Toys and Hobby Unit

MESSAGE

Connecting with Fans Worldwide Through a Diverse Range of Products and Services for All Age

In FY2025.3, the Toys and Hobby Unit achieved record-high net sales and operating profit for the seventh consecutive period. Thanks to our success in promoting the key strategies under the previous Mid-term Plan, mainstay IPs and product categories such as trading card games and model kits have performed well. During the year under review, we rolled out over 500 IPs, resulting in a more diverse lineup. In addition, with the expansion of operations in the key regions of North America and China, we achieved significant growth in our overseas net sales. These accomplishments stem from our efforts to expand worldwide by appropriately localizing the business model we cultivated in Japan, amid the growing popularity of Japanese IPs around the world.

Under the current Mid-term Plan, we will further pursue and enhance the three aforementioned strategies, thereby accelerating our worldwide expansion. Additionally, we have formulated the fourth strategy of "Promote Mirai and creation," which will involve the implementation of sustainability activities. Guided by this strategy, we will utilize plastic alternatives, promote recycled products, and offer value through hands-on craftsmanship experience. In these ways, we will expand the reach of our sustainability activities together with our fans.

For the future, we aim for a 50% overseas sales ratio in the Toys and Hobby Unit. To that end, we must refine and combine the Unit's various strengths, such as its diverse IP lineup, expansive business and product categories, and numerous customer contact points, while adapting to the various changes taking place in

We still have ample room for growth in North America and inland China. Accordingly, we will aim for medium- to long-term expansion in these regions through efforts including broadening business categories such as *Gundam* model kits and trading card games, enhancing our IP portfolio, growing sales channels, and bolstering e-commerce sales. Also, following our worldwide expansion, we will seek to bolster our in-house production capacity and spread out our production regions so as to lessen the impact of laws and regulations as well as tariffs in each country of operation. We will also work to enhance the development of global human resources.

For *Gundam* model kits and trading card games, we will continue to expand production capacity to meet growing demand. Since summer 2025, we have gradually commenced operations at a new factory to ensure a stable production structure for *Gundam* model kits. At this new factory, we will strive to harmonize operations with the surrounding natural environment and engage with local communities, making the factory a symbol of our vision for sustainability activities.

"Connect with Fans," our Mid- to Long-term Vision, entails creating broad and deep connections with people from various perspectives to have even more people enjoy our products and services and to increase the number of allies with whom we work. I firmly believe that by collaborating with our partners to create products and services that inspire in ways we cannot achieve alone, we will not only deepen our connection with fans but also drive further growth of the Toys and Hobby Unit.

Kazuhiro Takenaka

Director (Part-Time)
In Charge of Toys and Hobby Unit
Bandai Namco Holdings Inc.

President and CEO
BANDAI CO., LTD.

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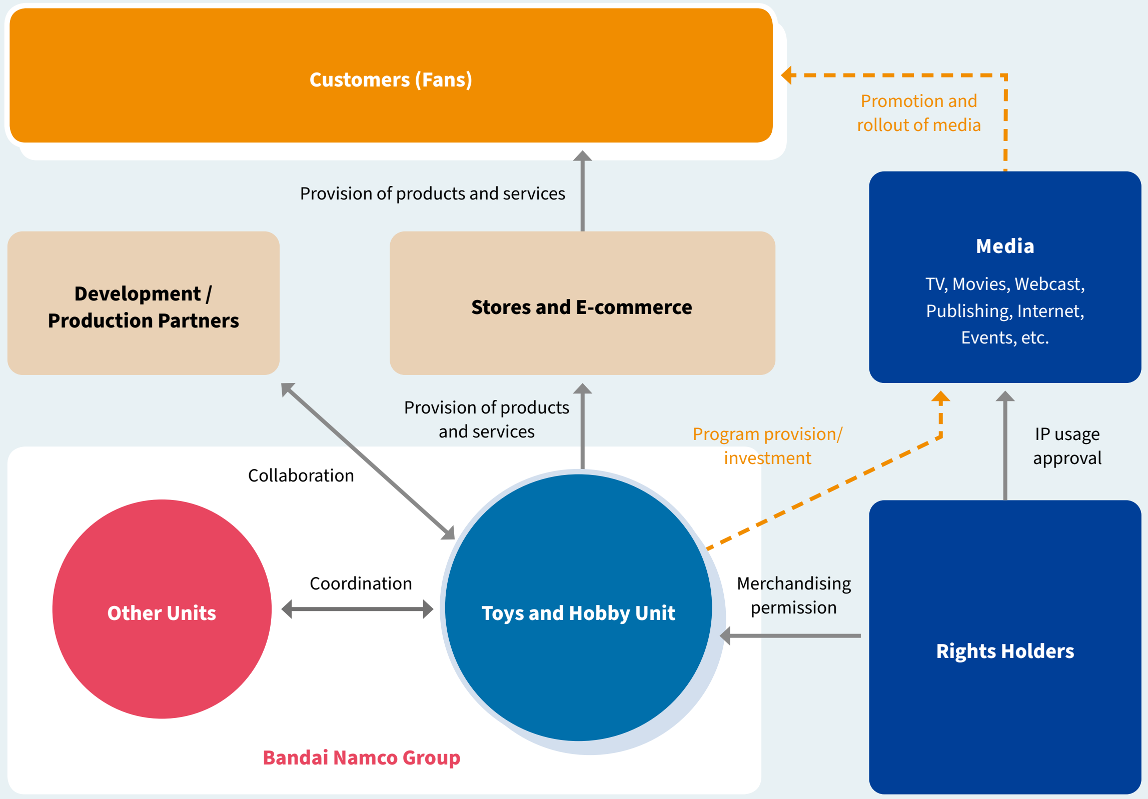
Example of Business Model in the Toys and Hobby Unit (When Another Company's IP Is Used)



MAIN STRATEGIES

- Maximize MD of IP worldwide
- Strengthen operations in North America and China
- Bolster direct marketing activities
- Promote Mirai and creation

FY2026.3 NUMERICAL TARGETS

Segment sales ¥600.0 billion

Segment profit ¥105.0 billion

Results forecasts are as of May 2025.

FY2025.3 RESULTS AND RELATED DATA

Sales of IP Products and Services (Toys and Hobby Business in Japan)

Anpanman ¥10.2 billion	*Gundam* series ¥75.7 billion	*PRETTY CURE!* series ¥7.8 billion
Ultraman series ¥6.7 billion	*Super Sentai* series ¥5.4 billion	*Pokémon* ¥12.2 billion
KAMEN RIDER series ¥22.5 billion	*DRAGON BALL* series ¥29.9 billion	*ONE PIECE* ¥94.2 billion