

MESSAGE

DECARBONIZATION INITIATIVES

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:

THE LEAD INDEPENDENT OUTSIDE DIRECTOR'S MESSAGE

Toshio Shimada

Outside Director
Bandai Namco Holdings Inc.

INDEPENDENT
OUTSIDE DIRECTOR'S
MESSAGE

“I am committed to providing effective oversight and pertinent advice to help evolve Bandai Namco into a company that can create the future.”

Revision of the Board of Directors' Effectiveness Evaluation Process

The Board of Directors' evaluations over the past several fiscal years have consistently yielded high scores, which I believe accurately reflect the strong business performance achieved during that period. Corporate performance and Board effectiveness scores are generally perceived to be correlated. Such a correlation makes sense as the effectiveness scores are an assessment of the Board of Directors, which steers management in its pursuit of performance. However, we must not limit ourselves to viewing Board effectiveness from the perspective of performance. Identifying the root causes of management risks, promoting, and sounding the alert at the first sign of initiatives or actions that do not align with the Company's Purpose are, after all, also important functions of the Board of Directors.

With this in mind, we have continued to revise the criteria examined in evaluations of Board effectiveness in step with

changes in corporate governance-related trends since these evaluations commenced. In FY2027.3, we will enhance our Board effectiveness evaluation process by introducing one-on-one meetings with each director in addition to the existing questionnaire-based assessment. This initiative is intended to generate more practical and actionable proposals for improvement.

The effectiveness evaluations are a self-evaluation process each Board member undertakes, and we all understand how difficult it can be to evaluate yourself. This is why we intend to continue evolving the evaluation process to prevent it from becoming stale, avoid undue influence from performance trends, and constantly inject new perspectives to make the evaluations themselves more effective.

Appointment of New Outside Directors

The Ordinary General Meeting of Shareholders held in June 2026 saw three of the Company's five outside directors pass the baton to new members. This change resulted in a

particularly large shift in the membership of the Independent Directors Committee and the Personnel Committee.

Personally, I began my sixth year as an outside director at Bandai Namco in June 2026. Over the years, I have endeavored to maintain an independent perspective as I take part in various meetings. Nevertheless, I cannot deny that I have become more attuned to the internal logic of the Company. I am encouraged by the fact that a majority of our outside directors are newly appointed. Going forward, I hope to serve as a bridge between the executive team and these directors, ensuring that their fresh and independent perspectives are effectively leveraged to enhance management and governance. I anticipate that the appointment of new outside directors will help drive further improvements in the Company's corporate value. Recognizing the importance of my role as a bridge, I will work tirelessly to support Bandai Namco's evolution into a company that creates the future and look forward to being part of that journey.

Long-Term Directives and the IP Axis Strategy

An ongoing series of discussions led by the Independent Directors Committee has been taking place with regard to the Group's short-term measures and long-term outlook. Nowadays, many Japanese companies have been taking an approach of starting from their long-term outlook and using backcasting to decide their short-term measures. At Bandai Namco, we are taking the approach of setting our Mid-term strategies based on our long-term vision. However, as an entertainment company, our role is not only to respond to the future but also to help create it. To do so, we must remain proactive and take action based on a deep understanding of current challenges, market changes, and the evolving desires of our fans.

To make our discussions in this area more concrete, we identified our approach to implementing the IP axis strategy as a key discussion topic for FY2027.3. We plan to explore this topic in greater depth at forums such as off-site Vision Meetings. Through these discussions, we aim to build a shared understanding of the IP axis strategy among all directors while considering how the strategy should evolve in response to changes in the business environment and society. We believe these discussions will help shape our long-term strategic direction and outlook.

Role and Key Issues of the Personnel Committee

The Personnel Committee meets as needed to discuss executive appointments and compensation and other matters. Executive compensation systems continue to be refined with each coming year, and I believe they are coming in line with our ideals. In FY2026.3, for example, we introduced earnings per share among the evaluation indicators used for determining compensation to better encourage executives to share the interests of shareholders. In this manner, we have continued to diligently evolve our executive compensation systems. Looking ahead, I believe that the refinement of sustainability evaluations might be among the topics brought up in discussions of

how to further improve these systems. We have continued to review and fine-tune sustainability evaluation criteria since they were first introduced. However, given the importance of sustainability to management, I believe there is room for us to further strengthen our approach in this area from the perspective of creating business opportunities while managing risks. I therefore hope the newly appointed outside directors will evaluate the appropriateness of our criteria and provide frank, independent perspectives.

