

DECARBONIZATION INITIATIVES

The Bandai Namco Group believes that measures to address climate change are necessary for the realization of a sustainable society and for business continuity. Accordingly, in April 2021 we formulated the Bandai Namco Group Sustainability Policy and established medium- to long-term targets for the transition to a decarbonized society. In addition, we have commenced the disclosure of information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and announced our endorsement of these recommendations in September 2023. We also participate in the TCFD Consortium as part of our efforts to collect the latest information on climate change.

Moving forward, we will continue to conduct analyses of the impact of climate change on our business operations as well as of relevant risks and opportunities based on various scenarios. We will also advance measures to strengthen our response to such risks and opportunities and achieve decarbonization.

Governance

Recognizing the importance of social sustainability for its business activities, the Bandai Namco Group has established the Group Sustainability Committee, chaired by the President and Representative Director, to determine and implement sustainability-related activities more quickly. The committee meets semi-annually (twice a year) to discuss measures to respond to climate change as one of the Group's most important agenda items. After considering

each measure, it is implemented at Group companies. The results of the committee's activities are regularly reported to the Board of Directors, which deliberates the results and provides supervision accordingly. In addition, the Group Sustainability Subcommittee, which is a subordinate organization under the Group Sustainability Committee, is working to promote activities in line with the Bandai Namco Group Sustainability Policy and the Group's material issues.

Strategy

The Bandai Namco Group conducted a scenario analysis to assess the impact of climate change-related risks and opportunities.

Scenario Analysis Method

To clarify the impact of climate change on the Group's business operations, we conducted a scenario analysis for 2030 based on the scenarios on the right:

	1.5°C scenario	4°C scenario
Transition risks	IEA Net Zero Emission by 2050 (NZE), IEA Announced Pledges Scenario (APS), IEA Sustainable Development Scenario (SDS)	IEA Stated Policies Scenario (STEPS)
Physical risks	IPCC RCP 2.6	IPCC RCP 8.5

Note: In the absence of information on the 1.5°C scenario, a reference scenario classified under the 2°C scenario is used.

Transition Plan

Transition Risks and Opportunities

Risks and opportunities	Items		Anticipated scenario	Time frame*1	Level of importance*2
	Category	Subcategory			
Transition Risks	Government / regulations	Introduction of carbon pricing	• Increase in operating costs resulting from the introduction of carbon pricing (carbon taxes and emissions trading schemes), including taxes based on GHG emissions and obligations to purchase credits	Mid to Long Term	Medium
		Regulations on the use of fossil fuels	• Increased costs for reducing fossil fuel use in company vehicles and logistics providers' transportation operations in line with stricter regulations on fossil fuel use	Mid to Long Term	Low
		Regulations on plastics and resource recycling	• Increased toy manufacturing costs due to stricter plastic regulations requiring the use of lower-impact materials such as bioplastics and recycled plastics • Incurrence of compliance costs in manufacturing and disposal as stricter recycling regulations make plastics and metals in toys and game consoles subject to restrictions	Mid to Long Term	High
		Renewable energy and energy conservation policies	• Increase in demand for renewable energy and soaring electricity costs due to the expansion of renewable energy policies • Growing necessity for technological investment to adhere to energy conservation regulations	Short to Long Term	Medium
		Obligation of information disclosure	• Incurrence of costs associated with disclosing information such as carbon footprints due to mandatory disclosure requirements	Mid to Long Term	Low
	Markets	Fluctuations in raw material costs	• Increase in manufacturing costs due to the soaring prices of plastics and metals used in toys, arcade machines, etc.	Mid to Long Term	High

Opportunities	Markets	Changes in customer behavior	• Acquisition of new customers through digital content and toys (environmental education) created based on the theme of the environment, resulting from the growing importance of environmental awareness among customers	Short to Long Term	Low
	Reputation	Changes in investor evaluations	• Improvement in the Company's evaluation as a result of being perceived by investors to be sufficiently aware of the environment, leading to increased share prices and new opportunities for fundraising	Mid to Long Term	High

