

PRESIDENT'S MESSAGE

Yuji Asako

President and Representative Director, CEO
Bandai Namco Holdings Inc.



“ Connecting the World with Smiles as We Enter the Next Stage for Growth ”

Achieving Record Highs for Net Sales and All Profit Metrics

In FY2026.3, the first year of the current Mid-term Plan, we pushed forward with a broad range of initiatives aimed at connecting with fans around the world, guided by our IP axis strategy. As a result, we achieved record highs across all profit categories, including net sales of ¥1,348.2 billion and operating profit of ¥189.5 billion. In addition, net sales from the *Gundam* series increased roughly ¥100.0 billion year on year, exceeding ¥250.0 billion for the first time ever.

By segment, all of our businesses performed beyond our initial expectations. The Toys and Hobby Business continued to perform strongly in each category around the world, achieving a record-high performance for the eighth consecutive year. Turning to the Digital Business, we took steps to revise our development processes and achieved strong results with our network content, thereby further reinforcing its stable earnings base. In the Visual and Music Business meanwhile, new titles in the *Gundam* series helped us expand the fan base while contributing to the strong performance of Group products and services. In the Amusement Business, we achieved record-high results for the fourth consecutive year on the back of the strong performance of our proprietary facilities that combine the worldviews of various IPs with our unique planning and operational capabilities.

Through these efforts, we strengthened our financial performance while making steady progress on initiatives that support future growth. I therefore believe that we got off to an extremely solid start in the first year of the current Mid-term Plan.

Implementing Initiatives for the Second Year of the Current Mid-term Plan (April 2025 to March 2028)

We operate a broad range of businesses with varying business cycles. Under the current Mid-term Plan, we have positioned the Toys and Hobby Business, with its short lead times and agility, as a key driver of performance. At the same time, in the Digital Business, we continue to implement initiatives aimed at building a stable earnings base. Furthermore, in the Visual and Music Business, we will strengthen IP creation and music-related initiatives centered on our IP axis strategy. In the Amusement Business, we will expand facilities that leverage Bandai Namco's unique strengths. Through these efforts, we will continue to enhance corporate value.

Next, I will explain the status of our current initiatives and the issues we face going forward.

▶ IP Axis: Realizing Sustainable Growth of the *Gundam* Series

Net sales from the *Gundam* series soared in the first year of the current Mid-term Plan. In the IP Business, while sustained year-on-year growth cannot be assumed, we will continue to create high-quality visual content for the *Gundam* series and expand its fan community. By linking this content with a broad range of products and services, beginning with *Gundam* model kits, we aim to further enhance the value of the *Gundam* IP and drive long-term growth. In recent years, we have been expanding the overseas rollout of *Gundam* visual works, products, and services. By doing so, we believe we have started to establish a foundation on which we can consistently achieve a high performance. Moving forward, we will further enhance the potential of the *Gundam* series with a view toward maximizing the value of the IP in global markets. (● P.48)

▶ Business Axis: Strengthening Initiatives in FY2027.3

Toys and Hobby Business:

In the first year of the current Mid-term Plan, the Toys and Hobby Business recorded sales of over ¥100.0 billion from the *Gundam* series. We expect to achieve sales at a level similar to that of FY2026.3 in FY2027.3 of the plan. To meet growing demand, we are strengthening production capacity through new production facilities (● P.58) and the consolidation of trading card game production facilities. In addition, we will expand our product categories, global presence, and opportunities to engage with fans through a range of initiatives. These include broadening the overseas rollout of events and directly operated stores, further promoting the *Tamagotchi* series as it celebrates its 30th anniversary and continues to grow in popularity as an IP (● P.62), and launching new tabletop games (● P.60). While we have incorporated the impact of rising crude oil prices into our performance forecasts to a certain extent, we will seek to achieve record-high performance for the business as a whole by taking agile measures such as making improvements to product specifications and enhancing production efficiency.

Digital Business:

We will continue to advance efforts aimed at establishing an optimized title portfolio. From a business standpoint, while working to ensure the stable rollout of our mainstay network content titles, we will introduce a diverse range of new titles for home console games, including large-scale titles for global markets and IP-based titles aligned with market trends. We will also offer downloadable content and hold events. We aim to strengthen our earnings base through these initiatives while encouraging fans to engage with our titles over the long term.