The Personnel Committee is not directly involved in the selection of executive candidates. While some governance discussions have advocated giving outside directors a more direct role in executive appointments, our approach is different. At Bandai Namco, discussions on executive candidate development programs are conducted by the Personnel Committee independently of individual personnel decisions. The Committee is therefore not currently involved in discussions regarding the executive candidate selection process itself. While the Personnel Committee has opportunities to engage with selected candidates, its limited role in the final selection process may leave some room for concern about increasing homogeneity among management leaders. Taking these points into account, I would also like to deepen discussions, from a future-oriented perspective, on the role of the Personnel Committee.

Management Engagement with Fans and Investors

In an era of ingrowing uncertainty, businesses face an ever-expanding array of risks. Excluding geopolitical risks, the greatest risk to the Group is the disparity between the direction chosen by management and the expectations of fans. Bandai Namco aspires to create the trends of tomorrow. To do so, we must avoid becoming constrained by internal logic or overly focused on short-term business performance. It is therefore essential that the Company remain humble in its engagement with fans. I intend to provide oversight and guidance to support this objective.

In terms of our relationship with the capital markets, I take seriously the fact that strong business performance does not always translate into a corresponding increase in our share price. It is my belief that, in corporate management, outside directors and investors are like different wheels on the same car. I am committed to engaging in constructive dialogue with investors to foster mutual understanding, ensuring that the Group's strengths and potential are properly recognized while also incorporating investor perspectives into management. Ultimately, I believe the ideal outcome is a relationship in which both parties remain humble and receptive to reconsidering their own viewpoints.

INDEPENDENT OUTSIDE DIRECTORS' MESSAGES



Yuki Ikuno

Outside Director
Bandai Namco Holdings Inc.

Even prior to my becoming an outside director at the Company, I had the strong impression that the Bandai Namco Group was an organization that developed a diverse range of products and businesses based on various popular characters (IP), thereby forging relationships with fans around the world. Another key strength of the Group, alongside its ability to drive business development, is its strong and stable financial foundation.

We will promote sustainable growth by reflecting the views of a diverse range of stakeholders in management and maintaining constructive dialogue.

I have more than three decades of experience working at European and U.S. investment banks. During this time, I have been involved in financing and other financial matters relating to Japanese companies from a global perspective. This experience has taught me that assessing corporate value requires both a financial perspective, focused on capital efficiency, and a non-financial perspective, focused on a company's ability to sustain and build on its strengths. For an entertainment company whose business is centered on IP, it is essential to evaluate not only quantifiable metrics but also the intangible value created by nurturing IPs over the long term and deepening engagement with fans.

As an outside director, I focus on whether potential investments will enhance long-term IP value while maintaining capital efficiency and investment discipline, with a view to supporting sustainable growth over the medium to long term. Through these efforts, I aim to help strengthen the Group by supporting the effective allocation of stable cash flows to growth investments and shareholder returns, while

maximizing the value of its IP across toys, games, anime, and events.

I also recognize the important role the Group's global operations play in bringing Japanese IP to audiences around the world and creating new opportunities for growth. Amid an increasingly uncertain global environment, it is essential for the Company to accurately assess geopolitical and regulatory developments in each market and respond appropriately in order to achieve sustainable growth while maintaining effective risk management.

I am fully committed to fulfilling my role as an outside director to help the Bandai Namco Group continue providing joy and inspiration to fans around the world in keeping with its Purpose of "Fun for All into the Future." I will strive to ensure that management decisions reflect the perspectives of diverse stakeholders while fostering constructive dialogue to support sustainable growth.



Mikiharu Noma

Outside Director
Bandai Namco Holdings Inc.

Guided by our Purpose of "Fun for All into the Future," the Bandai Namco Group has continued to provide entertainment to fans around the world by developing a unique global business model centered on powerful IPs. Taking this model to the next stage will require solid growth strategies supported by robust corporate governance systems.

My role is to support Bandai Namco's ambitions through a disciplined governance framework and help translate them into sustainable growth.

As an academic, I have continued to take part in research on corporate value assessment, corporate accounting, and corporate finance. I hope to use these insights to promote discussions at Board of Directors' meetings regarding the balance between shareholder returns and growth investments for driving ongoing growth and concerning other topics related to improving corporate value.

Corporate value is increasingly being assessed not only on financial performance but also on how companies contribute to a sustainable society through the disclosure of non-financial information and the effective management of human capital and other intangible assets. From a professional standpoint, I am committed to clearly and transparently communicating to shareholders how creativity and human capital, the intangible assets at the heart of the Company's strengths, create future corporate value.

