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.

“Bringing experiences that resonate across generations into the daily lives of fans around the world”

Record-High Performance Marks a Strong Start to the New Mid-term Plan

In FY2026.3, the Toys and Hobby Unit achieved a record-high performance for the eighth consecutive year. I view this as a very solid start in the first year under the new Mid-term Plan. We performed well in all categories, including *Gundam* model kits, *Ichibankuji*, GASHAPON capsule toys, confectioneries, and stationery. With regard to IPs, the *Gundam* series saw tremendous growth across a wide range of businesses, driven by efforts coordinated with the release of visual works. For toys, we saw encouraging signs that our established IPs are reaching new fan demographics, such as the growing global popularity of *Tamagotchi Paradise*.

The cornerstone of this strong performance has been the growing global appeal of Japanese IPs. Equally important has been our ability to capitalize on that demand through a business model that leverages our longstanding expertise in planning and development to rapidly bring IP-driven products and services to market. Going forward, to avoid excessive dependence on any single product category, we will continue to build a stronger portfolio by diversifying our products, areas of operation, and fan touchpoints. Also, to respond to rising raw material and logistics costs, we will closely monitor trends while continuing efforts to maintain and heighten profitability through improvements in terms of product specifications and production efficiency.

Further Strengthening Global Rollouts, Supply Structure, and Business Portfolio

Concerning global rollouts, products such as *Gundam* model kits, the *ONE PIECE* and *Gundam* trading card games, and *Tamagotchi Paradise* have been performing strongly in North America. Such products have also met with success in inland China, where we are steadily rolling out products tailored to fans in the region, including the commercialization of local IPs. Looking ahead, we will continue to introduce the business models we have refined in Japan on a global scale. At the same time, we will advance localization efforts tailored to the preferences and logistics situations in each region, hold events centered on IPs, and expand our sales networks. In these ways, we will further increase the number of touchpoints we have with fans around the world.

In addition, we will continue to strengthen our supply structure to respond to growing global demand. For *Gundam* model kits, we expect total production capacity to increase by approximately 35% compared with FY2024.3 following the commencement of full-scale operations at our new factory. (P58) At the same time, we are expanding production capacity for trading card games while accelerating the rollout of multilingual titles and strengthening our overseas marketing efforts. Ensuring that the right products reach the right customers at the right time is essential to protecting and enhancing the value of IPs.

Equally essential is the fundamental evolution of the touchpoints between our products and fans. One such touchpoint is Premium Bandai—which boasts a global membership base of over eight million—in addition to other e-commerce platforms and physical stores, such as brand shops, through which we are able to directly serve customers. These channels provide us with the ability to assess customer preferences and purchasing behavior through direct marketing. Connecting our online and physical channels will enable us to provide more personalized product recommendations, encourage repeat purchases, and build stronger relationships with fans.

Connecting Children's Dreams to Future Generations and the World

At the heart of the Toys and Hobby Unit is a commitment to bringing dreams to children. Precisely because our products for the mature fan base are performing so well, we remain fully committed to IPs, products, and services for children. One of our greatest strengths is our ability to develop a wide range of products, including *Ultraman*, *KAMEN RIDER*, and *PRETTY CURE*, which are well known among parents as well as children. The characters and toys people encounter in childhood often leave lasting impressions that stay with them into adulthood and are passed on to the next generation. Creating products and services that foster these enduring connections across generations is one of Bandai Namco's most important responsibilities. *Tamagotchi*, which is now celebrating its 30th anniversary, perfectly embodies this concept. We have grown the *Tamagotchi* IP over many years, and it is once again seeing a surge in global popularity through toys, digital products, retail experiences, and licensing activities. We remain committed to further developing *Tamagotchi* into an IP that will be cherished for generations to come while serving as a key earnings pillar for the Group.

The Toys and Hobby Unit is not merely a business that creates and sells products. Rather, we aspire to create meaningful experiences by deepening connections between IPs and fans and creating memories that last a lifetime. We believe those experiences can resonate across generations, and our mission as the Toys and Hobby Unit is to ensure that fans around the world can experience that value in their daily lives and pass that joy on to the next generation.

