

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.

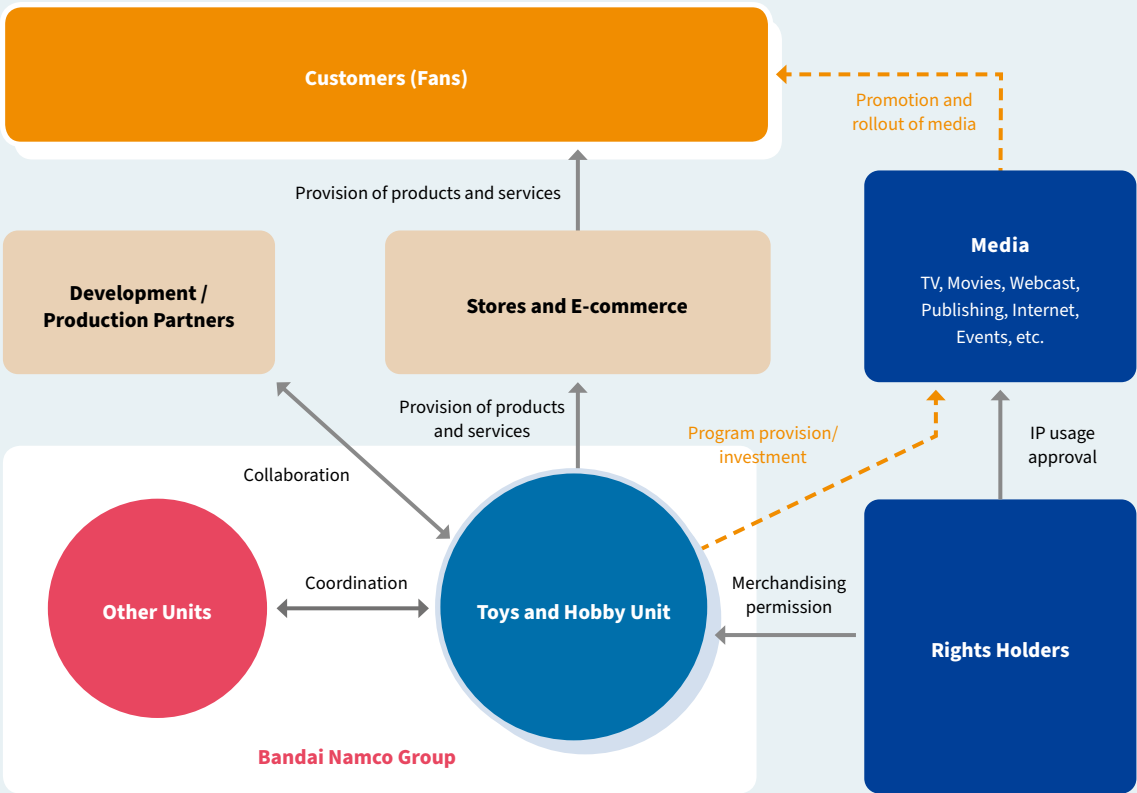
“Connect with Fans,” our Mid- to Long-term Vision, entails creating broad and deep connections with people from various perspectives to have even more people enjoy our products and services and to increase the number of allies with whom we work. I firmly believe that by collaborating with our partners 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.

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

FY2025.3 RESULTS AND RELATED DATA

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

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

Results forecasts are as of May 2025.

Digital Unit

MESSAGE

Strengthening Our Business Foundation and Accelerating Efforts to Realize Sustainable Growth

In FY2025.3, both mainstay and new titles of our network content performed robustly, helping secure a stable revenue foundation. In addition, for home console games, *ELDEN RING SHADOW OF THE ERDTREE*, the large DLC expansion of *ELDEN RING* and the new title *DRAGON BALL Sparking! ZERO* were both tremendous successes worldwide. As a result, our performance recovered significantly compared with FY2024.3, in which we recorded valuation losses on online game, etc.

Although we believe that the global game market will continue to grow moving forward, game development is becoming increasingly larger in scale, which has led to longer development periods. We therefore need to bolster our development structure in order to respond to these kinds of changes in the operating environment. Since FY2025.3, we have been

working to realize an optimized title portfolio and rebuild our development and sales structures, with a view toward further strengthening our business foundation. We position FY2026.3 as an important year in which we will continue to push forward with such efforts to establish a business foundation for sustainable growth.

With regard to realizing an optimized title portfolio, we will clarify the areas where our strengths lie so that we can define our investment priorities and determine our strategic approach moving forward. We will also advance titles currently under development within our new operating structure so as to generate steady results during the period of the current Mid-term Plan. For rebuilding our development structure, we will continue to develop titles in-house and jointly with external partners, deciding prudently based on the characteristics of

the title. To rebuild our sales structure, we will strengthen collaboration between our Japanese and North American operations to enhance our global marketing oversight. By accelerating decision-making and information sharing, we will implement initiatives and strategically allocate resources that align with the specific needs of each region.

Furthermore, we have established a new licensing business division with the aim of strengthening the IP axis strategy, which we are promoting on a Groupwide basis. Drawing on the abundance of IP assets we have in the Digital Business, we will provide a diverse array of entertainment content that goes beyond just games. At the same time, we will strengthen our efforts to out-license our IP to various business partners, aiming to enhance its overall value.

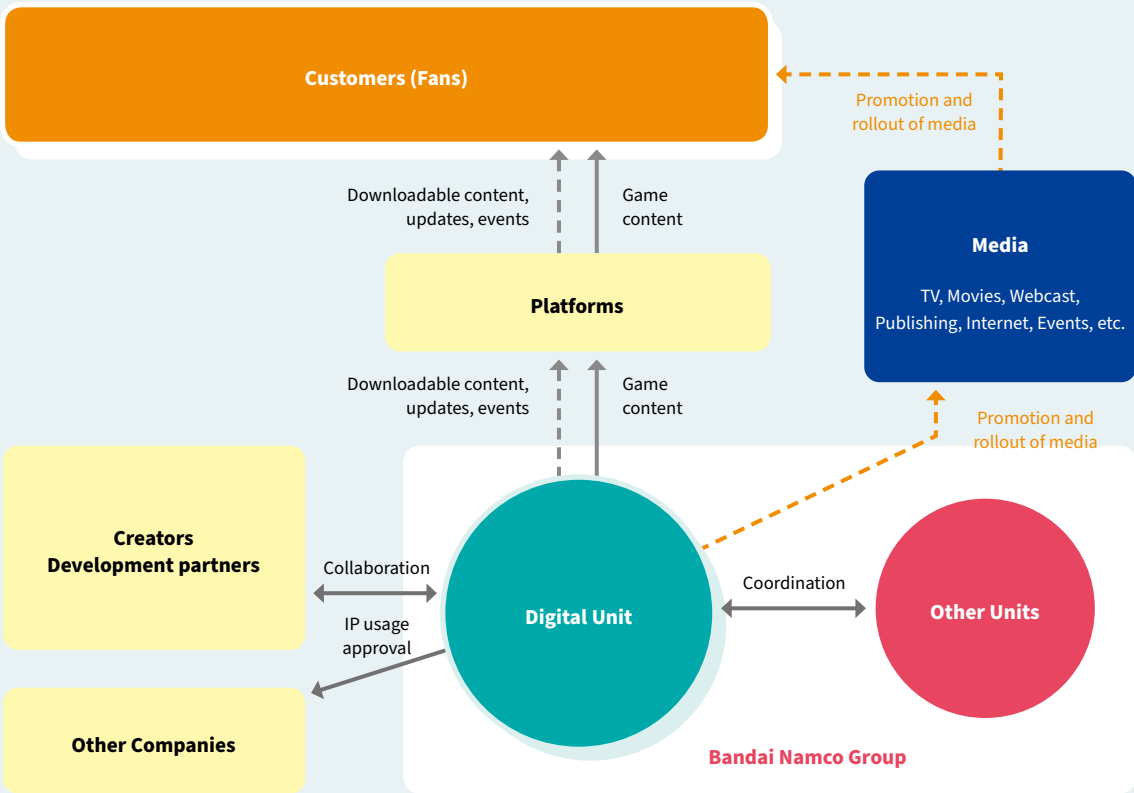
In the Digital Unit, maximizing the value of IPs themselves contributes directly to our business growth and expansion. By combining the strengths of the Bandai Namco Group, we will seek to provide days of endless fun through a diverse lineup of entertainment content, including games, together with our fans and business partners around the world.



Nao Udagawa

Director (Part-Time)
In Charge of Digital Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Entertainment Inc.

Example of Business Model in the Digital Unit (When In-House IP Is Used)



MAIN STRATEGIES

- Promote game portfolio
- Strengthen development capabilities
- Challenge and expand IP axis businesses

FY2026.3 NUMERICAL TARGETS

Segment sales **¥390.0 billion**

Segment profit **¥40.0 billion**

Results forecasts are as of May 2025.