PRESIDENT’S MESSAGE

Visual and Music Business:

We are proceeding with the production of multiple visual works for the *Gundam* series (● P.51), including the live-action film *GUNDAM* (working title). Furthermore, we restructured the Visual and Music Unit to further expand the *Gundam* series globally, create and cultivate a diverse portfolio of IPs, and strengthen a music business unique to Bandai Namco in April 2026. In May 2026, we established a strategic partnership with UDO ARTISTS Inc. (● P.28).

Amusement Business:

We have received positive feedback from a broad range of fans regarding facilities drawing on the unique nature of Bandai Namco, such as THE★JOJO WORLD, an official store offering an immersive experience of the world of the *JOJO* IP (● P.70), and Bandai Namco Cross Stores, which bring together the IPs and products in one location (● P.71). These facilities have continued to achieve strong results and have contributed to the robust performance of the Toys and Hobby Business. With regard to human resources, we have been seeing the positive effects of the organizational restructuring we implemented in FY2025.3. Looking ahead, we will continue to promote initiatives aimed at strengthening recruitment and talent development.

► Area Axis: Increasing Our Overseas Sales Ratio

Increasing our overseas sales ratio is extremely important from the perspective of medium- to long-term growth. In addition to the IP x Business approach that we have adopted to date, we believe that by developing our portfolio along the three axes of IP x Business x Area, we will be able to further strengthen our earnings base. As we already have a high overseas sales ratio in the Digital Business, we will need to promote efforts in the Toys and Hobby Business in order to boost it further. In line with our Group-wide strategy, North America and China are designated as key markets for the Toys and Hobby Business (● P.72–73).

In North America, we have been enjoying success with new product categories such as trading card games. In China, the Group’s products have been met with a high level of fan engagement. Under the current Mid-term Plan, we will pursue growth in both regions while also exploring opportunities in new markets from a long-term perspective.

In FY2027.3, the second year of the Mid-term Plan, we will continue to promptly address issues that became apparent in FY2026.3, further reinforce areas that are performing steadily, and respond swiftly to changes in the operating environment. Although performance may fluctuate in the short-term due to changes in our product and service mix, we will steadily increase average operating profit with each Mid-term Plan and further reinforce the foundation for the next stage of growth.

Achieving a Strong Start with Our New Management Structure

One year has passed since we transitioned to the Group’s new management structure. Under this new structure, the internal directors of Bandai Namco Holdings Inc. (excluding Audit & Supervisory Committee members) consist of eight members, comprising four full-time directors, including myself, and four directors overseeing the business Units. I believe that authority should be delegated to personnel responsible for business execution so that they can address business issues in a timely and effective manner. I also believe that the role of the holding company is to allocate management resources, such as personnel, capital, and information, appropriately so that these business personnel can focus fully on their operations. The four directors responsible for the business Units address issues within their respective areas and, when necessary, discuss shared challenges from a Group-wide optimization perspective. This framework represents the Bandai Namco Group’s distinct approach to corporate governance.

Meanwhile, Executive Vice President Nobuhiko Momoi, who heads the CW360 Division, is tasked with preparing the Group for future growth by pursuing new opportunities from a Group-wide optimization perspective. These efforts focus on (1) areas that cut across existing business domains, (2) areas where conventional approaches have proven inadequate, and (3) challenges that require a long-term perspective. In addition, CFO Takashi Tsuji and CIO/CISO/CSO Noriko Fujita are playing a greater role in overseeing matters that formerly fell under my responsibility. In these ways, I believe the new management structure has gotten off to a strong start.

Promoting a Board Culture Focused on Open Communication

The Board of Directors comprises 14 members, including five outside directors (● P.91). Of these five outside directors, three were newly elected at the 21st Ordinary General Meeting of Shareholders.