DIGITAL UNIT

Nao Udagawa

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

Building a Robust Business Foundation and Creating Titles That Exceed Fan Expectations

Achievements in the First Year of the Mid-term Plan

In FY2026.3, the Digital Unit's performance was impacted by differences in the title lineup compared with the previous fiscal year, in which we enjoyed major success with numerous titles. However, we began to see tangible results from our efforts to bolster our development structure, with many new titles performing above our expectations. Most notably, the new network content title *SD Gundam G Generation ETERNAL* made a significant contribution to performance, supported by timely cross-promotional initiatives across visual works, products, and services in the *Gundam* series. We therefore believe that the Digital Unit made a meaningful contribution to enhancing the value of the *Gundam* IP.

In addition, the Licensing Business Division has been achieving steady performance since its establishment in April 2025 to expand the Digital Unit's IP assets across a broad range of entertainment domains. By establishing a single point of contact, the Licensing Business Division has facilitated smoother collaboration with partner companies and local governments while also accelerating decision-making. In terms of specific results, we have built a foundation for turning game IPs into additional revenue streams, as demonstrated by the excitement generated for the 45th anniversary of *PAC-MAN*. We also made progress on the live-action film adaptation of the home console title *ELDEN RING*, which is targeted for a global theatrical release in 2028. Looking ahead, we view the integration of games and visual content as an increasingly important strategic area.

Optimizing Our Game Portfolio and Development Capabilities to Deliver Consistent Hits

Gaming is an inherently creative domain. Yet consistently delivering high-quality titles requires more than the passion and creativity of developers. It also depends on a strong business foundation, including a balanced portfolio and robust development capabilities. For this reason, it is essential that we clearly define our areas of focus, identify the game genres best suited to each IP, allocate investment strategically, and create a structure that enables us to maximize creativity. Also, it is important to mention that we are not focused only on single-year successes. Instead, we strive to build an optimized game portfolio balancing titles that have long development periods with titles that can be rolled out in a short time frame to capture timely trends and peak IP relevance, enabling both stability and growth. Through this approach, we will continue to deliver titles that fans are eager to play and glad to have purchased.

To strengthen our development capabilities, we reorganized our structure to enable division heads to take a Groupwide view when making decisions on title prioritization and resource allocation. As a result, collaboration across IPs and business divisions has progressed steadily, enabling us to build a development structure that maximizes value not only for individual titles but for the organization as a whole. To further advance development from a cross-organizational perspective, we are working to achieve the optimal balance between in-house development, which leverages the Digital Unit's expertise, and collaboration with external partners, taking into account the characteristics of each IP. By promoting the exchange of knowledge between internal teams and external partners, we continue to strengthen our overall development capabilities.

Furthermore, the introduction of our in-house game engine SOL-AVES is improving development efficiency while enabling us to create games that more fully reflect the unique worldviews and gameplay styles of each IP and accumulate valuable development expertise. Building on these capabilities, we believe that expanding collaboration with a diverse range of partners will bring fresh ideas and lead to the creation of innovative new titles.

Moreover, we must not only improve development efficiency but also expand IP globally through our game titles and deliver a wide range of entertainment experiences by leveraging the Group's resources to the greatest extent possible. To that end, deepening our connections with fans is our utmost priority. In addition to promoting engagement through social media and other platforms, we place great importance on strengthening and expanding fan touchpoints through live events. By bringing people together and creating shared experiences, live events foster deeper connections with IPs. They also enable video game IPs to extend beyond the boundaries of gaming, opening up new opportunities for fan engagement, broadening the worlds of our titles, and creating additional value.