FY2025.3 RESULTS AND RELATED DATA

Sales by Major Category

NETWORK CONTENT

¥195.1 billion

HOME CONSOLE GAMES

¥216.1 billion

Network Content

OVERSEAS SALES RATIO*

45%

* Ratio of network content sales generated overseas

Home Console Games

HOME CONSOLE GAMES

40.76 million units

FULL PACKAGE DOWNLOAD SALES RATIO

65%

Visual and Music Unit

MESSAGE

Creating and Nurturing Quality IPs, the Cornerstone of the Bandai Namco Group, and Delivering Them to the World

In FY2025.3, the animation market expanded based on the increasing worldwide popularity of Japanese IPs. Amid this trend, the box office revenue as well as the global visual content sales and packaged sales for *Mobile Suit Gundam SEED FREEDOM*—the most successful theatrical movie release in the *Gundam* series to date—and *BLUELOCK —EPISODE NAGI—* greatly contributed to the Unit's performance.

Guided by our mission as a Unit to create and nurture IPs, we will seek to stabilize our creation and production capabilities, promote the appeal of our IPs, and in the face of intensifying market competition. By doing so, we will continue taking on the challenge of creating excellent products and putting them to effective use. Furthermore, we will expand our IPs' reach into untapped business domains by out-licensing them and we have committed to the full-fledged

overseas rollout of our IP licensing business. For the *Gundam* series, we will consolidate the Unit's licensing operations to form an organization under which we will further enhance the value of the *Gundam* IP on a global scale.

In addition to the aforementioned IP-related activities, we have positioned our personnel strategy as a key strategy under the current Mid-term Plan. A company is made up of individuals and its works are created by those individuals. Thus, we aim to be a Unit where people can work with excitement and grow both professionally and personally. IP creation, in particular, relies upon the level of dedication and passion employees have for their work, which is true not only for creators but also all employees of the Visual and Music Unit. Thus, we will strive to be a Unit united under the common goal of creating quality IPs. Also, by

partnering with external animation studios and leveraging synergies within the Group, we will build a robust production structure, cultivate skilled creators, and improve workplace conditions to further enhance our internal production capacity.

Regarding the music and live event businesses, to capitalize on the growing demand for live events, we will open our multipurpose venue Shibuya LOVEZ in Shibuya Ward, Tokyo, in 2026. By conveying the appeal of IPs directly at in-person events, we will take advantage of Shibuya LOVEZ as a place for cultivating IPs and artists.

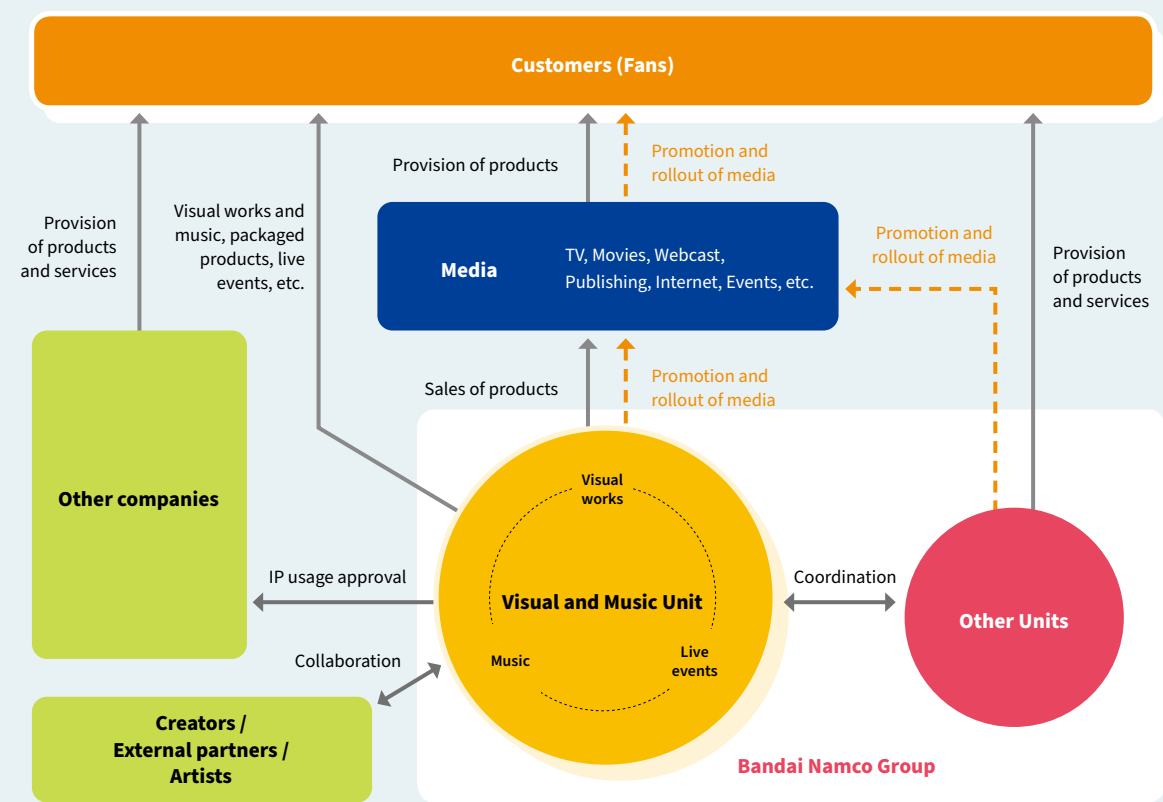
Our pursuit of quality IPs gains us the support of fans and, by extension, greatly contributes to the Group's business expansion. Moving forward, the Visual and Music Unit will continue to connect with fans across the world through the creation of a diverse lineup of IPs. By doing so, we will continue to create quality IPs that offer fans enjoyable and truly moving experiences.



Makoto Asanuma

Director (Part-Time)
In Charge of Visual and Music Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Filmworks Inc.

Example of Business Model in the Visual and Music Unit



MAIN STRATEGIES

- Strengthen IP creation
- Expand licensing business
- Strengthen and expand film business
- Expand business on a global basis
- Strengthen and expand music and live event businesses
- Promote personnel strategy

FY2026.3 NUMERICAL TARGETS

Segment sales ¥90.0 billion
Segment profit ¥10.5 billion

Results forecasts are as of May 2025.

FY2025.3 RESULTS AND RELATED DATA

Visual and Music Business Number of Copyrighted Products (As of March 2025)

NUMBER OF COPYRIGHTED
PRODUCTS / TOTAL NUMBER OF
HOURS

1,174 products /
6,011 hours

NUMBER OF MUSICAL WORKS
Bandai Namco Music Live Inc.

Number of works with master license recordings

Approx. 76,400

Number of works published

Approx. 42,300

Note: From FY2017.3, number of works managed in-house

Number of Live Events Held

NUMBER OF PERFORMANCES*

807

* Number of performances held by Bandai Namco Music Live Inc.

Amusement Unit

MESSAGE

Further Enhancing the Experience-Based Value Delivered via the Bandai Namco Group's Physical Locations

In FY2025.3, facilities such as Bandai Namco Cross Stores, which allow visitors to experience firsthand the Group's IPs, products and services, and the activity-based facilities such as VS PARKs performed solidly. We view such strong performances as an indication that, through our collaborations with Group companies and departments, the IP axis strategy is starting to bear fruit. In particular, Bandai Namco Cross Stores have leveraged their functioning as physical touch points with customers to greatly contribute to increased sales and recognition of the Group's IPs, products, and service brand centered around the Toys and Hobby Business. Regarding amusement machines, stable sales were recorded for both new and mainstay products.

The Amusement Unit is establishing a greater presence for itself through its provision

of physical platforms for the Group's merchandising. Also, activity-based facilities such as VS PARKs and TONDEMIs have grown in recognition as Bandai Namco brands. As we work to leverage Japanese IPs overseas and accelerate the global rollout of the Group's products and services, we will open greater numbers of official Bandai Namco Group stores around the world by offering the Group's IPs, products, and services under the current Mid-term Plan. This expansion will include the opening of Company-operated stores in tandem with franchise stores. As for amusement machines, we will release mainstay titles and support their continued operation.

To advance the aforementioned initiatives, we embarked on restructuring with the aim of enhancing our planning and development capabilities as well as securing and developing

talented personnel to operate the facilities. A new Group company, Bandai Namco Experience Inc., was established as a result of the restructuring. The company is part of a trinity with Bandai Namco Amusement, responsible for facility operations, and Bandai Namco Amusement Lab Inc., which develops amusement machines. As the "experience" in the name suggests, the company strives to deliver an experience-based value unique to the Bandai Namco Group.

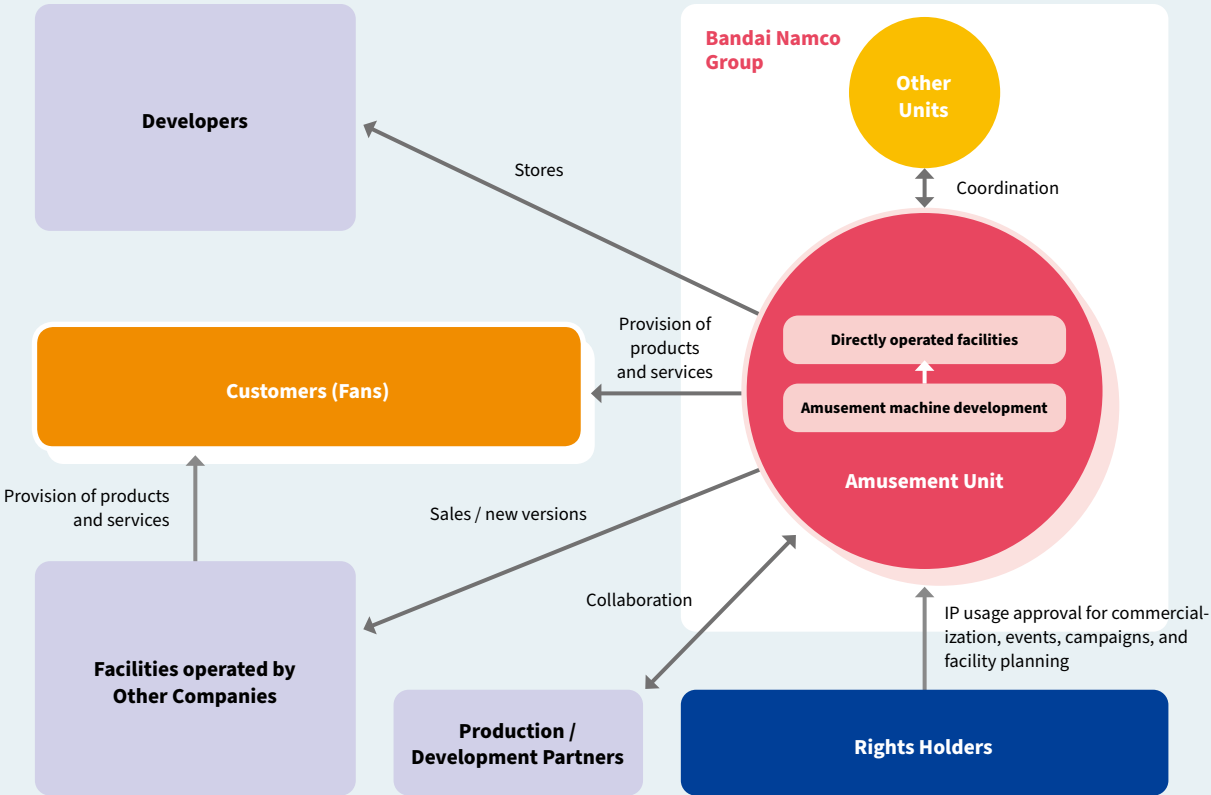
In terms of the IP axis strategy, the Amusement Unit is able to feel and experience the passion of fans through its physical locations. Through our efforts to deepen collaborations with various Group companies, it has become clear that the physical stores of the Amusement Unit play an increasingly important role as physical touch points with customers. Accordingly, we will strengthen planning activities that utilize IPs and bolster efforts to expand experience-based retail stores, thereby enhancing our unique presence. The Unit's distinctiveness is rooted in its business activities, namely, offering places that provide a fun experience and serve as a physical platform for rolling out the Group's products and services. Moving forward, we will refine said distinctiveness as we continue to provide physical locations for direct interactions with fans.



Hiroshi Kawasaki

Director (Part-Time)
In Charge of Amusement Unit
Bandai Namco Holdings Inc.
President and CEO
Bandai Namco Experience Inc.

Example of Business Model in the Amusement Unit



MAIN STRATEGIES

- **TRANSFORM 2.0** - Promote business innovation
- **CONTROL 2.0** - Enhance internal controls
- **UNITE 2.0** - Promote collaborations
- **SUSTAINABILITY** - Build a sustainable business foundation

FY2026.3 NUMERICAL TARGETS

Segment sales **¥150.0 billion**
Segment profit **¥9.5 billion**

Results forecasts are as of May 2025.

FY2025.3 RESULTS AND RELATED DATA

Sales by Major Category

AMUSEMENT MACHINES AMUSEMENT FACILITIES
¥33.6 billion **¥105.0 billion**

Number of Amusement Facilities (Global Total)

DIRECTLY MANAGED FACILITIES REVENUE-SHARING FACILITIES*
236 facilities **814 facilities**
OTHER DIRECTLY MANAGED FACILITIES TOTAL
99 facilities **1,149 facilities**

* Contracted stores under the revenue-sharing facilities: Revenues from the operation of amusement machines are shared.