Physical Risks and Opportunities

Risks and opportunities	Items		Anticipated scenario	Time frame* ¹	Level of importance* ²
	Category	Subcategory			
Physical Risks	Acute	Intensification of abnormal weather (typhoons, heavy rains, landslides, storm surges, etc.)	We anticipate the following issues to occur due to an increase in wind and flood damage resulting from the intensification of abnormal weather: • Increase in disaster prevention/repair costs at Group business sites • Difficulties in procuring raw materials and selling products, resulting in business interruptions • Sales decline in the live events and store operations businesses due to a lower desire to go outside among people • Occurrence of physical injuries to employees • Increase in insurance costs	Short to Long Term	Medium
		Droughts	• Delays in the manufacture of toys and arcade game machines due to a decline in semiconductor manufacturing volumes • Delays in the delivery of company vehicles	Short to Long Term	Low
	Chronic	Rise in the average temperature	We anticipate the following issues to occur due to summer heatwaves caused by a rise in the average temperature: • Sales decline in the live events and store operations businesses due to a lower desire to go outside among people • Increase in air-conditioning costs and other operational costs • Occurrence of health issues among employees	Short to Long Term	Medium
		Changes in rainfall and weather patterns	• Decline in sales of outdoor services in the event of an increase in rainy days brought about by changing weather patterns, such as the timing of rainy seasons	Short to Long Term	Low
		Impact on raw material cultivation due to a rise in the average temperature	• Higher procurement costs due to an anticipated surge in prices in the event that there are shortages in wheat flour and other raw materials used in candy toys	Mid to Long Term	Medium
		Rising sea levels	• Incurrence of restoration costs due to flooding at business sites, such as amusement facilities and logistics bases, located in coastal areas, caused by rising sea levels	Mid to Long Term	Low
		Increase in infectious diseases	• Decrease in visitors to live events and amusement facilities as an increase in infectious diseases reduces opportunities for people to go out	Mid to Long Term	Medium
	Opportunities	Chronic	Rise in the average temperature	• Increased demand for digital content at home due to reduced opportunities to go outside as average temperatures rise	Short to Long Term
Changes in rainfall and weather patterns			• Increased sales of indoor services when rainy days increase due to changes in weather patterns such as the rainy season	Short to Long Term	Medium
Increase in infectious diseases			• Increased sales of entertainment content at home as an increase in infectious diseases reduces opportunities to go out	Mid to Long Term	High

*1: Short term: 0–1 year; Medium term: Up to 5 years (around 2030); Long term: Beyond medium term
*2: High: Financial impact of ¥5 billion or more, Medium: Financial impact of ¥100 million or more but less than ¥5 billion, Low: Financial impact of ¥100 million or less
Note: On Bandai Namco Holdings' official Sustainability website, we also disclose the relevance of risks and opportunities for each business, as well as details of our transition plans.



[Sustainability website]

Risk Management

The Bandai Namco Group discusses risks and opportunities related to sustainability at meetings of the Group Sustainability Committee, through which it identifies the material issues that the Group should address and promotes sustainability activities on a Groupwide basis. In identifying and assessing climate-related issues within its businesses, the Group conducts scenario analyses to evaluate potential future financial impacts. For this evaluation, the Group estimates the impact of each risk and opportunity at both the Groupwide and business Unit levels, using future projections published by external organizations such as the IEA and IPCC together with the Group's business activity data. The estimated impact amounts are then compared with operating profit at the business Unit level to assess the degree of relevance for each business. At the same time, the total impact on the Group as a whole is taken into account to determine overall material issues from a companywide perspective.