Extending Our Goal Beyond Our Own Growth to Raising the Global Profile of the Industry as a Whole

Game development requires massive investment, and to be able to invest in development on a continuous basis requires a strong financial foundation. For this reason, we are focused on building a solid foundation primarily by growing sales of our network content, which operates in a very stable manner, and our existing home console titles. Built on this foundation, we aim to create hit titles that exceed fan expectations and generate further growth across the Group. Furthermore, our ambitions extend beyond the Group itself. Through partnerships with external companies, we are committed to expanding the global presence of the entertainment industry as a whole. Taking the lead in this endeavor is both the challenge we embrace and the mission of the Digital Unit.

VISUAL AND MUSIC UNIT

Makoto Asanuma

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

Creating Timeless Value and Contributing to the Global Expansion of the Group

Year Two of the Mid-term Plan and the Unit Reorganization

For the Visual and Music Unit in FY2026.3, the popularity of *Mobile Suit Gundam GQuuuuuuX* helped expand the *Gundam* series' fan base and drive the success of the Group's products and services, contributing significantly to our performance.

In FY2027.3, the second year of the Mid-term Plan, we will leverage both newly created IPs from our visual business and our extensive portfolio of mainstay IPs to expand our licensing business globally. At the same time, in our music and live event businesses, we will advance initiatives that are truly unique to Bandai Namco.

We restructured the Unit in April 2026 to advance these strategic initiatives. This restructuring aims to accelerate and improve decision-making by bringing *Gundam*-related and IP production functions together under Bandai Namco Filmworks Inc. and centralizing music asset functions within Bandai Namco Music Frontier Inc.

Meanwhile, to support the expansion of our overseas business, our North American subsidiary, Bandai Namco Filmworks America, Inc. (BNFA), has launched full-scale branding activities for the *Gundam* series. Going forward, BNFA will also take the lead in locally driven initiatives to expand other IPs.

Strengthening Our Film and Licensing Businesses in the Visual Business

As part of our efforts to strengthen the film business, we released 25 theatrical titles in FY2026.3. The release of this many titles in one year was made possible by our unique production framework, which leverages both the capabilities of our own studios and partnerships with external studios. This framework not only enables us to maintain a strong number of releases but also facilitates a broad range of creative initiatives, including both film adaptations of existing source material and original in-house productions. It is imperative that the visual business creates both successful TV animations and theatrical films. We therefore will seek to maximize the value of IPs by generating synergies between these two types of media.

To strengthen the licensing business, we are undertaking efforts to fundamentally reinforce our operating structure. In addition to this structure, the library of IPs we have built over the years is the true source of our value, and the key to the success of the licensing business lies in how effectively we expand and leverage this library. With 2027 marking the 50th anniversary of SUNRISE Studio's first visual work, we will promote efforts under the SUNRISE 50th Anniversary Project to express our gratitude to the fans who have supported our works throughout the years. At the same time, we will roll out a range of commemorative initiatives that will span through 2028. We will also pursue more ambitious initiatives aimed at enhancing the experience of existing fans while attracting new audiences.

Overseas, we will step up our initiatives in North America, which we view as the market with the greatest potential. Production of the live-action Hollywood film *GUNDAM* (working title) is progressing steadily. We are executing ongoing investment in the film, with BNFA serving as our operational base. We are also preparing strategies for the optimal release of the film, including the rollout of Group products and services in conjunction with its release.

Creating Value That Is Uniquely Bandai Namco in the Music and Live Event Businesses

In the music business, tie-ins with visual works such as TV animations with strong promotional reach are essential for producing hit songs. Creating such visual works internally is a tremendous competitive advantage for the Group.

As demonstrated by the *Love Live!* series, which attracts large audiences to live events, fans are increasingly seeking opportunities to connect in the real world. In response to this trend, Bandai Namco Music Live Inc., which organizes more than 800 live events annually, will make effective use of its newly opened venue, Shibuya LOVEZ. In addition, through our strategic partnership with UDO ARTISTS, Inc. we will combine the strengths of both companies to create new value and deliver more attractive live experiences to fans.

Fulfilling Our Role in Creating Timeless Value

The Visual and Music Unit occupies a distinct position within the Group's businesses. This is because it supports the Group's IP axis strategy at a fundamental level and plays a key role in creating timeless, universal value that will remain relevant 50 or even 100 years in the future.

As part of the globally acclaimed Japanese anime industry, our focus is simple: to create compelling works. Compelling works can take many different forms, from works that simply entertain and make people laugh to works that encourage deeper thought. Such works are what ultimately lead to universal value. We aim to build a brighter future together with people who believe in the Group's Purpose and are motivated to take on the challenge of creating universal value.

AMUSEMENT UNIT

Hiroshi Kawasaki

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

“Serving as one of the Bandai Namco Group’s Physical Touchpoints with Fans, We will Continue to Expand Our One-of-a-Kind Experiential Value”

Strengthening Our Position as a Leading Real-World Platform

In FY2026.3, the Amusement Unit continued to perform solidly, with sales from existing amusement facilities in Japan increasing 7% year on year. Said rise in sales offset the impact from differences in the title lineup of amusement machines compared with the previous fiscal year. Accordingly, the Unit was able to achieve a record-high performance for the fourth consecutive year. Particularly significant was the progress we made in transforming our businesses into physical touchpoints for IP, products, and service brands, as this progress helped reinforce the Amusement Unit’s presence as a real-world platform for the Group.

Pursuing Organizational Reforms to Evolve Our Structure for Creating and Developing Physical Spaces

The organizational restructuring implemented in April 2025 was not aimed at generating short-term gains. Rather, its objective was to advance customer-focused initiatives that support long-term growth. Under the new structure, Bandai Namco Experience Inc. is responsible for creating new businesses, Bandai Namco Amusement Inc. specializes in facility operations, and Bandai Namco Amusement Lab Inc. is charged with overseeing amusement machine development. In this way, the new structure clearly defines the role of each company. This structure is enabling us to adopt a more customer-centric approach across amusement facilities, IP-based experiential retail facilities, original activity venues, and facility and equipment development. By leveraging the combined strengths of the three companies, we aim to create new experiences as a unified organization.

Our organizational reforms also carry great significance in terms of our personnel strategy. It is now much clearer for frontline employees what their responsibilities are and how they can advance their careers. We have also established distinct recruitment tracks from the hiring stage. At Bandai Namco Amusement, for example, we have strengthened both mid-career and local hiring, while promoting a policy of no employee relocations for locally hired personnel. By strengthening frontline operational capabilities while creating an environment that supports long-term employee growth, we believe we can build sustainable competitiveness for the future. Through these efforts, we have established a structure that promotes more customer-focused decision-making while maintaining strong coordination and information sharing across the organization.

Meanwhile, a key priority for us is ensuring that the expertise accumulated by experienced engineers and technicians involved in amusement machine development is passed on to the next generation. We therefore recognize the importance of continuously strengthening our talent pipeline for both facility operations and amusement machine development.