Furthermore, efforts to deliver smiles and dreams to fans around the world must be driven by the passion and ambition of Group employees. Unexpected developments and trying circumstances are part of doing business. Fortunately, Bandai Namco has a deeply rooted culture of perseverance and ambition even in the face of such hardship. This enduring spirit of ambition is the foundation of the Company's ability to deliver new inspiration and a key driver of long-term corporate value.

My role is to support Bandai Namco's ambitions through a disciplined governance framework and help translate them into sustainable growth. My commitment is to provide strong oversight of management and help ensure that Bandai Namco continues to be a company trusted by its stakeholders. I sincerely appreciate your continued support.



Takayuki Komiya

Outside Director
Audit & Supervisory Committee Member
Bandai Namco Holdings Inc.

Recently, I have seen the Board of Directors evolve beyond discussing individual businesses to addressing challenges facing the Group as a whole. The transition toward a monitoring board with a stronger focus on medium- to long-term management issues is steadily progressing. I have also seen increased transparency in how the Group and its businesses identify key issues, analyze their underlying causes, and develop appropriate responses.

To continue meeting stakeholders' expectations, I will draw on my own experience to help ensure that the Company's governance framework functions effectively.

The Bandai Namco Group has fostered a distinctive corporate culture and traditions over its long history. The Company also possesses the flexibility to respond effectively to a rapidly changing business environment. I believe the board culture we should carry forward is one that is not bound by tradition, looks squarely at the current business environment, and is willing to replace established practices with better ones. At the same time, the Board has welcomed new outside directors. I hope to help foster open and objective discussion, ensuring that all viewpoints receive fair consideration.

Looking ahead, a key area of focus will be extending effective governance practices throughout the Group. As the Group continues to grow, so too does the number and diversity of its affiliates and associates. It is therefore increasingly important to establish common governance standards and ensure their consistent application across the Group. In addition, as the business cycle is fundamentally one of investment and return, close monitoring after investment is critical. Timely visibility into work

in progress is especially important and will remain a key focus of my oversight from a financial standpoint.

The Bandai Namco Group's continued growth will depend on the successful execution of its IP axis strategy, including further development of existing IPs, revitalization of underutilized IPs, strategic use of external IPs, and the creation of new IPs. The Board of Directors must therefore maintain oversight of these efforts from short-, medium-, and long-term perspectives. I hope that shareholders will continue to support the Group as fans as well as investors. Leveraging my experience as a certified public accountant, tax accountant, and outside director, I will continue to focus on effective corporate governance so that Bandai Namco remains well positioned to meet the expectations of all its stakeholders.



Kanako Muraoka

Outside Director
Audit & Supervisory Committee Member
Bandai Namco Holdings Inc.

In June 2026, before assuming the role of outside director at Bandai Namco, I had the opportunity to watch *MOBILE SUIT GUNDAM HATHAWAY The Sorcery of Nymph Circe*. The experience left a strong impression on me and reinforced just how far Japanese animation has evolved. The visuals, storytelling, characters, and music were all of an extraordinarily high standard. This made me realize that the true

I will do everything I can to ensure that the Bandai Namco Group can continue to provide joy and diverse value to as many people as possible.

strength of the Bandai Namco Group lies in its ability to create value across a broad range of entertainment businesses.

The Group's presence across a diverse range of products and services enables each business to reinforce the others, creating synergies that support sustainable growth. This collective strength is a defining characteristic of the Group. Its current foundation has been built through the successful integration of its four business Units, the cultivation of a global fan base through overseas expansion, and the steady development of creative capabilities over the long term.

In my view, the Group's corporate value ultimately depends on its people, then on IP, and finally on the corporate functions that enable both to thrive. As an Audit & Supervisory Committee member, I want to pay particular attention to the steps the Company takes to enhance human capital and strengthen global IP management. I will also focus on legal, compliance, and sustainability matters, such as

regulations pertaining to generative AI, management of overseas subsidiaries, post-merger integration after overseas M&A activities, and effective management of workplace environments and sales methods in other countries of operation.

If a company whose mission is to provide joy fails to take compliance and sustainability seriously, it cannot hope to build a lasting fan base. Delivering inspiring experiences to fans requires a well-functioning organization. I therefore intend to help Bandai Namco strengthen its human capital, IP management, and internal controls to ensure the continued delivery of high-quality content and services to fans around the world. I will do my utmost to help the Bandai Namco Group bring joy and diverse forms of value to an ever-growing number of people by bringing entertainment created in Japan to audiences around the globe.