet

Harmonious Coexistence with the Natural Environment



Initiatives to Reduce Food Waste

All Bandai Namco Group companies are making efforts to address the social issues of leftover food and food loss. As part of these efforts, Bandai Co., Ltd., has conducted repeated verification testing on its mainstay confectionery products—*Tsuri Gummies* series, *Charapaki* series, ramune, and deserts. Five years of this research has helped extend the best-before dates of these products. In addition, we are working in such areas as reducing product and raw material loss in the production process and extending sales periods. As a result, we reduced food loss by 10.5 tons. Moreover, Heart Corporation, which handles confectionery products, and Artpresto Co., Ltd., have commenced efforts to utilize discarded products as feed. In these ways, we are working on a Groupwide basis to reduce waste.



Tsuri Gummies series



Charapaki series

Harmonious Coexistence with the Natural Environment

Examples of Sustainability Activities Linked to Our Material Issues

Implementing Quality Assurance Based on Original

As a company that handles toys, we design and select materials for Bandai products according to various quality standards in consideration of a product's features and a broad range of customer needs. These quality standards comprise around 260 proprietary standards categorized as "safety," "performance," and "labeling," in addition to the toy safety standards established by the Japan Toy Association (ST Standards).^{*} Products are commercialized only after the items corresponding to these standards are identified according to product specifications and after they pass an inspection.

Similarly, Bandai Spirits Co., Ltd., which sells products targeting the mature fan base, has established its own quality standards and complies with the regulations of each relevant country and

Provision of Appropriate Products and Services

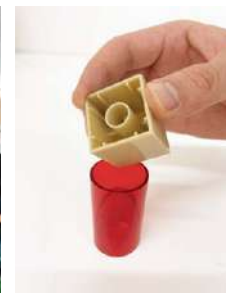


region when shipping overseas, in cooperation with overseas Group companies and external organizations.

Note: In the toy industry, the ST mark is displayed on toys that have passed the ST standard compliance test conducted by third-party inspection agencies. This standard includes mechanical safety, flammability safety, and chemical safety.



Drop testing a toy



Test using small parts cylinder to prevent accidental ingestion

Offering Products and Services That Anyone Can Enjoy

The Bandai Namco Group is actively working to offer products and services that anyone can enjoy. For example, MegaHouse Corporation's Ittai Othello, an all-in-one product, features black pieces with a raised surface and white pieces with a concaved surface, so players can distinguish them by touch. Furthermore, the pieces are built into the game board, meaning they will never get lost. MegaHouse's Rubik's Cube Universal Design features a different uneven shape for each color of the six sides, so it can be aligned by touch.

In the visual works field, Bandai Namco Filmworks Inc. takes initiatives such as providing barrier-free voice guides that explain the background to the story and describe the movements and facial expressions of the characters and displaying subtitles so that people with visual or hearing impairments can also enjoy visual content. In these ways, we are working to offer products that can be enjoyed by an even greater number of people.

Provision of Appropriate Products and Services



Ittai Othello



Rubik's Cube Universal Design



New Dimension! Crayon Shinchan the Movie: Battle of Supernatural Powers ~Flying Sushi~ with barrier-free voice guides

Promoting Intellectual Property Rights Infringement Countermeasures and Educational Activities

The Bandai Namco Group is working with rights holder organizations and authorities in various countries to further promote the protection of IPs, including taking action against counterfeit products, thereby strengthening infringement countermeasures and raising awareness of IPs. In this way, the Group is striving to protect the world view of its IPs and ensure the safety and security of its products and services delivered to customers.

As one facet of measures to address counterfeit products, Bandai Spirits Co., Ltd., uses stickers^{*} with special specifications featuring forgery prevention processing. These stickers, which are in principle applied to all TAMASHII NATIONS brand products for mature fan collectors, are used to verify that a product is genuine.

Appropriate Utilization and Protection of Intellectual Property



Special specification sticker applied to TAMASHII NATIONS products

Moreover, Bandai Namco Filmworks Inc., in cooperation with the Manga-Anime Anti-Piracy Committee whose secretariat is the Content Overseas Distribution Association (CODA), participates in the Manga-Anime Guardians Project (MAGP), a project to protect Japan's highly regarded manga and anime throughout the world and to create even more high-quality works. In these ways, we are working across the industry to eradicate piracy.