From Providing Physical Venues to Creating New Forms of Value

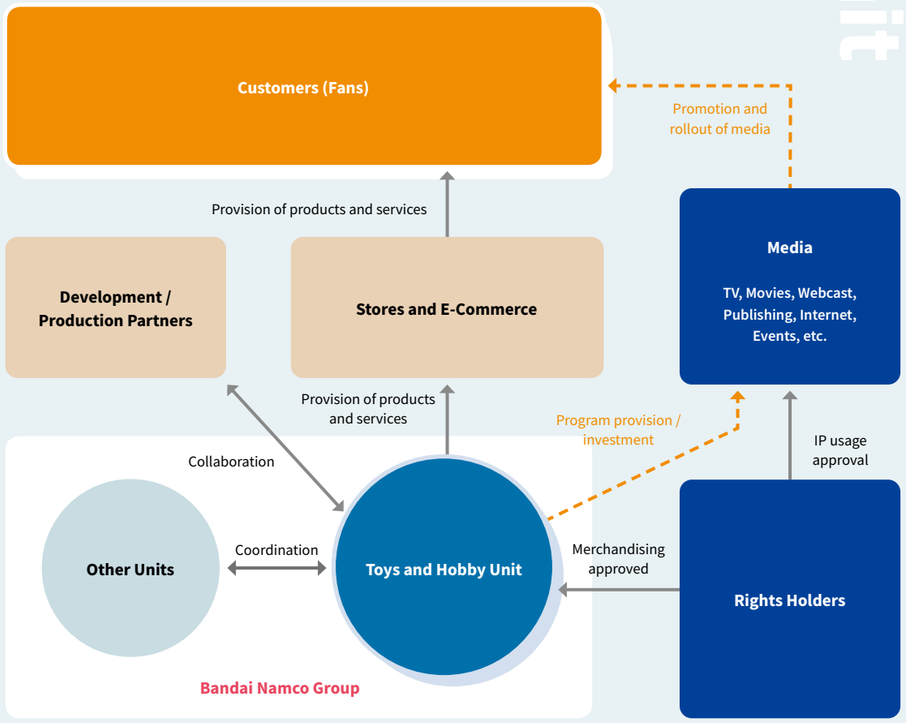
Looking ahead, we will accelerate our overseas expansion. As Japanese IPs continue to expand their presence globally, the value of physical touchpoints extends well beyond Japan. In the United Kingdom, we have already made significant progress in developing physical venues that serve as touchpoints between customers and the IPs, Bandai Namco products, and services. In North America, the success we have achieved to date has paved the way for the next phase of expansion. Meanwhile, market characteristics vary significantly by region, making it essential to pursue business expansion prudently and flexibly, including through partnerships with local companies and franchise models. For this reason, rather than simply increasing our number of facilities, we must thoroughly consider how best to deliver new value that is uniquely Bandai Namco.

We do not view the Amusement Unit as simply a facility operator. Instead, our goal is to create and nurture physical venues that bring together the IPs, Bandai Namco Group’s products, and services so that fans can experience them firsthand. Initiatives such as Bandai Namco Cross Stores demonstrate the growing impact of the IP axis strategy we have been advancing in collaboration with other Group companies. Also, IP-based experiential retail stores such as THE★JOJO WORLD are creating value not simply as places that sell products but as venues where visitors can immerse themselves in the world of IPs. Together, these initiatives are helping us evolve beyond providing physical venues to creating new forms of value for fans. Building on this momentum, we will further evolve into a trusted provider of venues and experiences that serves as a vital anchor for the entire Group.

Guided by our vision of “Boost Unique Fun,” we strive to deepen connections with fans while enhancing the unique value of physical touchpoints and reinforcing our distinctive role within the Group.

Toys and Hobby Unit

Business Model of 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

FY2027.3 NUMERICAL TARGETS

Segment sales	¥690.0 billion
Segment profit	¥127.0 billion

Note: Results forecasts are as of May 2026.

FY2026.3 RESULTS AND RELATED DATA

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

Anpanman
¥10.5 billion

Gundam series
¥106.3 billion

PRETTY CURE! series
¥9.2 billion

Ultraman series
¥5.5 billion

Super Sentai series
PROJECT R.E.D.
¥6.0 billion

Pokémon
¥13.3 billion

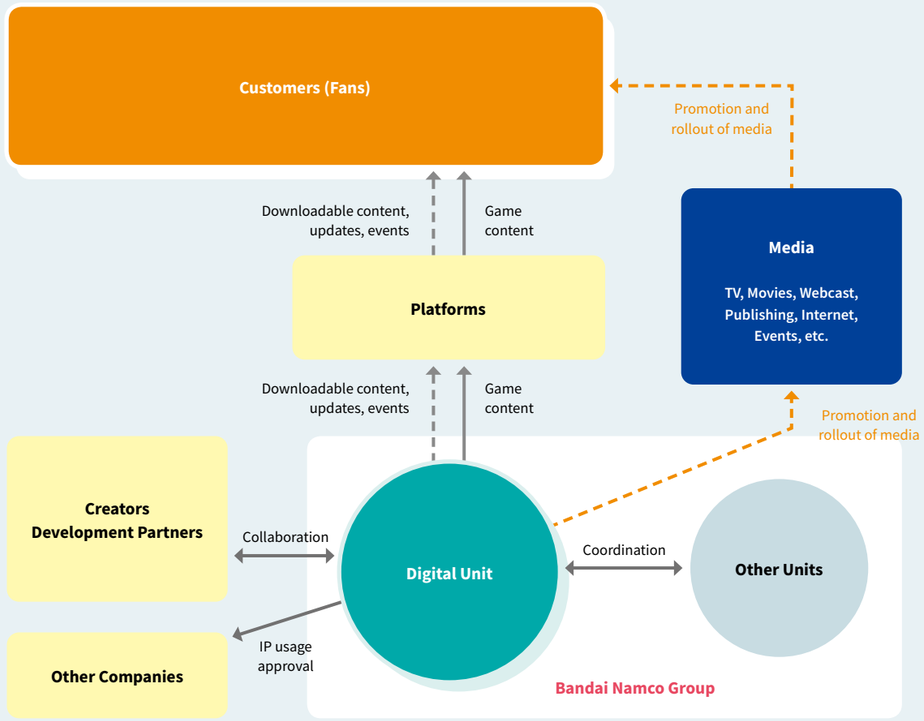
KAMEN RIDER series
¥22.1 billion

DRAGON BALL series
¥29.4 billion

ONE PIECE
¥95.1 billion

Digital Unit

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



MAIN STRATEGIES

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

FY2027.3 NUMERICAL TARGETS

Segment sales	¥460.0 billion
Segment profit	¥51.0 billion

Note: Results forecasts are as of May 2026.

FY2026.3 RESULTS AND RELATED DATA

Sales by Major Category

NETWORK CONTENT
¥228.5 billion

HOME CONSOLE GAMES
¥199.1 billion

Network Content

OVERSEAS SALES RATIO*
42%

* Ratio of network content sales generated overseas

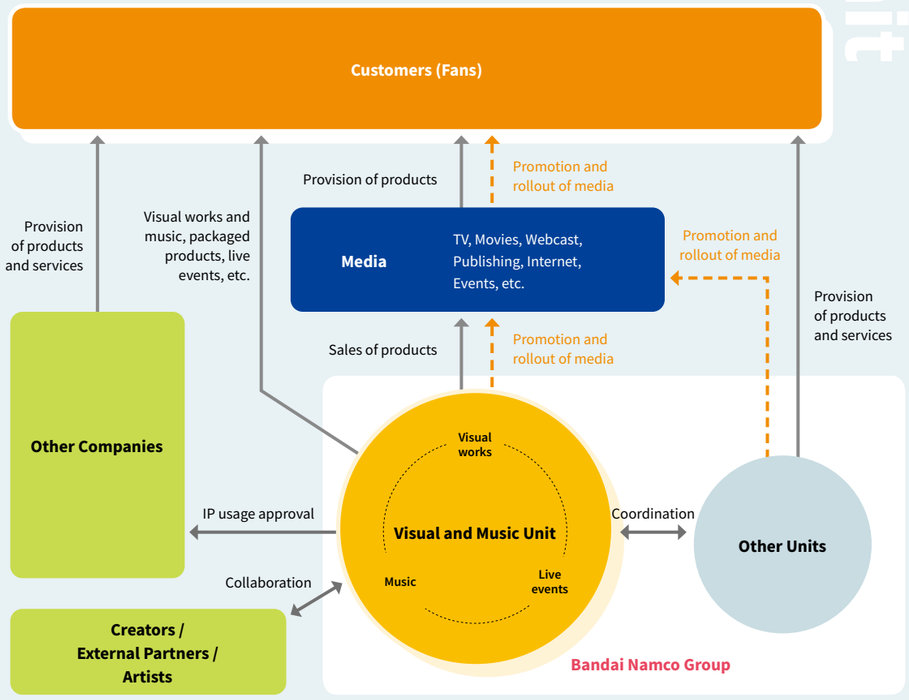
Home Console Games

TOTAL UNIT SALES
45.87 million units

FULL PACKAGE DOWNLOAD SALES RATIO
57%

Business Model of the Visual and Music Unit

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

FY2027.3 NUMERICAL TARGETS

Segment sales	¥95.0 billion
Segment profit	¥12.0 billion

Note: Results forecasts are as of May 2026.