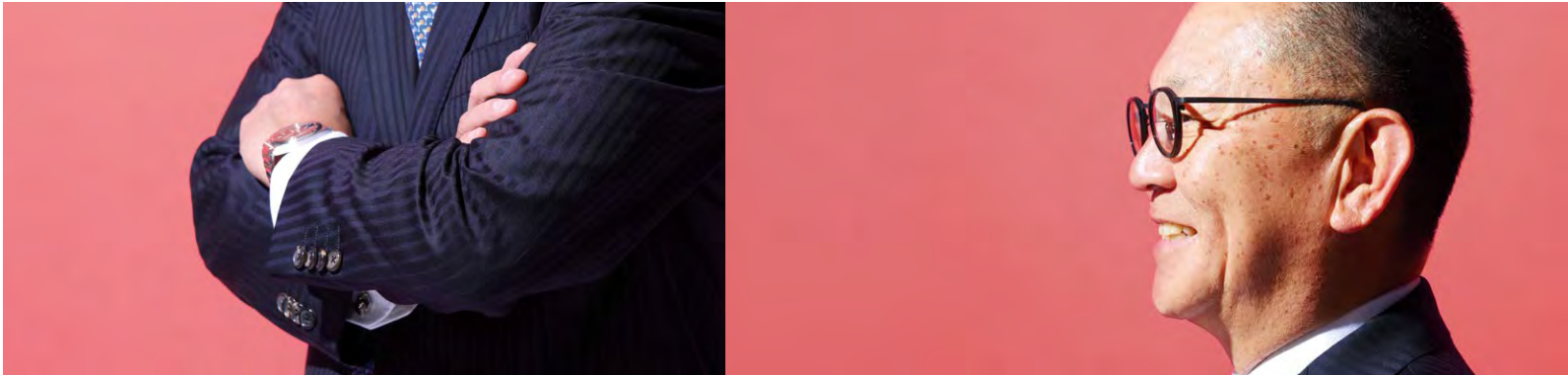
Of the two outside directors who are also Audit & Supervisory Committee members, Takayuki Komiya is a certified public accountant and tax accountant with extensive expertise in accounting and tax affairs. Newly elected Kanako Muraoka is an attorney with expertise in corporate legal affairs. Among the three outside directors who are not Audit & Supervisory Committee members, newly appointed Yuki Ikuno has an abundance of experience working at a foreign-affiliated securities firm and overseas. In a similar manner, newly appointed outside director Mikiharu Noma is an academic expert with extensive knowledge on finance, accounting, and human capital management, while lead independent outside director Toshio Shimada has extensive knowledge of corporate management gained through his many years as senior management of listed companies.

A defining feature of the Company’s Board of Directors is its culture of open communication. In addition to the candid opinions offered by the outside directors, there are many occasions in which internal directors openly question one another. In this way, I believe the Board has a good balance between internal and outside directors and is able to soundly exercise its oversight function.

Creating an Environment That Encourages Employees to Pursue New Challenges

In FY2026.3, we focused on standardizing systems across Group companies in Japan, including revising retirement benefit systems and creating a shared platform for employee benefits. Also, with regard to human resource development, we launched a new Groupwide training program in spring geared toward mid-level employees, an area on which we have needed to focus more. Nevertheless, we still have many issues that we must address. For example, strengthening the development of corporate and global talent remains an important issue.

In addition, with respect to training programs, we need to clearly distinguish between core elements that should be standardized across the Group and elements that should be tailored to the specific needs of individual companies. Employees represent our greatest asset and the driver of our growth. Looking ahead, we will continue to firmly establish environments in which employees can pursue new challenges with confidence.



— Driving sustainable growth through our portfolio centered on the three axes of IP x Business x Area.

Deepening Connections with All of Our Stakeholders

Our Purpose is “Fun for All into the Future,” and our Mid- to Long-term Vision, which sets out the Group’s aspirations under this Purpose, is “Connect with Fans.” The term “Fans” encompasses a variety of stakeholders, including IP fans, business partners, shareholders, employees, and society at large. Looking back on the Group’s progress over the past year, our efforts to deepen the connections with IP fans and business partners have had a positive impact on our performance for FY2026.3. Going forward, we will continue to engage sincerely with IPs, products, and services as we work to expand and deepen our connections with fans across the globe and connect the world with smiles. We also made solid progress in promoting human capital management that strengthens our connection with employees. In addition, examples of our connections with society at large include our exhibition at Expo 2025 Osaka, Kansai, Japan, the sustainability activities we promote through our business, and the opening of a multipurpose live event hall in Shibuya, Tokyo (● P.68) . We have also revised our shareholder return policy with the aim of forming longer-lasting connections. Moving forward, we will continue to manage our business with a strong awareness of capital

costs while steadily improving earnings per share. To strengthen our connection with shareholders, we revised our basic shareholder return policy with the aim of fostering longer-term relationships with our shareholders. Going forward, we will maintain a strong focus on capital costs and steadily improve earnings per share (EPS). By enhancing corporate value in a sustainable manner through these initiatives, we will build win-win relationships with our shareholders and other investors. I would like to ask for your continued support as we take the leap toward the next stage through our portfolio centered on the three axes of IP x Business x Area.

September 2026