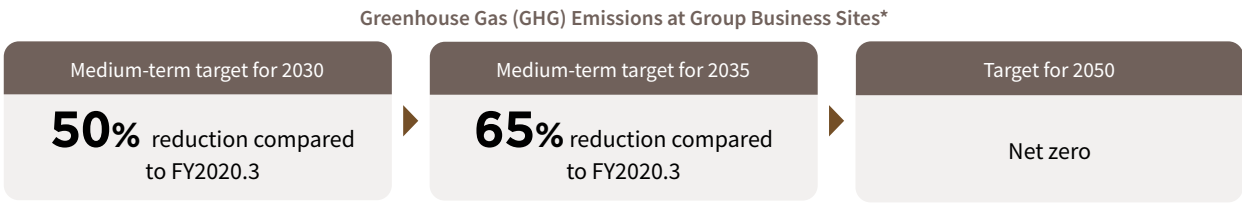
In promoting sustainability activities, the Group Risk Management Committee, which oversees the Group's crisis management framework, collaborates with Group companies. (P.108). Each Group company implements initiatives aligned with material issues in accordance with the characteristics of its businesses. The results of these initiatives are analyzed annually on both a Groupwide basis and by business Unit, and the findings are used to improve initiatives in subsequent fiscal years. These analyses are discussed at meetings of the Group Sustainability Committee and reported to the Board of Directors, which, when necessary, holds deliberations on the results and provides supervision accordingly.

Indicators and Targets

The Bandai Namco Group has established greenhouse gas (GHG) emissions as an indicator to evaluate and manage the progress of its ESG management and the impact of policy risks and other risks pertaining to climate change. As medium-term targets, the Group aims to reduce GHG emissions at its business sites (offices, Company-owned factories, directly operated amusement facilities, etc.) by 50% by 2030

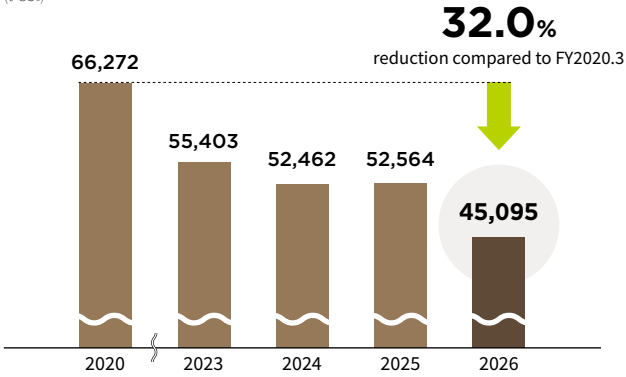
and by 65% by 2035, when compared with FY2020.3. Furthermore, we have set forth the target of achieving net-zero GHG emissions at our business sites by 2050. Going forward, we will strive to further promote energy conservation initiatives, introduce renewable energy and carbon credits, and pursue other initiatives with a view toward achieving these targets.

Medium- to Long-Term Targets for Decarbonization



* Offices, company-owned factories, directly operated amusement facilities, etc.

Bandai Namco Group CO₂ Emissions (Scope1+Scope2)
(t-CO₂)



Fiscal years ended March 31

* Net emissions

Notes:

- The amount of renewable energy used (purchased) for FY2022.3 and prior fiscal years is included in the total for non-renewable energy.
- For Scope 1 and Scope 2 emissions data, limited assurance or review by a third party has been conducted.
- Scope 1, Scope 2, and Scope 3 emissions data include all consolidated companies of the Bandai Namco Group in Japan and overseas.
- Past figures may be retroactively revised following a review of collected data.
- Scope 3 emissions by category and their calculation methods can be found on the Bandai Namco Holdings sustainability website.

Supply Chain CO₂ Emissions (Scope3)

		FY2026.3
Scope3		1,907,270
Category 1	Purchased goods and services	1,044,129
Category 2	Capital goods	201,732
Category 3	Fuel- and energy-related activities not included in Scope1 and 2	8,477
Category 4	Upstream transportation and distribution	23,586
Category 5	Waste generated in business operations	6,101
Category 6	Business travel	14,591
Category 7	Employee commuting	1,567
Category 8	Upstream leased assets	Not applicable
Category 9	Downstream transportation and distribution	4
Category 10	Processing of sold products	Not applicable
Category 11	Use of sold products	8,377
Category 12	End-of-life treatment of sold products	598,706
Category 13	Downstream leased assets	Not applicable
Category 14	Franchises	Not applicable
Category 15	Investment	Not applicable

MESSAGE

DECARBONIZATION INITIATIVES



Miyuki Nakagiri

Assistant Manager Business Strategy Team
Hobby Products Division Hobby Creation Department
BANDAI SPIRITS CO., LTD.