In June 2023, the International Intellectual Property Protection Forum (IIPPF) hosted an event for Generation Z to raise awareness of IPs. The event was co-sponsored by the World Customs Organization (WCO). The theme of the event, which aimed to educate participants about the reality of counterfeit goods, was "Forefront of the World's Battle against Counterfeits—A Better Society Made Possible with Intellectual Property." At the event, presentations and panel discussions were held to introduce the current situation regarding the growing number of counterfeit goods in online transactions across the globe, efforts by companies combating counterfeit goods, and the dangers of counterfeit goods. IP representatives of Bandai, an IIPPF member, also took to the stage to make a presentation.



Event to raise awareness of IPs among Generation Z

Advancing Initiatives to Cultivate Creators

In the gaming industry, as development projects grow larger in scale and longer in duration, there are fewer opportunities for creators to realize professional growth through game development. To address this issue, Bandai Namco Studios Inc. launched the GYAAR Studio Indie Game Contest, leveraging the internal training systems for young employees that had been previously implemented. This contest offers winners support, such as the



Establishment of Work Environments That Facilitate Mutual Respect



opportunity to borrow development tools and communicate with other professional creators.

In the second round of the contest, there was an increase in the number of titles submitted from not only Japan but also overseas, primarily South Korea and Taiwan. Moving forward, we will continue our efforts to cultivate creators for the next generation with the aim of further revitalizing the future gaming industry.



2nd Contest Grand Prize Winner: BANDIT KNIGHT

Promoting Measures for Disseminating Culture and Information

Harmonious Coexistence
with Communities

By utilizing its IPs, the Bandai Namco Group delivers a vast array of information to fans around the world. To continue to be a corporate group that is appreciated by communities and fans as well as essential to society, the Bandai Namco Group will continue to draw on its IPs to promote various activities moving forward.

Since 2007, Bandai Co., Ltd., has been operating the Omocha no Machi Bandai Museum in Mibu Town, Tochigi Prefecture. The museum, which can be enjoyed by children and adults, features four wings covering the unique themes of Japan, the world, Thomas Edison, and hobbies (*Gundam*). In addition, as part of the effort to provide educational and experiential-based value to children who will lead the future, the Thomas Edison Special Exhibition was opened at the Bandai headquarters in March 2023. Phonographs, incandescent light bulbs, toasters, and other inventions that still work today from the collection of the Edison Museum, which is operated by the Bandai Collection Foundation in Mibu Town, are being exhibited in a booth inspired by a part of Edison's birthplace in the state of Ohio, in the United States, along with information about Edison's life and his quotes.

ChoeiL, an anime song choir project carried out by Bandai Namco Music Live Inc., was launched in June 2022, with the aim of bringing together the beloved tradition of choir and the world of anime songs, a proud IP of Japanese culture. The project seeks to deliver to the world the experience of beautifully produced anime songs, together with fans of all ages, from children to adults. Taking place in two parts, a total of 65 choir groups comprising nearly 380 people participated in the contest. Among the participants were many fans from elementary school choirs and adult choirs, among other groups.



Official website of ChoeiL:
<https://project-choiel.jp/>



Omocha no Machi Bandai Museum



Thomas Edison Special Exhibition



Chorus recording session

Supporting Areas Affected by Disaster

Harmonious Coexistence
with Communities

Bandai Namco Holdings has worked with Save the Children Japan (SCJ), an expert organization in children's support, since 2011 to provide workshops for children from disaster-affected areas in Japan. With the cooperation of SCJ, we also hold seminars for employees to introduce efforts aimed at providing humanitarian assistance, such as food, medical supplies, and shelter, to people affected by the crisis in Ukraine and those who have fled to surrounding countries, as well as to share the latest trends in sustainability. In addition, each year Bandai Namco and shareholders give a total of ¥10 million to SCJ through the use of complimentary shareholder benefits. The donated funds are used for activities implemented by SCJ that support children in Japan as well as for aid to areas affected by disaster.

Furthermore, Bandai Co., Ltd., worked with SCJ to plan and manufacture a Bandai support toy for use in times of disaster. The toy supports children's mental well-being by easing stress and worry during a disaster. This toy was designed so that it provides children with someone to talk to or a friend that gives them comfort during their time in temporary housing. Accordingly, the toy is provided to areas impacted by a disaster together with the Emergency Children's Kit that is distributed as part of disaster relief supplies by SCJ. In FY2024.3, in addition to areas impacted by the Noto Peninsula Earthquake, which occurred in January 2024, donations were made to five other locations, such as Taito Ward, Tokyo, where the Bandai Headquarters is located.



Aid provided in Ukraine



Bandai disaster support toy