FY2026.3 RESULTS AND RELATED DATA

Visual and Music Business Number of Copyrighted Products (As of March 2026)

NUMBER OF COPYRIGHTED PRODUCTS / TOTAL NUMBER OF HOURS

1,213 products / **6,146** hours

NUMBER OF MUSICAL WORKS
Bandai Namco Music Live Inc.

Number of works with master license recordings
Approx. **80,100**

Number of works published
Approx. **46,100**

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

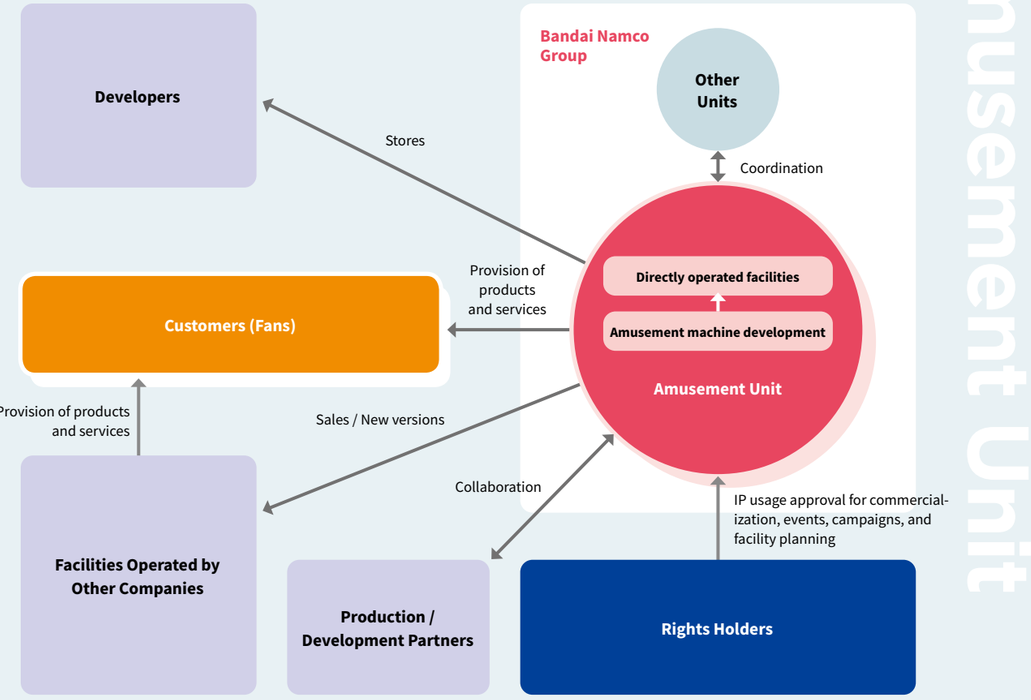
Number of Live Events Held

NUMBER OF PERFORMANCES*
854

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

Business Model of the Amusement Unit

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

FY2027.3 NUMERICAL TARGETS

Segment sales	¥155.0 billion
Segment profit	¥10.0 billion

Note: Results forecasts are as of May 2026.

FY2026.3 RESULTS AND RELATED DATA

Sales by Major Category

AMUSEMENT MACHINES
¥**27.9** billion

AMUSEMENT FACILITIES
¥**121.9** billion

Number of Amusement Facilities (Global Total)

DIRECTLY MANAGED FACILITIES
234 facilities

REVENUE-SHARING FACILITIES*
907 facilities

OTHER DIRECTLY MANAGED FACILITIES
109 facilities

TOTAL
1,250 facilities

* Contracted facilities for amusement game operations under a revenue-sharing agreement