BANDAI HOBBY CENTER PLAMO DESIGN INDUSTRIAL INSTITUTE (BHCPDII)

A Sustainable Factory That Inspires Visitors Through Solar Power and Energy-Efficient Design

The BANDAI HOBBY CENTER PLAMO DESIGN INDUSTRIAL INSTITUTE (BHCPDII) (P.58) is a new Bandai Hobby Center factory located in Shizuoka City, Shizuoka Prefecture. This factory was designed as a production base for the reliable supply of model kits as well as a sustainable factory that inspires visitors through its *Monozukuri* (craftsmanship)practices.

A major characteristic of this factory is the solar power generation system installed on its roof. This system comprises 1,080 solar panels and began generating power in August 2025. Even before the BHCPDII commenced full-scale production, it was already sourcing a portion of its power from this system, which has been confirmed to have contributed to reductions in CO₂ emissions of 179 tons over the eight-month period from August 2025 to March 2026. Shizuoka City has favorable sunlight conditions, and the solar power generation system installed at the existing Bandai Hobby Center has also generated more electricity than expected.

However, this solar power generation system is not the only environmental feature at the BHCPDII. Energy-efficient design was employed throughout the facility to reduce energy consumption from production floor air-conditioning and lighting as well as other equipment. In addition to high-efficiency air-conditioning, LED lighting, and high-insulation materials, the factory utilizes a monitoring system for tracking electricity use that is contributing to everyday improvement activities.

Another major characteristic is its all-in-one production system, in which all processes from molding to bagging, packaging, and shipping are carried out within a single factory. This approach eliminates the need for transportation of items between bases. Moreover, the factory employs automated guided vehicles (AGVs), automatic conveyance systems, and ceiling-mounted conveyance trollies to reduce labor requirements and improve efficiency. In addition, rainwater is used for certain equipment. The factory is also being

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operated in a manner that emphasizes connections with the community and with fans. For example, events are held to foster communication with local residents and the factory's museum showcases and communicates our *Monozukuri* expertise.

The BHCPDII commenced full-scale production in August 2026. Going forward, we will closely monitor electricity consumption and power generation data throughout the year in order to further optimize air-conditioning management and equipment operations. The

BHCPDII will also act as a model factory showcasing the insight gained through years of operating the Bandai Hobby Center. It is our hope that the BHCPDII will become more than an eco-friendly and reliable source of high-quality model kits; we want it to be a place that children and fans admire, somewhere they dream of working someday.



Solar panels installed at the BHCPDII



Exterior of BHCPDII MUSEUM

TOPIC

Examples of Initiatives Toward Decarbonization

Initiatives at Each Business Site

The Bandai Namco Group is promoting carbon offset initiatives at its major business sites, factories, logistics centers, and amusement facilities across Japan. Since FY2023.3, the Group has started switching to renewable energy at its various business sites. Since then, the Group has implemented initiatives such as introducing solar power generation at domestic factories, including the Bandai Hobby Center, improving the energy efficiency of arcade game machines, and introducing FIT non-fossil fuel certificates and carbon credits. As a result, the Group's reduction in GHG emissions in FY2026.3 was approximately 21,000 t-CO₂ compared with FY2020.3.

BANDAI NAMCO HOLDINGS' INDEPENDENT OUTSIDE DIRECTORS

CHAPTER 4 [GROWTH FOUNDATION]

Strengthening Governance Through

Diverse Perspectives and Experience

INDEPENDENT OUTSIDE DIRECTORS: